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Company name: Duskin Co., Ltd.  
Name of representative: Hiroyuki Okubo, Representative Director  
President and CEO  
(Securities code: 4665; TSE Prime Market)  
Inquiries: Takeharu Ide, Operating Officer  
Manager, Corporate Planning  
Telephone: +81-6-6821-5071

**Notice Concerning the Medium-Term Business Plan 2028,  
Our Shareholder Return Policy and a Change in Dividend Policy**

Duskin Co., Ltd. (the “Company”) has clarified its new purpose and vision as it moves forward into a new phase after completing its 10-year, long-term strategy ONE DUSKIN in the fiscal year ended March 31, 2025 (fiscal 2024). At the same time, the Company has formulated Do-Connect, its new long-term business policy, to realize its purpose and vision. In addition, as the first phase of Do-Connect, the Company has formulated Medium-Term Business Plan 2028, which begins in the fiscal year ending March 31, 2026 (fiscal 2025), and has resolved to formally adopt this plan at the Board of Directors meeting held today.

1. Purpose, Vision and Long-Term Business Policy Do-Connect

The goal of our previous long-term strategy ONE DUSKIN was to transform Duskin into a company where all of its business units were united to serve the company’s customers in the most effective and courteous manner. During the implementation of that strategy, however, we were forced to respond to the emergency situations brought about by the 2024 Noto Peninsula earthquake and the COVID-19 pandemic. As part of such a response, we not only assumed the task of setting up vaccination sites and managing their hygiene but also launched disaster risk reduction support services to help municipalities set up evacuation centers in the event of a natural disaster. In this way, each of our businesses has demonstrated its unique strengths while working in tandem with one another to provide comprehensive services, which we consider to be a notable achievement.

On the other hand, the business environment is drastically changing in Japan. A declining birthrate and aging population has brought about a shrinking workforce and a growing labor shortage. Moreover, digital technology is making remarkable progress. Under these circumstances, we have clarified our purpose and vision, and formulated the long-term business policy Do-Connect, to show how we should operate our business in light of the changing times and environment, while staying faithful to the Management Philosophy that we have inherited since our founding.

(1) Purpose

“Building a happy and fulfilling future while staying attuned to people and society” — This expresses Duskin’s commitment to the future to deliver unchanging value even in changing times.

(2) Vision

“Spreading smiles that connect people to people, people to society, and people to the future” — This represents the task assigned to us to realize our purpose.

