DUSKIN
喜びのタネをまこう

Corporate Report 2024

Digest Version

Duskin Co., Ltd.

1-33 Toyotsu-cho, Suita-shi, Osaka 564-0051 JAPAN
http://www.duskin.co.jp/english

DK240628





Contents

The Origin of Duskin	2
Message from the President	4
Our Value Creation Process	8
How Duskin's Value Creation Process Works	10
Review of Medium-Term Management Policies	12
Medium-Term Management Policy 2022	13
Duskin at a Glance	14
Together with Our Customers and Franchisees	16
Direct Selling Group	16
Food Group	18
Overseas and Other Businesses	20
Together with Local Communities and Suppliers	22
Together with Employees	24
Together with Our Environment	26
Together with Shareholders and Investors	28
Eleven-Year Highlights with Key Performance Indicators	30
Corporate Information	32
Stock Information	33

About Duskin Corporate Report 2024 Digest Version

This report is the digest version of Duskin's Corporate Report 2024. Covering our corporate philosophy, messages from top management, value creation process, business strategies, sustainability, and more, this Digest Version offers a compact summary of our range of initiatives designed to boost corporate value.

The Corporate Report is an important tool designed to help enhance discussions with our stakeholders, including shareholders and investors. It is also a means of explaining our goals to be achieved through our Medium-Term Management Policy initiatives and the new value we are going to create based on our unique philosophy of sowing the seeds of joy. All in all, the purpose of this report is to facilitate unwavering understanding of our corporate philosophy as well as expectations for Duskin's future.

It is our hope that this report helps create opportunities for dialog, and that it also works to enhance understanding of our company and who we are. For your reference, the original version (in Japanese) will be published in November 2024.
https://www.duskin.co.jp/ir/library/report/

Main contents of the original version (in Japanese)

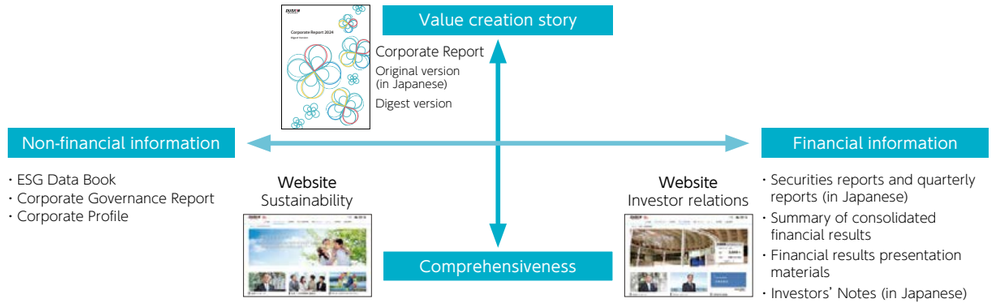
Introduction
- Our founder's philosophy / Our raison d'être
- The history of our growth
- Message from the President

Our Value Creation Story
- Our value creation process
- Capital reinforcement
- Materiality

Value Creation Strategies
- Medium-Term Management Plan 2022
- Message from the CFO
- Strategies by business segment

Foundation for Value Creation
- Dialogue between the Chairman and Outside Directors
- Our sustainability strategy
- Corporate governance, etc.

Positioning of this report



Publications

Corporate Report	A comprehensive report containing both financial and non-financial information. It includes content related to Duskin's long-term value creation, business strategy, business results and sustainability initiatives. https://www.duskin.co.jp/english/ir/library/report/
ESG Data Book	For stakeholders interested in our ESG (environmental, social, and governance)-related information, this booklet presents detailed data and policy information regarding our ESG-related initiatives. It is available on our website in PDF format. https://www.duskin.co.jp/english/sus/library/databook
Corporate Profile	This booklet is mainly intended for people who are interested in learning more about Duskin, such as individuals considering joining Duskin, businesses considering joining a Duskin franchise and corporate customers. It provides a concise summary of Duskin's business and sustainability initiatives. https://www.duskin.co.jp/company/library/pdf/duskin2024e.pdf

Editorial Policy

Terms used in this report	**Duskin Corporate Group** — Duskin Co., Ltd. and its consolidated subsidiaries; **Duskin Group** — Duskin Corporate Group and Duskin's affiliated companies accounted for by equity methods; **Duskin Family** — Duskin Group and its franchisees (including shops, offices and plants) that agree with Duskin's corporate philosophy.
Period covered	This report essentially covers the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024). However, it also covers some business activities prior to that year and for the fiscal year ending March 31, 2025.
Scope of coverage	This report concerns Duskin Co., Ltd., its affiliated companies and franchised units (offices/shops/factories).
Published in	July 2024

Note If the content of the report requires any revision, we will post revised data on our website at https://www.duskin.co.jp/english

Forward-Looking Statement

This report contains information on Duskin's ongoing business plans and policies, forecasts and strategies. The information is a future forecast at the time of its disclosure and contains potential risks and uncertainties. Readers are advised that actual results may differ significantly from the forecast as they are subject to a variety of factors including future economic conditions and Duskin's business environment.

1963

The Origin of Duskin

Our founder's philosophy lives on

This is guided by our founder Seiichi Suzuki's enduring life principles reflected in Duskin's philosophy of Prayerful Management. Each day we strive to stay true to his belief that profit is the reward of joyous transactions. Moreover, all of our employees incorporate his philosophy of putting customer happiness first in all aspects of our daily lives.



Seiichi Suzuki, Duskin Founder

Seiichi Suzuki was born in Hekinan City, Aichi Prefecture in 1911. In 1938, he joined Ittoen* to serve others and to live a life of faith. In 1944 he established Kentoku Company. From that time onward, Suzuki followed his principle of Prayerful Management, his purpose being to integrate moral and business goals in both his own and his company's business practices. He founded Duskin in 1963 and paved its path to becoming Japan's first multi-franchise enterprise. Seiichi Suzuki passed away in 1980 at the age of 68.

* This non-religious self-discipline training community based in Yamashina, Kyoto advocates a life with no possession.

Management Philosophy

Day after day, beginning with today
both you and I have a chance
to begin our lives anew.

Whether our lot today be profit or loss,
be spiritually ready for loss.

As a planter would,
let us sow the seeds of joy to every person
we meet each day.

For everyone, for you and me,
may we lead our lives in this world
to the fullest,
realizing our maximum spiritual and
material potential.

Franchising to achieve our business philosophy



National training session for Duskin's franchise chain (1964)

Duskin launched its franchising system with the hope that it would provide opportunities to make dust control into a successful business for people aligned with our philosophy of Prayerful Management. We think of franchising as a system for franchisor and franchisee to share in each other's fortunes and realize growth.

Our Raison d'être

Sowing the seeds of joy for people and society

By sowing the seeds of joy to make people everywhere happy — in addition to pursuing profit, we share our joy with the people in the areas in which we operate. By doing our part to make peoples' lives both materially and emotionally better, we in fact achieve better ongoing corporate value.

Our founder felt that "profit is the reward of joyous transactions." With the wish that everybody who is in any way working with Duskin be happy, he worked throughout his entire life to sow the seeds of joy.

Based on this raison d'être, which is the unchanging value that forms the foundation of Duskin's business, we do our part for the sustainable development of our society and for corporate growth.

Corporate Objectives

1 Duskin strives to unify business and morals.
We pursue both social and economic values.

2 We love our fellow human beings and work to bring out the best in them.
Through our work, we help people develop.

3 We continuously train and encourage our employees to take the responsibility to ask the simple question: "May I help you?" with sincerity.
Our goal is to be the best in the world.

4 Duskin sows the seeds of joy.
Profit is a barometer of how happy our customers are.





Pictured in the background is the washing machine and dryer actually used at the time of Duskin's founding. It is displayed at the entrance to the company's Reference Library of Prayerful Management in Suita, Osaka.

Let us connect your heart to the people around you

On November 16, 2023, Duskin celebrated its 60th anniversary. We would like to express our sincere gratitude to our customers and all other stakeholders who have warmly supported our business for more than 60 years to this very day.

想いをつなごう。
その人の、その先へ。
60th Anniversary

The importance of revisiting our business origins on our 60th anniversary

On the occasion of our 60th anniversary, I asked our employees for two things. One is to revisit the origins of our founding at this 60th anniversary milestone and understand the importance of upholding the founder's intentions. In the words of our founder, if our joy makes others happy, we can both share in that joy and happiness. This means that the joy felt by customers, the people we work with and our families becomes one's own joy, which goes hand in hand with the idea that self-interest is in the realization of the interests of others.

Currently, we operate multiple businesses, all of which collaborate with each other to provide products and services in the hope of enriching the lives and hearts of our customers. This is based on the founder's philosophy of putting customer happiness first, and our franchise agreement requires that franchisees endorse our corporate philosophy. All of what we do is based on the endorsement of our corporate philosophy and having franchisees walk the same path with us, which is precisely why I believe it is important for every one of us to reflect on the corporate philosophy at the milestone of our 60th anniversary.

The other thing I asked for is that every employee thinks about how they will approach the future. Above our 60th anniversary commemorative logo, we added the following tagline: "Let us connect your heart to the people around you." With highly uncertain times ahead of us, I believe it will become more important than ever before to deliver services brimming with Duskin's unique hospitality as we go about flexibly adapting to changes in the operating environment. It is important for each and every employee to think for themselves what he or she can do to provide valuable products and services and make customers happy. I earnestly hope that each and every one of our employees thinks for him or herself, understands our customers' feelings with a sincere heart and translates that into action so that our company can continue to be of service in the future.

Strengthening existing business lines and embracing the challenge of providing services in new areas

In recent years, individual preferences have diversified, and digital technology has advanced. As such, we must provide products and services in line with these changes. We especially value customer experiences through direct face-to-face interactions with our customers. Of the series of customer experiences before, during and after a purchase, we intend to utilize digital technology for the experiences before and after. For the experience during the purchase, however, we will continue to attach importance to customer interactions based on face-to-face engagement — a strength we have honed since the time of our founding. Through these efforts, we will seek to further enhance the value we provide to customers.

And, as society continues to undergo significant changes, we will look to further improve the value provided in our existing businesses and take on challenges so that we can be of service in new areas. Recently, in November 2023, we signed a business alliance agreement with JP-Holdings, Inc., an operator of more than 300 childcare support facilities, including nurseries and after-school clubs. We have a track record of meeting the needs of families mainly by providing mop and door mat rentals

and home cleaning and helper services. We will aim to create new value alongside our existing businesses, starting with the provision of healthier living environments where child-raising generations can work with peace of mind and have more time on their hands. Making a foray into this child-raising support field will present a major challenge if we are to remain an essential company to customers and society for many years to come.

Also, as a similar new challenge, in the food business which operates Mister Donut and Katsu & Katsu, in January 2024 we made Kenko Saien Co., Ltd. a wholly owned subsidiary. This company is the holding company of Boston House Co., Ltd., which operates the Italian restaurant Napoli No Shokutaku, among other establishments. By providing the most suitable brand for each location and customer attributes, we aim to provide our customers with happy moments. Our policy going forward will be to expand the food business by possibly franchising Napoli No Shokutaku restaurants.

Boosting productivity and profitability amid sky-high raw material and labor costs

As for the economic environment, in May 2023, COVID-19 was downgraded to a Category V infectious disease and social activity started to normalize thereafter. One of the most closely watched aspects of the post-pandemic era is the change in lifestyle. The Food Group needs to keep a close eye on trends in demand for takeout and delivery services and respond appropriately. We also recognize how important stable procurement is in the midst of ongoing increases in raw material costs. The price of flour, the primary ingredient used in the Mister Donut business, has stabilized compared with what it once was, but the prices of other ingredients continue to skyrocket, impacted mainly by the weak yen. In addition, we are working to improve productivity in light of rising personnel costs due to such factors as labor shortages.

Meanwhile, in the Direct Selling Group, we are focusing on sales to customers whose operations were affected during the COVID-19 pandemic but are now showing signs of recovery. In addition, as more people are getting out and about, there is a growing demand to reduce the time spent on, and improve the efficiency of, household chores. In our household services, therefore, we are stepping up our efforts to propose solutions tailored to our customers' lifestyles. The activities of our dedicated household sales teams, which were initially subject to testing at our company-owned sales locations and affiliated companies, were brought to franchisees in the fiscal year ended March 31, 2024, resulting in approximately 27,000 new contracts in total. Going forward, we will further expand the number of franchisees that adopt the dedicated sales structure in an effort to generate more opportunities through which we can be of assistance to our customers.

I should also add that the planned attachment of RFID electronic tags to our mat and mop products is now mostly completed, so the manual tallying process can now be carried out simultaneously with an RFID reader instead. This will enable significant improvements in operational efficiency. With these kinds of productivity improvements, we hope to further boost profitability.

