

TRANSFORMCO

Over the past several months, we have worked hard to strengthen our vendor relationships, return our inventory levels to normal, and improve customer satisfaction and operations; however, we have faced a number of challenges returning our stores to sustainable levels of productivity, including differences with Sears Holdings over our purchase agreement and a generally weak retail environment. These challenges have unfortunately affected our performance and limited our strategic choices.

After careful review of where we are today, we believe the right course for the company is to accelerate the expansion of our smaller store formats which includes opening additional Home & Life stores and adding several hundred Sears Hometown stores after the Sears Hometown and Outlet transaction closes. We have made the difficult but necessary decision to close 26 large-format Sears and Kmart stores in late October. The Sears Auto Centers at any of these stores (*see * below*) will close in late August. Liquidation sales at these stores are expected to begin around August 15.

As we promised, all eligible associates will be offered the same number of weeks of severance as offered to employees of Sears Holdings Corporation prior to that company's Chapter 11 filing in October 2018.

Following these steps, we will continue to evaluate our network of Sears and Kmart stores and cannot rule out additional store closures in the near term. Our goal remains to return the company to profitability and preserve as many jobs as possible in the communities we serve.

Customers can use the store locator function on our web sites to find the location of their nearest [Kmart](#) and [Sears](#) stores.

FORMAT	STREET ADDRESS	CITY	STATE
Kmart	1625 W Redlands	Redlands	CA
Kmart	14011 Palm Drive	Desert Hot Springs	CA
Kmart	159 Wilbraham Road	Palmer	MA
Kmart	975 Fairmount Avenue	Jamestown	NY
Kmart	Puerto Rico Hwy 3 Plaza Guayama	Guayama	PR
Sears*	2500 Riverchase Galleria	Birmingham	AL
Sears*	Somersville Road	Antioch	CA
Sears*	8501 W Bowles Avenue	Littleton	CO
Sears*	6200 20Th Street	Vero Beach	FL
Sears*	901 Us 27 N	Sebring	FL
Sears*	3700 Atlanta Hwy Ste 270	Athens	GA
Sears*	5 Stratford Square	Bloomington	IL
Sears*	2300 Southlake Mall	Merrillville	IN
Sears*	6501 Grape Rd Us 23	Mishawaka	IN
Sears*	6901 Security Sq Blvd	Baltimore	MD
Sears*	6780 S Westnedge Avenue	Portage	MI
Sears*	4900 Fashion Square Mall	Saginaw	MI
Sears*	18777 E 39Th St S	Independence	MO
Sears*	3 Mid Rivers Mall Drive	St Peters	MO
Sears	330 Siemers Drive	Cpe Girardeau	MO

Sears*	600 Richland Mall	Mansfield	OH
Sears*	1101 Melbourne Rd	Hurst	TX
Sears*	10000 Emmett F Lowry Expy	Texas City	TX
Sears*	4812 Valley View Blvd Ne	Roanoke	VA
Sears*	4700 N Division Street	Spokane	WA
Sears*	100 Huntington Mall Road	Barboursville	WV