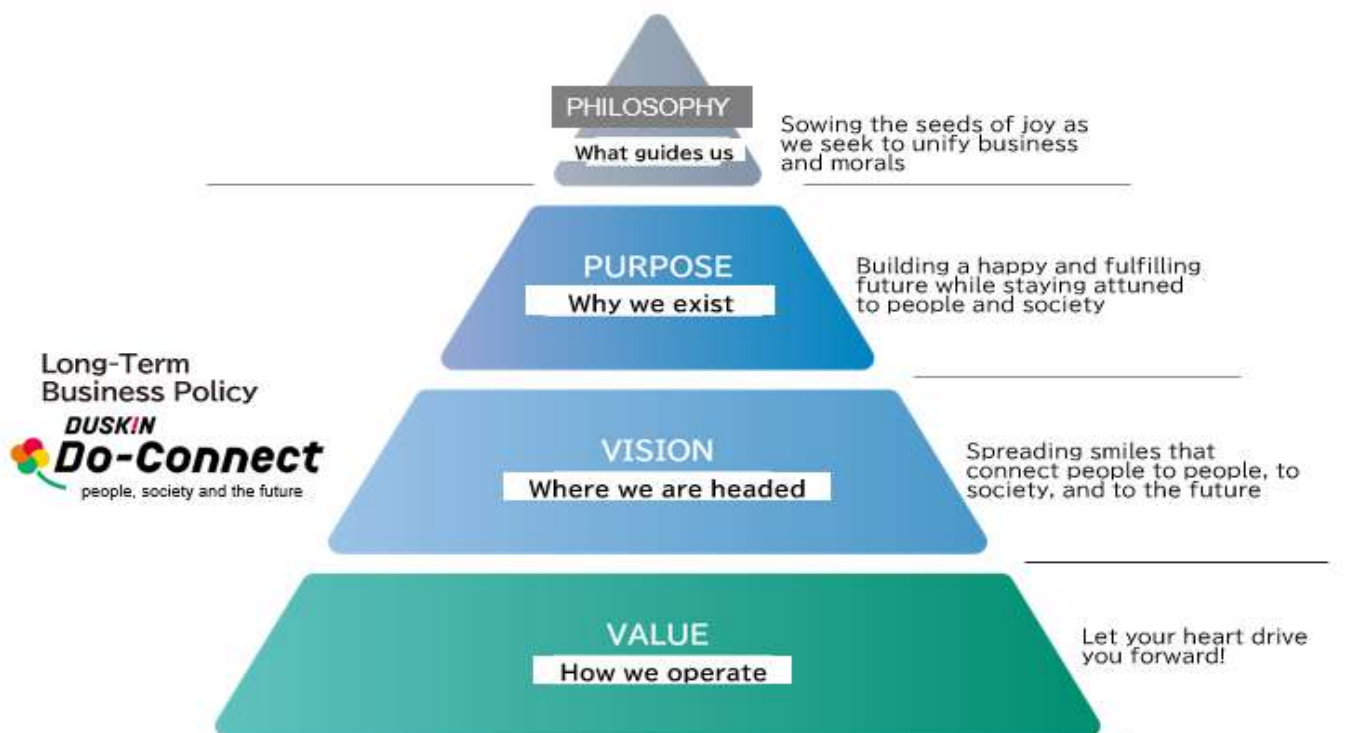
(3) Value

“Let your heart drive you forward!” — This represents the value we must uphold in order to realize our vision.

(4) Long-Term Business Policy Do-Connect

We will practice our philosophy of “sowing the seeds of joy” by connecting people to people, people to society, and people to the future. In doing so, and to realize our purpose and vision, we will challenge ourselves to achieve our three EXcellence goals and focus on developing human resources who are willing to take on challenges and on creating a corporate culture that encourages such employees to take on new challenges.

- a. EXPLORE new businesses
- b. EXPAND to related businesses
- c. EXCEL in our existing businesses



## 2. Review of the Medium-Term Management Policy 2022 (implemented from fiscal 2022 through fiscal 2024)

### (1) Financial performance

	Fiscal 2021 (Base year)	Fiscal 2024 results	Increase/decrease (Percentage change)
Consolidated net sales	163,200 mil. yen	188,700 mil. yen	15.7%
Consolidated operating profit	9,800 mil. yen	7,200 mil. yen	-26.6%
Consolidated ordinary profit	12,200 mil. yen	10,600 mil. yen	-12.4%
Profit attributable to owners of the parent	8,100 mil. yen	8,800 mil. yen	8.3%
ROE	5.4%	5.8%	0.4p

Net sales increased 15.7% from the base year, mainly due to a large increase in Food Group sales driven by the strong performance of Mister Donut. However, operating profit decreased 26.6% from the base year, mainly due to higher cost of sales resulting from soaring raw material prices, distribution costs and labor costs. Profit attributable to owners of the parent, however, increased 8.3% mainly due to an increase in profit of entities accounted for using the equity method and the posting of gains on the sale of strategically held shares. As a result, ROE was 5.8%, an improvement of 0.4 percentage points from the base year, but just short of the 6% target.

### (2) Specific measures implemented

#### a. Reforming our business portfolios

##### i) Existing businesses

- Enhanced business efficiency by installing RFID tags on all rental mats and mops
- Improved customer touchpoints (Sales activities by dedicated household sales teams; expansion of digital touchpoints)
- Proactively recruited franchisees and opened new sales offices for Care Service
- Intensified the development of new products, including those in the MISDO Meets range
- Conducted test verification of unattended payment system and image recognition cash registers

## ii) Investment in new growth opportunities

- Entered the area of childcare support (Alliance with and investment in JP-Holdings, Inc.)
- Expanded the rapid maintenance service (Alliance with and investment in Qracian Co., Ltd.)
- Developed a new food business model (Made Boston House Co., Ltd. a subsidiary)
- Expanded the Mister Donut business to Singapore and Hong Kong
- Started Rescue Service (emergency locksmith service)
- Withdrew from clothing rental subscription business
- Withdrew from pie specialty store business

## b. Establishing a solid foundation

- Developed an infrastructure to promote human capital management (Training tools, diagnostic tools, talent management system)
- Promoted efficiency through the Shared Services Center operations
- Promoted shift to cloud computing

## c. Coexistence with local communities

- Introduced virtual power purchase agreement (PPA) (Switched the electricity used in our mat and mop manufacturing plants to electricity generated from non-fossil certified renewable energy sources)
- Switched to non-fossil certified renewable energy sources for electricity used at five facilities including our head office building and its surrounding facilities
- Formulated the Duskin Green Vision 2050

## d. Financial and capital management

- Implemented shareholder return measures, including a 9.9 billion yen share repurchase (3-year total return ratio of 119.0%)
- Invested 49.9 billion yen (on a payment basis including costs and expenses) in growth areas (14.6 billion yen of which is for M&A)
- Sold six strategic shareholdings (Three of which were all sold)

## 3. Medium-Term Business Plan 2028 (for the three years starting from fiscal 2025)

### (1) Basic policy

We will take on the challenge of fulfilling our purpose of “Building a happy and fulfilling future while staying attuned to people and society” in order to achieve our core principle of “unifying business and morals”; that is, to enhance our corporate value in both social and economic terms. To this end, we will continue to value our face-to-face interaction with our customers as well as improving digital technology to support such interaction.

