



Notice of Convocation

The 62nd 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/>

June 3, 2024

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 62nd Ordinary General Meeting of Shareholders

This is to inform you that the 62nd 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 to provide the content of the reference materials and other documents for the General Meeting of Shareholders electronically. 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	https://www.duskin.co.jp/english/ir/stockinfo/meeting/	
Website with reference materials for the General Meeting of Shareholders	https://d.sokai.jp/4665/teiji/ (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. Items provided electronically will also be sent as paper documents to shareholders who request them.

If you do not plan to attend the meeting, you can exercise your voting rights in advance either in writing (by postal mail) or electronically (via the Internet), as described in the “Exercise of Voting Right” section on page 3. We kindly ask that you cast your vote **by 5 p.m. (JST) on Tuesday, June 25, 2024**, after examining the Reference Materials for the General Meeting of Shareholders.

Details of the Meeting

1. **Date and Time:** 10 a.m. (JST) on Wednesday, June 26, 2024
(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

Note:
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 2023 (April 1, 2023 to March 31, 2024)
2. The non-consolidated financial statements for fiscal 2023 (April 1, 2023 to March 31, 2024)

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 and Supervisory Board

- 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 with voting rights 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.*³

Meeting Time and Date

**10 a.m. (JST), Wednesday
June 26, 2024**



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.*³

Receipt Deadline

**5 p.m. (JST), Tuesday
June 25, 2024**



Exercise of voting right Via the Internet

Access voting site:
<https://www.web54.net>*¹ and ²
(Japanese version only) and complete voting by the deadline indicated below.

Receipt Deadline

**5 p.m. (JST), Tuesday
June 25, 2024**

*¹ In cases where multiple votes are submitted via the Internet, the final one shall be considered the intended official vote.

*² If votes are cast both by postal mail (in writing) and via the Internet, then those cast over the Internet shall 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 the ordinary dividend 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 2023, the Company proposes a full-year ordinary dividend of 80 yen per share by adopting a dividend on equity ratio (DOE) of 2.5%. That brings the year-end ordinary dividend to 45 yen per share after deducting the 35-yen interim dividend.

Also, the Company celebrated the 60th anniversary of its foundation on November 16, 2023. In view of this milestone, to express its gratitude to all shareholders for their unwavering support, the Company has decided to pay a commemorative dividend of 20 yen per share.

This, together with the 45-yen ordinary dividend, brings the year-end ordinary dividend to 65 yen per share.

(1) Type of dividend: Cash

(2) Dividend particulars and amounts:

65 yen per share of common stock

(45-yen ordinary dividend, 20-yen per-share commemorative dividend)

Total amount of dividends: 3,147,812,070 yen (Funds for the dividends: Retained earnings)

The Company paid an interim dividend of 35 yen per share. The full-year dividend is to total 100 yen per share.

(3) The effective date of the dividends: June 27, 2024

Board 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 Board Directors, Audit and Supervisory Board Members and Operating Officers. Based on their recommendations, the Representative Director, President and CEO selects the candidates for review by the Directors Evaluation Committee. 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 only of 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) 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				
			Age	Tenure as Director (years)	Number of Board of Directors meetings attended during FY2023	Titles and Responsibilities at Duskin (Significant Concurrent Positions)
1	Hiroyuki Okubo	Reappointment Candidate Male	61	4	17/17	Representative Director President and CEO
2	Kazushi Sumimoto	Reappointment Candidate Male	63	10	17/17	Board Director and COO Direct Selling Group
3	Tetsuya Wada	Reappointment Candidate Male	61	4	17/17	Board Director and COO Food Group General Manager, Mister Donut Business Group
4	Naoto Miyata	Reappointment Candidate Male	60	4	17/17	Board Director and CFO Corporate Finance Group
5	Shinichiro Ueno	Reappointment Candidate Male	60	2	17/17	Board Director and Operating Officer Corporate Business Group General Manager, Production & Logistics
6	Keiichi Emura	New appointment Candidate Male	52	—	—	Operating Officer Corporate Planning Group
7	Yukiko Tsujimoto	Reappointment Candidate Female Outside Independent	60	4	17/17	Outside Director Representative Director, Shapes Co., Ltd. Outside Director, SAKATA INX CORPORATION
8	Fumi Musashi	Reappointment Candidate Female Outside Independent	64	2	17/17	Outside Director Outside Director, Kinden Corporation
9	Rie Nakagawa	New appointment Candidate Female Outside Independent	55	—	—	Director and COO, Grameen Nippon Outside Director, Fuji Oil Holdings Inc.

