# Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2012

All information contained in this document has been prepared in accordance with generally accepted accounting principles in Japan.
This document has been translated from the Japanese original for reference purpose only.

May 15, 2012

Company name: Duskin Co., Ltd. Shares listed: Tokyo and Osaka
Code number: 4665 URL: http: //www.duskin.co.jp/
Representative: Teruji Yamamura, President & CEO
Contact: Akihisa Tsurumi, Executive Director Tel: (06) 6821-5071

Scheduled date of ordinary general meeting of shareholders: June 22, 2012
Scheduled date of dividend payment commencement: June 25, 2012
Scheduled date for release of annual securities report: June 25, 2012
Preparation of supplemental explanatory materials: Yes
Holding of financial results meeting: Yes (for analysts)

## 1. Consolidated financial results for the fiscal year ended March 31, 2012

(Amounts less than one million yen are dropped.)

(1) Results of operation

(Percentages indicate the change against the previous fiscal year.)

| | Sales | | Operating income | | Ordinary income | | Net income | |
|---|---|---|---|---|---|---|---|---|
| | millions of yen | % | millions of yen | % | millions of yen | % | millions of yen | % |
| Year ended Mar. 31, 2012 | 171,118 | -3.5 | 9,841 | -10.0 | 11,609 | -8.0 | 4,583 | -12.7 |
| Year ended Mar. 31, 2011 | 177,320 | -2.2 | 10,937 | -9.8 | 12,613 | -8.6 | 5,248 | -32.9 |

(Note: Comprehensive income - Year ended March 31, 2012: 5.320 million yen (21.4%), Year ended March 31, 2011: 4,384 million yen (-49.4%))

| | Net income per share | Net income per share (fully diluted) | Return on average equity | Ratio of ordinary income to total assets | Ratio of operating income to sales |
|---|---|---|---|---|---|
| | yen | yen | % | % | % |
| Year ended Mar. 31, 2012 | 71.07 | - | 3.1 | 5.9 | 5.8 |
| Year ended Mar. 31, 2011 | 79.39 | - | 3.6 | 6.3 | 6.2 |

(Reference: Equity in net income and losses of affiliated companies - Year ended March 31, 2012: -10 mil, Year ended March 31, 2011: 2mil)

(2) Financial positions

| | Total assets | Net assets | Equity ratio | Net assets per share |
|---|---|---|---|---|
| | millions of yen | millions of yen | % | yen |
| As of Mar. 31, 2012 | 197,316 | 149,604 | 75.4 | 2,314.38 |
| As of Mar. 31, 2011 | 198,876 | 148,565 | 74.3 | 2,262.41 |

(Reference: Shareholders' equity - Year ended March 31, 2012: 148,781 mil, Year ended March 31, 2011: 147,740 mil)

(3) Cash flows

| | Net cash provided by operating activities | Net cash used in investing activities | Net cash used in financing activities | Cash and cash equivalents at end of year |
|---|---|---|---|---|
| | millions of yen | millions of yen | millions of yen | millions of yen |
| Year ended Mar. 31, 2012 | 14,057 | -8,686 | -4,355 | 24,724 |
| Year ended Mar. 31, 2011 | 14,032 | -12,700 | -9,749 | 23,714 |

## 2. Dividends

| | Dividends per share | | | | | Total dividends (annual) | Dividend ratio (consolidated) | Ratio of dividends to shareholders' equity (consolidated) |
|---|---|---|---|---|---|---|---|---|
| | end of 1st Q | end of 2nd Q | end of 3rd Q | Year-end | Total (annual) | | | |
| | yen | yen | yen | yen | yen | millions of yen | % | % |
| Year ended Mar. 31, 2011 | - | 0.00 | - | 40.00 | 40.00 | 2,612 | 50.4 | 1.8 |
| Year ended Mar. 31, 2012 | - | 0.00 | - | 40.00 | 40.00 | 2,571 | 56.3 | 1.7 |
| Year ending Mar. 31, 2013 (Forecast) | - | 20.00 | - | 20.00 | 40.00 | | 41.5 | |

## 3. Forecast of consolidated financial results for the year ending March 31, 2013

(Percentages indicate the change against the same period of the previous fiscal year.)

| | Sales | | Operating income | | Ordinary income | | Net income | | Net income per share |
|---|---|---|---|---|---|---|---|---|---|
| | millions of yen | % | millions of yen | % | millions of yen | % | millions of yen | % | yen |
| 6 months ending Sept. 30, 2012 | 85,000 | -0.5 | 4,200 | -0.9 | 5,300 | -0.6 | 2,700 | -5.8 | 57.56 |
| Year ending Mar. 31, 2013 | 175,000 | 2.3 | 9,200 | -6.5 | 11,200 | -3.5 | 6,200 | 35.3 | 94.89 |

***Notes**

(1) Changes in significant subsidiaries during the period

(Changes in specific subsidiaries resulting in an adjustment to the scope of consolidatio): None

(2) Changes in accounting standards, processes and methods of presenting underlying preparation of consolidated financial statements.

1. Changes due to revision of accounting standards, etc.: None
2. Changes other than 1, above: None
3. Changes in accounting estimates: None
4. Retrospective restatements: None

(3) Number of shares issued (Common stock)

| | | | | |
|---|---|---|---|---|
| 1. Number of shares issued at the end of period (including treasury stock) | Year ended Mar. 31, 2012: | 66,294,823 | Year ended Mar. 31, 2011: | 67,394,823 |
| 2. Number of treasury stock at the end of the period | Year ended Mar. 31, 2012: | 2,009,339 | Year ended Mar. 31, 2011: | 2,092,494 |
| 3. Average number of shares during the period | Year ended Mar. 31, 2012: | 64,489,359 | Year ended Mar. 31, 2011: | 66,114,725 |

## (Reference) Overview of the non-consolidated financial results

### 1. Non-consolidated financial results for the fiscal year ended March 31, 2012

(1) Results of operations

(Percentages indicate the change against the previous fiscal year.)

| | Sales | | Operating income | | Ordinary income | | Net income | |
|---|---|---|---|---|---|---|---|---|
| | millions of yen | % | millions of yen | % | millions of yen | % | millions of yen | % |
| Year ended Mar. 31, 2012 | 150,019 | -3.3 | 6,928 | -16.1 | 10,313 | -4.7 | 4,428 | -4.1 |
| Year ended Mar. 31, 2011 | 155,150 | -2.4 | 8,256 | -15.3 | 10,826 | -21.4 | 4,615 | -39.2 |

| | Net income per share | Net income per share (fully diluted) |
|---|---|---|
| | yen | yen |
| Year ended Mar. 31, 2012 | 68.66 | - |
| Year ended Mar. 31, 2011 | 69.80 | - |

(2) Financial positions

| | Total assets | Net assets | Equity ratio | Net assets per share |
|---|---|---|---|---|
| | millions of yen | millions of yen | % | yen |
| As of Mar. 31, 2012 | 184,811 | 132,128 | 71.5 | 2,055.34 |
| As of Mar. 31, 2011 | 185,086 | 131,190 | 70.9 | 2,008.96 |

(Reference: Shareholders' equity - Year ended March 31, 2012: 132,128 mil, Year ended March 31, 2011: 131,190 mil.)

