



## Notice of Convocation

### The 61st Ordinary General Meeting of Shareholders

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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.

English website: <https://www.duskin.co.jp/english/ir/stockinfo/>

(Translation)

(Code No.: 4665)

June 2, 2023

To Our Shareholders

Hiroyuki Okubo  
Representative Director, President and CEO  
Duskin Co., Ltd.  
1-33 Toyotsu-cho, Suita-shi  
Osaka 564-0051 JAPAN

## Convocation Notice of the 61st Ordinary General Meeting of Shareholders

This is to inform you that the 61st Ordinary General Meeting of Shareholders will be held as indicated under the Details of the Meeting heading below.

In convening this meeting, the Company has taken measures for providing information that constitutes the content of reference materials and other documents for the General Meeting of Shareholders in electronic format. To review the information (items subject to measures for electronic provision), please access the websites below.

Corporate website Website for the convocation notices of General Meetings of Shareholders	<a href="https://www.duskin.co.jp/ir/stockinfo/meeting/">https://www.duskin.co.jp/ir/stockinfo/meeting/</a> (Japanese version only)	
Website with reference materials for the General Meeting of Shareholders	<a href="https://d.sokai.jp/4665/teiji/">https://d.sokai.jp/4665/teiji/</a> (Japanese version only)	

For the convenience of our shareholders, particularly important items for which measures are to be taken for electronic provision will be sent in writing. Paper-based documents stating items subject to measures for electronic provision will be sent to shareholders who requested the delivery of such documents.

If you do not expect to attend the meeting, you can exercise your voting rights either in writing (by postal mail) or electronically (via the Internet) as described in the following Exercise of Voting Right. We kindly ask that you exercise your voting rights **by 5 p.m. (JST) on Thursday, June 22, 2023**, after examining the Reference Materials for the General Meeting of Shareholders.

## Details of the Meeting

- 1. Date and Time:** 10 a.m. (JST) on Friday, June 23, 2023  
(Registration will open at 9 a.m.)
- 2. Venue:** Main Hall on the 5th Floor  
Osaka International Convention Center (Grand Cube Osaka)  
5-3-51, Nakanoshima Kita-ku, Osaka
- Notes:  
The General Meeting of Shareholders will be **broadcast live via the Internet** (Japanese version only). Please refer to the enclosed information for details on how to access the live streaming.

### 3. Meeting Agenda

#### 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 and Supervisory Board for fiscal 2022 (April 1, 2022 to March 31, 2023)
2. The non-consolidated financial statements for fiscal 2022 (April 1, 2022 to March 31, 2023)

#### Matters to be resolved

- Proposal 1: Appropriation of Retained Earnings  
Proposal 2: Election of Nine (9) Members of the Board of Directors

- When attending the meeting in person, please present the enclosed Voting Rights Execution Form at registration. If attending by proxy, one other shareholder with voting rights may act as a proxy and must submit documentary evidence of the right of proxy. Please note that only shareholders are entitled to attend the meeting.
- In accordance with laws, regulations and provisions of the Company's Articles of Incorporation, the following items subject to measures for electronic provision will not be included in the paper-based documents provided to shareholders who requested the delivery of such documents. Please note that these items are part of the business reports and consolidated and non-consolidated financial statements audited by the Audit and Supervisory Board Members as well as the consolidated and non-consolidated financial statements audited by Accounting Auditors.
  - (1) The following items in the business report:
    - a. Status of shares issued to the Company's Board Directors in compensation for the execution of duties during the fiscal year under review
    - b. Status of share acquisition rights
    - c. Status of Accounting Auditors
    - d. System for ensuring proper business and the summary of its operational status
    - e. Basic policies related to the Company's Ownership Control
    - f. Policy for constructive dialogue with shareholders
  - (2) Notes to the consolidated financial statements
  - (3) Notes to the non-consolidated financial statements
- If any change is made to an item subject to measures for electronic provision, information on such change will be posted on the above-mentioned websites, together with the item both before and after the change.
- 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

Your vote is important. Voting rights may be exercised in person at the meeting, in writing by postal mail or via electronic means.



### Exercise of voting right In person

Submit the enclosed Voting Rights Execution Form to the registration counter at the meeting venue. <sup>\*3</sup>

#### Meeting Time and Date

**10 a.m., Friday  
June 23, 2023 (JST)**



### Exercise of voting right In writing by postal mail

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. <sup>\*3</sup>

#### Receipt Deadline

**5 p.m., Thursday  
June 22, 2023 (JST)**



### Exercise of voting right Via the Internet

Access voting site:  
<https://www.web54.net><sup>\*1 and 2</sup>  
and complete voting by the deadline indicated below.

#### Receipt Deadline

**5 p.m., Thursday  
June 22, 2023 (JST)**

- \*1. When multiple votes are cast through the Internet, the final vote will be considered to be the intended official vote.
- \*2. If votes are cast both by postal mail (in writing) and through the Internet, then those cast over the Internet will be treated as valid, regardless of the time when they were received.
- \*3. If neither approval nor disapproval of a Company proposal is indicated, it shall be deemed a vote of approval.

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

The Company recognizes the return of profits to shareholders as one of the management's top priorities. Its basic policy is to distribute a portion of the profit based on performance while preserving an appropriate balance with investments for sustainable growth and higher corporate value, and with maintaining financial soundness in preparation for potential risks. Accordingly, the Company determines dividends for each fiscal year based on a consolidated payout ratio of 60% or a dividend on equity ratio (DOE) of 2.5%, whichever is higher.