Note: Years of tenure at the close of this Ordinary General Meeting of Shareholders

Candidate

Hiroyuki Okubo

No. 1

Date of birth: June 30, 1962

Reappointment

Number of Board of Directors meetings attended during FY2023:	17/17 (100.0%)
Number of shares owned:	18,936
Tenure: (at the close of this Ordinary General Meeting of Shareholders)	4 years



Position/Career Summary

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

Reasons for nomination as a candidate for Board 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

Kazushi Sumimoto

Reappointment

No. 2

Date of birth: November 29, 1960

Number of Board of Directors meetings attended during FY2023: 17/17 (100.0%)

Number of shares owned: 21,246

Tenure: 10 years
(at the close of this Ordinary General Meeting of Shareholders)



Position/Career Summary

Apr. 2022	Director and COO Direct Selling Group (to the present)
June 2020	Director and COO Direct Selling Group General Manager, Strategy Management, Direct Selling Group
Apr. 2020	Director and Executive Operating Officer Direct Selling Group General Manager, Strategy Management, Direct Selling Group
Apr. 2019	Director and Executive Operating Officer Corporate Planning, General Affairs, Accounting, Public Relations, Information System, Production & Logistics
Apr. 2018	Director and Senior Operating Officer 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 (now Life Care) Division Manager, Rent-All
Apr. 1983	Joined the Company

Reasons for nomination as a candidate for Board 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

Tetsuya Wada

No. 3

Date of birth: July 17, 1962

Reappointment

Number of Board of Directors meetings attended during FY2023: 17/17 (100.0%)

Number of shares owned: 10,916

Tenure: 4 years
(at the close of this Ordinary General Meeting of Shareholders)



Position/Career Summary

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

Reasons for nomination as a candidate for Board 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 Board Director.

Candidate

Naoto Miyata

No. 4

Date of birth: August 16, 1963

Reappointment

Number of Board of Directors meetings attended during FY2023:	17/17 (100.0%)
Number of shares owned:	12,174
Tenure: (at the close of this Ordinary General Meeting of Shareholders)	4 years



Position/Career Summary

May 2024	Director and CFO Corporate Finance Group (to the present)
Apr. 2023	Director and CFO Corporate Administration Group Corporate Account
Apr. 2021	Director and CFO Corporate Administration Group
June 2020	Director and CFO Legal Affairs & Corporate Compliance, Accounting, General Affairs
Apr. 2020	Operating Officer Accounting
Apr. 2018	Joined the Company General Manager, Corporate Account
Apr. 2014	General Manager Public & Financial Institutions Banking Dept. Sumitomo Mitsui Banking Corporation

Reasons for nomination as a candidate for Board 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 Board Director.

Candidate

Shinichiro Ueno

Reappointment

No. 5

Date of birth: February 19, 1964

Number of Board of Directors meetings attended during FY2023: 17/17 (100.0%)

Number of shares owned: 6,216

Tenure: 2 years
(at the close of this Ordinary General Meeting of Shareholders)



Position/Career Summary

Apr. 2024	Director and Operating Officer Corporate Business Group General Manager, Production & Logistics (to the present)
Apr. 2023	Director and Operating Officer Corporate Business Group
June 2022	Director and Operating Officer Corporate Planning Group
Apr. 2021	Operating Officer Public Relations Manager, International Division
May 2019	Manager International Division
June 2012	Chairman and CEO Duskin Shanghai Co., Ltd.
Mar. 2009	Manager Clean Service Sales Planning
May 2000	Joined the Company

Reasons for nomination as a candidate for Board Director

After building his long career at Duskin in sales planning for the Company's mainstream business, Clean & Care Group, starting with 2012, Mr. Ueno has been vigorously promoting the business expansion overseas, taking charge of the subsidiary in Shanghai among other duties. Following his appointment as Operating Officer in 2021, he has contributed to building an optimal production and logistics system. Also, since becoming a Board Director in 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

Keiichi Emura

No. 6

Date of birth: June 28, 1971

New appointment

Number of shares owned:

3,503



Position/Career Summary

Apr. 2024	Operating Officer Corporate Planning Group (to the present)
Apr. 2023	Operating Officer Information System, New Business Development, Continuous Process Improvement Manager, Corporate Planning
June 2022	Operating Officer Information System Manager, Corporate Planning
Apr. 2022	Operating Officer Shared Services Center Manager, Corporate Planning
Apr. 2020	Operating Officer General Manager, Planning & Development, Direct Selling Group
Apr. 2018	Division Manager, Health Rent Division
Apr. 1995	Joined the Company