### 2. Forecast of financial results for the year ending March 31, 2013

(Percentages indicate the change against the same period of he pervious fiscal year.)

| | Sales | | Operating income | | Ordinary income | | Net income | | Net income per share |
|---|---|---|---|---|---|---|---|---|---|
| | millions of yen | % | millions of yen | % | millions of yen | % | millions of yen | % | yen |
| 6 months ending Sept. 30, 2012 | 73,500 | -1.0 | 2,900 | 5.3 | 4,600 | -9.1 | 2,500 | -20.5 | 38.89 |
| Year ending Mar. 31, 2013 | 151,000 | 0.7 | 6,700 | -3.3 | 9,400 | -8.9 | 5,300 | 19.7 | 82.44 |

* Implementation status of audit procedures

This summary of financial statements is exempt from the audit procedures required by the Financial Instruments and Exchange Act.
Audit procedures based on the Financial Instruments and Exchange Act were being performed at the time of the announcement of this summary of financial statements.

* Explanation regarding the appropriate use of business forecasts

The financial forecast contained in this report is based on information available at the time of preparation, and thus involves inherent uncertainties. Accordingly, readers are advised that actual results may differ significantly from the forecast.

Contents of attachment:

1. Business results

(1) Analysis on Business Results

The Japanese economy during fiscal year 2011 (April 1, 2011 to March 31, 2012) still remained unclear due to the strong yen, high prices of basic materials, and various risks stemming from the Great East Japan Earthquake, nuclear power plant issues, and the unstable oversea economy due to the ongoing European financial crisis. However, demand created by reconstruction projects and the financial policy by the Bank of Japan to reverse the yen’s appreciation resulted in a slow recovery of the economy in Japan during the latter half of the year. Although personal spending stayed steady, it remains low because of various risks.

Under these circumstances, we accelerated regional office empowerment enabling us to execute business plans in response to the characteristics of each market. Training centers were established under each regional office for development and education of human resources. Because the majority of our customers are women, we focused on product development and promotion projects by female workers.

At Clean & Care Group, we conducted cleaning demonstrations outdoors and at postal offices to increase points of contact with customers.

We also concentrated on having our existing dust control franchisees enter into care service business agreements to provide cleaning services in order to compete in the growing markets by increasing service units.

Mister Donut introduced Baked Donut, a new category product. Other initiatives include a compact shop and development and test marketing of new donut concepts.

We served donuts at Great East Japan Earthquake affected areas, which were made in the Mister Donut Car, a vehicle equipped with production equipment.

However, the slow recovery of personal spending and continuing tendency of businesses to cut costs adversely impacted our performance.

As a result, consolidated sales were 171,118 million yen, down 3.5% from the previous year, operating income was 9,841 million yen, down 10.0% from the year before, ordinary income was 11,609 million, down 8% from the previous year, and net income was 4,583 million yen, down 12.7% from the previous year.

a. Result by business segment

As indicated in page 20 in section of 3. Consolidated Financial Statements (6) Notes to consolidated financial statements (Segment Information), the name for the "Clean Group” segment has changed to "Clean & Care Group." This is a change of only the name and not in the method of business segment classification.

(a) Clean & Care Group

Home Service, which provides residential customers with cleaning products for rent and cleaning services, focused on promoting a New Cleaning Style, that uses Dust Cleaner, an electrically-powered dust box that takes up dust collected by floor mops whenever dust is spotted.

This New Cleaning Style has been well received as it makes daily cleaning easier. Supported by the sophisticated design and high functionality of our new floor mop "LaLa," sales of floor mops increased and consequently, sales of mop products were higher than one year earlier.

Cleaning service sales were favorable because we set a clear standard fee and increased the number of service personnel for year-end cleaning services, responding to the increase in needs for such services.

The number of orders for the air-conditioner cleaning service greatly increased, reflecting consumer awareness of the need to save electricity.

However, Home Service posted the same level of sales as in the previous year due to a decline in sales of air-purifiers and filter products.

Business Service, which provides services for the commercial market, increased sales of Air-Purifier Deo, a core product for our support services for clean air, with new marketing approach by proposing services which comprehensively support requests from customers relating to hygiene control. Another factor was the establishment of a platform for hygiene control services focusing on small markets by repeatedly visiting customers.

In addition, efforts were made to capture orders from key accounts and regional chain stores.

However, due to continuing emphasis on cost reductions at companies, Business Service posted lower sales than one year earlier.

As for other businesses in Clean & Care Group, sales in the Rent-All business recorded steady growth. Sales were higher for Heath Rent, which rents assisted living equipment, while Drink Service and Home Instead posted higher sales over the previous year. Health & Beauty recorded the same level of sales as in the previous year, but sales for Uniform Service, declined.

As a result, Clean & Care Group recorded sales of 112,177 million yen, 3.0% down, from the previous year, and operating income of 13,789 million yen, up 1.2%.

(b) Food Group

Mister Donut Business introduced Baked Donut, a new category item, to increase the customer base. Summer-only donuts and drinks were offered for the summer season.

In addition, Mister Donut focused on new development with emphasis on seasonality and a wide variety. Examples include new products to align with the seasonal events, and Misdo Tour of Local Specialties with donuts that reflect the characteristics of local specialties of popular sight-seeing areas.

Kitchenless take-out only shops to increase customer contact, a new MOSDO shop (Kyoto Kawaramachi Dori Shop) in collaboration with MOS Food Service, and Wakka (JR Osaka Station) , a new concept offering "steamed" donuts were opened.

However, these activities did not offset the downturn in consumer confidence caused by the Great East Japan Earthquake. As a result, sales decreased from one year earlier.

In the other food service businesses, Katsu & Katsu and Stick Sweets Factory sales were higher due to an increase in the number of shops. On the other hand, both Cafe Du Monde, which closed under-performing shops in the previous fiscal year, and the Don, a seafood donburi chain, posted lower sales from one year earlier.

As a result, the Food Group posted sales of 48,807 million yen, down 4.5%, and operating income of 2,876 million yen, down 34.9%.

(c) Other Businesses

Duskin Healthcare, which provides management services to medical facilities, recorded higher sales due to the acquisition of key accounts.

