

To Shareholders with Voting Rights:

Minoru Noguchi, President and Representative Director
ABC-MART, INC.
1-11-5 Jinnan, Shibuya-ku, Tokyo
(Corporate Headquarters)
1-12-1 Dogenzaka, Shibuya-ku, Tokyo

NOTICE OF THE 31ST ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 31st Annual General Meeting of Shareholders of ABC-MART, INC. (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing. Please review the attached Reference Materials for the General Meeting of Shareholders, indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and send it so that it is received by 6:00 p.m. on Wednesday, May 25, 2016, Japan time.

- 1. Date and Time:** Thursday, May 26, 2016 at 10:00 a.m. Japan time
- 2. Place:** Diamond Room 1F, Aoyama Diamond Hall
3-6-8, Kita-Aoyama, Minato-ku, Tokyo, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the Company's 31st Fiscal Year (March 1, 2015 - February 29, 2016)
 2. Results of audits by the Accounting Auditor and Audit & Supervisory Committee of the Consolidated Financial Statements
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Election of 6 Directors (excluding Directors who are Audit & Supervisory Committee Members)
 - Proposal 3:** Election of 2 Directors who are Audit & Supervisory Committee Members

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- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - The following matters are posted on the Company's website (<http://www.abc-mart.co.jp/ir/>) in accordance with the laws and regulations and the provisions of Article 15 of the Articles of Incorporation and thus are not included in the documents of this notice: (1) Matters regarding the Accounting Auditor in the Business Report, (2) Internal control system in the Business Report (system to ensure the appropriateness of business operations and the operation status of the system), (3) Notes to Consolidated Financial Statements, (4) Notes to Non-Consolidated Financial Statements
 - If there are any revisions to the Reference Materials for the General Meeting of Shareholders, Business Report, Non-Consolidated Financial Statements and Consolidated Financial Statements, the updated information will be posted on the Company's website (<http://www.abc-mart.co.jp/ir/>).

Reference Materials for the General Meeting of Shareholders

Proposals and references

Proposal 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Matters regarding year-end dividend

The Company considers the return of profits to its shareholders as an important aspect of its management policy. The Company has adopted a basic policy to undertake dividend payments taking into consideration the Company's performance, while enhancing profitability and strengthening its financial position.

In accordance with the basic policy, the Company intends to pay a year-end dividend of 60 yen per share for the 31st fiscal year as announced in the forecast of year-end dividends on October 7, 2015. This amount was determined in response to the support and expectations from shareholders, by taking into consideration the Company's business performance for the said term, future business operations and other related factors.

(1) Category of dividend assets:

Cash

(2) Matters relating to the allocation of dividend assets and the total amount of such allocation:

Year-end dividends of 60 yen per share of the Company's common stock

The total amount of dividends: 4,951,921,380 yen

With the interim dividend of 60 yen per share already paid out, the annual dividend amounts to 120 yen per share for the business term under review.

(3) Date on which the dividends from surplus will take effect:

May 27, 2016

Proposal 2: Election of 6 Directors (excluding Directors who are Audit & Supervisory Committee Members)

The terms of office of all 6 Directors (excluding Directors who are Audit & Supervisory Committee Members) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 6 Directors (excluding Directors who are Audit & Supervisory Committee Members) is proposed.

The candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) are as follows:

| No. | Name (Date of birth) | Past experience, positions, responsibilities and significant concurrent positions | Number of shares of the Company held |
|-----|--|--|--|
| 1 | Minoru Noguchi (December 6, 1965) | <p>April 1988 Joined Shachihata Tokyo Shoji Co., Ltd. (currently Shachihata Inc.) April 1991 Joined the Company June 2000 Director, Sales Department Manager of the Company March 2004 Managing Director, Sales Department Manager of the Company March 2007 President and Representative Director of the Company (to present)</p> <p>[Significant concurrent positions] -</p> | 62,000 |
| | <p>[Reason for selecting the candidate] Since he joined the Company, he has belonged to the sales section. In 2000, he became involved in management as Director and Sales Department Manager under the motto of "viewpoint of the frontline." In 2007, he was appointed as President and Representative Director and significantly contributed to the development and growth of the Company's group through his strong leadership. He has been selected as a candidate for Director because he is expected to be able to continuously perform his responsibilities as Chief Executive Officer.</p> | | |
| 2 | Yukie Yoshida (May 10, 1956) | <p>April 1979 Joined Ibarakimokuzai Sogo Ichiba Co., Ltd. June 1989 Joined the Company March 1998 Director, Accounting Department Manager of the Company March 2004 Managing Director of the Company January 2015 Managing Director, in charge of finance & accounting of the Company (to present)</p> <p>[Significant concurrent positions] -</p> | 50,000 |
| | <p>[Reason for selecting the candidate] Since she joined the Company, she has been engaged in the financial and accounting operation over many years. She became involved in management as Director in 1998. She contributed to the construction of a sound financial foundation and conducting appropriate financial reporting in the course of the growth of the Company's group through listing on the stock market. She has been selected as a candidate for Director because she is expected to be able to continuously perform her responsibilities due to her abundant experience and past achievements.</p> | | |

