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Securities Code: 8218

June 4, 2020

To our shareholders:

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

NOTICE OF THE 59TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 59th Ordinary General Meeting of Shareholders of KOMERI CO., LTD. (the “Company”), which will be held as described below.

The impact of the spread of the novel coronavirus disease (COVID-19) is continuing, but after careful consideration, the Company has decided to hold this meeting, taking measures beforehand to avoid “crowded conditions with people,” “conversations in short distance” and “closed spaces with insufficient ventilation” by having ventilation and making space between seats, etc.

From the perspective of prioritizing avoidance of the risk of infection, if you plan to attend the meeting, the Company asks for your cooperation to prevent infection of yourself and those around you by confirming your physical condition beforehand, wearing a mask, and disinfecting your hands, etc. at the venue.

Furthermore, if you are unable to attend the meeting in person, you may exercise your voting rights in writing (postal mail) or by electromagnetic means such as the internet. Please exercise your voting rights no later than Wednesday, June 24, 2020 at 6:00 p.m. (Japan Standard Time) after reviewing the attached Reference Documents for the General Meeting of Shareholders.

- 1. Date and Time:** Thursday, June 25, 2020 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 59th Term (from April 1, 2019 to March 31, 2020), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 59th Term (from April 1, 2019 to March 31, 2020)

Items to be resolved:

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| Proposal No. 1 | Reduction of Legal Capital Surplus |
| Proposal No. 2 | Partial Amendments to the Articles of Incorporation |
| Proposal No. 3 | Election of Nine (9) Directors (Excluding Audit and Supervisory Committee Members) |
| Proposal No. 4 | Election of Three (3) Directors Serving as Audit and Supervisory Committee Members |
| Proposal No. 5 | Decision on the Amount of Remuneration for Directors (Excluding Audit and Supervisory Committee Members) |
| Proposal No. 6 | Decision on the Amount of Remuneration for Directors Serving as Audit and Supervisory Committee Members |
| Proposal No. 7 | Decision on the Amount of Performance-linked Share-based Remuneration for Directors (Excluding Audit and Supervisory Committee Members) |

<Request for shareholders attending to take measures to prevent the spread of COVID-19>

We will take temperatures, etc. at the entrance to the venue, and people who have fevers, cold symptoms, etc. or are deemed as being unwell may be refused entry.

- We ask for your cooperation in take measures such as wearing a mask and disinfecting your hands upon arrival.
- People related to the Company will also be wearing masks.
- In the case that we make significant changes to the operation of or the measures to be taken at this Ordinary General Meeting of Shareholders due to the spread of infection or announcements by the government or other institutions ahead of this Ordinary General Meeting of Shareholders, we will post them on the Company's website (<https://www.komeri.bit.or.jp>).

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Reduction of Legal Capital Surplus

1 Reasons for reduction of legal capital surplus

To ensure agility and flexibility of our future capital policy, we propose to reduce the amount of legal capital surplus and to transfer the same amount to other capital surplus in accordance with Article 448, paragraph 1 of the Companies Act.

2 Details of reduction of legal capital surplus

(1) Amount to be reduced

The entire reduction amount of ¥24,855,451,067 out of ¥29,855,451,067 of legal capital surplus will be transferred to other capital surplus so that the amount of legal capital surplus after the reduction will be ¥5,000,000,000.

(2) Date on which reduction of legal capital surplus takes effect

July 31, 2020

Proposal No. 2 Partial Amendments to the Articles of Incorporation

1 Purpose of the amendments

The Company is going to make a shift from a Company with an Audit & Supervisory Board to a Company with an Audit and Supervisory Committee to further strengthen the corporate governance with an enhanced supervisory function of the Board of Directors and also to further accelerate its decision-making process on execution of operation under supervision of the Board of Directors.

Accordingly, the Company will implement necessary amendments to the Articles of Incorporation, including newly establishing an article concerning the Audit and Supervisory Committee and Directors Serving as Audit and Supervisory Committee Members and deleting the article concerning the Audit & Supervisory Board and Audit & Supervisory Board Members.

The amendments to the Articles of Incorporation in this proposal shall take effect at the conclusion of this meeting.

2 Details of the amendments

The details of the amendments are as follows.