At Duskin Kyoeki, a leasing company, sales were lower than one year earlier because this company revised the coverage of a maintenance service agreement for POS equipment at Mister Donut shops.

The overseas dust control business and Mister Donut business performed well and continued their business development initiatives in existing markets.

In August, 2011, Mister Donut opened its first shop in Malaysia, the sixth foreign market that Mister Donut has entered. In March 2012, we launched the dust control business in South Korea jointly with a local firm.

As a result, Other Businesses recorded sales of 10,133 million yen, down 3.9 %, and operating income of 375 million yen, up 77.7%.

Segment sales do not include consumption tax.

(2) Outlook for the next fiscal year

The forecast for fiscal year ending on March 31, 2013, the first year of our new three-year Medium-term Management Policy, is as follows.

**(Consolidated)** (millions of yen, %)

| | Year ending Mar. 31, 2013 (forecast) | | | Year ended Mar. 31, 2012 (actual) | |
|---|---|---|---|---|---|
| | | % | change (%) | | % |
| Sales | 175,000 | 100.0 | 2.3 | 171,118 | 100.0 |
| Operating income | 9,200 | 5.3 | -6.5 | 9,841 | 5.8 |
| Ordinary income | 11,200 | 6.4 | -3.5 | 11,609 | 6.8 |
| Net income | 6,200 | 3.5 | 35.3 | 4,583 | 2.7 |

**(Non-consolidated)** (millions of yen, %)

| | Year ending Mar. 31, 2013 (forecast) | | | Year ended Mar. 31, 2012 (actual) | |
|---|---|---|---|---|---|
| | | % | change (%) | | % |
| Sales | 151,000 | 100.0 | 0.7 | 150,019 | 100.0 |
| Operating income | 6,700 | 4.4 | -3.3 | 6,928 | 4.6 |
| Ordinary income | 9,400 | 6.2 | -8.9 | 10,313 | 6.9 |
| Net income | 5,300 | 3.5 | 19.7 | 4,428 | 3.0 |

(Note) The above forecasts are based on projections and assumptions using information available at the time of this announcement. Such projections and assumptions are subject to uncertainties inherent in future business operations. Actual results may differ materially for a number of reasons.

(3) Financial position

a. Assets, liabilities, and net assets

(a) Current assets

As of March 31, 2012, current assets amounted to 59,401 million yen, a 962 million yen decrease compared to the previous fiscal year.

This is mainly attributable to a 5,135 million yen increase in short-term marketable securities and a 3,132 million yen decrease in cash and deposit, a 1,462 million yen decrease in notes and accounts receivable-trade, and a 676 million yen decrease in deferred tax assets.

(b) Noncurrent assets

Noncurrent assets totaled 137,915 million yen at the end of the fiscal year, a 597 million yen decrease compared to the previous fiscal year.

This is due mainly to an 861 million yen increase in investment securities and a 1,418 million yen decrease in deferred tax assets.

(c) Current liabilities

Current liabilities amounted to 34,323 million yen, a 3,113 million yen decrease compared to the previous fiscal year.

This is attributable mainly to a 749 million yen decrease in income taxes payable and a 705 million yen decrease in accounts payable-trade, and a 671 million yen decrease in allowance for disaster loss.

(d) Noncurrent liabilities

Noncurrent liabilities totaled 13,388 million yen at the end of the fiscal year, a 514 million yen decrease from the previous fiscal year.

This is mainly due to an 852 million yen increase in the provision for retirement benefits and a 94 million yen decrease in long-term loans payable.

(e) Net assets

Net assets totaled 149,604 million yen at the end of the fiscal year, a 1,039 million yen increase from the previous fiscal year.

This was attributable to a 1,971million yen increase in retained earnings resulting from net income of 4,583 million yen less 2,612 million yen paid out in dividends, and a 734 million yen increase in valuation difference on available-for-sale securities and payments of 1,614 million yen for the purchases of treasury stock.

b. Cash flows

Cash and cash equivalents (Cash) at the end of the fiscal year totaled 24,724 million yen, a 1,009 million yen increase from 23,714 million yen one year earlier. Cash flows are as follows:

(a) Cash flow from operating activities

Net cash provided by operating activities amounted to 14,057 million yen, a 25 million yen increase from the previous fiscal year.

Income before income taxes totaled 10,200 million yen, a 1,186 million yen increase from the previous year and there was depreciation of 6,242 million yen (69 million yen increase from the previous fiscal year) and a 1,436 million yen decrease in notes and accounts receivable-trade, plus 270 million yen in the previous fiscal year. Income taxes paid were 4,973 million yen, an 805 million yen increase from the previous fiscal year.

(b) Cash flow from investing activities

Net cash used in investing activities totaled 8,686 million yen, a 4,014 million yen decrease from the previous fiscal year.

This is mainly due to purchases and redemptions of marketable securities and investment securities of 11,146 million yen, a 10,081million yen decrease from the previous fiscal year, purchases of tangible noncurrent assets with a value of 3,271 million yen, a 1,105 million yen decrease from the previous fiscal year, and the sale of marketable securities and investment securities with a value of 10,105 million yen, a 4,495 million yen decrease from the previous fiscal year.

(c) Cash flow from financing activities

Net cash used in financing activities amounted to 4,355 million yen, a 5,394 million yen decrease.

This is mainly due to the dividend payments of 2,614 million yen, a 32 million yen decrease, and payments of 1,614 million yen for the purchase of treasury stock, a 145 million yen increase from the previous fiscal year.

c. Trends in cash flow related indicators

A summary of trends in cash flow related indicators is presented below.

| | FY2008 | FY2009 | FY2010 | FY 2011 |
|---|---|---|---|---|
| Equity ratio (%) | 73.2 | 73.4 | 74.3 | 75.4 |
| Market cap equity ratio (%) | 53.8 | 54.8 | 50.6 | 53.9 |
| Debt redemption term (years) | 0.4 | 0.3 | 0.0 | 0.0 |
| Interest coverage ratio | 141.3 | 243.8 | 195.7 | 2,221.7 |

(Note) 1. The above indicators are calculated using the following formulas based on consolidated figures.
Ratio of net worth: Net worth (net assets-minority interests)/Total assets
Ratio of net worth at market price: Current aggregate value of shares/Total assets
Interest-bearing debt to CF Ratio: Interest-bearing debt/Cash flows from operating activities
Interest coverage ratio: Cash flows from operating activities/Interest expenses
2. The current aggregate value of shares is calculated by multiplying the common stock price at term end by the number of shares outstanding at term end, excluding treasury stock.
3. Cash flows from operating activities in the consolidated statements of cash flows are used for the cash flows from operating activities.
4. Interest-bearing debt covers all debt bearing interest that is shown in the consolidated statement of financial position.
5. Interest expenses in the consolidated statements of cash flows are used for the interest expenses.

