

# Together with Our Customers and Franchisees

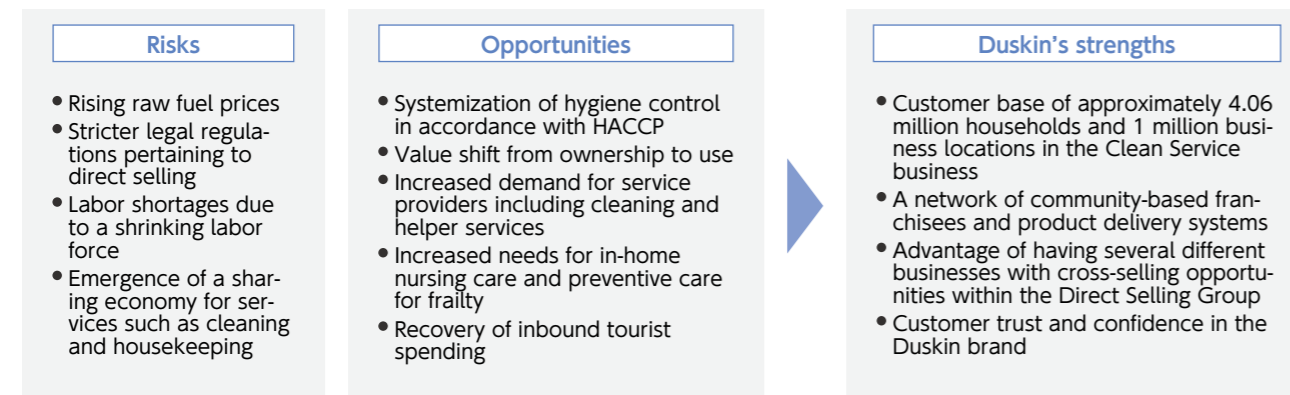
## Direct Selling Group

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



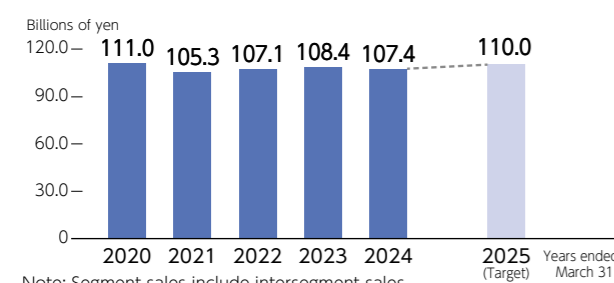
### Business results overview

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.

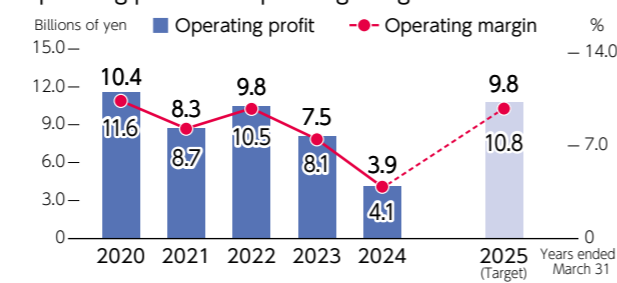
In Care Service, customer-level sales of ServiceMaster (professional cleaning services) grew thanks to healthy sales of air conditioner cleaning services, while the periodic services of Merry Maids (home cleaning and helper services), Terminix (pest control and comprehensive hygiene management), and 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

