DUSKIN
喜びのタネをまこう

Notice of Convocation

The 58th 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, 2020

To Shareholders

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

Notice of the 58th Ordinary General Shareholders' Meeting

This is to inform you that the 58th Ordinary General Shareholders' Meeting will be held as indicated below under the heading of "Details of the Meeting."

We place top priority on the safety and security of our shareholders. To prevent the spread of the novel coronavirus, **we recommend that you refrain from attending the general shareholders' meeting in person and instead exercise your voting rights either in writing or electronically (via the Internet) by 5:00 pm (JST) on Monday, June 22, 2020.**

Details of the Meeting

1: Date and Time: 10:00 am (JST) on Tuesday, June 23, 2020
(The reception is scheduled to start at 9:00 am.)

2: Venue: Main Hall, 5th floor, Osaka International Convention Center
5-3-51 Nakanoshima, Kita-ku, Osaka, Japan
Due to the impact of the novel coronavirus, the venue may not be available for the meeting. In case the venue is changed, we will notify you via the Duskin's corporate website. Please refer to it for the updates. The site is available only in Japanese.

3: Purpose of the Shareholders' Meeting

Items to be reported

1. The business report, the consolidated financial statements and audit results on consolidated financial statements by Accounting Auditors and the Audit & Supervisory Board for fiscal 2019 (April 1, 2019 to March 31, 2020)

2. The non-consolidated financial statements for fiscal 2019 (April 1, 2019 to March 31, 2020)

Matters to be resolved

Proposal 1: Appropriation of Retained Earnings

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

Proposal 3: Election of Four (4) Members of the Audit & Supervisory Board

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, the 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 Shareholders' Meeting

(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) Stock acquisition rights in the business report
2) Necessary systems to ensure appropriate execution of operations and its operational status in the business report
3) Basic Policies related to the Company's Ownership Control in the business report
4) Policies on constructive dialogue with shareholders in the business report
5) The notes to the consolidated financial statements; and
6) 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 6) as stated above. The Accounting Auditor audits the consolidated and non-consolidated financial statements attached to this notice of convocation, and documents 5) to 6) stated above.

(2) If amendments are made to the reference materials for the Annual General Shareholders' Meeting, the business report, or the consolidated and non-consolidated financial statements, the amended contents will be posted 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.
- In line with Japan's Cool Biz initiative, please note that the officers and staff will dress lightly in business casual style during the meeting to help reduce the Company's impact on global warming.

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 Internet**
Submit the enclosed 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 and return the form to us so we receive it by the deadline indicated below.	Access voting site: http://www.web54.net *1 and 2 and complete voting by the deadline indicated below.
Meeting Time and Date	**Deadline**	**Deadline**
10:00 am, Tuesday **June 23, 2020 (JST)**	**5:00 pm, Monday** **June 22, 2020 (JST)**	**5:00 pm, Monday** **June 22, 2020 (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.

The shareholders who have exercised their voting rights and whose votes are deemed valid will have the chance to be one of 200 people to receive a Mister Donut Card, each worth 1,000 yen.

= Reference materials for the Annual General Shareholders' Meeting =

Proposal 1: Appropriation of Retained Earnings

Duskin considers the return of profits to shareholders to be an important management priority. We have set out our basic dividend policy of distributing a portion of the profit based on our performance while ensuring the proper balance between these distributions and the need for investments in sustainable growth and higher corporate value, and while maintaining financial security against potential risks. With the policy, we will continue to pay cash dividends in a stable and consistent manner. In addition, the Company has a new policy in place for deciding on the amount of dividends for each fiscal year with a target consolidated payout ratio of 50%.

After securing internal capital resources required for operations, business plans and sound business management, we have determined that the year-end dividend should be 32 yen per share.

(1) Type of dividend: cash

(2) Dividend particulars and amounts

32 yen per share of common stock

Total amount of dividends: 1,578,732,864 yen (funds for the dividends: retained earnings)

The Company paid an interim dividend of 24 yen per share. The full-year dividend is to total 56 yen per share.

