Financial Results Presentation Material

for the Second Quarter of FY2022

（Year Ending March 31, 2023）

Duskin Co., Ltd.

November 22, 2022

Agenda

1.FY2022 2Q Financial Results ・・・P2

2.Performance Review by Business Segment ・・・P7

3. FY2022 Full-Year Forecasts ・・・P15

4.Medium-Term Management Policy 2022 Targets and Initiatives ・・・P17

5. Financial and Capital Policies ・・・P24

Appendix ・・・P28

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Financial Results Summary

1H operating profit vs. forecast +32.5%

- Net sales were higher year-on-year for every segment and mostly in line with the forecast.
- Profits were lower year-on-year but were higher than the forecast.

Full-year forecast remains unchanged

- Taking into account the ongoing raw material price hike in the second half, figures for the second half are expected to be lower than the initial projection. Full-year results, however, are expected to be almost in line with the initial projection, and our full-year forecast remains unchanged.
- We plan to pay out dividends of 81 yen per share (60.7% payout ratio), as announced at the start of the fiscal year.

Progress of the targets set by the Medium-Term Management Policy

- Hygiene-related sales comprise 55% of sales (+12.4 pp)
- Mister Donut shops in operation nationwide: 987 (+14 shops)
- Adoption of RFID electronic tags is proceeding on schedule

Note: The forecasts on this page and subsequent pages are based on the figures

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Financial Highlights (YoY change; comparison with forecast)

Every segment recorded higher sales. Consolidated net sales were higher year-on-year, which was more or less the same as the initial forecast.
Profits were lower year-on-year due to a higher cost ratio and increased expenses.

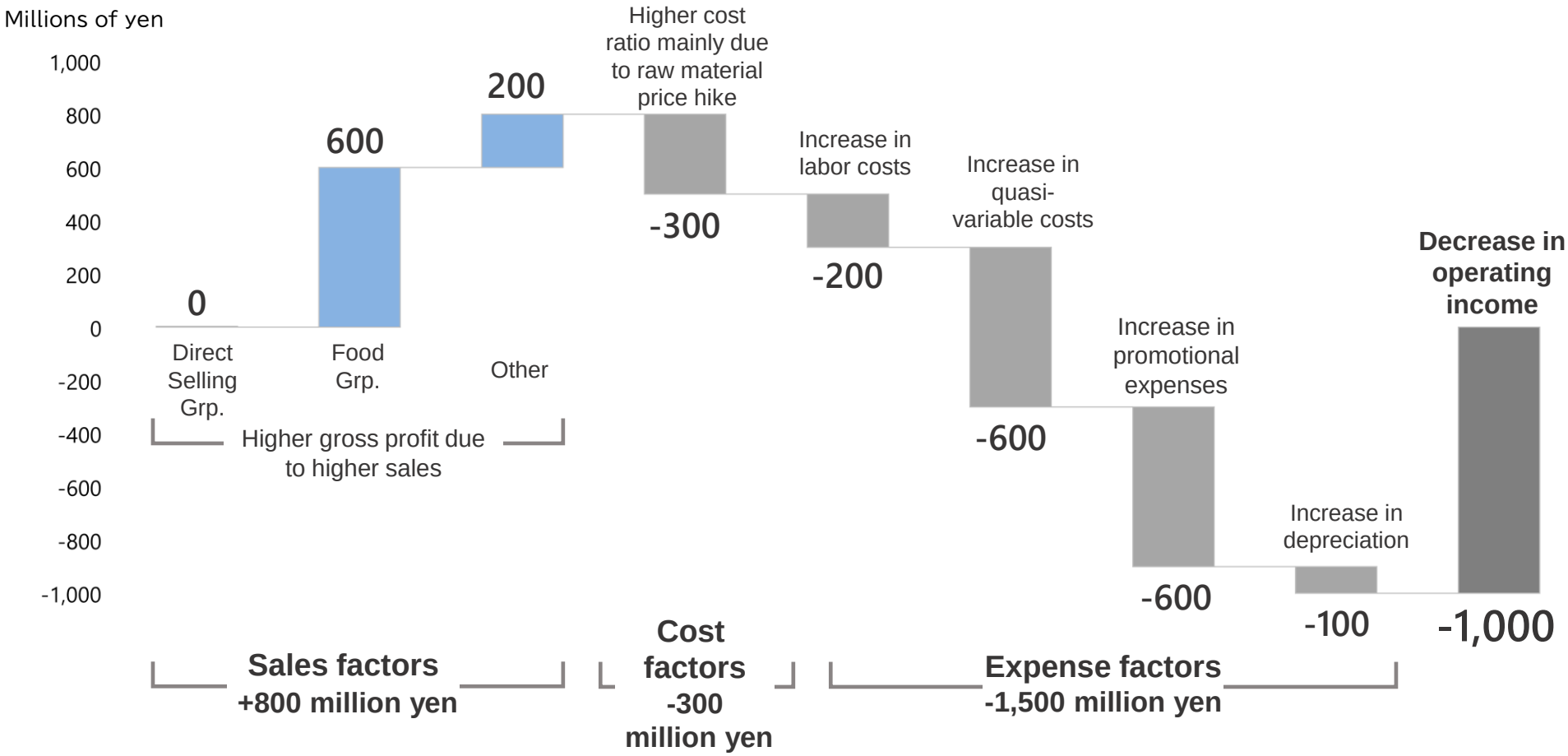
Millions of yen

	1H FY2021		1H FY2022				
	Results	Profit margin	Results	Profit margin	YoY	Forecast	Changes from forecast
Net sales	80,213	—	**81,913**	—	**+1,700 (+2.1%)**	**81,900**	**+13 (+0.0%)**
Operating profit	6,346	7.9%	**5,300**	**6.5%**	**-1,046 (-16.5%)**	**4,000**	**+1,300 (+32.5%)**
Ordinary profit	7,504	9.4%	**6,640**	**8.1%**	**-863 (-11.5%)**	**5,000**	**+1,640 (+32.8%)**
Profit attributable to owners of parent	5,175	6.5%	**4,533**	**5.5%**	**-642 (-12.4%)**	**3,500**	**+1,033 (+29.5%)**
EPS (Yen)	104.46	—	**91.65**	—	**-12.81 (-12.3%)**	**70.80**	**+20.85 (+29.4%)**

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Factors Affecting Operating Profit Results (YoY Comparison)

Sales factors: +800 million yen due to higher gross profits accompanying higher sales
Cost factors: -300 million yen due to a higher cost ratio
Expense factors: -1,500 million yen due to higher expenses

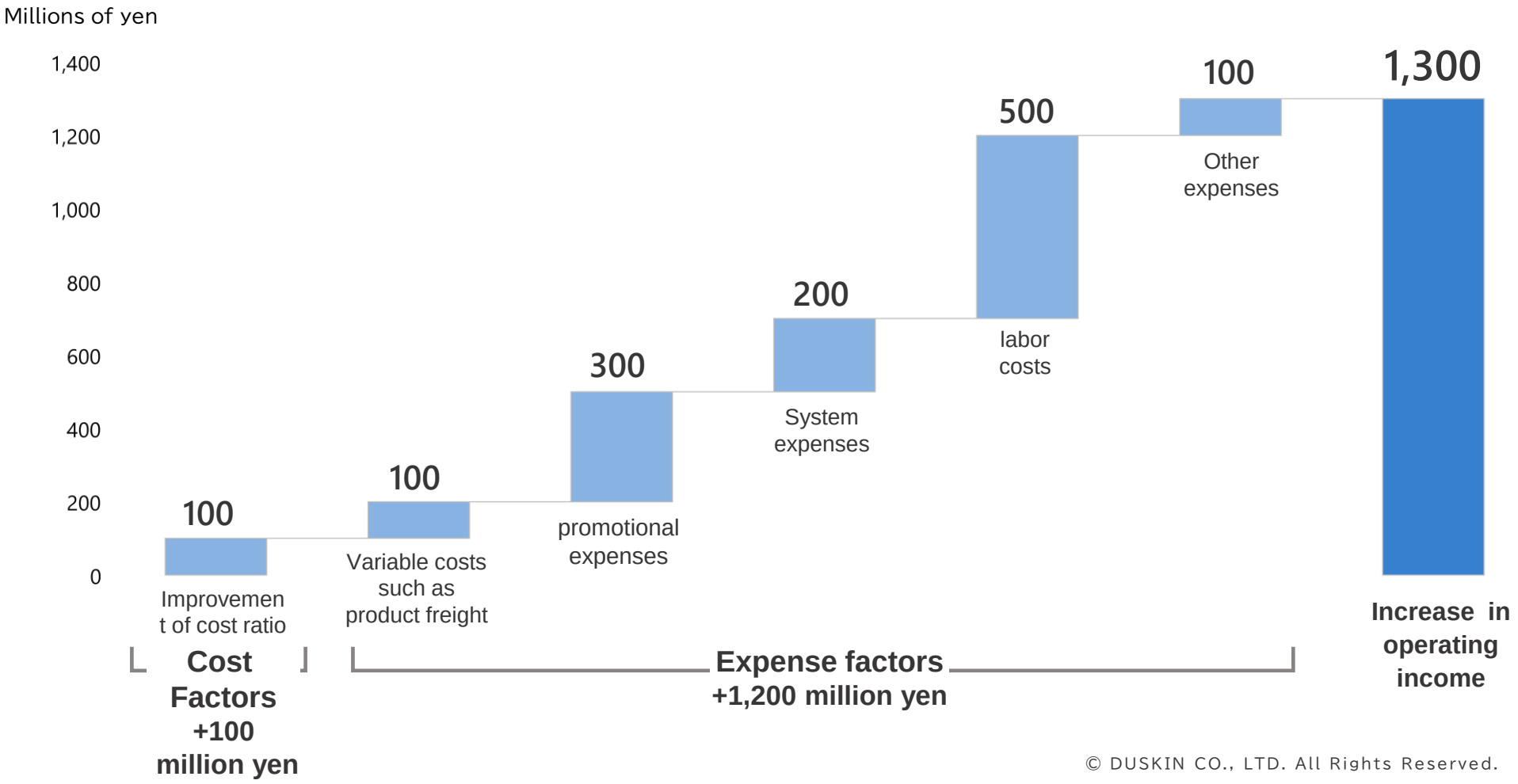


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Operating Profit Results vs. Forecast: Diverging Factors

+100 million yen due to an improved cost ratio thanks to price revisions and a higher ratio of high value-added products sold.

