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(Translation)

June 2, 2016

To Shareholders

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

Notice of the 54th Annual General Meeting of Shareholders

We express our deepest sympathy to the victims of the recent Kumamoto earthquake and pray for the speedy recovery of the afflicted region.

The 54th Annual General Meeting of Shareholders will be held as indicated below under the heading of “Details of the Meeting” and your attendance is cordially requested.

If you are unable to attend on this date, you may exercise your voting rights either in writing or via electronic format (Internet). In this case, you are requested to carefully review the Reference Material for the Annual General Meeting of Shareholders, attached hereto, and exercise your voting rights by **5:00 pm on Thursday, June 23, 2016**.

Details of the Meeting

- 1: Date and Time** 10:00 am on Friday, June 24, 2016
- 2: Venue** Main Hall, Osaka International Convention Center 5th Floor
5-3-51 Nakanoshima, Kita-ku, Osaka, Japan

3: Purpose of the Shareholders' Meeting

Items to be reported

- 1 Presentation of the business report, the Consolidated Financial Statements for Fiscal 2015 (April 1, 2015 to March 31, 2016) and Result on Consolidated Financial Statement Auditing Report by Accounting Auditors and the Audit & Supervisory Board
- 2 Presentation of the business performance, Fiscal 2015 (April 1, 2015 to March 31, 2016)

Matters to be resolved

- Proposal 1:** Proposal for Appropriation of Retained Earnings
- Proposal 2:** Election of Twelve (12) Members of the Board of Directors
- Proposal 3:** Election of Four (4) Members of Audit & Supervisory Board

4: Matters concerning exercise of voting rights

- (1) When multiple votes are cast through Internet, final vote will be considered to be the intended official vote.
- (2) When multiple votes are cast on Internet and by proxy card, regardless of the time of the received votes, vote on Internet will be considered to be the intended effective vote.
- (3) Shareholders may vote their shares by proxy by naming another shareholder who holds voting rights to attend the shareholders meeting and act as the proxy. In this case, the proxy must submit proof of identity

5: Matters concerning materials annexed to this notice and reference materials for Annual General Meeting of Shareholders

- (1) The following matters have been posted on the Company's website and are therefore omitted from the materials annexed to this Notice pursuant to relevant laws and Article 17 of the Company's Articles of Incorporation:

- 1) The notes to the consolidated financial statements; and
- 2) The notes to the nonconsolidated financial statements

Consolidated and nonconsolidated financial statements, which have been audited by Audit & Supervisory Board Members and the Accounting Auditor, include the documents stated in this Notice of convocation, and notes to consolidated financial statements and notes to nonconsolidated financial statements, which are provided on the corporate website (Japanese only).

- (2) If amendments are made to the Shareholders' Meeting Reference documents or to the attached materials, the amended contents will be released immediately on the corporate website (Japanese only).

Our corporate website: <http://www.duskin.co.jp/ir/>

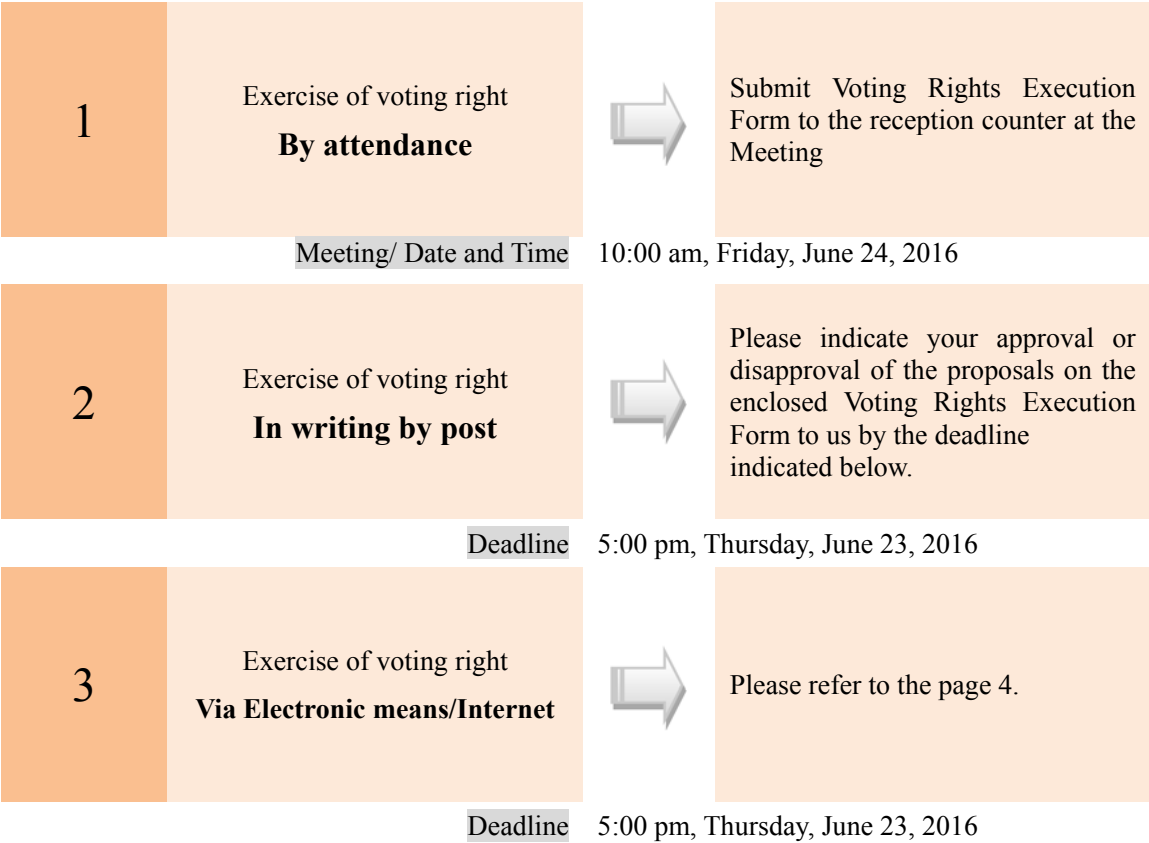
When attending the Meeting in person, please present the enclosed voting form at the reception.

Please note that only the shareholders are entitled to attend the Meeting.

Please bring this copy of proxy statement to the Meeting to save resources.

Exercise of Voting Right

Voting rights may be exercised by attendance, in writing or via electronic means.



