(Translation for reference only)

Securities Code: 9831
May 26, 2017

NOTICE OF THE 40TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholder:

You are cordially invited to attend the 40th Ordinary General Meeting of Shareholders of Yamada Denki Co., Ltd. (the "Company"), which will be held on Thursday, June 29, 2017, 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 28, 2017.

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 for the 40th term (from April 1, 2016 to March 31, 2017); and report on auditing results of consolidated financial statements by independent accountants and Audit & Supervisory Board
2. The Non-Consolidated Financial Statements for the 40th term (from April 1, 2016 to March 31, 2017)

Items to Be Resolved:

<Company Proposal (Item 1)>

Item 1: Proposal for Appropriation of Surplus

<Shareholder Proposal (Item 2)>

Item 2: Election of 1 Director (Proposal Made by Shareholders)

*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) Consolidated Statements of Changes in Net Assets and Notes to Consolidated Financial Statements
2) Non-Consolidated Statements of Changes in Net Assets and Notes to the Non-Consolidated Financial Statements

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 "1)" and "2)" 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, 2017

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, 2017 (April 1, 2016 to March 31, 2017), the Japanese economy remained on a path of gradual recovery underpinned by economic measures being taken by the government and financial measures by the Bank of Japan with corporate earnings improving somewhat and the jobs environment also improving, despite weakening consumer spending.

Meanwhile, the outlook for the global economy remained unclear, against a backdrop of various uncertainties with respect to factors such as economic slowdown and growth stagnation in China and emerging nations, issues arising with respect to the decision by the UK to exit the EU, the impact of the change of administration in the US, and instability in the securities exchanges and foreign exchange markets.

[On the consumer electrical appliance retail industry]

The consumer electrical appliance retail industry to which the Yamada Denki Group (the "Group") belongs marked firm performance due to an increase in per-unit prices and recovery in unit sales, amid signs of prolonged stagnation bottoming out in the market for televisions, which had been caused by a pullback in spending in the wake of special demand that had been attributable to the Japanese government's "ecopoints" program for electrical appliances and digitalization of terrestrial television. Meanwhile, aside from an apparent lull in the market for refrigerators which had long maintained firm demand, sales of washing machines, vacuum cleaners and other white goods held strong, underpinned by support from replacement demand. In addition, seasonal products performed strongly despite temperature variations by geographic region and other weather-related factors during the summer months and warmer than average temperatures during the winter months.

On the other hand, mobile phone sales stalled partially due to adverse effects of government requirements calling for rectification of sales practices, while computers and tablet devices also lost momentum.

In the consumer electrical appliance market overall, products appear to be maintaining generally strong sales results, with the exception of special circumstances regarding computers, mobile phones and other products in the digital realm, as well as some products affected by seasonal factors.

[On the Company's efforts]

Against this backdrop in the consumer electrical appliance market, the Group has continued to take on various challenges geared to achieving sustainable growth and development ahead, premised on our objectives of creating new businesses, forging ahead with structural reforms and medium-term management plan, and fortifying our existing businesses and developing human resources, under a management framework consisting of three representative directors as of April 1, 2016. Accordingly, acting as one of Japan's largest network and services Internet of Things (IoT) companies, we have been enhancing what we offer by going from physical products to intangible services, and physical products plus intangible services, and accordingly have been developing new services that meet customer needs "from the cradle to the grave," through initiatives that entail analysis and application of big data encompassing our membership roster in excess of 50 million consumers.

During the fiscal year under review, the government announced plans to delay further hikes to the consumption tax after the Company had announced the next plan for the fiscal year ended March 31, 2017 on May 9, 2016. As a result, differences arose between actual sales from the plan's sales targets as the plan had taken into consideration a rush in demand by consumers before the consumption tax hike. This had more than a ¥10.0 billion negative effect on gross profit. The Company was also negatively impacted by yen appreciation with a drop of about ¥1.9 billion between December 31, 2016 and March 31, 2017. Furthermore, investments with medium- to long-term reward were implemented by a housing related subsidiary. All in all, the profit shortfall from plan target was about ¥4.0 billion. On the other hand, the promotion of structural reforms enabled us to make progress in improving each profit margin,

while also reducing selling, general and administrative expenses through effective controls overall, despite some upfront expenses having been incurred from a medium- to long-term perspective.

