DUSKIN®

Notice of Convocation

The 57th Ordinary General Shareholders' Meeting

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Please be advised that certain explanations for domestic voting procedures that are not applicable to the shareholders outside Japan are omitted or modified to avoid confusion.

(Translation)

(Code No.: 4665)

June 3, 2019

To Shareholders

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

Notice of the 57th Annual General Meeting of Shareholders

The 57th 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 Monday, June 24, 2019.

Details of the Meeting

1: Date and Time: 10:00 am on Tuesday, June 25, 2019
(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 2018 (April 1, 2018 to March 31, 2019) and Result on Consolidated Financial Statement Auditing Report by Accounting Auditors and the Audit & Supervisory Board

2. Presentation of the business performance, Fiscal 2018 (April 1, 2018 to March 31, 2019)

Matters to be resolved

Proposal 1: Proposal for Appropriation of Retained Earnings

Proposal 2: Election of Nine (9) Members of the Board of 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 (https://www.duskin.co.jp/ir/, 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 non-consolidated financial statements

Audit & Supervisory Board Members audit the business report, consolidated and non-consolidated financial statements attached to this Notice of convocation, and documents 1) to 4) as stated above. The Accounting Auditor audits the consolidated and non-consolidated 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 (https://www.duskin.co.jp/english/).

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.

		
Exercise of voting right By attendance	**Exercise of voting right In writing by post**	**Exercise of voting right Via Electronic means/Internet***
Submit Voting Rights Execution Form to the reception counter at the Meeting	Indicate your approval or disapproval of the proposals on the enclosed Voting Rights Execution Form to us by the deadline indicated below.	Access voting site: http://www.web54.net *1 and 2
Meeting Date and Time	Deadline	Deadline
10:00 am, Tuesday June 25, 2019 (JST)	**5:00 pm, Monday June 24, 2019 (JST)**	**5:00 pm, Monday June 24, 2019 (JST)**

*1. Voting over the Internet can only be accomplished by accessing the site designated for this purpose by Duskin (http://www.web54.net). This site is available only in Japanese.

*2. Please note that using Internet may incur cost such as connection fee, and such cost will be borne by the shareholders.

= 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: 1,040,308,040 yen (funds for the dividends: retained earnings)
The Company paid an interim dividend of 20 yen per share, and a commemorative dividend (55th anniversary of founding) of 10 yen per share. The full-year dividend is to total 50 yen per share.

(3) The effective date of the dividends: June 26, 2019

Reference: Basic dividend policy from FY2019

Returning a portion of earnings to shareholders is one of our highest priorities. Our basic policy is to distribute profits to shareholders based on our performance while maintaining the proper balance between these distributions and the need for investments for sustained growth and higher corporate value and the need to maintain financial soundness to be prepared for potential risks involving business operations. A consolidated payout ratio of 50% is the guideline for the dividend for each fiscal year while maintaining the stability and consistency of dividend payments.

Proposal 2: Election of Nine (9) Members of the Board of Directors

The term of the current nine (9) Directors will expire at the close of this Annual General Meeting of Shareholders. It is proposed that the total number of Directors remains at nine (9).

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	20/20
2	Reappointment	Kenichi Miyajima	Director Executive Vice President & Operating Officer President's Office, Food Group, Corporate Account	18/20
3	Reappointment	Kazuo Okai	Director Senior Executive Operating Officer Human Resources, Legal Affairs & Corporate Compliance, Quality Assurance & Risk Management, New Business Development, International	20/20
4	Reappointment	Junichi Narahara	Director Senior Executive Operating Officer Strategy Management and Operations, Direct Selling Group; Care Service Business Group	20/20
5	Reappointment	Kazushi Sumimoto	Director Executive Operating Officer Corporate Planning, General Affairs, Accounting, Public Relations, Information System, Production & Logistics	20/20
6	Reappointment	Taku Suzuki	Director Senior Operating Officer Rent-All, Health Rent, Life Care, Uniform Service, Health & Beauty	20/20
7	Reappointment Candidate for Independent Outside Director	Tadashi Yamamoto	Outside Director	20/20
8	Reappointment Candidate for Independent Outside Director	Tomoya Yoshizumi	Outside Director	20/20
9	New Candidate for Independent Outside Director	Nobuko Sekiguchi	-	-

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 majority 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.

