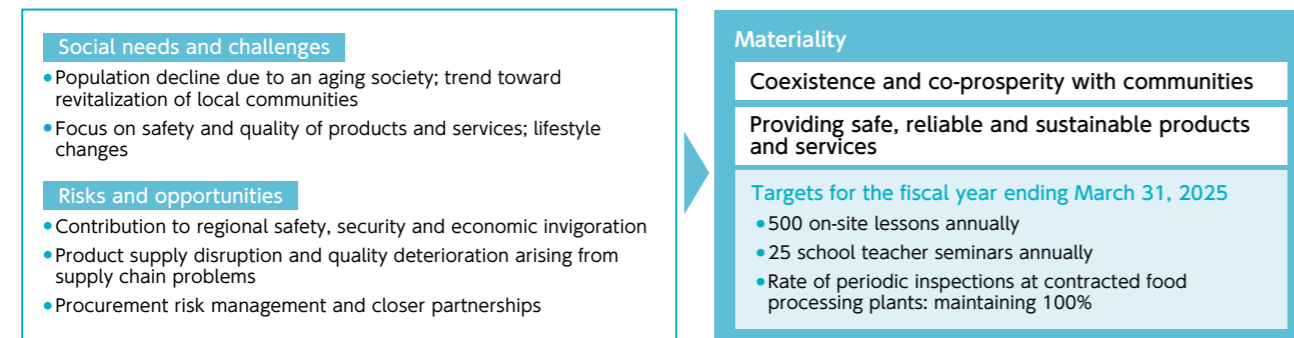


Together with Local Communities and Suppliers



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.



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.

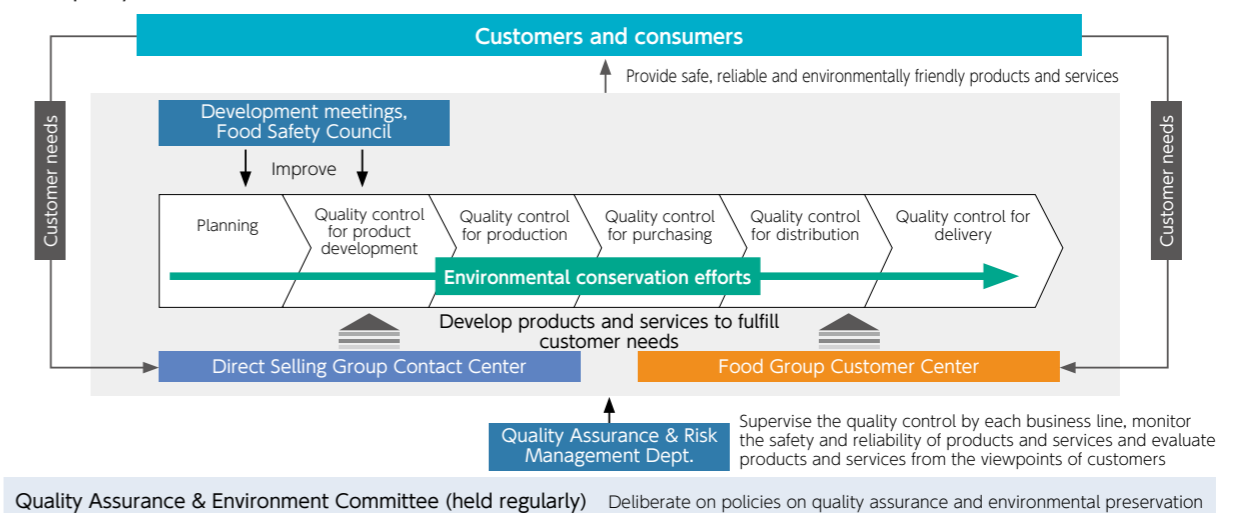
<https://www.duskin.co.jp/english/sus/social/philosophy/>



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.

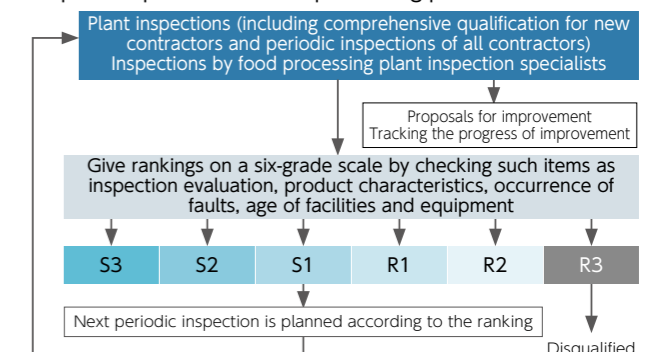
How our quality assurance framework works



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.

