Financial Report

For the First Six-month Period
of the Fiscal Year Ending March 31, 2011

Duskin Co., Ltd.

November 18, 2010

Cautionary Statement Concerning Forward-Looking Statements

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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 described in page 11 of the Summary of Consolidated Financial Results for the First Half of the Fiscal Year Ending March 31, 2011, effective from the first quarter of current fiscal year, the Company adopted "Accounting Standard for Disclosure of Segment of an Enterprise and Related Information" (ASBJ statement No. 17, March 27, 2009) and "Guidance on Accounting Standards for Disclosures about Segment of an Enterprise and Related information." (ASBJ Guidance No. 20, March 21, 2008)

As described in Note 2 of page 9 of the above document, the segment income adjustments include elimination for inter-segment sales and transfers, and corporate expenses and is indicated as "Elimination/Others" in this document.

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Financial Summary

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Financial Summary

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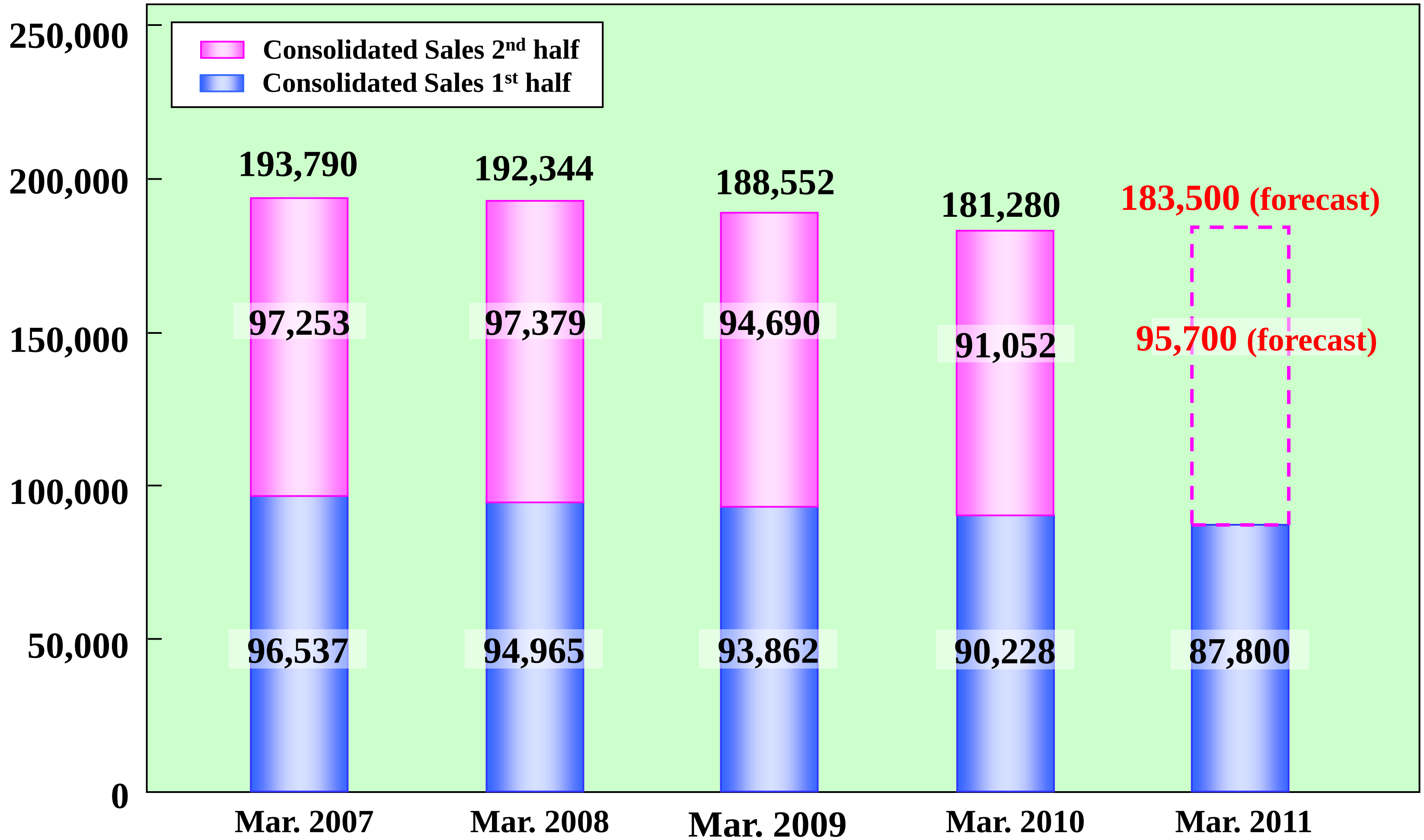
Consolidated Results

(in millions of yen)

	Six months Ended Sep. 30, 2009	Six months Ended Sep. 30, 2010	Increase/Decrease Amount	Increase/Decrease (%)	Reference FY2009 ended Mar. 31, 2010
Sales	90,228	87,800	-2,428	-2.7	181,280
Operating Income	6,505	5,155	-1,350	-20.8	12,129
Operating Income Margin	7.2%	5.9%	-1.3%	—	6.7%
Ordinary Income	7,233	6,036	-1,197	-16.6	13,806
Ordinary Income on Sales	8.0%	6.9%	-1.1%	—	7.6%
Net Income	3,182	2,624	-558	-17.5	7,824
Net Income on Sales	3.5%	3.0%	-0.5%	—	4.3%

■ Consolidated Sales

(in millions of yen)



Consolidated Sales Summary (2)

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Remarks on Consolidated Sales

As our customers have become more aware of the need to protect their livelihood and economize more, circumstances surrounding our business have continued to be extremely severe, and both Clean Group and Food Group recorded a decrease in sales.

Consolidated Sales

87,800 million yen

2,428 million yen decrease (2.7%) from the same period in the previous year

Change in Accounting Standards

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 rent expenses, non-operating expenses. Beginning with the current fiscal year, income related to system fees and for rental of machines and equipment is included in sales, and corresponding expenses are included in cost of sales, and selling, general and administrative expenses.