To improve the effectiveness of Directors Evaluation and Nomination System, the Director Evaluation Council, which was an advisory council for the President & CEO, was changed to an advisory council for the Board of Directors in April 2019. Along with this change, the council is now comprised of only independent Directors to enhance its objectivity and transparency.

Candidate No. **1**

Teruji Yamamura

Date of birth
January 28, 1957

Number of shares owned: 33,785
Tenure: 15 years
(at the conclusion of this Annual General Shareholders' Meeting)



Reappointment

Attendance at Board of Directors meetings during FY 2018:
20/20
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 has been a leader in the structural reforms in the second three-year phase of the long-term strategy ONE DUSKIN. 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: 11,300
Tenure: 15 years
(at the conclusion of this Annual General Shareholders' Meeting)



Reappointment

Attendance at Board of Directors meetings during FY 2018:
18/20
90.0%

Position/Career Summary

June 2018	Director Executive Vice President & Operating Officer President's Office, Food Group, Corporate Account (to the present)
Apr. 2018	Director Senior Executive Operating Officer Food Group
Apr. 2015	Senior Executive Director President's Office, Mister Donut Business Group, 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 & 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: 18,755
Tenure: 11 years
(at the conclusion of this Annual General Shareholders' Meeting)



Reappointment

Attendance at Board of Directors meetings during FY 2018:
20/20
100.0%

Position/Career Summary

Apr. 2019	Director Senior Executive Operating Officer Human Resources, Legal Affairs & Corporate Compliance, Quality Assurance & Risk Management, New Business Development, International (to the present)
June 2018	Director Executive Operating Officer Human Resources, Legal Affairs & Corporate Compliance, Quality Assurance & Risk Management, New Business Development, International, Product Inspection Center
Apr. 2018	Director Executive Operating Officer International, Care Service Business Group
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 2018, he has been supervising strategic planning for human resources 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: 10,600
Tenure: 10 years
(at the conclusion of this Annual General Shareholders' Meeting)



Reappointment

Attendance at Board of Directors meetings during FY 2018:
20/20
100.0%

Position/Career Summary

Apr. 2019	Director Senior Executive Operating Officer Strategy Management and Operations, Direct Selling Group; Care Service Business Group (to the present)
June 2018	Director Executive Operating Officer Strategy Management and Operations, Direct Selling Group; Care Service Business Group General Manager, Strategy Management, Direct Selling Group
Apr. 2018	Director Executive Operating Officer Strategy Management and Operations, Direct Selling Group; Corporate Account General Manager, Strategy Management, Direct Selling Group
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. Since 2018, he has been taking initiatives to formulate strategies in Direct Selling Group. 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: 7,785
Tenure: 5 years
(at the conclusion of this Annual General Shareholders' Meeting)



Reappointment

Attendance at Board of Directors meetings during FY 2018:
20/20
100.0%

Position/Career Summary

Apr. 2019	Director Executive Operating Officer Corporate Planning, General Affairs, Accounting, Public Relations, Information System, Production & Logistics (to the present)
June 2018	Director Senior Operating Officer Corporate Planning, General Affairs, Accounting, Public Relations, Information System, Production & Logistics
Apr. 2018	Director Senior Operating Officer Corporate Planning, Production & Logistics
Apr. 2017	Director Corporate Planning, Production & Logistics
May 2016	Director Corporate Planning, Life Care, Rent-All, Uniform Service, Health & Beauty
June 2014	Director Home Instead 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: 3,900
Tenure: 3 years
(at the conclusion of this Annual General Shareholders' Meeting)