Operating profit was1,300 million yen higher than originally forecasted due to expense-cutting efforts including improved work efficiencies.



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Consolidated Balance Sheet Summary

Current assets: Cash and deposits increased 1,491 million yen; securities decreased 7,807 million yen due to redemption of bonds.
Current liabilities: Income taxes payable, accounts payable and other current liabilities decreased, recording a total decrease of 4,899 million yen.
Net assets: Retained earnings increased 1,879 million yen.

Millions of yen

	FY2021	1H FY2022	YoY change
Current assets	84,102	78,536	-5,566
Non-current assets	113,952	115,646	1,693
Property, plant and equipment	49,474	48,810	-663
Intangible assets	8,146	7,765	-381
Investments and other assets	56,331	59,070	2,738
Total assets	**198,055**	**194,182**	**-3,872**
Current liabilities	38,005	32,153	-5,852
Non-current liabilities	9,023	8,985	-38
Total liabilities	**47,029**	**41,138**	**-5,890**
Net assets	151,026	153,044	2,018
Total liabilities and net assets	**198,055**	**194,182**	**-3,872**

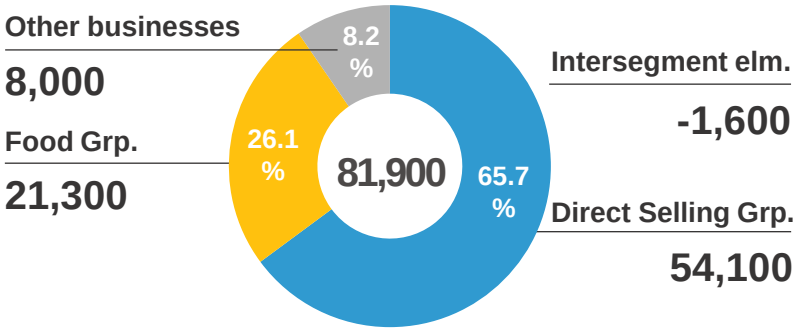
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Overview of Business Segments

1H FY2022 Results by Business Segment

Net sales

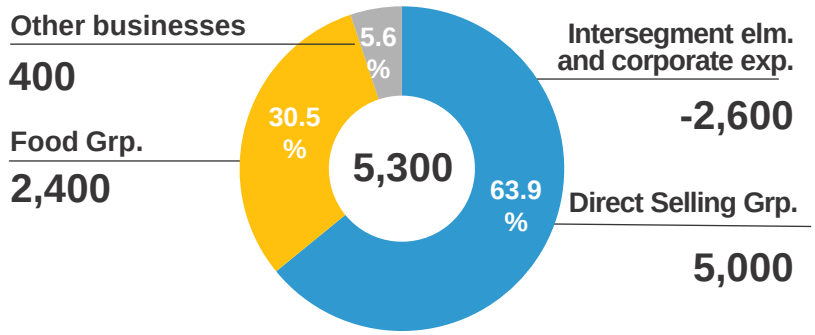
Millions of yen



Note: Net sales amount of each business segment includes intersegment sales. The composition ratio is based on sales to external customers.

Operating profit

Millions of yen



NNote: Operating profit amount of each segment includes intersegment transactions. The composition ratio is calculated excluding intersegment eliminations and corporate expenses..

Direct Selling Group

- **Clean Service**
  Rental and sales of cleaning products
- **Care Service* (5 businesses)**
  Cleaning, helper and technical services
- **Rent-All**
  Rental of special-event and daily-use items
- **Others**
  Senior care, uniform and cosmetics

Food Group

- **Mister Donut**
  Homemade donuts and a variety of menu items
- **Others**
  Katsu & Katsu and Pie Face

Other businesses

- **Overseas business**
  Clean Service and donut businesses
- **Duskin Healthcare**
  Hygiene management for medical institutions
- **Duskin Kyoeki**
  Leasing and insurance agent

*Care Service: ServiceMaster, Merry Maids, Terminix, Total Green and Home Repair

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Business Performance Summary
(YoY change; comparison with forecast)

Net sales increased 6 million yen year-on-year (+0.01%), profits declined 1,384 million (-21.4%).
- Despite the negative impact of the end of Olympic-related orders, Clean Service and senior-care related businesses increased sales.
- Profits decreased due to such factors as expenses for the strategies to cope with Clean Service price revisions and the posting of a certain amount of advertising expenses.

Millions of yen

	1H FY2021		1H FY2022				
	Results	Profit margin	Results	Profit margin	YoY	Forecast	Changes from forecast
Net sales	54,181	—	**54,188**	—	**+6 (+0.01%)**	**54,600**	**-411 (-0.8%)**
Segment profit	6,465	11.9%	**5,081**	**9.4%**	**-1,384 (-21.4%)**	**4,600**	**+481 (+10.5%)**

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Direct Selling Group

Net Sales by Business Segment (YoY Comparison)

Millions of yen

	1H FY2021		1H FY2022		
	Results	Composition ratio	Results	Composition ratio	YoY
Clean Service	39,513	72.9%	**40,020**	**73.9%**	**506(+1.3%)**
Care Service	6,932	12.8%	**6,728**	**12.4%**	**-204(-2.9%)**
Others	7,402	13.7%	**7,105**	**13.1%**	**-296(-4.0%)**
Intersegment sales and Transfers	333	0.6%	**334**	**0.6%**	**1(+0.4%)**

Net sales results

Clean Service

- July price revision of some rental products, one regularly replenished product and one non-rental product increased spending per customer.
- Sales were strong for such residential customer products as the updated version of the Robot Cleaner SiRO and the compact water purifier that attaches directly to the faucet.
- As needs increase for hygiene measures among businesses, our commercial customer business continued to increase sales for high-functional mats endowed with anti-bacterial and anti-viral properties.

Care Service (5 businesses)

- Despite the drop in ServiceMaster sales, which last year benefitted from orders related to the Tokyo Olympics, sales for the other four businesses increased.

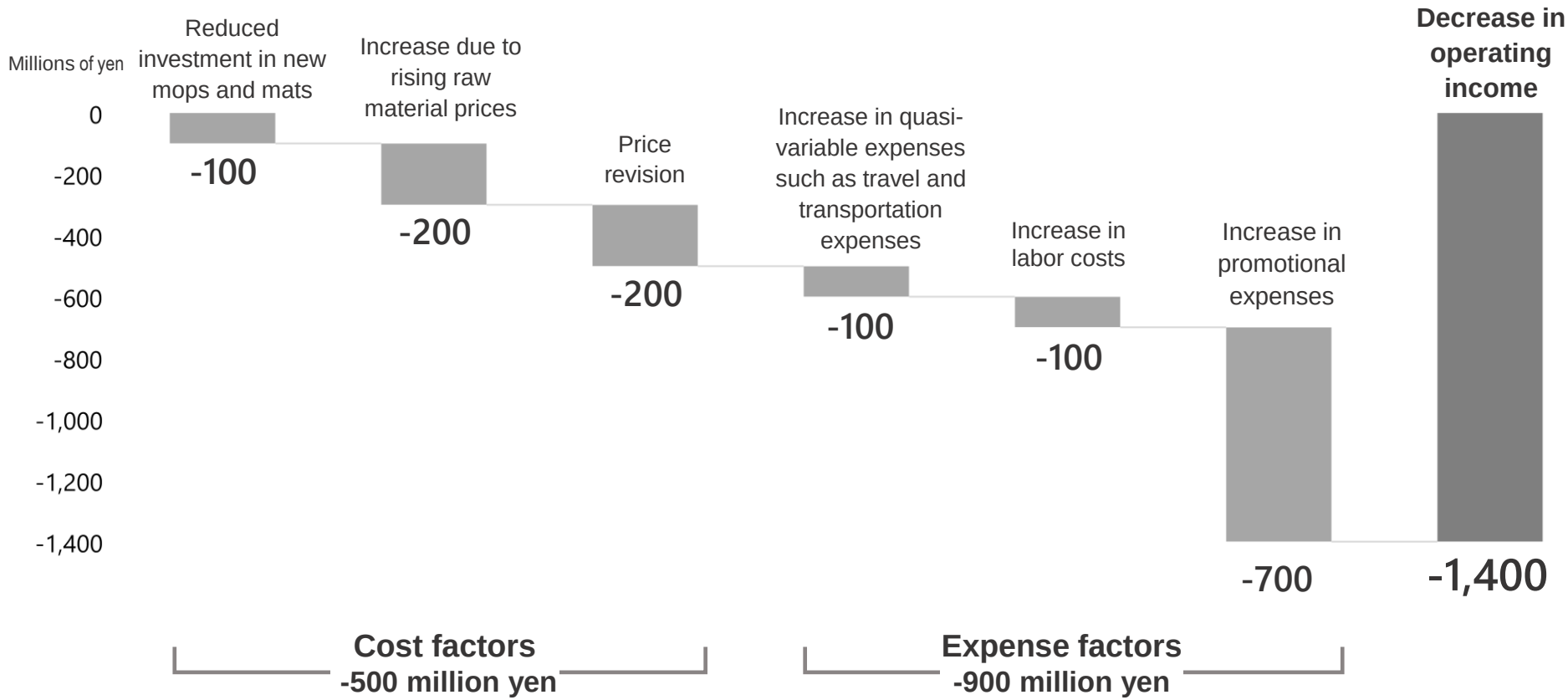
Other Direct Selling businesses

- Sales declined for Rent-All, which last year received large orders for Event Hygiene Services and services related to the Tokyo Olympics. In addition, sales declined for cosmetic-related businesses, but sales increased for Uniform Service, Health Rent and Duskin Life Care.

