

[Translation]

December 29, 2020

To whom it may concern:

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(Securities code: 9843; First Section of the  
Tokyo Stock Exchange, and the Sapporo  
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**Notice Concerning Result of Tender Offer for  
Share Certificates of Shimachu Co., Ltd. (Securities Code: 8184),  
and Changes in a Subsidiary**

Nitori Holdings Co., Ltd. (the "Company" or the "Tender Offeror") implemented a tender offer (the "Tender Offer") under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "Act") for all of the shares of the common stock of Shimachu Co., Ltd. (securities code: 8184, First Section of Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange"); the "Target") (the "Target Shares") (excluding the Target Shares owned by the Company and the treasury shares owned by the Target) from November 16, 2020, and notifies the result of such Tender Offer as below, following the conclusion of the Tender Offer as of December 28, 2020.

In addition, the Company also hereby notifies that, as a result of the Tender Offer, the Target is scheduled to become a consolidated subsidiary of the Company as of January 6, 2021 (the commencement date of the settlement for the Tender Offer).

I. Result of Tender Offer

1. Overview of Tender Offer

(1) Name and Address of Tender Offeror

Nitori Holdings Co., Ltd.

1-2-39 Shinkotoni 7-jo, Kita-ku, Sapporo-shi, Hokkaido

(2) Name of Target

SHIMACHU CO., LTD.

(3) Class of Shares pertaining to the Tender Offer

Common shares

(4) Number of Share Certificates to be Purchased

Planned purchase quantity	Minimum planned purchase quantity	Maximum planned purchase quantity
38,955,187 shares	19,477,600 shares	- shares

(Note 1) The Company will not purchase all of the share certificates tendered in the Tender Offer ("Tendered Share Certificates"), if the total number of the Tendered Share Certificates is less than the minimum planned purchase quantity (19,477,600 shares). The Company will purchase all of the Tendered Share Certificates, if the total number of the Tendered Share Certificates is no less than the minimum planned purchase quantity (19,477,600 shares).

(Note 2) As the Company has not set any maximum planned purchase quantity, the planned purchase quantity indicated is the maximum number of Target Shares that the Company will acquire through the Tender Offer. The maximum number of Target Shares is 38,955,187 shares, which is obtained by deducting the number of treasury shares owned by the Target as of the August 31, 2020 (3,653,817 shares) as indicated in the "Summary of Non-consolidated Financial Results for the Year Ended August 31, 2020 (Based on Japanese GAAP)" published by the Target on October 2, 2020 (the "Earnings Briefing") and the number of the Target Shares owned by the Company as of November 13, 2020 (100 shares) from the total number of issued shares as of August 31, 2020 (42,609,104 shares) as indicated in the Earnings Briefing.

(Note 3) Fractional shares are also subject to the Tender Offer. Please note that, in the event the Target's shareholder exercises its right to demand a purchase of fractional shares in accordance with the Companies Act (Act No. 86 of 2005, as amended), the Target may purchase its own shares during the tender offer period under the Tender Offer (the "Tender Offer Period") in accordance with the procedures set forth in applicable laws and regulations.

(Note 4) There is no plan to acquire the treasury shares owned by the Target in the Tender Offer.

(5) Tender Offer Period

(I) Notified initial period for purchases, etc.

From November 16, 2020 (Monday) to December 28, 2020 (Monday) (30 business days)

(II) Possibility of extension at the Target's request

Not applicable

(6) Tender Offer Price, etc.

5,500 yen per share of common shares

2. Result of Tender Offer

(1) Outcome of Tender Offer

The terms of the Tender Offer included the condition that all of the Tendered Share Certificates will not be purchased in circumstances where the total number of the Tendered Share Certificates is less than the minimum planned purchase quantity (19,477,600 shares). However, as the total number of Tendered Share Certificates (30,009,772 shares) exceeded the minimum planned purchase quantity (19,477,600 shares), the Company will purchase all of the Tendered Share Certificates, as described in the Tender Offer commencement public notice and the Tender Offer Registration Statement (including the amendments made by the Amendments to Tender Offer Registration Statement dated November 20 and November 27 respectively).

(2) Public Notice Day for the Result of the Tender Offer and the Name of the Newspaper on which Such Notice is Published

In accordance with the provisions of Article 27-13, Paragraph 1 of the Act, the result of the Tender Offer has been publicized to the news media on December 29, 2020 at the Tokyo Stock Exchange, in the manner prescribed in Article 9-4 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended) and Article 30-2 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer (Ordinance of the Ministry of Finance No. 38 of November 26, 1990, as amended; the ("Ordinance")).

