

Annual Financial Report

(April 2010 - March 2011)

Duskin Co., Ltd.

May 27, 2011



These materials contain forward-looking statements concerning forecasts, goals, plans and strategies, and other matters related to the Company, including its consolidated subsidiaries.

These forward-looking statements are based on projections and assumptions made by Duskin Group in light of currently available information. Such statements are subject to the uncertainties inherent in projections and assumptions, and also to unforeseeable changes in future business operations resulting from both internal and external changes, which could cause actual results, performance and achievements to differ materially from those contained in these forward-looking statements.

As stated on page 20 (Additional information) in our Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2011, the Company adopted “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17 issued on March 27, 2009) and “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20 issued on March 21, 2008), effective from the fiscal year that ended in March 2011.

As stated on page 20 (Segment information) in Note 2, adjustments to segment income include “inter-segment elimination” and “corporate cost” and are presented as “corporate and eliminations” in these materials.

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FY 2010 Financial Summary

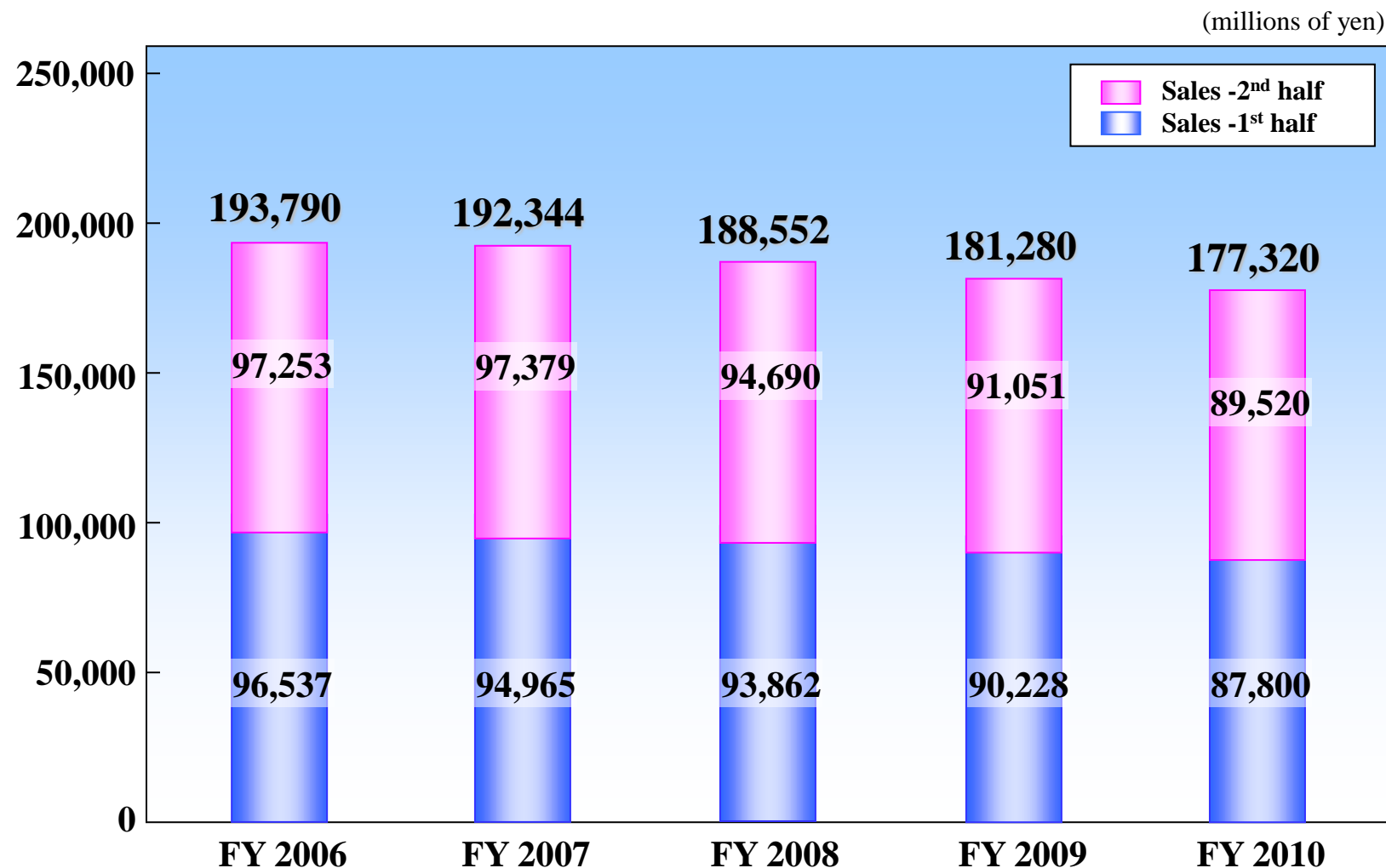


Consolidated Results

(millions of yen)

	FY 2009	FY 2010	Increase/Decrease	
			Amount	%
Sales	181,280	177,320	-3,959	-2.2
Operating Income	12,129	10,937	-1,192	-9.8
Operating Income on Sales (%)	(6.7)	(6.2)	(-0.5)	—
Ordinary Income	13,806	12,613	-1,193	-8.6
Ordinary Income on Sales (%)	(7.6)	(7.1)	(-0.5)	—
Net Income	7,824	5,248	-2,575	-32.9
Net Income on Sales (%)	(4.3)	(3.0)	(-1.4)	—

■ Consolidated Sales



■ Consolidated Sales

During the fiscal year that ended in March 2011, the Company realigned business units into an organization based on markets. With this change, the Company aimed to generate synergies among its businesses. However, sales declined due to increasing consumer cut-backs in discretionary spending.

FY 2010 Consolidated Sales

177,320 million yen 3,959 million yen (2.2%) decrease

【 Change in accounting standard 】

In previous fiscal years, income including system fees and rent for machines and equipment paid by franchisees was presented as non-operating income, and corresponding expenses were presented as non-operating expenses. Beginning with the FY 2010, income related to system fees and for rental of machines and equipment are included in sales, and corresponding expenses are included in cost of sales, and selling, general and administrative expenses.

As a result of this change, sales increased 2,133 million yen. Excluding the impact of this change, sales totaled 175,187 million yen, a 6,092 million yen (3.4%) decrease.

The impact of the Great East Japan Earthquake is estimated at between 400 million and 500 million yen.

