

CSR Report 2015



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Feature 1

Safety, Reliability & Quality

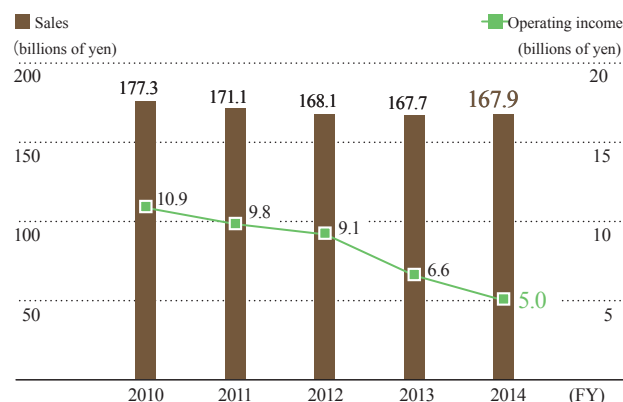


Corporate Information

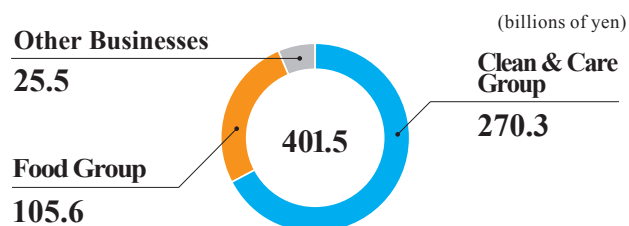
Name	Duskin Co., Ltd.
Head Office	1-33 Toyotsu-cho, Suita-Shi, Osaka, 564-0051
President & CEO	Teruji Yamamura
Date Established	February 4, 1963
Capital Stock	11.3 billion yen (as of Mar. 31, 2015)
Consolidated sales	167.9 billion yen (in FY2014)
Consolidated Operating Income	5 billion yen (in FY2014)
Customer-Level Sales*	401.5 billion yen (in FY2014)
Number of Employees (non-consolidated)	1,928 (as of Mar. 31, 2015)
Number of Employees (consolidated)	3,487 (as of Mar. 31, 2015)
Subsidiaries & Affiliates	33 companies in total (as of Mar. 31, 2015)

*Customer-Level Sales are the total of sales at company-owned and subsidiary shops and estimated sales at franchised shops.

Consolidated sales & operating income



Customer-Level Sales Mix in FY2014



Feature 2
Human Development

Feature 3
Environment

Feature 4
Local & Social Contribution



About this Report

■ Guideline

This CSR Report is issued with a goal to clearly communicate Duskin's approach and initiatives for sustainable society to stakeholders.

Our CSR Report 2015 features our employees and their daily CSR efforts through their business activities in the four focused areas: "safety, reliability and quality", "human resources", "environment" and "local & social contribution." We will continue our efforts to maintain good communication with our stakeholders, and provide enhanced information disclosure as appropriate in a transparent way.

■ Period covered

Period covered for this report is mainly from April 2014 through March 2015; reports before fiscal 2013 and some activities from FY 2015 are also included.

■ Scope of service

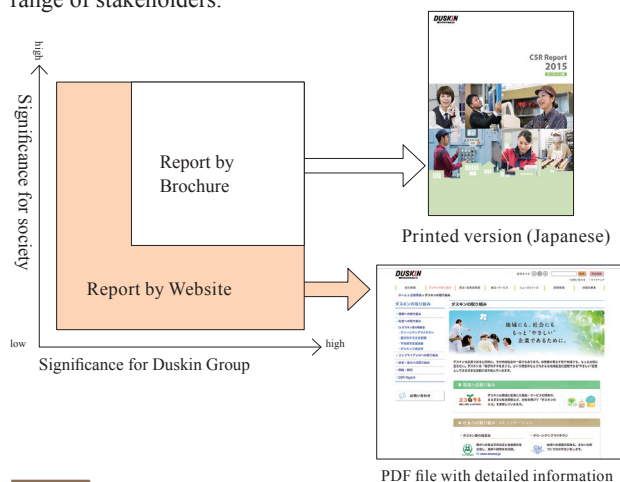
The scope covered in this report includes Duskin Co., Ltd., affiliated companies and franchised units in Japan. Activities of Duskin Co., Ltd. and its consolidated subsidiaries are reported as the Duskin corporate group, those of Duskin corporate group and Duskin's affiliated companies accounted for by equity methods as Duskin Group, and those of Duskin Group and its franchise locations and franchised laundry plants as Duskin Group and franchisees.

■ Time of issue

June 2015 (Next issue scheduled in June 2016)

■ CSR Report format (Reporting media)

Our CSR Report is issued in both English and Japanese and is available on our website. A printed version is issued in Japanese. Our website versions in PDF files provide detailed information and data with a focus on the initiatives where the greatest emphasis is placed by Duskin Group and our society. We strive for superior information disclosure for a wider range of stakeholders.



WEB

http://www.duskin.co.jp/torikumi/csr/report/pdf/csr_report2015_eng.pdf

■ Reference guideline

Environmental Reporting Guidelines 2012 by the Ministry of the Environment
GRI "Sustainability Reporting Guidelines Version 4"

Our Businesses

CLEAN & CARE GROUP

Dust Control

DUSKINRental and sales of
cleaning and sanitary products

The rental and sale of cleaning tools have been Duskin's core businesses since its founding. To offer comprehensive cleaning solutions that meet current needs, we not only provide solutions to customers' problems, but also propose new cleaning approaches in residential and commercial markets.



ServiceMaster

ServiceMASTER.

Professional cleaning service

Using our advanced techniques, we solve cleaning problems for residences, offices, and shops.



Merry Maids

merry maids.

Handy housekeeping services

With consideration and attentiveness, we periodically provide housekeeping services tailored to customers' requests and situations at home.



Terminix

TERMINIX

Pest control & prevention services

We offer pest control and prevention services for termites, roaches, and rodents using a safe system with less chemical applications.

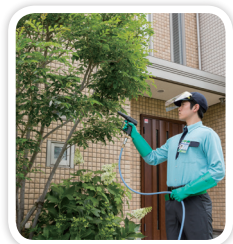


TruGreen

TRUGREEN

Tree, shrub and lawn care

With its excellent techniques, we offer an annual maintenance and management program for your green environment.



Drink Service

Rental and sales of
drink related products

We offer regularly scheduled delivery service of spring water and coffee.



Rent-All

タスキ
レントオール
DUSKIN RENT-ALLRental of daily commodities and items
needed for event

We offer rental service ranging from baby-related products, travel products and items needed for event, to large event planning including preparation and operation.



Health & Beauty

Sales of natural cosmetics & health food

We offer daily support to allow customers to enjoy an active life and stay beautiful with healthy both soul and body.



Home Instead

**Home
Instead
SENIOR CARE**Senior care providing daily assistance to
seniors

We provide housekeeping, nursing care and dementia care services to solve individual problems any client might have.



*Offered services are not covered by long-term care insurance.

Health Rent

**Health
Rent
ヘルスレント**Rental and sales of home health care
equipment

We offer 3,500 rental products including wheelchairs and care beds.

* With an exception of home health care equipment covered by long-term care insurance.



Uniform Service

Rental, sales and cleaning of uniforms

We deliver clean and easy-to-wear uniforms.



FOOD GROUP

Mister Donut

Offering homemade donuts with a variety of menu



Our homemade donuts fulfill both appetites and heart.
We offer an enjoyable time to customers of all ages by serving our specialty tastes with welcoming smiles.



Café Du Monde

Café specializing in cafe au lait and beignets



Customers can enjoy deliciousness developed in New Orleans.



The Don

Donburi restaurant committed to the use of fresh ingredients



A Japanese restaurant serving a variety of seafood items, which are healthy and select, are popular among a wide range of customers.



Katsu & Katsu

Pork cutlet specialty restaurant



Pork cutlet with a variety of menu items is well received, especially by families.



Ohitsu-gozen Shiki Gokan



There are three ways to enjoy Ohitsu-gozen.

Customers can enjoy all menu items by eating as they are, adding other ingredients and pouring soup on the rice.



*Seasoned rice served in wooden rice bowl

MOSDO!

MOSDO!

Collaboration with MOS BURGER

The menu features both burgers and donuts.



*The shop was redesigned in July 2015.

Bakery Factory



Suburban type large-scale bakery shop offering products fresh from the oven

Breads made by original low-temperature aging dough and homemade yeast are offered with a product line of more than 100 varieties.



THE Chiffon & Spoon



Chiffon cakes with moist texture

Soft and moist chiffon cakes to eat with spoon



ICE DE LION



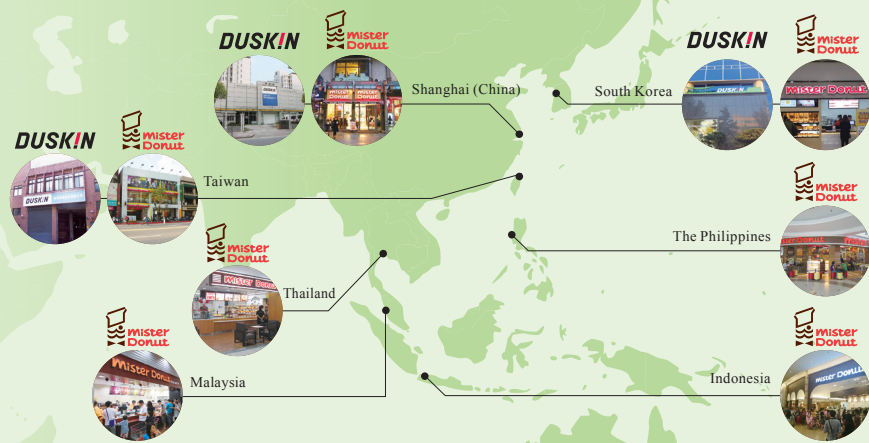
Ice cream shop offering wide variety of menu items

Colorful signature ice cream with chunky ingredients.



Overseas units

Duskin has established business models combining business know-how introduced from around the world with considerate and attentive services adapted to the Japanese market. Utilizing these business models, we have developed our businesses overseas, primarily in Asia.



President's Message

**Joyfully responding to the expectations of society,
we strive to be the most considerate service provider in the world.**



山村 輝治

Teruji Yamamura
President & CEO
Duskin Co., Ltd.

"Unison of Economy and Morals," the basis of our business management

We at Duskin have maintained our Founder, Seiichi Suzuki's philosophy to be of service to our society through "Sowing the Seeds of Joy" since our founding.

Living within this philosophy which we refer to as in the "unison of economy and morals," is the basis of our business management.

"Morals" or philosophical beliefs are reflections of our heart. Kindness, compassion and gratitude to people should remain unchanged, no matter how society has changed.

"Economy" or economic pursuits for business growth as a company, on the contrary, should be changed to respond to the changes in society.

This philosophy is shared among Duskin head office and its franchisees, which are independently owned and operated. It reflects the Founder's strong belief that Duskin head office and its franchisees are on the same boat, sharing the same philosophy. This philosophy is a cornerstone for the whole Duskin Group in its business activities.

For sustainable growth

The Japanese society faces drastic changes due to aging populations with a lower birth rate, advanced information and globalization.

Under such circumstances, Duskin developed a long-term vision, ONE DUSKIN, and Medium-term Management Policy 2015 to achieve the vision.

ONE DUSKIN concept comprises: ONLY ONE - One and only franchise system where franchisor and franchisees share our Management Philosophy, NUMBER ONE -The most trusted franchise office in the community, and ALL FOR ONE - All business units and services join to respond to the needs of our customers.

We strive to create products, services and system to respond to the diversifying needs of our customers, and unite all Duskin businesses so as to serve our customers in a more effective and hospitable manner.

Corporate Vision

Duskin, as the worlds' most considerate service provider, aims to create a new societal culture where the focus is on contributing to people's lifestyles, comfort and happiness.



To build society where all people live rich in spirit

Our CSR policy is the reflection of our philosophy of the "unison of economy and morals." In other words, it is to contribute to people's lifestyles and happiness, and sustainable growth of our communities through providing excellent products and services.

As we strive to achieve our long-term vision, ONE DUSKIN, we have defined the four focused areas of our CSR activities; safety, reliability & quality, human resources, environment, local & social contribution.

We encourage all staff members not only at Duskin Head Office but also at franchised offices to better understand our CSR initiatives, and further engage in these initiatives with some numerical targets for Duskin Group.

Safety, reliability and quality

With a goal to win trust of customers and consumers, we strive to establish and ensure a complete quality control system.

We place utmost importance on safety and reliability for our product development.

To achieve our goal, we continue our efforts to share information, including good practices, learnings and reflections among Duskin Head Office and its franchisees.

Human Resources

We believe that the quality of service depends on people who provide the service. Through various types of education and training, we put forth efforts in the development of people whom our customers would love.

To develop good products is important, but the development of people who serve our customers is more important.

We take it our responsibility to develop people who work hard for our customers and are loved by our customers.

Environment

We strive to achieve the joint objective of engaging in sound business activities and environmental conservation.

A large amount of water is used for laundry of our dust control products for repeated use.

We make sure to have the used laundry water cleaned to return to the nature, though it involves cost. We commit ourselves in these initiatives that reduce the negative impacts on the environment.

Contribution to community and society

To be of more service to our customers in local communities, we will engage in a wider range of activities.

Many of the staff members who work for our franchisees grew up in their own communities, and have a strong commitment as a member of their communities for making positive contribution. We also promote our CSR activities led by Duskin head office.

We continue our efforts to contribute to building a society where all people live rich in spirit. Aiming to be the most considerate service provider in the world, we are committed in our CSR activities.

CSR Vision

[Duskin Group's CSR]

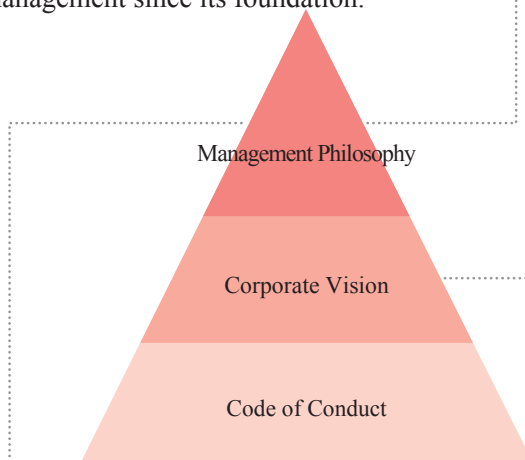
Joyfully respond to the expectations of society

Maintaining good relationship with people, society and environment, we humbly and attentively listen to the voice of society, and joyfully respond to the expectations.
To contribute to the sustainable development of local communities where people live rich and happily through providing safe, reliable and excellent products and services.

Basis of our business management

Unison of Economy and Morals

"Morals" or philosophical beliefs are reflections of our heart, our engagement in society.
"Economy" means economic pursuits for business growth as a company.
It means for us to make sustainable growth possible by serving our society, joyfully responding to the expectations of society.
This philosophy is the basis of Duskin Group's business management since its foundation.



Management Philosophy

Day after day, beginning with today, both you and I have a chance to begin our lives anew.

Whether our lot today be profit or loss, be spiritually ready for loss.

As a planter would, let us sow the seeds of joy to every person we meet each day.

For everyone, for you and me, may we lead our lives in this world to the fullest, realizing our maximum spiritual and material potential.