(4) Basic policies regarding distribution of profits and dividends for the current and following fiscal years

The Company follows a policy on dividends intended to meet shareholders' expectations for the long term by placing priority on returning profits to shareholders through a steady and continuous dividend distribution for each term, while securing internal reserves necessary for profitable operating results, future business development and maintaining sound business management.

The Company plans to distribute a dividend in accordance with the basic policy to meet expectations of our shareholders. In accordance with the Company's policy, the Company distributes dividends twice each year: an interim and year-end dividend. The year-end dividend is determined at the general meeting of shareholders. The Articles of Incorporation state that "the Company may, by a resolution of the Board of Directors, with the record date of September 30 of every year, distribute interim dividends."

The Company plans to distribute a year-end dividend of 40 yen per share, in accordance with the basic policy. It is expected that the 20 yen per share policy for both interim and year-end dividends will be pursued in the next fiscal year.

## 2. Management Policy

### (1) Management Guidelines

The Duskin Group has inherited “Prayerful Management,” the business philosophy established by our founder, Seiichi Suzuki. “Prayerful Management” emphasizes the development of people through business activities rather than simply seeking sales and profit growth. Each employee is expected to “Sow the Seeds of Joy” by working to make our customers happy. We conduct business transactions in a way that brings happiness to all the concerned parties. This attitude is the basis of our management policy, and we are determined to continue using this approach in the future.

Since its founding, the Duskin Group has developed services and products that bring joy and comfort to people. With each and every product or service, we offered new value and a new approach to lifestyles. Our efforts to constantly innovate business systems are reflected in our services and products. When Japan was not as affluent and living not as convenient as it is today, we started our business to offer "more helpful services" and "more delicious products" to our customers. These ideas and wishes at our starting point remain unchanged. We will continue our efforts to become a company that wins the trust of our customers who can wholeheartedly say: "Duskin is the most considerate and attentive company in the world!"

### (2) Financial Goals

We have set the following goals for our sales and operating income ratio for the Three Year Medium-Term Business Plan (FY2012 through FY2014).

| | |
|---|---|
| Consolidated sales: 182,000 million yen | (6.4% increase compared to FY2011) |
| Consolidated operating income margin: 7.0% | (1.2 point increase compared to FY2011) |

### (3) Medium-to long-term management plan

On March 22, 2012, we announced a three-year Medium-term Management Policy starting in FY2012 (FY2012- FY2014).

1) Basic strategies

a. Business system change

We will change our business system to deliver products and services to customers so that we can better respond to the demands of the time from our customers’ perspective. While striving to outgrow from the status quo, we aim to build a new business model that takes into consideration environmental conservation issues and changing customer needs.

b. Corporate structural change

We will continue to work on further improving product/technical development capabilities as well as cost reduction by implementing more effective production/distribution systems.

c. Improvement of current operations with original and ingenious ideas & efforts

In each area, we will take a proactive approach to understand customers' needs and plan various measures to meet needs that reflect regional characteristics. Through joint efforts with our franchisees, we will effectively implement these measures designed for each local market.

d. More growth

While working on new business development to build future core businesses, we aim to expand our dust control and Mister Donut businesses overseas.

2) Focused measures for core businesses

a. Existing businesses

(a) Clean and Care Businesses

1) Residential products and services

We aim to acquire new customers by flexibly responding to the diversified lifestyles and needs. The measures also include building system to deliver products and services on Sundays and holidays, and at designated times.

2) Commercial products and services

We aim to be the number one brand in the sanitary management market. We plan to enhance our competitive edge by creating new streamlined service locations and consolidating production and rental service operations. With this enhanced competitive edge, we will improve our sales capabilities to offer more appealing business proposals to governmental offices and large chain store companies.

3) Technical services

We will improve our service framework to meet increasing outsourcing needs, such as for housekeeping services. By increasing the number of service locations and staff members, we will be able to respond to needs during the busiest season. To assure high quality services, educational and training programs will be further improved. This will also lead to enhanced customer satisfaction.

(b) Mister Donut

Mister Donut will further enhance its strength of product value, communication, and QSC. Mister Donut plans to optimize the product variety at the shop level, based on the individual shop sales/customer information. It also plans to develop several shop designs and selling/service methods to match the purposes of customers' visits. By taking these actions, we will outgrow standardization. Mister Donut also continues to focus on opening shops with a lower initial cost in undeveloped markets.

(c) Overseas operations

We plan to expand the Dust Control and Mister Donut businesses in Eastern Asia, while focusing on the further growth of these businesses in their existing markets.

We are preparing for franchising the Dust Control business in China and Korea. Mister Donut plans to expand its business by developing selling/service methods and sales channels that meet local characteristics. With products developed and prices offered to meet the local needs, Mister Donut strives to improve profitability.

We are also working on cost reduction by aggressively implementing a plan to procure raw materials in each region.

b. New businesses

We will continue to focus our efforts on new business development to build future core businesses through M&A and capital and business alliances. We will work on the development of businesses that are associated with our existing businesses, which helps us to enhance the competitive edge of existing businesses. We will also focus on business development in areas where we can take advantage of our existing businesses.

3) Corporate governance and CSR activities

In order to enhance corporate governance, we will further strive to be regarded as a “reliable and trustworthy company” by constantly improving business practices.

In order to realize a recycling-based society, we are committed to achieve both business growth and environmental conservation by pursuing Duskin’s Eco. We will be responsible corporate citizens and make significant contributions to society as members of the local community.

(4) Key Initiatives

Our challenge is to get the Group back on a growth track by implementing our programs to change the current situation in order to win the stronger support from customers, and thereby to improve our sales, which has been sluggish in the past few years.

During FY2010 and FY2011, we focused our efforts on more customer-oriented operations based on the Medium-term Management Policy. We delegated operational responsibilities to regional offices, aiming to move closer to customers and to better respond to customers' expectations. However, the business climate has significantly changed due to the Great East Japan Earthquake in March 2011, the higher cost of crude oil and raw materials, and the yen's strength along with European debt crisis. To overcome these challenges, the Group needed a management policy with a greater focus on reform and innovation. A new three-year Medium-term Management Policy, starting in the fiscal year ending March 2013 (FY2012), was thus developed.

With this new Medium-term Management Policy, the Head Office takes responsibilities for reform and innovation to take a step ahead of the tide of the times. Regional Offices work to accurately provide what customers expect in their respective markets. Through joint efforts, both the Head Office and Regional Offices will steadily move forward to meet these challenges. In FY 2012, the first year of this new Medium-term Management Policy, we will thoroughly review all businesses from our customers' perspective.