For fiscal 2022, the Company proposes a full-year dividend of 88 yen, considering a consolidated payout ratio of 60%. That brings the year-end dividend to 48 yen per share after deducting the 40-yen interim dividend.

**(1) Type of dividend:** Cash

**(2) Dividend particulars and amounts:**

48 yen per share of common stock

Total amount of dividends: 2,349,302,160 yen (Funds for the dividends: Retained earnings)

Duskin paid an interim dividend of 40 yen per share. The full-year dividend is to total 88 yen per share.

**(3) The effective date of the dividends:** June 26, 2023

## Reference Policy on selecting Board 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.

Candidates for Internal Director positions are recommended by current Directors, Audit and Supervisory Board Members, and Operating Officers. Based on the recommendations, the Representative Director, President and CEO, selects the candidates for review by the Directors Evaluation Committee that serves as an advisory body to the Board of Directors. After taking into consideration the feedback of the committee, the Representative Director, President and CEO, proposes suitable candidates who are then selected after thorough discussion and deliberation by the Board of Directors.

Outside Director candidates must have no conflict of interest with respect to 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 Directors Evaluation Committee must consist of only independent Outside Directors and Outside Audit and Supervisory Board Members in accordance with regulations of the Tokyo Stock Exchange.

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

The candidates for this position are as follows.

Candidate No.	Name		Reappointment/New appointment		
			Tenure as Director (years)	Number of Board of Directors meetings attended during FY 2022	Titles and Responsibilities at Duskin
1	Teruji Yamamura (Mr.)	Reappointment Candidate	19	17/17	Representative Director and Chairman
2	Hiroyuki Okubo (Mr.)	Reappointment Candidate	3	17/17	Representative Director President and CEO
3	Kazushi Sumimoto (Mr.)	Reappointment Candidate	9	17/17	Director and COO Direct Selling Group
4	Tetsuya Wada (Mr.)	Reappointment Candidate	3	17/17	Director and COO Food Group General Manager, Mister Donut Business Group
5	Naoto Miyata (Mr.)	Reappointment Candidate	3	17/17	Director and CFO Corporate Administration Group Corporate Account
6	Shinichiro Ueno (Mr.)	Reappointment Candidate	1	14/14	Director and Operating Officer Corporate Business Group
7	Nobuko Sekiguchi (Ms.)	Reappointment Candidate	4	17/17	Outside Director
8	Yukiko Tsujimoto (Ms.)	Reappointment Candidate	3	17/17	Outside Director
9	Fumi Musashi (Ms.)	Reappointment Candidate	1	14/14	Outside Director

Notes:

1. Years of tenure and age at the close of this Ordinary General Meeting of Shareholders
2. The number of meetings of the Board of Directors that Mr. Shinichiro Ueno and Ms. Fumi Musashi attended is for meetings that were held after their election as Directors on June 23, 2022 (JST).
3. This is not a comprehensive list of all the knowledge, experience and skills of the candidates.

Board Skills	Corporate Management	Finance and Accounting	Sales and Marketing
Requirements [Description of Skills]	Ability to allocate business resources effectively based on legal and compliance skills, risk management skills, and human resource skill and sow the seeds of joy for people and society, in order to achieve sustained growth and raise corporate value over the medium to long term while striving to co-exist and co-prosper with the environment and local communities—from the perspective of the franchise system	Accounting and strategic financial skills that come with well-founded knowledge and experience required for strategic financial planning to forge a solid financial foundation, invest in growth and enhance shareholder returns	Strategic marketing skills, including those for developing and manufacturing (production) of products and services, required for our franchising businesses

	Diversity					Corporate Management	Finance and Accounting	Sales and Marketing	IT and Digital Transformation	Global Expansion	Franchise Operation
	Age	Gender	Nationality	Non-Independent (Inside)	Independent (Outside)						
1	66	Male	Japan	●		●		●			●
2	60	Male	Japan	●		●		●	●		●
3	62	Male	Japan	●		●		●	●		●
4	60	Male	Japan	●		●		●		●	●
5	59	Male	Japan	●		●	●				
6	59	Male	Japan	●		●		●		●	
7	54	Female	Japan		●	●	●	●	●		
8	59	Female	Japan		●	●		●		●	
9	63	Female	Japan		●	●				●	

IT and Digital Transformation	Global Expansion	Franchise Operation
Ability to drive corporate reform across Duskin’s products, services and business model, as well as the corporate culture and climate, by using data and digital technologies; this is a skill required nowadays with digitalization on the rise as lifestyles change.	Ability required for capturing new growth opportunities not only in the domestic market affected by aging and a declining birthrate, but also with an eye toward entering emerging overseas markets following their growing populations	Ability to lead operations as a franchisor, including organizational development; this is a skill especially required by Duskin — a pioneer for franchising in Japan and currently a franchisor for almost all of its businesses.