Electronic Voting Platform for institutional investors

As a method of exercising voting rights via electronic means with respect to the General Meetings of Shareholders of the Company, the electronic voting platform for institutional investors operated by Investor Communications Japan Inc., which was established by Tokyo Stock Exchange, Inc. and other entities, in addition to the exercise of voting rights via the internet stated in item on the page 4, is available to custodian banks and other nominal shareholders (including standing proxies) who have applied to use such platform in advance.

Voting information over the Internet

If you wish to vote over the Internet, please follow the instructions below.

- 1. Voting over the Internet can only be accomplished by accessing the site designated for this purpose only by the Company (The site is not available for mobile/smart phones).

Voting site: <http://www.web54.net>

- 2. Voting validity
 - 1) Please note that voting over the Internet requires the voting code and password printed on the Proxy card and follow the instructions on the site.
 - 2) The deadline is 5:00 pm, Thursday, June 23, 2016.
 - 3) When multiple votes are cast, the last vote will be considered to be the intended official vote.
 - 4) When multiple votes are cast on Internet and by proxy card, regardless of the time of the received votes, vote on Internet will be considered to be the intended effective vote.
 - 5) Please note that using Internet may incur cost such as connection fee, and such cost will be borne by the shareholders.
- 3. The voting password
 - 1) Please note that voting password is material information for identification and the Company will not respond to the enquiries regarding the password.
 - 2) Password will be expired after certain number of unsuccessful tries.
Follow guidance on the screen to apply for reissuance of password.

Please contact the offices below if you have any questions:

Questions for operating personal computers:

Dedicated line for the service
 The Sumitomo Mitsui Trust Bank, Limited
 Transfer Agent Web Support
 Phone: **0120-652-031**
 9:00 – 21:00

Other Inquiries:

Transfer Agent Office
 The Sumitomo Mitsui Trust Bank, Limited
 Phone: **0120-782-031**
 9:00 – 17:00
 Excluding Saturday, Sunday and Holidays

= Reference Material =

Proposal 1: Proposal for Appropriation of Retained Earnings

Duskin considers the return to shareholders one of the most important priorities and the payment of continuous returns on profits is basic to how we organize and manage our businesses. After securing internal capital resources required for operations, business plans and sound business management, we determine the amount of the year-end dividend and appropriation of the retained earnings.

During the fiscal year that ended in March 2016, Duskin used retained earnings brought forward to fund the retirement of treasury stock. As a result, the general reserve was reversed and transferred to retained earnings brought forward and the year-end dividend for the fiscal year will be 20 yen per share, the same as one year earlier.

1. Other appropriation of the retained earnings

(1) Item and amount of decreased retained earnings

General reserves: 13,000,000,000 yen

(2) Item and amount of increased retained earnings

Retained earnings brought forward: 13,000,000,000 yen

2. Year-end dividend for this fiscal year

(1) Type of dividend: cash

(2) Particulars and amount of the dividends

20 yen per share of common stock

Total amount of dividends:

1,110,925,020 yen (funds for the dividends: retained earnings)

The Company paid an interim dividend of 20 yen per share. The full-year dividend is to total 40 yen per share.

(3) The effective date of the dividends: June 27, 2016

Proposal 2: Election of Twelve (12) Members of the Board of Directors

The term of the current twelve (12) Directors of the Board shall expire at the close of this Annual General Meeting of Shareholders. It is proposed that the total number of Directors remains at twelve (12).

Candidate No.	Name		Titles and Responsibilities (significant concurrent positions)	Number of Board of Directors meeting attended
1	Reappointment	Teruji Yamamura	President & CEO	26/26
2	Reappointment	Kenichi Miyajima	Senior Executive Director President's Office Mister Donut Business Group Food Group	25/26
3	Reappointment	Akihisa Tsurumi	Senior Executive Director Human Resources, General Affairs Accounting, Corporate Management Information System Quality Assurance & Risk Management Product Inspection Center Production & Logistics Group	26/26
4	Reappointment	Kazuo Okai	Executive Director Clean & Care Development Group	25/26
5	Reappointment	Junichi Narahara	Clean & Care Sales Group	25/26
6	Reappointment	Osaharu Fujii	Public Relations Legal Affairs & Corporate Compliance International Division New Business Development	26/26
7	Reappointment	Kazushi Sumimoto	Corporate Planning Life Care Development Group Rent-All Division, Uniform Service Health & Beauty	25/26
8	New Candidate	Hideyuki Naito	Manager, Accounting	-
9	New Candidate	Taku Suzuki	General Manager, Production & Logistics Group	-
10	Reappointment Candidate for Independent Outside Director	Yukiko Yabu	Outside Director Outside Director, TAKARA HOLDINGS, INC.	25/26
11	Reappointment Candidate for Independent Outside Director	Tadashi Yamamoto	Outside Director	20/20
12	Reappointment Candidate for Independent Outside Director	Junko Katada	Outside Director	20/20

Note: Attendance at meetings of the Board of Directors for Tadashi Yamamoto and Junko Katada are for meetings held after their election as Directors on June 19, 2015.

Reference: Policy for selection of Director candidates

Director candidates must have the proper character, knowledge and ethics for this post and must have no health issues that would prevent them from performing their duties.

With regard to internal Directors, the President and CEO requests recommendations for candidates from current Directors of the Board, and reviews the recommendations. Candidates for internal Directors must be those who can steadily promote the medium-long-term growth strategy of the Duskin Group, and make a positive impact on vitalizing our organization. Candidates are selected by the Board of Directors after taking into account the opinions of Audit & Supervisory Board Members and the Outside Directors and Audit & Supervisory Board Members Council.

Candidates for Outside Directors must not be a related party of the Duskin Group and be able to maintain their independence. They must also have the business experience and expertise to perform supervisory and advisory functions for the Board of Directors. In addition, they must be capable of providing beneficial advice from many perspectives to ensure management transparency, soundness and fairness. Outside Director candidates are selected by the Board of Directors after taking into account the opinions of Audit & Supervisory Board Members and the Outside Directors and Audit & Supervisory Board Members Council.