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Factors Affecting Operating Profit Results

A decline of 500 million yen due to the raw material price hike and actions taken in response to product price revisions (the free distribution of kitchen sponges).
Operating profit declined 1,400 million yen due to such factors as increased semi-variable costs and increased promotional expenses due to aggressive web advertising.



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Food Group

Business Performance Summary
(YoY change; comparison with forecast)

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Net sales increased 1,443 million yen (+7.2%) and profit increased 679 million yen (+38.8%) year-on-year.
- Mister Donut, the Food Group core business, has maintained solid performance even after the price revisions for some products implemented in March (previous fiscal year).
- Katsu & Katsu increased sales, while sales decreased for Pie Face after reducing the number of shops in operation.

Millions of yen

	1H FY2021		1H 2022				
	Results	Profit margin	Results	Profit margin	YoY	Forecast	Changes from forecast
Net sales	19,915	—	**21,359**	—	**+1,443 (+7.2%)**	**21,000**	**+359 (+1.7%)**
Segment profit	1,751	8.8%	**2,431**	**11.4%**	**+679 (+38.8%)**	**1,900**	**+531 (+28.0%)**

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Food Group

Net Sales by Business Segment (YoY Comparison)

Millions of yen

	1H FY2021		1H FY2022		
	Results	Composition ratio	Results	Composition ratio	YoY
Mister Donut	18,403	92.4%	**20,494**	**95.9%**	**2,090 (+11.4%)**
Others	1,505	7.6%	**856**	**4.0%**	**-649 (-43.1%)**
Intersegment sales and Transfers	7	0.0%	**8**	**0.0%**	**1 (+23.5%)**

Net sales results

Mister Donut

- Good response shown for MISDO Meets.
- Both customer number and spending per customer increased year-on-year.
- With the opening of new shops, the number of shops in operation is increasing.

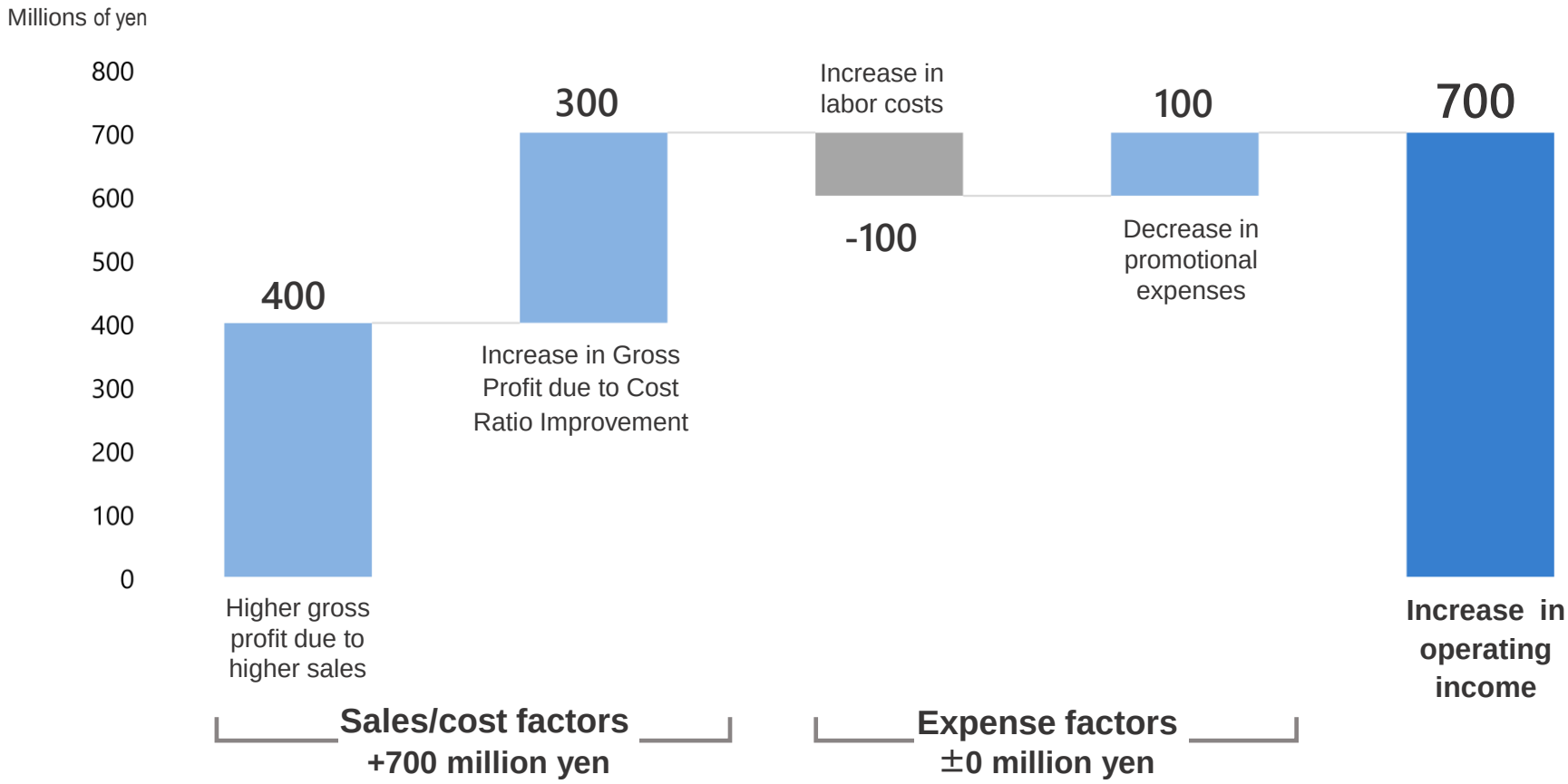
Other food businesses

- Katsu & Katsu increased sales; Pie Face reduced number of shops.
- Sales declined overall due to the transfer last year of all shares of the consolidated subsidiary Hachiya Dairy Products and exit from the ice cream business.

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Factors Affecting Operating Profit Results

Higher gross profit generated by higher net sales and improved cost ratio resulted in an increase of 700 million yen in operating profit.



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Other businesses

Business Performance Summary
(YoY change; comparison with forecast)

Net sales increased 341 million yen (+4.4%) and profit decreased 94 million yen (-17.6%) year-on-year.
- Overseas businesses, whose food businesses were greatly affected last year by the impact of the coronavirus pandemic, are recovering and their sales have increased.
- Profits decreased mainly due to the lower sales of domestic consolidated subsidiaries (Duskin Healthcare and Duskin Kyoeki).

Millions of yen

	1H FY2021		1H FY2022				
	Results	Profit margin	Results	Profit margin	YoY	Forecast	Changes from forecast
Net sales	7,688	—	**8,029**	—	**+341 (+4.4%)**	**7,800**	**+229 (+2.9%)**
Segment profit	538	7.0%	**443**	**5.5%**	**-94 (-17.6%)**	**400**	**+43 (+10.8%)**

Net sales results

Duskin Hong Kong
- Sales increased as a result of an increase in raw material shipments to Mister Donut Taiwan..

Duskin Shanghai
- Sales declined due to the impact of lockdown in Shanghai.

Big Apple
- Sales increased due to recovery from last year's coronavirus pandemic.

Duskin Healthcare
- Sales declined due to the repercussions of last year's boost from Tokyo Olympic-related cleaning service contracts coming to an end.

Duskin Kyoeki
- Sales declined this year mainly due to the repercussions from the large number of lease vehicles replaced last year.

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FY2022 Full-Year Forecasts

Taking into account first-half results and the latest second-half forecast, we have updated some of our initial forecasts for nets sales and operating profit for each segment in the second half. The forecast for full-year net sales and consolidated operating profit remains unchanged.

Millions of yen

	FY2021 actual		FY2022 forecast (as of 5/13/22)		YoY change
	Results	Profit margin	Forecast	Profit margin	
Net sales	163,210	—	**170,000**	**—**	**+6,789 (+4.2%)**
Operating profit	9,899	6.1%	**7,800**	**4.6%**	**-2,099 (-21.2%)**
Ordinary profit	12,215	7.5%	**9,600**	**5.6%**	**-2,615 (-21.4%)**
Profit attributable to owners of parent	8,132	5.0%	**6,600**	**3.9%**	**-1,532 (-18.8%)**
EPS (Yen)	164.71	—	**133.51**	**—**	**-31.2 (-18.9%)**

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Financial Forecast by Segment

Taking into account first-half results and the latest second-half forecast, we have updated some of our initial forecasts for nets sales and operating profit for each segment in the second half. The forecast for full-year net sales and consolidated operating profit remains unchanged.