Candidate  
**No.1**

## Teruji Yamamura

Date of birth: January 28, 1957

Reappointment

Number of Board of Directors meetings attended during FY 2022:	17/17 (100.0%)
Number of shares owned:	43,124
Tenure: (at the close of this Ordinary General Meeting of Shareholders)	19 years



### Position/Career Summary

June 2022	Representative Director and Chairman (to the present)
Apr. 2018	Representative Director President and CEO
Apr. 2009	President and CEO
Apr. 2006	Director Care Service Business Group, Health & Beauty, Uniform Service, Drink Service
June 2004	Director and Assistant General Manager Clean Service Business Group
Jan. 1982	Joined the Company

### Reasons for nomination as a candidate for Director

After a long tenure as President and CEO of the Company, Mr. Yamamura assumed the position of Chairman in June 2022 and has ever since been spearheading the Medium-Term Management Policy 2022, the third and final phase of the Company's long-term strategy ONE DUSKIN. Mr. Yamamura possesses extensive expertise in overall management of franchise businesses, garnered over his long career as a top executive at Duskin and an essential quality for the Company's Board Directors. He also has strong leadership and the foresight and execution skills to navigate the Company through the ever-changing and unpredictable business environment. The Company believes Mr. Yamamura is an indispensable Board member to continue raising corporate value over the medium- to long-term while also aiming for co-existence and co-prosperity with the environment and local communities. Based on these reasons, the Company requests a vote in his favor for re-election as a Board Director.

Candidate  
**No.2**

**Hiroyuki Okubo**

Date of birth: June 30, 1962

Reappointment

Number of Board of Directors meetings attended during FY 2022:	17/17 (100.0%)
Number of shares owned:	13,339
Tenure: (at the close of this Ordinary General Meeting of Shareholders)	3 years



### Position/Career Summary

<b>June 2022</b>	Representative Director President and CEO (to the present)
<b>June 2021</b>	Director and Operating Officer Corporate Planning Group
<b>June 2020</b>	Director and Operating Officer President's Office, Information System Manager, Corporate Planning
<b>Apr. 2020</b>	Operating Officer Information System Manager, Corporate Planning
<b>Apr. 2018</b>	Operating Officer Manager, Corporate Planning
<b>Mar. 2013</b>	General Manager Kita Kanto Regional Office, Clean & Care Group
<b>Apr. 1985</b>	Joined the Company

### Reasons for nomination as a candidate for Director

Following a long career in product development and marketing for Duskin's mainstream business, Clean & Care Group, Mr. Okubo has been overseeing Corporate Planning and Information System. Since his appointment as Representative Director, President and CEO of the Company in June 2022, Mr. Okubo has served as Chairman of the Board of Directors encouraging open and constructive discussions as well as effectively managing the Board meetings. Also, Mr. Okubo has shown strong leadership by heading the Medium-Term Management Policy 2022, the third and final phase of the Company's long-term strategy ONE DUSKIN, and he is driving the Duskin Group's business growth. Moreover, he has abundant experience in business operations and extensive expertise in managing franchise businesses. The Company believes Mr. Okubo is an indispensable Board member for further improving the effectiveness of the Board of Directors' decision-making and supervisory functions in order to continue raising corporate value over the medium- to long-term while also aiming for co-existence and co-prosperity with the environment and local communities. Based on these reasons, the Company requests a vote in his favor for re-election as a Board Director.

Candidate  
**No.3**

## Kazushi Sumimoto

Date of birth: November 29, 1960

Reappointment

Number of Board of Directors meetings attended during FY 2022:	17/17 (100.0%)
Number of shares owned:	19,175
Tenure: (at the close of this Ordinary General Meeting of Shareholders)	9 years



### Position/Career Summary

<b>Apr. 2022</b>	Director and COO Direct Selling Group (to the present)
<b>June 2020</b>	Director and COO Direct Selling Group General Manager, Strategy Management, Direct Selling Group
<b>Apr. 2020</b>	Director and Executive Operating Officer Direct Selling Group General Manager, Strategy Management, Direct Selling Group
<b>Apr. 2019</b>	Director and Executive Operating Officer Corporate Planning, General Affairs, Accounting, Public Relations, Information System, Production & Logistics
<b>Apr. 2018</b>	Director and Senior Operating Officer Corporate Planning, Production & Logistics Group
<b>May 2016</b>	Director, Corporate Planning, Life Care Development Group, Rent-All, Uniform Service, Health & Beauty
<b>June 2014</b>	Director, Home Instead (now Life Care) Division Manager, Rent-All
<b>Apr. 1983</b>	Joined the Company

### Reasons for nomination as a candidate for Director

After making significant contributions to the development of the Clean & Care and Rent-All businesses, Mr. Sumimoto has played a key role at Corporate Planning and the Production & Logistics Group since 2016. Currently, he is overseeing the entire Direct Selling Group. At the Board of Directors, Mr. Sumimoto proactively speaks up with accurate and constructive opinions backed by experience and together with the Chairman and the President and CEO, he provides strong leadership for the Board of Directors. Mr. Sumimoto possesses extensive expertise in overall management of franchise businesses garnered over his long career as a top executive at Duskin. The Company believes Mr. Sumimoto is an indispensable Board member for further improving the effectiveness of the Board of Directors' decision-making and supervisory functions in order to continue raising corporate value over the medium- to long-term while also aiming for co-existence and co-prosperity with the environment and local communities. Based on these reasons, the Company requests a vote in his favor for re-election as a Board Director.