In addition, by using big data to shift from the granting of points for physical products to granting points for intangible services, we have been working to optimize and maximize operations in terms of both sales and marketing which has involved increasing the number of customers visiting our stores, boosting the percentage of repeat business, heightening efficiency of sales promotions, shifting to sales centered on white goods, and aligning brick-and-mortar retail establishments with online shopping. Through these efforts, we have been able to increase our gross profit margin, and continue to achieve successful results with respect to structural reforms again in the fiscal year under review, more than 18 months since undertaking substantial reforms which included large-scale store closures carried out during the three months ended June 30, 2015.

[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. The Group published its CSR REPORT to disclose information related to its social responsibility, and in June 2016, using the "International Integrated Reporting Framework" published by the International Integrated Reporting Council (IIRC), it published the Yamada Denki Group Corporate Report including the previous CSR REPORT, which is also posted on the Company website (http://www.yamada-denki.jp/). Please note that some of these documents are published in Japanese only.

[On number of stores]

As of the end of the fiscal year under review, we have 955 consolidated retail stores (comprising 648 stores directly managed by the Company, 162 stores managed by Best Denki Co., Ltd. and 145 stores operated by other consolidated subsidiaries), and a total of 12,074 retail stores overall with the inclusion of those managed by our subsidiaries and franchise stores.

[On performance summary]

As a result of the above, consolidated net sales for the fiscal year under review amounted to ¥1,563,056 million, down 3.1% year on year, operating profit totaled ¥57,895 million, down 0.5% year on year, ordinary profit was ¥66,040 million, up 5.3% year on year, and profit attributable to owners of parent was ¥34,528 million, up 13.6% year on year.

[*On special factors, etc. in the fiscal year under review]

・On special factors in "net sales"

Please note that net sales are below those of the previous year, partially due to the impact of large scale closure of stores to relieve competition inside the Group (in the previous year 98 directly-managed stores were closed through structural reforms, etc. and there was also pullback in spending by store-closure bargain sales).

For the sake of reference, the Company's internal management finds that its sales of major home electronics products are approximately 1.4% higher than market averages (reference figures calculated as simple mean values comparing similar time periods, on the basis of market data on selected products compiled by market research firm GfK), and that market share has not decreased. These findings exclude special background factors with respect to effects of the aforementioned store closures, business involving mobile phones which was adversely affected by the government's requirements calling for mobile phone carriers to rectify their sales practices, and business involving solar power systems which has been affected by a significant contraction of the market due to changes in the government's renewable energy feed-in-tariff scheme, which particularly impact large solar power systems for corporations.

(2) Trends in Operating Results and Assets

	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016
Net sales (millions of yen)	1,893,971	1,664,370	1,612,735	1,563,056
Ordinary profit (millions of yen)	50,187	35,537	62,734	66,040
Profit attributable to owners of parent (millions of yen)	18,666	9,340	30,395	34,528
Basic earnings per share (yen)	20.21	11.73	38.22	43.00
Total assets (millions of yen)	1,196,288	1,122,407	1,146,722	1,159,456
Net assets (millions of yen)	553,354	509,397	557,722	585,547

(3) Issues the Group will be Addressing

Looking ahead to the fiscal year ending March 31, 2018, the outlook for the global economy is uncertain. Specifically, matters we are watchful of include the economic impact for the UK and the EU member countries from the issue of the UK deciding to leave the EU, the policy direction of the new US administration, and the economic trends of China and the emerging countries.

On the other hand, we expect economic activity in Japan to continue solidly, underpinned by factors such as firm consumer spending and improvement in corporate earnings.

The consumer electrical appliance retail market, in which the Group belongs, is expected to be flat year on year with a solid demand for replacement of white goods and a normal demand for replacement of televisions mainly providing the counterbalance to the continuing structural decline of demand for computers and digital-related products.