Reasons for nomination as a candidate for Board Director

Following a long career at Duskin's mainstream business, Clean & Care Group, Mr. Emura became the manager of the Health Rent Division where he contributed greatly to its development. Since his appointment as Operating Officer, he has served as general manager of Planning & Development under the Direct Selling Group and manager of Corporate Planning. Currently, Mr. Emura is in charge of the Corporate Planning Group and plays a pivotal role in shaping a corporate governance structure and in formulating and implementing growth strategies for the Company. Mr. Emura has abundant experience in business operations and extensive expertise in managing franchise businesses. The Company believes Mr. Emura 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 election as a new Board Director.

Candidate

Yukiko Tsujimoto

No. 7

Date of birth: February 10, 1964

Outside

Independent

Reappointment

Number of Board of Directors meetings attended during FY2023: 17/17 (100.0%)

Number of shares owned: 300

Tenure: 4 years
(at the close of this Ordinary General Meeting of Shareholders)



Position/Career Summary

Mar. 2022 Outside Director
SAKATA INX CORPORATION (to the present)

June 2020 Outside Director, the Company (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.

Significant concurrent positions:

Representative Director, Shapes Co., Ltd.

Outside Director, SAKATA INX CORPORATION

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

Fumi Musashi

No. 8

Date of birth: August 24, 1959

Outside

Independent

Reappointment

Number of Board of Directors meetings attended during FY2023: 17/17 (100.0%)

Number of shares owned: 80

Tenure: 2 years
(at the close of this Ordinary General Meeting of Shareholders)



Position/Career Summary

June 2023	Outside Director Kinden Corporation (to the present)
June 2022	Outside 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.

Significant concurrent position:

Outside Director, Kinden Corporation

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.

Candidate

Rie Nakagawa

Outside

Independent

No. 9

Date of birth: August 10, 1968

New appointment

Number of shares owned:

0



Position/Career Summary

June 2023	Outside Director, Fuji Oil Holdings Inc. (to the present)
Dec. 2022	Director and COO, Grameen Nippon (to the present)
Dec. 2022	Resigned from MISUMI Group Inc.
Jan. 2022	Representative Corporate Officer Sustainability Platform, MISUMI Group Inc.
Oct. 2020	Representative Corporate Officer User Service Platform, MISUMI Group Inc.
Oct. 2015	Representative Corporate Officer, President FA Business Company, MISUMI Group Inc.
Aug. 2003	Joined MISUMI Group Inc.

Significant concurrent positions:

Director and COO, Grameen Nippon
Outside Director, Fuji Oil Holdings Inc.

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

Ms. Nakagawa brings with her a wealth of experience in corporate management accumulated during her career with MISUMI Group Inc. where, after holding several key positions including president of the FA Business Company specializing in mechanical components used in factory automation (FA), she was responsible for identifying ESG management issues and formulating policies to address them, among other duties as Representative Corporate Officer in charge of sustainability promotion. Based on her experience and expertise, Ms. Nakagawa 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 election as a new Outside Director.

Notes:

1. There is no conflict of interest between any of the candidates and Duskin.
2. The number of shares owned by Mr. Keiichi Emura includes the shares held through Duskin Employee Stock Ownership Plan.
3. The number of shares owned by Ms. Fumi Musashi shows the shares held through Duskin Director Stock Ownership Plan.
4. Duskin has designated Ms. Yukiko Tsujimoto and Ms. Fumi Musashi as its independent directors as stipulated under the regulations of the Tokyo Stock Exchange. If their reappointment is approved as proposed, they will continue to be independent directors. Should Ms. Rie Nakagawa be elected as proposed, Duskin plans to also register her with the Tokyo Stock Exchange as its independent director.
5. Duskin has contracts with 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 and ordinances. If their reappointment as Outside Directors is approved as proposed, Duskin plans to extend their contracts. Should Ms. Rie Nakagawa be elected as proposed, Duskin plans to enter into the same limited liability agreement with her too.
6. 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.

Audit and 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 role of Audit and Supervisory Board Members is to properly oversee the performance of Directors (through operational audits (compliance audits) and accounting audits) and to create a sound corporate governance framework. Therefore, Audit and Supervisory Board Member candidates must maintain their independence from the executives and demonstrate the abilities and knowledge necessary for performing their duties with integrity. The candidates are also expected to show profound insights into Duskin's businesses and the ability to make decisions regarding corporate management from an objective and neutral standpoint. The selection of candidates is determined by resolutions of the Board of Directors after obtaining the consent of the Audit and Supervisory Board. In addition, at least one (1) Audit and Supervisory Board Member selected must have considerable expertise in finance and accounting.