| No. | Name (Date of birth) | Past experience, positions, responsibilities and significant concurrent positions | Number of shares of the Company held |
|-----|--|--|--|
| 3 | Kiyoshi Katsunuma (July 6, 1963) | <p>October 1992 Joined AMIX Co., Ltd. December 1996 Joined the Company May 2007 Director, Sales Promotion Department Manager of the Company January 2015 Director in charge of general affairs & personnel and public relations of the Company February 2016 Director in charge of sales & store development of the Company (to present)</p> <p>[Significant concurrent positions] -</p> | 30,000 |
| | | <p>[Reason for selecting the candidate] Since he joined the Company, he has been engaged in the advertisement field, which is a pillar of the Company's growth strategy. In 2007, he became involved in management as the Sales Promotion Department Manager. In 2009, he took charge of personnel strategy and contributed to the expansion of employment and personnel development, while multi-store operation was accelerating. Since 2016, he has been in charge of store development and sales to build a new growth strategy. He has been selected as a candidate for Director because he is expected to be able to continuously perform his responsibilities due to his abundant experience and past achievements.</p> | |
| 4 | Jo Kojima (November 1, 1967) | <p>April 1990 Joined Japan Bond Trading Co., Ltd. September 1996 Joined the Company October 2001 Corporate Planning Office Manager of the Company May 2007 Director, Corporate Planning Office Manager of the Company September 2015 Director in charge of general affairs & personnel, Corporate Planning Office Manager, IT & EC Department Manager of the Company (to present)</p> <p>[Significant concurrent positions] -</p> | 4,500 |
| | | <p>[Reason for selecting the candidate] Since he joined the Company, he has been engaged in the listing on the stock market and IR operations as a person responsible for management planning. His roles include the planning of business strategy and system construction of the Company's group. In 2007, he became involved in management as Director. Since 2015, he has concurrently served as IT & EC Department Manager to promote the expansion of online business and has been in charge of general affairs & personnel to strengthen the Company's internal control system. He has been selected as a candidate for Director because he is expected to be able to continuously perform his responsibilities due to his abundant experience and past achievements.</p> | |
| 5 | Takashi Kikuchi (September 4, 1968) | <p>April 1989 Joined Boutique TAKEO NISHIDA May 1991 Joined the Company May 2009 Director, Design and Product Development Department Manager of the Company January 2015 Director in charge of design and product development & sales promotion of the Company (to present)</p> <p>[Significant concurrent positions] -</p> | 3,000 |
| | | <p>[Reason for selecting the candidate] Since he joined the Company, he has been engaged in product development over many years including the period when the Company had been an import and wholesale trading company for shoe products, which was the forerunner of the Company. He played a role in conveying overseas trends to the Japanese market. In 2009, he became involved in management as Director and Design and Product Development Department Manager. Since 2015, he has been in charge of product development and sales promotion to strengthen the product brand. He has been selected as a candidate for Director because he is expected to be able to continuously perform his responsibilities due to his abundant experience and past achievements.</p> | |

| No. | Name (Date of birth) | Past experience, positions, responsibilities and significant concurrent positions | Number of shares of the Company held |
|--|---|---|--|
| 6 | Kiichiro Hattori (August 13, 1974) | December 1999 Joined the Company | 200 |
| | | February 2008 Design and Product Development Department Production Control Team of the Company | |
| May 2014 Director in charge of international trading & international public relations of the Company | | | |
| January 2015 Director in charge of international trading & international public relations and production control of the Company (to present) | | | |
| | | [Significant concurrent positions] | |
| | | - | |
| | [Reason for selecting the candidate] Since he joined the Company, he has been engaged in the control of overseas merchandise production and overseas PR operations. In 2014, he became involved in management as Director to expand and promote the overseas business in Asia and the U.S. His roles include conducting negotiations regarding overseas business development and providing support to overseas subsidiaries. He has been selected as a candidate for Director because he is expected to be able to continuously perform his responsibilities due to his abundant experience and past achievements. | | |

(Note) There are no special interests between each candidate and the Company.

