Summary of Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2012 (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.

October 31, 2011

Company name: Duskin Co., Ltd. Shares listed: Tokyo and Osaka
Code number: 4665 (URL http://www.duskin.co.jp/corp/index.html)
Representative: Teruji Yamamura, President & CEO
Contact: Akihisa Tsurumi, Executive Director (06) 6821-5071
Scheduled date of filing quarterly report: November 11, 2011
Scheduled date of dividend payment: -
Preparation of supplemental explanatory materials: Yes
Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts less than one million yen are dropped.)

1. Consolidated financial results for the period from April 1, 2011 to September 30, 2011

(1) Results of operation

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

	Sales		Operating income		Ordinary income		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
6 months ended Sept. 30, 2011	85,399	-2.7	4,238	-17.8	5,332	-11.7	2,866	9.2
6 months ended Sept. 30, 2010	87,800	-2.7	5,155	-20.8	6,036	-16.6	2,624	-17.5

(Note) Comprehensive income: Sept. 30, 2011: 2,901 million yen (12.3%) Sept. 30, 2010: 2,582 million yen (-%)

	Net income per share	Net income per share (fully diluted)
	yen	yen
6 months ended Sept. 30, 2011	44.34	—
6 months ended Sept. 30, 2010	39.62	—

(2) Financial position

	Total assets	Net assets	Ratio of equity to total assets
	millions of yen	millions of yen	%
As of Sept. 30, 2011	193,047	147,353	75.9
As of Mar. 31, 2011	198,876	148,565	74.3

(Reference) Shareholders' equity: Sept. 30, 2011: 146,543 million yen Mar. 31, 2011: 147,740 million yen

2. Dividends

	Dividends per share				
	End of 1st Q	End of 2nd Q	End of 3rd Q	Year-end	Total (Annual)
	yen	yen	yen	yen	yen
Year ended Mar. 31, 2011	—	0.00	—	40.00	40.00
Year ending Mar. 31, 2012	—	0.00			
Year ending Mar. 31, 2012 (Forecast)			—	40.00	40.00

(Note) Revision of forecast for dividend recently announced: None

3. Forecast of consolidated financial results for the FY2011 (April 1, 2011 - March 31, 2012)

(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
Year ending Mar. 31, 2012	172,200	-2.9	8,900	-18.6	10,800	-14.4	6,200	18.1	96.28

(Note) Revision of forecast for consolidated financial results recently announced: Yes

4. Other

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

(2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements: Yes

(Please refer to page 4, 2. Summary information (other information).)

(3) Changes in accounting principles and estimates, and retrospective restatements
1) Changes due to revision of accounting standards: None
2) Changes other than in 1): None
3) Changes in accounting estimates: None
4) Retrospective restatements: None

(4) Number of shares issued (Common stock)

1) Number of shares issued at the end of the period (including treasury stock)	6 months ended Sept. 30, 2011	67,394,823	Year ended Mar. 31, 2011	67,394,823
2) Number of treasury stock at the end of the period	6 months ended Sept. 30, 2011	2,999,114	Year ended Mar. 31, 2011	2,092,494
3) Average number of shares during the period (during the quarter)	6 months ended Sept. 30, 2011	64,648,323	6 months ended Sept. 30, 2010	66,236,654

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

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

Contents of attachment:

1. Qualitative information for the first six months ended September 30, 2011

(1) Business Results

During the first six months of FY 2011 (April 1 - September 30, 2011), Japan's economy showed signs of recovery as production activity that had stagnated because of the Great East Japan Earthquake steadily recovered. However, the outlook is still unclear due to prolonged nuclear problems, power shortage concerns and fears of a downturn in the overseas economy. The desire of consumers to cut back expenses continued to hold down personal spending.
Under these circumstances, we continued our efforts to expand our customer base by establishing a structure that enables us to promptly respond to the requests of customers, to develop products that reflects the needs of customers and markets, and to build more convenient systems for customers.
As a result, consolidated sales were 85,399 million yen, down 2.7% from one year earlier, operating income was 4,238 million yen, down 17.8%, and ordinary income was 5,332 million yen, down 11.7%. Net income was 2,866 million yen, a 9.2% increase from one year earlier, when a valuation loss on investment securities and an extraordinary loss resulting from adoption of the Accounting Standard for Asset Retirement Obligations were recorded.