(3) The effective date of the dividends: June 24, 2020 (JST)

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 Shareholders' Meeting. 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 Candidate	Teruji Yamamura (Mr.)	Representative Director President & Chief Executive Officer	19/19
2	Reappointment Candidate	Kazushi Sumimoto (Mr.)	Director Executive Operating Officer Direct Selling Group General Manager, Strategy Management, Direct Selling Group	19/19
3	Reappointment Candidate	Taku Suzuki (Mr.)	Director Senior Operating Officer Rent-All, Health Rent, Life Care	19/19
4	New Candidate	Hiroyuki Okubo (Mr.)	Operating Officer Information System Manager, Corporate Planning	-
5	New Candidate	Tetsuya Wada (Mr.)	Operating Officer Food Group Division Manager, Food Business Development	-
6	New Candidate	Naoto Miyata (Mr.)	Operating Officer Accounting	-
7	Reappointment Candidate for Independent Outside Director	Tomoya Yoshizumi (Mr.)	Outside Director	19/19
8	Reappointment Candidate for Independent Outside Director	Nobuko Sekiguchi (Ms.)	Outside Director	15/15
9	New Candidate for Independent Outside Director	Yukiko Tsujimoto (Ms.)	External Director Kirindo Holdings Co., Ltd.	-

(Note) The number of meetings of the Board of Directors that Ms. Nobuko Sekiguchi attended is for meetings that were held after her election as Director on June 25, 2019 (JST).

Reference: Policy on selecting 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. The candidates must also be capable of consistently executing the medium- to long-term growth strategy of the Duskin Group, making a positive impact on the vitality of our organization.

With regard to candidates for internal Director positions, the President & CEO requests recommendations from current Directors, Audit & Supervisory Board Members, and Operating Officers and selects the candidates for review by the Director Evaluation Council. After taking into account the feedback of the Council, the President & CEO proposes suitable candidates. Candidates are then selected after thorough discussion and deliberation by the Board of Directors.

Candidates for Outside Director positions must not be related parties 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. Candidates for Outside Director positions are then selected after thorough deliberation by the Board of Directors.

In order to maintain independence and effectiveness, the Director Evaluation Council must consist of only independent Outside Directors and Outside Audit & Supervisory Board Members in accordance with the policy of the Tokyo Stock Exchange.

Candidate No. **1**

Teruji Yamamura

Date of birth

January 28, 1957

Number of shares owned: 34,185

Tenure: 16 years

(at the conclusion of this Annual General Shareholders' Meeting)



Reappointment

Attendance at Board of Directors meetings during FY 2019:

19/19

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 (current Life Care)
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 served as Chairman of the Board of Directors. He has been encouraging open and constructive discussion and effectively managing the Board meetings, while leading the ONE DUSKIN long-term strategy.

Mr. Yamamura possesses extensive expertise in franchise business management garnered through his long career at Duskin as a top executive, as well as strong leadership and the foresight to navigate the Company through the ever-changing and unpredictable business environment—both essential qualities of Directors. As the Company believes Mr. Yamamura is indispensable as a company board member, Duskin requests a vote in his favor for re-election as a Director.

Candidate No. **2**

Kazushi Sumimoto

Date of birth
November 29, 1960

Number of shares owned: 9,585
Tenure: 6 years
(at the conclusion of this Annual General Shareholders' Meeting)



Reappointment

Attendance at Board of Directors meetings during FY 2019:
19/19
100.0%

Position/Career Summary

Apr. 2020	Director Executive Operating Officer Direct Selling Group General Manager, Strategy Management, Direct Selling Group (to the present)
Apr. 2019	Director Executive Operating Officer Corporate Planning, General Affairs, Accounting, Public Relations, Information System, Production & Logistics
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 Group
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 (current Life Care) Division Manager, Rent-All
Apr. 1983	Joined the Company

Reasons for recommending Kazushi Sumimoto as a candidate for Director

After contributing to the development of Clean & Care Business and Rent-All Business, Mr. Sumimoto has played a key role at Corporate Management and Production & Logistics Group since 2016. This year, he is overseeing the entire Direct Selling Group. At the Board of Directors, Mr. Sumimoto proactively speaks up with accurate and constructive comments and opinions supported by his experiences to assist the President & CEO, and provides strong leadership for the Board of Directors. Garnered through his long-term career in management and franchise businesses, Mr. Sumimoto's expertise is indispensable for further improving the effectiveness of the Board of Directors' decision-making process and supervisory function. Duskin therefore believes that Mr. Sumimoto is suitably qualified to continue as a Director.

