Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2013

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, 2013

Shares listed: Tokyo and Osaka

Company name: Duskin Co., Ltd.
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 21, 2013
Scheduled date of dividend payment commencement: June 24, 2013
Scheduled date for release of annual securities report: June 24, 2013
Preparation of supplemental explanatory materials: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

1. Consolidated financial results for the fiscal year ended March 31, 2013

(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, 2013	168,163	-1.7	9,197	-6.5	11,027	-5.0	6,092	32.9
Year ended Mar. 31, 2012	171,118	-3.5	9,841	-10.0	11,609	-8.0	4,583	-12.7

(Note: Comprehensive income - Year ended March 31, 2013: 9,095 mil (70.9%), Year ended March 31, 2012: 5,320 mil (21.4%))

	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, 2013	95.15	-	4.1	5.5	5.5
Year ended Mar. 31, 2012	71.07	-	3.1	5.9	5.8

(Reference: Equity in net income and losses of affiliated companies - Year ended March 31, 2013: -109 mil, Year ended March 31, 2012: -10 mil)

(2) Financial positions

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	yen
As of Mar. 31, 2013	202,375	152,811	75.1	2,407.88
As of Mar. 31, 2012	197,316	149,604	75.4	2,314.38

(Reference: Shareholders' equity - Year ended March 31, 2013: 151,891 mil, Year ended March 31, 2012: 148,781 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, 2013	16,269	-6,864	-5,980	28,171
Year ended Mar. 31, 2012	14,057	-8,686	-4,355	24,724

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, 2012	-	0.00	-	40.00	40.00	2,571	56.3	1.7
Year ended Mar. 31, 2013	-	20.00	-	20.00	40.00	2,547	42.0	1.7
Year ending Mar. 31, 2014 (Forecast)	-	40.00	-	20.00	60.00		86.0	

(Note: Dividends to be paid at the end of second quarter: ordinary dividend 20 yen, commemorative dividend 20 yen)

3. Forecast of consolidated financial results for the year ending March 31, 2014

(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, 2013	84,500	2.9	3,100	-34.8	3,900	-32.1	2,400	-19.1	38.05
Year ending Mar. 31, 2014	173,000	2.9	6,300	-31.5	7,800	-29.3	4,400	-27.8	69.75

***Notes**

(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 principles and estimates, and retrospective restatements

1. Changes due to revision of accounting standards: 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, 2013:	64,994,823	Year ended Mar. 31, 2012:	66,294,823
2. Number of treasury stock at the end of the period	Year ended Mar. 31, 2013:	1,913,819	Year ended Mar. 31, 2012:	2,009,339
3. Average number of shares during the period	Year ended Mar. 31, 2013:	64,030,730	Year ended Mar. 31, 2012:	64,489,359

(Reference) Overview of the non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2013

(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, 2013	145,275	-3.2	6,399	-7.6	9,446	-8.4	4,995	12.8
Year ended Mar. 31, 2012	150,019	-3.3	6,928	-16.1	10,313	-4.7	4,428	-4.1

	Net income per share	Net income per share (fully diluted)
	yen	yen
Year ended Mar. 31, 2013	78.01	-
Year ended Mar. 31, 2012	68.66	-

(2) Financial positions

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	yen
As of Mar. 31, 2013	187,960	133,622	71.1	2,118.27
As of Mar. 31, 2012	184,811	132,128	71.5	2,055.34

(Reference: Shareholders' equity - Year ended March 31, 2013: 133,622 mil, Year ended March 31, 2012: 132,128 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, 2013	72,000	1.6	1,600	-48.3	3,400	-32.1	2,300	-19.0	36.46
Year ending Mar. 31, 2013	148,000	1.9	3,400	-46.9	6,400	-32.3	3,900	-21.9	61.83

* 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 of the report and certain assumptions considered reasonable and thus the company makes no warranty as to the achievability of the forecast. Accordingly, readers are advised that actual results may differ significantly from the forecast.

Contents of attachment:

1. Analysis of business results and financial position

(1) Analysis of business results

During the first half of FY2012 (April 1, 2012 through March 31, 2013), Japan's economy continued to lack strength, affected by recurrent European debt crisis issues and the slower growth rate of China's economy. In Japan, the economic outlook grew unclear due to higher electric power charges and passage of the consumption tax hike. However, the economy recovered slowly due to the increasing demand for reconstruction and restoration from the damage caused by the Great East Japan Earthquake. After the ruling party changed in December 2012, the Japanese yen's depreciation and higher stock prices have emerged as a result of higher expectations concerning economic policy. Japan's economy showed signs of full-scale recovery.

