FY2024 (Apr. 2024 - Mar. 2025)

Financial Results

Duskin Co., Ltd.

May 27, 2025

Contents

Highlights of Consolidated Financial Results (vs. prior year / vs. forecast)

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Millions of yen

	FY2023 [1]		Forecast announced on Nov. 5, 2024 [2]		FY2024 [3]					
							Vs. prior year [3] - [1]		Vs. forecast [3] - [2]	
		Profit margin		Profit margin		Profit margin		Percentage change		Percentage change
Net sales	178,782	–	190,300	–	188,791	–	+10,008	+5.6%	-1,508	-0.8%
Operating profit	5,084	2.8%	7,700	4.0%	7,268	3.9%	+2,184	+43.0%	-431	-5.6%
Ordinary profit	7,878	4.4%	10,700	5.6%	10,697	5.7%	+2,819	+35.8%	-2	-0.0%
Profit attributable to owners of the parent	4,589	2.6%	8,600	4.5%	8,808	4.7%	+4,219	+91.9%	+208	+ 2.4%
EPS (Yen)	95.32	–	180.06	–	185.72	–	+90.40	94.8%	+5.66	3.1%
ROE	3.01%	–	–	–	5.78%	–	+2.77	–	–	–

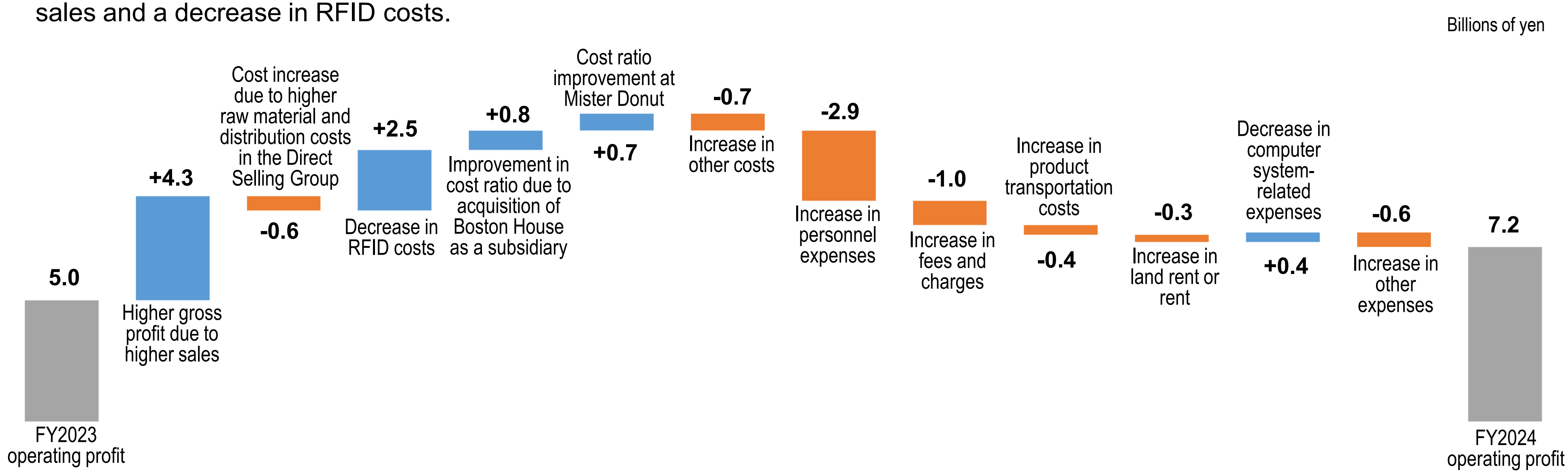
Vs. prior year: Sales increased in all business segments, particularly in the Food Group, which saw significant growth. Profits also increased thanks to an increase in gross profit from higher sales and also due to an improvement in the cost ratio resulting from a decrease in RFID installation costs.

Vs. announced forecast: Sales fell short of forecasts for both the Direct Selling Group and the Food Group. While the Direct Selling Group's profits were lower than forecast, the Food Group posted higher profits than forecast.

Consolidated Operating Profit (Factors affecting the differences from the previous year/forecast)

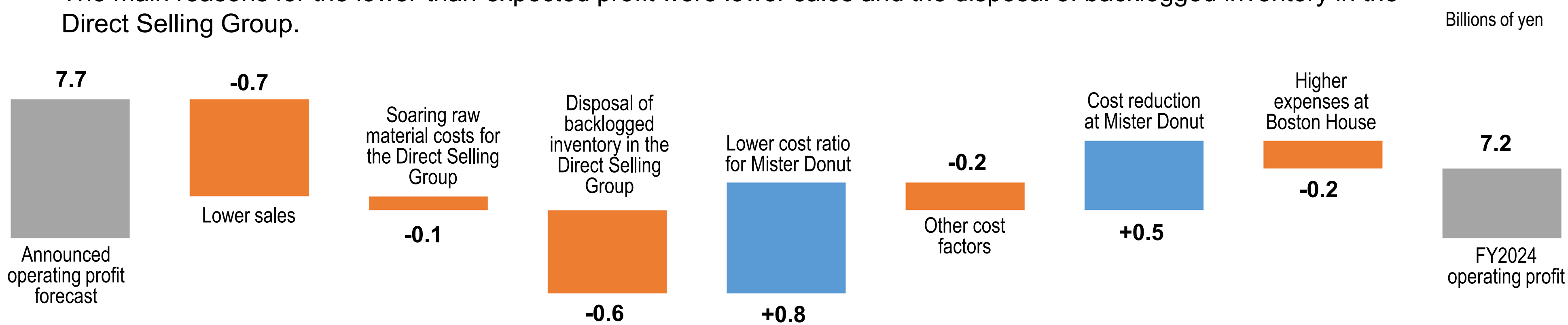
Factors affecting the difference (vs. prior year)

The increase of 2.2 billion yen from the previous year was mainly due to an increase in gross profit resulting from higher sales and a decrease in RFID costs.



Factors affecting the difference (vs. forecast)

The main reasons for the lower-than-expected profit were lower sales and the disposal of backlogged inventory in the Direct Selling Group.



Sales / Operating Profit by Business Segment

Millions of yen

		FY2023 [1]		Forecast announced on Nov. 11, 2024 [2]		FY2024 [3]					
								Vs. prior year [3] - [1]		Vs. forecast [3] - [2]	
			Profit margin		Profit margin		Profit margin		Percentage change		Percentage change
Direct Selling Group	Sales	107,464	–	109,200	–	108,438	–	+974	+0.9%	-761	-0.7%
	Operating profit	4,142	3.9%	6,900	6.3%	5,721	5.3%	+1,579	+38.1%	-1,178	-17.1%
Food Group	Sales	58,437	–	67,600	–	66,747	–	+8,310	+14.2%	-852	-1.3%
	Operating profit	6,916	11.8%	7,800	11.5%	8,556	12.8%	+1,639	+23.7%	+756	+9.7%
Other Businesses	Sales	15,646	–	16,300	–	16,486	–	+840	+5.4%	+186	+1.1%
	Operating profit	440	2.8%	600	3.7%	511	3.1%	+70	+16.0%	-88	-14.8%
Intersegment elm. and corporate exp.	Sales	-2,766	–	-2,800	–	-2,882	–	-116	–	-82	–
	Operating profit	-6,415	–	-7,600	–	-7,520	–	-1,105	–	+79	–
Consolidated	Net sales	178,782	–	190,300	–	188,791	–	+10,008	+5.6%	-1,508	-0.8%
	Operating profit	5,084	2.8%	7,700	4.0%	7,268	3.9%	+2,184	+43.0%	-431	-5.6%

Consolidated Balance Sheet Summary

Millions of yen

	As of Mar. 31, 2024	As of Mar. 31, 2025	
			YoY change
Cash and deposits	14,434	18,096	+3,661
Trade receivables	11,158	11,370	+212
Inventories	11,607	11,863	+255
Securities	12,200	7,988	-4,212
Other	9,903	11,275	+1,371
Total current assets	59,305	60,594	+1,289
Property, plant and equipment	50,489	50,160	-328
Intangible assets	7,414	9,014	+1,599
Investment securities	73,877	69,509	-4,367
Other	11,008	14,039	+3,031
Investments and other assets	84,885	83,549	-1,336
Total non-current assets	142,789	142,724	-65
Total assets	202,094	203,318	+1,223
Trade payables	7,800	8,273	+472
Other	28,978	33,824	+4,845
Total current liabilities	36,778	42,097	+5,318
Long-term borrowings	747	197	-550
Other	10,099	9,480	-618
Total non-current liabilities	10,847	9,678	-1,168
Total liabilities	47,626	51,776	+4,149
Share capital	11,352	11,352	+0
Retained earnings	122,533	119,146	-3,386
Treasury shares	-5,464	-3,389	+2,074
Valuation difference on AFS securities	11,342	8,902	-2,439
Other	14,704	15,529	+825
Total net assets	154,468	151,542	-2,926
Total liabilities and net assets	202,094	203,318	-1,223
Interest-bearing debt	916	220	-696

Current assets

Securities decreased, while cash and deposits increased.