Millions of yen	FY2022 SH forecast	FY2022 Forecast	FY2021 SH actual	FY2021 YoY
Sales	**88,086**	**170,000**	**82,997**	**+5,089**
Direct SellingGroup	**56,411**	**110,600**	**52,946**	**+3,464**
Food Group	**25,540**	**46,900**	**23,902**	**+1,638**
Other businesses	**7,970**	**16,000**	**7,726**	**+244**
Eliminations/ corporate	**-1,835**	**-3,500**	**-1,578**	**-257**
Operatingincome	**2,499**	**7,800**	**3,552**	**-1,052**
Direct SellingGroup	**2,318**	**7,400**	**4,073**	**-1,755**
Food Group	**2,268**	**4,700**	**1,868**	**+400**
Other businesses	**356**	**800**	**335**	**+21**
Intersegment elm. and corporate exp.	**-2,444**	**-5,100**	**-2,724**	**+280**

【Main reasons for increase/decrease from the previous fiscal year】

1.Direct Selling Group sales

・Increase in sales due to price revisions in Clean Service
・Increase in sales of company-owned offices dedicated to sales visits
・New business location openings in the five Care Service businesses and Health Rent

2. Food Group sales

・Increase in sales due to price revisions in Mister Donut business

3. Direct Selling Group operating profit

・RFID electronic tag installation Raw material price hike

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Medium-Term Management Policy 2022: Targets and Initiatives

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Three Strategic Themes

Theme 1 | Reforming our business portfolios

Reforming our business portfolios to address the changing business climate and solve social issues

- Reforming and expanding existing businesses
  Expanding our areas of business and boosting the value chain by bringing new products and services to market
- Investment in new growth opportunities
  Creating social values by contributing to the resolution of pending social issues

Theme 2 | Establishing a solid foundation

Solidifying our business base to enhance corporate value

- Strengthening human and technology resources; reinforcing management systems for our organization and businesses

Theme 3 | Coexistence with local communities

Actions towards a sustainable society and management

- Contributing to the creation of a sustainable society and strengthening our corporate governance geared to the needs of society

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Medium-Term Management Policy 2022 Initiatives: Direct Selling Group

Theme 1 | Reforming our business portfolios

● Reforming and expanding existing businesses

In line with our goal of helping customers fine-tune the rhythm of their daily lives and working environments, we place highest priority on hygiene and cleanliness while also focusing on work-life management and senior support.

Organizational strategies

・Sales launched nationally for the TuZuKu antibacterial coating mop, available on a rental basis
The one single mop has the following three attributes: superior cleaning, antibacterial/antiviral properties (*2, *3) and antibacterial coating (*1, *2).



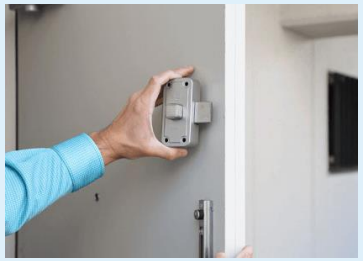
Hygiene product composition ratio:
55% (Target: 55%)

*1: Suitable for floors that can be wiped down with water.
*2: Does not necessarily eliminate all bacteria.
*3: Does not necessarily work against all viruses. (Effectiveness has been verified for one type of enveloped virus.)
Note: Use with ample solvent to eliminate viruses.

・Disaster risk reduction support services launched around the nation
The Direct Selling Group, including Rent-All, works as an integrated unit to provide disaster drill support at normal times and assistance for setup of shelters during times of disaster.

・Our new brand, Duskin Rescue launched on a trial basis in the Kinki region

暮らしの安心駆けつけ
DUSKIN RESCUE



・Campaign launched to raise awareness among people about how parents and their children should prepare for issues related to aging

Health Rent
ヘルスレント



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Medium-Term Management Policy 2022 Initiatives: Direct Selling Group

Theme 1 | Reforming our business portfolios

● Reforming and expanding existing businesses

Reinforce customer contacts by reforming information and distribution systems

Location strategies

・Implementing a dedicated structure for sales visits to residential customers
Currently operating on a trial basis with approximately 60 company-owned sales offices and affiliate companies
To be incorporated at franchisee locations as of next fiscal year





Laundry and distribution strategies

・Care Service businesses New service locations launched: 45

ServiceMASTER merry maids TERMINIX Total Green Home Repair

・Senior care businesses
New service locations launched: 4

Health Rent ヘルスレント　LifeCare DUSKIN ダスキンライフケア

CX strategies

・Strengthened web advertising
Rental products on a trial basis
Up 14% on previous year (first half total)

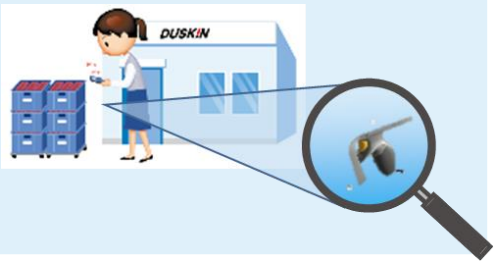
・ DDuet members
Approx. 1.45 million members
Up 4% on previous year
(as of Sept. 30, 2022)

ディー デュエット Duet DUSKIN MEMBERS SITE

Laundry and distribution strategies

・Greater efficiency by adopting RFID electronic tags and developing smart factories





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Medium-Term Management Policy 2022 Initiatives : Food Group

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Theme 1 | Reforming our business portfolios

- Reforming and expanding existing businesses

With the goal of creating shops where anyone and everyone can enjoy happy moments at any time, we seek to deliver enjoyment and tastiness to customers.

New Business Model Development

Develop new business models that cater to different locations, customer base and needs than the existing brands

Strengthening of the Current Value Chain

Realize in-house processing of key raw materials and in-house distribution in existing businesses

Merchandising

Create new products and sales opportunities leveraging the brand

Organizational strategies

Miser Donut



The second installment of the MISDO Meets collaboration with Kyoto green tea specialty brand Gion Tsujiri



Miser Donut's Angel Fruit series features locally sourced fruit to lift Angel Cream donut



MISDO GOHAN warm dim sum menu: Chicken, Yuzu & Ginger Noodles and Seafood and Vegetable Noodles



New addition to the soft and moist Sweet Potato Donut lineup: Roasted Mitsu Imo Sweet Potato-Style and Mitsu Imo Sweet Potato Brulee

Katsu & Katsu

The Autumn Flavors Fair features such delicacies as large fried oysters from Hiroshima, bursting with rich, robust flavor.



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Medium-Term Management Policy 2022 Initiatives : Food Group

Theme 1 | Reforming our business portfolios

● Reforming and expanding existing businesses

Expand sales opportunities by reforming information and distribution systems

Shop opening strategies

・New shops opened in first half: 14
・Number of stores operating around the nation: 987 (as of Sept. 30, 2022)
including 6 drive-through shops (One added during first half)
・Shops renovated during first half: 83





CX strategies

・Online order recognition rate: 47% (Up 9% on same month of previous year)

misdo ネットオーダー

・Shops offering delivery services: 336 (73 shops added in first half)



・Rakuten Pay and Merpay added as payment options

Mister Donut | R Pay | m Pay

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Medium-Term Management Policy 2022 Initiatives

Theme 1 | Reforming our business portfolios

- Investment in new growth opportunities

Creating social values by contributing to the resolution of pending social issues

Taking a more aggressive stance on M&As and R&D

- Duskin partners with Qracian Co., Ltd., a comprehensive expert plumbing service providing emergency plumbing services for residential customers.

Overseas strategy

- Master franchise agreement signed with RE&S Enterprises Pte. Ltd. to implement Mister Donut business in Singapore.



- Big Apple, a donut brand marketed primarily in Malaysia, saw rising sales and profits at its 82 locations in Malaysia and Cambodia.

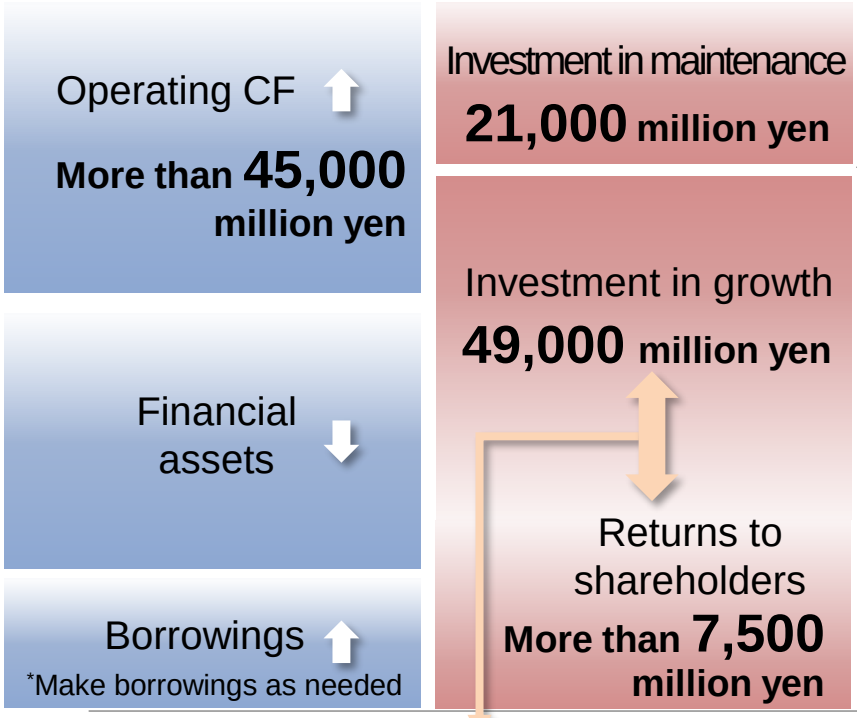
- Make bold investments in new growth opportunities to reform our business portfolios

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Financial and Capital Policies

We will make bold investments in new growth opportunities to rebuild our business portfolios.

Cash Allocation for 3 Years



Investments needed to maintain the existing businesses

In order to create new growth opportunities, we have raised the investment ceiling to 49,000 million yen.

- Investments in sales growth
  - M&A and investments in other companies of **up to 20,000 million yen**[*1]
  - DX-related
  - Maintenance of the information infrastructure environment
  - R&D
- Investments in streamlining
  - Smart manufacturing
  - RFID electronic tags implementation
- Sustainable investments
  - BCP countermeasures
  - SDGs and environmentally friendly research

Dividend payout ratio = 60%

Improving the total payout ratio while striking a balance between strategy performance and financial soundness

Note: The amount to be invested in growth includes expensing investments to be expensed for accounting purpose.
*1 Depending on the investment, we are considering going beyond the 20,000 million yen.

