

ESG Data Book 2026

Duskin Co., Ltd. Last updated: June 30, 2026

■ Terms used in this Data Book

Duskin Group: Duskin Co., Ltd. and its consolidated subsidiaries

Production and logistic facilities: facilities of the Direct Selling Group located in Japan

Franchisees: business location and shops of franchisees of the Direct Selling and Food groups

Franchised plants: franchised production and logistic facilities

Head Office and Headquarters: Head Office, Information System, Contact Center, Regional Offices

Environment

Climate Change

Environmental philosophy and environmental policy	Available	"Environmental Philosophy" "Environmental Policy" https://www.duskin.co.jp/english/sus/ecology/ecologypolicy/
Climate change policy Approaches to climate-related risks and opportunities	Available	Action on climate change included in the "Environmental Philosophy" and "Environmental Policy" https://www.duskin.co.jp/english/sus/ecology/savingenergytcd/
Declaration of support for climate change countermeasures	Available	Participation in initiatives https://www.duskin.co.jp/english/sus/management/initiative/
Responsible person for environmental countermeasures, including climate change	Available	Chief Environmental Officer: Representative Director, President and CEO
Policy on energy use	Available	"Environmental Policy" https://www.duskin.co.jp/english/sus/ecology/ecologypolicy/ https://www.duskin.co.jp/english/sus/ecology/savingenergytcd/
Energy reduction targets	Short-term target	Reduce energy (consumption intensity) 1% per year
	Medium-term target (end of FY2030)	Achieve a 50% renewable energy use rate
CO ₂ emissions reduction targets	Short-term target	Reduce CO ₂ emissions (total) 3% per year
	Medium-term target (end of FY2030)	Reduce Scope 1 and 2 CO ₂ emissions 46% by FY2030 (compared with FY2013)
Third-party assurance for CO ₂ emissions and energy consumption	Available	Independent Assurance Statement https://www.duskin.co.jp/english/sus/library/opinion/

(FY)

		Boundary	Unit	2021	2022	2023	2024	2025
Energy usage	Electricity	Duskin Group, franchisees, franchised plants	Thousand kWh	150,387	146,359	143,254	139,333	137,528
	City gas	Duskin Group, franchisees, franchised plants	Thousand m ³	5,691	5,401	5,274	5,357	5,012
	Propane gas	Duskin Group, franchisees, franchised plants	Thousand m ³	330	376	413	358	556
	Heavy oil	Duskin Group, franchisees, franchised plants	Thousand L	7,581	7,288	6,771	6,925	6,504
	Kerosene	Duskin Group, franchisees, franchised plants	Thousand L	647	671	696	662	644
	Gasoline	Duskin Group, franchisees, franchised plants	Thousand L	7,671	8,487	7,470	7,528	7,181
	Total	Duskin Group, franchisees, franchised plants	TJ	2,381	2,342	2,104	2,165	2,003
CO ₂ emission* * Review calculation method in FY2022 (Category 13: CO ₂ emissions from gasoline use by leased vehicles were retroactively transferred to Scope 1, etc.)	Scope 1	Duskin Group	Thousand t-CO ₂	16.1	16.2	15.2	14.7	14.5
	Scope 2 (Market-based)	Duskin Group	Thousand t-CO ₂	16.8	15.4	15.5	13.6	9.4
	Scope 2 (Location-based)	Duskin Group	Thousand t-CO ₂	17.7	16.5	16.7	16.5	17.4
	Scope 3 (Greenhouse gas emissions from the entire supply chain)		Thousand t-CO ₂	377	423	443	460	471
		Category 1 Purchased goods and services	Thousand t-CO ₂	223	265	282	291	289
		Category 2 Capital goods	Thousand t-CO ₂	21	27	33	37	329
		Category 3 Fuel- and energy-related activities not included in Scope 1 or Scope 2	Thousand t-CO ₂	4.91	4.55	5.77	6.24	6.27
		Category 4 Upstream transport and delivery	Thousand t-CO ₂	25.1	24.4	24.2	24.3	24.2
		Category 5 Waste generated in operations	Thousand t-CO ₂	1.28	1.42	1.36	1.36	1.30
		Category 6 Business travel	Thousand t-CO ₂	0.79	1.30	1.60	1.70	1.59
		Category 7 Employee commuting	Thousand t-CO ₂	3.05	3.03	3.39	3.44	3.95
		Category 8 Leased assets (upstream)	t-CO ₂	N/A	N/A	N/A	N/A	N/A
		Category 9 Downstream transportation and delivery	t-CO ₂	N/A	N/A	N/A	N/A	N/A
		Category 10 Processing of sold products	t-CO ₂	N/A	N/A	N/A	N/A	N/A
		Category 11 Use of sold products	Thousand t-CO ₂	10.6	9.71	6.40	9.83	27.0
		Category 12 End-of-life treatment of sold products	t-CO ₂	149	107	102	102	101
		Category 13 Downstream leased assets	Thousand t-CO ₂	12.7	14.0	12.1	12.1	11.5
		Category 14 Franchises (franchisees and franchised plants)	Thousand t-CO ₂	73.5	72.2	73.3	72.5	72.6
		Category 15 Investments	t-CO ₂	N/A	N/A	N/A	N/A	N/A
	Total Market-based		Thousand t-CO ₂	410	455	474	484	495
	Total Location-based		Thousand t-CO ₂	411	456	475	487	503

Supply Chain (Environment)

Supplier procurement policies in relation to the environment	Available	Environmental management https://www.duskin.co.jp/english/sus/ecology/ecologypolicy/
Environmental risk assessments for primary suppliers	Available	Establish assessment standards for compliance status with laws and regulations regarding the environment and waste disposal in the "Supplier Assessment Sheet"
Initiatives to reduce environmental impact	Available	Strive to create a procurement structure with partner companies

(FY)

	Boundary	Unit	2021	2022	2023	2024	2025
Primary supplier inspection rate	Duskin Co., Ltd.	%	100	100	100	100	100

Contamination; Resource Use

Policy on pollution, waste, and resource use	Available	Included in the "Environmental Philosophy" and "Environmental Policy" https://www.duskin.co.jp/english/sus/ecology/ecologypolicy/ Endeavors for a recycling-oriented society https://www.duskin.co.jp/english/sus/ecology/recyclingsocial/
Reduction targets for pollution, waste, and resource-use	Short-term targets	Reuse 97% of mops and mats Reduce food waste 1% per year Reduce plastic containers and packaging 1% per year, increase use of environmentally-conscious materials 1% per year Establish and manage fiscal year standard output values (target values) based on actual results from each production and logistics facility
	Medium-term targets (end of FY2030)	Reduce petroleum-derived one-way plastics discharge 25% (compared with FY2020) Recycle 60% of plastic containers and packaging Reduce food waste by 50% (compared with FY2000), recycle 75% of food waste

(FY)

Boundary			Unit	2021	2022	2023	2024	2025
NOx emission	Vehicles belonging to company-owned sales offices in Tokyo, Osaka and Aichi Prefectures		t	0.04	0.01	0.01	0.01	0.01
Use of chemicals	Production and logistic facilities	Duskin Group and franchised plants	t	5,838	6,023	5,964	5,530	5,372
Detergent	Production and logistic facilities	Duskin Group and franchised plants	t	1,485	1,323	1,289	1,324	1,232
Waste subject to special control	Production and logistic facilities	Duskin Group and franchised plants	t	1.13	4.0	10.0	12.3	22.5
Waste generated	Production and logistic facilities	Duskin Group and franchised plants	t	13,225	13,036	12,461	12,561	11,513
Plastic waste			t	738	956	925	948	913
Wastewater sludge			t	9,678	9,163	8,762	9,011	8,246
Factory-rejected mats and mops			t	2,809	2,917	2,774	2,602	2,354
Resources recycled	Production and logistic facilities	Duskin Group and franchised plants	t	1,363	1,433	1,288	1,310	1,456
Recyclable waste			t	368	400	352	379	371
Service equipment			t	484	535	489	500	598
Cardboard			t	511	497	446	431	487
Food waste generated	Food Group	Duskin Group and franchisees	t	4,735	4,522	5,309	5,302	5,679
Waste reduced	Food Group	Duskin Group and franchisees	t	3,264	4,509	5,369	6,379	6,452
Recycling rate	Food Group	Duskin Group and franchisees	%	59.3	69.1	69.4	73.5	74.0
Reduction rate of food loss with FY2000 as 100%	Food Group	Duskin Group and franchisees	%	55.4	52.8	51.0	51.5	49.1
Green purchasing ratio for office and other supplies	Head office and headquarters	Duskin Co., Ltd.	%	100	100	100	100	100
Copy paper consumption	Head office and headquarters	Duskin Co., Ltd.	t	48.3	47.4	43.9	42.9	38.2
Percentage of sales office with ISO 14001 certification	Based on number of employees	Duskin Co., Ltd.	%	73.9	73.1	73.1	73.3	71.3
Number of vehicles certified as low pollution		Duskin Group and franchisees		5,487	6,338	7,040	7,562	8,038
Fines for violations of environment-related laws and regulations		Duskin Group, franchisees, franchised plants	Yen	0	0	0	0	0