Candidate  
**No.4**

## Tetsuya Wada

Date of birth: July 17, 1962

Reappointment

Number of Board of Directors meetings attended during FY 2022:	17/17 (100.0%)
Number of shares owned:	8,745
Tenure: (at the close of this Ordinary General Meeting of Shareholders)	3 years



### Position/Career Summary

<b>Apr. 2023</b>	Director and COO Food Group General Manager, Mister Donut Business Group (to the present)
<b>Oct. 2020</b>	Director and COO Food Group
<b>June 2020</b>	Director and COO Food Group Division Manager, Food Business Development
<b>Apr. 2020</b>	Operating Officer Food Group Division Manager, Food Business Development
<b>Apr. 2018</b>	Operating Officer General Manager, Mister Donut Business Group
<b>Apr. 1986</b>	Joined the Company

### Reasons for nomination as a candidate for Director

Mr. Wada has been involved in the 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 the Mister Donut Business Group to lead the brand's revitalization. Currently, he is overseeing the entire Food Group. Mr. Wada proactively provides constructive opinions on matters including the Direct Selling Group, contributing greatly to improving the effectiveness of the Board of Directors meetings. Mr. Wada has abundant experience in business operations and extensive expertise in managing franchise businesses. The Company believes Mr. Wada is an indispensable Board member for further improving the effectiveness of the Board of Directors' decision-making and supervisory functions in order to continue raising corporate value over the medium- to long-term while also aiming for co-existence and co-prosperity with the environment and local communities. Based on these reasons, the Company requests a vote in his favor for re-election as a Director.

Candidate  
**No.5**

## Naoto Miyata

Date of birth: August 16, 1963

Reappointment

Number of Board of Directors meetings attended during FY 2022:	17/17 (100.0%)
Number of shares owned:	9,015
Tenure: (at the close of this Ordinary General Meeting of Shareholders)	3 years



### Position/Career Summary

<b>Apr. 2023</b>	Director and CFO Corporate Administration Group Corporate Account (to the present)
<b>Apr. 2021</b>	Director and CFO Corporate Administration Group
<b>June 2020</b>	Director and CFO Legal Affairs and Corporate Compliance, Accounting, General Affairs
<b>Apr. 2020</b>	Operating Officer Accounting
<b>Apr. 2018</b>	Joined the Company General Manager, Corporate Account
<b>Apr. 2014</b>	General Manager Public & Financial Institutions Banking Dept. Sumitomo Mitsui Banking Corporation

### Reasons for nomination as a candidate for Director

Mr. Miyata has extensive knowledge in areas including finance and capital policy, garnered through previous roles in his long-term career at Sumitomo Mitsui Banking Corporation. Since joining Duskin, he has accumulated knowledge and experience in the general management of franchise businesses through initiatives to reinforce the Corporate Account platform. Since 2020, he has served as Chief Financial Officer (CFO). Mr. Miyata proactively provides constructive opinions, mainly regarding financial strategy, contributing greatly to improving the effectiveness of the Board of Directors meetings. The Company believes Mr. Miyata is an indispensable Board member for further improving the effectiveness of the Board of Directors' decision-making and supervisory functions in order to continue raising corporate value over the medium- to long-term while also aiming for co-existence and co-prosperity with the environment and local communities. Based on these reasons, the Company requests a vote in his favor for re-election as a Director.

Candidate  
**No.6**

## Shinichiro Ueno

Date of birth: February 19, 1964

Reappointment



Number of Board of Directors meetings attended during FY 2022:	14/14 (100.0%)
Number of shares owned:	4,113
Tenure: (at the close of this Ordinary General Meeting of Shareholders)	1 year

### Position/Career Summary

<b>Apr. 2023</b>	Director and Operating Officer Corporate Business Group (to the present)
<b>June 2022</b>	Director and Operating Officer Corporate Planning Group
<b>Apr. 2021</b>	Operating Officer Public Relations Manager, International Division
<b>May 2019</b>	Manager International Division
<b>June 2012</b>	Chairman and CEO Duskin Shanghai Co., Ltd.
<b>Mar. 2009</b>	Manager Clean Service Sales Planning
<b>May 2000</b>	Joined the Company

### Reasons for nomination as a candidate for Director

After building his long career at Duskin in sales planning for the Company's mainstream business, Clean & Care Group, Mr. Ueno went on to lead and contribute greatly to the further expansion of the Clean Service businesses overseas after being entrusted with overseeing the subsidiary in Shanghai in 2012. While serving as Operating Officer since 2021 and as a Board Director since June 2022, Mr. Ueno has been proactively providing opinions from a global management perspective, contributing greatly to improving the effectiveness of the Board of Directors meetings. The Company believes Mr. Ueno is an indispensable Board member for further improving the effectiveness of the Board of Directors' decision-making and supervisory functions in order to continue raising corporate value over the medium- to long-term while also aiming for co-existence and co-prosperity with the environment and local communities. Based on these reasons, the Company requests a vote in his favor for re-election as a Board Director.



Candidate  
**No.7**

**Nobuko Sekiguchi**

Date of birth: July 3, 1968

Outside  
Independent  
Reappointment



Number of Board of Directors meetings attended during FY 2022: 17/17 (100.0%)

Number of shares owned: 200

Tenure: 4 years

(at the close of this Ordinary General Meeting of Shareholders)

### Position/Career Summary

<b>June 2022</b>	Independent Director Audit & Supervisory Committee Member Kobe Steel, Ltd. (to the present)
<b>June 2020</b>	Outside Director, Audit & Supervisory Committee Member, H <sub>2</sub> O Retailing Corporation (to the present)
<b>June 2019</b>	Director, the Company (to the present)
<b>Mar. 2019</b>	Resigned from CAPCOM Co., Ltd.
<b>Apr. 2016</b>	Managing Corporate Officer Head of Corporate Planning & Human Resources Division
<b>Apr. 2011</b>	Corporate Officer Head of Corporate Planning Division
<b>Apr. 2007</b>	General Manager of Accounting Department
<b>Nov. 2005</b>	Joined CAPCOM Co., Ltd.

