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Securities Code: 8218

June 1, 2018

To our shareholders:

Yuichiro Sasage  
President, CEO and COO  
**KOMERI CO., LTD.**  
4501-1, Shimizu, Minami-ku, Niigata-shi

## **NOTICE OF THE 57TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 57th Ordinary General Meeting of Shareholders of KOMERI CO., LTD. (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail. Please indicate your approval or disapproval of the proposals on the enclosed voting form after reviewing the attached Reference Documents for the General Meeting of Shareholders, and return it by postal mail to reach us no later than Thursday, June 21, 2018 at 6:00 p.m. (Japan Standard Time).

- 1. Date and Time:** Friday, June 22, 2018 at 10:00 a.m. (Japan Standard Time)  
(Reception to begin at 9:00 a.m.)
- 2. Venue:** Large Conference Room (4th Floor), Head Office of the Company  
4501-1, Shimizu, Minami-ku, Niigata-shi

### **3. Purposes:**

#### **Items to be reported:**

1. Business Report and Consolidated Financial Statements for the 57th Term (from April 1, 2017 to March 31, 2018), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Board
2. Non-Consolidated Financial Statements for the 57th Term (from April 1, 2017 to March 31, 2018)

#### **Items to be resolved:**

- |                 |                                 |
|-----------------|---------------------------------|
| <b>Proposal</b> | Election of Eight (8) Directors |
|-----------------|---------------------------------|

## Reference Documents for the General Meeting of Shareholders

### Proposal Election of Eight (8) Directors

All eight (8) current Directors will conclude their terms of office at the conclusion of this meeting. Accordingly, the Company proposes that eight (8) Directors be elected.

The candidates for Director are listed below.

If this item is approved as proposed, four (4) out of eleven (11) attending members of the Board of Directors will be Independent Outside Officers.

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Yuichiro Sasage (May 20, 1956)	Apr. 1988    Joined the Company. June 1992    Director of the Company Mar. 1996    Managing Director of the Company June 1997    Executive Director of the Company June 2002    Executive Vice-President of the Company June 2003    President and COO of the Company June 2014    President, CEO and COO of the Company (present positions) [Significant concurrent positions outside the Company] President, HOKUSEI SANGYO Co., Ltd. President, LIFE KOMERI Inc. President, MOVIE TIME Co., Ltd. President, Bit-A Co., Ltd. President, KOMERI CAPITAL Co., Ltd. President, KOMERI CREATE Co., Ltd. President, KOMERI SUPPORT Co., Ltd. Chairman, KOMERI midori-ikuseizaidan Chairman, Komeri Disaster Response Center NPO	704,430
[Reasons for nomination as a candidate for Director] Yuichiro Sasage, since being appointed as President in June 2003, has devoted himself to the further expansion of the home center business, including the development of "Power" store format, and in addition, has demonstrated responsibility and leadership in the expansion of the Group's business in his position as Chief Executive Officer (CEO) since June 2014; he has been appropriately supervising management in general. He was nominated to continue in the position of Director to help drive the sustained growth of the Group's corporate value.			
2	Noboru Ishizawa (January 5, 1958)	Mar. 1980    Joined the Company. June 2003    Executive Officer of the Company June 2007    Director and Executive Officer of the Company June 2015    Managing Director and Managing Executive Officer Jan. 2018    Managing Director, Managing Executive Officer, and General Manager of Remodeling Department of the Company (present positions) [Significant concurrent positions outside the Company] President, KOMERI CREATE Co., Ltd. President, KOMERI SUPPORT Co., Ltd.	10,832
[Reasons for nomination as a candidate for Director] Noboru Ishizawa was appointed President of KOMERI CREATE Co., Ltd., in November 2013, and has extensive experience and knowledge in the management and operations of the construction and remodeling businesses. He was nominated to continue in the position of Director to help drive the sustained growth of the Group's corporate value.			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned	
3	Tadashi Tanabe (September 1, 1958)	Mar. 1981	Joined the Company.	6,218
		June 2009	Executive Officer of the Company	
		June 2012	Director and Executive Officer of the Company	
		May 2018	Managing Director, Managing Executive Officer Responsible for Operation, Supervisor of Overseas Business, General Manager Responsible for "Athena" Format Merchandising and Responsible for Compliance of the Company (present positions)	
<p>[Reasons for nomination as a candidate for Director]</p> <p>Tadashi Tanabe has been involved in the operations of Product Department, including purchasing/procurement and product development for many years, and has extensive knowledge and experience in operations at various store formats including "Power," "Home Center," "Hard &amp; Green" and "Athena." He also has been engaged in the affairs of the construction and remodeling businesses. He has helped boost the Group's corporate value through the use of his extensive knowledge. He was nominated to continue in the position of Director to help drive the sustained growth of the Group's corporate value.</p>				
4	Shuichi Matsuda (October 1, 1943)	Apr. 1986	Associate Professor of Waseda University System Research Institute	4,900
		Apr. 1991	Professor of Waseda University System Research Institute	
		Apr. 1997	Professor of MBA Program, Waseda University Graduate School of Asia-Pacific Studies	
		June 2000	Outside Director of the Company (present position)	
		Apr. 2007	Professor of Technology Management, Waseda University Graduate School of Commerce	
		Apr. 2012	Emeritus Professor of Waseda University (present position)	
<p>[Reasons for nomination as a candidate for Outside Director]</p> <p>Shuichi Matsuda has no direct experience in corporate management other than having served as an Outside Director; however, the Company proposes his continuous election as an Outside Director since his academic knowledge as a long-standing university professor as well as his broad perspective and extensive experience as the Outside Director of other companies are deemed sufficient to perform the role of overseeing the Company's management. He will have served as an Outside Director for eighteen years at the conclusion of this meeting.</p> <p>[Matters related to independence of the candidate]</p> <p>Since there is no transactional relationship between Shuichi Matsuda and the Company that might affect the Company's decision-making, the Company has determined that there is no risk of conflict of interest with general shareholders. He has been designated an Independent Officer as stipulated by the Tokyo Stock Exchange, Inc., and registered as such at the Exchange. If his reappointment is approved, he will continue to be registered as an Independent Officer.</p>				