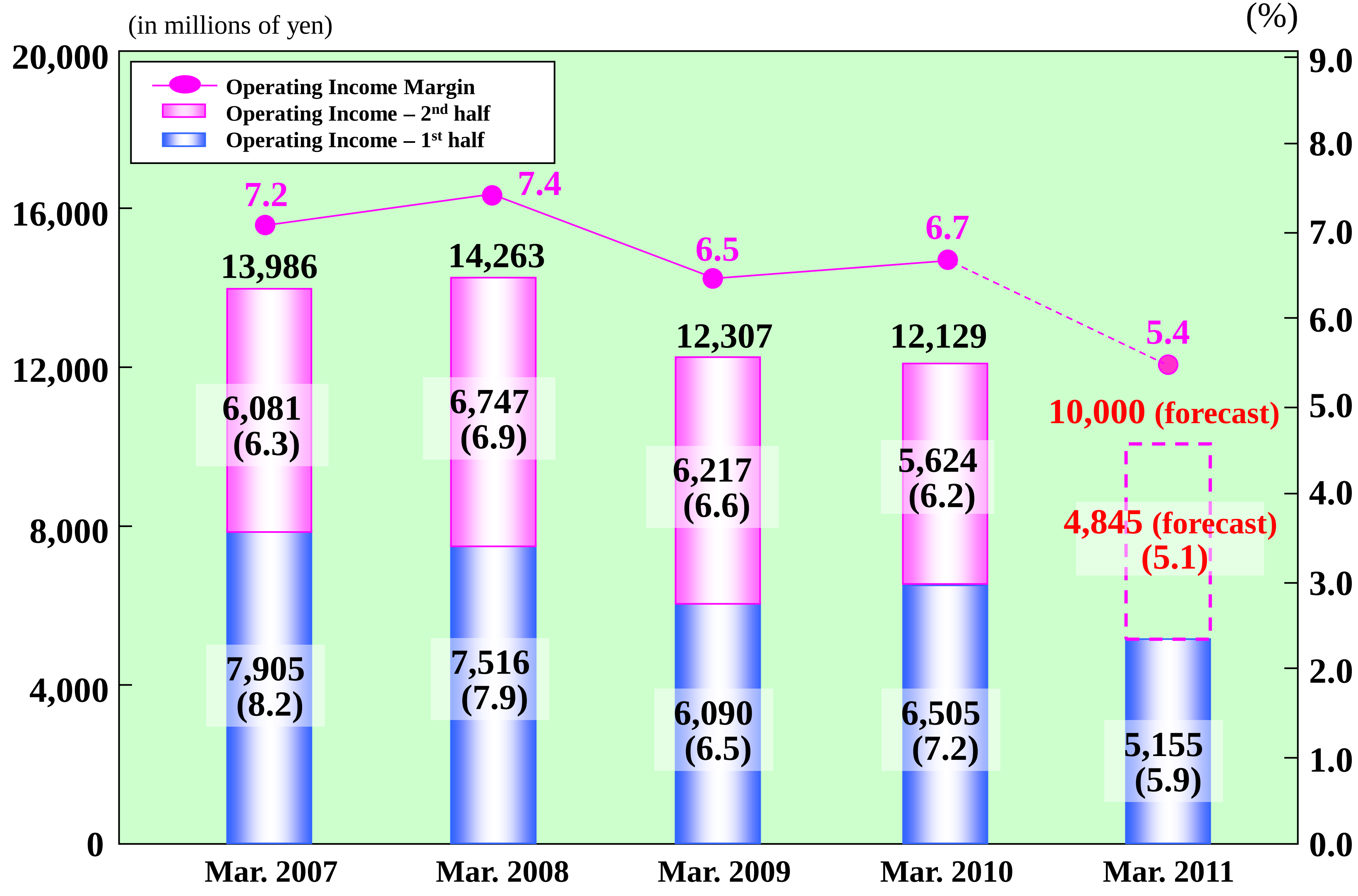
Compared with the previous accounting method, these changes resulted in increases of 1,056million yen in sales, If we excluded the effect of this change, the sales would amount to 86,744 million yen, a decrease of 3,484 million yen (3.9%) from the same period in the previous year.

Consolidated sales excluding the effect of the change in accounting standards

86,744 million yen

3,484 million yen decrease (3.9%) from the same period in the previous year

Consolidated Operating Income



Consolidated Operating Income Summary (2)

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■ Remarks on Consolidated Operating Income

Consolidated Operating Income
5,155 million yen
1,350 million decrease (20.8%) from the same period in the previous year

Major factors contributing to increase and decrease

The increased effect on operating income due to the change in accounting standards: **600 million yen**

Operating Income excluding the effect of the change in accounting standards:
4,572 million yen
1,933 million decrease (29.7%) from the same period in the previous year

1. The decreased effect on operating income resulting from the decreased sales: 200 million yen

Gross profit decreased as sales decreased, and the effect on operating income was approximately 200 million yen.

2. The decreased effect on operating income resulting from the increased cost rate: 300 million yen

Cost rate excluding the effect of the change in accounting standards as compared to that of the same period in the previous year
First half of FY 2009: 54.8% ⇒ First half of FY 2010: 55.1% (increased by 0.3%)

3. The decreased effect on operating income resulting from the increased expense rate: 1,400 million yen

Selling expense ratio excluding the effect of the change in accounting standards as compared to that of the same period in the previous year
First half of FY 2009: 38.0% ⇒ First half of FY 2010: 39.6% (increased by 1.6%)
***Most of the incurred expenses were related to the new Branch/Shop Operation System introduced by Clean Group.**