The world's most considerate service provider

Create a new societal culture where the focus is on contributing to people's lifestyles, comfort and happiness

Aiming to be "a trustworthy and reliable company"

- 1 We always think of customers in everything we do. ▶ Customers' perspective
- 2 We observe the law in all that we do. ▶ Societal & environmental perspective
- 3 We are ethical in all our actions. ▶ Perspective from corporate governance
- 4 We take our prides in everything we do. ▶ Employees' perspective

Employees' attitude in their duties that forms the basis of their daily deeds

Duskin Higan (Earnest Wish)

Humility, wisdom, strength, a virtuous heart these are the things we strive to develop.
The most important task is to develop people.
To work is enjoyable.
Profit is the reward of Joyous transactions.
Through business (economics) we would be useful to world peace.

with prayer

Duskin Ikka-no-inori (Duskin's Prayer)

Money is transient.
Social standing is unreliable.
I shall not worry about what others think.
Just work earnestly, walk the road of repentance.
Give of oneself, and repay all debts with gratitude.
This I shall do.

with prayer

Our Businesses

President's
Message

CSR Vision

Long-term Vision
- ONE DUSKIN,
Medium-term
Management Policy
2015Corporate
GovernanceSafety,
Reliability &
QualityHuman
Resources

Environment

Local & Social
Contribution

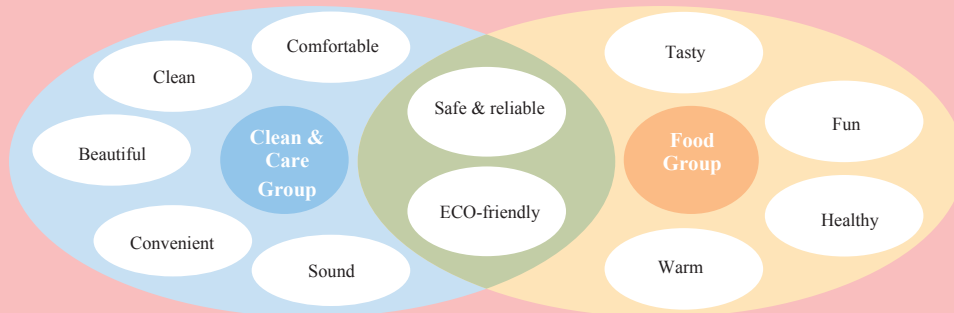
[CSR and Compliance]



CSR efforts integrated in business management

Based on franchise business system, Duskin has operated its businesses to "Sow the Seeds of Joy" to make people happy. We strive to continuously improve our corporate value by sharing joy with people in the communities and contributing to their lifestyles being rich in both spirit and materials.

Contribution to society through business operation



Stakeholder engagement



Society we want to build

To create a new societal culture where the focus is on contributing to people's lifestyles, comfort and happiness.

Mission for customers

To think about customers from their perspective, to be the most customer-oriented corporation in the world, and to put pro-customer ideas into practice.

Ties with franchisees

Duskin Head Office and franchisees share the same philosophy, and take similar action.

Ties with employees

Employees support each other, embrace challenges and grow together.

Community relations

To become the most trusted and reliable service provider building harmonious and prosperous relationship with local communities.

Engagement with suppliers

To build strong partnership through fair and appropriate transactions.

Engagement with shareholders

To strive for enhancement of corporate governance and continuously improve our corporate value.

Environmental conservation

To continue environmentally responsible businesses with goals for business growth that incorporate reduction of negative impacts on the environment.

Code of conduct

Guidelines for Conduct for each and every employee of the Duskin Group

With respect to consumers and our customers

1. Provide products and services that are safe, reliable and environmentally-friendly
2. Strictly maintain the confidentiality of our customers' personal information
3. Label and explain things adequately
4. Maintain a solid framework for following up on our services
5. Administer proper sales activities and services
6. Respect the opinions of consumers and our customers
7. Keep our promises to consumers and our customers
8. Disclose information with promptness and accuracy and handle consumers and our customers with integrity
9. Handle crisis situations

With respect to society

1. Act in accordance with the law and social common sense
2. Be considerate of community safety and security
3. Preserve the local environment
4. Contribute to society
5. Cope with anti-social forces
6. Maintain sound relationships with the government

With respect to our shareholders and investors

1. Conduct proper releases of legally-stipulated and other information
2. Disclose management information proactively and with accuracy and secure shareholder and investor confidence
3. Establish a formidable management foundation and ensure enduring growth
4. Conform to insider trading regulations
5. Use company assets appropriately

With respect to our suppliers

1. Comply with laws and ordinances when conducting business
2. Request compliance from suppliers
3. Enter contract-stipulated relationships on equal footing
4. Apply impartial standards and proper procedures
5. Enter restrained relationships with suppliers
6. Respect international rules and adhere to local laws and ordinances

With respect to our members of the Duskin Group, franchisees

1. Enter equitable and reciprocal relationships backed by contracts
2. Ensure mutual understanding through dialogue
3. Assure safe, reliable quality
4. Provide accurate information to existing and aspiring franchisees

Duskin and us (With respect to our employees)

1. Respect human rights
2. Evaluate and treat our employees with fairness
3. Eliminate the propensity to divide roles based on gender from our mentality
4. Conduct ourselves with autonomy and responsibility
5. Practice interdepartmental cooperation
6. Make judgments and take action based on laws, ordinances and rules
7. Manage company information properly
8. Be quick about making reports to superiors
9. Preserve the workplace environment
10. Keep our work and private life separate
11. Eliminate harassment

Long-term Vision, ONE DUSKIN and Medium-term Management Policy 2015

Management Guideline

Since its foundation, Duskin Group has operated its businesses under our management philosophy, "Prayerful Management" to "Sow the Seeds of Joy" to make people happy, rather than simply seeking profit. With our initiatives aimed to be the world's most considerate service provider, we strive to continuously improve our corporate value by bringing and sharing joy with our communities and contributing to people's daily living by making them both rich in spirit and materials.

Long-term Vision **ONE DUSKIN**

ONLY ONE - One and only franchise system where franchisor and franchisees share our Management Philosophy

Aim to be a unique group of companies that contribute to creating communities where people are connected, and live happily and safely.

NUMBER ONE - The most trusted franchise office in the community

To be the most reliable service provider, we proactively anticipate customers' needs and provide solutions.

ALL FOR ONE - All business units and services join to respond to the needs of our customers.

The Duskin Group will make an all-out effort to provide the best services for our customers.



Medium-term Management Policy (FY2015 - FY2017)

During the first phase of ONE DUSKIN, we focus our efforts on getting the Group back on a growth track.

■ Develop Business Model

Develop system, through which Duskin and its franchisees can share and utilize customer information

■ Structure reform

Review the costs of production & logistics, distribution, procurement and information system so as to be able to improve profitability

■ New Growth

While focusing our efforts on new business development, we continue to expand our Clean & Care and Mister Donut businesses in overseas markets.

■ Enhancement of corporate governance

In addition to our aim of implementing corporate governance that helps enhance fairness and transparency of management, we also regard it as a part of our growth strategy.

CSR activities (focused areas)

To achieve our long-term vision, ONE DUSKIN, we will undertake initiatives in the four focused areas of our CSR activities; safety, reliability & quality, human resources, environment, community & society.

Safety, reliability & quality

With the goal to win customers' trust, we strive to establish and ensure a complete quality control system. We pursue safe, reliable and environmentally friendly products and services based on our established quality policy.

Human resources

The quality of service depends on our people who provide the services. To provide products and services that customers think of as considerate, we need people with compassionate hearts as well as skills and knowledge. Based on this belief, we put thoughtful resources and efforts in the development of people through a variety of education and training.

Environment

We strive to achieve the joint objective of engaging in sound business activities and environmental conservation. We provide products and services that are safe, reliable, and environmentally friendly throughout each phase from production to after-use.

Contribution to communities and society

As a corporation and a member of local communities, we want to build on that commitment with service to the communities of our customers.

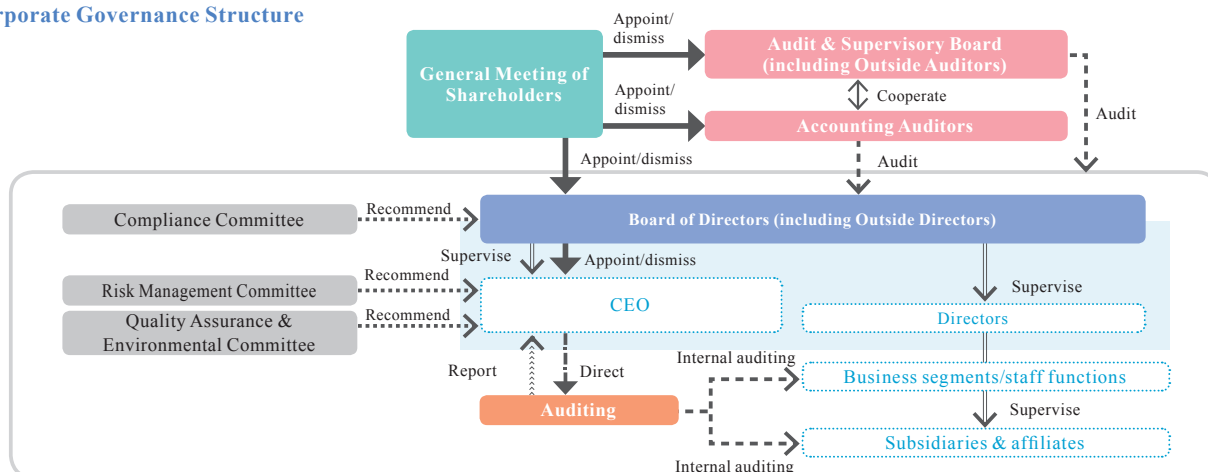
We at Duskin continue various initiatives as a service provider that contributes to our local communities in line with our philosophy of "Sowing the Seeds of Joy."

Focused areas		KPI (Key Performance Indicators) target	
Safety, reliability and quality	KPI Target	Among all products offered, maintain zero critical defects immediately after introduction	
	Intention	Under the previous Medium-term Management Policy, our efforts were focused on eliminating any defects of new products immediately after their introduction. Under the current Medium-term Management Policy, we intend to expand the targets for all products.	
Human resources	Opportunities and promotions for diversity in human resources	KPI Target	Ratio of females in managerial positions, including area managers (at Duskin Co., Ltd.) Increase to 15.2% by the end of FY2020, from 4.8% at the end of FY2014
		Intention	More active involvement of women in management is a common challenge for Japanese companies. At Duskin, we believe recruitment and job allocation, regardless of gender is indispensable for the Company's further growth.
	Training and development	KPI Target	Annual training hours per employee (at Duskin Co., Ltd.) was 13 hours/employee in 2014. Investment in further development of human resources will be continued by maintaining this level of training hours.
		Intention	Based on the philosophy that helping each employee to maximize their potential leads to Duskin's growth, we target and develop with our carefully-designed educational programs.
Environment	KPI Target	Group's greenhouse gas emission: Three percent reduction by the end of FY2017, compared to the emission in FY2014.	
	Intention	Shift from goal setting by business segment to a management system for aggregate calculation and control for greenhouse gas emission made by Duskin Group and its franchisees. Start from one percent reduction per annum	
Contribution to communities and society	KPI Target	Clean Up My Town total number participants: 300,000 people by the end of FY2017, from 220,000 people in FY2006.	
		Three-year goals (FY 2015 - FY2017) School cleaning seminars for teachers: 2,000 teachers, 75 school boards "Sow the Seeds of Cleanliness" Classroom: 162,000 students, 1,620 schools	
	Intention	Duskin Group actively engages in social contribution activities. We continue various activities intended to enhance awareness for contributions to society.	

Corporate Governance

Duskin views the strengthening of corporate governance as one of its top management priorities. Alongside establishing a management framework that allows us to accommodate changes in our business environment with swiftness and precision, we will continue to maintain a structure, organization and systems that enable us to realize sound and highly-transparent management.

Corporate Governance Structure



Corporate Governance

Corporate governance structure

Duskin, as a company with corporate auditors, established a corporate governance structure with an aim to continue to develop our corporate value. The Board of Directors monitors and supervises directors' execution of their business responsibilities. The Audit & Supervisory Board, comprised of experts, monitors and audits the management. This system enables us to swiftly make the right management decisions to respond to the changes in the business environments as well as to execute sound and efficient business operations.

Board of Directors

The Board of Directors of Duskin convenes twice every month with the CEO presiding as Chairman. This body serves to supervise the execution of our business in addition to rendering decisions on important matters that pertain to the management of the Duskin Group. Including our two Outside Directors, who are independent of the company and are both women, our Board of Directors is made up of twelve members (as of March 31, 2015). Terms for directors have been set forth as one year in order to promptly cope with elements such as changes in our business environment and clarify management liability. For our Outside Directors, we appoint professionals who are judged to be highly-independent and free of any real vested interest in our company. Our two outside directors possess a rich business career and specialized knowledge in their original areas of expertise, and provide Duskin with useful advice from multifaceted perspectives that is predicated on maintaining transparency and soundness in the management of our organization and fairness in the procedures we employ.

Audit & Supervisory Board

Including our three Outside Audit & Supervisory Board Members, who are independent of the company and one of which is a woman, our Audit & Supervisory Board consists of five members. These members are responsible for auditing the important decision-making processes of the Duskin Group, as well as the status of business execution by the Group. Members attend meetings of the Board of Directors and other key meetings, where they share their professional opinions. They also convene as the Audit & Supervisory Board once a month to go over decisions on audit policies and progress in the status of audits.

For our Outside Audit & Supervisory Board Members, we appoint specialists such as public certified accountants and attorneys-at-law to ensure the presence of effective checks on legal, finance and accounting aspects of our business from specialized standpoints.

Internal Controls

Internal control system

(1) Basic policy on business operation

At the Duskin corporate group, we espouse the pursuit of the "Unison of Economy and Morals" as the basis of our business management. We have formulated the below "Statement of Conduct" to serve as a compass of action that leads us towards the realization of our management philosophy as well as the "Duskin Code of Conduct" to serve as concrete standards of conduct for us to follow, and have adopted these as our guidelines of business operation.

Code of Conduct

Aiming to be a "trustworthy and reliable company"

- ① We always think of customers in everything we do.
- ② We observe the law in all that we do.
- ③ We are ethical in all our actions.
- ④ We take our prides in everything we do.



- (2) Framework for ensuring that the execution of duties by directors and employees of the Duskin corporate group conforms with laws, ordinances and our own Articles of Incorporation
- (3) Framework pertaining to the storage and management of information that relates to the execution of duties by directors and employees of the Duskin corporate group
- (4) Rules and other framework elements that pertain to risk management for losses of the Duskin corporate group
- (5) Framework for ensuring that the duties of the directors of the Duskin corporate group are conducted with efficiency
- (6) Framework for ensuring the adequacy of business conducted by the Duskin corporate group
- (7) Framework for ensuring the reliability of financial reports
- (8) Matters pertaining to ensuring the independence of the employees expected to assist in the duties of auditors from directors and the effectiveness of directions given to those employees
- (9) Framework for directors, audit & supervisory board members and employees of the Duskin corporate group or individuals who have received a report from those directors, audit & supervisory board members or employees to provide a report to auditors of Duskin
- (10) Framework for ensuring that audits in other areas are performed by auditors with effectiveness

Internal auditing

Duskin established Auditing to function as an internal auditing department directly reporting to the President. With a ten-member framework, Auditing performs audits of the business, accounting and systems of the Duskin corporate group based on audit plans, and establishes internal controls to ensure the reliability of financial reports as well as evaluates the administration of those controls. The department provides regular reports of these activities to the President, and also reports significant items of discovery to all of our directors and audit & supervisory board members. Additionally, for the purpose of sharing the information in its possession, Auditing (1) holds liaison meetings with audit & supervisory board members once a month, (2) conducts audit report meetings with accounting auditors every quarter, and (3) reports the results of its evaluations of the administration of internal controls to the Board of Directors three times per annum.

Internal auditing at Duskin is generally performed in the form of a physical audit. Using checklists and other materials, Auditing audit compliance with the various rules in place by verifying ledger sheets, vouchers, contracts, physical assets and so forth. Once that process is complete, Auditing compiles the results of its audit and promptly reports them to the department that was audited. For areas that require improvement, Auditing asks that department to submit solutions (remedial measures) and, when necessary, holds audit review sessions to verify the effectiveness of the solutions (remedial measures) proposed. Auditing has also introduced a "self-check" system, and endeavors to ensure that adequate business operation at Duskin continues.

Risk Management

Risk management structure

Duskin has formulated a set of Basic Rules on Risk Management that stipulated how risk is to be managed in the Duskin corporate group. Through these Rules, which set forth a risk management department and supervisor of that department, we control risk in the Duskin corporate group in a consolidated, comprehensive manner. Additionally, through regularly-held meetings of our Risk Management Committee, we administer instructions and guidance on risk management in the Duskin corporate group.