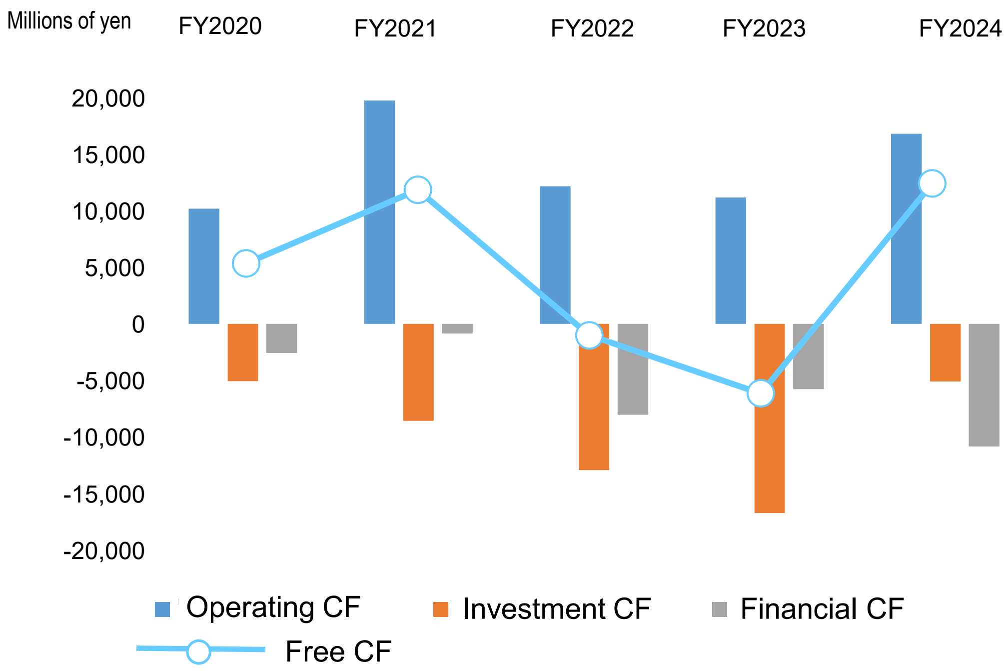
Non-current assets

Investment securities decreased due to the sale of a portion of strategically held shares.

Net assets

- Stock repurchases: 1,328,000 shares (4,999 million yen) (2,000,000 shares cancelled on March 31)
- Dividend outflow: 5,523 million yen
- Valuation difference on available-for-sale securities decreased due to the sale of a portion of strategically held shares.

Consolidated Cash Flow Summary



Operating CF:
Increased due to higher gross profit from increased sales, lower RFID costs, and higher profit from gain on sales of investment securities

Investment CF:
Outflows decreased significantly compared to the previous year in which the Company acquired JP-Holdings shares.

Financial CF:
Outflows increased due to increased shareholder returns.

Millions of yen

	FY2020	FY2021	FY2022	FY2023	FY2024	
						YoY change
Operating CF	10,103	19,596	12,061	11,093	16,683	+5,589
Investment CF	-5,019	-8,524	-12,844	-16,604	-5,074	+11,530
Free CF	5,083	11,071	-782	-5,510	11,609	+17,120
Financial CF	-2,563	-835	-7,992	-5,743	-10,753	-5,009
Cash and cash equivalents at end of year	29,674	39,963	31,275	20,024	20,985	+960

Direct Selling Group

Business Performance Summary (vs. prior year / vs. forecast)

Millions of yen

	FY2023 [1]		Forecast announced on Nov. 11, 2024 [2]		FY2024 [3]					
							Vs. prior year [3] - [1]		Vs. forecast [3] - [2]	
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Operating profit	4,142	3.9%	6,900	6.3%	5,721	5.3%	+1,579	+38.1%	-1,178	-17.1%

Sales (vs. prior year)

- Sales in the mainstay Clean Service business declined in both residential and commercial sectors.
  - The number of new customers acquired by sales outlets incorporating the dedicated household sales teams increased. The number of orders received through the website and other digital channels also increased, and the decline in the number of customers steadily narrowed.
- Customer-level sales of Care Service increased, partly due to an increase in the number of sales locations and the effect of price revisions.
- Withdrew from subscription-based clothing rental service as of the end of the previous fiscal year. Sales increased for Rescue Service, an emergency locksmith service.

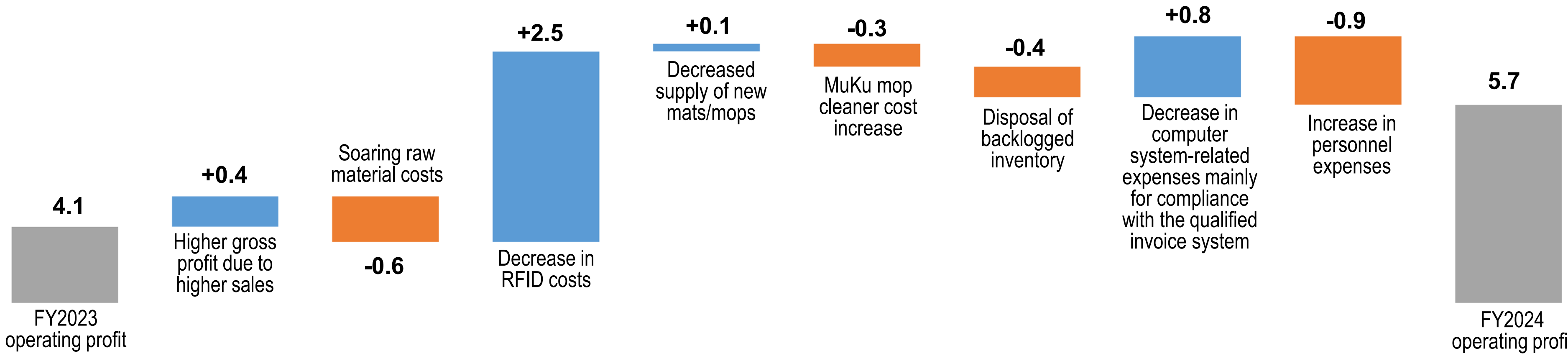
Sales (vs. forecast)

In the core Clean Service business, sales were lower than forecast for both the residential and commercial markets.

Operating Profit (vs. prior year / vs. forecast)

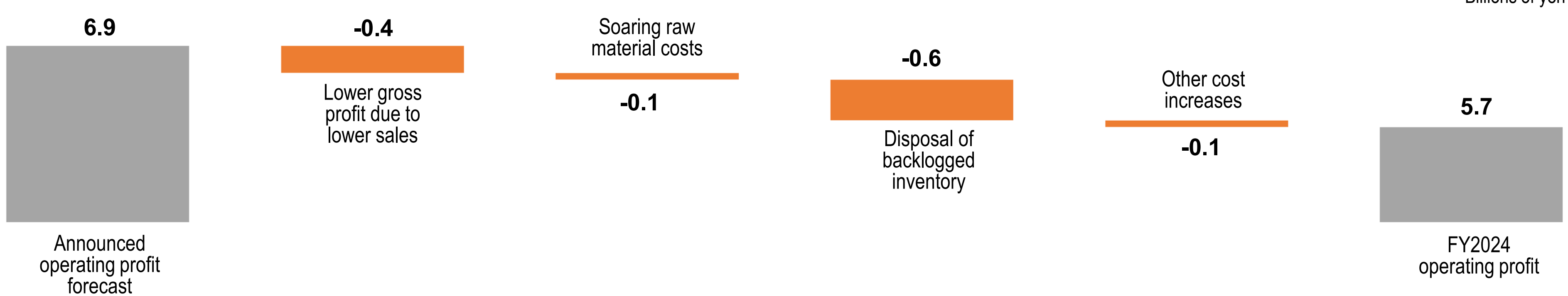
Vs. prior year

Despite a significant decrease in RFID-related costs and computer system-related expenses, operating profit increased only by 1.6 billion yen due to soaring raw material prices and higher personnel expenses.