Under these circumstances, we have undertaken our new Three-Year Medium-term Management Policy. Fiscal 2012 is the first year of this Medium-term Management Policy, which ends on March 31, 2015. During this fiscal year, we focused on business system innovation to respond to customer needs that cannot be covered by our current direct selling system. The goals are to improve efficiency of rental product delivery/exchange services and enhance our sales activities. In our Food Group, Mister Donut, returning to its basics, focused on reinforcement of its original brand value. Aiming to outgrow standardization and to create new fans and loyal customers, Mister Donut started to review its shop designs, selling/service methods and menu.

However, these initiatives have not produced concrete results in the first year of this policy. As a result, consolidated sales were 168,163 million yen, a 1.7% decrease from one year earlier. Operating income decreased 6.5% to 9,197 million yen, ordinary income decreased 5.0% to 11,027 million yen and net income increased 32.9% to 6,092 million yen.

＜Results by business segment＞

1. Clean & Care Group

Clean & Care Business, which provides cleaning tools and technical services to customers, continued sales efforts focused on promoting a new, easy but thorough cleaning style in the residential market. This cleaning style uses a floor mop, LaLa and Dust Cleaner, which is an electrically-powered dust box placed on the floor that allows easily removing dust collected by floor mops whenever dust is spotted. Sales of LaLa and Dust Cleaner steadily grew due to focused promotions with demonstrations at shopping malls in addition to TV commercials and other advertisements on various media. However, total sales of mop products were lower than in the previous year, due to lower sales of handy mops and lower sales of accessories for LaLa mops, which occur at the beginning of the rental service, compared to the previous year when LaLa was introduced. As a result, total sales of the residential dust control business were lower than in the previous year (down 2.1% based on the products shipped). Technical services for the residential market, including the housekeeping service and air-conditioner cleaning service, posted steady growth. All technical services recorded higher sales, but total sales in residential market were lower than in the previous year.

In the commercial market where companies' commitment to cost cutting is firmly in place, the business climate remained difficult. As a result, the total sales were lower than in the previous year. However, toiletry products recorded strong sales due to the release of Smart Dispenser AUTO (Dispensers for Medicated Foaming Hand Soap and Toilet Seat Foam Cleaner) in June 2012. Clean and Care Group continued its sales efforts to offer comprehensive solutions tailored to meet customer needs by combining the rental of cleaning tool with cleaning, pest control and hygiene control services. Our committed sales efforts gradually produced positive results, and helped stem the decline in sales of our dust control products (including mats). (down 1.2% based on the products shipped, in comparison with the previous year) In technical services, sales of the cleaning service and facility management service declined, but pest control and pruning services recorded higher sales from one year earlier.

Among other businesses in the Clean & Care Group, Rent-All posted higher sales from one year earlier, due to higher rental orders for events and baby items, in addition to continued favorable results in rental services for assisted-living and health care products. Health & Beauty recorded higher sales from one year earlier due to brisk sales of Body Milk lotion. This product was jointly developed with Kyowa Cosmetics Co., Ltd., which became a consolidated subsidiary in FY 2010. Uniform Service, and Home Instead which provides senior care service, recorded lower sales from one year earlier.

As a result, sales for the Clean & Care Group totaled 109,057 million yen, down 2.8% from one year earlier, and operating income was 14,380 million yen, a 4.3% increase.

We revised the contract with the independent service operators who are engaged in sales activities in our branches, in order to enhance their independent business ownership. This revision resulted in a 1,900 million yen decrease in sales during this year. Excluding this impact in the comparison with the result of the previous year, the decline in sales was 1,200 million yen. There was no impact on operating income due to this contract revision.

2. Food Group

Mister Donut promoted its new brand slogan, "Encircling the Heart," which was introduced in the beginning of 2012, and undertook various initiatives to reinforce the brand. During FY2012, Mister Donut introduced various products and sales promotions in order to increase customer visits. However, the shop visits of the main customer base of homemakers in their 30s and 40s were lower, and total customer visits to the shops continued to decrease until the third quarter. In the fourth quarter, a new product called "Pon De Ring-Fresh" with a newly enhanced soft and chewy texture was well received among customers. Impactful advertisement with popular TV personalities for this new item also contributed to the increase of customer visits. Mister Donut also introduced products developed with the theme of "Sakura (cherry blossoms)"that contributed to the increase in customer visits to the shops. As a result, Mister Donut posted higher sales than in the fourth quarter of the previous year. However, this sales increase was not enough to offset the decrease in the first three quarters. As a result, Mister Donut annual sales were lower than one year earlier.

Mister Donut opened new shops inside train stations and in urban areas to expand its market. Included in these new shop openings are the JR Nishi Kokubunji shop opened on a platform of Nishi Kokubunji Station on the JR Chuo Line, as part of a new shopping mall called "nonowa Nishi Kokubunji," the Otemachi Financial City shop in Otemachi Financial City, and the Awaji-cho WATERRAS shop in WATERRAS in central Tokyo. Mister Donut plans to discontinue the current MISDO Club Point Card System in the next fiscal year and to introduce a new system that is more appealing to customers.