The ONE DUSKIN mission will be key in these times of change

In terms of our long-term strategy ONE DUSKIN, we are pursuing ways to leverage the strengths of each business and facilitate collaboration in order to better serve our customers. One example of this strategy yielding results was the establishment and operation of vaccination sites during the pandemic. Spearheaded by our Rent-All business, which plans events and rents out equipment, we were able to provide a comprehensive hygiene management service for vaccination sites by combining our ServiceMaster professional cleaning service with the Clean Service business (rental and sales of hygiene products). Also, considering the frequent occurrence of earthquakes, typhoons and other natural disasters, we provide a disaster response support service to help local governments secure the necessary facility hygiene services and rental products when setting up evacuation centers during times of a disaster. As of March 31, 2024, we have made disaster response support arrangements with 75 local governments. Each of our businesses, including the Rent-All business, will work closely with these local governments in order to contribute to the safety and security of the community.

In the future, in order for each business to collaborate and deliver value in response to the challenges faced by society and our customers, we recognize the fact that building healthy relationships of trust between the franchise headquarters and franchisees is also crucial. We will build relationships that are even more tight-knit so that we can deliver value creation under the ONE DUSKIN strategy.

Building the foundation for the future begins with delivering results in the final year of the Medium-Term Management Policy 2022

The Medium-Term Management Policy 2022 is progressing as planned. In the fiscal year ended March 31, 2024, sales were up but profit was down. This was in line with plan, chiefly reflecting the sharp increase in cost of sales associated with the installation of RFID tags. In the fiscal year ending March 31, 2025, in the Direct Selling Group we will expand the work of the dedicated household sales teams and open more Care Service business locations. In the Food Group, we will continue to offer appealing products and actively open new shops. On top of these efforts, owing to the efficiency improvements made possible by the use of RFID tags, as well as the decrease in the cost of up-front investments, we believe we can steadily achieve our numerical targets, including an ROE of at least 6%.

On the topic of reforming our business portfolio — one of the themes of the Medium-Term Management Policy — we will press ahead with efforts aimed at bolstering profitability in existing businesses and also work on creating new business lines through business development and M&As.

Our approach in the fiscal year ending March 31, 2025 will be to focus our energy on giving shape to the above-mentioned 60th anniversary logo tagline: "Let us connect your heart to the people around you." As a matter of course, we will serve our current customers, but we also want to provide Duskin's value to their families and acquaintances.

As for our presence overseas, we are developing our businesses primarily in East Asia and Southeast Asia. We are currently expanding the Dust Control and Care Service businesses in the two markets of Taiwan and China. And in the Mister Donut business, we currently manage outlets in five regions. In April 2024, we signed a master franchise agreement with Dragon Circle Enterprise Limited with the objective of expanding into the Hong Kong Special Administrative Region of the People's Republic of China. The first shop is scheduled to open in October 2024. With the business model we have hitherto refined in Japan, our goal is to enrich the lives of customers in other countries.

For the second theme of the Medium-Term Management Policy, establishing a solid foundation, we are emphasizing human capital management in a bid to develop human resources. More specifically, we have built a training platform through which all employees can participate in courses. In particular, we are promoting company-wide training on the subject of digital transformation (DX). The important thing is that all employees continue to learn and grow on a personal level. By maximizing the individuality and capabilities of each person as they continue to accumulate both knowledge and skills, new value for Duskin as a whole can be created.



Also, to further enhance the effectiveness of corporate governance, we will aim to deepen discussions at the meetings of the Board of Directors and appropriately allocate organizational resources with a view to implementing management practices in consideration of capital costs and the share price.

As for the third theme of coexistence with local communities, we are accelerating efforts geared towards the realization of a sustainable society and business management. In the Direct Selling Group, we have tested the use of electric vehicles (EVs), and based on the results of those tests, we plan to gradually switch the vehicles used by staff at our company-owned sales locations to EVs. Also, we plan to transition to renewable energy with non-fossil certification for 100% of the electricity used at five of our facilities, including our head office building. In addition, we are providing waste raw materials generated at Mister Donut distribution centers to power companies that supply biomass electricity. We will continue to implement these initiatives in order to achieve the goals of Duskin Green Target 2030.

This fiscal year will be the final year of the implementation period of the long-term strategy ONE DUSKIN. We will unite all Duskin businesses so as to serve our customers in the most friendly and welcoming manner. And in order to do our part for society through our business, we will always remain grateful to our stakeholders as we steadily execute the measures of the Medium-Term Management Policy 2022. In closing, I would like to thank you once again for your unwavering support.

大久保裕行

Hiroyuki Okubo
Representative Director,
President and CEO

Our Value Creation Process

We believe that our business is supported by society and that we should give back to society by creating something of value together with our stakeholders. Sowing as many seeds of joy as possible through effective use of the resources entrusted by our stakeholders and society at large is our way of returning the blessings we have received. That is our way of creating value: living the philosophy of Prayerful Management in our business practices. We sow the seeds of joy throughout our franchise network to continuously enhance Duskin's corporate value.

Social issues

Governmental
- Relevant laws and regulations
- Meeting goals set by the government

Economical
- Revitalization of economic activity after COVID-19 pandemic

Technological
- Accelerating digitization

Societal
- Aging society and declining birthrate
- Changing values and lifestyles
- More diverse employment and work styles
- More diverse families
- Deteriorating global warming issue

Input

Six Types of Capital

Human capital[1]
- Employees: **3,792** (consolidated)
- Educational facilities
  Seishinkan Guesthouse / Duskin School / Mister Donut College / regional training centers

Social capital
- **Franchise system** rooted in local communities
- **Cooperation** with local governments and administrative bodies
- **6,804** locations in Japan[1]
- **11,611** locations outside Japan[2]

Intellectual capital
- Patents approved:
  147 in Japan and **5** outside Japan[1]
- R&D expenditures: **600** million yen[3]

Financial capital
- Total assets: **154.4** billion yen[1]
- Cash flow (Cash and cash equivalents at end of year):
  20 billion yen[3]

Manufactured capital
- Mop/mat production facilities:
  2 locations[1]
- Mop/mat cleaning facilities:
  45 locations
- Rate of periodic inspections at contracted food processing plants:
  100%[3]

Natural capital[3]
- Single-use plastic used: **2,145 t**
- Energy usage:
  2,104,000 GJ (gigajoules)
- CO_2 emissions: **473,735** t-CO_2

Our Business Model

Duskin Franchise System

United in the philosophy of Prayerful Management, Duskin aims to grow together with our partners – franchisees. This has been our unswerving commitment to the franchise system since our founding.



Materiality

Business Issues Materiality

Medium-Term Management Policy 2022

Output

Direct Selling Group
- Clean Service
- Care Service
- Senior Care
- Others

Food Group
- Mister Donut
- Others

Overseas and other businesses
- Overseas businesses
  Dust Control
  Care Service
  Mister Donut
  Big Apple
- Duskin Healthcare

Outcome

Sowing the seeds of joy for people and society



Values provided to stakeholders

Customers
- Sales growth through customer satisfaction (Customer-level sales: 432.4 billion yen, sales growth rate: 5%)

Franchisees
- A business model that contributes to the sustainable development of franchisees (Average franchise contract length: 40.8 years)
- Number of new Care Service business locations: 212 (Total 2,828)
- Number of new Senior Care business locations: 27 (Total 282)

Suppliers
- Annual procurement from suppliers: 62.8 billion yen
- Companies participating in supplier study sessions: 269

Local communities
- Municipalities that have signed up for our service to set up a system to provide necessary supplies and equipment in the event of a disaster: 75
- School education support (Lessons given by Duskin staff at local elementary schools: 440, schools that participated in Duskin's seminar program for teachers: 19)

Employees
- Rate of female employees in managerial positions: 14.3%
- Rate of employees with disabilities: 3.10%
- Training received per employee: 19.5 hours

Global environment
- Rate of recycling food waste: 69.4%
- Reduction rate of single-use plastic: 12.6%
- CO_2 emissions reduction rate: 16.9% (from the fiscal year ended March 31, 2014 level)

Shareholders, investors
- Commitment to return of profits to shareholders (Total return ratio: 143.0%)
- Five-year total shareholder return (TSR): 139.1%

Notes:
- Figures are for the fiscal year ended March 31, 2024.
- The amounts are rounded down.
- 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.

Long-term strategy
ONE DUSKIN

We aim to unite all Duskin businesses so as to serve our customers in the most effective and courteous manner.

Notes:
1. As of March 31, 2024
2. As of December 31, 2023
3. During the fiscal year ended March 31, 2024

How Duskin's Value Creation Process Works

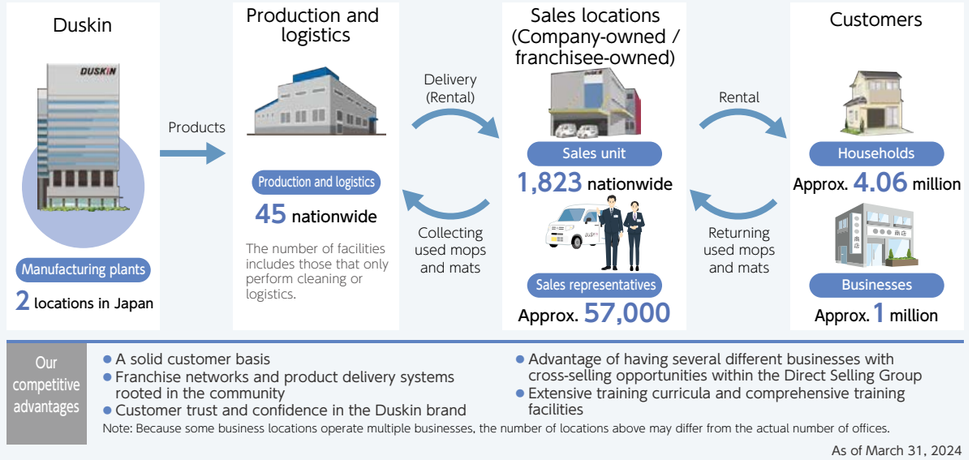
Our business model

Duskin's business model is broadly divided into two franchise systems: the Clean Service business focused on mop and mat rentals and the Mister Donut business.

The Clean Service business rents and sells cleaning and hygiene products to household and business customers through franchisees. The Mister Donut business provides a fun experience and always-delicious products at shops where "every customer can happen upon 'something good' at any time." Both of these business groups depend on our unique franchise system.

Clean Service business (Mops and mats)

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.

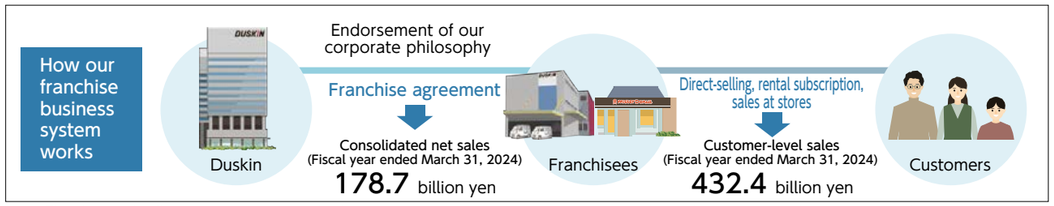


Our competitive advantages

- A solid customer basis
- Franchise networks and product delivery systems rooted in the community
- Customer trust and confidence in the Duskin brand
- Advantage of having several different businesses with cross-selling opportunities within the Direct Selling Group
- Extensive training curricula and comprehensive training facilities

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

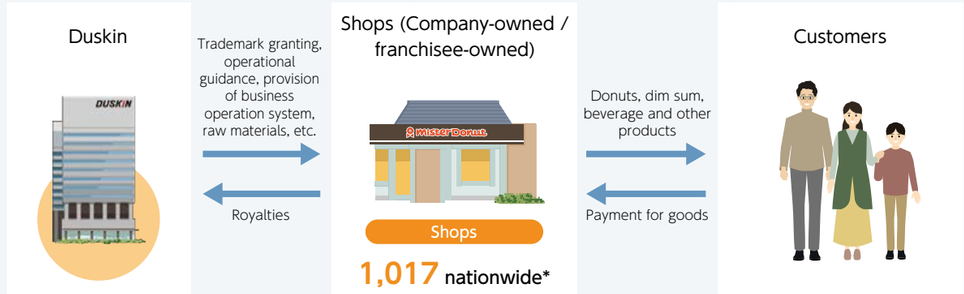
As of March 31, 2024



Note: 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.

Mister Donut business

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.