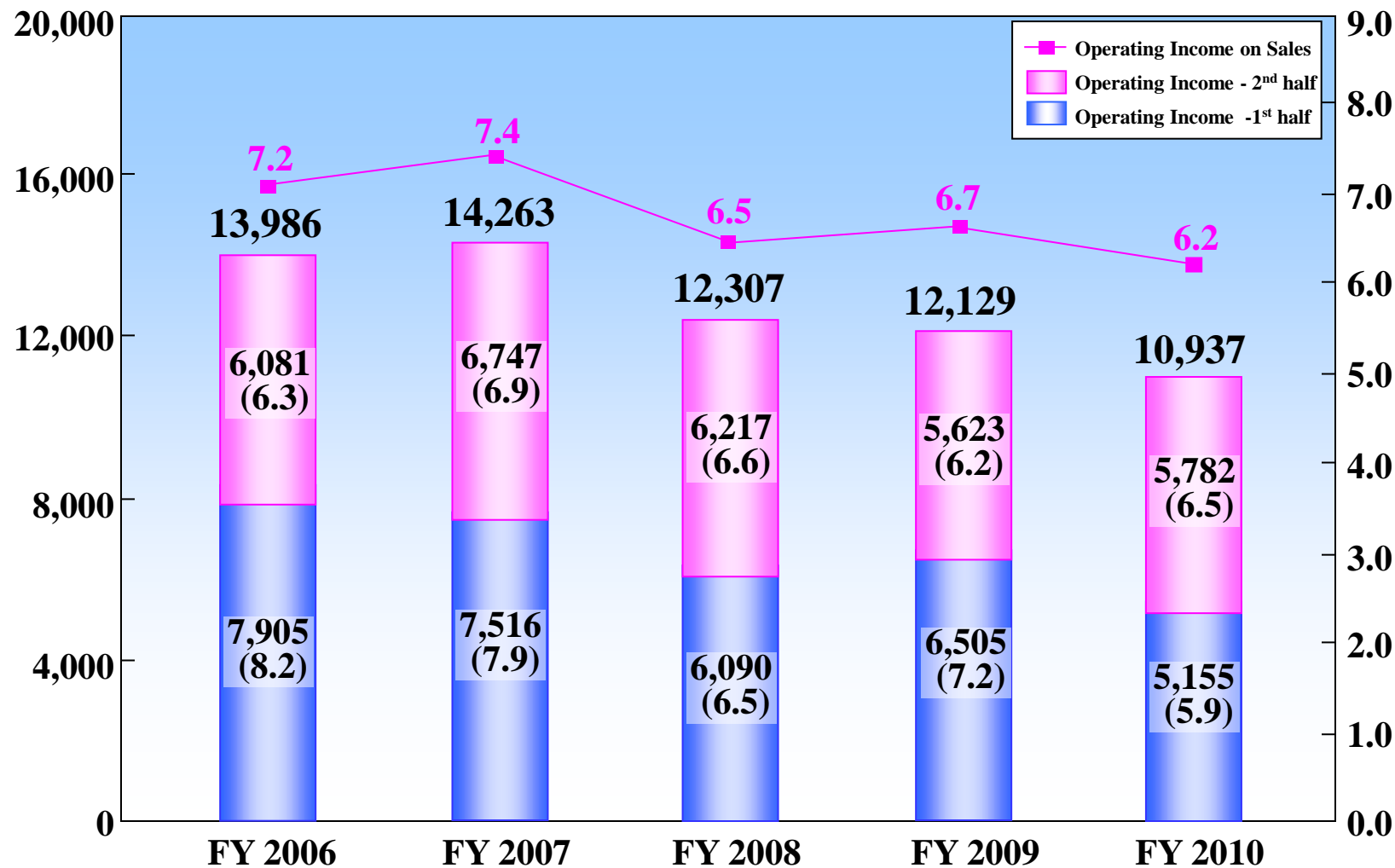
Consolidated sales, excluding the impact of the change in accounting standard

175,187 million yen 6,092 million yen (3.4%) decrease

Consolidated Operating Income

(millions of yen)

(%)



■ Consolidated Operating Income

FY 2010 Consolidated Operating Income

10,937 million yen 1,192 million yen (9.8%) decrease

Major factors

1. Increase in operating income as a result of change in accounting standard: 1,200 million yen
 Impact on operating income: 1,194 million yen
 (Sales: 2,133 million yen, Operating expense: -939 million yen)

Operating income excluding the impact of the change in accounting standard

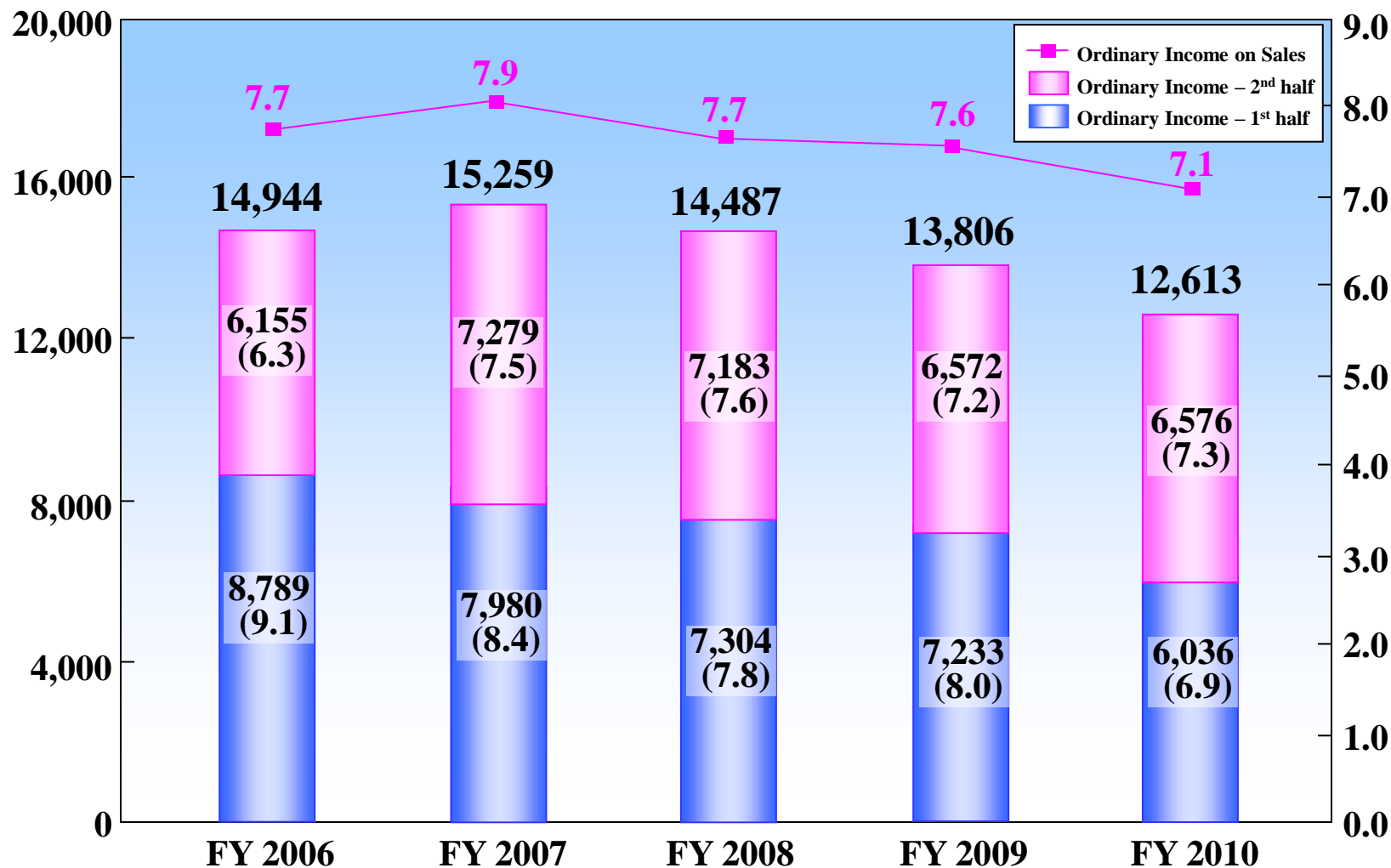
9,743 million yen 2,386 million yen (19.7%) decrease