Candidate No. **3**

Taku Suzuki

Date of birth
October 8, 1965

Number of shares owned: 4,600
Tenure: 4 years
(at the conclusion of this Annual General Shareholders' Meeting)



Reappointment

Attendance at Board of Directors meetings during FY 2019:
19/19
100.0%

Position/Career Summary

Apr. 2020	Director Senior Operating Officer Rent-All, Health Rent, Life Care (to the present)
Apr. 2018	Director Senior Operating Officer Rent-All, Health Rent, Life Care, Uniform Service, Health & Beauty
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

After his involvement with new business development for the Clean & Care Business Group, as well as laundry plant operations, since 2012 Mr. Suzuki has been overseeing Production & Logistics, Life Care (the business unit that assists elderly people in their daily lives), and Health Rent (the business unit that rents out and sells home health-care equipment). Leveraging his expertise, Mr. Suzuki proactively provides comments that contribute greatly to improving the effectiveness of Board of Directors meetings. Based on Mr. Suzuki's abundant experience in business operations and ample expertise in managing franchise businesses, Duskin believes that he is suitably qualified to continue as a Director of the Duskin Corporate Group*, and requests a vote in favor of his re-election.

* Duskin Co., Ltd. and its consolidated subsidiaries

Candidate No. **4**

Hiroyuki Okubo

Date of birth
June 30, 1962

Number of shares owned: 1,685



New Candidate

Position/Career Summary

Apr. 2020	Operating Officer Information System Manager, Corporate Planning (to the present)
Apr. 2018	Operating Officer Manager, Corporate Planning
Apr. 2016	Manager, Corporate Planning
Mar. 2013	General Manager Kita Kanto Regional Office Clean & Care Group
Apr. 1985	Joined the Company

Reasons for recommending Hiroyuki Okubo as a candidate for Director

Following a long career in product development and marketing for our mainstream business, Clean & Care Group, Mr. Okubo has led the formulation of growth strategies and the strengthening of corporate governance since becoming Manager of Corporate Planning in 2016. Duskin believes that his extensive experience with business operations and considerable expertise in franchise businesses qualify him for a Director role. Duskin thus requests a vote in favor of Mr. Okubo's election as a new Director of the Duskin Corporate Group*.

* Duskin Co., Ltd. and its consolidated subsidiaries

Candidate No. **5**

Tetsuya Wada

Date of birth
July 17, 1962

Number of shares owned: 1,700



New Candidate

Position/Career Summary

Apr. 2020	Operating Officer Food Group Division Manager, Food Business Development (to the present)
Apr. 2018	Operating Officer General Manager, Mister Donut Business Group
Apr. 2015	General Manager, Mister Donut Business Group
Apr. 2011	Division Manager, Food Chain Business & Development
Apr. 1986	Joined the Company

Reasons for recommending Tetsuya Wada as a candidate for Director

Mr. Tetsuya Wada has been involved in Food Group since joining Duskin. After supervising the Mister Donut overseas operations, he was assigned to oversee Food Business Development as Division Manager. After serving successfully in those positions, he became General Manager at Mister Donut Business Group to lead the brand's revitalization. As Mr. Wada has comprehensive experience and abundant expertise in franchise businesses, Duskin believes that he is suitably qualified to oversee the Duskin Corporate Group*, and requests a vote in favor of Mr. Wada's election as a new Director.

* Duskin Co., Ltd. and its consolidated subsidiaries

Candidate No. **6**

Naoto Miyata

Date of birth **Number of shares owned: -**

August 16, 1963



New Candidate

Position/Career Summary

Apr. 2020	Operating Officer Accounting (to the present)
Apr. 2018	Joined the Company General Manager, Corporate Account
Apr. 2014	General Manager Public & Financial Institutions Banking Dept. Sumitomo Mitsui Banking Corporation

Reasons for recommending Naoto Miyata as a candidate for Director

Mr. Miyata has extensive knowledge garnered through previous roles in his long-term career at Sumitomo Mitsui Banking Corporation. Since joining Duskin, he has applied the expertise from previous positions to reinforcing the Corporate Account platform, while at the same time accumulating knowledge and experience in the general management of franchise businesses. Given his expertise, Duskin believes that Mr. Miyata is an appropriate person to oversee the Duskin Corporate Group*, and requests a vote in favor of his election as a new Director.

* Duskin Co., Ltd. and its consolidated subsidiaries

Candidate No. 7

Tomoya Yoshizumi

Date of birth
June 10, 1953

Number of shares owned: 300
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 2019:
19/19
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	Member of the Board & 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 Ajinomoto Co., Inc.
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. **8**

Nobuko Sekiguchi

Date of birth
July 3, 1968

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 2019:
15/15
100.0%

Position/Career Summary

June 2019	Director (to the present)
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 re-election as an Outside Director.