Vs. forecast

The main reasons for the lower-than-expected profit were lower gross profit due to lower sales and the disposal of backlogged inventory, which we had not initially anticipated.



Business Performance Summary (vs. prior year / vs. forecast)

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Millions of yen

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Sales (vs. prior year)

- The core business, Mister Donut, continued to perform well.
  - YoY change in customer-level sales – All shops incl. new shops: +9.3%, existing shops: +7.6%
  - Number of customers: +5.2%, sales per customer: +4.5%
  - Number of shops in operation in the last month of the fiscal year (March): +24 (from 1,017 in 2024 to 1,041 in 2025)
- Profits of Boston House Co., Ltd., which became a subsidiary in FY2023, have been recorded from FY2024 (for 15 months).

Sales (vs. forecast)

- Sales volume of the annual Year-End MISDO Lucky Bag, whose contents we significantly changed, was lower than projected.

Operating Profit (vs. prior year / vs. forecast)

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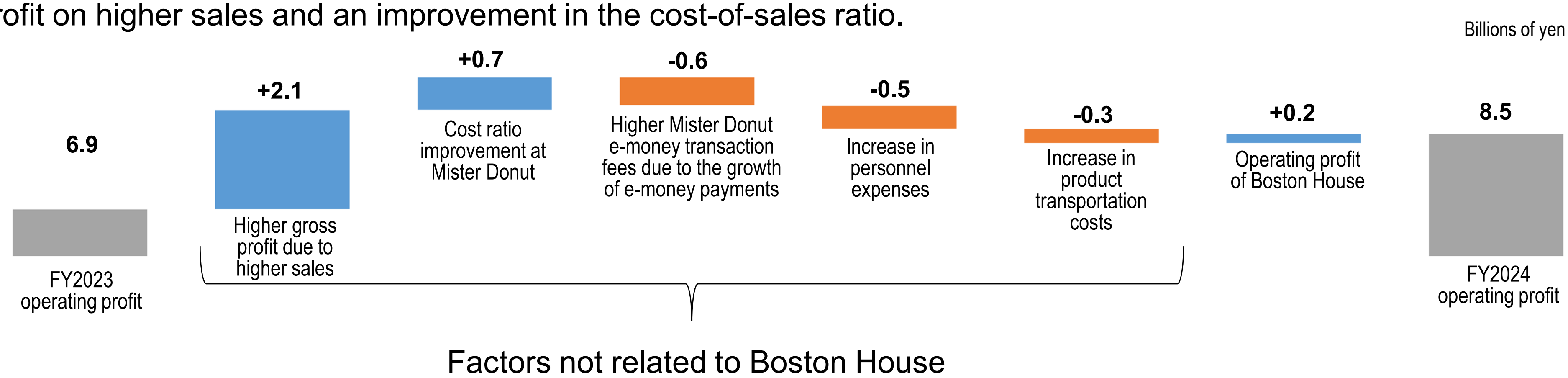
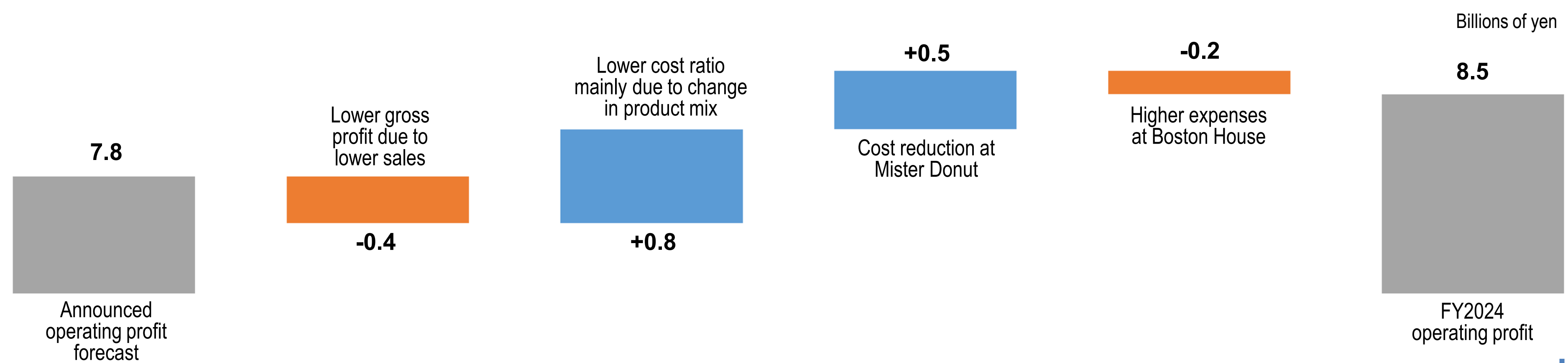
Vs. prior year

Despite higher personnel and other expenses, operating profit increased due to a significant increase in gross profit on higher sales and an improvement in the cost-of-sales ratio.



Vs. prior year

Despite lower-than-expected sales, profits were higher than planned due to an increase in the ratio of high-margin products and an improvement in the cost-of-sales ratio.



Business Performance Summary (vs. prior year / vs. forecast)

Millions of yen

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Sales	15,646	–	16,300	–	16,486	–	+840	+5.4%	+186	+1.1%
Operating profit	440	2.8%	600	3.7%	511	3.1%	+70	+16.0%	-88	-14.8%

Sales / operating profit (vs. prior year)

- Duskin Kyoeki recorded higher sales but lower profits. Duskin Healthcare also posted higher sales and lower profits due to an increase in labor costs.
- Overseas businesses
  - Both Duskin Shanghai and Big Apple posted higher sales than the previous year thanks to the weaker yen.
  - Mister Donut Singapore, which entered the market in 2023, and Mister Donut Hong Kong, which entered the market in 2024, performed well, resulting in a significant growth in donut ingredient sales from Japan.

Sales / operating profit (vs. forecast)

- Overseas donut ingredient sales exceeded the forecast, but profits from Duskin Kyoeki and Duskin Healthcare were lower than expected.

FY2025 Forecast (vs. FY2024)

Millions of yen

		FY2025 (Forecast)						YoY change					
		1H		2H		Full Year		1H		2H		Full Year	
			Profit margin		Profit margin		Profit margin		Percentage change		Percentage change		Percentage change
Direct Selling Group	Sales	55,700	–	56,300	–	112,000	–	+1,956	+3.6%	+1,604	+2.9%	+3,561	+3.3%
	Operating profit	3,300	5.9%	3,400	6.0%	6,700	6.0%	+226	+7.4%	+752	+28.4%	+978	+17.1%
Food Group	Sales	32,300	–	36,400	–	68,700	–	+1,131	+3.6%	+820	+2.3%	+1,952	+2.9%
	Operating profit	4,500	13.9%	4,100	11.3%	8,600	12.5%	+745	+19.8%	-701	-14.6%	+43	+0.5%
Other Businesses	Sales	8,500	–	8,400	–	16,900	–	+258	+3.1%	+154	+1.9%	+413	+2.5%
	Operating profit	400	4.7%	150	1.8%	550	3.3%	+86	+27.7%	-47	-24.1%	+38	+7.6%
Intersegment elm. and corporate exp.	Sales	-1,400	–	-1,200	–	-2,600	–	+25	–	+257	–	282	–
	Operating profit	-3,800	–	-4,150	–	-7,950	–	-582	–	152	–	-429	–
Consolidated	Net sales	95,100	–	99,900	–	195,000	–	+3,372	+3.7%	+2,836	+2.9%	+6,208	+3.3%
	Operating profit	4,400	4.6%	3,500	3.5%	7,900	4.1%	+475	+12.1%	+155	+4.7%	+631	+8.7%
Consolidated ordinary profit		6,300	6.6%	5,300	5.3%	11,600	5.9%	+796	+14.5%	+106	+2.0%	+902	+8.4%
Profit attributable to owners of the parent		3,900	4.1%	5,100	5.1%	9,000	4.6%	+409	+11.7%	-218	-4.1%	+191	+2.2%

Direct Selling Group
The Group is projecting a significant increase in profits. The main factors are higher sales from commercial and residential customers of Clean Service, higher gross profit based on the sales growth plan and lower RFID tag installation costs.

Food Group
Sales from Mister Donut are expected to increase. However, sales from Boston House are expected to decrease (as the previous year's sales were recorded for 15 months). The profit projection takes into account increased promotional expenses for Mister Donut, which is celebrating its 55th anniversary.