At our subsidiaries, we promote risk management through the risk management supervisor that we have placed in each company in accordance with its size, business configuration, and other factors. When risks rear themselves at those subsidiaries, the risk management supervisor works in concert with the risk management department at Duskin to administer countermeasures.

Crisis situation framework

●Centralization of crisis information

When damage results from a crisis or natural disaster or an earthquake with an intensity of at least 5-upper occurs, the risk management supervisor under each function at the Duskin Group gathers information of their own accord and makes a report to Quality Assurance and Risk Management. Even should damage result from an earthquake with an intensity of less than 5, these supervisors waste no time in gathering information.

●Establishment of Crisis Response Headquarters/Disaster Response Headquarters

In cases where risk arises that will significantly impact the Duskin corporate group, the President decides whether or not to establish a response headquarters, and nominates a director of that headquarters depending on that decision. Placing the foremost priority on human life, the response headquarters examines and decides upon matters that need to be addressed for the purpose of preventing further damage and recovering at an early stage. While the response headquarters at the Duskin Head Office devises countermeasures and engages in response, the local response headquarters works together with the Head Office to prevent further damage and otherwise response to the situation.

Risk prevention activities

In order to respond to risks that are specific to it, each department identifies those risks of its own accord and analyzes their significance, after which it formulates and implements response measures for each presumed factor. Quality Assurance and Risk Management visits each department and site of operation to verify and evaluate the implementation status of those countermeasures, and revises both the risks and countermeasures based on the results of that evaluation.

Information security

Duskin engages in measures to prevent information-centered accidents such as illegal access, loss, destruction, tampering and leakage. These measures include classifying the management level of information we come into contact with in the course of our business into multiple stages, and establishing limits on storage methods and access privileges.

With regards to the handling of personal information, in addition to setting forth a Personal Information Protection Policy and making efforts to ensure that all of our employees are aware of and enforce it, we have established a management framework for that information that is supervised by a designated personal information protection supervisor. The framework we have in place is compliant with the requirements of personal information protection management systems outlined by the Ministry of Economy, Trade and Industry of Japan, and we administer rules on the management of such information with the utmost strictness.

Compliance

At Duskin, we view "compliance" as the act of "complying with what is expected to meet others' wishes." Each and every one of us practices the Duskin Code of Conduct in our daily business endeavors in order to gain the trust of our customers and society at large.

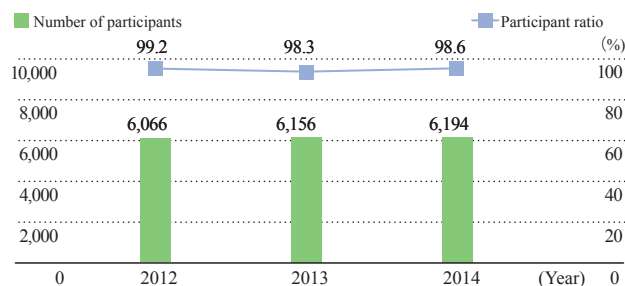
Compliance Committee

Duskin Group has a Compliance Committee in place for the purpose of establishing, disseminating and entrenching a compliance framework. This Committee is spearheaded by the directors in charge of our legal and compliance functions, and also includes other directors, our outside directors, attorneys-at-law, our auditors, and the Chairman of our Labor Union Committee. It is responsible for reviewing key compliance-based issues as well as annual plans and education and training plans that apply to compliance. The Committee, as an advisory body to the Board of Directors, also engages in duties related to compliance at Duskin.

Commitment to promoting compliance

As part of its efforts to ensure that its members are aware of and enforce the Duskin Code of Conduct, the Duskin Group administers compliance training sessions every year for all of its officers and employees. Participants in these training sessions attend lectures given by guest lecturers from outside the company as well as take part in case study training that nurtures ethical judgment capability. Additionally, in FY2014, we partially revised the Duskin Code of Conduct to reflect changes in our social climate such as the proliferation of mobile IT devices and social media.

Number of Participants in Compliance Training and Participant Ratio



*Participants: Directors and Duskin Group employees (incl. part-time employees)

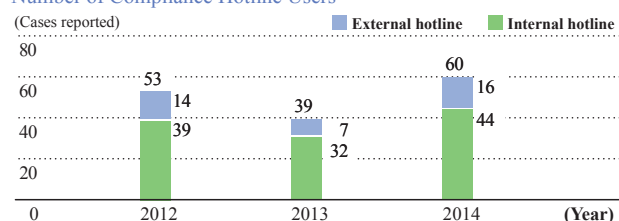


A compliance training session

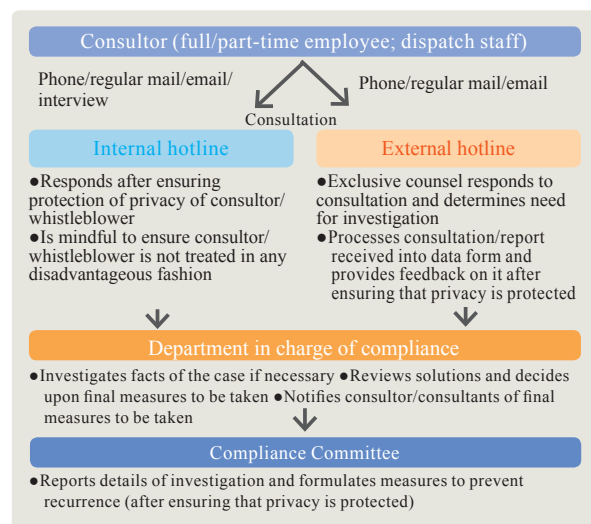
Establishment of Compliance Hotlines

In line with the intent of the Whistleblower Protection Act of Japan, Duskin operates Compliance Hotlines that makes it possible to directly report occurrences to our Legal and Compliance department and to an external law firm. By having mechanisms in place that keeps an eye out for the likes of legal infractions, unethical conduct and internal impropriety, we seek to foster a sound and highly-transparent corporate climate. Our policy dictates that the privacy of whistleblowers be upheld, and they are not treated in any way that might be disadvantageous.

Number of Compliance Hotline Users



Flow of Compliance Hotlines



Feature 1: Duskin's Commitment to Safety, Reliability and Quality

To incorporate the voices of customers

The voices of our customers are a reflection of changes in the social climate. We incorporate the voices of customers in our endeavors and link those efforts to our sustainable growth. The voices of customers provided to our Call Center are utilized to improve our products and business operations.

The voice of customer is a precious and valuable factor.

Our Duskin Call Center and Mister Donut Customer Center both serve to listen to the opinions and requests our customers have with regards to our products and services. We diligently answer every single call with gratitude toward customers for their valued feedback, and clearly respond to their questions. To ensure prompt service, we estimate the number of calls we will receive based on the day and time of day, and have adopted a personnel framework that is conducive to flexible changes. From the valuable voice of our customers, we seek to extract suggestions we can implement and use to further benefit our customers. The content of the conversation with customers is precisely entered into our system by our operators as a reference, and personnel in each of our business divisions receive timely information and suggestions of existing customer needs. Having this grasp enables us to bring forth better products and services. It goes without saying that the voice of customer is a vital lynchpin of the future of Duskin.



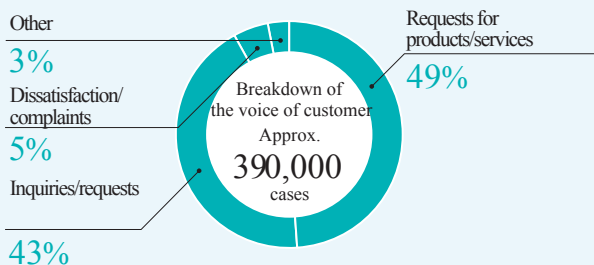
Duskin in Numbers

Call back within **24** hours

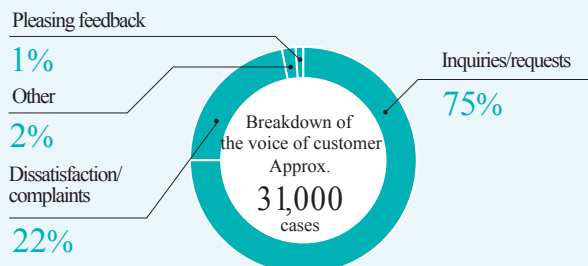
Service visit within **48** hours

Some feedback provided by customers requires contact from personnel at our local sites of operation. Our general rule in such cases is that local personnel are to call those customers back within 24 hours or pay them a visit within 48 hours. This system ensures that we respond to the voice of customer with swiftness.

Duskin Call Center



Mister Donut Customer Center



VOC reflected in Our Services

Now customers who tend not to be at home can take advantage of Duskin products

Hirokazu Ozaki, Organization Development, Clean & Care Development Group

Nowadays, we hear from many customers about how they want a way to use our products without waiting at home during the day.

Since our founding, Duskin has consistently employed a style of directly visiting customers and delivering our products by hand. Our reasons for this style are that we want to show our sincerity when handing over products to customers and directly hear their feedback on those products with regards to ease of use and other elements when we come to collect them after use.

At the same time, rental services that accommodate the increase in working women and changes in lifestyles have become increasingly necessary over time. We launched our "Return by Post Service" all over Japan. Through this service, our sales representatives deliver products to customers' homes by placing them in their mailbox. Customers then return the products by post following their use. This enables customers to casually take advantage of our rental services even when they are not at home throughout the day.

Duskin will continue to grow while proactively incorporating the requests of our customers.



VOC reflected in Our Products

I want customers to enjoy our donuts with peace of mind

Yuka Nakasao, Product Development Dept., Mister Donut Business Group

At the Mister Donut Customer Center as well as at Mister Donut Fan Meetings where our President & CEO and associated staff visit areas all across Japan to garner feedback, a considerably frequent request was being able to eat donuts without worrying about allergies.

To answer that request, Duskin created "Fukafuka Yaki Donuts," which do not contain allergic substances such as wheat, milk and eggs. We produce these donuts at a dedicated plant that has passed Duskin's stringent standards for quality and safety, and have commenced sales of them at 1,300 Mister Donut shops across Japan. "Fukafuka Yaki Donuts" are noted for their gentle sweetness and moist texture, which we created using rice grains and tapioca.

I am sure that people with allergies are considerably limited to where they can go when they go out to eat. At Duskin, we hope to do our part to alleviate this dilemma of theirs by adding Mister Donut to their list of possible locations.

*Contains the allergic substance-equivalent "apple."



Safety, Reliability and Quality

Duskin places the highest priority on providing safe, reliable quality products and services. Our goal is to contribute to people's lifestyles, comfort and happiness by delivering products and services that customers find most considerate in the world.

Our Commitment to Quality

With the goal to win customers' trust, we strive to establish and ensure a complete quality control system. We pursue safe, reliable and environmentally friendly products and services based on our quality policy.

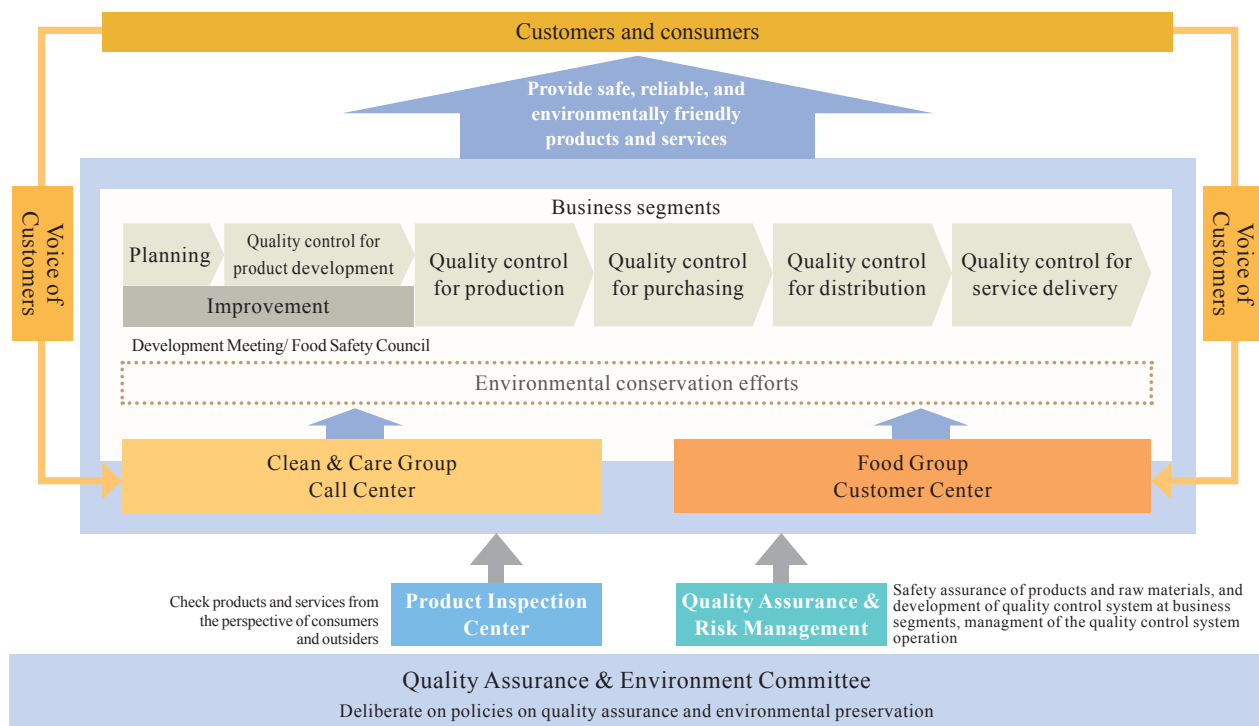
Duskin Quality Policy

"Duskin delivers safe, enjoyable and environmentally friendly products and services."

- ① We place highest priority on safety in all processes involving our products and services (research, development, purchasing, manufacturing, distribution, use by customers and proper disposal).
- ② We reduce negative impacts on the environment when producing our products and providing our services.
- ③ We listen attentively to our customers and consumers, and reflect their voices in our products and services.
- ④ We comply with laws, regulations and in-house rules, and adhere to our goal to conduct quality assurance activities.

Product Safety and Reliability

Quality assurance framework



Safety and Reliability of the Food

Duskin places the highest priority on food safety so customers may enjoy all the products we develop. To ensure the safety, we have established quality standards for all phases from product development, serving the products to customers, and ultimately for customers to enjoy the products.

Food Safety Council

For development of new food products and consideration of specification changes, a meeting is held to ensure the safety by our Food Safety Council, consisting of representatives from food safety management, product development and quality assurance departments.

Through all phases, safety is reviewed and confirmed including raw materials and their origins, legal compliance of food additives, allergy information, appropriateness of foreign matter removal process, test results of residual agricultural chemicals and antibiotics, storage stability of the products, and sanitary management of contracted raw material processing plants, storage and distribution facilities, and handlings at sales locations.



Food Safety Council

Inspection of contracted raw material processing plants

We continue to improve our inspection procedures through scrutinizing new contractors before transactions, inspection of their production operation and periodic inspections.

Our inspection specialists for food processing plants conduct comprehensive and quality inspections with more than 400 items for our checklist in facility management, process management, sanitary management and production management.



Regular inspection of raw material processing plants (material storage)

Inspection of distribution, storage service providers

The quality of products and raw materials are maintained at the storage facility and during the transportation to sales locations. Thorough evaluation and monitoring of storage conditions, temperature control and best-before dates are conducted.

Our inspection specialists for food processing plant conduct quality inspections for new transactions and major changes. Each business segment takes responsibility for daily level quality check and improvement.

Hygiene management at sales locations

At our food service locations, including Mister Donut, thorough hygiene management procedures are conducted by daily cleaning and insuring the rules for storage and quality management of raw materials are adhered. Periodic sanitary inspections are also conducted by external institutions. With assessment and guidance for improvement provided from the outside experts' viewpoints, we fully support the improvement cycle for comprehensive hygiene management.