Water Usages

Policy on water use and water leakage reductions	Available	Conservation and effective use of water resources https://www.duskin.co.jp/english/sus/ecology/waterresources/
Water risk factors and major impacts	Available	Establish and manage fiscal year standard output values (target values) based on actual results from each production facility
Water use and water leakage reduction targets	Available	Reuse some treatment water from the mop and mat laundry processes as laundry water
Water use reduction initiatives	Production and logistics facilities	Available
Third-party assurance for water use	Available	Available Independent Assurance Statement https://www.duskin.co.jp/english/sus/library/opinion/

(FY)

Boundary			Unit	2021	2022	2023	2024	2025
Water intake	Production and logistic facilities	Duskin Group and franchised plants	Thousand m³	2,154	2,179	2,104	2,059	2,010
Drinking water			Thousand m³	285	277	270	283	270
Industrial water			Thousand m³	283	286	295	285	268
Groundwater			Thousand m³	1,586	1,616	1,539	1,490	1,473
Water intake intensity	2016 as the base year of 100		%	103.6	106.3	103.6	103.5	120.7
Wastewater	Production and logistic facilities	Duskin Group and franchised plants	Thousand m³	2,046	2,070	1,999	1,956	1,910
To sewer systems			Thousand m³	1,284	1,299	1,254	1,227	1,199
To rivers			Thousand m³	762	771	745	729	712

Biodiversity

(FY)

Boundary			Unit	2021	2022	2023	2024	2025
Installed mats on the trails of Hakusan National Park	Direct Selling Group	Duskin Co., Ltd.	Pcs.	44	42	42	41	41
			place	13	13	13	13	13

Social

Labor Standards

Basic policy on labor standards				Available	Human Rights & Human Resources Policy https://www.duskin.co.jp/english/sus/social/data/			
Basic policy on human resource development				Available	Human resource development https://www.duskin.co.jp/english/sus/social/bringup/			
Policy on diversity and equal opportunity				Available	Diversity https://www.duskin.co.jp/english/sus/social/diversity/			
Work-life balance policy				Available	Work environment and work-life balance https://www.duskin.co.jp/english/sus/social/worklife/			
(FY)								
		Boundary	Unit	2021	2022	2023	2024	2025
Number of employees	Male	Duskin Group	No.	2,355	2,316	2,328	2,279	2,229
	Female	Duskin Group	No.	1,423	1,423	1,464	1,496	1,521
	Total	Duskin Group	No.	3,778	3,739	3,792	3,775	3,750
	Japan	Duskin Group	No.	3,520	3,483	3,542	3,502	3,521
	Overseas	Duskin Group	No.	258	256	250	273	252
	Full-time employees	Duskin Group	No.	3,138	3,104	3,184	3,201	3,180
	Part-time employees	Duskin Group	No.	640	635	608	574	570
New employees	New graduates	Duskin Group	No.	52	44	38	46	44
	Mid-career hires	Duskin Group	No.	180	186	231	205	62
Employees promoted to permanent positions		Duskin Group	No.	44	61	65	53	144
Employees who quit the company		Duskin Group	No.	216	253	206	186	334
Labor union membership	Number of members	Duskin Group	No.	2,982	3,025	3,034	3,057	3,081
	Membership ratio	Duskin Group	%	100	100	100	100	100
Employees who have taken childcare leave	Male	Duskin Group	No.	18	20	18	27	20
	Female	Duskin Group	No.	38	48	45	55	18
Employees who have taken nursing-care leave	Male	Duskin Group	No.	0	1	2	1	0
	Female	Duskin Group	No.	1	2	3	4	1
Retirees rehired		Duskin Group	No.	71	54	40	79	41
People with disabilities employed (reported on June 1)	Number	Duskin Group	No.	211	210	205	257	244
	Ratio	Duskin Group	%	2.81	2.82	3.10	3.12	3.16
Number of employees	Total	Duskin Co., Ltd.	No.	2,000	1,989	1,988	1,963	1,964
	Females	Duskin Co., Ltd.	No.	749	762	781	796	817
	Female employee ratio	Duskin Co., Ltd.	%	37.5	38.3	39.3	40.6	41.6
Employees in managerial positions	Total	Duskin Co., Ltd.	No.	362	360	363	324	318
	Females	Duskin Co., Ltd.	No.	41	47	52	57	55
	Ratio of females in managerial positions	Duskin Co., Ltd.	%	11.3	13.1	14.3	17.6	17.3
New employees (new graduates and mid-career hires)	Total	Full-timers of Duskin Co., Ltd.	No.	67	68	70	93	106
	Mid-career hires	Full-timers of Duskin Co., Ltd.	No.	22	30	37	57	62
	Ratio of mid-career hires	Full-timers of Duskin Co., Ltd.	%	32.8	44.1	52.9	61.3	58.5
	Females	Full-timers of Duskin Co., Ltd.	No.	40	37	20	27	41
	Ratio of females in new employees	Full-timers of Duskin Co., Ltd.	%	59.7	54.4	28.6	29.0	38.7
Employees who left the company for personal reasons	Total	Full-timers of Duskin Co., Ltd.	No.	23	35	26	42	28
	Ratio	Full-timers of Duskin Co., Ltd.	%	70.0	60.3	60.4	72.4	56.0
Childcare leave acquisition rate * Including the use of the company's own childcare leave system	Female	Full-timers of Duskin Co., Ltd.	No.	17	22	19	23	18
	Male	Full-timers of Duskin Co., Ltd.	No.	22	26	22	22	20
	Percentage of male employees taking childcare leave	Full-timers of Duskin Co., Ltd.	%	71.0	100.0	100.0	100.0	100.0
Gender pay gap	All employees	Duskin Co., Ltd.	%	—	—	61.3	59.7	46.7
	Full-time employee	Duskin Co., Ltd.	%	—	—	72.9	73.1	77.2
	Temporary employee	Duskin Co., Ltd.	%	—	—	87.3	82.8	68.4
Rate of paid vacations taken		Duskin Co., Ltd.	%	71.6	76.3	77.6	77.5	79.6
Average age	Male	Duskin Co., Ltd.	Age	47.5	47.9	47.9	47.6	47.0
	Female	Duskin Co., Ltd.	Age	43.1	43.2	43.4	43.9	44.6
	Total	Duskin Co., Ltd.	Age	45.9	46.1	46.2	46.1	46.1
Average years of service	Male	Duskin Co., Ltd.	Years	17.5	17.7	18.3	18.1	20.3
	Female	Duskin Co., Ltd.	Years	11.4	11.3	11.4	11.2	15.1
	Total	Duskin Co., Ltd.	Years	15.3	15.3	15.6	15.3	18.2
Employee survey scores	Satisfaction	Duskin Co., Ltd.	%	—	91.8	91.3	90.9	92.0
	Work fulfillment	Duskin Co., Ltd.	%	—	77.5	73	71.6	70.2
Training hours per employee per year		Duskin Co., Ltd.	Hour	23.5	18.6	19.5	20.8	19.8
Annual working hours per employee		Duskin Co., Ltd.	Hour	1,796	1,811	1,804	1,812	1,793

Local Communities

Policy on local and social contributions		Available	"Policy on Local and Social Contributions" https://www.duskin.co.jp/english/sus/contribution/society/					(FY)
	Boundary	Unit	2021	2022	2023	2024	2025	
Community cleaning event hosting	Number of participants	Duskin Group	No.	—	14,108	8,905	4,213	4,798
	Amount of garbage collected	Duskin Group	L	—	26,730	65,520	23,640	13,380
On-site cleaning lessons for children	Number of schools participated	Duskin Group	No.	77	454	440	400	401
	Number of children participated	Duskin Group	No.	5,379	38,213	39,067	33,039	33,186
Social contribution donation system as a shareholder benefit * Donations to the Duskin AINOWA Foundation and the Japanese Red Cross Society		Duskin Co., Ltd.	Yen	1,241,000	1,123,500	1,100,000	1,037,500	1,009,500

Human Rights (Including the Supply Chain)

Human rights policy	Available	"Basic Policy Regarding Respect for Human Rights" https://www.duskin.co.jp/english/sus/social/data/						
Basic labor rights policy (freedom of association and collective bargaining rights)	Available	"Basic Policy Regarding Respect for Human Rights"						
Policy on preventing child labor	Available	"Basic Policy Regarding Respect for Human Rights"						
Policy on preventing forced labor	Available	"Basic Policy Regarding Respect for Human Rights"						
Non-discrimination policy	Available	"Basic Policy Regarding Respect for Human Rights"						
Sustainable procurement policy	Available	"Basic Policy on Sustainable Procurement"						
Support for international norms	Available	Defer to the Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights						
Human rights risk assessments	Available	Conduct minimum wage checks and long work hours checks						
Stakeholder engagement regarding human rights risks and impact verification	Available	Sponsor and cooperate with the Business and Human Rights Conference https://crt-japan.jp/en/2016/10/06/report-on-2016-business-and-human-rights-conference-in-tokyo/						
Participation in human rights related initiatives and collaborations	Available	Participate in the Stakeholder Engagement Program https://crt-japan.jp/portfolio/stakeholder_engagement_program/ (Japanese version only)						
Claim reporting system that enables reporting on human rights violations	Available	Establish internal and external hotlines						