a. Results by business segments

(a) Clean Group
Home Service, which provides cleaning tools and technical services to customers, continued sales activities for a New Cleaning Style that uses a floor mop and a new product called Dust Cleaner. This product, which is an electrically-powered dust box placed on the floor, makes it possible to remove dust collected by floor mops whenever dust is spotted. Customers responded positively to this new cleaning style since it not only makes daily cleaning easy, but also contributes to conserving electricity. Along with the sales activities for New Cleaning Style, the rental of a new floor mop called LaLa was initiated in western Japan in April and nationwide rental operations started in August. Sales of this new mop product increased steadily.
Technical services also recorded steady growth. Among the services rendered, orders for the air-conditioner cleaning service steadily increased as the power shortage made customers aware of the need to conserve electricity. In April, we started sales of “Duskin professional cleaning gift" (cleaning gift card). The gift card can be used on Mother's Day, Respect for the Aged Day, as a mid-summer gift or year-end gift, as a birthday gift and in other ways. As a result, Home Service posted higher sales compared with the same period in the previous year.
Business Service, which provides services in the commercial market, has focused on receiving orders from key accounts and regional chain stores by offering proposals to support customers' needs in their businesses. Included in these support services are services for clean air by utilizing Air-Purifier Deo, a floor hygiene program, and a kitchen hygiene support program that utilizes "Germ check service." However, Business Service sales decreased from one year earlier because of lower sales of mat products, the main product category of this segment, which were affected by greater emphasis on cost reductions at companies.
In other businesses in the Clean Group segment, Rent-All achieved favorable results in rental services for assisted-living and health care products while fewer events held because of voluntary restraint after the earthquake affected the sales from equipment rental for various events. As a result, Rent-All sales were the same as in the same period one year earlier. Drink Service, which supplies natural water, performed well. However, Uniform Service recorded lower sales than in the same period one year earlier.
As a result, Clean Group sales were 57,317 million yen, down 0.5% from one year earlier, and

operating income was 7,019 million yen, down 0.2%.

(b) Food Group

Aiming to increase its customer base, Mister Donut started sales of "Baked Donut" nationwide in May as Mister Donut started its 41st year. In addition, Mister Donut continued its sales promotions that emphasized its wide variety of products. Examples include summer-only donuts and drinks and "Misdo Tour of Local Specialties" with donuts that reflect the characteristics of local specialties of popular sight-seeing areas such as Osaka, Kyoto and Okinawa.

In order to increase contact with customers, a new specialized takeout shop that does not have a kitchen was opened on June 1, 2011 in Osaka (Momoyamadai Station, Kita-Osaka Kyuko Railway). On September 7, we opened our second "MOSDO" shop (Kawaramachi-dori, Kyoto) jointly with MOS Food Services, Inc. However, these activities did not offset the downturn in consumer confidence caused by the Great East Japan Earthquake. As a result, sales decreased from one year earlier.

In the other food service businesses, Katsu & Katsu and Stick Sweets Factory increased sales as they opened new units. Café Du Monde, which closed under-performing shops, and The Don, a seafood donburi chain, posted lower sales from one year earlier.

As a result, the Food Group posted sales of 22,970 million yen, down 7.6%, and operating income of 716 million yen, down 57.0%.

(c) Other Businesses

At Duskin Healthcare, which provides management services to medical facilities, the number of customers increased but sales remained the same as one year earlier due to lower unit prices.

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

The overseas dust control business and Mister Donut business performed well and continued their business development initiatives in existing markets. On August 22, 2011, Mister Donut opened its first shop in Malaysia, the Jusco Bandar Utama shop, making Malaysia the sixth foreign market that Mister Donut has entered.

As a result, Other Businesses recorded sales of 5,111 million yen, down 4.2 % from the previous year, and operating income of 172 million yen, up 327.2 %.

Segment sales figures do not include consumption tax.

(2) Financial position

At the end of the first six months of fiscal 2011, total assets were 193,047 million yen, a 5,829 million yen decrease from the end of the previous year. This was due mainly to a 2,426 million yen decrease in investment securities and a 2,788 million yen decrease in cash and deposits.

