

NOTICE OF THE 41ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholder:

You are cordially invited to attend the 41st Ordinary General Meeting of Shareholders of Yamada Denki Co., Ltd. (the “Company”), which will be held on Thursday, June 28, 2018, at 10:00 a.m., Japan Standard Time (reception desk opens at 9:00 a.m.) at the Company’s headquarters (Convention Hall, 12F), 1-1 Sakae-cho, Takasaki, Gunma, Japan.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal voting or Internet voting. Prior to voting, please examine the attached reference documents for the General Meeting of Shareholders. Please vote in one of the following ways and ensure that your vote reaches us by 6:00 p.m. on Wednesday, June 27, 2018.

To exercise your voting rights by post:

Indicate “for” or “against” for each agenda item listed on the enclosed Voting Rights Exercise Form, and return it by post to reach us by the above deadline.

To exercise your voting rights by Internet:

Please access the website for exercising voting rights and exercise your voting rights by indicating your vote “for” or “against” for each agenda item listed by the above deadline. For details, please refer to “Exercising Voting Rights by the Internet” (Japanese only).

Sincerely yours,

Mitsumasa Kuwano,
President and Representative Director
Yamada Denki Co., Ltd.
1-1 Sakae-cho, Takasaki, Gunma, Japan

MEETING AGENDA

Items to Be Reported:

1. The Business Report, Consolidated Financial Statements and report on auditing results of consolidated financial statements by independent accountants and Audit & Supervisory Board for the 41st term (from April 1, 2017 to March 31, 2018)
2. The Non-Consolidated Financial Statements for the 41st term (from April 1, 2017 to March 31, 2018)

Items to Be Resolved:

Item 1: Proposal for Appropriation of Surplus

Item 2: Election of 15 Directors

Item 3: Election of 1 Audit & Supervisory Board Member

*If attending the meeting in person, please present the enclosed Voting Rights Exercise Form at the reception desk.

*Among the documents to be provided to this notice, the items below are posted on the Company's Internet website pursuant to laws and regulations, as well as Article 16 of the Articles of Incorporation, and are accordingly not included with this notice.

- 1) "Subscription rights to shares" as part of Business Report
- 2) "System for ensuring the properness of business operations and implementation of that system" as part of Business Report
- 3) Consolidated Statements of Changes in Net Assets and Notes to Consolidated Financial Statements
- 4) Non-Consolidated Statements of Changes in Net Assets and Notes to the Non-Consolidated Financial Statements

The Business Report, which has been audited by Audit & Supervisory Board members, is composed by both the content that is provided with this notice and "1)" and "2)" above. The consolidated financial statements and non-consolidated financial statements, which have been audited by Audit & Supervisory Board members and independent accountants, are composed by both the content that is provided with this notice and "3)" and "4)" above.

*If circumstances arise whereby revisions should be made to the contents of the reference documents for the General Meeting of Shareholders, the business report, non-consolidated financial statements and consolidated financial statements, notification of such revisions shall be published on the Company's Internet website.

The Company's website: <http://www.yamada-denki.jp/>

This notice is a condensed version of the Japanese general meeting notice.

(Attachments)

BUSINESS REPORT

Fiscal Year ended March 31, 2018

I. Status of the Group

(1) Review of Operations for the Fiscal Year

[On background of economies at home and abroad]

In the fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018), the Japanese economy remained on a path of recovery, despite signs of increased burden on consumers following price increases, as the disposable income per household did not drop below what it was in the previous year due to an increased employment rate as a result of factors including the recovery in corporate earnings, improvement in the jobs environment, and work-style reforms. However, the outlook for the Japanese economy remained unclear, underpinned by geopolitical risks in the US, Europe, and Asia and instability in financial markets.

[On the consumer electrical appliance retail industry]

The consumer electrical appliance retail market, in which the Group belongs, overall appears to be generally level despite weak performance, after the third quarter ended December 31, 2017, for core products such as televisions, refrigerators, washing machines and air conditioners, favorable performance for mobile phones due to sales of new models, and sluggish performance for computers.

[On the Company's efforts]

Under such circumstances, the Company has continued to take on various challenges geared to achieving sustainable growth and development by creating new services utilizing its Japan-wide store network and the analysis and application of big data encompassing its membership roster in excess of 60 million consumers. As a part of these efforts, the Company classified the various services provided by the Yamada Denki Group as the Housing Equipment Business, Financial Services Business, Support Service Business, Environmental Solutions Business, Online Shopping Mall Services Business, Mobile Business, Electrical Appliance Retail Business, Affiliate and Subsidiary Electrical Appliance Business, and Corporate Business. The Company strengthened and implemented separate administration for each of these businesses.

Amid these businesses, the Housing Equipment Business began newly proposing lifestyle infrastructures (encompassing homes in their entirety) with home electrical appliances (an existing business) at the core. The Company has been focusing its efforts on proposing solutions entailing residences, renovations, housing equipment, and furniture and accessories with respect to living spaces designed to be highly coordinated with electrical appliances, in addition to developing and launching the new retail store format, Kaden Sumairu-kan, which combines financing and real-estate consultation with a cafe section and more.

With respect to other initiatives, we actively engaged in efforts geared to fortifying our existing businesses and creating new businesses. For instance, we made NAKAYAMA CO., LTD. a subsidiary of the Company (through an absorption-type merger on April 1, 2018), arranged a business alliance with ASAHI EITO CO., LTD., and arranged a capital and business alliance with FOMM Corporation. These efforts also involved implementing "same-day and next-day delivery" services responding to needs of the online community by leveraging the strengths of Japan's largest network of stores, and embarking on arrangements, which were well received, with FUNAI ELECTRIC CO., LTD. involving exclusive domestic sales of FUNAI brand LCD televisions and Blu-ray Disc recorders for Japan beginning on June 2, 2017, in an effort to develop semi-SPA (Specialty store retailer of Private label Apparel) merchandise.

Meanwhile, the Company plans to carry out renovations to change the retail store format for approximately 100 retail stores to "Kaden Sumairu-kan" in the next fiscal year ending March 31, 2019. The Company switched to the future inventory lineup, the absolute amount of inventory purchases dropped significantly following attempts to find the optimum balance of inventories among different

departments, and the Company carried out the strategic disposal of inventories. As a result, there was a negative effect on gross profit. However, these initiatives led to improvement of the Company's financial composition and cash flows from operating activities, which included decreased inventories, increased cash, and decreased interest-bearing debt. As such, there was improvement in the Company's ability to generate cash flow and in cash flow indicators. For example, the equity ratio increased from 48.4% in the previous fiscal year to 49.8% in the current fiscal year, and interest-bearing debt to cash flows decreased from 5.4 in the previous fiscal year to 3.7 in the current fiscal year.

Selling, general and administrative expenses were as expected. In light of the aforementioned factors, the results of the consolidated earnings for the fiscal year ended February 28, 2018, for YAMADA SXL HOME CO., LTD., a consolidated subsidiary of the Company, and other factors, the amounts for operating income, ordinary income, and profit attributable to owners of parent all fell below the previous fiscal year.

[On CSR]

The Group aims to increase its social value and develop together with society. To this end, we engage in ongoing CSR-oriented operations that are genuine, and continue to carry out CSR activities proactively, contributing to a sustainable society. Details of the Group's CSR activities are available in the Yamada Denki Group Corporate Report as well as Monthly CSR Report, which are posted on the Company website (http://www.yamada-denki.jp/company_e/). Please note that some of these documents are published in Japanese only.