Candidate No. **1****Teruji Yamamura**

Date of birth	January 28, 1957
Type of candidate	Reappointment
Number of shares owned	29,185
Tenure (at the conclusion of this Annual General Shareholders' Meeting)	12 years
Attendance at Board of Directors meetings during FY 2015	26/26 100%

Position Career Summary	Apr. 2009	President & CEO (to the present)
	Apr. 2007	Director Care Service Business Group Rent-All, Home Instead
	June 2004	Director & Assistant General Manager Clean Service Business Group
	Jan. 1982	Joined the Company

Reasons for recommending Teruji Yamamura as a candidate for Director	Since becoming President & CEO in 2009, Mr. Yamamura has implemented reforms to achieve a recovery in consolidated performance and supervised the ONE DUSKIN structural reforms aimed at providing a single point of contact for customers. In addition, Mr. Yamamura has established a global strategy for sustained growth and overseen the development of new businesses. Therefore, Duskin requests a vote in favor of Mr. Yamamura's re-election as a Director.
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Candidate No. 2

Kenichi Miyajima



Date of birth	March 16, 1955
Type of candidate	Reappointment
Number of shares owned	10,500
Tenure (at the conclusion of this Annual General Shareholders' Meeting)	12 years
Attendance at Board of Directors meetings during FY 2015	25/26 96.1%

Position Career Summary	Apr. 2015	Senior Executive Director (to the present) President's Office Mister Donut Business Group and Food Group
	June 2012	Senior Executive Director President's Office, Public Relations Legal Affairs & Corporate Compliance Quality Assurance & Risk Management Product Inspection Center Food Chain Business & Development
	Apr. 2009	Executive Director Clean Service Business Group Care Service Business Group Rent-All, Uniform Service, Health & Beauty, Home Instead, Drink Service, National Account
	June 2004	Director & General Manager, Clean Service Business Group
	May 1990	Joined the Company
Reasons for recommending Kenichi Miyajima as a candidate for Director	Mr. Miyajima was named a Senior Executive Director and General Manager of Mister Donut Business Group in 2014 after positions in the Clean and Care Service Businesses, the head office and the Food Group. Due to Mr. Miyajima's extensive experience with all Duskin operations and strong leadership skills, Duskin requests a vote in favor of Mr. Miyajima's re-election as a Director.	

Candidate No. **3**

Akihisa Tsurumi



Date of birth	September 26, 1953
Type of candidate	Reappointment
Number of shares owned	10,800
Tenure (at the conclusion of this Annual General Shareholders' Meeting)	9 years
Attendance at Board of Directors meetings during FY 2015	26/26 100%

Position Career Summary	Apr. 2016	Senior Executive Director (to the present) Human Resources, General Affairs, Accounting, Corporate Management, Information System Quality Assurance & Risk Management Product Inspection Center, Production & Logistics
	June 2015	Senior Executive Director Human Resources, General Affairs, Accounting, Information System Quality Assurance & Risk Management Product Inspection Center, Production & Logistics
	June 2011	Executive Director Human Resources, General Affairs, Accounting Information System
	June 2007	Director Continuous Process Improvement Manager, Corporate Planning
	Apr. 2005	Joined the Company Manager, Continuous Process Improvement
	Oct. 2002	General Manager, Kyoto Corporate Business Office-3, Sumitomo Mitsui Banking Corporation

Reasons for recommending Akihisa Tsurumi as a candidate for Director

Since his election as a Director in 2007, Mr. Tsurumi has used experience and knowledge from jobs before joining Duskin for the oversight of corporate-level departments. Mr. Tsurumi has played a central role in creating management strategies for improving profitability and returns on capital, such as by enacting personnel system reforms. Therefore, Duskin requests a vote in favor of Mr. Tsurumi's re-election as a Director.

Candidate No. 4

Kazuo Okai



Date of birth	June 29, 1957
Type of candidate	Reappointment
Number of shares owned	16,955
Tenure (at the conclusion of this Annual General Shareholders' Meeting)	8 years
Attendance at Board of Directors meetings during FY 2015	25/26 96.1%

Position
Career Summary

Apr. 2016	Executive Director, Clean & Care Development Group (to the present)
June 2015	Executive Director, General Manager, Clean & Care Development Group
Apr. 2012	Director Research & Development Center General Manager, Clean & Care Business Group
Apr. 2010	Director Corporate Planning, Overseas Business Development New Business Development
June 2008	Director Manager, Overseas Business Development Chairman & CEO, Duskin Hong Kong Co., Ltd.
Apr. 1980	Joined the Company

Reasons for recommending Kazuo Okai as a candidate for Director

Mr. Okai has many years of experience in Duskin's overseas operations and has an extensive network of business relationships. Since becoming a Director, Mr. Okai has used this experience to oversee corporate planning, overseas operations, the Clean & Care Business Group and other operations. Starting in 2012, he supervised structural reforms in the Clean & Care Business Group. Therefore, Duskin requests a vote in favor of Mr. Okai's re-election as a Director.

Candidate No. **5**

Junichi Narahara



Date of birth	February 20, 1958
Type of candidate	Reappointment
Number of shares owned	8,700
Tenure (at the conclusion of this Annual General Shareholders' Meeting)	7 years
Attendance at Board of Directors meetings during FY 2015	25/26 96.1%

Position Career Summary	Apr. 2016	Director, Clean & Care Sales Group (to the present)
	Apr. 2015	Director, General Manager, Clean & Care Sales Group
	Mar. 2014	Director, Western Japan, Clean & Care Group
	June 2009	Director & General Manager, Mister Donut Business Group
	Oct. 1982	Joined the Company

Reasons for recommending Junichi Narahara as a candidate for Director

Mr. Narahara has been involved for many years in the growth of Mister Donut Business Group and has been overseeing sales in the Clean & Care Businesses since 2014. He is supervising measures to energize the frontline sales organization and direct selling organization. Therefore, Duskin requests a vote in favor of Mr. Narahara's re-election as a Director.

Candidate No. **6**

Osaharu Fujii



Date of birth	September 25, 1958
Type of candidate	Reappointment
Number of shares owned	6,700
Tenure (at the conclusion of this Annual General Shareholders' Meeting)	3 years
Attendance at Board of Directors meetings during FY 2015	26/26 100%

Position
Career Summary

Apr. 2016	Director, Public Relations, Legal Affairs & Corporate Compliance, International, New Business Development (to the present)
Mar. 2014	Director, Corporate Planning, Corporate Management Public Relations, Legal Affairs & Corporate Compliance International, New Business Development
June 2013	Director, Corporate Planning, Overseas Business Development New Business Development Manager, Corporate Management Chairman & CEO, Duskin Hong Kong Co., Ltd.
Apr. 2010	Joined the Company Manager, New Business Development
Apr. 2008	General Manager, Osaka-Nishi Corporate Business Office Sumitomo Mitsui Banking Corporation

Reasons for recommending
Osaharu Fujii as a candidate
for Director

Mr. Fujii has been involved with new business development since joining Duskin in 2010. After becoming a Director in 2013, he has used experience from prior jobs to oversee corporate-level departments. As he is expected to play a central role in M&A activity due to experience with implementing M&A strategies, Duskin requests a vote in favor of Mr. Fujii's re-election as a Director.

