

To All Shareholders,

Tadao Ichimiya,
President and Representative Director
Yamada Denki Co., Ltd.

Supplementary Explanation concerning Agenda Item 3 of the 36th Ordinary General Meeting of Shareholders

Yamada Denki Co., Ltd.(the Company) proposed the election of 2 Audit & Supervisory Board Members as Agenda Item 3 of the 36th Ordinary General Meeting of Shareholders to be held on June 27, 2013. The Company received the information that the Institutional Shareholders Service, Inc.(ISS) recommended a vote against regarding Item 3 the candidate Yutaka Nakamura because of independence concern.
Herewith, The Company provides a supplementary explanation concerning this agenda.

1. Item 3: Election of 2 Audit & Supervisory Board Members

The candidates Yutaka Nakamura for Audit & Supervisory Board Members is as follows:

No.	Name (Date of Birth)	Brief History and Positions in the Company and Significant Concurrent Positions	Number of Shares Owned
2	Yutaka Nakamura (January 8, 1952)	January 2002 Founder and Representative Director of Jin's Garden Square January 2003 Director of Jin's April 2004 Director of Jin Co., Ltd. June 2005 Audit & Supervisory Board Member of the Company (to the present) September 2005 Senior Managing Director of JIN CO., LTD. (to the present) [Significant Concurrent Positions] Senior Managing Director of JIN CO., LTD.	-

Notes: 1. The candidate Yutaka Nakamura serves as Senior Managing Director of JIN CO., LTD. and the Company has a trading relationship with JIN CO., LTD.

2. Supplementary explanation concerning the candidate Yutaka Nakamura

(1) The size of the transactions

The Company has a trading relationship with JIN CO., LTD. related to products purchasing etc. The Company sales the eyeglasses and other related products purchased from JIN CO., LTD. in its several stores and commissions and pays about manufacturing and fixing these products. The Company's annual transactions with JIN CO., LTD. are JPY 1,000 million, or less than 1 percent of the Company's consolidated net sales. As such, The Company believes that the relationship does not compromise his independence.

(2) The reason for the proposal of the candidate

Yutaka Nakamura is currently reflecting his wealth of experience and his wide knowledge and discernment as a company executive into the audit of the Company. Therefore, the Company judges him capable of appropriately giving advices from the viewpoint of appropriateness and effectiveness in the Company's decision-making process for the business execution, and requests to nominate him as the candidate for external audit & supervisory board member.

As above, the Company believes that the candidate Yutaka Nakamura is qualified for the position of Outside Corporate Auditor, and requests your kind understanding and support in this matter.