Operating as Japan's largest consumer electrical appliance retailer under this market environment, the Group will continue to implement initiatives such as developing new business domains built upon the foundation of electrical appliance retail, and promoting structural reforms, and aggressively conduct initiatives that leverage the Group's business resources to the maximum extent while endeavoring to enhance profitability and corporate value by such means as improving its gross profit margin and reducing selling, general and administrative expenses.

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 The Company's principal subsidiaries 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 management strategies 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 changes (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 management agreements 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, 2017

(Millions of yen)

ASSETS	
Current assets:	
Cash and time deposits	35,341
Notes and accounts receivable	56,868
Merchandise and finished goods	373,114
Work in process	2,580
Raw materials and supplies	3,355
Deferred tax assets	9,309
Other current assets	44,629
Allowance for doubtful accounts	(6,714)
Total current assets	518,484
Non-current assets:	
Property and equipment:	
Buildings and structures, net	220,476
Land	187,895
Lease assets, net	10,355
Construction in progress	853
Other, net	12,685
Total property and equipment, net	432,266
Intangible assets	33,526
Investments and other assets:	
Investment securities	5,186
Long-term loans receivable	12,582
Net defined benefit asset	2,009
Deferred tax assets	16,794
Guarantee deposits	108,225
Other assets	36,277
Allowance for doubtful accounts	(5,896)
Total investments and other assets	175,180
Total non-current assets	640,972
Total assets	1,159,456

CONSOLIDATED BALANCE SHEETS

As of March 31, 2017

(Millions of yen)

LIABILITIES AND NET ASSETS	
LIABILITIES:	
Current liabilities:	
Notes and accounts payable	82,372
Short-term loans payable	77,155
Current portion of long-term loans payable	58,083
Lease obligations	2,537
Income taxes payable	12,481
Provision for bonuses	7,601
Provision for directors' bonuses	124
Provision for point card certificates	10,790
Provision for warranties for completed construction	210
Provision for losses on liquidation of subsidiaries	293
Other current liabilities	49,598
Total current liabilities	301,248
Long-term liabilities:	
Bonds	100,216
Long-term loans payable	85,559
Lease obligations	11,322
Provision for directors' retirement benefits	572
Provision for product warranties	11,683
Provision for losses on interest repayments	190
Provision for gift certificates, etc.	276
Net defined benefit liability	24,763
Asset retirement obligations	24,748
Other long-term liabilities	13,327
Total long-term liabilities	272,661
Total liabilities	573,909
NET ASSETS:	
Shareholders' equity:	
Common stock	71,058
Capital surplus	73,734
Retained earnings	480,846
Treasury stock, at cost	(67,213)
Total shareholders' equity	558,426
Accumulated other comprehensive income:	
Valuation difference on available-for-sale securities, net of taxes	1,221
Foreign currency translation adjustments	(485)
Remeasurements of defined benefit plans	2,161
Total accumulated other comprehensive income	2,897
Subscription rights to shares	843
Non-controlling interests	23,380
Total net assets	585,547
Total liabilities and net assets	1,159,456

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

CONSOLIDATED STATEMENTS OF INCOME

Fiscal year ended March 31, 2017

		(Millions of yen)
Net sales		1,563,056
Cost of sales		1,107,856
Gross profit		455,199
Selling, general and administrative expenses		397,304
Operating profit		57,895
Non-operating income:		
Interest income	1,080	
Purchase discounts	6,314	
Rent income	4,113	
Sales of electric power	1,922	
Other	4,324	17,755
Non-operating expenses:		
Interest expenses	1,452	
Foreign exchange losses	1,782	
Rent expenses	3,616	
Rental expenses	693	
Cost of sales of electric power	786	
Other	1,278	9,610
Ordinary profit		66,040
Extraordinary income:		
Gain on sales of non-current assets	139	139
Extraordinary loss:		
Loss on disposal of non-current assets	583	
Impairment loss	6,083	
Loss on disaster	1,147	
Other	1,483	9,297
Profit before income taxes		56,882
Income taxes-current		20,972
Income taxes-deferred		(680)
Profit		36,590
Profit attributable to non-controlling interests		2,062
Profit attributable to owners of parent		34,528

