

GREEN REPORT 2011

Duskin Co., Ltd.

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DUSKIN

"Sowing the Seeds of Ecological Responsibility" through joint efforts with our franchisees and customers

Towards recovery from the disaster

We pray for the safety of the people and swift recovery of the areas in Japan affected by the Great East Japan Earthquake. The Duskin group is making an all-out effort to return the franchisee shops and plants that were damaged by the earthquake to normal operations.

The philosophy of Seiichi Suzuki, our founder, that was carried over the years, is reflected in our environmental management efforts today.

Companies exist as they are allowed in society. The purpose and significance of their existence are not limited merely to the pursuit of sales and profit. They exist to serve society through providing products and services that contribute to people's livelihood and happiness. We believe our business activities should contribute to people and society.

The founder, Seiichi Suzuki, wished to help to reduce the burden of cleaning in the home. In 1964, a year after the founding of Duskin, our first dust control product for residential use, yellow "Home Duskin" dust cloth was introduced to the market. At that time, a dust cloth rinsed in the water was commonly used to wipe surfaces in the home. This chemically treated dust cloth that did not require water was called "magic dust cloth" and greatly reduced the burden of cleaning in the home. To make it possible for more people to have more convenient access to the product, a new distribution system through franchising was established to rent out the product.

To reflect the founder's philosophy in our environmental management efforts, we established our environmental policy statement with the slogan of "Sowing the Seeds of Ecological Responsibility for the Future."

Environmental preservation is an important issue for companies. It should be regarded as a "social responsibility" rather than a "contribution to society." It is our responsibility to future generations to conduct our businesses with consideration for global sustainability. Duskin places importance on environmental management initiatives as an important part of its business strategies. With a focus on repeated use, shared use, reduction of wanton waste and disposables, Duskin is committed to developing and offering products and services that are needed for day-to-day living, but which would not have a negative impact on our environment.

Ecological preservation efforts at Duskin Family

With the objective of becoming a company that is regarded as the world's best service provider by customers in their communities, Duskin is redoubling its efforts for environmental conservation in its all business activities. To contribute to reducing negative impact on the environment, production activities at facilities and use of equipment at our locations, including plants and shops, are reviewed or renewed for more effective operations and efficient use of energy and resources.

As the tight electric power supply is expected to continue this summer, Duskin, with nationwide operations, makes it its social responsibility to respond to the electric power shortage problem. Setting goals that are applicable to the characteristics of our businesses within the specific regions all the Duskin group of companies join in energy saving efforts.

Ecological preservation efforts with our customers

Duskin was among the first to introduce the franchise system in Japan and explored its possibilities. The franchised network has grown nationwide, and currently, our franchise owners have contact with our customers daily in each community. Pressing on with this advantage, Duskin encourages more customers to participate in Duskin-sponsored environmental preservation activities. Duskin continues efforts for "Sowing the Seeds of Ecological Responsibility" together with our customers.

"Clean Up My Town," a cleaning campaign was initiated in 2006. In 2010, approximately 1.5 tons or 35,000 liters of garbage was collected with the help of more than 22,000 participants. The number of participants in this activity totals 100,000 people.

In Eco Products, the largest environmental expo in Japan, where ever larger numbers of student visitors have attended in recent years, Duskin opened "Duskin Eco Theater" to raise their awareness of the next generation for environmental issues. In a living room setting, comedy skits with the theme of "day-to-day level ecological preservation efforts at home" were performed.

To win the gratitude and trust of customers

Due to the Great East Japan Earthquake, many of our locations were obliged to suspend their business operations. Working jointly with our franchisees, we are committed to overcoming the hardship brought by the disaster. We aim to be the most trusted service provider in the community, providing products and services that are appreciated by our customers. We strive to further our business activities, holding on to these commitments. We look forward to your continued support and guidance.

山村 輝治
Teruji Yamamura
President & CEO



Duskin's Environmental Policy Statement

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.

Duskin's Environmental Policy

We, at Duskin, 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 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 also 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.



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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 the fullest realizing our maximum spiritual and material potential.

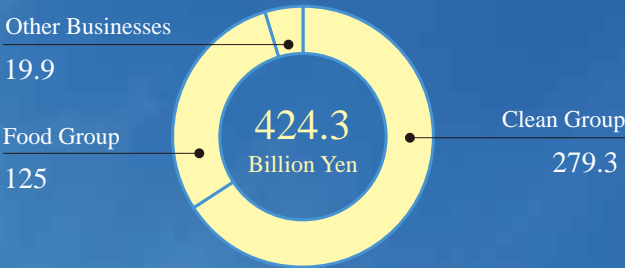
Guideline	This 11th Environmental Report contains write-ups on the special feature of each business segment and each segment's negative impact on the environment, and the specific measures to improve the situation in line with each environmental initiative.
Period covered	Period covered for this report is mainly from April 2010 through March 2011, reports before fiscal 2010 and some activities from FY 2011 are also included.
Scope	Duskin Co., Ltd., and its affiliated companies and franchised units in Japan
Reference guideline	Basic Guideline of Environmental Impact Assessment 2007 by the Ministry of the Environment, Government of Japan; Basic Guideline of Environmental Impact Assessment 2005 by the Ministry of the Environment, Government of Japan
For further inquiry	Duskin Co., Ltd. Quality Assurance & Environment Management, Quality Assurance & Risk Management TEL: +81 (0)6-6821-5801 FAX: +81 (0)6-6821-5703

Corporate Information

Name	Duskin Co., Ltd.
Head Office	1-33 Toyotsu-cho, Suita-shi, Osaka 564-0051 JAPAN
President & CEO	Teruji Yamamura
Date Established	February 4, 1963
Capital Stock	11.3 billion yen (as of Mar. 31, 2011)
Customer-Level Sales *	424.3 billion yen (FY2010)
Number of Employees	2,033 (as of Mar. 31, 2011)

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

Customer-Level Sales Mix in FY 2010



* Unit: 1billion yen (Amounts less than 100 million are dropped.)

History of Our Environmental Conservation Efforts

1963	Duskin Co., Ltd. was founded. Clean Service Business (Franchise of rental of chemically treated dust cloth started. Laundry plant was launched.) started.
1971	Wastewater treatment facility was launched. Mister Donut started. (Cceramic tableware and glassware were used since 1974.) Care Service (ServiceMaster business) started.
1973	Installation of wastewater treatment equipment at all plants was completed.
1978	Rent-All (comprehensive rental business) started.
1993	Mister Donut started recycling of frying oil.
1994	Mister Donut was awarded a Commendation for providing ecologically friendly food service from the Minister of Agriculture, Forestry and Fisheries.
1998	Environmental Philosophy & Environmental Policy was formulated.
1999	Duskin plants started to apply for ISO14001 Certification.
2000	Initial Environmental Report. "Green Report 2000" was issued. Production and Logistics Group obtained ISO 14001 Certification. Mister Donut obtained ISO 14001 Certification.
2001	Clean Service obtained ISO 14001 Certification. Care Service obtained ISO 14001 Certification. Rent-All obtained ISO 14001 Certification.
2003	All Comprehensive Plants obtained ISO 14001 Certification.
2004	Duskin Code of Conduct (1st Edition) which includes Duskin's environmental standards, was issued. Plant Tour (Yokohama Plant) for elementary school students providing environmental education opportunities started. Rent-All started rental service of assisted-living/nursing care products.
2005	Environmental control policy was established. New environmental policy was established. Cooperation with Kyoto City Green Delivery Vehicles Promotion Committee was announced. In collaboration with Osaka Gas, "D-OG" Project, joint efforts for environmental protection was launched. Basic Code of Conduct to reduce CO ₂ in the Duskin group was established.
2007	Duskin was awarded the 2007 Reduce, Reuse, Recycle Promotion Association's Chairman Prize.
2008	Environmental Policy Statement was announced.
2009	Food Service Group obtained ISO 14001 Certification.
2010	DUSKIN received the "Osaka Stop-Global-Warming Award" Excellence Prize. Duskin School received the Encouragement Prize from the selecting committee of the "Osaka Green Award for Excellence."