Safety and Reliability of Our Products

In order to ensure that the products we supply to our customers are safe and reliable, before launching them, we review the quality of those products between the development and launch phases at safety verification meetings and other gatherings, and order improvements as necessary. In addition, prior to launch, we hold development meetings attended by our outside directors, third-party internal department employees, and other members responsible for checking products from consumer perspectives. Additionally, following launch, we strive to maintain our established levels of quality by conducting regular and irregular quality checks on products in distribution.



Tests for durability and non-destructivity conducted using various testing devices and robots

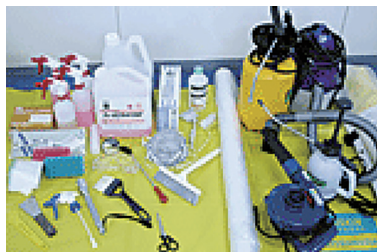
Safety and Reliability of Our Cleaning Services

In order to ensure that each and every member of our staff is able to render the various services we offer for families and business establishments, from cleaning and housekeeping services to pest control and regular tree, shrub and lawn care, in a safe and reliable manner, we conduct safety checks that cover the equipment, materials and chemical agents used in those services. Additionally, in rendering these services, we strive daily to maintain and improve their quality level through endeavors such as training and internal competitions for

keeping up the quality skills of our workers.



Scene from Technical Contest



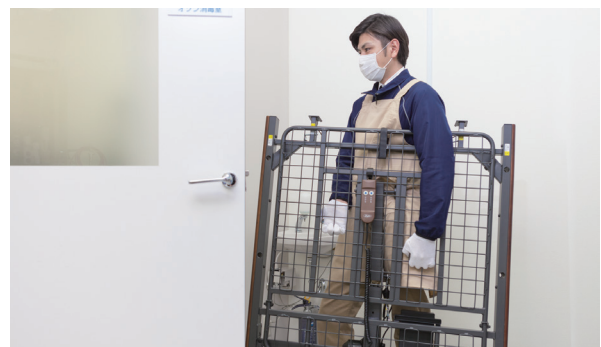
Safety checks for equipment, materials and chemical agents

Safety and Reliability of Our Total Rental Services

Rental items returned from customers are thoroughly maintained and managed by cleansing, sterilization, and function along with safety checks. This ensures that the customers use our rental items with a sense of safety, reliability and comfort. For the home health care equipment, for which hygienic control is required by the law, we follow appropriate processes for sterilization. Included in these means is ozone fumigation, which eliminates bacteria as well as odor. We ensure our rental items properly maintained and stored.



Cleansing wheelchair foot pedals



Sterilizing the main frame unit of beds for nursing care (by eradicating bacteria using ozone fumigation)

Incorporating Voice of Customers

At Duskin, customer feedback is a valuable tool we apply towards our endeavors to establish a business model that flexibly accommodates changes in lifestyles and the social climate and provide products and services that have accurately targeted customer needs.

Improvements

Cleaning services for drum washers and dryers

Our Call Center received many questions and inquiries regarding the odor and drying time of drum washer-dryers. We developed a solution to eliminate the odor by using chemical agents. We also developed a technique to remove the fiber lint that gets into the narrow spaces in the drum. This helps improve the efficiency of drum washer-dryers to shorten the drying time. We started this drum washer-dryer cleaning service in October 2014. Now we are able to handle cleaning of all washers of Japanese manufacturers, except two-tub models, and to respond to the broader needs of our customers.



Drum washer and dryer

Improvements

Mister Donut Fan Meetings

To close the distance with our customers when asking for their feedback, we began holding Mister Donut Fan Meetings in May 2014.

Once a month, the President & CEO of Duskin and staff from our Mister Donut business visit designated venues on a prefectural basis to directly exchange opinions with Meeting participants and to introduce the history, initiatives and other elements. Those participants have been a source of various requests and feedback, such as "bring back donuts that you sold before" and "release low-calorie, low-allergen items," that we have applied towards our efforts to better and improve the services and products offered by Mister Donut. During FY 2014, we held meetings in eleven prefectures in Japan that were attended by a total of 619 people.



Scenes from Mister Donut Fan Meeting

Round-table conferences with consumer organizations

On October 2, 2014, we held a "Consumer Round-Table Conference" for the purpose of garnering feedback from parties representing consumers and incorporating that feedback into the management of our business. Participants in this Round-Table Conference, the eighth since the gathering was first held in 2006, included members of seven consumer and other organizations as well as officers and outside directors of Duskin. We took the opportunity to provide an explanation of the services offered by our Clean & Care Group while providing a tour of our training facility.

Duskin plans to continue holding these Consumer Round-Table Conferences as a valuable forum for exchanging opinions.



Scenes from Consumer Round-Table Conference

Our Supply Chain

At Duskin, in order to do business with our suppliers based on mutual understanding and relationships of trust, we engage in procurement activities that comply with laws, ordinances and social norms while keeping our door open to all kinds of enterprises, be they foreign or domestic, and standing firm on our principles of truthfulness, impartiality, fairness, and equal opportunity.

Maintaining quality and being considerate of the environment

Upon commencing business with suppliers, we require them to fulfill a series of conditions. These include agreeing with Duskin's management philosophy, having a firm management philosophy and having a quality control and assurance framework in place, as well as complying with laws and ordinances pertaining to the environment and waste disposal and taking proactive initiatives towards recycling.

Additionally, we ask our suppliers to perform self-evaluations based on a unique checklist, and also have Duskin personnel pay them a visit to directly verify onsite initiatives.

Reinforcing partnerships with our suppliers

We believe that it is essential for suppliers to have an understanding of our philosophy in order to facilitate stronger partnerships with those companies. Towards that end, every year, Duskin holds "Supplier Study Sessions" for sharing information on our business plans (development, sales promotion and purchasing and logistics plans) for the fiscal year at hand in addition to our quality policies and compliance initiatives. During FY 2014, the Study Session held by the Clean & Care Group on March 25, 2015 hosted 246 participant suppliers. Meanwhile, that held by the Mister Donut Business Division on March 27, 2015 hosted 86 participant suppliers.



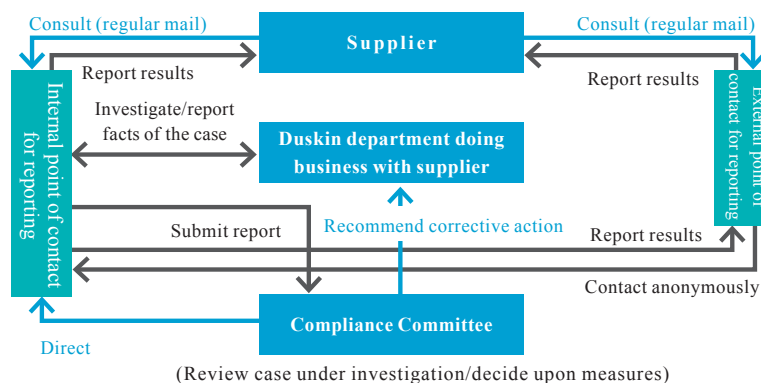
Scene from a Supplier Study Session

Establishment of "Duskin Purchasing Clean Line"

The Duskin Purchasing Clean Line for our suppliers is a point of contact to which those suppliers can file a report when an officer or employee violates the Duskin Code of Conduct or has taken action that may be suspicious in light of laws, ordinances or social ethics. The confidentiality and privacy of all information reported, including names and specific actions, are strictly maintained, and suppliers that use this system will not be subject to disadvantageous treatment by any means.

Our goal in offering the Duskin Purchasing Clean Line is to boost the transparency and fairness of our business dealings with our suppliers and build deeper relationships of trust with them. The number of reports made through this system was zero in FY 2012 and FY 2013, and one in FY 2014.

Flow of Duskin Purchasing Clean Line



Research and Development Activities

The Duskin corporate group engages in the research and development of primarily cleaning- and cleansing-related items that tie into the products and services we provide as well as treatment technologies. Our R&D activities emphasize quality and environmental measures. Also, in addition to engaging in product testing efforts at the development stage of those products and services, such as tests and inspections for safety, reliability, usefulness and environmental footprint, we verify legal aspects and inspect product labels and other areas.

Research and development policy

Through the Total Clean & Care products and services that we provide to consumers, we seek to establish Duskin as a brand that is simultaneously safe and reliable. Our R&D endeavors are centered on the deep cultivation of fundamental technologies, the development of new products, the enhancement of product quality, and environmental measures in our products.

- We will establish development technologies for consumer-oriented products.
- We will stay ahead of the industry by swiftly and accurately ascertaining consumer shifts and needs.
- We will engage in research for fundamental technologies for our products and services.
- We will expeditiously gather information on products and technology and aggressively introduce new technologies that are free from past conventions.
- We will pursue safety and reliability alongside product functionality and performance as well as uncompromised environmental-friendliness and gentleness to the human body as the theme that underlies our R&D endeavors.

Additionally, the rental-focused nature of our flagship products enables us to make effective use of resources through the repeated use of those products as well as facilitate environmental-friendliness and reductions in our cost of sales. We also engage in the research of treatment processes for used rental products, associated chemical agents, and other elements that will help us expand upon the number of times those products can be used.

Product testing policy

We conduct product testing as well as analytical and hygienic testing work on external, structural and component safety, performance and effectiveness, ease of use, reliability and durability, and appropriateness of labeling from four perspectives: customer satisfaction, consumer protection, legal compliance, and environmental preservation. We do so to pursue the satisfaction of our customers while establishing Duskin as a brand that is both safe and reliable through all of products and services.

Our main research and development initiatives

• Research related to mop products

We are engaged in researches to improve the functionality of our mops. Through research on sources of dust and its effects on personal health, we are developing cleaning methods that remove dust without agitation. Included in our researches are: the materials that work most effectively for different types of dust; environmentally-friendly materials through effective use of the short fiber lint in fabric spinning process that is usually discarded; and adsorbents that inhibit activities of ticks and other allergens captured by mops.



Research on fiber materials used in mops

• Research related to mat products

Our research for mat products include those for effective combination ratios for fibers to remove dust, unconventional usage and functional materials. We also conduct research to utilize limited resources by enhancing the reuse ratio of mat products and making the fibers and rubber contained in our mats lightweight.



Research on adsorbents that inhibit allergens

Feature 2: Our Commitment to Human Resource Development

To nurture human resources whose heart is evident in their skill

At Duskin, we want to provide the very best products and services to our customers.

To achieve this goal, the development of the human resources who will get those products and services into the hands of our customers is of the essence.

Here is an introduction to the human resource development initiatives under our Clean & Care Group and Food Group, Duskin's two pillars of business.



Prioritizing the customer's needs over all else

As a result of building relationships of trust with customers through seeking out ways I can better serve them, I now receive frequent requests to use Duskin's rental mat service. I hope to share this experience within my branch and area to do what I can to increase the number of staff members who prioritize the customer's needs over all else.

Yuki Kitahama, Sales
Duskin Mitsuya-Kita Branch

Striving to become sanitary management professionals

Duskin's Hygiene Masters are in charge of preparing the very best hygienic environment for our customers' businesses. At food and beverage establishments, we use measuring instruments to quantify the level of dirt in kitchens, and check twenty items that include temperature control for refrigerators. We then prepare a survey report that helps customers ascertain their current situation, improve problematic areas and sustain remedial effects, and supply advice on how to prevent hygienic risks.

At our Duskin School training facility and Regional Training Centers across Japan, we provide thorough instruction in sanitary management beginning with the basics. Trainees conduct a continuous series of role-playing exercises. They also conduct diagnostics of customer shops while accompanied by instructors, acquiring practical knowhow in the process. We develop human resources who are capable of making suggestions in accordance with the hygienic situation at customers' places of business. An example is advising customers with a pest problem to remove cardboard boxes from the kitchen area, as they are prone to becoming a source of pests.



Business -Specific Training

Dust Control

- License acquisition training
Branch manager license
Sales manager license
Operations supervisor license

- Post-specific training
Area manager- basic
Area manager -skill enhancement

Business -Specific Training

Care Service

- License acquisition training
Service master basic academy (17 days)
Terminix basic academy (14 days)
TruGreen basic academy (16 days)
Merry Maids basic academy course (7 days)

- License renewal training
License renewal: every 3 years

Duskin in Numbers

At Duskin, we develop professionals in a variety of sectors that range from cleaning services to pest control. The number of hours of training annually is 34,268, or as many as 13.2 hours per employee.

Clean & Care **34,268** hours
(13.2 hours per employee)

Mister Donut **49,146** hours
(13.6 hours per employee)

Duskin in Numbers

Mister Donut shop managers have to renew their license every two years. This requirement compels those managers to continually refine their skills in the name of customer service.

License renewal every **2** years



Pursuing the creation of ideal shops

In order to become the manager of a Mister Donut shop, employees need to pass a rigorous exam and acquire a license. New franchisee managers are asked to master our Management Philosophy and shop operation standards over a 49-day curriculum. For the sixteen-day curriculum to acquire a shop manager's license, employees are asked to relearn the donut-making process from the ground up, and also receive a thorough education in shop operation knowhow while engaging in repeated discussion with their fellow employees from all over Japan. The greatest hurdle in this curriculum is the store operation practical that comes at the end, in which employees divvy tasks among their fellow test-takers and iron out a minute-to-minute schedule. After recording videos of themselves engaging in customer service and other practical scenarios, they mutually go over where they did well and where they could have done better. In the process, they gradually take on the mind frame they need to become a Mister Donut shop manager.



Aiming to create a store filled with smiles

For customers to get the impression that our store is a pleasant and comfortable one, it's important that our store staff members are able to go about their jobs enjoyably and energetically. I hope to create an atmosphere where each and every staff member shows an active interest in making our store even better, and realize a store that is filled with the smiles of both our customers and staff.

Kazuya Kinoshita, Asst. Manager,
Kawasaki Shibokuchi Shop, Mister Donut

Business-Specific Training

Mister Donut

- License acquisition training
 - Academy course (49 days)
 - Academy course (16 days)
 - License renewal course
 - Shop operation supervisor course
 - Cadet manager course
 - Shift manager certification workshop
- Post-specific training
 - Representative replacement workshop
 - Company-owned shop manager training
 - Head Office staff training
 - Area manager training

Human Resources

It is our belief at Duskin that the basis of all services is "people."

While developing human resources whose heart is evident in their skill and knowledge, we will continue to promote the formation of a workplace that respects the individuality of those human resources and the diverse values they encompass, and enables them to manifest their ability to the maximum degree.

Basic HR Data

		As of March 31, 2013	As of March 31, 2014	As of March 31, 2015	Notes
Number of employees ^{*1}	Male	2,240	2,291	2,306	Number of permanent and non-permanent employees (excl. officers and temporary workers)
	Female	1,272	1,261	1,181	
Number of newly-entered employees ^{*1}	Newly-graduated	27	37	24	Number of newly-entered permanent employees (incl. employees locally hired overseas)
	Midcareer hires	114	123	118	
Number of employees promoted to permanent status ^{*1}		22	18	28	Number of non-permanent employees promoted to permanent status
Number of permanent employees who resigned ^{*1}		105	123	115	Excludes permanent employees who retired mandatorily
Number of employees who suffered work injuries ^{*1}	Death	0	0	0	
	Severe	42	27	47	Injuries requiring a leave of absence of at least 4 days
	Mild to moderate	187	194	185	Injuries requiring a leave of absence of 3 days or less
Status of union participation ^{*1}	Number of employees	2,977	2,993	2,989	
	% of employees	100	100	100	
Companywide training: Yearly hours of training per employee ^{*1}		5.7	12.0	6.9	Excl. business-specific training (approx. 13 hours per annum)
Grade on employee survey ^{*2}		-	-	3.83	Out of a maximum grade of 5.00 (scheduled to be conducted on ongoing basis for 3-year period)

*1 Duskin and its (consolidated) subsidiaries

*2 Duskin (non-consolidated)

System for promotion to permanent status

For our employees to work with a sense of vitality and motivation and our company to become increasingly invigorated, it is important that we aggressively promote highly-skilled and ambitious talent and create an environment where they can fully manifest their ability and experience.

