Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2011

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 13, 2011
Shares listed: Tokyo and Osaka

Company name: Duskin Co., Ltd.
Code number: 4665 URL: http: //www.duskin.co.jp/
Representative: Teruji Yamamura, President & Co-CEO
Contact: Akihisa Tsurumi, Director Tel: (06) 6821-5071
Scheduled date of ordinary general meeting of shareholders: June 23, 2011
Scheduled date of dividend payment commencement: June 24, 2011
Scheduled date for release of annual securities report: June 24, 2011
Preparation of supplemental explanatory materials: Yes
Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts less than one million yen are dropped.)

1. Consolidated financial results for the fiscal year ended March 31, 2011

(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, 2011	177,320	-2.2	10,937	-9.8	12,613	-8.6	5,248	-32.9
Year ended Mar. 31, 2010	181,280	-3.9	12,129	-1.4	13,806	-4.7	7,824	21.1

(Note: Comprehensive income - Year ended March 31, 2011: 4,384 million yen (-49.4%), Year ended March 31, 2010: 8,662 million yen (-%))

	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, 2011	79.39	-	3.6	6.3	6.2
Year ended Mar. 31, 2010	117.20	-	5.4	7.0	6.7

(Reference: Equity in net income and losses of affiliated companies - Year ended March 31, 2011: 2 million yen, Year ended March 31, 2010: -689 million yen)

(2) Financial positions

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	yen
As of Mar. 31, 2011	198,876	148,565	74.3	2,262.41
As of Mar. 31, 2010	200,889	148,308	73.4	2,226.72

(Reference: Shareholders' equity - Year ended March 31, 2011: 147,740 million yen, Year ended March 31, 2010: 147,490 million yen)

(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, 2011	14,032	-12,700	-9,749	23,714
Year ended Mar. 31, 2010	18,563	-7,849	-3,803	32,157

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, 2010	-	0.00	-	40.00	40.00	2,649	34.1	1.8
Year ended Mar. 31, 2011	-	0.00	-	40.00	40.00	2,612	50.4	1.8
Year ending Mar. 31, 2012 (Forecast)	-	0.00	-	40.00	40.00		42.1	

3. Forecast of consolidated financial results for the year ending March 31, 2012

(Percentages indicate the change against 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, 2011	88,900	1.3	2,900	-43.7	3,900	-35.4	2,200	-16.2	33.69
Year ending Mar. 31, 2012	179,200	1.1	8,900	-18.6	10,800	-14.4	6,200	18.1	94.94

4. Others

(1) Changes in significant subsidiaries during the period

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

(2) Changes in accounting standards, processes and methods of presentation.

1. Changes due to revision of Accounting Standards, etc.: Yes.
2. Changes due to reasons other than 1, above: Yes

(Note) Please refer to "Important Items Fundamental to the Preparation of Consolidated Financial Statements" on page 16 for detail.

(3) Number of outstanding shares (Common stock)

1. Number of outstanding shares at the end of term (including treasury stock)	Year ended Mar. 31, 2011:	67,394,823	Year ended Mar. 31, 2010:	67,394,823
2. Number of treasury stock at the end of the term	Year ended Mar. 31, 2011:	2,092,494	Year ended Mar. 31, 2010:	1,158,109
3. Average number of shares during the period	Year ended Mar. 31, 2011:	66,114,725	Year ended Mar. 31, 2010:	66,761,975

(Note) Please refer to "Per Share Information" on page 21 regarding the basis of calculation of earning per share.

(Reference) Overview of the non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2011

(1) Results of operations

(Percentages indicate the change against the same period of 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, 2011	155,150	-2.4	8,256	-15.3	10,826	-21.4	4,615	-39.2
Year ended Mar. 31, 2010	158,966	-2.4	9,742	-0.4	13,770	-1.9	7,592	2.8

	Net income per share	Net income per share (fully diluted)
	yen	yen
Year ended Mar. 31, 2011	69.80	-
Year ended Mar. 31, 2010	113.73	-

(2) Financial positions

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	yen
As of Mar. 31, 2011	185,086	131,190	70.9	2,008.96
As of Mar. 31, 2010	185,201	131,489	71.0	1,985.14

(Reference: Shareholders' equity - Year ended March 31, 2011: 131.190 million yen, Year ended March 31, 2010: 131,489 million yen)

2. Forecast of non-consolidated financial results for the year ending March 31, 2011

(Percentage 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, 2011	77,700	1.0	2,000	-50.2	3,800	-31.6	2,100	-18.8	32.16
Year ending Mar. 31, 2012	157,500	1.5	6,800	-17.6	9,800	-9.5	5,600	21.3	85.75

* Disclosure Regarding Audit Procedures

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

* Appropriate use of business forecasts

Earnings forecasts and other forward-looking statements contained in this report are based on information available at the time of the announcement and certain assumptions that management believes are reasonable, and on assumptions of uncertainties that might affect future business results made at the time of the announcement. Accordingly, readers are advised that actual results may differ materially from those projected.