Duskin's nationwide business network

Franchise system & regular service visit that extend throughout Japan

Duskin has developed a network of shops throughout Japan under the franchise system to deliver high-quality products and services. At the same time, Duskin has regularly visited customers and been able to have many customers as a result of identifying specific needs of the customers and responding to their requests.

Reinforcing the community-based systems!

Duskin will reinforce the systems in each community to quickly respond to the requests of customers. We will deliver community-oriented products and services that raise customers' enjoyment and appreciation.



Production & Logistics Group

We have 47 plants nationwide, which are centers for washing and drying rental goods after collecting them from shops, purchasing materials, and delivering finished products to shops.



Head Office

The Head Office supports Duskin's overall franchising activities. It develops new products, services, and systems and conducts staff education and training to support our franchise system.

CLEAN GROUP

Clean Group

Supporting "cleaner" and more "comfortable" living environment every day. Duskin continues to provide diverse products and services which are tailored for each one of our customers to meet their needs in their homes, shops or offices in order to assist the customers in creating a comfortable space and spare time.

» Various services that support the healthy and comfortable lifestyle.

Dust Control



Rental and sales of cleaning and sanitary products

Merry Maids



Handy housekeeping services

ServiceMaster



Professional cleaning services

Terminix



Pest control & prevention services

Uniform Service



Uniform rental & cleaning services

TruGreen



Tree, shrub and lawn care

Health & Beauty



Sales of natural cosmetics & health food

Drink Service



Scheduled delivery service of spring water and coffee

» Providing life support with a variety of services.

Rent-All



Total rental service ranging from daily commodities to items needed for event

Health Rent



Rental and sales of home health care equipment

Home Instead



Senior care services providing daily assistance to seniors

Duskin Healthcare



Cleaning & management services for hospitals

FOOD GROUP

Food Group

Safe and reliable "deliciousness" from our food services is always available through quality control and our warm and welcoming services whenever our customers visit our shops and restaurants. Delivering special deliciousness with all our heart to our customers nationwide throughout Duskin Food Group shops.

» We offer varied and delightful food services throughout Japan.

Mister Donut



Serving you with homemade donuts and variety of menu items

Café andonand



Donut café serving rich-tasting coffee in a sophisticated ambience

Café Du Monde



Casual café specializing in café au lait and beignets

Stick Sweets Factory



Fashionable confectionery shop specialized in stick-type cakes

Katsu & Katsu



Restaurant specializing in deep fried pork for families

The Don



Donburi restaurant committed to the use of fresh ingredients

DUSKIN

Environmental management

Duskin established its Environmental Philosophy and Environmental Policy in 1998, and its plants started to apply for ISO14001 Certification in the following year. In 2008, Duskin announced its Environmental Policy Statement, and promoted unified efforts in environmental management and sustainable development in all its businesses.

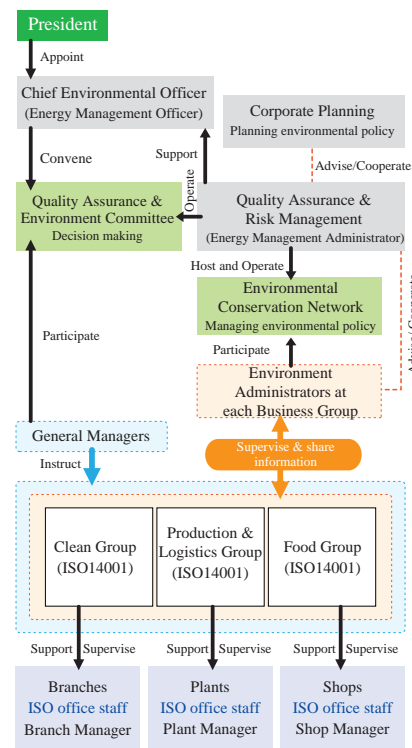
Major initiatives

○: Achieved △: Achieved more than 70% ×: Achieved less than 70%

	Initiatives	2010 Goals	2010 Results	Assessment
Duskin Group	Reduction of electricity use	In all units: less than 43,900,000 kWh	In all units: 42,772,000 kWh	○
	Reduction of paper use	In all units: Less than 62,733 kg	In all units: 64,819 kg	△
Clean Group	Reduction of burnable and noncombustible garbage: (Home Service/Business Service)	Less than 33,493 kl	31,970 kl	○
	Replacement with natural gas-powered low emission vehicles: (Home Service/Business Service)	More than 5,800 vehicles	6,600 vehicles	○
Production & Logistics Group	Reduction of CO ₂ generated by fuel consumption	Reducing more than 1,162 tons of CO ₂ from the previous year	Reduced 3,464 tons of CO ₂	○
	Improvement of fuel efficiency of delivery vehicles	Average fuel consumption: More than 6.64 km/l	Average fuel consumption: 6.94 km/l	○
Food Group	Reduction of disposed donuts (Mister Donut)	More than 7% reduction from 2008	8.6% reduction	○
	Reduction of average water use at all shops (Mister Donut)	More than 2% reduction from 2008	10.6% reduction	○

Environmental management structure

The chart below shows Duskin's organization structure for planning and managing its environmental policy.



Developing environmentally friendly products and services

We, at Duskin, set specific criteria and considerations to provide products and services that are "designed, developed and selected to be environmentally friendly throughout the phases from production to after-use."

■ Consideration points for designing and development

Categories	Approaches
Reduction of energy consumption (At production or product use by customers)	Reducing energy consumption at manufacturing and product use.
Increase of durability and service life of products	Increasing service life of rental products.
Development of recyclable packages and containers	Using recyclable materials for products.
Volume reduction of containers	Simplifying container structure and reduce container weight