[On number of stores]

The number of consolidated retail stores, including those overseas at the end of the fiscal year under review encompassing 26 new store openings and 11 store closures, was 970 directly-managed stores (comprising 661 stores directly managed by the Company, 161 stores managed by Best Denki Co., Ltd. and 148 stores operated by other consolidated subsidiaries). The total number of stores of the Group, including the stores managed by franchise stores, was 12,029.

[On performance summary]

As a result of the above, consolidated net sales amounted to ¥1,573,873 million, up 0.7% year on year despite variability among sectors of the consumer electrical appliance market as noted previously, particularly as a result of sales gaining support from healthy demand and the housing-related business starting to get off the ground. Gross profit amounted to ¥438,114 million, down 3.8% year on year, operating profit totaled ¥38,763 million, down 33.0% year on year, ordinary profit was ¥47,335 million, down 28.3% year on year, and profit attributable to owners of parent was ¥29,779 million, down 13.8% year on year.

(2) Trends in Operating Results and Assets

	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
Net sales (millions of yen)	1,664,370	1,612,735	1,563,056	1,573,873
Ordinary profit (millions of yen)	35,537	62,734	66,040	47,335
Profit attributable to owners of parent (millions of yen)	9,340	30,395	34,528	29,779
Basic earnings per share (yen)	11.73	38.22	43.00	36.77
Total assets (millions of yen)	1,122,407	1,146,722	1,159,456	1,175,568
Net assets (millions of yen)	509,397	557,722	585,547	588,740

(3) Issues the Group will be Addressing

Looking ahead to the fiscal year ending March 31, 2019, the outlook for the global economy continues to be uncertain. Although there are signs of reduced geopolitical risks stemming from North Korea, concerns are materializing regarding signs of long-term increases in interest rates backed by steady job growth in the US, and regarding trade friction between several countries. We are also watchful of economic trends in China and emerging countries.

In the Japanese economy, while there are signs of the impact of developments such as labor shortages and increased raw materials prices, both the improvement in corporate earnings and the economic recovery are expected to continue, backed by firm demand. Because improved employment conditions lead to a gradual recovery of real disposable income, a trend of recovery is also expected to continue for consumer spending.

The consumer electrical appliance retail market, in which the Group belongs, is expected to be flat or slightly improved year on year, supported by solid demand for replacement. (By product type: Video equipment is expected to be firm due to the start of 4K and 8K broadcasts and the market expansion for OLED TVs. Refrigerators, washing machines and other white goods are expected to be strong supported by replacement demand. Although it is forecasted that more regions across Japan will be hotter than usual this summer (June to August), there is expected to be a pullback for seasonal products including air conditioning units because the number of air conditioning units shipped in the summer of 2017 hit an all-time high and because of an especially cold winter in the previous year. There are signs that information and communication products such as personal computers and mobile phones will bottom out and are, therefore, expected to recover.)

Under this market environment, and with “Take on the Challenge of the New Stage!” as its management slogan for fiscal 2018, the Group will, continuing from the previous fiscal year, proactively work on initiatives related to the Housing Equipment Business, Financial Services Business, Support Service Business, Environmental Solutions Business, Online Shopping Mall Services Business, Mobile Business, Electrical Appliance Retail Business, Affiliate and Subsidiary Electrical Appliance Business, and Corporate Business. Furthermore, the Company will continue to strengthen the promotion of proposing lifestyle infrastructures (encompassing homes in their entirety) with home electrical appliances (an existing business) at the core. The Company will also focus its efforts on proposing solutions entailing residences, renovations, housing equipment, and furniture and accessories with respect to living spaces designed to be coordinated with electrical appliances, in addition to developing and launching the new retail store format, Kaden Sumairu-kan, which combines financing and real-estate consultation with a cafe section and more. The Company will carry out renovations to change the retail store format for 100 retail stores during this year.

In addition, the Company treats “people” as the most important aspect of the Company’s management. We therefore strive to train and develop the capabilities of our human resources and improve the workplace environment to give our employees a rewarding working experience. One initiative to achieve this is the “Next Generation Leader Development Program.” Developed based on the training program to encourage management roles for our female employees the Company had been promoting, this program was launched from the standpoint that it is important for human resource development to be without gender bias. Rather than limiting human resource development to head office operations, the Company dispatches two or more leaders, including both men and women, to each store. By having these leaders join with store and department managers to formulate self-devised development plans and accumulate experience, the Company strives to develop human resources through measures that teach problem solving techniques and give employees opportunities to polish their skills. Under the leadership of the Human Resources Development Office, the Company will utilize the “front-line approach,” a key strength of the Group, to work to achieve “improvement in productivity,” “improvement in customer satisfaction and employee satisfaction,” and “improvement in human resource retention rate” and promote “work-style reforms” in order to achieve an improved business performance.

Moreover, the Company will aggressively conduct initiatives that leverage the Group’s business resources to the maximum extent while endeavoring to enhance profitability and corporate value by continuing to implement previous initiatives such as merging with online shopping that utilizes the most of the Company’s nation-wide store network and service network, and strengthening the development of semi-SPA (Specialty store retailer of Private label Apparel) merchandise.

As a leading company in the consumer electrical appliance retail industry, we will aim to develop relationships of trust with a variety of stakeholders. We will also continue to promote CSR-oriented operations in which we leverage Group synergies, increase our social value, and develop together with society.

II. System for ensuring the properness of business operations and implementation of that system

The following is a summary of the systems to ensure that the directors perform their duties in compliance with the applicable laws and the Company's Articles of Incorporation and to ensure that all other operations by the Company are carried out in a proper manner.

System for ensuring the properness of business operations

1. System for ensuring that directors and employees perform their duties in compliance with the applicable laws and regulations and the Articles of Incorporation

a. Compliance Committee

Directors in charge of compliance shall organize the Compliance Committee, which is involved in formulating corporate ethics policies and basic policy and standards on compliance with laws and regulations (compliance provisions), and establish codes of conduct on that basis requiring that directors and employees act in accordance with laws and regulations, the Articles of Incorporation and the Company's employment rules and other internal rules.

Education to directors and employees shall be provided to ensure thorough implementation in this regard led by the Compliance Committee. These initiatives are reported on a regular basis to the Board of Directors and the Audit & Supervisory Board.

b. Establishment of the CSR Committee

The Company shall establish the CSR Committee, in full recognition of the significance of corporate social responsibility, as a means of putting CSR-focused management into practice as part of the management policy. The CSR Committee shall pursue initiatives based on the Code of CSR Ethics in areas that include compliance, labor, customer satisfaction, local communities, and environmental issues and the progress status shall be confirmed at each sectional meeting.

c. Whistle-blowing system

Upon becoming aware of incidents involving the performance of duties by the Company's directors and employees that are questionable in terms of laws and regulations, individuals regardless of their position shall report such matters directly to the organizational contact set up to receive internal reports, pursuant to the Regulations on Operation of Whistle-Blowing System. The Compliance Committee shall endeavor to make the existence of the whistle-blowing system known.

d. Internal Audit Office

The Internal Audit Office shall operate independently of the Company's operating divisions. It shall perform internal audits on legal compliance of individual sectors and audits encompassing areas such as, information security management systems (ISMS), information systems, information security and personal information protection. It shall also audit work processes and other operations of individual sectors, and take steps to uncover and prevent improprieties and to improve processes.

