This document has been translated from the Japanese original for reference purpose only. In the event of any discrepancy between this English version and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation, or for direct, indirect or any other forms of damages arising from the translation.

(Translation)

(Code No.: 4665)

June 1, 2018

To Shareholders

Teruji Yamamura
President & CEO
Duskin Co., Ltd.
1-33 Toyotsu-cho, Suita-shi,
Osaka 564-0051 JAPAN

Notice of the 56th Annual General Meeting of Shareholders

The 56th Annual General Meeting of Shareholders will be held as indicated below under the heading of "Details of the Meeting" and your attendance is cordially requested.

If you are unable to attend on this date, you may exercise your voting rights either in writing or via electronic format (Internet). In this case, you are requested to carefully review the Reference Material for the Annual General Meeting of Shareholders, attached hereto, and exercise your voting rights by 5:00 pm on Wednesday, June 20, 2018.

Details of the Meeting

1: Date and Time: 10:00 am on Thursday, June 21, 2018
(The reception is scheduled to start at 9:00 am.)

2: Venue: Main Hall, Osaka International Convention Center 5th Floor
5-3-51 Nakanoshima, Kita-ku, Osaka, Japan

3: Purpose of the Shareholders' Meeting

Items to be reported

1. Presentation of the business report, the Consolidated Financial Statements for Fiscal 2017 (April 1, 2017 to March 31, 2018) and Result on Consolidated Financial Statement Auditing Report by Accounting Auditors and the Audit & Supervisory Board
2. Presentation of the business performance, Fiscal 2017 (April 1, 2017 to March 31, 2018)

Matters to be resolved

Proposal 1: Proposal for Appropriation of Retained Earnings
Proposal 2: Partial Amendments to the Articles of Incorporation
Proposal 3: Election of Nine (9) Members of the Board of Directors
Proposal 4: Election of One (1) Member of the Audit & Supervisory Board
Proposal 5: Amendment of Remuneration for Directors

4: Matters concerning exercise of voting rights

(1) When multiple votes are cast through Internet, the final vote will be considered to be the intended official vote.

(2) When multiple votes are cast on Internet and by proxy card, regardless of the time of the received votes, vote on Internet will be considered to be the intended effective vote.

(3) Shareholders may vote their shares by proxy by naming another shareholder who holds voting rights to attend the shareholders meeting and act as the proxy. In this case, the proxy must submit proof of identity.

5: Matters concerning materials annexed to this notice and reference materials for the Annual General Meeting of Shareholders

(1) The following matters have been posted on the corporate website (Japanese version only) and are therefore omitted from the materials annexed to this Notice pursuant to relevant laws and Article 17 of the Company's Articles of Incorporation:

1) Necessary systems to ensure appropriate execution of operations and its operational status

2) Basic Policies related to the Company's Ownership Control

3) The notes to the consolidated financial statements; and

4) The notes to the nonconsolidated financial statements

Audit & Supervisory Board Members audit the business report, consolidated and nonconsolidated financial statements attached to this Notice of convocation, and documents 1) to 4) as stated above. The Accounting Auditor audits the consolidated and nonconsolidated financial statements attached to this Notice of convocation, and documents 3) to 4) stated above.

(2) If amendments are made to the Shareholders' Meeting reference materials, the business report, or the consolidated and non-consolidated financial statements, the amended contents will be posted immediately on the corporate website (Japanese version only).

Our corporate website: http://www.duskin.co.jp/ir/

When attending the Meeting in person, please present the enclosed voting form at the reception. Please note that only shareholders are entitled to attend the Meeting.

Please bring this copy of the proxy statement to the Meeting to save resources.

Exercise of Voting Right

Voting rights may be exercised by attendance, in writing or via electronic means.

1	Exercise of voting right **By attendance**	⇒	Submit Voting Rights Execution Form to the reception counter at the Meeting
	Meeting Date and Time		10:00 am, Thursday, June 21, 2018
2	Exercise of voting right **In writing by post**	⇒	Please indicate your approval or disapproval of the proposals on the enclosed Voting Rights Execution Form to us by the deadline indicated below.
	Deadline		5:00 pm, Wednesday, June 20, 2018
3	Exercise of voting right **Via Electronic means/Internet**	⇒	Please refer to the page 4.
	Deadline		5:00 pm, Wednesday, June 20, 2018

The convocation notice accessible by smartphones

Shareholders can exercise their voting rights by scanning the QR code below to access the web site stated on page 4 (Japanese version only).

http://p.sokai.jp/4665/

* QR code is a registered trademark of DENSO WAVE INCORPORATED.

For Institutional Investors	Institutional shareholders who have applied in advance to the ICJ Proxy e-Voting Platform Service (the Platform Service) offered by ICJ Inc. are entitled to use the Platform Service to submit their votes. (Japanese version only)

Voting information over the Internet

If you wish to vote over the Internet, please follow the instructions below.

1. Voting over the Internet

Voting over the Internet can only be accomplished by accessing the site designated for this purpose by Duskin (Japanese version only).

Voting site: http://www.web54.net

2. Voting validity

1) Please note that voting over the Internet requires the voting code and password printed on the Proxy Card and follow the instructions on the site.
2) The deadline is 5:00 pm, Wednesday, June 20, 2018.
3) When multiple votes are cast on Internet, the last vote will be considered to be the intended official vote.
4) When multiple votes are cast on Internet and by proxy card, regardless of the time of the received votes, vote on Internet will be considered to be the intended effective vote.
5) Please note that using Internet may incur cost such as connection fee, and such cost will be borne by the shareholders.

3. The voting password

1) Please note that voting password is material information for identification, and Duskin will not respond to the enquiries regarding the password.
2) Password will expire after certain number of unsuccessful tries. Follow guidance on the screen to apply for reissuance of password.