(The underlined sections indicate amendments.)

Current Articles of Incorporation	Proposed Amendment
<p style="text-align: center;">Chapter I General Provisions</p> <p>Articles 1. to 3. (Omitted) (Organs) Article 4. The Company shall have, in addition to the general meeting of shareholders and Directors, the following organs: (1) Board of Directors (2) <u>Audit & Supervisory Board Members</u> (3) <u>Audit & Supervisory Board</u> (4) Accounting Auditor Articles 5. to 17. (Omitted)</p> <p style="text-align: center;">Chapter IV Directors and Board of Directors</p> <p>(Number of Directors) Article 18. The Company shall have not more than ten (10) Directors. (Newly established)</p> <p>(Method of Election) Article 19. 1. Directors shall be elected at a general meeting of shareholders. 2. (Omitted) 3. (Omitted)</p> <p>(Term of Office) Article 20. 1. The term of office of a Director shall expire at the conclusion of the ordinary general meeting of shareholders for the last business year out of the business years terminating within one (1) year after the election of the Director. (Newly established)</p>	<p style="text-align: center;">Chapter I General Provisions</p> <p>Articles 1. to 3. (Unchanged) (Organs) Article 4. The Company shall have, in addition to the general meeting of shareholders and Directors, the following organs: (1) Board of Directors (2) <u>Audit and Supervisory Committee</u> (Deleted) (3) Accounting Auditor Articles 5. to 17. (Unchanged)</p> <p style="text-align: center;">Chapter IV Directors and Board of Directors</p> <p>(Number of Directors) Article 18. 1. The Company shall have not more than ten (10) Directors <u>(excluding Audit and Supervisory Committee Members).</u> 2. <u>The Company shall have not more than five (5) Directors Serving as Audit and Supervisory Committee Members.</u></p> <p>(Method of Election) Article 19. 1. Directors <u>Serving as Audit and Supervisory Committee Members and the other Directors</u> shall be elected <u>separately</u> at a general meeting of shareholders. 2. (Unchanged) 3. (Unchanged)</p> <p>(Term of Office) Article 20. 1. The term of office of a Director <u>(excluding an Audit and Supervisory Committee Member)</u> shall expire at the conclusion of the ordinary general meeting of shareholders for the last business year out of the business years terminating within one (1) year after the election of the Director. 2. <u>The term of office of a Director Serving as Audit and Supervisory Committee Member shall expire at the conclusion of the ordinary general meeting of shareholders for the last business year out of the business years terminating within two (2) years after the election of the Director Serving as Audit and Supervisory Committee Member.</u></p>

