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(Securities Code: 8227)

April 25, 2018

To our shareholders:

Tsuneyoshi Kitajima,
President and Representative Director
Shimamura Co., Ltd.
2-19-4 Miyahara-cho, Kita-ku,
Saitama-city, Saitama

Notice of the 65th Annual General Meeting of Shareholders

You are cordially invited to attend the 65th Annual General Meeting of Shareholders of Shimamura Co., Ltd. (the “Company”), which will be held as indicated below.

If you are unable to attend the Meeting in person, you can exercise your voting rights in writing. Please review the attached Reference Documents for the General Meeting of Shareholders, and indicate your approval or disapproval of the proposals on the enclosed voting form, and return it so that your vote is received by Thursday, May 10, 2018, at 6:30 p.m. (JST).

- 1. Date and Time:** Friday, May 11, 2018, 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 65th fiscal year (from February 21, 2017 to February 20, 2018), 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 65th fiscal year (from February 21, 2017 to February 20, 2018)

Matters to be resolved

- Proposal No. 1:** Appropriation of Surplus
Proposal No. 2: Partial Amendments to the Articles of Incorporation
Proposal No. 3: Election of One Director

- When you attend the Meeting, you are kindly requested to present the enclosed voting form at the reception.
- If any changes are made to the Reference Documents for the General Meeting of Shareholders or to the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements, such changes will be posted on the Company’s website (<http://www.shimamura.gr.jp/>).

Reference Documents for the General Meeting of Shareholders

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 65th 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 ¥125 per common share of the Company.

In this event, the total dividends will be ¥4,594,212,875.

(3) Effective date of dividends of surplus

The effective date of dividends will be May 14, 2018.

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: ¥21,000,000,000

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

General reserve: ¥21,000,000,000

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reason for the Amendments

The Company proposes the following changes to the Articles of Incorporation relating to Directors in order to create a flexible system that can swiftly respond to changes in the management environment.

2. Details of the Amendments

(Underlined portions indicate amendments.)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter IV</p> <p>Board of Directors and Audit & Supervisory Board</p> <p>Article 22 (Representative Directors and Directors)</p> <p>(1) One or more Representative Directors shall be appointed by resolution of the Board of Directors.</p> <p>(2) The Board of Directors shall, by resolution, select one President from the Directors.</p> <p style="text-align: center;">(Newly established)</p>	<p style="text-align: center;">Chapter IV</p> <p>Board of Directors and Audit & Supervisory Board</p> <p>Article 22. (Representative Directors and Directors)</p> <p>(1) (Unchanged)</p> <p>(2) (Unchanged)</p> <p>(3) <u>The Board of Directors shall, by resolution, select one Chairman and Director from the Directors.</u></p>

Proposal No. 3: Election of One Director

At the conclusion of this Meeting, the term of office of outside Director Hidezo Terai will expire. Therefore, the Company proposes election of one outside Director.

In addition, as provided for in the Company's Articles of Incorporation, the term of office of Director elected as a substitute will be until the terms of office of the other currently serving Directors expire. The candidate for outside Director is as follows.

Name (Date of birth)	Career summary, positions and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
Yutaka Suzuki (December 6, 1949)	Mar. 1973 Joined Kewpie Corporation Feb. 2001 Director Feb. 2003 Managing Director Feb. 2004 President and Representative Director Mar. 2011 Consultant Mar. 2013 Advisor Nov. 2013 President and Representative Director of Yamashiro Management R&D Institute LTD. (current position) June 2015 Retired from Kewpie Corporation	-

- Notes:
1. There is no special interest between candidate for outside Director Yutaka Suzuki and the Company.
 2. The Company plans to submit notification to Tokyo Stock Exchange, Inc. concerning the designation of candidates for outside Director Yutaka Suzuki as an independent officer.
 3. Reasons for nomination as candidates for outside Director
The Company proposes the election 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.
 4. Should Proposal No. 3 Election of One Director be approved, and Yutaka Suzuki take office, the Company plans to enter into a limited liability agreement with him to limit his liability for damages under Article 423, paragraph 1 of the Company's 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 amount prescribed in laws and regulations.