

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

(Securities Code: 8227)

April 30, 2024

To our shareholders:

Makoto Suzuki  
Representative Director and President  
**Shimamura Co., Ltd.**  
1-602-1 Kitabukuro-cho, Omiya-ku,  
Saitama-city, Saitama

## Notice of the 71st Annual General Meeting of Shareholders

We are pleased to announce the 71st Annual General Meeting of Shareholders of Shimamura Co., Ltd. (the “Company”), which will be held as indicated below.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the following Company’s website, etc. Please access the website by using the internet address shown below to review the information.

The Company’s IR website

<https://www.shimamura.gr.jp/ir/stock/> (in Japanese)

Website for informational materials for the general meeting of shareholders

<https://d.sokai.jp/8227/teiji/> (in Japanese)

In addition to posting matters for which measures for providing information in electronic format are to be taken on the Company’s website, etc., we also post this information on the website of Tokyo Stock Exchange, Inc. (TSE) shown below.

Tokyo Stock Exchange, Inc.’s website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the internet address shown above, enter “Shimamura Co., Ltd.” in “Issue name (company name)” or the Company’s securities code “8227” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting].”)

If you are unable to attend the Meeting in person, you can exercise your voting rights via the Internet or in writing (mail), etc. Please review the Reference Documents for the General Meeting of Shareholders, and follow the Instructions given below to exercise your voting rights no later than Thursday, May 16, 2024, at 5:45 p.m. (JST).

- 1. Date and Time:** Friday, May 17, 2024, at 10:00 a.m. (JST)
- 2. Venue:** “ROSE ROOM,” 4F, PALACE HOTEL OMIYA, SONIC CITY  
1-7-5, Sakuragi-cho, Omiya-ku, Saitama-city, Saitama
- 3. Purpose of the Meeting:**  
**Matters to be reported**
  1. The Business Report and the Consolidated Financial Statements for the 71st fiscal year (from February 21, 2023, to February 20, 2024), and the results of

audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board

2. The Non-consolidated Financial Statements for the 71st fiscal year (from February 21, 2023, to February 20, 2024)

**Matters to be resolved**

**<Proposals from the Company (Proposal No. 1 to Proposal No. 4)>**

**Proposal No. 1:** Appropriation of Surplus

**Proposal No. 2:** Election of Nine Directors

**Proposal No. 3:** Election of Four Audit & Supervisory Board Members

**Proposal No. 4:** Payment of Retirement Benefits to Retiring Audit & Supervisory Board Members and Final Payment of Accrued Retirement Benefits Associated with the Abolition of the Retirement Benefit System for Audit & Supervisory Board Members

**<Proposal from our shareholders (Proposal No. 5)>**

**Proposal No. 5:** Amendments to the Articles of Incorporation

An outline of the shareholder proposal (Proposal No. 5) is as stated in page 16 through page 17 of the Reference Documents for the General Meeting of Shareholders.

**4. Matters Decided in Connection with the Convocation (Guidance Notes on Exercise of Voting Rights)**

- (1) If you indicate neither your approval nor disapproval of each proposal on the returned voting form, your answer will be deemed to be an approval for the Company proposals and a disapproval for the shareholder proposal.
- (2) If you exercise your voting rights via the Internet, etc. multiple times, only your last vote will be treated as valid.
- (3) If you exercise your voting rights via the Internet, etc. and also by writing (mail), regardless of the arrival date and time, your vote placed via the Internet, etc. will be treated as valid.

For shareholders who requested the delivery of paper-based documents, we send documents including matters for which measures for providing information in electronic format are to be taken, however, please note that the following matters are excluded based on the provisions of laws and regulations and Article 16 of the Company's Articles of Incorporation.

- Tables of explanatory notes on Consolidated Financial Statements
- Tables of explanatory notes on Non-consolidated Financial Statements

Therefore, the business report, the consolidated financial statements and the non-consolidated financial statements described in this document are part of the documents audited by the financial auditor for the purpose of preparing their audit report and by the members of the Audit & Supervisory Board for the purpose of preparing their audit report.

When you attend the Meeting, you are kindly requested to present the voting form at the reception. If revisions to the matters for which measures for providing information in electronic format are to be taken arise, a notice of the revisions and the details of the matters for which measures for providing information in electronic format are to be taken before and after the revisions will be posted on the Company's aforementioned websites and the TSE website. If any significant changes are made to the operation of the general meeting of shareholders, such changes will be posted on the Company's website (<https://www.shimamura.gr.jp/>) (in Japanese).

Video footage of the reporting at the meeting such as those mentioned above in "Matters to be reported" will be available for viewing from the following website (<https://www.shimamura.gr.jp/ir/stock/>) (in Japanese).

## Reference Documents for the General Meeting of Shareholders

### Proposals for the 71st Annual General Meeting of Shareholders

#### <Proposals from the Company (Proposal No. 1 to Proposal No. 4)>

##### Proposal No. 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows.

##### 1. Year-end dividends

The Company has given consideration to matters including the business performance of the fiscal year and future business development, and it proposes to pay year-end dividends for the 71st fiscal year as follows.

##### (1) Type of dividend property

To be paid in cash.

##### (2) Allotment of dividend property and their aggregate amount

The Company proposes to pay a dividend of ¥150 per common share of the Company.

In this event, the total dividends will be ¥5,512,594,950.

##### (3) Effective date of dividends of surplus

The effective date of dividends will be May 20, 2024.

