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FY2021 (Apr. 2021-Mar. 2022)

Financial Results

Duskin Co., Ltd.

May 25, 2022

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Starting with FY2021, the Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020).
The figures for FY2020 are before the application of the standards, while the figures for FY2021 are after the application of the standards.

Every business segment achieved higher sales and profit.

Net sales
YoY change
+6.1%

■ Direct Selling Group

- Measures taken to remake our brand image as a company forging healthy environments in a broader sense for both consumers and businesses, under the banner of “Creating Healthy Environments”

■ Food Group

- Responded to takeout demand; sales were brisk for MISDO Meets and other limited-time products
- Transfer of bakery shop business; exit from ice cream business

■ Other businesses

- Received contract to provide cleaning services for the Tokyo 2020 Olympics and Paralympics Villages; car leasing increased

Operating profit
YoY change
+112.8%

- Net sales expected to grow by 4.2% year-on-year
- Income expected to decline due to lower yen, rising raw material costs and strategic investments
- Based on the revised dividend policy, a dividend of 81 yen (60.7% payout ratio) is expected.

FY2022
Forecast
Higher sales/
lower profit

Financial Highlights (YoY change; comparison with forecast)

Every business segment increased sales, and consolidated net sales improved compared to both the previous FY and the business forecast. Increased gross profits from higher sales resulted in higher operating profit, ordinary profit and net profit (profit attributable to owners of parent) compared to both the previous FY and the business performance forecast. ROE rose to 5.5%.

Millions of yen

	FY2020		FY2021				
	Results	Profit margin	Results	Profit margin	YoY	Forecast*	Changes from forecast
Net sales	153,770	-	163,210	-	+9,439 (+6.1%)	160,500	+2,710 (+1.7%)
Operating profit	4,651	3.0%	9,899	6.1%	+5,247 (+112.8%)	8,400	+1,499 (+17.8%)
Ordinary profit	6,633	4.3%	12,215	7.5%	+5,581 (+84.1%)	10,500	+1,715 (+16.3%)
Profit attributable to owners of parent	2,821	1.8%	8,132	5.0%	+5,311 (+188.2%)	7,200	+932 (+13.0%)
ROE	2.0%	-	5.5%	-	+3.5	-	-
EPS (Yen)	57.19	-	164.71	-	+107.52 (+188.0%)	145.83	+18.88 (+12.9%)

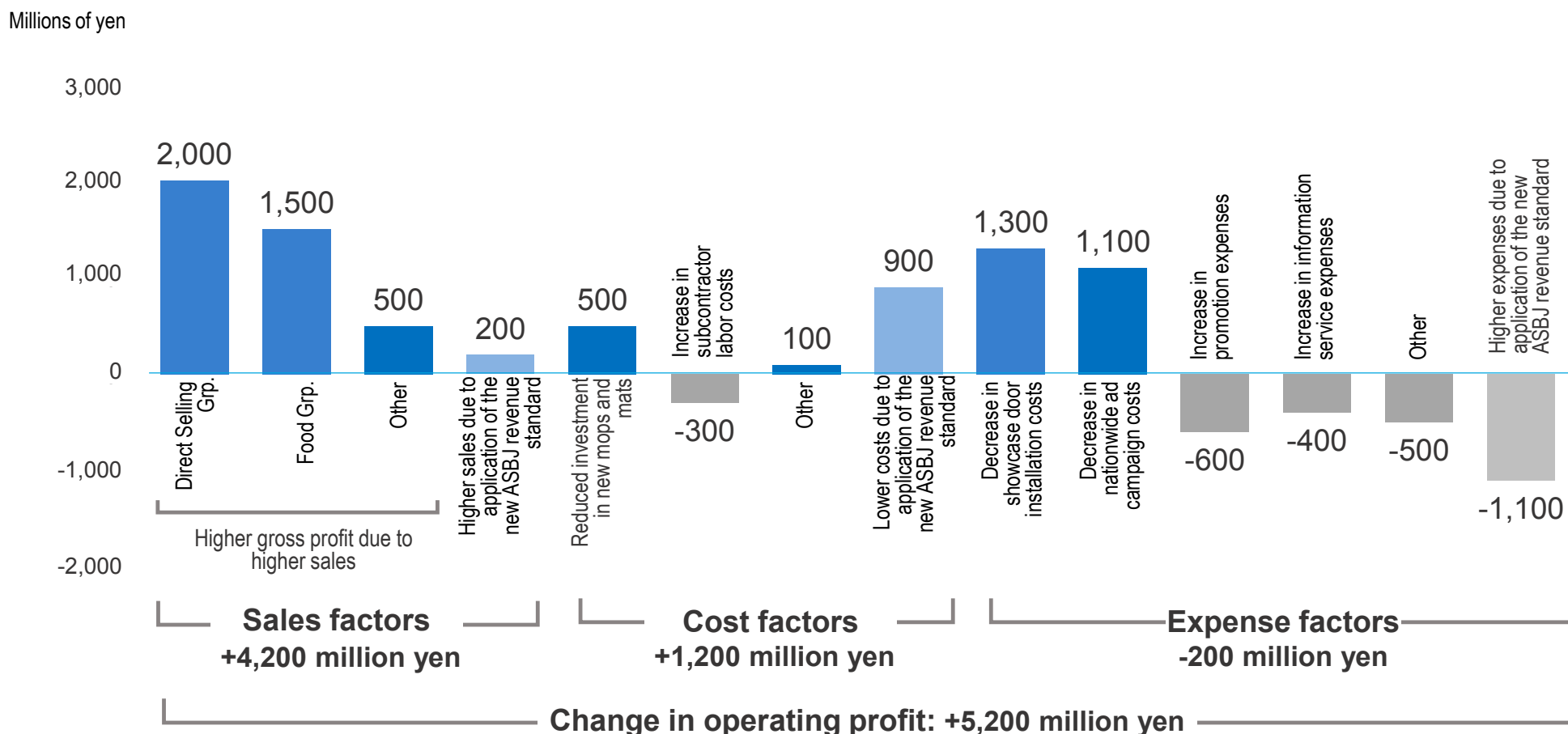
Note: The forecasts on this page and subsequent pages are based on the figures announced on October 28, 2021.

Factors Affecting Operating Profit Results

Sales factors: +4,200 million yen due to higher gross profits as a result of higher sales

Cost factors: +1,200 million yen as a result of reduced investment in new mops and mats and application of the new ASBJ revenue standard

Expense factors: -200 million yen. Despite reduced promotional expenses, higher expenses due to application of the new ASBJ revenue standards affected the result.



Consolidated Balance Sheet Summary

- Current assets: Increases recorded for cash and deposits, and securities; the latter was resulted from transfers from investment securities
- Non-current assets: Decreases recorded for investment securities, software and guarantee deposits
- Interest-bearing debt: Long-term borrowings accompanying the introduction of the employee stock ownership plan (ESOP)

Millions of yen

	FY2020	FY2021	YoY change
Current assets	69,239	84,102	+14,863
Non-current assets	119,159	113,952	-5,207
Property, plant and equipment	50,152	49,474	-678
Intangible assets	9,635	8,146	-1,488
Investments and other assets	59,372	56,331	-3,040
Total assets	188,399	198,055	+9,656
Current liabilities	34,587	38,005	+3,418
Non-current liabilities	7,974	9,023	+1,048
Total liabilities	42,562	47,029	+4,467
Net assets	145,836	151,026	+5,189
Total liabilities and net assets	188,399	198,055	+9,656
Interest-bearing debt	—	1,530	+1,530

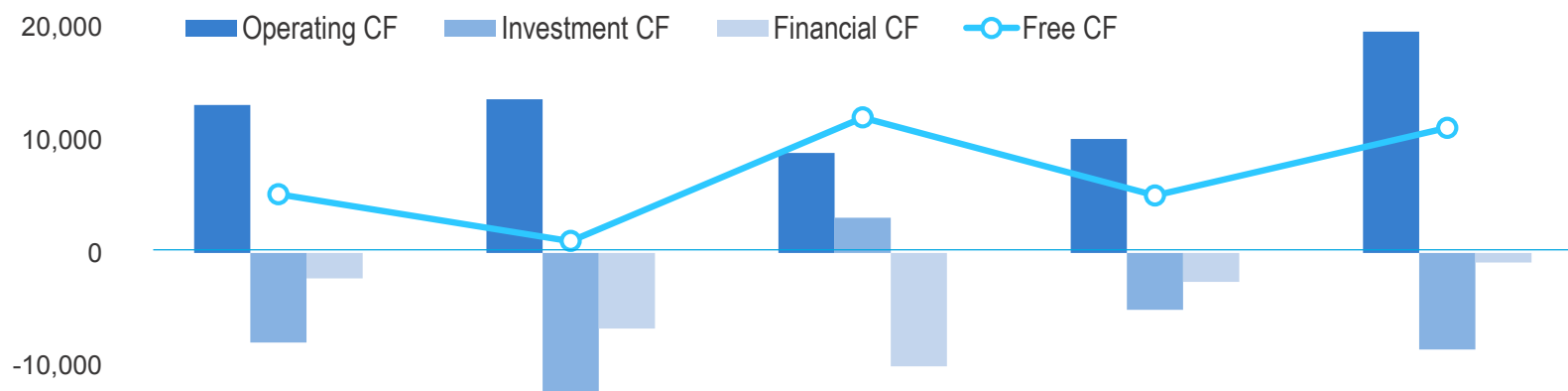
Consolidated Cash Flow Summary

Operating CF: Increase recorded for profit before income taxes; decrease recorded for covid-related relief payments

Investment CF: increases recorded for expenditures for acquiring tangible and intangible assets and for acquiring securities and investment securities

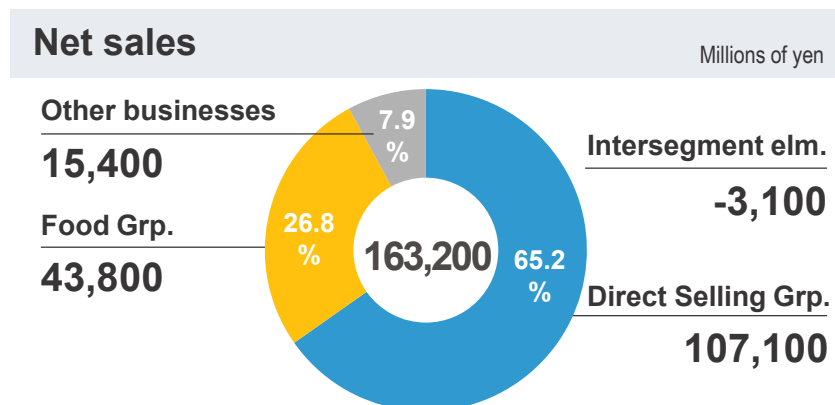
Financial CF: increase recorded for long-term borrowings accompanying the introduction of the ESOP; decrease recorded for dividend payments