Candidate No. 7

Kazushi Sumimoto



Date of birth	November 29, 1960
Type of candidate	Reappointment
Number of shares owned	3,685
Tenure (at the conclusion of this Annual General Shareholders' Meeting)	2 years
Attendance at Board of Directors meetings during FY 2015	25/26 96.1%

Position Career Summary	May 2016	Director, Corporate Management, Life Care Development Group, Rent-All, Uniform Service, Health & Beauty (to the present)
	June 2015	Director, Rent-All, Uniform Service, Health & Beauty General Manager, Life Care Development Group
	June 2014	Director, Home Instead Division Manager, Rent-All
	Apr. 1983	Joined the Company

Reasons for recommending Kazushi Sumimoto as a candidate for Director

Mr. Sumimoto was assigned to Clean & Care Business Group and then moved to Rent-All in 2012 where he has made a big contribution to the growth of this business. As the Director for businesses involving seniors, he is expected to continue contributing to the growth of corporate value mainly by formulating business strategies and strengthening the foundation for business operations. Therefore, Duskin requests a vote in favor of Mr. Sumimoto's re-election as a Director.

Candidate No. **8**

Hideyuki Naito



Date of birth	December 3, 1961
Type of candidate	New Candidate
Number of shares owned	5,271
Tenure (at the conclusion of this Annual General Shareholders' Meeting)	-
Attendance at Board of Directors meetings during FY 2015	-

Position Career Summary	Apr. 2012	Manager, Accounting (to the present)
	Nov. 2007	Manager, Auditing
	Aug. 1995	Section Chief, Business Analysis, Café Du Monde
	Apr. 1982	Joined the Company

Reasons for recommending Hideyuki Naito as a candidate for Director

Mr. Naito was involved with operations and accounting and finance in several business units and then became Manager of the Audit Department and the Accounting Department. He has many years of experience with financial statement accounting, internal controls, equity-related measures and other activities. Due to his ability to help achieve management, financial and other strategic goals, Duskin requests a vote in favor of Mr. Naito's election as a new Director.

Candidate No. **9**

Taku Suzuki



Date of birth	October 8, 1965
Type of candidate	New Candidate
Number of shares owned	2,636
Tenure (at the conclusion of this Annual General Shareholders' Meeting)	-
Attendance at Board of Directors meetings during FY 2015	-

Position Career Summary	May 2012	General Manager, Production & Logistics Group (to the present)
	Oct. 2009	Regional Manager, Shikoku Area, Clean Service Business Group
	June 2007	President & CEO, Duskin Product Tohoku Co., Ltd.
	May 2003	Manager, Development, Health & Beauty Company
	Apr. 1989	Joined the Company

Reasons for recommending Taku Suzuki as a candidate for Director

Mr. Suzuki was involved with new business development, plant operations and other activities associated with the Clean & Care Business Group and in 2012 was appointed General Manager of the Production & Logistics Group. He has enacted production reforms by using innovative ideas not limited by conventional thinking. Due to his ability to contribute to growth in corporate value, Duskin requests a vote in favor of Mr. Suzuki's election as a new Director.

Candidate No. **10**

Yukiko Yabu



Date of birth	June 23, 1958
Type of candidate	Reappointment Candidate for Independent Outside Director
Number of shares owned	900
Tenure (at the conclusion of this Annual General Shareholders' Meeting)	2 years
Attendance at Board of Directors meetings during FY 2015	25/26 96.1%

Position Career Summary	June 2014	Director (to the present)
	Mar. 2014	Resigned from Panasonic Corporation
	Apr. 2013	Director of Consumer Research & Group Manager of Global Marketing Planning Center Appliances Company, Panasonic Corporation
	Jan. 2011	Director of Global Consumer Research Center Corporate Brand Strategy Division, Panasonic Corporation
	Apr. 2006	Director of Lifestyle Value Research Laboratory, R&D Division, Appliances Company, Panasonic Corporation
	Apr. 1981	Joined Panasonic Corporation

Significant Concurrent Positions Outside Director, TAKARA HOLDINGS, INC.

Reasons for recommending
Yukiko Yabu as a candidate
for Director

Ms. Yabu has experience in management decision making processes through director positions at Panasonic Corporation and its in-house companies. She also has a great deal of experience in planning and development for the home appliance sector, and expertise in market research, analysis and marketing in related areas. Since becoming a Duskin Outside Director in June 2014, Ms. Yabu has improved the effectiveness of the board by providing advice and supervision regarding management from an objective standpoint independent of the executives who conduct Duskin's business operations. Since these contributions of Ms. Yabu are expected to enhance corporate governance, Duskin requests a vote in favor of her re-election as an Outside Director.

Candidate No. **11**

Tadashi Yamamoto



Date of birth	November 14 , 1952
Type of candidate	Reappointment Candidate for Independent Outside Director
Number of shares owned	-
Tenure (at the conclusion of this Annual General Shareholders' Meeting)	1 year
Attendance at Board of Directors meetings during FY 2015	20/20 100%

Position Career Summary	June 2015	Director (to the present)
	June 2014	Resigned from the position of Audit & Supervisory Board Member, Wacoal Corp.
	June 2012	Audit & Supervisory Board Member Wacoal Corp. Resigned from the position of Director Wacoal Holdings Corp.
	Mar. 2012	Resigned from the position of Director, Wacoal Corp.
	Apr. 2008	Director, Wacoal Holdings Corp. Senior Managing Corporate Officer General Manager, International Operations Wacoal Corp.
	June 2006	Director, Wacoal Holdings Corp. Managing Corporate Officer General Manager, Human Resource & Administration Wacoal Corp.
	Apr. 1976	Joined Wacoal Corp.

Reasons for recommending Tadashi Yamamoto as a candidate for Director

Mr. Yamamoto has a great deal of experience and knowledge in corporate management as a Director and Senior Managing Corporate Officer at Wacoal Corporation. In addition, he has considerable expertise concerning human resource planning, international operations and other fields. Since becoming a Duskin Outside Director in June 2015, Mr. Yamamoto has improved the effectiveness of the board by providing advice and supervision regarding management from an objective standpoint independent of the executives who conduct Duskin's business operations. Since these contributions of Mr. Yamamoto are expected to enhance corporate governance, Duskin requests a vote in favor of his re-election as an Outside Director.