2. System for storage and control of information concerning the directors' performance of their duties

a. Manager in charge of information storage and management

With respect to the storage and management of information pertaining to the directors' performance of duties, the Company shall store the documents set forth below (including electro and magnetic records thereof) along with related materials under the responsibility of the director in charge of general affairs and in accordance with the Company's Regulations on Document Management and Handling.

i. Minutes of General Meetings of Shareholders

ii. Minutes of meetings of the Board of Directors

iii. Financial statements

iv. Internal circulars for managerial decision (*ringi-sho*)

v. Minutes of meetings of respective committees

vi. Documents otherwise designated in the Company's Regulations on Document Management and Handling

b. Amendments to the Regulations on Document Management and Handling

Approval of the Board of Directors shall be obtained when amending the Regulations on Document Management and Handling.

c. The Company shall develop regulations related to protection of personal information and management of trade secrets, and store and manage personal information and important trade secrets in an appropriate and safe manner.

3. Regulations on risk of loss and other systems

a. Risk Management Basic Regulations

The director in charge of risk management shall organize the Risk Management Committee and

formulate the Risk Management Basic Regulations. Accordingly, the committee shall categorize risks in the regulations and establish specific risk management systems.

- b. Crisis management system in the event of disaster
The director in charge of risk management shall prepare a disaster response measures manual and develop crisis management system in accordance with the manual. The director in charge of risk management shall endeavor to make details of the manual known and provide education regarding disaster response.
4. System to ensure that directors perform their duties efficiently
When making decisions on allocating duties of directors and conferring segregations of duties and authority of individual sectors, the Board of Directors (or the representative directors) shall be careful not to make decisions that would result in bloated back-office operations, overlapping administrative sectors, intertwined areas of authority or would otherwise significantly impede efficiency.
5. System for ensuring the properness of business operations of the Group consisting of the Company, its parent company and its subsidiaries
 - a The Company shall establish an Office of Affiliate Management, and accordingly create a system for overseeing the management and performance of subsidiaries and ensuring the properness of such business operations.
 - b The Company's subsidiaries shall execute their business operations in accordance with basic affiliation agreements and internal regulations of the respective companies, and such agreements and regulations shall be reviewed as needed.
 - c To achieve optimal performance and budget management of its subsidiaries, the Company shall hold monthly Group company review committee meetings for managing subsidiaries' overall performance and budgets on the basis of medium-term business plans and annual budgets, and furthermore hold weekly Group company meetings with its principal subsidiaries.
 - d When deemed necessary, the Internal Audit Office may conduct internal audits related to business operations of subsidiaries.
6. System for reporting to the Company on matters pertaining to performance of duties by subsidiaries' directors, etc.
 - a The Company shall stipulate the procedures and content of reporting to the Company from subsidiaries in basic affiliation agreements and provide appropriate guidance and advice on matters reported, while respecting the autonomy of subsidiary management.
 - b The Company shall hold monthly Group company briefing sessions where it receives reports on the status of subsidiary management and financial position to ensure the properness of subsidiary business operations.
7. Regulations on management of risk of loss of subsidiaries and other systems
 - a The Company shall make its Risk Management Basic Regulations thoroughly known to its subsidiaries in accordance with the basic affiliation agreements.
 - b The Company shall receive weekly risk management status reports from all of its subsidiaries, by receiving checklists for monitoring compliance.
 - c Each subsidiary of the Company shall establish basic policies on risk management.
 - d In the event that the Office of Affiliate Management receives a report on risk of loss from a subsidiary, it shall investigate the relevant facts in the case and report the matter to the director in charge of risk management.
8. System for ensuring that subsidiaries' directors, etc. perform their duties efficiently
 - a The Company's Board of Directors shall formulate medium-term business plans, medium- to long-term business strategy in which subsidiaries are involved, and coordinate with subsidiaries in establishing key management goals based on such plans and strategies, and making progress in that regard.
 - b The Company shall stipulate procedures in its basic affiliation agreements with respect to individual matters for approval involving its subsidiaries, and take steps to streamline decision-making in that regard.
9. System for ensuring that subsidiaries' directors, etc. and employees perform their duties in compliance with the applicable laws and regulations and the Articles of Incorporation

- a The Company shall verify the status of subsidiaries' operations using weekly checklists for monitoring compliance, and report such outcomes to the Compliance Committee as necessary.
 - b The Company's whistle-blowing system shall also be used by its subsidiaries to prevent violations of laws and regulations and the Articles of Incorporation. The Company shall receive reports regarding the status of any disciplinary action taken on the basis of violations of laws and regulations or the Articles of Incorporation.
 - c The Company may assign its directors, Audit & Supervisory Board members and employees to concurrently serve as Audit & Supervisory Board members of a subsidiary, thereby coordinating with audit & supervisory board members of the subsidiary in performing legal compliance audits of duties performed by the subsidiary's directors and employees.
10. System regarding employees to assist duties of Audit & Supervisory Board members when the Audit & Supervisory Board members request to assign such employees, and matters regarding the independence of such employees from the directors
- a Assigning an employee to act as an audit assistant
When an Audit & Supervisory Board member requests directors that an employee be assigned as an audit assistant to assist in his or her duties, the directors shall make the necessary organizational changes and personnel rotations upon consulting with the Audit & Supervisory Board member.
 - b Duties of an audit assistant
Audit assistants shall be formally posted as assistant to Audit & Supervisory Board member and assist with duties of Audit & Supervisory Board members and Audit & Supervisory Board operations as instructed and ordered.
 - c Independence of an audit assistant
 - i. An audit assistant shall work under the instructions and orders of an Audit & Supervisory Board member, and as such is not subject to the instructions or orders of directors or any person positioned as his or her superior or the like in the organization unit to which the audit assistant belongs.
 - ii. In performing their tasks, audit assistants may gather all information necessary for the audit.
 - iii. Consent of the relevant Audit & Supervisory Board member must be obtained for matters involving personnel rotations (this includes consent for the transfer destination in case of personnel transfer), personnel evaluation and disciplinary action of an audit assistant.
11. Matters regarding ensuring effectiveness of Audit & Supervisory Board members' instructions to employees to assist them in their duties
- a Supervisory authority
Audit & Supervisory Board members may instruct employees as necessary for conducting audit work so that the employees will assist their duties.
 - b Cooperative framework
When such an employee concurrently serves as an employee of another department, priority must be given to the employee's duties pertaining to the Audit & Supervisory Board member. Moreover, superiors of the other department with which the employee concurrently serves, and directors, must provide support as necessary upon request with respect to performance of such duties.
12. System for directors and employees to report to Audit & Supervisory Board members and the system concerning other reports to Audit & Supervisory Board members
- a Directors' obligation to report
A director must promptly report to an Audit & Supervisory Board member with respect to any discovery of an incident where work performed by another director or an employee is in violation of laws and regulations, or threatens to cause significant damage to the Company.
 - b Employees' right to report
An employee may report to an Audit & Supervisory Board member with respect to any discovery of an incident where work performed by a director or another employee is in violation of laws and regulations, or threatens to cause significant damage to the Company.
 - c Internal reporting
The organizational contact set up to receive internal reports shall report matters involving the status of internal reporting to an Audit & Supervisory Board member, pursuant to the Regulations on Operation of Whistle-Blowing System.
13. System for reporting to Audit & Supervisory Board members by the following in subsidiaries:

directors, accounting advisors, audit & supervisory board members, executive officers, executive members, persons executing duties set forth in Article 598, Paragraph 1 of the Companies Act, persons equivalent to such persons, and employees, or persons who receive reports from the foregoing persons

- a Directors and employees of a subsidiary shall immediately report the Company's Office of Affiliate Management if they discover an incident that significantly damages the subsidiary or threatens to do so, or otherwise if they discover a material incident involving violation of laws and regulations, the articles of incorporation or internal regulations within the subsidiary.
- b With respect to matters involving reports received from directors of subsidiaries, any matters that the Company's Office of Affiliate Management is to report to Audit & Supervisory Board members of the Company shall be those determined through mutual consultation between the Company's officers in charge of subsidiaries and Audit & Supervisory Board members.