Millions of yen

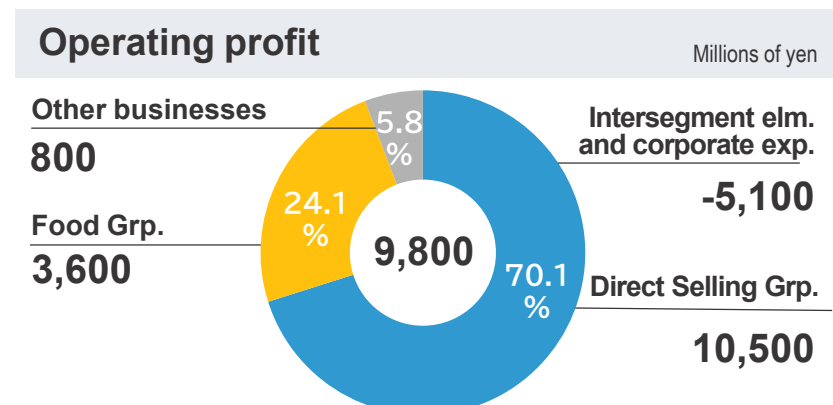


	FY2017	FY2018	FY2019	FY2020	FY2021	YoY change
Operating CF	13,111	13,606	8,850	10,103	19,596	+9,493
Investment CF	-7,909	-12,555	3,137	-5,019	-8,524	-3,505
Free CF	5,201	1,051	11,988	5,083	11,071	+5,987
Financial CF	-2,232	-6,671	-10,022	-2,563	-835	+1,728
Cash and cash equivalents at end of year	30,877	25,237	27,167	29,674	39,963	+10,288

FY2021 Results by Business Segment



Note: Net sales amount of each business segment includes intersegment sales. The composition ratio is based on sales to external customers.



Note: Operating profit amount of each segment includes intersegment transactions.

Direct Selling Group

- Clean Service**
Rental and sales of cleaning products
- Care Service (5 businesses)**
Cleaning, helper and technical services
- Rent-All**
Rental of special-event and daily-use items
- Others**
Senior care, uniform and cosmetics

Food Group

- Mister Donut**
Homemade donuts and a variety of menu items
- Others**
Katsu & Katsu and Pie Face

Other businesses

- Overseas business**
Clean Service and donut businesses
- Duskin Healthcare**
Hygiene management for medical institutions
- Duskin Kyoeki**
Leasing and insurance agent

Year-on-year, net sales increased 1,788 million yen (+1.7%) and profit increased 1,760 million yen (+20.1%).

- Clean Service sales decreased for both residential and commercial customers.
- Sales increased for Rent-All and Care Service, the businesses most affected by the pandemic during the previous FY.

Millions of yen

	FY2020		FY2021				
	Results	Profit margin	Results	Profit margin	YoY	Forecast	Changes from forecast
Net sales	105,339	-	107,128	-	+1,788 (+1.7%)	107,700	-571 (-0.5%)
Segment profit	8,779	8.3%	10,539	9.8%	+1,760 (+20.1%)	10,500	+39 (+0.4%)

Net sales results

Clean Service

- Although the number of new customers for home-use products and services increased, the number of contract cancellations was higher than the number of new customers, with the result that mop product sales decreased.
- Sales to commercial customers decreased due to rental cancellations and postponements, especially in regions where restaurants, bars and other businesses temporarily closed due to declarations of a state of emergency.

Care Service (5 businesses)

- Sales increased for all businesses due to increased orders for the Antibacterial Cleaning Package and AC cleaning, driven by heightened hygienic awareness.

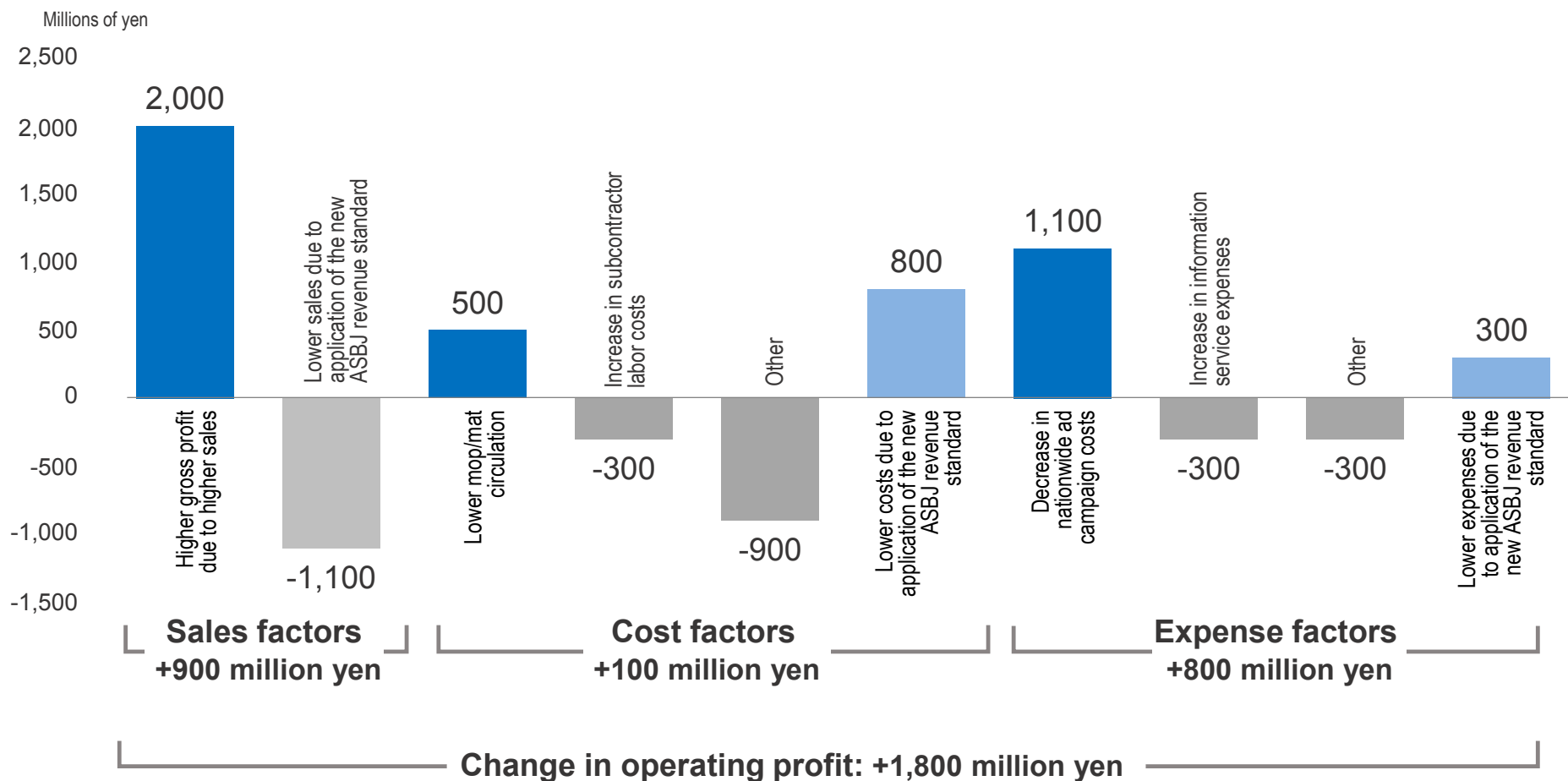
Rent-All

- Event Hygiene Services sales increased substantially thanks to orders received to provide services to COVID vaccine facilities and the Tokyo 2020 Olympics and Paralympics facilities.

Other Direct Selling businesses

- Health Rent (assisted-living product rental and sales) maintained strong sales.
- Cosmetic-related businesses and Duskin Life Care (support services for seniors) increased sales.

Higher gross profit generated by higher net sales contributed to an increase of 900 million yen. Operating profit increased 1,800 million yen. The main factor in this increase was that sales promotion expenses incurred last year to rejuvenate sales for franchisees and advertising expenses for the “company that creates clean and healthy environments” brand building effort were not incurred this year.



Year-on-year, net sales increased 7,257 million yen (+19.9%) and profit increased 3,204 million yen (+772.6%).

-Driven by higher takeout sales, both sales and profit increased for Mister Donut, the core Food Group business.

-Sales and profit declined for Pie Face and Katsu & Katsu.

Millions of yen

	FY2020		FY2021				
	Results	Profit margin	Results	Profit margin	YoY	Forecast	Changes from forecast
Net sales	36,561	-	43,818	-	+7,257 (+19.9%)	40,600	+3,218 (+7.9%)
Segment profit	414	1.1%	3,619	8.3%	+3,204 (+772.6%)	2,600	+1,019 (+39.2%)