### Significant concurrent position:

Outside Director, Audit & Supervisory Committee Member,  
H<sub>2</sub>O Retailing Corporation

Independent Director, Audit & Supervisory Committee Member  
Kobe Steel, Ltd.

### Reasons for nomination as a candidate for Outside Director and expected roles

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 Mid-Term Plan, the annual budget management, corporate reorganization and M&A transactions. Based on her experience and expertise, Ms. Sekiguchi is expected to provide comprehensive supervision of management and advice from the perspective of enhancing medium- and long-term corporate value. Therefore, the Company requests a vote in her favor for re-election as an Outside Director.

Candidate  
**No.8**

**Yukiko Tsujimoto**

Date of birth: February 10, 1964

Outside  
Independent  
Reappointment



Number of Board of Directors meetings attended during FY 2022:	17/17 (100.0%)
Number of shares owned:	0
Tenure: (at the close of this Ordinary General Meeting of Shareholders)	3 years

### Position/Career Summary

<b>Apr. 2022</b>	Advisor to the City of Kobe (Recruitment and Training) (to the present)
<b>Mar. 2022</b>	Outside Director SAKATA INX CORPORATION (to the present)
<b>June 2020</b>	Director, the Company (to the present)
<b>Nov. 2014</b>	Representative Director, Shapes Co., Ltd. (to the present)
<b>June 2014</b>	Resigned from Procter & Gamble Japan K.K.
<b>Apr. 2014</b>	Resigned from the position of Director, P&G K.K.
<b>July 2012</b>	External Relations Director Procter & Gamble Japan K.K.
<b>June 2012</b>	Resigned from the position of Director, Procter & Gamble Japan K.K.
<b>Apr. 2008</b>	Director P&G K.K.
<b>Mar. 2006</b>	Director Procter & Gamble Japan K.K.
<b>Apr. 1986</b>	Joined Procter & Gamble Far East Inc.

### Significant concurrent position:

Representative Director, Shapes Co., Ltd.

Outside Director, SAKATA INX CORPORATION

Advisor to the City of Kobe (Recruitment and Training)

### Reasons for nomination as a candidate for Outside Director and expected roles

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 Procter & Gamble Japan, where she was responsible for brand marketing and communications and took a leadership role in brand publicity in Asian markets. Based on her experience and expertise, Ms. Tsujimoto is expected to provide comprehensive supervision of management and advice from the perspective of enhancing medium- and long-term corporate value. Therefore, the Company requests a vote in her favor for re-election as an Outside Director.



Candidate  
**No.9**

**Fumi Musashi**

Date of birth: August 24, 1959

Outside  
Independent  
Reappointment



Number of Board of Directors meetings attended during FY 2022:	14/14 (100.0%)
Number of shares owned:	0
Tenure: (at the close of this Ordinary General Meeting of Shareholders)	1 year

### Position/Career Summary

June 2022	Director, the Company (to the present)
June 2022	Resigned from CHORI CO., LTD
Jan. 2022	Part-time Adviser CHORI CO., LTD
Dec. 2020	Assistant General Manager of Corporate Planning Division and Assistant to the Executive Chief Representative for China CHORI CO., LTD
June 2018	Chairman and President CHORI (CHINA) CO., LTD.
Apr. 2016	President CHORI (CHINA) CO., LTD.
Apr. 1982	Joined CHORI CO., LTD

### Reasons for nomination as a candidate for Outside Director and expected roles

Ms. Musashi has been involved in business operations in China since joining CHORI CO., LTD, including breaking new ground for the company as its first female expatriate. Ms. Musashi also brings with her management experience accumulated since 2018 during her appointment as Chairman and President of CHORI (CHINA) CO., LTD., a subsidiary in China. Based on her experience in global business operations and expertise, Ms. Musashi is expected to provide comprehensive supervision of management and advice from the perspective of enhancing medium- and long-term corporate value. Therefore, the Company requests a vote in her favor for re-election as an Outside Director.

### Notes:

1. There is no conflict of interest between any of the candidates and Duskin.
2. Duskin has designated Ms. Nobuko Sekiguchi, Ms. Yukiko Tsujimoto and Ms. Fumi Musashi as Independent Directors in accordance with regulation of the Tokyo Stock Exchange. If these Director candidates are re-elected as proposed, Duskin plans to again designate them as Independent Directors.
3. Duskin has contracts with Ms. Nobuko Sekiguchi, Ms. Yukiko Tsujimoto and Ms. Fumi Musashi that limit their liability as provided in Article 423, Paragraph 1 of the Companies Act within the amount prescribed by laws or ordinances. If these three Outside Director candidates are re-elected as proposed, Duskin plans to extend their contracts.
4. Duskin has entered into a directors and officers liability insurance (D&O Insurance) contract with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The contract covers legal damages and litigation expenses in the event that a claim for damages is made against the insureds while they perform their duties. Each candidate is an insured party under this insurance contract. The Company intends to renew the contract on the same terms once the contract comes due for renewal.