Candidate No. **9**

Yukiko Tsujimoto

Date of birth **Number of shares owned: -**

February 10, 1964



New Candidate
for Independent Outside Director

Position/Career Summary

Apr. 2018	Kobe City Personnel Committee Member (to the present)
Nov. 2014	Representative Director, shapes Co., Ltd. (to the present)
June 2014	Resigned from Procter & Gamble Japan K.K.
Apr. 2014	Resigned from the position of Director, P&G K.K.
July 2012	External Relations Director Procter & Gamble Japan K.K.
June 2012	Resigned from the position of Director, Procter & Gamble Japan K.K.
Apr. 2008	Director P&G K.K.
Mar. 2006	Director Procter & Gamble Japan K.K.
Apr. 1986	Joined Procter & Gamble Far East Inc. (current Procter & Gamble Japan K.K.)

(Significant concurrent position)
External Director, Kirindo Holdings Co., Ltd.

Reasons for recommending Yukiko Tsujimoto as a candidate for Outside Director

Ms. Tsujimoto has a wealth of experience and knowledge in corporate management as a Director of Procter & Gamble Japan K.K. Ms. Tsujimoto brings with her an extensive expertise accumulated during her career with P & G Japan, where she was responsible for brand marketing and communications, and took a leadership role in brand publicity in Asian markets. With her background and knowledge, Ms. Tsujimoto is expected to strengthen Duskin's corporate governance by providing advice and supervision regarding the Company's overall management from an objective standpoint independent of its executive team. Therefore, Duskin requests a vote in favor of Ms. Tsujimoto's election as a new Outside Director.

1. The nominees have no special interests in Duskin.
2. Duskin has designated Mr. Tomoya Yoshizumi and Ms. Nobuko Sekiguchi 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. Yukiko Tsujimoto is elected, Duskin plans to designate her as an Independent Director.
3. Duskin has contracts with Mr. Tomoya Yoshizumi and Ms. Nobuko Sekiguchi 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. Yukiko Tsujimoto is elected as an Outside Director, Duskin will also enter into the same contract with Ms. Tsujimoto.
4. The number of meetings of the Board of Directors that Ms. Nobuko Sekiguchi attended is for meetings that were held after her election as Director on June 25, 2019 (JST).

Proposal 3: Election of Four (4) Members of the Audit & Supervisory Board

The terms of office of Audit & Supervisory Board Members, Yasuto Shigeyoshi, Takashi Yoshida, Sachiko Kawanishi and Kyoichiro Arakawa expire at the close of this Annual General Shareholders' Meeting. This proposal for the election of four (4) Audit & Supervisory Board Members has received the consent of the Audit & Supervisory Board.

Candidate No.	Name		Titles and Responsibilities (significant concurrent positions)	Number of Board of Directors meetings/ Audit & Supervisory Board meetings attended
1	Reappointment Candidate	Takashi Yoshida (Mr.)	Audit & Supervisory Board Member	BOD 19/19 ASB 13/13
2	New Candidate	Hideyuki Naito (Mr.)	Senior Operating Officer General Affairs	-
3	Reappointment Candidate for Independent Outside Audit & Supervisory Board Member	Sachiko Kawanishi (Ms.)	Certified Public Accountant Senior Managing Director, Internet Disclosure Co., Ltd.	BOD 19/19 ASB 13/13
4	Reappointment Candidate for Independent Outside Audit & Supervisory Board Member	Kyoichiro Arakawa (Mr.)	Certified Public Accountant President & CEO, Best Partners Co., Ltd. Representative, BP Asia Consulting Co., Ltd.	BOD 19/19 ASB 13/13

Reference: Policy on selecting 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 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 related parties 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 are determined by resolutions of the Board of Directors after obtaining the consent of the Audit & Supervisory Board.

Candidate No. **1**

Takashi Yoshida

Date of birth
November 25, 1961

Number of shares owned: 5,485

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



Reappointment

Candidate for

Audit & Supervisory Board Member

Attendance at Board of Directors meetings during FY 2019:
19/19
100.0%
Attendance at the Audit and Supervisory Board meetings during FY2019
13/13 (100.0%)

Position/Career Summary

June 2016	Audit & Supervisory Board Member (to the present)
June 2008	Manager, Legal Affairs and Corporate Compliance
Apr. 2006	Section Chief, Legal Affairs, Legal Affairs and Corporate Compliance
Apr. 1985	Joined the Company

Reasons for recommending Takashi Yoshida as a candidate for Audit & Supervisory Board Member

Mr. Takashi Yoshida has a wealth of experience and knowledge, as well as a strong track record of achievements in addressing legal issues and establishing compliance systems, while working at legal department for many years. Since becoming an Audit & Supervisory Board Member, Mr. Yoshida has proactively made significant and beneficial comments at the meetings of the Audit & Supervisory Board and the Board of Directors. Furthermore, he has made a major contribution to strengthening the oversight functions of the Board of Directors by appropriately monitoring the validity and legality of Directors' decision-making processes and execution of their duties. With his experience and achievements, Mr. Yoshida is expected to provide suitable recommendations and advice in order for Duskin to build a better corporate governance system. Therefore, Duskin requests a vote in favor of his re-election as a Member of the Audit & Supervisory Board.

