Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2017 (Japanese Standards)

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, 2017

Company name: Duskin Co., Ltd. Shares listed: Tokyo
Code number: 4665 URL: http://www.duskin.co.jp/corp/index.html
Representative: Teruji Yamamura, President & CEO
Contact: Hideyuki Naito, Director Tel: (06) 6821-5071

Scheduled date of ordinary general meeting of shareholders: June 22, 2017
Scheduled date of dividend payment commencement: June 23, 2017
Scheduled date for release of annual securities report: June 23, 2017
Preparation of supplemental explanatory materials: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are dropped.)

1. Consolidated financial results for the fiscal year ended March 31, 2017

(1) Results of operation

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

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Year ended Mar. 31, 2017	161,880	-2.0	6,069	13.0	7,554	12.6	4,318	44.8
Year ended Mar. 31, 2016	165,203	-1.7	5,372	6.0	6,707	-5.3	2,983	-13.3

(Note) Comprehensive income: Year ended March 31, 2017: 5,309 million yen (278.8%), Year ended March 31, 2016: 1,401 million yen (-82.2%)

	Profit per share	Profit per share (fully diluted)	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to sales
	yen	yen	%	%	%
Year ended Mar. 31, 2017	78.95	-	3.0	4.0	3.7
Year ended Mar. 31, 2016	52.18	-	2.0	3.5	3.3

(Reference) Equity in net income and losses of affiliated companies: Year ended March 31, 2017: 171 million yen, Year ended March 31, 2016: 126 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, 2017	190,116	142,108	74.5	2,651.76
As of Mar. 31, 2016	190,322	143,648	75.0	2,569.53

(Reference) Shareholders' equity: Year ended March 31, 2017: 141,724 million yen, Year ended March 31, 2016: 142,727 million yen

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from 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, 2017	15,803	-3,565	-6,800	27,902
Year ended Mar. 31, 2016	11,199	-2,826	-12,952	22,503

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, 2016	-	20.00	-	20.00	40.00	2,221	76.7	1.6
Year ended Mar. 31, 2017	-	20.00	-	20.00	40.00	2,162	50.7	1.5
Year ending Mar. 31, 2018 (Forecast)	-	20.00	-	20.00	40.00		45.5	

3. Forecast of consolidated financial results for the year ending March 31, 2018

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

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
6 months ending Sept. 30, 2017	81,600	0.6	1,900	-24.4	2,600	-23.7	1,400	-33.5	26.19
Year ending Mar. 31, 2018	165,000	1.9	6,600	8.7	8,000	5.9	4,700	8.8	87.94

***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 shares)	Year ended Mar. 31, 2017:	55,194,823	Year ended Mar. 31, 2016:	57,494,823
2. Number of treasury shares at the end of the period	Year ended Mar. 31, 2017:	1,749,382	Year ended Mar. 31, 2016:	1,948,572
3. Average number of shares during the period	Year ended Mar. 31, 2017:	54,693,081	Year ended Mar. 31, 2016:	57,176,104

(Reference) Overview of the non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2017

(1) Results of operations

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

	Sales		Operating profit		Ordinary profit		Profit	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Year ended Mar. 31, 2017	134,245	-3.2	4,069	13.2	6,478	5.6	3,723	103.3
Year ended Mar. 31, 2016	138,697	-2.0	3,593	19.7	6,136	-0.5	1,831	-46.0

	Profit per share	Profit per share (fully diluted)
	yen	yen
Year ended Mar. 31, 2017	68.09	-
Year ended Mar. 31, 2016	32.03	-

(2) Financial positions

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	yen
As of Mar. 31, 2017	175,371	121,994	69.6	2,282.60
As of Mar. 31, 2016	175,151	125,578	71.7	2,260.79

(Reference) Shareholders' equity: Year ended March 31, 2017: 121,994 million yen, Year ended March 31, 2016: 125,578 million yen

2. Forecast of financial results for the year ending March 31, 2018

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

	Sales		Operating profit		Ordinary profit		Profit		Profit per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
6 months ending Sept. 30, 2017	67,500	0.7	900	-29.4	2,400	-19.1	1,500	-28.5	28.07
Year ending Mar. 31, 2018	137,000	2.1	4,500	10.6	6,800	5.0	4,200	12.8	78.58

* This summary of financial statements is exempt from the audit.

* Explanation regarding the appropriate use of business forecasts

(Note on the forward-looking statements)

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

In FY2016 (April 1, 2016 - March 31, 2017), Japan’s economy gradually recovered due to an improvement in employment and personal income resulting from improved corporate earnings. However, the economic recovery continued to be slow and consumer spending was lackluster due to impact of a series of natural disasters including the Kumamoto Earthquake in April 2016. The economic outlook became more unclear due to growing uncertainties about overseas economies, including concerns about a slowdown of the Chinese economy, Britain's exit from the EU and the presidential transfer of power in the U.S.

Duskin has initiated the ONE DUSKIN plan with the goal of uniting all Duskin businesses to serve our customers in a more effective and hospitable manner. We continued various initiatives for a sales recovery and to build a foundation for future growth in the second year of the first phase of the Medium-term Management Policy 2015. At Clean & Care Group, we continued our efforts to reinforce and diversify our customer contacts, and to review the cost structures of production & logistics, distribution and procurement as well as information systems. Food Group continued its efforts to rebuild the Mister Donut brand, and develop other food businesses that will become key elements of this group along with Mister Donut. In addition, we acquired the largest donut chain in Malaysia to expand our overseas businesses. We continued our efforts to strengthen our management by reviewing our corporate governance.