Among other businesses in the Food Group, Café Du Monde, Katsu & Katsu, Stick Sweets Factory, and The Don, a seafood donburi (rice bowl) chain, all posted lower sales from one year earlier, due to the closure of underperforming shops.

Including sales of Hachiya Dairy Products, which became a consolidated subsidiary in the second quarter, sales of Food Group totaled 48,804 million yen, a 2 million yen decrease and operating income was 1,140 million yen, 60.3% down from one year earlier.

3. Other Businesses

Duskin Healthcare, which provides management services to medical facilities, recorded higher sales from one year earlier. This is due to aggressive sales efforts that contributed to higher average sales per customer while there were cancellations of some key accounts.

At Duskin Kyoeki, a leasing company, sales were higher than one year earlier, due to the replacement of system equipment at Mister Donut shops.

Among the overseas dust control businesses, various marketing initiatives led to steady growth in the Korean residential market, which we entered in March 2012. The dust control business in Taiwan started to benefit from synergies from the introduction of technical services in the previous year. Mister Donut posted steady sales growth in Malaysia, where it marked the first anniversary in August. Sales in Thailand and Shanghai were also favorable due to continued new store openings. However, sales in other areas, including Taiwan and South Korea decreased. As a result, Mister Donut's overseas business recorded lower sales than in the previous year.

As a result, Other Businesses recorded sales of 10,301million yen, up 1.7 % from the previous year, and operating income of 236 million yen, down 37.0%.

Segment sales figures do not include consumption tax.

(2) Outlook for the next fiscal year

Duskin marks its 50th anniversary in FY2013. Extending our appreciation for our customers' patronage, we at Duskin Group, including our franchisees, will conduct a unified Thank-you campaign to help our customers better understand Duskin's products and services so that we can make their lives more comfortable. In addition to this campaign, we aim to increase our sales by implementing the strategies and policies in our Medium-term Management Policy.

Earnings are expected to increase along with sales. However, increase in costs associated with expanded sales of the new mat products introduced this year and expenses related to the consumption tax hike will be incurred. Therefore, earnings are expected to decrease from the previous fiscal year.

(Consolidated)

(millions of yen, %)

	Year ending Mar. 31, 2014 (forecast)			Year ended Mar. 31, 2013 (actual)	
		%	change (%)		%
Sales	173,000	100.0	2.9	168,163	100.0
Operating income	6,300	3.6	-31.5	9,197	5.5
Ordinary income	7,800	4.5	-29.3	11,207	6.6
Net income	4,400	2.5	-27.8	6,092	3.6

(Non-consolidated)

(millions of yen, %)

	Year ending Mar. 31, 2014 (forecast)			Year ended Mar. 31, 2013 (actual)	
		%	change (%)		%
Sales	148,000	100.0	1.9	145,275	100.0
Operating income	3,400	2.3	-46.9	6,399	4.4
Ordinary income	6,400	4.3	-32.3	9,446	6.5
Net income	3,900	2.6	-21.9	4,995	3.4

(Notes) 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

1. Assets, liabilities, and net assets

a. Current assets

As of March 31, 2013, current assets amounted to 59,162 million yen, a 238 million yen decrease from one year earlier. This is due to a 3,655 million yen increase in cash and deposits, and 4,154 million yen decrease in short-term marketable securities.

b. Noncurrent assets

Noncurrent assets totaled 143,212 million yen at the end of the fiscal year, a 5,297 million yen increase compared to the previous fiscal year. This is mainly due to a 6,867 million yen increase in investment securities, and a 1,851 million yen decrease in deferred tax assets.

c. Current liabilities

Current liabilities amounted to 34,798 million yen, a 475 million yen increase compared to the previous fiscal year. This is due to an 843 million yen increase in provision for Point Card Certificates, and a 440 million yen decrease in accounts payable-other.

d. Noncurrent liabilities

Noncurrent liabilities totaled 14,764 million yen at the end of the fiscal year, a 1,375 million yen increase from the previous fiscal year. This is due to a 1,318 million yen increase in the provision for retirement benefits.

e. Net assets

Net assets totaled 152,811 million yen at the end of the fiscal year, a 3,206 million yen increase from the previous fiscal year. This is due to a 631 million yen increase in retained earnings resulting from net income of 6,092 million yen, dividend payments of 3,857 million yen and the cancellation of treasury stock, and to a 2,737 million yen increase in valuation difference on available-for-sale securities.

