

Japan Catalyst, Inc.

Shareholder Proposal to SHIMAMURA Co., Ltd. (8227)

TOKYO, April 8, 2026 – Japan Catalyst, Inc. (hereinafter referred to as "JCI") implements an engagement strategy with Japanese listed companies through two investment vehicles under its advisory: the Monex Activist Mother Fund ("MAMF", a Japan-registered mutual fund) and the Japan Catalyst Fund ("JCF", a Cayman-registered corporate-type investment fund).

With a long-term investment perspective, JCI has been engaging with SHIMAMURA Co., Ltd. ("SHIMAMURA"), a key holding of MAMF and JCF. As part of this engagement, MAMF has submitted a shareholder proposal for SHIMAMURA's 73rd Annual General Meeting of Shareholders, scheduled for May 2026. A summary of the proposal is provided in the attached appendix.

**This shareholder proposal was submitted by Monex Asset Management, Inc. ("MAM"), acting as the proxy agent for MAMF. JCI has provided support to MAM in connection with the submission of this proposal.*

Appendix

*In this shareholder proposal, “the Company” refers to SHIMAMURA Co., Ltd.

Shareholder Proposal (Main Text Only)

All figures referenced in the Proposal below are based on the Company’s consolidated financial statements.

1. Proposal: Appropriation of Surplus

(1) Summary of the Proposal:

We propose that any surplus be appropriated as follows to ensure that the total annual dividend equals an amount equivalent to a dividend payout ratio of 60%.

This proposal is made independently of any proposal for appropriation of surplus that may be submitted by the Company’s Board of Directors at the Annual General Meeting of Shareholders.

The year-end dividend is calculated based on the number of shares prior to the stock split effective February 21, 2026, with a record date of February 20, 2026.

(a) Type of Dividend Assets:

Cash

(b) Amount of Dividend per Share:

The dividend per share shall be ¥260 minus the amount of dividend per share proposed by the Board of Directors and approved at the Annual General Meeting of Shareholders.

If the “amount equivalent to a 60% dividend payout ratio” — calculated as earnings per share for the 73rd fiscal year multiplied by 0.6, rounded down to the nearest yen, and then reduced by ¥100 (the “Payout Ratio Equivalent Amount”) — differs from ¥260, then the amount of ¥260 shall be replaced with the Payout Ratio Equivalent Amount.

(c) Method of Allocation and Total Amount:

A dividend of the per-share amount described in item (b) shall be paid for each share of the Company’s common stock. The total amount of dividends shall be calculated by multiplying the per-share dividend by the total number of issued shares of the Company as of February 20, 2026, excluding treasury shares.

(d) Effective Date of Dividend Distribution:

The date of the Annual General Meeting of Shareholders.

(e) Commencement Date of Dividend Payment:

The date falling three weeks after the business day following the date of the Annual General Meeting of Shareholders.

(2) Reason for the Proposal:

Through our ongoing dialogue, in light of changes in the external environment and shareholder feedback expressed through shareholder proposals, we are convinced that the Company's management team is committed to going beyond its existing policies and further enhancing return on equity ("ROE").

We view the Company's first-ever share buyback in January 2026 as an excellent initiative and a clear demonstration of this commitment.

The Company has established a solid competitive advantage in the domestic apparel retail industry, supported by its store expansion strategy, merchandising strategy, and store operations. In recent years, despite rising costs, the Company has maintained an operating margin of approximately 9% and has continued to generate stable cash flows. As of the end of the third quarter of the fiscal year ending February 2026, the Company held cash and cash equivalents of ¥281.1 billion against net assets of ¥522.4 billion and had no interest-bearing debt.

While continued improvements in profitability are expected due to the Company's strong business operations, further enhancement of ROE requires not only such improvements but also a reduction of shareholders' equity. To achieve an improvement in ROE, we believe that, at a minimum, it is necessary to adopt a dividend policy with a payout ratio of 60%, and we therefore submit this proposal.

This material is an English translation of a Japanese announcement made on the date above. Although JCI intended to faithfully translate the Japanese document into English, the accuracy and correctness of this English translation is not guaranteed and thus you are encouraged to refer to the original Japanese document.