(3) Number of Share Certificates Purchased

Category of share certificates	Number of tenders converted into shares	Number of purchase converted into shares
Share certificates	30,009,772 shares	30,009,772 shares
Share option certificates	- shares	- shares
Bond with share options	- shares	- shares
Beneficiary certificates of share certificates ( )	- shares	- shares
Depository receipt for share certificates ( )	- shares	- shares
Total	30,009,772 shares	30,009,772 shares
(Total number of potential shares)	-	(- shares)

(4) Ownership Ratio of Share Certificates after Tender Offer

Number of voting rights represented by share certificates owned by Tender Offeror before Tender Offer	1	(Ownership ratio of share certificates before Tender Offer: 0.00%)
Number of voting rights represented by share certificates owned by specially related parties before Tender Offer	0	(Ownership ratio of share certificates before Tender Offer: 0.00%)
Number of voting rights represented by share certificates owned by Tender Offeror after Tender Offer	300,098	(Ownership ratio of share certificates after Tender Offer: 77.04%)
Number of voting rights represented by share certificates owned by specially related parties after Tender Offer	0	(Ownership ratio of share certificates after Tender Offer: 0.00%)
Total number of voting rights owned by all	389,008	

shareholders of Target		
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(Note 1) "Number of voting rights represented by share certificates owned by specially related parties before Tender Offer" shows the total number of voting rights represented by share certificates owned by each specially related party (excluding any persons who are excluded from specially related parties pursuant to Article 3(2)(i) of the Ordinance in the calculation of the ownership ratio of share certificates pursuant to each item of Article 27-2(1) of the Act).

(Note 2) "Total number of voting rights owned by all shareholders of Target" is the number of the voting rights owned by all shareholders as of August 31, 2020 as indicated in the annual securities report for the 61st fiscal year filed by the Target on November 27, 2020 (the "Target Annual Securities Report"). Given that the fractional shares were also subject to the Tender Offer, however, for the purpose of calculating the "Ownership ratio of share certificates before Tender Offer" and "Ownership ratio of share certificates after Tender Offer," the denominator is 389,552 (the number of voting rights represented by the number of shares (38,955,287 shares), which is obtained by deducting the number of treasury shares owned by the Target as of August 31, 2020 (3,653,817 shares) from the total number of issued shares of the Target as of the same date (42,609,104 shares), both as indicated in the Earnings Briefing).

(Note 3) "Ownership ratio of share certificates before Tender Offer" and "Ownership ratio of share certificates after Tender Offer" are both rounded to the nearest hundredth.

(5) Calculation when Purchase of Tender Offer is Conducted by the Pro Rata Method

Not applicable.

(6) Settlement Method

(I) Name and headquarters address of financial instruments business operator or bank, etc., to settle the purchase, etc.

Daiwa Securities Co., Ltd. 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

(II) Commencement date of settlement for the Tender Offer

January 6, 2021 (Wednesday)

(III) Settlement method

Without delay after the conclusion of the Tender Offer Period, the Company will post to the address of each tendering shareholder, etc. (or, in the case of foreign shareholders, their standing proxies) a notice of purchase, etc., through the Tender Offer.

Purchases will be made in cash. In accordance with the instructions of the tendering shareholder, etc., the sales price of the share certificates purchased will be remitted by the tender offer agent to a location designated by the tendering shareholder, etc. (or, in the case of foreign shareholders, their standing proxies) (a remittance charge may be payable) or be paid into the account of the tendering shareholder, etc. at the tender offer agent where the tender has been accepted, without delay after the commencement date of settlement for the Tender Offer.

### 3. Management Policy Following Completion of the Tender Offer and Future Outlook

The management policy following the Tender Offer remains unchanged from the details described in “Notice Concerning Commencement of Tender Offer for Share Certificates of Shimachu Co., Ltd. (Securities Code: 8184), and Execution of Management Integration Agreement with Shimachu Co., Ltd.” publicized by the Company as of November 13, 2020.

Furthermore, as the Tender Offer is completed, the Company plans to implement procedures for the purpose of acquiring all of the Target Shares (excluding the Target Shares owned by the Company and the treasury shares owned by the Target). Although Target Shares are currently listed on the First Section of the Tokyo Stock Exchange, if these procedures are implemented, they will be delisted following the prescribed procedures in accordance with the delisting standards of the Tokyo Stock Exchange. Once delisted, the Target Shares may not be traded on the First Section of the Tokyo Stock Exchange. Specific future procedures will be announced by the Target as soon as they are determined, after consultation with the Target.

### 4. The Place where a Copy of the Tender Offer Report is to be Made Available for Public Inspection

Nitori Holdings Co., Ltd.  
(6-20, Kamiya 3-chome, Kita-ku, Tokyo)  
Tokyo Stock Exchange, Inc.  
(2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo)

## II. Change in a Subsidiary

### 1. Reason for Change

As a result of the Tender Offer, the Target will become a consolidated subsidiary of the Company as of January 6, 2021 (the commencement date of the settlement for the Tender Offer).