Please contact the offices below if you have any questions:

Questions for operating personal computers:	**Other inquiries:**
Dedicated line for the service The Sumitomo Mitsui Trust Bank, Limited Transfer Agent Web Support Phone: **0120-652-031** 9:00 – 21:00	Transfer Agent Office The Sumitomo Mitsui Trust Bank, Limited Phone: **0120-782-031** 9:00 – 17:00 Excluding Saturday, Sunday and Holidays

= Reference Material =

Proposal 1: Proposal for Appropriation of Retained Earnings

Duskin considers the return to shareholders one of the most important priorities and the payment of continuous distributions of earnings is basic to how we organize and manage our businesses. After securing internal capital resources required for operations, business plans and sound business management, we have determined that the year-end dividend should be 20 yen per share, the same amount as one year earlier.

(1) Type of dividend: cash

(2) Particulars and amount of the dividends

20 yen per share of common stock
Total amount of dividends: 1,068,891,220 yen (funds for the dividends: retained earnings)
Duskin paid an interim dividend of 20 yen per share. The full-year dividend is to total 40 yen per share.

(3) The effective date of the dividends: June 22, 2018

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the Amendments

(1) In April 2018, Duskin introduced the Operating Officer system to enable the Board of Directors to speed up decision-making, reinforce supervisory functions, and clarify roles and responsibilities in business operations for sound and efficient management.

Along with the introduction of the new system, it is proposed to make necessary changes to the present Articles of Incorporation in order to:

I. Decrease the maximum number of Directors to ensure efficient management by adopting the Operating Officer system (Amended Article 19); and

II. Remove the stipulation on Directors with Special Titles and newly establish an article on Operating Officers and Operating Officers with Special Titles (Amended Articles 26 and 27).

(2) It is proposed to allow a Director who is designated by the Board of Directors to act as a convener and chairperson at any general meeting of shareholders and any Board of Directors meeting. The purpose of these amendments is to ensure more flexible operation of general meetings of shareholders and Board of Directors meetings (Amended Articles 13, 15, 22, and 24).

2. Proposed Amendments

The proposed amendments are as shown below.

(Amendments are underlined.)

Present Articles of Incorporation	Proposed Amendments
CHAPTER III GENERAL MEETING OF SHAREHOLDERS	CHAPTER III GENERAL MEETING OF SHAREHOLDERS
(Convocation of General Meeting of Shareholders) Article 13: An ordinary general meeting of shareholders of the Company shall be convened in June of each year and an extraordinary general meeting of shareholders shall be convened whenever necessary. A general meeting of shareholders shall be convened by the President, Director upon a resolution of the Board of Directors.	(Convocation of General Meeting of Shareholders) Article 13: An ordinary general meeting of shareholders of the Company shall be convened in June of each year and an extraordinary general meeting of shareholders shall be convened whenever necessary. A general meeting of shareholders shall be convened by the Director who is designated according to the order by the Board of Directors in advance upon a resolution of the Board of Directors, unless otherwise provided by law or ordinance.
(Chairperson of General Meeting of Shareholders) Article 15: The President, Director shall preside as chairperson at any general meeting of shareholders, provided, however, that, if the President, Director is unable to act, one of the other Directors shall preside.	(Chairperson of General Meeting of Shareholders) Article 15: The Director who is designated according to the order by the Board of Directors in advance shall preside as chairperson at any general meeting of shareholders.

CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS	CHAPTER IV DIRECTORS, BOARD OF DIRECTORS AND OPERATING OFFICERS
(Number) Article 19: The Company shall not have more than fifteen (15) Directors.	(Number) Article 19: The Company shall not have more than twelve (12) Directors.
(Convener of Board of Directors Meeting) Article 22: The President, Director shall convene a Board of Directors meeting. If the President, Director is unable to act, one of the other Directors shall convene the Board of Directors meeting.	(Convener of Board of Directors Meeting) Article 22: The Director who is designated according to the order by the Board of Directors in advance shall convene a Board of Directors meeting, unless otherwise provided by law or ordinance.
(Chairperson of Board of Directors Meeting) Article 24: The President, Director shall preside as chairperson at any Board of Directors meeting. If the President, Director is unable to act, one of the other Directors shall preside.	(Chairperson of Board of Directors Meeting) Article 24: The Director who is designated according to the order by the Board of Directors in advance shall preside as chairperson at any Board of Directors meeting.
(Representative Directors and Directors with Special Titles) Article 26: The Board of Directors shall, by its resolution, appoint Representative Directors. The Board of Directors shall, by its resolution, appoint one (1) President, Director and, if necessary, one (1) Chairman, Director and a certain number of other Directors with special titles such as Vice President, Director.	(Representative Directors) Article 26: The Board of Directors shall, by its resolution, appoint Representative Directors.
(Newly established)	(Operating Officers and Operating Officers with Special Titles) Article 27: The Board of Directors shall, by its resolution, appoint Operating Directors to allocate the Company's duties. The Board of Directors shall appoint a Chairman and Operating Officer, a President and Operating Officer, and a certain number of other Operating Officers with special titles such as Vice President and Operating Officer.
Articles 27 - 43 (Omitted)	Articles 28 - 44 (Unchanged)

Proposal 3: Election of Nine (9) Members of the Board of Directors

The term of the current twelve (12) Directors will expire at the close of this Annual General Meeting of Shareholders. With the introduction of the Operating Officer system to ensure efficient management, it is proposed to reduce the number of Directors by three (3) and elect a total of nine (9) Directors.

