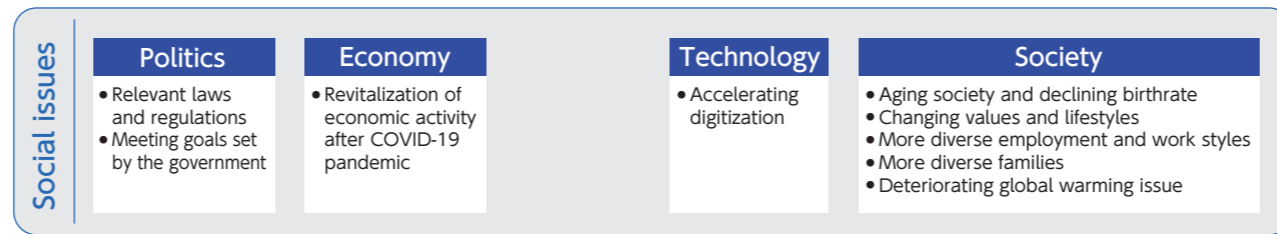


Our Value Creation Process

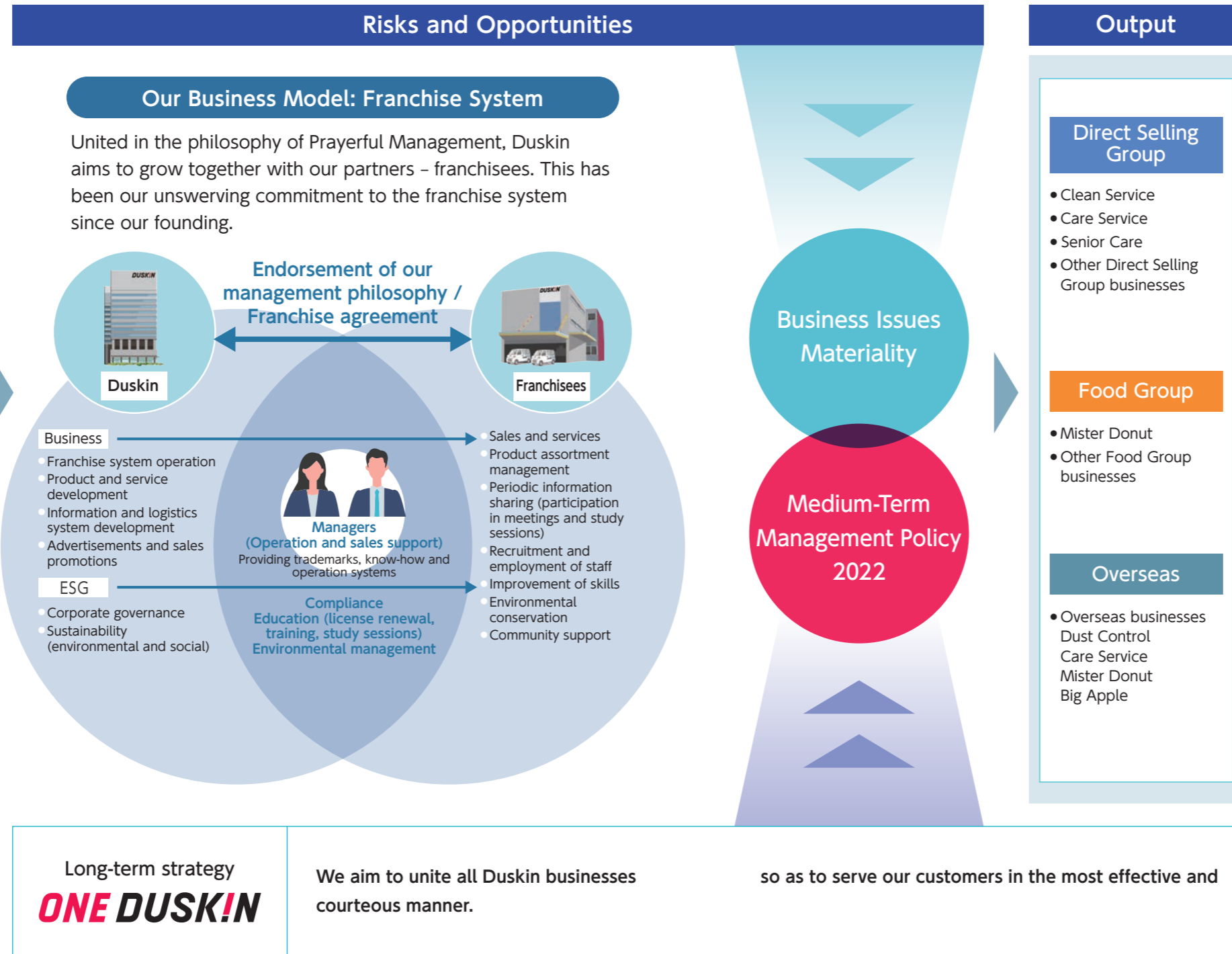
We believe that our business is supported by society and that we should give back to society by creating something of value together with our stakeholders. Sowing as many seeds of joy as possible through effective use of the resources entrusted by our stakeholders and society at large is our way of returning the blessings we have received. That is our way of creating value: living the philosophy of Prayerful Management in our business practices. We sow the seeds of joy throughout our franchise network to continuously enhance Duskin's corporate value.