Contents of attachment:

1. Business results

(1) Analysis of business

The Japanese economy during fiscal year 2010 (April 1, 2010 to March 31, 2011) slowly recovered because of the improvement in corporate earnings and the benefits of various government measures. However, the outlook for Japan's economy is still unclear due to fears of a downturn in the overseas economy, a decline in personal spending and the enormous impact of the Great East Japan Earthquake, which occurred in March 11, 2011.
Under these circumstances, we started Mid-Term Management Policy that ends in March 2013. The policy focuses on doing business with deep roots in regions, making greater use of women, increasing points of contact with customers and increasing efficiency. The aim is to conduct business from the customers' perspective.
In fiscal 2010, we developed an internal system to promote regional office empowerment that enables prompt decision-makings in the field. We also increased the number of female area managers in Home Service (services for residential market) and conducted various programs utilizing the strength of female sensitivity to focus on such important themes as product development and product planning. However, the economic environment has remained challenging as a result of consumer cut-backs in discretionary spending, increased emphasis on cost reductions at companies and the higher cost of crude oil and crops. As a result, consolidated sales were 177,320 million yen, a 3,959 million yen (2.2%) decrease from one year earlier. Operating income decreased 1,192 million yen (9.8%) to 10,937 million yen, ordinary income decreased 1,193 million yen (8.6%) to 12,613 million yen and net income decreased 2,575 million yen (32.9%) to 5,248 million yen. This was mainly due to a valuation loss on investment securities, and an extraordinary loss resulting from adoption of the Accounting Standard for Asset Retirement Obligations and a special loss of 1,093 million yen resulting from the Great East Japan Earthquake.

a. Results by business segment

In order to better respond to customer needs, the Company restructured its organization by realigning the business units to an organization based on markets. The company believes this change is essential to generate synergies among its business activities. The organizational change and reportable segment changes were made on April 1, 2010. These changes create a fully integrated structure for each market that extends from the development of products and services through sales activities. This new organization will enable the Mid-Term Management Policy to produce even more benefits.
Accounting methods for rent income on facilities and rent expenses on facilities were changed on April 1, 2010.

(a) Clean Group

Home Service (services for residential market) lowered the standard fee for the air-conditioner cleaning service to increase customers and sales. This business group also conducted sales activities in markets focusing on sales of the new handy mop “shushu” that was introduced in autumn of the previous fiscal year. Consequently, air-conditioner cleaning sales were higher than one year earlier and the sales of handy mop “shushu” showed steady growth. In autumn 2010, Home Service introduced a New Cleaning Style that uses a floor mop and a new product called Dust Cleaner. This new product, an electrically-powered dust box that removes dust collected by floor mops, makes daily cleaning of floors easier. However, Home Service posted lower sales than one year earlier.
Business Service (services for commercial market) focused its efforts on kitchen hygiene support services by offering on-site emergency services for responding to emergencies involving kitchen equipment and shop facilities. Business Service promoted support services for clean air by utilizing the Plasmacluster Ion Generator of Sharp Electronics Corporation, which is equipped with Duskin's unique dust filter and Air-Purifier Deo, a small-size air purifier combined with Plasmacluster Ion Generator function. In addition, efforts were made to acquire orders from key accounts and regional chain stores. However, sales of mat products, the main product category of this segment, the cleaning service for the commercial market and many other products and services decreased due to the strong commitment of companies to cost cutting. As a result, Business Service sales were lower than one year earlier.
In other businesses in Clean Group segment, Uniform Service and Home Instead recorded lower sales from one year earlier and Rent-All, Drink Service and Health & Beauty recorded higher sales from one year earlier. In Rent-All business, Health Rent that rents assisted-living and health care products, recorded favorable results. Rent-All, which rents equipment for various events, achieved a recovery in sales to the level of two years ago after sales fell in the previous fiscal year when the number of events declined because

of the swine flu epidemic.

As was announced on August 12 and October 1, 2010, Duskin made Azare Products Co., Ltd. and Kyowa Cosmetics Co., Ltd. consolidated subsidiaries on October 1, 2010. These acquisitions were made with the objective of reinforcing Duskin's cosmetic business. Clean Group sales were 115,661 million yen, down 1.9%, and operating income was down 16.8% to 13,619 million yen.

* Plasmacluster is a registered trademark of SHARP Corporation.

(b) Food Group

Mister Donut continued activities from the previous fiscal year that emphasized its large variety of products. Mister Donut introduced new products every month, including revivals of popular products from the past, products using carefully selected ingredients and preparation methods, and products developed in collaboration with other companies. The first MOSDO outlet that features a special menu opened jointly with MOS Food Services, Inc., our tie-up partner, in Fuchu, Hiroshima. Mister Donut is making advertisement more effective by combining online banner ads and Twitter with conventional ads such as TV commercials and newspaper flyers. Sales of Mister Donut during the first half of fiscal 2010 were lower than one year earlier due to this company’s strong performance in the previous year and the impact of an exceptional summer heat wave. In spite of the 40th anniversary promotional campaign under the theme of revivals of popular products, Mister Donut’s sales were down from one year earlier. In order to increase product lines, we started advance sales of baked donuts in some of the markets that used vegetables as an ingredient. (Nationwide sales are scheduled in May 2011.)

Aiming to create a new store brand, we opened the first “Wakka” shop in Shinsaibashi, Osaka. The menu features steamed donuts that use Japanese ingredients and are based on traditional Japanese confectionery products.

In the other food service businesses, both Café Du Monde that closed under-performing shops in the previous fiscal year, and The Don, a seafood donburi chain, posted lower sales from one year earlier. On the other hand, Katsu & Katsu increased sales from one year earlier. Sales in the stick-type cake business were higher due to an increase in the number of shops.

As a result, the Food Group posted sales of 51,112 million yen, down 2.5%, and operating income of 4,418 million yen, up 7.2%.

