

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Japanese Standards)

May 15, 2024

Company name: Duskin Co., Ltd. Shares listed: Tokyo
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 Scheduled date for ordinary general meeting of shareholders: June 26, 2024
 Scheduled date of dividend payment commencement: June 27, 2024
 Scheduled date for release of annual securities report: June 27, 2024
 Preparation of additional financial results materials: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

Amounts in the following tables are rounded down to the nearest million yen.

1. Consolidated Financial Results for FY2023 (April 1, 2023 - March 31, 2024)

(1) Results of operation

Percentages indicate the change against the previous fiscal year.

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended Mar. 31, 2024	178,782	4.9	5,084	-41.1	7,863	-30.9	4,574	-36.4
Year ended Mar. 31, 2023	170,494	4.5	8,637	-12.7	11,375	-6.9	7,196	-11.5

Note: Comprehensive income - Year ended March 31, 2024: 8,141 million yen (-2.1%); year ended March 31, 2023: 8,316 million yen (11.2%)

	Profit per share	Profit per share (Fully diluted)	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to sales
	Yen	Yen	%	%	%
Year ended Mar. 31, 2024	95.01	94.97	3.0	3.9	2.8
Year ended Mar. 31, 2023	146.13	146.07	4.8	5.8	5.1

Reference: Share of profit (loss) of entities accounted for using equity method - Year ended March 31, 2024: 1,200 million yen; year ended March 31, 2023: 990 million yen

(2) Financial positions

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2024	202,079	154,453	76.3	3,202.54
As of Mar. 31, 2023	197,524	151,774	76.6	3,120.70

Reference: Shareholders' equity - March 31, 2024: 154,107 million yen; March 31, 2023: 151,360 million yen

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended Mar. 31, 2024	11,093	-16,604	-5,743	20,024
Year ended Mar. 31, 2023	12,061	-12,844	-7,992	31,275

2. Dividends

	Dividends per share					Total dividends (Annual)	Dividend ratio (Consolidated)	Ratio of dividends to shareholders' equity (Consolidated)
	End of 1st Q	End of 2nd Q	End of 3rd Q	Year-end	Total (Annual)			
Year ended Mar. 31, 2023	Yen -	Yen 40.00	Yen -	Yen 48.00	Yen 88.00	Millions of yen 4,350	% 60.2	% 2.9
Year ended Mar. 31, 2024	Yen -	Yen 35.00	Yen -	Yen 65.00	Yen 100.00	Millions of yen 4,842	% 105.3	% 3.2
Year ending Mar. 31, 2025 (Forecast)	Yen -	Yen 50.00	Yen -	Yen 76.00	Yen 126.00		% 60.6	

Note: Breakdown of year-end dividends for the fiscal year ended March 31, 2024: ordinary dividend 45.00 yen, commemorative dividend 20.00 yen

For details, please refer to the "Notice Concerning Dividends of Surplus" released on May 15, 2024.

3. Forecast of Consolidated Financial Results for FY2024 (April 1, 2024 - March 31, 2025)

Percentages indicate the change against the same period of the previous fiscal year.

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half (Cumulative total)	89,900	4.8	5,400	83.2	7,000	70.6	4,900	85.0	101.83
Year ending Mar. 31, 2025	189,000	5.7	10,700	110.5	14,100	79.3	10,000	118.6	207.81

Notes:

1. Changes in significant subsidiaries during the period (Changes in specific subsidiaries resulting in an adjustment to the scope of consolidation): None
2. Changes in accounting principles and estimates, and retrospective restatements
 - (1) Changes due to revision of accounting standards: None
 - (2) Changes other than (1) above: None
 - (3) Changes in accounting estimates: None
 - (4) Retrospective restatements: None
3. Number of shares issued (Common stock)

Number of shares issued (including treasury shares)	As of Mar. 31, 2024:	50,000,000	As of Mar. 31, 2023:	50,994,823
Number of treasury shares	As of Mar. 31, 2024:	1,879,558	As of Mar. 31, 2023:	2,492,646
Average number of shares outstanding during the period	Year ended Mar. 31, 2024:	48,142,694	Year ended Mar. 31, 2023:	49,250,856

Reference: Summary of the non-consolidated financial results

1. Non-consolidated financial results for FY2023 (April 1, 2023 - March 31, 2024)

(1) Results of operation

Percentages indicate the change against the previous fiscal year.

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended Mar. 31, 2024	146,518	5.7	2,718	-52.7	7,270	-28.2	4,973	-28.4
Year ended Mar. 31, 2023	138,560	4.7	5,752	-15.8	10,125	-4.1	6,944	-6.2

	Profit per share		Profit per share (Fully diluted)	
	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2024	103.30		103.26	
Year ended Mar. 31, 2023	141.01		140.95	

(2) Financial positions

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	%	Yen	Yen	
As of Mar. 31, 2024	179,211		125,541		70.0	2,607.85		
As of Mar. 31, 2023	177,372		123,110		69.4	2,537.20		

Reference: Shareholders' equity - March 31, 2024: 125,492 million yen; March 31, 2023: 123,060 million yen

2. Forecast of non-consolidated financial results for FY2024 (April 1, 2024 - March 31, 2025)

Percentages indicate the change against the same period of the previous fiscal year.

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
First half (Cumulative total)	72,700	3.9	4,300	138.9	7,800	53.0	5,800	45.6	120.53	
Year ending Mar. 31, 2025	153,000	4.4	8,200	201.7	13,000	78.8	9,700	95.0	201.58	

This summary of financial statements is exempt from the audit by certified public accountants or audit corporations.

Explanation regarding the appropriate use of business forecasts

Note for the financial forecast:

The financial forecast contained in this report is based on information available at the time of preparation of the report and certain assumptions considered reasonable, and thus Duskin makes no warranty as to the achievability of the forecast. Readers are advised that actual results may differ significantly from the forecast.

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1. Business Results and Financial Position

(1) Business Results

During fiscal 2023 (April 1, 2023 to March 31, 2024), the Japanese economy has been on a gradual recovery path. One of the main factors supporting this recovery was the transition in May 2023 of the coronavirus to a Category V infectious disease as stipulated in the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases (the Infectious Diseases Control Law), which has greatly eased COVID-related behavioral restrictions and improved employment and income conditions. On the other hand, amid such remaining downside risks as the prolonged war between Russia and Ukraine, the conflict in Gaza, sharply rising energy and raw material prices and the continuing and pronounced depreciation of the yen, the occurrence of the 2024 Noto Peninsula Earthquake in January further increased uncertainty about the future.