Candidate No.	Name		Titles and Responsibilities (significant concurrent positions)	Number of Board of Directors meetings attended
1	Reappointment	Teruji Yamamura	Representative Director President & Chief Executive Officer	22/22
2	Reappointment	Kenichi Miyajima	Director Senior Executive Operating Officer Food Group	22/22
3	Reappointment	Kazuo Okai	Director Executive Operating Officer International Care Service Business Group	22/22
4	Reappointment	Junichi Narahara	Director Executive Operating Officer Strategy Management and Operations, Direct Selling Group Corporate Account General Manager Strategy Management, Direct Selling Group	22/22
5	Reappointment	Kazushi Sumimoto	Director Senior Operating Officer Corporate Planning Production & Logistics Group	22/22
6	Reappointment	Taku Suzuki	Director Senior Operating Officer Uniform Service, Health & Beauty Rent-All, Health Rent, Life Care	22/22
7	Reappointment Candidate for Independent Outside Director	Tadashi Yamamoto	Outside Director	22/22
8	Reappointment Candidate for Independent Outside Director	Junko Katada	Outside Director	22/22
9	Reappointment Candidate for Independent Outside Director	Tomoya Yoshizumi	Outside Director	17/17

Note: Attendance at meetings of the Board of Directors for Tomoya Yoshizumi is for meetings held after his election as Director on June 22, 2017.

Reference: Policy for selection of Director candidates

Director candidates must have the proper character, knowledge and ethics for this post and must have no health issues that would prevent them from performing their duties.

With regard to internal Directors, the President & CEO requests recommendations for candidates from current Directors and Audit & Supervisory Board Members, and reviews the recommendations. Candidates for internal Directors must be capable of consistently executing the medium-to-long-term growth strategy of the Duskin Group, and making a positive impact on the vitality of our organization. Candidates are selected by the Board of Directors after taking into account the opinions of the Director Evaluation Council, which is chaired by an Outside Director and half of the members are independent directors.

Candidates for Outside Directors must not be a related party of the Duskin Group and must be able to maintain their independence. They must also have the business experience and expertise to perform supervisory and advisory functions for the Board of Directors. In addition, they must be capable of providing beneficial advice from many perspectives to ensure management transparency, soundness and fairness. Outside Director candidates are selected by the Board of Directors after taking into account the opinions of the Director Evaluation Council.

Candidate No. **1**

Teruji Yamamura

Date of birth
January 28, 1957

Number of shares owned: 33,385

Tenure: 14 years
(at the conclusion of this Annual General Shareholders' Meeting)



Reappointment

Attendance at Board of Directors meetings during FY 2017:
22/22
100.0%

Position/Career Summary

Apr. 2018	Representative Director President & Chief Executive Officer (to the present)
Apr. 2009	President & Chief Executive Officer
Apr. 2007	Director Care Service Business Group Rent-All, Home Instead
June 2004	Director & Assistant General Manager Clean Service Business Group
Jan. 1982	Joined the Company

Reasons for recommending Teruji Yamamura as a candidate for Director

Since becoming President & CEO in 2009, Mr. Yamamura has been implementing the reforms to make the Duskin Group get back on track for recovery. He led the structural reforms in the first three-year phase of the long-term strategy ONE DUSKIN initiated in 2015. Due to his track record as President and considerable expertise in franchise businesses, Duskin believes that he is sufficiently qualified and requests a vote in favor of Mr. Yamamura's re-election as a Director.

Candidate No. **2**

Kenichi Miyajima

Date of birth
March 16, 1955

Number of shares owned: 11,100
Tenure: 14 years
(at the conclusion of this Annual General Shareholders' Meeting)



Reappointment

Attendance at Board of Directors meetings during FY 2017:
22/22
100.0%

Position/Career Summary

Apr. 2018	Director Senior Executive Operating Officer Food Group (to the present)
June 2016	Senior Executive Director Mister Donut Business Group Food Business Development
Apr. 2015	Senior Executive Director President's Office Mister Donut Business Group, and Food Group
June 2012	Senior Executive Director President's Office, Public Relations Legal Affairs & Corporate Compliance Quality Assurance & Risk Management Product Inspection Center Food Chain Business & Development
Apr. 2009	Executive Director Clean Service Business Group Care Service Business Group Rent-All, Uniform Service, Health & Beauty, Home Instead, Drink Service, Corporate Account
June 2004	Director General Manager, Clean Service Business Group
May 1990	Joined the Company

Reasons for recommending Kenichi Miyajima as a candidate for Director

Mr. Miyajima was appointed General Manager of Mister Donut Business Group in 2014 after positions in the Clean and Care Service Businesses. Since 2015, he has supervised the entire Food Group, and focused on the reestablishment of the Mister Donut brand and the development of new food businesses. Due to his extensive experience with business operations and considerable expertise in franchise businesses, Duskin believes that he is sufficiently qualified and requests a vote in favor of Mr. Miyajima's re-election as a Director.

Candidate No. **3**

Kazuo Okai

Date of birth
June 29, 1957

Number of shares owned: 18,355
Tenure: 10 years
(at the conclusion of this Annual General Shareholders' Meeting)



Reappointment

Attendance at Board of Directors meetings during FY 2017:
22/22
100.0%

Position/Career Summary

Apr. 2018	Director Executive Operating Officer International, Care Service Business Group (to the present)
June 2015	Executive Director General Manager, Clean & Care Development Group
Apr. 2010	Director Corporate Planning, Overseas Business Development New Business Development
June 2008	Director Manager, Overseas Business Development Chairman & CEO, Duskin Hong Kong Co., Ltd.
Apr. 1980	Joined the Company

Reasons for recommending Kazuo Okai as a candidate for Director

Mr. Okai has used extensive experience to oversee corporate planning, overseas operations, the Clean & Care Business Group and other operations since he joined Duskin. Starting in 2017, he has been supervising strategic planning and product/service development for Care Service Businesses and expansion and establishment of overseas businesses. As he has extensive experience with business operations and considerable expertise in franchise businesses, Duskin believes that he is sufficiently qualified and requests a vote in favor of Mr. Okai's re-election as a Director.