While Clean & Care Group posted higher sales, Food Group recorded lower sales. As a result, consolidated sales were 161,880 million yen, a 3,322 million yen (2.0%) decrease from the previous year. Despite lower sales and higher expenses for retirement benefits, the cost ratio improved due to a decrease in the cost of Style Cleaner and the cost of purchasing raw materials. As a result, consolidated operating profit was 6,069 million yen, a 697 million yen (13.0%) increase, and consolidated ordinary profit was 7,554 million yen, an 846 million yen (12.6%) increase. While losses from the Kumamoto Earthquake and impairment losses were recorded, the extraordinary loss became smaller due to a decrease in loss on abandonment of noncurrent assets and loss on liquidation of affiliates. Tax expenses decreased due to the sale of stock of an affiliate for which Duskin posted an impairment loss in the previous year. As a result, profit attributable to owners of parent was 4,318 million yen, a 1,335 million yen (44.8%) increase from the previous year.

(millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017	Increase/decrease	
				%
Consolidated sales	165,203	161,880	-3,322	-2.0
Consolidated operating profit	5,372	6,069	697	13.0
Consolidated ordinary profit	6,707	7,554	846	12.6
Consolidated profit attributable to owners of parent	2,983	4,318	1,335	44.8

Results by business segment

1) Clean & Care Group

Sales of dust control products, the core category of this segment, were lower than in the previous year because of lower sales to our franchisees. The locations transferred from our franchisees made a contribution to sales. Rent-All, which rents daily commodities and equipment for various events, continued to perform well. Other businesses also recorded higher sales. As a result, sales of the Clean & Care Group totaled 110,537 million yen, a 346 million yen (0.3%) increase. While expenses increased due to increases in promotional expenses and expenses for retirement benefits, cost of sales decreased due to the lower cost of Style Cleaner, a decrease in mats and other new items for rent and the lower price of heavy oil. As a result, operating profit totaled 13,671 million yen, a 669 million yen (5.2%) increase from one year earlier.

(millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017	Increase/decrease	
				%
Sales	110,191	110,537	346	0.3
Operating profit	13,001	13,671	669	5.2

Among dust control products for residential use, Cleaning Basic Three, consisting of the LaLa floor mop, the Shushu handy mop and the Style Cleaner, continued to perform well and recorded higher sales. However, total sales of mop products decreased due to lower sales of other mop products. In September, Duskin started renting the Robot Cleaner SiRo in selected regions, which contributed to sales. The futon cleaning and delivery service to wash futons (Japanese mattress and duvet) with water to remove mites and other soiling recorded higher sales. Sales of Kitchen Sponge were lower than in the previous year due to the surge in demand at franchisees one year earlier caused by a redesign of the Kitchen Sponge and the July 2015 price revision. Sales of filter products also decreased. As a result, total sales of dust control products for residential use were lower than one year earlier.

Among dust control products for commercial customers, our original highly functional mats such as Inside custom-made indoor use mats and thin dust control and water absorption mats posted higher sales. However, other mat products recorded lower sales. As a result, total sales of mat products were lower than one year earlier. However, total sales of dust control products for commercial customers were at the same level as in the previous year. Office Drink/Snack Service, a new service launched in the previous year to gain more access to commercial customers continued to perform well. Water Server which purifies tap water to eliminate the need for bottled water and Fragrance Dome (fragrant urinal bowl scale preventing cleaner) contributed to sales. Duskin started renting of an air purifier, Clear Kukan-M in January, which also contributed to sales.

In the technical services, equipment and chemical sales to franchisees decreased but loyalty fees increased due to higher customer-level sales of air conditioner cleaning and housekeeping services. Home Repair Service, which we started in this fiscal year to provide wall and floor repair services in some areas, contributed to sales growth.

As a result, total sales of technical services were higher than in the previous year. In other businesses in the Clean & Care Group, Rent All achieved steady sales growth because rental services for event-related items, and assisted-living and health care products performed well. Uniform Service (Uniform Service Division and Chugai Sangyo Co., Ltd.) and cosmetic-related businesses (Health & Beauty Division, Azare Products Co., Ltd., and Kyowa Cosmetics, Co., Ltd.) recorded higher sales than one year earlier. Home Instead, which provides senior care services, posted lower sales due to the cancellation of a large account at its company-owned office.

2) Food Group

Mister Donut, the core business in this segment, posted lower customer-level sales, which led to a decrease in royalty fees and raw material sales to franchisees. Total Food Group sales were 40,151 million yen, a 3,855 million yen (8.8%) decrease from one year earlier. While losses were recorded due to the lower sales, the cost ratio improved significantly because of cost reductions for purchasing and disposal of raw materials. As a result, operating loss was 684 million yen, a 784 million yen improvement from one year earlier.

(millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017	Increase/decrease	
				%
Sales	44,007	40,151	-3,855	-8.8
Operating profit	-1,469	-684	784	—

Following the launches of Croissant Muffin in the first quarter, Halloween Donut in the second quarter, and Christmas donuts in the third quarter, Mister Donut continued to release new items for specific seasons and for popular events. In the fourth quarter when demand for chocolate products rises around St. Valentine's Day, Baked Marshmallow Chocolate, and Chocolate Danish were released. Mister Donut continued its efforts to reflect the feedback of customers, including the feedback received at MISDO Fan Meetings, in the development and sale of products. At the Dream Donut Fair, Mister Donut sells popular donut items for a limited period which are newly arranged based on customers' ideas. Another initiative is to respond to the growing health consciousness among consumers regarding caffeine and fat. Mister Donut started sales of low-caffeine coffee, using green coffee beans with caffeine reduced by 97%. Mister Donut also started sales of Oil Cut Donuts which contain 40% less fat than the average fat per 100g of five items: Pon De Ring, Honey Dip, Old Fashion, Chocolate and French Cruller.