Current Articles of Incorporation	Proposed Amendment
<p><u>2. The term of office of a Director who is elected due to increased number of Directors or as a substitute for a Director shall continue until the time the term of office of the other incumbent Directors is to expire.</u> (Newly established)</p>	<p>(Deleted)</p>
<p>(Representative Directors and Directors With Special Titles) Article 21.</p>	<p>(Representative Directors and Directors With Special Titles) Article 21.</p>
<p>1. The Board of Directors shall appoint one or a small number of representative Director(s) by its resolution.</p>	<p>1. The Board of Directors shall appoint one or a small number of representative Director(s) <u>from among the Directors (excluding Audit and Supervisory Committee Members)</u> by its resolution.</p>
<p>2. The Board of Directors may appoint, by its resolution, one Director and Chairman, one Director and President, one or a small number of Executive Directors, and one or a small number of Managing Executive Directors.</p>	<p>2. The Board of Directors may appoint, by its resolution, one Director and Chairman, one Director and President, one or a small number of Executive Directors, and one or a small number of Managing Executive Directors <u>from among the Directors (excluding Audit and Supervisory Committee Members).</u></p>
<p>3. (Omitted)</p>	<p>3. (Unchanged)</p>
<p>Article 22. (Omitted) (Notice of Meeting of the Board of Directors)</p>	<p>Article 22. (Unchanged) (Notice of Meeting of the Board of Directors)</p>
<p>Article 23.</p>	<p>Article 23.</p>
<p>1. When convening a meeting of the Board of Directors, a notice shall be dispatched to each Director <u>and each Audit & Supervisory Board Member</u> at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</p>	<p>1. When convening a meeting of the Board of Directors, a notice shall be dispatched to each Director at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</p>
<p>2. With the consent of all Directors <u>and Audit & Supervisory Board Members</u>, a meeting of the Board of Directors may be held without following the convening procedures.</p>	<p>2. With the consent of all Directors, a meeting of the Board of Directors may be held without following the convening procedures.</p>
<p>Article 24. (Omitted) (Newly established)</p>	<p>Article 24. (Unchanged) <u>(Delegation of decisions on execution of important business operations to Directors)</u> Article 25.</p>
<p>Article 25. (Omitted) (Remuneration, Etc.)</p>	<p><u>Pursuant to the provisions of Article 399-13, paragraph 6 of the Companies Act, the Company may, by resolution of the Board of Directors, delegate all or part of decisions on execution of important business operations (excluding matters listed in items of the same Article, paragraph 5) to Directors.</u> Article 26. (Unchanged) (Remuneration, Etc.)</p>
<p>Article 26. Remuneration, bonuses and other economic benefits provided by the Company in consideration for the execution of duties (hereinafter referred to as the “Remuneration, etc.”) to Directors shall be determined by resolution of a general meeting of shareholders.</p>	<p>Article 27. Remuneration, bonuses and other economic benefits provided by the Company in consideration for the execution of duties (hereinafter referred to as the “Remuneration, etc.”) to Directors shall be determined <u>separately, distinguishing Directors Serving as Audit and Supervisory Committee Members and the other Directors</u>, by resolution of a general meeting of shareholders.</p>
<p>Article 27. (Omitted)</p>	<p>Article 28. (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendment
Chapter V	Chapter V
<u>Audit & Supervisory Board Members and Audit & Supervisory Board</u>	<u>Audit and Supervisory Committee</u>
<u>(Number of Audit & Supervisory Board Members)</u>	(Deleted)
<u>Article 28.</u>	
<u>The Company shall have not more than four (4) Audit & Supervisory Board Members.</u>	
<u>(Method of Election)</u>	(Deleted)
<u>Article 29.</u>	
1. <u>Audit & Supervisory Board Members shall be elected at a general meeting of shareholders.</u>	
2. <u>Resolutions on the election of an Audit & Supervisory Board Member shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.</u>	
<u>(Term of Office)</u>	(Deleted)
<u>Article 30.</u>	
1. <u>The term of office of an Audit & Supervisory Board Member shall expire at the conclusion of the ordinary general meeting of shareholders for the last business year out of the business years terminating within four (4) years after the election of the Audit & Supervisory Board Member.</u>	
2. <u>The term of office of an Audit & Supervisory Board Member who is elected as the substitute for an Audit & Supervisory Board Member who retired from office before the expiration of the term of office shall continue until the time the term of office of the Audit & Supervisory Board Member who retired from office is to expire.</u>	
<u>(Full-Time Audit & Supervisory Board Members)</u>	(Deleted)
<u>Article 31.</u>	
<u>The Audit & Supervisory Board shall appoint full-time Audit & Supervisory Board Member(s) by its resolution.</u>	
<u>(Notice of Meeting of the Audit & Supervisory Board)</u>	(Deleted)
<u>Article 32.</u>	
1. <u>When convening a meeting of the Audit & Supervisory Board, a notice shall be dispatched to each Audit & Supervisory Board Member at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</u>	
2. <u>With the consent of all Audit & Supervisory Board Members, a meeting of the Audit & Supervisory Board may be held without following the convening procedures.</u>	
<u>(Regulations of the Audit & Supervisory Board)</u>	(Deleted)
<u>Article 33.</u>	
<u>Matters concerning the Audit & Supervisory Board shall be governed by the Regulations of the Audit & Supervisory Board established by the Audit & Supervisory Board, in addition to applicable laws and regulations and these Articles of Incorporation.</u>	
<u>(Remuneration, Etc.)</u>	(Deleted)
<u>Article 34.</u>	
<u>The Remuneration, etc. to Audit & Supervisory Board Members shall be determined by resolution of a general meeting of shareholders.</u>	