Our competitive advantages

- Over 1,000 locations providing places for us to interact with customers
- A well-established donut brand backed by a 50-plus year history
- Ability to effectively meet takeout demand
- Joint product development with other brands possessing the highest-standard ingredients and manufacturing skills
- A unique training system delivering the same level of quality and service around the nation

As of March 31, 2024

Inputs

Human capital

Duskin encourages its employees to respect other employees and to reach their full potential regardless of their gender, age, nationality or career background so that they can create new value and excellence by successfully meeting the challenges of a changing business environment and responding accurately to ever more diverse customer needs.

Financial capital

A solid financial foundation and stable cash flow generated by profitably healthy and sustained businesses is what creates new businesses. Sound financial capital also provides solid support for business sustainability and stakeholder value creation even when natural disasters or other unexpected risks occur.

Intellectual capital

Owning and making full use of patents and expertise, brand and data assets, and other intellectual assets bolsters competitiveness and reduces the costs of such risks as unfair competition while also contributing to the development of new products and services, higher productivity and lower costs.

Social capital

The foundation of franchisee human resource development is endowing the owners and staff doing business in their own regions with Duskin's commitment to excellent service. By ensuring Duskin service quality, we sow the seeds of joy that truly meet the needs of customers in each community.

Manufactured capital

Duskin plants and contracted plants that provide one-of-a-kind products and services are capital of indispensable importance. For the contracted manufacturing plants that process products and raw materials, we conduct periodic inspections, and constantly strive to make improvements and enhancements to quality.

Natural capital

Duskin has built and grown an environmentally friendly, recycling-oriented hygiene and cleaning product rental business. Today, in every business domain we are reducing environmental impact for all processes, from raw material procurement to product manufacturing, after-use collection and resource recycling.

Stakeholder

Stakeholder	What our stakeholders expect of Duskin	Opportunities for dialogue
Customers	Safe, reliable and high-quality products and services, a commitment to customer satisfaction through comfort and great taste, prompt and reliable customer support	Consumer gatherings, Contact Center, fan meetings, Duskin website
Franchisees	A business model based on mutual growth, marketing support that boosts brand power and competitiveness, enhanced training programs and operational support	Support by our supervising managers, franchisee award programs, franchisee associations
Suppliers	Long-term relationships, highly fair and transparent business terms and conditions, a business approach that promotes mutual trust and cooperation	Supplier Study Sessions, Duskin Purchasing Clean Line
Local communities	Revitalization of local economies, employment creation, contribution to local communities, contribution to environmental preservation, strong partnerships with local communities	Supporting local schools and education, Clean Up My Town (trash pickup), laundry plant tours, Duskin Museum, education for fraud prevention
Employees	Fair evaluation and appropriate treatment of employees, diverse opportunities for career advancement, a healthy and safe work environment, ample employee benefits	Labor-management council, Occupational Health and Safety Committee, whistleblowing hotlines, training programs, employee survey
Global environment	Development of environmentally friendly products and services, sustainable resource use and reduction of environmental burden, promotion of environmental conservation	Duskin Green Target 2030 initiative, cooperation for the conservation of the Hakusan National Park ecosystem, abiding by the Ordinance on Global Warming Prevention
Shareholders, investors	Transparent business practices and proper information disclosure, stable growth and reliable profitability, long-term increase in shareholder value	Integrated Report, Investors' Notes, financial results briefings, company briefings for individual investors, meetings with shareholders and institutional investors

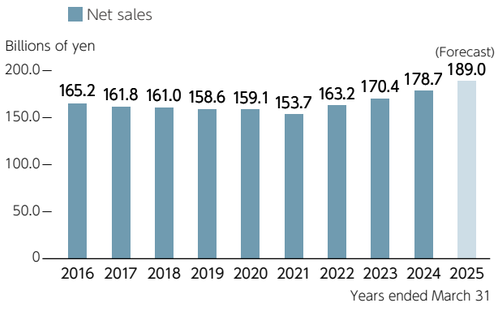
Review of Medium-Term Management Policies

	Phase I	Phase II
	Fiscal year ended March 31, 2016 to fiscal year ended March 31, 2018 Medium-Term Management Policy 2015	Fiscal year ended March 31, 2019 to fiscal year ended March 31, 2021 Medium-Term Management Policy 2018
Basic policy	In achieving our nine-year long-term strategy ONE DUSKIN, we position Phase I as the phase to ensure the penetration and implementation of this strategy, and we will focus on improving our earnings.	In Phase I, we laid the foundation for a new business model. In this second phase, we will further develop it and materialize the "ONE DUSKIN" structure, which is the goal of our long-term strategy. In doing so, we will improve our earnings and reform our corporate structure to achieve sustainable growth.
Subjects	① Establish a business model Establish a system that enables Duskin and franchisees to share and utilize customer information. ② New growth strategy Focus on developing new businesses, while expanding overseas operations of Clean & Care and Mister Donut. ③ Structural reforms Focus on improving profitability by reviewing the cost structure of procurement, production, logistics and information systems. ④ Strengthen corporate governance Enhance corporate governance based on the concept of fair and transparent corporate management and also as part of our growth strategy.	① New growth strategy New business development, M&A, strengthening business alliances with government and other entities • Establish a brand that meets the needs of growing markets in Asia. ② Expand existing businesses Direct Selling Group • Become a general point of contact for all aspects of family life, not just for housekeeping. • Move away from being a mere hygiene management supporter and become a business partner offering all kinds of hygiene management know-how. Food Group • Enhance brand value • Secure profitability of existing shops and promote multiple shop expansion after confirming the future potential. ③ Strengthen corporate structure Strengthen corporate functions and reallocate human resources to growth businesses.
Results	As the needs and consumption behavior of our customers diversify, we have achieved positive results in transforming our business model and other aspects of our operations to enable customers to use our new framework, products and services. Fiscal year ended March 31, 2018: Consolidated net sales of 161.0 billion yen / Consolidated operating profit of 7.5 billion yen	We were able to advance the development of our existing businesses and accelerate our efforts toward new growth. We also achieved some positive results in strengthening our corporate structure. Fiscal year ended March 31, 2021: Consolidated net sales of 153.7 billion yen / Consolidated operating profit of 4.6 billion yen
Issues to be addressed	• The Clean & Care Group* needs to establish a concierge system in which door-to-door sales reps play a central role. The Group also needs to improve the system by which Our specially trained Hygiene Masters can propose ideal hygiene management to their customers. • In the Mister Donut business, despite an increase in sales per shop in operation, total sales declined due to delays in shop openings while the number of existing shops is decreasing. We need to push forward our efforts to rebuild our brand.	• In order to respond to an external environment changed by the coronavirus pandemic, we need to accelerate information and distribution reform by way of further digitalization in existing businesses. • We need to be proactive in investing in new growth opportunities with an eye on the future, whether through M&A or venture capital investments. • We need to strengthen our business base to support investment in new growth opportunities and expansion of existing businesses. • We need to be proactive in the areas of ESG and SDGs.

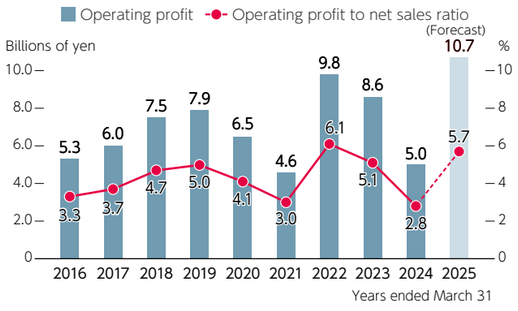
* Effective April 1, 2018, the Clean & Care Group has been renamed the Direct Selling Group.

Business results

Consolidated net sales



Operating profit



Medium-Term Management Policy 2022

Phase III

Duskin formulated Medium-Term Management Policy 2022 (for the three years from the fiscal year ended March 31, 2023 to the fiscal year ending March 31, 2025) as Phase III of its long-term strategy ONE DUSKIN. Over the three years, we are solidifying the foundation created in Phases I and II and steadily implementing initiatives to complete our long-term strategy ONE DUSKIN in order to further enhance our corporate value as a company that remains valuable to society.

Medium-Term Management Policy 2022 Basic Policy

Unify business and morals by reforming our portfolios to address the changing business climate and solve social issues

Numerical Targets (Consolidated)

Fiscal year ending March 31, 2025: Net sales of 189 billion yen / Operating profit of 10.7 billion yen / ROE of 6% or more

Initiatives Based on the Three Strategic Themes

		Subjects	Progress (during the fiscal year ended March 31, 2024)
Theme 1 Reforming our business portfolios	Reforming and expanding existing businesses	■ Direct Selling Group To pursue our goal of helping both residential and commercial customers "fine-tune the rhythm of their daily lives," we will focus on the three domains: work-life management, senior support and hygiene and cleanliness. ■ Food Group With the goal of creating shops where "anyone and everyone can enjoy happy moments at any time," we seek to deliver delicious taste and fun to customers.	■ Direct Selling Group • Introduced to franchisees a framework of sales teams dedicated to visits to residential customers. • Started joint business with our new business partner, Qracian Co., Ltd. • Commercialized Duskin Rescue, a rapid response service for home emergencies. ■ Food Group • Made Kenko Saien Co., Ltd., the holding company of Boston House Co., Ltd., which operates Napoli No Shokutaku Italian restaurant, a subsidiary. • Expanded delivery service. • Renewed the official Mister Donut smartphone app.
	Investment in new growth opportunities	■ Business alliance • In order to create social value, we will actively invest in areas where we can generate synergies with existing businesses and in areas where we can maintain lifelong relationships with customers. ■ Overseas business development • In addition to growing our businesses in the countries where we already operate, we will study the possibility of expanding into other Asian countries where we do not yet operate, and when possible, we will take action accordingly.	■ Business alliance • Signed a business alliance agreement with JP-Holdings, Inc. ■ Overseas business development • Opened two Mister Donut shops in Singapore. • Introduced a household cleaning service in Taipei, Taiwan. • Opened our official e-commerce site for overseas customers.
Theme 2 Establishing a solid foundation		Strengthening human and technology resources; reinforcing management systems for our organization and businesses • Promote human capital management • Strengthen R&D • Establish an organization and operational structure best suited to realize both company-wide and business-specific strategies • Strengthen management to focus on core competencies • Further improve governance effectiveness • Build a foundation for growth by promoting digital transformation	Human capital management • Introduced an educational tool that allows employees to learn new technologies and skills. • Implemented a personality test and growth measurement test to help employees increase their self-understanding. Digital transformation (DX) • Appointed dedicated personnel to implement a company-wide DX. • Set up a dedicated department to spearhead our cloud migration. • Largely completed the RFID tag installation.
Theme 3 Coexistence with local communities		Contributing to the creation of a sustainable society and strengthening our corporate governance geared to the needs of society • Contribute to the sustainability of society. • Make efforts to preserve the global environment. • Implement initiatives for sustainable corporate management.	• In order to reduce food loss and waste, increased the number of shops capable of adopting the recycling program of waste donuts as animal feed. • Conducted evaluation tests on converting Direct Selling Group sales vehicles to EVs.

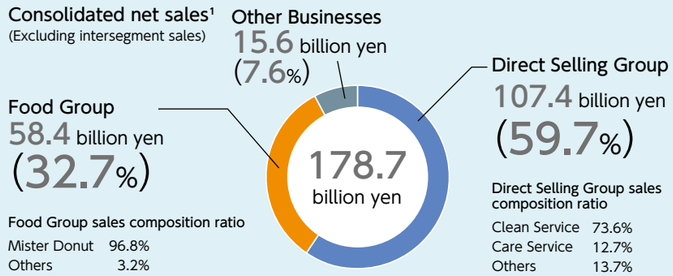
Duskin at a Glance

At Duskin, our business is centered on the franchise system. Duskin's history of providing products and services that meet the ever-changing needs of the times and the demands of society is the accumulation of our practice of sowing the seeds of joy.

Consolidated net sales
178.7 billion yen

Consolidated operating profit
5 billion yen

Consolidated net sales[1] (Excluding intersegment sales)



Food Group sales composition ratio

Mister Donut	96.8%
Others	3.2%

Direct Selling Group sales composition ratio

Clean Service	73.6%
Care Service	12.7%
Others	13.7%

Intersegment eliminations −2.7 billion yen

Customer-level sales[2]
432.4 billion yen

ROE
3.0%

Equity ratio
76.3%

Shareholder return
Total return ratio 143.0%

Note: Figures are for the fiscal year ended March 31, 2024.
1. Business segment sales include intersegment sales. Sales composition ratio is calculated excluding intersegment sales.
2. Customer-level sales are presented as a reference and represent the total of sales at company-owned and subsidiary locations and the estimated sales at franchised locations.