2. Decrease in operating income due to lower sales: 400 million yen
3. Decrease in gross profit due to higher cost of sales ratio: 1,100 million yen
 Change from the previous year: Cost of sales ratio excluding the impact of the changes in accounting standard: FY 2009: 55.3% ⇒ FY 2010: 55.9% 0.6 point increase
 *Major factors: Up-front expenses for the release of the new product, “Dust Cleaner” and higher prices of crude oil and grain
4. Decrease in operating income due to higher expense ratio: 900 million yen
 Change from the previous year: Selling, general and administrative expense ratio excluding the impact of the changes in the accounting standard:
 FY 2009 38.0% ⇒ FY 2010 38.5% 0.5 point increase
 * Major factor: Expenses related to launch of new Branch/Shop Operations System in the Clean Group

Consolidated Ordinary Income

(millions of yen)

(%)



■ Consolidated Ordinary Income

FY 2010 Consolidated Ordinary Income

12,613 million yen 1,193 million yen (8.6%) decrease

Major factors

1. Decrease in operating income: 1,200 million yen

2. Increase/decrease in non-operating income/loss

2-1. Negative impact on non-operating income as a result of change in accounting standard: 1,200 million yen

- Decrease in rent income on facilities: 1,500 million yen
- Decrease in rent expenses on facilities: 300 million yen

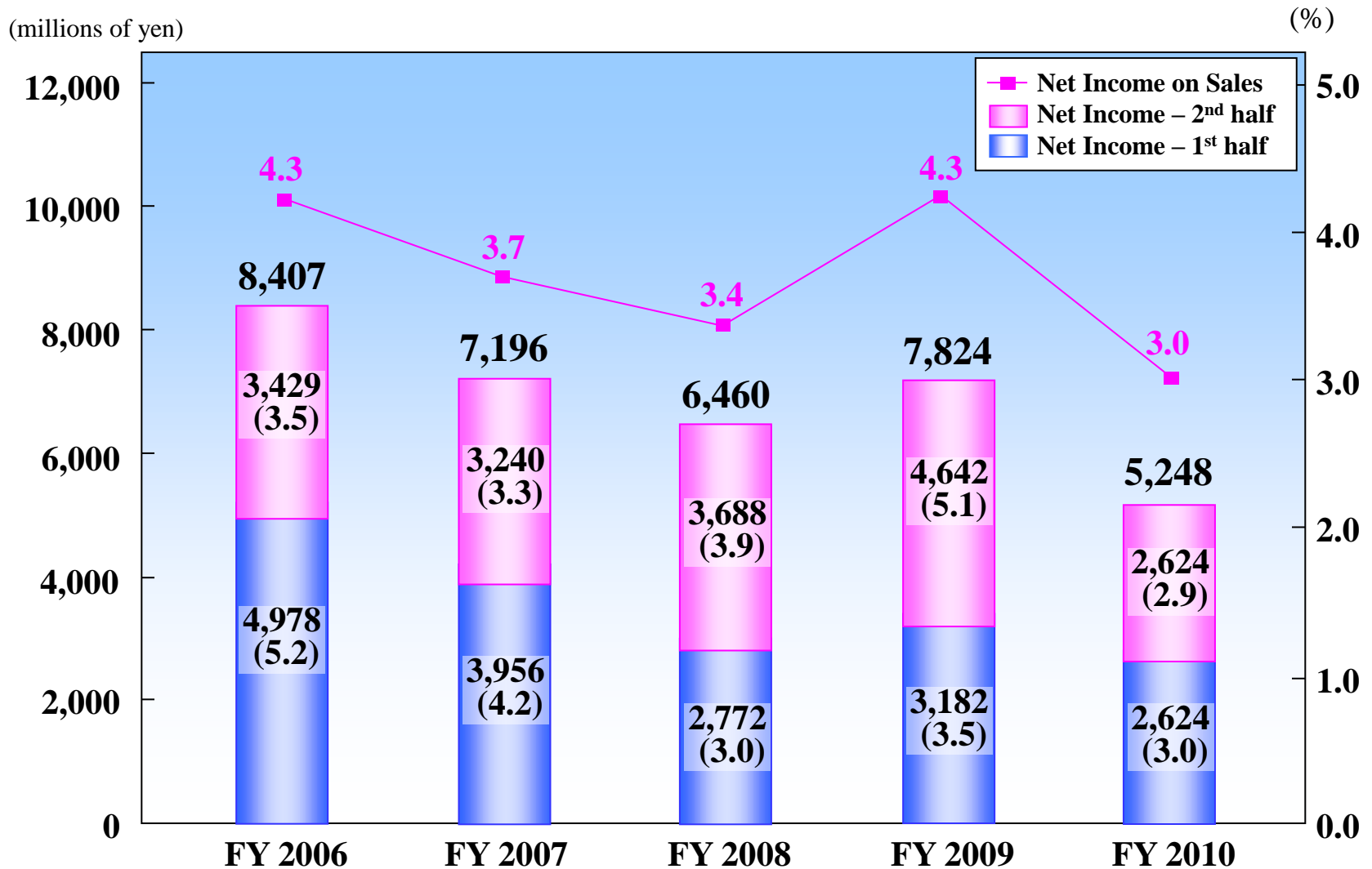
2-2. Positive impact on non-operating income/loss excluding the impact of the change in the accounting standard: 1,200 million yen

- Improvement in equity in income/loss of affiliates: 700 million yen
- Improved net financial income: 100 million yen
- Improvement in other non-operating income/loss: 400 million yen

➤ **Impact of the change in the accounting standard**

No impact at the ordinary income level as the increase in operating income is offset by non-operating income/loss.

Consolidated Net Income



■ Consolidated Net Income

FY 2010 Consolidated Net Income

5,248 million yen

2,575 million yen (32.9 %) decrease

Major factors

1. Decrease in net income before income taxes:	3,800 million yen
▪ Decrease in ordinary income:	1,200 million yen
▪ Negative impact of extraordinary income/loss:	2,600 million yen
Decrease in gains on sale of investment securities:	(600 million yen)
Increase in loss on valuation of investment securities:	(300 million yen)
Loss on disaster due to Great East Japan Earthquake:	(1,100 million yen)
Impact of the adoption of the Accounting Standard for Asset Retirement Obligations:	(500 million yen)
Other special loss:	(100 million yen)
2. Decrease in tax expenses	1,200 million yen
▪ Decrease in income taxes due to decrease in income before income taxes:	1,400 million yen
▪ Increase in minority interests in income/loss:	200 million yen

(millions of yen)