Under the circumstances described above, we entered the second year of the three-year Medium-Term Management Policy 2022 initiatives, which is the third and final phase of our long-term strategy ONE DUSKIN. In line with our basic policy of achieving both increased social value and sustainable growth, we worked to implement some key measures. The Direct Selling Group proceeded as planned with the installation of RFID electronic tags on mats and mops, which was positioned as the most important strategic investment in the Medium-Term Management Policy 2022. The installation was largely completed by the end of the fiscal year. Due to the 2024 Noto Peninsula Earthquake, it will take longer than originally anticipated until we see the effects of the RFID tag installation, but the sustainable cleaning and logistics system we are aiming to build is well underway. In the Clean Service business (rental and sale of dust control and other products), we have been encouraging more franchisees to bring in sales teams dedicated to sales visits to households, which we started in the previous year as a test operation at our company-owned sales offices and affiliated companies. The Food Group worked to enhance the Mister Donut eat-in menu and opened more shops. Furthermore, we focused on our efforts on improving customer experience (CX) value. Specifically, the Direct Selling Group actively engaged in sales promotion through the web, including social networking services, while Mister Donut strengthened its delivery services using Uber Eats and Wolt and renewed its official smartphone application. On another front, we have engaged in growth investments. One such effort was the signing of a business alliance agreement with JP-Holdings, Inc., a leading provider of childcare support services, and the acquisition of a portion of its shares. We have also made Kenko Saien Co., Ltd. our wholly owned subsidiary. This company is the holding company for Boston House Co., Ltd., which operates a food service business, including the Italian restaurant Napoli No Shokutaku, mainly in the northern Kanto area. Other investment efforts include the launch of a collaboration study committee with Qracian Co., Ltd., with whom we signed a business alliance agreement in the previous fiscal year, the entry into the Singapore market in May 2023, and the subsequent decision to expand the Mister Donut business into the Hong Kong Special Administrative Region of the People's Republic of China. In addition, we have implemented a number of environmental initiatives designed to bring us closer into harmony with society. These include the expansion of Mister Donut storage space for unused foodstuff prior to recycling as part of our efforts to reduce food loss and waste, a practical test to convert Direct Selling Group sales vehicles to EVs and the decision to switch to electricity derived from renewable energy sources for five company facilities including the head office building and its surrounding facilities. (The switchover began on April 1, 2024.)

Consolidated net sales for fiscal 2023 increased 8,288 million yen (4.9%) from the previous year to 178,782 million yen. This result was mainly due to higher sales in the Food Group although sales declined in the Direct Selling Group and Other Businesses. As for profits, consolidated operating profit decreased 3,553 million yen (41.1%) from the previous year to 5,084 million yen, and consolidated ordinary profit decreased 3,512 million yen (30.9%) to 7,863 million yen. While the Food Group posted higher sales, which resulted in an increase in gross profit, overall consolidated profits decreased. This decrease was due to a significant increase in cost of sales associated with the RFID tag installation, which we proceeded with as planned, as well as increased expenses, including computer system-related costs associated with compliance with the government's qualified invoice system, personnel expenses and freight expense.

Profit attributable to owners of parent decreased 2,622 million yen (36.4%) from the previous year to 4,574 million yen. During fiscal 2023, our consolidated subsidiary Wakura Duskin Co., Ltd. posted an extraordinary loss due to damage caused by the 2024 Noto Peninsula Earthquake. On the other hand, tax expenses decreased this year, and the combination of these factors led to this result.

	Year ended Mar. 31, 2023	Year ended Mar. 31, 2024	Millions of yen	
			Increase/decrease	%
Consolidated net sales	170,494	178,782	+8,288	+4.9
Consolidated gross profit	76,019	76,554	+535	+0.7
Consolidated operating profit	8,637	5,084	-3,553	-41.1
Consolidated ordinary profit	11,375	7,863	-3,512	-30.9
Profit attributable to owners of parent	7,196	4,574	-2,622	-36.4

Results by business segment

Sales		Year ended Mar. 31, 2023	Year ended Mar. 31, 2024	Millions of yen	
				Increase/decrease	%
	Direct Selling Group	108,469	107,464	-1,004	-0.9
	Food Group	48,879	58,437	+9,557	+19.6
	Other Businesses	16,229	15,646	-583	-3.6
	Total	173,579	181,548	+7,969	+4.6
	Intersegment eliminations	-3,085	-2,766	+319	-
Consolidated net sales		170,494	178,782	+8,288	+4.9

Note: Sales by business segment above include intersegment sales.

Operating profit (loss)		Year ended Mar. 31, 2023	Year ended Mar. 31, 2024	Millions of yen	
				Increase/decrease	%
	Direct Selling Group	8,114	4,142	-3,971	-48.9
	Food Group	5,473	6,916	+1,443	+26.4
	Other Businesses	702	440	-262	-37.3
	Total	14,290	11,499	-2,790	-19.5
	Intersegment eliminations and corporate expenses	-5,652	-6,415	-762	-
Consolidated operating profit		8,637	5,084	-3,553	-41.1

Note: Operating profit or loss above includes intersegment transactions.

a. Direct Selling Group

Direct Selling Group sales decreased 1,004 million yen (0.9%) from the previous year to 107,464 million yen, mainly due to a decline in sales in the core Clean Service business. Operating profit decreased 3,971 million yen (48.9%) from the previous year to 4,142 million yen. This was mainly due to higher costs associated with RFID tag installation, as well as increased expenses including those incurred in response to the government's qualified invoice system.

In the Direct Selling Group, sales in the mainstay Clean Service business declined in both residential and

commercial sectors compared to the previous year. Among products for household use, sales decreased for mops and compact water purifiers that attach directly to the faucet, as well as for Robot Cleaner SiRo, which had been selling well after its renewal. Sales of kitchen sponges, for which there was a last-minute spike in demand ahead of the price revision in the previous year, also declined. However, thanks to the sales teams specializing in paying sales visits to residential customers introduced in the previous year, the number of customers at company-owned sales offices and affiliated companies began to increase this year. In fiscal 2023, similar sales teams have been also introduced to our franchisees, and they too are beginning to produce results in acquiring new customers. In addition, an increase in the number of orders received through our website and other digital channels reduced the decline in the number of customers.

Sales of commercial market products decreased overall due to the drop in sales of Clear Kukan air purifiers and lower sales of alcohol sanitizers, which had been strong in the previous year. However, as far as our mainstay rental mat products are concerned, mats with antibacterial and antiviral functions continued to perform well, resulting in an increase in sales from the previous year.

Among the Care Service businesses, ServiceMaster (professional cleaning services) posted higher customer-level sales thanks to brisk air conditioner cleaning sales. Customer-level sales also increased for Merry Maids (home cleaning and helper services), Terminix (pest control and comprehensive hygiene management) and Total Green (plant and flower upkeep), all of which enjoyed steady sales growth in scheduled services. On the other hand, Home Repair (fixing scratches and dents) saw a decline in customer-level sales.

Among other Direct Selling Group businesses, Rent-All (rental of special event and daily use items) reported a decline in sales, mainly due to a decrease in orders for hygiene services at coronavirus vaccination sites. However, we are seeing signs of recovery in the number of events held, which is returning to pre-pandemic levels. Furthermore, as a means to help reduce risk in the event of a disaster, the Direct Selling Group worked to expand its services that provide municipalities with the necessary materials and equipment and related support in the event of a disaster. Meanwhile, Health Rent (rental and sales of assisted-living products), which continues to perform well, the uniform-related businesses and Life Care (support services for seniors) reported higher sales while the sales of the cosmetics-related business declined.

b. Food Group

The Food Group saw an increase in total customer-level sales at all shops of Mister Donut, the core business of the Group, as well as an increase in raw material sales and royalty sales. As a result, net sales increased 9,557 million yen (19.6%) from the previous year to 58,437 million yen. Operating profit increased 1,443 million yen (26.4%) from the previous year to 6,916 million yen. Despite such negative factors as a higher cost of sales ratio due to a change in the product mix and an increase in expenses including personnel expenses, the increase in gross profit from higher sales led to this result.