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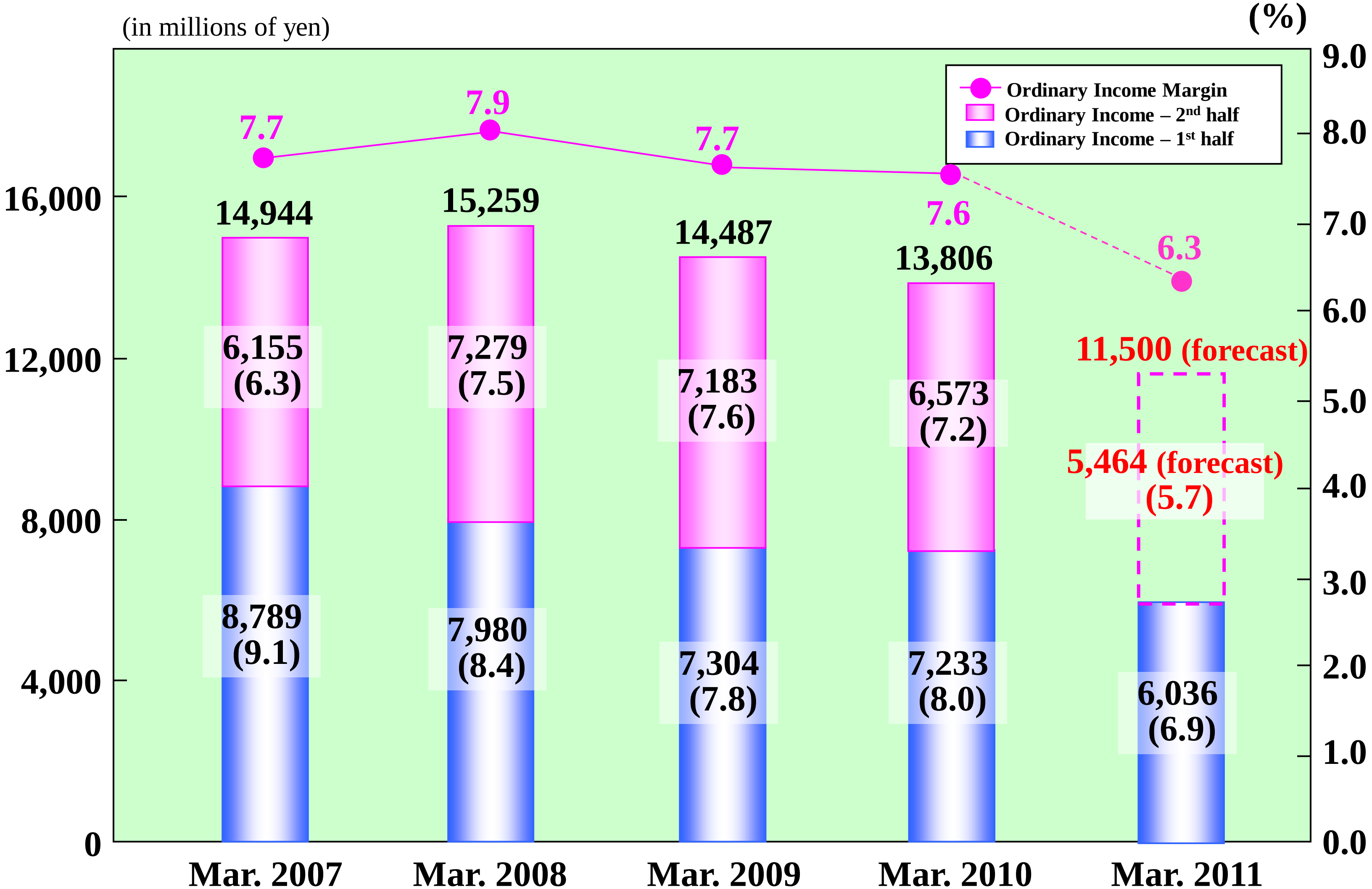
Consolidated Ordinary Income



■ Remarks on Consolidated Ordinary Income

Consolidated Ordinary Income

¥6,036 million yen

1,197 million yen decrease (16.6%) from the same period in the previous year

Major factors contributing to increase and decrease

1. **Decrease in operating income: 1,400 million yen**

2. **The decreased effect on non-operating profit and loss due to the change in accounting standards: 600 million yen**

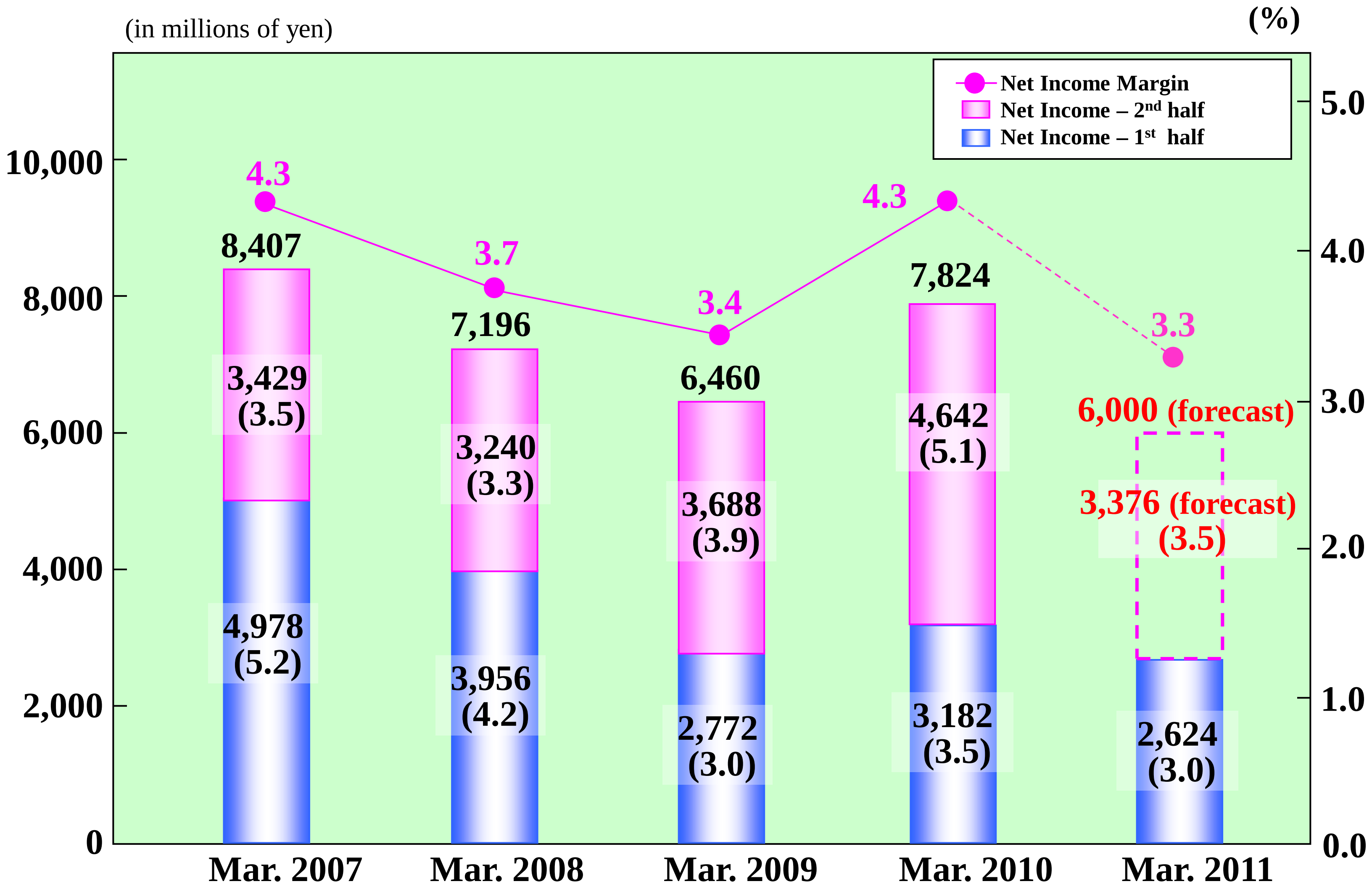
    - **Decrease in rent income on facilities: 800 million yen**
    - **Decrease in rent expenses on facilities: 200 million yen**

***The change in accounting standards had no effect on ordinary income.**

3. **Improved non-operating profit and loss excluding the effect of the change in accounting standards: 800 million yen**