We have a system in place that promotes non-permanent employees who fulfill certain standards to permanent status. We will further expand the scope of employees eligible for promotion and continue to promote the actualization of our human resources.

Implementation of employee surveys

We conduct these surveys as one of our corporate climate reforms for the purpose of gauging the climate and vitality level of our workplace from multiple angles and making Duskin a better place.

Going forward, we will use the results garnered from surveys conducted over time to visualize changes in our corporate climate and act as indicators for employee awareness measures. By sharing analyses of those results through internal newsletters and other means, we are collectively endeavoring as a company to improve employee awareness.

Human Resource Development

Education and training programs

Duskin promotes a variety of educational and training endeavors in order to develop human resources who understand our management philosophy of "Prayerful Management" and are able to espouse that philosophy as the source of all of their actions. To enable each and every one of our employees to master the knowledge and skills they need to effectively fulfill their designated roles, in addition to offering rank-specific training for new and existing employees, we also focus on the development of area managers to invigorate franchised locations. We also place value on a stance of autonomous learning by encouraging self-development through acquiring official certifications and taking correspondence courses.

Companywide Education System

Rank	Rank-Specific	Post-Specific	Companywide			Business Division-Specific			Self-Development		
Managerial position	Senior management	Area Manager training	Management Philosophy	Six sigma workout (continuous process improvement)	Compliance	Dust Control		Care Services	Mister Donut		
Leader position	Management					Post-specific training	License acquisition training	Post-specific training			
	Leader (Chief)										
	Leader (Senior staff)										
Leader	Post-specific training									License acquisition/renewal training	Post-specific training
3rd year review											
Development		6 months/first/second year reviews									
	Ittoen Chitoku training										
	New employee training										

Duskin School

This educational center for all Duskin businesses provides franchise owners, staff members and managers responsible for developing our business across Japan with comprehensive learning that covers everything from our management philosophy to operation knowhow. With its highly-experienced instructors, wide-reaching training curriculum and considerable equipment, Duskin School gives those individuals a venue for mastering knowledge and skills.



Regional Training Centers

To gain the trust of our customers, in addition to developing superior products and services, having staff with specialized knowledge deliver those products and services is a must. Through our Regional Training Centers that we have set up in eleven locations across Japan, Duskin seeks to improve the services and technology that we offer. At the Centers, we also conduct ongoing training tailored to the attributes of the local market.



Scene from training at a "Regional Training Center"

Mister Donut College

This facility is a place for employees to learn not only about donut-making and customer service techniques, but also about the philosophy of Mister Donut and the mental posture for taking care of our customers. Through forming teams and engaging in practical-heavy learning, trainees develop a thorough mastery of knowledge regarding food and hygiene, product quality control, and store maintenance and management. Only those who satisfy established standards may supervise Mister Donut shops across Japan.



Scene from training at Mister Donut College

Work-Life Balance

Promoting a work-life balance

The design of Duskin's company badge, which our employees place on their lapel, consists of a capital D for "Duskin" and a four-leaf clover. The latter, which typically symbolizes good luck, was included with the hope that our employees find the ability to live a happy life based on "work," "family," "hobby" and "faith" (as in, being thankful and reflective).



General employer action plans based on Act on Advancement of Measures to Support Raising Next-Generation Children

•Duskin Action Plans (Term 3) April 1, 2011 – July 31, 2015

We have formulated and continue to promote our Term 3 Action Plans so that we may establish an environment where our employees can achieve a balance among their work, childrearing and home life, demonstrate their individual potential to the fullest and be evaluated appropriately, thereby boosting their motivation and sense of accomplishment and satisfaction.

Action Plan 1

Carry out initiatives for rectifying long work hours

- Continue "No Overtime Work Day." Examine systems that make it possible to further popularize that practice.
- Reform the awareness of employees and educate them with respect to elements of operational implementation, including work task priority and time management.

Action Plan 2

Carry out initiatives for promoting work-life balance

- Encourage employees to take paid vacation leave through the continuous implementation of a system for promoting planned paid vacation leave taken by employees.
- Continue "Family Participation Day" and supply venues for interaction by workplace managers and colleagues with employee family members.

*The above are partial excerpts of measures under each Action Plan.

Action Plan 3

Carry out initiatives geared toward promoting the utilization of programs that assist the realization of a balance among work, childrearing and nursing care

- Examine devices for reforming the awareness of managers who have employees who are pregnant, raising children or providing nursing care as well as awareness in workplaces containing such employees.
- Conduct initiatives for increasing opportunities for male employees to take part in childrearing.

Action Plan 4

Strive to realize a situation where men and women are not bound by fixed roles and both are able to demonstrate their ability as equal partners within Duskin

- Help establish a framework and reinforce education for leveraging female sensibilities so that female employees can develop and operate Duskin services and organizations for women.

Programs that assist the realization of a balance among work, childrearing and nursing care

To do our part to help alleviate social issues such as the rapidly declining birthrate and aging population, Duskin has put programs in place to address childrearing, leaves of absence for nursing care purposes, and other non-work obligations of employees, and is currently promoting initiatives that help employees achieve a work-life balance. For employees who are pregnant or are currently raising children who are no higher than Grade 6 in Japanese elementary school, or those who are providing nursing care to family members, we offer our "Four-Leaf Shift" program that enables employees to advance or delay the start of their work day by up to 1.5 hours. For employees who had no choice but to resign from Duskin for reasons related to the likes of childrearing and nursing care, we offer our "Four-Leaf D-Turn" program that allows them to return to work.

Additionally, for employees in the middle of raising children, we have introduced multiple programs that include one that shortens employee work times until their children turn the age of three and another that allows employees who did not fully use the former program before their child turned three years old to take advantage of time left over in installments up to the end of their child's first year of elementary school. Duskin has also established an environment that enables employees who need to provide nursing care to family members to do so with ease, as evidenced by our nursing care vacation and leave of absence programs and accumulated paid vacation leave that employees gradually build up from paid vacation leave that they have yet to take.

		March 31, 2013	March 31, 2014	March 31, 2015
Yearly total hours worked per employee		1,945	1,955	1,944
% of paid vacation leave taken		48.5	49.6	50.7
Number of employees who took maternity/paternity leave	Male	0	0	0
	Female	33	30	27
Number of employees who took nursing care leave	Male	1	0	1
	Female	0	4	0



Four-Leaf D-Turn
(work reinstatement program)

*Duskin and its (consolidated) subsidiaries

Diversity

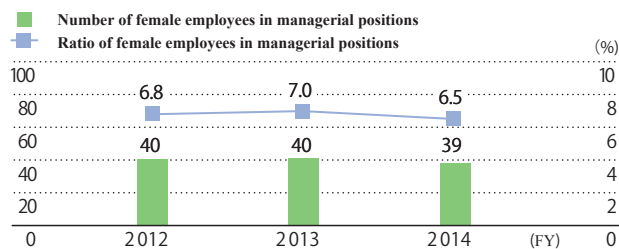
Promoting contributions by women in the workplace

The promotion of contributions by women in the workplace is a challenge shared among Japanese enterprises, and Duskin is no exception. We believe that promoting employees to higher positions regardless of their gender is an integral part of corporate growth.

Moreover, given that women account for a considerable percentage of the consumer population for Duskin services, it is important that we provide those consumers products and services with greater levels of convenience and comfort from the position and perspective of women.

With that in mind, we aggressively conduct product development, advertisement rollouts and other endeavors that incorporate female sensibilities. What's more, our Regional Offices are also working to promote female employees to area managers who administer guidance to franchisees.

Number and Ratio of Female Employees in Managerial Positions



*Duskin and its (consolidated) subsidiaries



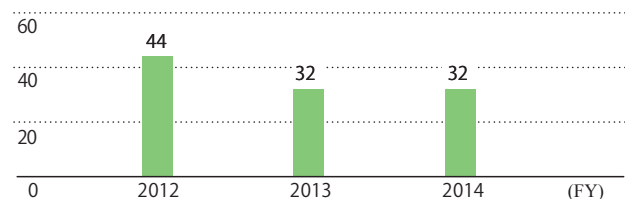
Our female employees provide assistance to our franchised shops as area managers.

Re-employment system for mandatory retirees

Japan's increasingly gray population has brought about changes in the nation's social security system. Along with those changes and other factors, there have been increasing calls for greater opportunities to continue working following mandatory retirement. This also ties into the social issues of needing to compensate for manpower shortages and have employees impart the knowledge and experience that they accumulated over years to the next generation.

Duskin has a program in place that re-employs employees even after they have reached the mandatory retirement age of 60 up until the age of 65. As a general rule, those employees are asked to continue duties in the department that they worked under at the time they retired. This environment, which leverages those employees' experience, makes it easy for them to demonstrate their ability.

Number of Re-Employed Mandatory Resignees



*Number of newly-re-employed resignees during each FY

*Duskin and its (consolidated) subsidiaries

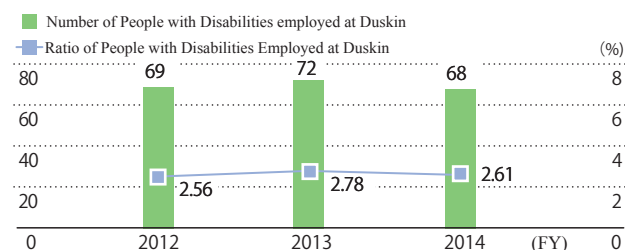
Promoting the hiring of people with disabilities

We believe that it is also the social responsibility of corporations to provide means of working to people with disabilities who can work that are individually matched to those people.

Since 1981, through The Duskin AINOWA Foundation, we have been helping to provide opportunities for people with disabilities to learn about advanced forms of welfare. We also provide people with disabilities with places of employment where they can work with vigor, and facilitate their entrenchment in those jobs.

We were recognized for these initiatives with the FY 2014 Health, Labor and Welfare Minister's Award for Outstanding Offices for the Employment of Persons with Disabilities. As we move forward, Duskin will continue to actively address the promotion of the employment of people with disabilities and do our part to realize the creation of a society where everyone can live with a sense of spiritual enrichment.

Number and Ratio of People with Disabilities Employed at Duskin



*Duskin (non-consolidated)



Ceremony for receipt of the Health, Labor and Welfare Minister's Award

Feature 3: Our environmental initiatives

For preventing global warming

Rental of mops and mats and food services including Mister Donut are our core businesses. At Do-o Central Plant, one of our Production & Logistics facilities in the Dust Control Business, the collected frying oil used at Mister Donut is utilized as fuel for boilers when recycling rental products.

All Duskin businesses continue to face and resolve environmental issues.

Use of donut oil

Duskin has promoted recycling-oriented rental systems since its founding.

Soiled mops and mats are collected regularly and delivered back to customers for use after cleaning at the Production & Logistics facilities.

At Duskin Do-o Central Plant, rental products are collected and repeatedly washed and reused in Hokkaido where we have access to a large area.

The processes of washing and drying rental products requires a certain amount of fuel.

We started utilizing oil recycled from frying donuts at Mister Donut, another business group at Duskin, in addition to existing fuels. P&L facilities and Mister Donut, in collaboration between two different business groups, contributed to reduce the use of fossil fuel and thus reduce CO₂ emission which causes global warming.

We want to enhance the utilization of oil.

We do not expect fuels such as gasoline to increase by purchasing used oil from Mister Donut. While testing the possibility of developing new initiatives, we will promote energy-saving efforts in various ways.

Toru Oikawa
Production Manager, Do-o Central Plant
Duskin Product Hokkaido



Duskin in Numbers

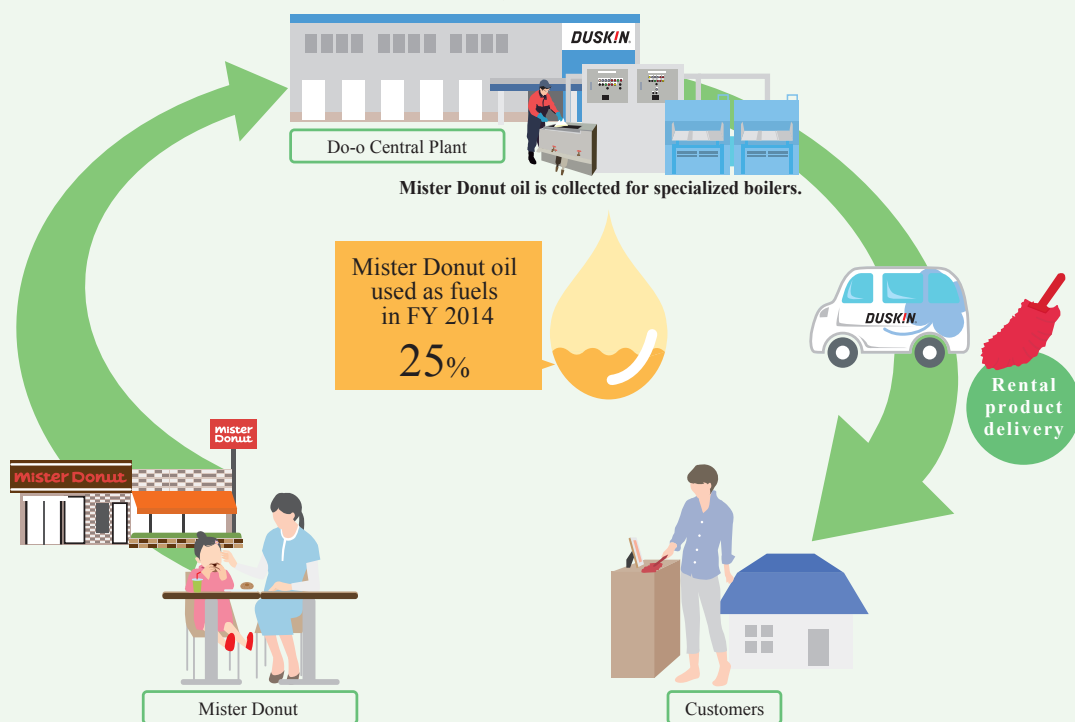
Mister Donut oil accounts for 25% of all the fuels used at Do-o Central Plant.
To promote this initiative, specialized boilers have been introduced.

Utilization of
Mister Donut oil

25%

Utilized as fuel for specialized boilers at plants

Solid oil delivered to plants is heated at 80°C and put into boilers after melting.
High-temperature steam generated by boilers is utilized as industrial water to effectively remove soil, as well as the heat source of dryers.
The amount of processing of this washer per day is the equivalent of 1,500 times the average washing machines for residential use.



Collect oil at Mister Donut

Oil is collected after being used for frying donuts.
Collected oil turns solid after being chilled. Solid oil can easily be carried and is packed in boxes and delivered to plants. Mister Donut shops strictly control the quality of frying oil for maximum use while optimizing the amount of used oil.

Reprocessed products are delivered to customers.

Mats and mops after washing and drying are inspected carefully, packed and delivered to customers. 96% of used products are recycled. Repeated use of products contributes to waste reduction and saving energy and resources. This demonstrates the idea of Repeated Use, one of our Four Eco-Friendly Approaches.

Environment

Duskin was founded with its cleaning tool rental business, and has been consistently engaged in this recycling-oriented business. Now that our business domain has significantly expanded, we continue to promote eco-conscious operations throughout the company.

Environmental Management

Duskin Environmental Policy

Duskin strives to achieve the joint objective of engaging in sound business activities and environmental conservation. We provide products and services that are safe, reliable, and environmentally friendly throughout the phases from production to after-use. We seek to lessen negative impacts on the environment in the following areas:

- ① **Designing, development, and selection of products and services.**
We look at all phases of product lifecycle, from procurement of raw materials, to the production, delivery phases to use by customers, and ultimately, collection and disposal after use. During each phase, we develop, select and provide safe and reliable products that contribute to reducing negative impacts on the environment. Through promoting recycling products and materials, we utilize the materials to their fullest.
- ② **Plant operation**
We devote our efforts for resource and energy-saving plant operation. While reducing the waste and emission that negatively affect our environment, we promote more effective use and recycling of waste and emission. We work for effective plant operation that prevents from pollution and accidents.
- ③ **Distribution, sales and promotional activities**
We pursue effective and efficient product distribution, delivery and sales activities. We reduce auto emission, and CO₂ emission caused by our use of vehicles.
We promote and sell products and services that are more effective for environmental conservation.
- ④ **Offices, facilities and equipment**
We operate our offices in a more resource- and energy-saving manner.
Through green purchasing, we promote the use of goods that has less adverse impact on the environment.
- ⑤ **Contribution to building community**
In addition to complying with laws and regulations, we actively participate in social programs for environmental preservation. We also review environmental conservation measures that our company can contribute to, and put them into practice.