Reappointment

Attendance at Board of Directors meetings during FY 2018:
20/20
100.0%

Position/Career Summary

Apr. 2018	Director Senior Operating Officer Rent-All, Health Rent, Life Care, Uniform Service, Health & Beauty (to the present)
Apr. 2017	Director Life Care, Rent-All, Uniform Service, Health & Beauty
June 2016	Director Product Inspection Center General Manager, Production & Logistics
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 Production & Logistics, where he enacted production reforms. Since 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: 4 years
(at the conclusion of this Annual General Shareholders' Meeting)



Reappointment

Candidate for Independent Outside Director

Attendance at Board of Directors meetings during FY 2018:
20/20
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**

Tomoya Yoshizumi

Date of birth
June 10, 1953

Number of shares owned: 200
Tenure: 2 years
(at the conclusion of this Annual General Shareholders' Meeting)



Reappointment

Candidate for Independent Outside Director

Attendance at Board of Directors meetings during FY 2018:
20/20
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 (current Ajinomoto Health & Nutrition 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 Health & Nutrition 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.

Candidate No. **9**

Nobuko Sekiguchi

Date of birth
July 3, 1968

Number of shares owned: -



New Candidate for Independent Outside Director

Position/Career Summary

Mar. 2019	Resigned from CAPCOM CO., LTD.
Apr. 2016	Managing Corporate Officer Head of Corporate Planning & Human Resources Division
Apr. 2011	Corporate Officer Head of Corporate Planning Division
Apr. 2007	General Manager of Accounting Department
Nov. 2005	Joined CAPCOM CO., LTD.

Reasons for recommending Nobuko Sekiguchi as a candidate for Director

After working as a management consultant, Ms. Sekiguchi joined CAPCOM CO., LTD. where as a Managing Corporate Officer, she was engaged in leadership roles involving corporate planning and personnel system reforms. Included in her corporate planning responsibilities were the formulation of its Med-Term Plan, the annual budget management, organizational restructuring, and M&A transactions. Due to her experience and knowledge, Ms. Sekiguchi is expected to enhance corporate governance by providing advice and supervision regarding management from an objective standpoint independent of the executives who conduct Duskin's business operations. Therefore, Duskin requests a vote in favor of Ms. Sekiguchi's election as a new Outside Director.

1. The nominees have no special interests in Duskin.
2. Duskin has designated Mr. Tadashi Yamamoto 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. Also, if Ms. Nobuko Sekiguchi is elected, Duskin plans to designate her as an Independent Director.
3. Duskin has contracts with Mr. Tadashi Yamamoto 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 two individuals are elected as Outside Directors, Duskin plans to extend these contracts. Also, if Ms. Nobuko Sekiguchi is elected as an Outside Director, Duskin will also enter into the same contract with Ms. Sekiguchi.

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.

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 Director, Audit & Supervisory Board Member or employee of a major shareholder* of Duskin or a company or other organization where Duskin is a major shareholder

   * 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 1% 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. An individual who has been a Duskin Outside Director for five years or a Duskin Outside Audit & Supervisory Board Member for eight years

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

Consolidated Balance Sheets

(millions of yen)

Account	FY2018 as of Mar. 31, 2019	FY2017 as of Mar. 31, 2018
Assets		
Current assets	**63,948**	**67,611**
Cash and deposits	15,881	18,846
Notes and accounts receivable - trade	10,211	9,950
Lease receivables and investment assets	1,196	1,326
Securities	23,404	24,461
Merchandise and finished goods	7,994	7,738
Work in process	193	142
Raw materials and supplies	1,459	1,598
Other	3,635	3,585
Allowance for doubtful accounts	-28	-37
Non-current assets	**130,275**	**128,446**
Property, plant and equipment	**48,604**	**49,344**
Buildings and structures	16,038	16,996
Machinery, equipment and vehicles	6,706	6,491
Land	22,663	22,750
Construction in progress	574	178
Other	2,621	2,927
Intangible assets	**10,556**	**8,474**
Goodwill	429	549
Other	10,127	7,925
Investment and other assets	**71,114**	**70,627**
Investment securities	62,458	60,523
Long-term loans receivable	0	3
Deferred tax assets	2,092	3,073
Guarantee deposits	5,543	5,751
Other	1,048	1,310
Allowance for doubtful accounts	-30	-34
Total Assets	**194,223**	**196,058**