The independence of an Outside Director or Outside Audit and 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 and Supervisory Board Member (except an Outside Audit and Supervisory Board Member of Duskin) or employee of one of the Duskin Corporate Group\*  
\*Duskin Co., Ltd. and its consolidated subsidiaries
2. A Director, Audit and 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 and Supervisory Board Member or employee of a company in 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 exceed 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 and Supervisory Board Member or employee of a company or other organization that has received such donations  
\*Substantial donations are cash and other financial assets with a value exceeding the larger of 1% of the 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 financial assets (or an individual belonging to a company or other organization that has received these payments) other than Director or Audit and Supervisory Board Member compensation from the Duskin Corporate Group  
\*Substantial payments are cash and other financial assets with a value exceeding the larger of 1% of the 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 (3) 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 (5) years or a Duskin Outside Audit and Supervisory Board Member for eight (8) years
10. An individual who provides any other reasons for doubt about independence concerning the performance of duties as a Duskin Outside Director or Outside Audit and Supervisory Board Member

## Consolidated Financial Statements

(millions of yen)

Account	FY2022 as of Mar. 31, 2023	FY2021 as of Mar. 31, 2022	Account	FY2022 as of Mar. 31, 2023	FY2021 as of Mar. 31, 2022
<b>Assets</b>			<b>Liabilities</b>		
<b>Current assets</b>	<b>69,122</b>	<b>84,102</b>	<b>Current liabilities</b>	<b>36,832</b>	<b>38,005</b>
Cash and deposits	18,207	23,360	Notes and accounts payable-trade	7,594	6,963
Notes and accounts receivable-trade, and contract assets	11,553	12,266	Income taxes payable	1,147	2,359
Lease receivables and investments in leases	1,003	1,056	Provision for bonuses	4,022	3,879
Securities	19,864	30,604	Asset retirement obligations	—	14
Merchandise and finished goods	8,212	8,662	Accounts payable-other	9,759	9,136
Work in process	290	207	Guarantee deposits received for rental products	8,771	9,058
Raw materials and supplies	2,629	1,541	Other	5,537	6,594
Accounts receivable-other	5,666	4,994	<b>Non-current liabilities</b>	<b>8,917</b>	<b>9,023</b>
Other	1,707	1,426	Long-term borrowings	1,115	1,530
Allowance for doubtful accounts	-13	-17	Retirement benefit liability	5,850	5,991
<b>Non-current assets</b>	<b>128,402</b>	<b>113,952</b>	Asset retirement obligations	607	611
<b>Property, plant and equipment</b>	<b>49,076</b>	<b>49,474</b>	Long-term guarantee deposits	982	873
Buildings and structures	14,481	14,834	Long-term accounts payable-other	9	10
Machinery, equipment and vehicles	7,386	7,268	Deferred tax liabilities	352	5
Land	22,439	22,439	Other	—	0
Construction in progress	320	325	<b>Total Liabilities</b>	<b>45,750</b>	<b>47,029</b>
Other	4,448	4,607	<b>Net Assets</b>		
<b>Intangible assets</b>	<b>7,454</b>	<b>8,146</b>	<b>Shareholders' equity</b>	<b>140,282</b>	<b>140,625</b>
Goodwill	253	270	Share capital	11,352	11,352
Software	5,645	6,481	Capital surplus	11,088	11,091
Other	1,556	1,393	Retained earnings	124,943	122,401
<b>Investments and other assets</b>	<b>71,871</b>	<b>56,331</b>	Treasury shares	-7,102	-4,219
Investment securities	61,743	46,176	<b>Accumulated other comprehensive income</b>	<b>11,078</b>	<b>10,035</b>
Retirement benefit asset	2,987	2,348	Valuation difference on available-for-sale securities	8,532	7,195
Deferred tax assets	887	1,601	Deferred gains or losses on hedges	-0	-0
Guarantee deposits	5,260	5,340	Foreign currency translation adjustment	245	34
Other	1,012	884	Remeasurements of defined benefit plans	2,300	2,805
Allowance for doubtful accounts	-19	-19	<b>Share acquisition rights</b>	<b>49</b>	<b>59</b>
<b>Total Assets</b>	<b>197,524</b>	<b>198,055</b>	<b>Non-controlling interests</b>	<b>364</b>	<b>305</b>
			<b>Total Net Assets</b>	<b>151,774</b>	<b>151,026</b>
			<b>Total Liabilities and Net Assets</b>	<b>197,524</b>	<b>198,055</b>

