

Securities identification code: 8218

June 3, 2016

To our shareholders:

Yuichiro Sasage

President & CEO

KOMERI CO., LTD.

4501-1, Shimizu, Minami-ku, Niigata-shi

NOTICE OF THE 55TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 55th 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 23, 2016 at 6:00 p.m. (Japan Standard Time).

Meeting Details

- 1. Date and time:** Friday, June 24, 2016 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 55th Term (from April 1, 2015 to March 31, 2016), 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 55th Term (from April 1, 2015 to March 31, 2016)**Item to be resolved:**
Proposal: Election of nine (9) Directors

Reference Documents for the General Meeting of Shareholders

Proposal: Election of nine (9) Directors

All nine (9) current Directors will conclude their terms of office and retire at the conclusion of this meeting. Accordingly, the Company proposes that nine (9) Directors be elected.

The candidates for Director are listed below.

If this item is approved as proposed, four (4) out of twelve (12) 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)	April 1988 Joined the Company. June 1992 Director of the Company March 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	700,730
Reasons for nomination as a candidate for Director Yuichiro Sasage has contributed to the growth of the Company's Home Center business in his role as President and to the growth of the Group in his capacity as the effective leader of the Group's businesses since 2014. With his extensive business knowledge and experience, he has facilitated sufficient and appropriate deliberations by the Board of Directors as its Chair, particularly on significant management matters, and has enhanced the functions of the Board as a decision-making body. He was nominated to continue in the position of Director as he is deemed qualified to help drive the sustained growth of the Company'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
2	Takayoshi Itagaki (February 12, 1952)	February 1977 Joined the Company. June 1989 Director of the Company June 1997 Managing Director of the Company June 2003 Managing Director and Managing Executive Officer of the Company June 2015 Executive Director and Senior Managing Executive Officer Responsible for Store Operation and Compliance (present positions)	50,008
		Reasons for nomination as a candidate for Director Takayoshi Itagaki has a variety of functional experience in sales, administration, store development, and other departments, including years of experience in the corporate planning department. He has proactively shared his opinions at Board of Directors’ meetings based on his extensive expertise in the distribution system. He was nominated to continue in the position of Director as he is deemed qualified to help drive the sustained growth of the Company’s corporate value.	
3	Noboru Ishizawa (January 5, 1958)	March 1980 Joined the Company. June 2003 Executive Officer of the Company June 2007 Director and Executive Officer of the Company June 2015 Managing Director, Managing Executive Officer, and General Manager of Human Resources Department (present positions) [Significant concurrent positions outside the Company] Managing Director, Bit-A Co., Ltd. President, KOMERI CREATE Co., Ltd. President, KOMERI SUPPORT Co., Ltd.	10,732
		Reasons for nomination as a candidate for Director Noboru Ishizawa has years of experience in the fields of recruiting and development of human resources as well as the improvement of the Company’s labor share in his role as the Director responsible for the human resources department. He 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 Company’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
4	Shuichi Matsuda (October 1, 1943)	April 1986 Associate Professor, Waseda University System Research Institute April 1991 Professor, Waseda University System Research Institute April 1997 Professor, MBA Program, Waseda University Graduate School of Asia-Pacific Studies June 2000 Outside Director of the Company (present position) April 2007 Professor of Technology Management, Waseda University Graduate School of Commerce April 2012 Emeritus Professor, Waseda University (present position) [Significant concurrent positions outside the Company] Outside Director, WERU INVESTMENT Co., Ltd. Outside Director, MIROKU JYOHU SERVICE CO., LTD. Outside Director, Private Finance Initiative Promotion Corporation of Japan	4,500
Reasons for nomination as a candidate for Director 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 perspectives and experiences 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 sixteen years at the conclusion of this meeting. Matters related to independence of the candidate 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.			

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)	April 1968 Joined Seiyu Stores Ltd. (currently Seiyu GK) March 1993 Representative Director of Ryohin Keikaku Co., Ltd. August 1997 Director and Chairman of Ryohin Keikaku Co., Ltd. (retired in May 2005) February 2001 Representative Director and Vice-President of Seiyu Co., Ltd. May 2003 President and CEO of Seiyu Co., Ltd. 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) July 2007 CEO of U.P.n.P. Co., Ltd. (present position) July 2010 Outside Director of Ain Pharmaciez Inc. (retired in July 2014) June 2011 Outside Audit and Supervisory Board Member of the Company May 2015 Outside Director of CHIYODA CO., LTD. (present position) June 2015 Outside Director of the Company (present position) [Significant concurrent positions outside the Company] CEO, U.P.n.P. Co., Ltd. Outside Director, CHIYODA CO., LTD.	—
Reasons for nomination as a candidate for 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 perspectives and expertise as a business executive. He will have served as an Outside Director for one year at the conclusion of this meeting. 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.			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)		Number of the Company’s shares owned
6	Tadashi Tanabe (September 1, 1958)	March 1981	Joined the Company.	6,218
		June 2009	Executive Officer of the Company	
		June 2012	Director and Executive Officer of the Company	
		April 2016	Director and Executive Officer Responsible for Merchandising, General Manager of “Power” Format Division, and Responsible for “Athena” Format Division (present positions)	
Reasons for nomination as a candidate for Director				
Tadashi Tanabe has years of experience in the purchasing/procurement and product development departments, and has proactively shared his opinions on product strategies at Board of Directors’ meetings based on his extensive expertise in the distribution system. His contributions to boosting the Group’s corporate value include increasing sales of products developed in-house. He was nominated to continue in the position of Director as he is deemed qualified to help drive the sustained growth of the Company’s corporate value.				
7	Hiroshi Hayakawa (August 22, 1963)	August 1985	Joined the Company.	9,132
		January 2011	Executive Officer of the Company	
		June 2012	Director and Executive Officer of the Company	
		June 2015	Director, Executive Officer, General Manager of Strategic Planning Office, General Manager of Affiliate Company Administration Office, and Responsible for Public Relations (present positions)	
		[Significant concurrent positions outside the Company] Managing Director, LIFE KOMERI Inc. Managing Director, MOVIE TIME Co., Ltd.		
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. 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 as he is deemed qualified to help drive the continuous growth of the Company’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
8	Katsushi Suzuki (June 23, 1964)	March 1988	Joined the Company.	1,700
		June 2012	Executive Officer of the Company	
		June 2014	Director and Executive Officer of the Company	
		April 2015	Director, Executive Officer, General Manager of New Business Promotion Office, General Manager of Dot-com Business Division, and Officer responsible for Chain Store Operation System Innovation and Promotion Office (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 years of 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 continuous growth of the Company's corporate value.				
9	Naoshi Hosaka (February 28, 1969)	March 1994	Joined the Company.	2,300
		June 2012	Executive Officer of the Company	
		June 2014	Director, Executive Officer, and General Manager of Store Planning Department (present positions)	
Reasons for nomination as a candidate for Director				
Naoshi Hosaka has facilitated store zoning and remodeling plans suited to each store format for many years. He has also 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 continuous growth of the Company'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 17, 2016.