Outside Audit and Supervisory Board Member candidates must have no conflict of interest with respect to the Duskin Group, be able to maintain their independence and have extensive knowledge and experience in legal matters, accounting, internal controls, corporate reorganizations and other fields that are needed to oversee and advise the Board of Directors. The selection of candidates is determined by resolutions of the Board of Directors after obtaining the consent of the Audit and Supervisory Board.

The tenure of the current four (4) members of the Audit and Supervisory Board, Mr. Takashi Yoshida, Mr. Hideyuki Naito, Ms. Sachiko Kawanishi and Mr. Kyoichiro Arakawa, will expire at the close of this Ordinary General Meeting of Shareholders. Therefore, the election of four (4) members of the Audit and Supervisory Board is proposed. The submission of this proposal has already been approved by the Audit and Supervisory Board.

The candidates for this position are as follows.

Candidate No.	Name		Reappointment/New appointment			
			Age	Tenure as Audit and Supervisory Board Member (years)	Number of Board of Directors meetings/Audit and Supervisory Board meetings attended	Titles and Responsibilities at Duskin (Significant Concurrent Positions)
1	Hideyuki Naito	Reappointment Candidate	62	4	BOD 17/17 ASB 13/13	Audit and Supervisory Board Member
2	Koji Tsukamoto	New appointment Candidate	60	—	—	Operating Officer without Portfolio
3	Ichiro Sakamoto	New appointment Outside Independent Candidate	63	—	—	Certified Public Accountant Representative, Ichiro Sakamoto CPA Office
4	Seiichiro Yamamoto	New appointment Outside Independent Candidate	49	—	—	Certified Public Accountant Representative Director, MIT Healthcare Co., Ltd.

Candidate

Hideyuki Naito

No. 1

Date of birth: December 3, 1961

Reappointment

Number of Board of Directors meetings attended during FY2023: 17/17 (100.0%)

Number of Audit and Supervisory Board meetings attended during FY2023: 13/13 (100.0%)

Number of shares owned: 8,675

Tenure: 4 years
(at the close of this Ordinary General Meeting of Shareholders)



Position/Career Summary

June 2020	Audit and Supervisory Board Member (to the present)
Apr. 2020	Senior Operating Officer General Affairs
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 nomination as a candidate for Audit and Supervisory Board Member

Mr. Naito has extensive experience in financial statement accounting, internal controls and other operations as well as considerable expertise in finance and accounting. Since assuming office as an Audit and Supervisory Board Member, he has been proactively providing valuable input during the Board of Directors meetings and Audit and Supervisory Board meetings. Mr. Naito is expected to exercise his responsibilities as an Audit and Supervisory Board Member who is able to properly monitor the validity and legal compliance of the Board of Directors' decision-making processes and the execution of their duties, and provide appropriate recommendations and advice in order for Duskin to build a better corporate governance system. Therefore, the Company requests a vote in his favor for re-election as a Member of the Audit and Supervisory Board.

Candidate

Koji Tsukamoto

No. 2

Date of birth: August 28, 1963

New appointment

Number of shares owned:

447



Position/Career Summary

May 2024	Operating Officer without Portfolio (to the present)
Apr. 2024	Operating Officer Accounting, General Affairs
May 2023	Operating Officer General Affairs Manager, Accounting
Apr. 2017	Manager, Accounting
Sept. 2002	Joined the Company

Reasons for nomination as a candidate for Audit and Supervisory Board Member

Since joining the Company, Mr. Tsukamoto has been consistently involved in Accounting, which continued beyond his contributions to the Company's listing preparations. After overseeing Account Control and Accounting, he was appointed Operating Officer. Mr. Tsukamoto has extensive experience co-leading the Company's financial strategy and capital policy alongside the Chief Financial Officer (CFO) as well as considerable expertise in finance and accounting. Mr. Tsukamoto is expected to exercise his responsibilities as an Audit and Supervisory Board Member who is able to properly monitor the validity and legal compliance of the Board of Directors' decision-making processes and the execution of their duties, and provide appropriate recommendations and advice in order for Duskin to build a better corporate governance system. Therefore, the Company requests a vote in his favor for election as a new Member of the Audit and Supervisory Board.

