

July 28, 2022

Company name: Duskin Co., Ltd.
Name of representative: Hiroyuki Okubo, Representative Director
President and CEO
(Securities code: 4665; TSE Prime Market)
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Notice Concerning Dissolution of Overseas Subsidiary

Duskin Co., Ltd. (the “Company”) hereby announces that it has resolved, at a meeting of the Board of Directors held on July 28, 2022, to dissolve its consolidated subsidiary Duskin Hong Kong Co., Ltd. (“Duskin Hong Kong”) as described below.

1. Reason for the dissolution

In November 2005, we established Duskin Hong Kong to gain a foothold in the Chinese market, but also to undertake the Company’s investments in further expansion into the Asian region. Subsequently, the Company added to Duskin Hong Kong a trading function and the franchisor function for Mister Donut operations overseas — to the point that today its main business is trading of raw materials and equipment for all Duskin businesses. As we aim to aggressively pursue our overseas strategy set forth in the Medium-Term Management Policy 2022, we have decided that consolidating these main functions of Duskin Hong Kong into the Company will best contribute to the future expansion of Duskin’s overseas operations by improving profitability.

2. Overview of subsidiary to be dissolved

a. Name	Duskin Hong Kong Co., Ltd.	
b. Location	Hong Kong Special Administrative Region of the People's Republic of China	
c. Representative	Kenji Eguchi, Managing Director	
d. Description of business	Trade and franchisor for Mister Donut businesses overseas	
e. Share capital	130 million Hong Kong dollars	
f. Date of establishment	November 22, 2005	
g. Major shareholders and ownership ratios	Duskin Co., Ltd. 100%	
h. Relationship with the Company	Capital relationship	Duskin Hong Kong is a wholly owned subsidiary of the Company.
	Personnel relationship	An employee of the Company serves as Managing Director and its Board Director and other relevant personnel concurrently serve as board members of Duskin Hong Kong.
	Business relationship	Duskin Hong Kong sells products and raw materials procured from overseas to the Company and its affiliates.

	Related party relationship	Duskin Hong Kong is a consolidated subsidiary of the Company.	
i. Operating results and financial positions for the last three years			
As of / Fiscal year ended	December 31, 2019	December 31, 2020	December 31, 2021
Net assets	633 million yen	680 million yen	828 million yen
Total assets	744 million yen	816 million yen	1,003 million yen
Net sales	1,111 million yen	1,250 million yen	1,196 million yen
Operating profit	33 million yen	59 million yen	29 million yen
Ordinary profit	33 million yen	69 million yen	28 million yen
Profit	55 million yen	74 million yen	87 million yen

3. Timetable

July 28, 2022	Dissolution resolved at the Company's Board of Directors meeting
March 2023 (scheduled)	Dissolution to be resolved at the General Meeting of Shareholders of Duskin Hong Kong
December 2024 (scheduled)	Completion of liquidation

Note: The liquidation is scheduled to be concluded upon completion of necessary procedures in accordance with local laws and regulations.

4. Future outlook

This dissolution is not expected to have any significant impact on the Company's consolidated performance; however, should any matter to be disclosed arise, we will promptly make announcements.

For media inquiries on this matter, please contact:

Duskin Co., Ltd.

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