    - **Improved equity in profits and losses of affiliates: 500 million yen**
    - **Improved financial income and expenditure: 100 million yen**
    - **Others: 200 million yen**

Consolidated Net Income Summary



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■ Remarks on Consolidated Net Income

Consolidated Net Income

2,624 million yen

558 million decrease (17.5%) from the same period in the previous year

Major factors contributing to increase and decrease

1. Decrease in net income before tax: 1,700 million yen

- Decrease in ordinary income: 1,200 million yen
- Decline in extraordinary loss and income: 500 million yen

  Increased loss in valuation of investment securities
  Effect of advanced application of asset retirement obligations
  Decreased loss on retirement of fixed assets
  Others

2. Decrease in tax expenses: 1,200 million yen

- Decrease in income tax due to the decreased income before tax: 700 million yen
- Decrease in taxes due to the decrease in taxable equity in losses of affiliates: 200 million yen
- Decrease in taxes due to the loss in valuation of marketable securities during the first half: 200 million yen

Consolidated Balance Sheet

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(in millions of yen)

	Fiscal Year ended Mar. 31, 2010	Six-months ended Sep. 30, 2010	Change	Factors for increase/decrease
Current asset	66,453	66,253	-200	Decrease in cash and deposits 4,600 million yen Increase of marketable securities 4,000 million yen
Property, plant and equipment	53,170	52,979	- 190	–
Intangible fixed assets	6,754	6,361	- 393	–
Investments and other assets	74,509	73,147	- 1,362	Decrease in investment securities 1,400 million yen Decrease in guarantee deposit 400 million yen
Total assets	200,889	198,742	- 2,147	–
Current liabilities	41,228	38,354	- 2,874	Decrease in accounts payable-trade 400 million yen Decrease in accrued income tax 400 million yen Decrease in accounts payable 1,000 million yen
Non-current liabilities	11,352	12,155	803	Increase in reserve for retirement benefits 500 million yen Increase in asset retirement obligations 400 million yen
Net assets	148,308	148,232	- 76	Dividend of retained earnings 2,600 million yen Net income in first half of FY2010 2,600 million yen
Liabilities and Net assets	200,889	198,742	- 2,147	–

* Current liabilities increased 300 million yen, making total asset retirement obligations 700 million yen.

Debt with interests	5,986	5,924	- 62	–

Debt with interest = Short-term loans, including current portion of long-term loan payable (no corporate bonds or short-term loans)

Sales & Operating Income by Business Segment

Highlights by Business Segment

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(in millions of yen)

		Fiscal Year ended Mar. 31, 2010	Operating Income on Sales(%)	Six months ended Sep. 30, 2009	Operating Income on Sales(%)	Six months ended Sep. 30, 2010	Operating Income on Sales(%)	Change	increase/decrease(%)
Clean Group	Sales	117,940	—	59,129	—	57,611	—	-1, 518	-2.6
	Operating income	16,363	13.9	8,663	14.7	7,032	12.2	-1,630	-18.8 (-2.4)
Food Group	Sales	52,440	—	25,585	—	24,850	—	-735	-2.9
	Operating income	4,120	7.9	2,010	7.9	1,666	6.7	-343	-17.1 (-1.2)
Others	Sales	10,899	—	5,512	—	5,338	—	-174	-3.2
	Operating income	628	5.8	298	5.4	40	0.8	-257	-86.5 (-4.7)
Elimination/ Others	Operating income	-8,983	—	-4,466	—	-3,584	—	882	—
Total	Sales	181,280	—	90,228	—	87,800	—	-2,428	-2.7
	Operating income	12,129	6.7	6,505	7.2	5,155	5.9	-1,350	-20.8 (-1.3)

Clean Group (Sales, Operating Income)

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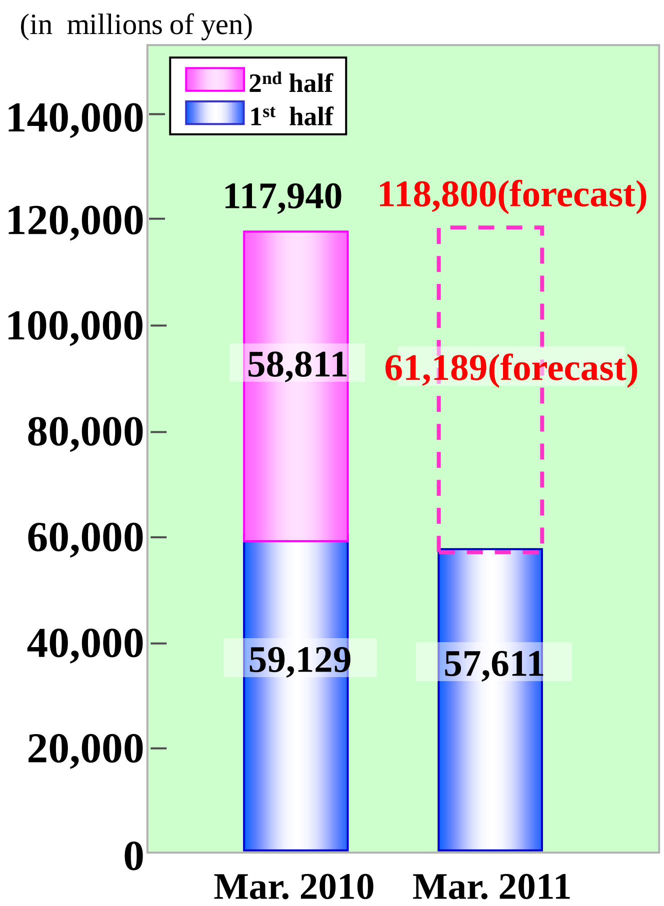
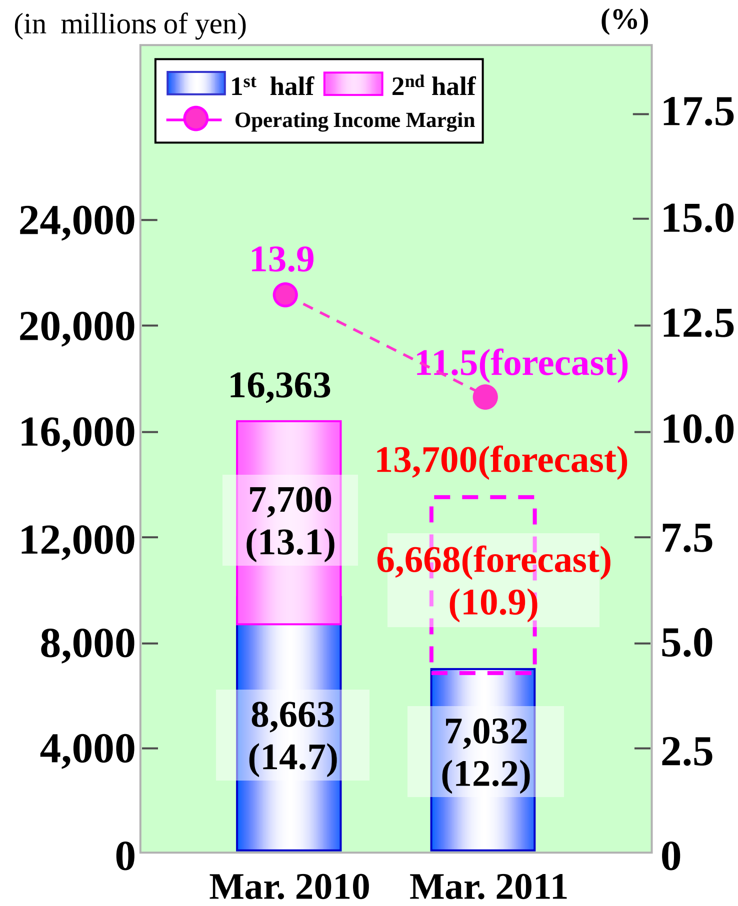
Sales