Current Articles of Incorporation	Proposed Amendment
<p><u>(Exemption of Audit & Supervisory Board Members From Liability)</u> <u>Article 35.</u> 1. Pursuant to the provisions of Article 426, paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt an Audit & Supervisory Board Member (including a person who was formerly an Audit & Supervisory Board Member) from his/her liability for damages arising from neglecting his/her duties to the extent permitted by laws and regulations. 2. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company may enter into an agreement with an Audit & Supervisory Board Member limiting his/her liability for damages arising from neglecting his/her duties; provided, however, that the maximum liability for damages under such agreement, shall be an amount as prescribed by laws and regulations.</p>	<p>(Deleted)</p>
<p>(Newly established)</p>	<p><u>(Full-Time Audit and Supervisory Committee Members)</u> <u>Article 29.</u> The Audit and Supervisory Committee shall appoint full-time Audit and Supervisory Committee Member(s) by its resolution.</p>
<p>(Newly established)</p>	<p><u>(Notice of Meeting of the Audit and Supervisory Committee)</u> <u>Article 30.</u> 1. When convening a meeting of the Audit and Supervisory Committee, a notice shall be dispatched to each Audit and Supervisory Committee Member at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs. 2. With the consent of all Audit and Supervisory Committee Members, a meeting of the Audit and Supervisory Committee may be held without following the convening procedures.</p>
<p>(Newly established)</p>	<p><u>(Regulations of the Audit and Supervisory Committee)</u> <u>Article 31.</u> Matters concerning the Audit and Supervisory Committee shall be governed by the Regulations of the Audit and Supervisory Committee established by the Audit and Supervisory Committee, in addition to applicable laws and regulations and the Articles of Incorporation.</p>
<p>Chapter VI Accounts</p>	<p>Chapter VI Accounts</p>
<p>Articles <u>36.</u> to <u>39.</u> (Omitted) (Newly established)</p>	<p>Articles <u>32.</u> to <u>35.</u> (Unchanged) <u>Supplementary Provisions</u> <u>Article 1.</u> Pursuant to the provisions of Article 426, paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt a person who was formerly an Audit & Supervisory Board Member from his/her liability for damages arising from neglecting his/her duties to the extent permitted by laws and regulations.</p>

Proposal No. 3 Election of Nine (9) Directors (Excluding Audit and Supervisory Committee Members)

All eight (8) current Directors will conclude their terms of office at the conclusion of this meeting. In that regard, the Company proposes that nine (9) Directors (excluding Audit and Supervisory Committee Members; the same shall apply hereinafter for this proposal) be elected, increasing the number of Directors by one (1) to strengthen its management system.

This proposal shall take effect on the condition that the amendments to the Articles of Incorporation stated in the Proposal No. 2 “Partial Amendments to the Articles of Incorporation” become effective.

The candidates for Director are listed below.