Total liabilities were 45,693 million yen, a 4,617 million yen decrease due mainly to a 1,108 million yen decline in income taxes payable, an 888 million yen decrease in accounts payable-trade, and a 671 million yen decrease in allowance for disaster losses.

Net assets totaled 147,353million yen, a 1,211 million yen decrease from the end of the previous fiscal year. This was due to a 254 million yen increase in retained earnings resulting from second quarter net income of 2,866 million yen and 2,612 million yen of dividend payments, and a decrease of 1,445 million yen as a result of the purchase of treasury stock.

(3) Forecast

As announced in the "Forecast Revision for the Fiscal Year Ending March 31, 2012" on October 31, 2011, the full-year forecast was revised from the previous forecast announced on May 13, 2011. The details are as follows.

1) Revision of consolidated forecast for the fiscal year ending March 31, 2012 (April 1, 2011 - March 31, 2012)

	Sales millions of yen	Operating income millions of yen	Ordinary income millions of yen	Net income millions of yen	Net income per share yen
Previous forecast (A)	179,200	8,900	10,800	6,200	94.94
Revised forecast (B)	172,200	8,900	10,800	6,200	96.28
Change (B-A)	-7,000	—	—	—	—
Rate of change (%)	-3.9	—	—	—	—
(For reference) Results of FY 2010	177,320	10,937	12,613	5,248	79.39

2) Revision of non-consolidated forecast for the fiscal year ending March 31, 2012 (April 1, 2011 - March 31, 2012)

	Sales millions of yen	Operating income millions of yen	Ordinary income millions of yen	Net income millions of yen	Net income per share yen
Previous forecast (A)	157,500	6,800	9,800	5,600	85.75
Revised forecast (B)	150,500	6,800	9,800	5,600	86.96
Change (B-A)	-7,000	—	—	—	—
Rate of change (%)	-4.4	—	—	—	—
(For reference) Results of FY 2010	155,150	8,256	10,826	4,615	69.80

2. Summary Information (Other information)

(1) Changes in significant subsidiaries during the period

None

(2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements

Calculation of tax expenses
To determine tax expenses for consolidated subsidiaries, a reasonable estimate is made for the effective tax rate after the application of deferred tax accounting for net income before income taxes for the fiscal year, including the first six months. Tax expenses for consolidated subsidiaries are then calculated by multiplying quarterly net income before income taxes by this estimated effective tax rate.

(3) Changes in accounting principles and estimates, and retrospective restatements

None

3. Consolidated financial statements

(1) Consolidated balance sheets

(millions of yen)

	as of March 31, 2011	as of September 30, 2011
ASSETS		
Current assets		
Cash and deposits	18,733	15,944
Notes and accounts receivable-trade	12,353	11,124
Lease investment assets	1,864	1,912
Marketable securities	13,017	13,464
Merchandise and finished goods	6,297	7,002
Work in process	155	254
Raw materials and supplies	1,956	1,867
Deferred tax assets	2,982	2,570
Other	3,065	2,914
Allowance for doubtful accounts	-63	-43
Total current assets	60,364	57,012
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	41,099	41,083
Accumulated depreciation	-22,376	-22,835
Buildings and structures, net	18,722	18,248
Machinery, equipment and vehicles	21,680	21,574
Accumulated depreciation	-15,130	-15,312
Machinery, equipment and vehicles, net	6,550	6,261
Land	23,818	23,818
Construction in progress	142	287
Other	12,207	12,183
Accumulated depreciation	-8,051	-8,387
Other, net	4,155	3,796
Total property, plant and equipment	53,389	52,413
Intangible assets		
Goodwill	294	289
Other	6,485	7,539
Total intangible assets	6,779	7,829
Investments and other assets		
Investment securities	59,955	57,529
Long-term loans receivable	115	111
Deferred tax assets	8,417	8,342
Guarantee deposits	8,735	8,476
Other	1,334	1,543
Allowance for doubtful accounts	-214	-211
Total investments and other assets	78,343	75,792
Total noncurrent assets	138,512	136,034
Total assets	198,876	193,047