Account	FY2018 as of Mar. 31, 2019	FY2017 as of Mar. 31, 2018
Liabilities		
Current liabilities	**34,330**	**33,985**
Notes and accounts payable-trade	6,845	6,834
Short-term loans payable	—	173
Income taxes payable	1,308	1,403
Provision for bonuses	3,491	3,397
Asset retirement obligations	9	18
Accounts payable-other	8,730	8,112
Guarantee deposit received for rental products	9,206	9,314
Other	4,738	4,731
Non-current liabilities	**10,009**	**14,286**
Net defined benefit liability	8,191	12,882
Asset retirement obligations	585	578
Long-term guarantee deposited	786	788
Long-term accounts payable-other	26	18
Deferred tax liabilities	75	—
Reserves for losses on liquidation of subsidiaries and affiliates	329	—
Other	14	18
Total liabilities	**44,339**	**48,271**
Net Assets		
Shareholders' equity	**138,954**	**139,388**
Capital stock	11,352	11,352
Capital surplus	11,091	11,087
Retained earnings	118,075	120,519
Treasury shares	-1,565	-3,571
Accumulated other comprehensive income	**10,673**	**8,026**
Valuation difference on available-for-sale securities	9,920	9,878
Deferred gains or losses on hedges	-1	1
Foreign currency translation adjustment	-139	-54
Remeasurements of defined benefit plans	894	-1,798
Share acquisition rights	**18**	**9**
Non-controlling interests	**237**	**361**
Total Net Assets	**149,884**	**147,786**
Total Liabilities and Net Assets	**194,223**	**196,058**

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	FY2018 (Apr. 1, 2018 - Mar. 31, 2019)	FY2017 (Apr. 1, 2017 - Mar. 31, 2018)
Net sales	**158,699**	**161,031**
Cost of sales	**86,138**	**87,808**
Gross profit	**72,560**	**73,222**
Selling, general and administrative expenses	**64,606**	**65,664**
Operating profit	**7,954**	**7,557**
Non-operating income	**2,373**	**1,747**
Interest income	261	345
Dividend income	369	346
Rent income on facilities	162	152
Commission fee	186	174
Share of profit of entities accounted for using equity method	683	220
Miscellaneous income	709	508
Non-operating expenses	**316**	**326**
Interest expenses	3	7
Rent expenses on facilities	79	57
Cancellation penalty	48	35
Compensation expenses	47	42
Subsidies return loss	—	45
Miscellaneous loss	137	137
Ordinary profit	**10,011**	**8,978**
Extraordinary income	**431**	**163**
Gain on sales of non-current assets	164	133
Gain on sales of investment securities	66	24
Insurance claim income	190	—
Other	9	5
Extraordinary losses	**1,971**	**1,228**
Loss on sales of non-current assets	34	93
Loss on abandonment of non-current assets	183	173
Impairment loss	1,025	840
Loss on disaster	179	0
Provision of reserves for losses on liquidation of subsidiaries and affiliates	329	—
Loss on sales of investment securities	211	93
Other	7	27
Profit before income taxes	**8,471**	**7,913**
Income taxes-current	2,701	2,821
Income taxes-deferred	-156	-228
Profit	**5,926**	**5,320**
Loss attributable to non-controlling interests	**-58**	**-4**
Profit attributable to owners of parent	**5,984**	**5,324**

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, 2018 – March 31, 2019)

(millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	**11,352**	**11,087**	**120,519**	**-3,571**	**139,388**
Changes of items during the period					
Dividends of surplus			-2,672		-2,672
Profit attributable to owners of parent			5,984		5,984
Purchase of treasury shares				-3,754	-3,754
Retirement of treasury shares		-0	-5,756	5,757	—
Disposal of treasury shares		0		2	3
Changes in equity of the parent company related to transactions with non-controlling shareholder		4			4
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	4	-2,444	2,005	-434
Balance at end of current period	**11,352**	**11,091**	**118,075**	**-1,565**	**138,954**

	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	**9,878**	**1**	**-54**	**-1,798**	**8,026**	**9**	**361**	**147,786**
Changes of items during the period								
Dividends of surplus								-2,672
Profit attributable to owners of parent								5,984
Purchase of treasury shares								-3,754
Retirement of treasury shares								—
Disposal of treasury shares								3
Changes in equity of the parent company related to transactions with non-controlling shareholder								4
Net changes of items other than shareholders' equity	41	-2	-84	2,692	2,647	9	-124	2,532
Total changes of items during the period	**41**	**-2**	**-84**	**2,692**	**2,647**	**9**	**-124**	**2,098**
Balance at end of current period	**9,920**	**-1**	**-139**	**894**	**10,673**	**18**	**237**	**149,884**

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	FY2018 as of Mar. 31, 2019	FY2017 as of Mar. 31, 2018
Assets		
Current assets	**51,016**	**55,367**
Cash and deposits	9,557	13,262
Notes receivable-trade	20	44
Accounts receivable-trade	7,754	7,669
Lease receivables	14	29
Securities	23,404	24,461
Merchandise and finished goods	6,244	5,926
Work in process	5	4
Raw materials and supplies	753	918
Prepaid expenses	551	509
Short-term loans receivable	5	4
Short-term loans receivable from subsidiaries and associates	112	109
Other	2,603	2,442
Allowance for doubtful accounts	-12	-17
Non-current assets	**130,092**	**127,397**
Property, plant and equipment	**37,390**	**38,315**
Buildings	12,454	13,176
Structures	820	808
Machinery and equipment	712	834
Vehicles	0	0
Tools, furniture and fixtures	1,597	1,639
Fixed assets for rent	54	58
Land	21,540	21,684
Construction in progress	209	113
Intangible assets	**9,746**	**7,570**
Goodwill	12	17
Trademark right	46	50
Software	6,489	5,526
Temporary account for intangible fixed assets	3,026	1,787
Other	171	188
Investments and other assets	**82,956**	**81,511**
Investment securities	55,319	59,222
Shares of subsidiaries and associates	20,200	14,639
Investments in capital	0	0
Investments in capital of subsidiaries and associates	68	0
Long-term loans receivable	0	2
Long-term loans receivable from subsidiaries and associates	468	399
Long-term prepaid expenses	438	611
Deferred tax assets	1,494	1,326
Guarantee deposits	4,989	5,179
Other	71	159
Allowance for doubtful accounts	-28	-30
Allowance for investment loss	-68	—
Total Assets	**181,109**	**182,765**

Account	FY2018 as of Mar. 31, 2019	FY2017 as of Mar. 31, 2018
Liabilities		
Current liabilities	**43,161**	**42,852**
Accounts payable-trade	5,891	6,144
Accounts payable-other	7,442	6,785
Accrued expenses	1,020	1,004
Income taxes payable	924	951
Deposits received	14,422	14,315
Guarantee deposits received for rental products	9,829	9,965
Provision for bonuses	2,543	2,488
Asset retirement obligations	9	18
Other	1,078	1,177
Non-current liabilities	**12,676**	**13,472**
Provision for retirement benefits	7,156	8,004
Provision for loss on guarantees	—	113
Asset retirement obligations	482	491
Long-term guarantee deposited	988	970
Long-term deposits received	4,020	3,860
Long-term accounts payable-other	17	17
Other	11	15
Total Liabilities	**55,837**	**56,324**
Net Assets		
Shareholders' equity	**115,371**	**116,595**
Capital stock	**11,352**	**11,352**
Capital surplus	**1,090**	**1,090**
Legal capital surplus	1,090	1,090
Retained earnings	**104,493**	**107,723**
Legal retained earnings	2,777	2,777
Other retained earnings	101,715	104,946
Reserve for business development	869	869
Reserve for reduction entry	63	—
General reserve	96,800	96,800
Retained earnings brought forward	3,982	7,276
Treasury shares	**-1,564**	**-3,571**
Valuation and translation adjustments	**9,880**	**9,835**
Valuation difference on available-for-sale securities	**9,880**	**9,833**
Deferred gains or losses on hedges	—	**1**
Share acquisition rights	**18**	**9**
Total Net Assets	**125,271**	**126,440**
Total Liabilities & Net Assets	**181,109**	**182,765**