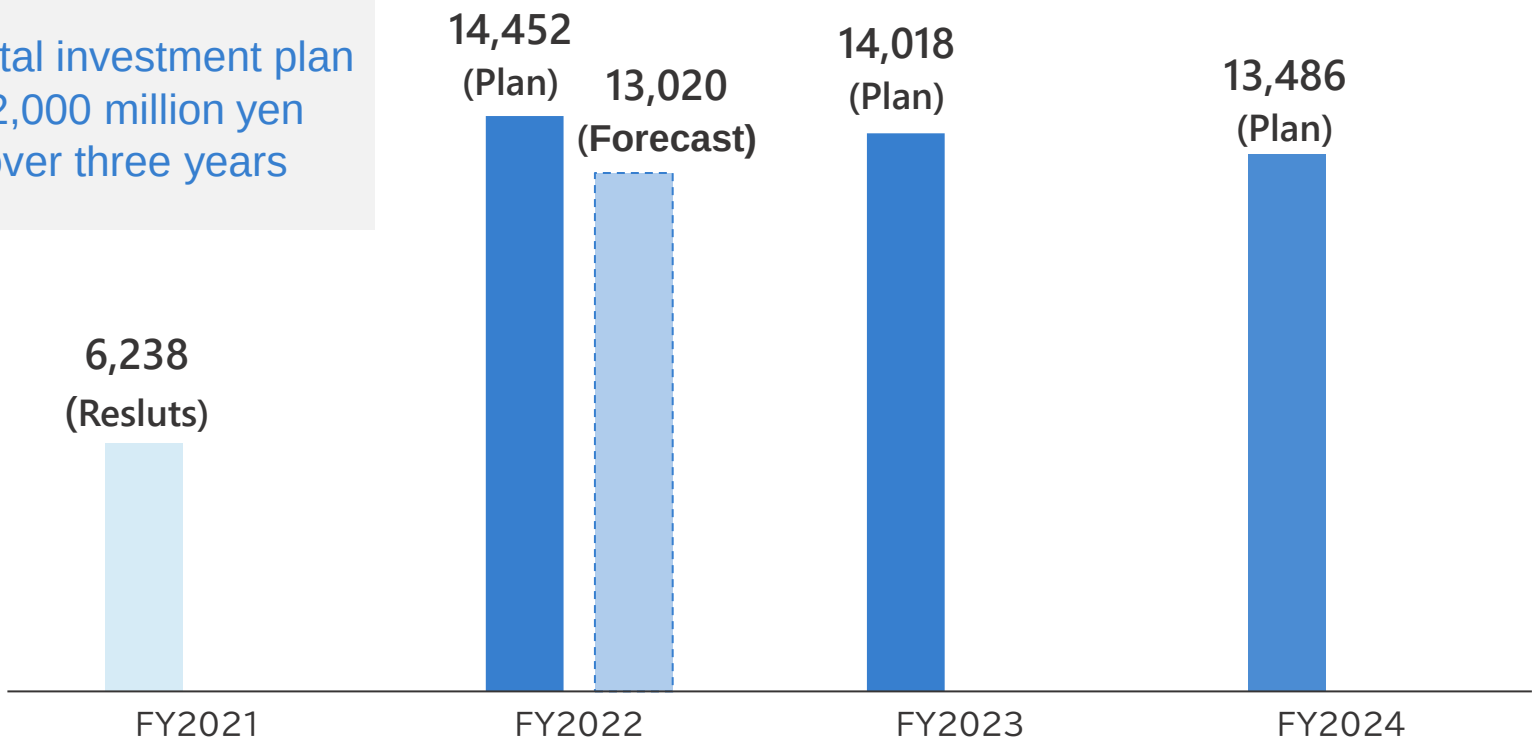
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Capital Investment and Depreciation

Capital investment for the full year is expected to be 13,000 million yen (7,800 million yen for growth investment and 5,200 million yen for upkeep investment), compared to our initial plan of 14,400 million yen. DX investment including ongoing adoption of RFID electronic tags is on schedule.

Millions of yen

Capital investment plan
42,000 million yen
over three years

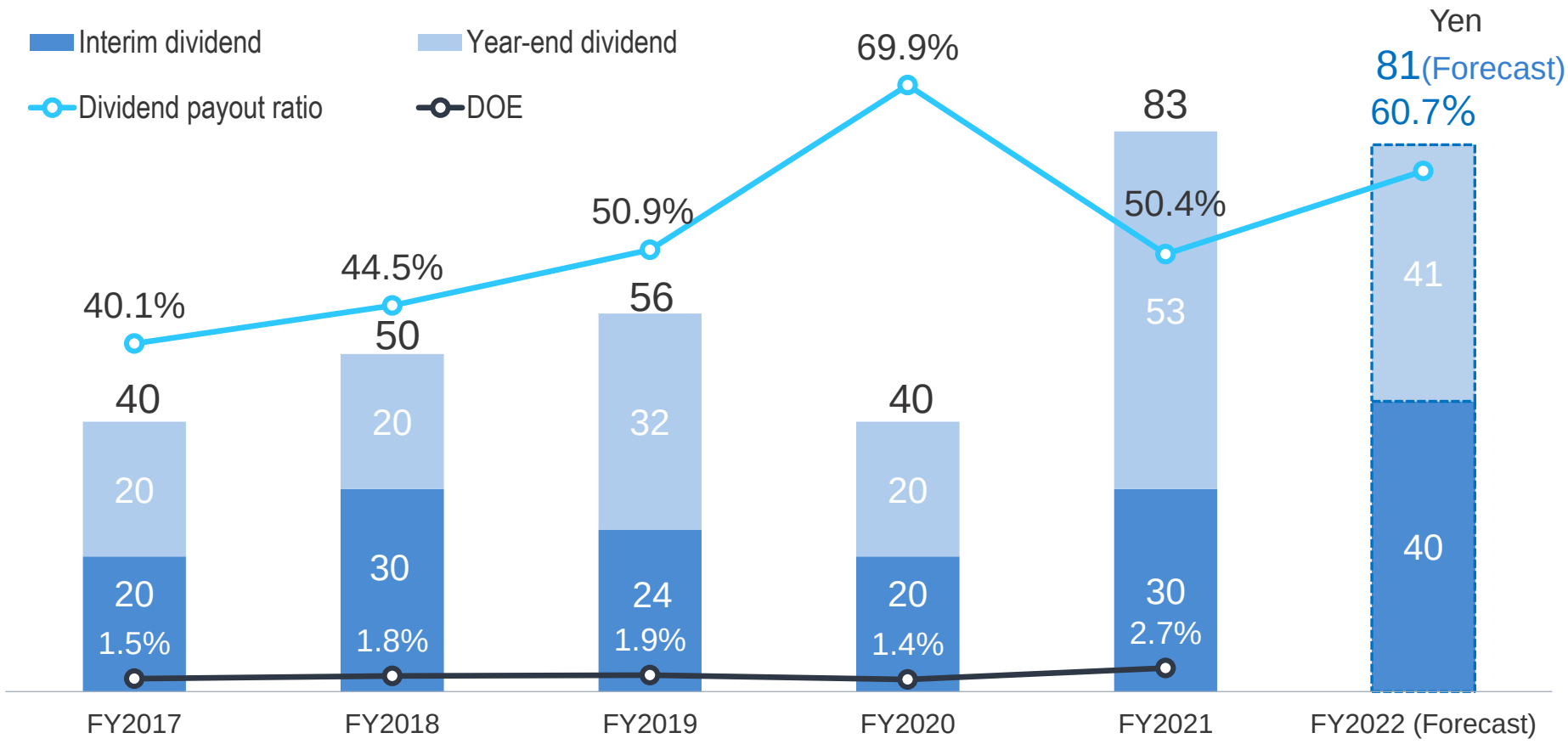


Note: From FY2020, leased assets of lease businesses are included in capital investment expenses.

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Dividend Forecast

Year-end dividend amount for FY2021 was in line with our target consolidated dividend payout ratio of 50%. Starting in FY2022, dividend payout amounts will be based on a consolidated dividend payout ratio of 60% or a 2.5% DOE, whichever amount is higher.



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Shareholder Return: Stock Repurchase

Details of the resolution passed at the meeting of the Board of Directors held on November 8, 2022

Decision on Matters Related to Stock Repurchase
Total number of shares repurchasable: Up to 1,786,000 shares, cost of repurchase: 5,000 million yen
(Percentage of the total number of shares issued, excluding treasury shares: 3.57%)
Repurchase period: From November 9, 2022 to September 22, 2023

Our shareholder return policy at present

During the tenure of our three-year business plan, Medium-Term Management Policy 2022, we will actively execute flexible and timely stock buybacks. Moreover, taking into account the business performance results achieved so far under the ONE DUSKIN long-term business strategy, our goal is to provide our shareholders a **cumulative three-year total return ratio over 100%.**

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Appendix

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FY2022 Price Revision

Having determined that it will be difficult for the company to make the adjustments needed to absorb higher costs resulting from the sharp rise in raw material prices, distribution expenses and the like, pricing was revised for certain products.

