June 23, 2023

Company name: Duskin Co., Ltd.
Name of representative: Hiroyuki Okubo, Representative Director President and CEO
(Securities code: 4665; TSE Prime Market)
Inquiries: Keiichi Emura, Operating Officer Manager, Corporate Planning
Telephone: +81-06-6821-5071

Notice Concerning Disposal of Treasury Shares as Restricted Stock Compensation

Duskin Co., Ltd. (the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held on June 23, 2023, to dispose treasury shares as restricted stock compensation (the "Disposal of Treasury Shares") as described below.

1. Overview of the Disposal of Treasury Shares

a. Payment due date	July 21, 2023 (scheduled)
b. Number of shares for disposal	12,184 shares of the Company's common stock
c. Disposal price	3,209 yen per share
d. Total value of disposal	39,098,456 yen
e. Method of contribution	In-kind contributions of monetary compensation claims
f. Grantees of shares and number thereof; number of shares to be allotted	6 Board Directors (excluding Outside Directors); 11,177 shares 9 Operating Officers; 1,007 shares
g. Other matters	A securities notice has been submitted regarding the Disposal of Treasury Shares in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reason for the Disposal of Treasury Shares

At a meeting of the Board of Directors held on May 14, 2021, the Company resolved to introduce a restricted stock compensation plan (the "Plan") as incentive for its Board Directors. Subsequently, approval was obtained at the 59th Ordinary General Meeting of Shareholders held on June 23, 2021, for the payment of up to 50 million yen per year in monetary compensation claims to Board Directors (excluding Outside Directors) related to restricted stock issuance, as well as for an annual allotment of up to 20,000 restricted shares. Furthermore, at a meeting held on the same day, the Board of Directors resolved to adopt the same Plan also for the Company's Operating Officers.

The Disposal of Treasury Shares shall be conducted based on the Plan targeting the Company's Board Directors (excluding Outside Directors) and Operating Officers (collectively, the "Eligible Directors and Officers") in consideration of all monetary compensation claims used by the Eligible Directors and Officers as properties contributed in kind.

3. Overview of the restricted stock allotment agreement

The Company shall enter into a restricted stock allotment agreement (the "Allotment Agreement") separately with each of the Eligible Directors and Officers. The following provides an overview of said agreement.

a. Transfer restriction period

Each Eligible Director shall not be able to transfer, create security interests on, or otherwise dispose of the Company's common stock allotted to them through the Disposal of Treasury Shares (the "Allotted Shares") during the period from the payment due date of July 21, 2023 to the date said Eligible Director retires from their position (however, if the person assumes office as an Audit and Supervisory Board member upon retirement as a Board Director, the date on which they cease to be either a Board Director or an Audit and Supervisory Board member).

Each Eligible Operating Officer shall not be able to transfer, create security interests on, or otherwise dispose of the Allotted Shares during the period from the payment due date of July 21, 2023 to the date said Eligible Operating Officer retires from their position (however, for Operating Officers who are employed by the Company, the timing shall, in principle, be the date of retirement from the Company).

b. Lifting of transfer restrictions

On the condition that the Board of Directors finds justifiable reasons for the retirement or resignation of the Eligible Directors and Officers from their positions, the Company shall lift transfer restrictions for all their Allotted Shares upon expiration of the transfer restriction period.

c. Gratis acquisition by the Company

In regard to the Allotted Shares for which transfer restrictions have not been lifted upon expiration of the transfer restriction period, the Company shall be entitled to recover all those shares without consideration as of the day following said expiration. If Eligible Directors and Officers resign from their positions within one year after receiving the Allotted Shares, the Company shall be entitled to acquire without consideration the number of Allotted Shares reasonably determined based on the period between the allotment and resignation. Furthermore, in case certain events stipulated in the Allotment Agreement occur, such as a breach of a non-compete clause or other misconduct, the Company shall be entitled to acquire all Allotted Shares without consideration.

d. Management of shares

The Allotted Shares shall be managed in a dedicated account to be opened by each Eligible Director and Officer at a securities company designated by the Company to ensure shares cannot be transferred, attached security interests, or otherwise disposed of during the restriction period. The security company is expected to be Daiwa Securities Co., Ltd.

e. Treatment in the event of organizational restructuring or other change in control

In the event that, during the transfer restriction period, a proposal concerning a merger agreement in which the Company ceases to exist, a share exchange agreement or a share transfer plan under which the Company becomes a wholly owned subsidiary, or concerning any other change in control such as an organizational restructuring, is approved at a General Meeting of Shareholders (or by the Board of Directors if the approval at the General Meeting of Shareholders is not required), the Company shall lift the transfer restrictions prior to the effective date of said organizational restructuring or other change in control, for the number of Allotted Shares reasonably determined based on the period between the commencement date of transfer restriction period and the effective date of said organizational restructuring or other change in control. In this case, the

Company shall, immediately following the lifting of transfer restrictions, automatically acquire the Allotted Shares for which transfer restrictions are not lifted, without consideration.

4. Basis of calculation and specific details for payment amounts

To eliminate arbitrariness in the disposal value of the treasury shares allotted to Eligible Directors and Officers, the Company has decided to adopt the closing price of the Company's common stock on the business day prior to the date of the resolution of the Board of Directors. As this is the market price immediately preceding the day of the Board of Directors' resolution, the Company believes said disposal value is reasonable and not particularly advantageous to Eligible Directors and Officers.

For media inquiries on this matter, please contact:
Duskin Co., Ltd.
Public Relations
Telephone: +81-06-6821-5006