[Clean & Care Group]

In fiscal 2011, business divisions were combined to create an organization with individual units for residential and commercial markets for the purpose of responding in a speedy and comprehensive manner to customer needs. In fiscal 2012, the first year of the new Medium-term Management Policy, the organization was realigned by function to facilitate cross-business-sectional product/service and business system development. Dust Control, Care Service and Drink Service businesses were combined to make the Clean & Care Service Business Group. Through reinforced education, planning and development capabilities in this new organization, the Group strives to enhance its collective strength. Regional Offices organized by market continue their efforts in planning and implementing their own sales promotional measures to meet the respective regional market characteristics. Nine Regional Offices are divided into two groups, Eastern Japan and Western Japan. Both groups are headed by directors who help make decision-making processes swifter.

(Residential products and services)

We will continue our efforts on developing products and services that better serve our customers' needs. Our efforts include product/service development to meet the needs of diversified lifestyles and business system development to respond to the needs of consumers' changing lifestyle.

(Commercial products and services)

While working on product/service development to meet the different needs based on the business categories, types and sizes of customers, we will further enhance our sales capabilities. At the same time, we will establish streamlined service locations, consolidating functions from production to sales in each region. With enhanced price elasticity, we will strive to further improve our competitive edge.

(Technical Service)

We will reinforce the service structure and education/training programs for service staff so that we can attentively respond to the customers' needs with high quality services. Especially for the housekeeping service, where needs have been increasing in recent years, we will expand the areas of services offered and increase the number of staff members. By taking these actions, we will build a service structure that enables us to respond with flexibility to changes in demand.

[Food Group]

At the Food Group, we are committed to always providing safe and reliable products and offering taste and happiness that are available only at our neighborhood shops.

At Mister Donut, we introduced the new slogan "Encircling the Heart" to express our brand values. Pursuing the highest quality in materials, production and textures, Mister Donut continues its efforts to offer tasty products in a relaxing atmosphere that are available only at Mister Donut. Mister Donut also continues to work on developing a variety of products that meet customers' needs and creating different reasons and purposes to visit Mister Donut shops. We are also working on developing, designing and promoting different types of shops, which enables opening shops in various locations.

For shop operations, we will have flexible marketing plans to meet diversified customers' needs, outgrowing from the conventional standardized operations. Included in these plans are offering different menu items by different time slots of the day, and different variety of products that reflect characteristics of customers at each shop.

[New Business Development and Overseas Business]

One of our goals is to develop new businesses that will grow into our core businesses in the future. We continue to work aggressively on developing new businesses in areas where we can take advantage of our strengths, and businesses related to our existing businesses.

At the same time, we plan to expand our business in the overseas market, especially in Asia. Through a joint venture with a leading company in Korea, we launched the dust control business in Korea in March 2012. Mister Donut started operations in Malaysia in August 2011. We are working on the local procurement of raw materials, as well as product development and price setting that meet local needs. With these efforts, we plan to improve our profitability in this market.

# 3. Consolidated financial statements

## (1) Consolidated balance sheets

(millions of yen)

| | as of March 31, 2011 | as of March 31, 2012 |
|---|---|---|
| ASSETS | | |
| Current assets | | |
| Cash and deposits | 18,733 | 15,600 |
| Notes and accounts receivable-trade | 12,353 | 10,891 |
| Lease investment assets | 1,864 | 1,850 |
| Marketable securities | 13,017 | 18,153 |
| Merchandise and finished goods | 6,297 | 6,345 |
| Work in process | 155 | 195 |
| Raw materials and supplies | 1,956 | 1,456 |
| Deferred tax assets | 2,982 | 2,306 |
| Other | 3,065 | 2,675 |
| Allowance for doubtful accounts | -63 | -72 |
| Total current assets | 60,364 | 59,401 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 41,099 | 41,283 |
| Accumulated depreciation | -22,376 | -23,361 |
| Buildings and structures, net | 18,722 | 17,922 |
| Machinery, equipment and vehicles | 21,680 | 21,742 |
| Accumulated depreciation | -15,130 | -15,507 |
| Machinery, equipment and vehicles, net | 6,550 | 6,235 |
| Land | 23,818 | 23,818 |
| Construction in progress | 142 | 268 |
| Other | 12,207 | 11,881 |
| Accumulated depreciation | -8,051 | -8,317 |
| Other, net | 4,155 | 3,563 |
| Total property, plant and equipment | 53,389 | 51,809 |
| Intangible assets | | |
| Goodwill | 294 | 200 |
| Other | 6,485 | 8,926 |
| Total intangible assets | 6,779 | 9,126 |
| Investments and other assets | | |
| Investment securities | 59,955 | 60,816 |
| Long-term loans receivable | 115 | 45 |
| Deferred tax assets | 8,417 | 6,998 |
| Guarantee deposits | 8,735 | 7,876 |
| Other | 1,334 | 1,454 |
| Allowance for doubtful accounts | -214 | -212 |
| Total investments and other assets | 78,343 | 76,979 |
| Total noncurrent assets | 138,512 | 137,915 |
| Total assets | 198,876 | 197,316 |

(millions of yen)

| | as of March 31, 2011 | as of March 31, 2012 |
|---|---|---|
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable-trade | 7,322 | 6,616 |
| Current portion of long-term loans payable | 116 | 94 |
| Income taxes payable | 2,651 | 1,902 |
| Provision for bonuses | 3,542 | 3,422 |
| Provision for point card certificates | 506 | 449 |
| Allowance for disaster loss | 671 | — |
| Asset retirement obligations | 254 | 253 |
| Accounts payable-other | 6,962 | 6,669 |
| Guarantee deposit received for rental products | 10,792 | 10,634 |
| Other | 4,615 | 4,281 |
| Total current liabilities | 37,436 | 34,323 |
| Noncurrent liabilities | | |
| Long-term loans payable | 245 | 151 |
| Provision for retirement benefits | 11,112 | 11,965 |
| Provision for loss on guarantees | 117 | 60 |
| Asset retirement obligations | 398 | 355 |
| Long-term guarantee deposited | 833 | 791 |
| Long-term accounts payable-other | 140 | 62 |
| Negative goodwill | 17 | — |
| Other | 8 | 2 |
| Total noncurrent liabilities | 12,874 | 13,388 |
| Total liabilities | 50,311 | 47,711 |
| NET ASSETS | | |
| Shareholders' equity | | |
| Capital stock | 11,352 | 11,352 |
| Capital surplus | 13,076 | 11,337 |
| Retained earnings | 129,619 | 131,591 |
| Treasury stock | -3,301 | -3,176 |
| Total shareholders' equity | 150,747 | 151,104 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | -2,528 | -1,793 |
| Deferred gains or losses on hedges | -1 | 3 |
| Foreign currency translation adjustment | -477 | -533 |
| Total accumulated other comprehensive income | -3,007 | -2,323 |
| Minority interests | 825 | 823 |
| Total net assets | 148,565 | 149,604 |
| Total liabilities and net assets | 198,876 | 197,316 |