Mister Donut continued its promotional efforts, including campaigns with other companies. In September, Mister Donut collaborated with Daio Paper Corporation to offer a free donut in exchange for a coupon printed on the packages of Elleair Tissue and other designated Elleair products. Mister Donut participated in the SoftBank SUPER FRIDAY campaign, in which special coupons valid on Fridays are distributed to all SoftBank smart phone users. However, other sales promotions for new products were not appealing enough for customers to visit Mister Donut shops. As a result, sales of existing shops were lower than one year earlier. The total number of shops decreased due to closures of underperforming locations. As a result, total customer-level sales were lower than one year earlier.

This year, Mister Donut is working on medium-to-long-term brand rebuilding measures and implementing renovations to create a new concept store-V/21. In November, Mister Donut announced its new business policy with a focus on future shop development and price revisions. Prices of some popular items were revised so that a wider range of customers can always enjoy our donuts. We developed Mister Donut to go, a takeout-only store suitable for convenient locations for customers such as shopping buildings and areas near railway stations. In the locations with higher “eat-in” demand, we opened Mister Donut Cafés that serve light meals such as bakery items and pastas, and café latte and espresso. We implemented our initiatives to achieve a recovery in sales and rebuild the Mister Donut brand.

Other food businesses posted higher sales than one year earlier while Café Du Monde posted lower sales due to the smaller number of shops. Pie Face, a specialty pie store, the Chiffon & Spoon, a specialty chiffon cake shop, Katsu & Katsu, a pork cutlet specialty restaurant, and Bakery Factory, a large suburban bakery shop recorded higher sales mainly due to an increase in the number of locations. Hachiya Dairy Products, a consolidated subsidiary, posted higher sales due to orders for in-house production for Mister Donut items and increased orders from other companies.

The Don Co., Ltd. a consolidated subsidiary operating a seafood donburi chain, was sold to Fujio Food System Co., Ltd., with all shares transferred on November 30, 2016.

3) Other Businesses

During the fiscal year, the yen continued to be stronger than in the previous year. At Duskin Hong Kong, which procures raw materials and equipment, sales decreased due to the smaller volume of paper towels. Total sales of overseas businesses were lower than one year earlier.

The purchase of additional stock of Mister Donut Shanghai Co., Ltd. made this company a consolidated subsidiary in August 2015, which contributed to sales in overseas businesses. Duskin Shanghai Co., Ltd., which operates Clean & Care Businesses in Shanghai, China continued to perform well. Among businesses in Japan, Duskin Kyoeki, a leasing and insurance company, posted lower sales than one year earlier. Duskin Healthcare, which provides management services to medical facilities, recorded higher sales. As a result, Other Businesses recorded sales of 11,192 million yen, a 187 million yen (1.7%) increase from one year earlier. Operating loss decreased at overseas subsidiaries. Duskin Kyoeki and Duskin Health Care recorded higher income. As a result, Other Businesses recorded a 114 million yen operating profit, a 317 million yen improvement from the previous year.

(millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017	Increase/decrease	
				%
Sales	11,004	11,192	187	1.7
Operating profit	-202	114	317	—

Clean & Care Businesses posted higher customer-level sales than one year earlier in Taiwan, Shanghai, China and South Korea. Mister Donut recorded higher sales from one year earlier in Taiwan, the Philippines and Indonesia while customer-level sales decreased in Shanghai, Thailand and Malaysia.

Segment sales figures do not include consumption tax.

(2) Financial position

a. Current assets

As of March 31, 2017, current assets amounted to 62,021 million yen, a 1,238 million yen decrease compared to the previous fiscal year. This is mainly attributable to a 2,193 million yen increase in cash and deposits and a 3,509 decrease in short-term marketable securities.

b. Non-current assets

Non-current assets totaled 128,095 million yen at the end of the fiscal year, a 1,033 million yen increase compared to the previous fiscal year. This is mainly due to a 1,133 million yen decrease in buildings and structures and a 2,371 million yen increase in investment securities.

c. Current liabilities

Current liabilities amounted to 34,603 million yen, a 2,674 million yen increase compared to the previous fiscal year. This is mainly due to a 1,924 million yen increase in accrued income taxes and a 525 million yen increase in accounts payable-other.

d. Non-current liabilities

Non-current liabilities totaled 13,403 million yen at the end of the fiscal year, a 1,340 million yen decrease from the previous fiscal year. This is due to a 1,385 million decrease in net defined benefit liability.

e. Net assets

Net assets totaled 142,108 million yen at the end of the fiscal year, a 1,539 million yen decrease from the previous fiscal year. This is mainly due to a 1,820 million yen increase in remeasurements of defined benefit plans, a 2,577 million yen decrease in retained earnings resulting from profit attributable to owners of parent of 4,318 million yen less 2,204 million yen paid out in dividends and cancellation of treasury stock of 4,691 million yen, and a 707 million yen decrease in valuation difference on available-for-sale securities.

(3) Cash flows

Cash and cash equivalents (Cash) at the end of the fiscal year totaled 27,902 million yen, a 5,398 million yen increase from 22,503 million yen at the end of the previous fiscal year.

a. Cash flow from operating activities

Cash inflows from operating activities amounted to 15,803 million yen (11,199 million yen in the previous fiscal year). Income before income taxes totaled 6,610 million yen, while depreciation of 6,955 million yen, impairment loss of 1,297 million yen and increase in net defined benefit liability of 1,238 million yen were recorded.

b. Cash flow from investing activities

Net cash used by investing activities totaled 3,565 million yen, (2,826 million yen used in the previous fiscal year). This is mainly due to sale and redemption of marketable securities and investment securities with a value of 36,147 million yen, purchase of marketable securities and investment securities with a value of 31,912 million yen and purchase of property, plant and equipment with a value of 4,363 million yen.

c. Cash flow from financing activities

Net cash used in financing activities amounted to 6,800 million yen (12,952 million yen used in the previous year). This is due to the purchase of treasury shares of 4,417 million yen and the dividend payment of 2,210 million yen.