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	FY2022 (Apr. 1, 2022 to Mar. 31, 2023)	FY2021 (Apr. 1, 2021 to Mar. 31, 2022)
<b>Net sales</b>	<b>170,494</b>	<b>163,210</b>
<b>Cost of sales</b>	<b>94,475</b>	<b>88,302</b>
<b>Gross profit</b>	<b>76,019</b>	<b>74,908</b>
<b>Selling, general and administrative expenses</b>	<b>67,381</b>	<b>65,009</b>
<b>Operating profit</b>	<b>8,637</b>	<b>9,899</b>
<b>Non-operating income</b>	<b>2,989</b>	<b>2,624</b>
Interest income	168	143
Dividend income	380	338
Rental income from facilities	178	174
Commission income	217	225
Share of profit of entities accounted for using equity method	990	703
Gain on adjustment of account payable	381	173
Subsidy income	104	411
Other	568	452
<b>Non-operating expenses</b>	<b>250</b>	<b>308</b>
Interest expenses	0	0
Rental expenses on facilities	108	109
Cancellation penalty	2	85
Compensation expenses	31	31
Loss on abandonment of inventories	28	7
Other	79	74
<b>Ordinary profit</b>	<b>11,375</b>	<b>12,215</b>
<b>Extraordinary income</b>	<b>74</b>	<b>137</b>
Gain on sales of non-current assets	5	3
Gain on sales of investment securities	69	132
Other	—	1
<b>Extraordinary losses</b>	<b>737</b>	<b>725</b>
Loss on sales of non-current assets	2	11
Loss on abandonment of non-current assets	69	104
Impairment loss	644	196
COVID-19 relief money	—	107
Provision of reserves for losses on liquidation of subsidiaries and affiliates	20	—
Loss on sale of shares of subsidiaries and associates	—	288
Other	—	16
<b>Profit before income taxes</b>	<b>10,713</b>	<b>11,627</b>
Income taxes-current	2,773	2,933
Income taxes-deferred	672	515
<b>Profit</b>	<b>7,267</b>	<b>8,178</b>
<b>Profit attributable to non-controlling interests</b>	<b>70</b>	<b>45</b>
<b>Profit attributable to owners of parent</b>	<b>7,196</b>	<b>8,132</b>

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, 2022 to March 31, 2023)

(millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
<b>Balance at beginning of current period</b>	<b>11,352</b>	<b>11,091</b>	<b>122,401</b>	<b>-4,219</b>	<b>140,625</b>
<b>Changes of items during the period</b>					
Dividends of surplus			-4,652		-4,652
Profit attributable to owners of parent			7,196		7,196
Purchase of treasury shares				-3,306	-3,306
Disposal of treasury shares			-1	54	53
Disposal of treasury shares by the ESOP Trust				368	368
Tax effect adjustment due to change in past year equity		-3			-3
Increase (decrease) arising from changes in surplus of affiliates accounted for using equity method			-1		-1
Net changes in items other than shareholders' equity					
<b>Total changes of items during the period</b>	<b>—</b>	<b>-3</b>	<b>2,542</b>	<b>-2,882</b>	<b>-343</b>
<b>Balance at end of current period</b>	<b>11,352</b>	<b>11,088</b>	<b>124,943</b>	<b>-7,102</b>	<b>140,282</b>

	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			
<b>Balance at beginning of current period</b>	<b>7,195</b>	<b>-0</b>	<b>34</b>	<b>2,805</b>	<b>10,035</b>	<b>59</b>	<b>305</b>	<b>151,026</b>
<b>Changes of items during the period</b>								
Dividends of surplus								-4,652
Profit attributable to owners of parent								7,196
Purchase of treasury shares								-3,306
Disposal of treasury shares								53
Disposal of treasury shares by the ESOP Trust								368
Tax effect adjustment due to change in past year equity								-3
Increase (decrease) arising from changes in surplus of affiliates accounted for using equity method								-1
Net changes in items other than shareholders' equity	1,337	—	211	-505	1,043	-9	58	1,092
<b>Total changes of items during the period</b>	<b>1,337</b>	<b>—</b>	<b>211</b>	<b>-505</b>	<b>1,043</b>	<b>-9</b>	<b>58</b>	<b>748</b>
<b>Balance at end of current period</b>	<b>8,532</b>	<b>-0</b>	<b>245</b>	<b>2,300</b>	<b>11,078</b>	<b>49</b>	<b>364</b>	<b>151,774</b>

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	FY2022 as of Mar. 31, 2023	FY2021 as of Mar. 31, 2022
<b>Assets</b>		
<b>Current assets</b>	<b>54,926</b>	<b>70,598</b>
Cash and deposits	11,144	16,211
Notes receivable-trade	13	5
Accounts receivable-trade	8,081	9,181
Lease receivables	5	3
Securities	19,864	30,604
Merchandise and finished goods	7,321	7,750
Work in process	4	3
Raw materials and supplies	1,596	722
Prepaid expenses	706	601
Accounts receivable-other	5,544	4,965
Short-term loans receivable	—	1
Short-term loans receivable from subsidiaries and associates	144	173
Other	504	385
Allowance for doubtful accounts	-6	-10
<b>Non-current assets</b>	<b>122,445</b>	<b>108,673</b>
<b>Property, plant and equipment</b>	<b>36,612</b>	<b>36,379</b>
Buildings	11,023	11,293
Structures	673	689
Machinery and equipment	1,223	774
Vehicles	0	0
Tools, furniture and fixtures	1,765	1,687
Fixed assets for rent	70	71
Land	21,540	21,540
Construction in progress	314	322
<b>Intangible assets</b>	<b>6,825</b>	<b>7,416</b>
Goodwill	56	36
Trademark right	6	4
Software	5,470	6,252
Temporary account for intangible fixed assets	1,135	962
Other	157	160
<b>Investments and other assets</b>	<b>79,008</b>	<b>64,878</b>
Investment securities	53,510	38,336
Shares of subsidiaries and associates	19,059	19,094
Investments in capital	0	0
Investments in capital of subsidiaries and associates	123	—
Long-term loans receivable from subsidiaries and associates	874	823
Long-term prepaid expenses	386	297
Deferred tax assets	1,019	1,997
Guarantee deposits	4,479	4,568
Other	93	18
Allowance for doubtful accounts	-178	-17
Allowance for investment loss	-362	-241
<b>Total Assets</b>	<b>177,372</b>	<b>179,272</b>