2. Cash flows

Cash and cash equivalents (Cash) at the end of the fiscal year totaled 28,171 million yen, a 3,447 million yen increase from 24,724 million yen in the previous fiscal year. Cash flows are as follows:

a. Cash flow from operating activities

Cash inflows from operating activities during the fiscal year amounted to 16,269 million yen, a 2,211 million yen increase from the previous fiscal year. Income before income taxes totaled 10,311 million yen, a 110 million yen increase from the previous year, while depreciation of 7,099 million yen (857 million yen increase from the previous fiscal year) and a 1,311 million yen increase for the provision for retirement benefit (458 million yen increase at the previous fiscal year) were recorded. Income taxes paid were 4,012 million yen, a 961 million yen decrease from the previous fiscal year.

b. Cash flow from investing activities

Cash outflows from investing activities during the fiscal year totaled 6,864 million yen, a 1,822 million yen decrease from the previous fiscal year. This is mainly due to purchase of investment securities with a value of 19,639 million yen, a 8,493 million yen increase from the previous fiscal year, purchase of tangible noncurrent assets with a value of 5,762 million yen, a 2,491 million yen increase from the previous fiscal year, and the sale and redemption of marketable securities and investment securities with a value of 22,439 million yen, a 12,334 million yen increase from the previous fiscal year.

c. Cash flow from financing activities

Cash outflows from financial activities during the fiscal year amounted to 5,980 million yen, a 1,625 million yen increase. The dividend payment totaled 3,851 million yen, a 1,236 million yen increase from the previous fiscal year, and a 2,016 million yen outlay was recorded for the purchase of treasury stock, a 402 million yen increase from the previous fiscal year.

3. Trends in cash flow related indicators

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

	FY2009	FY2010	FY 2011	FY2012
Shareholders’ equity ratio (%)	73.4	74.3	75.4	75.1
Shareholders’ equity ratio on market value basis (%)	54.8	50.6	53.9	58.5
Debt coverage ratio (years)	0.3	0.0	0.0	0.0
Interest coverage ratio	243.8	195.7	2,221.7	3,847.9

(Notes) 1. The above indicators are calculated using the following formulas based on consolidated figures.
Shareholders’ equity ratio: (Net assets - minority interests)/Total assets
Shareholders’ equity ratio on market value basis: Current aggregate market value of shares/Total assets
Debt coverage ratio: Interest-bearing debt/Cash flows from operating activities
Interest coverage ratio: Cash flows from operating activities/Interest expenses
2. The current aggregate market 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 recorded in the consolidated balance sheets.
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 that is 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 operations. The Company plans to distribute a dividend in accordance with the basic policy to meet shareholders’ expectation.

It is the Company's basic dividend policy to pay a dividend twice each year; a year-end dividend and an interim dividend. The resolution on the year-end dividend is made by the General Shareholders' Meeting. For the interim dividend, it is stipulated in the Articles of Incorporation that the Company may decide to pay an interim dividend with a record date of September 30 each year by a resolution of the board of directors.

The Company plans to pay a year-end dividend of 20 yen per share for FY2012. For FY2013, the Company plans to pay an interim dividend of 20 yen per share, and a year-end dividend of 20 yen per share, 40 yen per share in total.

As announced in the May 15, 2013 notice of the 50th anniversary commemorative dividend, the Company plans to distribute a commemorative dividend of 20 yen per share to extend appreciation to our shareholders with the interim dividend. Therefore, the interim dividend is planned to total 40 yen. With the year-end dividend of 20 yen per share, the full-year dividend is to total 60 yen per share.

2. Management policy

(1) Management guidelines, financial goals and medium-to-long term management plan

Management guidelines, financial goals and medium-to-long term management plan are not shown here because there have been no significant changes from the announcement made in the earnings announcement dated May 15, 2012.

This earnings announcement can be viewed by visiting the following websites.

Duskin website:

http://www.duskin. co.jp/corp/index.html

Tokyo Stock Exchange website: Search service of listed companies

http://www.tse.or.jp/listing/compsearch/index.html

(2) Key initiatives

Our challenge is to get the Group back on a growth track to improve our sales, which have been sluggish in the past few years. We will continue our reform, reviewing all of our businesses from our customers' perspective so that more customers can enjoy our services and products. We will implement our Medium-term Management Policy, focusing on business system innovation.

In FY2013, the second year of this Medium-term Management Policy, Duskin will mark its 50th anniversary. Thanks to the support of our customers and shareholders, we have grown to what we are today. We would like to express our sincere appreciation. In this memorable year, we will conduct a Duskin Group unified Thank-you campaign to extend our sincere appreciation to our existing customers and to introduce new services and products. To those who have not used Duskin's products or services, we will create more opportunities to experience our services and products and thereby create new customers.

1. Clean & Care Group

During FY2012, we established a structure to deliver our products directly from our distribution centers to residential customers. This structure enables us to promptly deliver dust control products to customers who are interested in trying our products.