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
5	Masao Kiuchi (July 25, 1944)	<p>Apr. 1968      Joined Seiyu Stores Ltd. (currently Seiyu GK)</p> <p>Mar. 1993      Representative Director of Ryohin Keikaku Co., Ltd.</p> <p>Aug. 1997      Director and Chairman of Ryohin Keikaku Co., Ltd. (retired in May 2005) Representative Director and Vice-President of Seiyu Co., Ltd.</p> <p>Feb. 2001      President and CEO of Seiyu Co., Ltd.</p> <p>May 2003      Director, Representative Executive Officer, and CEO of Seiyu Co., Ltd. (retired from the position of Director of Seiyu Co., Ltd., in December 2005)</p> <p>July 2007      CEO of U.P.n.P. Co., Ltd. (present position)</p> <p>June 2011      Outside Audit and Supervisory Board Member of the Company</p> <p>June 2015      Outside Director of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] CEO, U.P.n.P. Co., Ltd.</p>	–
<p>[Reasons for nomination as a candidate for Outside Director] The Company proposes that Masao Kiuchi be continuously elected as an Outside Director since he is deemed capable of contributing to the management of the Company based on his broad perspective and extensive experience as a business executive. He will have served as an Outside Director for three years at the conclusion of this meeting.</p> <p>[Matters related to independence of the candidate] Since there is no transactional relationship between Masao Kiuchi and the Company that might affect the Company's decision-making, the Company has determined that there is no risk of conflict of interest with general shareholders. He has been designated an Independent Officer as stipulated by the Tokyo Stock Exchange, Inc., and registered as such at the Exchange. If his reappointment is approved, he will continue to be registered as an Independent Officer.</p>			
6	Hiroshi Hayakawa (August 22, 1963)	<p>Aug. 1985      Joined the Company.</p> <p>Jan. 2011      Executive Officer of the Company</p> <p>June 2012      Director and Executive Officer of the Company</p> <p>May 2018      Director, Executive Officer, General Manager of Strategic Planning Office, General Manager of Affiliate Company Administration Office, and Responsible for Public Relations of the Company (present positions)</p> <p>[Significant concurrent positions outside the Company] Managing Director, LIFE KOMERI Inc. Managing Director, MOVIE TIME Co., Ltd.</p>	8,132
<p>[Reasons for nomination as a candidate for Director] Hiroshi Hayakawa has proactively shared his opinions at Board of Directors' meetings as the Director responsible for the corporate planning department, and has appropriately supervised management. In addition, as the Director responsible for management of affiliated companies, he has enhanced the synergy of Group businesses and helped boost the Group's corporate value. He was nominated to continue in the position of Director to help drive the sustained growth of the Group's corporate value.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned	
7	Katsushi Suzuki (June 23, 1964)	Mar. 1988	Joined the Company.	1,900
		June 2012	Executive Officer of the Company	
		June 2014	Director and Executive Officer of the Company	
		Apr. 2015	Director, Executive Officer, General Manager of New Business Promotion Office, General Manager of Dot-com Business Division, and Responsible for Chain Store Operation System Innovation and Promotion Office of the Company (present positions)	
[Reasons for nomination as a candidate for Director] Katsushi Suzuki has helped boost the Group's corporate value as the Director in charge of new business development including Internet (Dot-com) business. He also has extensive knowledge and experience in business reorganization aimed at enhancing the efficiency of the Group's operations, and has proactively shared his opinions at Board of Directors' meetings. He was nominated to continue in the position of Director as he is deemed qualified to help drive the sustained growth of the Group's corporate value.				
8	Naoshi Hosaka (February 28, 1969)	Mar. 1994	Joined the Company.	2,700
		June 2012	Executive Officer of the Company	
		June 2014	Director, Executive Officer, and General Manager of Store Planning Department of the Company (present positions)	
[Reasons for nomination as a candidate for Director] Naoshi Hosaka has extensive knowledge and experience in store management as the person responsible for store planning. He also has been engaged in the operations of store development, including improving productivity at stores and evolving the standard model for each format, and helped boost the Group's corporate value. He was nominated to continue in the position of Director to help drive the sustained growth of the Group's corporate value.				

- Notes:
- None of the candidates has a special interest in the Company.
  - Shuichi Matsuda and Masao Kiuchi are candidates for Outside Director.
  - If the reelection of Shuichi Matsuda and Masao Kiuchi is approved, the Company will continue its limited liability agreement with them. A summary of the content of the limited liability agreement is given below.  
[Summary of the content of the limited liability agreement]  
With respect to the liability set forth in Article 423, paragraph 1 of the Companies Act, when a Director (excluding Directors who are Executive Directors) meets the criteria prescribed in laws and regulations, such as when he/she acts in good faith and is not grossly negligent in conducting an Outside Director's duties, he/she shall assume liability for damages limited to the minimum liability amount prescribed in Article 425, paragraph 1 of the Companies Act.
  - Career summaries and other information for each of the above candidates are as of May 15, 2018.