Clean Service revised pricing

(Amount and percent of price changes excluding tax)

Revision date: July 1, 2022
Products subject to price change and percent of price change (recommended retail price)
- Rental products (mops, mats, etc.) 68 items: Approx. 3 to 6%
- Regularly replenished products (range hood filters, etc.): Approx. 9 to 11%
- Retail products (sponges, detergents, etc.): Approx. 11 to 12%

Mister Donut revised pricing

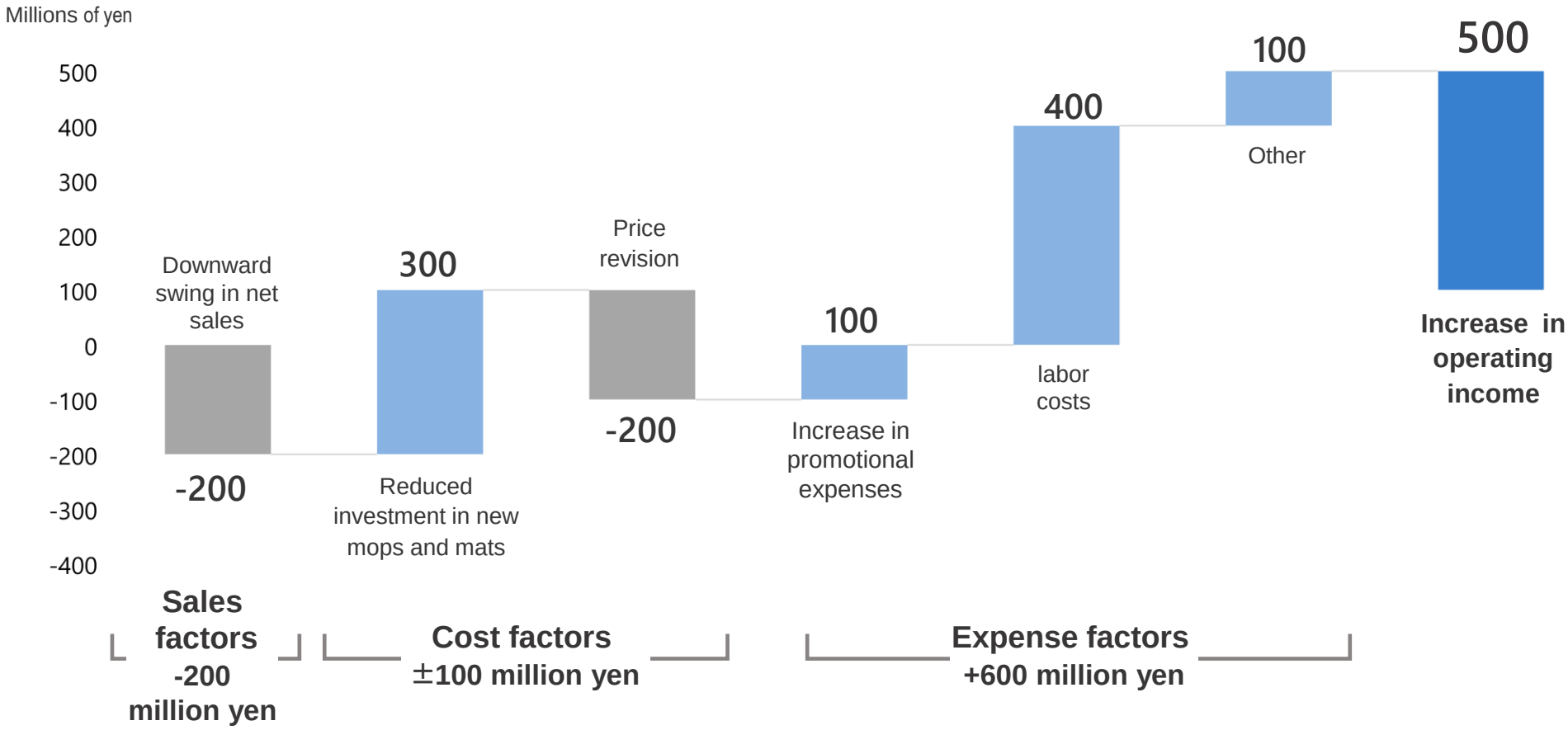
Revision date: November 25, 2022
Products subject to price change and amount and percent of price change
- 39 varieties of donuts, pies and muffins (from among 44 varieties): 10 to 20 yen (7.4%)
- Single Donut Pop: 3 yen; set: 10 to 30 yen (4.3%)

Note: Prices and items sold may vary depending on the shop.

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Operating Profit Results vs. Forecast: Diverging Factors

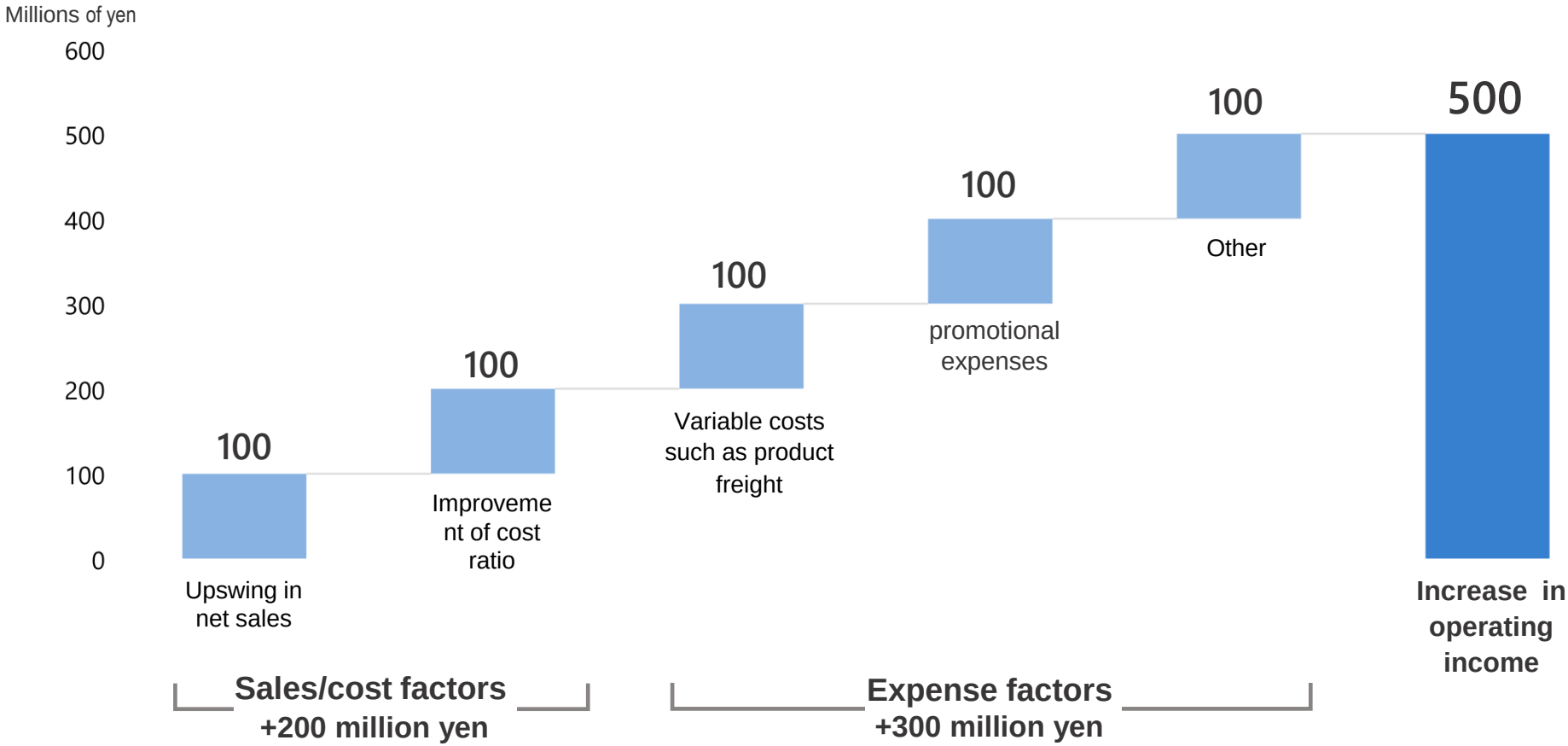
Gross profit was 200 million yen lower due to lower net sales.
Despite measures taken in regard to price revisions (free distribution of sponges) and the higher-than-expected spike in raw material costs, operating profit was 500 million yen higher partly due to lower personnel expenses.



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Operating Profit Results vs. Forecast: Diverging Factors

Higher gross profit due to net sales higher than the plan and an improved cost ratio generated +200 million yen.
Efforts to reduce variable costs, including goods and commodities freight charges, and promotional expenses generated +500 million yen.



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Net Sales and Operating Profit (Quarterly Results)

Quarterly Results

FY2022

Millions of yen

	1Q	2Q	3Q	4Q	FY2023
Net sales	27,089	27,099			54,188
Operating profit	2,467	2,613			5,081
Operating margin	9.1	9.6			9.4

FY2021

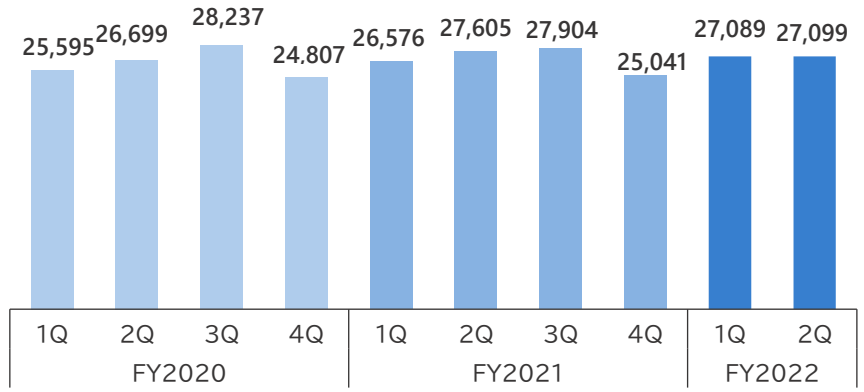
	1Q	2Q	3Q	4Q	FY2022
Net sales	26,576	27,605	27,904	25,041	107,128
Operating profit	2,969	3,496	3,519	554	10,539
Operating margin	11.2	12.7	12.6	2.2	9.8

FY2020

	1Q	2Q	3Q	4Q	FY2021
Net sales	25,595	26,699	28,237	24,807	105,339
Operating profit	2,102	3,243	3,471	-38	8,779
Operating margin	8.2	12.1	12.3	-0.2	8.3