Candidate No. 2

Hideyuki Naito

Date of birth
December 3, 1961

Number of shares owned: 6,575



New Candidate

Position/Career Summary

Apr. 2020	Senior Operating Officer General Affairs (to the present)
June 2018	Senior Operating Officer General Affairs, Accounting
June 2016	Director, Corporate Management Manager, Accounting
Nov. 2007	Manager, Auditing
Apr. 1982	Joined the Company

Reasons for recommending Hideyuki Naito as a candidate for Audit & Supervisory Board Member

Mr. Naito was involved with operations and accounting and finance in several business units and then became Manager of the Auditing Department and a Director and the Manager of Accounting Department. He has many years of experience with financial statement accounting, internal controls and other activities, and extensive knowledge of finance and accounting. Therefore, Duskin requests a vote in favor of Mr. Naito's election as a new Member of the Audit & Supervisory Board.

Candidate No. 3

Sachiko Kawanishi

Date of birth
January 22, 1959

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



Reappointment

Candidate for
Outside Audit & Supervisory Board Member
Independent Director

Attendance at Board of Directors meetings during FY 2019:
19/19
100.0%

Attendance at the Audit and Supervisory Board meetings during FY2019
13/13 (100.0%)

Position/Career Summary

June 2016	Audit & Supervisory Board Member (to the present)
Aug. 2000	Senior Managing Director, Internet Disclosure, Co., Ltd. (to the present)
Mar. 1992	Registered as Certified Public Accountant
Oct. 1988	Joined Tohmatsu Awoki & Sanwa (current Deloitte Touche Tohmatsu LLC)
Apr. 1981	Joined Honeywell Information Systems Japan, Inc. (current NEC Nexsolutions, Ltd.)

Significant Concurrent Positions

Senior Managing Director, Internet Disclosure Co., Ltd.

Reasons for recommending Sachiko Kawanishi as a candidate for Audit & Supervisory Board Member

Ms. Sachiko Kawanishi has extensive experience and insight as a certified public accountant and a corporate executive, together with her expertise in strategies for investor and shareholder relations. Since becoming an Audit & Supervisory Board Member, she has actively provided expert comments that are significant and beneficial for the Company. Owing to her strong background, Ms. Kawanishi is expected to continue to exercise her responsibilities as an Audit & Supervisory Board Member who is able to properly monitor the validity and legality of Directors' decision-making processes and execution of their duties, and provide appropriate recommendations and advice in order for Duskin to build a better corporate governance system. Therefore, Duskin requests a vote in favor of her re-election as an Outside Member of the Audit & Supervisory Board.

Candidate No. **4**

Kyoichiro Arakawa

Date of birth
February 23, 1970

Number of shares owned: 4,800
Tenure: 4 years
(at the conclusion of this Annual General Shareholders' Meeting)



Reappointment

Candidate for

Outside Audit & Supervisory Board Member

Independent Director

Attendance at Board of Directors meetings during FY 2019:
19/19
100.0%
Attendance at the Audit and Supervisory Board meetings during FY2019
13/13 (100.0%)

Position/Career Summary

Mar. 2020	Representative, BP Asia Consulting Co., Ltd. (to the present)
June 2016	Audit & Supervisory Board Member (to the present)
Mar. 2014	President & CEO, Best Partners Co., Ltd. (to the present)
Sept. 2007	Director, MIT Corporate Advisory Services Co., Ltd.
July 1997	Joined KPMG Century Audit Corporation (current KPMG AZSA LLC)
Apr. 1997	Registered as Certified Public Accountant
Oct. 1992	Joined Showa Ota & Co. (current Ernst & Young ShinNihon LLC)

Significant Concurrent Positions

President & CEO, Best Partners Co., Ltd.
Representative, BP Asia Consulting Co., Ltd.

Reasons for recommending Kyoichiro Arakawa as a candidate for Audit & Supervisory Board Member

Mr. Kyoichiro Arakawa has abundant experience and knowledge as a certified public accountant and a corporate executive. He is also an expert in corporate restructuring, including M&A projects. Since becoming an Audit & Supervisory Board Member, he has been proactive in providing comments from an expert's perspective that are significant and beneficial for the Company. Based on his expertise and knowledge, Mr. Arakawa is expected to continue to exercise his responsibilities as an Audit & Supervisory Board Member who is able to appropriately monitor the validity and legality of Directors' decision-making processes and execution of their duties, and provide sound recommendations and advice in order for Duskin to build a better corporate governance system. Therefore, Duskin requests a vote in favor of his re-election as an Outside Member of the Audit & Supervisory Board.