Candidate No. **4**

Junichi Narahara

Date of birth
February 20, 1958

Number of shares owned: 10,300
Tenure: 9 years
(at the conclusion of this Annual General Shareholders' Meeting)



Reappointment

Attendance at Board of Directors meetings during FY 2017:
22/22
100.0%

Position/Career Summary

Apr. 2018	Director Executive Operating Officer Strategy Management and Operations, Direct Selling Group Corporate Account General Manager, Strategy Management, Direct Selling Group (to the present)
Apr. 2015	Director General Manager, Clean & Care Sales Group
Mar. 2014	Director, Western Japan, Clean & Care Group
June 2009	Director General Manager, Mister Donut Business Group
Oct. 1982	Joined the Company

Reasons for recommending Junichi Narahara as a candidate for Director

Mr. Narahara has been involved in the growth of Mister Donut Business Group for many years since he joined Duskin. Since 2014, he has been overseeing sales in the Clean & Care Businesses and National Account. From 2018, he is taking initiatives to formulate strategies and energize the sales organization in Direct Selling Group. He is also leading the reinforcement of corporate sales. As he has extensive experience with business operations and considerable expertise in franchise businesses, Duskin believes that he is sufficiently qualified and requests a vote in favor of Mr. Narahara's re-election as a Director.

Candidate No. 5

Kazushi Sumimoto

Date of birth
November 29, 1960

Number of shares owned: 6,285
Tenure: 4 years
(at the conclusion of this Annual General Shareholders' Meeting)



Reappointment

Attendance at Board of Directors meetings during FY 2017:
22/22
100.0%

Position/Career Summary

Apr. 2018	Director Senior Operating Officer Corporate Planning Production & Logistics Group (to the present)
Apr. 2017	Director Corporate Planning, Production & Logistics Group
May 2016	Director, Corporate Planning, Life Care Development Group, Rent-All, Uniform Service, Health & Beauty
June 2014	Director, Home Instead Division Manager, Rent-All
Apr. 1983	Joined the Company

Reasons for recommending Kazushi Sumimoto as a candidate for Director

Mr. Sumimoto was assigned to Clean & Care Business Group and then moved to Rent-All in 2012 where he made a major contribution to the growth of this business. Since becoming the Director for corporate planning in 2016, he has overseen the formulation of growth strategies. As the Director for Production & Logistics since 2017, he has played a central role in optimizing cost structures. As he has extensive experience with business operations and considerable expertise in franchise businesses, Duskin believes that he is sufficiently qualified and requests a vote in favor of Mr. Sumimoto's re-election as a Director.

Candidate No. **6**

Taku Suzuki

Date of birth
October 8, 1965

Number of shares owned: 3,300
Tenure: 2 years
(at the conclusion of this Annual General Shareholders' Meeting)



Reappointment

Attendance at Board of Directors meetings during FY 2017:
22/22
100.0%

Position/Career Summary

Apr. 2018	Director Senior Operating Officer Uniform Service, Health & Beauty Rent-All, Health Rent, Life Care (to the present)
Apr. 2017	Director Life Care Development, Rent-All Uniform Service, Health & Beauty
June 2016	Director, Product Inspection Center General Manager, Production & Logistics Group
Apr. 1989	Joined the Company

Reasons for recommending Taku Suzuki as a candidate for Director

Mr. Suzuki was involved with new business development associated with the Clean & Care Business Group, laundry plant operations and other activities after he joined Duskin. In 2012, he was appointed General Manager of the Production & Logistics Group, where he enacted production reforms. From 2017 as the Director for senior care services, he has demonstrated strong leadership for establishing and strengthening the business foundation in this field. As he has extensive experience with business operations and considerable expertise in franchise businesses, Duskin believes that he is sufficiently qualified and requests a vote in favor of Mr. Suzuki's re-election as a Director.

Candidate No. **7**

Tadashi Yamamoto

Date of birth
November 14 , 1952

Number of shares owned: -
Tenure: 3 years
(at the conclusion of this Annual General Shareholders' Meeting)



Reappointment

Candidate for Independent Outside Director

Attendance at Board of Directors meetings during FY 2017:
22/22
100.0%

Position/Career Summary

June 2015	Director (to the present)
June 2014	Resigned from the position of Audit & Supervisory Board Member, Wacoal Corp.
June 2012	Audit & Supervisory Board Member Wacoal Corp. Resigned from the position of Director Wacoal Holdings Corp.
Mar. 2012	Resigned from the position of Director, Wacoal Corp.
Apr. 2008	Director, Wacoal Holdings Corp. Senior Managing Corporate Officer General Manager, International Operations Wacoal Corp.
June 2006	Director, Wacoal Holdings Corp. Managing Corporate Officer General Manager, Human Resource & Administration Wacoal Corp.
Apr. 1976	Joined Wacoal Corp.

Reasons for recommending Tadashi Yamamoto as a candidate for Director

Mr. Yamamoto has a great deal of experience and knowledge in corporate management as a Director and Senior Managing Corporate Officer at Wacoal Corporation. In addition, he has considerable expertise concerning human resource planning, international operations and other fields. Since becoming a Duskin Outside Director in June 2015, Mr. Yamamoto has contributed to enhancing corporate governance by providing advice and supervision regarding management from an objective standpoint independent of the executives who conduct business operations. Therefore, Duskin requests a vote in favor of Mr. Yamamoto's re-election as an Outside Director.

Candidate No. **8**

Junko Katada

Date of birth
February 21, 1963

Number of shares owned: 600
Tenure: 3 years
(at the conclusion of this Annual General Shareholders' Meeting)



Reappointment

Candidate for Independent Outside Director

Attendance at Board of Directors meetings during FY 2017:
22/22
100.0%

Position/Career Summary

June 2015	Director (to the present)
June 2015	Resigned from the position of Auditor, Osaka Izumi Consumers' Co-Operative Union
June 2007	Auditor, Osaka Izumi Consumers' Co-Operative Union

Reasons for recommending Junko Katada as a candidate for Director

Ms. Katada has a thorough knowledge of consumer issues. Since becoming a Duskin Outside Director in June 2015, she has contributed to enhancing corporate governance by providing advice and supervision regarding protection of the interests of customers and general consumers from an objective standpoint independent of the executives who conduct business operations. Therefore, Duskin requests a vote in favor of her re-election as an Outside Director. Although she has not been involved in corporate management, Duskin believes that Ms. Katada is capable of fulfilling her duties as an Outside Director.