In the commercial market, we started operating streamlined rental & service locations, which focus on replacement services to exchange rental products. This is the first step of our initiatives to enhance distribution efficiency and sales/service capabilities.

(Residential products and services)

In FY2013, we plan to build a system to provide services on Saturdays, Sundays and holidays, at designated times, and for homes where residents are often out during normal service hours. We aim to acquire new customers by flexibly responding to customers' changing lifestyles and diversified needs.

We will also develop and reinforce products and services to meet the various needs of different generations, so that our customers can enjoy our products and services for their entire lives.

We plan to build and operate a new exclusive customer site on the Internet where customers can obtain the information they want when they want.

(Commercial products and services)

Our commercial market has been shrinking due to factory relocations outside Japan, and the strong commitment to cost cutting at companies. Under these circumstances, larger shops and chain stores have become more dominant and smaller commercial establishments where our services excelled have been decreasing. The price competition is becoming more intense. We will focus our efforts on improving our competitive prices through effective cost management, enhanced sales capabilities and business proposals.

We will continue to reinforce our streamlined rental & service locations, which we started in FY2012. We will open new sales locations that specialize in sales activities.

In our recent focused area, cleaning and sanitary management, we offer comprehensive solutions with our products and services to respond to the problems at customers' shops and offices. With regular cleanliness maintenance service, we help our customers reduce risks in their operations. We thereby plan to differentiate our service from our competitors.

(Technical services)

Aiming to increase the number of regular customers for our technical services, we will reinforce the service structure and education/training programs for service staff so that we can attentively respond to 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.

2. Food Group

Food Group is committed to providing safe and reliable products as we regard this as the most important social responsibility for us. With this uncompromising commitment, we continue to focus our efforts on offering taste and happiness that are available only at our neighborhood shops.

(Mister Donut)

Mister Donut reinforced its original brand value in FY2012. Aiming to outgrow standardization and to create new fans and loyal customers, Mister Donut started to review its shop designs, selling/service methods and menu.

Our focused areas in FY2013 for increasing shop visits of existing customers and encouraging shop visits by new customers are as follows;

- Pursuit for taste

  In April 2013, Mister Donut introduced new frying oil to enhance the flavor of donuts, changed the donut glaze to one containing rich and sweet coffee blossom honey, and improved the doughs of popular items, including Old Fashions.

Mister Donut continues to improve the quality of ingredients and products, pursuing the best taste.

- Introduction of products to encourage customers to visit Mister Donut shops

  We continue to work on offering various new ways to enjoy Mister Donut, including a breakfast menu, with the goal of increasing the variety of customers.

- Shop design & development to meet different customer characteristics

  We will open shops in various locations to meet various customers' needs and reasons to visit our shops. Included in these locations are residential areas and road sides for seniors in addition to the existing customer base who are homemakers with young children (younger than elementary school students); and office areas and train stations that are convenient for business people and college students

- Relocation of existing stores

  We will open and relocate shops to increase the level of convenience for customers.

In FY2013, Hachiya Dairy Products, a consolidated subsidiary that was acquired in FY2012, will start supplying ice cream and related products to Mister Donut.

(Other food businesses)

In FY2013, we will also focus our efforts in providing new investment opportunities for our franchisees. We aim to enter new food businesses, including the opening of a pilot shop for a bakery business.

3. Overseas business development

We plan to expand the Dust Control business in Eastern Asia and Mister Donut business in Southeastern Asia. In their existing markets, we will focus on expanding market share and improving performance.

(Dust Control)

We will prepare for business development of China, in addition to Shanghai.

(Mister Donut)

Mister Donut plans to expand its business by developing selling/service methods and sales channels that meet local characteristics. Mister Donut will aim to improve profitability with products and prices that meet local market needs, and cost cutting by using locally procured ingredients.

4. New Business Development

We will continue to focus our efforts on business development, including new activities and activities related to our existing businesses, to build future core businesses through M&A and capital and business alliances.

3. Consolidated financial statements

(1) Consolidated balance sheets

(millions of yen)