Candidate

Ichiro Sakamoto

No. 3

Date of birth: February 26, 1961

Outside

Independent

New appointment

Number of shares owned:

0



Position/Career Summary

Aug. 2023	Representative, Ichiro Sakamoto CPA Office (to the present)
July 2023	Resigned from Deloitte Touche Tohmatsu LLC
July 2003	Partner, Tohmatsu & Co. (current Deloitte Touche Tohmatsu LLC)
July 1993	Assigned to Deloitte & Touche Cincinnati Office in the US
July 1992	Registered as Certified Public Accountant
Oct. 1988	Joined Tohmatsu Awoki & Sanwa (current Deloitte Touche Tohmatsu LLC)

Significant concurrent position:

Representative, Ichiro Sakamoto CPA Office

Reasons for nomination as a candidate for Outside Audit and Supervisory Board Member

A certified public accountant, Mr. Sakamoto brings with him a wealth of experience in auditing after performing audits for various industries and businesses and becoming an audit firm partner in 2003, among other achievements. Given all this extensive experience and expertise, Mr. Sakamoto is expected to exercise his responsibilities as an Outside Audit and Supervisory Board Member who is able to properly monitor the validity and legal compliance of the Board of Directors' decision-making processes and the execution of their duties, and provide appropriate recommendations and advice in order for Duskin to build a better corporate governance system. Therefore, the Company requests a vote in his favor for election as a new Outside Member of the Audit and Supervisory Board.

Candidate

Seiichiro Yamamoto

No. 4

Date of birth: March 31, 1975

Outside

Independent

New appointment

Number of shares owned:

0



Position/Career Summary

Mar. 2023	Representative Director, MIT Healthcare Co., Ltd. (to the present)
Apr. 2006	Registered as Certified Public Accountant
Sept. 2005	Joined MIT Corporate Advisory Services Co., Ltd.
Aug. 2005	Resigned from KPMG AZSA & Co. (current KPMG AZSA LLC)
Oct. 2001	Joined Shin Nihon & Co. (current Ernst & Young ShinNihon LLC)

Significant concurrent position:

Representative Director, MIT Healthcare Co., Ltd.

Reasons for nomination as a candidate for Outside Audit and Supervisory Board Member

Mr. Yamamoto brings with him professional expertise as a Certified Public Accountant as well as a strong background in consulting with a focus on revitalizing the general corporate sector. Given all this extensive experience and expertise, Mr. Yamamoto is expected to exercise his responsibilities as an Outside Audit and Supervisory Board Member who is able to properly monitor the validity and legal compliance of the Board of Directors' decision-making processes and the execution of their duties, and provide appropriate recommendations and advice in order for Duskin to build a better corporate governance system. Therefore, the Company requests a vote in his favor for election as a new Outside Member of the Audit and Supervisory Board.

Notes:

1. There is no conflict of interest between any of the candidates and Duskin.
2. If Mr. Ichiro Sakamoto and Mr. Seiichiro Yamamoto are elected as proposed, Duskin plans to register them with the Tokyo Stock Exchange as its independent directors, as stipulated under the regulations of the same stock exchange.
3. Duskin has contracts with the Outside Members of its Audit and Supervisory Board that limit their liability as provided in Article 423, Paragraph 1 of the Companies Act within the amount prescribed by laws and ordinances. Should Mr. Ichiro Sakamoto and Mr. Seiichiro Yamamoto be elected as proposed, Duskin plans to enter into the same limited liability agreement with them too.
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 include also 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 an Executive Director or other Board 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

Specific Skill	Requirements (Description of Skills)
Corporate Management	Basic ability to allocate business resources effectively based on human resources skills and other skills in order to achieve sustained growth and to raise corporate value over the medium- to long-term
Sustainability	Ability to help raise corporate value and achieve a sustainable society while sowing the seeds of joy for people and society and striving to co-exist and co-prosper with the environment and local communities, based on our franchise business system
Corporate Governance	Ability to build and enhance a corporate governance structure that is trusted by all stakeholders, based on skills such as risk management skills and legal and compliance skills to accurately identify risks and their impact in a fast-changing business environment and to implement proactive measures to prevent crises and minimize losses during emergencies
Finance and Accounting	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
Sales and Marketing	Strategic marketing skills, including those for developing and manufacturing (production) of products and services, required for our franchising businesses
IT and Digital Transformation	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.
Global Expansion	Ability required to go beyond the domestic market affected by aging and a declining birthrate and to capture new growth opportunities with an eye toward entering overseas markets following their growing populations
Franchise Operation	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.