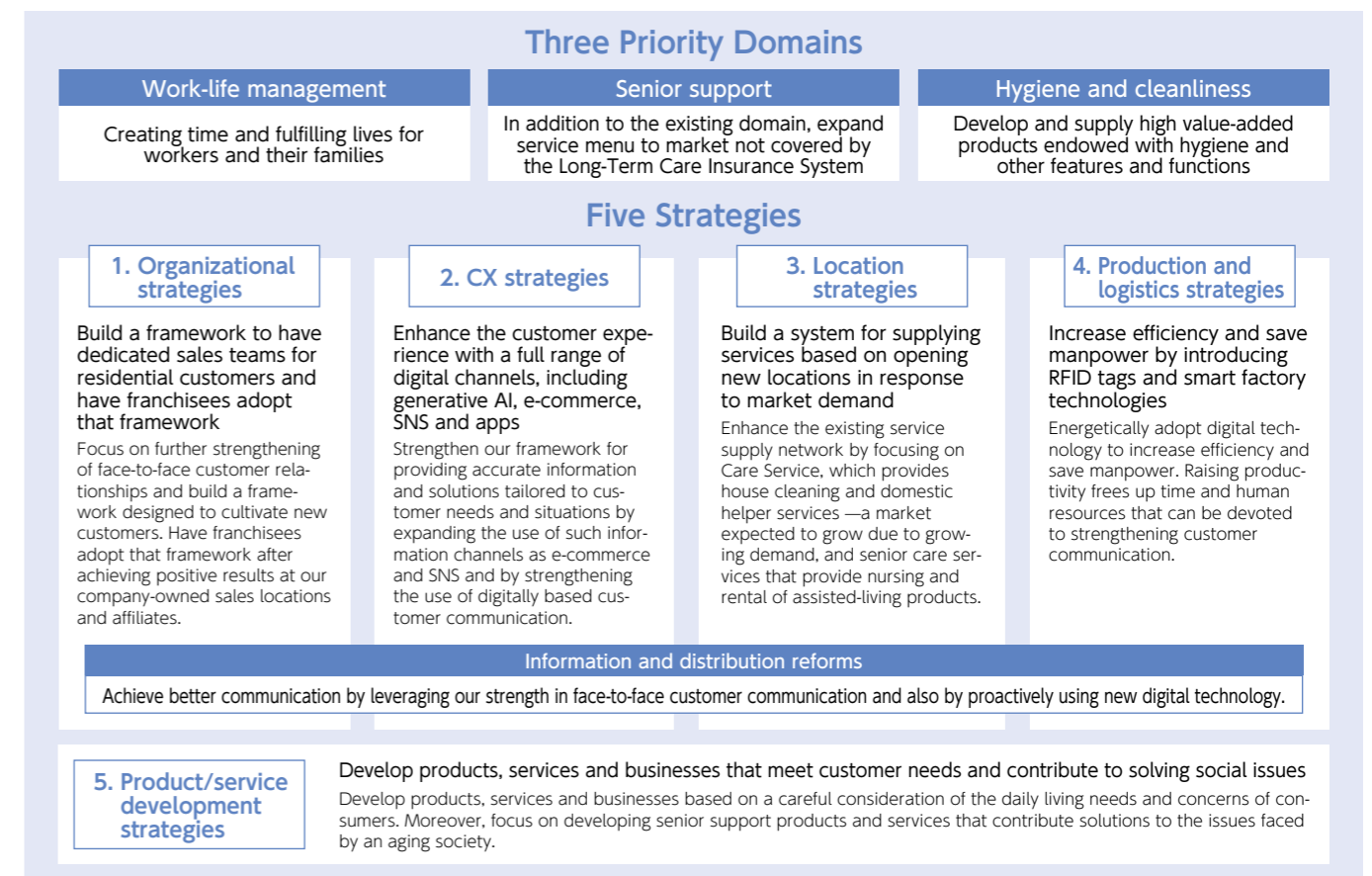


#### Operating profit and operating margin



### 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.



### 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
Senior Care	Home Repair		0.1	0.2	0.2	0.2	0.2
	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<sub>2</sub> emissions.

**Tetsuya Wada**  
Board Director and COO  
Food Group



### Environmental analysis



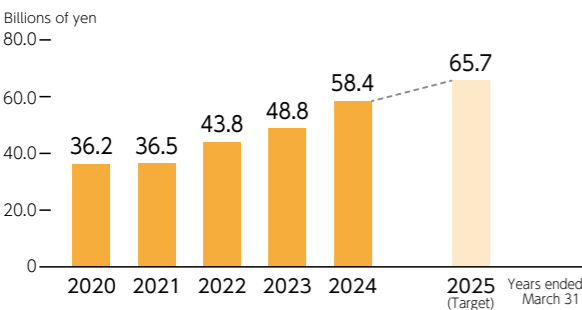
### Business results overview

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.

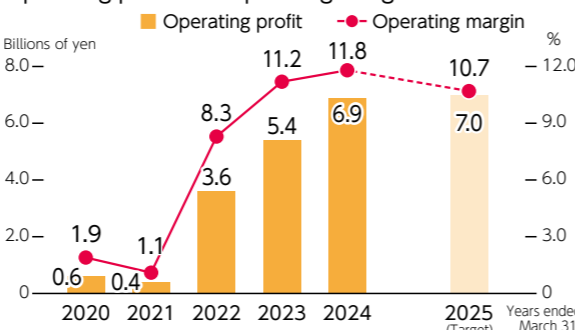
Among other Food Group businesses, sales increased for Katsu & Katsu pork cutlet restaurants, while Pie Face pie specialty shop discontinued business as of March 31, 2024.