Net sales results

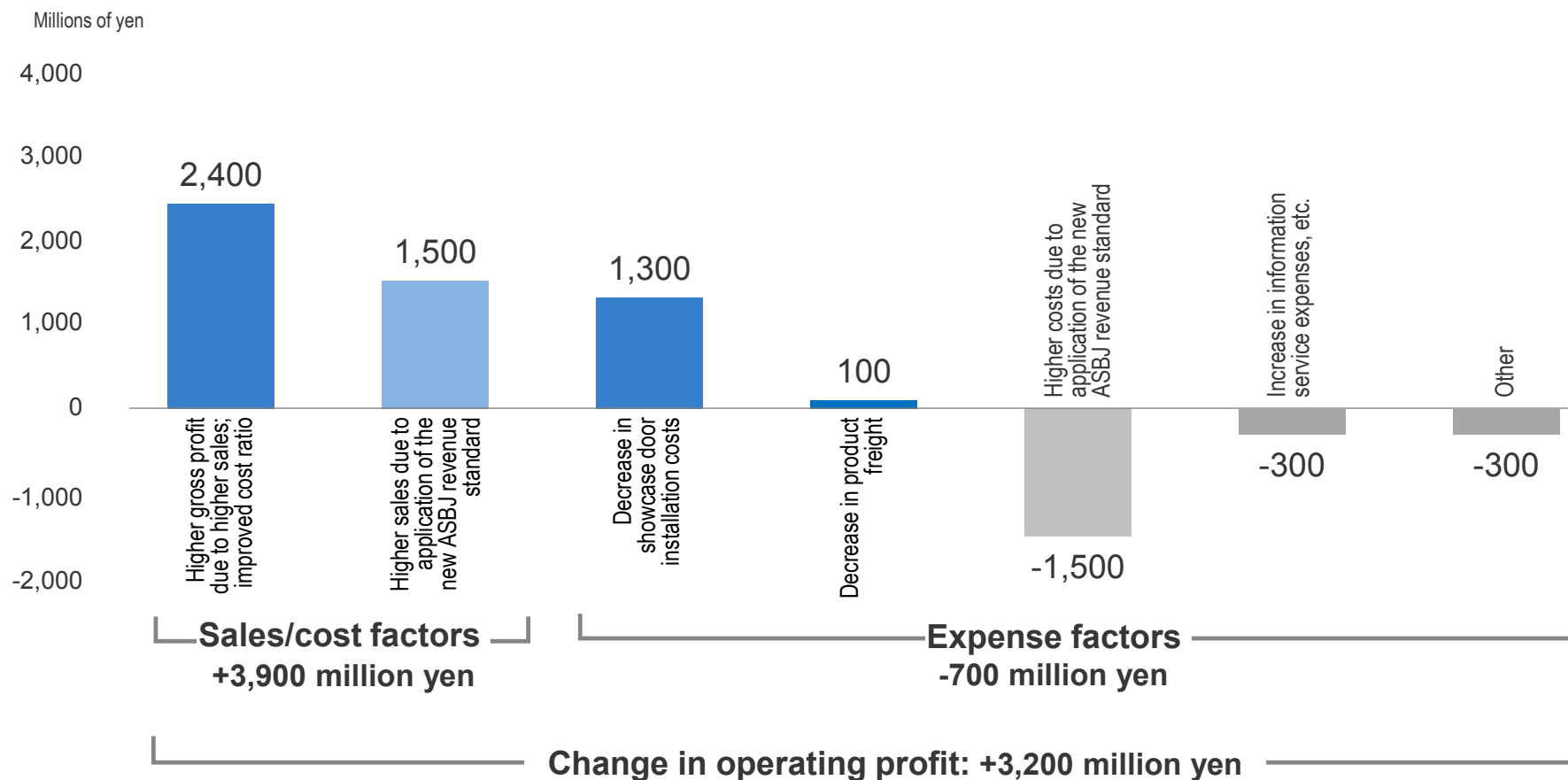
Mister Donut

- Healthy business results maintained, driven by rising takeout demand.
- Generally good response shown for MISDO Meets; the excellent response to New Year's lucky bags also contributed to higher sales.
- With the opening of new shops, the number of shops in operation is increasing.

Other food businesses

- Katsu & Katsu experienced decreased sales, heavily affected by reduced business hours under the declaration of a state of emergency.
- For Pie Face, fewer outlets resulted in lower sales.

Higher gross profit generated by higher net sales and improved cost ratio resulted in +3,900 million yen in operating profit. Expenses decreased year-on-year, mainly due to the decrease of expenses incurred last year for installing shop showcase doors, resulting in a 3,200 million yen increase in operating profit.



Year-on-year, net sales increased 361 million yen (+2.4%) and profit increased 213 million yen (+32.3%).

-For overseas businesses, sales increased and profit declined. Sales and profit increased for Duskin Healthcare and Duskin Kyoeki.

Millions of yen

	FY2020		FY2021				
	Results	Profit margin	Results	Profit margin	YoY	Forecast	Changes from forecast
Net sales	15,053	-	15,414	-	+361 (+2.4%)	15,200	+214 (+1.4%)
Segment profit	660	4.4%	873	5.7%	+213 (+32.3%)	700	+173 (+24.8%)

Net sales results

Duskin Hong Kong

- Sales declined as a result of fewer sales for masks and the like compared to last year.

Duskin Shanghai

- Commercial-use mop and mat sales increased; hygiene-related product sales were brisk.

Big Apple

- Recovered from impact of previous-year lockdowns.

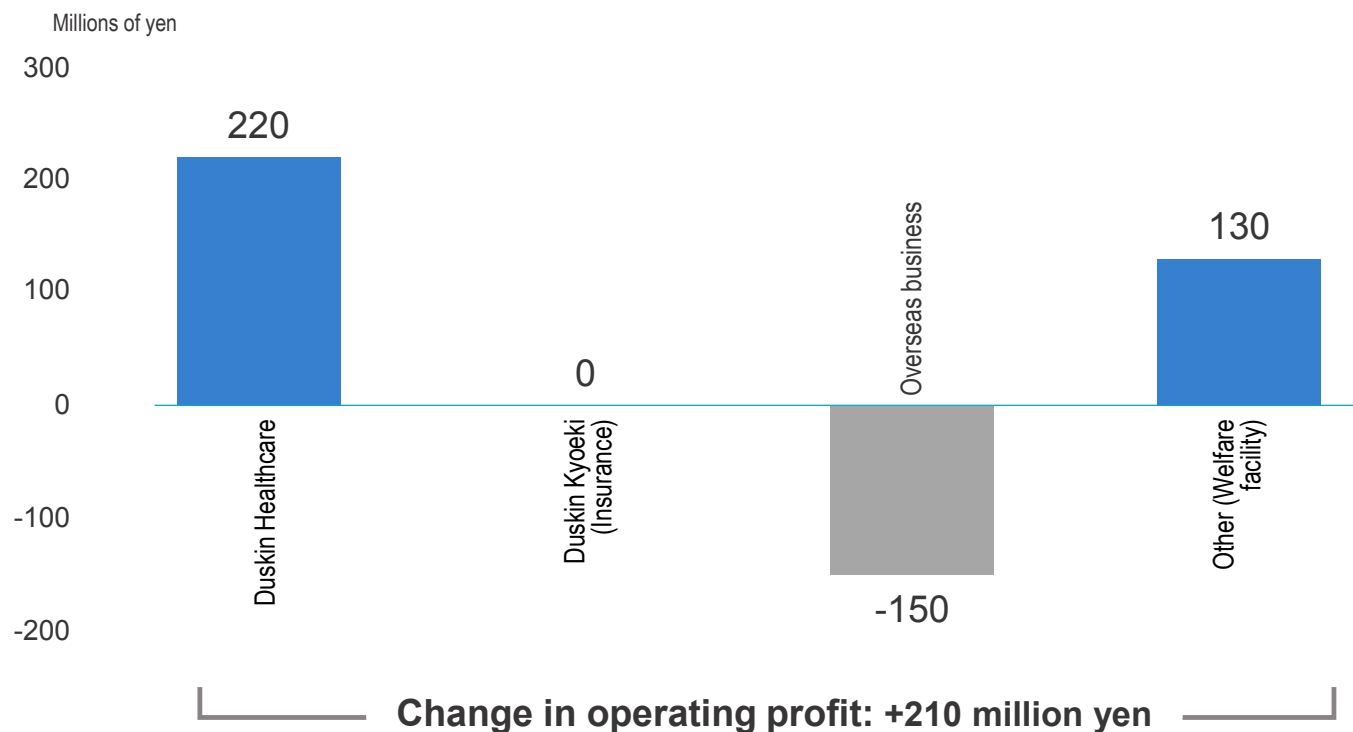
Duskin Healthcare

- Sales increased due to new hospital service contracts and contracts to provide cleaning services for the Tokyo 2020 Olympics and Paralympics Villages.

Duskin Kyoeki

- Sales increased mainly due to the increased lease car replacement.

Although the application of the new ASBJ revenue standards affected the results, Duskin Healthcare's gross profit increased along with higher net sales. Overseas businesses saw an increase in expenses due to accounting changes to the allocation of personnel costs. Operating profit overall increased 210 million yen compared to the previous year.

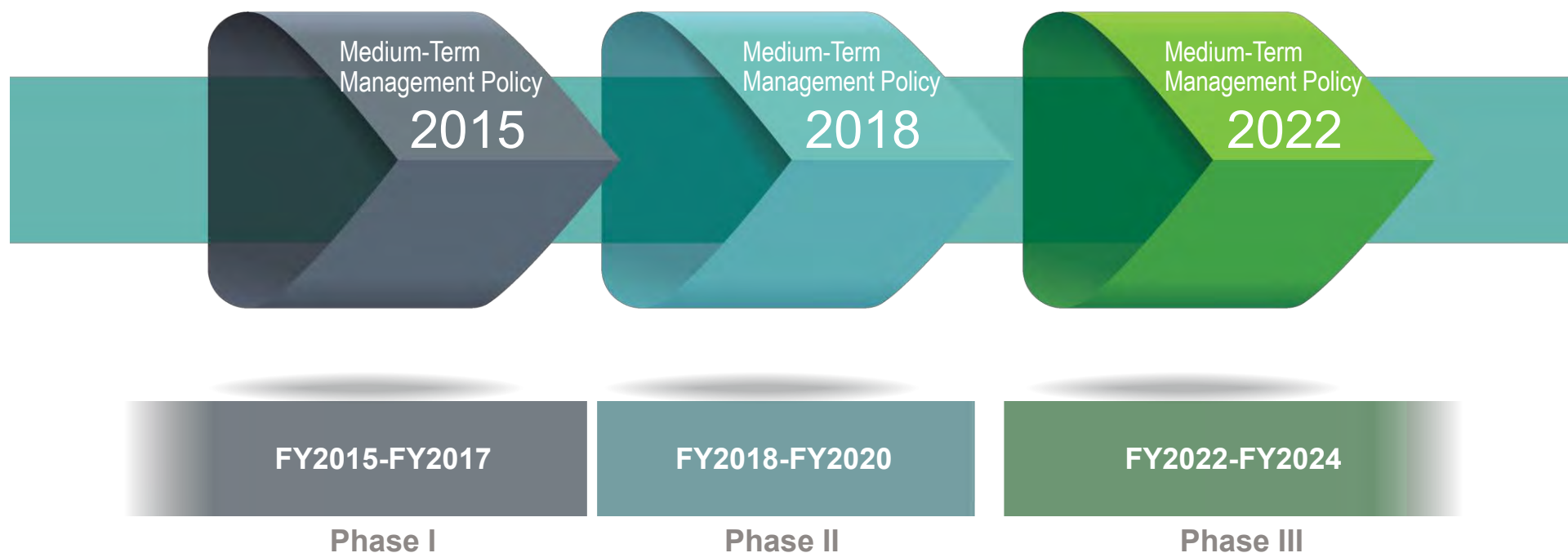


Medium-Term Management Policy 2022: Targets and Initiatives

ONE DUSKIN

The most attentive service provider in the world

Our three-year business plan,
Medium-Term Management Policy 2022
will span the next three years,
from FY2022 to FY2024.



We are committed to implementing the initiatives within Phase III marking the completion of our long-term strategy ONE DUSKIN while further solidifying the foundation established during Phases I and II. We will make every effort to remain valuable to society and thereby to expand our corporate value.