(c) Other Businesses

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

At Duskin Kyoeki, a leasing company, sales were lower because of an increase in the number of automobiles that were leased again upon completion of the original lease. This was the result of increased awareness among consumers of the need to reduce costs.

The overseas dust control business and Mister Donut business, which have been included in the Other Businesses segment beginning with this fiscal year, achieved growth in sales from one year earlier because of expansion programs implemented in East Asia and Southeast Asia.

As a result, Other Businesses recorded sales of 10,546 million yen, down 3.2 %, and operating income of 210 million yen, down 66.4 %.

Segment sales figures do not include consumption tax.

(2) Outlook for the next fiscal year

A challenging business climate is expected in fiscal 2011, the second year of our Mid-Term Management Plan, because of the change in personal spending caused by the Great East Japan Earthquake and changes in prices of crude oil and crops. We aim to achieve sales growth and efficiency optimization by conducting businesses from our customers' viewpoint and developing new products.

The forecast for fiscal year ending on March 31, 2012 is as follows.

(Consolidated) (millions of yen, %)

	Year ending Mar. 31, 2012 (forecast)			Year ended Mar. 31, 2011 (actual)	
		%	change (%)		%
Sales	179,200	100.0	1.1	177,320	100.0
Operating income	8,900	5.0	-18.6	10,937	6.2
Ordinary income	10,800	6.0	-14.4	12,613	7.1
Net income	6,200	3.5	18.1	5,248	3.0

(Non-Consolidated) (millions of yen, %)

	Year ending Mar. 31, 2012 (forecast)			Year ended Mar. 31, 2011 (actual)	
		%	change (%)		%
Sales	157,500	100.0	1.5	155,150	100.0
Operating income	6,800	4.3	-17.6	8,256	5.3
Ordinary income	9,800	6.2	-9.5	10,826	7.0
Net income	5,600	3.6	21.3	4,615	4.8

Note: The above forecasts are based on information available at the time of the announcement and certain assumptions that management believes are reasonable, and on assumptions of uncertainties that might affect future business results made at the time of the announcement. Accordingly, readers are advised that actual results may differ materially from those projected.

(3) Financial position

a. Assets, liabilities, and net assets

(a) Current assets
As of March 31, 2011, current assets amounted to 60,364 million yen, a 6,089 million yen decrease from one year earlier. This is attributable mainly to a 349 million yen increase in raw materials and supplies and a 6,999 million yen decrease in short-term marketable securities.

(b) Noncurrent assets
Noncurrent assets totaled 138,512 million yen at the end of the fiscal year, a 4,077 million yen increase from one year earlier. This is due mainly to a 3,123 million yen increase in investment securities and a 1,274 million yen increase in deferred tax assets.

(c) Current liabilities
Current liabilities amounted to 37,436 million yen, a 3,791 million yen decrease from one year earlier. This is attributable mainly to a 671 million allowance for disaster loss, a 616 million yen increase in accounts payable-other, a 362 million yen increase in accrued income taxes and a 5,507 million yen decrease in the current portion of long-term loans payable.

(d) Noncurrent liabilities
Noncurrent liabilities totaled 12,874 million yen at the end of the fiscal year, a 1,521 million yen increase from one year earlier. This is due mainly to a 116 million yen decrease in long-term loans payable, and a 1,342 million yen increase in the reserve for retirement benefits.

(e) Net assets
Net assets totaled 148,565 million yen at the end of the fiscal year, a 256 million yen increase from one year earlier. This reflected a decrease of 1,469 million yen in net assets as a result of the purchase of treasury stock, a 2,599 million yen increase in retained earnings resulting from net income of 5,248 million yen in the fiscal year under review less 2,649 million yen paid out in dividends, and a 797 million yen decrease in valuation difference on available-for-sale securities.

b. Cash flows

Cash and cash equivalents (Cash) at the end of the fiscal year totaled 23,714 million yen, an 8,442 million yen decrease from 32,157million yen from one year earlier. Cash flows are as follows:

(a) Cash flow from operating activities

Net cash provided by operating activities amounted to 14,032 million yen, a 4,531 million yen decrease from the previous fiscal year. Income before income taxes totaled 9,014 million yen, a 3,828 million yen decrease from the previous year, depreciation increased 347 million yen to 6,172 million yen and there was a 597 million yen decrease in the reserve for bonuses (1,131 million yen increase in the previous fiscal year). Income taxes paid increased 1,472 million yen to 4,168 million yen.

(b) Cash flow from investing activities

Net cash used in investing activities totaled 12,700 million yen, a 4,850 million yen increase from the previous fiscal year. This is mainly due to purchase of marketable securities and investment securities of 21,228 million yen, a 1,478 million yen decrease, purchase of tangible noncurrent assets of 4,377 million yen, a 1,935 million yen decrease, purchase of investments in subsidiaries of 1,284 million yen resulting in a change in the scope of consolidation, 1,284 million yen increase, and the sale of marketable securities and investment securities of 14,601 million yen, a 9,057 million yen decrease.

(c) Cash flow from financing activities

Net cash used in financing activities amounted to 9,749 million yen, a 5,946 million yen increase from the previous year. Dividend payments totaled 2,647 million yen, a 23 million yen decrease. Long-term loans of 5,624 million yen were repaid, a 5,370 million yen increase, and there were payments of 1,469 million yen for the purchase of treasury stock, a 480 million yen increase from the previous fiscal year.

c. Cash flow related indicators

A summary of cash flow related indicators in presented below.