(millions of yen)

	as of March 31, 2011	as of September 30, 2011
LIABILITIES		
Current liabilities		
Accounts payable-trade	7,322	6,433
Current portion of long-term loans payable	116	101
Income taxes payable	2,651	1,543
Provision for bonuses	3,542	3,207
Reserve for point card certificates	506	481
Allowance for disaster loss	671	—
Asset retirement obligations	254	245
Accounts payable-other	6,962	6,663
Guarantee deposit received for rental products	10,792	10,574
Other	4,615	3,285
Total current liabilities	37,436	32,537
Noncurrent liabilities		
Long-term loans payable	245	198
Provision for retirement benefits	11,112	11,567
Provision for loss on guarantees	117	80
Asset retirement obligations	398	382
Long-term guarantee deposited	833	856
Long-term accounts payable-other	140	63
Negative goodwill	17	—
Other	8	7
Total noncurrent liabilities	12,874	13,155
Total liabilities	50,311	45,693
NET ASSETS		
Shareholders' equity		
Capital stock	11,352	11,352
Capital surplus	13,076	13,076
Retained earnings	129,619	129,873
Treasury stock	-3,301	-4,746
Total shareholders' equity	150,747	149,556
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-2,528	-2,539
Deferred gains or losses on hedges	-1	-17
Foreign currency translation adjustment	-477	-456
Total accumulated other comprehensive income	-3,007	-3,013
Minority interests	825	810
Total net assets	148,565	147,353
Total liabilities and net assets	198,876	193,047

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

Consolidated statements of income

(millions of yen)

	Six months April 1, 2010 - September 30, 2010	Six months April 1, 2011 - September 30, 2011
Net sales	87,800	85,399
Cost of sales	47,991	47,410
Gross profit	39,809	37,989
Selling, general and administrative expenses	34,653	33,751
Operating income	5,155	4,238
Non-operating income		
Interest income	420	446
Dividends income	140	145
Rent income on facilities	62	63
Commission fee	151	145
Amortization of negative goodwill	2	17
Equity in earnings of affiliates	14	41
Gain on transfer of goodwill	27	72
Miscellaneous income	267	319
Total non-operating income	1,086	1,250
Non-operating expenses		
Interest expenses	36	3
Foreign exchange losses	24	20
Loss on cancellation of leasehold contracts	46	76
Miscellaneous loss	99	55
Total non-operating expenses	205	156
Ordinary income	6,036	5,332
Extraordinary income		
Gain on sales of noncurrent assets	6	0
Gain on sales of investment securities	—	130
Gain on negative goodwill	—	0
Reversal of allowance for doubtful accounts	18	24
Reversal of provision for loss on guarantees	22	—
Other	19	3
Total extraordinary income	67	158
Extraordinary loss		
Loss on sales of noncurrent assets	17	4
Loss on abandonment of noncurrent assets	117	53
Impairment loss	20	71
Loss on valuation of investment securities	794	0
Loss on disaster	—	280
Loss on adjustment for changes of accounting standard for asset retirement obligations	491	—
Other	139	18
Total extraordinary losses	1,581	428
Income before income taxes and minority interests	4,522	5,061
Income taxes	1,889	2,167
Income before minority interests	2,632	2,894
Minority interests in income	8	28
Net income	2,624	2,866

Consolidated statements of comprehensive income

(millions of yen)

	Six months April 1, 2010 - September 30, 2010	Six months April 1, 2011 - September 30, 2011
Income before minority interests	2,632	2,894
Other comprehensive income		
Valuation difference on available-for-sale securities	38	-10
Deferred gains or losses on hedges	―	-15
Foreign currency translation adjustment	-60	30
Share of other comprehensive income of associates accounted for using equity method	-28	2
Total other comprehensive income	-50	6
Comprehensive income	2,582	2,901
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,597	2,860
Comprehensive income attributable to minority interests	-15	40

(3) Notes relating to going concern assumption
None

(4) Segment information

I Six-month period (April 1, 2010- September 30, 2010)

1. Sales, profit/loss by business segment

(millions of yen)

	Clean Group	Food Group	Other Businesses (Note: 1)	Total	Adjustment (Note: 2)	Consolidated total (Note: 3)
Sales						
To outside customers	57,611	24,850	5,338	87,800	—	87,800
Inter-segment sales	411	42	1,252	1,705	-1,705	—
Total	58,022	24,892	6,590	89,505	-1,705	87,800
Segment income	7,032	1,666	40	8,739	-3,584	5,155