Numerical Targets of the Medium-Term Management Policy 2022

(Consolidated basis)

Millions of yen

		FY2021	FY2022		FY2023		FY2024		Growth from base year
		Results (Base year)	Plan	YoY	Plan	YoY	Target	YoY	
Consolidated	Net sales	163,210	170,000	4.2%	178,700	5.1%	183,000	2.4%	12.1%
	Operating profit	9,899	7,800	-21.2%	4,500	-42.3%	12,000	166.7%	21.2%
Direct Selling Grp.	Net sales	107,128	111,800	4.4%	117,000	4.7%	118,900	1.6%	11.0%
	Operating profit	10,539	8,300	-21.3%	4,300	-48.2%	11,000	155.8%	4.4%
Food Grp.	Net sales	43,818	46,500	6.1%	49,400	6.2%	51,500	4.3%	17.5%
	Operating profit	3,619	3,900	7.7%	4,200	7.7%	4,500	7.1%	24.3%
Other businesses	Net sales	15,414	14,800	-4.0%	15,500	4.7%	15,800	1.9%	2.5%
	Operating profit	873	500	-42.7%	800	60.0%	1,000	25.0%	14.5%
Intersegment elm. and corporate exp.	Net sales	-3,150	-3,100	-	-3,200	-	-3,200	-	-
	Operating profit	-5,133	-4,900	-	-4,800	-	-4,500	-	-
Ordinary profit		12,215	9,600	-21.4%	6,500	-32.3%	14,000	115.4%	14.6%
Profit attributable to owners of parent		8,132	6,600	-18.8%	4,400	-33.3%	10,000	127.3%	23.0%
ROE		5.5%					6% or more		

Business Performance Forecast by Segment (FY2022)

		FY2022	
		Plan	YoY
Consolidated	Net sales	170,000	4.2%
	Operating profit	7,800	-21.2%
Direct Selling Grp.	Net sales	111,800	4.4%
	Operating profit	8,300	-21.3%
Food Grp.	Net sales	46,500	6.1%
	Operating profit	3,900	7.7%
Other businesses	Net sales	14,800	-4.0%
	Operating profit	500	-42.7%
Intersegment elm. and corporate exp.	Net sales	-3,100	-
	Operating profit	-4,900	-
Ordinary profit		9,600	-21.4%
Profit attributable to owners of parent		6,600	-18.8%
EPS (Yen)		133.51	-18.9%

- Direct Selling Group

Net sales are expected to increase 4.4% year-on-year mainly due to enhanced marketing of hygiene management-related products, our area of focus, and also due to increased Care Service locations. Profit is likely to decrease due to an expected 1 billion yen increase in cost of sales related to the RFID tag attachment to rental products that starts this year.

- Food Group

Net sales are expected to increase 6.1% year-on-year. The contributing factor will be higher sales for existing shops of Mister Donut (the Group's core business), which are attributable to the product strategy focused on MISDO Meets, and an increasing number of shops in operation as a result of the opening of new shops. Profit growth is expected to be modest despite revised pricing for some products that went into effect on March 1, 2022, because in the near term it is expected that prices for ingredients will further rise and the yen will further depreciate.

- Other businesses

Taking into account such factors as the effect of the continuing lockdown in Shanghai and the lack of the Tokyo 2020 Olympic- and Paralympic-related sales that the Company enjoyed in FY2021, both sales and profit are expected to decline.

Business Performance Forecast by Segment (FY2023)

		FY2023	
		Plan	YoY
Consolidated	Net sales	178,700	5.1%
	Operating profit	4,500	-42.3%
Direct Selling Grp.	Net sales	117,000	4.7%
	Operating profit	4,300	-48.2%
Food Grp.	Net sales	49,400	6.2%
	Operating profit	4,200	7.7%
Other businesses	Net sales	15,500	4.7%
	Operating profit	800	60.0%
Intersegment elm. and corporate exp.	Net sales	-3,200	-
	Operating profit	-4,800	-
Ordinary profit		6,500	-32.3%
Profit attributable to owners of parent		4,400	-33.3%
ROE		-	-

- Direct Selling Group

Given that heightened hygiene awareness is expected to continue and the greater number of Care Service locations, net sales are expected to increase 4.7% compared to FY2022. At the same time, however, attaching RFID tags to the 31 million rental products (mats and mops) in circulation ahead of the start of RFID use in FY2024 is expected to incur cost of sales of about 4,300 million yen, which will significantly decrease profit.

- Food Group

Net sales are expected to increase 6.2% compared to FY2022 due to such factors as increased shopping convenience for Mister Donut customers and the opening of new shops. At present, it is hard to predict the impact of external factors, but assuming that they are similar to FY2022, we forecast that profit will increase.

Business Performance Targets by Segment (FY2024)

		FY2024	
		Target	YoY
Consolidated	Net sales	183,000	2.4%
	Operating profit	12,000	166.7%
Direct Selling Grp.	Net sales	118,900	1.6%
	Operating profit	11,000	155.8%
Food Grp.	Net sales	51,500	4.3%
	Operating profit	4,500	7.1%
Other businesses	Net sales	15,800	1.9%
	Operating profit	1,000	25.0%
Intersegment elm. and corporate exp.	Net sales	-3,200	-
	Operating profit	-4,500	-
Ordinary profit		14,000	115.4%
Profit attributable to owners of parent		10,000	127.3%
ROE		6% or more	-

- Direct Selling Group

Net sales are expected to increase 1.6% compared to FY2023, while profit is expected to increase due to efficiencies and lower costs (about 1,400 million yen) accompanying the start of RFID use.

- Food Group

Compared to FY2023, a greater number of shops in operation is expected to increase net sales 4.3%. Net sales, in turn, are expected to increase profit.

Three Strategic Themes



Theme 1 | Reforming our business portfolios

Reforming our business portfolios to address the changing business climate and solve social issues

- Reforming and expanding existing businesses
Expanding our areas of business and boosting the value chain by bringing new products and services to market
- Investment in new growth opportunities
Creating social values by contributing to the resolution of pending social issues



Theme 2 | Establishing a solid foundation

Solidifying our business base to enhance corporate value

- Strengthening human and technology resources; reinforcing management systems for our organization and businesses



Theme 3 | Coexistence with local communities

Actions towards a sustainable society and management

- Contributing to the creation of a sustainable society and strengthening our corporate governance geared to the needs of society



Theme 1 | Reforming our business portfolios

- Reforming and expanding existing businesses

In line with our goal of helping customers fine-tune the rhythm of their daily lives, we place highest priority on hygiene and cleanliness while also focusing on work-life management and senior support.



Hygiene and Cleanliness



We facilitate communication by drawing on our strengths of in-person interaction with customers as well as new digital technology.

Reforming Information and Distribution Systems

Organizational strategies

Building a structure where we work closely with customers



CX strategies

Adopting digital technologies for even better communication



Location strategies

Creating a network of services to answer to customer needs



Laundry and distribution strategies

Boosting productivity by way of improved efficiency and manpower reduction



Work-Life Management



Senior Support



Theme 1 | Reforming our business portfolios

- Reforming and expanding existing businesses

With the goal of creating shops where anyone and everyone can enjoy happy moments at any time, we seek to deliver enjoyment and tastiness to customers.

New Business Model Development

Develop new business models that cater to different locations, customer base and needs than the existing brands

Strengthening of the Current Value Chain

Realize in-house processing of key raw materials and in-house distribution in existing businesses

Merchandising

Create new products and sales opportunities leveraging the brand

Key to success in our existing businesses lies in increasing convenience for customers

Development strategies

Give customers more reasons to visit our shops



The second installment of the MISDO Meets collaboration with Gion Tsujiri

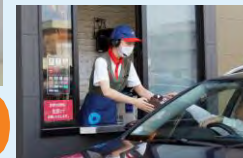
Reforming Information and Distribution Systems

Shop opening strategies

Open shops in suburban and urban locations.



Kitchen-less shops inside train stations



Suburban drive-through locations

CX strategies

Deliver new value to customer experiences



Food delivery



Product pick-up box



Theme 1 | Reforming our business portfolios

- Investment in new growth opportunities

Taking a more aggressive stance on M&As and R&D

- ▶ In areas of business that work to resolve social issues through a synergistic effect with existing business
- ▶ In areas of business that address social issues, such as environmental perseveration, falling birth rates/the aging population and regional revitalization, holding the potential for future synergy with existing businesses

Overseas strategy

- ▶ Besides achieving growth in countries where we currently operate, we are moving into new countries upon careful consideration of market conditions.



Theme 2 | Establishing a solid foundation

- Strengthening human and technology resources; reinforcing management systems for our organization and businesses

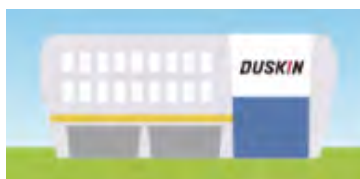
Human capital management

- ▶ Securing and training personnel needed to transform our business portfolio
- ▶ Taking steps toward diversity management and inclusion



Digital transformation (DX)

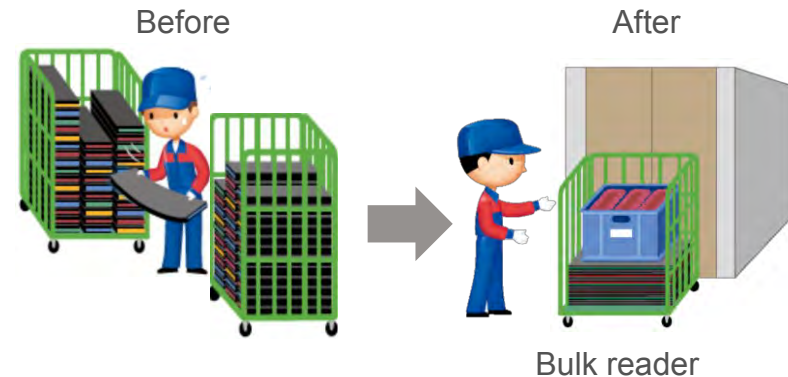
- ▶ Forging the basis for DX by setting up a special section dedicated to the shift to the cloud
- ▶ Adopting RFID on rental products; making laundry plants into smart factories



Building a production system to address labor shortages, which are considered a future business risk, we achieve greater revenues over the medium and long term, thereby boosting our corporate value as a sustainable business.

RFID Tags

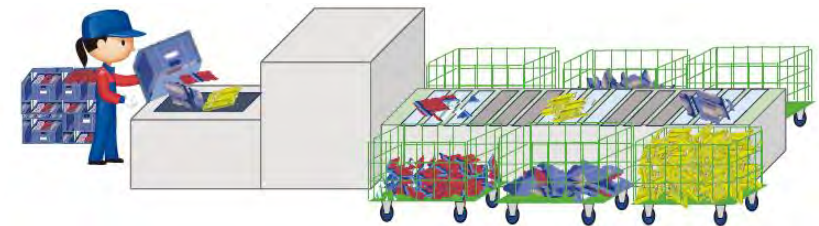
All mops and mats are fitted with radio frequency identification (RFID) tags, enabling individual product information to be read by a contactless reader device.



Smart Factories

Developing and adopting innovative equipment; reducing manpower through automated workflow linked with RFID tags

Production & logistics



Automatic sorting equipment

Franchisees



- Automatic sorting equipment
- Automatic quality inspection equipment
- Automatic packing equipment, etc.



Theme 3 | Coexistence with local communities

- Contributing to the creation of a sustainable society and strengthening our corporate governance geared to the needs of society

Duskin Green Target 2030

To ensure that Duskin does its part to achieve a recycling-oriented, decarbonized society, we have established and begun implementing Duskin Green Target 2030, a set of company environmental management goals valid through the year 2030.