	March 2008	March 2009	March 2010	March 2011
Equity ratio (%)	70.7	73.2	73.4	74.3
Market cap equity ratio (%)	58.0	53.8	54.8	50.6
Debt redemption term (years)	0.5	0.4	0.3	0.0
Interest coverage ratio	85.6	141.3	243.8	195.7

Note: 1. The above indicators are calculated using the following formulas based on consolidated figures.

Ratio of net worth: (net assets – minority interests)/Total assets
Ratio of net worth at market price: Current market 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 market value of shares is calculated by multiplying the common stock price at the end by each fiscal year by the number of shares outstanding at that time, excluding treasury stock.
3. Cash flows from operating activities in the consolidated statements of cash flows are used for cash flows from operating activities.
4. Interest-bearing debt covers all debt bearing interest that is shown in the consolidated balance sheet.
5. Interest expenses in the consolidated statements of cash flows are used for interest expenses.

2. Management policy

(1) Management Guidelines

Management guidelines are not shown here because there have been no significant changes from the announcement made in the earnings announcement dated May 14, 2010.
Additional information can be available at the URL below (Japanese only).

Duskin website:
http://www.duskin.co.jp
Tokyo Stock Exchange website: Search service of listed companies
http://www.tse.or.jp/listing/compsearch/index.html

(2) Financial goals & mid-term corporate strategy

Our financial goals are 200,000 million yen for sales and 17,000 million yen for operating income (8.5% operating income margin) for fiscal 2012, the last year of the Three Year Mid-Term Business Plan (FY2010 through FY 2012). We may revise the financial goal in response to higher prices of crude oil and crops and the impact of the Great East Japan Earthquake.

(3) Key initiatives

The Group must swiftly implement restructuring programs for “human resource development,” “product development and improvement,” “business system innovation,” all of which are essential to achieving a robust corporate structure able to respond with flexibility to changes in society to achieve further growth.
We will conduct businesses from our customers’ viewpoint in fiscal 2011, the second year of our 3-year Mid-Term Management Plan. Operations with deep roots in regions will be further promoted so that Regional Offices and Area Offices can quickly respond to the needs of customers. The head office will focus its efforts on product, system and planning development activities that are most suited to customers and markets. The Group will make an all-out effort to return the franchisee shops and plants that were damaged by the earthquake to normal operations.

a. Clean Group

Our goal in fiscal 2010 was to use the network that we have assembled to respond in a speedy and comprehensive manner to customer needs. In this regard, Dust Control Business, the main business of the direct selling group, and four Care Service Businesses were combined to create an organization with individual units for each market. Our goal in fiscal 2011 is to enhance collaborative efforts among businesses to increase the level of convenience for customers. We will further promote regional office empowerment that enables prompt decision-makings in the field.

Home Service

In order to respond to the increasing number of single-person households and double-income households, and ever-changing lifestyle of consumers, we will develop a system that allows us to have more customer contacts. We will do this by adding new services for people in metropolitan areas and for single people and by developing housekeeping services, which is a growing business.

Business Service

We will streamline rental operations and focus on human resource development to provide value-added hygiene control services for shops and offices. We will also explore new business opportunities by establishing new relationships and tie-ups with other firms.

b. Food Group

The utmost emphasis is placed on strict quality control and service improvement in response to rising customer concerns about food safety and reliability. Mister Donut celebrated its 40th anniversary in fiscal 2010. We focused on increasing customer visits to the shops by offering products that use carefully selected ingredients and preparation methods. We will continue working to increase the customer base and customer contact.
The most important goal is to attract women in their 20's and 30's, and middle-aged and senior adults. As one way to accomplish this goal, we introduced baked donuts as a new product that is different from traditional fried donuts by offering different ingredient colors and textures. We hope these non-fried donuts will attract more customers who are reluctant to eat fried donuts in summer.
In order to expand the customer base, we will develop a new shop model to accelerate shop openings in metropolitan areas and rural areas where not many of our shops are located. We will also open many shops in such new types of locations as railway stations, office complexes and expressway rest areas.

3. Consolidated financial statements

(1) Consolidated balance sheets

(millions of yen)

	FY2009 As of March 31, 2010	FY2010 As of March 31, 2011
ASSETS		
Current assets		
Cash and deposits	19,849	18,733
Notes and accounts receivable-trade	12,027	12,353
Lease investment assets	1,863	1,864
Marketable securities	20,017	13,017
Merchandise and finished goods	7,017	6,297
Work in process	157	155
Raw materials and supplies	1,607	1,956
Deferred tax assets	2,649	2,982
Other	1,343	3,065
Allowance for doubtful accounts	-78	-63
Total current assets	66,453	60,364
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	40,112	41,099
Accumulated depreciation	-21,177	-22,376
Buildings and structures, net	18,935	18,722
Machinery, equipment and vehicles	21,144	21,680
Accumulated depreciation	-14,243	-15,130
Machinery, equipment and vehicles, net	6,901	6,550
Land	23,538	23,818
Construction in progress	177	142
Other	11,758	12,207
Accumulated depreciation	-8,140	-8,051
Other, net	3,618	4,155
Total property, plant and equipment	53,170	53,389
Intangible assets		
Goodwill	375	294
Other	6,379	6,485
Total intangible assets	6,754	6,779
Investments and other assets		
Investment securities	56,832	59,955
Long-term loans receivable	144	115
Deferred tax assets	7,143	8,417
Guarantee deposits	9,471	8,735
Other	1,126	1,334
Allowance for doubtful accounts	-209	-214
Total investments and other assets	74,509	78,343
Total noncurrent assets	134,435	138,512
Total Assets	200,889	198,876