Notes:

1. The nominees have no special interests in Duskin.
2. Duskin has designated Ms. Sachiko Kawanishi and Mr. Kyoichiro Arakawa as Independent Directors in accordance with regulations of the Tokyo Stock Exchange. If the proposal is approved without amendment, Duskin plans to again designate them as Independent Directors in accordance with regulations of the Tokyo Stock Exchange.
3. Duskin has contracts with Ms. Sachiko Kawanishi and Mr. Kyoichiro Arakawa that limit their 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 these contracts.

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 the Duskin Corporate Group* companies

   * Duskin Co., Ltd. and its consolidated subsidiaries

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 the Duskin Corporate Group

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

4. An individual that has received substantial donations* from the Duskin Corporate 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 the Duskin Corporate Group in the most recent fiscal year or 100 million yen.

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 the Duskin Corporate Group

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

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	FY2019 as of Mar. 31, 2020	FY2018 as of Mar. 31, 2019
Assets		
Current assets	**62,195**	**63,948**
Cash and deposits	23,728	15,881
Notes and accounts receivable - trade	11,623	10,211
Lease receivables and investment assets	1,177	1,196
Securities	10,292	23,404
Merchandise and finished goods	9,536	7,994
Work in process	196	193
Raw materials and supplies	1,769	1,459
Other	3,893	3,635
Allowance for doubtful accounts	-22	-28
Non-current assets	**122,963**	**130,275**
Property, plant and equipment	**50,360**	**48,604**
Buildings and structures	15,787	16,038
Machinery, equipment and vehicles	7,030	6,706
Land	22,670	22,663
Construction in progress	296	574
Other	4,576	2,621
Intangible assets	**10,922**	**10,556**
Goodwill	349	429
Other	10,572	10,127
Investment and other assets	**61,680**	**71,114**
Investment securities	51,242	62,458
Long-term loans receivable	—	0
Deferred tax assets	3,575	2,092
Guarantee deposits	5,942	5,543
Other	947	1,048
Allowance for doubtful accounts	-28	-30
Total Assets	**185,158**	**194,223**

Account	FY2019 as of Mar. 31, 2020	FY2018 as of Mar. 31, 2019
Liabilities		
Current liabilities	**34,392**	**34,330**
Notes and accounts payable-trade	6,588	6,845
Income taxes payable	1,554	1,308
Provision for bonuses	3,619	3,491
Reserves for losses on liquidation of subsidiaries and affiliates	51	—
Asset retirement obligations	—	9
Accounts payable-other	8,392	8,730
Guarantee deposit received for rental products	9,341	9,206
Other	4,844	4,738
Non-current liabilities	**8,735**	**10,009**
Net defined benefit liability	7,243	8,191
Asset retirement obligations	617	585
Long-term guarantee deposited	776	786
Long-term accounts payable-other	33	26
Deferred tax liabilities	54	75
Reserves for losses on liquidation of subsidiaries and affiliates	—	329
Other	9	14
Total liabilities	**43,127**	**44,339**
Net Assets		
Shareholders' equity	**134,482**	**138,954**
Capital stock	11,352	11,352
Capital surplus	11,091	11,091
Retained earnings	116,654	118,075
Treasury shares	-4,616	-1,565
Accumulated other comprehensive income	**7,256**	**10,673**
Valuation difference on available-for-sale securities	5,965	9,920
Deferred gains or losses on hedges	-0	-1
Foreign currency translation adjustment	-193	-139
Remeasurements of defined benefit plans	1,485	894
Share acquisition rights	**50**	**18**
Non-controlling interests	**241**	**237**
Total Net Assets	**142,031**	**149,884**
Total Liabilities and Net Assets	**185,158**	**194,223**