Candidate No. **12**

Junko Katada



Date of birth	February 21, 1963
Type of candidate	Reappointment Candidate for Independent Outside Director
Number of shares owned	100
Tenure (at the conclusion of this Annual General Shareholders' Meeting)	1 year
Attendance at Board of Directors meetings during FY 2015	20/20 100%

Position Career Summary	June 2015	Director (to the present)
	June 2015	Resigned from the position of Auditor, Osaka Izumi Consumers' Co-Operative Union
	June 2007	Auditor, Osaka Izumi Consumers' Co-Operative Union

Reasons for recommending Junko Katada as a candidate for Director	Ms. Katada has a thorough knowledge of consumer issues. Since becoming a Duskin Outside Director in June 2015, she has improved the effectiveness of the board by providing advice and supervision regarding management from an objective standpoint independent of the executives who conduct Duskin's business operations. Since these contributions of Ms. Katada are expected to enhance corporate governance, Duskin requests a vote in favor of her re-election as an Outside Director. Although she has not been involved in corporate management, Duskin believes that Ms. Katada is capable of fulfilling her duties as an Outside Director.
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Notes:

1. The nominees have no special interests in Duskin.
2. Duskin stock held by Mr. Hideyuki Naito and Mr. Taku Suzuki includes stock effectively owned by these individuals that is registered to the Duskin Employee Stock Ownership Plan.
3. Duskin has designated Ms. Yukiko Yabu, Mr. Tadashi Yamamoto and Ms. Junko Katada as Independent Directors in accordance with regulations of the Tokyo Stock Exchange. If these Director candidates are re-elected, Duskin plans to again designate all three as Independent Directors.
4. Duskin has contracts with Ms. Yukiko Yabu, Mr. Tadashi Yamamoto and Ms. Junko Katada 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 individuals are elected as Outside Directors, Duskin plans to extend these contracts.
5. The number of meetings of the Board of Directors that Mr. Tadashi Yamamoto and Ms. Junko Katada attended is for meetings that were held after their election as Directors on June 19, 2015.

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

The terms of office of Audit & Supervisory Board Members, Kazuaki Okamoto, Yasuto Shigeyoshi, Nanako Aono and Akira Matsumoto expire at the close of this Annual General Meeting of Shareholders. This proposal for the election of four (4) Audit & Supervisory Board Members has received the consent of the Audit & Supervisory Board.

Candidate No.	Name		Titles and Responsibilities (significant concurrent positions)	Number of Board of Directors meeting & Audit & Supervisory Board meetings attended
1	Reappointment	Yasuto Shigeyoshi	Audit & Supervisory Board Member	BOD: 26/26 ASB: 14/14
2	New Candidate	Takashi Yoshida	Senior Advisory Staff President's Office	-
3	New Candidate for Independent Outside Audit & Supervisory Board Member	Sachiko Kawanishi	Certified Public Accountant Senior Managing Director, Internet Disclosure Co., Ltd.	-
4	New Candidate for Independent Outside Audit & Supervisory Board Member	Kyoichiro Arakawa	Certified Public Accountant Director MIT Corporate Advisory Services Co., Ltd. Executive Officer Oak Co., Ltd. Outside Audit & Supervisory Board Member Mishima Corporation	-

Reference: Policy for selection of Audit & Supervisory Board Member candidates

Audit & Supervisory Board Member candidates must have the proper character, knowledge and ethics for this post and must have no health issues that would prevent them from performing their duties.

The roles of Audit & Supervisory Board Members are properly auditing the performance of Directors (business audits (compliance audits) and accounting audits) and establishing a sound corporate governance framework. Therefore, internal Audit & Supervisory Board Member candidates must have the knowledge and skills needed to maintain independence from people who conduct business operations and perform their duties with integrity. These candidates must also have a profound knowledge of the Company's business operations and the ability to reach decisions about management from an objective and neutral standpoint. Selections of candidates reflect the opinions and advice of Audit & Supervisory Board Members and the Council of Outside Directors and Audit & Supervisory Board Members and are determined by resolutions of the Board of Directors after obtaining the consent of the Audit & Supervisory Board. Furthermore, the policy is to have at least one Audit & Supervisory Board Member candidate who has substantial knowledge about finance and accounting.

Candidates for Outside Audit & Supervisory Board Member must not be a related party of the Duskin Group, be able to maintain their independence, and have extensive knowledge and experience about legal matters, accounting, internal controls, corporate reorganizations and other fields that are needed to oversee and advise the Board of Directors. Selections of candidates reflect the opinions and advice of Audit & Supervisory Board Members and the Council of Outside Directors and Audit & Supervisory Board Members and are determined by resolutions of the Board of Directors after obtaining the consent of the Audit & Supervisory Board.

Candidate No. **1****Yasuto Shigeyoshi**

Date of birth	November 27, 1957
Type of candidate	Reappointment
Number of shares owned	5,200
Tenure (at the conclusion of this Annual General Shareholders' Meeting)	4 years
Attendance at the Board of Directors meeting during FY 2015	26/26 100%
Attendance at the Audit & Supervisory Board meeting during FY 2015	14/14 100%

Position Career Summary	June 2012	Audit & Supervisory Board Member (to the present)
	Nov. 2007	Manager, Accounting
	Dec. 2003	Manager, Auditing
	Apr. 1978	Joined the Company

Reasons for recommending Yasuto Shigeyoshi as a candidate for Audit & Supervisory Board Member	Mr. Shigeyoshi has been involved with accounting and finance since joining Duskin, including positions as Manager of the Audit Department and the Accounting Department. Due to this experience, he has considerable expertise about finance and accounting. Since 2012, he has been participating in management as an Audit & Supervisory Board Member. Due to Mr. Shigeyoshi's ability to properly audit the performance of Directors and help build a sound corporate governance system, Duskin requests a vote in favor of his re-election as a Member of the Audit & Supervisory Board.
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Candidate No. 2

Takashi Yoshida



Date of birth	November 25, 1961
Type of candidate	New Candidate
Number of shares owned	2,689
Tenure (at the conclusion of this Annual General Shareholders' Meeting)	-
Attendance at the Board of Directors meeting during FY 2015	-