6 months (Apr. – Sep., Oct. – Mar.)



Operating Income

6 months (Apr. – Sep., Oct. – Mar.)



Clean Group (Sales)

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Clean Group

	Previous term	Current term	Change	(%)
Sales on P/L (1)	59,129	57,611	-1,518	-2.6
Increase due to the change in accounting standards (2)	ー	431	ー	ー
Actual P/L excluding increases (1)-(2)	59,129	57,179	-1,950	-3.3

➢ **Although some product lines recorded increased sales over the previous year, circumstances in both residential and commercial markets continued to be difficult.**

Residential Market

- Among the mainstay mop lines of products, "shushu", which was launched last fall, had a steady growth, and Handy Mops recorded increased sales over the previous year. However, their increased sales did not cover the decrease in sales of floor mops and other products resulting in a decrease in overall sales from the previous year.

  Sales of residential mops as compared to that of the previous year (based on the products shipped):
  Handy Mops: Increase by 200 million yen (6.6%), Floor Mops: Decrease by 400 million yen (5.3%),
  Mops Total: Decrease by 1.5%

- Cleaning services including Air Conditioner Cleaning, which sold well during a campaign with revised pricing, showed a steady growth, and sales of other service-oriented items exceeded the sales of the previous year.

  Sales of residential Air Conditioner Cleaning Service as compared to that of the previous year:
  While unit sales decreased by 25%, customer counts increased by 80% and sales increased by 35%.

Commercial Market

- Sales of the mainstay mat products in the commercial market continued to be slow, and new customer acquisition remained at a low level.

  Sales of mainstay commercial products as compared to that of the previous year:
  Mats: Decrease by 500 million yen (3.5%), Mops: Decrease by 100 million yen (4.0%)
  Rest Room Products: Decrease by 200 million yen (7.9%)

Clean Group (Operating Income)

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Clean Group

	Previous term	Current term	Change	(%)
Sales on P/L (1)	8,663	7,032	-1,630	-18.8
Increase due to the change in accounting standards (2)	—	248	—	—
Actual P/L excluding increases (1)-(2)	8,663	6,784	-1,879	-21.7

- ➢ **Decrease in gross profit due to decrease in sales: 900 million yen**
- ➢ **Decrease in gross profit due to fluctuation in cost rate: 100 million yen**
  - ● **Effect of newly introduced Dust Cleaner**
- ➢ **Increase in selling, general and administrative expenses: 800 million yen**
  - ● **Although expenses decreased along with decreased sales, the expense rate got worse due to costs incurred including those related to the new Branch/Shop Operation System.**
    - ▪ Decrease in expenses due to decrease in sales: 700 million yen
    - ▪ Increased cost related to the introduction of the new Branch/Shop Operation System: 1,000 million yen
    - ▪ Other increase in expenses (including expenses related to reorganization): 500 million yen

Comparison with the projected figures

- ● **As we expected in our initial projections an increase in cost accompanied with expanded sales of Dust Cleaner, a new product, and an increase in introduction cost related to the new Branch/Shop Operation System, operating income decreased.**
- ● **Introduction of the new Branch/Shop Operation System proceeded as planned, and the introduction cost increased as projected generally.**
- ● **Introduction of Dust Cleaner was to be carried out during the first half of the year; however, most of the products were launched during the second half of the year. Although the delay lead to a decrease in operating income from the previous year, we actually had an increase in operating income than projected.**

Future Plans

➢ Comfortable living with "New Cleaning Style"

We will put forward New Cleaning Style without a vacuum cleaner. The new cleaning method uses a set of Floor Mop, Dust Cleaner, and Container.

▪We will promote marketing activities based on a proposal that focuses on this new method of cleaning without raising dust while combining marketing efforts including TV commercials and campaigns.

"New Cleaning Style" depicted in Duskin website

➢ "Healthy Cleaning"

Advertise products that are answers to substances containing allergens to target younger homemakers.

➢ Test marketing of new products to be launched during the next year

Conduct a test marketing of a floor mop that incorporates a stylish feature and functionality of the handy mop "shushu."

➢ Acquisition of new customers in commercial market

Enhance marketing efforts targeting new customers with "On-site emergency services," which provide 24-hour services to respond emergency troubles in kitchen and bathrooms for stores and offices.

Network Program

➢ The new Branch/Shop Operation System was introduced to each location as scheduled.

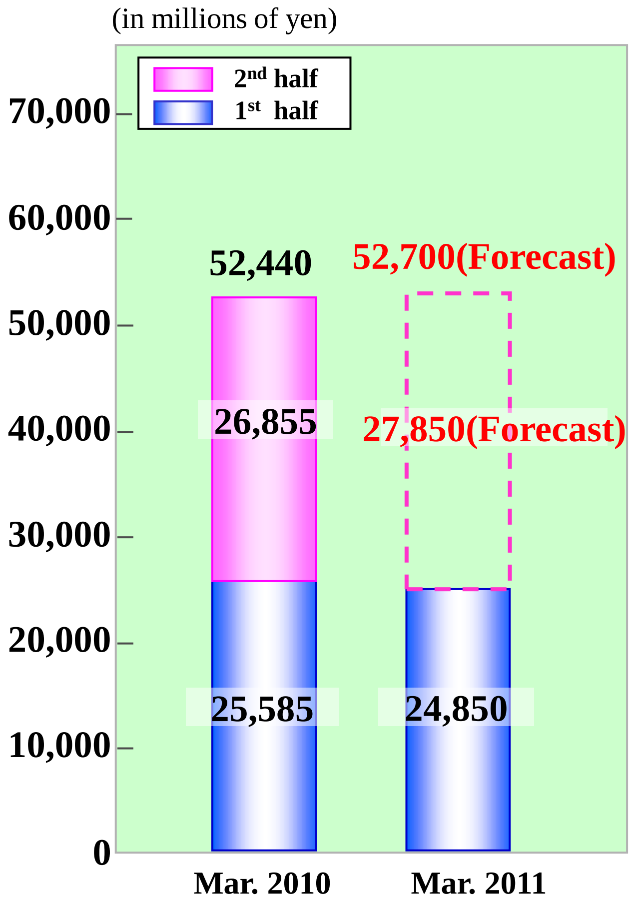
The actual cost related to the new Branch/Operation System during the first half of the year was 1,300 million yen, an increase of about 1,000 million yen over the same period in the previous year.