(millions of yen)

	FY2009 As of March 31, 2010	FY2010 As of March 31, 2011
LIABILITIES		
Current liabilities		
Accounts payable-trade	7,498	7,322
Current portion of long-term loans payable	5,624	116
Income taxes payable	2,289	2,651
Provision for bonuses	4,118	3,542
Reserve for point card certificates	512	506
Allowance for disaster loss	—	671
Asset retirement obligations	—	254
Accounts payable-other	6,345	6,962
Guarantee deposit received for rental products	10,946	10,792
Other	3,893	4,615
Total current liabilities	41,228	37,436
Noncurrent liabilities		
Long-term loans payable	362	245
Provision for retirement benefits	9,769	11,112
Provision for directors' retirement benefits	15	—
Provision for loss on liabilities for guarantee	167	117
Asset retirement obligations	—	398
Long-term guarantee deposited	868	833
Long-term accounts payable-other	139	140
Negative goodwill	21	17
Other	8	8
Total noncurrent liabilities	11,352	12,874
Total liabilities	52,580	50,311
NET ASSETS		
Shareholders' equity		
Capital stock	11,352	11,352
Capital surplus	13,076	13,076
Retained earnings	127,020	129,619
Treasury stock	-1,832	-3,301
Total shareholders' equity	149,617	150,747
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-1,730	-2,528
Deferred gains or losses on hedges	—	-1
Foreign currency translation adjustment	-396	-477
Total accumulated other comprehensive income	-2,126	-3,007
Minority interests	817	825
Total net assets	148,308	148,565
Total liabilities and net assets	200,889	198,876

(2) Consolidated statements of income

(millions of yen)

	FY2009 Apr. 1, 2009 - Mar. 31, 2010	FY2010 Apr. 1, 2010 - Mar. 31, 2011
Net sales	181,280	177,320
Cost of sales	100,189	98,374
Gross profit	81,090	78,946
Selling, general and administrative expenses	68,960	68,008
Operating income	12,129	10,937
Non-operating income		
Interest income	788	851
Dividends income	212	247
Rent income on facilities	1,178	118
Commission fee	264	275
Amortization of negative goodwill	43	4
Equity in gains of affiliates	―	2
Gain on transfer of goodwill	12	27
Miscellaneous income	572	529
Total non-operating income	3,072	2,057
Non-operating expenses		
Interest expenses	75	61
Rent expenses on facilities	333	―
Equity in losses of affiliates	689	―
Loss on cancellation of leasehold contracts	―	74
Miscellaneous loss	297	245
Total non-operating expenses	1,395	381
Ordinary income	13,806	12,613
Extraordinary income		
Gain on sales of noncurrent assets	55	6
Gain on sales of investment securities	624	47
Gains on negative goodwill	―	7
Reversal of allowance for doubtful accounts	32	33
Reversal of allowance for liabilities of affiliates	―	49
Income on compensation for damage	57	―
Other extraordinary income	67	27
Total extraordinary income	837	172
Extraordinary loss		
Loss on sales of noncurrent assets	7	33
Loss on retirement of noncurrent assets	573	353
Impairment loss	314	308
Loss on sales of investment securities	45	75
Loss on valuation of investment securities	554	883
Loss on business withdrawal	179	―
Loss on sales of stocks of subsidiaries and affiliates	86	―
Provision for loss on guarantees	21	―
Loss on disaster	―	1,093
Loss on adjustment for changes of accounting standard for asset retirement obligations	―	491
Merit increase paid upon revision of sub-franchise agreements	―	366
Other	18	164
Total extraordinary losses	1,800	3,770

(millions of yen)

	FY2009 Apr. 1, 2009 - Mar. 31, 2010	FY2010 Apr. 1, 2010 - Mar. 31, 2011
Income before income taxes and minority interests	12,843	9,014
Income taxes - current	4,402	4,594
Income taxes - deferred	719	-876
Total income taxes	5,122	3,718
Income before minority interests	―	5,295
Minority interests in income (loss)	-103	46
Net income	7,824	5,248

Consolidated statements of comprehensive income

(millions of yen)

	FY2009 Apr. 1, 2009 - Mar. 31, 2010	FY2010 Apr. 1, 2010 - Mar. 31, 2011
Income before minority interests	－	5,295
Other comprehensive income		
Valuation difference on available-for-sale securities	－	-793
Deferred gains or losses on hedges	－	-1
Foreign currency translation adjustment	－	-76
Share of other comprehensive income of associates accounted for using equity method	－	-39
Total other comprehensive income	－	-911
Comprehensive income	－	4,384
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	－	4,368
Comprehensive income attributable to minority interests	－	16

(3) Consolidated statements of changes in net assets

(millions of yen)