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

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Fiscal year ended March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2016	71,058	73,001	458,107	(68,231)	533,936
Changes of items during the period					
Cash dividends			(9,628)		(9,628)
Profit attributable to owners of parent			34,528		34,528
Disposal of treasury stock		(0)		6	6
Change of scope of consolidation			(2,161)		(2,161)
Purchase of shares of consolidated subsidiaries		733		1,010	1,744
Other changes in the period, net					
Total changes of items during the period	–	733	22,738	1,017	24,489
Balance at March 31, 2017	71,058	73,734	480,846	(67,213)	558,426

	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, 2016	934	(1,966)	1,488	456	521	22,807	557,722
Changes of items during the period							
Cash dividends							(9,628)
Profit attributable to owners of parent							34,528
Disposal of treasury stock							6
Change of scope of consolidation							(2,161)
Purchase of shares of consolidated subsidiaries							1,744
Other changes in the period, net	286	1,480	672	2,440	322	572	3,335
Total changes of items during the period	286	1,480	672	2,440	322	572	27,825
Balance at March 31, 2017	1,221	(485)	2,161	2,897	843	23,380	585,547

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

NON-CONSOLIDATED BALANCE SHEETS

As of March 31, 2017

(Millions of yen)

ASSETS	
Current assets:	
Cash and time deposits	22,207
Accounts receivable	42,189
Merchandise	309,476
Supplies	1,375
Short-term loans receivable from subsidiaries and affiliates	25,270
Prepaid expenses	5,850
Deferred tax assets	8,687
Accounts receivable-other	22,599
Current portion of guarantee deposits	5,757
Other current assets	1,616
Allowance for doubtful accounts	(2,301)
Total current assets	442,728
Non-current assets:	
Property and equipment:	
Buildings	183,097
Structures	4,681
Machinery and equipment	1,105
Vehicles	11
Tools, furniture and fixtures	9,502
Land	165,379
Lease assets, net	7,531
Construction in progress	738
Total property and equipment, net	372,049
Intangible assets:	
Leasehold right	31,712
Other assets	531
Total intangible assets	32,243
Investments and other assets:	
Investment securities	930
Stocks of subsidiaries and affiliates	27,219
Long-term loans receivable from subsidiaries and affiliates	51,977
Long-term prepaid expenses	8,046
Deferred tax assets	19,708
Guarantee deposits	94,978
Other assets	19,174
Allowance for doubtful accounts	(18,522)
Total investments and other assets	203,514
Total non-current assets	607,806
Total assets	1,050,535

NON-CONSOLIDATED BALANCE SHEETS

As of March 31, 2017

(Millions of yen)

LIABILITIES AND NET ASSETS	
LIABILITIES:	
Current liabilities:	
Notes payable	312
Accounts payable	64,459
Short-term loans payable	80,339
Current portion of long-term loans payable	54,300
Lease obligations	1,592
Accounts payable-other	16,917
Accrued expenses	3,238
Income taxes payable	10,972
Advances received	8,901
Provision for bonuses	5,974
Provision for directors' bonuses	119
Provision for point card certificates	10,081
Other current liabilities	6,658
Total current liabilities	263,866
Long-term liabilities:	
Bonds	100,216
Long-term loans payable	81,500
Lease obligations	8,522
Provision for retirement benefits	20,462
Provision for product warranties	7,953
Asset retirement obligations	21,680
Other long-term liabilities	6,654
Total long-term liabilities	246,990
Total liabilities	510,856
NET ASSETS:	
Shareholders' equity:	
Common stock	71,058
Capital surplus	74,169
Legal capital surplus	70,977
Other capital surplus	3,192
Retained earnings	460,271
Legal retained earnings	312
Other retained earnings	459,959
General reserve	416,000
Retained earnings brought forward	43,959
Treasury stock, at cost	(67,213)
Total shareholders' equity	538,286
Valuation and translation adjustments:	549
Valuation difference on available-for-sale securities, net of taxes	549
Subscription rights to shares	843
Total net assets	539,679
Total liabilities and net assets	1,050,535