Duskin's Environmental Policy Statement

After formulating the "Environmental Philosophy" and "Environmental Policy" in 1998, we started our initiatives to obtain ISO 14001 certification in 1999.

In 2008, Duskin issued the "Environmental Policy Statement" and is continuing environmental conservation efforts across our businesses.

Sowing the Seeds of Ecological Responsibility for the Future

Duskin started its business by renting out cleaning tools.
It has always promoted the philosophy that things should be used to their fullest extent or to the end of their useful life. This philosophy conserves natural resources, protects mother Earth.

Duskin will review its business activities and all phases of the life cycle of its products from product development to processing, delivery and recycle or disposal after the end of their useful life. With a focus on repeated use, shared use, reduction of wanton waste and disposables. Duskin continues to increase its efforts to protect the environment.

Along with the philosophy of "Sowing the Seeds of Joy,"
Duskin will endeavor to enhance its ecological preservation initiatives through building upon simple and familiar actions for the future of all.



Symbol mark for ECO-Concern

Duskin's four eco-friendly approaches

Repeated Use

Rental items such as mops and mats are collected after use, reprocessed and reused repeatedly. Our recycling-oriented business helps our customers keep their homes and work-places clean.

Shared Use

Duskin utilizes resources with maximum effectiveness by sharing items instead of owning them. Rent-All and Health-Rent rent out baby-care items, travel items and nursing-care and welfare equipment, only when customers are in need of them.

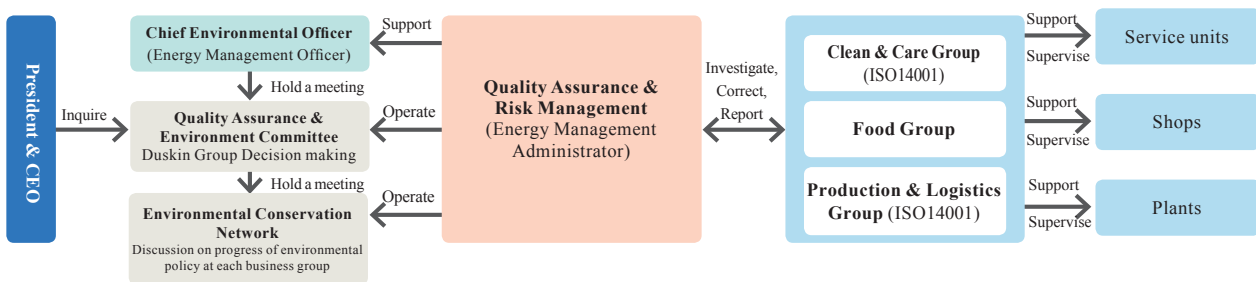
Reduction

Chemicals for cleaning services and pest control services are selected and applied with methods which will have minimal impact on the environment.

No Disposal

Mister Donut shops, with the exception of food courts, have used ceramic or glass tableware since 1974 to reduce as much waste as possible by minimizing use of disposable products.

Environmental management structure



Environmental training

Initial environmental training sessions are conducted as part of an educational program for our new employees. During these sessions, new employees learn about environmental issues and environmental conservation efforts by companies and information disclosure system. These sessions provide the participants to exchange their views on how Duskin can enhance its contribution to environmental conservation through our business.

By raising environmental awareness among new employees, we strive to develop those who will take initiative in promoting environmental management in the future.



Environmental training provided for new hires

ISO14001 Certification

In 1999, Duskin started initiatives to obtain certification of ISO14001, the international environmental management standard, and obtained the certification in our five businesses.

Although we returned the certification on Food Group in 2013, we continue our efforts to conserve the environment.

Date	Business
Mar. 3, 2000	Production & Logistics, plants
Mar. 30, 2001	Head Office and Franchise Units of Dust Control Business (Clean & Care Group)
Apr. 27, 2001	Head Office and Franchise Units of Care Service Business (Clean & Care Group)
July 26, 2001	Head Office and all Shops of Rent-All and Health Rent

Figures on our environmental initiatives

Duskin has been delivering products to customers through its rental business system since its founding. With our policy of "using things to their fullest extent" shared among all our business segments, we continue our environmental conservation efforts with our four eco-friendly approaches: shared use, repeated use, reduction, and no disposal. In these attempts, we set medium-term goals for our initiatives, categorized as "reduction of CO₂ emission", "waste reduction", and "water conservation." We have achieved the following results.

★★★ : Achieved : ★★ Achieved more than 90% : ★ Achieved less than 90%

Resource conservation initiatives		2014 Goals	2014 Results	Evaluation
Reduction of CO ₂ emission	Production & Logistics CO ₂ emission at Duskin plants	Less than 45,800t-CO ₂	43,822t-CO ₂	★★★
	Production & Logistics CO ₂ emission from delivery vehicles operating between plants and franchise units	Less than 9,600t-CO ₂	10,015t-CO ₂	★★
	Mister Donut Business Electricity use (monthly, per shop)	Less than 8,540kWh	7,963kWh	★★★
Waste reduction	Mister Donut Business Discarded donuts (monthly, per shop)	Less than 6,300 pcs	6,052 pcs	★★★
	Mister Donut Business Increase in number of shops participating in a program to recycle leftover donuts into animal feed	More than 550 shops	503 shops	★★
Water conservation	Terminix Business Reduction of chemical usage in termite control service by introducing a new installation method of bait stations (*amount of chemical used on each service)	Less than 6.6kg	6.8kg	★★
	ServiceMaster Business Reduction of the number of cleaning agents including chemical substances that are regulated by the PRTR system	Less than 1 item	5 items	★
Duskin corporate group	Electric use	In all units: Less than 36,330,000kWh	In all units: 34,990,000kWh	★★★
	Copy paper use	In all units: Less than 61.1 t	In all units: 67.9 t	★

History of our environmental conservation efforts

1963

- Duskin was established.
- Clean Service started.
- (Franchise of rental of chemically treated dust cloth started. Laundry plant was launched.)

1971

- Wastewater treatment facility was launched.
- Mister Donut started.
- Care Service (ServiceMaster business) started.

1973

- Installation of wastewater treatment equipment at all plants was completed.

1974

- Mister Donut started using ceramic tableware and glassware.

1978

- Rent-All (comprehensive rental business) started.

1993

- Mister Donut started recycling of frying oil.

1998

- Environmental Philosophy & Environmental Policy was formulated.

1999

- Duskin started to apply for ISO14001 Certification.

2000

- Initial Environmental Report, "Green Report 2000" was issued.
- Supply and Logistics Group obtained ISO 14001 Certification.
- Mister Donut obtained ISO 14001 Certification.

2001

- Dust Control obtained ISO 14001 Certification.
- Care Service obtained ISO 14001 Certification.
- Rent-All obtained ISO 14001 Certification.

2002

- Turning leftover donuts into animal feed started.

2003

- All Comprehensive Plants obtained ISO 14001 Certification.

2005

- Environmental management policy was established.
- New environmental policy was established.

2008

- Environmental Policy Statement was announced.

2009

- Food Group obtained ISO 14001 Certification.

2013

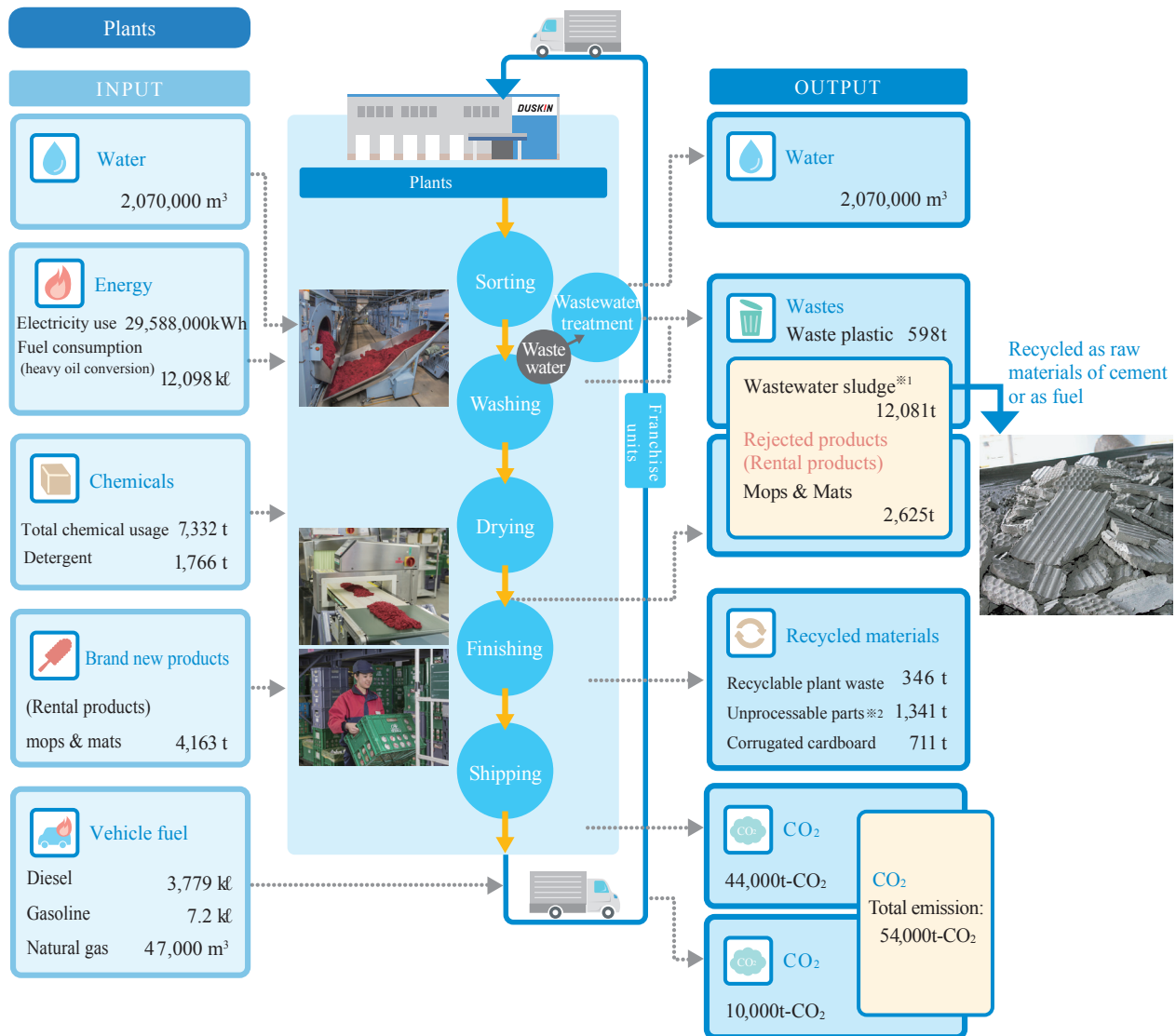
- Food Group returned ISO 14001 Certification.

2014

- Environmentally-focused Green Report is updated to CSR report.

Input & output of resources

We focus on understanding the entire picture of environmental loads in the lifecycle of our rental products (through washing, finishing, and shipping processes) as well as in other businesses.



※1 Sludge: Dust and dirt separated from laundry wastewater

※2 Unprocessable parts: Include mop handle, air purifier main unit, and water purifier main unit

Utilities in Mister Donut shops

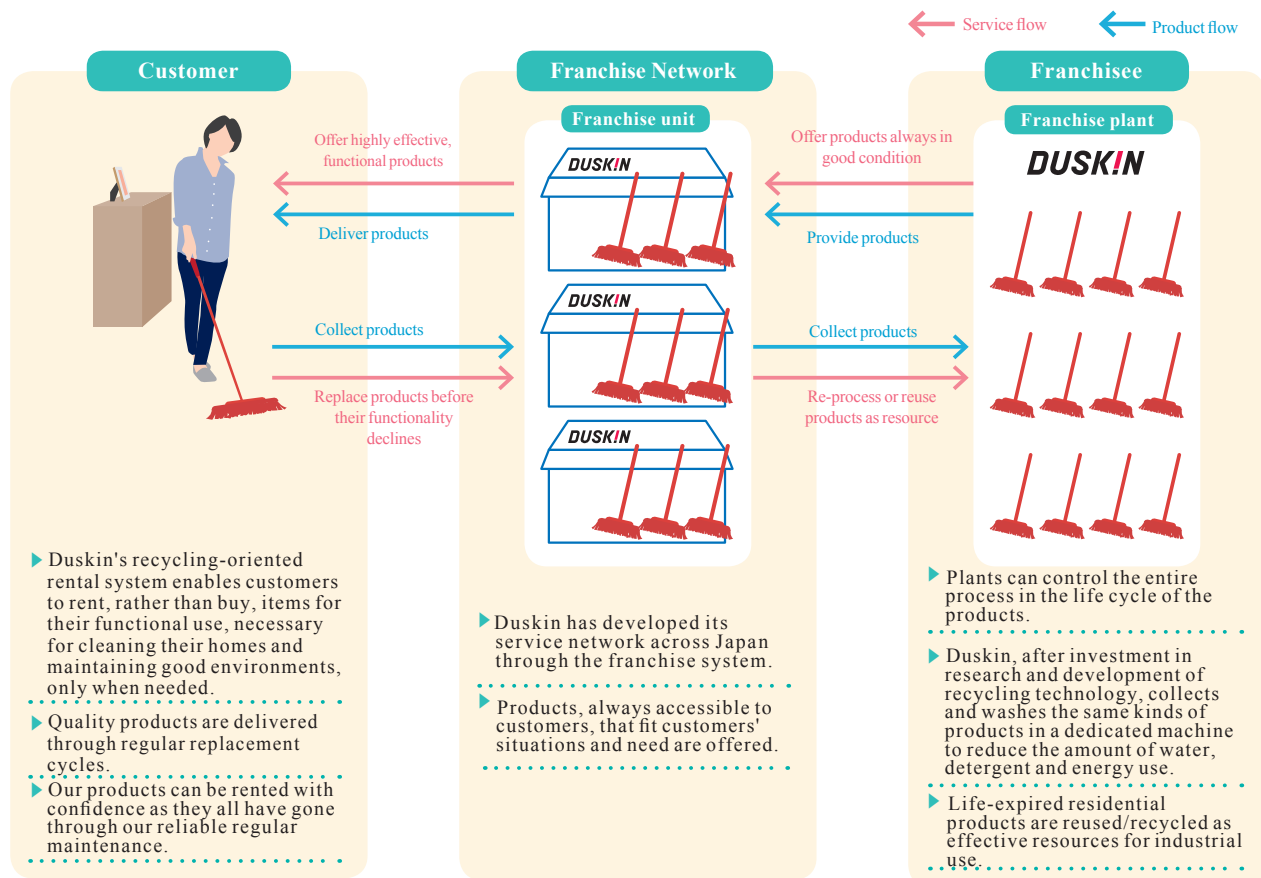


Initiatives at plants

Duskin's recycling-oriented rental system business

Our product rental system gives us an advantage in managing effective control over environmental impact in all processes involved in their life cycles.

We encourage eco-conscious business operations throughout all phases of product lifecycle, from product development to reuse, recycling, and disposal after use.



"Return by Post Service" (P17) is introduced as an innovative form of rental service in an attempt to build on new ties with our customers.

Initiatives at plants

Rental products are washed and reprocessed at Duskin plants.

With an aim to save more energy and resources, new equipment and technologies are developed and introduced in our plants. The technology and knowledge are shared at all plants to support Duskin's recycling-oriented rental system.