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	FY2019 (Apr. 1, 2019 - Mar. 31, 2020)	FY2018 (Apr. 1, 2018 - Mar. 31, 2019)
Net sales	**159,102**	**158,699**
Cost of sales	**87,043**	**86,138**
Gross profit	**72,059**	**72,560**
Selling, general and administrative expenses	**65,482**	**64,606**
Operating profit	**6,577**	**7,954**
Non-operating income	**1,752**	**2,373**
Interest income	173	261
Dividend income	383	369
Rent income on facilities	165	162
Commission fee	165	186
Share of profit of entities accounted for using equity method	363	683
Miscellaneous income	500	709
Non-operating expenses	**400**	**316**
Interest expenses	0	3
Rent expenses on facilities	103	79
Cancellation penalty	60	48
Compensation expenses	34	47
Commission for purchase of treasury shares	42	1
Miscellaneous loss	158	135
Ordinary profit	**7,929**	**10,011**
Extraordinary income	**1,193**	**431**
Gain on sales of non-current assets	2	164
Gain on sales of investment securities	1,108	66
Reversal of reserves for losses on liquidation of subsidiaries and affiliates	76	—
Insurance claim income	0	190
Other	4	9
Extraordinary losses	**651**	**1,971**
Loss on sales of non-current assets	0	34
Loss on abandonment of non-current assets	109	183
Impairment loss	250	1,025
Loss on disaster	121	179
Provision of reserves for losses on liquidation of subsidiaries and affiliates	—	329
Loss on sales of investment securities	161	211
Other	8	7
Profit before income taxes	**8,471**	**8,471**
Income taxes-current	2,902	2,701
Income taxes-deferred	-27	-156
Profit	**5,595**	**5,926**
Profit (loss) attributable to non-controlling interests	**4**	**-58**
Profit attributable to owners of parent	**5,591**	**5,984**

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, 2019 – March 31, 2020)

(millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	**11,352**	**11,091**	**118,075**	**-1,565**	**138,954**
Changes of items during the period					
Dividends of surplus			-2,265		-2,265
Profit attributable to owners of parent			5,591		5,591
Purchase of treasury shares				-7,779	-7,779
Retirement of treasury shares			-4,728	4,728	—
Increase (decrease) arising from change in scope of consolidation of entities accounted for using equity method			-18		-18
Net changes of items other than shareholders' equity					
Total changes of items during the period	**—**	**—**	**-1,421**	**-3,050**	**-4,471**
Balance at end of current period	**11,352**	**11,091**	**116,654**	**-4,616**	**134,482**

	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	**9,920**	**-1**	**-139**	**894**	**10,673**	**18**	**237**	**149,884**
Changes of items during the period								
Dividends of surplus								-2,265
Profit attributable to owners of parent								5,591
Purchase of treasury shares								-7,779
Retirement of treasury shares								—
Increase (decrease) arising from change in scope of consolidation of entities accounted for using equity method								-18
Net changes of items other than shareholders' equity	-3,955	0	-54	591	-3,416	31	4	−3,381
Total changes of items during the period	**−3,955**	**0**	**-54**	**591**	**-3,416**	**31**	**4**	**-7,853**
Balance at end of current period	**5,965**	**-0**	**-193**	**1,485**	**7,256**	**50**	**241**	**142,031**

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	FY2019 as of Mar. 31, 2020	FY2018 as of Mar. 31, 2019
Assets		
Current assets	**49,425**	**51,016**
Cash and deposits	17,015	9,557
Notes receivable-trade	13	20
Accounts receivable-trade	9,606	7,754
Lease receivables	6	14
Securities	10,292	23,404
Merchandise and finished goods	7,887	6,244
Work in process	3	5
Raw materials and supplies	965	753
Prepaid expenses	602	551
Short-term loans receivable	4	5
Short-term loans receivable from subsidiaries and associates	328	112
Other	2,708	2,603
Allowance for doubtful accounts	-10	-12
Non-current assets	**120,019**	**130,092**
Property, plant and equipment	**36,643**	**37,390**
Buildings	11,826	12,454
Structures	766	820
Machinery and equipment	728	712
Vehicles	1	0
Tools, furniture and fixtures	1,545	1,597
Fixed assets for rent	43	54
Land	21,540	21,540
Construction in progress	191	209
Intangible assets	**10,148**	**9,746**
Goodwill	7	12
Trademark right	41	46
Software	7,625	6,489
Temporary account for intangible fixed assets	2,309	3,026
Other	164	171
Investments and other assets	**73,227**	**82,956**
Investment securities	44,045	55,319
Shares of subsidiaries and associates	20,096	20,200
Investments in capital	0	0
Investments in capital of subsidiaries and associates	68	68
Long-term loans receivable	—	0
Long-term loans receivable from subsidiaries and associates	190	468
Long-term prepaid expenses	333	438
Deferred tax assets	3,312	1,494
Guarantee deposits	5,158	4,989
Other	47	71
Allowance for doubtful accounts	-25	-28
Allowance for investment loss	—	-68
Total Assets	**169,444**	**181,109**