ISO Certification

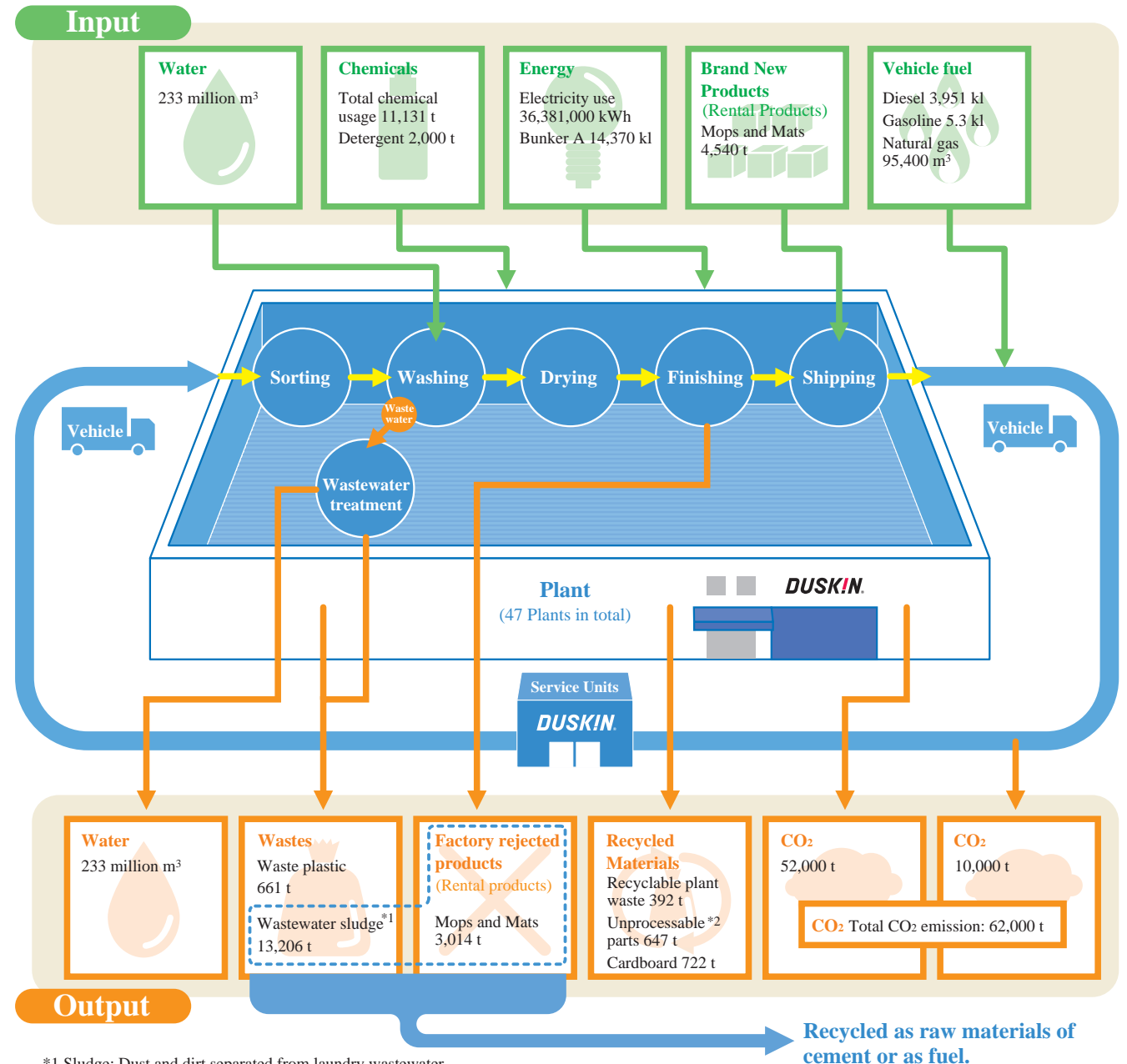
Duskin obtained ISO14001 Certification at each business group. We continue our effort to improve our system.

■ Certified dates and businesses

Date	Business
Mar. 3, 2000	Production & Logistics Group, 47 comprehensive plants, Ono Duskin Co., Ltd., and Wakura Duskin Co., Ltd. (Certification Number: JMAQA-E095)
Apr. 21, 2000	Headquarters and all shops of Food Group, Mister Donut, Café Du Monde, and Katsu & Katsu in Japan (Certification Number: JMAQA-E104)
Mar. 30, 2001	All franchisees and branches of Home Service Business Group and Business Service Business Group in Japan (Clean Group) (Certification Number: JQA-EM1483)
Apr. 27, 2001	All units of Care Service Business Group (Clean Group) (Certification Number: JQA-EM1552)
Jul. 26, 2001	Headquarters and all shops of Rent-All and Health Rent. (Certification Number: JMAQA-E218)

Input & output of resources

The chart below shows the environmental impact of our business operation in 2010 by showing input and output of resources in washing, finishing, and shipping process of Duskin's rental products.



*1 Sludge: Dust and dirt separated from laundry wastewater

*2 Unprocessable parts: Includes mop handle, air purifier main unit, and water purifier main unit

Environment accounting Donut reprocessing

Currently, 365 Mister Donut shops in the Kanto area and 127 shops in the Tokai area have adopted the donut reprocessing system. A total of 1,959 tons of raw-feed for livestock was reprocessed in 2010, and the total cost for collection of donuts and delivery of raw-feed was 21 million yen.

At Duskin, this mandatory recycle/reprocessing effort required under the Food Recycling Law is also regarded as part of our social responsibility in the conduct of our Mister Donut business. The donut recycling program will be implemented in other areas as well to further promote our recycling effort.

Cost (Collection & Delivery) **21 million yen / year**

Amount (Reprocessed raw-feed) **1,959 tons/ year**



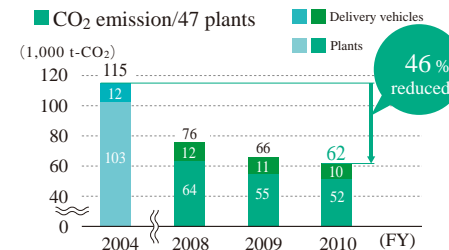
Energy saving activities & addressing global warming

Under the revised Law Concerning the Rational Use of Energy, in October 2010, Duskin is designated as a Specified Chain Business Operator. Through Duskin system-wide energy-saving effort, we aim to reduce greenhouse gas emissions.

P & L

CO₂ emission reduction at the Duskin plants

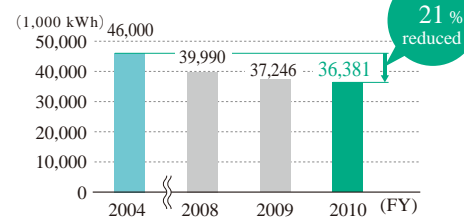
The CO₂ emission, the result of our energy saving initiatives in the plant operations and delivery, equals 46% reduction from the 2004 level at these plants.



Reduction of electricity use at the plants

At some of the plants, the lighting equipment, such as mercury lamps, were replaced by energy-saving fixtures. Reduction of electricity consumption was achieved by improving the environment at the plant facility and adopting efficient machine operation.

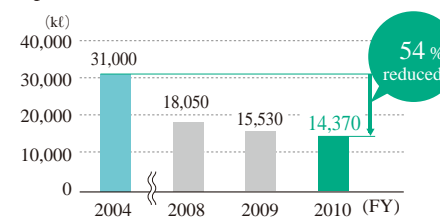
Electricity use/47 plants



Reduction in fuel consumption at the plant

Reduction of electricity use was successfully achieved by using Duskin original large energy-saving dryers for washed mats and mops, retaining the heat of the pipes/ductwork in the plants, and reducing energy loss through excellent maintenance of all plant equipment.

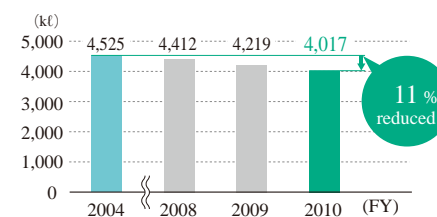
Fuel consumption (heavy oil conversion)/47 plants



Reduction of fuel use by delivery vehicles

In addition to "Green Driving," fuel use was reduced and average fuel consumption was improved during the year 2010, since all the vehicles were equipped with a system to improve driving control.

Fuel consumption by delivery vehicles (heavy oil conversion)/47 plants



Promotion of "Green Driving"

In 2007, Duskin initiated stop idling campaign by sales vehicles used in the delivery of mops and mats. Since 2009, we extended our "Green Driving" effort by promoting our initiatives as described in "Green Driving Guide." In addition, our eco initiatives are being promoted in the "Green Driving Newsletter", which are issued 3 times a year. Approximately 18,000 sales vehicles nationwide participate in the Green Driving campaign.