(2) Consolidated statements of income and statements of comprehensive income

Consolidated statements of income

(millions of yen)

| | FY 2010<br>April 1, 2010 - March 31, 2011 | FY 2011<br>April 1, 2011 - March 31, 2012 |
|---|---|---|
| Net sales | 177,320 | 171,118 |
| Cost of sales | 98,374 | 96,162 |
| Gross profit | 78,946 | 74,956 |
| Selling, general and administrative expenses | 68,008 | 65,114 |
| Operating income | 10,937 | 9,841 |
| Non-operating income | | |
| Interest income | 851 | 902 |
| Dividends income | 247 | 240 |
| Rent income on facilities | 118 | 129 |
| Commission fee | 275 | 279 |
| Amortization of negative goodwill | 4 | 17 |
| Equity in earnings of affiliates | 2 | — |
| Gain on transfer of goodwill | 27 | 76 |
| Miscellaneous income | 529 | 553 |
| Total non-operating income | 2,057 | 2,198 |
| Non-operating expenses | | |
| Interest expenses | 61 | 6 |
| Equity in losses of affiliates | — | 10 |
| Foreign exchange losses | 38 | 90 |
| Loss on cancellation of leasehold contracts | 74 | 103 |
| Miscellaneous loss | 206 | 219 |
| Total non-operating expenses | 381 | 430 |
| Ordinary income | 12,613 | 11,609 |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | 6 | 1 |
| Gain on sales of investment securities | 47 | 132 |
| Gain on negative goodwill | 7 | 0 |
| Reversal of allowance for doubtful accounts | 33 | 24 |
| Reversal of provision for loss on guarantees | 49 | — |
| Other | 27 | 9 |
| Total extraordinary income | 172 | 168 |
| Extraordinary loss | | |
| Loss on sales of noncurrent assets | 33 | 45 |
| Loss on abandonment of noncurrent assets | 353 | 298 |
| Impairment loss | 308 | 268 |
| Loss on sales of investment securities | 75 | — |
| Loss on valuation of investment securities | 883 | 643 |
| Loss on disaster | 1,093 | 284 |
| Loss on adjustment for changes of accounting standard for asset retirement obligations | 491 | — |
| Merit increase paid upon revision of sub-franchise agreements | 366 | — |
| Other | 164 | 36 |
| Total extraordinary losses | 3,770 | 1,576 |

(millions of yen)

| | FY 2010<br>April 1, 2010 - March 31, 2011 | FY 2011<br>April 1, 2011 - March 31, 2012 |
|---|---|---|
| Income before income taxes and minority interests | 9,014 | 10,200 |
| Income taxes - current | 4,594 | 4,230 |
| Income taxes - deferred | -876 | 1,319 |
| Total income taxes | 3,718 | 5,549 |
| Income before minority interests | 5,295 | 4,651 |
| Minority interests in income | 46 | 67 |
| Net income | 5,248 | 4,583 |

Consolidated statements of comprehensive income

(millions of yen)

| | FY 2010<br>April 1, 2010 - March 31, 2011 | FY 2011<br>April 1, 2011 - March 31, 2012 |
|---|---|---|
| Income before minority interests | 5,295 | 4,651 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | -793 | 732 |
| Deferred gains or losses on hedges | -1 | 5 |
| Foreign currency translation adjustment | -76 | -34 |
| Share of other comprehensive income of associates accounted for using equity method | -39 | -33 |
| Total other comprehensive income | -911 | 669 |
| Comprehensive income | 4,384 | 5,320 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of the parent | 4,368 | 5,267 |
| Comprehensive income attributable to minority interests | 16 | 53 |

(3) Consolidated statements of changes in net assets

(millions of yen)

| | FY2010<br>Apr. 1, 2010 - Mar. 31, 2011 | FY2011<br>Apr. 1, 2011 - Mar. 31, 2012 |
|---|---|---|
| Shareholders' equity | | |
| Capital stock | | |
| Balance at the beginning of current fiscal year | 11,352 | 11,352 |
| Changes of items during the fiscal year | | |
| Total changes of items during the fiscal year | — | — |
| Balance at the fiscal year end | 11,352 | 11,352 |
| Capital surplus | | |
| Balance at the beginning of current fiscal year | 13,076 | 13,076 |
| Changes of items during the fiscal year | | |
| Cancellation of treasury stock | — | -1,738 |
| Total changes of items during the fiscal year | — | -1,738 |
| Balance at the fiscal year end | 13,076 | 11,337 |
| Retained earnings | | |
| Balance at the beginning of current fiscal year | 127,020 | 129,619 |
| Changes of items during the fiscal year | | |
| Dividends from surplus | -2,649 | -2,612 |
| Net income | 5,248 | 4,583 |
| Total changes of items during the fiscal year | 2,599 | 1,971 |
| Balance at the fiscal year end | 129,619 | 131,591 |
| Treasury stock | | |
| Balance at the beginning of current fiscal year | -1,832 | -3,301 |
| Changes of items during the fiscal year | | |
| Purchase of treasury stock | -1,469 | -1,614 |
| Cancellation of treasury stock | — | 1,738 |
| Total changes of items during the fiscal year | -1,469 | 124 |
| Balance at the fiscal year end | -3,301 | -3,176 |
| Total shareholders' equity | | |
| Balance at the beginning of current fiscal year | 149,617 | 150,747 |
| Changes of items during the fiscal year | | |
| Dividends from surplus | -2,649 | -2,612 |
| Net income | 5,248 | 4,583 |
| Purchase of treasury stock | -1,469 | -1,614 |
| Cancellation of treasury stock | — | — |
| Total changes of items during the fiscal year | 1,130 | 356 |
| Balance at the fiscal year end | 150,747 | 151,104 |