14. System for ensuring that persons who have reported matters are not treated disadvantageously on the grounds of their reporting

- a Persons who have reported matters to an Audit & Supervisory Board member shall not be treated disadvantageously in any way on the grounds of their reporting as set forth in the preceding paragraphs.
- b When making decisions regarding the whistleblower with respect to personnel rotation, performance evaluation and disciplinary action, the fact of whistleblowing must not be a consideration, and the whistleblower may request an Audit & Supervisory Board member to conduct an inquiry into the reason for personnel rotation, performance evaluation and disciplinary action.

15. Matters regarding policies pertaining to procedures for prepayment or reimbursement of expenses arising with respect to performance of an Audit & Supervisory Board member's duties, or otherwise processing of expenses or debt obligations arising with respect to performance of such duties

a Presentation of budget

The Audit & Supervisory Board shall present a preliminary budget to the Company with respect to expenses deemed necessary in performing duties.

b Claims for expenses, etc.

Directors may not reject the hereinafter listed claims made by an Audit & Supervisory Board member, etc. with respect to performance of his or her duties, unless it has been demonstrated that an expense or debt obligation pertaining to the claim is unnecessary with respect to performance of the Audit & Supervisory Board member's duties.

- i. Claim for prepayment of expenses
- ii. Claim for reimbursement of expenses already paid and interest on such amounts accrued after the date of payment
- iii. Claim for making repayment to a person to whom a debt obligation is owed (or provision of reasonable guarantee of such amount in cases where the repayment due date of the obligation has not yet arrived).

16. System for ensuring that Audit & Supervisory Board members perform audits effectively

Audit & Supervisory Board members are provided preliminary explanations with respect to annual plans to be implemented by the Internal Audit Office, and may ask for revisions to such plans and make other such requests. Moreover, Audit & Supervisory Board members may be appropriately provided reports regarding the status of internal audit implementation, and may call for performance of additional audits, improvement of business operations and other such requests, when deemed necessary.

[Overview of implementation of system for ensuring the properness of business operations]

1. Compliance initiatives

Compliance Committee meetings and compliance sectional meetings were held on monthly and weekly bases respectively, and training based on monthly themes was regularly implemented for officers and employees to help raise awareness of compliance issues.

2. Risk management initiatives

Directors attended monthly Risk Management Committee meetings where they endeavored to identify and control risk. Moreover, efforts to heighten disaster awareness included Company-wide emergency preparedness training simulating large-scale disasters held twice during the year.

3. Initiatives to ensure properness and efficiency in performance of duties

Senior management attended weekly Management meetings where they endeavored to make swift decisions and execute business operations efficiently.

4. Performance of Audit & Supervisory Board members' duties

A system was established to ensure appropriate implementation of audits, with one standing Audit & Supervisory Board member assigned to serve in that position. The standing Audit & Supervisory Board member attended Management meetings and other important internal meetings where he appropriately provided his opinions, and otherwise endeavored to ensure effectiveness of audits by gaining an understanding of important Company information and sharing such information in coordination with the Internal Audit Office and other relevant departments.

5. Initiatives to ensure appropriate compliance and risk management in the Company's subsidiaries, and properness and efficiency in performance of duties

Objectives and policies formulated on the basis of medium-term business plans and medium- to long-term business strategy were shared with the Company's subsidiaries, and the Office of Affiliate Management regularly held meetings to ascertain progress made with respect to business performance and budget management as appropriate to the inherent characteristics of respective subsidiaries.

The Office of Affiliate Management received compliance reports from respective subsidiaries and regularly reported such content to the Compliance Committee.

Basic policies on risk management were established in respective subsidiaries, and such matters were reported to the Office of Affiliate Management.

The Company's Audit & Supervisory Board members concurrently serving as Audit & Supervisory Board members of its subsidiaries regularly received reports from the Office of Affiliate Management and compiled details on the status of management and other necessary information.

CONSOLIDATED BALANCE SHEETS

As of March 31, 2018

(Millions of yen)

ASSETS	
Current assets:	
Cash and time deposits	52,040
Notes and accounts receivable	45,968
Merchandise and finished goods	372,682
Work in process	5,657
Raw materials and supplies	5,121
Deferred tax assets	9,175
Other current assets	49,868
Allowance for doubtful accounts	(1,840)
Total current assets	538,676
Non-current assets:	
Property and equipment:	
Buildings and structures, net	216,556
Land	187,827
Lease assets, net	9,558
Construction in progress	678
Other, net	13,446
Total property and equipment, net	428,068
Intangible assets	40,287
Investments and other assets:	
Investment securities	9,182
Long-term loans receivable	3,510
Net defined benefit asset	1,845
Deferred tax assets	17,990
Guarantee deposits	102,080
Other assets	36,221
Allowance for doubtful accounts	(2,295)
Total investments and other assets	168,535
Total non-current assets	636,891
Total assets	1,175,568

CONSOLIDATED BALANCE SHEETS

As of March 31, 2018

(Millions of yen)

LIABILITIES AND NET ASSETS	
LIABILITIES:	
Current liabilities:	
Notes and accounts payable	98,550
Short-term loans payable	84,581
Current portion of long-term loans payable	45,215
Lease obligations	2,541
Income taxes payable	4,757
Provision for bonuses	8,455
Provision for directors' bonuses	118
Provision for point card certificates	7,835
Provision for warranties for completed construction	592
Provision for losses on liquidation of subsidiaries	302
Other current liabilities	54,269
Total current liabilities	307,221
Long-term liabilities:	
Bonds	100,116
Long-term loans payable	88,594
Lease obligations	10,232
Provision for directors' retirement benefits	465
Provision for product warranties	9,637
Provision for losses on interest repayments	97
Provision for gift certificates, etc.	206
Net defined benefit liability	26,287
Asset retirement obligations	31,685
Other long-term liabilities	12,283
Total long-term liabilities	279,606
Total liabilities	586,827
NET ASSETS:	
Shareholders' equity:	
Common stock	71,058
Capital surplus	84,608
Retained earnings	500,164
Treasury stock, at cost	(73,704)
Total shareholders' equity	582,127
Accumulated other comprehensive income:	
Valuation difference on available-for-sale securities, net of taxes	1,854
Foreign currency translation adjustments	(814)
Remeasurements of defined benefit plans	2,351
Total accumulated other comprehensive income	3,391
Subscription rights to shares	1,153
Non-controlling interests	2,068
Total net assets	588,740
Total liabilities and net assets	1,175,568

(Millions of yen with fractional amounts discarded, unless otherwise noted)

CONSOLIDATED STATEMENTS OF INCOME

Fiscal year ended March 31, 2018

		(Millions of yen)
Net sales		1,573,873
Cost of sales		1,135,758
Gross profit		438,114
Selling, general and administrative expenses		399,351
Operating profit		38,763
Non-operating income:		
Interest income	970	
Purchase discounts	4,312	
Rent income	4,216	
Sales of electric power	2,005	
Other	4,140	15,646
Non-operating expenses:		
Interest expenses	1,318	
Rent expenses	3,514	
Rental expenses	476	
Cost of sales of electric power	784	
Other	978	7,073
Ordinary profit		47,335
Extraordinary loss:		
Loss on disposal of non-current assets	552	
Impairment loss	5,515	
Other	1,253	7,321
Profit before income taxes		40,014
Income taxes-current		12,103
Income taxes-deferred		(1,018)
Profit		28,930
Loss attributable to non-controlling interests		849
Profit attributable to owners of parent		29,779