Candidate No. **9**

Tomoya Yoshizumi

Date of birth
June 10, 1953

Number of shares owned: -
Tenure: 1 year
(at the conclusion of this Annual General Shareholders' Meeting)



Reappointment

Candidate for Independent Outside Director

Attendance at Board of Directors meetings during FY 2017:
17/17
100.0%

Position/Career Summary

June 2017	Director (to the present)
June 2017	Resigned from Ajinomoto Co., Inc.
June 2015	Advisor, Ajinomoto Co., Inc.
June 2013	Corporate Vice President & General Manager, North America Division, Bioscience & Finechemicals Business Division Ajinomoto Co., Inc. President, AJINOMOTO NORTH AMERICA, INC
June 2011	Member of the Board & Corporate Vice President General Manager, North America Division Bioscience & Finechemicals Business Division Ajinomoto Co., Inc. President, Ajinomoto U.S.A. (current AJINOMOTO NORTH AMERICA, INC)
June 2008	Member of the Board & Corporate Vice President President, Amino Acids Company
June 2007	Member of the Board, Ajinomoto Co., Inc.
Apr. 1978	Joined Ajinomoto Co., Inc.

Reasons for recommending Tomoya Yoshizumi as a candidate for Director

Mr. Yoshizumi has a great deal of experience and knowledge in corporate management as a Member of the Board and Corporate Vice President at Ajinomoto Co., Inc. At Ajinomoto, he was engaged in strategic production planning, the Medium-Term Management Plan and implementing M&A strategies for the Ajinomoto Group. For four years from 2011, he supervised business operations in North America as General Manager, North America Division and President of AJINOMOTO NORTH AMERICA, INC. Since becoming a Duskin Outside Director in June 2017, Mr. Yoshizumi has contributed to enhancing corporate governance by providing advice and supervision regarding management from an objective standpoint independent of the executives who conduct business operations. Therefore, Duskin requests a vote in favor of Mr. Yoshizumi's re-election as an Outside Director.

1. The nominees have no special interests in Duskin.
2. Duskin has designated Mr. Tadashi Yamamoto, Ms. Junko Katada and Mr. Tomoya Yoshizumi as Independent Directors in accordance with regulations of the Tokyo Stock Exchange. If these Director candidates are re-elected, Duskin plans to again designate them as Independent Directors.
3. Duskin has contracts with Mr. Tadashi Yamamoto, Ms. Junko Katada and Mr. Tomoya Yoshizumi that limit their liability as provided in Article 423, Paragraph 1 of the Companies Act within the amount prescribed by laws or ordinances. If these three individuals are elected as Outside Directors, Duskin plans to extend these contracts.
4. The number of meetings of the Board of Directors that Mr. Tomoya Yoshizumi attended is for meetings that were held after his election as Director on June 22, 2017.

Proposal 4: Election of One (1) Member of the Audit & Supervisory Board

The term of office of Audit & Supervisory Board Member, Takaaki Oda expires at the close of this Annual General Meeting of Shareholders. This proposal for the election of one (1) Audit & Supervisory Board Member has received the consent of the Audit & Supervisory Board.

Reference: Policy for selection of Audit & Supervisory Board Member candidates

Audit & Supervisory Board Member candidates must have the proper character, knowledge and ethics for this post and must have no health issues that would prevent them from performing their duties.

The roles of Audit & Supervisory Board Members are properly auditing the performance of Directors (business audits (compliance audits) and accounting audits) and establishing a sound corporate governance framework. Therefore, internal Audit & Supervisory Board Member candidates must maintain independence from people who conduct business operations and have the knowledge and skills needed to perform their duties with integrity. These candidates must also have a profound knowledge of the Company's business operations and the ability to reach decisions about management from an objective and neutral standpoint. Selections of candidates reflect the advice of the Council of Outside Directors and Audit & Supervisory Board Members and are determined by resolutions of the Board of Directors after obtaining the consent of the Audit & Supervisory Board. Furthermore, the policy is to have at least one Audit & Supervisory Board Member candidate who has substantial knowledge about finance and accounting.

Candidates for Outside Audit & Supervisory Board Member must not be a related party of the Duskin Group, be able to maintain their independence, and have extensive knowledge and experience about legal matters, accounting, internal controls, corporate reorganizations and other fields that are needed to oversee and advise the Board of Directors. Selections of candidates reflect the advice of the Council of Outside Directors and Audit & Supervisory Board Members and are determined by resolutions of the Board of Directors after obtaining the consent of the Audit & Supervisory Board.

Takaaki Oda

Date of birth
May 31, 1962

Number of shares owned: 500
Tenure: 4 years
(at the conclusion of this Annual General Shareholders' Meeting)



Reappointment

Candidate for Independent Outside Audit & Supervisory Board Member

Attendance at Board of Directors meetings during FY 2017: 22/22

Attendance at the Audit & Supervisory Board meetings during FY 2017: 14/14

Position/Career Summary

June 2014	Audit & Supervisory Board Member (to the present)
May 2002	Partner, Miyake & Partners (to the present)
Jan. 1995	Partner, Miyake Godo Law Office
Apr. 1988	Registered at Osaka Bar Association, and joined Miyake Godo Law Office
Oct. 1985	Passed National Bar Examination

(Significant concurrent positions)

Director, Audit and Supervisory Committee Member
New Japan Chemical Co., Ltd.

Reasons for recommending Takaaki Oda as a candidate for Audit & Supervisory Board Member

Mr. Takaaki Oda is an attorney and is expected to be able to monitor and oversee Duskin's management from an independent and objective standpoint, based on his extensive experience and expertise as an attorney. Duskin requests a vote in favor of his re-election as an Outside Member of the Audit & Supervisory Board. Although he has not been involved in corporate management, Duskin believes that Mr. Oda is capable of fulfilling his duties as an Outside Member of the Audit & Supervisory Board.