Health and Safety

Basic policy on health and safety Health-focused management declaration		Duskin Co., Ltd.	Available	Maintain and promote employee health and safety https://www.duskin.co.jp/english/sus/social/health/ https://www.duskin.co.jp/english/sus/social/health-and-safety/				
								(FY)
		Boundary	Unit	2021	2022	2023	2024	2025
Ratio of employees who receive regular health checkups		Duskin Co., Ltd.	%	100	100	100	100	100
Ratio of employees who receive workups		Duskin Co., Ltd.	%	65.6	49.3	59.7	44.8	46.9
Ratio of employees who maintain desirable weight		Duskin Co., Ltd.	%	66.9	66.3	63.6	64.7	65.8
Smoking rate		Duskin Co., Ltd.	%	25.0	22.0	25.2	22.5	21.7
Ratio of employees who engage in regular exercise		Duskin Co., Ltd.	%	30.6	30.1	29.5	31.6	32.2
Work-related accidents At workplace	Fatality	Duskin Group	Cases	0	1	0	0	0
		Duskin Group	Cases	185	164	192	197	212
	Cases that required 4 or more days of leave	Duskin Group	Cases	36	45	39	36	54
While commuting		Duskin Group	Cases	36	53	42	35	43
	Cases that required 4 or more days of leave	Duskin Group	Cases	9	24	19	14	15

Responsibility to Customers

Quality policy	Available	"Quality Policy" https://www.duskin.co.jp/english/sus/social/philosophy/						
ISO 9001 certified locations	Available	ISO 9001 acquired by Duskin Healthcare at all hospitals under contract						
Research and development policy	Available	"Research and Development Policy"						
Product testing policy	Available	"Product Testing Policy"						
Policy on responsible advertising and marketing	Available	Included in the "Guidelines for Producing Advertising and Promotional Materials, etc."						
Approaches to and initiatives for related issues	Available	Ensure compliance with regulations and standards, provide internal training						
Participation in industry initiatives	Available	Endorse the objectives of and join the Japan Dust Control Association, Japan Foodservice Association, and Japan Franchise Association						
Reduction in negative impacts caused by products	Available	Display allergens and calories on price cards https://www.duskin.co.jp/english/sus/social/food/						
Initiatives for reducing negative impacts	Available	Develop low-calorie products and low-trans-fatty acid oils https://www.duskin.co.jp/english/sus/social/food/ https://www.duskin.co.jp/english/sus/social/voice/						
Initiatives for people with disabilities and seniors	Available	Allow service dogs to enter shops together with people with disabilities, provide braille menus and written communication menus https://www.duskin.co.jp/english/sus/social/voice/						

Governance

Corporate Governance

Basic policy on corporate governance Election policies for the Board of Directors Policy on directors' remuneration Policy related to acquisition and holding of cross-shareholdings	Available	Corporate Governance https://www.duskin.co.jp/english/sus/governance/corporate/
Basic policy on business operations	Available	Internal Control System https://www.duskin.co.jp/english/sus/governance/internalcontrol/
Basic capital policies	Available	Communication with Investors and Shareholders https://www.duskin.co.jp/english/ir/policy/shareholder/

				(FY)				
		Boundary	Unit	2021	2022	2023	2024	2025
Number of Directors	Internal, male	Duskin Co., Ltd.		6	6	6	6	6
	Internal, female	Duskin Co., Ltd.		0	0	0	0	0
	Internal Total	Duskin Co., Ltd.		6	6	6	6	6
	Outside, male	Duskin Co., Ltd.		1	0	0	0	0
	Outside, female	Duskin Co., Ltd.		2	3	3	3	3
	Outside Total	Duskin Co., Ltd.		3	3	3	3	3
	Total	Duskin Co., Ltd.		9	9	9	9	9
Ratio of Outside Directors		Duskin Co., Ltd.	%	33.3	33.3	33.3	33.3	33.3
Ratio of female Directors		Duskin Co., Ltd.	%	22.2	33.3	33.3	33.3	33.3
Number of Audit and Supervisory Board Members	Internal, male	Duskin Co., Ltd.		2	2	2	2	2
	Internal, female	Duskin Co., Ltd.		0	0	0	0	0
	Internal Total	Duskin Co., Ltd.		2	2	2	2	2
	Outside, male	Duskin Co., Ltd.		2	2	3	3	3
	Outside, female	Duskin Co., Ltd.		1	1	0	0	0
	Outside Total	Duskin Co., Ltd.		3	3	3	3	3
	Total	Duskin Co., Ltd.		5	5	5	5	5
Ratio of female Audit and Supervisory Board Members		Duskin Co., Ltd.	%	20.0	20.0	0.0	0.0	0.0
Directors' term of office		Duskin Co., Ltd.	Years	1	1	1	1	1
Board of Directors	Number of meetings	Duskin Co., Ltd.	Meetings	17	17	17	18	17
Outside Directors' attendance rate		Duskin Co., Ltd.	%	100	100	100	100	99.3
Audit and Supervisory Board	Number of meetings	Duskin Co., Ltd.	Meetings	13	13	13	14	13
Operating Officers' Board	Number of meetings	Duskin Co., Ltd.	Meetings	12	12	12	12	12
Business Strategy Meeting	Number of meetings	Duskin Co., Ltd.	Meetings	2	2	2	2	2
Budget Meeting	Number of meetings	Duskin Co., Ltd.	Meetings	10	9	8	8	8
Outside Directors and Audit and Supervisory Board Members Council	Number of meetings	Duskin Co., Ltd.	Meetings	15	12	13	12	11
Nominating and Compensation Committee	Number of meetings	Duskin Co., Ltd.	Meetings	4	4	6	4	6
Sustainability Committee	Number of meetings	Duskin Co., Ltd.	Meetings	2	2	2	2	2
	Number of members	Duskin Co., Ltd.		9	10	10	10	10
Risk Management Committee	Number of meetings	Duskin Co., Ltd.	Meetings	2	2	2	5	4
	Number of members	Duskin Co., Ltd.		12	13	12	12	14
Compliance Committee	Number of meetings	Duskin Co., Ltd.	Meetings	4	4	4	4	4
	Number of members	Duskin Co., Ltd.		12	12	11	11	11
Directors' compensation (excluding Outside Directors)	Basic compensation	Duskin Co., Ltd.	Thousands of yen	171,345	191,070	193,248	182,925	178,328
	Share-based compensation	Duskin Co., Ltd.	Thousands of yen	30,726	36,929	36,551	34,274	33,471
	Bonuses	Duskin Co., Ltd.	Thousands of yen	76,200	65,300	40,200	83,200	91,000
	Total	Duskin Co., Ltd.	Thousands of yen	278,272	293,300	269,999	300,399	302,799
Audit and Supervisory Board Members' Compensation (excluding Outside Audit and Supervisory Board Members)	Basic compensation	Duskin Co., Ltd.	Thousands of yen	46,650	47,700	48,000	48,090	49,020
	Bonuses	Duskin Co., Ltd.	Thousands of yen	10,200	7,200	7,200	—	—
	Total	Duskin Co., Ltd.	Thousands of yen	56,850	54,900	55,200	48,090	49,020
Outside Directors' compensation	Basic compensation	Duskin Co., Ltd.	Thousands of yen	43,800	44,250	46,650	51,495	28,860
	Bonuses	Duskin Co., Ltd.	Thousands of yen	9,600	9,500	9,600	—	—
	Total	Duskin Co., Ltd.	Thousands of yen	53,400	53,750	56,250	51,495	28,860
Fees to accounting auditor	Audit certification duties	Duskin Co., Ltd.	Millions of yen	81	81	81	81	82
	Non-audit duties	Duskin Co., Ltd.	Millions of yen	0	0	0	0	1

Risk Management and Compliance

Risk Management and Compliance								
Basic policy on risk management			Available	Risk management https://www.duskin.co.jp/english/sus/governance/riskmanagement/				
Basic policy on compliance			Available	Compliance https://www.duskin.co.jp/english/sus/governance/compliance/				
(FY)								
Boundary			Unit	2021	2022	2023	2024	2025
Compliance training	Number of participants	Duskin Group		6,678	6,655	6,321	6,372	6,341
	Participation rate	Duskin Group	%	100.0	98.6	100.0	100.0	99.9
Number of hotline users	Internal	Duskin Group	Cases	62	75	18	80	73
	External	Duskin Group	Cases	13	15	64	10	20
	Total	Duskin Group	Cases	75	90	82	90	93
Number of complaints regarding human rights violations	Power harassment	Duskin Group	Cases	11	19	14	19	13
	Sexual harassment	Duskin Group	Cases	4	3	1	3	3
	Total	Duskin Group	Cases	15	22	15	22	16