(4) Cash flow related indicators

A summary of cash flow related indicators is presented below.

	Mar. 2014	Mar. 2015	Mar. 2016	Mar. 2017
Equity ratio (%)	74.3	77.6	75.0	74.5
Equity ratio at market price (%)	60.1	63.5	59.0	68.3
Interest-bearing debt to CF ratio (years)	0.0	0.0	0.0	0.0
Interest coverage ratio	3,790.7	5,213.5	43,306.0	15,141.2

(Notes)

1. These indicators are calculated using the following formulas based on consolidated figures.
   Equity ratio: Net worth (net assets – non-controlling interests)/Total assets
   Equity ratio at market price: Current aggregate value of shares/Total assets
   Interest-bearing debt to CF ratio: Interest - bearing debt/Cash flows from operating activities
   Interest coverage ratio: Cash flows from operating activities/Interest expenses
2. The current aggregate value of shares is calculated based on the number of shares outstanding at fiscal year-end, excluding treasury shares.
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 recorded in the consolidated statement of financial position.
5. Interest expenses in the consolidated statements of cash flows are used for the interest expenses.

(5) Outlook

In FY2017, which is the final year of Medium-term Management Policy 2015, we will continue to steadily implement basic strategies and focused measures in accordance with our basic management policy in order to enhance our corporate value from a medium-to-long-term perspective.

At Clean & Care Group, we will continue our efforts to reinforce customer contacts. Through sales promotion of our Custom-made mats, and the Robot Cleaner SiRo rental service that we start nationwide in April 2017, Clean & Care Group expects higher sales. Mister Donut, the core business of Food Group, announced its new business policy in November. In line with this policy, Mister Donut is implementing renovations to create new concept stores and opening shops in the areas and locations where Mister Donut does not yet have a presence. Mister Donut will continue to develop new product that give a reason to visit shops. Product development activities are focused on responding to the growing health consciousness among consumers and using “misdo meets" to offer new value in collaboration with companies with state-of-the art technology and high quality materials. Another priority is the promotion of popular items with revised prices. Through these initiatives, Mister Donut plans to increase sales. Big Apple, the largest donut chain in Malaysia, which Duskin acquired and made a subsidiary during FY2016, is expected to contribute to sales. Therefore, we expect a 1.9% increase in consolidated sales from one year earlier.

While costs are expected to climb due to investment for new items for rent, higher operating and ordinary profits are expected due to an increase in gross profit resulting from higher sales and lower expenses for retirement benefits. A decrease in impairment loss for non-current assets is also expected. Therefore, profit attributable to owners of parent is expected to be higher.

(Consolidated) (millions of yen, %)

	Year ending March 31, 2018 (forecast)			Year ended March 31, 2017 (actual)	
		%	change (%)		%
Sales	165,000	100.0	1.9	161,880	100.0
Operating profit	6,600	4.0	8.7	6,069	3.7
Ordinary profit	8,000	4.8	5.9	7,554	4.7
Profit attributable to owners of parent	4,700	2.8	8.8	4,318	2.7

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

	Year ending March 31, 2018 (forecast)			Year ended March 31, 2017 (actual)	
		%	change (%)		%
Sales	137,000	100.0	2.1	134,245	100.0
Operating profit	4,500	3.3	10.6	4,069	3.0
Ordinary profit	6,800	5.0	5.0	6,478	4.8
Profit attributable to owners of parent	4,200	3.1	12.8	3,723	2.8

(Note) This forecast is based on projections and assumptions made using information available at the time of the announcement. These projections and assumptions are subject to the uncertainties inherent in future business operations. Actual results may differ materially, depending on various factors.

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

Duskin follows a policy on dividends intended to meet shareholders' expectations for the long term by placing priority on returning profits to shareholders through a steady and continuous dividend distribution for each fiscal year, while securing the internal reserves necessary for profitable operating results, future business development and maintaining sound management. Duskin plans to distribute a dividend in accordance with the basic policy to meet expectations of our shareholders on a long term basis.

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

Duskin plans to pay a year-end dividend of 20 yen per share for FY2016. An interim dividend of 20 yen was paid. The full-year dividend will be 40 yen per share.

For FY2017, Duskin plans to pay an interim dividend of 20 yen per share, and a year-end dividend of 20 yen per share for a total of 40 yen.

2. Management guidelines

(1) Management guidelines and medium-to-long-term business plan

Management guidelines and medium-to-long term Business Plan are omitted because there have been no significant changes since the announcement made in the earnings announcement dated May 15, 2015. This earnings announcement can be viewed on the following websites.

Duskin website:

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

Tokyo Stock Exchange website: Search service of listed companies

http://www2.tse.or.jp/tseHpFront/JJK010010Action.do

(2) Financial goals

The financial goals for FY2017, the final year of Medium-term Management Policy 2015 are presented on page 8. Outlook.

(3) Key initiatives

We must respond promptly to increasingly diversifying consumer needs and preferences and changes in household composition, two key trends in our business climate. Instead of conventional one-size-fits-all services, we need to provide solutions tailored to meet customers' different motivations and needs at different stages of life. We need to redouble our efforts to unite all Duskin businesses to serve our customers in a more effective and hospitable manner, and thereby implement our ONE DUSKIN Plan.

Japan's Plan for Promoting Dynamic Engagement of All Citizens has the goals of empowering women and creating a society where "no one is forced to leave a jobs to provide nursing care." This plan creates big opportunities for Duskin. To address the growing needs for housekeeping services, we must recruit the people to provide these services and develop systems and an environment that is convenient for customers.

Our immediate challenge is to turn around the Mister Donut business which has been sluggish in recent years. We are committed to implementing the new business policy announced in November 2016 to make Mister Donut a place that customers of all generations choose to visit, and thereby turn around its performance.

It is also important to place emphasis on capital efficiency, which has been declining in recent years. We will work on ensuring the proper selection and concentration of management resources.