Sales Delivery

Effect through the adoption of the Stop Idling campaign FY2010 results (Apr. 2010 - Mar. 2011)

CO₂
1,242t
Reduced

About 18,000 sales vehicles nationwide participated.



* Estimation was made that every one-minute of "stop idling" discharges 23g of CO₂.

VOICE

The old model of dryer was a modification of a dryer for drying linens used at hotels. New model has features developed with Duskin's know-how and technology, especially features to control temperature, rotating speed, and operation time, which results in improved efficiency in use of heat.

In preparation for the energy-saving campaign for this summer by the government, we aim for the efficient use of compressors, boilers and other equipment with a thorough evaluation and closer monitoring of our plant operations.

Masatoshi Domoto,
Production, Equipment Technology,
Production & Logistics



TOPICS

Duskin's environmental effort was recognized and was awarded two prizes by Osaka Prefecture.

Received "Osaka Stop-Global-Warming Award"

Duskin was awarded the "Osaka Stop-Global-Warming Award" Excellence Prize along with Panasonic Corporation and Kansai Electric Power Co., Inc. According to the regulation by Osaka Prefecture, since 2007, the prefecture award a company a prize, for setting a model for other companies in its excellent effort and initiatives in the field of global warming. As stated in the Environment Report 2010, our effort in introducing an energy-saving dryer, and many eco friendly efforts at our training facility, "Duskin School" during the year was recognized.

Duskin's major eco friendly efforts which are recognized

- Full operation of an energy-saving dryer, uniquely developed by Duskin at Osaka Central Plant
- Air conditioning at Head Office in Suita-city was replaced with the more efficient in energy-saving ones.
- Facilities with high energy saving efficiency were introduced at the training facility, "Duskin School."

"Osaka Green Award for Excellence"

Duskin School received Environment Prize from the selecting committee of the "Osaka Green Award for Excellence," in recognition of our effort to set a good model for improved and more attractive metro environment. The following energy-saving facilities are introduced at Duskin School, which opened in January 2010.

- Adopting Ice Storage system into air conditioners
- Solar energy panels are mounted onto the building.
- Using LED lighting devices for outside signboard and some of the inside lightings.
- Rooftop gardening has reduced power use for the air conditioning located immediately beneath the rooftop.
- Implementing the EcoCute, an energy efficient electric heat pump, water heating and supply system



Duskin School

CO₂ reduction

Total volume of greenhouse gas emissions		Volume reduced	%
FY2008	FY2009		
5,651t	4,864t	787 t	13.9%



Our new energy-saving washer & dryer

FOOD

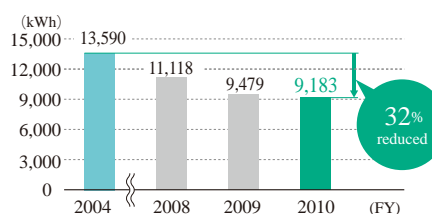
Energy saving in shops

Mister Donut shops are carrying out energy saving activities by checking utility meters and turning off lights when not needed on a daily basis. Compared to 2004, electricity use was reduced by 32%, and water use by 28%. An energy-saving shop model to be used whenever we remodel existing shops is being developed.

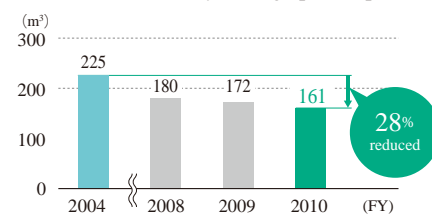
CO₂ emission

FY	Scope of service	Total CO ₂ emission	Shop average (annual)
FY2009	1,314	62,800t	47.8t
FY2010	1,357	58,200t	42.9t

Electricity use (monthly average per shop)



Water use (monthly average per shop)

Energy saving
Example in shops

● Use of LED lighting for neon signs and in-shop lighting

LED lighting consumes less electricity, last about 40,000 hours and less illuminance reduction even after long use. At Mister Donuts, lighting is switched to LED lighting.

■ Implementation of LED lighting in 2010

Items	No. of shops
Neon sign	44 shops
In-shop lighting	17 shops
Showcases	64 shops



Neon sign



In-shop lighting



In-shop lighting



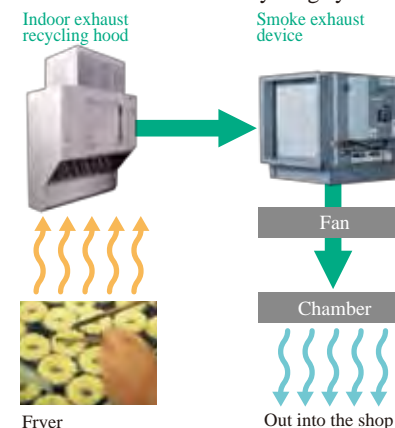
Showcases

Energy saving in shops
Other energy saving initiatives

● Exhaust recycling system

It is a new exhaust system, which reduces the burden on air conditioners by circulating the exhaust air. This was achieved with filters to eliminate oil-content air and use of filters that have self-cleaning function added as a feature. The new exhaust system requires less maintenance and would not release bad smells and greasy fumes.

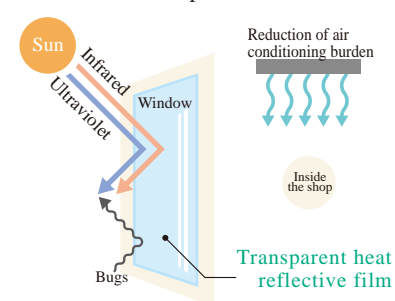
■ Scheme of exhaust recycling system



● Transparent heat reflective film

This transparent film cuts off infrared and ultra violet rays coming through windows to reduce the burden on air conditioners to cool a space. It also keeps bugs away, which are drawn into a space by the ultra rays streaming in through windows.

■ Scheme of transparent heat reflective film



● Electricity usage control system

The sensor server is installed at shops, which helps the monitoring center to grasp the condition of facilities and to reduce utility expense loss by constant monitoring of the electric power meter and electricity use in the kitchen facilities.

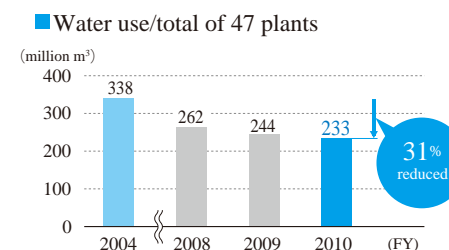
Effective use of water resources

At Duskin, our basic philosophy for conserving water resources is, "Return what we borrow from nature to its original state," which is in line with the philosophy of our founder. We continue to focus our effort on effective use of water resources and preservation of quality water.

P & L

Effective use of water resources at the plants

Water used for washing at our plants is treated before being discharged to rivers and sewage system. At Duskin, the treated water is recycled for laundry, which helped us reduce water use by 31% compared to usage in 2004.

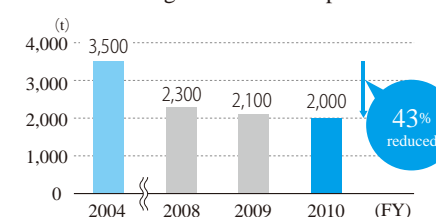


P & L

Reduction of use of detergents at the plants

After special engineering treatment, water used for washing is recycled into water appropriate for laundry. By using this water, the use of detergents was successfully reduced. This technology is implemented at all our plants throughout Japan.