Reducing waste and efficient resource use help build **a recycling-oriented society**



Reduce food waste by **50%** (vs. 2000)

Reduce fossil-fuel-derived plastics by **25%** (vs. 2020)

Recycle **60%** of plastic containers and packaging

Responding to climate change helps achieve **a decarbonized society**



Renewable energy use rate **50%**

Reduce CO2 emissions across Duskin Group locations by **46%** (vs. 2013)

Note: Our goal for the entire supply chain (Scope 3) is to reduce emissions by 26%.



Theme 3 | Coexistence with local communities

- Contributing to the creation of a sustainable society and strengthening our corporate governance geared to the needs of society

Selected for inclusion in all five of the domestic indexes employed by the Government Pension Investment Fund (GPIF)

In order to fulfill our Sustainability Vision of “proactively responding to the expectations of society,” we address ESG issues through dialog with our stakeholders. Our objectives in this regard are greater corporate value and doing our part to bring about a more sustainable society.



FTSE Blossom Japan Sector Relative Index



FTSE Blossom Japan

2021 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2021 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)



S&P/JPX Carbon Efficient Index

These are all five of the domestic indexes employed by the GPIF.



Sompo Sustainability Index

Sompo Asset Management:
Sompo Sustainability Index



Ministry of Environment's ESG
Finance Awards Japan



2022
健康経営優良法人
Health and productivity
ホワイト500

Ministry of Economy, Trade and Industry's Certified Health & Productivity Management Organization Recognition Program “White 500”

| Revised dividend policy

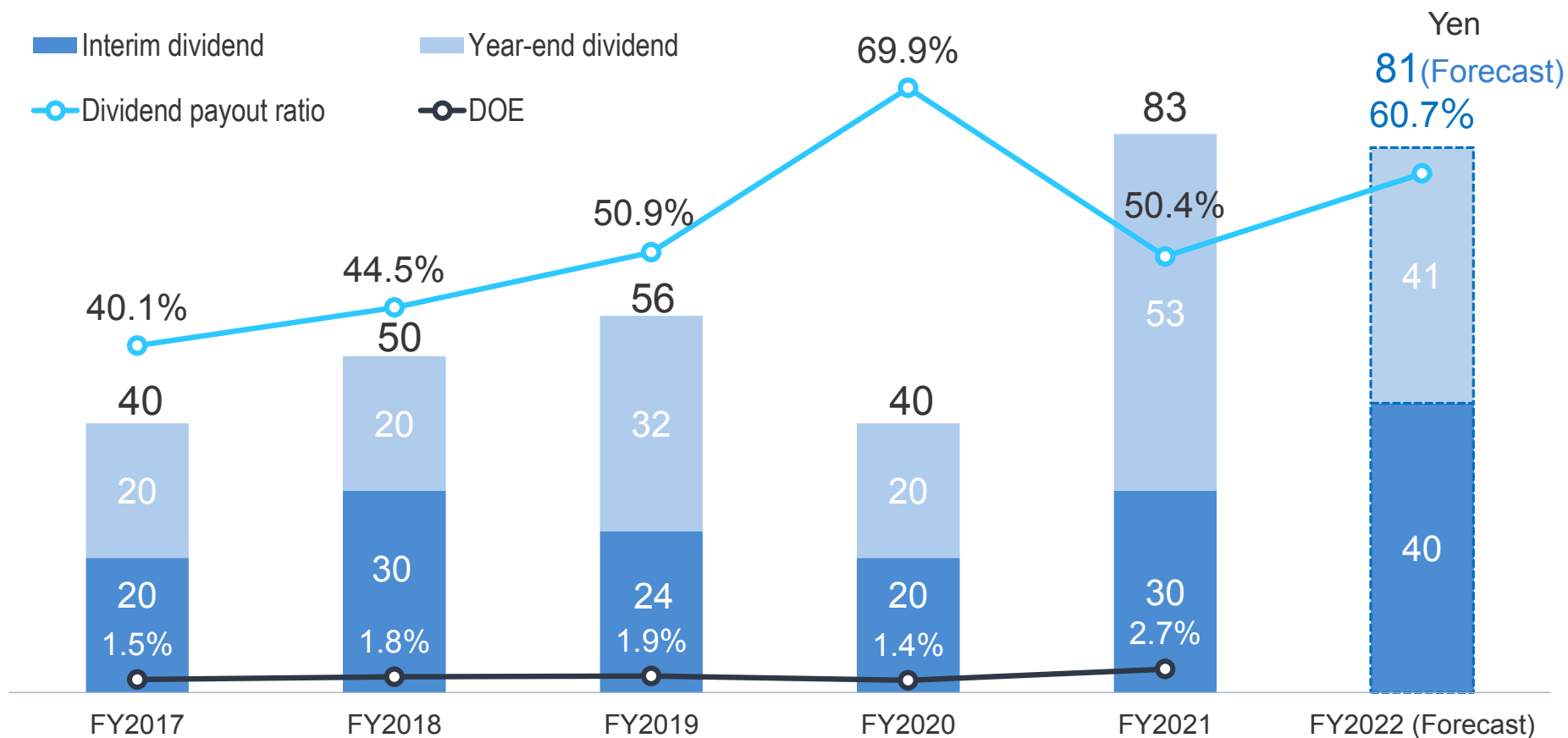
Returning profits to shareholders is one of our top priorities. With this in mind, Duskin's basic dividend policy is to distribute profits in line with business performance while also balancing investment aimed at achieving sustainable growth and enhancing corporate value with strong financial health that protects the Company from various risks. The annual dividend payout is therefore based on a **consolidated dividend payout ratio of 60%** or a **dividend on equity (DOE) of 2.5%**, whichever amount is higher.

| Shareholder return policy in the near term

During the tenure of our three-year business plan, Medium-Term Management Policy 2022, we will actively execute flexible and timely stock buybacks. Moreover, taking into account the business performance results achieved so far under the ONE DUSKIN long-term business strategy, our goal is to provide our shareholders a **cumulative three-year total return ratio over 100%**.

Dividend Forecast

Year-end dividend amount for FY2021 was in line with our target consolidated dividend payout ratio of 50%. Starting in FY2022, dividend payout amounts will be based on a consolidated dividend payout ratio of 60% or a 2.5% DOE, whichever amount is higher.



Appendix

| Consolidated ordinary profit

12,215 million yen YoY growth: +5,581 million yen (+84.1%)

Major Factors

- Operating profit **+5,200 million yen**
- Non-operating income **+300 million yen**
 - Increase in proceeds from subsidy income **+200 million yen**
 - Increase in cancellation penalty **-100 million yen**
 - Other **+200 million yen**

The figures given here show the increase or decrease from the same period of the previous year.

Consolidated net profit (Profit attributable to owners of parent)

8,132 million yen YoY growth: +5,311 million yen (+188.2%)

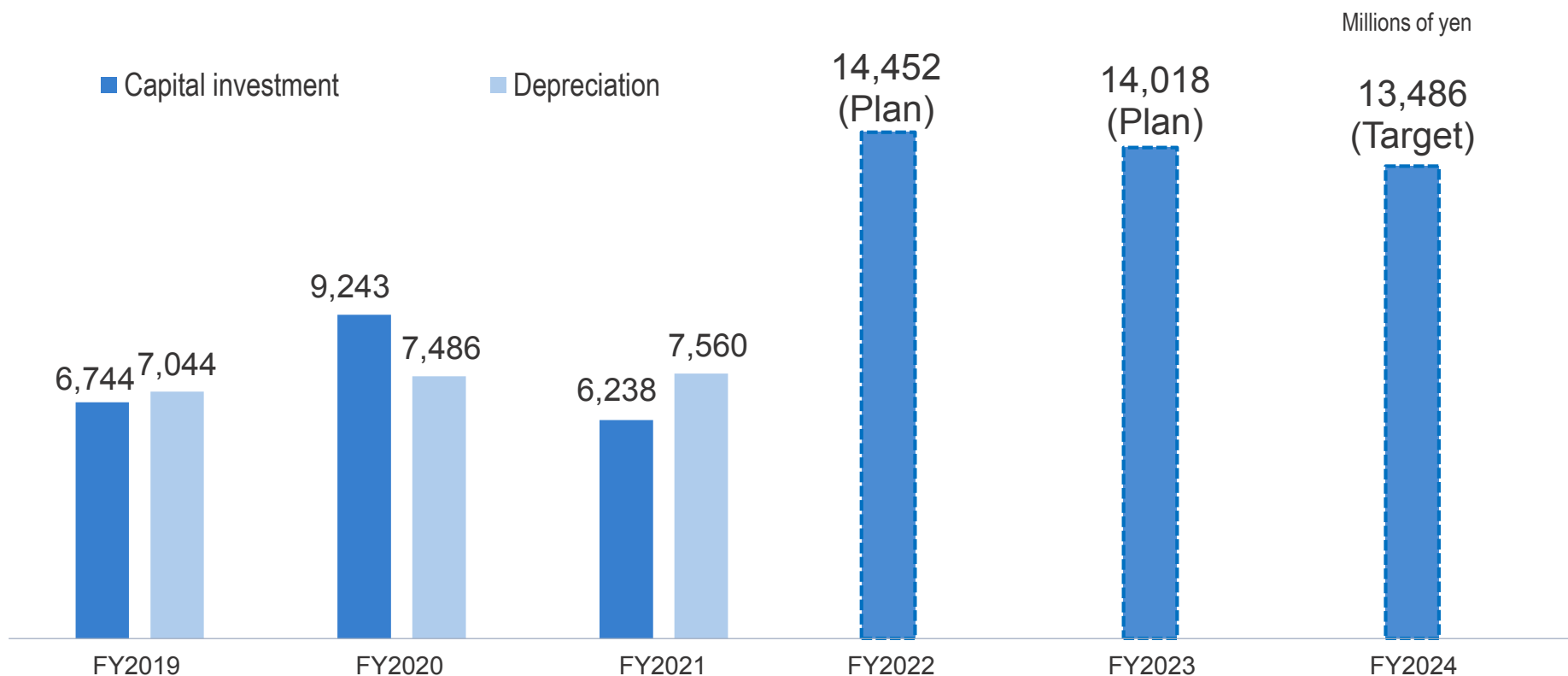
Major Factors

- Ordinary profit **+5,600 million yen**
- Extraordinary income **+1,700 million yen**
 - Decrease in the amount of COVID-19 relief money **+1,600 million yen**
 - Decrease in impairment loss **+200 million yen**
 - Increase in the gain on sales of investment securities **+100 million yen**
 - Loss on sales of shares of subsidiaries and associates **-300 million yen**
 - Other **+100 million yen**
- Income taxes and others **-2,000 million yen**

The figures given here show the increase or decrease from the same period of the previous year.

Capital Investment and Depreciation

In addition to investment for upkeep such as updating facilities and systems, Duskin’s capital investments include investment for growth strategy aimed at growing sales and enhancing efficiency, sustainable investment, investment in RFID tags and smart factory conversion and other DX investment. This capital investment is expected to total approximately 42 billion yen over three years. Note: In addition, we plan to invest 28 billion yen over the next three years in M&A and RFID costs, which would be considered expenses in accounting terms.