➢ We planned to open training facilities in 11 regions nationwide, and have already opened 10 of them, except the one in Chugoku region.

Food Group (Sales, Operating Income)

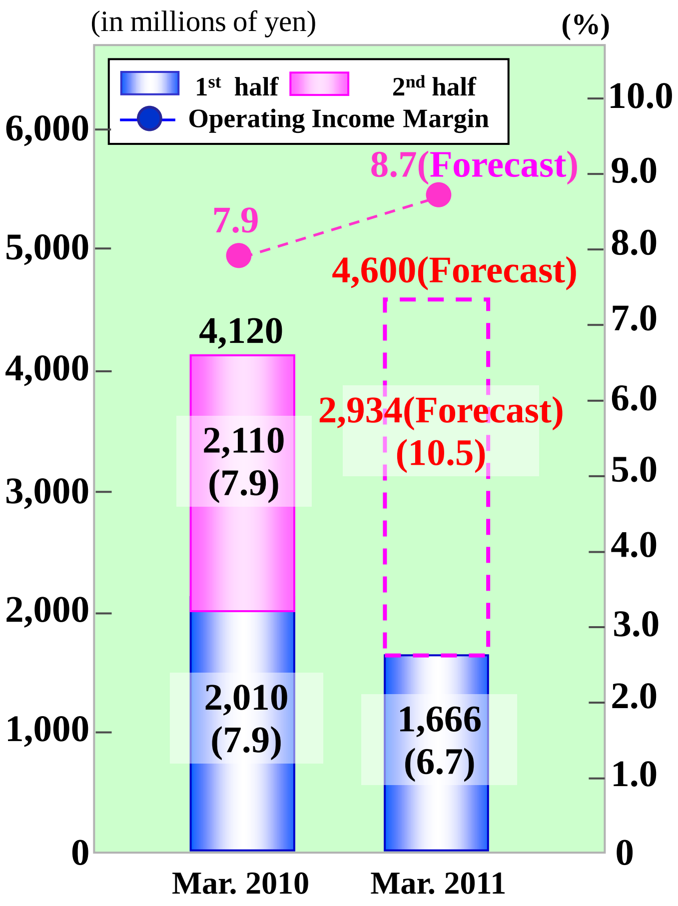
Sales

6 months (Apr. – Sep., Oct. – Mar.)



Operating Income

6 months (Apr. – Sep., Oct. – Mar.)



Food Group (Sales)

Food Group

	Previous term	Current term	Change	(%)
Sales on P/L (1)	25,585	24,850	-735	-2.9
Increase due to the change in accounting standards (2)	—	624	—	—
Actual P/L excluding increases (1)-(2)	25,585	24,226	-1,359	-5.3

➢ **Food Group recorded a decrease in sales during the first half because Mister Donut, the major business of the group, experienced a substantial decrease in sales during the first quarter as compared to the same period in the previous year.**

● Quarterly Sales Comparison (Figures exclude the effect of the change in accounting standards.)

(in millions of yen)

	1st Quarter	2nd Quarter	First Half
Same Period Previous Year	13,328	12,257	25,585
Current	12,224	12,002	24,226
Increase/Decrease	-1,105	-255	-1,359
(Percent Change)	(-8.3 %)	(-2.1 %)	(-5.3 %)

● Mister Donut
Existing Shops in Japan
Customer-Level Sales
Percent change compared to the same period previous year

1st Quarter	-5.4%
2nd Quarter	-0.6 %
Fist Half	-3.1 %

- We tried to attract customers to the shop with new products introduced every month and the focus on a variety of products, a continued effort from the previous year. We also created reasons to visit the shop with the 40th anniversary campaign. However, we were unable to achieve a favorable result as we did the year before.
- Mister Donut experienced a substantial decrease in sales during the first quarter as compared to the same period in the previous year when the joint campaigns with MOS Food Services and simultaneous replacement of products achieved success.
- During the second quarter, even though we had a negative impact of the heat waves in July and August, the 40th anniversary celebratory event "Mister Donut Museum Revival Festival" held during the four-day International Forum, which started on August 26, and the campaigns helped to achieve favorable results in September, making the decrease in sales only about 2%.

Food Group (Operating Income)

Food Group

	Previous term	Current term	Change	(%)
Sales on P/L (1)	2,010	1,666	-343	-17.1
Increase due to the change in accounting standards (2)	—	481	—	—
Actual P/L excluding increases (1)-(2)	2,010	1,185	-824	-41.0

➢ Decreased operating income resulting from decreased sales and increased sales promotion cost

- Operating income declined substantially due to decreased sales coupled with lower gross profit and increased sales promotion cost for the 40th anniversary campaign.
- The actual cost rate excluding the effect of the change in accounting standards increased slightly due to an increase in the cost price of fats and oils.

➢ 1st Quarter and 2nd Quarter Comparison

(Figures exclude the effect of the change in accounting standards.)

▪Food Service Business Quarterly Operating Income Comparison (in millions of yen)

	1st Quarter	2nd Quarter	First Half
Same Period Previous Year	1,195	815	2,010
Current	737	449	1,185
Increase/Decrease	-458	-366	-824
(Percent Change)	(-38.3 %)	(-55.1 %)	(-41.0 %)

Comparison with the projected figures:

- Operating income decreased more than we projected for such reasons as a decrease in gross profit caused by decreased sales, which was lower than projected, and an increase in cost rate caused by unanticipated rise in cost price of fats and oils.

Mister Donut Business Future Plans

40th Anniversary event “Mister Donut Revival Festival” as a core of the marketing efforts

Introduce products made from selected food materials and finest recipes

- Donuts manufactured from food materials produced in limited areas
- Seasonal beverage menu items and seasonal dim sum

Promotion of Products

- Flat rate sales promotion, new products fair
- 40th Anniversary Thanksgiving
- Regional promotions

Add more values to the point card system

Donuts introduced

Oct.	Nov.	Dec.
11 revival items	6 revival items	7 Christmas items

Christmas Donuts

Sales began on November 29, 2010

Mont Blanc Tree Chocolate | Mont Blanc Tree Marron | Mont Blanc Tree Strawberry | Pon De Wreath Chocolate | Pon De Wreath Strawberry

➢ Shop Openings in Japan

- Even though we tried to open new shops on a more frequent basis, the number of newly opened shops increased only slightly during the first half of the fiscal year.