Other Businesses
Overseas sales and profits are expected to increase. While domestic subsidiaries are expected to increase sales, profits are expected to remain flat, mainly due to an increase in sales promotion expenses.

Intersegment eliminations and corporate expenses
Despite a decrease in expenses for the 60th anniversary convention, which were recorded in the previous year, personnel expenses, facility expenses (depreciation of personnel-related data systems) and shareholder management expenses are expected to increase.

Extraordinary income/loss
The projection takes into account a decrease in gain on sales of securities due to the sale of strategically held shares.

Returns to Shareholders

Shareholder Return Policy during the Medium-Term Management Policy 2022 Period

- In addition to the payment of dividends, we will actively repurchase company stocks in a timely and flexible manner. Our policy is to provide a profit return targeting a cumulative three-year total return ratio of 100% or higher.
- Our basic policy for shareholder return is to distribute profits in line with business performance while taking financial soundness into full consideration. The annual dividend payout is based on a consolidated dividend payout ratio of 60% or a dividend on equity (DOE) of 2.5%, whichever amount is higher.

Millions of yen

		FY2022	FY2023	FY2024	3-year total
Dividend	Ordinary dividend	4,350 (88 yen per share)	3,874 (80 yen per share)	5,297 (112 yen per share)	13,522
	Commemorative dividend	–	968 (20 yen per share) *1	–	968
		4,350	4,842	5,297	14,491
Stock repurchase		3,303	1,696	4,999	9,999
		(No. of stocks repurchased: 1,094,000 shares)	(No. of stocks repurchased: 527,000 shares)	(No. of stocks repurchased: 1,328,000 shares)	(No. of stocks repurchased: 2,949,000 shares)
Total shareholder return		7,654	6,538	10,297	24,490
Payout ratio		60.2%	105.3%	60.3%	70.4%
DOE		2.9%	3.2%*2	3.5%	–
Total return ratio		106.4%	143.0%	116.9%	119.0%

*1: 60th anniversary commemorative dividend
*2: DOE (ordinary dividend only): 2.5%

Duskin Co., Ltd.

Medium-Term Business Plan 2028

Review of the Previous Long-Term Strategy and Business Plans

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Based on our previous long-term strategy ONE DUSKIN, we have been able to meet the changing needs of our customers and society in general. We have brought about collaboration between our different businesses and expanded the scope of services, creating new values, which has resulted in a fair amount of success. We have now formulated a new Long-Term Business Policy Do-Connect, and based on this new policy, we will work on the strategies specified in our new Medium-Term Business Plan 2028 so that we realize our newly clarified Purpose and Vision.

Long-term strategy **ONE DUSKIN**

Medium-Term Management Policy 2015

Medium-Term Management Policy 2018

Medium-Term Management Policy 2022

Long-Term Business Policy **Do-Connect**

Medium-Term Business Plan 2028

Realizing Purpose and Vision

Corporate Management Philosophy

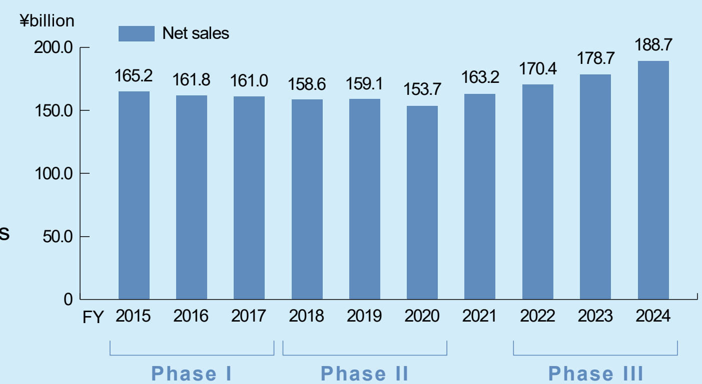
Note: Starting with the Medium-Term Business Plan 2028 (implemented from FY2025 to FY2027), we have decided to name our business plans after the last year of their implementation period.

Major Achievements under ONE DUSKIN

Business Expansion
- Expanded overseas businesses
- Expanded M&A and strategic alliances
- Realized cross-segment business initiatives (e.g. Event Hygiene Services)

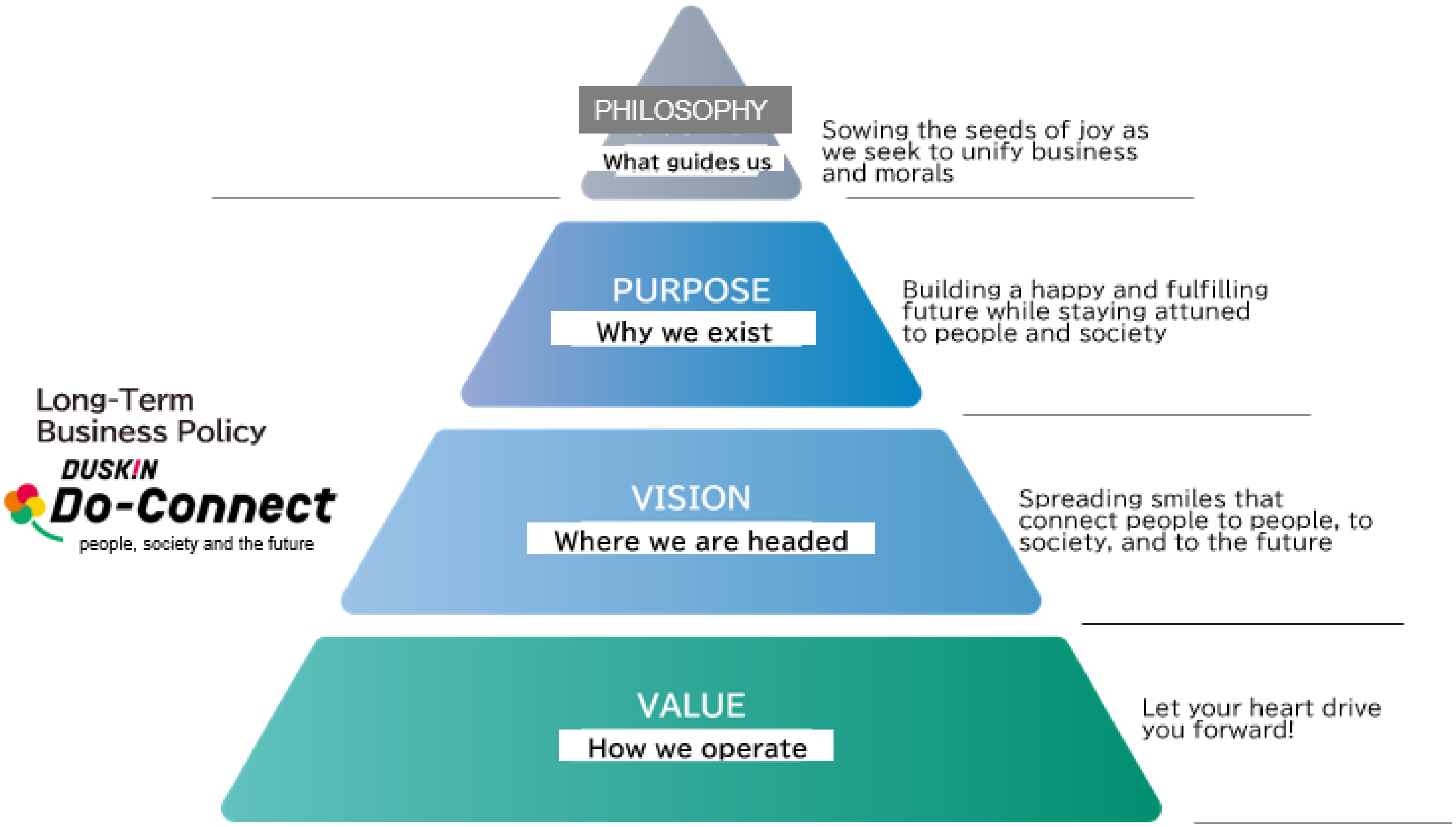
Digitalization
- Expanded functions of DDuet and Mister Donut online ordering apps
- Started RFID tag operations

Strengthened Governance
- Appointed independent outside directors for at least one-third of the Board; introduced an executive officer system
- Established the Nominating and Compensation Committee (formerly, Directors Evaluation Committee)



How Our Philosophy Is Structured

In order to realize our ideal (what we aspire to be), our Purpose (why we exist) and Vision (where we are headed), and with our corporate management philosophy as our guiding principle, we will promptly take concrete actions that can “let our heart drive us forward.”