(millions of yen)

| | FY2010<br>Apr. 1, 2010 - Mar. 31, 2011 | FY2011<br>Apr. 1, 2011 - Mar. 31, 2012 |
|---|---|---|
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | | |
| Balance at the beginning of current fiscal year | -1,730 | -2,528 |
| Changes of items during the fiscal year | | |
| Net changes of items other than shareholders' equity | -797 | 734 |
| Total changes of items during the fiscal year | -797 | 734 |
| Balance at the fiscal year end | -2,528 | -1,793 |
| Deferred gains or losses on hedges | | |
| Balance at the beginning of current fiscal year | — | -1 |
| Changes of items during the fiscal year | | |
| Net changes of items other than shareholders' equity | -1 | 5 |
| Total changes of items during the fiscal year | -1 | 5 |
| Balance at the fiscal year end | -1 | 3 |
| Foreign currency translation adjustment | | |
| Balance at the beginning of current fiscal year | -396 | -477 |
| Changes of items during the fiscal year | | |
| Net changes of items other than shareholders' equity | -81 | -56 |
| Total changes of items during the fiscal year | -81 | -56 |
| Balance at the fiscal year end | -477 | -533 |
| Total accumulated other comprehensive income | | |
| Balance at the beginning of current fiscal year | -2,126 | -3,007 |
| Changes of items during the fiscal year | | |
| Net changes of items other than shareholders' equity | -880 | 683 |
| Total changes of items during the fiscal year | -880 | 683 |
| Balance at the fiscal year end | -3,007 | -2,323 |
| Minority interests | | |
| Balance at the beginning of current fiscal year | 817 | 825 |
| Changes of items during the fiscal year | | |
| Net changes of items other than shareholders' equity | 7 | -1 |
| Total changes of items during the fiscal year | 7 | -1 |
| Balance at the fiscal year end | 825 | 823 |
| Total net assets | | |
| Balance at the beginning of current fiscal year | 148,308 | 148,565 |
| Changes of items during the fiscal year | | |
| Dividends from surplus | -2,649 | -2,612 |
| Net income | 5,248 | 4,583 |
| Purchase of treasury stock | -1,469 | -1,614 |
| Cancellation of treasury stock | — | — |
| Net changes of items other than shareholders' equity | -873 | 682 |
| Total changes of items during the fiscal year | 256 | 1,039 |
| Balance at the fiscal year end | 148,565 | 149,604 |

(4) Consolidated statements of cash-flows

（millions of yen）

| | FY2010<br>Apr. 1, 2010 - Mar. 31, 2011 | FY2011<br>Apr. 1, 2011 - Mar. 31, 2012 |
|---|---|---|
| Cash flows from operating activities | | |
| Income before income taxes and minority interests | 9,014 | 10,200 |
| Depreciation and amortization | 6,172 | 6,242 |
| Amortization of goodwill | 142 | 119 |
| Loss on adjustment for changes of accounting standard for asset retirement obligations | 491 | — |
| Increase (decrease) in allowance for doubtful accounts | 36 | 15 |
| Bad debts | 4 | 2 |
| Interest and dividends income | -1,098 | -1,142 |
| Interest expenses | 61 | 6 |
| Loss on disaster | 396 | 284 |
| Foreign exchange losses (gains) | 5 | 0 |
| Equity in net loss (gain) of unconsolidated subsidiaries and affiliates | -2 | 10 |
| Loss (gain) on sales of property, plant and equipment | 27 | 43 |
| Loss on retirement of property, plant and equipment | 290 | 256 |
| Loss (gain) on sales of investment securities | 27 | -132 |
| Loss (gain) from valuation of investment in securities | 883 | 643 |
| Gain on negative goodwill | -7 | -0 |
| Loss (gain) on transfer of goodwill | -27 | -76 |
| Impairment loss | 308 | 268 |
| Decrease (increase) in notes and accounts receivable-trade | -270 | 1,436 |
| Decrease (increase) in inventories | 546 | 412 |
| Increase (decrease) in notes and accounts payable-trade | -287 | -767 |
| Increase (decrease) in provision for bonuses | -597 | -120 |
| Increase (decrease) in provision for point card certificates | -6 | -57 |
| Increase (decrease) in provision of allowance for disaster loss | 671 | — |
| Increase (decrease) in provision for retirement benefits | 1,259 | 852 |
| Increase (decrease) in provision for directors' retirement benefits | -15 | — |
| Increase (decrease) in provision for loss on guarantees | -49 | -57 |
| Increase (decrease) in accrued consumption taxes | 475 | -297 |
| Decrease (increase) in lease investment assets | -1 | 13 |
| Decrease (increase) in other assets | -1,049 | 1,330 |
| Increase (decrease) in other liabilities | 63 | -749 |
| Total | 17,467 | 18,738 |
| Interest and dividends income | 1,186 | 1,255 |
| Interest expenses | -71 | -6 |
| Income taxes | -4,168 | -4,973 |
| Payments for loss on disaster | -381 | -955 |
| Net cash provided by operating activities | 14,032 | 14,057 |

(millions of yen)

| | FY2010<br>Apr. 1, 2010 - Mar. 31, 2011 | FY2011<br>Apr. 1, 2011 - Mar. 31, 2012 |
|---|---|---|
| Cash flow from investing activities | | |
| Decrease (increase) in time deposits | 1,309 | 87 |
| Purchase of marketable securities | -7,046 | -5,137 |
| Proceeds from sales of marketable securities | 7,999 | 6,999 |
| Purchase of property, plant and equipment | -4,377 | -3,271 |
| Proceeds from sales of property, plant and equipment | 56 | 173 |
| Purchase of investment securities | -14,181 | -6,008 |
| Proceeds from sales of investment securities | 6,601 | 3,105 |
| Purchase of stocks of affiliates | — | -144 |
| Payments for acquisition of newly consolidated subsidiaries | -1,284 | — |
| Payments of loans receivable | -6 | -449 |
| Collection of loans receivable | 37 | 285 |
| Payments for lease and guarantee deposits | -218 | -43 |
| Proceeds from collection of lease and guarantee deposits | 650 | 564 |
| Proceeds from transfer of goodwill | 27 | 76 |
| Other payments | -2,517 | -5,008 |
| Other proceeds | 250 | 84 |
| Net cash used in investment activities | -12,700 | -8,686 |
| Cash flow from financing activities | | |
| Repayment of long-term loans | -5,624 | -116 |
| Purchase of treasury stock | -1,469 | -1,614 |
| Cash dividends | -2,647 | -2,614 |
| Cash dividends paid to minority shareholders | -9 | -9 |
| Net cash used in financing activities | -9,749 | -4,355 |
| Effect of exchange rate change on cash and cash equivalents | -25 | -6 |
| Increase (decrease) in cash and cash equivalents | -8,442 | 1,009 |
| Cash and cash equivalents, beginning of period | 32,157 | 23,714 |
| Cash and cash equivalents, end of period | 23,714 | 24,724 |

(5) Notes relating to going concern assumption

None

(6) Notes to consolidated financial statements

(Segment Information)

Segment Information

1. Overview of business segments

Duskin's reportable segments are components of the Company for which separate financial information is available, and whose operating results are reviewed regularly by the board of directors to determine the allocation of resources and to evaluate performance.