Rate of female employees in managerial positions[1]
14.3%
(Duskin Co., Ltd. only)

Number of employees
3,792
(Consolidated)
Gender ratio: 61.4% men, 38.6% women

Percentage of Outside Directors on the Board
33%

Door-to-door sales salespeople (Customer service representatives)
Approx. 57,000

61 years in business
Duskin Founding Day
(November 16, 1963)

Production and logistics facilities
45

Recycling-oriented rental system[1]
Recycling rate 97.8%

Intellectual property
Patents approved
147 in Japan and 5 outside Japan

R&D costs[1]
600 million yen
(Duskin Co., Ltd. only)

Note: Figures are as of March 31, 2024.
1. The figure is for the fiscal year ended March 31, 2024.

Direct Selling Group — 5,749 locations

Clean Service

Clean Service
Rental and sales of cleaning and hygiene products
1,823 locations
衛生環境を整える DUSKIN

Senior Care

Health Rent
Rental and sales of assisted-living products
187 locations
Health Rent ヘルス レント

Duskin Life Care
Support services for seniors
95 locations
DUSKIN Life Care ダスキン ライフケア

Care Service

ServiceMaster
Professional cleaning service
1,194 locations
プロのおそうじ ServiceMaster

Terminix
Pest control and comprehensive hygiene management
555 locations
害虫駆除・総合衛生管理 TERMINIX

Merry Maids
Home cleaning and helper services
798 locations
家事の代行 merry maids

Total Green
Plant and flower upkeep
176 locations
緑と花のお手入れ Total Green

Home Repair
Fixing scratches and dents
105 locations
住まいの補修 Home Repair

Others

Rent-All
Comprehensive event support
102 locations
タスキン レントオール DUSKIN RENT-ALL

Uniform Service
Leasing, sales and cleaning of uniforms
215 locations
ユニフォームのトータルサポート UNIFORM SERVICE

Health & Beauty
Natural cosmetics and health foods
456 locations
Health & Beauty

Azare Products Co., Ltd.
Manufacture and sales of cosmetics
43 locations
Azare Products Co., Ltd. is a subsidiary of Duskin Co., Ltd.
AZARE PRODUCTS

Notes:
- The number of locations, franchise units and shops represents domestic operations only, as of March 31, 2024.
- The number of locations for the Direct Selling Group represents the number of franchise agreements. (Sales promotion offices, regional offices and area manager offices are not included.)
- Because some business locations operate multiple businesses, the number of locations above may differ from the actual number of offices.

Food Group — 1,055 shops

Mister Donut

Mister Donut
Homemade donuts and a variety of menu items
1,016 shops
mister Donut

Note: The figure above represents the number of shops in Japan (as of March 31, 2024).

MOSDO
Collaboration with MOS Burger
1 shop
MOSDO!

Launched under a business tie-up between MOS Food Services and Duskin.

Others

Katsu & Katsu Co., Ltd.
Japanese pork cutlet restaurants
16 shops
かつ & かつ

Katsu & Katsu Co., Ltd. is a subsidiary of Duskin Co., Ltd.

Napoli No Shokutaku and others
Restaurant operator
22 shops
ナポリの食卓 Tavola di Napoli

Kenko Saien Co., Ltd. operates 12 Napoli No Shokutaku restaurants as well as several other restaurant businesses.

Overseas — 11,611 locations

Overseas Businesses

Dust Control and Care Service
2 markets (Taiwan and Shanghai)
25 locations
DUSKIN

Mister Donut
5 markets
(Thailand, the Philippines, Taiwan, Indonesia and Singapore)
11,494 locations
(Mister Donut shops: 1,784
Convenience store and others: 9,710)
mister Donut

Big Apple
Overseas donut brand
2 markets
(Malaysia and Cambodia)
92 locations
BIG APPLE DONUTS & COFFEE
Every Piece Is A Masterpiece

- The number of sales locations above is as of December 31, 2023.
- The Mister Donut business locations include shops operated under master franchise agreements.
- Shops for specific events and limited-time-only shops, which were included in the number of locations in the previous fiscal year, are not included this fiscal year.

Together with Our Customers and Franchisees

Direct Selling Group

The Direct Selling Group will continue to evolve by expanding and further enriching its full-range of businesses, spanning the three areas of work-life management, senior support and hygiene and cleanliness. In addition, each of our businesses, including the mainstay Clean Service, will literally work together as ONE DUSKIN as we strive to become close, lifelong partners of our customers in an effort to find solutions to the daily concerns they have.

Kazushi Sumimoto
Board Director and COO
Direct Selling Group



Environmental analysis

Risks

- Rising raw fuel prices
- Stricter legal regulations pertaining to direct selling
- Labor shortages due to a shrinking labor force
- Emergence of a sharing economy for services such as cleaning and housekeeping

Opportunities

- Systemization of hygiene control in accordance with HACCP
- Value shift from ownership to use
- Increased demand for service providers including cleaning and helper services
- Increased needs for in-home nursing care and preventive care for frailty
- Recovery of inbound tourist spending

Duskin's strengths

- Customer base of approximately 4.06 million households and 1 million business locations in the Clean Service business
- A network of community-based franchisees and product delivery systems
- Advantage of having several different businesses with cross-selling opportunities within the Direct Selling Group
- Customer trust and confidence in the Duskin brand

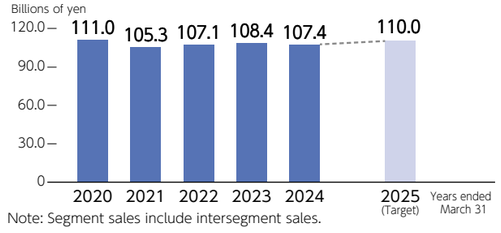
Business results overview

As our mainstay Clean Service business introduced the framework of sales teams dedicated to sales visits to households at our company-owned sales locations and affiliated companies, the number of customers in those sales channels began to increase during the previous fiscal year. This framework of sales teams is now being introduced to franchisees, where they are also achieving results in winning new customers. In addition, the number of Clean Service orders received through our website and other digital channels increased; and, as a result, the decline in the number of customers narrowed.

In Care Service, customer-level sales of ServiceMaster (professional cleaning services) grew thanks to healthy sales of air conditioner cleaning services, while the periodic services of Merry Maids (home cleaning and helper services), Terminix (pest control and comprehensive hygiene management), and Total Green (plant and flower upkeep) recorded solid growth.

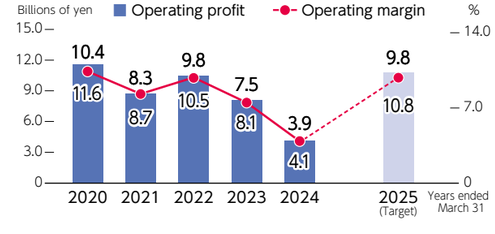
Event orders for Rent-All are returning to their pre-pandemic level. Rent-All also focused on expanding its disaster response support service, which provides support for supplying local governments the supplies and equipment they need should a disaster strike. Among other businesses, cosmetic business sales declined, while Health Rent (rental and sales of assisted-living products) continues to record solid sales and uniform-related businesses and Life Care (support services for seniors) also increased sales.

Net sales



Note: Segment sales include intersegment sales.

Operating profit and operating margin



Medium-Term Management Policy 2022 initiatives

The Medium-Term Management Policy 2022 focuses on three domains: the work-life management domain, which helps workers and their families create more spare time and live more fulfilling lives, the senior support domain, which now includes services for the early elderly and the active elderly, and the hygiene and cleanliness domain, which leverages Duskin's many decades of cleanliness expertise. Work-life management in particular is expanding its domain by cultivating new areas of business, such as the Duskin Rescue emergency locksmith service. Moreover, as a way to build relationships with new customers, we are introducing new cartoon and other popular character merchandising to expand our customer touchpoints. In addition, to strengthen connections with existing customers, we operate DDuet, a members-only website with a function that can suggest products and services customized for each member. Through initiatives like these, we are focusing on enhancing the customer experience.

Three Priority Domains

Work-life management	Senior support	Hygiene and cleanliness
Creating time and fulfilling lives for workers and their families	In addition to the existing domain, expand service menu to market not covered by the Long-Term Care Insurance System	Develop and supply high value-added products endowed with hygiene and other features and functions

Five Strategies

1. Organizational strategies

Build a framework to have dedicated sales teams for residential customers and have franchisees adopt that framework

Focus on further strengthening of face-to-face customer relationships and build a framework designed to cultivate new customers. Have franchisees adopt that framework after achieving positive results at our company-owned sales locations and affiliates.

2. CX strategies

Enhance the customer experience with a full range of digital channels, including generative AI, e-commerce, SNS and apps

Strengthen our framework for providing accurate information and solutions tailored to customer needs and situations by expanding the use of such information channels as e-commerce and SNS and by strengthening the use of digitally based customer communication.

3. Location strategies

Build a system for supplying services based on opening new locations in response to market demand

Enhance the existing service supply network by focusing on Care Service, which provides house cleaning and domestic helper services —a market expected to grow due to growing demand, and senior care services that provide nursing and rental of assisted-living products.

4. Production and logistics strategies

Increase efficiency and save manpower by introducing RFID tags and smart factory technologies

Energetically adopt digital technology to increase efficiency and save manpower. Raising productivity frees up time and human resources that can be devoted to strengthening customer communication.

Information and distribution reforms

Achieve better communication by leveraging our strength in face-to-face customer communication and also by proactively using new digital technology.

5. Product/service development strategies

Develop products, services and businesses that meet customer needs and contribute to solving social issues

Develop products, services and businesses based on a careful consideration of the daily living needs and concerns of consumers. Moreover, focus on developing senior support products and services that contribute solutions to the issues faced by an aging society.

Customer-level sales (Years ended March 31)

	Billions of yen	2020	2021	2022	2023	2024
Clean Service	For residential customers	87.4	84.0	82.1	81.7	79.3
	For commercial customers	94.6	90.5	90.1	91.8	90.4
Care Service	ServiceMaster	29.6	30.0	32.0	32.1	33.1
	Terminix	8.6	8.2	8.4	8.9	9.3
	Merry Maids	11.2	10.8	11.6	11.7	12.0
	Total Green	2.8	3.0	3.3	3.6	3.9
	Home Repair	0.1	0.2	0.2	0.2	0.2
Senior Care	Health Rent	10.5	11.4	12.4	13.3	14.0
	Duskin Life Care	2.0	1.8	2.2	2.2	2.1
Others	Rent-All	14.6	4.8	14.8	16.3	15.1
	Health & Beauty	2.5	2.0	2.1	2.0	1.8
	Azare Products	3.2	2.7	2.7	2.7	2.8
	Uniform Service	3.3	3.0	3.1	2.8	3.0

The above sales figures represent total sales for our domestic company-owned sales locations and subsidiaries, as well as projected sales for our franchisees. These figures are for reference purposes.

Together with Our Customers and Franchisees

Food Group

Guided by its slogan “something good’s gonna happen,” Mister Donut, the Food Group’s core business, strives to provide delicious taste and fun at shops “where anyone and everyone can enjoy a good time every time.” Efforts to make shops even more convenient and inviting include opening shops in new types of locations and introducing online ordering. Mister Donut is also focusing on merchandizing, such as product tie-ups with other companies. In addition to these business-related initiatives, we are contributing to environmental preservation, clarifying its reduction targets for plastic usage, food loss and waste and CO_2 emissions.



Tetsuya Wada
Board Director and COO
Food Group

Environmental analysis

Risks

- Improved product appeal at our competitors, such as convenience stores and volume retailers
- Demand for health consciousness and changes in consumers’ attitude toward donuts
- Rapid rise in the price of flour and other ingredients, store utility costs, fuel and other production cost

Opportunities

- Expanding business opportunities with services that address changes in lifestyles
- Customer acquisition through MISDO Meets and other collaborative projects

Mister Donut’s strengths

- Support from our customer base as the number-one donut brand with more than 50 years in the business
- Accommodating demand for takeout
- Customer touchpoints through a franchise network of nearly 1,000 shops
- Market recognition for providing a superior CX and marketing capabilities through such measures as joint product developments with other brands and limited time offers to create a buzz

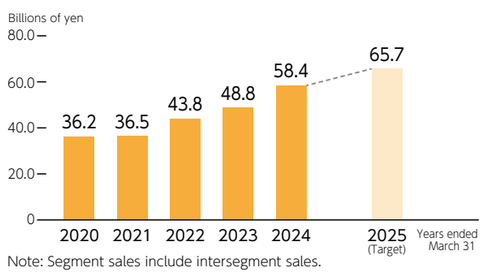
Business results overview

The Food Group posted increases in both sales and profits, as the mainstay Mister Donut business continued to perform well. At Mister Donut, both customer traffic and sales per customer increased. Mister Donut also saw an increase in raw material and royalty sales as the number of shops in operation increased due to new shop openings.