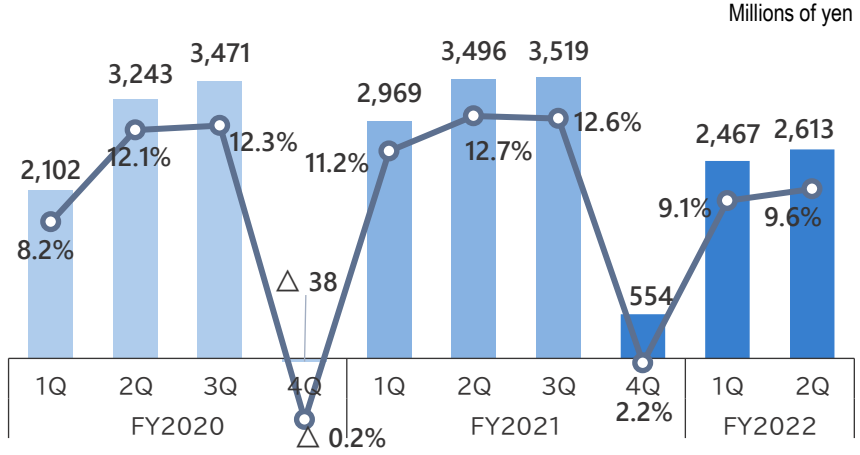
Net Sales

Millions of yen



Operating Profit

Millions of yen



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Net Sales and Operating Profit (Quarterly Results)

Quarterly Results

FY2022

Millions of yen

	1Q	2Q	3Q	4Q	FY2023
Net sales	10,716	10,642			21,359
Operating profit	1,266	1,164			2,431
Operating margin	11.8	10.9			11.4

FY2021

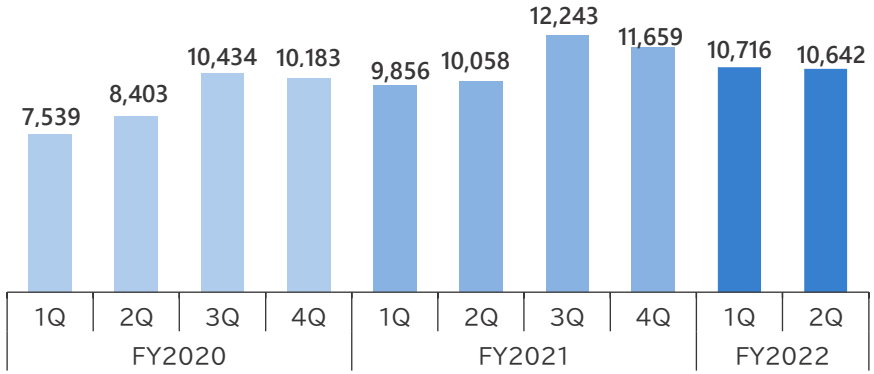
	1Q	2Q	3Q	4Q	FY2022
Net sales	9,856	10,058	12,243	11,659	43,818
Operating profit	710	1,040	1,480	388	3,619
Operating margin	7.2	10.3	12.1	3.3	8.3

FY2020

	1Q	2Q	3Q	4Q	FY2021
Net sales	7,539	8,403	10,434	10,183	36,561
Operating profit	-195	-36	778	-131	414
Operating margin	-2.6	-0.4	7.5	-1.3	1.1

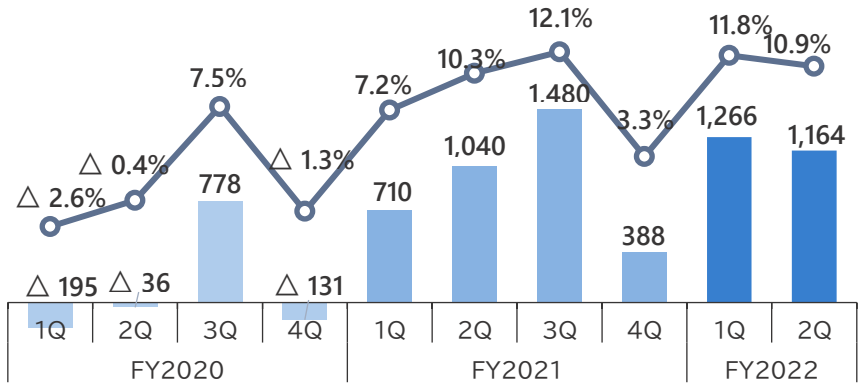
Net Sales

Millions of yen



Operating Profit

Millions of yen



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Net Sales and Operating Profit (Quarterly Results)

Quarterly Results

FY2022

Millions of yen

	1Q	2Q	3Q	4Q	FY2023
Net sales	3,954	4,074			8,029
Operating profit	271	171			443
Operating margin	6.9	4.2			5.5

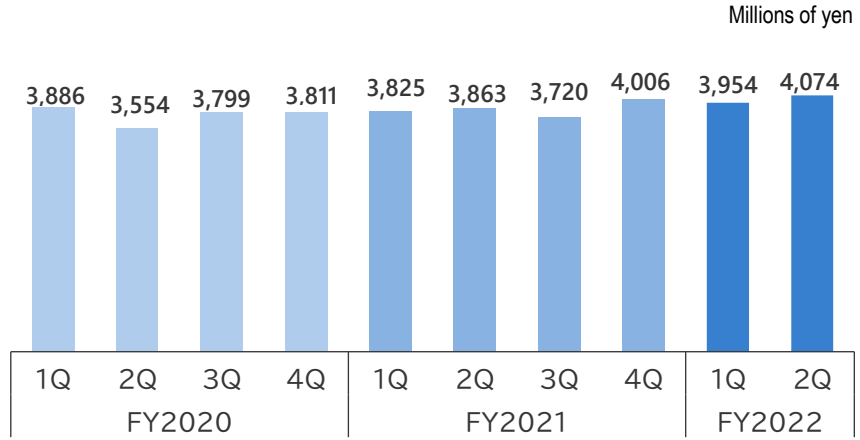
FY2021

	1Q	2Q	3Q	4Q	FY2022
Net sales	3,825	3,863	3,720	4,006	15,414
Operating profit	265	272	147	187	873
Operating margin	6.9	7.1	4.0	4.7	5.7

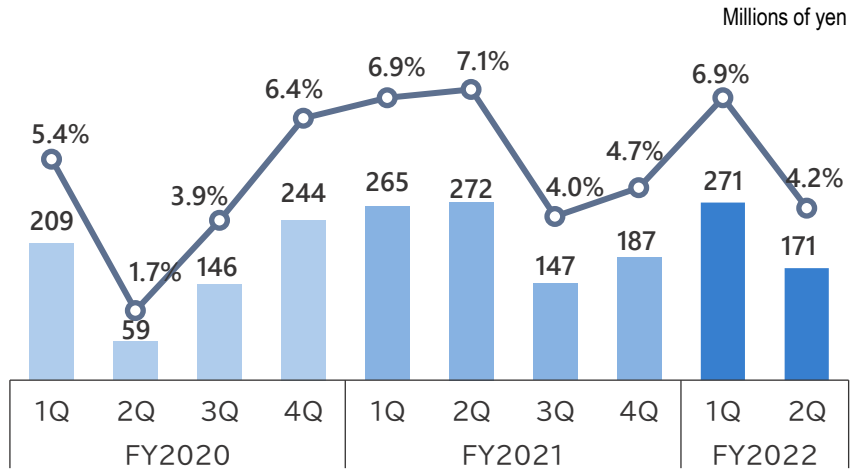
FY2020

	1Q	2Q	3Q	4Q	FY2021
Net sales	3,886	3,554	3,799	3,811	15,053
Operating profit	209	59	146	244	660
Operating margin	5.4	1.7	3.9	6.4	4.4

Net Sales



Operating Profit



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Customer-Level Sales (CLS) of Our National Chains

Millions of yen

	1H FY2021	1H FY2022	YoY change
Direct Selling Group	133,499	**134,436**	936
Clean Service (Domestic): residential customer	41,009	40,970	-39
Clean Service (Domestic): commercial customer	44,852	45,700	848
ServiceMaster	16,547	16,373	-173
Merry Maids	5,493	5,647	154
Terminix	4,515	4,763	248
Total Green	1,749	1,921	172
Home Repair	128	128	0
Health & Beauty	1,057	937	-119
Azare Products Group	1,254	1,224	-30
Duskin Life Care	1,081	1,181	100
Rent-All	8,147	7,517	-630
Health Rent	6,140	6,592	452
Uniform Service	1,524	1,476	-48
Food Group	42,803	**47,222**	4,418
Mister Donut (Domestic)	41,802	46,356	4,553
Katsu & Katsu	769	840	70
Other food businesses	230	25	-205
Other businesses	13,520	**17,066**	3,545
Clean Service (Overseas)	2,977	3,919	941
Mister Donut (Overseas)	5,559	7,868	2,309
Big Apple	663	1,011	348
Duskin Health Care	4,319	4,266	-52
Total	189,824	**198,725**	8,900

Notes:
- The above sales figures represent total sales for our domestic and overseas company-owned sales locations and subsidiaries, as well as projected sales for our franchisees. These figures are for reference purposes.
- Figures for the customer-level sales of our overseas businesses are noted in total figures for January-December in order to accommodate the fiscal year-end for our overseas subsidiaries included in our consolidated financial statements.
- Sales of MOSDO are included in those of Mister Donut.