	FY2009 Apr. 1, 2009 - Mar. 31, 2010	FY2010 Apr. 1, 2010 - Mar. 31, 2011
Shareholders' equity		
Capital stock		
Balance at the previous fiscal year end	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 previous fiscal year end	13,076	13,076
Changes of items during the fiscal year		
Total changes of items during the fiscal year	—	—
Balance at the fiscal year end	13,076	13,076
Retained earnings		
Balance at the previous fiscal year end	121,869	127,020
Changes of items during the fiscal year		
Dividends from surplus	-2,673	-2,649
Net income	7,824	5,248
Total changes of items during the fiscal year	5,150	2,599
Balance at the fiscal year end	127,020	129,619
Treasury stock		
Balance at the previous fiscal year end	-843	-1,832
Changes of items during the fiscal year		
Purchase of treasury stock	-988	-1,469
Total changes of items during the fiscal year	-988	-1,469
Balance at the fiscal year end	-1,832	-3,301
Total shareholders' equity		
Balance at the previous fiscal year end	145,454	149,617
Changes of items during the fiscal year		
Dividends from surplus	-2,673	-2,649
Net income	7,824	5,248
Purchase of treasury stock	-988	-1,469
Total changes of items during the fiscal year	4,162	1,130
Balance at the fiscal year end	149,617	150,747

(millions of yen)

	FY2009 Apr. 1, 2009 - Mar. 31, 2010	FY2010 Apr. 1, 2010 - Mar. 31, 2011
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the previous fiscal year end	-2,583	-1,730
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity	853	-797
Total changes of items during the fiscal year	853	-797
Balance at the fiscal year end	-1,730	-2,528
Deferred gains or losses on hedges		
Balance at the previous fiscal year end	-26	—
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity	26	-1
Total changes of items during the fiscal year	26	-1
Balance at the fiscal year end	—	-1
Foreign currency translation adjustment		
Balance at the previous fiscal year end	-442	-396
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity	45	-81
Total changes of items during the fiscal year	45	-81
Balance at the fiscal year end	-396	-477
Total accumulated other comprehensive income		
Balance at the previous fiscal year end	-3,052	-2,126
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity	925	-880
Total changes of items during the fiscal year	925	-880
Balance at the fiscal year end	-2,126	-3,007
Minority interests		
Balance at the previous fiscal year end	920	817
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity	-102	7
Total changes of items during the fiscal year	-102	7
Balance at the fiscal year end	817	825
Total net assets		
Balance at the previous fiscal year end	143,322	148,308
Changes of items during the fiscal year		
Dividends from surplus	-2,673	-2,649
Net income	7,824	5,248
Purchase of treasury stock	-988	-1,469
Net changes of items other than shareholders' equity	823	-873
Total changes of items during the fiscal year	4,986	256
Balance at the fiscal year end	148,308	148,565

(4) Consolidated statements of cash-flows

(millions of yen)

	FY2009 Apr. 1, 2009 - Mar. 31, 2010	FY2010 Apr. 1, 2010 - Mar. 31, 2011
Cash flows from operating activities		
Income before income taxes and minority interests	12,843	9,014
Depreciation and amortization	5,824	6,172
Amortization of goodwill	20	142
Loss on adjustment for changes of accounting standard for asset retirement obligations	―	491
Increase (decrease) in allowance for doubtful accounts	2	36
Bad debts	16	4
Interest and dividend income	-1,000	-1,098
Interest expense	75	61
Loss on disaster	―	396
Exchange loss (gain)	3	5
Equity in net loss (gain) of unconsolidated subsidiaries and affiliates	689	-2
Loss (gain) on sales of property, plant and equipment	-48	27
Loss on retirement of property, plant and equipment	443	290
Loss (gain) on sales of investment securities	-492	27
Loss (gain) from valuation of investment in securities	554	883
Gain on negative goodwill	―	-7
Loss (gain) on transfer of goodwill	-12	-27
Impairment loss	314	308
Decrease (increase) in notes and accounts receivable-trade	461	-270
Decrease (increase) in inventories	-1,018	546
Increase (decrease) in notes and accounts payable-trade	-264	-287
Increase (decrease) in reserve for bonuses	1,131	-597
Increase (decrease) in reserve for point card certificate	-52	-6
Increase (decrease) in provision of allowance for disaster loss	―	671
Increase (decrease) in reserve for retirement benefits	1,189	1,259
Increase (decrease) in reserve for directors' retirement benefits	-44	-15
Increase (decrease) in reserve on loss from liabilities for guarantee	21	-49
Increase (decrease) in accrued consumption taxes	-281	475
Decrease (increase) in lease investment assets	-65	-1
Decrease (increase) in other assets	1,099	-1,049
Increase (decrease) in other liabilities	-1,029	63
Total	20,379	17,467
Interest and dividend income	957	1,186
Interest expense	-76	-71
Income taxes	-2,696	-4,168
Payments for loss on disaster	―	-381
Net cash provided by operating activities	18,563	14,032

(millions of yen)