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	FY2018 (April 1, 2018- March 31, 2019)	FY2017 (April 1, 2017 March 31, 2018)
Net sales	**129,592**	**132,537**
Cost of sales	**75,011**	**76,883**
Gross profit	**54,581**	**55,653**
Selling, general and administrative expenses	**49,327**	**50,737**
Operating profit	**5,254**	**4,915**
Non-operating income	**3,568**	**2,978**
Interest income	19	18
Interest income on securities	242	324
Dividend income	1,511	1,173
Rent income on facilities	865	844
Commission fee	289	268
Miscellaneous income	638	348
Non-operating expenses	**293**	**417**
Interest expenses	18	16
Rent expenses on facilities	91	64
Cancellation penalty	54	32
Disposal and removal expenses	38	41
Provision for loss on guarantees	—	113
Subsidies return loss	—	45
Miscellaneous loss	89	104
Ordinary profit	**8,529**	**7,476**
Extraordinary income	**320**	**134**
Gain on sales of non-current assets	163	106
Gain on sales of investment securities	66	24
Insurance claim income	85	—
Other	4	3
Extraordinary losses	**1,903**	**1,176**
Loss on sales of non-current assets	34	93
Loss on abandonment of non-current assets	132	154
Impairment loss	794	834
Loss on disaster	146	0
Loss on sales of investment securities	211	93
Loss on valuation of shares of subsidiaries and associates	513	—
Provision of allowance for investment loss	68	—
Other	1	0
Income before income taxes	**6,945**	**6,434**
Income taxes-current	1,937	2,042
Income taxes-deferred	-190	-310
Profit	**5,198**	**4,703**

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, 2018 – March 31, 2019)

(millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Retained earnings					
		Legal capital surplus	Other 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**	**—**	**96,800**	**7,276**	**107,723**
Changes of items during the period										
Dividends of surplus									-2,672	-2,672
Profit									5,198	5,198
Purchase of treasury shares										
Retirement of treasury shares			-0	-0					-5,756	-5,756
Disposal of treasury shares			0	0						
Reversal of reserve for reduction entry							63		-63	—
Net changes of items other than shareholders' equity										
Total changes of items during the period	**—**	**—**	**—**	**—**	**—**	**—**	**63**	**—**	**-3,294**	**-3,230**
Balance at end of current period	**11,352**	**1,090**	**—**	**1,090**	**2,777**	**869**	**63**	**96,800**	**3,982**	**104,493**

	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	**-3,571**	**116,595**	**9,833**	**1**	**9,835**	**9**	**126,440**
Changes of items during the period							
Dividends of surplus		-2,672					-2,672
Profit		5,198					5,198
Purchase of treasury shares	-3,753	-3,753					-3,753
Retirement of treasury shares	5,757	—					—
Disposal of treasury shares	2	3					3
Reversal of reserve for reduction entry		—					—
Net changes of items other than shareholders' equity			46	-1	45	9	54
Total changes of items during the period	**2,006**	**-1,223**	**46**	**-1**	**45**	**9**	**-1,169**
Balance at end of current period	**-1,564**	**115,371**	**9,880**	**—**	**9,880**	**18**	**125,271**

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