##### 2. Other appropriation of surplus

As for internal reserves, the Company proposes the following to strengthen the management foundation in preparation for the aggressive development of operations in the future.

##### (1) Item of surplus to be decreased and amount of decrease:

Retained earnings brought forward: ¥29,000,000,000

##### (2) Item of surplus to be increased and amount of increase:

General reserve: ¥29,000,000,000

**Proposal No. 2: Election of Nine Directors**

The terms of office of all nine Directors will expire at the conclusion of this Meeting. The Company proposes the election of nine Directors, including three outside Directors.

The candidates for Directors are as follows:

| Candidate No. | Name                 | Attribute of candidate                                   | Current position in the Company | Years in office as Director | Number of Board of Directors meetings attended (FY2023) |
|---------------|----------------------|--|---------------------------------|-----------------------------|---|
| 1             | Makoto Suzuki        | Reappointment  | Representative Director         | Five years                  | 17/17   |
| 2             | Iichiro Takahashi    | Reappointment  | Director                        | Five years                  | 17/17   |
| 3             | Takashi Nakahira     | Reappointment  | Director                        | Two years                   | 17/17   |
| 4             | Yoshiteru Tsujiguchi | Reappointment  | Director                        | One year                    | 13/13   |
| 5             | Hajime Ueda          | Reappointment  | Director                        | One year                    | 13/13   |
| 6             | Hidejiro Fujiwara    | Reappointment  | Director and Senior Advisor     | Four years                  | 16/17   |
| 7             | Tamae Matsui         | Reappointment<br>Outside Director<br>Independent Officer | Outside Director                | Nine years                  | 17/17   |
| 8             | Yutaka Suzuki        | Reappointment<br>Outside Director<br>Independent Officer | Outside Director                | Six years                   | 17/17   |
| 9             | Teiichi Murokubo     | Reappointment<br>Outside Director<br>Independent Officer | Outside Director                | Two years                   | 17/17   |

Note: As Directors Yoshiteru Tsujiguchi and Hajime Ueda assumed their offices as of May 12, 2023, the number of Board of Directors meetings they were eligible to attend is different from that of other Directors.

| Candidate No.   | Name<br>(Date of birth)                                  | [Career summary, positions and responsibility in the Company]  | Number of the Company's shares owned |
|---|--|--|--------------------------------------|
| 1   | Makoto Suzuki<br>(June 22, 1965)<br><u>Reappointment</u> | <p>Mar. 1989      Joined the Company</p> <p>Nov. 2004      General Manager of Logistics Department</p> <p>May 2011      Director</p> <p>                    Supervising Import Department, Logistics Department, Merchandise Management Department, and Store Management Department</p> <p>Feb. 2014      Supervising Logistics Department, Systems Development Department, and Import Department</p> <p>Mar. 2015      Supervising Logistics Department and Systems Development Department</p> <p>May 2015      Executive Officer</p> <p>Feb. 2018      Executive Officer and General Manager of the Planning Office</p> <p>May 2019      Director and Executive Officer</p> <p>Feb. 2020      President and Representative Director, Executive Officer (current position)</p> <p>May 2020      Director of Shimamura (Taiwan) (current position)</p> | 2,700 Shares                         |
| <p>■Significant concurrent positions outside the Company<br/>Director of Shimamura (Taiwan)</p>   |  |  |                                      |
| <p>■Reasons for nomination as a candidate for Director<br/>Since assuming the position of Representative Director of the Company in February 2020, Makoto Suzuki has demonstrated leadership at the center of the management by utilizing his many years of experience and knowledge, and as a chairman of the Board of Directors, he has appropriately made decisions on important business execution and supervised the execution of directors' duties.<br/>We have determined that he is qualified for the achievement of the Company's further improvement of sustainable corporate value and re-nominated him as a Director candidate.</p> |  |  |                                      |

| Candidate No.   | Name<br>(Date of birth)                                       | [Career summary, positions and responsibility in the Company]   | Number of the Company's shares owned |
|---|---|---|--------------------------------------|
| 2   | Ichiro Takahashi<br>(August 25, 1974)<br><u>Reappointment</u> | <p>Mar. 1999      Joined the Company</p> <p>Mar. 2013      General Manager of Shimamura Store Operation Department 8</p> <p>Feb. 2014      General Manager of Shimamura Merchandise Department 3</p> <p>Feb. 2018      General Manager of Shimamura Sales Planning Department</p> <p>Feb. 2019      Executive Officer<br/>Supervising Logistics Department, Import Department, and Systems Development Department</p> <p>May 2019      Director and Executive Officer</p> <p>Feb. 2020      Supervising Shimamura Merchandise Department, Sales Planning Department, Advertising Department, and Market Research Department (current position)</p> <p>Feb. 2021      Director of Shimamura (Taiwan) (current position)</p> <p>Feb. 2022      Director and Senior Executive Officer (current position)</p> | 650 Shares                           |
| <p>■Significant concurrent positions outside the Company<br/>Director of Shimamura (Taiwan)</p>   |   |   |                                      |
| <p>■Reasons for nomination as a candidate for Director<br/>Since assuming the position of Director in May 2019, Ichiro Takahashi has been responsible for the management of the Company by utilizing his many years of experience and knowledge and being in charge of the Shimamura Merchandise Department, Sales Planning Department, Advertising Department, and Market Research Department.<br/>We have determined that he is qualified for the achievement of the Company's further improvement of sustainable corporate value and re-nominated him as a Director candidate.</p> |   |   |                                      |