Anti-corruption							
Code of ethics	Available	Included in the “Duskin Code of Conduct Statement” and “Duskin Code of Conduct” https://www.duskin.co.jp/english/sus/governance/compliance/					
Anti-corruption policy	Available	Basic Policy on Bribery					
Establishment of a claims reporting system that responds to various complaints, including bribery	Available	Operation of internal and external hotlines https://www.duskin.co.jp/english/sus/governance/compliance/					
Informing employees about the prohibition of corrupt acts	Available	Distributing the “Duskin Code of Conduct (handbook)” to all employees					
Internal training regarding the prohibitions of corrupt acts	Available	Conduct compliance training (previously conducted on addressing antisocial forces, etc.) https://www.duskin.co.jp/english/sus/governance/compliance/					
(FY)							
	Boundary	Unit	2021	2022	2023	2024	2025
Political contributions	Duskin Co., Ltd.	Yen	0	0	0	0	0
Dismissal of or disciplinary action against employees due to violations of policies on corruption	Duskin Co., Ltd.		0	0	0	0	0
Total amount of major fines for corruption	Duskin Co., Ltd.	Yen	0	0	0	0	0

Sustainability Policy

As an enterprise that aspires to meet society's expectations with joy, the Duskin Group's sustainability policy guides Duskin in its efforts to give back to society and maintain consistent corporate growth at the same time. We believe that identifying ESG priorities through dialogues with stakeholders and taking a diverse and multifaceted approach to achieving SDGs are vital to achieving our sustainability goals. We are committed to continuously improving our sustainability efforts in a way that meets expectations and earns trust as we aspire to be a company that pursues higher corporate value and helps achieve a sustainable society.

Sustainability Vision

Meeting society's expectations with joy

With attentiveness to the linkage between people, the environment and society, we stay receptive to expectations from society and fulfill them with joy. Through the supply of safe, secure and excellent products and services, we contribute to the sustainable development of regional societies that provide affluent living and put smiles on faces.

Sustainability Policy

Since its inception, the Duskin Group has been guided by the management principle of "Unifying Business and Morals," which seeks to meet society's expectations with joy in our hearts and pursue sustainable growth while remaining beneficial to society.

Therein, we maintain Principles of Conduct that each individual employee must follow, and through this, employees regulate their own behavior.

1. **Sustainable growth**
We sow the seeds of joy and continually fulfill the trust of society.
2. **Respect for human rights**
We protect the human rights of every individual and respect individuality.
3. **Environmental conservation**
In all of our activities, we strive for the conservation of the global environment.
4. **Communication and interaction**
We care about people and aim for a better society.
5. **Products and services**
We provide products and services that make customers happy.
6. **Workplace environment improvement**
We build and maintain workplaces where everyone can develop their individuality and capabilities in a fair environment and find joy in their work.
7. **Compliance**
We take the perspectives of other people into consideration in our thoughts and actions.
8. **Information management**
We manage information appropriately, with meticulous care in information handling.
9. **Crisis management**
In emergencies, we prioritize the safety of life and cooperate with the community to help where we can.

Governance

The Duskin Group recognizes that it is vital for an enterprise to contribute both to company growth and to building a sustainable society, and therefore the Group as a whole advocates CSV approach. In order to integrate a sustainability perspective into corporate management, in 2017, we established the Sustainability Committee as an advisory body to the Board of Directors and assigned the Corporate Planning Operating Officer, who is the executive in charge of sustainability, as its chairperson. The Sustainability Committee meets twice a year to deliberate on basic sustainability policy, how to respond to notable risks and opportunities, and specify indexes and targets. In addition, the committee specifies which initiatives have priority for the year, and it is responsible for studying, deliberating on, evaluating and improving unresolved issues. Moreover, the committee reports to the Board of Directors concerning its most important decisions.



Risk management

When managing and improving Duskin's response to sustainability-related risks and opportunities, together with the Corporate Planning department, the Sustainability Committee evaluates the urgency of risks and opportunities. Based on changes in external factors and their effect on business performance, they identify where in the value chain that the company might be confronted by risk sometime in the future and investigate whether the risk has the potential to become a material issue. For risks evaluated to have the potential to greatly impact company financial performance or strategy, the committee prepares concrete measures aimed at avoiding or minimizing the risk.

Strategy

To identify risks and opportunities from the stakeholder's point of view, Duskin organizes and analyzes the external environment from political, environmental, social and technological perspectives, and Duskin recognizes what the key material issues are both for company growth and for contributing to the development of a sustainable society.

Human capital and diversity is one of these issues, and we have prepared human resource training policies and work environment improvement policies needed for transforming our business portfolio. Moreover, we have established indexes and targets for sustaining and improving these policies.

In addition, responding to climate change is a sustainability issue shared worldwide. The pace and scope of climate change is very hard to predict, so Duskin is focusing on finding solutions to relieve and adapt to climate change, making it a top priority. We also want to note that we have endorsed TCFD recommendations aimed at improving the quality of climate change-related financial information, and to conform with these recommendations we are improving our disclosure of climate change-related information as needed.

	Human resource development policy	Work environment improvement policy
Concept	i. Conduct employee training that instills the corporate philosophy and makes it the foundation for employee conduct. ii. Conduct training that instills the required knowledge and skills that every employee needs to effectively fulfill their roles and responsibilities.	i. Build an environment that enables employees of diverse career and social backgrounds to achieve their full potential. ii. Strive to sustain and promote the health of employees and their families and build an environment that achieves healthy and prosperous employee development.
Major personnel-related measures	Company-wide training system	Employee treatment system
	OJT/Off-JT	Employee welfare system
	Personal development	Personnel System
	Level-specific training Skill enhancement training Career development training Outside training for selected employees Company-wide training (on management philosophy, etc.) Business-specific training Skill development support (Correspondence courses, incentive programs for qualification acquisition, etc.)	Grade system (job groups, multiple courses) Evaluation system (performance evaluation, behavioral evaluation) Wage system (ability pay, role pay, allowance) Retirement allowance system Reemployment system Promote women to management, foreign hires, hiring people with disabilities Balance childcare/caregiving and work Promote work-life balance Promotion of health management (cancer screening, health awareness, etc.) Measures to ensure worker safety
Indexes and targets	▶ Employee Awareness Survey: "Career Fulfillment" for all ages ▶ Annual training hours per employee and every employee takes part in training courses	▶ Female management position percentage ▶ Percentage of male childcare leave *Including the company's own childcare leave system ▶ Annual hours worked per employee

Environment

Climate Change/Energy Consumption/ Pollution, Waste, and Resource Consumption/ Water Use and Water Leakage Reductions/Biodiversity

As part of the Environmental Philosophy and Environmental Policy, the Duskin Group has established its approach to “Climate Change,” “Energy Consumption,” “Pollution, Waste, and Resource Consumption,” “Water Use and Water Leakage Reductions,” and “Biodiversity.”

Environmental Philosophy

Established in 1998

We, at Duskin, are grateful for the blessings of nature. Working for peace and harmony between humankind and nature, we will continue to take eco-friendly actions grounded upon the principles of our philosophy of Prayerful Management.

Environmental Policy

Established in 2021

As a company that aims for sustainability, Duskin strives to achieve the joint objective of engaging in sound business activities and environmental conservation in an effort to contribute to the development of a sustainable society.

1. Reduce waste and effectively utilize resources to help build a recycling-oriented society.

- Pursue recycling-oriented rental systems
- Reduce food loss and promote food waste recycling
- Promote the 3Rs for plastic containers and packaging and use renewables (effective use of resources)

2. Tackle climate change to help realize a decarbonized society.

- Reduce CO₂ emissions
- Expand use of renewable energy

3. Conserve water resources and biodiversity to help achieve a society in which people and nature coexist.

- Promote industrial water recycling and water quality conservation
- Promote ecosystem conservation activities
- Manage chemical substances and prevent pollution

4. Make ongoing improvements through the Environmental Management System to help build a society with a low environmental impact.

- Develop environmentally friendly products and services
- Management in compliance with the environmental consciousness and improvements required of ISO14001 standard or standards that correspond to this standard
- Develop human resources through environmental training

Action on Climate Change

The Duskin Group has established its approach to climate change in the following manner.

Basic approach

Duskin positions the risks and opportunities associated with climate change as critical management issues. In order to advance information disclosure based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we classify and study climate-related risks as risk associated with the transition to a low-carbon economy and risk associated with the physical impacts of climate change.

Governance

● Supervision by the Board of Directors concerning climate-related risk/opportunity, and the administration role in evaluation and management

Duskin In order to evaluate the impacts from climate-related risks and opportunities and integrate them into our business strategy, in 2017 we installed the “Sustainability Committee” under the supervision of the Board of Directors. This committee is chaired by the officer with executive responsibility for sustainability and staffed by Outside Directors, Operating Officers. It meets once per half period to settle on the basic policy concerning climate-related risks and opportunities and important risk and opportunity strategies, as well as to set indexes and targets. Additionally, it is also responsible for considering, deliberating on, evaluating, and improving important action plans, and reports important resolution matters to the Board of Directors. Having the newly established Sustainability Committee link with the central “Quality Assurance & Environment Committee” hub for environment management allows the monitoring of performance based on indexes through an “Environmental Liaison Committee” for nationwide branches. And we are thus checking the progress of targets and plans.