### (2) Financial targets

Through the various initiatives outlined in the Medium-Term Management Policy 2022, we have achieved a ROE of 5.8% and a P/B ratio of over 1x in fiscal 2024, which is a high level compared to our past levels.

Based on the CAPM and other measures, we perceive the cost of shareholders’ equity to be around 5%. Although our ROE exceeds this, in our Medium-Term Business Plan 2028 we will focus on steadily increasing ROE in order to increase our P/B ratio.

	Fiscal 2024 (Base year)	Fiscal 2027 targets	Unit: Millions of yen Increase/decrease (Percentage change)
Consolidated net sales	188,791	207,800	19,008 (10.1%)
Profit attributable to owners of the parent	8,808	10,600	1,791 (+20.3%)
ROE	5.8%	7.0% or more	1.2p

### (3) Four business themes

#### a. Explore new businesses

Creating new social values for the future

- We will actively harness both internal and external resources to develop new businesses that address social challenges and generate meaningful social value.

#### b. Expand to related businesses

Creating new customer value through business model transformation

- We will evolve our existing businesses to venture into new fields that promote a happy and fulfilling lifestyle, ensuring fresh value for those we serve.

#### c. Excel in our existing businesses

Building strong relationships with customers to increase customer value

- We will utilize advanced technologies across our existing businesses to quickly and flexibly provide products and services that align with customer expectations, adding value to their experience.

#### d. Solidify our business base

Building a foundation that will serve as a driving force for economic and social value creation

- We have two basic policies in solidifying our business base. First, we will encourage a change in the mindset of each and every employee by providing an environment in which they are willing and eager to learn. Second, we will foster a corporate culture that values employees' innovative ideas and actions based on them.

### (4) Financial strategies

In order to enable us to proactively invest in growth areas, we will raise funds to support such investments by reducing strategically held shares and utilizing financial assets. At the same time, we will promote shareholder returns with an eye to optimizing shareholders' equity.

#### a. Strategic shareholdings

We will reduce our strategically held listed stocks to a consolidated net asset ratio of 10% or less by the end of fiscal 2027.

#### b. Shareholder return policy

Regarding shareholder returns during the Medium-Term Business Plan 2028 period, in addition to paying dividends, we will flexibly repurchase stock, while giving priority to investment in growth areas and taking into account our financial situation.

#### c. Partial change in dividend policy

We have decided to raise the threshold for the dividend on equity ratio (DOE), which we have introduced as a lower limit indicator. We will, of course, maintain our basic policy of distributing profits appropriately based on business performance while maintaining financial soundness. During the Medium-Term Business Plan 2028 period, the dividend will be the higher of either a dividend payout ratio of 60% or a dividend on equity (DOE) of 3.0%. The new dividend policy will be applied from the interim dividend of fiscal 2025, and the year-end dividend of fiscal 2024 will be paid in accordance with the dividend policy before the change.

## Details of change in dividend policy

Before change	After change
Duskin considers the return of profits to shareholders to be one of our highest priorities. Our policy is to distribute a portion of profits based on our performance while maintaining a proper balance with investments to ensure sustainable growth and higher corporate value while also maintaining financial soundness in order 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 dividend on equity (DOE) of 2.5%. We will continue to implement dividend policy to fulfill the expectations of all our shareholders over the long term.	Duskin considers the return of profits to shareholders to be one of our highest priorities. Our policy is to distribute a portion of profits based on our performance while maintaining a proper balance with investments to ensure sustainable growth and higher corporate value while also maintaining financial soundness in order 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 dividend on equity (DOE) of 3.0%. We will continue to implement dividend policy to fulfill the expectations of all our shareholders over the long term.

### (5) Sustainability policies: Initiatives to co-create value with stakeholders and improve credibility

#### a. Pursuit of corporate sustainability

- We will improve the soundness and transparency of corporate management by carrying out initiatives to strengthen corporate governance.
- We will create and review business continuity plans; and by doing so, we will strengthen our business continuity capabilities so that we can, for example, be prepared for major disasters.

We will enhance corporate information disclosure and dialogue with investors and other market participants.

#### b. Pursuit of social sustainability

- We will carry out initiatives that help protect the global environment (i.e., reducing environmental impact through our business activities).

We will proactively participate in and contribute to local communities. (This includes ensuring the safety and security of the community; community building and other efforts to connect people to their communities; and sustainable procurement.)

For media inquiries on this matter, please contact:

Duskin Co., Ltd.

Public Relations

Telephone: +81-6-6821-5006