

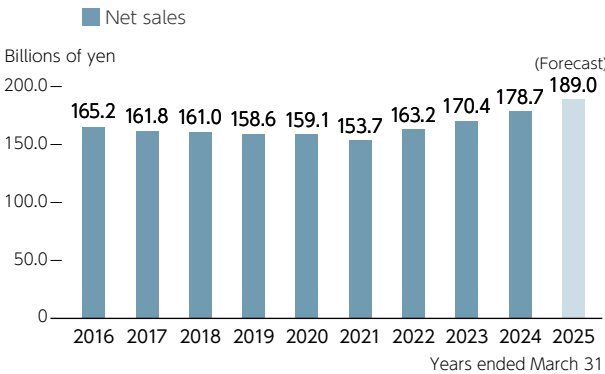
Review of Medium-Term Management Policies

Phase I		Phase II		Phase III	
Fiscal year ended March 31, 2016 to fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019 to fiscal year ended March 31, 2021			
Medium-Term Management Policy 2015		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	<ul style="list-style-type: none">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.	<ul style="list-style-type: none">① New growth strategy New business development, M&A, strengthening business alliances with government and other entities<ul style="list-style-type: none">• Establish a brand that meets the needs of growing markets in Asia.② Expand existing businesses<ul style="list-style-type: none">Direct Selling Group<ul style="list-style-type: none">• 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<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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.	<ul style="list-style-type: none">• 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.			

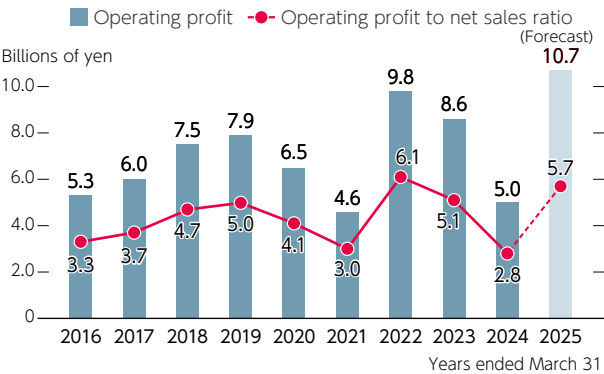
* Effective April 1, 2018, the Clean & Care Group has been renamed the Direct Selling Group.

Business results

Consolidated net sales



Operating profit



Medium-Term Management Policy 2022

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)

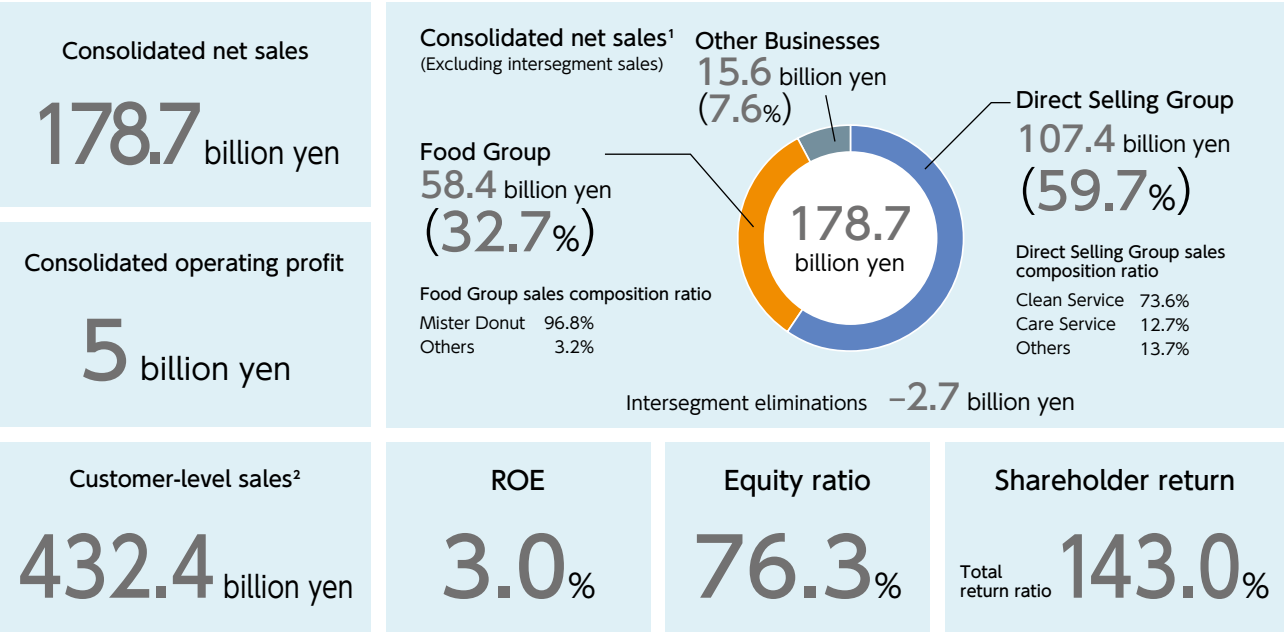
Fiscal year ending March 31, 2025: Net sales of **189** billion yen / Operating profit of **10.7** billion yen / ROE of **6%** or more