Strategy

● Identifying short, medium, and long-term climate-related risk and opportunity

We have identified the following as climate-related risks and opportunities that could potentially have an immense financial or strategic impact on Duskin, with climate-related external environmental changes in mind.

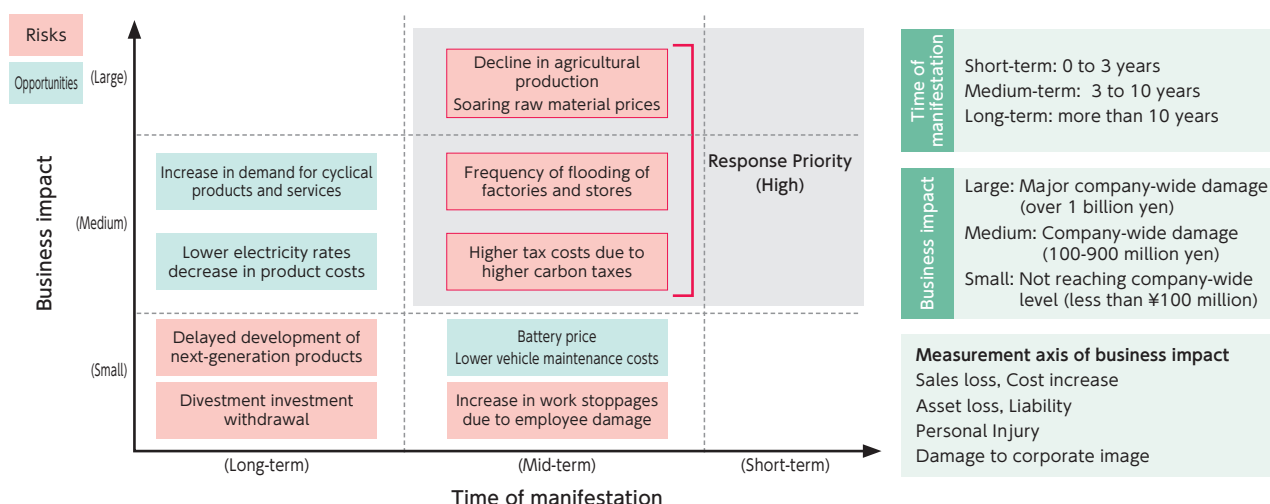
By screening the priority level of these risks and opportunities through the two factors of “manifestation period” and “levels of business impact”, we identified three risks that should be the focus of attention currently.

Climate change-related risks

	Category	External environmental changes	Key drivers	Impact on business	Financial impact
Transition risks	Policy, legal regulations	• Stronger GHG (greenhouse gas) emission regulations	• Higher carbon tax rates	• Higher tax costs	• Higher cost of products and services
	Technologies		• Progress in energy-saving technologies among competitors	• Delayed development of next-generation products (developed through manufacturer tie-ups)	• Lower profits
	Markets and reputation	• Higher market sensitivity to climate change	• Divestment from companies that do not reduce GHG emissions	• Higher GHG emission reduction initiative costs	• Higher capital control and adjustment costs
Physical risks	Acute	• Higher average temperatures	• Larger typhoons • Higher typhoons frequency	• Higher flooding frequency at plants, shops and offices; higher power outage frequency	• Higher recovery costs
	Chronic	• Higher sea levels • New rainfall patterns		• Procurement and logistics channel disruptions	• Lower sales until recovery
		• Higher average temperatures		• Increased number of employees standing by at home due to disasters	• Higher cost of sales
			• Lower yields of farm product such as wheat and coffee	• Higher raw material costs	

Climate change-related opportunities

	Category	External environmental changes	Key drivers	Impact on business	Financial impact
Opportunities	Resource efficiency	• More common use of next-generation automobiles	• Lower storage battery prices	• Lower total cost of vehicle maintenance	• Lower costs
	Energy sources	• More common use of renewable energy devices and technology	• Lower electricity costs	• Lower product and service costs	
	Markets	• New consumer preferences	• Greater demand for environmentally responsible products	• Greater demand for circular economy products and services	• Higher profits



Strategy

● The impact of climate-related risk/opportunity on business, strategy, and financial planning

Running climate-related scenario analysis for three high-priority risks we have identified has allowed us to calculate more detailed impact amounts. We have formulated response policies for each risk in order to reflect analysis results in Duskin management strategy.

The impact of high-priority risks on business and financial planning and response policies

Business risk	Manifestation period	Business impact level	Financial impact (Hundred million yen)	Response policy
Production quantity decrease and raw material price hike for agricultural produce (wheat, coffee, palm oil)	Medium	Large	3.3 - 14	• Consultation with suppliers concerning risk sharing and measures • Product development and design that embeds potential for procurement from multiple production locations (Multi-channels for procurement locations)
Plant and shop flooding frequency	Medium	Medium	5.2 - 9.2	• Periodic BCP reviews for quick restoration in disasters • Planned facility investments based on periodic reviews • Periodic disaster training and emergency supply retaining
Increased taxation costs due to higher carbon taxes	Medium	Medium	1.3 - 4.3	• Taxation cost suppression through absolute fulfillment of 2030 environmental target "46% reduction in CO₂ emissions" • Efforts for carbon neutrality by 2050

Risk management

● Our organizational process for identifying, evaluating, and managing climate-related risks

When formulating strategies concerning climate-related risks and opportunities, the Sustainability Committee works together with the Corporate Planning Division to evaluate the importance level of each risk and opportunity. Risks and opportunities determined by the Board to be important are sent back to the Sustainability Committee, where they undergo a concrete companywide strategy formulation process.

The progress of these strategy-based action plans is managed through a process of receiving reports pertaining to the amount of fuel and energy used in nationwide Duskin Group branches, including franchises. The reports are received by the Sustainability Committee partner body "Quality Assurance & Environment Committee" through the "Environmental Liaison Committee". Reports are made through an internal company system. When large increases or decreases are discovered by comparison to data collected over time, the cause is identified, and appropriate corrective response is employed.

Indicators and targets

● Indexes used in evaluating climate-related risks and opportunities in line with strategy and risk management (Scope 1 and Scope 2 greenhouse gas emissions)

We set the indexes and targets used in evaluating the high-priority risk "Increased tax costs due to higher carbon taxes" as indicated below.

● 2030 Target

- Renewable energy usage percent: 50%
- 46% reduction in Duskin Group branch CO₂ emissions (compared to March 2014)

● CO₂ emissions (unit: Thousand t-CO₂)

<https://www.duskin.co.jp/english/sus/ecology/savingenergytcfd/>

Duskin has endorsed the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB). Along with analyzing the risks and opportunities posed by climate change, Duskin will properly disclose climate change-related information and contribute to building a sustainable society.



Helping to Build a Recycling-oriented Society

The Duskin Group has established its approach to building a recycling-oriented society in the following manner.

Basic approach

The cleaning utensil rental systems that Duskin has successfully popularized in Japan value things based on a "repeated use, shared use, reduction of needless waste and disposal" business approach. Duskin's rental system enables effective environmental management over the entire lifecycle of the product. Along with an effort to make effective use of limited resources, Duskin promotes an environmentally conscious business operation, from product development to reuse, recycling, and disposal after use.

Duskin's Environmental Policy Statement

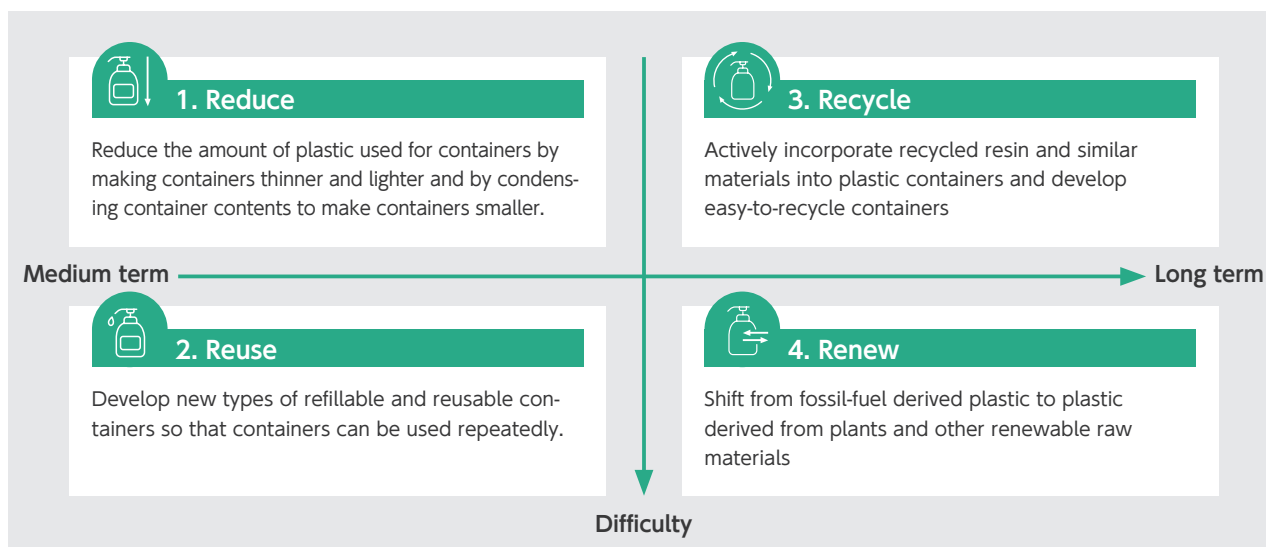
Duskin started its business by renting out cleaning tools. It has always promoted the belief that things should be used to their fullest extent or to the end of their useful lives. This philosophy conserves natural resources, and protects Mother Earth. Based on this belief, Duskin will review its business activities and all phases of the life cycle of its products from product development to processing, delivery and recycling or disposal after the end of their useful lives with a focus on repeated use, shared use, reduction of needless waste and disposal, and will further promote environmental initiatives. Along with the philosophy of "Sowing the Seeds of Joy," Duskin will endeavor to enhance its ecological preservation initiatives through building upon simple and familiar actions for the improvement of the future for all.



