May 7, 2021

Dear Ms. Beatriz Balbin, and Ms. Seaty Sally

Makoto Suzuki, President and Representative Director
Makoto Oota, Planning Section General Manager
Shimamura Co., Ltd.

Regarding your inquiry written in the letter dated March 12, 2021, we will answer as follows:

Shimamura Co., Ltd. pursues business administration respecting people inside and outside Japan, as a policy for observing laws and regulations throughout our supply chain. Accordingly, we consider that it is important to respect human rights and maintain an appropriate working environment in the entire supply chain, including suppliers, their factories, and distribution of products.

Regarding the supply chain, we give an explanation about the "Shimamura Supplier Code of Conduct (CoC)" to prospective suppliers and check whether they follow it before starting transactions. As for the factories of private brand (PB) products, we check the aspects of CSR, such as "legal compliance," "protection for the human rights of workers," and "consideration for the environment," before certifying factories, while our Merchandise Management Department recognizes that employers' duties are to check the production capacity and management of each factory and consider working environments and human rights. (For details of the "Shimamura Supplier Code of Conduct," please refer to the page on "Society" in the sustainability section of our website.)

Our company requests all suppliers to follow the Shimamura Supplier Code of Conduct. This time, we asked our suppliers whether there were any acts, such as forcing Uyghur people to work, in our supply chain, and they reported that there were no such acts.

If it is found that any supplier goes against the CoC, we will discontinue transactions with said supplier.

Under the assumption that suppliers will keep following the CoC, our company will make continuous efforts to respect human rights and maintain the appropriate working environment throughout our supply chain, including factories and distribution centers.

Sincerely,