Position Career Summary	Apr. 2016	Senior Advisory Staff, President's Office (to the present)
	June 2008	Manager, Legal Affairs and Corporate Compliance
	Apr. 2006	Section Chief, Legal Affairs, Legal Affairs and Corporate Compliance
	Apr. 1985	Joined the Company

Reasons for recommending Takashi Yoshida as a candidate for Audit & Supervisory Board Member	Mr. Yoshida was assigned to Clean & Care Business Group and has been assigned to Legal Affairs and Corporate Compliance since 2003. He has much experience and knowledge and many accomplishments involving legal issues associated with business activities, establishing compliance systems, secretariat tasks for shareholder meetings and the Board of Directors, and other activities. Therefore, Duskin requests a vote in favor of his election as a new Member of the Audit & Supervisory Board.
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Candidate No. **3**

Sachiko Kawanishi



Date of birth	January 22, 1959
Type of candidate	New Candidate for Independent Outside Audit & Supervisory Board Member
Number of shares owned	-
Tenure (at the conclusion of this Annual General Shareholders' Meeting)	-
Attendance at the Board of Directors meeting during FY 2015	-

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

Significant Concurrent Positions	Senior Managing Director, Internet Disclosure Co., Ltd.
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Reasons for recommending Sachiko Kawanishi as a candidate for Audit & Supervisory Board Member	Ms. Kawanishi worked in a private sector and then joined Tohmatsu Awoki & Sanwa in 1988. She has much expertise and experience as a certified public accountant. In addition, she has experience and accomplishments as a corporate executive following her establishment of Internet Disclosure, Co., Ltd. in 2000. Duskin believes she can use her experience and expertise involving finance and accounting as a certified public accountant to provide valuable advice from an independent and objective standpoint. She can also help create investor and shareholder relations strategies that can contribute to the sustained growth of business operations and corporate value. Therefore, Duskin requests a vote in favor of her election as a new Outside Member of the Audit & Supervisory Board.
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Candidate No. 4

Kyoichiro Arakawa



Date of birth	February 23, 1970
Type of candidate	New Candidate for Independent Outside Audit & Supervisory Board Member
Number of shares owned	-
Tenure (at the conclusion of this Annual General Shareholders' Meeting)	-
Attendance at the Board of Directors meeting during FY 2015	-

Position Career Summary	Sep. 2007	Director, MIT Corporate Advisory Services, Co., Ltd. (to the present)
	July 1997	Joined KPMG Century Audit Corporation (current KPMG AZSA LLC)
	Apr. 1997	Registered as Certified Public Accountant
	Oct. 1992	Joined Showa Ota & Co. (current Ernst & Young ShinNihon LLC)

Significant Concurrent Positions	Director, MIT Corporate Advisory Services Co., Ltd. Executive Officer, Oak Co., Ltd. Outside Audit & Supervisory Board Member, Mishima Corporation.
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Reasons for recommending Kyoichiro Arakawa as a candidate for Audit & Supervisory Board Director	Mr. Arakawa joined Showa Ota & Co. in 1992 and moved to KPMG Century in 1997. When assigned to the KPMG Century Beijing Office for three years starting in 2004, he gained an understanding of the Chinese legal system, accounting practices, business climate and culture and established many personal relationships. He was elected a director of MIT Corporate Advisory Services in 2007, where he gained experience and had accomplishments as a corporate manager. Mr. Arakawa has much experience and knowledge about finance and accounting as a certified public accountant. Duskin believes he can provide valuable advice from an independent and objective standpoint as well as help create M&A and other corporate reorganization strategies that can contribute to the sustained growth of business operations and corporate value. Therefore, Duskin requests a vote in favor of his election as a new Outside Member of the Audit & Supervisory Board.
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Notes:

1. The nominees have no special interests in Duskin.
2. Duskin stock held by Mr. Takashi Yoshida includes stock effectively owned by this individual that is registered to the Duskin Employee Stock Ownership Plan.
3. If the proposal approved without amendment, Duskin plans to designate Ms. Sachiko Kawanishi and Mr. Kyoichiro Arakawa as independent directors in accordance with regulations of the Tokyo Stock Exchange.
4. Duskin has contracts with Outside Audit & Supervisory Board Members that limit their liability as provided in Article 423, Paragraph 1 of the Companies Act within the amount prescribed by laws or ordinances. If the proposal approved without amendment, Duskin plans to conclude such contracts with Ms. Sachiko Kawanishi and Mr. Kyoichiro Arakawa.

Reference: Standards for independence of Outside Directors and Audit & Supervisory Board Members

The independence of an Outside Director or Outside Audit & Supervisory Board Member requires that none of the following items is applicable to these individuals. These standards are based on the independence standards of the Securities Listing Regulations Enforcement Rules of the Tokyo Stock Exchange and also include standards established by Duskin.

To determine if an Outside Director or Outside Audit & Supervisory Board Member is independent, Duskin confirms that none of the following standards 1 through 9 are applicable, while referring to Duskin Standards for Independence of Outside Directors and Audit & Supervisory Board Members. Then, the Board of Directors holds discussions that include consideration of the opinions and advice of Audit & Supervisory Board Members and the Outside Directors and Audit & Supervisory Board Members Council, in order to select Outside Director and Outside Audit & Supervisory Board Member candidates.

1. A Director (except an Outside Director of Duskin), Audit & Supervisory Board Member (except an Outside Audit & Supervisory Board Member of Duskin) or employee of a Duskin Group* company
* The Duskin Group is Duskin and subsidiaries of Duskin.
2. A major shareholder* of Duskin or a Director, Audit & Supervisory Board Member or employee of a company or other organization that is a major shareholder of Duskin
* An individual, company or other entity that owns at least 10% of Duskin's voting rights
3. A Director, Audit & Supervisory Board Member or employee of a company with a major business relationship* with the Duskin Group
* A company where, in the most recent fiscal year, amounts paid to or received from the Duskin Group for business transactions are more than the larger of 3% of the consolidated sales of the Duskin Group or the company (including the parent company and subsidiaries) or ¥1 billion
4. An individual that has received substantial donations* from the Duskin Group or a Director, Audit & Supervisory Board Member or employee of a company or other organization that has received such donations
* Substantial donations are cash and other items with a value of the larger of 1% of consolidated sales of the Duskin Group in the most recent fiscal year or ¥100 million.
5. An attorney, accountant, consultant who has received substantial payments* or other items of value (or an individual belonging to a company or other organization that has received these payments) other than Director or Audit & Supervisory Board Member compensation from the Duskin Group
* A payment of cash or other items with a value of the larger of 1% of consolidated sales of the Duskin Group in the most recent fiscal year or ¥100 million
6. An individual who was ever in any position described in the above items 1 and 2
7. An individual was within the past three years in any position described in the above items 3 through 5
8. Spouses and first or second-degree relatives of individuals described in the above items 1 through 7
9. Individuals who have been a Duskin Outside Director for five years or a Duskin Outside Audit & Supervisory Board Member for eight years
10. Individuals with any other reasons for doubt about independence concerning the performance of duties as a Duskin Outside Director or Outside Audit & Supervisory Board Member