Proposal 3: Election of 2 Directors who are Audit & Supervisory Committee Members

Mr. Hideo Akimoto and Mr. Keizo Uehara, who currently serve as Audit & Supervisory Committee Members, will retire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 2 Directors who are Audit & Supervisory Committee Members is proposed. In accordance with the provisions of the Company's Articles of Incorporation, the term of office of said new Directors shall expire at such time as the term of office of the predecessors would have expired. The Audit & Supervisory Committee has previously given its consent to this proposal.

This proposal and the retirement of Mr. Hideo Akimoto and Mr. Keizo Uehara have been reviewed by Mr. Yutaka Hayashi, a Director who is an Audit & Supervisory Committee Member, and no opinion was expressed.

The candidates for Directors who are Audit & Supervisory Committee Members are as follows:

| No. | Name (Date of birth) | Past experience, positions, responsibilities and significant concurrent positions | Number of shares of the Company held |
|-----|--------------------------------------|--|--|
| 1 | Tadashi Matsuoka (May 15, 1949) | April 1974 Joined Tsukiboshi Kasei Kabushiki Kaisha (currently MoonStar Company) | - |
| | | April 2008 Converse Footwear Co., LTD. Director, Sales Department General Manager | |
| | | [Significant concurrent positions] - | |
| | | [Reason for selecting the candidate] He has been involved in the shoe industry over many years. He is knowledgeable about the commercial environment and business details in which the Company's group operates. Considering this point, the Company has selected him as a candidate for Director because he is judged to be able to express appropriate opinions from a fair and objective standpoint to the Board of Directors with regard to Directors' performance of duties. | |
| 2 | Taio Sugahara (February 28, 1964) | April 1987 Joined Fuji Xerox Co., Ltd. | - |
| | | July 1999 Established ProMotion Co., Ltd., President & CEO (to present) | |
| | | [Significant concurrent positions] ProMotion Co., Ltd., President & CEO | |
| | | [Reason for selecting the candidate] He has operated a personnel and consulting company over many years. Considering his expertise about management and abundant experience on personnel development, the Company has selected him as a candidate for Director because he is judged to be able to express appropriate opinions from a fair and objective standpoint to the Board of Directors with regard to Directors' performance of duties. | |

(Notes)

1. There are no special interests between each candidate and the Company.
2. Mr. Tadashi Matsuoka and Mr. Taio Sugahara are candidates for Outside Directors.
3. Independence of candidate for Outside Director
 - (1) Mr. Tadashi Matsuoka and Mr. Taio Sugahara have never been a business operator or an officer of the Company or its subsidiaries.
 - (2) Mr. Tadashi Matsuoka and Mr. Taio Sugahara are neither a parent company, etc., of the Company, nor have they been during the last five years.
 - (3) Mr. Tadashi Matsuoka and Mr. Taio Sugahara are neither a business operator or an officer of an entity that has a specified relationship with the Company, nor have they been during the last five years.
 - (4) Mr. Tadashi Matsuoka and Mr. Taio Sugahara will neither receive a large amount of money or other properties from the Company or an entity that has a specified relationship with the Company, nor have they done so during the last two years.
 - (5) Mr. Tadashi Matsuoka and Mr. Taio Sugahara are neither the spouse of, nor are they within three degrees related to, a business operator or an officer of the Company or an entity that has a specified relationship with the Company, nor are they in a position incidental thereto.
4. If Mr. Tadashi Matsuoka and Mr. Taio Sugahara are elected as Directors who are Audit & Supervisory Committee Members, the Company will register them as Independent Officers with the Tokyo Stock Exchange.
5. If Mr. Tadashi Matsuoka and Mr. Taio Sugahara are elected as Directors who are Audit & Supervisory Committee Members, the Company will conclude an agreement with them for the limitation of liability as provided in Article 427, Paragraph (1) of the Companies Act. The minimum amount of liability pursuant to the agreement will be the amount stipulated in Article 425, Paragraph (1) of the Companies Act.

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