In FY2017, which is the final year of Medium-term Management Policy 2015, Duskin Group strives to achieve our goals and put us back on a growth track.

1) Clean & Care Group

We will rebuild our business model to help our customers who currently use only a part of our products or services, to enjoy more products and services. Since our Call Center will play a key role in this initiative, we will enhance and expand this center's capabilities involving order processing, sales and operational assistance. For our membership website, DDuet, we will continue to encourage more customers to become members. By centralizing franchisees' customer information and equipping our sales representatives with tablet computers, we will enhance our sales capabilities to offer comprehensive solutions that meet our customers' needs. Duskin and its franchisees will jointly work to reinforce sales activities for national and large companies.

Under the current environment with an increasing number of two-income households balancing work and household chores, we expect needs for housekeeping services will continue growing. As one way to support Japan's plan for the empowerment of women, we launched the Project to Accept Foreigners Conducting Housekeeping Services.

As Japan's population continues to age, Duskin will use its deep roots in communities to enhance and expand services for making life more comfortable for seniors and their family members.

2) Food Group

Competition in the sweet snack market is increasingly intense with new brands entering the market. Our highest priority is a recovery in sales of Mister Donut and we will strengthen our investment in Mister Donut. At Food Group, another challenge is to develop other food businesses that will become key elements of this group along with Mister Donut. While we continue to seek new seeds of these businesses, we need to review existing businesses and determine the potential for further growth.

Mister Donut is steadily implementing its shop renovation plans to better serve customers' different motivations to visit shops and different conditions/environments for their locations. We opened the first Mister Donut Café, a café style shop with no kitchen in November, and a Mister Donut to go a takeout-only store, to cover areas where Mister Donut does not yet have a presence. Through these efforts, we plan to optimize our store operating efficiency. For existing stores, we plan to enhance customer recognition for price revisions and to encourage more frequent visits. Our initiatives include a) new category products to meet health conscious needs, b) new forms of values through joint product development with companies with state-of-the art technology and high quality materials, and c) menu enhancement with meals, snacks and desserts to create more reasons to visit Mister Donut shops.

3) New growth

We will develop new businesses with future growth potential by making use of M&A and tie-up agreements as well as by introducing overseas brands in Japan. We will use many actions for expanding our businesses overseas regions, especially Asia, which are experiencing rapid growth.

4) Corporate governance

To ensure effective governance in accordance with the principles of Japan's Corporate Governance Code, we are dedicated to further improving our corporate governance, including information disclosure, employee education, compliance, enhanced awareness of our Code of Conduct by directors and employees, internal controls and risk management. We will thereby establish a corporate structure that can achieve sustainable growth and a medium-to-long-term improvement in corporate value.

3. Basic policies for selecting accounting standards

To facilitate comparisons of its consolidated financial statements across different fiscal years and with other companies, Duskin Group intends to prepare its consolidated financial statements based on Japanese generally accepted accounting principles (JGAAP) for the time being.

With regard to the adoption of international financial reporting standards (IFRS), Duskin intends to monitor developments in Japan and overseas, and to respond appropriately to these developments.

4. Consolidated financial statements

(1) Consolidated balance sheets

(millions of yen)

	as of March 31, 2016	as of March 31, 2017
Assets		
Current assets		
Cash and deposits	19,006	21,200
Notes and accounts receivable - trade	10,109	9,887
Lease receivables and investment assets	1,460	1,359
Securities	19,528	16,018
Merchandise and finished goods	7,590	7,388
Work in process	174	157
Raw materials and supplies	1,432	1,557
Deferred tax assets	1,473	1,719
Other	2,524	2,766
Allowance for doubtful accounts	-39	-34
Total current assets	63,260	62,021
Non-current assets		
Property, plant and equipment		
Buildings and structures	44,397	44,157
Accumulated depreciation	-25,494	-26,388
Buildings and structures, net	18,902	17,769
Machinery, equipment and vehicles	24,139	24,880
Accumulated depreciation	-17,618	-18,134
Machinery, equipment and vehicles, net	6,520	6,745
Land	23,588	23,628
Construction in progress	324	241
Other	13,100	11,903
Accumulated depreciation	-9,703	-8,955
Other, net	3,397	2,948
Total property, plant and equipment	52,733	51,334
Intangible assets		
Goodwill	305	793
Other	7,263	6,825
Total intangible assets	7,569	7,618
Investments and other assets		
Investment securities	56,608	58,979
Long-term loans receivable	8	5
Deferred tax assets	2,283	2,263
Guarantee deposits	6,408	6,304
Other	1,596	1,616
Allowance for doubtful accounts	-147	-27
Total investments and other assets	66,758	69,142
Total non-current assets	127,062	128,095
Total assets	190,322	190,116

(millions of yen)

	as of March 31, 2016	as of March 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,353	6,836
Short-term loans payable	－	78
Current portion of long-term loans payable	9	10
Income taxes payable	413	2,337
Provision for bonuses	2,876	3,255
Asset retirement obligations	8	12
Accounts payable - other	7,057	7,583
Guarantee deposit received for rental products	9,657	9,421
Other	4,552	5,069
Total current liabilities	31,929	34,603
Non-current liabilities		
Long-term loans payable	10	－
Net defined benefit liability	13,286	11,901
Asset retirement obligations	643	616
Long-term guarantee deposited	728	812
Long-term accounts payable - other	74	74
Other	0	0
Total non-current liabilities	14,744	13,403
Total liabilities	46,673	48,007
Net assets		
Shareholders' equity		
Capital stock	11,352	11,352
Capital surplus	10,835	11,086
Retained earnings	119,910	117,332
Treasury shares	-3,843	-3,568
Total shareholders' equity	138,255	136,203
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,462	7,754
Deferred gains or losses on hedges	-18	－
Foreign currency translation adjustment	-37	-120
Remeasurements of defined benefit plans	-3,934	-2,113
Total accumulated other comprehensive income	4,472	5,521
Non-controlling interests	920	384
Total net assets	143,648	142,108
Total liabilities and net assets	190,322	190,116