Review of the Medium-Term Management Policy 2022

- Net sales increased steadily in all segments from the base year (FY2021) (consolidated net sales: +15.7%).
- Operating profit declined from the base year, mainly due to soaring raw material and labor costs.
- Profit of entities accounted for using the equity method increased due to M&A. Profit attributable to owners of the parent increased 8.3% from the base year.

Millions of yen

		FY2021 (ended 3/31/2022) (Base year)	FY2024 (ended 3/31/2025)	Factors of difference from base year
Direct Selling Group	Sales	107,128	108,438	• Sales of mainstay Clean Service declined, but sales in other businesses, including Care Service and Senior Care, increased. • Profits declined due to the Noto Peninsula earthquake, which delayed the effect of cost reductions from RFID installation, and soaring raw material and other costs.
	Operating profit	10,539	5,721	
Food Group	Sales	43,818	66,747	• Despite price revisions, Mister Donut did not see a decrease in customer traffic, resulting in a significant sales increase. • Sales of other businesses also increased. (Boston House became a subsidiary.) • Gross profit also increased significantly due to sales increase.
	Operating profit	3,619	8,556	
Other Businesses	Sales	15,414	16,486	• Domestic consolidated subsidiaries increased sales. • Overseas business sales also increased due to the launch of Mister Donut in Singapore and Hong Kong. • Profit decreased mainly due to soaring labor costs.
	Operating profit	873	511	
Intersegment eliminations and corporate expenses	Sales	-3,150	-2,882	• There was an increase in expenses, including higher personnel expenses due to base wage increases. Expenses related to branding initiatives, data center relocations and DX promotion as well as retirement benefit costs also increased.
	Operating profit	-5,133	-7,520	
Consolidated	Net sales	163,210	188,791	—
	Operating profit	9,899	7,268	
Ordinary profit		12,215	10,697	
Profit attributable to owners of the parent		8,132	8,808	
ROE		5.4%	5.8%	

Review of the Medium-Term Management Policy 2022

Achievements made under the Medium-Term Management Policy 2022 and issues we still need to address for further growth

		Achievements	Issues to be addressed under the Medium-Term Business Plan 2028
Reforming our business portfolios	Investment in new growth opportunities	● Formed a capital and business alliance with JP-Holdings, Inc. ● Introduced Rescue Service (emergency locksmith service, etc.) ● Formed a capital and business alliance with Qracian Co., Ltd. ● Made Kenko Saien Co., Ltd. (now Boston House Co., Ltd.) a consolidated subsidiary (Entered the Italian restaurant business) ● Expanded the Mister Donut business to Singapore and Hong Kong ● Introduced a household cleaning service in Taiwan	● Develop new business in the area of childcare ● Enter into the house maintenance domain ● Develop new food service business models ● Further expand into countries in Asia where we have not yet developed our businesses
	Transformation and further development of existing businesses	● Enhanced real customer touchpoints using dedicated household sales teams ● Enhanced digital touchpoints (DDuet, MD apps, etc.) ● Installed RFID tags on rental mats and mops ● Intensified product development and shop openings at Mister Donut ● Increased the number of shops with no kitchens ● Began verification of unattended payment systems and image-recognition cash registers	● Leverage both real and digital customer touchpoints to further enhance the customer value ● Improve productivity by utilizing RFID tag system ● Enhance and expand in-house factories ● Open new Mister Donut shops in new store formats
Establishing a solid foundation		● Put in place some infrastructure to promote human capital management ● Prepared for the shift to cloud computing and began the shift to some extent	● Develop and hire human resources who are up to the challenge ● Increase productivity by accelerating digitalization; improve CX value through the use of AI
Coexistence with local communities		● Reduced food loss and waste ● Started demonstration tests for conversion of sales vehicles to EVs ● Formulated the Duskin Green Vision 2050 ● Signed a virtual PPA	● Work to achieve the Duskin Green Target 2030 Promote Action Plan FY2025-2027, our medium-term sustainability action plan

		Achievements
Financial and capital management	M&A investment	Entered new business domains, such as childcare, house maintenance and Italian restaurants M&A: 14.6 billion yen (compared to the 20 billion yen target)
	Shareholder return	Total return ratio for the three-year cumulative period: 119% (9.9 billion yen in stock repurchase)

Goals of the Medium-Term Business Plan 2028 (Fundamental themes)

Under the following four business themes, 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.

Theme 1

EXPLORE New Businesses

Innovation

Creating new social values for the future

Theme 2

EXPAND to Related Businesses

Expansion

Creating new customer value through business model transformation

Theme 3

EXCEL in Our Existing Businesses

Development

Building strong relationships with customers to increase customer value

Theme 4

Solidify Our Business Base

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

Initiatives to Enhance Corporate Value (Overview)

Develop strategies to increase our corporate value (Realize business management that pays close attention to capital cost and stock price)

Increase corporate value

Increase economic value

Grow sales

Improve profitability

Optimize assets

Optimize capital structure

Increase social value

Increase credibility and reduce risks

Business Strategies (Improving economic value)

- **Explore new businesses**
  Develop new businesses; M&A; invest in startups, expand overseas businesses; develop new business models
- **Expand to related businesses**
  Transform business models; develop peripheral business areas; expand into new regions
- **Excel in our existing businesses**
  Invest in growth businesses; strengthen product and service development; enhance customer touchpoints; improve productivity
- **Solidify our business base**
  Transform corporate culture; strengthen human and technological capital; enhance brand value

Financial Strategies (Improving economic value)

- **Financing**
  Use financial assets; reduce strategic shareholdings
- **Revising shareholder return policy**
  Review dividend policy (raise the DOE threshold; repurchase stocks flexibly)

Sustainability Strategies (Creating social value)

- **Pursuit of corporate sustainability**
  Strengthen corporate governance; ensure business continuity; enhance information disclosure and dialogue with investors and other market participants (IR)
- **Pursuit of social sustainability**
  Implement initiatives that help protect the global environment; participate in and contribute to local communities

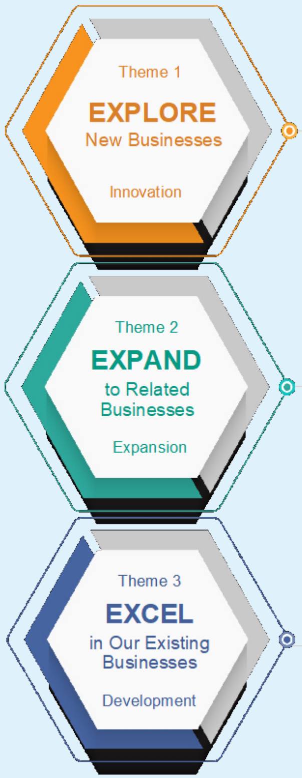
Consolidated Financial Targets

Millions of yen

		FY2024 (ended 3/31/2025) (Base year)	FY2027 (ending 3/31/2028)	Increase/Decrease (Percentage change)	
Direct Selling Group	Sales	108,438	118,200	9,761	(9.0%)
	Operating profit	5,721	9,100	3,378	(59.0%)
Food Group	Sales	66,747	73,900	7,152	(10.7%)
	Operating profit	8,556	9,000	443	(5.2%)
Other Businesses	Sales	16,486	18,600	2,113	(12.8%)
	Operating profit	511	700	188	(37.0%)
Intersegment eliminations and corporate expenses	Sales	-2,882	-2,900	-17	–
	Operating profit	-7,520	-8,200	-679	–
Consolidated	Net sales	188,791	207,800	19,008	(10.1%)
	Operating profit	7,268	10,600	3,331	(45.8%)
	Operating margin	3.9%	5.1%	–	(1.2p)
Consolidated ordinary profit		10,697	14,300	3,602	(33.7%)
Profit attributable to owners of the parent		8,808	10,600	1,791	(20.3%)
ROE		5.8%	7.0% or more	–	(1.2p)
Ref. Customer-level sales		**454,055**	**491,000**	**36,944**	**(8.1%)**

Business Strategies: How We Achieve Our Ideal Business Portfolio

We will challenge ourselves to achieve our three EXcellence goals: EXPLORE new businesses, EXPAND to related businesses, and EXCEL in our existing businesses.



Develop new businesses

Create new business in the childcare area

Expand overseas businesses

Expand into Asian countries where we have not yet developed our businesses

Expand into peripheral areas

Expand into house maintenance and other peripheral areas*

* This includes both Clean Service and Care Service businesses.