	FY 2009	FY 2010	Increase/ Decrease	Major factors
Current assets	66,453	60,364	-6,089	Decrease in cash and deposits 1,100 Decrease in marketable securities 7,000 Decrease in merchandise and finished goods 700 Increase in money deposited 1,500
Property, plant and equipment/ Intangible assets	59,925	60,168	243	
Investments and other assets	74,509	78,343	3,833	Increase in investment securities 3,100 Increase in deferred tax assets 1,300 Decrease in guarantee deposits 700
Total assets	200,889	198,876	-2,012	—
Current and noncurrent liabilities	52,580	50,311	-2,269	Decrease in loans payable 5,600 Increase in provision for the allowance for disaster losses 700 Increase in accounts payable-other 600 Increase in provision for retirement benefits 1,300 Increase in asset retirement obligations 700
Net assets	148,308	148,565	256	Increase in retained earnings 2,600 Increase in treasury stock 1,500 Increase in valuation difference on available-for-sale securities 800
Total liabilities and net assets	200,889	198,876	-2,012	—
Interest-bearing liabilities	5,987	362	-5,624	Decrease at Duskin 5,500 Decrease at affiliates 100

* Interest-bearing liabilities = long-term loans payable including current portion. (The Company currently does not have any bonds or short-term loans payable.)

Sales and Operating Income by Segment



Results by Segment

(millions of yen)

		FY 2009		FY 2010		Increase/Decrease	
		Operating Income on Sales (%)		Operating Income on Sales (%)		(%)	
Clean Group	Sales	117,940	—	115,661	—	-2,278	-1.9%
	Operating Income	16,363	13.9%	13,619	11.8%	-2,743	-16.8% (-2.1)
Food Group	Sales	52,440	—	51,112	—	-1,328	-2.5%
	Operating Income	4,120	7.9%	4,418	8.6%	298	7.2% (0.8)
Other Businesses	Sales	10,899	—	10,546	—	-352	-3.2%
	Operating Income	628	5.8%	210	2.0%	-417	-66.4% (-3.8)
Elimination and Eliminations	Operating Income	-8,983	—	-7,312	—	1,670	—
Total (Consolidated)	Sales	181,280	—	177,320	—	-3,959	-2.2%
	Operating Income	12,129	6.7%	10,937	6.2%	-1,192	-9.8% (-0.5)

Sales and operating income by segment

* Segment changes were made on April 1, 2010. FY 2009 figures in this table have been reclassified into the new segments.

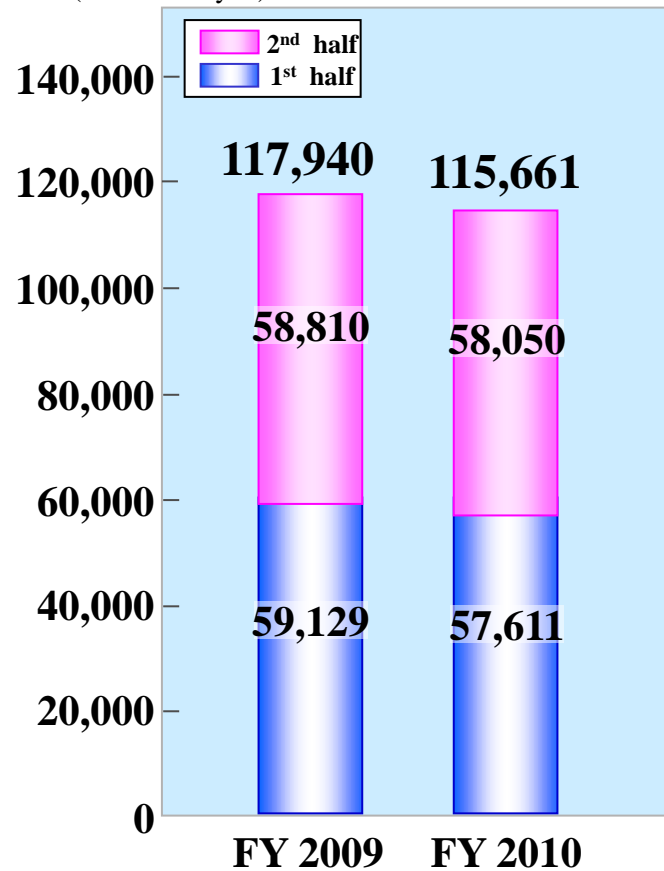
Others are businesses that are not categorized in reportable business segments.

Overseas businesses are included in this Other Businesses category beginning with FY 2010.

Sales

Six months (April – September, October – March)

(millions of yen)

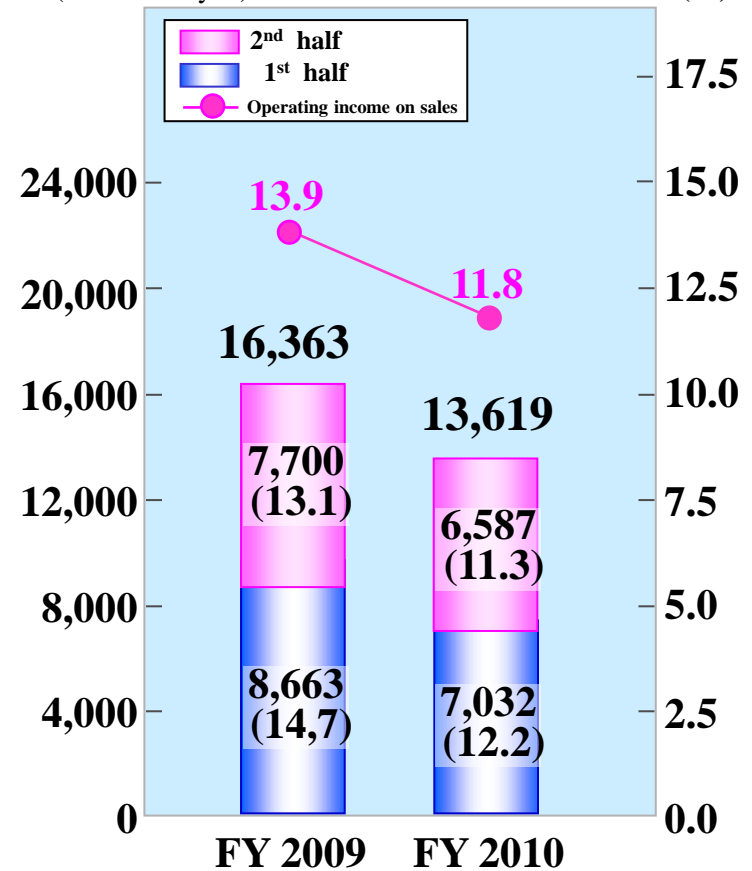


Operating Income

Six months (April – September, October – March)

(millions of yen)

(%)



Clean Group

	(millions of yen)	FY 2009	FY 2010	Change	(%)
Sales on P/L (1)		117,940	115,661	-2,278	-1.9
Increase due to the change in accounting standard (2)		—	876	—	—
Actual P/L adjusted the increase(1)-(2)		117,940	114,785	-3,154	-2.7

- While sales of some products and services were higher in both residential and commercial markets than the previous fiscal year, the economic environment remained challenging.