Input

Six Types of Capital

- Human capital¹**
 - Employees: **3,739** (consolidated)
 - Educational facilities: Seishinkan Guesthouse / Duskin School / Mister Donut College / regional training centers
- Social capital**
 - Franchise system rooted in local communities
 - Cooperation with local governments and administrative bodies
 - 6,742** locations in Japan¹
 - 11,474** locations outside Japan²
- Intellectual capital**
 - Patents approved: **136** in Japan and **5** outside Japan¹
 - R&D expenditures: **720** million yen³
- Financial capital**
 - Total assets: **151.7** billion yen¹
 - Cash flow (Cash and cash equivalents at end of year): **31.2** billion yen³
- Manufactured capital**
 - Mop/mat production facilities: **2** locations¹
 - Rate of periodic inspections at contracted food processing plants: **100%**³
- Natural capital³**
 - Plastic used in containers and packages: **1,166** t
 - Energy usage: **2,342,000** GJ (giga joules)
 - CO₂ emissions: **454,841** t-CO₂



Outcome

Sowing the seeds of joy for people and society

Economic Value

- A business model that contributes to the sustainable development of franchisees (Average franchise contract length: 36 years)
- Commitment to return of profits to shareholders (Total return ratio: 106.4%)
- Sales growth through customer satisfaction (Customer-level sales: 411.7 billion yen, sales growing rate: 5.7%)
- Care Service businesses franchise locations: 2,795
- Senior Care business franchise locations: 276

Note: Because some business locations operate multiple businesses, the number of locations above (as of March 31, 2023) may differ from the actual number of offices.

Social Value

- Comprehensive partnership agreement with Osaka Prefecture
- Supporting local schools and education
- Rate of female employees in managerial positions: 13.1%
- Rate of employees with disabilities: 2.82%
- Training received per employee: 18.6 hours

Environmental Value

- Rate of recycling food waste: 69.1%
- Food loss and waste reduction rate: 38.6% (from the fiscal year ended March 31, 2021 level)
- Rate of recycling plastic containers and packaging: 19.9%
- CO₂ emissions reduction rate: 20.2% (from the fiscal year ended March 31, 2014 level)

Notes:
 1. As of March 31, 2023
 2. As of December 31, 2022
 3. During the fiscal year ended March 31, 2023

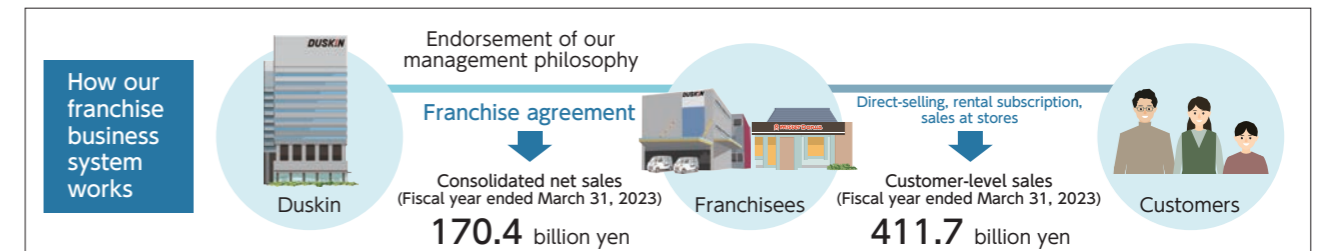
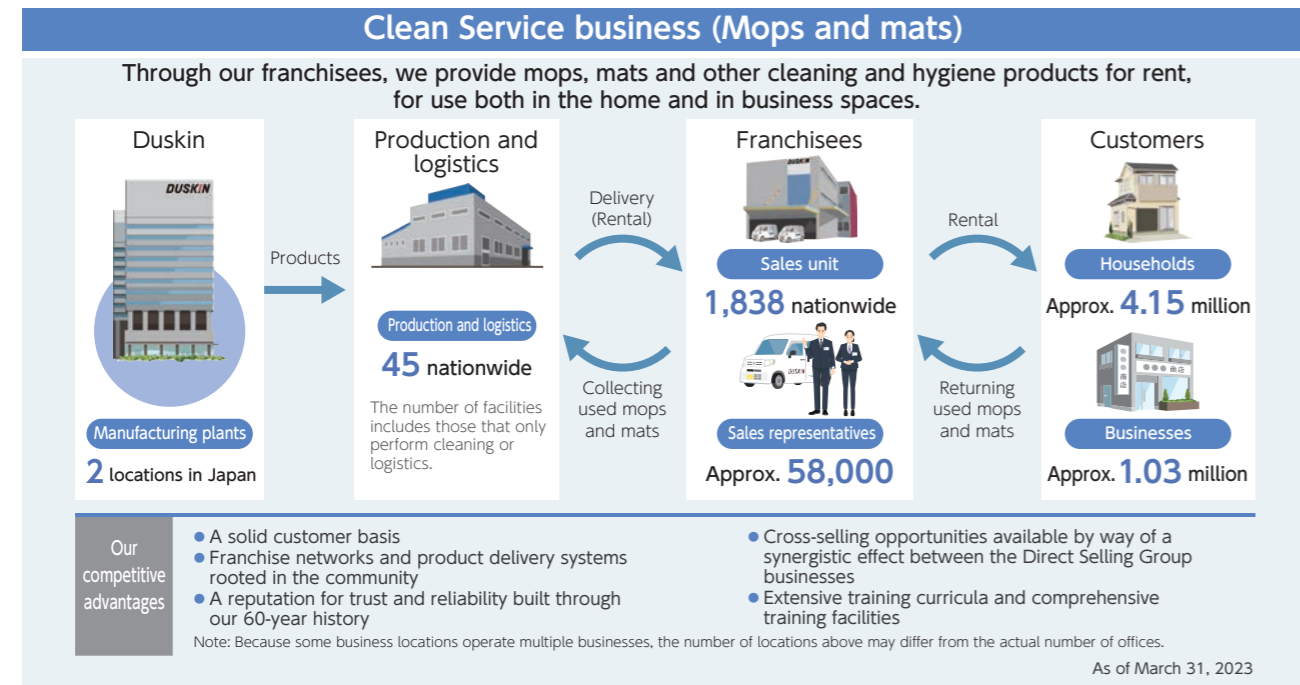
Note: Figures are for the fiscal year ended March 31, 2023, and the amounts are rounded down.