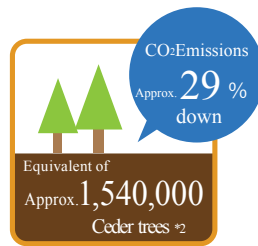
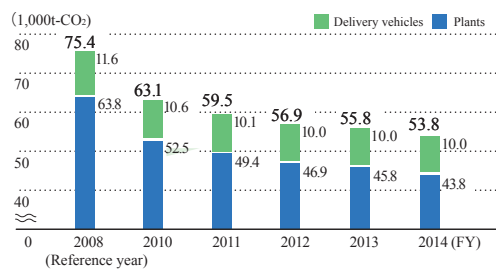
Duskin Plant

Initiatives at plants

CO₂ Emission Reduction

Duskin strives for energy loss reduction at plants by introducing power-saving equipment, performing periodic equipment maintenance, streamlining facility operations and saving electricity. Transportation efficiency is also improved by reviewing more efficient delivery routes. Drivers are encouraged to drive eco-consciously on a daily basis. This also promotes safe driving by preventing hard acceleration, heavy breaking, and over speed.

CO₂ Emissions/Plants (across Japan)*1



*1 CO₂ emission coefficient of Federation of Electric Power Companies in 2008 was used to calculate emissions associated with electricity use.

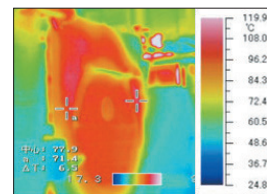
*2 One cedar absorbs approx. 14kg of CO₂ per year. (approx. 1.17kg per month) (Source: Measures for Green Sinks to Prevent Global Warming, Forestry Agency and Department of the Environment)

Promoting energy saving

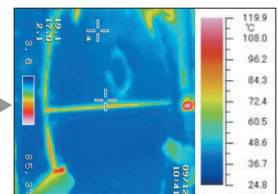
Visualizing heat loss

We regularly check the temperature in dryers and pipes to monitor heat loss, which will increase energy consumption in plants and facilities. The temperature in dryers and pipes is monitored by the use of thermographs. To reduce heat emissions, insulation is installed at the site where the temperature can go above a certain temperature.

Before



After



Insulation effectiveness at the door of a dryer

Introducing solar power

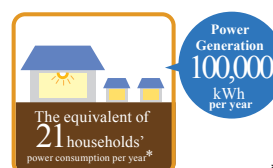
Duskin has introduced renewable energy: a significant measure to deal with environmental issues including global warming and shortage of resources and energy.

Solar energy panels are used for some parts of glass wall of Duskin School, our training building, and the panels started to generate photovoltaic power in 2010.

In 2013, a solar power system was adopted at Osaka Central Plant with the maximum power output of approximately 100kW.



350 panels installed on the roof of Osaka Central Plant



*Total energy consumption per household:
4,734kWh per year
(Source: Report on Standby Energy
Consumption; The Energy Conservation
Center, Japan)

Effective use of water resources

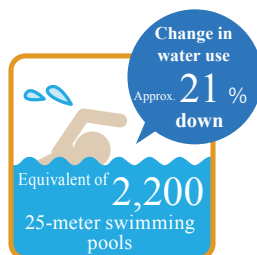
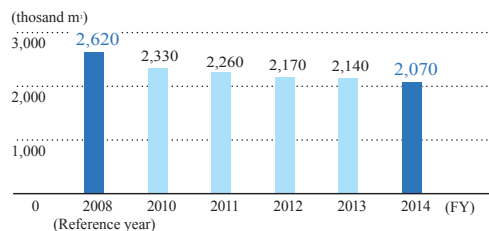
Recycling treated water

Large amounts of water are used in the laundry processes. Water used during the process is treated at our plants under the supervision of an in-house license holder of wastewater treatment. Under the internal criteria which are stricter than those imposed by legal limits, we also strive to reduce water usage by recycling the treated water for laundry.

We strive to reduce water use by recycling the treated water for laundry.

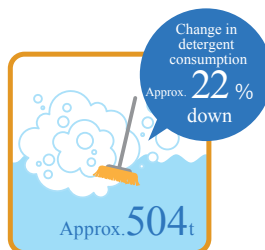
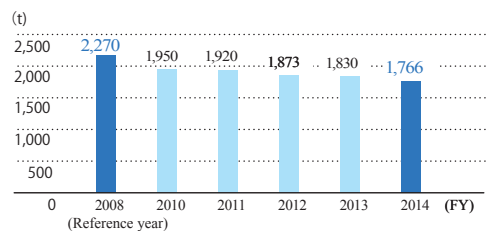
To reduce detergent consumption, we use water that has undergone appropriate treatment and is suitable for use in washing and rinsing.

Water use



* Based on 250 m³ of water (filling with water a 25 meter swimming pool (25m x 10m) to the depth of 1 meter).

Detergent consumption



*Source: Duskin

TOPIC

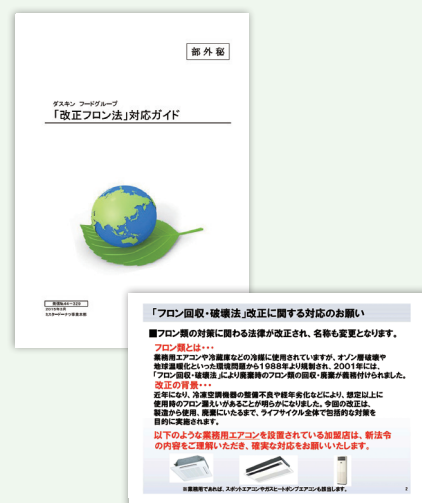
Complying with the Freon Emission Restraining Act

The Duskin Group has collectively ensured compliance with Japan's Freon Emission Restraining Act, an amended version of which went into effect on April 1, 2015.

Freon gases are believed to be one of the causes of global warming.

In order to reduce emissions of those gases into the atmosphere, business operators are now being called upon to carry out new measures in the form of inspecting equipment for professional use that use Freon as a refrigerant (such as air conditioners, refrigerators and freezers) and ascertaining computed leak quantities of Freon gas.

At Duskin, we prepared a guide, manual and other informative materials to ensure compliance with the amended Act by each of our businesses, and ensured awareness of our obligations in this respect. As a result, preparations are in place for clarifying applicable equipment at each of our bases of operation, conducting inspections there, and ascertaining computed leak quantities of Freon gas. In the future as well, we will continue to maintain mechanisms for ascertaining and complying with environmental laws, social demands and other requirements, thereby fulfilling our responsibility as a corporation.



Guide for Duskin's main businesses and newsletter

Efforts at our shops and offices

Energy-saving initiatives

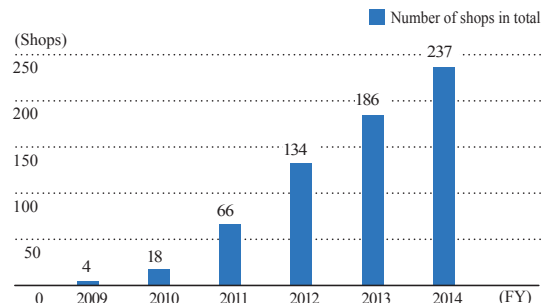
●Energy-saving initiatives at Mister Donut shops

Mister Donut shops are promoting energy-saving activities by controlling the temperature of air-conditioners, checking utility meters daily, reviewing lighting arrangements, turning off lights in the backyards when not needed, while still maintaining comfortable space for customers. Introduction of energy-saving types of refrigerators and freezers are being phased in.

Mister Donut included LED lighting for its standard specification for new shops. Lighting is switched to LED lighting whenever we remodel existing shops.

In 2014, lighting is switched to LED lighting in 51 shops, including new and renovated shops.

Accumulated number of shops where LED lighting is introduced



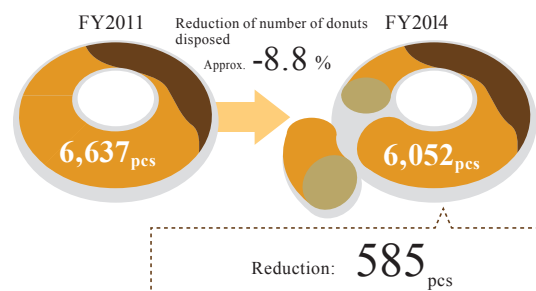
Recycling initiatives

Reduction of disposed donuts and recycling into raw materials

Mister Donut has reviewed production schedules and conducted management controls by using a disposal checklist to maintain the desired number of donuts to be discarded.

At 503 shops (39% of the whole system) in Kanto and Tokai areas, unsold donuts are reprocessed in processing plants into feed as part of our recycling efforts.

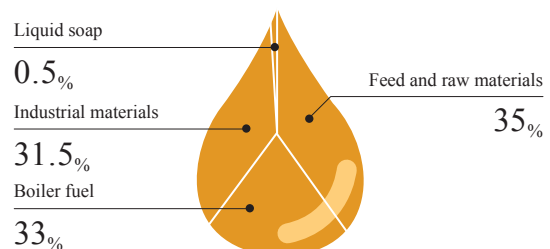
Number of donuts discarded (monthly, per shop)



Recycling of donut oil

All the oil used is collected and recycled into feed and industrial materials, and re-processed into liquid soap used in our shops.

It is also utilized as fuel for boilers at Duskin's laundry plants where mops and mats are washed.



Eco-friendly Uniforms

Recycled Polyester material is used for Mister Donut uniforms.

Using recycling technology by Teijin Fiber Co., Ltd., the fibers are recycled into new fibers, which can make materials recyclable.

Employing this material enables us to make uniforms that are semi-permanently recyclable.



Effort to reduce waste

Use of ceramics and glass tableware

Since 1974, Mister Donut has used ceramic and glass tableware to reduce discarded paper containers and other waste. (Since use of ceramic cups and dishes or glasses are restricted at shopping mall food courts, paper cups are used instead.)



Ceramic tableware and glassware have been used since 1974.

Introduction of low-emission vehicles

At Duskin, sales vehicles are essential for the deliveries of our products and services. Duskin has conducted the Green Driving Campaign, with an objective to reduce the CO₂ emissions caused by our use of vehicles. As part of this campaign, Idling Stop and eco-friendly driving initiatives are encouraged. Setting the standard to introduce environmentally friendly vehicles, Duskin works on employing low-emission gas vehicles as sales vehicles. At our head office, the use of more eco-friendly vehicles including hybrid vehicles has been promoted.



Compact electric vehicles are being introduced

Initiatives at Rent-All

Rent-All offers for rent a wide range of items such as baby-related products, travel products, and items needed for events. Through rental of these items, we promote effective use of limited resources.

The rental products returned from customers are checked for both functions and safety, then thoroughly maintained. This ensures our customers feel safe and reliable to use our rental items.

Rent-All selects environmentally friendly products for its lineup. For instance, conventional exhibit panels made of wood and paper generates waste when dismantled and removed from the exhibition sites. Rent-All introduced exhibition booth system panels which scarcely produce waste through all phases from construction to removal. We strive to promote environmental conservation through careful selection of event-related equipment and fixtures.



Exhibition booths using system panels

Commitment on products and services

Dust Control

Residential use Duskin mops that contribute to energy-saving at homes

Duskin mops enable customers to make their daily cleaning handy and easy whenever they want, without raising dust. Compared with a vacuum cleaner, our mops help reduce the use of electricity. This is an environmentally-friendly cleaning approach that contributes to energy saving.

Cleaning Basic Three

We rent out a set of Cleaning Basic Three, which consists of a handy mop, floor mop and a Style Cleaner, which is an electric dust cleaner. With this set, dust gathered by the mops and vacuumed by the Style Cleaner, customers can enjoy handy cleaning without a trouble of getting a vacuum cleaner out.



shushu handy mop

LaLa floor mop

Style Cleaner

Mop for commercial use

We recycle precious resources in the production process of our core mop products for commercial use. Unused scraps including short fibers generated during the textile spinning process, that were disposed in the past, are now recycled into mop piles. The products are thus granted Eco Mark Certification.



New Duskin Mop, Small



New Duskin Mop



Smart Mop



Duskin Mop M90



Duskin Mop M120

Floor mops for commercial use (Eco mark certified) made from unused fibers.

Care Service

Saving energy with air-conditioner cleaning

Electricity conservation continues to be an important social issue. Air conditioners account for a large percentage of total energy use, especially during the daytime in summer.

Measures, such as regular cleaning of the filters, are effective in saving electricity.

In Duskin ServiceMaster air conditioner cleaning service, professionally trained staff members partially dismantle air conditioners and clean the internal parts. This helps improve air volume and cooling/heating efficiency, and also contributes to reducing electricity use.



Cleaning air conditioner for residential/
commercial use

Treatment of washing water and wastewater

Highly alkaline detergent and waste water generated from wax removal which have significant impacts on the environment are collected, and brought back for appropriate treatment.

We remove as many impurities as possible through neutralization, flocculation and filtration, using our special treatment agents.

Initiatives at Terminix

Terminix promotes the Integrated Pest Management system that focuses on pest prevention. This system uses eco-friendly methods with minimal or no chemical application for extermination and prevention of pests, including cockroaches, termites, bees, rodents and pigeons. With our regular inspections, we help to maintain a sanitary environment with no pest infestation.



Regular visit by technician

Feature 4: Local and Social Contributions

To develop children's abilities through cleaning activities

Children do not care when their classrooms get untidy. School teachers who worry about how they should conduct cleaning instruction for such children. Duskin supports educational programs for cleaning at schools as we have always thought about cleaning since our founding.

To help children learn the importance of cleaning

Duskin hopes to contribute to society through its core business, which is cleaning.

To achieve this goal, our Institute for Comfortable Life led various support programs at no charge for educational fields since 2000.

Duskin's school education support activities are comprised of three pillars: Seminars for teachers to learn instructions on cleaning at school; on-site classes that help raise children's interest in cleaning; and support for developing cleaning education curriculum.

We train Masters who conduct all of these activities, and Supporters who mainly take care of on-site classes.

Our Masters are also working on development of Supporters while taking care of their daily duties. In cooperation with franchisees and Area Managers, our Masters strive to build good relationships with local communities. We strive to enhance our presence that is more emphatic and familiar in our community.



"I would like to expand our activities in the community."

To respond and meet with willingness of children and eagerness of teachers, I prepare thoroughly and try to talk in an easy-to-understand manner.

As a promoter of this activity at our Regional Office, I would like to share my experiences with those in my region and expand this activity to make it deeply rooted in the community.

Rie Sakai
Graduate of the 1st Class of
School Cleaning Master
Kyushu Regional Office
Clean & Care Group

Duskin's school education support

1 Seminars for Teachers: School cleaning seminars to develop children's abilities

This program focuses on how to provide cleaning instructions and educational effects for elementary and junior high school teachers.

2 "Sow the Seeds of Cleanliness" Classroom

Through this program, we help children acquire basic knowledge on cleaning, including the needs for cleaning and proper use of cleaning tools.

3 Sharing education support curriculum

Materials and information on the needs of cleaning and organizing as well as instruction procedures for teachers are shared free of charge at Duskin's website.

Duskin in Numbers

To become a certified Master dispatched from Duskin, employees need to complete a rigorous training program which takes at least 3 years.

While continuing their daily responsibilities, prospective Masters work with instructors of our Institute of Comfortable Life to rehearse the program many times. They strive to refine their skills so that they can certainly respond to the needs of various educational fields.

Training**3** years**Seminars for teachers, school cleaning seminars to develop children's abilities**

A 15-minute cleaning a day at school would total approximately 66 lessons of 45 minutes per year.

Through this cleaning time at school, teachers want children to think about and understand the importance of cleaning, to acquire ideas and skills related cleaning and organizing to keep their living environment clean and tidy. This is what we often hear from teachers who do not know exactly what to do, or how they should properly instruct children.

At our seminars for teachers, we help them experience the use of cleaning tools, following the instruction by our School Cleaning Master. School teachers listen to our Master with shining eyes with eager interest like children. Then, teachers work in groups to develop a cleaning instruction plan through discussions.

Now, their look turns to professional teachers. This practical program supports their daily cleaning instruction at school.

**On-site class to raise interest in cleaning**

Dusty classrooms with trash scattered on the floor. Such scenes, unfortunately, are not unusual.