Mister Donut continued to perform well, with both customer traffic and sales per customer increasing over the previous year, resulting in higher customer-level sales per shop. In addition, the number of shops in operation increased due to new shop openings, resulting in higher total customer-level sales for all shops than in the previous year.

Among the products launched in fiscal 2023, White Pon De Ring and Soft French Cruller were well received and contributed significantly to the increase in sales. These products were launched to commemorate the 20th and 50th anniversaries of the launch of Pon De Ring and French Cruller, respectively, both of which have become regular products. In the MISDO Meets series, which is the core of our product strategy, both MISDO Meets Gion Tsujiri, launched in the first half of the year, and MISDO Meets GODIVA launched in the second half performed well. The latter is a product jointly developed with GODIVA, a premium Belgian chocolate brand. In the MISDO GOHAN series, which caters to consumer demand for light meals, instant Soy Sauce Noodles in a cup were well received. This

product was launched to commemorate the 30th anniversary of the launch of Mister Donut's yum cha (dim sum) menu. The newly introduced Crunchy Soft Ring and Pizzetta also received favorable reviews. Furthermore, seasonal products such as Sweet Potato Donut and MISDO Halloween, as well as products created in collaboration with Pokémon Company, have gained steady popularity.

Among other Food Group businesses, Katsu & Katsu pork cutlet restaurants recorded an increase in revenue. However, the Company has decided to terminate the business of Pie Face, a pie specialty shop, as of March 31, 2024, as its revenue continued to decline.

c. Other Businesses

Overall sales of Other Businesses decreased 583 million yen (3.6%) from the previous year to 15,646 million yen. Although sales of domestic consolidated subsidiaries increased, the decline in sales of overseas operations led to this result. Operating profit decreased 262 million yen (37.3%) from the previous year to 440 million yen, mainly due to a decrease in gross profit resulting from lower sales, as well as higher personnel expenses at domestic subsidiaries.

Medical facility management services (Duskin Healthcare Co., Ltd.) and the leasing and insurance agency business (Duskin Kyoeki Co., Ltd.), both of which operate domestically, reported higher sales but lower profits due to increases in costs and expenses, including higher personnel costs.

Sales from overseas businesses fell from the previous year. This was mainly because of lower sales at Duskin Shanghai Co., Ltd., which rents and sells dust control products in China. The decrease in sales of Big Apple Worldwide Holdings Sdn. Bhd., which operates a donut business mainly in Malaysia, also affected the result. The lower sales at Big Apple were owing to the continued decline in customer traffic due to changes in customer behavior that occurred as the COVID-19 pandemic subsided.

(2) Financial Position

a. Current assets

Current assets at the end of fiscal 2023 (March 31, 2024) amounted to 59,305 million yen, 9,817 million yen less than at the end of the previous fiscal year. Specifically, securities decreased by 7,663 million yen and cash and deposits decreased by 3,772 million yen. On the other hand, accounts receivable-other increased 1,287 million yen.

b. Non-current assets

Non-current assets at the end of fiscal 2023 totaled 142,774 million yen, up 14,372 million yen from the end of the previous fiscal year. Specifically, investment securities increased by 12,119 million yen and retirement benefit asset increased by 1,514 million yen.

c. Current liabilities

Current liabilities at the end of fiscal 2023 were 36,778 million yen, down 53 million yen from the end of the previous fiscal year. Specifically, income taxes payable decreased 754 million yen, while other current liabilities and provision for loss on disaster increased by 385 million yen and 275 million yen, respectively.

d. Non-current liabilities

Non-current liabilities at the end of fiscal 2023 were 10,847 million yen, up 1,929 million yen from the end of the previous fiscal year. Specifically, deferred tax liabilities increased 1,952 million yen.

e. Net assets

Net assets at the end of fiscal 2023 were 154,453 million yen, up 2,679 million yen from the end of the previous fiscal year. Specifically, valuation difference on available-for-sale securities decreased by 2,809 million yen and treasury shares decreased by 1,638 million yen (net assets increased) mainly due to retirement of treasury shares, while retained earnings decreased by 2,425 million yen.

(3) Cash Flows

Cash and cash equivalents at the end of fiscal 2023 (March 31, 2024) were 20,024 million yen, down 11,250 million yen from 31,275 million yen at the end of the previous fiscal year. The status of each cash flow and their factors are as follows.

a. Cash flow from operating activities

Net cash provided by operating activities in fiscal 2023 amounted to 11,093 million yen, compared to 12,061 million yen provided in the previous fiscal year. Major inflows included depreciation of 7,841 million yen and profit before income taxes of 6,918 million yen, while major outflows included income taxes paid of 2,602 million yen, an increase in accounts receivable-other of 1,285 million yen and share of profit of entities accounted for using equity method of 1,200 million yen.

b. Cash flow from investing activities

Net cash used in investing activities during fiscal 2023 amounted to 16,604 million yen, compared to 12,844 million yen used in the previous fiscal year. Major outflows included 17,645 million yen for purchase of securities and investment securities, 9,200 million yen for purchase of shares of affiliates, 6,363 million yen for purchase of property, plant and equipment, and 2,620 million yen for purchase of intangible assets, while major inflows included 18,900 million yen from proceeds from sale and redemption of securities and investment securities.

c. Cash flow from financing activities

Net cash used in financing activities amounted to 5,743 million yen in fiscal 2023, compared to 7,992 million yen used in the previous fiscal year. This is attributable to such cash outflow factors as dividends paid of 4,097 million yen and acquisition of treasury shares of 1,699 million yen.

(4) Cash Flow-Related Indicators

A summary of cash flow related indicators is presented below.

	FY2020	FY2021	FY2022	FY2023
Equity ratio (%)	77.2	76.1	76.6	76.3
Equity ratio at market price (%)	72.9	67.1	78.3	78.6
Interest-bearing debt to cash flow ratio (years)	0.0	0.1	0.1	0.1
Interest coverage ratio (times)	13,876.4	43,519.1	65,517.1	1,812,974.6

Notes:

- These indicators are calculated using the following formulas based on consolidated figures.
Equity ratio: (Net assets – share acquisition rights – non-controlling interests) / Total assets
Equity ratio at market price: Current aggregate value of shares / Total assets
Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flows from operating activities
Interest coverage ratio: Cash flows from operating activities / Interest expenses
- The current aggregate value of shares is calculated based on the number of shares outstanding at fiscal year-end, excluding treasury shares.
- Cash flows from operating activities in the consolidated statements of cash flows are used for the cash flows from operating activities.
- Interest-bearing debt covers all debt bearing interest recorded in the consolidated statement of financial position.
- Interest expenses in the consolidated statements of cash flows are used for the interest expenses.

(5) Outlook

Our consolidated earnings forecasts for fiscal 2024 (the year ending March 31, 2025) are as follows.

The Direct Selling Group, Food Group, and Other Businesses all expect to record higher year-on-year sales. In the Direct Selling Group, the mainstay Clean Service business is beginning to see some good results from the newly established household sales teams. In the Food Group, Mister Donut continues to

perform well, while sales at Kenko Saien Co., Ltd., which we made a subsidiary in fiscal 2023, are expected to contribute to earnings. In the Other Businesses segment, sales are expected to increase at domestic subsidiaries.