| Candidate No.  | Name<br>(Date of birth)  | [Career summary, positions and responsibility in the Company]   | Number of the Company's shares owned |
|--|--|---|--------------------------------------|
| 3  | Takashi Nakahira<br>(December 1, 1970)<br><u>Reappointment</u> | <p>Mar. 1994      Joined the Company</p> <p>Feb. 2014      General Manager of Shimamura Merchandise Department 2</p> <p>Aug. 2017      General Manager of Store Development Department 1</p> <p>Aug. 2018      General Manager of Shimamura Merchandise Department 1</p> <p>Feb. 2021      Executive Officer<br/>In charge of Avail Business</p> <p>May 2022      Director and Executive Officer<br/>In charge of Avail Business (current position)</p> | 850 Shares                           |
| <p>■Significant concurrent positions outside the Company<br/>-</p>   |  |   |                                      |
| <p>■Reasons for nomination as a candidate for Director<br/>Since assuming the position of Director in May 2022, Takashi Nakahira has been responsible for the management of the Company by utilizing his many years of experience and knowledge and being in charge of Avail Business.<br/>We have determined that he is qualified for the achievement of the Company's further improvement of sustainable corporate value and re-nominated him as a Director candidate.</p> |  |   |                                      |

| Candidate No.   | Name<br>(Date of birth)   | [Career summary, positions and responsibility in the Company]   | Number of the Company's shares owned |
|---|---|---|--------------------------------------|
| 4   | Yoshiteru Tsujiguchi<br>(July 17, 1970)<br><u>Reappointment</u> | <p>Mar. 1994      Joined the Company</p> <p>Mar. 2009      General Manager of Birthday Merchandise Department 1</p> <p>Feb. 2016      General Manager of Chambre Administration Department</p> <p>Aug. 2016      General Manager of Chambre Merchandise Department</p> <p>Feb. 2021      Executive Officer<br/>In charge of Chambre Business</p> <p>May 2023      Director and Executive Officer<br/>In charge of Chambre Business</p> <p>Feb. 2024      Director and Executive Officer<br/>General Manager of Planning Office (current position)</p> | 890 Shares                           |
| <p>■Significant concurrent positions outside the Company</p> <p>—</p>   |   |   |                                      |
| <p>■Reasons for nomination as a candidate for Director</p> <p>Since assuming the position of Director in May 2023, Yoshiteru Tsujiguchi has been responsible for the management of the Company by utilizing his many years of experience and knowledge and serving as General Manager of the Planning Office. We have determined that he is qualified for the achievement of the Company's improvement of sustainable corporate value and re-nominated him as a Director candidate.</p> |   |   |                                      |

| Candidate No.   | Name<br>(Date of birth)                                   | [Career summary, positions and responsibility in the Company]   | Number of the Company's shares owned |
|---|---|---|--------------------------------------|
| 5   | Hajime Ueda<br>(October 19, 1971)<br><u>Reappointment</u> | <p>Mar. 1995      Joined the Company</p> <p>Sept. 2011      General Manager of Birthday Merchandise Department 2</p> <p>Feb. 2017      General Manager of Shimamura Store Operation Department 7</p> <p>Aug. 2018      General Manager of Shimamura Merchandise Department 6</p> <p>Feb. 2021      Executive Officer<br/>In charge of Birthday Business</p> <p>May 2023      Director and Executive Officer<br/>In charge of Birthday Business (current position)</p> | 990 Shares                           |
| <p>■Significant concurrent positions outside the Company</p> <p>—</p>   |   |   |                                      |
| <p>■Reasons for nomination as a candidate for Director</p> <p>Since assuming the position of Director in May 2023, Hajime Ueda has been responsible for the management of the Company by utilizing his many years of experience and knowledge and being in charge of Birthday Business. We have determined that he is qualified for the achievement of the Company's improvement of sustainable corporate value and re-nominated him as a Director candidate.</p> |   |   |                                      |



| Candidate No.  | Name<br>(Date of birth)   | [Career summary, positions and responsibility in the Company] | Number of the Company's shares owned |
|--|---|---|--------------------------------------|
| 6  | Hidejiro Fujiwara<br>(October 18, 1940)<br><u>Reappointment</u> | Sept. 1970      Joined the Company<br>Office Manager          | 681,100 Shares                       |
|  |   | Apr. 1975      Director                                       |                                      |
| May 1981      Senior Managing Director   |   |   |                                      |
| May 1989      Senior Managing Director and Representative<br>Director  |   |   |                                      |
| May 1990      President and Representative Director  |   |   |                                      |
| May 2005      Chairman and Representative Director   |   |   |                                      |
| May 2009      Director and Senior Advisor  |   |   |                                      |
| May 2011      Senior Advisor   |   |   |                                      |
|  |   | May 2020      Director and Senior Advisor (current position)  |                                      |
| <p>■Significant concurrent positions outside the Company</p> <p>—</p>  |   |   |                                      |
| <p>■Reasons for nomination as a candidate for Director</p> <p>For 36 years since 1975, Hidejiro Fujiwara was responsible for the management of the Company as a Director, and in 2011, he assumed a position as an advisor to support the management, and in order to clarify responsibility and authority, he was reappointed as a Director in May 2020.</p> <p>We have determined that he is qualified for the achievement of the Company's further improvement of sustainable corporate value and re-nominated him as a Director candidate.</p> |   |   |                                      |