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 (Public Interest Incorporated Foundation) Chairman, KOMERI Disaster Management Center (Non-profit Organization)	1,366,221
		[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.	10,932
		[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)	<p>Mar. 1981 Joined the Company</p> <p>June 2009 Executive Officer of the Company</p> <p>June 2012 Director and Executive Officer of the Company</p> <p>May 2018 Managing Director and Managing Executive Officer</p> <p>Sept. 2018 Managing Director, Managing Executive Officer Responsible for Store Operations, Overseas Business Operations, and Responsible for Compliance of the Company</p> <p>Nov. 2019 Managing Director, Managing Executive Officer Responsible for Store Operations, Overseas Business Operations, General Manager of Quality Control Department and Responsible for Compliance of the Company (present positions)</p>	6,218
<p>[Reasons for nomination as a candidate for Director]</p> <p>Tadashi Tanabe has been involved in the operations of the Merchandising Department, including purchasing/procurement and product development for many years, and has extensive knowledge and experience in operations at various store formats including "Power," "Hard & Green," "Athena," and "PRO." 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)	<p>Apr. 1986 Associate Professor of Waseda University System Research Institute</p> <p>Apr. 1991 Professor of Waseda University System Research Institute</p> <p>Apr. 1997 Professor of MBA Program, Waseda University Graduate School of Asia-Pacific Studies</p> <p>June 2000 Outside Director of the Company (present position)</p> <p>Apr. 2007 Professor of Technology Management, Waseda University Graduate School of Commerce</p> <p>Apr. 2012 Emeritus Professor of Waseda University (present position)</p>	5,400
<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 twenty 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 as 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 & 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 five 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 as 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	* Hiromu Wada (February 10, 1951)	<p>Dec. 1993 Retired from Isuzu Motors Limited</p> <p>Apr. 1994 Assistant Professor of Department of Design, Nagaoka Institute of Design</p> <p>Apr. 1998 Professor of Department of Design, Nagaoka Institute of Design</p> <p>Apr. 2009 Member of Board of Trustees of Nagaoka Institute of Design</p> <p>Apr. 2012 President of Nagaoka Institute of Design</p> <p>Apr. 2014 President, and Vice President of Board of Trustees of Nagaoka Institute of Design (retired on March 31, 2020)</p>	-
<p>[Reasons for nomination as a candidate for Outside Director] Hiromu Wada has strong expertise as an industrial designer and abundant experience in university management, having long been engaged in education and research at Nagaoka Institute of Design and served as president of the university. The Company proposes that he be elected as an Outside Director since he is deemed sufficient to perform the role of overseeing the Company's management based on his broad perspective and extensive experience. He has no direct experience in corporate management; however, he is deemed qualified to appropriately perform duties as an Outside Director for the above reason.</p> <p>[Matters related to independence of the candidate] Since there is no transactional relationship between Hiromu Wada 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 is planned to be designated as an Independent Officer as stipulated by the Tokyo Stock Exchange, Inc., and registered as such at the Exchange.</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	Hiroshi Hayakawa (August 22, 1963)	Aug. 1985 Joined the Company Jan. 2011 Executive Officer of the Company June 2012 Director and Executive Officer of the Company 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) [Significant concurrent positions outside the Company] Managing Director, LIFE KOMERI Inc. Managing Director, MOVIE TIME Co., Ltd.	8,232
		[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.	
8	Katsushi Suzuki (June 23, 1964)	Mar. 1988 Joined the Company June 2012 Executive Officer of the Company June 2014 Director and Executive Officer of the Company May 2019 Director, Executive Officer, General Manager of New Business Promotion Office, General Manager of New Retail Business Division, and Responsible for Chain Store Operation System Innovation and Promotion Office of the Company Mar. 2020 Director and Executive Officer Responsible for New Business Promotion and Innovation Center Department of the Company (present positions)	2,100
		[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 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.	
9	Naoshi Hosaka (February 28, 1969)	Mar. 1994 Joined the Company June 2012 Executive Officer of the Company June 2014 Director, Executive Officer, and General Manager of Store Planning Department of the Company (present positions)	3,200
		[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 improving profits from store operations, including improving productivity at stores and evolving the standard model for each format, and has helped to 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:
1. The asterisk (*) denotes a candidate for newly appointed Director.
 2. None of the candidates has a special interest in the Company.
 3. Shuichi Matsuda, Masao Kiuchi and Hiromu Wada are all candidates for Outside Director.
 4. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Shuichi Matsuda and Masao Kiuchi to limit their liabilities for damages under Article 423, paragraph 1 of the same Act. The maximum amount of liability for damages under such agreements shall be the minimum liability amount prescribed in Article 425, paragraph 1 of the Companies Act. If their reelection is approved, the Company plans to continue the aforementioned agreement with them.
Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company plans to enter into an agreement with Hiromu Wada to limit his liabilities for damages under Article 423, paragraph 1 of the same Act. The

maximum amount of liability for damages under such agreement shall be the minimum liability amount prescribed in Article 425, paragraph 1 of the Companies Act.

5. Career summaries and other information for each of the above candidates are as of May 19, 2020.

Proposal No. 4 Election of Three (3) Directors Serving as Audit and Supervisory Committee Members

Subject to approval of the Proposal No. 2 “Partial Amendments to the Articles of Incorporation,” all three (3) current Audit & Supervisory Board Members will conclude their terms of office at the time when the Amendments to the Articles of Incorporation takes effect due to the transition of the Company to a Company with Audit and Supervisory Committee. Accordingly, the Company proposes that three (3) Directors Serving as Audit and Supervisory Committee Members be elected.

This proposal shall take effect on the condition that the amendments to the Articles of Incorporation stated in the Proposal No. 2 “Partial Amendments to the Articles of Incorporation” become effective.