Hiroyuki Okubo

Kazushi Sumimoto

Tetsuya Wada

Naoto Miyata

Shinichiro Ueno

Keiichi Emura

Title at Duskin	Representative Director, President and CEO	Director and COO	Director and COO	Director and CFO	Director and Operating Officer	Director and Operating Officer
Tenure as Director (years)	4	10	4	4	2	—
Nationality	Japan	Japan	Japan	Japan	Japan	Japan
Age	61	63	61	60	60	52
Corporate Management	●	●	●	●	●	●
Sustainability	●	●	●	●	●	●
Corporate Governance	●			●		
Finance and Accounting				●		
Sales and Marketing	●	●	●	●	●	●
IT and Digital Transformation	●	●				●
Global Expansion			●		●	
Franchise Operation	●	●	●		●	●



Yukiko Tsujimoto

Fumi Musashi

Rie Nakagawa

Hideyuki Naito

Koji Tsukamoto

Hidekazu Saruki

Ichiro Sakamoto

Seiichiro Yamamoto

Outside Director	Outside Director	Outside Director	Audit and Supervisory Board Member	Audit and Supervisory Board Member	Outside Audit and Supervisory Board Member	Outside Audit and Supervisory Board Member	Outside Audit and Supervisory Board Member
4	2	—	4	—	2	—	—
Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan
60	64	55	62	60	48	63	49
●	●	●	●			●	●
●	●	●	●				
			●	●	●	●	●
●	●	●					
●	●						

Consolidated Balance Sheets

(millions of yen)

Account	FY2023 as of Mar. 31, 2024	FY2022 as of Mar. 31, 2023	Account	FY2023 as of Mar. 31, 2024	FY2022 as of Mar. 31, 2023
Assets			Liabilities		
Current assets	59,305	69,122	Current liabilities	36,778	36,832
Cash and deposits	14,434	18,207	Notes and accounts payable-trade	7,800	7,594
Notes and accounts receivable-trade, and contract assets	11,158	11,553	Short-term borrowings	60	—
Lease receivables and investments in leases	1,012	1,003	Current portion of long-term borrowings	108	—
Securities	12,200	19,864	Income taxes payable	393	1,147
Merchandise and finished goods	8,254	8,212	Provision for bonuses	3,576	4,022
Work in process	215	290	Provision for disaster loss	275	—
Raw materials and supplies	3,137	2,629	Asset retirement obligations	1	—
Accounts receivable-other	6,954	5,666	Accounts payable-other	10,013	9,759
Other	1,947	1,707	Guarantee deposits received for rental products	8,626	8,771
Allowance for doubtful accounts	-11	-13	Other	5,923	5,537
Non-current assets	142,774	128,402	Non-current liabilities	10,847	8,917
Property, plant and equipment	50,489	49,076	Long-term borrowings	747	1,115
Buildings and structures	14,487	14,481	Retirement benefit liability	5,885	5,850
Machinery, equipment and vehicles	8,157	7,386	Asset retirement obligations	817	607
Land	22,466	22,439	Long-term guarantee deposits	1,072	982
Construction in progress	756	320	Long-term accounts payable-other	8	9
Other	4,621	4,448	Deferred tax liabilities	2,305	352
Intangible assets	7,414	7,454	Lease obligations	9	—
Goodwill	326	253	Total Liabilities	47,626	45,750
Software	5,601	5,645	Net Assets		
Other	1,486	1,556	Shareholders' equity	139,516	140,282
Investments and other assets	84,870	71,871	Share capital	11,352	11,352
Investment securities	73,862	61,743	Capital surplus	11,110	11,088
Long-term loans receivable	0	—	Retained earnings	122,518	124,943
Retirement benefit asset	4,501	2,987	Treasury shares	-5,464	-7,102
Deferred tax assets	877	887	Accumulated other comprehensive income	14,590	11,078
Guarantee deposits	5,088	5,260	Valuation difference on available-for-sale securities	11,342	8,532
Other	574	1,012	Deferred gains or losses on hedges	0	-0
Allowance for doubtful accounts	-34	-19	Foreign currency translation adjustment	390	245
Total Assets	202,079	197,524	Remeasurements of defined benefit plans	2,857	2,300
			Share acquisition rights	49	49
			Non-controlling interests	296	364
			Total Net Assets	154,453	151,774
			Total Liabilities and Net Assets	202,079	197,524