| Candidate No.   | Name<br>(Date of birth)  | [Career summary, positions and responsibility in the Company] | Number of the Company's shares owned |
|---|--|---|--------------------------------------|
| 7   | Tamae Matsui<br>(August 14, 1946)<br><u>Reappointment</u><br><u>Outside Director</u><br><u>Independent Officer</u> | Sept. 1983      Joined Seiyu Shoes, Ltd.                      | 100 Shares                           |
|   |  | Mar. 1986      Transferred to Seiyu, Ltd.                     |                                      |
| May 2001      Executive Officer, General Manager of<br>Environment Promotion Office   |  |   |                                      |
| Mar. 2003      Corporate Executive Officer, SVP of Human<br>Asset Department  |  |   |                                      |
| May 2008      Retired from Seiyu, Ltd.  |  |   |                                      |
| Oct. 2010      Director and Vice President of Matsui Office<br>Corporation (current position)   |  |   |                                      |
| May 2015      Outside Director of the Company (current<br>position)   |  |   |                                      |
| <p>■Significant concurrent positions outside the Company</p> <p>Director and Vice President of Matsui Office Corporation</p>  |  |   |                                      |
| <p>■Reasons for nomination and overview of expected roles as a candidate for outside Director</p> <p>Tamae Matsui has extensive experience and broad insight gained from her long-term involvement in the fields of retail personnel policies, welfare, and social and environmental sustainability. The Company proposes the reelection of Tamae Matsui as outside Director so that this experience may be utilized to enhance the management and corporate governance of the Company through advice about the Company's personnel policies, based on her experience.</p> <p>The Company expects her to participate, as a member of the Nomination &amp; Remuneration Committee and the Management Plan Formulation Committee, in deciding proposals such as those regarding candidates for officer and officer remuneration, and in formulating the long-term and medium-term management plan and annual management plan, from an objective and neutral standpoint.</p> |  |   |                                      |

| Candidate No.   | Name<br>(Date of birth)  | [Career summary, positions and responsibility in the Company]   | Number of the Company's shares owned |
|---|--|---|--------------------------------------|
| 8   | Yutaka Suzuki<br>(December 6, 1949)<br><u>Reappointment</u><br><u>Outside Director</u><br><u>Independent Officer</u> | <p>Mar. 1973      Joined Kewpie Corporation</p> <p>Feb. 2001      Director</p> <p>Feb. 2003      Managing Director</p> <p>Feb. 2004      President and Representative Director</p> <p>Mar. 2011      Consultant</p> <p>Mar. 2013      Retired from Consultant, Kewpie Corporation</p> <p>Nov. 2013      President and Representative Director,<br/>Yamashiro Management R&amp;D Institute LTD.</p> <p>May 2018      Outside Director of the Company (current<br/>position)</p> <p>Nov. 2019      Advisor, Yamashiro Management R&amp;D<br/>Institute LTD.</p> <p>Sept. 2020      Retired from Yamashiro Management R&amp;D<br/>Institute LTD.</p> | 100 Shares                           |
| <p>■Significant concurrent positions outside the Company</p> <p>—</p>   |  |   |                                      |
| <p>■Reasons for nomination and overview of expected roles as a candidate for outside Director</p> <p>The Company proposes the reelection of Yutaka Suzuki as outside Director so that his extensive experience and broad insight, which he cultivated as a corporate manager, may be utilized to enhance the management and corporate governance of the Company.</p> <p>The Company expects him to participate, as a member of the Nomination &amp; Remuneration Committee and the Management Plan Formulation Committee, in deciding proposals such as those regarding candidates for officer and officer remuneration, and in formulating the long-term and medium-term management plan and annual management plan, from an objective and neutral standpoint.</p> |  |   |                                      |

| Candidate No.  | Name<br>(Date of birth)   | [Career summary, positions and responsibility in the Company]   | Number of the Company's shares owned |
|--|---|---|--------------------------------------|
| 9  | Teiichi Murokubo<br>(December 2, 1954)<br><u>Reappointment</u><br><u>Outside Director</u><br><u>Independent Officer</u> | <p>Apr. 1978      Joined The Saitama Bank, Ltd. (currently Saitama Resona Bank, Limited)</p> <p>Jul. 2001      General Manager of Saitama Banking Department of The Asahi Bank, Ltd. (currently Saitama Resona Bank, Limited)</p> <p>Oct. 2003      General Manager of Public Institutions Division of Saitama Resona Bank, Limited</p> <p>Oct. 2004      General Manager of Kumagaya Branch</p> <p>Jun. 2007      Retired from Saitama Resona Bank, Limited<br/>Executive Director of Saitama Association of Corporate Executives</p> <p>Jun. 2021      Senior Adviser (part-time) (current position)</p> <p>Jul. 2021      Advisor of Daiei Real Estate &amp; Development Co., Ltd. (current position)</p> <p>May 2022      Outside Director of the Company (current position)</p> <p>Jun. 2023      Auditor (Outside) of PORITE CORPORATION (current position)</p> | —                                    |
| <p>■Significant concurrent positions outside the Company<br/>Senior Adviser (part-time) of the Saitama Association of Corporate Executives<br/>Advisor of Daiei Real Estate &amp; Development Co., Ltd.<br/>Auditor (Outside) of PORITE CORPORATION</p>  |   |   |                                      |
| <p>■Reasons for nomination and overview of expected roles as a candidate for outside Director<br/>Teiichi Murokubo served in positions such as Executive Director of the Saitama Association of Corporate Executives and has deep insight regarding corporate management in addition to deep knowledge related to finance and accounting based on his many years of experience at financial institutions. The Company proposes his reelection as it has judged that he can be utilized to strengthen the management of the Company and improve corporate governance by providing advice and proposals based on his experience from an independent and outside viewpoint.<br/>The Company expects him to participate, as a member of the Nomination &amp; Remuneration Committee and the Management Plan Formulation Committee, in deciding proposals such as those regarding candidates for officer and officer remuneration, and in formulating the long-term and medium-term management plan and annual management plan, from an objective and neutral standpoint.</p> |   |   |                                      |