1. Mr. Takaaki Oda has no special interests in Duskin.
2. If the proposal is approved without amendment, Duskin plans to reappoint Mr. Takaaki Oda as an independent director in accordance with regulations of the Tokyo Stock Exchange.
3. Duskin has a contract with Mr. Takaaki Oda that limits his liability as provided in Article 423, Paragraph 1 of the Companies Act within the amount prescribed by laws or ordinances. If the proposal is approved without amendment, Duskin plans to extend this contract.

Reference: Standards for independence of Outside Directors and Audit & Supervisory Board Members

The independence of an Outside Director or Outside Audit & Supervisory Board Member requires that none of the following items is applicable to these individuals. These standards are based on the independence standards of the Securities Listing Regulations Enforcement Rules of the Tokyo Stock Exchange and also include standards established by Duskin.

To test the independence of a candidate for Outside Director or Outside Audit & Supervisory Board Member, Duskin first confirms that the candidate is not in violation of standards 1 to 9 of the Duskin Standards for Independence of Outside Directors and Audit & Supervisory Board Members. Then, the Board of Directors deliberates selection of Outside Director and Outside Audit & Supervisory Board Member candidates. The deliberations include consideration of the opinions and advice of the Director Evaluation Council for Outside Director candidates, and the opinions of Audit & Supervisory Board Members and the advice of the Outside Directors and Audit & Supervisory Board Members Council for Outside Audit & Supervisory Board Member candidates.

1. A Director (except an Outside Director of Duskin), Audit & Supervisory Board Member (except an Outside Audit & Supervisory Board Member of Duskin) or employee of one of Duskin Group* companies

   * Duskin and subsidiaries of Duskin.

2. A major shareholder* of Duskin or a Director, Audit & Supervisory Board Member or employee of a company or other organization that is a major shareholder of Duskin

   * An individual, company or other entity that owns at least 10% of Duskin's voting rights

3. A Director, Audit & Supervisory Board Member or employee of a company with a major business relationship* with Duskin Group

   * A company where, in the most recent fiscal year, amounts paid to or received from Duskin Group for business transactions are more than the larger of 3% of the consolidated sales of Duskin Group or the company (including the parent company and subsidiaries) or ¥1 billion

4. An individual that has received substantial donations* from Duskin Group or a Director, Audit & Supervisory Board Member or employee of a company or other organization that has received such donations

   * Substantial donations are cash and other items with a value of the larger of 1% of consolidated sales of Duskin Group in the most recent fiscal year or ¥100 million.

5. An attorney, accountant, consultant who has received substantial payments* or other items of value (or an individual belonging to a company or other organization that has received these payments) other than Director or Audit & Supervisory Board Member compensation from Duskin Group

   * Cash or other items with a value of the larger of 1% of consolidated sales of Duskin Group in the most recent fiscal year or ¥100 million

6. An individual who was ever in any position described in the above items 1 and 2

7. An individual who was within the past three years in any position described in the above items 3 through 5

8. Spouses and first or second-degree relatives of individuals described in the above items 1 through 7

9. Individuals who have been a Duskin Outside Director for five years or a Duskin Outside Audit & Supervisory Board Member for eight years

10. Individuals with any other reasons for doubt about independence concerning the performance of duties as a Duskin Outside Director or Outside Audit & Supervisory Board Member

Proposal 5: Amendment of Remuneration for Directors

At the 53rd Annual General Meeting of Shareholders held on June 19, 2015, a limit of 500 million yen per annum (of which 35 million yen per annum is for Outside Directors) was approved for the remuneration for Directors of the Company.

As it is proposed in Proposal 2 (Partial Amendments to the Articles of Incorporation) to decrease the number of Directors after the introduction of the Operating Officer system, we request that approval be given to reduce the limit of remuneration for Directors to 400 million yen per annum (of which 35 million yen per annum is for Outside Directors).

Share-based-remuneration-type stock options within the limit of remuneration were approved to be allotted to Directors up to 50 million yen per annum at the 55th Annual General Meeting of Shareholders held on June 22, 2017. No change will be made on this point.

There are currently twelve (12) Directors (including three (3) Outside Directors). If Proposal 3 is approved without amendment, there will be nine (9) Directors (including three Outside Directors).

Consolidated Balance Sheets

(millions of yen)

Account	FY2017 as of Mar. 31, 2018	FY2016 as of Mar. 31, 2017
Assets		
Current assets	**69,434**	**62,021**
Cash and deposits	18,846	21,200
Notes and accounts receivable - trade	9,950	9,887
Lease receivables and investment assets	1,326	1,359
Securities	24,461	16,018
Merchandise and finished goods	7,738	7,388
Work in process	142	157
Raw materials and supplies	1,598	1,557
Deferred tax assets	1,822	1,719
Other	3,585	2,766
Allowance for doubtful accounts	-37	-34
Non-current assets	**126,623**	**128,095**
Property, plant and equipment	**49,344**	**51,334**
Buildings and structures	16,996	17,769
Machinery, equipment and vehicles	6,491	6,745
Land	22,750	23,628
Construction in progress	178	241
Other	2,927	2,948
Intangible assets	**8,474**	**7,683**
Goodwill	549	647
Other	7,925	7,035
Investment and other assets	**68,804**	**69,078**
Investment securities	60,523	58,979
Long-term loans receivable	3	5
Deferred tax assets	1,250	2,199
Guarantee deposits	5,751	6,304
Other	1,310	1,616
Allowance for doubtful accounts	-34	-27
Total Assets	**196,058**	**190,116**