	as of March 31, 2012	as of March 31, 2013
Assets		
Current assets		
Cash and deposits	15,600	19,255
Notes and accounts receivable-trade	10,891	10,366
Lease investment assets	1,850	1,782
Marketable securities	18,153	13,998
Merchandise and finished goods	6,345	6,203
Work in process	195	175
Raw materials and supplies	1,456	2,133
Deferred tax assets	2,306	2,609
Other	2,675	2,684
Allowance for doubtful accounts	-72	-46
Total current assets	59,401	59,162
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	41,283	42,138
Accumulated depreciation	-23,361	-24,262
Buildings and structures, net	17,922	17,876
Machinery, equipment and vehicles	21,742	23,624
Accumulated depreciation	-15,507	-17,247
Machinery, equipment and vehicles, net	6,235	6,376
Land	23,818	24,231
Construction in progress	268	279
Other	11,881	13,683
Accumulated depreciation	-8,317	-9,328
Other, net	3,563	4,355
Total property, plant and equipment	51,809	53,120
Intangible assets		
Goodwill	200	688
Other	8,926	7,788
Total intangible assets	9,126	8,477
Investments and other assets		
Investment securities	60,816	67,684
Long-term loans receivable	45	108
Deferred tax assets	6,998	5,147
Guarantee deposits	7,876	7,498
Other	1,454	1,385
Allowance for doubtful accounts	-212	-209
Total investments and other assets	76,979	81,614
Total noncurrent assets	137,915	143,212
Total assets	197,316	202,375

(millions of yen)

	as of March 31, 2012	as of March 31, 2013
Liabilities		
Current liabilities		
Accounts payable-trade	6,616	6,975
Current portion of long-term loans payable	94	99
Income taxes payable	1,902	2,066
Provision for bonuses	3,422	3,362
Provision for point card certificates	449	1,292
Asset retirement obligations	253	2
Accounts payable-other	6,669	6,229
Guarantee deposit received for rental products	10,634	10,326
Other	4,281	4,443
Total current liabilities	34,323	34,798
Noncurrent liabilities		
Long-term loans payable	151	89
Provision for retirement benefits	11,965	13,284
Provision for loss on guarantees	60	11
Asset retirement obligations	355	592
Long-term guarantee deposited	791	748
Long-term accounts payable-other	62	37
Other	2	0
Total noncurrent liabilities	13,388	14,764
Total liabilities	47,711	49,563
Net assets		
Shareholders' equity		
Capital stock	11,352	11,352
Capital surplus	11,337	10,841
Retained earnings	131,591	132,222
Treasury stock	-3,176	-3,092
Total shareholders' equity	151,104	151,323
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-1,793	943
Deferred gains or losses on hedges	3	-3
Foreign currency translation adjustment	-533	-371
Total accumulated other comprehensive income	-2,323	568
Minority interests	823	919
Total net assets	149,604	152,811
Total liabilities and net assets	197,316	202,375

(2) Consolidated statements of income & consolidated statements of comprehensive income
Consolidated statements of income

(millions of yen)

	FY 2011 April 1, 2011 - March 31, 2012	FY 2012 April 1, 2012 - March 31, 2013
Net sales	171,118	168,163
Cost of sales	96,162	95,712
Gross profit	74,956	72,450
Selling, general and administrative expenses	65,114	63,253
Operating income	9,841	9,197
Non-operating income		
Interest income	902	907
Dividends income	240	223
Rent income on facilities	129	123
Commission fee	279	278
Amortization of negative goodwill	17	―
Gain on transfer of goodwill	76	131
Miscellaneous income	553	521
Total non-operating income	2,198	2,186
Non-operating expenses		
Interest expenses	6	4
Equity in losses of affiliates	10	109
Foreign exchange losses	90	―
Compensation expenses	44	80
Loss on cancellation of leasehold contracts	103	33
Miscellaneous loss	175	127
Total non-operating expenses	430	355
Ordinary income	11,609	11,027
Extraordinary income		
Gain on sales of noncurrent assets	1	0
Gain on sales and redemption of investment	132	939
Gain on negative goodwill	0	―
Reversal of allowance for doubtful accounts	24	―
Other	9	98
Total extraordinary income	168	1,039
Extraordinary loss		
Loss on sales of noncurrent assets	45	5
Loss on abandonment of noncurrent assets	298	159
Impairment loss	268	103
Loss on sales of investment securities	―	581
Loss on valuation of investment securities	643	―
Provision for point card certificates	―	885
Loss on disaster	284	―
Other	36	20
Total extraordinary losses	1,576	1,755
Income before income taxes and minority interests	10,200	10,311
Income taxes-current	4,230	4,164
Income taxes-deferred	1,319	-9
Total income taxes	5,549	4,154
Income before minority interests	4,651	6,156
Minority interests in income	67	64
Net income	4,583	6,092

Consolidated statements of comprehensive income

(millions of yen)

	FY 2011 April 1, 2011 - March 31, 2012	FY 2012 April 1, 2012 - March 31, 2013
Income before minority interests	4,651	6,156
Other comprehensive income		
Valuation difference on available-for-sale securities	732	2,739
Deferred gains or losses on hedges	5	-3
Foreign currency translation adjustment	-34	117
Share of other comprehensive income of associates accounted for using equity method	-33	85
Total other comprehensive income	669	2,939
Comprehensive income	5,320	9,095
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	5,267	8,984
Comprehensive income attributable to minority interests	53	111