■ Use of detergents/total of 47 plants



CLEAN

Water resource preservation effort with our professional cleaning services

For carpet cleaning service, the best cleaning plan is recommended according to the condition of the customers' carpets. Implementing "Encapsulation Cleaning," a new carpet cleaning technology, which collects and remove earth and sand from the carpet piles by crystallizing and treating them with special chemicals. This semi-dry method produces less wastewater and shortens the drying time.

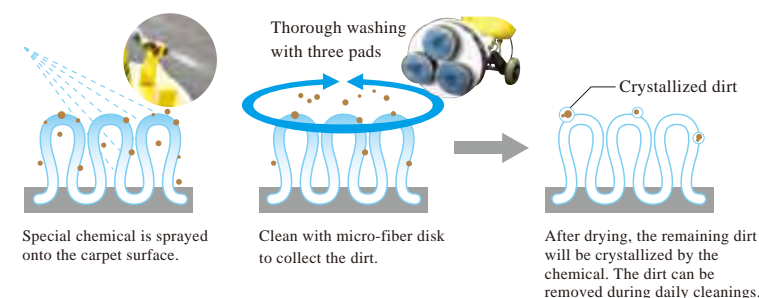
New initiative in carpet cleaning service

Introduction of "Encapsulation Cleaning" to conserve water resources

In the traditional Duskin ServiceMaster carpet cleaning method, dirt and detergent used for cleaning must be sucked with a large volume of water after shampooing with exclusive detergent. During this encapsulation cleaning process, "encapsulating detergent" is sprayed onto the carpet. Since the micro-fiber cleaning pads on the rotor wash the surface piles and collect dirt at the same time, less wastewater is produced. Consequently, this semi-dried cleaning shortens drying time. In addition, because it requires less time, the electricity use by the washing machine will also be reduced.

Detergent spraying & washing

Drying & crystallizing



VOICE

Traditional carpet cleaning consumes large volume of water to shampoo and rinse during the washing process, whereas this "Encapsulation Cleaning" requires less detergent so that drying time is only 30 or 40 minutes. Thanks to the shortened drying time, customers feel more comfortable about using the service. By cleaning more often, we are able to keep the good appearance of the carpet as well as extend the life of the rug several folds. We continue to offer a new value in the carpet cleaning service, such as a new method to reduce water use.

Kazunori Imamura,
Products, Business Service
Business Group

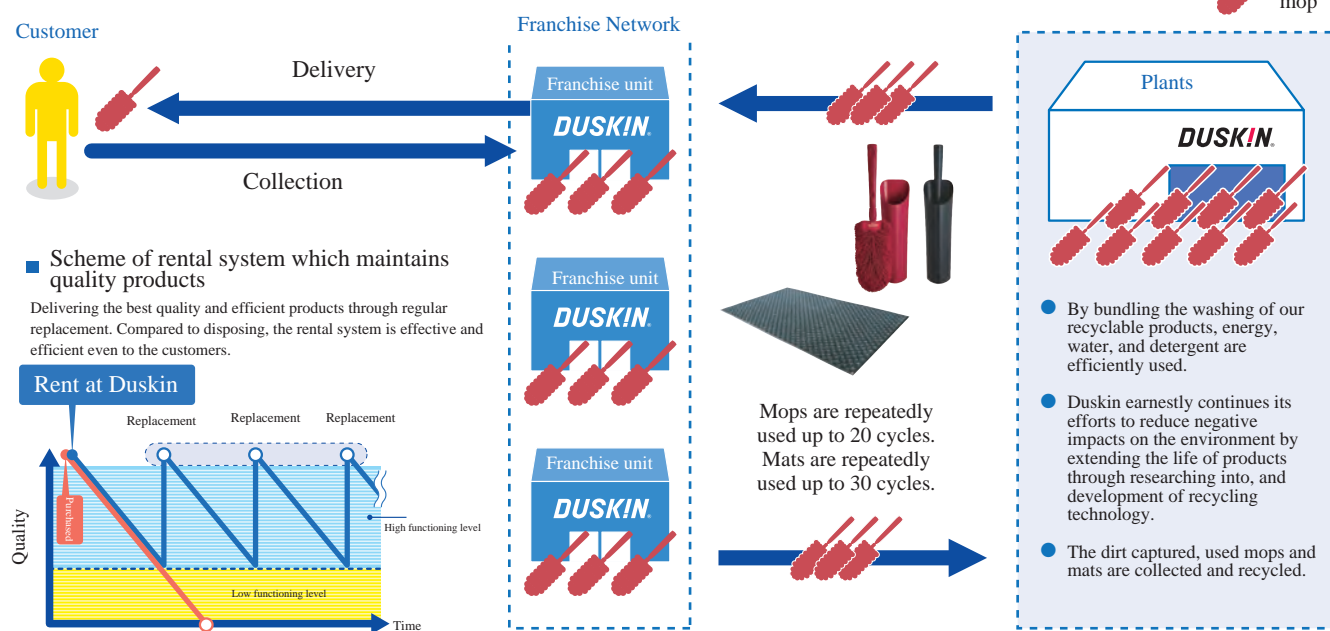


Efforts for our recycle-oriented society

Duskin, which started its well-business of renting out cleaning tools, continues to engage in recycle-oriented business activities with a focus on repeated use, shared use, reduction of wanton waste and disposable items.

Duskin's recycling-focused rental system business

The advantage of the "renting" system is that Duskin shall be in a position to control the entire process in the life cycle of the products. From product development to recycling disposals, Duskin promotes developing pro-environment businesses.



CLEAN P & L

Duskin's recycling efforts and initiatives

Various disused items in our business practices are collected and recycled into the materials. In addition to mats and mops, Duskin is responsible for collecting and sending used products to dismantlers via laundry plants and almost 100% of collected materials are recycled or reused.

Recycling in 2010

Item Recycled	Amount/Volume	Recycling Method/Outcome
Dust captured in the cleaning tools (Washed and recycled into wastewater sludge)	13,206t	A material for cement at cement manufacturer
Rejected products (mops & mats)	3,014t	Raw material fuel for cement at cement manufacturer
Service items (mop handles, air purifiers body, water purifiers body)	647t	Dismantled, sorted and recycled at dismantlers
Cardboard	722t	Reused as used paper

CLEAN

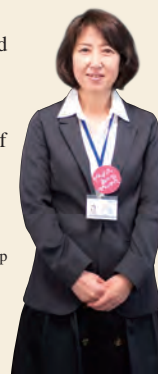
Volume reduction of chemical containers

At Care Group, its own environmental standard was set to reduce volume of chemical containers for wax and detergent used for cleaning services. In 2010, volume of 12 different chemical containers are reduced resulting in reduction of use of resin by 1,374kg.

VOICE

I am working in the section to develop residential-use floor mops and mats. During the development process, ecological perspective is focused on from material selection to collection, reuse and recycle of products. At the in-house meetings, the approval for development is only granted to the products which meets the requirement for eco-friendly products. During the development of our new products, "shushu," and "La La," we successfully reduced negative impacts on the environment through deliberate materials selection and specifications. As a result, we are recognized by the examination section of Environment ISO.