Account	FY2017 as of Mar. 31, 2018	FY2016 as of Mar. 31, 2017
Liabilities		
Current liabilities	**33,985**	**34,603**
Notes and accounts payable-trade	6,834	6,836
Short-term loans payable	173	78
Current portion of long-term loans payable	—	10
Income taxes payable	1,403	2,337
Provision for bonuses	3,397	3,255
Asset retirement obligations	18	12
Accounts payable-other	8,112	7,583
Guarantee deposit received for rental products	9,314	9,421
Other	4,731	5,069
Non-current liabilities	**14,286**	**13,403**
Net defined benefit liability	12,882	11,901
Asset retirement obligations	578	616
Long-term guarantee deposited	788	812
Long-term accounts payable-other	18	74
Other	18	0
Total liabilities	**48,271**	**48,007**
Net Assets		
Shareholders' equity	**139,388**	**136,203**
Capital stock	11,352	11,352
Capital surplus	11,087	11,086
Retained earnings	120,519	117,332
Treasury shares	-3,571	-3,568
Accumulated other comprehensive income	**8,026**	**5,521**
Valuation difference on available-for-sale securities	9,878	7,754
Deferred gains or losses on hedges	1	—
Foreign currency translation adjustment	-54	-120
Remeasurements of defined benefit plans	-1,798	-2,113
Share acquisition rights	**9**	**—**
Non-controlling interests	**361**	**384**
Total Net Assets	**147,786**	**142,108**
Total Liabilities and Net Assets	**196,058**	**190,116**

Note: All financial figures are in millions of yen, all amounts less than a million are dropped.

Consolidated Statements of Income

(millions of yen)

Account	FY2017 (Apr. 1, 2017 - Mar. 31, 2018)	FY2016 (Apr. 1, 2016 - Mar. 31, 2017)
Net sales	**161,031**	**161,880**
Cost of sales	**87,808**	**89,204**
Gross profit	**73,222**	**72,676**
Selling, general and administrative expenses	**65,664**	**66,606**
Operating profit	**7,557**	**6,069**
Non-operating income	**1,747**	**1,884**
Interest income	345	408
Dividend income	346	325
Rent income on facilities	152	177
Commission fee	174	198
Share of profit of entities accounted for using equity method	220	171
Miscellaneous income	508	603
Non-operating expenses	**326**	**399**
Interest expenses	7	1
Rent expenses on facilities	57	35
Subsidies return loss	45	—
Compensation expenses	42	48
Cancellation penalty	35	102
Commission for purchase of treasury shares	—	60
Miscellaneous loss	137	151
Ordinary profit	**8,978**	**7,554**
Extraordinary income	**163**	**728**
Gain on sales of non-current assets	133	0
Gain on sales of investment securities	24	580
Investment securities settlement gain	—	114
Gain on sales of shares of subsidiaries and associates	—	24
Other	5	8
Extraordinary losses	**1,228**	**1,673**
Loss on sales of non-current assets	93	22
Loss on abandonment of non-current assets	173	166
Impairment loss	840	1,297
Loss on disaster	0	176
Other	121	10
Profit before income taxes	**7,913**	**6,610**
Income taxes-current	2,821	3,051
Income taxes-deferred	-228	-726
Profit	**5,320**	**4,285**
Loss attributable to non-controlling interests	**-4**	**-33**
Profit attributable to owners of parent	**5,324**	**4,318**

Note: All financial figures are in millions of yen, all amounts less than a million are dropped.

Consolidated Statements of Changes in Net Assets

(April 1, 2017 – March 31, 2018)

(millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	**11,352**	**11,086**	**117,332**	**-3,568**	**136,203**
Changes of items during the period					
Dividends of surplus			-2,137		-2,137
Profit attributable to owners of parent			5,324		5,324
Purchase of treasury shares				-2	-2
Changes in equity of the parent company related to transactions with non-controlling shareholder		1			1
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	1	3,186	-2	3,185
Balance at end of current period	**11,352**	**11,087**	**120,519**	**-3,571**	**139,388**

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	**7,754**	**—**	**-120**	**-2,113**	**5,521**	**—**	**384**	**142,108**
Changes of items during the period								
Dividends of surplus								-2,137
Profit attributable to owners of parent								5,324
Purchase of treasury shares								-2
Changes in equity of the parent company related to transactions with non-controlling shareholder								1
Net changes of items other than shareholders' equity	2,123	1	65	314	2,505	9	-22	2,491
Total changes of items during the period	**2,123**	**1**	**65**	**314**	**2,505**	**9**	**-22**	**5,677**
Balance at end of current period	**9,878**	**1**	**-54**	**-1,798**	**8,026**	**9**	**361**	**147,786**

Note: All financial figures are in millions of yen, all amounts less than a million are dropped.

Non-Consolidated Balance Sheets

(millions of yen)

Account	FY2017 as of Mar. 31, 2018	FY2016 as of Mar. 31, 2017
Assets		
Current assets	**56,653**	**48,617**
Cash and deposits	13,262	14,819
Notes receivable-trade	44	3
Accounts receivable-trade	7,669	7,420
Lease receivables	29	24
Securities	24,461	16,018
Merchandise and finished goods	5,926	5,682
Work in process	4	2
Raw materials and supplies	918	936
Prepaid expenses	509	505
Deferred tax assets	1,286	1,209
Short-term loans receivable	4	3
Short-term loans receivable from subsidiaries and associates	109	95
Other	2,442	1,910
Allowance for doubtful accounts	-17	-15
Non-current assets	**126,111**	**126,753**
Property, plant and equipment	**38,315**	**40,298**
Buildings	13,176	13,895
Structures	808	772
Machinery and equipment	834	1,108
Vehicles	0	1
Tools, furniture and fixtures	1,639	1,677
Fixed assets for rent	58	81
Land	21,684	22,607
Construction in progress	113	154
Intangible assets	**7,570**	**6,740**
Goodwill	17	11
Trademark right	50	2
Software	5,526	5,735
Temporary account for intangible fixed assets	1,787	786
Other	188	205
Investments and other assets	**80,225**	**79,713**
Investment securities	59,222	57,729
Shares of subsidiaries and associates	14,639	14,380
Investments in capital	0	0
Investments in capital of subsidiaries and associates	0	0
Long-term loans receivable	2	4
Long-term loans receivable from subsidiaries and associates	399	409
Long-term prepaid expenses	611	675
Deferred tax assets	40	735
Guarantee deposits	5,179	5,600
Other	159	200
Allowance for doubtful accounts	-30	-23
Total Assets	**182,765**	**175,371**