Reducing Container and Packaging Plastic

Basic approach

As a source of ocean garbage and other pollution, plastic has a major impact on the environment and on daily life. Duskin implements the following methods for handling plastic materials. These methods 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.



Conservation of Water Resources, and Water Risk

The Duskin Group has established its approach to water resources and water risk in the following manner.

Basic approach

As a consequence of climate change, deforestation, and population and economic growth in emerging nations and developing countries, water shortages are growing more serious on a global scale. This presents the risk of negative impacts on business continuity for companies, so reducing water use and reusing water is important.

Although Japan is not yet faced with chronic water shortages, this issue as well as other water-related problems such as water pollution are not something the Duskin Group can ignore.

Given this level of environmental awareness, Duskin has continued to pass down the concept of "Return what we borrow from nature to its original state" since our founding as our basic philosophy for conserving water resources. We therefore continue to focus our efforts on effective use of water resources and the preservation of water quality.

Water risk

The Duskin Group believes it is important to ensure all production facilities and the entire value chain have access to a sufficient amount of water resources in promoting and ensuring the continuity of its businesses.

Several potential water-related risks include physical risk, regulatory risk, and reputational risk, each of which is attracting greater attention around the world.

The Duskin Group strives to discover any potential risks at its production and logistic facilities and the Duskin Research & Development Center that may affect its businesses, as well as the impacts of these on businesses in which physical, regulatory, and reputational risks are factors, such as water shortages, water quality deterioration, wastewater quality and volume regulations, and efficient use of water. The Duskin Group conducts analyses based on the results of these efforts.

Water risk factors and major impacts

Risk factors	Major impacts
Water shortages	Decline in research and production activities in the event of water supply disruptions and restrictions
Water quality deterioration	Higher water purification costs
Flooding, storm surges, torrential rains	Inundation of equipment due to river flooding
Fully mandatory regulations regarding greater water efficiency and recycling	Higher cost of equipment installation due to fully mandatory use of recycled water
Stricter regulations for wastewater quality and volumes	Higher costs due to increased sewage fees Higher costs of equipment installation due to stricter wastewater quality regulations
Seasonal and interannual fluctuations in water supplies	Impact on stable operations due to fluctuations
Increasing water prices	Higher operational costs due to increased water prices
Local communities	Need to address land subsidence due to groundwater pumping

Supplier procurement policy on the environment

The Duskin Group has established its approach to supplier procurement in relation to the environment within the Procurement Policy, Basic Policy on Sustainable Procurement, and Green Purchasing Guidelines.

Purchasing Policy

Purchasing and Logistics Management Rules (Article 4)

7. Strive to better promote prioritized purchasing of goods with a low environmental impact (green procurement) and to build a resource recycling-oriented society in cooperation with suppliers.

Green Purchasing Guidelines

3. Basic approach to green purchasing

Fully consider necessity and the environment in addition to quality and price to ensure products with the lowest possible environmental impact are purchased.

Items to consider at the time of purchase (consideration of the entire product life cycle)

- (1) Use and emissions of toxic substances (exhaust gas, heavy metals, freon, etc.) have been reduced
- (2) Products realize resource and energy savings
- (3) Products use wood and other renewable resources in a responsible manner
- (4) Products can be used long-term
- (5) Products are reused and recycled
- (6) Products are made from renewable materials
- (7) Products are easy to treat and dispose of in an appropriate manner

Basic Policy on Sustainable Procurement

4. Consideration of the global environment

Duskin engages in procurement activities that consider conservation of the global environment in line with the Duskin Environmental Policy.

Social

Employment and Work Environment/ Human Resource Development/Work-Life Balance/ Diversity (Diversification and Equal Opportunity)/ Labor Safety and Health/Health Support and Promotion

The Duskin Group has established its approach to “Employment and Work Environment,” “Human Resource Development,” “Work-Life Balance,” “Diversity (diversification and equal opportunity),” “Labor Safety and Health,” and “Health Support and Promotion.”

Employment and Work Environment Basic Policy

To keep our company innovative, it is important that our employees work with vitality and motivation. Duskin aggressively promotes highly skilled and ambitious talent and creates an environment where they can fully manifest their ability and experience.

This policy is defined in the Duskin Code of Conduct.

Human Resource Development Basic Policy

At Duskin, “people” are at the core of all services and products. We nurture our people to support each other and strive for personal growth; they not only develop knowledge and skills, but also compassionate hearts.

Moreover, Duskin offers various types of education and training to develop personnel to fully understand the philosophy of Prayerful Management and reflect it in their daily business practices. We conduct level-specific training for employees, including new hires, to teach the knowledge and skills required to effectively perform their duties; we also focus on training Area Managers, who support our franchise owners and energize the franchise network. In addition, we encourage employees to develop themselves through attaining publicly recognized qualifications and taking correspondence courses.

Work-Life Balance Basic Policy

Duskin strives to provide a workplace environment that maintains employee work-life balance and enables employees to realize the full potential of their individual abilities, thereby boosting their motivation and providing a sense of accomplishment and satisfaction. Along with establishing employment environments that seek to balance work with child-rearing for this purpose, we also formulate and implement action plans as part of our efforts to set down various working conditions.

This policy is defined in the Duskin Code of Conduct.

Diversity Basic Policy

We believe that employees of various career and social backgrounds (sex, age, nationality, and lifestyle) who respect one another and who use their abilities to the fullest are the most effective in response to a constantly changing business environment and ever more diverse customer needs. We also believe that employee diversity creates new value and excellence. Along with formalizing this philosophy in the Duskin Code of Conduct, we have established hiring diversity targets for the rate of female employees in managerial positions, employees from abroad and employees with disabilities.

Labor Safety and Health Basic Policy

We strive to maintain and improve safe, healthy workplace environments, and conduct employee training on safety as necessary for the purpose of ensuring that employees are able to use their abilities to the fullest and to achieve zero work-related accidents.

Moreover, in order to prevent work-related accidents, we have prepared manuals based on the Guidelines on Occupational Safety and Health Management Systems, published by the Ministry of Health, Labour and Welfare and also focus our efforts on taking swift action in the rare event of a work-related accident and on preparing proposals to prevent recurrence of such.

Health Support and Promotion Basic Policy

We 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 have declared 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.

In order to achieve this objective, we have established the following five priority initiative themes, and engage in these through a tripartite structure composed of our business locations (company), health insurance society, and labor union (employee representative). Based on this declaration, we work on Health and Productivity Management by promoting health through a PDCA cycle while further developing each employee's health literacy.

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.

Human Rights Policy/Basic Labor Rights Policy/ Policy on Preventing Child Labor/ Policy on Preventing Forced Labor/Non-discrimination Policy

The Duskin Group has established its approach to human rights within the Duskin Code of Conduct and the Basic Policy Regarding Respect for Human Rights.

Duskin Code of Conduct

Duskin and us (our employees)

1. Respect for human rights

As employees, we will be considerate of each other so that every individual can maximize their individuality and capabilities. In addition, we will respect the human rights of everyone involved and endeavor to create an open workplace environment. If we become aware of any human rights violations, we will notify the human resources department or submit a report through the company's internal whistleblowing system.

2. Fair evaluation and elimination of discrimination

We recognize there to be different ways of thinking and diverse values among employees and we will ensure that no one is discriminated against in workplace evaluations or treatment based on gender, sexual orientation, age, nationality, race, beliefs, religion, or physical or mental disabilities.

9. Maintaining occupational health and safety

We will strive to maintain and improve a safe and hygienic workplace environment to prevent workplace accidents by fully understanding and complying with relevant laws and regulations, and also by ensuring that employees can unleash their full potential.

12. Prohibition of harassment

We will reflect on our actions and remain constantly aware of whether our words and actions are appropriate, thereby ensuring that we do not engage in sexual harassment, so-called power harassment in the workplace or unreasonable treatment based on pregnancy or childbirth.

Basic Policy Regarding Respect for Human Rights

The Duskin Code of Conduct, which indicates our shared values, raises “Respect human rights” as the first item under “Duskin and us.” This item clearly articulates that the spirit of respecting human rights will underlie every corporate activity. We have therefore established a human rights policy to advance these human rights initiatives and to supplement the Duskin Code of Conduct.