Note: From FY2020, leased assets of lease businesses are included in capital investment expenses.

Quarterly Results

FY2021

Millions of yen

	1Q	2Q	3Q	4Q	FY2021
Net sales	26,576	27,605	27,904	25,041	107,128
Operating profit	2,969	3,496	3,519	554	10,539
Operating margin	11.2	12.7	12.6	2.21	9.8

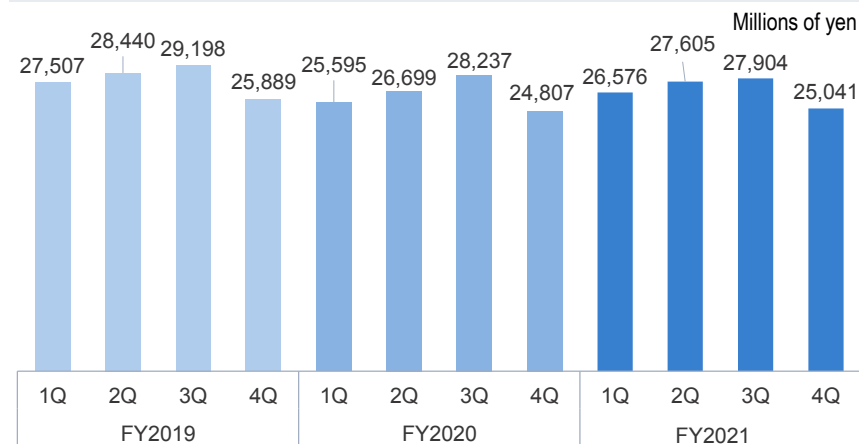
FY2020

	1Q	2Q	3Q	4Q	FY2020
Net sales	25,595	26,699	28,237	24,807	105,339
Operating profit	2,102	3,243	3,471	-38	8,779
Operating margin	8.2	12.1	12.3	-0.2	8.3

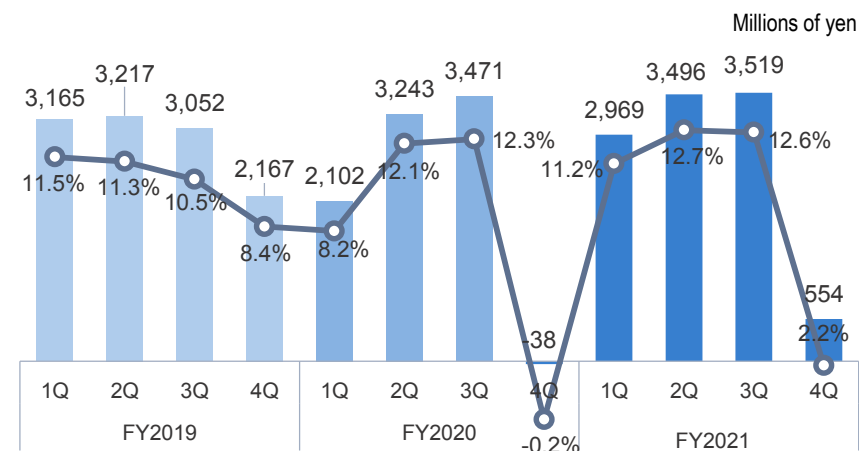
FY2019

	1Q	2Q	3Q	4Q	FY2019
Net sales	27,507	28,440	29,198	25,889	111,036
Operating profit	3,165	3,217	3,052	2,167	11,603
Operating margin	11.5	11.3	10.5	8.4	10.4

Net Sales



Operating Profit



Quarterly Results

FY2021

	Millions of yen				
	1Q	2Q	3Q	4Q	FY2021
Net sales	9,856	10,058	12,243	11,659	43,818
Operating profit	710	1,040	1,480	388	3,619
Operating margin	7.2	10.3	12.1	3.3	8.3

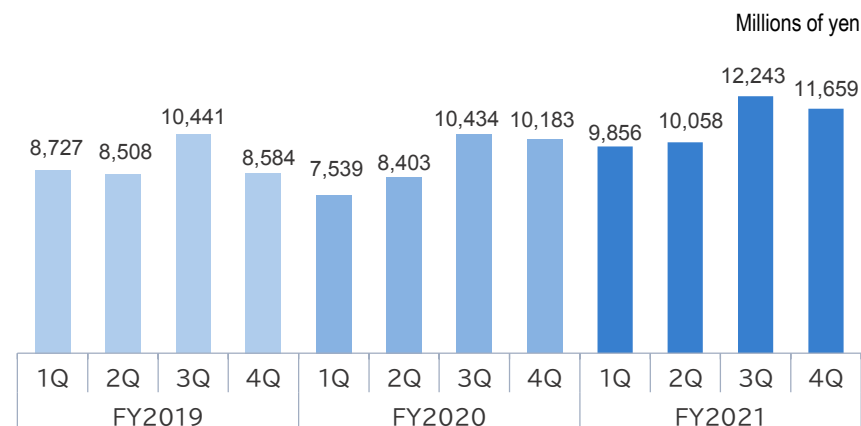
FY2020

	Millions of yen				
	1Q	2Q	3Q	4Q	FY2020
Net sales	7,539	8,403	10,434	10,183	36,561
Operating profit	-195	-36	778	-131	414
Operating margin	-2.6	-0.4	7.5	-1.3	1.1

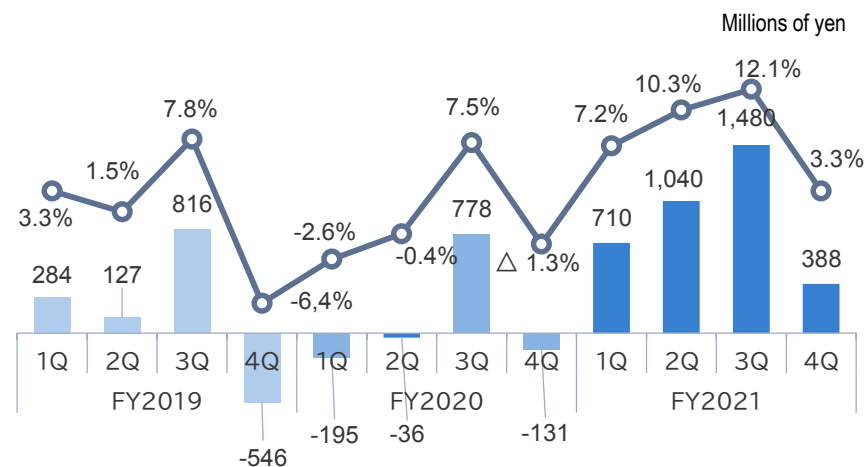
FY2019

	Millions of yen				
	1Q	2Q	3Q	4Q	FY2019
Net sales	8,727	8,508	10,441	8,584	36,263
Operating profit	284	127	816	-546	681
Operating margin	3.3	1.5	7.8	-6.4	1.9

Net Sales



Operating Profit



Quarterly Results

FY2021

Millions of yen

	1Q	2Q	3Q	4Q	FY2021
Net sales	3,825	3,863	3,720	4,006	15,414
Operating profit	265	272	147	187	873
Operating margin	6.9	7.0	4.0	4.7	5.7

FY2020

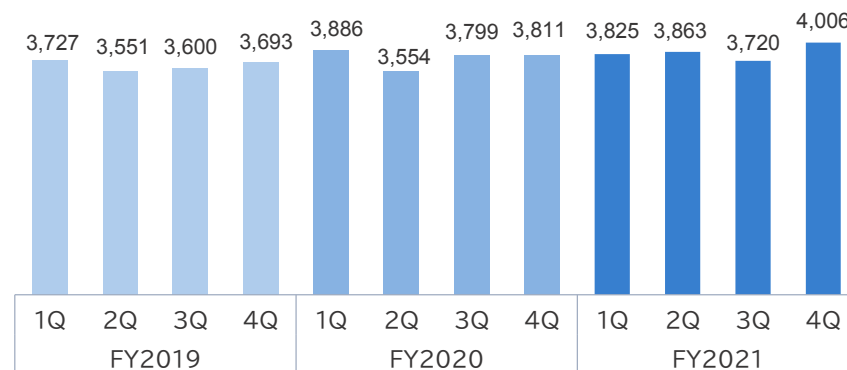
	1Q	2Q	3Q	4Q	FY2020
Net sales	3,886	3,554	3,799	3,811	15,053
Operating profit	209	59	146	244	660
Operating margin	5.4	1.7	3.8	6.4	4.4

FY2019

	1Q	2Q	3Q	4Q	FY2019
Net sales	3,727	3,551	3,600	3,693	14,572
Operating profit	174	64	94	108	442
Operating margin	4.7	1.8	2.6	2.9	3.0