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

(Consolidated statements of income)

(millions of yen)

	FY2015 April 1, 2015 - March 31, 2016	FY2016 April 1, 2016 - March 31, 2017
Net sales	165,203	161,880
Cost of sales	94,740	89,204
Gross profit	70,462	72,676
Selling, general and administrative expenses	65,090	66,606
Operating profit	5,372	6,069
Non-operating income		
Interest income	571	408
Dividend income	293	325
Rent income on facilities	95	177
Commission fee	215	198
Share of profit of entities accounted for using equity method	126	171
Miscellaneous income	483	603
Total non-operating income	1,785	1,884
Non-operating expenses		
Interest expenses	0	1
Foreign exchange losses	53	7
Compensation expenses	219	48
Cancellation penalty	6	102
Commission for purchase of treasury shares	44	60
Miscellaneous loss	125	179
Total non-operating expenses	449	399
Ordinary profit	6,707	7,554
Extraordinary income		
Gain on sales of non-current assets	4	0
Gain on sales of investment securities	559	580
Gain on bargain purchase	50	—
Investment securities settlement gain	—	114
Gain on sales of shares of subsidiaries and associates	—	24
Other	14	8
Total extraordinary income	629	728
Extraordinary losses		
Loss on sales of non-current assets	12	22
Loss on abandonment of non-current assets	308	166
Impairment loss	1,165	1,297
Loss on liquidation of subsidiaries and associates	115	—
Loss on disaster	—	176
Amortization of Goodwill	79	—
Other	1	10
Total extraordinary losses	1,682	1,673
Profit before income taxes	5,655	6,610
Income taxes - current	1,645	3,051
Income taxes - deferred	1,215	-726
Total income taxes	2,860	2,325
Profit	2,794	4,285
Loss attributable to non-controlling interests	-188	-33
Profit attributable to owners of parent	2,983	4,318

(Consolidated statements of comprehensive income)

(millions of yen)

	FY2015 April 1, 2015 - March 31, 2016	FY2016 April 1, 2016 - March 31, 2017
Profit	2,794	4,285
Other comprehensive income		
Valuation difference on available-for-sale securities	2,517	-707
Deferred gains or losses on hedges	-18	18
Foreign currency translation adjustment	34	-68
Remeasurements of defined benefit plans, net of tax	-3,830	1,816
Share of other comprehensive income of entities accounted for using equity method	-95	-34
Total other comprehensive income	-1,392	1,024
Comprehensive income	1,401	5,309
Comprehensive income attributable to owners of parent	1,556	5,367
Comprehensive income attributable to non-controlling interests	-154	-57

(3) Consolidated statements of changes in net assets

FY2015 (Apr. 1, 2015 - Mar. 31, 2016)

(millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	11,352	10,841	131,115	-5,170	148,139
Cumulative effects of changes in accounting policies		-6	-32		-39
Restated balance	11,352	10,834	131,082	-5,170	148,099
Changes of items during the period					
Dividends of surplus			-2,321		-2,321
Profit attributable to owners of parent			2,983		2,983
Purchase of treasury shares				-10,506	-10,506
Disposal of treasury shares			-11,833	11,833	—
Changes in equity of the parent company related to transactions with non-controlling shareholder		0			0
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	0	-11,172	1,326	-9,844
Balance at end of current period	11,352	10,835	119,910	-3,843	138,255

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	5,944	—	32	-78	5,899	1,157	155,196
Cumulative effects of changes in accounting policies							-39
Restated balance	5,944	—	32	-78	5,899	1,157	155,156
Changes of items during the period							
Dividends of surplus							-2,321
Profit attributable to owners of parent							2,983
Purchase of treasury shares							-10,506
Disposal of treasury shares							—
Changes in equity of the parent company related to transactions with non-controlling shareholder							0
Net changes of items other than shareholders' equity	2,517	-18	-70	-3,855	-1,427	-236	-1,663
Total changes of items during the period	2,517	-18	-70	-3,855	-1,427	-236	-11,508
Balance at end of current period	8,462	-18	-37	-3,934	4,472	920	143,648

FY2016 (Apr. 1, 2016 - Mar. 31, 2017)

(millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	11,352	10,835	119,910	-3,843	138,255
Changes of items during the period					
Dividends of surplus			-2,204		-2,204
Profit attributable to owners of parent			4,318		4,318
Purchase of treasury shares				-4,417	-4,417
Disposal of treasury shares			-4,691	4,691	―
Changes in equity of the parent company related to transactions with non-controlling shareholder		251			251
Net changes of items other than shareholders' equity					
Total changes of items during the period	―	251	-2,577	274	-2,052
Balance at end of current period	11,352	11,086	117,332	-3,568	136,203

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	8,462	-18	-37	-3,934	4,472	920	143,648
Changes of items during the period							
Dividends of surplus							-2,204
Profit attributable to owners of parent							4,318
Purchase of treasury shares							-4,417
Disposal of treasury shares							―
Changes in equity of the parent company related to transactions with non-controlling shareholder							251
Net changes of items other than shareholders' equity	-707	18	-82	1,820	1,049	-536	512
Total changes of items during the period	-707	18	-82	1,820	1,049	-536	-1,539
Balance at end of current period	7,754	―	-120	-2,113	5,521	384	142,108

(4) Consolidated statements of cash flows

(millions of yen)