(3) Consolidated statements of changes in net assets

(millions of yen)

	FY2011 Apr. 1, 2011 - Mar. 31, 2012	FY2012 Apr. 1, 2012 - Mar. 31, 2013
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	11,337
Changes of items during the fiscal year		
Cancellation of treasury stock	-1,738	-496
Total changes of items during the fiscal year	-1,738	-496
Balance at the fiscal year end	11,337	10,841
Retained earnings		
Balance at the beginning of current fiscal year	129,619	131,591
Changes of items during the fiscal year		
Dividends from surplus	-2,612	-3,857
Net income	4,583	6,092
Cancellation of treasury stock	―	-1,604
Total changes of items during the fiscal year	1,971	631
Balance at the fiscal year end	131,591	132,222
Treasury stock		
Balance at the beginning of current fiscal year	-3,301	-3,176
Changes of items during the fiscal year		
Purchase of treasury stock	-1,614	-2,016
Cancellation of treasury stock	1,738	2,100
Total changes of items during the fiscal year	124	83
Balance at the fiscal year end	-3,176	-3,092
Total shareholders' equity		
Balance at the beginning of current fiscal year	150,747	151,104
Changes of items during the fiscal year		
Dividends from surplus	-2,612	-3,857
Net income	4,583	6,092
Purchase of treasury stock	-1,614	-2,016
Cancellation of treasury stock	―	―
Total changes of items during the fiscal year	356	218
Balance at the fiscal year end	151,104	151,323

(millions of yen)

	FY2011 Apr. 1, 2011 - Mar. 31, 2012	FY2012 Apr. 1, 2012 - Mar. 31, 2013
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current fiscal year	-2,528	-1,793
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity	734	2,737
Total changes of items during the fiscal year	734	2,737
Balance at the fiscal year end	-1,793	943
Deferred gains or losses on hedges		
Balance at the beginning of current fiscal year	-1	3
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity	5	-7
Total changes of items during the fiscal year	5	-7
Balance at the fiscal year end	3	-3
Foreign currency translation adjustment		
Balance at the beginning of current fiscal year	-477	-533
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity	-56	161
Total changes of items during the fiscal year	-56	161
Balance at the fiscal year end	-533	-371
Total accumulated other comprehensive income		
Balance at the beginning of current fiscal year	-3,007	-2,323
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity	683	2,891
Total changes of items during the fiscal year	683	2,891
Balance at the fiscal year end	-2,323	568
Minority interests		
Balance at the beginning of current fiscal year	825	823
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity	-1	96
Total changes of items during the fiscal year	-1	96
Balance at the fiscal year end	823	919
Total net assets		
Balance at the beginning of current fiscal year	148,565	149,604
Changes of items during the fiscal year		
Dividends from surplus	-2,612	-3,857
Net income	4,583	6,092
Purchase of treasury stock	-1,614	-2,016
Cancellation of treasury stock	—	—
Net changes of items other than shareholders' equity	682	2,988
Total changes of items during the fiscal year	1,039	3,206
Balance at the fiscal year end	149,604	152,811

(4) Consolidated statements of cash flows

(millions of yen)

	FY2011 Apr. 1, 2011 - Mar. 31, 2012	FY2012 Apr. 1, 2012 - Mar. 31, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	10,200	10,311
Depreciation and amortization	6,242	7,099
Amortization of goodwill	119	225
Increase (decrease) in allowance for doubtful accounts	15	35
Bad debts expenses	2	1
Interest and dividends income	-1,142	-1,131
Interest expenses	6	4
Loss on disaster	284	—
Foreign exchange losses (gains)	0	-5
Equity in (earnings) losses of affiliates	10	109
Loss (gain) on sales of property, plant and equipment	43	4
Loss on retirement of property, plant and equipment	256	171
Loss (gain) on sales and redemption of investment	-132	-357
Loss (gain) on valuation of investment securities	643	—
Gain on negative goodwill	0	—
Loss (gain) on transfer of goodwill	-76	-130
Impairment loss	268	103
Decrease (increase) in notes and accounts receivable-trade	1,436	857
Decrease (increase) in inventories	412	-464
Increase (decrease) in notes and accounts payable-trade	-767	133
Increase (decrease) in provision for bonuses	-120	-88
Increase (decrease) in provision for point card certificates	-57	843
Increase (decrease) in provision for retirement benefits	852	1,311
Increase (decrease) in provision for loss on guarantees	-57	-48
Increase (decrease) in accrued consumption taxes	-297	62
Decrease (increase) in lease investment assets	13	68
Decrease (increase) in other assets	1,330	486
Increase (decrease) in other liabilities	-749	-583
Subtotal	18,738	19,020
Interest and dividends income received	1,255	1,264
Interest expenses paid	-6	-4
Income taxes paid	-4,973	-4,012
Payments for loss on disaster	-955	—
Net cash provided by (used in) operating activities	14,057	16,269