Initiatives Based on the Three Strategic Themes

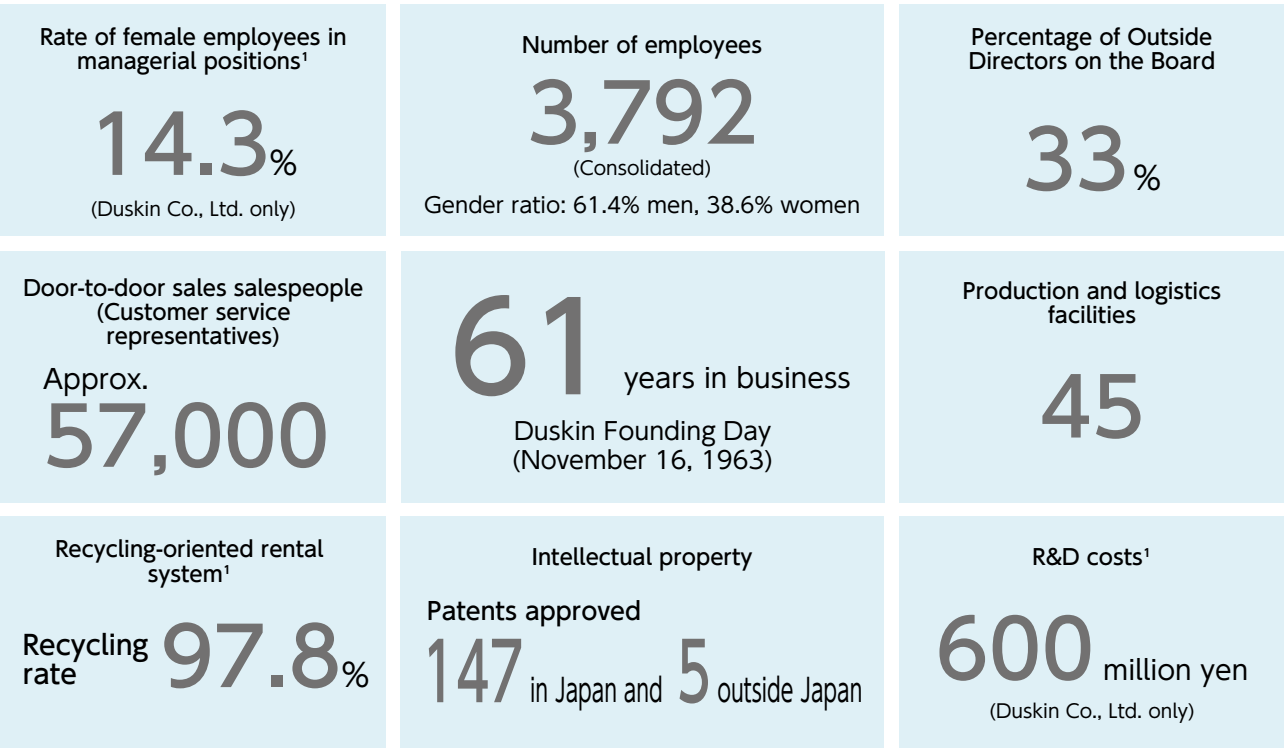
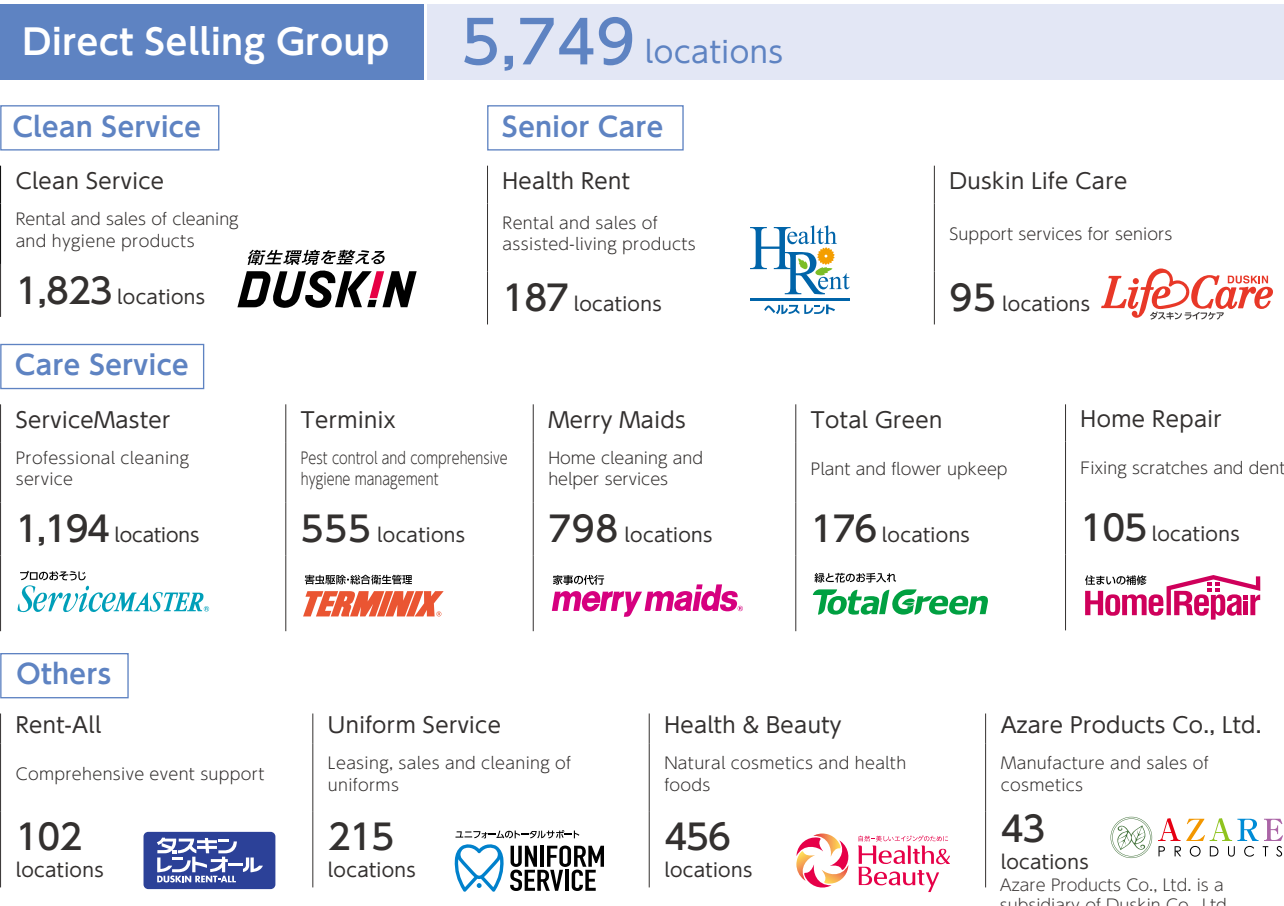
		Subjects	Progress (during the fiscal year ended March 31, 2024)
Theme 1 Reforming our business portfolios	Reforming and expanding existing businesses	<ul style="list-style-type: none">■ Direct Selling Group To pursue our goal of helping both residential and commercial customers "fine-tune the rhythm 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.	<ul style="list-style-type: none">■ Direct Selling Group<ul style="list-style-type: none">• 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<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">■ Business alliance<ul style="list-style-type: none">• 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<ul style="list-style-type: none">• 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.	<ul style="list-style-type: none">■ Business alliance<ul style="list-style-type: none">• Signed a business alliance agreement with JP-Holdings, Inc.■ Overseas business development<ul style="list-style-type: none">• 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 <ul style="list-style-type: none">• 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 <ul style="list-style-type: none">• 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) <ul style="list-style-type: none">• 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 <ul style="list-style-type: none">• Contribute to the sustainability of society.• Make efforts to preserve the global environment.• Implement initiatives for sustainable corporate management.	<ul style="list-style-type: none">• 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.



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.



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