Residential Market

- A New Cleaning Style was introduced that uses a floor mop and a new product called Dust Cleaner. This new product that removes dust collected by floor mops, makes daily cleaning of floors easier. The roll out of this new product was postponed to the second half of the year, which held sales to 300 million yen.
- Among mops, the core products of this group, Handy Mop “Stylish & Handy shushu” performed well and contributed to slightly higher sales of handy mop products. However, this increase was not sufficient to cover the decline in sales of floor mops and other products, resulting in lower sales than in the previous fiscal year.

Change from previous year: Core residential products (based on product shipments)

Mops down 2%, Water Clean products down 6%

- The air-conditioner cleaning service with revised fees performed well and other services recorded higher sales than in the previous fiscal year.

Change from the previous year: Residential air-conditioner cleaning service (based on customer-level sales)

Unit price: 20% decrease, Number of services provided: 80% increase, Sales: 40% increase

Commercial Market

- Sales of mat products, the core products of this group, and new customer acquisitions remained low.

Change from the previous year (based on product shipments)

Mat products: down 4%, Air Clean products: down 19%

(In the previous fiscal year, SHARP Plasmacluster* Ion Generator contributed to sales.)

*Plasmacluster is a registered trademark of SHARP Corporation.

Clean Group

	(millions of yen)		FY 2009	FY 2010	Change	(%)
Operating income on P/L (1)			16,363	13,619	-2,743	-16.8
Increase due to the change in accounting standard (2)			—	510	—	—
Actual P/L adjusted the increase (1) - (2)			16,363	13,109	-3,254	-19.9

【 Change from previous fiscal year 】

- Increase in operating income as a result of change in accounting standard: 500 million yen
- Decrease in operating income due to lower sales: 500 million yen
- Decrease in gross profit due to changes in cost of sales: 900 million yen
 - Impact of new product, Dust Cleaner
Dust Cleaner sales totaled 300 million yen, but initial product cost (in cost of sales) was 1,000 million yen.
- Decrease in operating income due to higher expense ratio 2,000 million yen
 - Increase in expenses due to introduction of new Branch/Shop Operations 1,000 million yen

Income and expenditures for Network System (hundred millions of yen)

	FY 2009	FY 2010	Change
(1) Fee income	5	5	0
(2) New Branch/Shop Operations System	10	26	16
(3) Former Branch/Shop Operations System	6	3	-4
(4) Information Coordination System	9	6	-3
(5) Total expenses (2)+(3)+(4)	24	34	10
Balance (1) - (5)	-19	-29	10

- Increase in expenses resulting from organizational change (transfer from “Corporate/Eliminations”): 800 million yen
- Operating income of Azare Group, new affiliated companies 100 million yen
 - Azare Group companies became affiliated companies on October 1, 2010 and the operating income of these companies is included in second half consolidated operating income.

■ Future plans

➤ Promote cleaning with Duskin mops as a standard cleaning method

- Enhanced sales activities to promote awareness that “Duskin products work for house dust control”
 - Use demonstrations by sales representatives and the House Dust Control DVD to show potential customers the effectiveness of Duskin mops.
 - Establish a “New Cleaning Style” that uses a floor mop and a Dust Cleaner.

➤ New products

- The “LaLa” compact and stylish floor mop
 - Rental started in April 2011 in western Japan (Kinki, Chugoku-Shikoku, Kyushu areas), and in late August 2011 in other areas in Japan
- The “Deo” Air-Purifier
(Small air-purifier + Plasmacluster Ion Generator function)
 - Nationwide rollout started in February 2011 (except some areas where the product was introduced at the end of 2010)



➤ Create a new market by introducing “Duskin’s professional cleaning” gift cards

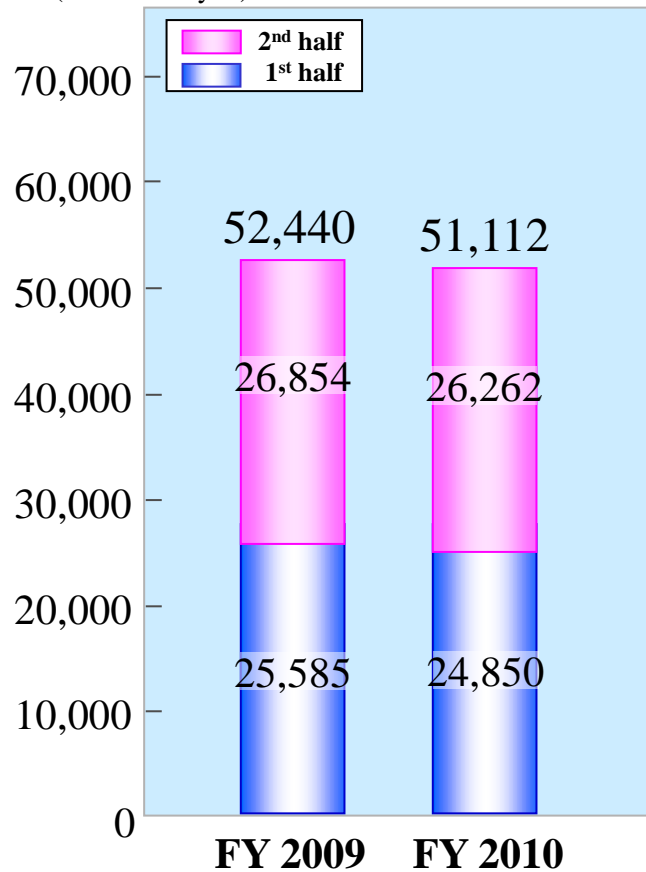
- Started selling gift cards for the House cleaning service of the Care Service in April 2011.
 - Air-conditioner cleaning, bathroom cleaning and other services



Air-conditioner cleaning gift card

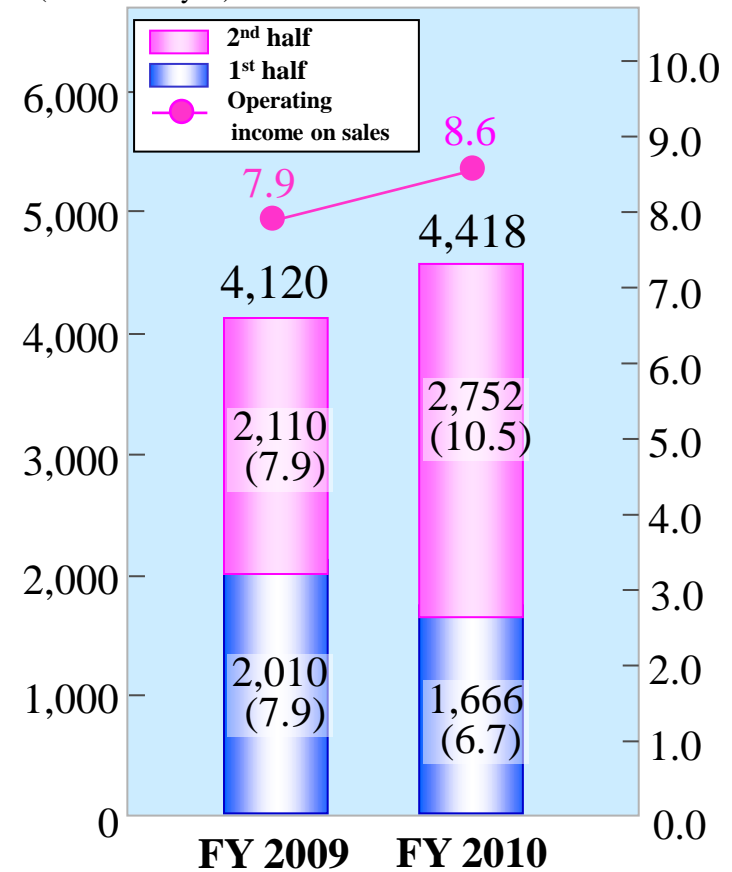
Sales

6 months (April – September, October – March)
(millions of yen)