Consolidated Financial Statements

Consolidated Balance Sheets

(millions of yen)

Account	FY2015 as of Mar. 31, 2016	FY2014 as of Mar. 31, 2015	Account	FY2015 as of Mar. 31, 2016	FY2014 as of Mar. 31, 2015
Assets			Liabilities		
Current assets	63,260	67,727	Current liabilities	31,929	34,026
Cash and deposits	19,006	20,817	Notes and accounts payable-trade	7,353	6,915
Notes & account receivables-trade	10,109	10,201	Current portion of long-term loans payable	9	30
Lease investment assets	1,460	1,549	Income taxes payable	413	1,392
Securities	19,528	21,564	Provision for bonuses	2,876	3,270
Merchandise and finished goods	7,590	8,104	Asset retirement obligations	8	5
Work in process	174	158	Accounts payable-other	7,057	6,957
Raw materials and supplies	1,432	1,292	Guarantee deposit received for rental products	9,657	9,887
Deferred tax assets	1,473	1,801	Other	4,552	5,567
Other	2,524	2,270	Noncurrent liabilities	14,744	9,253
Allowance for doubtful accounts	-39	-33	Long-term loans payable	10	20
Noncurrent assets	127,062	130,748	Net defined benefit liability	13,286	7,839
Property, plant and equipment	52,733	52,960	Asset retirement obligations	643	577
Buildings and structures	18,902	17,853	Long-term guarantee deposited	728	732
Machinery, equipment and vehicles	6,520	6,524	Long-term accounts payable-other	74	82
Land	23,588	24,192	Other	0	0
Construction in progress	324	1,067	Total liabilities	46,673	43,279
Other	3,397	3,322	Net Assets		
Intangible assets	7,569	8,156	Shareholders' equity	138,255	148,139
Goodwill	305	425	Capital stock	11,352	11,352
Other	7,263	7,731	Capital surplus	10,835	10,841
Investment and other assets	66,758	69,630	Retained earnings	119,910	131,115
Investment securities	56,608	59,417	Treasury stock	-3,843	-5,170
Long-term loans receivable	8	10	Accumulated other comprehensive income	4,472	5,899
Deferred tax assets	2,283	2,383	Valuation difference on available-for-sale securities	8,462	5,944
Guarantee deposits	6,408	6,479	Deferred gains or losses on hedges	-18	—
Other	1,596	1,532	Foreign currency translation adjustment	-37	32
Allowance for doubtful accounts	-147	-193	Remeasurements of defined retirement plans	-3,934	-78
			Non-controlling interests	920	1,157
Total Assets	190,322	198,475	Total Net Assets	143,648	155,196
			Total Liabilities and Net Assets	190,322	198,475

Note: All financial figures are rounded down to million yen.

Consolidated Statements of Income

(millions of yen)

Account	FY2015	FY2014
	Apr. 1, 2015 - Mar. 31, 2016	Apr. 1, 2014 - Mar. 31, 2015
Net sales	165,203	167,987
Cost of sales	94,740	98,165
Gross profit	70,462	69,821
Selling, general and administrative expenses	65,090	64,753
Operating income	5,372	5,067
Non-operating income	1,785	2,217
Interest income	571	937
Dividend income	293	252
Rent income on facilities	95	96
Commission fee	215	193
Share of profit of entities accounted for using equity method	126	—
Gain on transfer of goodwill	—	9
Gain on redemption of investment securities	—	300
Miscellaneous income	483	428
Non-operating expenses	449	201
Interest expenses	0	1
Foreign exchange losses	53	—
Share of loss of entities accounted for using equity method	—	6
Compensation expenses	219	63
Loss on cancellation of leasehold contracts	0	22
Commission for purchase of treasury shares	44	3
Miscellaneous loss	132	105
Ordinary income	6,707	7,083
Extraordinary income	629	126
Gain on sales of noncurrent assets	4	11
Gain on sales of investment securities	559	108
Gains on bargain purchase	50	—
Other	14	6
Extraordinary loss	1,682	349
Loss on sales of noncurrent assets	12	7
Loss on abandonment of noncurrent assets	308	223
Impairment loss	1,165	88
Loss on liquidation of subsidiaries and associates	115	—
Amortization of Goodwill	79	—
Other	1	28
Profit before income taxes	5,655	6,860
Income taxes-current	1,645	2,716
Income taxes-deferred	1,215	754
Profit	2,794	3,389
Loss attributable to non-controlling interests	-188	-51
Profit attributable to owners of parent	2,983	3,441

Note: All financial figures are rounded down to million yen.

Consolidated Statements of Changes in Net Assets
(April 1, 2015 – March 31, 2016)

(millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	11,352	10,841	131,115	-5,170	148,139
Cumulative effects of changes in accounting policies		-6	-32		-39
Restated balance	11,352	10,834	131,082	-5,170	148,099
Changes of items during the period					
Dividends of surplus			-2,321		-2,321
Profit attributable to owners of parent			2,983		2,983
Purchase of treasury shares				-10,506	-10,506
Disposal of treasury shares			-11,833	11,833	—
Changes in equity of the parent company related to transactions with non- controlling shareholder		0			0
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	0	-11,172	1,326	-9,844
Balance at end of current period	11,352	10,835	119,910	-3,843	138,255

	Accumulated other comprehensive income					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 the beginning of current period	5,944	—	32	-78	5,899	1,157	155,196
Cumulative effects of changes in accounting policies							-39
Restated balance	5,944	—	32	-78	5,899	1,157	155,156
Changes of items during the period							
Dividends of surplus							-2,321
Profit attributable to owners of parent							2,983
Purchase of treasury shares							-10,506
Disposal of treasury shares							—
Changes in equity of the parent company related to transactions with non- controlling shareholder							0
Net changes of items other than shareholders' equity	2,517	-18	-70	-3,855	-1,427	-236	-1,663
Total changes of items during the period	2,517	-18	-70	-3,855	-1,427	-236	-11,508
Balance at end of current period	8,462	-18	-37	-3,934	4,472	920	143,648

Note: All financial figures are rounded down to million yen.