By product, commemorative campaign products for long-selling, mainstay products, MISDO Meets products developed jointly with other companies and the MISDO GOHAN series catering to the consumer demand for light meals all enjoyed strong sales. In addition, seasonally limited products and collaborative products incorporating popular characters from other brands have also become popular staples among customers, contributing to these solid results.

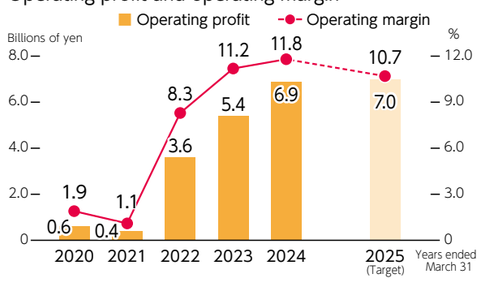
Among other Food Group businesses, sales increased for Katsu & Katsu pork cutlet restaurants, while Pie Face pie specialty shop discontinued business as of March 31, 2024.

Net sales



Note: Segment sales include intersegment sales.

Operating profit and operating margin



Medium-Term Management Policy 2022 initiatives

In order to give customers even more reasons to use our products and services, for a three-year period starting from the fiscal year ended March 31, 2023, Food Group core business Mister Donut is promoting the popular and jointly developed MISDO Meets series as well as seasonal products. Moreover, in addition to existing shops, our shop opening strategy is focusing on locations where we have yet to open shops, including shops with drive-through service in suburban locations and kitchen-less shops inside train stations. What’s more, in order to provide our customers with new service value, we are reorganizing our information and distribution by improving our online ordering system, expanding the number of shops with delivery service and introducing product pickup boxes.

Continue to Provide Delicious Taste and Fun

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.

Improve Convenience of Existing Businesses

Information and distribution reforms

Achieve better communication by leveraging our strength in face-to-face customer communication and also by proactively using new digital technology.

1. Product/service development strategies

Motivate customers to purchase our products more often



MISDO Meets



MISDO GOHAN

2. Location strategies

Open shops in suburbs and urban areas



Kitchen-less shops inside train stations



Suburban drive-through locations

3. CX strategies

Add new values to the customer experience



Online order



Product pick-up box

Information and distribution reforms

Food Group

Major initiatives planned

- Comfortable work environments
  Acquire human resources through enhanced productivity
- Develop new businesses
  Develop Italian Restaurant Napoli No Shokutaku and work on a franchise package for the business
- Information and distribution reforms
  Use digital tech to respond to such customer concerns as “no shop nearby,” “doesn’t have what I want” and “want to buy but have to wait.”





Left: Napoli No Shokutaku
Right: Katsu & Katsu

Mister Donut

Major initiatives planned

- Develop new products that motivate customers to visit a shop
- Develop plans for new shops that meet customer and franchisee expectations, and open such shops.
- Apply digital media (apps, SNS) to expand customer contact points and increase customer satisfaction





Mister Donut smart phone app

Customer-level sales (Years ended March 31)

Billions of yen	2020	2021	2022	2023	2024
Mister Donut	77.1	78.0	92.9	105.5	124.8
Katsu & Katsu	1.7	1.6	1.6	1.7	1.8
Others	0.7	0.4	0.4	0.06	0.03

Katsu & Katsu Co., Ltd. is a subsidiary of Duskin Co., Ltd.

Together with Our Customers and Franchisees

Overseas and Other Businesses

The Other Businesses segment include two overseas consolidated subsidiaries: Duskin Shanghai Co., Ltd., which operates a rental and sale of dust control products business in China, and Big Apple Worldwide Holdings Sdn. Bhd., which develops overseas donut businesses, mainly in Malaysia. The segment also includes two Japanese consolidated subsidiaries that do not operate franchises: Duskin Kyoeki Co., Ltd., a leasing and insurance agency, and Duskin Healthcare Co., Ltd., which provides medical facility management services.

Business environment analysis

Risks

Overseas businesses
- Each country has different lifestyles and eating habits
- Stricter import/export regulations
- Overseas political instability
- Exchange rate risks
- Shortage of human resources with a global perspective

Duskin Healthcare
- Revision of medical care-related rules and regulations
- Intensifying hospital cleaning market competition

Opportunities
- Economic growth of developing countries in Asia
- Increasing population of developing countries of Asia
- Trusted reputation of Japanese brands
- Widespread use of Internet shopping
- High hygiene awareness
- Rising medical care demand in an aging society
- Deepening mutual trust between Duskin and hospitals/elder care facilities

Strengths
- Robust franchise system
- Duskin's high name recognition in Japan
- Able to apply the know-how gained in domestic business to overseas operations
- Product and service development capabilities bolster competitiveness
- Unique management system that efficiently performs all kinds of business operations
- Comprehensive management providing a full range of services through permanent staffing and dispatching of personnel to hospitals and care facilities

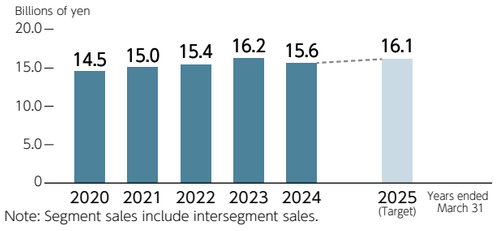
Business results overview

Despite increased domestic consolidated subsidiary sales, sales decreased for the Other Businesses segments due to a decrease in sales of overseas businesses. Operating profit also decreased due to the lower gross profit as a result of declined sales and due to such factors as higher domestic consolidated subsidiary personnel costs.

Domestic consolidated subsidiaries Duskin Healthcare Co., Ltd. and Duskin Kyoeki Co., Ltd. both increased sales, but higher cost of sales and expenses due to such factors as higher personnel costs resulted in decreased profits for both.

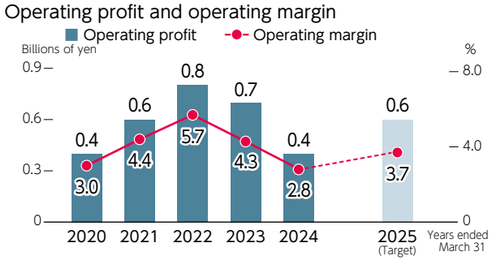
Among overseas businesses, Duskin Shanghai Co., Ltd. recorded decreased sales, while Big Apple Worldwide Holdings Sdn. Bhd. recorded decreased sales due to fewer customers visiting shops due to changes in customer behavior as the coronavirus pandemic subsided. As a result, sales were lower than the previous fiscal year.

Net sales



Note: Segment sales include intersegment sales.

Operating profit and operating margin



Medium-Term Management Policy 2022 initiatives

Among Duskin's overseas companies, Duskin Hong Kong Co., Ltd. was our base for expanding into China and mainly handled the trade of raw materials and of equipment and supplies for Duskin. Going forward it has been decided to relocate Duskin Hong Kong's trading functions to Japan and to dissolve the company in order to improve business efficiency and profitability.

In the meantime, to further expand our business overseas, Duskin has decided to expand the Mister Donut business to Singapore and Hong Kong by concluding master franchise agreements in both regions. Looking ahead, we intend to continue expanding the business, with a focus on southeast Asia. In addition, we have launched a business specializing in housecleaning services in Taiwan and opened an official online shopping site featuring household cleaning and hygiene products targeting five regions—Australia, Korea, Singapore, Thailand and Hong Kong—as part of our effort to strengthen our overseas business.

RE & S Enterprises Pte Ltd, with whom we concluded a master franchise agreement for the Mister Donut business, opened two Mister Donut shops in Singapore.





Left: First Mister Donut shop in Singapore

Right: Second Mister Donut shop in Singapore

Introduced a household cleaning service in Taiwan, as a service to help consumers achieve an even more pleasant lifestyle.



Signing the household cleaning service agreement



Training in Taiwan

Duskin

Providing comprehensive cleaning and hygiene services centered around our dust control business in two regions

DUSKIN
Dust Control Care Service

2 regions Taiwan, China

Mister Donut

Providing delicious donuts together with our corporate partners, mainly in Asia

Mister Donut

5 regions Thailand, Philippines, Taiwan, Indonesia, Singapore

Big Apple

Halal-certified overseas donut brand providing simple yet delicious donuts

Big Apple

2 regions Malaysia, Cambodia



*As of December 2023

At Duskin Healthcare Co., Ltd., our goal is to provide medical and nursing care facilities with comprehensive hygiene management solutions that are both safe and reliable. Our solutions help solve human resource shortages and prevent accidents at medical and nursing care facilities. The company is also working to improve work efficiency and quality through such measures as digitalizing tasks and introducing cleaning robots. In addition, 2024 is Duskin Healthcare's 40th year, and to commemorate this milestone, we will mark the year by renewing our commitment to practicing our guiding philosophy of doing business that "unifies business and morals."

DUSKIN HEALTHCARE

Customer-level sales (Years ended March 31)

Billions of yen	2020	2021	2022	2023	2024
Dust Control and Care Service	5.4	5.3	6.4	7.5	8.1
Mister Donut	14.4	11.3	12.1	16.0	18.9
Big Apple	1.2	1.1	1.5	2.0	1.9
Duskin Healthcare	8.3	8.4	8.5	8.6	8.8

Note: Overseas customer-level sales figures are totals for January through December in order to align with the fiscal years of consolidated overseas subsidiaries.

Together with Local Communities and Suppliers

SDG targets 4.1 11.7/11.a

Duskin is both a corporation and a member of the local community. Guided by our slogan “sowing the seeds of joy,” we engage in all kinds of activities dedicated to bringing people together and fostering partnerships with local communities.

Social needs and challenges

- Population decline due to an aging society; trend toward revitalization of local communities
- Focus on safety and quality of products and services; lifestyle changes

Risks and opportunities

- Contribution to regional safety, security and economic invigoration
- Product supply disruption and quality deterioration arising from supply chain problems
- Procurement risk management and closer partnerships

Materiality

- Coexistence and co-prosperity with communities
- Providing safe, reliable and sustainable products and services

Targets for the fiscal year ending March 31, 2025

- 500 on-site lessons annually
- 25 school teacher seminars annually
- Rate of periodic inspections at contracted food processing plants: maintaining 100%

Prospering together with the community

One of our goals is to contribute to the safety and comfort of the community and to revitalize the local economy. We are working to build new forms of partnerships and relationships of coexistence and co-prosperity with the local community. This includes providing on-site classes for children on the importance of cleaning and offering suggestions and support to help companies create a healthy and safe work environment.

Supporting local schools and education

Motivated by our conviction that cleaning can help develop the abilities of children, Duskin has been conducting research on cleaning education since 2000. We also conduct seminars for teachers, give on-site classes to elementary school students on the importance of cleaning, and have made publicly available a cleaning education curriculum for elementary and junior high schools.

Our seminars for teachers have received high praise from many teachers, as they provide an opportunity to reaffirm the need for cleaning education and to think about its potential. The on-site classes for children give them the opportunity and enjoyment of learning the significance of cleaning and the proper use of tools through hands-on experience.

As a company involved in cleaning and hygiene, Duskin is also involved in environmental measurement and verification in school cleaning and proposing new methods of cleaning in schools.



On-site class on the importance of cleaning

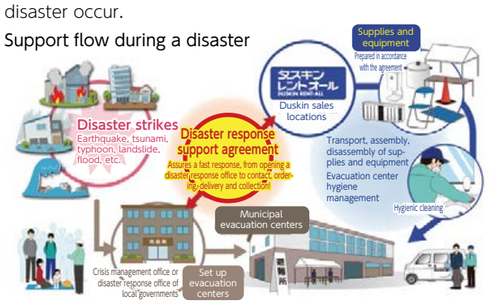


A seminar for teachers on our cleaning education

Providing rapid response for setting up evacuation centers during natural disasters

Through its franchisee network, Duskin works to deepen ties with local communities and help find solutions to social issues. In July 2022, Rent-All (comprehensive event support) launched a service to set up a system of nationwide bases that can provide the supplies and equipment needed in the event of a disaster. Through this service, Rent-All collaborates with Clean Service and Care Service on renting out some 100 different items that local governments need to set up evacuation centers during natural disasters and on utilizing Duskin facility hygiene solutions nationwide. Moreover, Duskin also provides support to communities in conducting disaster drills, thereby contributing to the safety and peace of mind of the communities. Specifically, we provide services ranging from setting up emergency drill sites to hygiene management and supplies and equipment rentals. Also, by concluding agreements that stipulate the supply of necessary supplies and equipment in advance with Duskin Rent-All, local governments receive fast and efficient support for setting up evacuation centers should a natural disaster occur.