Operating Income

6 months (April – September, October – March)
(millions of yen) (%)



Food Group

(millions of yen)	FY2009	FY2010	Change	(%)
Sales on P/L (1)	52,440	51,112	-1,328	-2.5
Increase due to the change in accounting standard (2)	—	1,256	—	—
Actual P/L adjusted the increase (1)-(2)	52,440	49,855	-2,584	-4.9

➤ **In spite of the Mister Donut 40th anniversary annual campaign, the sales were down from one year earlier due mainly to the large sales decrease in the first half.**

● 1st half and 2nd half comparison

Mister Donut sales

- 1st half Campaign collaboration with MOS Food Services and 17 donuts improvement were successful in the previous year. However, an exceptional summer heat wave negatively impacted sales.
- 2nd half The popularity of revival products following the successful 40th anniversary event contributed to sales growth over the previous year in the 3rd quarter. However, the sales at company-owned shops remained at the same level as in the previous year as the number of these shops declined.

Compared to the favorable results in the 4th quarter in the previous year as a results of the 40th anniversary campaign, sales in the 4th quarter this year decreased sales due in part to the earthquake.

Mister Donut sales in Japan

Change over the previous year	1 st half -2.7%	2 nd half -1.9%	Fiscal year -2.3%
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● Number of shops in Japan (as of March 31, 2011)

	Mister Donut	“andonand”	MOSDO	“wakka”	Total
FY2009	1,326	5	0	0	1,331
FY2010	1,347	6	1	1	1,355
Change	21	1	1	1	24

Food Group

(million of yen)	FY2009	FY2010	Change	(%)
Sales on P/L (1)	4,120	4,418	298	7.2
Increase due to the change in accounting standard (2)	—	989	—	—
Actual P/L adjusted the increase (1) - (2)	4,120	3,429	-690	-16.8

【Comparison with previous year】

- Greater effect on operating income due to the change in accounting standard: 1,000 million yen
- Decrease in operating income due to lower sales 200 million yen
- Decrease in gross profit due to change in cost of sales ratio: 400 million yen
 - Higher cost of sales ratio caused by higher raw material prices including oils.
 - Fats and oils 200 million yen
 - Mix of flour, sugar, etc. 100 million yen
 - Higher cost of sales ratio due to price increase of other materials.
- Decrease in operating income due to higher cost 100 million yen
 - Increased cost due to higher sales promotion expenses.
 - Mister Donut 40th anniversary campaign expenses

Future plans of Mister Donut

➤ Develop a new product category; baked donuts

Nationwide sales of “baked donuts” started on May 25, 2011

- Non-fried colorful baked donut
- Appeal to a new customer base
Women in their 20’s and 30’s, and middle-aged consumers.

➤ Increase product line for summer to attract customers.

- Develop summer-only items including donuts, beverages, and Yum Cha.

➤ Shop development & shop strategy

Develop a small shop design for urban sites and new locations and a low investment shop that does not have a kitchen.

- Open more shops to drive growth
Railway stations, office buildings, expressway rest areas
- Open more shops to increase brand awareness
Airports, department store basement food floors

First “wakka” shop that sells steamed donuts opened in Shinsaibashi, Osaka in February 2011.

Specialty shop that features steamed donuts that use Japanese ingredients and are based on traditional Japanese sweets.

New Donuts Story of mister Donut
もうひとつの ミスタードーナツ



Other Businesses

* Oversea businesses are included in Other Businesses

(million of yen)	FY2009	FY2010	Change	(%)
Sales on P/L	10,899	10,546	-352	-3.2
(million of yen)	FY2009	FY2010	Change	(%)
Operating income on P/L (1)	628	210	-417	-66.4
Decrease due to the change in accounting standard (2)	—	305	—	—
Actual P/L adjusted the decrease (1)+(2)	628	516	-111	-17.8

➤ Businesses remained slow in Japan due to the strong commitment of companies to cost cutting.

▪ Hospital management service

The number of facilities we provide services to increased. However, the average invoice decreased due to cancellations of key accounts.

▪ Lease business

Sales decreased as more customers renewed leases upon completion of the original lease.

➤ Overseas businesses of consolidated subsidiaries recorded increased sales and smaller losses.

Corporate/Eliminations

(million of yen)	FY2009	FY2010	Change	(%)
Operating income on P/L	-8,983	-7,312	1,670	18.6

- Expense related to the organizational change, made in April 2010, decreased.
(The cost was passed on to Clean Group)
- Lower inter-segment eliminations
- Lower expenses at the head office

Overseas Businesses

* Overseas businesses are included in Other Business.

➤ Sales of overseas businesses

Sales in overseas markets

	Country or region	FY 2008	FY 2009	FY 2010
Dust Control Business	Taiwan (in thousands of New Taiwan Dollars)	495,194	514,716	531,132
	Shanghai (in thousands of Chinese yuan)	5,606	8,070	11,242
Mister Donut Business	Taiwan (in thousands of New Taiwan Dollars)	857,291	756,567	780,926
	Shanghai (in thousands of Chinese yuan)	17,461	17,267	23,945
	South Korea (in thousands of won)	9,246,447	17,839,592	25,325,708
	Thailand (in thousands of baht)	1,115,998	1,191,269	1,362,902
	Philippines (in thousands of pesos)	1,834,107	1,646,481	1,720,028

➤ Number of Mister Donut shops in overseas markets

The number is steadily increasing in three markets.

	March 2010	March 2011	Increase
Total in Shanghai, Taiwan, South Korea	98	137	39

➤ Shop development in other countries

Dust Control Business

South Korea

Business will start in this fiscal year.

Mister Donut Business

Malaysia

Business will start in this fiscal year.

Indonesia

Conducting market research and selecting a partner to start business operations in the next fiscal year.