We forecast a sharp increase in profits, reflecting higher gross profit driven by stronger sales. Another factor is that the cost of RFID tag installation, which was recorded as cost of sales up until fiscal 2023, will decline considerably from fiscal 2024 onwards. We also expect profit to be boosted by the benefits of the RFID tag installation. Corporate expenses are expected to increase significantly from fiscal 2023 due to data center migration and cloud platform development. Non-operating income is also expected to increase from fiscal 2023. This is mainly due to a gain from equity method investments associated with the inclusion of earnings from JP-Holdings, Inc. on a full-year basis beginning in fiscal 2024. JP-Holdings became an equity-method affiliate in fiscal 2023.

The table below compares our latest forecasts with those announced on May 13, 2022 in the “Notice Concerning Financial Goals and Shareholder Return Policy under Medium-Term Management Policy 2022.” With respect to ROE and profit attributable to owners of the parent, we remain committed to achieving our original targets of 6% or more and 10 billion yen, respectively.

Millions of yen

			Results for FY2023 [1]	Forecast for FY2024				
				Announced on May 13, 2022 [2]	As of May 15, 2024 [3]	Difference [3]-[2]	Versus prior year [3]-[1]	
Consolidated	Direct Selling Group	Sales	107,464	118,900	110,000	-8,900	+2,535	
		Operating profit	4,142	11,000	10,800	-200	+6,657	
	Food Group	Sales	58,437	51,500	65,700	+14,200	+7,262	
		Operating profit	6,916	4,500	7,000	+2,500	+83	
	Other Businesses	Sales	15,646	15,800	16,100	+300	+453	
		Operating profit	440	1,000	600	-400	+159	
	Intersegment eliminations, and corporate expenses	Sales	-2,766	-3,200	-2,800	+400	-33	
		Operating profit	-6,415	-4,500	-7,700	-3,200	-1,284	
			Sales	178,782	183,000	189,000	+6,000	+10,217
			Operating profit	5,084	12,000	10,700	-1,300	+5,615
Consolidated ordinary profit			7,863	14,000	14,100	+100	+6,236	
Profit attributable to owners of parent			4,574	10,000	10,000	-	+5,425	

Note:

This forecast is based on projections and assumptions made using information available at the time of the announcement. These projections and assumptions are subject to the uncertainties inherent in future business operations. Actual results may differ materially, depending on various factors.

(6) Basic Policies for Profit Distributions and Dividends for Fiscal 2023 and the Following Fiscal Years

Our policy on shareholder returns, including our dividend policy, is presented in “Notice Concerning Financial Goals and Shareholder Returns Policy under Medium-Term Management Policy 2022,” released on May 13, 2022.

For the three years of Medium-Term Management Policy 2022, Duskin considers the return of profits to shareholders to be one of our highest priorities, even as we focus on investing in growth. Our policy is to distribute a portion of the profit based on our performance while maintaining the proper balance with investments for sustainable growth and higher corporate value and with maintaining financial soundness to be prepared for potential risks. We will determine ordinary dividends for each fiscal year based on the higher of either a consolidated payout ratio of 60% or dividends on equity (DOE) of 2.5%. In addition, it is our policy to actively proceed with agile and flexible stock buybacks. Based on our record of buybacks

since fiscal 2015, when we launched our long-term strategy ONE DUSKIN, we aim to return profits to shareholders, targeting a total return ratio of 100% or greater over three years.

The Company plans to pay an annual ordinary dividend of 80 yen per share for fiscal 2023, adopting a dividend on equity ratio of 2.5%. The year-end ordinary dividend will be 45 yen per share, subtracting the interim dividend of 35 yen per share from the annual dividend of 80 yen per share.

Since the Company will also pay a commemorative dividend of 20 yen per share to celebrate its 60th anniversary, the year-end dividend will be 65 yen per share, consisting of the ordinary dividend of 45 yen per share and the commemorative dividend of 20 yen per share.

Duskin's basic policy is to pay dividends from retained earnings twice a year: at the end of the fiscal year and at the end of the first half. The decision-making body for year-end dividends is the general shareholders' meeting. The Articles of Incorporation stipulate that Duskin may pay interim dividends with a record date of September 30 every year by resolution of the Board of Directors.

We will continue to implement dividend policy to fulfill the expectations of all our shareholders over the long term.

2. Business Policies

(1) Basic Business Policies

Ever since the time of its founding, the Duskin Group has been committed to sowing the seeds of joy for people around the world, under its management philosophy of Prayerful Management. We will continue to sustainably enhance the group's corporate value by sharing joy with local communities and helping people live a rich life, materially and spiritually, with initiatives aimed at being the most attentive service provider in the world.

(2) Medium-to Long-Term Business Plan and Financial Goals

a. Long-term strategy ONE DUSKIN

United as the Duskin Group, we aim to serve our customers in the most effective and courteous manner, to achieve the ONE DUSKIN strategy. We are therefore committed to developing new products and services that respond to customer needs.

b. Phase III: Medium-Term Management Policy 2022 (Fiscal year ended March 31, 2023 to fiscal year ending March 31, 2025)

Our goal is to unify business and morals by reforming our portfolios to address the changing business climate and solve social issues.

On February 9, 2022 and May 13, 2022, we announced the Medium-Term Management Policy 2022 as Phase III of our long-term strategy ONE DUSKIN.

-Notice Concerning Formulation of the Medium-Term Management Policy 2022

https://www.duskin.co.jp/english/ir/news/2022/pdf/20220209_01.pdf

- Notice Concerning Financial Goals and Shareholder Return Policy under Medium-Term Management Policy 2022

https://www.duskin.co.jp/english/ir/news/2022/pdf/20220513_02.pdf

(3) Issues to Be Addressed

a. Changes in the business environment

As the birthrate declines and the population ages, we are seeing a shrinking labor force accompanied by a severe shortage of human resources. Labor costs are rising and nursing care issues are becoming more serious. In addition, the COVID-19 pandemic has brought dramatic changes to people's lifestyles. Digitalization has progressed significantly in many areas, which we see as an irreversible change. Furthermore, changes in family structure, such as the shift to nuclear families, and the increase in dual-earner families are also evident. While people are under pressure to balance work and child rearing, another serious problem is the lack of sufficient systems in place to take care of children, which is one of the factors further accelerating the declining birthrate.

Meanwhile, raw material and energy prices have been rising, and commodity prices continue to soar as cost increases are passed on to the prices of goods and services. The economic situation has certainly changed such that the deflation that has persisted since the 1990s is about to end.

Meanwhile, one of our subsidiaries was damaged in the 2024 Noto Peninsula Earthquake in January. Considering this damage, as well as other risks such as frequent flood damage caused by torrential rains and the possibility of a Nankai Trough earthquake in the near future, we believe it is imperative to have a business continuity plan (BCP) in place.

b. Business issues going forward

In the fiscal year ending March 31, 2025, the final year of the Medium-Term Management Policy 2022 period, we will work to address outstanding issues and new challenges brought about by changes in the business environment.