	FY2015 April 1, 2015 - March 31, 2016	FY2016 April 1, 2016 - March 31, 2017
Cash flows from operating activities		
Profit before income taxes	5,655	6,610
Depreciation	6,766	6,955
Amortization of goodwill	295	245
Increase (decrease) in allowance for doubtful accounts	6	-53
Bad debts expenses	1	2
Interest and dividend income	-864	-733
Interest expenses	0	1
Foreign exchange losses (gains)	2	2
Share of (profit) loss of entities accounted for using equity method	-126	-171
Loss (gain) on sales of property, plant and equipment	8	21
Loss on retirement of property, plant and equipment	148	114
Loss (gain) on sales and redemption of investment securities	-559	-580
Gain on liquidation of investment securities	—	-114
Gain on bargain purchase	-50	—
Impairment loss	1,165	1,297
Loss (gain) on liquidation of subsidiaries and associates	115	—
Loss on disaster	—	176
Decrease (increase) in notes and accounts receivable - trade	116	283
Decrease (increase) in inventories	385	122
Increase (decrease) in notes and accounts payable - trade	408	-537
Increase (decrease) in provision for bonuses	-394	380
Increase (decrease) in net defined benefit liability	-81	1,238
Increase (decrease) in accrued consumption taxes	-1,166	509
Decrease (increase) in lease investment assets	89	139
Decrease (increase) in other assets	244	397
Increase (decrease) in other liabilities	621	49
Subtotal	12,784	16,358
Interest and dividend income received	1,072	853
Interest expenses paid	-0	-1
Payments for loss on disaster	—	-167
Income taxes paid	-2,657	-1,240
Net cash provided by (used in) operating activities	11,199	15,803

(millions of yen)

	FY2015 April 1, 2015 - March 31, 2016	FY2016 April 1, 2016 - March 31, 2017
Cash flows from investing activities		
Decrease (increase) in time deposits	623	-199
Purchase of securities	-8,002	-21,502
Proceeds from sales and redemption of securities	8,000	21,500
Purchase of property, plant and equipment	-5,808	-4,363
Proceeds from sales of property, plant and equipment	30	67
Purchase of investment securities	-8,024	-10,410
Proceeds from sales and redemption of investment securities	13,086	14,647
Proceeds from liquidation of investment securities	—	117
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	-222
Proceeds from purchase of investments in capital of subsidiaries resulting in change in scope of consolidation	70	—
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	—	-41
Payments of loans receivable	-2	-3
Collection of loans receivable	7	5
Payments for lease and guarantee deposits	-322	-342
Proceeds from collection of lease and guarantee deposits	285	281
Payments for transfer of business	-93	-581
Other payments	-2,693	-2,590
Other proceeds	15	73
Net cash provided by (used in) investing activities	-2,826	-3,565
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	—	78
Repayments of long-term loans payable	-30	-9
Purchase of treasury shares	-10,506	-4,417
Cash dividends paid	-2,317	-2,210
Dividends paid to non-controlling interests	-4	-3
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-93	-237
Net cash provided by (used in) financing activities	-12,952	-6,800
Effect of exchange rate change on cash and cash equivalents	-34	-39
Net increase (decrease) in cash and cash equivalents	-4,614	5,398
Cash and cash equivalents at beginning of period	27,118	22,503
Cash and cash equivalents at end of period	22,503	27,902

(5) Notes to consolidated financial statements

(Notes relating to going concern assumption)

None

(Additional information)

(Implementation Guidance on Recoverability of Deferred Tax Assets)

Starting with FY2016, Duskin is using the revised Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26, issued March 28, 2016).

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

Clean and Care Group, with a focus on direct selling, includes rental of cleaning tools, manufacturing and sales of cosmetics, rental of cabinet towels, sales of bathroom products, rental of shop towels, rental of water-purifiers and air-purifiers, house cleaning services, housekeeping services, pest control and prevention services, tree and lawn care services, plant and facility management services, senior care services, rental and sales of travel goods, baby goods, leisure goods, health and nursing care equipment, planning, sales and rental of uniforms and sales of coffee to offices. Food Group is comprised of food service businesses that include manufacturing and sales of donuts, sales of food and beverages, operation of pork cutlet restaurants, manufacturing ice confectionery, and sales of other food and beverages.

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

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

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

3. Sales, income or losses, and assets by reportable segment

Consolidated fiscal year 2015 (April 1, 2015 through March 31, 2016)

(millions of yen)

	Clean & Care Group	Food Group	Other Businesses (Note 1)	Total	Adjustment (Note 2)	Consolidated total
Sales						
To outside customers	110,191	44,007	11,004	165,203	―	165,203
Inter-segment sales	937	9	2,600	3,547	-3,547	―
Total	111,128	44,017	13,605	168,750	-3,547	165,203
Segment income/loss	13,001	-1,469	-202	11,329	-5,957	5,372
Segment asset	73,956	13,176	19,166	106,299	84,022	190,332
Other						
Depreciation	2,966	1,208	1,723	5,898	805	6,704
Property, plant and equipment and intangible assets increase	3,265	1,641	1,488	6,396	986	7,382

Consolidated fiscal year 2016 (April 1, 2016 through March 31, 2017)

(millions of yen)

	Clean & Care Group	Food Group	Other Businesses (Note 1)	Total	Adjustment (Note 2)	Consolidated total
Sales						
To outside customers	110,537	40,151	11,192	161,880	―	161,880
Inter-segment sales	741	11	2,212	2,965	-2,965	―
Total	111,278	40,163	13,404	164,846	-2,965	161,880
Segment income/loss	13,671	-684	114	13,101	-7,031	6,069
Segment assets	75,166	11,621	19,928	106,716	83,400	190,116
Other						
Depreciation	3,265	1,220	1,573	6,059	819	6,878
Property, plant and equipment and intangible assets increase	3,582	1,283	1,458	6,323	766	7,090

(Notes)

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

2. Breakdown of the adjustment area as follows:

Sales (millions of yen)

	FY2015	FY2016
Inter-segment eliminations	-3,547	-2,965
Total	-3,547	-2,965

Segment income/loss (millions of yen)

	FY2015	FY2016
Inter-segment eliminations	49	75
Corporate expenses (Note)	-6,007	-7,107
Total	-5,957	-7,031

(Note) Corporate expenses include corporate administrative expenses.