Support flow during a disaster



Providing safe, reliable and sustainable products and services

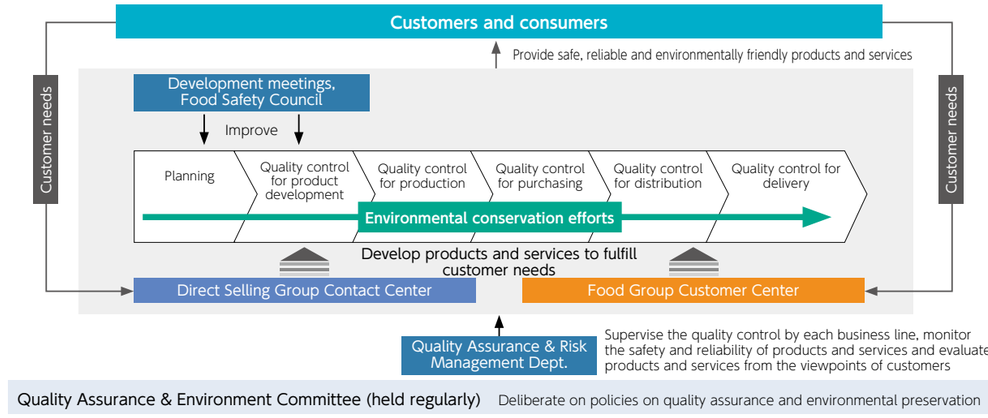
To ensure that we provide customers and consumers with safe and reliable products and services, we have built and put into practice a complete quality control system based on our Quality Policy. Also, to ensure sustainable and responsible procurement, we make an effort to strengthen our partnerships with suppliers.

For details about our Quality Policy, please refer to the following web page. https://www.duskin.co.jp/english/sus/social/philosophy/

Quality assurance framework

To ensure that all our products and services are safe and reliable, we have established a quality assurance framework that covers all products from development to after launch. We have also set up the Quality Assurance & Environment Committee, which meets regularly to deliberate on the guidelines of quality control and assurance and the environment.

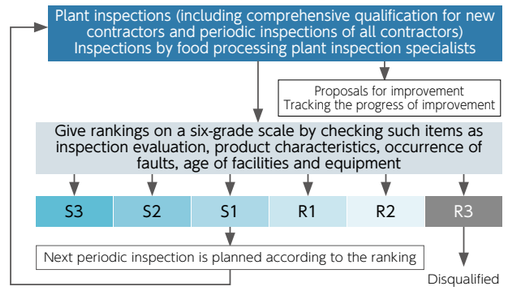
How our quality assurance framework works



Inspections of contracted food processing plants

For the contracted plants manufacturing our products, we conduct several types of inspections, including comprehensive qualification for new contractors, inspection of their production operation and periodic inspections of all contractors, as part of our efforts for continuous improvement. Our inspection specialists for food processing plants conduct extensive quality inspections, including facility management, process management, sanitary management and production management. All plants are evaluated and ranked by the results of inspections and other evaluation items. Periodic inspections are conducted regularly (approximately once in every three years) depending on the plants’ rankings.

Inspection process for food processing plants



A Closer Look

Inspections of suppliers on environmental and social issues

Negative impacts on the environment arising from the use of palm oil refined from oil palm fruit has been a growing concern in the world, because the development of oil palm plantations destroys tropical rainforests. When Duskin uses these kinds of raw materials, we establish a procurement network with the partnered suppliers to ensure fair and legitimate business practices.



Inspection of an oil palm plantation

Together with Employees

SDG targets: 3b, 4.4/4.7, 5.1/5.5, 8.5/8.8

At Duskin, we strive to create a comfortable work environment in which each and every employee can balance work and personal life in a healthy and rewarding way while working with vigor and enthusiasm. Specifically, we support employees in achieving their career visions and promote reforms in work styles and health-focused corporate management.

Social needs and challenges
- More diverse employment and work styles
- Increase in one-person households and working couples
- Intensifying competition for talented personnel due to shrinking working population

Risks and opportunities
- Loss of business opportunities from outflow of talented personnel
- Declined organizational competence due to a lack of diversity
- Higher employee loyalty by hiring and developing talented and diverse employees
- Higher labor productivity and better health by creating rewarding work environments

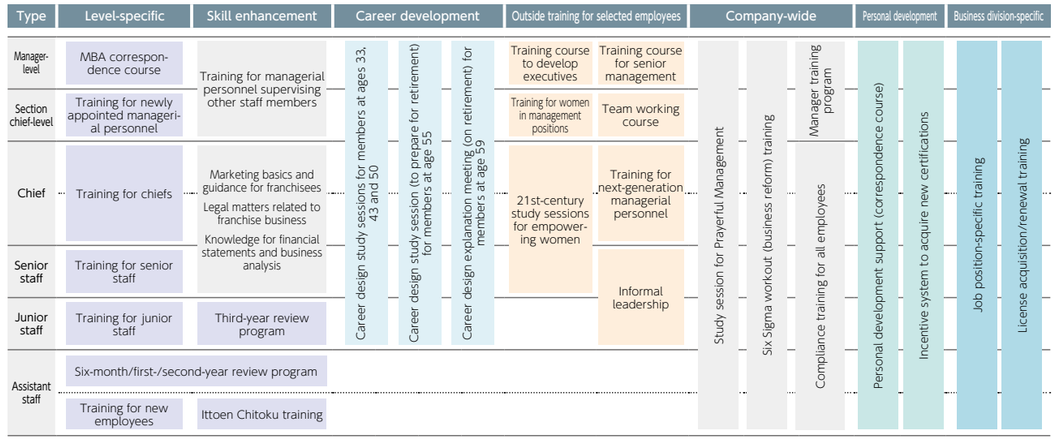
Materiality
- Employees' growth and career development
- Diversity and inclusion
- Work-style reform and health-focused corporate management

Targets for the fiscal year ending March 31, 2025
- At least 20 hours of training per person per year, with no employees who have not yet participated in training programs.
- Rate of respondents feeling fulfilled in their career in employee surveys: 80% or higher in all generations
- Ratio of women in management positions: 13% or higher
- Ratio of employees with disabilities: 3% or higher
- Total annual hours worked per employee: 1,800 hours or less

Supporting employees' growth and career development

Duskin considers people the core of all of our services. In order for our customers to feel the value of our attentive care, knowledge and skill must be accompanied by warm consideration for others. Based on this idea, Duskin promotes the development of competent and caring personnel through a variety of education and training programs. These programs are designed to help employees recalibrate their motivation to contribute to the company by reconfirming their abilities and renewing their awareness of their roles, while also providing them with opportunities to reflect on their own career development.

Company-wide training system



A Closer Look

Reskilling and digitally savvy personnel development

As part of its human capital management efforts and as one way to help employees learn autonomously, Duskin introduced Udemy Business, an online education platform that allows employees to learn whenever they want. Through this platform, we provide employees with the opportunity to acquire knowledge about their current work and to learn what they need to do to grow further. In addition, from April 2024, to improve digital literacy throughout the company, educational content about the basics of DX has been incorporated into the employee training curriculum.

Diversity and inclusion

We believe that only when employees of various career and social backgrounds (sex, age, nationality and lifestyle) respect one another and use their abilities to the fullest can we effectively respond to a constantly changing business environment and ever more diverse customer needs. We also believe that employee diversity creates new value and excellence. In order for our employees to be able to work with enthusiasm and a sense of fulfillment, and thereby revitalize our company, we promote hiring and promoting skilled and motivated individuals and creating a workplace environment where staff work hard together and fully demonstrate their abilities and experience.

Goals for ensuring diversity in hiring and promotion

	Targets	Target fiscal year (ending March 31)
Ratio of women in managerial positions	13% or higher	2026
Ratio of mid-career hires in managerial positions	33% or higher	2026
Ratio of foreign nationals in managerial positions	4% or higher	2026
Ratio of employees with disabilities	3% or higher	2025

Notes:
- The target values for the ratios of women in managerial positions and mid-career hires in managerial positions are for Duskin Co., Ltd. only.
- The target value for the ratio of foreign nationals in managerial positions is for both domestic and overseas Duskin Group companies.
- The target value for the ratio of employees with disabilities is for Duskin Group companies in Japan.

Empowering women in the workplace: Effective use of diverse human resources to enhance corporate value and vitality requires a workplace environment that enables women to reach their full potential. In accordance with the Act on the Promotion of Female Participation and Career Advancement in the Workplace, we have formulated our third action plan through the fiscal year ending March 31, 2026 and are implementing a number of initiatives from the perspective of skill development, offering women greater opportunities, creating a more supportive workplace and culture.

Appointing mid-career hires in managerial positions: Most of the personnel who join the company mid-career and become managers are so-called "career-track employees" or management-class candidates. Under the new personnel system introduced in April 2022, we have introduced what we call a "job-based employment" system. In addition, we have established a new personnel classification called "Senior Specialist." Based on this, we plan to secure mid-career personnel with a high level of expertise.

Promoting employment of foreign nationals: In companies that support the Duskin Group by conducting business overseas, many non-Japanese personnel are active in managerial positions that play a central role in business operations. Our policy is to continue to flexibly adopt and promote foreign nationals as we expand our overseas operations.

Hiring people with disabilities: In order to employ and retain more people with disabilities who are able to work, we are carrying out initiatives to examine the types of jobs suitable for the different range of skills and interests of people with disabilities and to establish a structure to assist them.

Work-style reform and health-focused corporate management

We believe that in order for us to continue to practice our corporate philosophy of "sowing seeds of joy" for people and society, it is important to create a work environment where employees are healthy and possess work-life balance, are able to maximize their individual abilities, and feel a sense of accomplishment and satisfaction. To this end, Duskin promotes diverse work styles that are not restricted by time or place and implements various measures, including the establishment of a No Overtime Day with the goal of limiting the number of hours worked per person to 1,800 hours or less a year.

In February 2023, we received our second "Kurumin" certification from the Minister of Health, Labour and Welfare as a company that supports child-rearing, and we are working to improve the workplace environment and raise awareness among all employees to help them achieve a better work-life balance.

Furthermore, as we advocate the Duskin Health-focused Management Declaration, we are committed to managing our business with a focus on the health of our employees. Recently, we have been certified as a Health & Productivity Management Organization 2024 by Nippon Kenko Kaigi (Japan Health Council), which is our eighth consecutive certification since 2017. We will continue to work in partnership with the health insurance society and workers' union to obtain certifications for all Duskin Group companies that are members of the Duskin Health Insurance Society.

Work-life balance
- Annual paid leave taken: 60%
- Continuing and further promoting telework
- Implementing the Leave the Office Early Day Campaign on the last Friday of each month
- Leaving a certain time interval before the next shift

Programs that assist employees to achieve a balance between work, childrearing and nursing care
- Birth and childcare leave, family care leave, reduced working hours for childcare
- Encouraging male employees to take special leave when their partner has a baby
- Allowing employees to adjust work starting time to fit individual circumstances
- System for reinstatement of employees who have left the company

Duskin Health-Focused Management Declaration

For Happiness of Employees

Duskin will encourage and help our employees and their families to maintain and improve their well-being to lead their lives to their fullest potential as reflected in the philosophy of Prayerful Management. We hereby declare our commitment to health-focused management, through which we will support the health of our employees and the sound development of the company to sow the seeds of joy in society.

Together with Our Environment

SDG targets: 7.2/7.3, 12.2/12.3/12.5, 13.1/13.2, 14.1

One way Duskin contributes to creating a sustainable society is by applying 3Rs (reduce, reuse, recycle) plus renewables over the entire product lifecycle. We also work hard on finding solutions to environmental issues to contribute to building a decarbonized society that is in harmony with nature and has a small environmental footprint.

Social needs and challenges
- Greater awareness of the SDGs and the environment
- Accelerated shift toward a circular economy
- Deteriorating global warming issues

Risks and opportunities
- Social criticism and higher disposal costs from increased waste
- Surging energy expenses due to stricter environmental regulations; business damage from increased extreme weather events
- Higher recycling rates through effective resource use; reduced environmental impact through rational use of energy and other measures

Materiality
- Contribution to the creation of a recycling-oriented society
- Addressing climate change

Targets for the fiscal year ending March 31, 2025
- Rate of reused mops and mats: maintaining 97%
- Rate of recycling food waste: 60%
- Registration of certified low-emission vehicles: 3,760

Duskin Green Target 2030

In order to contribute to the realization of a circular economy and a decarbonized future as stated in our Environmental Policy, we have set DUSKIN Green Target 2030 as a set of targets for environmental management to be reached by the fiscal year ending March 31, 2031, and are working to achieve it.