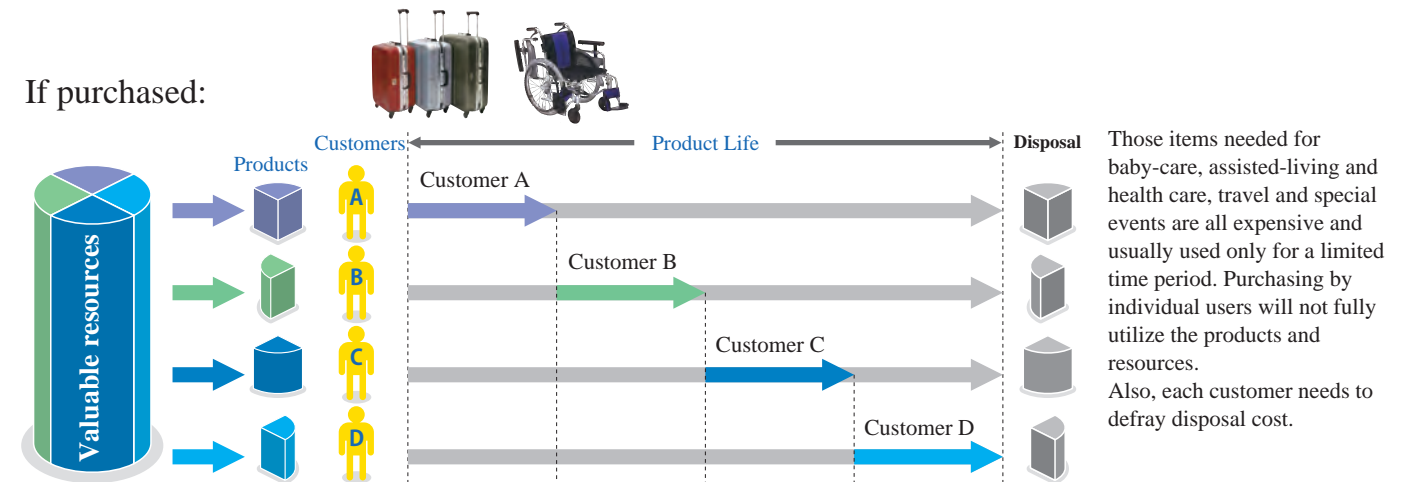
Rumi Konishi,
Mop & Mat Products,
Home Service Business Group



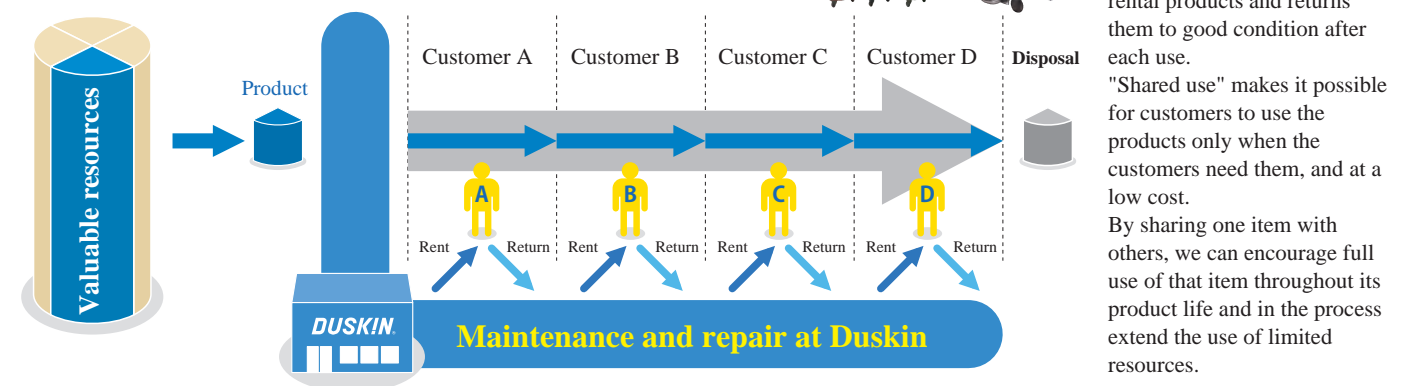
Rental system of Rent-All and Health Rent allows utilization of limited resources with utmost care.

Duskin conducts rental business that provides baby-related products, travel products, those items needed for special events, and assisted-living and health care products.

If purchased:



» Duskin's rental system which promotes "shared use" will mean that:



CLEAN

Rent-All

Each year, approximately 30,600 cribs*1 are rented out. If each customer buys a crib*2, then natural resources to make 30,600 cribs would have been used every year. Instead, only 13,400 cribs are necessary when all the customers rent and share cribs from Rent-All. "Shared use" of baby goods, traveling equipment, and other needed items will result in saving resources and reducing waste, compared to when "everyone buys." Rent-All staff, with their accumulated know-how and experiences to reduce the environmental impact of many products, advises the customers on the effective operation plans for the use of rental products under many circumstances and at various events.

■ Cribs



*1: Number of cribs rented out from Jan. 2010 through Dec. 2010.

*2: Number of cribs owned.

CLEAN

Health Rent

Duskin Health Rent rents out assisted-living and health care products, and visits users regularly to make sure the rented equipment fits and matches their conditions and needs, so the customers have the confidence that they are always using well-maintained right products. Shared-use of the products also contributes to conserving of natural resources and protects the environment.

VOICE

Wheelchairs, care beds, and walkers are the most frequently rented equipment at Health Rent. Our staff members, who are qualified as Expert Advisors for the Assistive Products, visit users once every three months and consult with a care manager to make sure that the provided equipment suits each user's conditions. Health Rent provides rental products with our reliable regular maintenance. Customers contribute to reducing negative impacts on the environment with our rental products compared to purchasing new products.

Kumiko Tsumura,
Operation, Health Rent,
Rent-All Division



ECO products and services

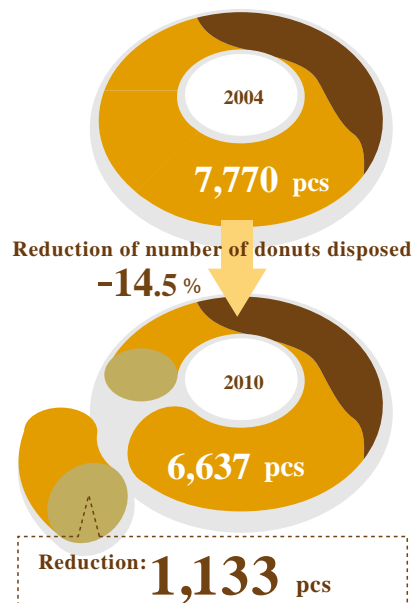
Duskin promotes more effective use of resources in its service and product offering. Our professionally trained Care Service staff provide excellent customers service, respecting our customers' thoughts and ideas to "use things to their fullest usable life."

FOOD

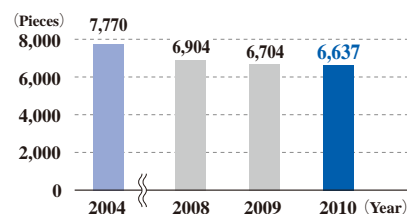
Recycling of disposed donuts

Mister Donut has reviewed production schedules and reinforced management controls by using a disposal checklist to reduce the number of disposed donuts in all the shops nationwide. The donuts left on the shelves after shop hours are collected and reprocessed in processing plants into raw materials or liquid-state feed as part of our recycling efforts. This program is currently in place in a total of 492 shops, including 365 shops in the Kanto area and 127shops in the Tokai area. Mister Donut plans to expand this program to Kinki and other areas.