Develop new food service brands (business models)

Increase sales in growth businesses

Focus human resources on growth areas and open more outlets

Improve profitability of existing businesses

Utilize digital technology and improve productivity

Financial policies that support business strategies and contribute to corporate value enhancement

We will raise funds to support proactive growth investing and also promote shareholder returns with an eye to optimizing shareholders' equity.

1 Financing

- Reduce strategic shareholdings and utilize financial assets to secure funds to support growth investing

2 Revising shareholder return policy

- Shareholder return policy
  In addition to paying dividends, we will flexibly repurchase stocks, while giving priority to investment in growth areas and taking into account our financial situation.

- Reviewing dividend policy
  The dividend will be the higher of either a dividend payout ratio of 60% or a dividend on equity (DOE) of 3.0% (up from the previous DOE of 2.5%).

Initiatives to co-create value with stakeholders and improve credibility

We will pursue both corporate sustainability and social sustainability.

1 Pursuit of corporate sustainability

- Improve the soundness and transparency of corporate management by carrying out initiatives to strengthen corporate governance
- Create and review business continuity plans; strengthen our business continuity capabilities so that we can, for example, be prepared for major disasters
- Enhance corporate information disclosure and dialogue with investors and other market participants

2 Pursuit of social sustainability

- Carry out initiatives that help protect the global environment (i.e., reducing environmental impact through our business activities)
  - Implement practices to achieve the Duskin Green Target 2030 goals
  - Reduce waste; effectively use resources
  - Use renewable energy
- Participate in and contribute to local communities
  - Ensure the safety and security of the community; make community building and other efforts to connect people to their communities
  - Implement sustainable procurement

Measure to Achieve Capital Cost- and Stock Price-Conscious Business Management

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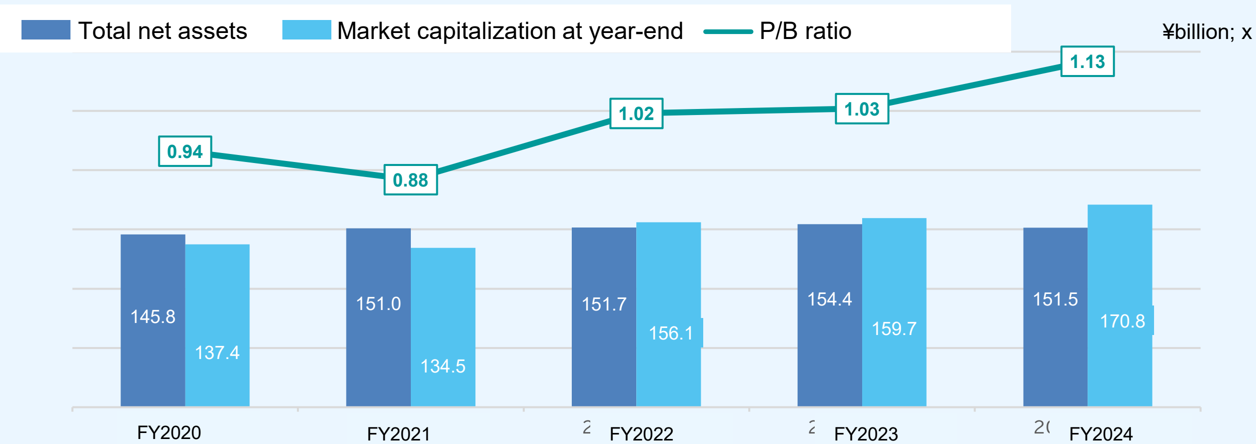
Situation Analysis | Corporate value indicators and cost of equity

- Based on the CAPM and other measures, we perceive the cost of shareholders' equity to be around 5%. While our ROE exceeds this figure, we believe that the market's expected return is higher than this perceived cost. Therefore, we will focus on steadily increasing ROE so that we can increase our P/B ratio.

P/B Ratio

Price-to-book ratio

Remained above 1x since FY2022 and increased further in FY2024

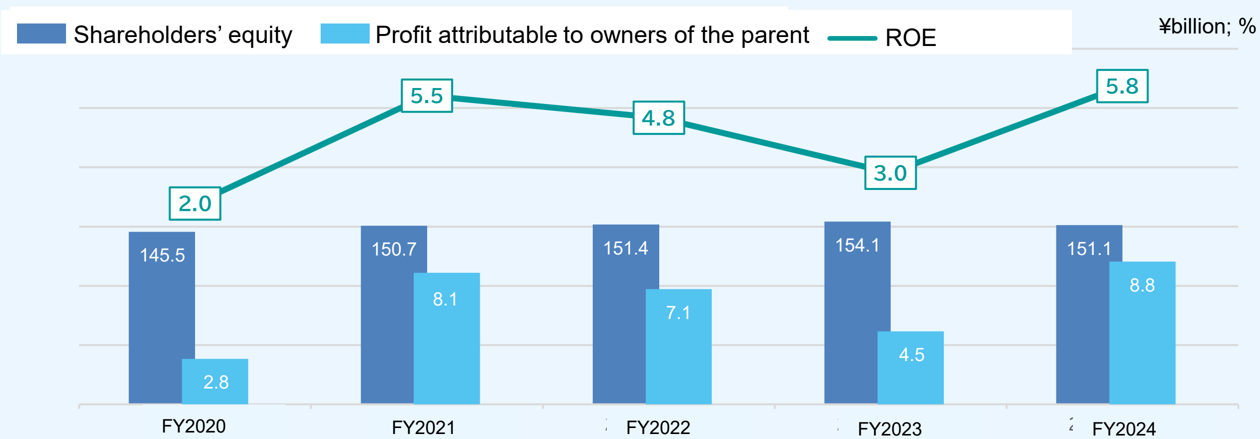


ROE

Return on equity

Fluctuated between 3.0% and 5.8%

Note: In FY2020, ROE temporarily declined due to the COVID-19 pandemic.



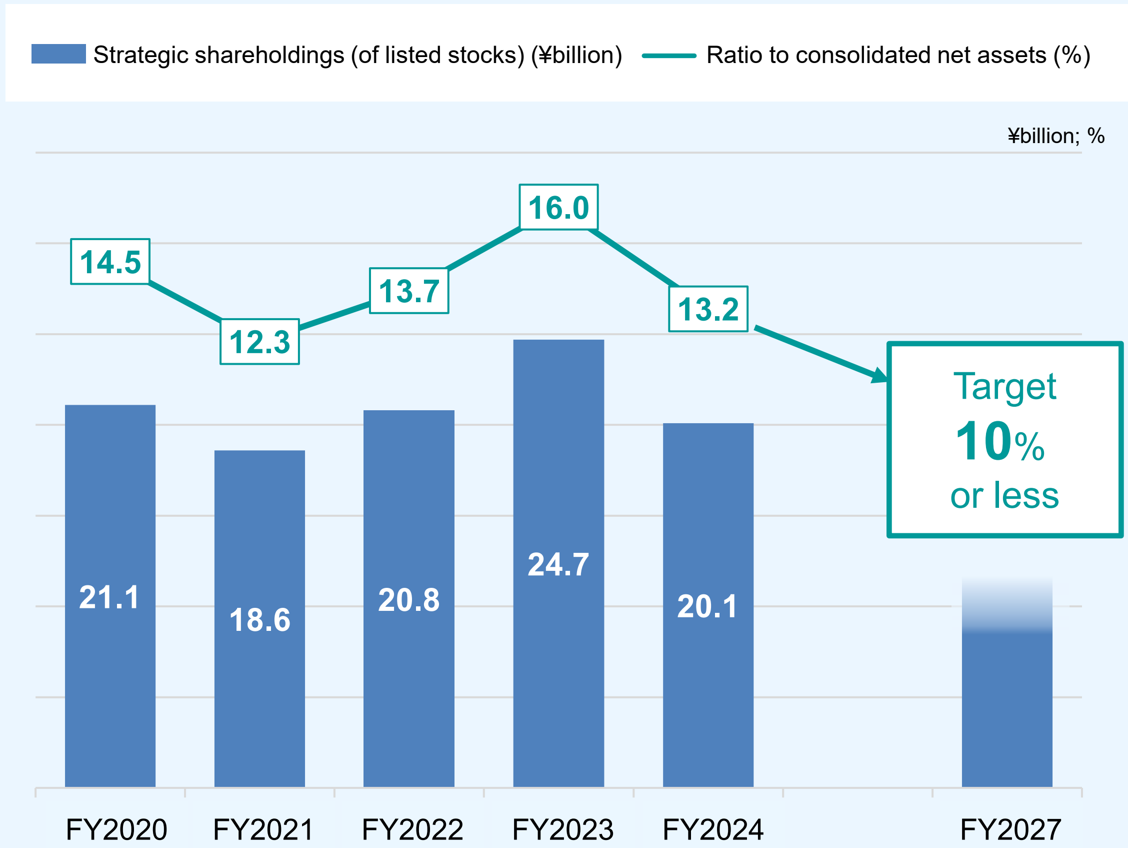
Measure to Achieve Capital Cost- and Stock Price-Conscious Business Management

Strategy We will generate cash by reducing strategic shareholdings.