Account	FY2022 as of Mar. 31, 2023	FY2021 as of Mar. 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>	<b>45,919</b>	<b>44,807</b>
Accounts payable-trade	7,470	6,449
Accounts payable-other	8,347	7,988
Accrued expenses	1,051	1,020
Income taxes payable	770	1,861
Deposits received	14,384	12,222
Guarantee deposits received for rental products	9,421	9,729
Provision for bonuses	2,968	2,931
Asset retirement obligations	—	13
Other	1,504	2,590
<b>Non-current liabilities</b>	<b>8,342</b>	<b>12,096</b>
Long-term borrowings	1,115	1,530
Provision for retirement benefits	3,811	5,272
Asset retirement obligations	420	423
Long-term guarantee deposits	1,284	1,116
Long-term deposits received	1,680	3,710
Long-term accounts payable-other	8	8
Other	21	33
<b>Total Liabilities</b>	<b>54,261</b>	<b>56,903</b>
<b>Net Assets</b>		
<b>Shareholders' equity</b>	<b>114,657</b>	<b>115,249</b>
<b>Share capital</b>	<b>11,352</b>	<b>11,352</b>
<b>Capital surplus</b>	<b>1,090</b>	<b>1,090</b>
Legal capital surplus	1,090	1,090
<b>Retained earnings</b>	<b>109,315</b>	<b>107,025</b>
Legal retained earnings	2,777	2,777
Other retained earnings	106,538	104,247
Reserve for business development	869	869
Reserve for reduction entry	63	63
General reserve	96,800	96,800
Retained earnings brought forward	8,805	6,514
<b>Treasury shares</b>	<b>-7,101</b>	<b>-4,218</b>
<b>Valuation and translation adjustments</b>	<b>8,403</b>	<b>7,059</b>
Valuation difference on available-for-sale securities	8,403	7,059
<b>Share acquisition rights</b>	<b>49</b>	<b>59</b>
<b>Total Net Assets</b>	<b>123,110</b>	<b>122,369</b>
<b>Total Liabilities and Net Assets</b>	<b>177,372</b>	<b>179,272</b>

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	FY2022 (Apr. 1, 2022 to Mar. 31, 2023)	FY2021 (Apr. 1, 2021 to Mar. 31, 2022)
<b>Net sales</b>	<b>138,560</b>	<b>132,333</b>
<b>Cost of sales</b>	<b>84,173</b>	<b>78,287</b>
<b>Gross profit</b>	<b>54,386</b>	<b>54,046</b>
<b>Selling, general and administrative expenses</b>	<b>48,634</b>	<b>47,217</b>
<b>Operating profit</b>	<b>5,752</b>	<b>6,828</b>
<b>Non-operating income</b>	<b>4,807</b>	<b>4,097</b>
Interest income	9	9
Interest income on securities	158	135
Dividend income	2,478	2,042
Rental income from facilities	955	927
Commission income	359	348
Other	846	634
<b>Non-operating expenses</b>	<b>433</b>	<b>363</b>
Interest expenses	11	11
Rental expenses on facilities	182	162
Provision of allowance for doubtful accounts	161	—
Cancellation penalty	18	81
Loss on debt waiver	—	50
Other	60	56
<b>Ordinary profit</b>	<b>10,125</b>	<b>10,563</b>
<b>Extraordinary income</b>	<b>70</b>	<b>135</b>
Gain on sales of non-current assets	1	2
Gain on sales of investment securities	68	132
<b>Extraordinary losses</b>	<b>841</b>	<b>752</b>
Loss on sales of non-current assets	2	11
Loss on abandonment of non-current assets	45	87
Impairment loss	638	126
Provision of allowance for investment loss	121	24
Loss on sale of shares of subsidiaries and associates	35	91
Loss on valuation of shares of subsidiaries and associates	—	276
COVID-19 relief money	—	123
Other	—	12
<b>Income before income taxes</b>	<b>9,354</b>	<b>9,945</b>
Income taxes-current	2,024	2,141
Income taxes-deferred	385	404
<b>Profit</b>	<b>6,944</b>	<b>7,400</b>

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, 2022 to March 31, 2023)

(millions of yen)

	Shareholders' equity								
	Share capital	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	
<b>Balance at beginning of current period</b>	11,352	1,090	1,090	2,777	869	63	96,800	6,514	107,025
<b>Changes of items during the period</b>									
Dividends of surplus								-4,652	-4,652
Profit								6,944	6,944
Purchase of treasury shares									
Disposal of treasury shares								-1	-1
Disposal of treasury shares by the ESOP Trust									
Net changes in items other than shareholders' equity									
<b>Total changes of items during the period</b>	—	—	—	—	—	—	—	2,290	2,290
<b>Balance at end of current period</b>	11,352	1,090	1,090	2,777	869	63	96,800	8,805	109,315

	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		
<b>Balance at beginning of current period</b>	-4,218	115,249	7,059	7,059	59	122,369
<b>Changes of items during the period</b>						
Dividends of surplus		-4,652				-4,652
Profit		6,944				6,944
Purchase of treasury shares	-3,306	-3,306				-3,306
Disposal of treasury shares	54	53				53
Disposal of treasury shares by the ESOP Trust	368	368				368
Net changes in items other than shareholders' equity			1,343	1,343	-9	1,333
<b>Total changes of items during the period</b>	-2,882	-591	1,343	1,343	-9	741
<b>Balance at end of current period</b>	-7,101	114,657	8,403	8,403	49	123,110

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