The consent of the Audit & Supervisory Board has been obtained for the submission of this proposal.

The candidates for Director Serving as Audit and Supervisory Committee Member are listed below.

No.	Name (Date of birth)	Career summary and position (Significant concurrent positions outside the Company)	Number of the Company’s shares owned
1	* Shojiro Sumiyoshi (December 4, 1947)	June 2002 Joined the Company June 2002 Director of the Company June 2003 Executive Officer of the Company June 2009 Director of the Company June 2012 Standing Audit & Supervisory Board Member of the Company (present position) [Significant concurrent positions outside the Company] Audit & Supervisory Board Member, LIFE KOMERI Inc. Audit & Supervisory Board Member, HOKUSEI SANGYO Co., Ltd.	9,100
[Reasons for nomination as a candidate for Director] The Company proposes that Shojiro Sumiyoshi be elected as a Director Serving as Audit and Supervisory Committee Member since he is deemed capable of making a valuable contribution to the Company’s Audit and Supervisory Committee activities based on his abundant knowledge and experience of overall store operation management.			
2	* Zenroku Fujita (April 12, 1948)	Apr. 1980 Registered as an attorney June 1985 Opened Fujita Law Office (to the present day) Apr. 1990 Vice-President of Niigata Bar Association June 2000 Outside Audit & Supervisory Board Member of the Company (present position) Apr. 2003 Vice-President of Niigata Bar Association Apr. 2007 President of Niigata Bar Association Apr. 2011 Vice-President of Japan Federation of Bar Associations Apr. 2015 Chairman of Kanto Federation of Bar Associations [Significant concurrent positions outside the Company] Outside Audit & Supervisory Board Member, Fukuda Road Co., Ltd Director, Niigata Credit Union	4,400
[Reasons for nomination as a candidate for Outside Director] Zenroku Fujita has no direct experience in corporate management other than having served as an Outside Director. However, the Company proposes his election as an Outside Director Serving as Audit and Supervisory Committee Member since he is deemed capable of making a valuable contribution to the Company’s Audit and Supervisory Committee activities based on his legal expertise and experience as an attorney. He will have served as an Outside Audit & Supervisory Board Member for twenty years at the conclusion of this meeting. [Matters related to independence of the candidate] Since there is no transactional relationship between Zenroku Fujita 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 as an Independent Officer as stipulated by the Tokyo Stock Exchange, Inc., and registered as such at the Exchange. With the appointment to a Director Serving as Audit and Supervisory Committee, he is planned to be designated as an Independent Officer and registered as such at the Exchange. In addition, although there is no advisory contract in place with the Company, he receives fees as an attorney. The annual payment received is less than ¥1 million, and there is no transaction that might affect the Company’s decision-making.			

No.	Name (Date of birth)	Career summary and position (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	* Takeshi Takubo (March 14, 1957)	Oct. 1978 Joined Price, Waterhouse & Co. Aug. 1984 Registered as certified public accountant Aug. 1984 Established Takubo Accounting Office (to the present day) June 2010 Outside Audit & Supervisory Board Member of the Company (present position) [Significant concurrent positions outside the Company] Audit & Supervisory Board Member, KOMERI CAPITAL Co., Ltd.	—
	[Reasons for nomination as a candidate for Outside Director] Takeshi Takubo has no direct experience in corporate management other than having served as an Outside Director. However, the Company proposes his election as an Outside Director Serving as Audit and Supervisory Committee Member since he is deemed capable of making a valuable contribution to the Company's Audit and Supervisory Committee activities through offering valuable financial and accounting insights based on his abundant experience as a certified public accountant. He will have served as an Outside Audit & Supervisory Board Member for ten years at the conclusion of this meeting. [Matters related to independence of the candidate] Since there is no transactional relationship between Takeshi Takubo 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 as an Independent Officer as stipulated by the Tokyo Stock Exchange, Inc., and registered as such at the Exchange. With the appointment to a Director Serving as Audit and Supervisory Committee, he is planned to be designated as an Independent Officer and registered as such at the Exchange.		