FY2010

Forecasts and Actual Results



(millions of yen)

Consolidated Results

	Sales	Operating Income	Ordinary income	Net income
Forecasts revised on Jan. 27	178,000	10,500	11,800	5,300
Actual	177,320	10,937	12,613	5,248
Difference (%)	-679(-0.4)	437(4.2)	813(6.9)	-51(-1.0)

■ Sales

Impact of Great East Japan Earthquake

500 million yen decrease

Others

200 million yen decrease

■ Operating income

Factors for decrease

Higher expenditures due to shortage caused by disaster (mops and mats)

200 million yen increase

Shortage of Dust Cleaner

300 million yen decrease

Factors for increase

Cost reduction at head office

800 million yen decrease

System costs recorded as assets rather than expenses

100 million yen decrease

■ Ordinary income

Unexpectedly large non-operating income

400 million yen increase

■ Net income

Loss on disaster

1,100 million yen decrease

FY 2011 Forecasts



Consolidated

(millions of yen)

	Sales	Operating Income	Ordinary Income	Net Income
FY2009 Actual	181,280	12,129	13,806	7,824
FY2010 Actual	177,320	10,937	12,613	5,248
FY2011 Forecasts	179,200	8,900	10,800	6,200
Increase/Decrease	1,879	-2,037	-1,813	951
Increase/Decrease(%)	1.1	-18.6	-14.4	18.1

Non-consolidated

(millions of yen)

	Sales	Operating Income	Ordinary Income	Net Income
FY2009 Actual	158,966	9,742	13,770	7,592
FY2010 Actual	155,150	8,256	10,826	4,615
FY2011 Forecasts	157,500	6,800	9,800	5,600
Increase/Decrease	2,349	-1,456	-1,026	984
Increase/Decrease(%)	1.5	-17.6	-9.5	21.3

Consolidated Half-year Comparison

(millions of yen)

		Sales	Operating Income (%)		Ordinary Income	Net Income
First half	FY2010 Actual	87,800	5,155	5.9	6,036	2,624
	FY2011 Forecasts	88,900	2,900	3.3	3,900	2,200
	Increase/Decrease	1,099	-2,255	-2.6	-2,136	-424
	Increase/Decrease (%)	1.3	-43.7	—	-35.4	-16.2
Second half	FY2010 Actual	89,520	5,782	6.5	6,576	2,624
	FY2011 Forecasts	90,300	6,000	6.6	6,900	4,000
	Increase/Decrease	779	217	0.2	323	1,375
	Increase/Decrease (%)	0.9	3.8	—	4.9	52.4
Fiscal year	FY2010 Actual	177,320	10,937	6.2	12,613	5,248
	FY2011 Forecasts	179,200	8,900	5.0	10,800	6,200
	Increase/Decrease	1,879	-2,037	-1.2	-1,813	951
	Increase/Decrease (%)	1.1	-18.6	—	-14.4	18.1

Changes by Segment

(millions of yen)

		FY2009		FY2010		FY2011		Increase/Decrease	
		Operating Income on Sales (%)		Operating Income on Sales (%)		Operating Income on Sales (%)		%	
Clean Group	Sales	117,940	—	115,661	—	115,200	—	-461	-0.4%
	Operating Income	16,363	13.9%	13,619	11.8%	13,000	11.3%	-619	-4.6% (-0.5)
Food Group	Sales	52,440	—	51,112	—	53,400	—	2,287	4.5%
	Operating Income	4,120	7.9%	4,418	8.6%	3,300	6.2%	-1,118	-25.3% (-2.5)
Other Businesses	Sales	10,899	—	10,546	—	10,600	—	53	0.5%
	Operating Income	628	5.8%	210	2.0%	200	1.9%	-10	-5.2% (-0.1)
Elimination/All	Operating Income	-8,983	—	-7,312	—	-7,600	—	-287	—
Total: consolidated	Sales	181,280	—	177,320	—	179,200	—	1,879	1.1%
	Operating Income	12,129	6.7%	10,937	6.2%	8,900	5.0%	-2,037	-18.6% (-1.2)

Clean Group

(millions of yen)	FY2010	FY2011	Increase/Decrease	(%)
Sales	115,661	115,200	-461	-0.4
Operating income	13,619	13,000	-619	-4.6
Operating income on sales	11.8%	11.3%	—	-0.5

Sales

Higher sales of the new “LaLa” stylish floor mop and other new products	2,500 million yen increase
Higher sales in the Rent-All Division and others (other than dust control)	1,400 million yen increase
Azare Group sales (included only in second half of FY 2010)	1,000 million yen increase
Sales of “Gift cards for professional cleaning” in the Care Business Group	300 million yen increase
Change in Clean Group Serve system for individual business owners	2,500 million yen decrease
Impact of the Great East Japan Earthquake on sales	3,300 million yen decrease

Operating income

Higher sales of the new “LaLa” stylish floor mop and other new products	500 million yen increase
Higher sales in the Rent-All Division and others (other than dust control)	400 million yen increase
Lower expenses for adoption of new system	600 million yen decrease
Change in cost of existing products (including higher investment for quality improvement))	100 million yen decrease
Higher cost of crude oil	200 million yen increase
Increase in depreciation expenses	200 million yen increase
Sales promotion expenses for new products	400 million yen increase
Sales promotion expenses for housekeeping service	200 million yen increase
Impact of the Great East Japan Earthquake on operating income	1,200 million yen decrease

Food Group

(millions of yen)	FY2010	FY2011	Increase/Decrease	(%)
Sales	51,112	53,400	2,287	4.5
Operating income	4,418	3,300	-1,118	-25.3
Operating income on sales	8.6%	6.2%	—	-2.5

Sales

Contribution from nationwide sales of baked donuts

4,300 million yen increase

Impact of the Great East Japan Earthquake on sales

2,000 million yen decrease

Operating Income

Contribution from nationwide sales of baked donuts

400 million yen increase

Higher cost of raw materials

800 million yen increase

Increases in other expenses (depreciation, etc.)

400 million yen increase

Impact of the Great East Japan Earthquake on operating income

300 million yen decrease

Other Businesses

(millions of yen)	FY2010	FY2011	Increase/Decrease	(%)
Sales	10,546	10,600	53	0.5
Operating income	210	200	-10	-5.2
Operating income on sales	2.0%	1.9%	—	-0.1

■ Sales and income in Other Businesses are expected to be the same as in FY 2010.

Dividends



Dividends

The company plans to pay a year-end dividend of 40 yen per share for the 2010 fiscal year, the same as for the previous fiscal year, in accordance with the dividend policy.

The company also plans to pay 40 yen per share year-end dividend for the current fiscal year.

	FY2008 Actual	FY2009 Actual	FY2010 Forecasts	FY2011 Forecasts
Annual dividends per share (yen)	40	40	40	40
Ordinary dividends (millions of yen)	2,673	2,649	2,612	2,575
Consolidated pay out ratio	41.6	34.1	50.4	41.5

* Consolidated dividend payout ratio is calculated based on earning and dividends per share.

Reference



Duskin

(millions of yen)

	FY 2009	FY 2010	Increase/Decrease	
			Amount	%
Sales	158,966	155,150	-3,815	-2.4
Operating Income	9,742	8,256	-1,486	-15.3
Operating Income on Sales(%)	(6.1)	(5.3)	(-0.8)	—
Ordinary Income	13,770	10,826	-2,943	-21.4
Ordinary Income on Sales(%)	(8.7)	(7.0)	(-1.7)	—
Net Income	7,592	4,615	-2,977	-39.2
Net Income on Sales(%)	(4.8)	(3.0)	(-1.8)	—

Business Summary by New Segment

Year ended March 31, 2011:

Consolidated sales: 177,300 million yen

Consolidated operating income: 10,900 million yen

(millions of yen)

Clean Group

Sales	115,700
Operating Income	13,600

* Sales associated from:

- 1) Sales of merchandise, rental products and equipment & chemicals to franchisees.
- 2) Royalty fee (Dust control does not collect a royalty fee)
- 3) Sales of company-operated shops

Home Service

Business Service

Dust Control Service

Offering products such as dust control mops and mats, range filters, water purifiers, air purifiers, and rest-room use items to help make houses and workplaces more pleasant.