(millions of yen)

	FY2011 Apr. 1, 2011 - Mar. 31, 2012	FY2012 Apr. 1, 2012 - Mar. 31, 2013
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	87	-1,143
Purchase of securities	-5,137	-4,002
Proceeds from sales and redemption of securities	6,999	6,205
Purchase of property, plant and equipment	-3,271	-5,762
Proceeds from sales of property, plant and equipment	173	23
Purchase of investment securities	-6,008	-15,637
Proceeds from sales and redemption of investment securities	3,105	16,234
Purchase of stocks of subsidiaries and affiliates	-144	―
Purchase of investments in subsidiaries resulting in change in scope of consolidation	―	-859
Payments of loans receivable	-449	-313
Collection of loans receivable	285	294
Payments for lease and guarantee deposits	-43	-198
Proceeds from collection of lease and guarantee deposits	564	263
Payments for transfer of business	―	-56
Proceeds from transfer of goodwill	76	130
Other payments	-5,008	-2,056
Other proceeds	84	15
Net cash provided by (used in) investing activities	-8,686	-6,864
Net cash provided by (used in) financing activities		
Repayment of long-term loans payable	-116	-98
Purchase of treasury stock	-1,614	-2,016
Cash dividends paid	-2,614	-3,851
Cash dividends paid to minority shareholders	-9	-14
Net cash provided by (used in) financing activities	-4,355	-5,980
Effect of exchange rate change on cash and cash equivalents	-6	23
Net increase (decrease) in cash and cash equivalents	1,009	3,447
Cash and cash equivalents at beginning of period	23,714	24,724
Cash and cash equivalents at end of period	24,724	28,171

(5) Notes to consolidated financial statements

(Note relating to going concern assumption)

None

(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 evaluate performance. The Company has business operating units 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, 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 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, 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.

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 segment

Consolidated fiscal year 2012 (April 1, 2012 through March 31, 2013)

(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

Consolidated fiscal year 2012 (April 1, 2012 through March 31, 2013)

(millions of yen)

	Clean & Care Group	Food Group	Other Businesses (Note 1)	Total	Adjustment (Note 2)	Consolidated total
Sales						
To outside customers	109,057	48,804	10,301	168,163	—	168,163
Inter-segment sales	934	13	2,504	3,452	-3,452	—
Total	109,992	48,817	12,805	171,615	-3,452	168,163
Segment profit	14,380	1,140	236	15,758	-6,561	9,197
Segment asset	69,429	14,208	17,432	101,070	101,304	202,375
Other						
Depreciation	3,326	970	1,844	6,140	942	7,083
Property, plant and equipment and intangible assets increase	1,929	989	3,070	5,989	1,183	7,172

(Notes)

1. Others 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 area as follows:

Sales (millions of yen)

	FY2011	FY2012
Inter-segment eliminations	−3,239	−3,452
Total	−3,239	−3,452

Segment profits (millions of yen)

	FY2011	FY2012
Inter-segment eliminations	−24	−14
Corporate cost	−7,174	−6,546
Total	−7,199	−6,561

Corporate expense includes corporate administrative expenses.

Segment assets (millions of yen)

	FY2011	FY2012
Inter-segment eliminations	−11,358	−10,954
Corporate assets	107,556	112,258
Total	96,198	101,304

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

Depreciation (millions of yen)

	FY2011	FY2012
Inter-segment eliminations	-3	-3
Corporate assets	950	946
Total	946	942

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

	FY2011	FY2012
Inter-segment eliminations	0	0
Corporate assets	751	1,183
Total	750	1,183

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

(Per share information) (yen)

FY2011 (April 1, 2011 - March 31, 2012)	FY2012 (April 1, 2012 - March 31, 2013)
Net assets per share 2,314.38 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.	Net assets per share 2,407.88 Earnings per share 95.15 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.

	FY2011 (April 1, 2011 - March 31, 2012)	FY2012 (April 1, 2012 - March 31, 2013)
Net income (million yen)	4,583	6,092
Amounts not attributable to common shareholders (million yen)	—	—
Net income attributable to common shareholders (million yen)	4,583	6,092
Average number of common stock during the period (thousands shares)	64,489	64,030

(Important post-balance sheet events)
No events to be noted for this purpose.

4. Others

Changes in board members

1. Nominee for Director (Standing Director)

   Osaharu Fujii (Current position, Manager, Corporate Management)

   *The nominee will be elected at the general meeting of shareholders to be held on June 21, 2013.

2. Exiting Director (Standing Director)

   Kenji Matsuda

   *Mr. Matsuda will resign as a director at the end of the general meeting of shareholders to be held on June 21, 2013.