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Number of Sales Units

No. of units

	1H FY2021	1H FY2022	YoY change
Direct Selling Group	5,661	**5,693**	32
Clean Service (Domestic)	1,864	1,843	-21
ServiceMaster	1,146	1,170	24
Merry Maids	769	782	13
Terminix	554	554	0
Total Green	146	157	11
Home Repair	95	98	3
Health & Beauty	464	460	-4
Azare Products Group	44	44	0
Duskin Life Care	91	94	3
Rent-All	103	102	-1
Health Rent	170	174	4
Uniform Service	215	215	0
Food Group	996	**1,004**	8
Mister Donut (Domestic)	973	987	14
Katsu & Katsu	16	15	-1
Other food businesses	7	2	-5
Other businesses	9,109	**10,507**	1,398
Clean Service (Overseas)	25	25	0
Mister Donut (Overseas)	8,786	10,201	1,415
Big Apple	82	82	0
Duskin Health Care	216	199	-17
Total	15,766	**17,204**	1,438

Notes:
- Because some business locations operate multiple businesses, the number of locations above may differ from the actual number of offices.
- The number of sales locations is the total of company-owned sales locations, those operated by subsidiaries and franchisees. (The figures show the number of locations in operation.)
- The number of overseas sales locations is as of December 31. (For Duskin Health Care, the number of contracts is shown)

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Business Segments and Their Businesses

Direct Selling Group

Direct Selling

For residential customer market

- **Clean Service** (Rental service through periodic visits)
  - Dust Control [Mops and mats]
  - Air Control [Air purifiers]
  - Water Control [Water purifiers]
  - Drink Service [Mineral water delivery]
- **Care Service** (Professional cleaning and technical services)
  - ServiceMaster [Professional cleaning]
  - Merry Maids [Home cleaning and helper services]
  - Terminix [Pest control and prevention]
  - Total Green [Plant and flower upkeep]
  - Home Repair [Wall and floor repair]
- **Health & Beauty** [Cosmetics and health food]
- **Duskin Life Care** [Support services for seniors]

For commercial customer market

- **Clean Service** (Rental service through periodic visits)
  - Dust Control [Mops and mats]
  - Clean Service [Restroom products]
  - Air Control [Air purifiers]
  - Water Control [Water purifiers]
  - Wipeful Service [Wiper cloths]
  - Drink Service [Office coffee service]
- **Clean Service** (Professional cleaning and technical services)
  - ServiceMaster [Office cleaning]
  - Terminix [Pest control and prevention]
  - Total Green [Plant and flower upkeep]
  - Home Repair [Wall and floor repair]
- **Uniform Service** [Leasing, sales and cleaning]

In-store Sales

- **Rent-All** [Event planning/operation and rental of daily items]
- **Health Rent** [Rental and sales of assisted-living products]

Food Group

- **Mister Donut**
  [Homemade donut shops]
- **MOSDO**
  [Collaborated shops with MOS Burger]
- **Katsu & Katsu**
  [Pork cutlet restaurants]
- **Pie Face**
  [Pie specialty shops]

Other businesses

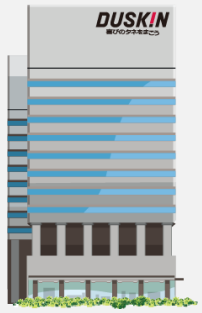
- **Duskin Healthcare**
  [Hospital hygiene management service]
- **Duskin Kyoeki**
  [Leasing business and insurance services]
- **Overseas businesses**
  Clean Service
  Mister Donut
  Big Apple
  Duskin Hong Kong

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Dust Control Business Model

Through our franchisees, we provide mops, mats and other cleaning and hygiene products for rent, for use both in the home and in business spaces.

Duskin



Products

Production & logistics



Production & logistics

45 nationwide

The number of facilities includes those that only perform cleaning or logistics.

Delivery (Rental)

Collecting used mops and mats

Franchisees



Sales unit

Approx. **1,850** nationwide

Sales representatives

Approx. **60,400**

Rental

Returning used mops and mats

Customers



Households

Approx. **4.3** million

Businesses

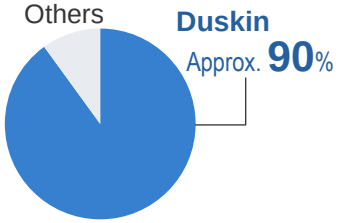
Approx. **1.09** million

Our competitive advantages

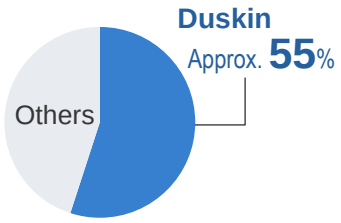
1. A solid customer basis
2. Franchise networks and product delivery systems rooted in the community
3. A reputation for trust and reliability built through our 55-plus-year history
4. Cross-selling opportunities available by way of a synergistic effect between the Direct Selling Group businesses
5. Extensive training curricula and comprehensive training facilities

Market share

Residential customer



Commercial customer



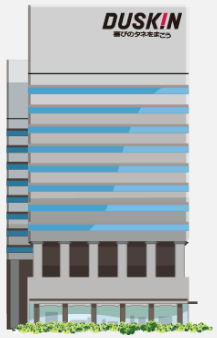
Source: Japan Dust Control Association data (assembled by Duskin)

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Care Service and Senior Care Business Models

Care Service

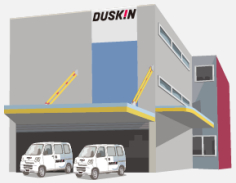
Duskin



Trademark granting; operational guidance; provision of chemicals, equipment and materials; assistance in recruiting human resources →

← Royalties

Franchisees
(Number of locations)



- ServiceMaster: **1,170** nationwide
- Merry Maids: **782** nationwide
- Terminix: **554** nationwide
- Total Green: **157** nationwide
- Home Repair: **98** nationwide

Service →

← Service fee

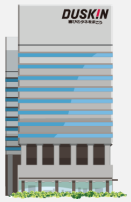
Customers



- Households
- Businesses

Senior Care

Duskin



Trademark granting; operational guidance; assistance in recruiting human resources →

← Royalties

Franchisees



Health Rent
174 nationwide

Equipment rental →

← Collecting used equipment

Elderly people (User)

Service ←

→ Service fee

Franchisees

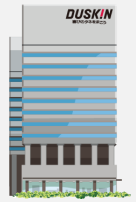


Duskin Life Care
94 nationwide

Trademark granting; operational guidance; assistance in recruiting human resources ←

→ Royalties

Duskin



↑ Purchase

Welfare equipment manufacturer

Cooperation ↕

Care planning and consultation ↕

Nursing-care insurance system

Care managers

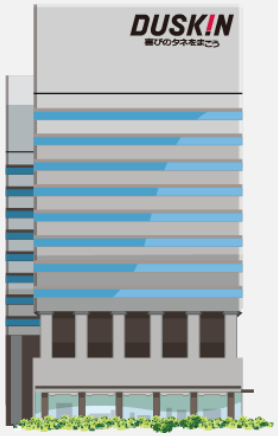
Note: Because some business locations operate multiple businesses, the number of locations above may differ from the actual number of offices.

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Mister Donut Business Models

To realize our goal of creating shops where every customer happens upon “something good” at any time, we make the Mister Donut experience fun and our products always delicious.

Duskin



Trademark granting; operational guidance; provision of business operation system; ingredients; etc.

Royalties

Franchisees (Shops)



Shops

987 nationwide

Donuts, dim sum, beverage and other products

Payment for goods

Customers

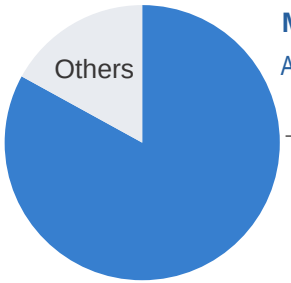


Our competitive advantages

1. Over 900 locations providing places for us to interact with customers
2. A well-established donut brand backed by a 50-plus year history
3. Ability to effectively meet takeout demand
4. Joint product development with other brands, incorporating high standards for materials and sophisticated technologies
5. A unique training system delivering the same level of quality and service around the nation

Note: As some shops operate multiple businesses, the number of shops above may differ from the actual number of shops.

Market share



Source: Calculated (by Duskin) based on the number of donut shops opened

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Market Conditions

		FY2019	FY2020	FY2021	1H FY2022	Authority
Exchange rate (Yen/U.S. dollar)	Average rate during the fiscal year	108.70	106.03	112.35	133.96	BOJ *Main Time-Series Statistics*, Tokyo foreign exchange market dollar-yen spot price at 5:00 p.m., monthly average
	Rate at the fiscal year-end	107.42	108.70	118.54	143.09	
Fuel oil A, national average (yen/liter)	Average price during the fiscal year	71.3	57.9	82.1	89.5	Natural Resources and Energy Agency (part of the Ministry of Economy, Trade and Industry), *Petroleum Products Price Survey* tanker truck price
	Price at the fiscal year-end	61.7	62.6	93.1	88.3	
Government's selling price of imported wheat (yen/ton)	Apr.	54,630	51,420	51,930	72,530	Ministry of Agriculture, Forestry and Fisheries, *Trends of the Government's Selling Price of Imported Wheat*, weighted average of five varieties
	Oct.	49,890	49,210	61,820	72,530	

Note: Prices shown are general market prices as determined by Duskin. Actual purchase prices may vary.
Fuel oil A is used as boiler fuel at some laundry plants.

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Market Data

Billions of yen

	2017	2018	2019	2020	2021	CAGR
Dust control market related to our Clean Service businesses	287.6	283.6	278.8	272.3	266.9	-1.9%

Source: Japan Dust Control Association

Home cleaning service market related to our Care Service businesses	162.0	170.0	176.0	182.0*	-	4.4%
Helper service market related to our Care Service businesses	83.0	86.5	90.5	94.0*	-	4.3%

Source: Information on Japan's helper service market assembled by Fuji Keizai Networks Co., Ltd. in 2018 * Figures for 2020 are estimates.

Elderly assistance products market related to our Senior Care businesses	1,510.6	1,499.0	1,519.3	1,505.5	-	0.9%
Home care service market related to our Senior Care businesses	977.0	980.0	982.0	983.0*	-	0.2%

Source: Japan Assistive Products Association * Figures for 2020 are estimates.

Sweets and desserts market in Japan	2,276.1	2,290.7	2,283.3	2,109.9	2,141.9	-1.5%

Source: Yano Research Institute Ltd.: Market report on Japanese and Western sweets and desserts

Restaurant market in Japan (Fast food)	2,996.4	3,056.0	3,227.1	3,018.0	3,244.8	2.0%

Source: Fuji Keizai handbook on the restaurant industry

Note: CAGRs are calculated by Duskin.

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喜びのタネをまこう

Cautionary Note Regarding Forward-looking Statements
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