Reforming Our Business Portfolios (Medium-Term Management Policy 2022: Theme 1)

— Reforming and expanding existing businesses

i) Direct Selling Group

The Direct Selling Group's goal is to become a partner in people's daily lives that can provide total solutions to customer concerns. To realize this goal, the Group will strengthen its efforts to reinforce its customer touchpoint infrastructure and develop new businesses. With respect to customer touchpoint infrastructure, we will enhance the CX value by complementing our strong face-to-face customer touchpoints with digital touchpoints, thereby increasing convenience for both franchisees and customers. With regard to the development of new businesses, we have decided to develop Duskin Rescue, a service that dispatches staff to quickly respond to problems that occur in people's daily lives, as a new business. We will steadily make specific efforts to develop this into a franchise-based business.

ii) Food Group

In the Mister Donut business, we will continue to focus on developing attractive products, such as the MISDO Meets line developed in collaboration with companies that have the highest standard of ingredients and skills, and we will also continue to develop partnerships and collaboration projects with other companies so that consumers will want to use Mister Donut more often. In addition, as part of our shop opening strategy, we will promote the development of a diverse array of shop types to accommodate the opening of shops in diverse locations. Furthermore, in order to realize a sustainable business model in which anyone can work without difficulty, we will be testing manpower- and labor-saving devices such as motion cameras and weight sensors in actual shops, while retaining the strengths of Mister Donut.

— New growth opportunities

i) Business alliance

In fiscal 2023, we entered into a business alliance agreement with JP-Holdings, Inc. and subsequently established a collaboration study committee with the company. Through the committee, the two companies will promptly study and implement specific initiatives for the future. The goal is to solve social issues in the area of childcare support and provide new value to customers by building a cooperative relationship between the two companies, while leveraging the strengths of both companies' businesses and know-how, and thereby enhancing the corporate value of both companies. We will continue to further strengthen our efforts to realize business alliances, investments in venture companies and M&A to enhance social and corporate value, including the development of new businesses that can continue to meet the changing lifestyles and life stages of our customers.

ii) Overseas development

In the Mister Donut business, we have decided to conclude a master franchise agreement with Dragon Circle Enterprise Limited, which is engaged in the food service business in the Hong Kong Special Administrative Region of the People's Republic of China, so that we can develop the Mister Donut business in the region. The first shop is scheduled to open in October 2024. We will continue to explore opportunities to expand into regions of Asia where we have not yet established a presence, and when conditions permit, we will take steps to actually enter the market. In making such decisions, we will assess the level of growth in countries we have not yet entered, as well as the market environment and other conditions in each country.

Establishing a Solid Foundation (Medium-Term Management Policy 2022: Theme 2)

i) Promoting human capital management

We will continue to aggressively invest in human resources, the backbone of our business. Specifically, we will develop and strengthen human resources capable of transforming our business portfolio, and we will also work to create new value that meets the needs of our customers by linking our business and human resource strategies, as well as by improving employee motivation and productivity.

ii) Achieving more effective governance

We will activate board meeting discussions to realize business management that pays close attention to capital cost and stock price, and to achieve appropriate allocation of resources.

iii) Building a foundation for growth by promoting DX

In fiscal 2023, we have initiated measures to utilize digital technology to solve business issues and to analyze and utilize data. We will further strengthen and expand these measures. In addition to this, and in order to expedite these measures, we will work to stimulate our idea generation and improve our decision-making process for DX. In addition, we will improve digital literacy through the use of e-learning, formulate a training curriculum and enhance on-the-job training to develop human resources skilled in DX.

iv) Business continuity planning

We will launch a project to formulate a business continuity plan (BCP) and thereby rebuild a system to ensure a stable supply of mops, mats and other products even in the event of an emergency.

Coexistence with Local Communities (Medium-Term Management Policy 2022: Theme 3)

i) Pursuit of the Duskin Green Target 2030

We have established and are pursuing the Duskin Green Target 2030 as our goal for environmentally conscious business management through 2030. This is a set of specific targets to achieve the circular economy and decarbonization, set forth in our Environmental Policy.

ii) Major initiatives

As part of our efforts to reduce food loss and waste and use renewable energy, we have decided to use biomass power generated from waste food ingredients from our distribution centers and other companies in the Mister Donut business. Specifically, the power for a total of five facilities, including our head office building and its surrounding facilities, will be switched to virtually 100% renewable energy. In addition, we will continue to pursue further expansion of Mister Donut storage space for unused foodstuff prior to recycling as part of our efforts to reduce food loss and waste.

With regard to the reduction of plastics, the Direct Selling Group will use smaller and thinner packaging bags for mops and sponges, and the Food Group will promote measures to switch to biomass and paper materials, including the use of bags and straws that contain a higher percentage of plant-derived materials.

To reduce CO2 emissions, not only will we continue to pursue our daily energy-saving efforts, but we are also working to convert our sales vehicles to EVs. After conducting practical tests on the use of EVs, we plan to install new charging stations at our company-owned sales locations.

- Press release announcing the establishment of the Duskin Green Target 2030
(Available in Japanese only)
https://www.duskin.co.jp/news/2021/pdf/210625_01.pdf

3. Basic Policies for Selecting Accounting Standards

To facilitate comparisons of its consolidated financial statements across different fiscal years and with other companies, the Duskin Group intends to prepare its consolidated financial statements based on Japanese generally accepted accounting principles (JGAAP). With regard to the adoption of International Financial Reporting Standards (IFRS), Duskin intends to monitor developments in Japan and overseas, and to respond appropriately to these developments.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of yen

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	18,207	14,434
Notes and accounts receivable - trade, and contract assets	11,553	11,158
Lease receivables and investments in leases	1,003	1,012
Securities	19,864	12,200
Merchandise and finished goods	8,212	8,254
Work in process	290	215
Raw materials and supplies	2,629	3,137
Accounts receivable - other	5,666	6,954
Other	1,707	1,947
Allowance for doubtful accounts	-13	-11
Total current assets	69,122	59,305
Non-current assets		
Property, plant and equipment		
Buildings and structures	45,027	47,036
Accumulated depreciation	-30,546	-32,549
Buildings and structures, net	14,481	14,487
Machinery, equipment and vehicles	26,141	27,984
Accumulated depreciation	-18,754	-19,827
Machinery, equipment and vehicles, net	7,386	8,157
Land	22,439	22,466
Construction in progress	320	756
Other	15,715	17,065
Accumulated depreciation	-11,267	-12,443
Other, net	4,448	4,621
Total property, plant and equipment	49,076	50,489
Intangible assets		
Goodwill	253	326
Software	5,645	5,601
Other	1,556	1,486
Total intangible assets	7,454	7,414
Investments and other assets		
Investment securities	61,743	73,862
Long-term loans receivable	-	0
Retirement benefit asset	2,987	4,501
Deferred tax assets	887	877
Guarantee deposits	5,260	5,088
Other	1,012	574
Allowance for doubtful accounts	-19	-34
Total investments and other assets	71,871	84,870
Total non-current assets	128,402	142,774
Total assets	197,524	202,079