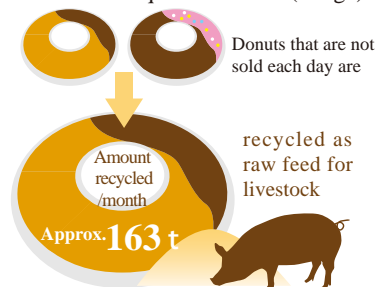
- Reduced number of donuts disposed (monthly, per shop)



- Disposed donuts (monthly, per shop)



- Reprocessed in processing plants into raw materials or liquid-state feed (image)



FOOD

Lightweight take-out boxes

Mister Donut reviewed the materials for the take-out boxes (box for a dozen donuts and box for a half dozen donuts). Mister Donut succeeded in making the take-out boxes lighter by reducing the thickness of the paper material while maintaining the necessary strength. Through this effort, approximately 329 tons of paper was saved in one year, compared to the amount of paper used in previous years when the takeout boxes were made in conventional thickness and room conventional material. Containers and packaging were also reduced.

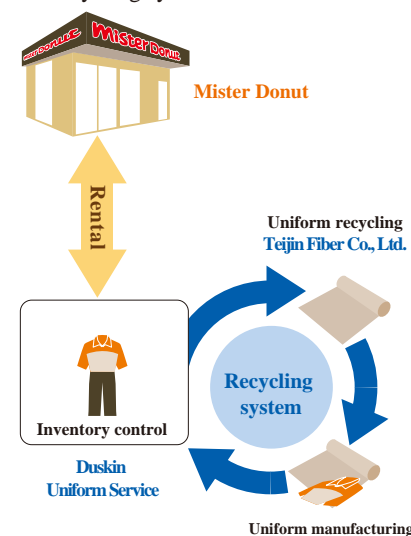


FOOD

Eco-friendly Uniforms

Recycled Polyester material is used for the Mister Donut uniforms. With the recycling technology by Teijin Fiber Co., Ltd., the fibers can be recycled into new fibers, thus enabling us to make uniforms semi-permanently recyclable.

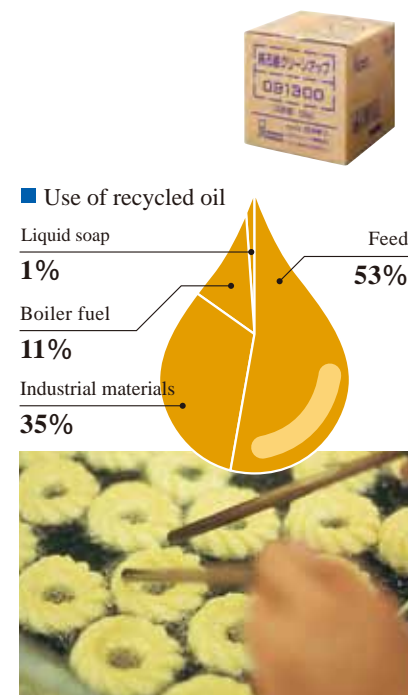
- Recycling system flow chart



FOOD

Recycling of frying oil

Mister Donut shops efficiently control the quality of donut frying oil for maximum use. All the oil used (about 548 tons annually) is collected and recycled into feed and industrial materials. Part of the collected oil is re-processed into liquid soap that is used as detergent in our shops. It is also utilized as fuel for boilers at Duskin's laundry plants where mops and mats are washed.



VOICE

Mister Donut continues its efforts to recycle the donuts left unsold at the closing of the shops, into feed. Our shops have various equipment and fixtures, such as lighting signs, interior lights, showcases, kitchen equipment, refrigerators and freezers. More energy-saving type of equipment is introduced to newly-opened stores as well as to the existing stores that are undergoing renovation. This year, we introduced a dishwasher that saves 11% of electricity compared to the existing washer, and a freezer that saves 12% of electricity compared to the existing freezer. The number of the new equipment introduced totaled 65 dishwashers and 103 freezers. Though the number may be small, they are sure to contribute to saving energy.

Hiroshi Tsutsumi,
Safety Management,
Food Group



CLEAN

Rental Mop

In the textile industry, the textile spinning process generates short fibers and other "unused" scraps. These fibers have been disposed of in the past. Duskin introduced Eco Non-Oil Mop made from these unused fibers.



CLEAN

Eco Paper Towel

Mill ends or unused parts of cardboard are generated in the production of cardboard boxes. These materials are used for our Eco paper towel product. This product is not bleached since the use of chlorine in the bleaching process could cause negative impact on the environment. This product is natural in color from the original color of wooden pulp.



CLEAN

Pouch-packed residential detergent

Pouch-packed refills are offered for daily-use cleaners for kitchen, laundry and bathroom. The light-weight pouch packages promote repeated use of the detergent bottles, which contributes to resource conservation. Currently, five types of products are granted Eco Mark Certification.



CLEAN

Window film application service

From 2010, Duskin ServiceMaster started a new service, "window film application service." By installing sunlight adjustment film, a designated procurement item under the Law on Promoting Green Purchasing, more than 99% of ultraviolet rays coming through the window are blocked, which helps to prevent color fading of interior decorative items and furniture. It also blocks more than 90% of infrared rays coming through the window, which helps prevent the rise of room temperature. This service conserves energy through more efficient use of air conditioners.



CLEAN

Environmentally-friendly services by our Care Service

Merry Maids, offering various housekeeping services, employs an "ecological cleaning system" that does not use synthetic detergents for those who are concerned about skin sensitivity to synthetic detergents, and for families with small children and pets who worry about their exposure to strong chemicals in other types of detergent.



Terminix promotes Integrated Pest Management system that focuses on pest prevention and minimizing chemical application to reduce negative impact on the environment.



TruGreen's tree and shrub care service helps to maintain a long lasting pleasant yard. The service is provided after assessment of the conditions of the yard to determine whether a chemical should be applied to the entire yard or a partial area, and thereby avoiding unnecessary chemical application.



To maintain biodiversity

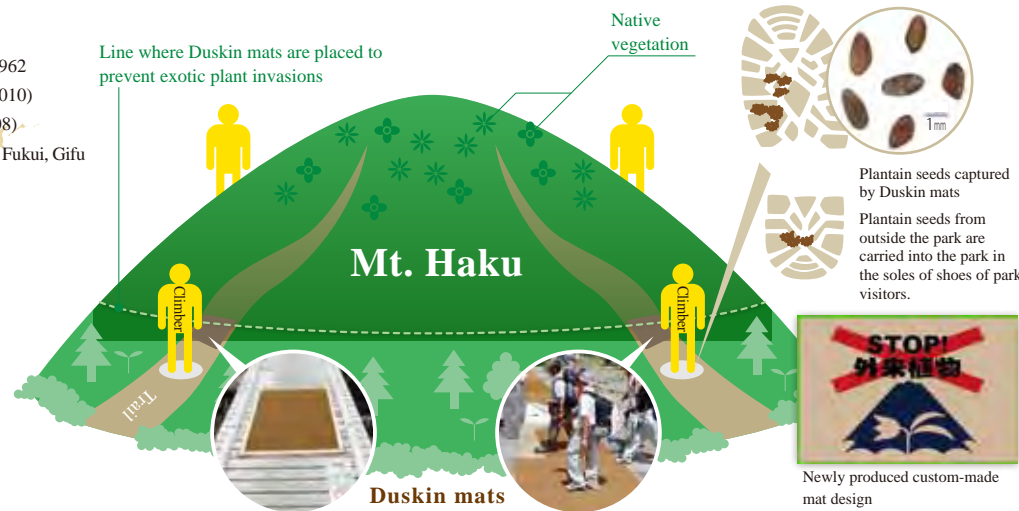
Hakusan (Mt. Haku) was adored and addressed as "Shirayama" in poems that were included in Manyoshu (Collection of Ten Thousand Leaves), the oldest existing collection of Japanese poetry. It has been worshipped since ancient times, as one of the Three Great Mountains of Japan (Nihon Sanmeizan), including Mt. Fuji and Mt. Tate. In Hakusan National Park, one of the best national parks in western Japan, Duskin mats contribute to conservation of the ecosystems.