(Millions of yen with fractional amounts discarded, unless otherwise noted)

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2017	71,058	73,734	480,846	(67,213)	558,426
Changes of items during the period					
Cash dividends			(10,462)		(10,462)
Profit attributable to owners of parent			29,779		29,779
Purchase of treasury stock				(15,996)	(15,996)
Disposal of treasury stock		(2)		14	12
Purchase of shares of consolidated subsidiaries		10,876		9,491	20,367
Other changes in the period, net					
Total changes of items during the period	—	10,874	19,317	(6,490)	23,701
Balance at March 31, 2018	71,058	84,608	500,164	(73,704)	582,127

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at April 1, 2017	1,221	(485)	2,161	2,897	843	23,380	585,547
Changes of items during the period							
Cash dividends							(10,462)
Profit attributable to owners of parent							29,779
Purchase of treasury stock							(15,996)
Disposal of treasury stock							12
Purchase of shares of consolidated subsidiaries							20,367
Other changes in the period, net	632	(329)	189	493	310	(21,311)	(20,508)
Total changes of items during the period	632	(329)	189	493	310	(21,311)	3,192
Balance at March 31, 2018	1,854	(814)	2,351	3,391	1,153	2,068	588,740

(Millions of yen with fractional amounts discarded, unless otherwise noted)

NON-CONSOLIDATED BALANCE SHEETS

As of March 31, 2018

(Millions of yen)

ASSETS	
Current assets:	
Cash and time deposits	25,595
Notes and accounts receivable	31,071
Merchandise	295,877
Supplies	1,480
Short-term loans receivable from subsidiaries and affiliates	23,610
Prepaid expenses	5,810
Deferred tax assets	7,388
Accounts receivable-other	23,018
Current portion of guarantee deposits	5,433
Other current assets	1,623
Allowance for doubtful accounts	(500)
Total current assets	420,410
Non-current assets:	
Property and equipment:	
Buildings	180,567
Structures	3,885
Machinery and equipment	1,008
Vehicles	24
Tools, furniture and fixtures	9,125
Land	164,751
Lease assets, net	6,498
Construction in progress	397
Total property and equipment, net	366,259
Intangible assets:	
Leasehold right	31,518
Other assets	533
Total intangible assets	32,052
Investments and other assets:	
Investment securities	5,038
Stocks of subsidiaries and affiliates	39,482
Long-term loans receivable from subsidiaries and affiliates	37,983
Long-term prepaid expenses	6,996
Deferred tax assets	19,908
Guarantee deposits	89,938
Other assets	20,907
Allowance for doubtful accounts	(11,581)
Total investments and other assets	208,673
Total non-current assets	606,985
Total assets	1,027,395

NON-CONSOLIDATED BALANCE SHEETS

As of March 31, 2018

(Millions of yen)

LIABILITIES AND NET ASSETS	
LIABILITIES:	
Current liabilities:	
Notes payable	104
Accounts payable	65,446
Short-term loans payable	80,362
Current portion of long-term loans payable	41,500
Lease obligations	1,528
Accounts payable-other	18,231
Accrued expenses	3,165
Income taxes payable	2,096
Advances received	8,744
Provision for bonuses	6,474
Provision for directors' bonuses	113
Provision for point card certificates	7,319
Other current liabilities	7,094
Total current liabilities	242,180
Long-term liabilities:	
Bonds	100,116
Long-term loans payable	78,000
Lease obligations	7,443
Provision for retirement benefits	21,913
Provision for product warranties	6,740
Asset retirement obligations	28,277
Other long-term liabilities	6,348
Total long-term liabilities	248,840
Total liabilities	491,021
NET ASSETS:	
Shareholders' equity:	
Common stock	71,058
Capital surplus	77,416
Legal capital surplus	70,977
Other capital surplus	6,438
Retained earnings	459,563
Legal retained earnings	312
Other retained earnings	459,251
General reserve	434,000
Retained earnings brought forward	25,251
Treasury stock, at cost	(73,704)
Total shareholders' equity	534,334
Valuation and translation adjustments:	887
Valuation difference on available-for-sale securities, net of taxes	887
Subscription rights to shares	1,153
Total net assets	536,374
Total liabilities and net assets	1,027,395

(Millions of yen with fractional amounts discarded, unless otherwise noted)

NON-CONSOLIDATED STATEMENTS OF INCOME

Fiscal year ended March 31, 2018

		(Millions of yen)
Net sales		1,351,349
Cost of sales		1,017,424
Gross profit		333,925
Selling, general and administrative expenses		308,559
Operating profit		25,365
Non-operating income:		
Interest income	1,155	
Purchase discounts	4,260	
Rent income	3,429	
Sales of electric power	1,767	
Other	2,670	13,283
Non-operating expenses:		
Interest expenses	1,133	
Rent expenses	3,226	
Rental expenses	476	
Foreign exchange losses	540	
Cost of sales of electric power	666	
Other	381	6,424
Ordinary profit		32,224
Extraordinary income:		
Gain on sales of investment securities	507	507
Extraordinary loss:		
Loss on disposal of non-current assets	409	
Impairment loss	3,759	
Loss on valuation of stock of subsidiaries	1,379	
Loss on renunciation of affiliate bonds	7,529	
Other	212	13,288
Profit before income taxes		19,443
Income taxes-current		8,732
Income taxes-deferred		956
Profit		9,754

(Millions of yen with fractional amounts discarded, unless otherwise noted)

NON-CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity									
	Common stock	Capital surplus			Retained earnings				Treasury stock, at cost	Total share-holders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance at April 1, 2017	71,058	70,977	3,192	74,169	312	416,000	43,959	460,271	(67,213)	538,286
Changes of items during the period										
Provision of general reserve						18,000	(18,000)	—		—
Cash dividends							(10,462)	(10,462)		(10,462)
Profit							9,754	9,754		9,754
Purchase of treasury stock									(15,996)	(15,996)
Disposal of treasury stock			(2)	(2)					14	12
Increase by share exchanges			3,248	3,248					9,491	12,740
Other changes in the period, net										
Total changes of items during the period	—	—	3,246	3,246	—	18,000	(18,708)	(708)	(6,490)	(3,951)
Balance at March 31, 2018	71,058	70,977	6,438	77,416	312	434,000	25,251	459,563	(73,704)	534,334

	Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities, net of taxes	Total valuation and translation adjustments		
Balance at April 1, 2017	549	549	843	539,679
Changes of items during the period				
Provision of general reserve				—
Cash dividends				(10,462)
Profit				9,754
Purchase of treasury stock				(15,996)
Disposal of treasury stock				12
Increase by share exchanges				12,740
Other changes in the period, net	337	337	310	647
Total changes of items during the period	337	337	310	(3,304)
Balance at March 31, 2018	887	887	1,153	536,374

(Millions of yen with fractional amounts discarded, unless otherwise noted)

REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

Agenda items and references

Item 1: Proposal for Appropriation of Surplus

The Company, after comprehensively considering stable, consistent dividends for shareholders and its need for adequate internal reserves to reinforce its fundamentals, has made the following decision concerning the year-end dividend and other appropriation of surplus.