Millions of yen

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,594	7,800
Short-term borrowings	–	60
Current portion of long-term borrowings	–	108
Income taxes payable	1,147	393
Provision for bonuses	4,022	3,576
Provision for loss on disaster	–	275
Asset retirement obligations	–	1
Accounts payable - other	9,759	10,013
Guarantee deposit received for rental products	8,771	8,626
Other	5,537	5,923
Total current liabilities	36,832	36,778
Non-current liabilities		
Long-term borrowings	1,115	747
Retirement benefit liability	5,850	5,885
Asset retirement obligations	607	817
Long-term guarantee deposits	982	1,072
Long-term accounts payable - other	9	8
Deferred tax liabilities	352	2,305
Lease liabilities	–	9
Total non-current liabilities	8,917	10,847
Total liabilities	45,750	47,626
Net assets		
Shareholders' equity		
Share capital	11,352	11,352
Capital surplus	11,088	11,110
Retained earnings	124,943	122,518
Treasury shares	-7,102	-5,464
Total shareholders' equity	140,282	139,516
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,532	11,342
Deferred gains or losses on hedges	-0	0
Foreign currency translation adjustment	245	390
Remeasurements of defined benefit plans	2,300	2,857
Total accumulated other comprehensive income	11,078	14,590
Share acquisition rights	49	49
Non-controlling interests	364	296
Total net assets	151,774	154,453
Total liabilities and net assets	197,524	202,079

(2) Consolidated Statements of Income and Statements of Comprehensive Income

Consolidated statements of income

Millions of yen

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	170,494	178,782
Cost of sales	94,475	102,228
Gross profit	76,019	76,554
Selling, general and administrative expenses	67,381	71,470
Operating profit	8,637	5,084
Non-operating income		
Interest income	168	221
Dividend income	380	430
Rental income from facilities	178	161
Commission income	217	201
Share of profit of entities accounted for using equity method	990	1,200
Gain on adjustment of account payable	381	340
Other	672	623
Total non-operating income	2,989	3,179
Non-operating expenses		
Interest expenses	0	0
Rental expenses on facilities	108	95
Compensation expenses	31	31
Loss on abandonment of inventories	28	3
Other	82	269
Total non-operating expenses	250	400
Ordinary profit	11,375	7,863
Extraordinary income		
Gain on sale of non-current assets	5	4
Gain on sale of investment securities	69	–
Total extraordinary income	74	4
Extraordinary losses		
Loss on sale of non-current assets	2	0
Loss on abandonment of non-current assets	69	104
Impairment losses	644	252
Loss on disaster	–	358
Loss on valuation of investment securities	–	235
Provision of reserves for losses on liquidation of subsidiaries and affiliates	20	–
Total extraordinary losses	737	949
Profit before income taxes	10,713	6,918
Income taxes – current	2,773	1,801
Income taxes – deferred	672	492
Total income taxes	3,445	2,293
Profit	7,267	4,624
Profit attributable to non-controlling interests	70	50
Profit attributable to owners of parent	7,196	4,574

Consolidated statements of comprehensive income

	Millions of yen	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	7,267	4,624
Other comprehensive income		
Valuation difference on available-for-sale securities	1,339	2,834
Foreign currency translation adjustment	150	69
Remeasurements of defined benefit plans, net of tax	-528	562
Share of other comprehensive income of entities accounted for using equity method	86	49
Total other comprehensive income	1,048	3,516
Comprehensive income	8,316	8,141
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,240	8,085
Comprehensive income attributable to non-controlling interests	76	55

(3) Consolidated Statements of Changes in Net Assets

FY2022 (April 1, 2022 - March 31, 2023)

Millions of yen

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,352	11,091	122,401	-4,219	140,625
Changes during period					
Dividends of surplus			-4,652		-4,652
Profit attributable to owners of parent			7,196		7,196
Acquisition of treasury shares				-3,306	-3,306
Disposal of treasury shares			-1	54	53
Disposal of treasury shares by stock ownership plan trust				368	368
Deferred tax adjustment due to change in equity of prior year		-3			-3
Changes arising from changes in retained earnings of associated companies accounted for by the equity method			-1		-1
Net changes in items other than shareholders' equity					
Total changes during period	-	-3	2,542	-2,882	-343
Balance at end of period	11,352	11,088	124,943	-7,102	140,282

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	7,195	-0	34	2,805	10,035	59	305	151,026
Changes during period								
Dividends of surplus								-4,652
Profit attributable to owners of parent								7,196
Acquisition of treasury shares								-3,306
Disposal of treasury shares								53
Disposal of treasury shares by stock ownership plan trust								368
Deferred tax adjustment due to change in equity of prior year								-3
Changes arising from changes in retained earnings of associated companies accounted for by the equity method								-1
Net changes in items other than shareholders' equity	1,337	-	211	-505	1,043	-9	58	1,092
Total changes during period	1,337	-	211	-505	1,043	-9	58	748
Balance at end of period	8,532	-0	245	2,300	11,078	49	364	151,774

FY2023 (April 1, 2023 - March 31, 2024)

Millions of yen

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,352	11,088	124,943	-7,102	140,282
Changes during period					
Dividends of surplus			-4,044		-4,044
Profit attributable to owners of parent			4,574		4,574
Acquisition of treasury shares				-1,699	-1,699
Cancellation of treasury shares		-3	-2,952	2,955	-
Disposal of treasury shares		3		36	39
Disposal of treasury shares by stock ownership plan trust				346	346
Change in ownership interest of parent due to transactions with non-controlling interests		21			21
Changes arising from changes in retained earnings of associated companies accounted for by the equity method			-1		-1
Net changes in items other than shareholders' equity					
Total changes during period	-	21	-2,425	1,638	-765
Balance at end of period	11,352	11,110	122,518	-5,464	139,516

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	8,532	-0	245	2,300	11,078	49	364	151,774
Changes during period								
Dividends of surplus								-4,044
Profit attributable to owners of parent								4,574
Acquisition of treasury shares								-1,699
Cancellation of treasury shares								-
Disposal of treasury shares								39
Disposal of treasury shares by stock ownership plan trust								346
Change in ownership interest of parent due to transactions with non-controlling interests								21
Changes arising from changes in retained earnings of associated companies accounted for by the equity method								-1
Net changes in items other than shareholders' equity	2,809	0	144	556	3,511	-	-67	3,444
Total changes during period	2,809	0	144	556	3,511	-	-67	2,679
Balance at end of period	11,342	0	390	2,857	14,590	49	296	154,453

(4) Consolidated Statements of Cash Flows

Millions of yen

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	10,713	6,918
Depreciation	7,496	7,841
Amortization of goodwill	119	136
Increase (decrease) in allowance for doubtful accounts	-4	13
Interest and dividend income	-548	-651
Interest expenses	0	0
Foreign exchange losses (gains)	7	40
Share of loss (profit) of entities accounted for using equity method	-990	-1,200
Loss (gain) on sale of property, plant and equipment	-3	-4
Loss on retirement of property, plant and equipment	97	110
Loss (gain) on sales and redemption of investment securities	-69	-
Loss (gain) on valuation of investment securities	-	235
Impairment losses	644	252
Loss on disaster	5	75
Decrease (increase) in trade receivables	734	470
Decrease (increase) in accounts receivable - other	-657	-1,285
Decrease (increase) in inventories	-711	-425
Increase (decrease) in trade payables	617	159
Increase (decrease) in accounts payable - other	-334	101
Increase (decrease) in provision for bonuses	143	-465
Increase (decrease) in provision for loss on disaster	-	275
Increase (decrease) in retirement benefit asset and liability	-1,541	-667
Increase (decrease) in accrued consumption taxes	-1,267	126
Decrease (increase) in investments in leases	71	-13
Other, net	268	121
Subtotal	14,789	12,162
Interest and dividends received	1,236	1,540
Interest paid	-0	-0
Payments associated with disaster loss	-5	-58
Income taxes paid	-3,960	-2,602
Income taxes refund	2	52
Net cash provided by (used in) operating activities	12,061	11,093