- Notes:
1. There is no special interest between any candidates and the Company.
  2. Tamae Matsui, Yutaka Suzuki, and Teiichi Murokubo are candidates for outside Directors.
  3. The Company has submitted a notification to Tokyo Stock Exchange, Inc. concerning the designation of candidates for outside Directors Tamae Matsui, Yutaka Suzuki, and Teiichi Murokubo as independent officers. If their reelections are approved, the Company plans for their designation as independent officers to continue.
  4. Tamae Matsui, Yutaka Suzuki, and Teiichi Murokubo are currently outside Directors of the Company. At the conclusion of this Meeting, their tenures since assuming office as outside Directors will have been nine years for Tamae Matsui, six years for Yutaka Suzuki, and two years for Teiichi Murokubo.
  5. The Company has entered into limited liability agreements with Tamae Matsui, Yutaka Suzuki, and Teiichi Murokubo to limit their liability for damages under Article 423, paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act. The maximum amount of the liability for damages based on said agreement shall be the minimum liability amount set forth in Article 425, paragraph 1 of the said act. If their reelections are approved, the Company intends to extend these agreements.
  6. The number of the Company's shares owned by each candidate is as of the end of the fiscal year (February 20, 2024) before the stock split that took place on February 21, 2024.

**Proposal No. 3: Election of Four Audit & Supervisory Board Members**

The terms of office of all four Audit & Supervisory Board Members will expire at the conclusion of this Meeting. Therefore, the Company proposes the election of four Audit & Supervisory Board Members, including two outside Audit & Supervisory Board Members. This proposal has already been accepted by the Audit & Supervisory Board.

The candidates for Audit & Supervisory Board Member are as follows:

| Candidate No.   | Name<br>(Date of birth)                                   | [Career summary and positions in the Company]   | Number of the Company's shares owned |
|---|---|---|--------------------------------------|
| 1   | Masaaki Sato<br>(April 2, 1959)<br><u>New appointment</u> | Mar. 1982      Joined the Company<br>Feb. 1993      General Manager of Accounting Department<br>Feb. 2004      General Manager of the Planning Office<br>May 2005      Director<br>Supervising Human Resources Department,<br>General Administration Department,<br>Accounting Department, and Track & Field<br>Athletics Department<br>Mar. 2009      Supervising Birthday Merchandise<br>Department and Sales Planning Department,<br>and Chambre Merchandise Department and<br>Sales Planning Department<br>May 2011      Managing Director<br>Feb. 2012      Supervising Merchandise Department,<br>Advertising Department, and Divalo<br>Merchandise Department<br>May 2015      Managing Executive Officer<br>Supervising Store Development Department<br>and Construction Department<br>Feb. 2016      Supervising Store Department and Store<br>Management Department<br>Feb. 2019      Supervising Human Resources Department,<br>General Administration Department,<br>Accounting Department, Merchandise<br>Management Department, and Track & Field<br>Athletics Department<br>Feb. 2021      Senior Executive Officer<br>Supervising Human Resources Department,<br>General Administration Department,<br>Accounting Department, Education<br>Department, Merchandise Management<br>Department, and Track & Field Athletics<br>Department<br>Feb. 2024      Senior Executive Officer, Assistant to<br>President (current position) | 4,764 Shares                         |
| ■Significant concurrent positions outside the Company<br>-  |   |   |                                      |
| ■Reasons for nomination as a candidate for Audit & Supervisory Board Member<br>Masaaki Sato has held General Manager positions and Executive Officer positions in many departments of the Company over a long period of time, and is very familiar with the Company's business. He also possesses experience as a Director, and the Company has nominated him as a candidate for Audit & Supervisory Board Member because we have determined that he will be able to appropriately conduct audits and supervision as an Audit & Supervisory Board Member utilizing his extensive expertise. |   |   |                                      |

| Candidate No.   | Name<br>(Date of birth)  | [Career summary and positions in the Company]  | Number of the Company's shares owned |
|---|--|--|--------------------------------------|
| 2   | Hiroyuki Shimamura<br>(April 12, 1953)<br><u>Reappointment</u> | <p>Mar. 1979      Joined the Company</p> <p>Sept. 1986    General Manager of the Auditing Office</p> <p>May 1990      Director</p> <p>Nov. 1991     President and Representative Director of Shimamura Kousan Co., Ltd. (current position)</p> <p>May 2001     Audit &amp; Supervisory Board Member of the Company (current position)</p> <p>Dec. 2017     Audit &amp; Supervisory Board Member of Shimamura Kikaku Co., Ltd. (current position)</p> <p>Jan. 2022     Director of CREATIVE LIFE Co., Ltd. (current position)</p> | 501,074 Shares                       |
| <p>■Significant concurrent positions outside the Company<br/>President and Representative Director of Shimamura Kousan Co., Ltd.<br/>Audit &amp; Supervisory Board Member of Shimamura Kikaku Co., Ltd.<br/>Director of CREATIVE LIFE Co., Ltd.</p>   |  |  |                                      |
| <p>■Reasons for nomination as a candidate for Audit &amp; Supervisory Board Member<br/>The Company proposes the reelection of Hiroyuki Shimamura as Audit &amp; Supervisory Board Member so that he may utilize his many years of experience as an executive and as an Audit &amp; Supervisory Board Member at the Company to provide accurate recommendations and contribute to improving the effectiveness of audits by the Audit &amp; Supervisory Board as a whole.</p> |  |  |                                      |