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

NON-CONSOLIDATED STATEMENTS OF INCOME

Fiscal year ended March 31, 2017

(Millions of yen)

Net sales		1,365,630
Cost of sales		1,007,946
Gross profit		357,684
Selling, general and administrative expenses		308,107
Operating profit		49,576
Non-operating income:		
Interest income	1,301	
Purchase discounts	6,276	
Rent income	3,318	
Sales of electric power	1,686	
Other	3,966	16,550
Non-operating expenses:		
Interest expenses	1,242	
Rent expenses	3,260	
Rental expenses	680	
Foreign exchange losses	698	
Other	1,936	7,816
Ordinary profit		58,309
Extraordinary income:		
Gain on extinguishment of tie-in shares	2,805	2,805
Extraordinary loss:		
Loss on disposal of non-current assets	507	
Impairment loss	3,236	
Loss on valuation of stock of subsidiaries	4,529	
Other	1,263	9,537
Profit before income taxes		51,577
Income taxes-current		17,832
Income taxes-deferred		(182)
Profit		33,928

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

NON-CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Fiscal year ended March 31, 2017

(Millions of yen)

	Shareholders' equity									
		Capital surplus			Retained earnings					
						Other retained earnings				
	Common stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	General reserve	Retained earnings brought forward	Total retained earnings	Treasury stock, at cost	Total share-holders' equity
Balance at April 1, 2016	71,058	70,977	2,671	73,649	312	406,000	29,659	435,971	(68,231)	512,448
Changes of items during the period										
Provision of general reserve						10,000	(10,000)	–		–
Cash dividends							(9,628)	(9,628)		(9,628)
Profit							33,928	33,928		33,928
Disposal of treasury stock			(0)	(0)					6	6
Increase by share exchanges			521	521					1,010	1,531
Other changes in the period, net										
Total changes of items during the period	–	–	520	520	–	10,000	14,299	24,299	1,017	25,838
Balance at March 31, 2017	71,058	70,977	3,192	74,169	312	416,000	43,959	460,271	(67,213)	538,286

	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, 2016	393	393	521	513,362
Changes of items during the period				
Provision of general reserve				–
Cash dividends				(9,628)
Profit				33,928
Disposal of treasury stock				6
Increase by share exchanges				1,531
Other changes in the period, net	156	156	322	478
Total changes of items during the period	156	156	322	26,316
Balance at March 31, 2017	549	549	843	539,679

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

REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

Agenda items and references

<Company Proposal (Item 1)>

Item 1 is a proposal made by the Company.

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 ¥ 10,462,457,967

(3) Date on which the appropriation of surplus goes into effect:
June 30, 2017

2. Other Appropriation of Surplus

(1) Item to be increased and amount of increase
General reserve ¥ 18,000,000,000

(2) Item to be decreased and amount of decrease
Retained earnings brought forward ¥ 18,000,000,000

<Shareholder Proposal (Item 2)>
Item 2 is a proposal made by a shareholder (1 person) that the person himself be elected as a director. The number of voting rights of the proposing shareholder (1 person) is 300 units.

Item 2: Election of 1 Director (Proposal Made by Shareholders)

1. Description of Proposal

To elect Kazuo Hashimoto as a director.

2. Reason for Proposal

The person is a longtime shareholder of the Company and has exchanged views on improvement in the corporate value closely with the Company. Other shareholders have provided various views about the recent business stance, and he has an ability to offer a useful opinion on whether or not such views should be adopted.

Note from the Company: The above description of proposal and reason for proposal are stated according to the original proposal submitted from the shareholder.
Background and other information on the candidate is not provided, since the proposing shareholder has not submitted the information.

Opinion of the Board of Directors

The Board of Directors of the Company objects to this proposal for the following reasons.

The Board of Directors of the Company believes the system upheld by the current directors to be the most appropriate and suitable system. The Board of Directors maintains the current system, and through actions such as holding debate based on the perspective of all stakeholders, it contributes to the ongoing improvement of corporate value. Accordingly, as the Board of Directors believes there is no need to elect the candidate for director by the above shareholder proposal and change the current system, it objects to this proposal.