Account	FY2017 as of Mar. 31, 2018	FY2016 as of Mar. 31, 2017
Liabilities		
Current liabilities	**42,852**	**44,900**
Accounts payable-trade	6,144	6,276
Accounts payable-other	6,785	5,866
Accrued expenses	1,004	936
Income taxes payable	951	1,934
Deposits received	14,315	16,107
Guarantee deposits received for rental products	9,965	10,080
Provision for bonuses	2,488	2,391
Asset retirement obligations	18	12
Other	1,177	1,294
Non-current liabilities	**13,472**	**8,476**
Provision for retirement benefits	8,004	6,677
Provision for loss on guarantees	113	—
Asset retirement obligations	491	544
Long-term guarantee deposited	970	856
Long-term deposits received	3,860	380
Long-term accounts payable-other	17	17
Other	15	—
Total Liabilities	**56,324**	**53,377**
Net Assets		
Shareholders' equity	**116,595**	**114,265**
Capital stock	**11,352**	**11,352**
Capital surplus	**1,090**	**1,090**
Legal capital surplus	1,090	1,090
Retained earnings	**107,723**	**105,390**
Legal retained earnings	2,777	2,777
Other retained earnings	104,946	102,612
Reserve for business development	869	869
Reserve for reduction entry	—	31
General reserve	96,800	100,800
Retained earnings brought forward	7,276	912
Treasury shares	**-3,571**	**-3,568**
Valuation and translation adjustments	**9,835**	**7,729**
Valuation difference on available-for-sale securities	**9,833**	**7,729**
Deferred gains or losses on hedges	**1**	**—**
Share acquisition rights	**9**	**—**
Total Net Assets	**126,440**	**121,994**
Total Liabilities & Net Assets	**182,765**	**175,371**

Note: All financial figures are in millions of yen, all amounts less than a million are dropped.

Non-Consolidated Statements of Income

(millions of yen)

Account	FY2017 (April 1, 2017- March 31, 2018)	FY2016 (April 1, 2016 March 31, 2017)
Net sales	**132,537**	**134,245**
Cost of sales	**76,883**	**78,709**
Gross profit	**55,653**	**55,535**
Selling, general and administrative expenses	**50,737**	**51,466**
Operating profit	**4,915**	**4,069**
Non-operating income	**2,978**	**2,898**
Interest income	18	16
Interest income on securities	324	390
Dividend income	1,173	918
Rent income on facilities	844	856
Commission fee	268	271
Miscellaneous income	348	444
Non-operating expenses	**417**	**489**
Interest expenses	16	20
Provision for loss on guarantees	113	—
Rent expenses on facilities	64	69
Subsidies return loss	45	—
Cancellation penalty	32	87
Debt waiver	—	105
Commission for purchase of treasury shares	—	60
Miscellaneous loss	145	146
Ordinary profit	**7,476**	**6,478**
Extraordinary income	**134**	**698**
Gain on sales of non-current assets	106	0
Gain on sales of investment securities	24	580
Investment securities settlement gain	—	114
Other	3	3
Extraordinary losses	**1,176**	**1,949**
Loss on sales of non-current assets	93	22
Loss on abandonment of non-current assets	154	129
Impairment loss	834	1,078
Loss on disaster	0	157
Loss on valuation of shares of subsidiaries and associates	—	559
Other	93	2
Income before income taxes	**6,434**	**5,227**
Income taxes-current	2,042	2,306
Income taxes-deferred	-310	-802
Profit	**4,703**	**3,723**

Note: All financial figures are in millions of yen, all amounts less than a million are dropped.

Non-consolidated Statements of Changes in Net Assets

(April 1, 2017 – March 31, 2018)

(millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus		Retained earnings					
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				Total retained earnings
					Reserve for business development	Reserve for reduction entry	General reserve	Retained earnings brought forward	
Balance at beginning of current period	**11,352**	**1,090**	**1,090**	**2,777**	**869**	**31**	**100,800**	**912**	**105,390**
Changes of items during the period									
Dividends of surplus								-2,137	-2,137
Profit								4,703	4,703
Purchase of treasury shares									
Decrease by corporate division								-231	-231
Reversal of reserve for reduction entry						-31		31	—
Reversal of general reserve							-4,000	4,000	—
Net changes of items other than shareholders' equity									
Total changes of items during the period	**—**	**—**	**—**	**—**	**—**	**-31**	**-4,000**	**6,364**	**2,333**
Balance at end of current period	**11,352**	**1,090**	**1,090**	**2,777**	**869**	**—**	**96,800**	**7,276**	**107,723**

	Shareholders' equity		Valuation and translation adjustments			Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of current period	**−3,568**	**114,265**	**7,729**	**—**	**7,729**	**—**	**121,994**
Changes of items during the period							
Dividends of surplus		-2,137					-2,137
Profit		4,703					4,703
Purchase of treasury shares	-2	-2					-2
Decrease by corporate division		-231					-231
Reversal of reserve for reduction entry		—					—
Reversal of general reserve		—					—
Net changes of items other than shareholders' equity			2,104	1	2,106	9	2,115
Total changes of items during the period	**-2**	**2,330**	**2,104**	**1**	**2,106**	**9**	**4,446**
Balance at end of current period	**−3,571**	**116,595**	**9,833**	**1**	**9,835**	**9**	**126,440**

Note: All financial figures are in millions of yen, all amounts less than a million are dropped.