| Candidate No.  | Name<br>(Date of birth)  | [Career summary and positions in the Company]  | Number of the Company's shares owned |
|--|--|--|--------------------------------------|
| 3  | Shigehisa Horinokita<br>(December 29, 1951)<br><u>Reappointment</u><br><u>Outside Audit &amp; Supervisory Board Member</u> | <p>Aug. 1982     Registered as a certified public accountant</p> <p>Jun. 2003     Representative partner of Asahi &amp; Co. (now KPMG AZSA LLC)</p> <p>Jul. 2014     Head of Shigehisa Horinokita Certified Public Accounting Office (current position)</p> <p>Jun. 2015     Outside Director of Sanyo Industries, Ltd.</p> <p>Dec. 2015     Outside Auditor of TOYO Corporation (current position)</p> <p>May 2016     Outside Audit &amp; Supervisory Board Member of the Company (current position)</p> <p>Jun. 2016     Outside Director of Sanyo Industries, Ltd. (Audit and Supervisory Committee Member) (current position)</p> | 0 Shares                             |
| <p>■Significant concurrent positions outside the Company<br/>Head of Shigehisa Horinokita Certified Public Accounting Office<br/>Outside Auditor of TOYO Corporation<br/>Outside Director of Sanyo Industries, Ltd. (Audit and Supervisory Committee Member)</p>   |  |  |                                      |
| <p>■Reasons for nomination as a candidate for outside Audit &amp; Supervisory Board Member<br/>The Company proposes the reelection of Shigehisa Horinokita as Audit &amp; Supervisory Board Member because, while he does not possess direct corporate management experience except as an outside officer, we have determined that he can use his knowledge and extensive experience in finance and accounting which he cultivated as a certified public accountant to enhance the auditing system of the Company.</p> |  |  |                                      |

| Candidate No.   | Name<br>(Date of birth)  | [Career summary and positions in the Company]  | Number of the Company's shares owned |
|---|--|--|--------------------------------------|
| 4   | Teiichi Takatsuki<br>(August 2, 1960)<br><u>New appointment</u><br><u>Outside Audit &amp; Supervisory Board Member</u> | Apr. 1983      Joined World Co., Ltd.  | 0 Shares                             |
|   |  | Jun. 2007      Executive Officer and General Manager of Business Management Department |                                      |
| Apr. 2008      Executive Officer and General Manager of Accounting Supervising Department   |  |  |                                      |
| Oct. 2012      Executive Officer and General Manager of Business Support Division   |  |  |                                      |
| Jun. 2015      Member of the Board (Member of Audit & Supervisory Committee)  |  |  |                                      |
| Jun. 2023      Retired from Member of the Board (Member of Audit & Supervisory Committee), World Co., Ltd.  |  |  |                                      |
| <b>■Significant concurrent positions outside the Company</b><br>-   |  |  |                                      |
| <b>■Reasons for nomination as a candidate for outside Audit &amp; Supervisory Board Member</b><br>Teiichi Takatsuki has experience in accounting, finance, etc. at other companies, as well as experience and a high level of insight as a Director and Audit and Supervisory Committee Member. The Company has nominated him as a candidate for Audit & Supervisory Board Member because we have determined that he will be able to provide recommendations to ensure the validity and appropriateness of decision-making by the Board of Directors. |  |  |                                      |

- Notes:
1. There is no special interest between any candidates and the Company.
  2. Shigehisa Horinokita and Teiichi Takatsuki are candidates for outside Audit & Supervisory Board Member.
  3. Shigehisa Horinokita is currently outside Audit & Supervisory Board Member of the Company. At the conclusion of this Meeting, his tenure since assuming office as outside Audit & Supervisory Board Member will have been eight years.
  4. The Company has entered into a limited liability agreement with Shigehisa Horinokita to limit his liability for damages under Article 423, paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act. The maximum amount of the liability for damages based on said agreement shall be the minimum liability amount set forth in Article 425, paragraph 1 of the said act. If his reelection is approved, the Company intends to extend this agreement. If the election of Teiichi Takatsuki is approved, the Company also plans to enter into a limited liability agreement with him.
  5. The Company has submitted notification to Tokyo Stock Exchange, Inc. concerning the designation of Shigehisa Horinokita as an independent officer, and, if his reelection is approved, the Company plans for his appointment as an independent officer to continue. The Company also plans to submit notification concerning the designation of Teiichi Takatsuki as an independent officer if his election is approved, as he fulfills the independent officer criteria of Tokyo Stock Exchange, Inc.
  6. The number of the Company's shares owned by each candidate is as of the end of the fiscal year (February 20, 2024) before the stock split that took place on February 21, 2024.