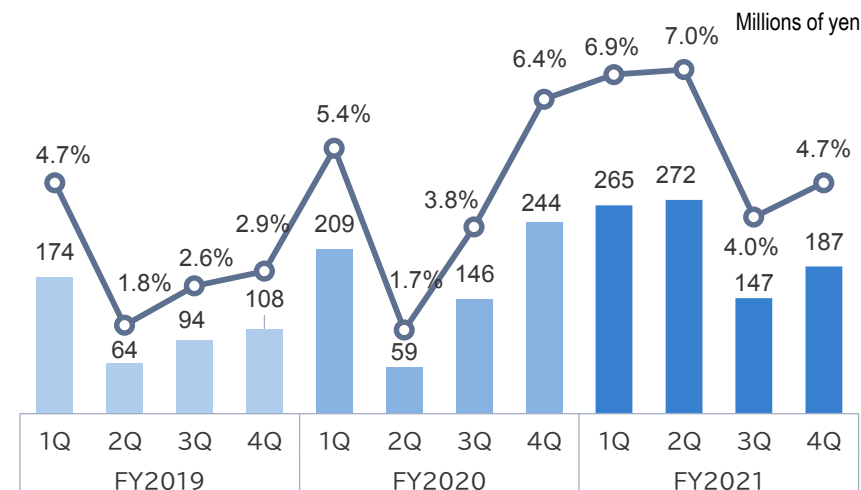
Net Sales

Millions of yen



Operating Profit

Millions of yen



Consolidated Financial Results

Millions of yen

	FY2017	FY2018		FY2019		FY2020		FY2021	
			YoY		YoY		YoY		YoY
Net sales	161,031	158,699	-1.4%	159,102	0.3%	153,770	-3.4%	163,210	6.1%
Cost of sales	87,808	86,138	-1.9%	87,043	1.1%	84,335	-3.1%	88,302	4.7%
Gross profit	73,222	72,560	-0.9%	72,059	-0.7%	69,435	-3.6%	74,908	7.9%
Gross profit margin	45.5%	45.7%	0.3	45.3%	-0.3	45.2%	-0.1	45.9%	0.7
SGA	65,664	64,606	-1.6%	65,482	1.4%	64,783	-1.1%	65,009	0.3%
Operating profit	7,557	7,954	5.2%	6,577	-17.3%	4,651	-29.3%	9,899	112.8%
Operating profit margin	4.7%	5.0%	0.3	4.1%	-0.9	3.0%	-1.1	6.1%	3.0
Non-operating profit	1,747	2,373	35.9%	1,752	-26.2%	2,260	29.0%	2,624	16.1%
Non-operating expenses	326	316	-3.2%	400	26.5%	278	-30.4%	308	10.7%
Ordinary profit	8,978	10,011	11.5%	7,929	-20.8%	6,633	-16.3%	12,215	84.1%
Ordinary profit margin	5.6%	6.3%	0.7	5.0%	-1.3	4.3%	-0.7	7.5%	3.2
Extraordinary income	163	431	164.1%	1,193	176.3%	27	-97.7%	137	396.0%
Extraordinary losses	1,228	1,971	60.5%	651	-67.0%	2,346	260.1%	725	-69.1%
Profit before income taxes	7,913	8,471	7.1%	8,471	-0.0%	4,315	-49.1%	11,627	169.4%
Profit attributable to owners of parent	5,324	5,984	12.4%	5,591	-6.6%	2,821	-49.5%	8,132	188.2%
Net profit margin	3.3%	3.8%	0.5	3.5%	-0.2	1.8%	-1.7	5.0%	3.1
Total assets	196,058	194,223	-0.9%	185,158	-4.7%	188,399	1.8%	198,055	5.1%
Net assets	147,786	149,884	1.4%	142,031	-5.2%	145,836	2.7%	151,026	3.6%
Interest-bearing debt	173	0	-	0	-	0	-	1,530	-
Depreciation	6,339	6,542	3.2%	7,044	7.7%	7,486	6.3%	7,560	1.0%
R&D expenditures	643	682	6.0%	561	-17.7%	636	13.4%	644	1.3%
Capital expenditures	5,076	6,324	24.6%	6,744	6.6%	9,243	37.1%	6,238	-32.5%
No. of employees (Consolidated)	3,773	3,813	1.1%	3,802	-0.3%	3,819	0.4%	3,778	-1.1%
No. of employees (Duskin Co., Ltd. only)	1,991	2,020	1.5%	1,974	-2.3%	1,988	0.7%	2,000	0.6%

Financial Indicators

		FY2017	FY2018		FY2019		FY2020		FY2021	
				Change		Change		Change		Change
Profitability	Return on assets (ROA)	2.76%	3.07%	0.31	2.95%	-0.12	1.51%	-1.44	4.21%	2.70
	Return on equity (ROE)	3.68%	4.03%	0.35	3.84%	-0.19	1.96%	-1.87	5.49%	3.53
Efficiency	Total asset turnover ratio	0.83	0.81	-0.02	0.84	0.03	0.82	-0.02	0.84	0.02
	Fixed asset turnover ratio	1.26	1.23	-0.04	1.26	0.03	1.27	0.01	1.40	0.13
	Days sales outstanding	22.55	23.49	0.93	26.66	3.18	28.19	1.52	27.43	-0.76
	Days payable outstanding	28.41	29.01	0.60	27.63	-1.38	30.13	2.51	28.78	-1.35
	Days sales in inventory	39.40	40.88	1.48	48.24	7.36	53.09	4.86	43.04	-10.06
Soundness	Equity ratio	75.19%	77.04%	1.85	76.55%	-0.49	77.23%	0.68	76.07%	-1.16
	Current ratio	204.31%	186.27%	-18.03	180.84%	-5.43	200.19%	19.34	221.29%	21.10
	Fixed assets ratio	85.90%	87.07%	1.17	86.75%	-0.31	81.89%	-4.86	75.63%	-6.26
	Fixed assets to long term liabilities ratio	78.31%	81.61%	3.30	81.72%	0.11	77.64%	-4.08	71.36%	-6.28
	Interest coverage ratio	1,759.6	4,141.8	2,382.1	65,046.1	60,904.3	13,876.4	-51,169.7	43,519.0	29,642.6
Shareholder return	Dividend per share (Yen)	40.00	50.00	10.00	56.00	6.00	40.00	-16.00	83.00	43.00
	Dividend payout ratio (%) ^{*1}	40.15%	44.49%	4.34	50.93%	6.44	69.95%	19.02	50.39%	-19.56
	Total payout ratio (%) ^{*1}	40.20%	106.89%	66.69	189.28%	82.39	69.95%	-119.33	51.05%	-18.90
	Dividend on equity ratio (%)	1.45%	1.77%	0.32	1.98%	0.21	1.36%	-0.62	2.72%	1.37
	Total shareholder return (TSR) (%) ^{*2}	155.32%	143.76%	-11.66	147.45%	3.69	148.91%	1.46	121.83%	-27.08
Other	Net profit per share (Yen)	99.63	112.38	12.75	109.95	-2.43	57.19	-52.76	164.71	107.52
	Price-earnings ratio (PER)	27.07	23.45	-3.62	25.84	2.39	48.70	22.86	16.33	-32.38
	Net assets per share (Yen)	2,758.28	2,876.63	118.35	2,872.99	-3.64	2,948.85	75.86	3,047.67	98.82
	Price-to-book ratio (PBR)	0.98	0.92	-0.06	0.99	0.07	0.94	-0.04	0.88	-0.06
Stock	Shares issued at year-end (1,000 shares)	55,195	52,695	-2,500	50,995	-1,700	50,995	0	50,995	0
	Treasury shares at year-end (1,000 shares)	1,750	679	-1,071	1,659	980	1,650	-9	975	-675
	Treasury shares repurchased (1,000 shares)	1	1,430	1,429	2,679	1,249	0	-2,679	0	0
	Treasury shares retired (1,000 shares)	0	2,500	2,500	1,700	-800	0	-1,700	0	0

*1: Payout ratio is calculated using dividends per share while total payout ratio uses total amount paid to shareholders.

*2: Total shareholders return = (Stock price on the last day of each fiscal year + cumulative amount of dividends per share from four fiscal years before the current fiscal year to each fiscal year) / Stock price on the last day of five fiscal year before the current fiscal year.

Customer-Level Sales (CLS) of Our National Chains

	FY2020	FY2021	YoY change	Millions of yen
Direct Selling Group	253,178	265,659	12,481	
Clean Service (Domestic): residential customer	84,062	82,138	-1,923	
Clean Service (Domestic): commercial customer	90,529	90,160	-368	
ServiceMaster	30,015	32,067	2,051	
Merry Maids	10,850	11,607	757	
Terminix	8,269	8,477	207	
Total Green	3,098	3,373	275	
Home Repair	210	255	45	
Health & Beauty	2,088	2,103	14	
Azare Products Group	2,776	2,789	13	
Duskin Life Care	1,886	2,240	353	
Rent-All	4,846	14,819	9,972	
Health Rent	11,463	12,495	1,031	
Uniform Service	3,081	3,131	49	
Food Group	80,148	95,031	14,883	
Mister Donut (Domestic)	78,024	92,951	14,926	
Katsu & Katsu	1,649	1,627	-22	
Other food businesses	473	452	-21	
Other businesses	26,255	28,698	2,442	
Clean Service (Overseas)	5,327	6,473	1,146	
Mister Donut (Overseas)	11,340	12,112	772	
Big Apple	1,168	1,554	386	
Duskin Health Care	8,420	8,557	137	
Total	359,582	389,388	29,806	

- 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.

Number of Sales Units

	FY2020	FY2021	YoY change	No. of units
Direct Selling Group	5,664	5,683		19
Clean Service (Domestic)	1,876	1,852		-24
ServiceMaster	1,136	1,159		23
Merry Maids	768	773		5
Terminix	555	560		5
Total Green	147	155		8
Home Repair	93	95		2
Health & Beauty	465	462		-3
Azare Products Group	49	44		-5
Duskin Life Care	90	94		4
Rent-All	103	102		-1
Health Rent	166	172		6
Uniform Service	216	215		-1
Food Group	985	996		11
Mister Donut (Domestic)	961	979		18
Katsu & Katsu	16	15		-1
Other food businesses	8	2		-6
Other businesses	8,214	9,879		1,665
Clean Service (Overseas)	25	25		0
Mister Donut (Overseas)	7,892	9,557		1,665
Big Apple	83	81		-2
Duskin Health Care	214	216		2
Total	14,863	16,558		1,695

- Notes:
- Because some business locations operate multiple businesses, the number of locations above may differ from the actual number of offices.
 - The number of sales locations is the total of company-owned sales locations, those operated by subsidiaries and franchisees. (The figures show the number of locations in operation.)
 - The number of overseas sales locations is as of December 31. (For Duskin Health Care, the number of contracts is shown)

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]
- **Duskin Life Care** [Support services for seniors]

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]
- **Clean 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]

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

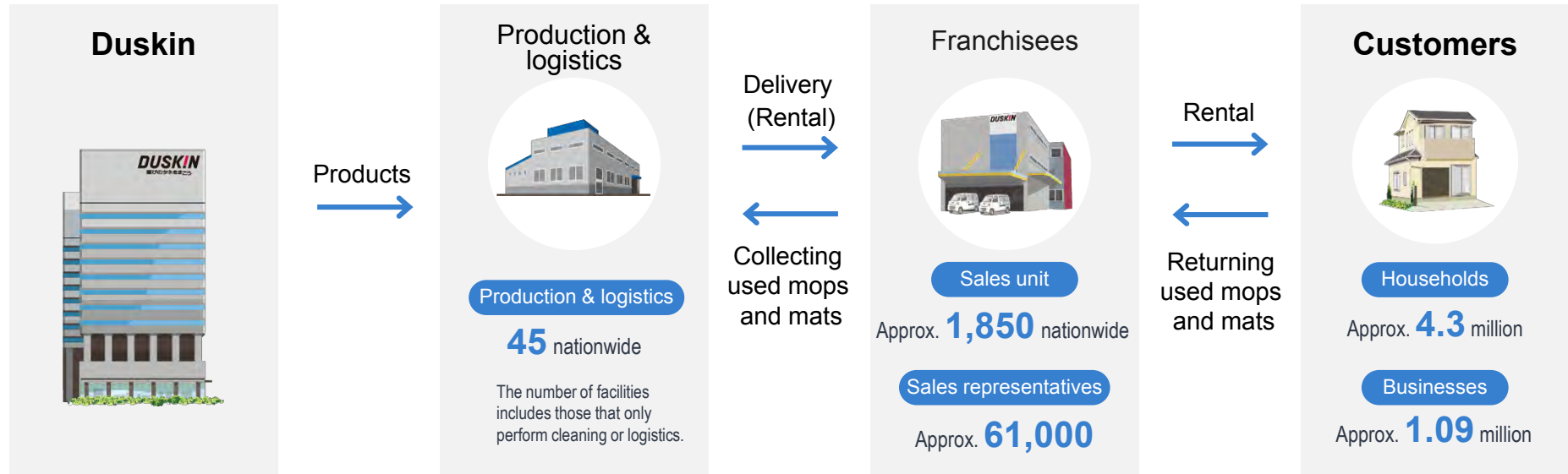
Food Group

- **Mister Donut**
[Homemade donut shops]
- **MOSDO**
[Collaborated shops with MOS Burger]
- **Katsu & Katsu**
[Pork cutlet restaurants]
- **Pie Face**
[Pie specialty shops]

Other businesses

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

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.