1. Year-end Dividends

- (1) Type of dividend assets
Cash
- (2) Allocation of dividend assets to be paid to shareholders and total dividend amount:
¥ 13 per share of common stock Total ¥ 10,404,596,826
- (3) Date on which the appropriation of surplus goes into effect:
June 29, 2018

2. Other Appropriation of Surplus

- | | |
|---|-----------------|
| (1) Item to be increased and amount of increase | |
| General reserve | ¥ 1,000,000,000 |
| (2) Item to be decreased and amount of decrease | |
| Retained earnings brought forward | ¥ 1,000,000,000 |

Item 2: Election of 15 Directors

The terms of all the current 14 Directors expire at the conclusion of this General Meeting of Shareholders.

Therefore, the Company proposes to elect 15 Directors, including 2 external Directors and 3 new Directors. The number of Directors will be increased by 1 for the purpose of further enhancement of the management system.

The candidates for Directors are as follows:

No.	Name (Date of Birth)	Brief History, Positions and Responsibilities in the Company and Significant Concurrent Positions	Number of Shares Owned
1	Noboru Yamada (February 11, 1943) [Reelection]	September 1983 Representative Director, President of the Company June 2008 Representative Director, Chairman, CEO June 2013 President Director, Representative Director, CEO April 2016 Representative Director, Chairman and Chairperson of the Board of Directors (to the present) [Significant Concurrent Positions] Representative Director, President of Tecc Planning Co., Ltd. Representative Director, Chairman of YAMADA SXL HOME CO., LTD. Representative Director, Chairman of Yamada Wood House Co., Ltd. Representative Director, Chairman of Housetec Inc.	24,557,920
2	Tadao Ichimiya (August 13, 1955) [Reelection]	July 1986 Director of the Company May 1987 Managing Director May 1988 Senior Managing Director April 1995 Director, Executive Vice-President June 2008 Representative Director, President, COO June 2013 Representative Director, Executive Vice-President, COO May 2014 Representative Director, Executive Vice-President, COO & General Manager, Sales and Marketing Division December 2014 Representative Director, Executive Vice-President, COO & General Manager, Product Division April 2016 Vice-Chairman and CEO (to the present) [Significant Concurrent Positions] Audit & Supervisory Board Member of Tecc Planning Co., Ltd.	1,029,500

No.	Name (Date of Birth)	Brief History, Positions and Responsibilities in the Company and Significant Concurrent Positions	Number of Shares Owned
3	Mitsumasa Kuwano (December 19, 1954) [Reelection]	<p>December 2005 Executive Officer & Head of Soseijuku of the Company</p> <p>June 2006 Director, Managing Executive Officer & Deputy General Manager, General Affairs Division</p> <p>June 2008 Director, Senior Managing Executive Officer & Deputy General Manager, General Affairs Division</p> <p>August 2010 Director, Senior Managing Executive Officer, General Manager, General Affairs Division & Head of Soseijuku</p> <p>April 2012 Director, Senior Managing Executive Officer & General Manager, General Affairs Division</p> <p>June 2013 Director, Managing Executive Officer & General Manager, General Affairs Division</p> <p>January 2014 Director, Managing Executive Officer & General Manager, General Affairs Division and General Counsel, Personnel Structure Reform Office</p> <p>March 2015 Director, Managing Executive Officer & General Manager, General Affairs Division</p> <p>April 2016 Representative Director, President, COO (to the present)</p> <p>[Significant Concurrent Positions] None</p>	29,500
4	Hiroyasu Iizuka (January 18, 1965) [Reelection]	<p>April 1991 General Manager, Data Processing Department of the Company</p> <p>June 1993 Director</p> <p>October 2000 Managing Director</p> <p>July 2002 Senior Managing Director</p> <p>June 2004 Director, Senior Managing Executive Officer</p> <p>December 2004 Director, Senior Managing Executive Officer & General Manager, Information System Department</p> <p>June 2008 Director, Executive Vice-President CIO & General Manager, IT Business Division and System Department</p> <p>June 2013 Director, Senior Managing Executive Officer CIO & General Manager, IT Business Division, System Department and Domestic NET Sales Department</p> <p>March 2015 Director, Senior Managing Executive Officer CIO & General Manager, IT Business Division and System Department</p> <p>January 2016 Director, Senior Managing Executive Officer & General Counsel, New Business Development Office</p> <p>April 2018 Director, Executive Vice-President & General Counsel, New Business Development Office, General Manager, Internet Department (to the present)</p> <p>[Significant Concurrent Positions] Director of Yamada Financial Co., Ltd. Director of Y's Select Co., Ltd. Director of FOMM Corporation</p>	15,300

No.	Name (Date of Birth)	Brief History, Positions and Responsibilities in the Company and Significant Concurrent Positions	Number of Shares Owned
5	Jun Okamoto (April 28, 1956) [Reelection]	<p>April 2006 Advisor of President Office of the Company</p> <p>June 2006 Director, Senior Managing Executive Officer</p> <p>June 2007 Director, Senior Managing Executive Officer, General Counsel, Corporate Planning Office</p> <p>June 2008 Director, Senior Managing Executive Officer & General Counsel, Corporate Planning Office</p> <p>April 2012 Director, Executive Vice-President, & General Counsel, Corporate Planning Office, SxL Management Office and CSR Promotion Office</p> <p>June 2013 Director, Senior Managing Executive Officer & General Counsel, Corporate Planning Office, SxL Management Office and CSR Promotion Office</p> <p>April 2016 Director, Senior Managing Executive Officer & General Counsel, Corporate Planning Office and CSR Promotion Office</p> <p>April 2018 Director, Senior Managing Executive Officer & General Counsel, Corporate Planning Office (to the present)</p> <p>[Significant Concurrent Positions] Director of Best Denki Co., Ltd. Director of Housetec Inc. Director of Yamada Wood House Co., Ltd.</p>	33,000

No.	Name (Date of Birth)	Brief History, Positions and Responsibilities in the Company and Significant Concurrent Positions	Number of Shares Owned
6	Tatsuo Kobayashi (July 6, 1964) [Reelection]	<p>June 2007 Managing Executive Officer & General Counsel, Sales Planning Office of the Company</p> <p>June 2008 Director, Managing Executive Officer & General Manager, Sales Management Department, Sales and Marketing Division</p> <p>February 2010 Director, Managing Executive Officer & General Manager, First Sales and Marketing Division</p> <p>April 2012 Director, Managing Executive Officer & General Manager, Sales Promotion Department and First Sales and Marketing Department, Sales and Marketing Division</p> <p>June 2013 Director, Senior Executive Officer & General Manager, Sales Promotion Department and First Sales and Marketing Department, Sales and Marketing Division</p> <p>December 2013 Director, Senior Executive Officer & General Counsel, Sales Promotion Office and General Manager, Eastern Japan Sales and Marketing Department, Sales and Marketing Division</p> <p>June 2014 Director, Senior Executive Officer & General Manager, Corporate Business Department</p> <p>June 2016 Director, Managing Executive Officer & General Manager, Corporate Business Department</p> <p>September 2017 Director, Senior Managing Executive Officer & General Manager, Sales and Marketing Division</p> <p>October 2017 Director, Senior Managing Executive Officer & General Manager, Home Appliance Department</p> <p>April 2018 Director, Senior Managing Executive Officer & General Manager, Segment Department (to the present)</p> <p>[Significant Concurrent Positions] Director of Best Denki Co., Ltd. Director of Cosmos Berry's Co., Ltd.</p>	11,800
7	Haruhiko Higuchi (March 9, 1960) [Reelection]	<p>June 2005 Director, Managing Executive Officer & General Counsel, Legal Office</p> <p>June 2008 Director, Managing Executive Officer & General Counsel, Legal Office</p> <p>June 2013 Director, Senior Executive Officer & General Counsel, Legal Office</p> <p>June 2016 Director, Managing Executive Officer & General Counsel, Legal Office (to the present)</p> <p>[Significant Concurrent Positions] Director of Tecc Planning Co., Ltd.</p>	3,100