1. Support for international norms

We support and respect international norms regarding human rights, including the International Bill of Human Rights (Universal Declaration of Human Rights, International Covenants on Human Rights) and the International Labor Organization’s (ILO’s) Declaration on Fundamental Principles and Rights at Work. Moreover, we engage in business activities based on the United Nations’ Guiding Principles on Business and Human Rights, and comply with the related laws and ordinances in the countries and regions where we do business.

2. Respect for basic labor rights

We respect the basic labor rights of freedom of association, the right of workers to organize, and collective bargaining rights, among others.

3. Prevention of forced labor and child labor

We do not accept any form of forced labor or child labor in the supply chain.

4. Elimination of discrimination

We will eliminate discrimination based on race, nationality, physical appearance, language, gender, age, sexual orientation, religion, political belief, disability, medical history, and social standing, among others.

5. Rewarding workplace environments

We strive to create rewarding workplace environments by complying with minimum wage standards, reducing long working hours, and eliminating harassment, as well as by considering the safety of employees along with their physical and mental health.

6. Human rights training and educational initiatives

We engage in educational activities to deepen a proper understanding and awareness of human rights, and promote initiatives that integrate these activities into our corporate culture.

7. Human rights due diligence

We identify and prevent any negative impacts on human rights that arise from our business activities, and will implement a series of procedures to mitigate and avoid such negative impacts.

Sustainable Procurement Policy

The Duskin Group has established its approach to sustainable procurement within the Duskin Code of Conduct and the Basic Policy on Sustainable Procurement.

Duskin Code of Conduct

For business partners

1. Legal compliance in transactions

We will fully understand and comply with relevant laws and regulations, and also ensure fairness in all transactions in order to maintain trusting relationships with our business partners. We will also request our business partners to ensure compliance.

2. Ensuring the safety of products and services

We will constantly share and verify information pertaining to quality and safety with our business partners in order to provide safe and reliable products and services to consumers and customers.

3. Equal relationships with business partners

We will engage in thorough discussions with all business partners on an equal footing and strive to build sustainable, mutually beneficial relationships across the entire supply chain.

4. Selection of, and ongoing engagement with, responsible suppliers

When selecting business partners and continuing to do business with them, we will follow proper procedures by considering not only price, quality and delivery time, but also aspects of the entire supply chain, including efforts to address business and human rights (such as human rights protection, labor practices and child labor) and environmental conservation.

5. Maintaining business relationships within reasonable limits

We will build relationships of trust with our business partners by deepening communication in our operations. We will not accept, offer or solicit entertainment, hospitality or gifts beyond the bounds of social norms*, including instances involving our families.

*The bounds of social norms refer to instances that do not influence business decisions.

Basic Policy on Sustainable Procurement

Along with adhering to the Duskin Code of Conduct (compliance), together with our suppliers we engage in procurement activities that fulfill the social responsibilities of human rights, labor, and global environmental conservation in order to contribute to the achievement of a sustainable society.

1. Compliance with laws and ordinances, and respect for international norms

We comply with the laws and ordinances of each country and region, and engage in fair and equitable procurement activities that respect international codes of conduct.

2. Consideration of human rights, labor, and health and safety

In accordance with the Basic Policy Regarding Respect for Human Rights (respect for basic labor rights, prevention of forced labor and child labor, elimination of discrimination, comfortable workplace environments, human rights training and educational initiatives), we engage in procurement activities that consider working environments, health and safety.

3. Securing of quality and safety

In accordance with our Quality Policy, we engage in procurement activities that aim to secure a high level of quality, safety and reliability based upon the optimal standards for quality, cost and supply.

4. Consideration of the global environment

Duskin engages in procurement activities that consider conservation of the global environment in line with the Duskin Environmental Policy (reduction of waste, effective use of resources, action on climate change, including CO₂ emissions reductions, conservation of water resources and biodiversity, and ongoing improvements through the Environmental Management System).

5. Observation of information security

We engage in procurement activities that strictly control confidential information and personal information.

Quality Policy

The Duskin Group has established its approach to quality in the following manner.

Duskin Code of Conduct

For consumers and customers

1. Provision of safe and reliable products and services

We will take responsibility for quality at all stages —research, development, purchasing, manufacturing, distribution, customer use and disposal — to deliver safe and reliable products and services to consumers and customers. We will respect and make full use of the feedback from consumers and customers for the development, improvement and enhancement of our products and services.

2. Sincere response to faults and defects

If there are any faults or defects with our products or services, we will promptly disclose such information and prioritize relief for those affected. After investigating the cause of the problem, we will make every effort to prevent a recurrence. If there is any risk that we may cause inconvenience to our consumers and customers, we will swiftly and accurately communicate the facts and respond sincerely.

3. Response in times of crisis

In the event of an accident or incident, we will prioritize the lives and health of consumers and customers, respond quickly and appropriately and prevent any further damage.

Quality Policy

Duskin delivers safe, enjoyable and environmentally friendly products and services.

1. We place the highest priority on safety throughout all processes involving our products and services (research, development, purchasing, manufacturing, distribution, use by customers and disposal).
2. We reduce the negative impacts on the environment when producing our products and providing our services.
3. We listen attentively to our customers and consumers, and reflect their voices in our products and services.
4. We comply with all laws, regulations and in-house rules, to adhere to our commitment to conduct quality assurance activities.

Research & Development Policy

The Duskin Group has established its approach to research and development in the following manner.

Research & Development Policy

We take a consumer-first approach to research and development in the field of cleaning and hygiene. Our customer-first R&D approach is reflected in the following five pledges aimed at providing communities with healthy and comfortable lifestyles.

1. We determine priorities for research and development by identifying social trends and needs in residential markets and analyzing customer issues and concerns.
2. We conduct research and technological development in terms of novelty, inventiveness and originality.
3. We develop products that can ensure safety and reliability for society, people and nature.
4. We create products with resource-saving raw materials that contribute to environmental conservation.
5. We continuously improve products after launch to provide consumers with optimal functionality that satisfies their expectations.

Policy on Responsible Advertising and Marketing

The Duskin Group has established its approach to responsible advertising and marketing within the Duskin Code of Conduct and the Guidelines for Producing Advertising and Promotional Materials, etc.

Duskin Code of Conduct

For consumers and customers

5. Appropriate labeling and explanations

Not only will we fully understand and comply with relevant laws and regulations regarding the content and handling of our products and services, but we will also provide accurate and clear labeling and detailed, appropriate explanations to ensure that consumers and customers can make informed choices and decisions without any misunderstanding or misjudgment.

Guidelines for Producing Advertising and Promotional Materials, etc.

1. Purpose of guideline formulation

When providing products and services to consumers, advertising, promotional materials and other display items are used to communicate information that allows consumers to make a judgement for selecting among these. For the purpose of ensuring that errors within these display items, etc., do not harm the interests of our customers, we formulate basic policies for producing advertising and promotional materials, etc., as a set of guidelines based on the Quality Management Rules.

5. Basic Policy on Producing Advertising and Promotional Materials

The business division that produces the advertising and promotional materials, etc., takes responsibility for producing and confirming each item, while the corporate office divisions double-check each item before finalizing the content. Expressions and wording regarding products and services as well as supporting documents require approval before being used. Promotional events and other campaigns use contents for which legal confirmation has been obtained in advance.

Policy on Local and Social Contributions

The Duskin Group has established its approach to local and social contributions in the following manner.

Duskin Code of Conduct

For local communities

1. Coexistence with local communities

In order to contribute to local communities through our business operations, we will respect the cultures and customs of various regions both in Japan and overseas and conduct business activities based on trust.

2. Consideration for the safety and security of local communities

As a member of the local community, we will ensure — by complying with laws, ordinances and administrative agency rules regarding water pollution, air pollution, noise and odors — that residents living near our offices, shops and factories can maintain a safe and healthy life. We will establish our own standards and engage in activities with full consideration for local residents, while disclosing relevant information in good faith.

3. Participation in CSR programs

As a member of the local community, we will actively participate in various corporate social responsibility (CSR) programs, such as environmental beautification and welfare activities for people with disabilities, and contribute to the sustainable development of the local community.

Policy on Local and Social Contributions

Social contribution activities must be conducted in a sustained manner given that transient initiatives, conversely, hold the potential to harm the trust of society. We therefore engage in social contribution activities based on the concept of “good for three sides (namely the buyer, seller, and the public).”

1. Activity scope

We have defined “coexistence with communities,” “fostering of future generations,” and “environmental conservation” as the priority areas within our activity scope, and practice social contribution activities throughout the Duskin Group, including our franchisees.

2. Relationship with our core business

We prioritize those initiatives that are sustainable and that benefit our core business.

3. Practice through cooperation and collaboration

We value connections between people and partnerships with local communities.

Governance

Basic Approach to Corporate Governance

The Duskin Group positions the strengthening of corporate governance as one of its highest priorities in order to respond to the expectations of various stakeholders, increase corporate value over the medium to long term, and achieve sustainable growth. The Group is further bolstering its structure, organization and systems to establish a management framework that can swiftly and precisely respond to changes in the business environment and also to ensure sound and transparent management. The Group places compliance at the center of all of its activities to continuously improve its corporate value.