Our policy to be active in opening new shops will be unchanged.

	Standard shops	Small Market Shops	andonand	MOSDO	Total
Mar. 2010	1,315	11	5	0	1,331
Sep. 2010	1,317	16	7	1	1,341

Other Businesses (Sales, Operating income)

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Other Businesses

* Overseas businesses are included in Other Businesses.

	Previous term	Current term	Change	(%)
Sales on P/L	5,512	5,338	-174	-3.2

	Previous term	Current term	Change	(%)
Sales on P/L (1)	298	40	-257	-86.5
Increase due to the change in accounting standards (2)	–	146	–	–
Actual P/L excluding increases (1)-(2)	298	187	-110	-37.2

➢ In the domestic market, as our corporate customers raised awareness of the need to reduce expenses further, we continued to suffer from the sluggish economic situation.

- Duskin Healthcare Co., Ltd. experienced a reduction in profits due to a decrease in sales of its management business that provides services to medical facilities as its customers continued to take cost-cutting measures.

➢ If we looked at the consolidated performance of the three overseas subsidiaries, sales steadily increased and the degree of deficit reduced substantially.

Elimination/Others

	Previous term	Current term	Change	(%)
Sales on P/L	-4,466	-3,584	882	17.7

- Reduction of costs associated with reorganization that started in this fiscal year (Transfer of costs to Clean Group): 400 million yen
- Reduction of costs including advertising expenses: 200 million yen
- Decrease of transactions between segments: 200 million yen

Others (Overseas Businesses)

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Overseas Businesses

* Overseas businesses are included in Other Businesses.

➢ Sales of overseas businesses

Sales in overseas markets

	Country or region	Sep. 2008	Sep. 2009	Sep. 2010
Dust Control Business	Taiwan (in thousands of New Taiwan Dollars)	252,181	227,608	259,736
	Shanghai (in thousands of Chinese yuan)	2,424	3,676	5,368
Mister Donut Business	Taiwan (thousands of New Taiwan Dollars)	405,967	355,798	377,711
	Shanghai (in thousands of Chinese yuan)	6,930	8,420	11,626
	South Korea (in thousands of won)	3,970,628	7,711,758	11,988,452
	Thailand (in thousands of bahts)	557,137	614,213	646,761
	Philippines (in thousands of pesos)	886,131	807,822	853,843

➢ Number of Mister Donut shops in overseas markets.

The number is steadily increasing in three markets.

	March 2010	September 2010	Increase
Total in Shanghai, Taiwan, South Korea	98	133	35

Forecasts and Actual Results

Difference Between Forecast and Actual Results

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Consolidated

(in millions of yen)

	Sales	Operating Income	Ordinary Income	Net Income
Forecast	90,000	4,000	4,500	2,500
Actual	87,800	5,155	6,036	2,624
Difference	-2,200	1,155	1,536	124
Difference(%)	-2.4	28.9	34.1	5.0

Operating Income

Factors contributing to lower operating income

- Effect of increased cost rate (0.3% increase) — Cost of sales 100 million yen
- Effect of decreased sales on gross profit — Gross profit -900 million yen

Factors contributing to higher operating income

- Introduction of new products (Dust Cleaner) postponed to the second half — Cost of sales -700 million yen
- Personnel expenses decreased — Expenses -500 million yen
- Sales promotion cost carried over to the second half — Expenses -700 million yen
- Reduction of fees and other expenses — Expenses -300 million yen

Ordinary Income

Improved financial income and expenditure — Non-operating income 300 million yen

Extraordinary Loss

Loss in valuation of marketable securities and other losses — Extraordinary loss 1,000 million yen

Net Income

Increase in income tax resulting from increase in net income before tax and other factors — Tax expenses 400 million yen

FY 2010 Forecasts

Forecasts

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Forecasts announced on May 14, 2010

Consolidated

(in millions of yen)

	Sales	Operating Income	Ordinary Income	Net Income
FY2009 Actual	181,280	12,129	13,806	7,824
FY2010 Forecasts	183,500	10,000	11,500	6,000
Increase/Decrease	2,219	-2,129	-2,306	-1,824
Increase/Decrease (%)	1.2	-17.6	-16.7	-23.3

Non-consolidated

(in millions of yen)

	Sales	Operating Income	Ordinary Income	Net Income
FY2009 Actual	158,966	9,742	13,770	7,592
FY2010 Forecasts	162,000	8,000	10,500	5,500
Increase/Decrease	3,033	-1,742	-3,270	-2,092
Increase/Decrease (%)	1.9	-17.9	-23.7	-27.6

Sales & Operating Income

(in millions of yen)

		FY2009 Operating Income on Sales *		Six months Ended Sep. 30, 2010 Actual Operating Income on Sales		Six months Ending Mar. 31, 2011 Forecasted Operating Income on Sales		FY2010 Forecasted Operating Income on Sales	
Clean Group	Sales	117,940	–	57,611	–	61,189	–	118,800	–
	Operating Income	16,363	13.9%	7,032	12.2%	6,668	10.9%	13,700	11.5%
Food Group	Sales	52,440	–	24,850	–	27,850	–	52,700	–
	Operating Income	4,120	7.9%	1,666	6.7%	2,934	10.5%	4,600	8.7%
Other businesses	Sales	10,899	–	5,338	–	6,662	–	12,000	–
	Operating Income	628	5.8%	40	0.8%	760	11.4%	800	6.7%
Elimination/ Others	Operating Income	-8,983	–	-3,584	–	-5,516	–	-9,100	–
Total (consolidated)	Sales	181,280	–	87,800	–	95,700	–	183,500	–
	Operating Income	12,129	6.7%	5,155	5.9%	4,845	5.1%	10,000	5.4%

* FY2009 Operating Income on Sales that is reclassified into new segment is outside scope of auditing and is just for reference.

