

April 9, 2020

To all related parties:

Name of the Company: SHIMACHU CO., LTD.
Name of the Representative: Takaaki Okano
President and Representative
Director
(Code No. 8184; The First Section of the Tokyo Stock Exchange)
Further Inquiries: Kazuya Orimoto
Director, General Manager of
Corporate Planning
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Notice Concerning Decision to Provide Special Allowance to All Employees of the Company

SHIMACHU CO., LTD. (the “Company”) hereby gives notice that it has made a resolution at its meeting of the Board of Directors held on April 9, 2020 on the provision of special allowance to all employees of the Company (excluding Directors and LOA employees). The details are as follows:

1. Purpose, etc.

With the spread of COVID-19 infection, the Government has issued a declaration of state of emergency. The Company’s home improvement stores, which is its core business, have carried on business securing as many daily necessities as possible amidst the challenging conditions, because it plays a role in supporting customers’ daily lives as a regional infrastructure function by carrying the wide range of household and living supplies. Of a total of 59 stores of the Company, 58 stores are located in the subject areas under the declaration of state of emergency. In consideration of the fact, the Company has decided to provide special allowance to all employees (excluding Directors and LOA employees) in order to help mitigate the anxiety of employees who are struggling every day in the affected areas where the measures for preventing the spread of infection are highly important and employees who are unable to go to work due to various reasons.

2. Payment method, etc.

- Total expense: ¥452 million
- Timing of payment: April 24, 2020 (same as the payday for April)
- Eligible: All employees excluding Directors and LOA employees (all employees in permanent positions, all full-time employees, all part-timers and *arubaito* employees (students and side-job workers))

3. Impact on full-year non-consolidated financial results

The impact on full-year non-consolidated financial results will be ¥452 million. For the forecast of full-year non-consolidated financial results, see “Notice Concerning Revisions to Forecast of Full-Year Non-Consolidated Financial Results,” which is released today.