No.	Name (Date of Birth)	Brief History, Positions and Responsibilities in the Company and Significant Concurrent Positions	Number of Shares Owned
8	Hitoshi Arai (August 26, 1960) [Reelection]	<p>June 1996 Director, Deputy General Manager, Administration Division & General Manager, Finance & Accounting Division</p> <p>December 1998 Director & General Counsel, Corporate Planning Office</p> <p>August 2001 Director & General Counsel, Internal Audit Office</p> <p>November 2001 Director & General Manager, Service Division</p> <p>May 2003 Director & General Manager, Logistics Division</p> <p>June 2004 Senior Executive Officer & General Manager, Logistics Division</p> <p>April 2006 Senior Executive Officer, General Manager, Administration Department, Local Administration and Financial Division & General Counsel, Close Examination Management Office</p> <p>April 2008 Managing Executive Officer & General Manager, Administration Department, Local Administration and Financial Division</p> <p>May 2013 Executive Officer & General Counsel, Administration Office, Local Administration and Financial Division</p> <p>April 2016 Executive Officer, Deputy General Manager, Local Administration and Financial Division, General Counsel, Administration Office, General Counsel, Affiliates Management Office & General Counsel, SxL, Wood House, and Housetec Related Business Management Office</p> <p>June 2016 Director, Senior Executive Officer, Deputy General Manager, Local Administration and Financial Division, General Counsel, Administration Office, General Counsel, Affiliates Management Office & General Counsel, SxL, Wood House, and Housetec Related Business Management Office</p> <p>July 2017 Director, Senior Executive Officer, General Counsel, SxL, Wood House, and Housetec Related Business Management Office</p> <p>April 2018 Director, Managing Executive Officer, General Counsel, Affiliates Management Office (to the present)</p> <p>[Significant Concurrent Positions] Director of YAMADA SXL HOME CO., LTD. Director of CIC Inc. Director of Yamada Wood House Co., Ltd. Director of Cosmos Berry's Co., Ltd. Director of Housetec Inc. Director of Best Denki Co., Ltd. Representative Director, President of Okinawa Yamada Denki Co., Ltd.</p>	600

No.	Name (Date of Birth)	Brief History, Positions and Responsibilities in the Company and Significant Concurrent Positions	Number of Shares Owned
9	Takayuki Fukuda (August 30, 1974) [Reelection]	<p>February 1998 Entered the Company</p> <p>June 2003 General Counsel, Legal Office</p> <p>April 2009 Assistant to General Manager, Store Management Department, Development Division</p> <p>February 2011 General Manager, Store Management Section, Store Management Department, Development Division</p> <p>April 2012 Associate Director & General Manager, Store Construction Management Department, Development Division</p> <p>May 2013 Assistant to Associate Director & General Manager, Store Construction Management Department, Development Division</p> <p>June 2016 Director, Senior Executive Officer & General Manager, Store Construction Management Department, Development Division</p> <p>April 2018 Director, Senior Executive Officer & General Manager, Development Division & Store Construction Management Department (to the present)</p> <p>[Significant Concurrent Positions] Director of Housetec Inc. Director of Best Denki Co., Ltd. Director of Kyushu Tecc Land Co., Ltd.</p>	800
10	Yoshinori Ueno (December 2, 1971) [Reelection]	<p>April 1990 Entered Best Denki Co., Ltd.</p> <p>March 2010 Deputy General Manager, New Medium-Term Business Plan Promotion Office of Best Denki Co., Ltd.</p> <p>June 2010 Deputy General Manager, Sales Promotion Division of Best Denki Co., Ltd.</p> <p>April 2014 Entered the Company</p> <p>April 2014 General Counsel, Sales Strategy Office, Sales and Marketing Division</p> <p>April 2016 General Manager, Sales Strategy Division</p> <p>June 2016 Director, Senior Executive Officer, General Manager, Sales Strategy Division, General Counsel, Housing Collaboration Sales Strategy Office</p> <p>October 2017 Director, Senior Executive Officer, General Counsel, Sales Products Strategy Office, Home Appliance Department</p> <p>April 2018 Director, Managing Executive Officer, General Manager, Product Department (to the present)</p> <p>[Significant Concurrent Positions] Director of Matsuya Denki Co., Ltd. Director Seidensha Co., Ltd. Director of Kyushu Tecc Land Co., Ltd.</p>	784

No.	Name (Date of Birth)	Brief History, Positions and Responsibilities in the Company and Significant Concurrent Positions	Number of Shares Owned
11	Tsuneo Mishima (September 10, 1959) [New candidate]	<p>April 1982 Entered Hokuriku Sonny Sales Inc. (currently Sony Consumer Sales (Japan) Inc.)</p> <p>December 1989 Entered 3Q Takashimaya Co., Ltd (currently 3Q Co., Ltd).</p> <p>April 2000 Director of 3Q Co., Ltd.</p> <p>April 2005 Managing Director of 3Q Co., Ltd.</p> <p>March 2007 Director, Vice-President of 3Q Co., Ltd.</p> <p>October 2012 Representative Director, President of 3Q Co., Ltd.</p> <p>October 2014 Representative Director, President of 3Q Co., Ltd. and Executive Officer, General Manager of ELS Division of EDION Corporation</p> <p>April 2015 Transferred to EDION Corporation</p> <p>April 2015 Executive Officer, General Manager of ELS Division of EDION Corporation</p> <p>June 2015 Director, General Manager of ELS Division of EDION Corporation</p> <p>December 2015 Retired from EDION Corporation</p> <p>January 2017 Entered the Company</p> <p>January 2017 Advisor to the Company's Chairman</p> <p>June 2017 Executive Officer, Vice-President (to the present)</p> <p>[Significant Concurrent Positions] None</p>	-
12	Akira Fukui (June 6, 1965) [New candidate]	<p>April 1989 Entered Fuji Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p>May 2000 Assistant General Manager, Planning Team, Welfare Department, Human Resources Division of Fuji Bank Ltd.</p> <p>October 2005 Assistant General Manager, ICHIGAYA Branch of Mizuho Bank, Ltd.</p> <p>April 2012 General Manager, TSU Branch of Mizuho Bank, Ltd.</p> <p>April 2017 Retired from Mizuho Bank, Ltd.</p> <p>May 2017 Entered the Company</p> <p>June 2017 Executive Officer, Deputy General Manager, Corporate Business Department</p> <p>September 2017 Managing Executive Officer, General Manager, Corporate Business Department</p> <p>April 2018 Managing Executive Officer, General Manager, Corporate Business Department, Segment Department (to the present)</p> <p>[Significant Concurrent Positions] None</p>	-
13	Megumi Kogure (October 18, 1976) [New candidate]	<p>April 1997 Entered the Company</p> <p>May 2011 Deputy General Manager, Corporate Secretariat</p> <p>May 2012 General Manager, Corporate Secretariat</p> <p>April 2016 Assistant to Associate Director, General Manager, General Counsel, Corporate Secretariat</p> <p>May 2017 Associate Director, General Counsel, Corporate Secretariat</p> <p>April 2018 Executive Officer, General Counsel, Corporate Secretariat & General Counsel, Human Resources Development Office (to the present)</p> <p>[Significant Concurrent Positions] None</p>	-