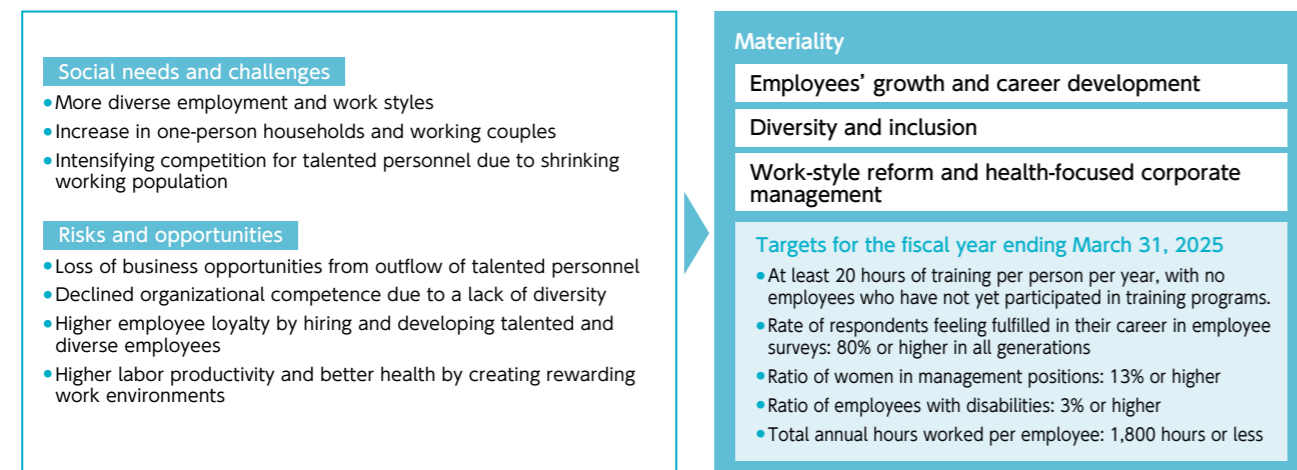
Inspection of an oil palm plantation



Together with Employees



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.



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

Type	Level-specific	Skill enhancement	Career development	Outside training for selected employees	Company-wide	Personal development	Business division-specific
Manager-level	MBA correspondence course	Training for managerial personnel supervising other staff members	Career design study sessions for members at ages 33, 43 and 50	Training course to develop executives	Study session for Prayerful Management	Manager training program	
Section chief-level	Training for newly appointed managerial personnel		Career design study session (to prepare for retirement) for members at age 55	Training for women in management positions	Six Sigma workout (business reform) training		
Chief	Training for chiefs	Marketing basics and guidance for franchisees Legal matters related to franchise business Knowledge for financial statements and business analysis	Career design explanation meeting (on retirement) for members at age 59	21st-century study sessions for empowering women	Compliance training for all employees	Personal development support (correspondence course)	
Senior staff	Training for senior staff			Training for next-generation managerial personnel		Incentive system to acquire new certifications	Job position-specific training
Junior staff	Training for junior staff	Third-year review program		Informal leadership			License acquisition/renewal training
Assistant staff	Six-month/first-/second-year review program						
	Training for new employees	Ittoen Chitoku training					

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 Udeemy 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

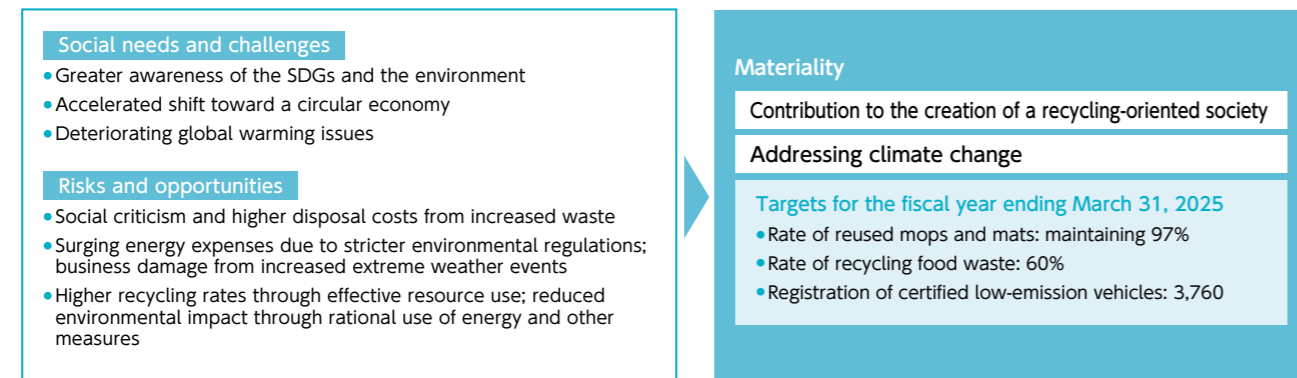
For Happiness of Employees

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



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.