Millions of yen

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Decrease (increase) in time deposits	21	450
Purchase of securities	-15,800	-12,600
Proceeds from sale and redemption of securities	18,000	12,900
Purchase of property, plant and equipment	-4,394	-6,363
Proceeds from sale of property, plant and equipment	111	135
Purchase of intangible assets	-1,978	-2,620
Purchase of investment securities	-17,528	-5,045
Proceeds from sale and redemption of investment securities	9,367	6,000
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	-420
Purchase of shares of associates	–	-9,200
Payments of leasehold and guarantee deposits	-109	-97
Proceeds from refund of leasehold and guarantee deposit	125	298
Payments for acquisition of businesses	-103	-144
Other, net	-555	104
Net cash provided by (used in) investing activities	-12,844	-16,604
Cash flows from financing activities		
Repayments of long-term borrowings	-414	-435
Acquisition of treasury shares	-3,306	-1,699
Proceeds from sale of treasury shares	416	435
Dividends paid	-4,589	-4,097
Dividends paid to non-controlling interests	-17	-28
Other, net	-81	81
Net cash provided by (used in) financing activities	-7,992	-5,743
Effect of exchange rate change on cash and cash equivalents	87	3
Net increase (decrease) in cash and cash equivalents	-8,687	-11,250
Cash and cash equivalents at beginning of period	39,963	31,275
Cash and cash equivalents at end of period	31,275	20,024

(5) Notes to Consolidated Financial Statements

Notes relating to going concern assumption

None.

Segment information and other information

a. Segment information

1) Overview of reportable business segments

Duskin's reportable business segments are components of the Company for which separate financial information is available, and whose operating results are reviewed regularly by the Board of Directors to determine the allocation of resources and evaluate performance.

Duskin has business operating units classified by product and service type. Each business unit establishes comprehensive product and service strategies for Japan, and conducts its own business activities.

Duskin is organized into two reportable business segments, the Direct Selling Group and the Food Group, comprised of business operating units such as business groups and divisions based on product and service types.

The Direct Selling Group, with a focus on direct selling, includes rental of environmental hygiene products and cleaning tools; manufacturing and sales of cosmetics; rental of cabinet towels; sales of environmental hygiene products and restroom products; rental of industrial wiper cloths; rental of water purifiers and air purifiers; house cleaning services; home cleaning and helper services; pest control and comprehensive hygiene management; tree and lawn care services; fixing scratches and dents; plant and facility management services; living support services for seniors; event planning and operation; rental and sales of travel goods, baby goods, leisure goods, health and nursing care equipment; planning, sales and leasing of uniforms; and sales of coffee to offices. The Food Group is comprised of food service businesses that include manufacturing and sales of donuts and sales of food and beverages, operation of pork cutlet restaurants and sales of other food and beverages.

2) Method of calculating sales, income or loss, assets and others by reportable business segment

The segment income or losses are based on operating profit or loss. Intersegment intercompany income and transfers are based on current market prices.

Change in method of calculating reportable segment assets

Effective from fiscal 2023 the Company has changed the method of allocating assets to each segment and to the entire company in order to more precisely evaluate business performance and make accurate decisions.

The segment information for the previous fiscal year is presented based on the calculation method after the change.

3) Sales, income or losses, assets and others by reportable business segment, and breakdown of revenue

FY2022 (April 1, 2022 - March 31, 2023; consolidated)						Millions of yen
	Direct Selling Group	Food Group	Other Businesses ¹	Total	Adjustment ³	Consolidated total ⁴
Sales						
Clean Service businesses	79,786	–	–	79,786	–	79,786
Care Service businesses	13,225	–	–	13,225	–	13,225
Mister Donut business	–	47,066	–	47,066	–	47,066
Other	14,774	1,793	11,572	28,139	–	28,139
Revenue from contracts with customers	107,786	48,859	11,572	168,218	–	168,218
Other revenue ²	–	–	2,275	2,275	–	2,275
To outside customers	107,786	48,859	13,847	170,494	–	170,494
Intersegment sales and transfers	682	20	2,381	3,085	-3,085	–
Total	108,469	48,879	16,229	173,579	-3,085	170,494
Segment income (loss)	8,114	5,473	702	14,290	-5,652	8,637
Segment assets	92,716	22,386	17,112	132,214	65,309	197,524
Other						
Depreciation	3,080	1,004	2,405	6,491	948	7,439
Investments in entities accounted for using equity method	6,554	–	1,496	8,050	–	8,050
Property, plant and equipment and intangible assets increase	4,043	1,630	859	6,534	800	7,335
FY2023 (April 1, 2023 - March 31, 2024; consolidated)						Millions of yen
	Direct Selling Group	Food Group	Other Businesses ¹	Total	Adjustment ³	Consolidated total ⁴
Sales						
Clean Service businesses	78,620	–	–	78,620	–	78,620
Care Service businesses	13,533	–	–	13,533	–	13,533
Mister Donut business	–	56,575	–	56,575	–	56,575
Other	14,666	1,851	11,275	27,793	–	27,793
Revenue from contracts with customers	106,821	58,426	11,275	176,523	–	176,523
Other revenue ²	–	–	2,259	2,259	–	2,259
To outside customers	106,821	58,426	13,534	178,782	–	178,782
Intersegment sales and transfers	643	10	2,112	2,766	-2,766	–
Total	107,464	58,437	15,646	181,548	-2,766	178,782
Segment income (loss)	4,142	6,916	440	11,499	-6,415	5,084
Segment assets	94,770	25,589	26,018	146,377	55,702	202,079
Other						
Depreciation	3,109	1,080	2,716	6,906	876	7,782
Investments in entities accounted for using equity method	6,657	–	10,983	17,641	–	17,641
Property, plant and equipment and intangible assets increase	4,973	1,910	1,221	8,105	1,077	9,183

Notes:

1. Other Businesses are comprised of the businesses that are not categorized in reportable business segments, including office equipment and vehicle leasing, insurance agent services, hospital management services and overseas businesses.
2. "Other revenue" represents revenue from leasing of office equipment and vehicles.
3. The breakdown of the adjustment area is as follows:

Sales		Millions of yen	
	FY2022	FY2023	
Intersegment eliminations	-3,085	-2,766	
Total	-3,085	-2,766	

Segment income (loss)		Millions of yen	
	FY2022	FY2023	
Intersegment eliminations	38	54	
Corporate expenses*	-5,691	-6,469	
Total	-5,652	-6,415	

* Corporate expenses include corporate administrative expenses.

Segment assets		Millions of yen	
	FY2022	FY2023	
Intersegment eliminations	-19,672	-19,316	
Corporate assets*	84,982	75,019	
Total	65,309	55,702	

* Corporate assets include the management fund of surplus funds (cash and securities), long-term investment funds (investment securities) and assets relating to the administrative departments.