Account	FY2019 as of Mar. 31, 2020	FY2018 as of Mar. 31, 2019
Liabilities		
Current liabilities	**43,125**	**43,161**
Accounts payable-trade	5,987	5,891
Accounts payable-other	7,155	7,442
Accrued expenses	1,009	1,020
Income taxes payable	1,209	924
Deposits received	13,975	14,422
Guarantee deposits received for rental products	10,000	9,829
Provision for bonuses	2,699	2,543
Asset retirement obligations	—	9
Other	1,085	1,078
Non-current liabilities	**10,249**	**12,676**
Provision for retirement benefits	6,998	7,156
Asset retirement obligations	428	482
Long-term guarantee deposited	1,002	988
Long-term deposits received	1,760	4,020
Long-term accounts payable-other	17	17
Other	42	11
Total Liabilities	**53,375**	**55,837**
Net Assets		
Shareholders' equity	**110,077**	**115,371**
Capital stock	**11,352**	**11,352**
Capital surplus	**1,090**	**1,090**
Legal capital surplus	1,090	1,090
Retained earnings	**102,250**	**104,493**
Legal retained earnings	2,777	2,777
Other retained earnings	99,472	101,715
Reserve for business development	869	869
Reserve for reduction entry	63	63
General reserve	96,800	96,800
Retained earnings brought forward	1,739	3,982
Treasury shares	**-4,615**	**-1,564**
Valuation and translation adjustments	**5,940**	**9,880**
Valuation difference on available-for-sale securities	**5,940**	**9,880**
Share acquisition rights	**50**	**18**
Total Net Assets	**116,069**	**125,271**
Total Liabilities & Net Assets	**169,444**	**181,109**

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	FY2019 (April 1, 2019- March 31, 2020)	FY2018 (April 1, 2018 March 31, 2019)
Net sales	**127,838**	**129,592**
Cost of sales	**75,349**	**75,011**
Gross profit	**52,489**	**54,581**
Selling, general and administrative expenses	**48,532**	**49,327**
Operating profit	**3,956**	**5,254**
Non-operating income	**3,897**	**3,568**
Interest income	7	19
Interest income on securities	165	242
Dividend income	2,153	1,511
Rent income on facilities	879	865
Commission fee	279	289
Miscellaneous income	412	638
Non-operating expenses	**433**	**293**
Interest expenses	16	18
Rent expenses on facilities	129	91
Cancellation penalty	97	54
Disposal and removal expenses	22	38
Miscellaneous loss	168	89
Ordinary profit	**7,419**	**8,529**
Extraordinary income	**1,182**	**320**
Gain on sales of non-current assets	1	163
Gain on sales of investment securities	1,108	66
Insurance claim income	0	85
Other	72	4
Extraordinary losses	**836**	**1,903**
Loss on sales of non-current assets	0	34
Loss on abandonment of non-current assets	73	132
Impairment loss	33	794
Loss on disaster	62	146
Loss on sales of investment securities	161	211
Loss on valuation of shares of subsidiaries and associates	427	513
Provision of allowance for investment loss	—	68
Other	78	1
Income before income taxes	**7,765**	**6,945**
Income taxes-current	2,230	1,937
Income taxes-deferred	-79	-190
Profit	**5,614**	**5,198**

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, 2019 – March 31, 2020)

(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**	**63**	**96,800**	**3,982**	**104,493**
Changes of items during the period									
Dividends of surplus								-2,265	-2,265
Profit								5,614	5,614
Purchase of treasury shares									
Retirement of treasury shares								-4,728	-4,728
Decrease by corporate division								-863	-863
Net changes of items other than shareholders' equity									
Total changes of items during the period	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**-2,243**	**-2,243**
Balance at end of current period	**11,352**	**1,090**	**1,090**	**2,777**	**869**	**63**	**96,800**	**1,739**	**102,250**

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of current period	**-1,564**	**115,371**	**9,880**	**9,880**	**18**	**125,271**
Changes of items during the period						
Dividends of surplus		-2,265				-2,265
Profit		5,614				5,614
Purchase of treasury shares	-7,779	-7,779				-7,779
Retirement of treasury shares	4,728	—				—
Decrease by corporate division		-863				-863
Net changes of items other than shareholders' equity			-3,939	-3,939	31	-3,908
Total changes of items during the period	**-3,050**	**-5,294**	**-3,939**	**-3,939**	**31**	**-9,202**
Balance at end of current period	**-4,615**	**110,077**	**5,940**	**5,940**	**50**	**116,069**

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