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	FY2023 (Apr. 1, 2023 to Mar. 31, 2024)	FY2022 (Apr. 1, 2022 to Mar. 31, 2023)
Net sales	178,782	170,494
Cost of sales	102,228	94,475
Gross profit	76,554	76,019
Selling, general and administrative expenses	71,470	67,381
Operating profit	5,084	8,637
Non-operating income	3,179	2,989
Interest income	221	168
Dividend income	430	380
Rental income from facilities	161	178
Commission income	201	217
Share of profit of entities accounted for using equity method	1,200	990
Gain on adjustment of account payable	340	381
Other	623	672
Non-operating expenses	400	250
Interest expenses	0	0
Rental expenses on facilities	95	108
Compensation expenses	31	31
Loss on abandonment of inventories	3	28
Other	269	82
Ordinary profit	7,863	11,375
Extraordinary income	4	74
Gain on sales of non-current assets	4	5
Gain on sales of investment securities	—	69
Extraordinary losses	949	737
Loss on sales of non-current assets	0	2
Loss on abandonment of non-current assets	104	69
Impairment loss	252	644
Disaster loss	358	—
Loss on valuation of investment securities	235	—
Provision of reserves for losses on liquidation of subsidiaries and affiliates	—	20
Income before income taxes and others	6,918	10,713
Income taxes-current	1,801	2,773
Income taxes-deferred	492	672
Profit	4,624	7,267
Profit attributable to non-controlling interests	50	70
Profit attributable to owners of parent	4,574	7,196

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, 2023 to March 31, 2024)

(millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	11,352	11,088	124,943	-7,102	140,282
Changes of items during the period					
Dividends of surplus			-4,044		-4,044
Profit attributable to owners of parent			4,574		4,574
Stock repurchase				-1,699	-1,699
Cancellation of treasury shares		-3	-2,952	2,955	—
Disposal of treasury shares		3		36	39
Disposal of treasury shares by the ESOP Trust				346	346
Change in ownership interest of parent due to transactions with non-controlling interests		21			21
Increase (decrease) arising from changes in surplus of affiliates accounted for using equity method			-1		-1
Net changes in items other than shareholders' equity					
Total changes of items during the period	—	21	-2,425	1,638	-765
Balance at end of current period	11,352	11,110	122,518	-5,464	139,516

	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	8,532	-0	245	2,300	11,078	49	364	151,774
Changes of items during the period								
Dividends of surplus								-4,044
Profit attributable to owners of parent								4,574
Stock repurchase								-1,699
Cancellation of treasury shares								—
Disposal of treasury shares								39
Disposal of treasury shares by the ESOP Trust								346
Change in ownership interest of parent due to transactions with non-controlling interests								21
Increase (decrease) arising from changes in surplus of affiliates accounted for using equity method								-1
Net changes in items other than shareholders' equity	2,809	0	144	556	3,511	—	-67	3,444
Total changes of items during the period	2,809	0	144	556	3,511	—	-67	2,679
Balance at end of current period	11,342	0	390	2,857	14,590	49	296	154,453