Segment assets (millions of yen)

	FY2015	FY2016
Inter-segment eliminations	-15,829	-16,302
Corporate assets (Note)	99,852	99,702
Total	84,022	83,400

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

Depreciation (millions of yen)

	FY2015	FY2016
Inter-segment eliminations	-3	0
Corporate assets	808	819
Total	805	819

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

	FY2015	FY2016
Corporate assets	986	766
Total	986	766

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

Other related information

Consolidated fiscal year 2015 (April 1, 2015 through March 31, 2016)

1. Product and/or service segment information

(millions of yen)

	Clean & Care Group	Food Group	Other Businesses	Total
Sales to outside customers	110,191	44,007	11,004	165,203

2. Geographic segment information

(1) Net sales

Since sales to outside customers in Japan exceed 90% of net sales on the Consolidated Statements of Income, this information is omitted.

(2) Property, equipment and plant

Since the amount of property, equipment and plant in Japan exceeds 90% of the amount on the Consolidated Statements of Income and Consolidated Statements of Comprehensive Income, this information is omitted.

Consolidated fiscal year 2016 (April 1, 2016 through March 31, 2017)

1. Product and/or service segment information

(millions of yen)

	Clean & Care Group	Food Group	Other Businesses	Total
Sales to outside customers	110,537	40,151	11,192	161,880

2. Geographic segment information

(1) Net sales

Since sales to outside customers in Japan exceed 90% of net sales on the Consolidated Statements of Income, this information is omitted.

(2) Property, equipment and plant

Since the amount of property, equipment and plant in Japan exceeds 90% of the amount on the Consolidated Statements of Income and Consolidated Statements of Comprehensive Income, this information is omitted.

Impairment losses on non-current assets by reported segment

Consolidated fiscal year 2015 (April 1, 2015 through March 31, 2016)

(millions of yen)

	Clean & Care Group	Food Group	Other Businesses	Elimination or corporate	Total
Impairment loss	745	348	―	71	1,165

(Note) Elimination or corporate includes the impairment loss for corporate assets not attributable to any segment.

Consolidated fiscal year 2016 (April 1, 2016 through March 31, 2017)

(millions of yen)

	Clean & Care Group	Food Group	Other Businesses	Elimination or corporate	Total
Impairment loss	59	1,170	67	―	1,297

(Note) Elimination or corporate includes the impairment loss for corporate assets not attributable to any segment.

Amortization of goodwill and unamortized amount of goodwill by reported segment

Consolidated fiscal year 2015 (April 1, 2015 through March 31, 2016)

(millions of yen)

	Clean & Care Group	Food Group	Other Businesses	Elimination or corporate	Total
Amortization of goodwill (Note: 1)	134	160	―	―	295
Balance (Note: 2)	259	46	―	―	305

(Note 1) Amortization in FY2015 includes amortization of goodwill in extraordinary losses.

(Note 2) The balance of goodwill at the end of FY2015 includes 259 million yen of goodwill in Clean & Care Group resulting from the purchase by the Company and its subsidiaries of the business operations of several franchisees and 46 million yen of goodwill in Food Group.

Consolidated fiscal year 2016 (April 1, 2016 through March 31, 2017)

(millions of yen)

	Clean & Care Group	Food Group	Other Businesses	Elimination or corporate	Total
Amortization of Goodwill	232	12	—	—	245
Balance (Note)	579	—	214	—	793

(Note) The balance of goodwill at the end of FY2016 includes 579 million yen of goodwill in Clean & Care Group resulting from the purchase by the Company and its subsidiaries of the business operations of several franchisees and 214 million yen of goodwill in Other Businesses for Big Apple Worldwide Holdings Sdn. Bhd. which was acquired in February 2017.

Information on gain on bargain purchase by reportable segments

Consolidated fiscal year 2015 (April 1, 2015 through March 31, 2016)

Information on gain on bargain purchase by reportable segments is omitted due to its insignificance.

Consolidated fiscal year 2016 (April 1, 2016 through March 31, 2017)

None

(Per share information)

(yen)

FY2015 (April 1, 2015 - March 31, 2016)		FY2016 (April 1, 2016 - March 31, 2017)	
Net assets per share	2,569.53	Net assets per share	2,651.76
Earnings per share	52.18	Earnings per share	78.95
Fully diluted net income per share is not shown because the Company has no outstanding issues of bonds with warrants or convertible bonds.		Fully diluted net income 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.

	FY2015 (April 1, 2015 - March 31, 2016)	FY2016 (April 1, 2016 - March 31, 2017)
Profit attributable to owners of parent (millions of yen)	2,983	4,318
Amounts not attributable to common shareholders (millions of yen)	—	—
Profit attributable to common stock owners of parent (millions of yen)	2,983	4,318
Average number of common stock during the period (thousands shares)	57,176	54,693

(Important post-balance sheet events)

None

5. Others

Changes in Board Members

1) Nominee for Director

Tomoya Yoshizumi (Nominee for an Outside Director stipulated in Article 2, Item 15 of Corporation Law)

*The nominee will be submitted for approval at the Annual General Meeting of Shareholders to be held on June 22, 2017.

*Mr. Yoshizumi is qualified as Independent Director in accordance with regulations of the Tokyo Stock Exchange. Accordingly, a report will be submitted to the Tokyo Stock Exchange.

2) Exiting Director

Yukiko Yabu

*Ms. Yabu’s term will expire and she will resign as Director at the end of the Annual General Meeting of Shareholders to be held on June 22, 2017.