The Company has business operating units that are classified by product and service type. Each business unit establishes comprehensive product and service strategies for Japan and conducts its own business activities.

The Company is organized into two reportable segments, Clean & Care Group and Food Group, which are comprised of business operating units such as business groups and divisions based on product and service types.

Clean & Care Group, with a focus on direct selling, includes rental of cleaning implements, sales of everyday commodities and cosmetics, rental of cabinet towels, sales of bathroom products, rental of shop towels, rental of water-purifiers and air-purifiers, house cleaning services, housekeeping services, pest control and prevention services, tree and lawn care services, plant and facility management services, senior care services, rental and sales of travel goods, baby goods, leisure goods, health and nursing care equipment, uniform rental and sales of coffee to offices.

Food Group is comprised of food service chains that sell donuts, beignets, baked products, dim sum, food and beverages.

2. Method of calculating sales, profit/loss, assets and others by business segment.

The segment income or losses are based on operating income or loss. Inter-segment intercompany profit and transfers are based on current market prices.

3. Sales, profits or losses, and assets by reportable segments

FY2010 (April 1, 2010 - March 31, 2011)

(millions of yen)

| | Clean Group | Food Group | Other Businesses (Note 1) | Total | Adjustment (Note 2) | Consolidated total |
|---|---|---|---|---|---|---|
| Sales | | | | | | |
| To outside customers | 115,661 | 51,112 | 10,546 | 177,320 | — | 177,320 |
| Inter-segment sales | 835 | 72 | 2,398 | 3,306 | -3,306 | — |
| Total | 116,496 | 51,184 | 12,945 | 180,626 | -3,306 | 177,320 |
| Segment profit | 13,619 | 4,418 | 210 | 18,249 | -7,312 | 10,937 |
| Segment asset | 71,448 | 12,324 | 16,685 | 100,459 | 98,417 | 198,876 |
| Other | | | | | | |
| Depreciation | 3,036 | 488 | 1,702 | 5,227 | 945 | 6,172 |
| Property, plant and equipment and intangible assets increase | 2,563 | 1,330 | 2,503 | 6,397 | 1,106 | 7,503 |

FY2011 (April 1, 2011 - March 31, 2012)

(millions of yen)

| | Clean & Care Group | Food Group | Other Businesses (Note 1) | Total | Adjustment (Note 2) | Consolidated total |
|---|---|---|---|---|---|---|
| Sales | | | | | | |
| To outside customers | 112,177 | 48,807 | 10,133 | 171,118 | — | 171,118 |
| Inter-segment sales | 852 | 9 | 2,378 | 3,239 | -3,239 | — |
| Total | 113,029 | 48,816 | 12,511 | 174,357 | -3,239 | 171,118 |
| Segment profit | 13,789 | 2,876 | 375 | 17,041 | -7,199 | 9,841 |
| Segment asset | 70,455 | 12,971 | 17,690 | 101,118 | 96,198 | 197,316 |
| Other | | | | | | |
| Depreciation | 3,152 | 488 | 1,637 | 5,278 | 946 | 6,225 |
| Property, plant and equipment and intangible assets increase | 3,452 | 2,282 | 1,475 | 7,210 | 750 | 7,961 |

(Notes)

1. Others are comprised of businesses that are not categorized in reportable business segments, including hospital management services, office equipment and vehicle leasing, insurance agent services, and overseas businesses.

2. Breakdown of the adjustment is as follows:

Sales (millions of yen)

| | FY2010 | FY2011 |
|---|---|---|
| Inter-segment eliminations | -3,306 | -3,239 |
| Total | -3,306 | -3,239 |

Segment profits (millions of yen)

| | FY2010 | FY2011 |
|---|---|---|
| Inter-segment eliminations | 29 | -24 |
| Corporate cost | -7,341 | -7,174 |
| Total | -7,312 | -7,199 |

Corporate cost includes corporate administrative expenses.

Segment assets (millions of yen)

| | FY2010 | FY2011 |
|---|---|---|
| Inter-segment eliminations | -9,490 | -11,358 |
| Corporate assets | 107,907 | 107,556 |
| Total | 98,417 | 96,198 |

Corporate assets include the management fund of surplus funds (cash and marketable securities), long-term investment funds (investment securities) and assets relating to administrative departments.

Depreciation (millions of yen)

| | FY2010 | FY2011 |
|---|---|---|
| Inter-segment eliminations | -3 | -3 |
| Corporate assets | 949 | 950 |
| Total | 945 | 946 |

Increase of property, plant and equipment and intangible assets (millions of yen)

| | FY2010 | FY2011 |
|---|---|---|
| Inter-segment eliminations | -0 | -0 |
| Corporate assets | 1,107 | 751 |
| Total | 1,106 | 750 |

3. Segment income has been adjusted for consistency with operating income that is shown in the consolidated statements of income.

4. Starting with fiscal year 2011, Clean Group has been renamed the Clean & Care Group. This is only a name change and does not affect business segment classifications.

(Per share information)

(yen)

| FY2010 (April 1, 2010 - March 31, 2011) | | FY2011 (April 1, 2011 - March 31, 2012) | |
|---|---|---|---|
| Net assets per share | 2,262.41 | Net assets per share | 2,314.38 |
| Earnings per share | 79.39 | Earnings per share | 71.07 |
| Fully diluted earnings per share is not shown because the Company has no outstanding issues of bonds with warrants or convertible bonds. | | Fully diluted earnings per share is not shown because the Company has no outstanding issues of bonds with warrants or convertible bonds. | |

(Note) Earnings per share is based on the following information.

| | FY2010 (April 1, 2010 - March 31, 2011) | FY2011 (April 1, 2011 - March 31, 2012) |
|---|---|---|
| Net income (million yen) | 5,248 | 4,583 |
| Amounts not attributable to common shareholders (million yen) | — | — |
| Net income attributable to common shareholders (million yen) | 5,248 | 4,583 |
| Average number of common stock during the period (thousands shares) | 66,114 | 64,489 |

(Important post-balance sheet events)

No events to be noted for this purpose.

## 4. Others

Changes in directors and corporate auditors

1. Resignation of appointment for a new board member

   Takahiro Nishimoto (due to personal matter)

2. Nominee for Corporate Auditor (Standing Corporate Auditor)

   Yasuto Shigeyoshi (Current position, Adviser, President's Office)

   *The nominee will be submitted for election at the general meeting of shareholders to be held on June 22, 2012.

3. Exiting Corporate Auditor (Standing Corporate Auditor)

   Michinobu Ishimi

   * Mr. Ishimi will resign as a corporate auditor at the end of the general meeting of shareholders to be held on June 22, 2012