Depreciation		Millions of yen	
	FY2022	FY2023	
Intersegment eliminations	-0	-0	
Corporate assets	948	876	
Total	948	876	

Increase of property, plant and equipment and intangible assets		Millions of yen	
	FY2022	FY2023	
Corporate assets	800	1,077	
Total	800	1,077	

4. Segment income has been adjusted for consistency with operating profit that is shown in the consolidated statements of income.

b. Other related information

FY2022 (April 1, 2022 - March 31, 2023; consolidated)

1) Product and/or service segment information

				Millions of yen
	Direct Selling Group	Food Group	Other Businesses	Total
Sales to outside customers	107,786	48,859	13,847	170,494

2) Geographic segment information

(i) Net sales

Since sales to outside customers in Japan exceed 90% of net sales on the consolidated statements of income, this information is omitted.

(ii) Property, plant and equipment

Since the amount of property, plant and equipment in Japan exceeds 90% of the amount on the consolidated balance sheet, this information is omitted.

FY2023 (April 1, 2023 - March 31, 2024; consolidated)

1) Product and/or service segment information

	Millions of yen			
	Direct Selling Group	Food Group	Other Businesses	Total
Sales to outside customers	106,821	58,426	13,534	178,782

2) Geographic segment information

(i) Net sales

Since sales to outside customers in Japan exceed 90% of net sales on the consolidated statements of income, this information is omitted.

(ii) Property, plant and equipment

Since the amount of property, plant and equipment in Japan exceeds 90% of the amount on the consolidated balance sheet, this information is omitted.

c. Impairment losses on non-current assets by reportable business segment

FY2022 (April 1, 2022 - March 31, 2023; consolidated)

	Millions of yen				
	Direct Selling Group	Food Group	Other Businesses	Elimination or corporate	Total
Impairment loss	571	69	–	3	644

FY2023 (April 1, 2023 - March 31, 2024; consolidated)

	Millions of yen				
	Direct Selling Group	Food Group	Other Businesses	Elimination or corporate	Total
Impairment loss	–	246	6	–	252

d. Amortization of goodwill and unamortized amount of goodwill by reportable business segment

FY2022 (April 1, 2022 - March 31, 2023; consolidated)

	Millions of yen				
	Direct Selling Group	Food Group	Other Businesses	Elimination or corporate	Total
Amortization	94	13	11	–	119
Balance*	193	15	45	–	253

* Goodwill at the end of the fiscal year includes 186 million yen of goodwill in the Direct Selling Group and 15 million yen of goodwill in the Food Group resulting from the purchase by Duskin and its subsidiaries of the business operations of several franchisees and 45 million yen of goodwill in Other Businesses for Big Apple Worldwide Holdings Sdn. Bhd., which was acquired in February 2017.

FY2023 (April 1, 2023 - March 31, 2024; consolidated)

	Millions of yen				
	Direct Selling Group	Food Group	Other Businesses	Elimination or corporate	Total
Amortization	117	7	11	–	136
Balance*	220	70	34	–	326

* Goodwill at the end of the fiscal year includes 220 million yen of goodwill in the Direct Selling Group resulting from the purchase by Duskin and its subsidiaries of the business operations of several franchisees, 62 million yen of goodwill in the Food Group for Kenko Saien Co., Ltd., which was acquired in January 2024, and 34 million yen of goodwill in Other Businesses for Big Apple Worldwide Holdings Sdn. Bhd., which was acquired in February 2017.

e. Information on gain on bargain purchase by reportable business segment

FY2022 (April 1, 2022 - March 31, 2023; consolidated)

None.

FY2023 (April 1, 2023 - March 31, 2024; consolidated)

None.

Per share information

FY2022 (April 1, 2022 - March 31, 2023; consolidated)		FY2023 (April 1, 2023 - March 31, 2024; consolidated)	
Net assets per share	3,120.70	Net assets per share	3,202.54
Profit per share	146.13	Profit per share	95.01
Profit per share (Fully diluted)	146.07	Profit per share (Fully diluted)	94.97

Yen

Note: Profit per share and profit per share (fully diluted) are based on the following information.

	FY2022 (April 1, 2022 - March 31, 2023; consolidated)	FY2023 (April 1, 2023 - March 31, 2024; consolidated)
Profit per share		
Profit attributable to owners of parent (Millions of yen)	7,196	4,574
Amounts not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to common stock owners of parent (Millions of yen)	7,196	4,574
Average number of shares of common stock outstanding during the period (Thousands shares)	49,250	48,142
Profit per share (Fully diluted)		
Adjustments to profit attributable to owners of parent (Millions of yen)	–	–
Increase in number of shares of common stock (Thousands shares)	20	19
Of which, share acquisition rights (Thousands shares)	20	19
Outline of common stock equivalents not included in the calculation of profit per share (fully diluted) because they are not dilutive	–	–

Note: Shares of the Company held by the Employee Stock Ownership Plan (ESOP) have been included in the number of treasury shares deducted from the number of shares issued at the end of the period, used in the calculation of net assets per share (441,000 shares for FY2022 and 307,000 shares for FY2023). In addition, shares of the Company held by the ESOP have been included in the number of treasury shares deducted to calculate the average number of shares outstanding during the period, used in the calculation of profit per share and profit per share (fully diluted) (523,000 shares for FY2022 and 383,000 shares for FY2023).

Important post-balance sheet events

None.

5. Other

(1) Changes in Board Members

The following information was disclosed on April 25, 2024.

a. Changes in Board Directors

i) Candidates for new Directors

Keiichi Emura

Rie Nakagawa

- The new Directors will be formally elected at the Ordinary General Meeting of Shareholders scheduled for June 26, 2024.
- Ms. Rie Nakagawa is a candidate for Outside Director as defined in Article 2-15 of the Companies Act.
- Ms. Nakagawa satisfies the requirements for an independent director as stipulated by the Tokyo Stock Exchange and will be reported to the Exchange as such.

ii) Directors planning to retire

Teruji Yamamura

Nobuko Sekiguchi

- The terms of office of these two Directors will expire upon resolution of the Ordinary General Meeting of Shareholders scheduled for June 26, 2024, at which time they are slated to retire.

b. Changes in Audit and Supervisory Board Members

i) Candidates for new Audit and Supervisory Board Members

Koji Tsukamoto

Ichiro Sakamoto

Seiichiro Yamamoto

- The new Audit and Supervisory Board Members will be formally elected at the Ordinary General Meeting of Shareholders scheduled for June 26, 2024.
- Mr. Ichiro Sakamoto and Mr. Seiichiro Yamamoto are candidates for Audit and Supervisory Board Members as defined in Article 2-16 of the Companies Act.
- Both of them satisfy the requirements for an independent director as stipulated by the Tokyo Stock Exchange and will be reported to the Exchange as such.

ii) Audit and Supervisory Board Members planning to retire

Takashi Yoshida

Sachiko Kawanishi

Kyoichiro Arakawa

- The terms of office of these three Audit and Supervisory Board Members will expire upon resolution of the Ordinary General Meeting of Shareholders scheduled for June 26, 2024, at which time they are slated to retire.