Reference

Reference (1) Financial Summary

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Non-consolidated Results

(in millions of yen)

	Six months ended Sep. 30, 2009	Six months ended Sep. 30, 2010	Increase/Decrease Amount	Increase/Decrease (%)	Reference FY2009 ended Mar. 31, 2010
Sales	78,798	76,923	-1,875	-2.4	158,966
Operating Income	5,299	4,015	-1,283	-24.2	9,742
Operating Income Margin (%)	6.7%	5.2%	-1.5%	—	6.1%
Ordinary Income	7,890	5,553	-2,337	-29.6	13,770
Ordinary Income On Sales (%)	10.0%	7.2%	-2.8%	—	8.7%
Net Income	4,394	2,587	-1,807	-41.1	7,592
Net Income On Sales (%)	5.6%	3.4%	-2.2%	—	4.8%

Customer-Level Sales by Business Segment

(in millions of yen)

	Six months ended Sep. 30, 2009		Six months ended Sep. 30, 2010		Increase/Decrease (%)		Reference FY2009 Ended Mar. 31, 2010	
	Amount	Mix	Amount	Mix	Amount	%	Amount	Mix
Clean Group	142,468	66.8%	139,296	66.7%	-3,172	-2.2%	283,014	65.7%
Food Group	61,597	28.9%	59,824	28.7%	-1,773	-2.9%	128,240	29.8%
Other Businesses	9,221	4.3%	9,650	4.6%	429	4.7%	19,530	4.5%
Total	213,288	100.0%	208,772	100.0%	-4,516	-2.1%	430,785	100.0%

The Customer-Level Sales are the total of company-owned and subsidiary shops and the estimated sales at franchised shops in Japan and overseas operation.

Customer-Level Sales by Businesses

DUSKIN 喜びのタネをまこう

Six month Customer–Level Sales

(in millions of yen)

	Six months ended Sep. 30, 2009	Six months ended Sep.30, 2010	Increase/Decrease	%
Clean Group	**142,468**	**139,296**	**-3,172**	**-2.2%**
Business Service	56,726	54,009	-2,717	-4.8%
(Uniform Service)	(1,644)	(1,623)	(-20)	(-1.3%)
Home Service	57,187	55,851	-1,336	-2.3%
(Health & Beauty)	(1,417)	(1,499)	(81)	(5.7%)
Care Service	20,541	20,772	231	1.1%
Home Instead	1,132	1,167	34	3.1%
Rent-All	6,341	6,880	538	8.5%
Drink Service	538	615	76	14.1%
Food Group	**61,597**	**59,824**	**-1,773**	**-2.8%**
Mister Donut	58,710	57,151	-1,559	-2.7%
Food Chain	1,051	940	-111	-10.6%
Don Co., Ltd.	1,570	1,301	-268	-17.1%
Stick Sweets Factory	265	431	165	62.6%
Others Businesses	**9,221**	**9,650**	**428**	**4.7%**
Duskin Healthcare Co., Ltd.	3,638	3,415	-222	-6.1%
Overseas, Others	5,583	6,235	651	11.7%
Total	**213,288**	**208,772**	**-4,516**	**-2.1%**

Business Summary by Segment (1)

DUSKIN 喜びのタネをまこう

Summary by Business Segment

Year ended Mar. 31, 2010:
Consolidated sales 181,300 million yen, Consolidated operating income 12,100 million yen

(in millions of yen)

Clean Group

Sales	117,900
Operating Income	16,400

Sales associated from:
1) Sales of merchandise and rental products to franchisees
2) Dust Control franchisees are not responsible for royalty fee payment.
3) Sales at company branches

Business Service | **Home Service**

Dust Control

Offering products to help make work & home environment comfortable such as dust control mops and mats, range filters, water purifiers, air purifiers, and rest-room use items.

Care Services

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

Uniform Service

Rental & Cleaning

Health & Beauty

Cosmetics & Health food

Home Instead

Offering senior care service not covered by public insurance program

Rent-All

Rent goods for events and nursing care

Drink Service

Food Group

Sales	52,400
Operating Income	4,100

Sales associated from:
1) Sales of raw materials to franchisees
2) Royalty
3) Sales at company shops

Mister Donut

Offering hand-made fresh donuts

Food Chain

Operating Café Du Monde, pork cutlet restaurant chain, "Katsu & Katsu," and other restaurants

Stick Sweets Facotry

Offering stick type cake

Don Co., Ltd.

Offering a variety of donburi with fresh seafood and seasonal ingredients

Other Businesses

Sales	10,900
Operating Income	600

Sales associated from:
1) Sales at company branches

Duskin Healthcare Co., Ltd.

Providing services to medical facilities such as hygiene control and sterilization of medical equipment.

Duskin Kyoeki Co., Ltd.

Leasing business

Duskin Insurance Service Co., Ltd

Overseas, Others

Duskin Hong Kong Co., Ltd,etc.

Business Summary by Segment (2)

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Franchise Operation

Clean Group

Business Service

- Rent mops and mats through periodic visits

Dust Control ········	Mops, mats, etc.
Clean Service ·······	Bathroom products Cabinet towels, etc.
Air Clean ···········	Air-purifiers
Water Clean ·········	Water-purifiers
Wipeful Service ·····	Wiper cloth

- Uniform Service ······· Rental & cleaning
- Care Services

ServiceMaster ·······	Professional cleaning
Terminix ············	Pest control & prevention

Home Service

- Rent mops and mats through periodic visits

Dust Control ·······	Mops, mats, etc.
Air Clean ··········	Air-purifiers
Water Clean ········	Water-purifiers

- Health & Beauty ······ Cosmetics & health food
- Care Services

ServiceMaster ·······	Professional cleaning
Merry Maids ········	House cleaning
Terminix ···········	Pest control
TruGreen ···········	Tree, shrub, lawn care

Home Instead

- Nursing care not covered by the public nursing insurance

Rent-All

- Rent goods for events and nursing care

Drink Service·············Coffee & water

Food Group

·Mister Donut ·········	Mister Donut andonand
·Food Chain	
Café du Monde ······	Café au Lait & Beignet
Katsu & Katsu ······	Pork cutlet
·Stick Sweets Factory ··	Stick Cake
·The Don ··············	Seafood Donburi

Other Businesses

- Services offered to Duskin Group

Duskin Kyoeki ·········	Leasing business
Duskin Insurance ······	Insurance services

- Duskin Healthcare ······ Hospital cleaning
- Overseas businesses
  Duskin Hong Kong, Mister Donut Korea, etc.
- New businesses

Recycle-Oriented Business Model at Clean Service

DUSKIN

Rental of mops and mats: based on the idea to fully recycle the products through repeated use until the end of their useable life

Delivery = Rental
//
Franchisees pay deposit

Delivery
//
Franchisee record the sales

Comprehensive Plants (Laundry & distribution)

Branches Franchisees

Customers

Collection
//
Deposit is refunded to franchisees

Collect Used Product

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*

Residential Customers: 7.5million*

Commercial Customers: 1.5million*

*Approximately

Strength 1: Production, logistics and distribution system to cover the nation

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

Strength 2: Strong customer-base

- Maintains extensive large customer-base, including strong and loyal residential customer-base. Sales representatives can sell products person-to-person by utilizing this customer-base.