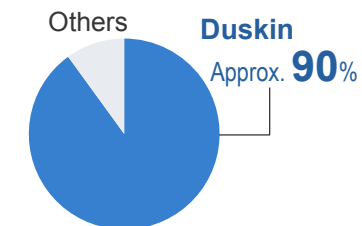


Our competitive advantages

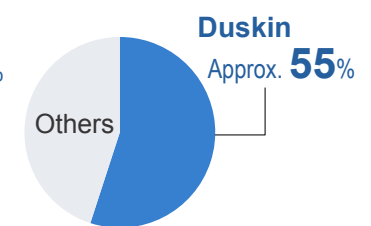
- 1 A solid customer basis
- 2 Franchise networks and product delivery systems rooted in the community
- 3 A reputation for trust and reliability built through our 55-plus-year history
- 4 Cross-selling opportunities available by way of a synergistic effect between the Direct Selling Group businesses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

Market share

Residential customer



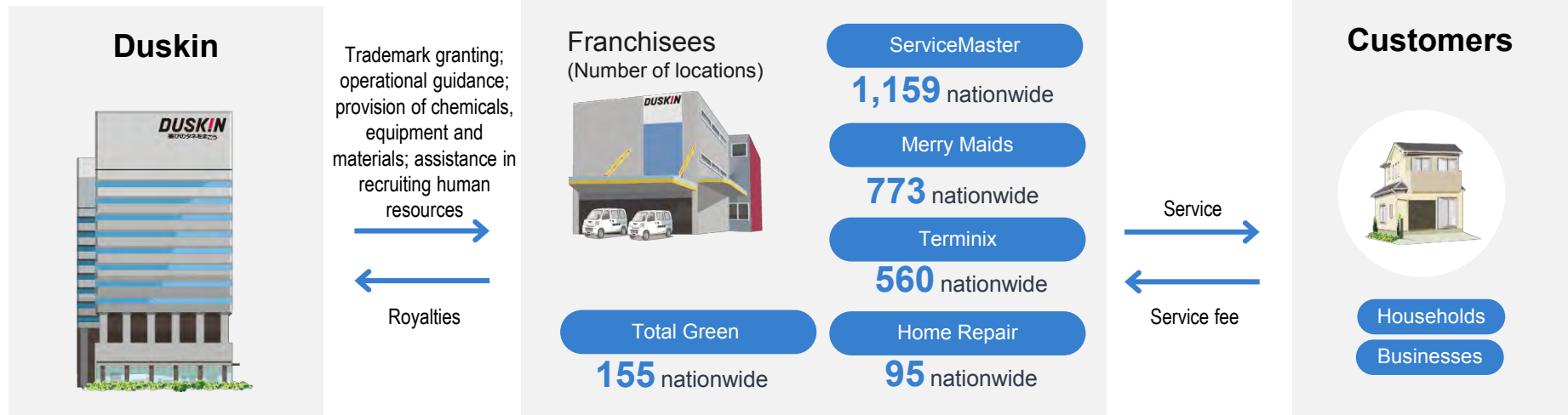
Commercial customer



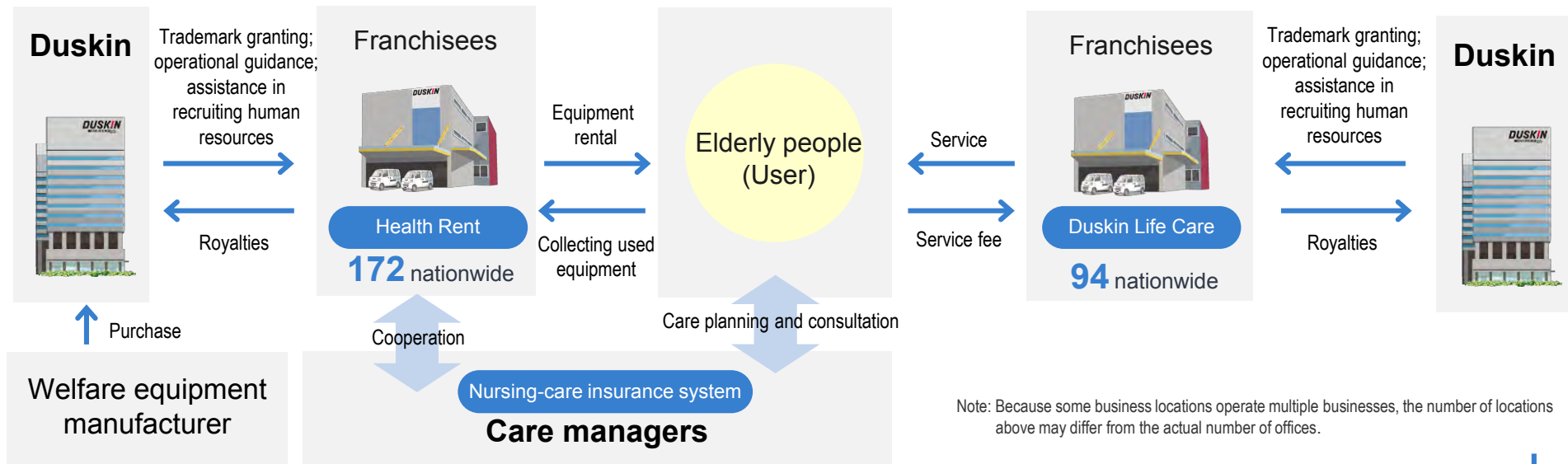
Source: Japan Dust Control Association data (assembled by Duskin)

Care Service and Senior Care Business Models

Care Service

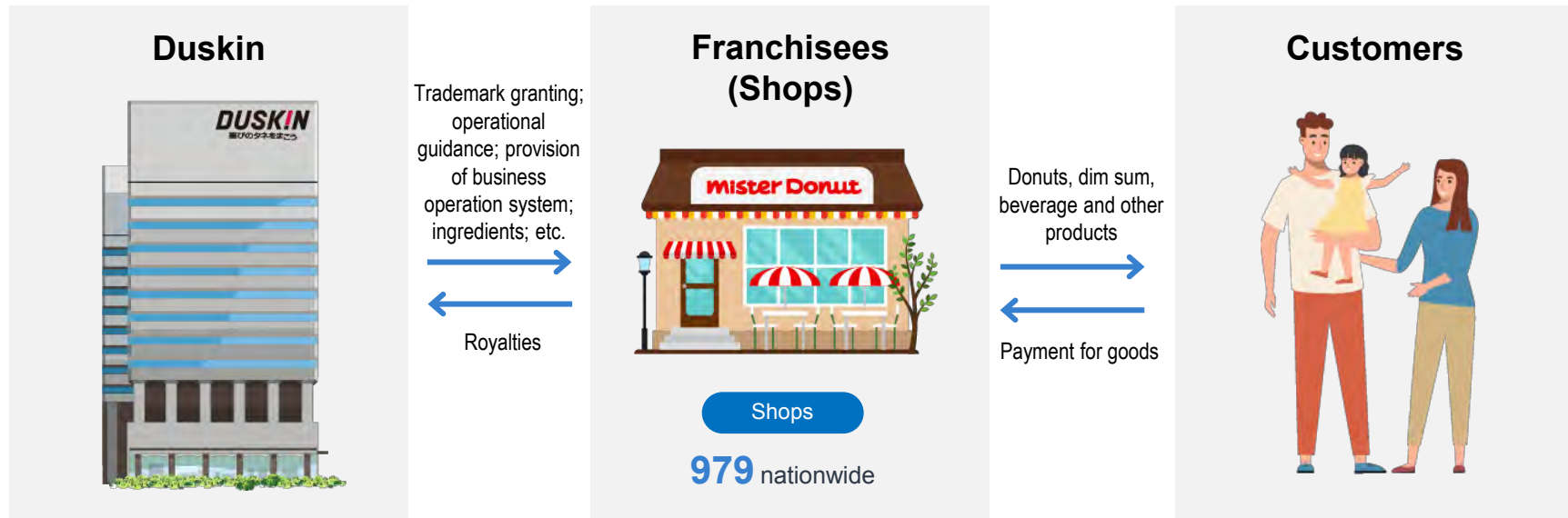


Senior Care



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

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.

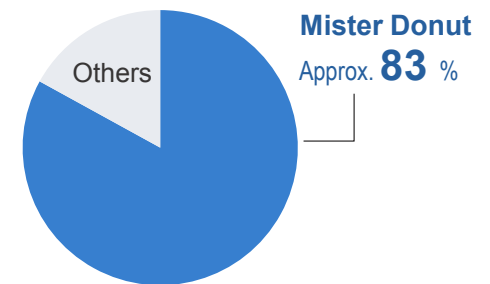


Our competitive advantages

- 1 Over 900 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: As some shops operate multiple businesses, the number of shops above may differ from the actual number of shops.

Market share



Source: Calculated (by Duskin) based on the number of donut shops opened

Billions of yen

	2016	2017	2018	2019	2020	CAGR
Dust control market related to our Clean Service businesses	290.6	287.6	283.6	278.8	272.3	-1.6%

Source: Japan Dust Control Association

Home cleaning service market related to our Care Service businesses	145.0	153.0	162.0	170.0	182.0*	5.8%
Helper service market related to our Care Service businesses	79.5	83.0	86.5	90.5	94.0*	4.3%

Source: Information on Japan's helper service market assembled by Fuji Keizai Networks Co., Ltd. in 2018 * Figures for 2020 are estimates.

Elderly assistance products market related to our Senior Care businesses	1,455.2	1,510.6	1,499.0	1,503.3	-	1.1%
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Source: Japan Assistive Products Association

Sweets and desserts market in Japan	2,277.1	2,276.1	2,290.7	2,283.3	2,109.9	-1.9%
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Source: Yano Research Institute Ltd.: Market report on Japanese and Western sweets and desserts

Restaurant market in Japan (Fast food)	2,895.8	2,996.4	3,056.0	3,227.1	3,018.0	1.0%
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Source: Fuji Keizai handbook on the restaurant industry

Note: CAGRs are calculated by Duskin.



Cautionary Note Regarding Forward-looking Statements

These materials contain forward-looking statements concerning forecasts, goals, strategies and other matters of the Company and its consolidated subsidiaries. These forward-looking statements are based on information currently available to the Company and certain assumptions that the Company deems reasonable and are not intended to be a promise by the Company that they will be achieved. Actual results may differ materially due to various factors.