### 2. Overview of Subsidiary to be Changed (the Target)

(i) Name	SHIMACHU CO., LTD.
(ii) Address	8-3-32, Kamiochiai, Chuo-ku, Saitama-shi, Saitama
(iii) Name and title of representative	Takaaki Okano, President and Representative Director
(iv) Description of business	Retail business for furniture and interior goods (curtains, carpet, interior small items, etc.), and home center goods (daily necessities, gardening, pets, timber, tools, etc.)
(v) Capital stock	16,533,000,000 yen (as of August 31, 2020)
(vi) Date of incorporation	November 15, 1969
(vii) Major shareholders and shareholding ratios (as of August 31, 2020) (Note 1)	Custody Bank of Japan, Ltd. (Trust Account) 8.63% The Master Trust Bank of Japan, Ltd. (Trust Account) 7.94% Custody Bank of Japan, Ltd. (Trust Account 9) 6.42% IRIS OHYAMA Inc. 5.13%

	Saitama Resona Bank, Limited	3.45%
	NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST (Standing Proxy: Tokyo Branch of The Hongkong and Shanghai Banking Corporation Limited)	2.72%
	Hitoshi Shimamura	2.59%
	SMBC Nikko Securities Inc.	2.22%
	UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT (Standing Proxy: Tokyo Branch of Citibank, N.A.)	2.06%
	Custody Bank of Japan, Ltd. (Trust Account 5)	1.98%

(viii) Relationship between the Tender Offeror and Target

Capital relationship	The Company owns 100 shares of the Target Shares (Percentage of voting rights held (Note 2) (Note 3): 0.00%) as of the date of this Press Release.
Personal relationship	N/A
Business relationship	N/A
Applicability to related parties	N/A

(iv) Target's Operating Results and Financial Position for the Last Three Years

Fiscal term	Year ended Aug. 2018 (JPY)	Year ended Aug. 2019 (JPY)	Year ended Aug. 2020 (JPY)
Net assets	194,288 million	188,698 million	181,584 million
Total assets	241,650 million	237,305 million	237,346 million
Net assets per share	4,297.60	4,439.18	4,661.36
Sales amount	140,199 million	139,980 million	146,694 million
Operating profit	9,888 million	8,994 million	9,598 million
Ordinary profit	10,541 million	9,143 million	10,094 million
Current net profit	4,301 million	6,049 million	6,422 million
Net profit per share	94.11	139.61	156.80
Dividend per share (interim dividend per share)	80.00 (40.00)	80.00 (40.00)	50.00 (50.00)

(Note 1) "Major shareholders and shareholding ratios (as of August 31, 2020)" is based on the

information stated in "Status of Major Shareholders" of the Target Annual Securities Report.

(Note 2) "Percentage of voting rights held" has been calculated with the number of voting rights (389,552) pertaining to the number of shares (38,955,287 shares) obtained by deducting the number of treasury shares owned by the Target as of August 31, 2020 (3,653,817 shares) from the total number of issued shares of the Target as of August 31, 2020 (42,609,104 shares), both as stated in the Earnings Briefing, as the denominator.

(Note 3) Figures are rounded to the nearest hundredth for the "percentage of voting rights held".

### 3. Number of Shares Acquired, Value of Acquisition, and Status of Shares Held Before and After the Acquisition

(1) Shares held before change	100 shares (Voting rights: 1) (Percentage of voting rights held: 0.00%)
(2) Number of shares acquired	30,009,772 shares (Voting rights: 300,097) (Percentage of voting rights held: 77.04%)
(3) Value of acquisition	Value of acquisition: JPY 165,053 million
(4) Shares held after change	30,009,872 shares (Voting rights: 300,098) (Percentage of voting rights held: 77.04%)

(Note 1) "Percentage of voting rights held" has been calculated with the number of voting rights (389,552) pertaining to the number of shares (38,955,287 shares) obtained by deducting the number of treasury shares owned by the Target as of August 31, 2020 (3,653,817 shares) from the total number of issued shares of the Target as of August 31, 2020 (42,609,104 shares), both as stated in the Earnings Briefing, as the denominator.

(Note 2) Figures are rounded to the nearest hundredth for the "percentage of voting rights held".

### 4. Schedule of Change (planned)

January 6, 2021 (Wednesday)

(the commencement date of the settlement for the Tender Offer)

### 5. Future outlook

The effect of the change in the subsidiary on the consolidated business results for this fiscal year is currently under evaluation. Should it become necessary to revise the business results forecast, or matters that should be announced arise in the future, such information will be promptly disclosed.

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