Corporate Governance Report (disclosed on the Tokyo Stock Exchange) (Japanese version only)
<https://www.duskin.co.jp/sus/governance/corporate/pdf/governance.pdf>

Basic Policy for the Internal Control System

The Duskin Corporate Group places Unifying Business and Morals at the heart of its business management. The Group has formulated the Code of Conduct Statement to serve as a compass for the realization of its Management Philosophy as well as the Code of Conduct that serves as concrete standards of conduct for its business operations.

1. Basic policy on business operations

Duskin and its subsidiaries (hereinafter, the “Duskin Corporate Group”) places Unifying Business and Morals at the heart of its business management. The Group has formulated the following Code of Conduct Statement to serve as a compass for the realization of its Management Philosophy as well as the Code of Conduct that serves as concrete standards of conduct for its business operations.

Code of Conduct Statement

Aiming to be a “trustworthy and reliable company”

1. We always think of customers in everything we do.
2. We observe the law in all that we do.
3. We are ethical in all our actions.
4. We take our pride in everything we do.

2. Systems to ensure that the activities of the Board of Directors and employees of the Duskin Corporate Group conform to laws, ordinances and the Group’s Articles of Incorporation

3. Systems for the storage and management of information regarding the execution of duties by the Board of Directors of the Duskin Corporate Group
4. Regulations and systems relating to managing the risk of loss of the Duskin Corporate Group
5. Systems to ensure the efficiency of the Board of Directors of the Duskin Corporate Group in the execution of their duties
6. Systems to ensure the appropriateness of the business operations of the Duskin Corporate Group
7. Systems to ensure the reliability of financial reports
8. Matters related to ensuring the independence of staff assisting Audit and Supervisory Board Members and the effectiveness of instructions given to these staff members
9. Systems for reporting to Audit and Supervisory Board Members from the Board of Directors, Audit and Supervisory Board Members, employees of the Duskin Corporate Group or other relevant individuals
10. Systems to ensure the audits by Audit and Supervisory Board Members are conducted effectively

Basic Capital Policies

Aiming to achieve sustainable growth and medium- and long-term improvement of corporate value, Duskin promotes the three basic policies of “improving capital efficiency”, “maintaining a solid financial base” and “ensuring shareholder returns” in a balanced manner.

Improving capital efficiency

By preferentially allocating internal reserves to growth investments and thus establishing new business bases, we seek to improve our capital efficiency.

Before making investment decisions, we carefully examine the efficiency and recovery potential of each investment case.

Maintaining a solid financial base

By improving the power of our existing businesses in generating steady cash flows, we will enable continuous growth investments. At the same time, we will maintain the solid financial base we have established in the past, by always placing priority on financial soundness.

In the event of an unexpected need, we will procure funds in financial and capital markets by selecting a possible method that has favorable conditions for Duskin.

Ensuring shareholder returns

We have set out our basic dividend policy of distributing a portion of the profit based on our performance. This dividend policy is based on our deliberations of balancing investments in sustainable growth and higher corporate value while securing financial soundness against potential risks. The annual dividend payout is based on a consolidated dividend payout ratio of 60% or a dividend on equity (DOE) of 3.0%, whichever amount is higher. Under this policy, we will continue to consistently pay stable cash dividends. Moreover, we will flexibly purchase treasury shares in a manner that reflects the market environment and cash flows, with the aim of increasing shareholder value and ROE.

Policy on Cross-shareholdings

Policy on cross-shareholdings

The policy with regard to cross-shareholdings is for the company to hold a suitable number of shares only when there is a fair reason for owning these shares. Investments in stocks for which there is no fair reason for ownership are reduced or eliminated following appropriate dialogue with the companies concerned.

Verification regarding retention of cross-shareholdings

Every year, the Duskin Board of Directors determines if the ownership of each cross-shareholding is proper or not. Decisions are based on the need for each cross-shareholding regarding business activities, such as business alliances, maintaining and strengthening business relationships, Duskin's cost of capital, share price movements and other factors.

Execution of voting rights

When executing voting rights, we closely examine the details of the matter at hand and judge whether the matter contributes to stronger corporate governance and greater shareholder value for the companies concerned before executing our voting rights in an appropriate manner. For matters that prompt questions from the perspective of shareholder value, we hold dialogues with the companies concerned as necessary before executing our voting rights.

Disclosure Policy

Basic Policy on Information Disclosure

In aims of being a trusted and responsible company, Duskin established the Duskin Code of Conduct as a guideline for employees to take responsible action toward society. This Code of Conduct outlines the ideal image to be followed by the company and employees and declares Duskin's commitment to this ideal.

Against this backdrop, Duskin will strive to actively disclose information in a timely and fair manner in order to enhance the transparency of management, promote an understanding of the company among shareholders, investors, and all other stakeholders, and acquire accurate evaluations.

Risk Management

The Duskin Corporate Group employs a proactive approach to risk management. The Group assesses possible risks and devises countermeasures so as to minimize or avoid damages that could occur in the event a risk should materialize.

Risk Countermeasures

Duskin has formulated Basic Rules on Risk Management. These rules designate the risk management department and person in charge of risk management. At our subsidiaries, we name risk management supervisors for each company in accordance with its size, types of business activities, and other characteristics. We conduct risk management in a consolidated, comprehensive manner.

Duskin has a Risk Management Committee, as an advisory body for the Board of Directors. It discusses and reports on Duskin's risk management annual plans, the causes of the risks that have occurred and the measures to be taken to counter them, the response to natural disasters and the business continuity plan (BCP). In the event of an incident that may have a major impact on Duskin Group, a response office will be established.

Compliance

At Duskin, "compliance" means we are committed to "complying with what is expected to meet others' wishes." Everyone at the Duskin Group upholds the Duskin Code of Conduct in all daily business activities to gain the trust of society and consumers.

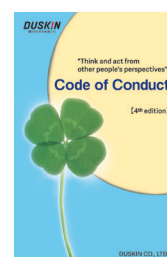
Basic Policy and Framework

At Duskin, "compliance" means we are committed to "complying with what is expected to meet others' wishes." Accordingly, we formulated the Duskin Code of Conduct that reflects the numerous opinions we received during discussions with all officers and employees (including part-timers).

Following the Code of Conduct is synonymous with practicing our philosophy of Prayerful Management in our business activities. Sowing the Seeds of Joy within people's hearts, we are committed to being a responsible company to gain more trust from consumers and society, as expressed in the Code of Conduct.

Duskin Code of Conduct - 4th edition -

What is "compliance"?/Code of Conduct Statement
 The Four Self-check Questions/Hotline Contact Information
 Code of Conduct 1: For consumers and customers
 Code of Conduct 2: For local communities
 Code of Conduct 3: For the environment
 Code of Conduct 4: For business partners
 Code of Conduct 5: For franchisees
 Code of Conduct 6: For shareholders and investors
 Code of Conduct 7: Duskin and its employees



Anti-corruption Policy

The Duskin Group has set forth “act in accordance with the law and social commonsense”, “cope with anti-social forces” and “maintain sound relationships with the government” in the Duskin Code of Conduct, and strives to promote prohibition against bribery, including bribery related to public officers. In order to supplement the Duskin Code of Conduct, Duskin has also established the Basic Policy on Bribery. Compliance training and other initiatives are held to help raise ethical awareness among employees.

Duskin Code of Conduct

For local communities

4. Response to anti-social forces

We will firmly reject any undue pressure or monetary demands from anti-social forces or groups. In addition, we will never maintain relationships that may lead people to mistakenly believe we are engaged in suspicious dealings with anti-social forces.

5. Maintaining sound relationships with administrative bodies

In our relationships with government agencies and their employees, we will comply with laws, ordinances and administrative agency rules, and will never offer money, gifts or entertainment.

For business partners

5. Maintaining business relationships within reasonable limits

We will build relationships of trust with our business partners by deepening communication in our operations. We will not accept, offer or solicit entertainment, hospitality or gifts beyond the bounds of social norms*, including instances involving our families.

*The bounds of social norms refer to instances that do not influence business decisions.

Duskin and its employees

6. Response to misconduct

We will strictly deal with misconduct. If an employee is coerced into engaging in fraudulent activity, or if we notice any kind of wrongdoing or suspicious activity, we will immediately notify a supervisor or submit a report through the company's internal whistleblowing system.

Basic Policy on Bribery

1. Prohibition of bribery

We do not give, offer or promise bribes to any person, neither directly nor indirectly, and do not accept bribes in any form.

2. Bribery prevention structure and risk management

We strive to fairly and equitably operate divisions responsible for compliance and an internal reporting hotline. We also conduct training sessions for officers and employees as well as operate monitoring systems through internal auditing. Moreover, we evaluate the effectiveness of the bribery prevention structure on an ongoing basis and make improvements as necessary.

3. Payment record archives

Under an appropriate internal control system, we keep accurate records of account books based on facts. Payment records shall be archived in an appropriate manner.

4. Discipline

In the event that an officer or employee has been discovered to have violated this policy, we will take strict disciplinary action based on our employment regulations and so forth.