#### 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	Strengthening of the current value chain	Merchandising
Develop new business models that cater to different locations, customer base and needs than the existing brands.	Realize in-house processing of key raw materials and in-house distribution in existing businesses.	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

### Food Group

Major initiatives planned
<ul style="list-style-type: none"><li>Comfortable work environments Acquire human resources through enhanced productivity</li><li>Develop new businesses Develop Italian Restaurant Napoli No Shokutaku and work on a franchise package for the business</li><li>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."</li></ul>



Left: Napoli No Shokutaku  
Right: Katsu & Katsu

### Mister Donut

Major initiatives planned
<ul style="list-style-type: none"><li>Develop new products that motivate customers to visit a shop</li><li>Develop plans for new shops that meet customer and franchisee expectations, and open such shops.</li><li>Apply digital media (apps, SNS) to expand customer contact points and increase customer satisfaction</li></ul>



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

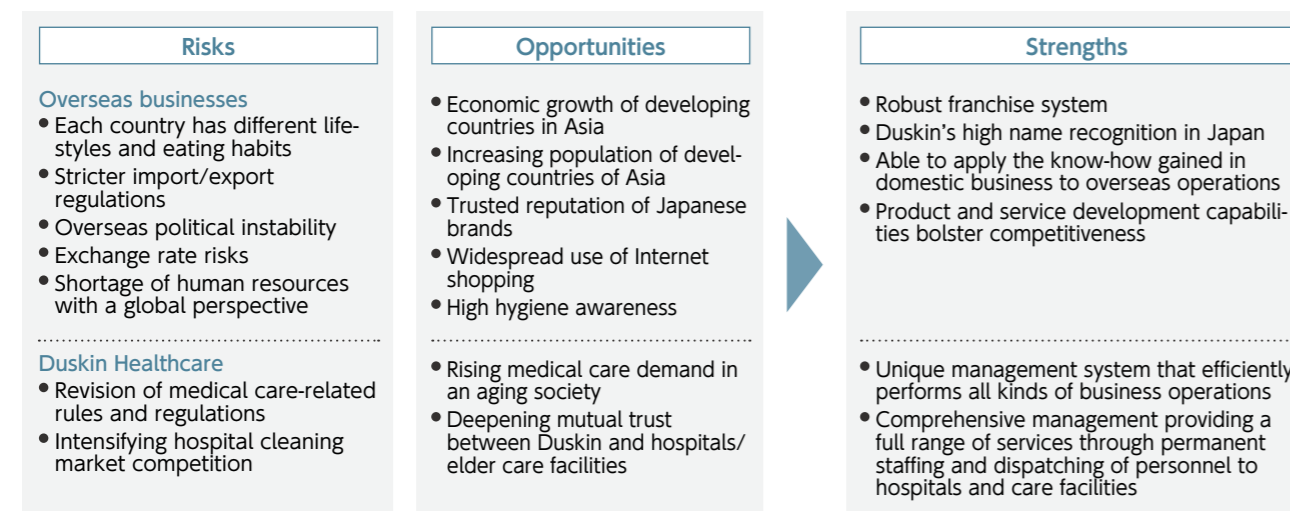
Katsu & Katsu Co., Ltd. is a subsidiary of Duskin Co., Ltd.

# 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



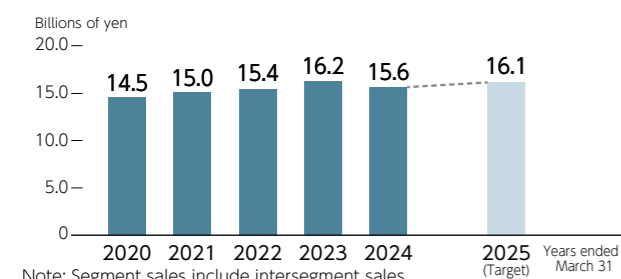
### Business results overview

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.

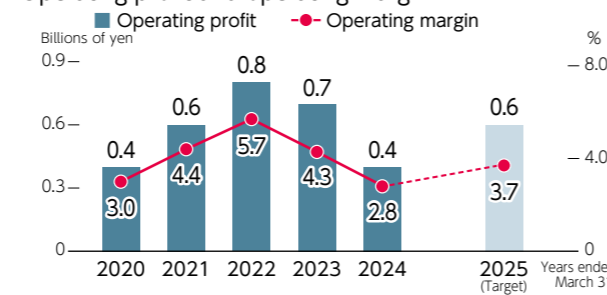
Domestic consolidated subsidiaries Duskin Healthcare Co., Ltd. and Duskin Kyoeki Co., Ltd. both increased sales, but higher cost of sales and expenses due to such factors as higher personnel costs resulted in decreased profits for both.

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



#### 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



2 regions Taiwan, China

#### Mister Donut

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



5 regions Thailand, Philippines, Taiwan, Indonesia, Singapore

#### Big Apple

Halal-certified overseas donut brand providing simple yet delicious donuts



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."



### 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.