**Proposal No. 4: Payment of Retirement Benefits to Retiring Audit & Supervisory Board Members and Final Payment of Accrued Retirement Benefits Associated with the Abolition of the Retirement Benefit System for Audit & Supervisory Board Members**

At the conclusion of this Meeting, Standing Audit & Supervisory Board Member Hideyuki Yoshioka and Audit & Supervisory Board Member Tetsuya Omi will retire due to the expiration of their term of office. To compensate them for their efforts while in office, the Company wishes to pay retirement benefits totaling ¥24.69 million (¥22.68 million to Hideyuki Yoshioka and ¥2.016 million to Tetsuya Omi) in accordance with standards designated by the Company.

The Company requests that timing of retirement benefits payment, method of payment, etc. be entrusted to the discretion of the Audit & Supervisory Board. The career summaries for the retiring Audit & Supervisory Board Members are as indicated below:

| Name              | Career summary |   |
|-------------------|----------------|---|
| Hideyuki Yoshioka | May 2009       | Standing Audit & Supervisory Board Member of the Company (current position) |
| Tetsuya Omi       | May 2020       | Outside Audit & Supervisory Board Member of the Company (current position)  |

As part of the review of the Audit & Supervisory Board Member remuneration system, at the Audit & Supervisory Board held of November 28, 2022, the Company resolved to abolish the retirement benefit system for Audit & Supervisory Board Members at the conclusion of this Meeting. Accordingly, on the condition that Proposal No. 3 is approved and adopted as originally proposed, from among the reelected Audit & Supervisory Board Members, in order to compensate Hiroyuki Shimamura and Shigehisa Horinokita for their efforts while in office until the conclusion of this Meeting, in accordance with standards designated by the Company, the Company will pay final accrued retirement benefits totaling ¥11.59 million (¥7.56 million to Hiroyuki Shimamura and ¥4.032 million to Shigehisa Horinokita). The timing of payment will be at the time of each Member's retirement as an Audit & Supervisory Board Member, and the specific method of payment, etc. will be entrusted to the discretion of the Audit & Supervisory Board.

The career summary for the Audit & Supervisory Board Members subject to the final payment of accrued retirement benefits is as indicated below:

| Name                 | Career summary |  |
|----------------------|----------------|--|
| Hiroyuki Shimamura   | May 2001       | Audit & Supervisory Board Member of the Company (current position)         |
| Shigehisa Horinokita | May 2016       | Outside Audit & Supervisory Board Member of the Company (current position) |

### <Proposal from our shareholders (Proposal No. 5)>

Proposal No. 5 was made by a single shareholder. The contents of the proposal and the reasons for the proposal are stated in the original text.

#### **Proposal No. 5: Amendments to the Articles of Incorporation**

##### 1. Details of proposal

The following article will be newly added to the current Articles of Incorporation under “Chapter 7: Calculation.”

“The Company will determine the amount of dividends thereafter to the extent permitted by law, with a minimum dividend of 5.0% of net assets per share for the dividend of retained earnings, commencing with the dividend paid at the end of the fiscal year ending February 2025.”

##### 2. Reason for proposal

The proposal aims to introduce “a Dividend on Equity (DOE) of 5%” as the Company’s dividend policy.

The Company has expanded the scale of its operations while adapting to the times and steadily increased its ability to generate cash flow through its superior business strategy. On the other hand, the Company has not updated the shareholder return policy, and we believe that a change in the shareholder return policy would be effective in order to implement the Tokyo Stock Exchange, Inc.’s request for “management to be aware of the cost of capital and share price.”

Despite the rapid deterioration in the business environment and performance during the unprecedented COVID-19 pandemic, the Company’s level of cash and deposits have continued to rise and we have a robust business that is unlikely to require any further cash reserves.

The Company’s market capitalization as of February 29, 2024 is approximately ¥590 billion. As of November 20, 2023, the Company had internal reserves of ¥250 billion in cash and securities, which is a sufficient level compared with the amount spent on the most recent acquisition of tangible fixed assets, which was ¥8.2 billion (fiscal year ended February 28, 2022) and ¥4.4 billion (fiscal year ended February 28, 2023). The Company has a solid financial base, so a dividend policy based on DOE is appropriate. The proposers are making this proposal because proposers believe that a DOE of 5% is a minimum level since the Company is a business with an ROE of approximately 9%, and that even if a dividend policy of 5% DOE is introduced, it would be sufficient to maintain the Company’s conservative financial base and proceed with business expansion.

(Note from the Company) The above is a verbatim description of the proposal and the reasons for the proposal as listed in the shareholder’s proposal submitted by the shareholder



<Opinion of the Board of Directors on Proposal No. 5>

The Board of Directors is “against” this proposal.

◆ Reason

Based on our management philosophy, the management vision of the Company is to “build a ‘good company’ for employees, customers, business partners, society, and shareholders.” By doing so, the Company aims to realize a sustainable society by creating value for all stakeholders through our initiatives to solve ESG issues. The Company aims to provide our employees with a stable living and working environment, to improve the environment at our stores so that customers can enjoy a comfortable shopping experience and to provide products with high quality, high sensitivity, and low price, and to achieve fair transactions and long-term growth with our business partners.

The Company’s basic policy is to reward shareholders with a continuous increase in dividends and a stable return to shareholders by ensuring a stable financial base and by improving performance on a sustained basis through proactive investment in growth.