	FY2009 Apr. 1, 2009 - Mar. 31, 2010	FY2010 Apr. 1, 2010 - Mar. 31, 2011
Cash flow from investing activities		
Decrease (increase) in time deposits	-1,076	1,309
Purchase of marketable securities	-3,015	-7,046
Proceeds from sales of marketable securities	3,500	7,999
Purchase of property, plant and equipment	-6,312	-4,377
Proceeds from sales of property, plant and equipment	169	56
Purchase of investment securities	-19,691	-14,181
Proceeds from sales of investment securities	20,158	6,601
Payments for acquisition of newly consolidated subsidiaries	—	-1,284
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-257	—
Payments of loans receivable	-9	-6
Collection of loans receivable	46	37
Payments for lease and guarantee deposits	-190	-218
Proceeds from collection of lease and guarantee deposits	685	650
Proceeds from transfer of goodwill	12	27
Other payments	-1,901	-2,517
Other proceeds	32	250
Net cash used in investment activities	-7,849	-12,700
Cash flow from financing activities		
Payments of long-term loans	-253	-5,624
Proceeds from stock issuance to minority shareholders	121	—
Purchase of treasury stock	-988	-1,469
Cash dividends	-2,670	-2,647
Cash dividends paid to minority shareholders	-12	-9
Net cash used in financing activities	-3,803	-9,749
Effect of exchange rate change on cash and cash equivalents	9	-25
Increase (decrease) in cash and cash equivalents	6,919	-8,442
Cash and cash equivalents, beginning of period	25,237	32,157
Cash and cash equivalents, end of period	32,157	23,714

(5) Notes relating to going concern assumption

None

(6) Important items fundamental to the preparation of consolidated financial statements

(Change in accounting policies related to asset retirement obligations)

Effective from the fiscal year that ended on March 31, 2011, the Company adopted “Accounting Standard for Asset Retirement Obligations” (ASBJ statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008).

As a result of this change, operating income and ordinary income decreased by 33 million yen and income before income taxes decreased by 525 million yen in the fiscal year that ended on March 31, 2011.

(Application of accounting standard related to business combination)

Effective from the fiscal year that ended on March 31, 2011, the Company adopted Accounting Standard for Business Combinations (ASBJ Statement No.21, December 26, 2008), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22, December 26, 2008), Partial amendments to Accounting Standard for Research and Development Costs (ASBJ Statement No.23, December 26, 2008), Revised Accounting Standard for Business Divestitures (ASBJ Statement No.7, December 26, 2008) Revised Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No.16, December 26, 2008), and Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No.10 December 26, 2008).

(Rent income on facilities and rent expenses on facilities)

Income including system fees and rent for machines and equipment, land and buildings paid by franchisees was presented as rent income on facilities, non-operating income, and corresponding expenses were presented as rent expenses on facilities, non-operating expenses. Beginning with the FY2010, income related to system fees, which is the provision of knowhow to franchisees, and for rental of machines and equipment, land and buildings is included in sales, and corresponding expenses are included in cost of sales, and selling, general and administrative expenses. The Company carried out the full-scale operation of Branch/Shop Operation System, an initiative of the Network Program, at franchisees starting in this fiscal year. Along with the start of this system, the Company decided that the rental and licensing of machines, equipment and software needed to operate the Company's franchise businesses should be regarded as provision of franchise business knowhow. As a result, these fees are included in sales in order to better represent the income and expenses associated with franchise businesses.

Starting with this fiscal year, direct selling operations that were segmented by product and services are included in the Clean Group.

In FY2010, compared with the previous accounting method, these changes resulted in increases of 2,133 million yen in sales, 363 million yen in cost of sales, 575 million yen in selling, general and administrative expenses, and 1,194 million yen in operating income. There was no impact on ordinary income and net income before income taxes.

(7) Notes to consolidated financial statements

(Consolidated Statements of Income)

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

"Loss on disaster" represents losses caused by the Great East Japan Earthquake of March 2011. Losses are as follows:

Restoration support expense:	217 million yen		
Relief donation:	100 million yen		
Loss on disposal of damaged assets:	78 million yen	Subtotal	396 million yen
Provision for allowance for disaster loss:	671 million yen		
Provision for allowance for doubtful accounts:	25 million yen	Subtotal	697 million yen
		Total	1,093 million yen

(Consolidated statements of comprehensive income)

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

Comprehensive income in previous fiscal year (FY 2009)

Comprehensive income attributable to the owners of the parent:	8,750 million yen
Comprehensive income attributable to minority interest:	- 87 million yen
Total	8,662 million yen

Other comprehensive income of the previous fiscal year (FY2009)

Valuation difference on available-for-sale securities:	853 million yen
Deferred gains or losses on hedges:	26 million yen
Translation adjustment:	49 million yen
Share of other comprehensive income of associates accounted for using equity method	11 million yen
Total	941 million yen

(Segment information)

a. Segment information by business

FY 2009 (April 1, 2009 - March 31, 2010)

(millions of yen)

	Aino-Mise Related Businesses	Food Service Businesses	Care Service Businesses	Other Businesses	Total	Elimination or corporate	Consolidated total
I. Sales and Operating Income							
Sales							
1) To outside customers	100,632	52,836	18,353	9,458	181,280	-	181,280
2) Inter-segment sales	20	0	86	2,747	2,855	-2,855	-
Total	100,653	52,836	18,439	12,206	184,135	-2,855	181,280
Operating expenses	81,856	48,704	18,714	12,578	161,853	7,297	169,150
Operating income/loss	18,796	4,131	-274	-372	22,281	-10,152	12,129
II. Asset, Depreciation, Impairment loss, and Capital expenditure							
Asset	57,732	12,563	3,904	17,615	91,816	109,073	200,889
Depreciation	1,909	531	50	2,194	4,686	1,138	5,824
Impairment loss	-	186	48	-	234	80	314
Capital expenditure	2,686	447	45	1,732	4,911	2,537	7,448

(Notes) 1. Businesses are segmented based on the sales of each business.