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 CO₂ 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

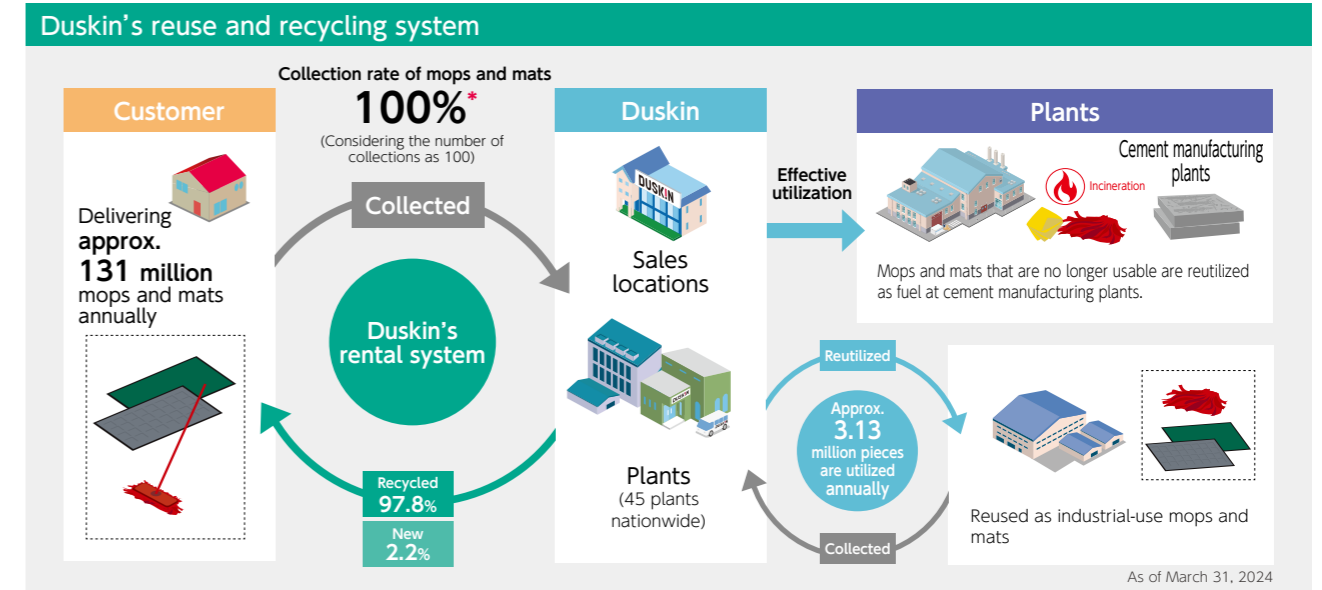
As a source of ocean garbage and other pollution, plastic has a major impact on the environment and on daily life. Duskin implements the initiatives listed on the right for handling plastic materials. These initiatives contribute to achieving a sustainable society by using resources effectively and by 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.



* 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

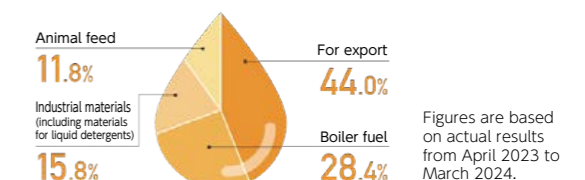
Mister Donut has been working on reducing food waste as much as possible by reinforcing its management controls through the use of production schedules and disposal checklists. The donuts that are still left over after shop hours are recycled as animal feed.

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.



CO₂ 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	<ul style="list-style-type: none">Quality Assurance Committee (now Sustainability Committee) establishedCompliance Promotion Committee (now Compliance Committee) established
2006	<ul style="list-style-type: none">Risk Management Committee establishedDuskin 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 IncorporationA basic policy for the Internal Control System established
2007	<ul style="list-style-type: none">The Directors' retirement benefit program terminated
2008	<ul style="list-style-type: none">The number of Outside Audit and Supervisory Board Members increased from two to three
2013	<ul style="list-style-type: none">Starts participating in Electronic Voting Platform
2014	<ul style="list-style-type: none">The number of Outside Directors increased from one to two
2015	<ul style="list-style-type: none">Outside Directors and Audit and Supervisory Board Members Council establishedThe number of Outside Directors increased from two to threePosting of shareholders' meeting notice on the web (earlier than distributing printed version) started
2016	<ul style="list-style-type: none">Analysis and evaluation of the effectiveness of the Board of Directors started
2017	<ul style="list-style-type: none">Directors Evaluation Committee establishedDirectors Evaluation and Nomination System introducedA share-based remuneration-type stock option program established
2018	<ul style="list-style-type: none">Operating Officer System introducedIndependent Outside Directors account for at least one third of all DirectorsThe number of Directors decreased from not more than 15 to not more than 12
2019	<ul style="list-style-type: none">Advisory body function of the Directors Evaluation Committee switched to the Board of Directors instead of to the President
2020	<ul style="list-style-type: none">Operations restructured into groups; COO and CFO designatedSuccession Plan to train and develop next-generation management launched
2021	<ul style="list-style-type: none">Share-based remuneration-type stock options replaced with a restricted stock remuneration planHybrid virtual shareholders' meeting (a meeting in which online participants do not have voting rights) held
2022	<ul style="list-style-type: none">Three female independent Outside Directors appointedMoved from the first section of the Tokyo Stock Exchange to its Prime Market
2023	<ul style="list-style-type: none">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)