Care Service

Providing house cleaning, house-keeping, pest control, and tree, shrub and lawn care services.

Health & Beauty

Cosmetics & Health food

Home Instead

Senior care service

Rent All

Daily goods & nursing care goods

Uniform Service

Rental & Cleaning

Drink Service

Coffee & water

Food Group

Sales	51,100
Operating Income	4,400

* Sales associated from:

- 1) Sales of raw materials to franchisees
- 2) Royalty fee
- 3) Sales at company shops

Mister Donut

Hand-made fresh donuts (including “andonand” & “wakka”)

Food Chain

Café Du Monde, pork cutlet restaurant chain, “Katsu & Katsu” and other restaurants

Don Co., Ltd.

A variety of donburi with fresh seafood and seasonal ingredients.

Others

Sales	10,500
Operating Income	200

* Sales associated from:

- 1) Sales at company shops
- 2) Royalty fee
- 3) Sales of raw materials to franchisees

Duskin Healthcare Co., Ltd

Services for medical facilities

Duskin Kyoeki Co., Ltd.

Leasing business

Duskin Insurance Service Co., Ltd.

Overseas businesses, others

Dust control and Mister Donut businesses overseas, Duskin Hong Kong.

* This chart depicts the business activities as of April 1, 2011.

Franchise Businesses

* As of April 1, 2011

Clean Group

Home Service

- Rent mops and mats through periodic visits
 - Dust Control Mops and Mats
 - Air Clean Air-purifiers
 - Water Clean Water-purifiers
- Care Services
 - ServiceMaster Professional cleaning
 - Merry Maids House cleaning
 - Terminix Pest control and prevention
 - TruGreen Tree & lawn care

Business Service

- Rent mops and mats through periodic visits
 - Dust Control Mops and Mats
 - Clean Service Bathroom goods and towels
 - Air Clean Air-purifiers
 - Water Clean Water-purifiers
 - Wipeful Service Wiper cloth
- Care Services
 - ServiceMaster Professional cleaning
 - Terminix Pest control and prevention
- Health & Beauty ... Cosmetics & health food
- Home Instead Senior care service
- Rent-All Rent goods for events and nursing care products
- Uniform Service Rental & cleaning
- Drink Service Coffee & water

Food Group

- Mister Donut Mister Donut
"andonand" & "wakka"
- Food Chain
 - Café Du Monde Café au Lait & Beignet
 - Katsu & Katsu Pork cutlet
 - Stick Sweets Factory .. Stick cake
- The Don Seafood

Others

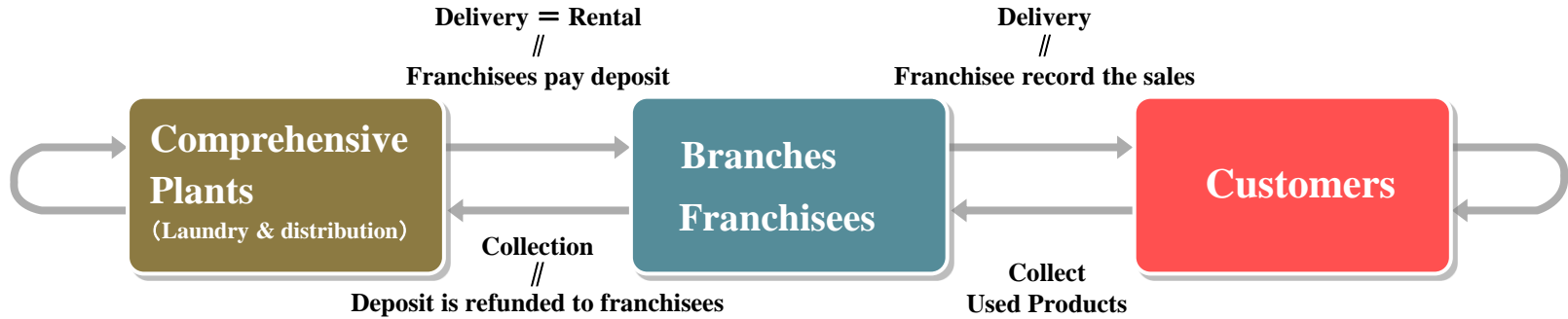
- Services offered to Duskin group
 - Duskin Kyoeki Leasing business
 - Duskin Insurance Insurance services
- Duskin Healthcare Hospital cleaning
- Overseas Businesses
 - Dust control and Mister Donut businesses in overseas, Duskin Hong Kong etc.

Customer-level sales by segments

(millions of yen)

	FY2009	FY2010	Increase/Decrease	%
Clean Group	283,015	279,314	-3,700	-1.3%
Home Service Dust Control (Japan)	111,551	108,477	-3,074	-2.8%
Business Service Dust Control (Japan)	108,614	103,604	-5,010	-4.6%
Care Services	40,935	41,987	1,052	2.6%
(ServiceMaster)	(24,376)	(24,860)	(483)	(2.0%)
(Merry Maids)	(8,011)	(8,382)	(370)	(4.6%)
(Terminix)	(6,891)	(6,974)	(82)	(1.2%)
(TruGreen)	(1,655)	(1,770)	(115)	(7.0%)
Health & Beauty	2,654	2,882	227	8.6%
Azare Products	-	2,312	2,312	- %
Home Instead	2,241	2,235	-6	-0.3%
Rent-All	12,629	13,596	967	7.7%
Uniform Service	3,373	3,022	-350	-10.4%
Drink Service	1,014	1,195	180	17.8%
Food Group	128,240	125,061	-3,179	-2.5%
Mister Donut	122,673	119,890	-2,783	-2.3%
Food Chain	2,601	2,745	144	5.6%
The Don	2,965	2,425	-540	-18.2%
Others	19,529	19,945	415	2.1 %
Dust Control (Overseas)	1,454	1,642	187	12.9%
Mister Donut (Overseas)	10,770	11,493	722	6.7%
Duskin Healthcare	7,281	6,809	-471	-6.5%
Others	22	-	-22	- %
Total	430,785	424,322	-6,463	-1.5%

Rental of mops and mats: Based on the concept of fully recycling products through repeated use until the end of their useable life



Company owned & Subsidiary plants:	14
Franchised plants:	33
Total plants	47

Company owned & Subsidiary units:	78
Franchised units:	2,100*
Operation units:	2,200*

Sales Representatives:	75,000*
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Residential Customers:	5.5million*
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Commercial Customers:	1.3million*
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*Approximately

Strength 1: Nationwide production, logistics and distribution system

- Competition is minimal in this business field since it requires a large investment to establish a laundry plant system and to purchase materials for rental products. Also this business requires time and money to create a nationwide sales organization.

Strength 2: Strong customer-base

- A large customer base that facilitates face-to-face sales activities and includes extensive relationships with loyal residential customers.