Non-Consolidated Financial Statements

Balance Sheets

(millions of yen)

Account	FY2015 as of Mar. 31, 2016	FY2014 as of Mar. 31, 2015	Account	FY2015 as of Mar. 31, 2016	FY2014 as of Mar. 31, 2015
Assets			Liabilities		
Current assets	50,004	53,201	Current liabilities	39,399	40,991
Cash and deposits	12,912	13,273	Accounts payable-trade	6,836	6,471
Notes receivable-trade	8	8	Accounts payable-other	5,796	5,594
Accounts receivable-trade	7,863	8,161	Accrued expenses	918	963
Securities	19,528	21,564	Income taxes payable	38	987
Merchandise and finished goods	5,633	6,290	Deposits received	12,690	12,578
Work in process	2	1	Guarantee deposits received for rental products	10,298	10,475
Raw materials and supplies	800	719	Provision for bonuses	2,023	2,428
Prepaid expenses	453	418	Asset retirement obligations	8	-
Deferred tax assets	995	1,289	Other	788	1,491
Short-term loans receivable	3	5	Noncurrent liabilities	10,173	8,139
Short-term loans receivable from subsidiaries and associates	101	96	Provision for retirement benefits	5,630	5,596
Other	1,719	1,392	Asset retirement obligations	562	492
Allowance for doubtful accounts	-19	-20	Long-term guarantee deposited	758	753
Noncurrent assets	125,147	130,000	Long-term deposits received	3,050	1,270
Property, plant and equipment	41,415	41,363	Long-term accounts payable-other	17	26
Buildings	14,754	13,798	Deferred tax liabilities	154	-
Structures	774	467	Total Liabilities	49,573	49,130
Machinery and equipment	1,046	1,106			
Vehicles	1	4	Net Assets		
Tools, furniture and fixtures	1,946	1,678	Shareholders' equity	117,162	128,160
Fixed assets for rent	79	70	Capital stock	11,352	11,352
Land	22,567	23,298	Capital surplus	1,090	1,090
Construction in progress	244	939	Legal capital surplus	1,090	1,090
Intangible assets	7,164	7,529	Retained earnings	108,562	120,886
Goodwill	67	39	Legal retained earnings	2,777	2,777
Trademark right	3	5	Other retained earnings	105,784	118,109
Software	6,481	5,641	Reserve for business development	869	869
Temporary account for intangible fixed assets	394	1,630	Reserve for reduction entry	32	32
Other	217	211	General reserve	113,800	112,800
Investments and other assets	76,566	81,108	Retained earnings brought forward	-8,916	4,407
Investment securities	55,396	57,942	Treasury stock	-3,843	-5,170
Shares of subsidiaries and associates	13,898	14,617			
Investments in capital	0	0	Valuation and translation adjustments	8,415	5,911
Investments in capital of subsidiaries and associates	330	217			
Long-term loans receivable	6	7	Valuation difference on available-for-sale securities	8,434	5,911
Long-term loans receivable from subsidiaries and associates	752	565			
Long-term prepaid expenses	502	443	Deferred gain or loss on hedge	-18	-
Deferred tax assets	-	1,569			
Guarantee deposits	5,712	5,774	Total Net Assets	125,578	134,071
Other	218	209	Total Liabilities & Net Assets	175,151	183,202
Allowance for doubtful accounts	-251	-239			
Total Assets	175,151	183,202			

Note: All financial figures are rounded down to million yen.

Statements of Income

(millions of yen)

Accounts	FY2015 April 1, 2015- March 31, 2016	FY2014 April 1, 2014- March 31, 2015
Net sales	138,697	141,580
Cost of sales	84,212	87,471
Gross profit	54,484	54,108
Selling, general and administrative expenses	50,891	51,106
Operating income	3,593	3,002
Non-operating income	2,879	3,381
Interest income	35	27
Interest income on securities	530	894
Dividends income	970	889
Rent income on facilities	733	739
Commission fee	281	243
Gain on redemption of investment securities	—	300
Miscellaneous income	327	288
Non-operating expenses	336	217
Interest expenses	27	25
Foreign exchange losses	53	—
Compensation expenses	43	53
Provision of allowance for doubtful accounts	48	37
Loss on cancellation of leasehold contracts	0	22
Commission for purchase of treasury shares	44	3
Miscellaneous loss	118	75
Ordinary income	6,136	6,167
Extraordinary income	564	106
Gain on sales of investment securities	559	101
Other	4	5
Extraordinary loss	2,776	269
Loss on sales of non-current assets	7	6
Loss on abandonment of non-current assets	273	168
Impairment loss	1,076	79
Loss on valuation of shares of subsidiaries and associates	1,419	—
Other	0	15
Income before income taxes	3,924	6,004
Income taxes-current	971	1,994
Income taxes-deferred	1,121	615
Profit	1,831	3,394

Note: All financial figures are rounded down to million yen.

Statements of Changes in Net Assets

(April 1, 2015 – March 31, 2016)

(millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings				Total retained earnings
		Legal capital surplus	Total capital surplus		Other 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	32	112,800	4,407	120,886
Changes of items during the period									
Dividends of surplus								-2,321	-2,321
Profit								1,831	1,831
Purchase of treasury shares									
Disposal of treasury shares								-11,833	-11,833
Reversal of reserve for reduction entry						-0		0	—
Reversal of general reserve							1,000	-1,000	—
Net changes of items other than shareholders' equity									
Total changes of items during the period	—	—	—	—	—	-0	1,000	-13,323	-12,324
Balance at end of current period	11,352	1,090	1,090	2,777	869	32	113,800	-8,916	108,562

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	-5,170	128,160	5,911	—	5,911	134,071
Changes of items during the period						
Dividends of surplus		-2,321				-2,321
Profit		1,831				1,831
Purchase of treasury shares	-10,506	-10,506				-10,506
Disposal of treasury shares	11,833	—				—
Reversal of reserve for reduction entry		—				—
Reversal of general reserve		—				—
Net changes of items other than shareholders' equity			2,522	-18	2,504	2,504
Total changes of items during the period	1,326	-10,997	2,522	-18	2,504	-8,492
Balance at end of current period	-3,843	117,162	8,434	-18	8,415	125,578

Note: All financial figures are rounded down to million yen.