Balance of **strategic shareholdings** and their ratio to **consolidated net assets**

Target

Ratio of strategic shareholdings to net assets
(Listed stocks only)
10% or less



Measure to Achieve Capital Cost- and Stock Price-Conscious Business Management

Strategy

This page illustrates our three-year cash allocation based on our business strategy and financial policy.

We will make decisions in a flexible manner, taking into account the balance between cash-inflow and cash-outflow.

Cash Inflow

Operating cash flow ↑
(FY2025–FY2027)
Approx. **53 billion** yen or more

Reduce strategic shareholdings ↓

Utilize financial assets ↓

Cash Outflow

Investments in maintenance
Approx. **38 billion** yen

- Investments in maintenance
  - Upgrading the existing mission-critical system
  - Data infrastructure development (cloud computing-related)
  - Sustainability-related
  - Environment-related
  - BCP, etc.

Investment for growth
Approx. **30 billion** yen

- Investment for growth — Approx. 10 billion yen
  - Investment for sales expansion
  - Investment for efficiency
  - Investment in new mission-critical systems, etc.
- Investment in M&A — Approx. 20 billion yen
  - Invest in M&A for business portfolio transformation

Shareholder return
Approx. **17.5 billion** yen

Return profits to shareholders while taking into consideration both the results of the strategies and financial soundness

Dividend policy
Dividend payout ratio on a consolidated basis will be the higher of either a payout ratio of 60% or a DOE of 3.0%.

Note: We will also implement stock repurchase in a flexible manner.

Appendix

Duskin Co., Ltd. (Parent Company Only) Financial Summary

Millions of yen

	FY2023 [1]		FY2024 [2]		YoY change [2]- [1]	
		Profit margin		Profit margin		Percentage change
Net sales	146,518	–	151,739	–	+5,221	+3.6%
Operating profit	2,718	1.9%	4,713	3.1%	+1,995	+73.4%
Ordinary profit	7,270	5.0%	9,222	6.1%	+1,951	+26.8%
Net profit	4,973	3.4%	8,341	5.5%	+3,368	+67.7%

Customer-Level Sales

Millions of yen

	FY2023	FY2024	YoY change	Percentage change
Direct Selling Group	**267,783**	**269,555**	**+1,771**	**+0.7%**
Total Clean Service	169,828	166,495	-3,332	-2.0%
Clean Service (residential customer)	79,360	77,019	-2,341	-3.0%
Clean Service (commercial customer)	90,467	89,476	-990	-1.1%
Total Care Service	58,738	62,319	+3,581	+6.1%
ServiceMaster	33,189	35,381	+2,192	+6.6%
Merry Maids	12,045	12,863	+817	+6.8%
Terminix	9,303	9,505	+202	+2.2%
Total Green	3,944	4,332	+388	+9.8%
Home Repair	255	237	-18	-7.2%
Rent-All	15,148	15,628	+479	+3.2%
Health Rent	14,094	14,796	+702	+5.0%
Uniform Service	3,060	3,095	+34	+1.1%
Azare Products	2,842	2,832	-10	-0.4%
Life Care	2,187	2,185	-1	-0.1%
Health & Beauty	1,883	1,818	-65	-3.5%
Rescue Service	–	384	+384	+100.0%
Food Group	**126,729**	**141,908**	**+15,179**	**+12.0%**
Mister Donut	124,848	136,516	+11,668	+9.3%
Katsu & Katsu	1,849	1,902	+53	+2.9%
Boston House (Kenko Saien)	–	3,489	+3,489	+100.0%
Other food businesses	31	–	-31	-100.0%
Other Businesses	**37,941**	**42,590**	**+4,649**	**+12.3%**
Clean Service and Care Service (Overseas)	8,166	9,196	+1,030	+12.6%
Mister Donut (Overseas)	18,985	22,140	+3,155	+16.6%
Big Apple	1,904	2,110	+206	+10.8%
Duskin Healthcare	8,885	9,143	+258	+2.9%
Total	**432,454**	**454,055**	**+21,601**	**+5.0%**

Notes:
- The above sales figures represent total sales for our domestic and overseas company-owned sales locations and subsidiaries, as well as projected sales for our franchisees. These figures are for reference purposes.
- Figures for the customer-level sales of our overseas businesses are noted in total figures for January-December in order to accommodate the fiscal year-end for our overseas subsidiaries included in our consolidated financial statements.
- Sales of MOSDO are included in those of Mister Donut.

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Number of Sales Locations

No. of locations

	FY2023	FY2024	YoY change
Direct Selling Group	**5,749**	**5,732**	**-17**
Clean Service	1,823	1,802	-21
ServiceMaster	1,194	1,210	+16
Merry Maids	798	801	＋3
Terminix	555	544	-11
Total Green	176	185	+9
Home Repair	105	101	-4
Rent-All	102	98	-4
Health Rent	187	189	+2
Uniform Service	215	213	-2
Azare Products	43	43	+0
Life Care	95	95	+0
Health & Beauty	456	447	-9
Rescue Service	–	4	+4
Food Group	**1,033**	**1,080**	**+47**
Mister Donut	1,017	1,041	+24
Katsu & Katsu	16	16	+0
Boston House	–	23	+23
Napoli No Shokutaku	–	14	+14
Dining CAFE BuonoBuono	–	1	+1
BOSTON’s Café	–	2	+2
Pasta Aldentino	–	1	+1
Toribenkei	–	5	+5
Other Businesses	**10,990**	**10,487**	**-503**
Clean Service and Care Service (Overseas)	25	25	+0
Mister Donut (Overseas)	10,873	10,366	-507
Big Apple	92	96	+4
Total	**17,772**	**17,299**	**-473**

Notes:
- Because some business locations operate multiple businesses, the number of locations above may differ from the actual number of sales locations.
- The number of sales locations is the total of company-owned sales locations, those operated by subsidiaries and franchisees.
- The number of sales locations represents those in operation as of the last business day of the fiscal year. However, the number of Mister Donut sales locations represents the number of shops in operation as of the last month of the fiscal year.
- The number of overseas sales locations is as of December 31, and sales locations for events and limited-time periods are excluded. Starting from FY2024, as in the case of domestic sales locations, the numbers of overseas sales locations above indicate those in operation as of the last month of the fiscal year. This applies equally to the FY2023 figures.

Business Segments and Their Businesses

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Direct Selling Group

Direct Selling

For residential customer market

- **Clean Service** (Rental service through periodic visits)
  - Dust Control [Mops and mats]
  - Air Control [Air purifiers]
  - Water Control [Water purifiers]
  - Drink Service [Mineral water delivery]
- **Care Service** (Professional cleaning and technical services)
  - ServiceMaster [Professional cleaning]
  - Merry Maids [Home cleaning and helper services]
  - Terminix [Pest control and prevention]
  - Total Green [Plant and flower upkeep]
  - Home Repair [Wall and floor repair]
- **Health & Beauty** [Cosmetics and health food]
- **Life Care** [Support services for seniors]
- **Rescue Service** [Emergency locksmith service]

For commercial customer market

- **Clean Service** (Rental service through periodic visits)
  - Dust Control [Mops and mats]
  - Clean Service [Restroom products]
  - Air Control [Air purifiers]
  - Water Control [Water purifiers]
  - Wipeful Service [Wiper cloths]
  - Drink Service [Office coffee service]
- **Care Service** (Professional cleaning and technical services)
  - ServiceMaster [Office cleaning]
  - Terminix [Pest control and prevention]
  - Total Green [Plant and flower upkeep]
  - Home Repair [Wall and floor repair]
- **Uniform Service** [Leasing, sales and cleaning]
- **Rescue Service** [Emergency locksmith service]

In-Store Sales

- **Rent-All** [Event planning/operation and rental of daily items]
- **Health Rent** [Rental and sales of assisted-living products]

Food Group

- **Mister Donut** [Homemade donut shops]
- **MOSDO** [Collaborated shops with MOS Burger]
- **Katsu & Katsu** [Pork cutlet restaurants]
- **Napoli No Shokutaku, etc.** [Italian restaurant]

Other Businesses

- **Duskin Healthcare** [Hospital hygiene management service]
- **Duskin Kyoeki** [Leasing business and insurance services]
- **Overseas businesses**
  - Clean Service and Care Service
  - Mister Donut
  - Big Apple

Dust Control Business Model

Through our franchisees, we provide mops, mats and other cleaning and hygiene products for rent, for use both in the home and in business spaces.