No.	Name (Date of Birth)	Brief History, Positions and Responsibilities in the Company and Significant Concurrent Positions	Number of Shares Owned
14	Tsukasa Tokuhira (May 3, 1954) Candidate for External Director [Reelection]	<p>April 1974 Entered Hanbai Noritsu Zoshin Honbu Co., Ltd.</p> <p>April 1984 General Manager, Guidance Department of Hanbai Noritsu Zoshin Honbu Co., Ltd.</p> <p>February 1987 Representative Director, President of Fic Limited (to the present)</p> <p>July 2007 Representative Director, President of Cross Co., Ltd. (to the present)</p> <p>June 2014 Director of the Company (to the present)</p> <p>[Significant Concurrent Positions] Representative Director of Fic Limited Representative Director of Cross Co., Ltd.</p>	8,500
15	Hiroyuki Fukuyama (December 15, 1942) Candidate for External Director [Reelection]	<p>April 1965 Entered Hitachi, Ltd.</p> <p>May 1990 Managing Director of Hitachi Air Conditioning Products (M) Sdn. Bhd.</p> <p>April 1999 Commissioner & General Manager, Home Appliance Sales Division, Home Appliance Group of Hitachi, Ltd.</p> <p>April 2000 President of Hitachi GE Lighting, Ltd.</p> <p>November 2002 Commissioner & General Manager, Corporate Quality Assurance Division of Hitachi, Ltd.</p> <p>April 2007 Vice-President and Executive Officer in charge of Quality Assurance and Production Engineering of Hitachi, Ltd.</p> <p>March 2008 Retired from Hitachi, Ltd.</p> <p>April 2008 Representative of Hiroyuki Fukuyama Professional Engineer Office (to the present)</p> <p>June 2015 Director of the Company (to the present)</p> <p>[Significant Concurrent Positions] Representative of Hiroyuki Fukuyama Professional Engineer Office</p>	2,800

- Notes: 1. The candidate for director Tsukasa Tokuhira serves as Representative Director, President of Cross Co., Ltd. and Representative Director, President of Fic Limited. The Company has a trading relationship with Cross Co., Ltd. that includes the provision of outsourced operations. However, because the scale of this relationship is insubstantial and accounts for less than 0.0003% of the Company's consolidated net sales, the Company believes that it is not significant enough to cause a conflict of interests. There is no special conflict of interest between Fic Limited and the Company.
- There are no conflicts of interest between the other candidates for directors and the Company.
2. The Company is planning that Haruhiko Higuchi will be appointed to the position of Director at each of the respective ordinary general meetings of shareholders of Cosmos Berry's Co., Ltd., Yamada Wood House Co., Ltd. that will be held in May 2018 and at the extraordinary general meeting of shareholders of CIC Inc. that will be held in June 2018.
 3. The Company is planning that Hitoshi Arai will be appointed to the position of Director at each of the respective ordinary general meetings of shareholders of Y's select Co., Ltd., Matsuya Denki Co., Ltd., Project White Co., Ltd., that will all be held in May 2018 and at the extraordinary general meeting of shareholders of Inversenet Inc. that will be held in June 2018.
 4. The Company is planning that Takayuki Fukuda will be appointed to the position of Director at the ordinary general meeting of shareholders of Yamada Wood House Co., Ltd., which will be held in May 2018.
 5. Tsukasa Tokuhira and Hiroyuki Fukuyama are candidates for external directors.
The Company has submitted notification to Tokyo Stock Exchange, Inc. that Tsukasa Tokuhira and Hiroyuki Fukuyama have been appointed as an independent officer as provided for in Article 436-2 of the Securities Listing Regulations of the aforementioned exchange. If the reelection of Tsukasa Tokuhira and Hiroyuki Fukuyama is approved, the Company plans for their appointment as an independent officer to continue.
 6. The special notes referring to the candidates for external directors are as follows:
 - (1) The reason for the proposal of the candidate:
The Company judges that Tsukasa Tokuhira can provide valuable opinions and suggestions to the management of the Company based on his wealth of experience gained from his long-standing career as an industry leader in the distribution industry. He is currently serving as an external director of the company, and at the conclusion of this general meeting of shareholders, it will be four years since he was appointed to the position.
Hiroyuki Fukuyama has a wealth of experience and wide knowledge as a company executive, and the Company judges that he will provide valuable opinions and suggestions to the management of the Company, including from the perspective of CSR, such as environmental responses centered on manufacturing and regional contribution measures. He is currently serving as an external director of the company, and at the conclusion of this general meeting of shareholders, it will be three years since he was appointed to the position.
As both candidates have suitably fulfilled their duties, the Company judges that they will provide appropriate suggestions from a suitable and appropriate standpoint regarding decisions on the execution of the Company's business, and it therefore requests their election.
 - (2) Facts relating to the Company or the extra related undertaker with the Company:
N/A
 - (3) External director and the Limited Responsibility Contract:
N/A

Item 3: Election of 1 Audit & Supervisory Board Member

The term of the current Audit & Supervisory Board Member Makoto Igarashi will be expired at the conclusion of this General Meeting of Shareholders. Therefore, we hereby request the election of 1 Audit & Supervisory Board Member.

The approval of the Audit & Supervisory Board has been received for this item.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of Birth)	Brief History, Positions and Responsibilities in the Company and Significant Concurrent Positions	Number of Shares Owned
Makoto Igarashi (August 4, 1964) [Reelection]	<p>June 1999 Director of the Company</p> <p>April 2001 Managing Director of the Company</p> <p>May 2003 Senior Managing Director of the Company</p> <p>June 2004 Director, Senior Managing Executive Officer</p> <p>June 2007 Director, Senior Managing Executive Officer, General Manager, Local Administration and Financial Division & General Counsel, Affiliates Management Office</p> <p>June 2008 Director, Senior Managing Executive Officer & General Counsel, Overseas Business Strategy Office</p> <p>March 2010 Director, Senior Managing Executive Officer & General Counsel, Overseas Business Strategy Office and LABI Development Office</p> <p>June 2012 Director, Senior Managing Executive Officer, CFO</p> <p>June 2013 Director, Managing Executive Officer, CFO & General Manager, Local Administration and Financial Division</p> <p>June 2014 Audit & Supervisory Board Member of the Company (to the present)</p> <p>[Significant Concurrent Positions]</p> <p>Audit & Supervisory Board Member of CIC Co., Ltd.</p> <p>Audit & Supervisory Board Member of Inversenet Co., Ltd.</p> <p>Audit & Supervisory Board Member of Yamada Financial Co., Ltd.</p> <p>Audit & Supervisory Board Member of Cosmos Berry's Co., Ltd.</p> <p>Audit & Supervisory Board Member of Matsuya Denki Co., Ltd.</p> <p>Audit & Supervisory Board Member of Seiden Co., Ltd.</p> <p>Audit & Supervisory Board Member of Y's select Co., Ltd.</p> <p>Audit & Supervisory Board Member of YAMADA SXL HOME CO., LTD.</p> <p>Audit & Supervisory Board Member of Yamada Wood House Co., Ltd.</p> <p>Audit & Supervisory Board Member of Housetec Inc.</p> <p>Audit & Supervisory Board Member of Best Denki Co., Ltd.</p> <p>Audit & Supervisory Board Member of Kyushu Tecc Land Co., Ltd.</p> <p>Audit & Supervisory Board Member of Project White Co., Ltd.</p> <p>Audit & Supervisory Board Member of Okinawa Yamada Denki Co., Ltd.</p> <p>Audit & Supervisory Board Member of Tecc Planning Co., Ltd.</p>	45,700

Note: There are no conflicts of interest between the candidate and the Company.