For details about our environmental policy, please refer to the following web page. https://www.duskin.co.jp/english/sus/ecology/ecologypolicy/

Targets for the fiscal year ending March 31, 2031

Reducing waste and efficient resource use help build a recycling-oriented society
- Reduce food waste by **50%** (compared to fiscal year ended March 31, 2001)
- Reduce fossil fuel-derived single-use plastics by **25%** (compared to fiscal year ended March 31, 2021)
- Recycle **60%** of plastic containers and packaging

Responding to climate change helps achieve a decarbonized society
- Renewable energy use rate of **50%**
- Reduce CO_2 emissions across Duskin Group locations by **46%** (compared to fiscal year ended March 31, 2014)
- Reduce Scope 3 emissions across our supply chain by **26%**

Reducing container and packaging plastic

As a source of ocean garbage and other pollution, plastic has a major impact on the environment and on daily life. Duskin implements the initiatives listed on the right for handling plastic materials. These initiatives contribute to achieving a sustainable society by using resources effectively and by reducing environmental burden throughout the entire lifecycle of the plastic containers and packaging that we use.

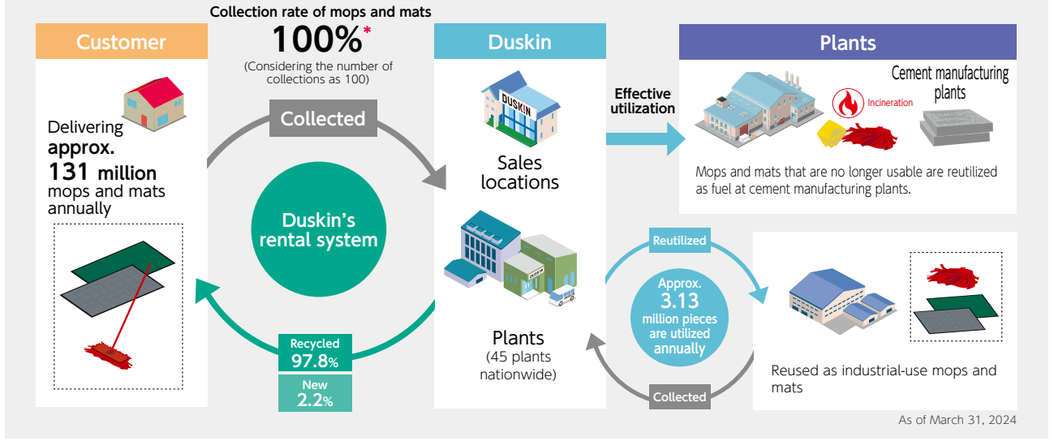


Helping achieve a recycling-oriented society

Direct Selling Group: Reuse of mop and mat products

Used items are collected from customers, and 97% of the collected items are processed in the laundry plants and reused. The remaining items are also utilized until their usable life ends. Dust and dirt on mops and mats are also effectively used as part of the fuel for the cement manufacturing plants.

Duskin's reuse and recycling system



* The percentage is calculated by excluding items that are not recoverable, such as items lost by the customer.

Food Group: Reducing food loss and recycling food waste

Donut recycling

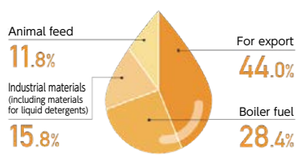
Mister Donut has been working on reducing food waste as much as possible by reinforcing its management controls through the use of production schedules and disposal checklists. The donuts that are still left over after shop hours are recycled as animal feed.

Note: Excluding some shops.



Donut cooking oil recycling

We recycle old donut cooking oil for use mainly as industrial material and liquid detergent. Some oil is also reused as boiler fuel at Duskin plants or is exported overseas for use as biofuel. Thanks to all these endeavors, Duskin recycles 100% of its used donut cooking oil.



Figures are based on actual results from April 2023 to March 2024.

CO_2 emission reduction efforts

Duskin converts some raw material waste to energy

We have built a waste-free resource recycle loop by converting raw material waste generated at Mister Donut distribution centers and at other companies into biomass fuel for use in power generation. In addition, we use renewable energy with non-fossil certification for 100% of the electricity used at five of our facilities, including our head office.

Evaluation tests on converting Duskin company vehicles to EVs

We have tested the use of electric vehicles (EVs), and based on the results of those tests, which evaluated such factors as the benefit of conversion to reducing environmental burden and on running costs as well as its utility, we are preparing an EV conversion plan to help achieve a carbon-free future.



Together with Shareholders and Investors

Initiatives to strengthen corporate governance

We are strengthening corporate governance, as we believe it to be one of the most important issues for business management. In 2017 we created a Directors Evaluation Committee and introduced an Operating Officer System in 2018. In 2019, we changed the Directors Evaluation Committee to consist of only independent Directors and to function as an advisory body to the Board of Directors. As of 2022, we have also increased the number of female Outside Directors by one to three. Taking into account amendments to laws and changing society, we will continue to work toward further improvements in corporate governance.

Changes in the corporate governance structure

2003	● **Quality Assurance Committee (now Sustainability Committee) established** ● **Compliance Promotion Committee (now Compliance Committee) established**
2006	● **Risk Management Committee established** ● Duskin stock listed on the first section of Tokyo Stock Exchange and Osaka Securities Exchange* *The cash equity markets of Tokyo Stock Exchange and Osaka Securities Exchange were integrated on July 16, 2013. ● Management Philosophy included in the Articles of Incorporation ● A basic policy for the Internal Control System established
2007	● **The Directors' retirement benefit program terminated**
2008	● The number of Outside Audit and Supervisory Board Members increased from two to three
2013	● Starts participating in Electronic Voting Platform
2014	● The number of Outside Directors increased from one to two
2015	● **Outside Directors and Audit and Supervisory Board Members Council established** ● The number of Outside Directors increased from two to three ● **Posting of shareholders' meeting notice on the web (earlier than distributing printed version) started**
2016	● Analysis and evaluation of the effectiveness of the Board of Directors started
2017	● **Directors Evaluation Committee established** ● Directors Evaluation and Nomination System introduced ● A share-based remuneration-type stock option program established
2018	● **Operating Officer System introduced** ● **Independent Outside Directors account for at least one third of all Directors** ● The number of Directors decreased from not more than 15 to not more than 12
2019	● Advisory body function of the Directors Evaluation Committee switched to the Board of Directors instead of to the President
2020	● Operations restructured into groups; COO and CFO designated ● Succession Plan to train and develop next-generation management launched
2021	● Share-based remuneration-type stock options replaced with a restricted stock remuneration plan ● Hybrid virtual shareholders' meeting (a meeting in which online participants do not have voting rights) held
2022	● **Three female independent Outside Directors appointed** ● Moved from the first section of the Tokyo Stock Exchange to its Prime Market
2023	● Disclosed information on our initiatives to realize business management that takes into account the capital cost and stock price.

Basic policy

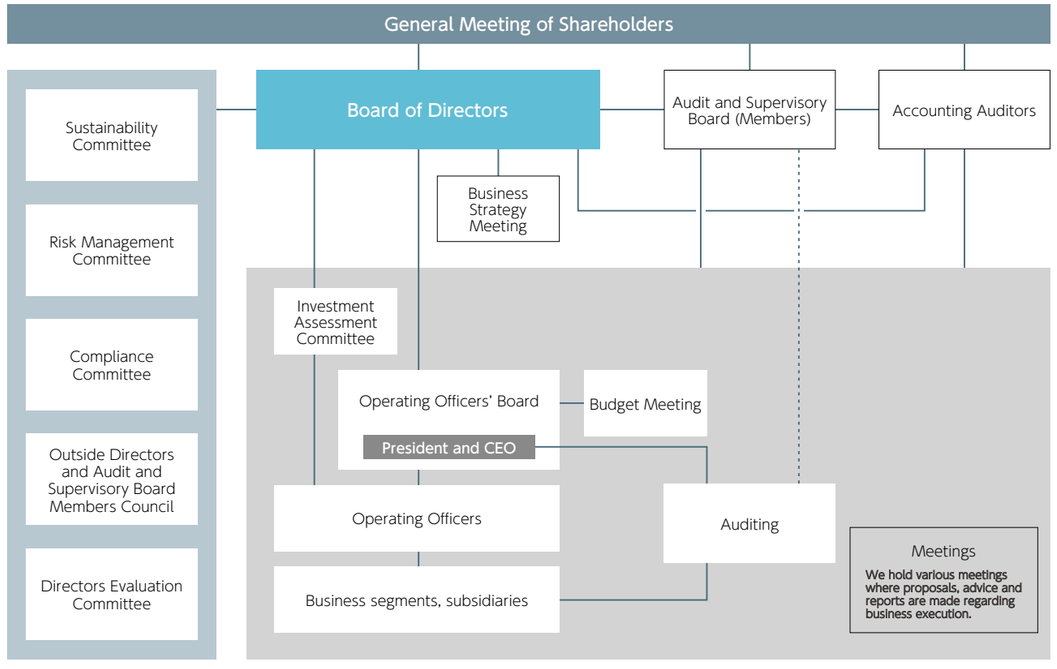
To meet the expectations of various stakeholders and to become a company that achieves sustainable growth while increasing its corporate value over the medium to long term, Duskin understands that strengthening of corporate governance is one of its most important management issues. In addition to establishing a management system that can respond quickly and accurately to changes in the business environment, Duskin will further bolster its structure, organization and systems to ensure sound and highly transparent management. Duskin will also place compliance at the center of all corporate activities to continuously improve its corporate value.

Details of the Corporate Governance Report are available on the following web page.
https://www.duskin.co.jp/english/ir/governance/corporate/pdf/CorporateGovernance.pdf

Corporate governance structure

Duskin corporate governance uses an audit and supervisory board system. We have introduced the Operating Officer System to streamline the Board of Directors' decision-making process and strengthen its supervision of company business. To ensure the system's effectiveness, we have also set up the Directors Evaluation and Nomination System. Additionally, to ensure that the process of determining the remuneration of individual directors is objective and transparent, we have established the Directors Evaluation Committee. At the Board of Directors, Directors, who typically serve concurrently as Operating Officers, monitor and supervise the performance of other Directors. The Audit and Supervisory Board consists of independent outside Audit and Supervisory Board Members capable of objectively conducting audits and internal full-time Audit and Supervisory Board Members, who are well acquainted with our business operations and have skills needed to gather information. Under this system, the Audit and Supervisory Board Members, internal and outside, perform accurate audits. We consider this structure highly effective as it supports customer-oriented management while ensuring sound and efficient business operations. This system also enables us to swiftly and precisely respond to changes in the business environment.

Corporate governance structure (as of June 2024)