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	FY2023 as of Mar. 31, 2024	FY2022 as of Mar. 31, 2023	Account	FY2023 as of Mar. 31, 2024	FY2022 as of Mar. 31, 2023
Assets			Liabilities		
Current assets	44,220	54,926	Current liabilities	44,312	45,919
Cash and deposits	6,668	11,144	Accounts payable-trade	7,445	7,470
Notes receivable-trade	41	13	Accounts payable-other	8,403	8,347
Accounts receivable-trade	7,740	8,081	Accrued expenses	998	1,051
Lease receivables	4	5	Income taxes payable	126	770
Securities	12,200	19,864	Deposits received	13,543	14,384
Merchandise and finished goods	7,326	7,321	Guarantee deposits received for rental products	9,294	9,421
Work in process	4	4	Provision for bonuses	2,547	2,968
Raw materials and supplies	2,022	1,596	Provision for disaster loss	275	—
Prepaid expenses	873	706	Other	1,677	1,504
Accounts receivable-other	6,773	5,544	Non-current liabilities	9,356	8,342
Short-term loans receivable	1	—	Long-term borrowings	680	1,115
Short-term loans receivable from subsidiaries and associates	229	144	Deferred tax liabilities	613	—
Other	335	504	Provision for retirement benefits	3,883	3,811
Allowance for doubtful accounts	-1	-6	Asset retirement obligations	408	420
Non-current assets	134,991	122,445	Long-term guarantee deposits	1,345	1,284
Property, plant and equipment	37,541	36,612	Long-term deposits received	2,390	1,680
Buildings	10,723	11,023	Long-term accounts payable- other	8	8
Structures	647	673	Other	26	21
Machinery and equipment	2,052	1,223	Total Liabilities	53,669	54,261
Vehicles	3	0	Net Assets		
Tools, furniture and fixtures	1,760	1,765	Shareholders' equity	114,272	114,657
Fixed assets for rent	65	70	Share capital	11,352	11,352
Land	21,568	21,540	Capital surplus	1,090	1,090
Construction in progress	720	314	Legal capital surplus	1,090	1,090
Intangible assets	6,706	6,825	Retained earnings	107,292	109,315
Goodwill	39	56	Legal retained earnings	2,777	2,777
Trademark right	5	6	Other retained earnings	104,514	106,538
Software	5,482	5,470	Reserve for business development	869	869
Temporary account for intangible fixed assets	1,017	1,135	Reserve for reduction entry	63	63
Other	161	157	General reserve	96,800	96,800
Investments and other assets	90,743	79,008	Retained earnings brought forward	6,781	8,805
Investment securities	55,788	53,510	Treasury shares	-5,462	-7,101
Shares of subsidiaries and associates	29,009	19,059	Valuation and translation adjustments	11,219	8,403
Investments in capital	24	0	Valuation difference on available-for-sale securities	11,219	8,403
Investments in capital of subsidiaries and associates	123	123	Share acquisition rights	49	49
Long-term loans receivable from subsidiaries and associates	948	874	Total Net Assets	125,541	123,110
Long-term prepaid expenses	375	386	Total Liabilities and Net Assets	179,211	177,372
Prepaid pension expenses	664	—			
Deferred tax assets	—	1,019			
Guarantee deposits	4,411	4,479			
Other	98	93			
Allowance for doubtful accounts	-249	-178			
Allowance for investment loss	-451	-362			
Total Assets	179,211	177,372			

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	FY2023 (Apr. 1, 2023 to Mar. 31, 2024)	FY2022 (Apr. 1, 2022 to Mar. 31, 2023)
Net sales	146,518	138,560
Cost of sales	92,156	84,173
Gross profit	54,362	54,386
Selling, general and administrative expenses	51,643	48,634
Operating profit	2,718	5,752
Non-operating income	4,939	4,807
Interest income	11	9
Interest income on securities	212	158
Dividend income	2,550	2,478
Rental income from facilities	958	955
Commission income	354	359
Other	852	846
Non-operating expenses	386	433
Interest expenses	12	11
Rental expenses on facilities	182	182
Provision of allowance for doubtful accounts	56	161
Other	135	78
Ordinary profit	7,270	10,125
Extraordinary income	80	70
Gain on sales of non-current assets	80	1
Gain on sales of investment securities	—	68
Extraordinary losses	784	841
Loss on sales of non-current assets	0	2
Loss on abandonment of non-current assets	59	45
Impairment loss	89	638
Disaster loss	311	—
Provision of allowance for investment loss	89	121
Loss on valuation of investment securities	235	—
Loss on valuation of shares of subsidiaries and associates	—	35
Income before income taxes	6,566	9,354
Income taxes-current	1,203	2,024
Income taxes-deferred	389	385
Profit	4,973	6,944

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, 2023 to March 31, 2024)

(millions of yen)

	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings					
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				Total retained earnings
						Reserve for business development	Reserve for reduction entry	General reserve	Retained earnings brought forward	
Balance at beginning of current period	11,352	1,090	—	1,090	2,777	869	63	96,800	8,805	109,315
Changes of items during the period										
Dividends of surplus									-4,044	-4,044
Profit									4,973	4,973
Stock repurchase										
Cancellation of treasury shares			-3	-3					-2,952	-2,952
Disposal of treasury shares			3	3						
Disposal of treasury shares by the ESOP Trust										
Net changes in items other than shareholders' equity										
Total changes of items during the period	—	—	—	—	—	—	—	—	-2,023	-2,023
Balance at end of current period	11,352	1,090	—	1,090	2,777	869	63	96,800	6,781	107,292

	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	-7,101	114,657	8,403	8,403	49	123,110
Changes of items during the period						
Dividends of surplus		-4,044				-4,044
Profit		4,973				4,973
Stock repurchase	-1,699	-1,699				-1,699
Cancellation of treasury shares	2,955	—				—
Disposal of treasury shares	36	39				39
Disposal of treasury shares by the ESOP Trust	346	346				346
Net changes in items other than shareholders' equity			2,816	2,816	—	2,816
Total changes of items during the period	1,638	-385	2,816	2,816	—	2,431
Balance at end of current period	-5,462	114,272	11,219	11,219	49	125,541

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