2. Summary of each business

(1) Aino-Mise Related Businesses	rental of cleaning tools, sales of daily commodities and cosmetics, rental of cabinet towels, sales of bathroom products, rental of shop towels, rental of water-purifiers and air-purifiers
(2) Food Service Businesses	sales of donuts, beignets, baked products, dim sum, food and beverages
(3) Care Service Businesses	house cleaning, housekeeping, pest control and prevention services, tree, shrub and lawn care, plants and office facilities management services, senior care services, hospital management services.
(4) Other Businesses	rental and sales of travel goods, baby goods, leisure goods, health and assisted living goods, rental of uniforms, sales of office coffee, leasing of office appliances and vehicles and insurance agent.

Nursing care service covered by Public Nursing Insurance provided by Duskin Zero Care Co., Ltd., subsidiary, was discontinued as it was sold to Nichii Gakkan Company as of April 1, 2009.

3. Operating costs of 9,529 million yen were included in the elimination or corporate component of non-apportionable operating costs. Non-apportionable operating costs include corporate administrative expenses.

4. Corporate assets of 115,905 million yen were included in the elimination or corporate component of total assets. Corporate assets include the management fund of surplus funds (cash and marketable securities), long-term investment funds (investment in securities) and assets relating to the administrative departments.

b. Geographic segment information
FY2009 (April 1, 2009 - March 31, 2010)
Segment information by geographic area is not presented because the proportion of domestic sales and assets of all segments are more than 90% of total segment sales and assets.

c. Overseas sales
FY2009 (April 1, 2009 - March 31, 2010)
Segment information of oversea sales amounts is not presented because overseas sales are less than 10% of consolidated sales.

d. Segment information
Consolidated fiscal year 2010 (April 1, 2010 through March 31, 2011)

(a) 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 Group and Food Group, comprised of business operating units such as business groups and divisions based on product and service types.
Clean 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 equipments, 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.

(b) Method of calculating sales, profit/loss, assets and others by business segment

The accounting method for the reportable segments is the same as the "basis of preparation for the consolidated financial statements."

The segment profits or losses are based on operating income or loss.

Inter-segment intercompany profit and transfers are based on current market prices.

(c) Sales, profits or losses, assets and others by reportable segments

FY2009 (April 1, 2009 - March 31, 2010)

(millions of yen)

	Clean Group	Food Group	Other Businesses (Note 1)	Total	Adjustment (Note 2)	Consolidated total
Sales						
To outside customers	117,940	52,440	10,899	181,280	—	181,280
Inter-segment sales	814	149	2,779	3,743	-3,743	—
Total	118,754	52,590	13,679	185,023	-3,743	181,280
Segment profit	16,363	4,120	628	21,112	-8,983	12,129
Segment asset	62,450	13,135	17,242	92,828	108,060	200,889
Other						
Depreciation	2,069	520	2,095	4,686	1,138	5,824
Property, plant and equipment and intangible assets increase	2,775	446	1,352	4,574	2,537	7,112

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

(Notes) 1. Other Businesses are comprised of the 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:

Segment profits (millions of yen)

	FY2009	FY2010
Inter-segment eliminations	-669	29
Corporate cost	-8,313	-7,341
Total	-8,983	-7,312

Segment assets (millions of yen)

	FY2009	FY2010
Inter-segment eliminations	-7,000	-9,490
Corporate assets	115,061	107,907
Total	108,060	98,417

Depreciation (millions of yen)

	FY2009	FY2010
Inter-segment eliminations	-6	-3
Corporate assets	1,144	949
Total	1,138	945

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

	FY2009	FY2010
Inter-segment eliminations	-	-0
Corporate assets	2,537	1,107
Total	2,537	1,106

3. Segment profit has been adjusted for consistency with operating income that is shown in the consolidated statements of income.
4. Effective from the fiscal year that ended on March 31, 2011, the Company adopted “Accounting Standard for Asset Retirement Obligations” (ASBJ statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008). As a result of this change, Clean Group segment income decreased 14 million yen and Food Group segment income decreased 18 million yen in the third quarter.
5. Starting with the fiscal year that ended on March 31, 2011, the Company and some of its subsidiaries are recording the income and expenses for system use and rental of machines and equipment for franchisees as sales, cost of sales and selling, general and administrative expenses.
   As a result of this change, Clean Group sales and segment profit increased 876 million yen and 510 million yen respectively, and Food Group sales and segment profit increased 1,256 million yen and 989 million yen respectively, and Other Businesses segment profit decreased 305 million yen.

Additional information

Effective from the fiscal year that ended on March 31, 2011, the Company adopted "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17 issued on March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20 issued on March 21, 2008).

(Per Share Information)

(yen)

FY2009 (April 1, 2009 - March 31, 2010)		FY2010 (April 1, 2010 - March 31, 2011)	
Net assets per share	2,226.72	Net assets per share	2,262.41
Earnings per share	117.20	Earnings per share	79.39
Fully diluted earnings per share are not shown because the Company has no outstanding issues of bonds with warrants or convertible bonds.		Fully diluted earnings per share are 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.

	FY2009 (April 1, 2009 - March 31, 2010)	FY2010 (April 1, 2010 - March 31, 2011)
Net income (million yen)	7,824	5,248
Amounts not attributable to common shareholders (million yen)	-	-
Net income attributable to common shareholders (million yen)	7,824	5,248
Average number of common stock during the period (thousand shares)	66,761	66,114

(Important post-balance sheet events)

No events to be noted for this purpose.