Eleven-Year Highlights with Key Performance Indicators

Duskin Co., Ltd. and its consolidated subsidiaries
Fiscal years ended March 31

		Medium-Term Management Policy		Long-Term Strategy ONE DUSKIN: Medium-Term Management Policy 2015			Medium-Term Management Policy 2018				Medium-Term Management Policy 2022	
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Customer-level sales												
Customer-level sales	(Millions of yen)	407,225	401,561	394,850	384,547	382,104	376,994	380,425	359,582	389,388	411,772	432,454
Of which, the Direct Selling Group	(Millions of yen)	276,956	270,390	274,005	272,633	272,577	271,811	271,189	253,178	265,659	270,081	267,783
Of which, the Food Group	(Millions of yen)	106,426	105,631	95,549	86,058	81,148	76,741	79,714	80,148	95,031	107,388	126,729
Overseas and other businesses*1	(Millions of yen)	23,842	25,539	25,295	25,855	28,378	28,440	29,521	26,255	28,698	34,302	37,941
For the fiscal year												
Sales	(Millions of yen)	167,745	167,987	165,203	161,880	161,031	158,699	159,102	153,770	163,210	170,494	178,782
Operating profit	(Millions of yen)	6,641	5,067	5,372	6,069	7,557	7,954	6,577	4,651	9,899	8,637	5,084
Ordinary profit	(Millions of yen)	8,322	7,083	6,707	7,554	8,978	10,011	7,929	6,633	12,215	11,375	7,863
Profit attributable to owners of parent	(Millions of yen)	4,448	3,441	2,983	4,318	5,324	5,984	5,591	2,821	8,132	7,196	4,574
Comprehensive income	(Millions of yen)	6,246	7,870	1,401	5,309	7,825	8,571	2,178	6,331	7,477	8,316	8,141
Depreciation	(Millions of yen)	6,953	7,068	6,704	6,878	6,216	6,415	6,938	7,378	7,462	7,439	7,782
Capital expenditures	(Millions of yen)	3,974	6,319	8,520	6,047	6,047	6,324	6,744	9,243	6,238	7,916	9,636
At fiscal year-end												
Net assets	(Millions of yen)	151,903	155,196	143,648	142,108	147,786	149,884	142,031	145,836	151,026	151,774	154,453
Total assets	(Millions of yen)	202,778	198,475	190,322	190,116	196,058	194,223	185,158	188,399	198,055	197,524	202,079
Interest-bearing debt	(Millions of yen)	246	52	20	91	196	18	14	18	1,539	1,116	916
Cash flows												
Cash flows from operating activities	(Millions of yen)	12,086	6,251	11,199	15,803	13,111	13,606	8,850	10,103	19,596	12,061	11,093
Cash flows from investing activities	(Millions of yen)	– 14,004	5,515	– 2,826	– 3,565	– 7,909	– 12,555	3,137	– 5,019	– 8,524	– 12,844	– 16,604
Cash flows from financing activities	(Millions of yen)	– 6,553	– 4,514	– 12,952	– 6,800	– 2,232	– 6,671	– 10,022	– 2,563	– 835	– 7,992	– 5,743
Cash and cash equivalents at end of year	(Millions of yen)	19,775	27,118	22,503	27,902	30,877	25,237	27,167	29,674	39,963	31,275	20,024
Per-share data												
Net assets per share	(Yen)	2,446.24	2,544.09	2,569.53	2,651.76	2,758.28	2,876.63	2,872.99	2,948.85	3,047.67	3,120.70	3,202.54
Net income per share	(Yen)	71.13	56.19	52.18	78.95	99.63	112.38	109.95	57.19	164.71	146.13	95.01
Dividend per share	(Yen)	60.00	40.00	40.00	40.00	40.00	50.00	56.00	40.00	83.00	88.00	100.00
Price per share at year end	(Yen)	1,979	2,080	2,022	2,428	2,697	2,635	2,841	2,785	2,689	3,190	3,299
Financial indicators												
Equity ratio	(%)	74.3	77.6	75.0	74.5	75.2	77.0	76.6	77.2	76.1	76.6	76.3
Return on equity	(%)	2.9	2.3	2.0	3.0	3.7	4.0	3.8	2.0	5.5	4.8	3.0
Return on assets	(%)	2.2	1.7	1.5	2.3	2.8	3.1	2.9	1.5	4.2	3.6	2.3
Price-earnings ratio		27.82	37.02	38.75	30.75	27.07	23.45	25.84	48.70	16.33	21.83	34.72
Dividend payout ratio	(%)	84.4	71.2	76.7	50.7	40.1	44.5	50.9	69.9	50.4	60.2	105.3
Stock information*2												
Capital stock	(Millions of yen)	11,352	11,352	11,352	11,352	11,352	11,352	11,352	11,352	11,352	11,352	11,352
Outstanding shares	(1,000 shares)	63,494	63,494	57,494	55,194	55,194	52,694	50,994	50,994	50,994	50,994	50,000
Treasury shares at end of year	(1,000 shares)	1,915	2,947	1,948	1,749	1,750	679	1,659	1,650	975	2,051	1,572
Repurchase of company stock	(1,000 shares)	1,500	1,030	5,000	2,100	—	1,430	2,679	—	—	1,094	527
Repurchase of company stock (amount)	(Millions of yen)	2,835	1,841	10,503	4,415	—	3,750	7,777	—	—	3,303	1,699
Shareholders: Individuals	(%)	39.8	40.0	41.1	40.2	38.7	40.2	39.4	40.2	42.2	41.8	41.6
Financial institutions	(%)	15.9	16.7	18.1	19.6	20.6	22.7	23.3	22.9	22.7	22.7	21.9
Domestic corporations	(%)	28.2	26.0	23.9	23.4	22.1	21.0	21.2	20.1	19.3	18.8	19.9
Foreign corporations	(%)	13.0	12.6	13.5	13.7	15.4	14.7	12.8	13.5	12.7	12.7	13.5
Treasury shares	(%)	3.0	4.6	3.4	3.2	3.2	1.3	3.3	3.2	1.9	4.0	3.1
Number of employees												
Full-time employees		3,552	3,487	3,538	3,528	3,773	3,813	3,802	3,819	3,778	3,739	3,792
Of which, employees of Duskin Co., Ltd.		1,936	1,928	1,960	1,954	1,991	2,020	1,974	1,988	2,000	1,989	1,988
Part-time employees*3		5,867	6,041	6,128	6,219	6,029	6,086	6,080	5,925	5,937	5,924	6,259
Of which, employees of Duskin Co., Ltd.		1,541	1,478	1,588	1,607	1,488	1,438	1,121	1,057	1,129	1,074	1,080
Customer touchpoints												
Total number of locations		9,784	10,118	10,668	11,169	11,911	13,212	14,206	14,863	16,558	18,417	18,617
Of which, the Direct Selling Group*4		5,438	5,523	5,550	5,541	5,582	5,651	5,669	5,664	5,683	5,728	5,749
Of which, the Food Group		1,413	1,382	1,339	1,195	1,119	1,037	1,003	985	996	1,014	1,055
Overseas and other businesses*1,5		2,933	3,213	3,779	4,433	5,210	6,524	7,534	8,214	9,879	11,675	11,813

*1 As of December 31 of the previous year
*2 Numbers of shares less than one thousand are rounded down.
*3 Annual average number of employees
*4 Figures do not include drink service locations.
*5 The number of locations is the sum of the number of overseas business locations and the number of contracted customers of Duskin Healthcare Co., Ltd.

Corporate Information

Corporate information

Name	Duskin Co., Ltd.	Date established	February 4, 1963
Head Office	1-33 Toyotsu-cho, Suita-shi, Osaka 564-0051	Capital stock	11.3 billion yen (as of March 31, 2024)
Representative	Hiroyuki Okubo, Representative Director, President and CEO	Number of employees	1,988 (Parent company only), 3,792 (Consolidated) (as of March 31, 2024)

Subsidiaries and affiliates (as of March 31, 2024)

■ Direct Selling Group ■ Food Group ■ Other businesses

Consolidated subsidiaries

Japan

- Duskin Serve Hokkaido Co., Ltd.
- Duskin Serve Tohoku Co., Ltd.
- Duskin Serve Kita Kanto Co., Ltd.
- Duskin Serve Tokai Hokuriku Co., Ltd.
- Duskin Serve Kinki Co., Ltd.
- Duskin Serve Chugoku Shikoku Co., Ltd.
- Duskin Serve Kyushu Co., Ltd.
- Duskin Okinawa Co., Ltd.
- Duskin Towada Co., Ltd.
- Duskin Utsunomiya Co., Ltd.
- Duskin Ina Co., Ltd.
- Duskin Echizen Co., Ltd.
- Duskin Yatsushiro Co., Ltd.
- Duskin Kagoshima Co., Ltd.
- Duskin Shuttle Tokyo Co., Ltd.
- Azare Products Co., Ltd.
- Kyowa Cosmetics Co., Ltd.
- Chugai Sangyo Co., Ltd.
- EDIST Co., Ltd.*1
- Wakura Duskin Co., Ltd.
- Ono Duskin Co., Ltd.
- Duskin Product Hokkaido Co., Ltd.
- Duskin Product Tohoku Co., Ltd.
- Duskin Product Higashi Kanto Co., Ltd.
- Duskin Product Nishi Kanto Co., Ltd.
- Duskin Product Tokai Co., Ltd.
- Duskin Product Chu Shikoku Co., Ltd.
- Duskin Product Kyushu Co., Ltd.
- MD Food Co., Ltd.
- MD Food Tohoku Co., Ltd.
- MD Food Kyushu Co., Ltd.
- Katsu & Katsu Co., Ltd.
- Ever Fresh Hakodate Co., Ltd.
- Kenko Saien Co., Ltd.
- Boston House Co., Ltd.
- Bishoku Kobo Co., Ltd.
- Duskin Kyoeki Co., Ltd.
- Duskin Healthcare Co., Ltd.

Overseas

- Duskin Hong Kong Co., Ltd.*2
- Duskin Shanghai Co., Ltd.
- Big Apple Worldwide Holdings Sdn. Bhd.

Equity method affiliates

Japan

- NAC Co., Ltd.
- JP-Holdings, Inc.

Overseas

- Duskin Serve Taiwan Co., Ltd.
- Mister Donut Taiwan Co., Ltd.

*1 EDIST Co., Ltd. ceased operations as of March 31, 2024 and is currently in the process of liquidation.
*2 At its meeting on July 28, 2022, the Board of Directors resolved to dissolve Duskin Hong Kong Co., Ltd. The liquidation will be completed as soon as the necessary procedures are completed in accordance with local laws and regulations.

Directors and Audit and Supervisory Board Members (As of June 26, 2024)

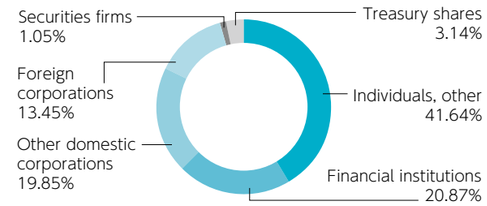
Chairman	Teruji Yamamura	Audit and Supervisory Board Member	Hideyuki Naito	Operating Officer	Seishi Nemoto
Representative Director, President and CEO	Hiroyuki Okubo		Koji Tsukamoto		Hideyuki Kanoh
Board Director and COO	Kazushi Sumimoto	Outside Audit and Supervisory Board Member	Hidekazu Saruki		Kazumi Mori
	Tetsuya Wada		Ichiro Sakamoto		Tetsuji Daikuhara
Board Director and CFO	Naoto Miyata		Seiichiro Yamamoto		Gou Fukushima
Board Director and Operating Officer	Shinichiro Ueno				Kenji Iida
	Keiichi Emura				Takeharu Ide
Outside Director	Yukiko Tsujimoto				Kazunari Yamamoto
	Fumi Musashi				Yasuko Matsushige
	Rie Nakagawa				

Stock Information

Stock summary (as of March 31, 2024)

Fiscal year-end	March 31
Ordinary general meeting of shareholders	June
Securities code	4665
Stock listing	Tokyo Stock Exchange (Prime Market) As a result of the market segment restructuring implemented by the Tokyo Stock Exchange, Duskin transitioned from the First Section to the Prime Market as of April 2022.
Trading unit	100 shares
Number of authorized shares	200,000,000 shares
Number of shares issued	50,000,000 shares (including 1,572,122 shares of treasury stock)
Number of shareholders	57,265 (increased by 8,114 people compared to March 31, 2023)
Shareholder registry administrator	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Independent auditor	Ernst & Young ShinNihon LLC

Types of shareholders



Major shareholders (Top 10 shareholders)

Name	No. of shares owned (1,000 shares)	Ownership ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,304	13.01
Custody Bank of Japan, Ltd. (Trust Account)	2,127	4.39
Nippn Corporation	1,800	3.71
Duskin Employee Stock Ownership Plan	1,541	3.18
Incorporated Educational Institution Zassoh no Mori Gakuen	1,297	2.68
Duskin Franchisee Stock Ownership Plan	1,181	2.44
MOS Food Services, Inc.	760	1.56
Sumitomo Mitsui Banking Corporation	756	1.56
Sumitomo Realty & Development Co., Ltd.	749	1.54
JPMorgan Chase Bank 385781	606	1.25

Notes:
1. Our company owns 1,572,122 shares of treasury stock but is excluded from the major shareholder list. The treasury stock does not include 313,500 shares (for which the rights vested on March 31, 2024) of our company held by Custody Bank of Japan, Ltd.
2. Treasury shares are not included in the ownership ratio.

Third-party ESG evaluations

Duskin continues efforts to address various issues from the perspective of environmental, social and governance (ESG) criteria. These efforts have been recognized and awarded by socially responsible investment (SRI) rating agencies and external organizations.

FTSE Russell
FTSE Blossom Japan Sector Relative Index

FTSE Russell
FTSE Blossom Japan Index

The MSCI Japan
Empowering Women Index (WIN)

The MSCI Japan
ESG Select Leaders Index

JPX Group
S&P/JPX Carbon Efficient Index

Sompo Asset Management
Sompo Sustainability Index

Ministry of the Environment
ESG Finance Award Japan

Sumitomo Mitsui Banking Corporation
ESG/SDGs Assessment Syndication

Ministry of Economy, Trade and Industry
2024 Certified Health & Productivity Management Outstanding Organization White 500

Nikkei Smart Work Management

Third-party ESG evaluations https://www.duskin.co.jp/english/sus/evalution/