- Notes:
1. The asterisk (*) denotes a candidate for newly appointed Director Serving as Audit and Supervisory Committee Member.
 2. None of the candidates has a special interest in the Company.
 3. Zenroku Fujita and Takeshi Takubo are both candidates for Outside Director.
 4. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Shojiro Sumiyoshi, Zenroku Fujita and Takeshi Takubo to limit their liabilities for damages under Article 423, paragraph 1 of the same Act. The maximum amount of liability for damages under such agreements shall be the minimum liability amount prescribed in Article 425, paragraph 1 of the Companies Act. If their election is approved, the Company plans to enter into the aforementioned agreement with them.
 5. Career summaries and other information for each of the above candidates are as of May 19, 2020.

Proposal No. 5 Decision on the Amount of Remuneration for Directors (Excluding Audit and Supervisory Committee Members)

The amount of remuneration for Directors was approved to be ¥400 million per year (not including the portion of employee salaries of Directors concurrently serving as employees) at the 45th Ordinary General Meeting of Shareholders held on June 29, 2006, and it is effective up to the present date. If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company shall make a transition to a Company with Audit and Supervisory Committee at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, the Company proposes that the current remuneration limit for Directors be abolished and that the maximum amount of remuneration for Directors (excluding Audit and Supervisory Committee Members) be ¥400 million per year (of which the maximum amount of remuneration for Outside Directors be ¥50 million).

The amount of remuneration for Directors (excluding Audit and Supervisory Committee Members) shall not include salary as employee.

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal No. 3 “Election of Nine (9) Directors (Excluding Audit and Supervisory Committee Members)” are approved as proposed, the number of Directors (excluding Audit and Supervisory Committee Members) shall be nine (9) (including three (3) Outside Directors), whereas there are eight (8) Directors (including two (2) Outside Directors) at present.

The resolution on this proposal takes effect on the condition that Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved as proposed and the amendments to the Articles of Incorporation by the resolution of the said proposal enter into force.

Proposal No. 6 Decision on the Amount of Remuneration for Directors Serving as Audit and Supervisory Committee Members

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company shall make a transition to a Company with Audit and Supervisory Committee at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes that the maximum amount of remuneration for Directors Serving as Audit and Supervisory Committee Members be ¥60 million per year.

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal No. 4 “Election of Three (3) Directors Serving as Audit and Supervisory Committee Members” are approved as proposed, the number of Directors Serving as Audit and Supervisory Committee Members shall be three (3).

The resolution on this proposal takes effect on the condition that Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved as proposed and the amendments to the Articles of Incorporation by the resolution of the said proposal enter into force.

Proposal No. 7 Decision on the Amount of Performance-linked Share-based Remuneration for Directors (Excluding Audit and Supervisory Committee Members)

1. Reasons for the proposal

The introduction of a performance-linked share-based remuneration plan called “Board Benefit Trust (BBT)” (the “Plan”) for Directors of the Company (except for Outside Directors) was approved at the 58th Ordinary General Meeting of Shareholders held on June 21, 2019, and it is effective up to the present date. If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company shall make a transition to a Company with Audit and Supervisory Committee at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes that the maximum amount of remuneration under the Plan for current Directors be newly set. Specifically, separately from the amount of remuneration for Directors (excluding Audit and Supervisory Committee Members) stipulated in Proposal No. 5, we propose to set the amount and the details of remuneration for Directors (excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors; the same shall apply hereinafter unless otherwise stated) under the Plan. The details of the Plan are at the discretion of the Board of Directors within the framework outlined in 2 below.

The Company deems this proposal to be appropriate since it is a procedure associated with the transition to a Company with Audit and Supervisory Committee and the details of remuneration limit under the Plan are virtually the same as the details approved at the 58th Ordinary General Meeting of Shareholders held on June 21, 2019.

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal No. 3 “Election of Nine (9) Directors (Excluding Audit and Supervisory Committee Members)” are approved as proposed, the number of Directors eligible for the Plan shall be six (6).

The resolution on this proposal takes effect on the condition that the amendments to the Articles of Incorporation in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” become effective.