"Sow the Seeds of Cleanliness" Classroom is a 45 minute lesson that helps children to learn what dust and soils are, why cleaning is necessary, and correct use of dust clothes and brooms.

After the lesson, there was a big change shown by children who were previously indifferent to cleaning, saying "I've found dust here!"

Among the voices from parents, there was a message, "When I arrived home, my child was waiting for me on the door way, and eagerly told me about the cleaning she learned at school." It is a responsibility for adults to teach children the importance of cleaning.

When children grow and become adults, their children learn the importance of cleaning from them.

Duskin wishes to contribute to the realization of such a future.



Feature 4: Our Commitment to the Community and Social Contribution

To serve as a partner of seniors in their daily life

Japan has become a super-aging society in which approximately one out of every four members of its population is 65 years old or older. In numerical terms, that amounts to about 33 million people. The ability of Japan's medical and care facilities to sustain the lives of the nation's seniors can only go so far.

Duskin offers help in various forms so that our customers can live their senior years in the peace, comfort and familiarity of their own home.



Listening attentively to customer concerns

People's physical condition and living environment are particular to the individual. Similarly, concerns regarding seniors and their family members are different for everyone.

In our Home Instead Business, our policy is to do our utmost to listen attentively to, pick up on and realize the wishes and thoughts of our senior customers, including those that they themselves cannot fully express in words.

The diverse variety of services that we provide at customers' homes to assist in their daily living in place of their families and help facilitate their independent lives include chores in day-to-day life such as preparing meals and doing laundry, accompanying customers on outings, and keeping an eye on them during the nighttime.

We ensure to enhance the skills of our staff through training them how to listen attentively, communicate, and detect danger, and share their experiences to improve the quality of the services. We will continue striving to provide our senior customers with services that suit their situation while keeping their needs and inner thoughts in clear focus.



Building a relationship of trust is the foundation for everything

There was a customer who had difficulty walking, and was reluctant to visit the hospital as a result. Over a span of six months, I provided heartfelt assistance to that customer in his daily life three times a week. Finally, one day, he told me "I'll go to the hospital if you come with me."

In my estimation, this is all thanks to the bonds of trust I gradually built with that customer. I will treasure those words of his always.

Tomohiko Yoshida,
Sales Staff, Home Instead Suita Station



Helping seniors in their daily life

- Dementia care
- Nighttime watch
- Accompaniment on hospital visits and outings
- Meal preparation and shopping
- Daily cleaning and laundry

Duskin in Numbers



In addition to dementia-specific services, Duskin provides services that cover day-to-day housekeeping and accompaniment on hospital visits and outings. We provide help 24 hours a day, 365 days a year that is tailored to the needs of each individual customer.

24hours **365** days

Duskin in Numbers



In a survey, 96.5% of our customers answered that the Duskin-provided equipment they currently use is a good fit with their body. We offer that equipment for rental after carefully ascertaining customers' needs and allowing them to test the equipment until they are satisfied.

Satisfaction **96.5** %



To spend one's day-to-day life feeling secure

As people get older, they become gradually unable to do the things they once were able to.

In order to dispel such anxieties that seniors may have, we provide them with total support in their daily existence through offering home health care equipment on a rental basis.

Common concerns about our rental service include "What kind of equipment should I choose?" "Can I borrow it right away?" "Does the equipment have any quality issues?" In our Health Rent Business, we answer each and every one of these questions with empathy. Together with our staff, we consistently keep abreast of knowledge regarding the latest equipment and the most recent information concerning care so that we can provide our senior customers with equipment that suits them given their differing physical state and living environment. This is a testament to our commitment to ensuring that they are able to live their lives in greater peace and comfort. By supplying equipment prepared with facilitating user independence and offering ease of use by care providers in mind, Duskin helps make daily living for seniors more comfortable.



Words of gratitude from families give me encouragement

Identifying what areas seniors need help with, from getting out of bed after waking up to venturing outdoors, is a gradual process conducted by carefully listening to what those individuals and their family members have to say. After suggesting the optimal equipment for their situation, the words of gratitude I receive from those family members as well as from the senior in question are my greatest source of encouragement.

Tsuyoshi Shima,
Manager, Health Rent Suita Station



Rental and sales of home health care equipment

- Care beds and bedsores-prevention goods
- Wheelchairs and walking-assistance goods
- Bathing-related goods
- Toilet and excretion-related goods

Local and Social Contribution

Duskin has strived and will continue to strive to serve local communities, as a member of these communities, our efforts will be even better than before.

Based on our management philosophy as contained in the phrase, "Let us Sow the Seeds of Joy," we are engaged in various activities to contribute to local communities.

Our contribution to communities and society

The Duskin AINOWA Foundation

In 1981, the United Nations' designated International Year of the Disabled, Duskin founded Let Us Expand Circle of Love Foundation. The foundation, based on the concept of "May I help you?" aimed to achieve independent living for people with disability and their total participation in society. (The Foundation was authorized as a public interest incorporated foundation in December 2011.) Currently, the Foundation has approximately 180,000 members, including the employees at the Duskin Group, and is conducting various activities to support and coexist harmoniously with people with disabilities in society.

At the restaurants and shops of Duskin's food businesses, the Duskin AINOWA membership information leaflets and a donation box are placed by the cashier to encourage greater participation in our activities.

The Duskin AINOWA Foundation has been conducting two major programs. One is a program that dispatches young people with disabilities to study abroad. This program provides opportunities for young leaders who wish to contribute to the local communities. For 34 years since its founding, a total of 484 trainees have studied abroad. Based on their experiences, the trainees are now playing active roles in various fields, including university professors, operators of Independent Living Center and sport instructors for the people with disabilities, after their return to Japan. The other program started in 1999. In this program young people with disabilities from Asian-Pacific nations are invited to Japan to receive training to learn about the welfare for people with disabilities. During the past 16 years, a total of 115 trainees have learned in Japan, and are now playing leadership roles in their homelands.



The Duskin AINOWA Foundation Donation box and membership information leaflet Duskin



Study Abroad Leaders Program

Duskin Production & Logistics Facility Tour

Plant and office tours in Duskin Production & Logistics facilities are conducted as an opportunity for people to experience eco-friendly activities in their daily lives.

We offer an opportunity for children to learn about the value each product has and the importance of environmental protection by actually observing the process of cleaning soiled mats and mops from collection through reprocessing and shipment. During FY 2014, 6,704 people visited Duskin plant facilities throughout Japan.



Children on a Duskin plant tour

Clean Up My Town

Clean Up My Town is a Duskin-sponsored nationwide activity to pick up trash at local event sites with the environmental commitment motto of "Sowing the Seeds of Ecological Responsibility for the Future." Gaining public support, this initiative has been conducted with the wish to clean up our communities together with local citizens.

In FY 2014, 41,795 people participated in the event. This cleaning campaign, initiated in 2006, has attracted participation of a total of 220,000 people.

2014 Activity Record



In 2014, these cleaning activities were also conducted at the sites of Pink Ribbon Walk Events nationwide as a part of Pink Ribbon Campaign that promotes awareness on breast cancer.



Clean Up My Town activity grows every year with many participants.



Staff members participated in this activity

Our efforts in protecting nature

Hakusan National Park, whose unique preserved ecosystems are spread over the four prefectures of Toyama, Ishikawa, Fukui, and Gifu, is known as a mine of alpine plants.

However, exotic plants such as plantains are carried into the park on the soles of hikers' shoes and invade the habitats of alpine plants, adversely affecting these precious ecosystems.

As a part of the measures with the purpose of preventing the seeds of exotic plants from being carried further, durable Duskin mats, excellent in collecting earth and sand, have been placed on the park's trails since 2007. The effectiveness of these mats is confirmed as the seeds of exotic plants are found in the sand collected by the mats.

Duskin has provided a total of 55 mats which have been placed at eight trail entrances and on the trails of Hakusan National Park, contributing to conservation of the ecosystems.



Photo provided by Association for Conservation of Circum Hakusan Area

Cleaning activities by Mister Donut, Reflection and Thanks Day

Each year on January 27, Mister Donut conducts cleaning in the neighborhoods where its shops are located.

January 27, 1970, was the day when our founder Seiichi Suzuki decided to start the Mister Donut business. Accordingly, Mister Donut declared January 27 to be Reflection and Thanks Day, and shop crews voluntarily clean their communities early in the morning to show our appreciation to communities. A part of that day's nationwide sales is donated to the Duskin AINOWA Foundation.



Cleaning starts in the early morning

Smile Ring Project

This project was started with our wish to bring smiles to people in the areas affected by the Great East Japan Earthquake.

Right after the Earthquake, we started preparation of Mister Donut Car. After completion, Mister Donut Car drove to various sites mainly in Tohoku Region from October 10, 2011.

From August 2012, Mister Donut Car expanded its activities, visiting various sites all over Japan.

Mister Donut crews visit kindergartens and nursery schools to demonstrate donut production in Mister Donut cars equipped with kitchens, which enables children to enjoy watching the donut production process, and let them share the experience of decorating donuts. Donut Exercise, a program to enjoy exercise with our popular character Pon de Lion, is also held. Mister Donut offers children with a fun time, and continues to conduct various programs that bring smiles to many more children.



2014 Activity Record

Number of donuts donated	Number of people participated in Donut Exercise
8,266	Approx. 4,600
Number of people participated in donut decoration	Number of people participated in uniform wearing sessions*
1,282	646

*Photo sessions in Mister Donut uniforms

Smile Ring Project interacting with children nationwide

Participation in "Children's 110 Hotline" activities

Mister Donut serves as refuge for children

In recent years, there have been many cases where children going home after school get caught up in trouble, and this has become social problems.

Through joint efforts of local governments, police and PTAs, "Children's 110 Hotline" activities have been expanded nationwide to protect children from crimes. The sticker of this "Children's 110 Hotline" activities are placed at the Mister Donut store front.

At the stores we provide a temporary protection for children who seek immediate assistance, and make 110 calls to police.

We encourage parents to educate their children that they can go to the Mister Donut shops for help when they become entangled in trouble or feel fears of becoming involved in trouble.

Through these activities, we hope to contribute to securing the safety for children and building local communities where people can live with peace of mind.



Osaka Prefecture Youth
Development Conference
Children's 110 Hotline sticker

School education support activities

Since 2000, Duskin initiated studies and research on cleaning as a part of school educational program. Through seminars for teachers, on site classes, and educational support programs, children learn about the importance of cleaning and acquire ideas and skills related to cleaning. Also, they learn the proper ways to dispose of trash, the ways that reflect their concern for their environment and ways that expand their inner abilities. "In recognition of these activities, Duskin was honored with the Award for Excellence At the Large Company Division of the Fourth Career Education Awards by the Ministry of Economy, Trade and Industry in 2014. Utilizing its human resources and network, Duskin, a professional cleaning service provider, will continue to contribute to our children's future.



* Since 2010, the Career Education Awards has been granted by the Ministry of Economy, Trade and Industry to recommend and promote efforts to support education by enterprises and other organizations.



Duskin employees participated in the award ceremony



Supporting "Heart Theater" by Shiki Theater Company

"Heart Theater," hosted by Shiki Theater Company and Theater Fine Arts Center, is a project with an aim to achieve a spiritually rich life. It speaks to children about the essentials in life, including "importance of life," "caring heart," and "joy of trusting one another."

The project was launched in 2008. This year, a total of 538,000 people will be invited to 460 performances held at 142 cities across Japan.

As a part of its contributions to society, Duskin sponsors and supports the project beginning in FY 2014.



The musical "The Cat Who Wished to Be a Man" at Heart Theater by Shiki Theater Company

The 4th Osaka Marathon sponsorship

The Osaka Marathon marked its 4th anniversary. Duskin continued sponsorship from the first marathon and agreed on the event theme where runners and many people involved in the event participate in charity activities.

Aiming to promote one of the Charity Themes, "To preserve our beautiful city," we conducted cleaning activities along the course sidelines.



The 4th Osaka Marathon (Oct. 26, 2014)

Committed to support in the wake of disaster

Mister Donut entered into the Agreement on Assistance for People Walking Home in Times of Natural Disaster with local governments and other entities to assist people returning home on foot when systems of transportation come to a standstill due to a large-scale natural disaster.

Under this agreement, we provide drinking water, bathroom access, and traffic and other information at our shops to people returning home on foot.

As of March 2014, a total of 654 shops in 35 prefectures have allied themselves for this purpose since the start of the initiative in 2008.

To help generate widespread awareness of this initiative, these shops have Return-Home Assistance Station stickers displayed on their storefront.



Return-Home Assistance Station sticker

*There are some exceptions.

Contribution to aging society

In Japan with aging populations, seniors need assistance to live at their own homes independently and with dignity.

Duskin, as a member of local community, provides seniors and their family members with services that help them to live safely and comfortably with peace of mind.

Health Rent

Through rentals and sales of home health care equipment, we support seniors' daily living at home. While contributing to improved quality of life and independence for seniors, we provide seniors and their family members with both comfort and peace of mind.

We mainly offer home health care equipment, to which long-term care insurance is applicable. We have our own product and possible risk assessment, and we only offer the items that have cleared these strict self-imposed standards. We also monitor the equipment and check the use every three months so that we can ensure the safety for the customers using the equipment for a long period. Under thorough sanitary maintenance systems, the equipment is cleaned, sterilized and maintained.

Through these efforts, we secure safety and comfort for our users.

As we expect the increasing needs for home health care equipment, we strive to enhance the variety of equipment that are easy to use for those with lower nursing care level or those without primary nursing care requirement authorization.



Home Instead

We provide a variety of services, including dementia care, night watch, meal preparation, personal care, eating assistance and toileting assistance on a 24/7 basis. Responding to unique needs and preferences of each customer, we help seniors and their family to live at home where seniors are comfortable and happy.

To take care of people with dementia, our services are provided by caregivers who have completed specialized dementia care training.

Providing support for seniors in the areas that are not covered by the public long-term care insurance, we assist family caregivers.

We also conduct a Ministry of Health, Labor and Welfare program, Dementia Care Supporters Caravan, a part of the Campaign to Understand Dementia and Build Community Networks.

Duskin Home Instead Division serves as an office to train Dementia Supporters who understand the characteristics of dementia and provide support for the persons and their families. Through these initiatives, we contribute to building a society where people can live comfortably, even with dementia.



Dementia Supporter Training Lecture standard text



"Orange Ring" bracelet indicating being Dementia Supporter

Shareholders and investors

Investor & shareholder relations

Duskin discloses all management information required by laws, regulations and stock exchange requirements to shareholders and investors in a timely, appropriate and fair manner. Additional information on our various initiatives, which is deemed useful in investment decisions, is disclosed on our website and investors' notes. We strive to enhance our communication, with a view to deepen the understanding of our company among shareholders and investors, and gaining appropriate evaluation and support. To achieve sustainable growth and improvement of corporate value for medium-and long-terms, Duskin proactively engages in IR activities.



Duskin booth at Nikkei IR Fair 2014



Navi-Dus, Duskin Investors' Note

Shareholder special benefit

In appreciation of our shareholders' support, we have a shareholder special benefit plan, designed to assist the shareholders learn more about Duskin Group. This initiative makes our company's shares more attractive for medium-and long-term investors. It also encourages shareholders to use a wide range of products and services of Duskin Group and to better understand the scope of our businesses.

Eligible shareholders

Shareholders who are registered or recorded in our shareholder register as of March 31 every year and September 30 every year and own 100 shares or more are eligible for the benefit.

Type of benefits

No. of shares	Type of benefits
100 - 299 shares	Shareholder gift certificates worth 1,000 yen (two 500 yen certificates)
300 shares or more	Shareholder gift certificates worth 2,000 yen (four 500 yen certificates)

Donation program

We are keenly aware that Duskin is not only a business enterprise but also a member of society, and fully engaged in social action programs. For shareholders who support our Corporate Social Responsibility (CSR) efforts, we offer a wider options of participating in our CSR activities. For those shareholders who wish to participate in our CSR activities, Duskin donates the equivalent amount of the certificates returned from the shareholders to charitable organizations.



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