(Notes)

1. Other Businesses are comprised of the businesses that are not categorized in reportable business segments, including hospital management services, office equipment and vehicle leasing, insurance agent services, and overseas businesses.
2. Segment income adjustments of -3,584 million yen include a 21 million yen elimination for inter-segment sales and transfers and -3,605 million yen of corporate expenses that cannot be allocated to a particular business segment.
3. Segment income has been adjusted for consistency with operating income that is shown in the consolidated statements of income.
4. Effective from the first quarter that ended on June 30, 2010, the Company adopted "Accounting Standard for Asset Retirement Obligations" (ASBJ statement No. 18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008).
   As a result of this change, Clean Group segment income decreased 7 million yen and Food Group segment income decreased 9 million yen in the second quarter that ended on September 30, 2010.
5. Starting with the first quarter that ended on June 30, 2010, the Company and some of its subsidiaries are recording the income and expenses for system use and rental of machines and equipment for franchisees as sales, cost of sales and selling, general and administrative expenses.
   As a result of this change, Clean Group sales and segment income increased 431 million yen and 248 million yen respectively, and Food Group sales and segment income increased 624 million yen and 481 million yen respectively, and Other Businesses segment income decreased 146 million yen.

2. Impairment loss of noncurrent assets or goodwill by business segment
(Significant impairment loss on noncurrent assets)
None

(Significant change in the amount of goodwill)
There were no significant events that significantly affected the amount of goodwill during the second quarter ended September 30, 2010.
The amortization of goodwill during the second quarter and the balance of goodwill at the end of second quarter are as follows:

(millions of yen)

	Clean Group	Food Group	Other Businesses	Elimination or corporate	Consolidated total
Amortization - Goodwill	70	1	0	—	72
Balance (Note)	321	12	13	—	346

(Note) Balance at the end of the second quarter includes 171 million yen of goodwill of Ami Corporation, which was acquired in July 2008 (currently integrated into Duskin Serve Tohoku) by Clean Group, and 115 million yen of goodwill resulting from the purchase by the Company of the business operations of several franchisees in the Clean Group.

(Significant gains on negative goodwill)
None

II Six-month period (April 1, 2011- September 30, 2011)

1. Sales, profit/loss by business segment

(millions of yen)

	Clean Group	Food Group	Other Businesses (Note: 1)	Total	Adjustment (Note: 2)	Consolidated total (Note: 3)
Sales						
To outside customers	57,317	22,970	5,111	85,399	—	85,399
Inter-segment sales	437	2	1,191	1,631	-1,631	—
Total	57,755	22,973	6,302	87,031	-1,631	85,399
Segment income	7,019	716	172	7,908	-3,670	4,238

(Notes)

1. Other Businesses are comprised of the businesses that are not categorized in reportable business segments, including hospital management services, office equipment and vehicle leasing, insurance agent services, and overseas businesses.
2. Segment income adjustments of -3,670 million yen include a -26 million yen elimination for inter-segment sales and transfers and -3,643 million yen of corporate expenses that cannot be allocated to a particular business segment.
3. Segment income has been adjusted for consistency with operating income that is shown in the consolidated statements of income.

2. Impairment loss of noncurrent assets or goodwill by business segment

(Significant impairment loss on noncurrent assets)

None

(Significant change on the amount of goodwill)

There were no significant events that significantly affected the amount of goodwill during the second quarter ended September 30, 2011.

The amortization of goodwill during the second quarter and the balance of goodwill at the end of second quarter are as follows:

(millions of yen)

	Clean Group	Food Group	Other Businesses	Elimination or corporate	Consolidated total
Amortization - Goodwill	65	1	1	—	67
Balance (Note)	267	9	11	—	289

(Note) Balance at the end of the second quarter includes 109 million yen of goodwill of Ami Corporation, which was acquired in July 2008 (currently integrated into Duskin Serve Tohoku) at Clean Group, and 116 million yen of goodwill resulting from the purchase by the Company of the business operations of several franchisees in the Clean Group.

(Significant gains on negative goodwill)

None

(5) Notes on significant changes in shareholders' equity

None