2. Amount and other details of remuneration under the Plan

The Plan is a performance-linked share-based remuneration plan under which the Company’s shares are acquired through a trust using money contributed by the Company as the financial funds (hereinafter the trust that is established based on the Plan is referred to as the “Trust”), and the Directors are provided with the Company’s shares and an amount of money equivalent to the market value of the Company’s shares (the “Company’s Shares, etc.”) through the Trust in accordance with the Share Delivery Regulations for Officers established by the Company. The Directors shall receive the Company’s Shares, etc. upon their retirement, in principle.

All unexercised stock acquisition rights as stock options granted to the Directors (excluding Outside Directors) at the introduction of the Plan has been extinguished by granting points through the Plan, based on the forfeiting of rights of the Directors (excluding Outside Directors) who hold aforementioned stock options.

(1) Persons eligible for the Plan	Directors (Outside Directors and Audit and Supervisory Committee Members are not covered by the Plan)
(2) Maximum value of the trust (for remuneration purposes)	Initial Period: up to ¥400 million (*1) Applicable Period: up to ¥200 million (*2)
(3) Calculation method of the number of the Company’s Shares, etc. to be provided	For each business year, the number of points determined by taking into consideration the title, the degree of achievements in performance and other factors shall be granted in accordance with the Share Delivery Regulations for Officers. The accumulated total of points granted (hereinafter referred to as the “Defined Number of Points”) shall be converted at the rate of one point into one share at the time of provision of the Company’s Shares, etc. as explained in (5). (*3)
(4) Acquisition method of the Company’s shares	The Company’s shares shall be acquired through the stock market or by way of subscribing to the Company’s treasury shares, using the money contributed in accordance with (2) as the funds. (*4)
(5) Provision of the Company’s Shares, etc.	If a Director retires and fulfills the beneficiary requirements stipulated in the Share Delivery Regulations for Officers, the Company’s Shares, etc. shall be provided from the Trust after his/her retirement in accordance with the Defined Number of Points as calculated by way of (3) above by completion of the prescribed procedures to become a beneficiary. (*5)

- (*1) In the scope of approval at the 58th Ordinary General Meeting of Shareholders, the Company has contributed money (¥300 million) required for acquisition of necessary shares to provide the Directors with the Company's Shares, etc. for the business years from the year ended March 31, 2020 to the year ending March 31, 2022 (hereinafter, this three (3)-business-year period is referred to as the "Initial Period," and each three (3) consecutive business years following the Initial Period are respectively referred to as the "Applicable Period") and established the Trust. The money contributed by the Company is used by the Trust as funds to acquire the Company's shares. In accordance with the transition to a Company with Audit and Supervisory Committee, the Trust shall continue to be the trust whose beneficiaries are the Directors that fulfill the beneficiary requirements.
- (*2) Furthermore, after the expiration of the Initial Period, in principle, the Company will make additional contributions to the Trust, of up to ¥200 million for each Applicable Period until the termination of the Plan. However, in the case of making additional contributions, if there are the Company's shares (excluding a number of the Company's shares that have not yet been provided to Directors equivalent to points granted to them for each Applicable Period up to the immediately preceding Applicable Period) and money remaining in the Trust (such shares and money are collectively referred to as the "Remaining Shares, etc."), the total amount of the Remaining Shares, etc. (the amount for the Company's shares shall be the market value on the final day of the immediately preceding the Applicable Period) and additionally contributed money shall not exceed ¥200 million. During the Initial Period and the Applicable Period, the Company may make contributions to the Trust in multiple rounds until the cumulative level of contributions for the Applicable Period reaches the aforementioned maximum value of the trust. When the Company decides to make additional contributions, it shall make a disclosure in a timely and appropriate manner.
- (*3) In case where the Company's shares become the subject of a share split, allotment of share without contribution, or consolidation of shares, etc. after this proposal is approved, the accumulated number of points granted, or the conversion rate, shall be adjusted in a reasonable manner in proportion to the relevant ratio, etc.
- (*4) When the Company decides to make additional contributions and the acquisition of the Company's shares is conducted by the Trust in the future, the Company shall make a disclosure in a timely and appropriate manner. At present, however, no such acquisition is specifically scheduled.
- (*5) If the conditions specified separately in the Share Delivery Trust Regulations for Officers are satisfied, Directors may receive an amount of money equivalent to the market value of the Company's shares for a certain percentage of points. In such circumstances, the Trust may sell the Company's shares in order to make the monetary provisions.