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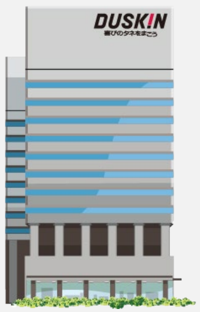


Products →

Production & logistics

Production & logistics

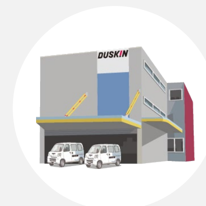
45 nationwide

The number of facilities includes those that only perform cleaning or logistics.

Delivery (Rental) →

← Collecting used mops and mats

Franchisees



Sales unit

Approx. 1,800 nationwide

Sales representatives

Approx. 55,000

Rental →

← Returning used mops and mats

Customers

Households

Approx. 3.96 million

Businesses

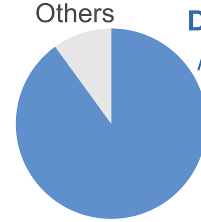
Approx. 0.98 million

Our competitive advantages

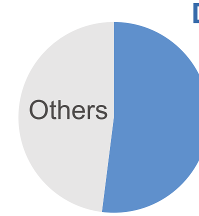
1. A solid customer basis
2. Franchise networks and product delivery systems rooted in the community
3. A reputation for trust and reliability built through our 55-plus-year history
4. Cross-selling opportunities available by way of a synergistic effect between the Direct Selling Group businesses
5. Extensive training curricula and comprehensive training facilities

Market share

Residential customer



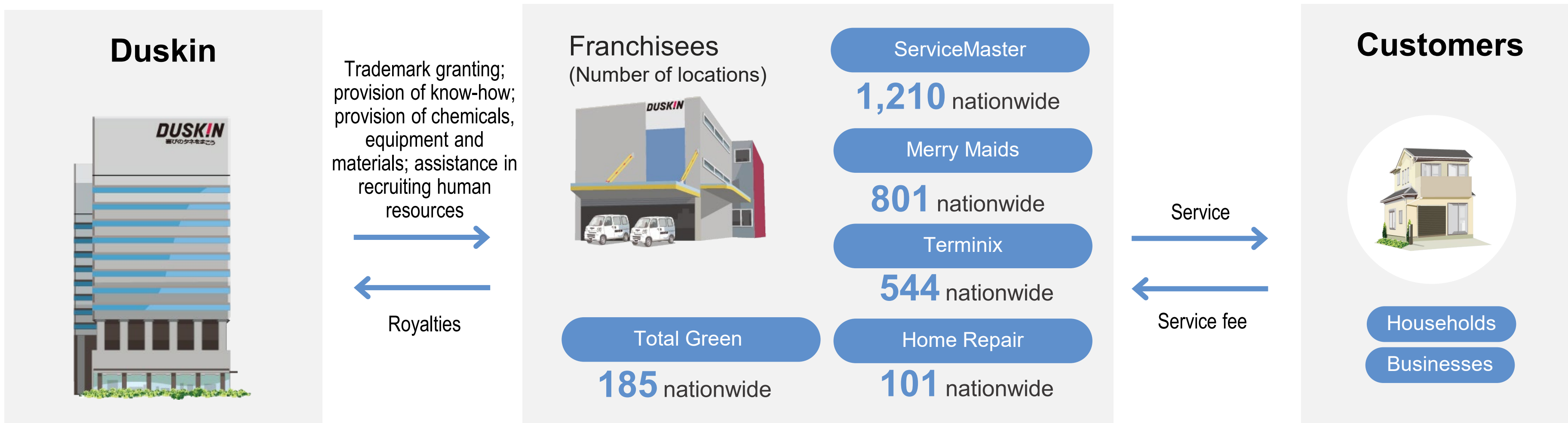
Commercial customer



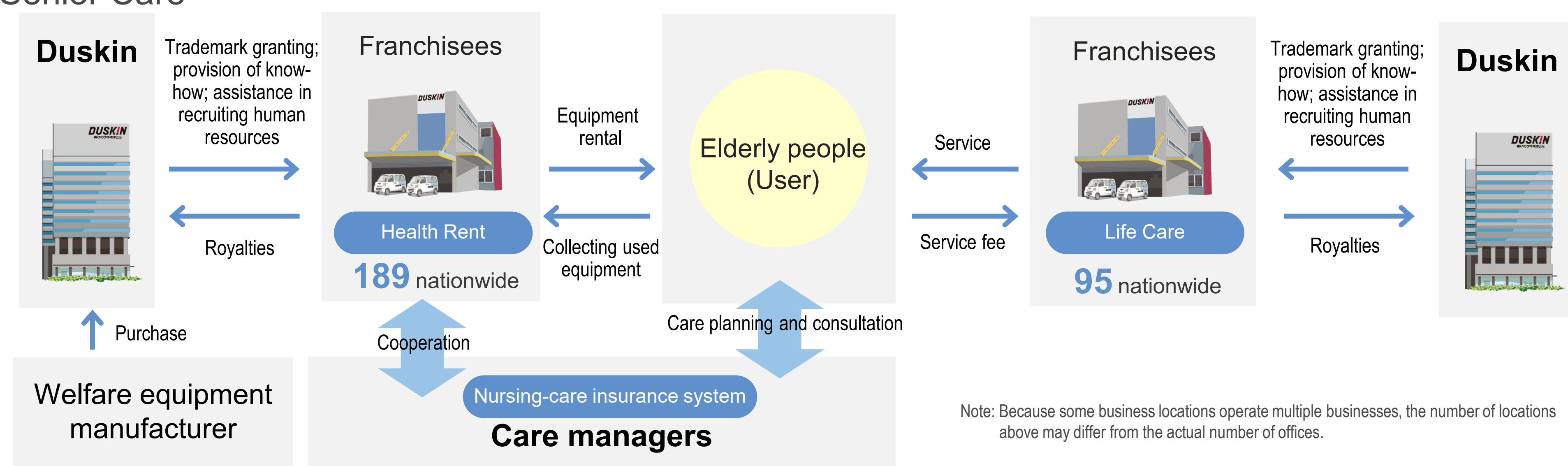
Source: Japan Dust Control Association data (assembled by Duskin)

Care Service and Senior Care Business Models

Care Service



Senior Care



Note: Because some business locations operate multiple businesses, the number of locations above may differ from the actual number of offices.

Mister Donut Business Models

To realize our goal of creating shops where every customer happens upon "something good" at any time, we make the Mister Donut experience fun and our products always delicious.

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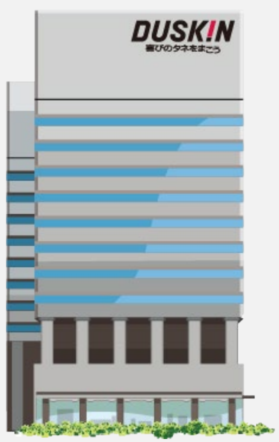


Trademark granting; operational guidance; provision of business operation system; raw materials; etc.

Payment for raw materials

Royalties

Franchisees (Shops)

Shops

1,041 nationwide

Donuts, dim sum, beverage and other products

Payment for goods

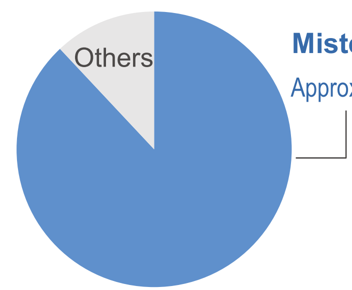
Customers

Our competitive advantages

1. Over 1,000 locations providing places for us to interact with customers
2. A well-established donut brand backed by a 50-plus year history
3. Ability to effectively meet takeout demand
4. Joint product development with other brands, incorporating high standards for materials and sophisticated technologies
5. A unique training system delivering the same level of quality and service around the nation

Note: The number of sales locations represents the number of shops in operation as of the last month of the fiscal year.

Market share



Source: "Food Service Industry Marketing Handbook 2025 No.1" published by Fuji Keizai Co., Ltd.

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