On this basis, when formulating the medium-term management plan 2027 (beginning from FY2024), the Board of Directors of the Company fully considered the balance between the relevant three-year business plan and growth investments aimed at increasing corporate value, and internal reserves for risk preparedness and mobility. As a result, the Board of Directors of the Company has resolved to promptly respond to the recent rapid changes in the global and domestic environment, to stabilize the financial base for sustainable growth and consider growth investment for business expansion as the most important issue, to strengthen the ratio of growth investment to management resources to be around 50%, to increase the shareholder return policy to a payout ratio of around 35.0%, and to increase Dividend on Equity (DOE) to approximately 3.0%. Therefore, the Board of Directors believes that the dividend policy (DOE 5.0%) sought in the shareholder proposal could hinder the achievement of medium- and long-term management theme and create concern in regard to difficulty in providing stable shareholder returns to shareholders in the future.

Each year, the Board of Directors of the Company deliberates and decides on a proposal for the appropriation of surplus funds based on the above-mentioned shareholder return policy, and the proposal is then deliberated and resolved by shareholders at the general meeting of shareholders.

In contrast, the shareholder proposal seeks to establish the method for calculating the amount of dividends indicated by the proposing shareholder as a new provision in the Articles of Incorporation. If such a provision were to be established in the Articles of Incorporation, it would be necessary to determine the amount of dividends using a uniform calculation method, regardless of the Company’s performance and the need to use funds for investment in growth, and it is clear that the provision would undermine the mobility and flexibility of the Company’s future business operations and capital policy, including shareholder returns.

Therefore, the Board of Directors of the Company opposes the shareholder proposal.

## **(Reference)**

### **Nomination Criteria of Officers**

<Nomination criteria for candidates for Directors>

Candidates for Directors of the Company are those who satisfy the following criteria and who are deemed to have the knowledge, skills, and experience that can contribute to the realization of the management philosophy as members of the Board of Directors. The Board of Directors shall appoint a nominee by its resolution, after deliberation by the Nomination & Remuneration Committee.

Candidates for outside Directors are those who satisfy the requirements for outside Directors stipulated in the Companies Act. The Company shall appoint at least three persons from among those who satisfy the criteria in 5. below in lieu of 4. below.

1. The candidate must have strong determination and the high level of ability necessary to perform the duties of a Director.
2. The candidate must have the character and insight appropriate for a Director of the Company.
3. The candidate must be able to secure the time and effort necessary to appropriately fulfill the roles and responsibilities required of the Company's Directors.
4. The candidate must have the knowledge, ability, and broad experience to contribute to the formulation and execution of the Company's management strategy based on a deep understanding of the Group's business and business environment.
5. The candidate must have advanced professional knowledge or abundant experience in corporate management, academics, finance and accounting, legal affairs, or other fields, and can be expected to perform duties from an independent and objective perspective.

<Independence criteria for outside Directors and outside Audit & Supervisory Board Members>

The Company determines that a person who does not fall under any of the following items is deemed to have independence.

1. A person who currently serves as an executive of the Company or a subsidiary thereof or has served in the past ten years (executive as defined in Article 2, paragraph 3, item vi of the Regulation for Enforcement of the Companies Act; hereinafter the same in these criteria).
2. A person to whom the Company is a major business partner or an executive for such a party. (Note)
3. A person who is a major business partner of the Company or an executive for such a party. (Note)
4. Consultant, accounting professional or legal professional who receives cash at an amount of ¥10 million or more or any other assets in the most recent fiscal year, other than officer remuneration, from the Company (if the party who receives such cash or assets is a corporation or organization, a person who belongs to an organization that receives more than 2% of the net sales or gross income of the said organization from the Company)
5. A person who has fallen under items 2. to 4. above within the past three years.
6. A person who substantively holds 10% or more of the voting rights of the Company or an executive for such a party.
7. A spouse or a relative within the second degree of kinship of a person who falls under 1. to 6. above.

Note: "Major business partner" refers to a person whose transaction amount in the most recent fiscal year accounts for 2% or more of the Company or such business partner's annual net sales.

**(Reference)**

**Expected skills as a member of the Board of Directors**

Directors (tentative) after this General Meeting of Shareholders

| Name                 | Corporate management | Merchandise and marketing | DX and IT | Finance and Accounting | Legal Compliance Risk management | Organization and human resources | ESG |
|----------------------|----------------------|---------------------------|-----------|------------------------|----------------------------------|----------------------------------|-----|
| Makoto Suzuki        | ○                    |                           | ○         | ○                      | ○                                | ○                                | ○   |
| Iichiro Takahashi    | ○                    | ○                         | ○         |                        |                                  |                                  | ○   |
| Takashi Nakahira     | ○                    | ○                         |           |                        |                                  |                                  | ○   |
| Yoshiteru Tsujiguchi | ○                    | ○                         |           |                        |                                  |                                  | ○   |
| Hajime Ueda          | ○                    | ○                         |           |                        |                                  |                                  | ○   |
| Hidejiro Fujiwara    | ○                    |                           | ○         | ○                      | ○                                |                                  | ○   |
| Tamae Matsui         | ○                    | ○                         |           |                        | ○                                | ○                                | ○   |
| Yutaka Suzuki        | ○                    | ○                         |           |                        | ○                                | ○                                | ○   |
| Teiichi Murokubo     | ○                    |                           |           | ○                      | ○                                | ○                                | ○   |