Hakusan National Park

National Park status granted on Nov. 12, 1962
Total area: 47,700 hectares (as of Apr. 1, 2010)
Annual number of visitors: 1,180,000 (2008)
Neighboring prefectures: Toyama, Ishikawa, Fukui, Gifu



Use of Duskin mats to prevent exotic plants invasion (Image)



Exotic plants that jeopardize unique ecosystems

The park is located in alpine and sub-alpine zones with an area of 47,700 hectares (184 sq mi), stretching north to south in 50 km (31 mi). In the center of the area is its tallest peak, Gozengamine, with its height 2,702 m (8,865 ft). It was designated as a national park in 1962. It is also designated as a biosphere reserve under UNESCO's Man and the Biosphere Programme. Mt. Haku is the westernmost independent peak in the alpine zone of the Japanese archipelago. There are 18 kinds of alpine plants that have Hakusan in their names, such as Hakusan Kozakura (*Primula cuneifolia*). Mt. Haku has unique ecosystems, represented by the plants such as Chocolate Lily (Kuro Yuri). However, these precious ecosystems are jeopardized by exotic plants such as plantain that are brought from outside by humans. Exotic plants invade the habitats of alpine plants and crossbreed with native vegetation, negatively impacting the alpine plants growing in the harsh natural environment in Hakusan National Park.



Duskin mats prevent exotic plant invasion

The Ministry of the Environment formed a committee that examines and determines the measures to eliminate the exotic plants in Hakusan. As one of the measures, from 2007, mats were placed at the entrance to the trails with the purpose of preventing the seeds of exotic plants from being carried further onto the leading to the peak. Duskin provides these mats. In the mountaineering season from July to November, 2010, Duskin provided a total of 32 mats which were placed in eight trails. Duskin's unique technology is utilized in these mats which meet the specification that mats must be able to capture seeds and be durable despite exposure to direct sunlight, wind and rain in the mountain range. Through monitoring and research over the past four years, the seeds of plantain and oxalis were found in the soils captured in the mats when visitors wipe their shoes on these mats before stepping onto the trails. The effectiveness of these mats was confirmed. Each year the efforts for this initiative are enhanced, through publicity and communication of this initiative to climbers and visitors, and through strategic placing of these mats at the entrances to the trails. Duskin contributes to the maintenance of the

ecosystems in Hakusan National Park.



VOICE

When it comes to mats, it has to be Duskin. This idea flashed into my mind and I called Duskin. This was how our initiative started. Duskin kindly responded to our request and has continued to provide us with positive support, which we appreciate greatly. Duskin mats securely capture and maintain the seeds and do not release the seeds even in the rain and wind. We highly value their superior function. Hakusan National Park is the only one among the national parks in Japan, where prevention of exotic plant invasion was certified by the Japanese Government under its Ecosystem Maintenance and Recovery Work program. We continue to work on more effective conservation of the area.

Mr. Hiroyuki Inaba,
Measures for exotic plants
Association for Conservation
of Circum Hakusan Area



What we at Duskin can do

We at Duskin wish to be service providers that contribute to our local communities and the future of our children, in line with our philosophy of "Sowing the Seeds of Joy."



Clean Up My Town

Since its founding, Duskin conducts cleaning activities in the neighborhoods where its offices, plants, and franchised outlets are located. "Clean Up My Town" was initiated with our hope to share this experience with people in our communities. This campaign is promoted at local events' sites nationwide, where we collect and sort the garbage with the participants. We will continue to promote this activity of cleaning our own communities.



School Education Support

Duskin supports school curriculums in the areas of cleaning, with an objective to help children learn cooperation and enhance their ability to work out a plan. Educational support curriculums and training sessions designed for teachers are provided.



AINOWA Campaign

The Duskin AINOWA Foundation celebrates its 30th anniversary this year. With the purpose of making possible greater independence and fuller participation by physically challenged members of society, the Foundation has sent over 400 disabled Japanese people on study tours in the US and the Europe, where welfare programs for the disabled are more advanced. Since 1999, the Foundation also has invited young disabled men and women from the Asia Pacific nations to Japan for training so that on their return to their home-country, they could be leaders in the field of social welfare for the disabled.



"Sowing the Seeds of Joy" Newsletter

The newsletter, connecting Duskin and customers, has been delivered to customers since 1971. With a theme of "wishing happiness for our readers," each issue posts heart-warming stories.



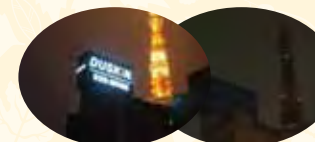
Duskin Plant Tour

We conduct plant tours in Duskin plants for elementary school children from the third grade to the sixth grade. The tour consists of introduction of plant operation processes, including collection and reprocessing of soiled mops and mats. The purpose of the tour is to help children to learn and understand the values of things and significance of environmental conservation.



Duskin Kids Town (Website)

This website helps children to easily and enjoyably learn about the importance of cleaning and preserving our environment. The contents include virtual plant tour, games and reading materials.



CO₂ reduction /Light Down Campaign

Since 2004, Duskin has participated in the Light Down Campaign held under the auspices of the Ministry of the Environment. In 2010, Duskin turned off the lights of advertising towers, exterior signs, and at offices in 425 locations nationwide.



"Eco Products 2010"

Duskin participated in "Eco Products 2010," one of the largest environmental expositions in Japan. The exposition was held at Tokyo Big Site for three days from December 9 to 11, 2010. The theme of Duskin's booth was to help the visitors "to learn eco-friendly way of life with fun." Comical skits were also performed to help the visitors to learn about everyday level environmental preservation efforts, to be more familiar with these efforts.

For further information on the above events and our environmental initiatives, please visit Duskin's website :

For children to joyously and easily learn about environmental issues and cleaning, please visit Duskin Kids Town

<http://www.duskin.co.jp>

<http://www.duskin.co.jp/kids>

Duskin's social and environmental activities in 2010

2010

Apr. 20

A gathering of representatives of consumer organizations and Duskin's Board Directors was held. (Osaka Central Plant, Research & Development Center, Product Inspection Center)

June 7

LED lighting was adopted for advertising sign at Duskin Head Office.

June 21

July 7

Participated in "CO₂ reduction/Light Down Campaign"

July 7

An environmental PR website opened to allow users to convert their eco-friendly efforts, 'Seed of Ecological Responsibility,' into numerical data. (till Oct. 31)

Sep. 13

Mister Donut started to offer a limited number of "40th Anniversary - Everyone's Bags" with an illustration of PINGU and MOTTAINAI. Customers exchanged MISDO Club points for these bags. (The exchange period was over.) Part of the points exchanged was donated to the Green Belt Movement.

Dec. 1

AINOWA received the 2010 Minister of Health, Labor and Welfare commendation.

Dec. 9

-11

Exhibited in "Eco Products 2010"

2011

Feb. 16

Received 2010 "Osaka Stop-Global-Warming Award" Excellence Prize and received the Encouragement Prize from the selecting committee of the "Osaka Green Award for Excellence." (See page 11)