How Duskin's Value Creation Process Works

Our business model

Duskin's business model is broadly divided into two franchise systems: the Clean Service business focused on mop and mat rentals and the Mister Donut business.

The Clean Service business rents and sells cleaning and hygiene products to household and business customers through franchisees. The Mister Donut business provides a fun experience and always-delicious products at shops where "every customer can happen upon 'something good' at any time." Both of these business groups depend on our unique franchise system.



Note: 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.



Inputs

Human capital

Duskin encourages its employees to respect other employees and to reach their full potential regardless of their gender, age, nationality or career background so that they can create new value and excellence by successfully meeting the challenges of a changing business environment and responding accurately to ever more diverse customer needs.

Financial capital

A solid financial foundation and stable cash flow generated by profitably healthy and sustained businesses is what creates new businesses. Sound financial capital also provides solid support for business sustainability and stakeholder value creation even when natural disasters or other unexpected risks occur.

Intellectual capital

Owning and making full use of patents and expertise, brand and data assets, and other intellectual assets bolsters competitiveness and reduces the costs of such risks as unfair competition while also contributing to the development of new products and services, higher productivity and lower costs.

Social capital

The foundation of franchisee human resource development is endowing the owners and staff doing business in their own regions with Duskin's commitment to excellent service. By ensuring Duskin service quality, we sow the seeds of joy that truly meet the needs of customers in each community.

Manufactured capital

Duskin plants and contracted plants that provide one-of-a-kind products and services are capital of indispensable importance. For the contracted manufacturing plants that process products and raw materials, we conduct periodic inspections, and constantly strive to make improvements and enhancements to quality.

Natural capital

Duskin has built and grown an environmentally friendly, recycling-oriented hygiene and cleaning product rental business. Today, in every business domain we are reducing environmental impact for all processes, from raw material procurement to product manufacturing, after-use collection and resource recycling.

Stakeholder

Stakeholder	Expectations of Duskin	Opportunities for dialogue
Customers	To be the most customer-oriented company in the world, and to put pro-customer ideas into practice	Consumer gatherings, Contact Center, fan meetings, Duskin website
Franchisees	Duskin franchisor and franchisees share the same philosophy	Support by our Managers, franchisee award programs, franchisee associations
Local communities	To become the most trusted and reliable service provider building harmonious and prosperous relationships with local communities	Supporting local schools and education, Clean Up My Town (trash pickup), laundry plant tours, Duskin Museum, education for fraud prevention
Suppliers	To build strong partnerships through fair and appropriate transactions	Supplier Study Sessions, trade shows, Duskin Purchasing Clean Line
Employees	Employees support each other, embrace challenges and grow together	Labor-management council, Occupational Health and Safety Committee, hotlines, training programs, employee survey
Global environment	To continue environmentally responsible businesses with goals for business growth	Duskin Green Target 2030 initiative, cooperation for the conservation of the Hakusan National Park ecosystem, abiding by the Ordinance on Global Warming Prevention
Shareholders, investors	To strive for enhancement of corporate governance and continuously improve our corporate value	Integrated Report, Investors' Notes, financial results briefings, company briefings for individual investors, meetings with shareholders and institutional investors