Summary of Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2013 (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.

July 30, 2012

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 Phone: (06) 6821-5071
Scheduled date of filing quarterly report: August 10, 2012
Scheduled date of dividend payment: -
Preparation of supplemental explanatory materials: No
Holding of quarterly financial results meeting: No

(Amounts less than one million yen are dropped.)

1. Consolidated financial results for the period from April 1, 2012 to June 30, 2012

(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	%
3 months ended Jun. 30, 2012	40,635	-5.3	2,526	2.8	3,187	2.0	948	-44.0
3 months ended Jun. 30, 2011	42,909	-2.4	2,458	-13.0	3,125	-6.3	1,692	96.1

(Note) Comprehensive income: Jun. 30, 2012: 1,189 million yen (-37.5%) Jun. 30, 2011: 1,903 million yen (98.4%)

	Net income per share	Net income per share (fully diluted)
	yen	yen
3 months ended Jun. 30, 2012	14.75	—
3 months ended Jun. 30, 2011	26.11	—

(2) Financial position

	Total assets	Net assets	Ratio of equity to total assets
	millions of yen	millions of yen	%
As of Jun. 30, 2012	193,121	148,208	76.3
As of Mar. 31, 2012	197,316	149,604	75.4

(Reference) Shareholders' equity: Jun. 30, 2012: 147,350 million yen Mar. 31, 2012: 148,781 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, 2012	—	0.00	—	40.00	40.00
Year ending Mar. 31, 2013	—				
Year ending Mar. 31, 2013 (Forecast)		20.00	—	20.00	40.00

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

3. Forecast of consolidated financial results for the FY2012 (April 1, 2012 - March 31, 2013)

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

	Sales		Operating income		Ordinary income		Net income		Net income per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
6 months ending Sept. 30, 2012	85,000	-0.5	4,200	-0.9	5,300	-0.6	2,700	-5.8	42.00
Year ending Mar. 31, 2013	175,000	2.3	9,200	-6.5	11,200	-3.5	6,200	35.3	96.44

(Note) Revision of forecast for consolidated financial results recently announced: None

***Notes**

(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 1) above: 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)	3 months ended Jun. 30, 2012	66,294,823	Year ended Mar. 31, 2012	66,294,823
2)	Number of treasury stock at the end of the period	3 months ended Jun. 30, 2012	2,009,389	Year ended Mar. 31, 2012	2,009,339
3)	Average number of shares during the period (during the quarter)	3 months ended Jun. 30, 2012	64,285,447	3 months ended Jun. 30, 2011	64,837,742

* 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 three months ended on June 30, 2012

(1) Business results

In the first quarter ended June 30, 2012 (April 1 - June 30, 2012), Japan's economy saw some signs of recovery due to the increasing demand associated with reconstruction and restoration from the damages caused by the Great East Japan Earthquake. However, the recovery continued to be slow due to the unclear economic outlook because of the European debt crisis and electric power shortage in Japan.

We have just started our new Medium-term Management Policy that focuses on business system innovation and its swift implementation. Consolidated sales were 40,635 million yen, down 5.3% from one year earlier, operating income was 2,526 million yen, up 2.8% and ordinary income was 3,187 million yen, up 2.0%. Net income was 948 million yen, a 44.0 decrease from one year earlier. This was mainly due to a 1,019 million yen loss on valuation of investment securities.

＜Results by business segments＞

1. Clean & Care Group

Clean & Care Business, which provides cleaning tools and technical services to customers, focused its sales activities on promoting a New Cleaning Style in the residential market. This cleaning style uses the LaLa floor mop and Dust Cleaner, an electrically-powered dust box placed on the floor, to make it possible to easily remove dust collected by floor mops whenever dust is spotted. This cleaning style and the products were promoted through demonstrations at shopping malls. While sales of Dust Cleaner steadily increased as well as floor mop rentals, sales of handy mops decreased. Sales of accessories for LaLa mops, which take place in the beginning of the rental service, decreased significantly, compared with the previous year when LaLa was introduced. Total sales of mop products were lower than one year earlier. Among technical services, orders for the air-conditioner cleaning service and housekeeping service steadily increased, and sales were higher than in the same period of the previous year. However, total sales of the residential market were lower than one year earlier.

In the commercial market, our business climate remained difficult since companies continued their cost reduction efforts. As a result, total sales of the commercial market were lower than in the same period of the previous year. However, Clean & Care Group continued its sales activities to offer comprehensive solutions tailored to customer needs, by combining the rental of cleaning tools with a cleaning service, pest control service and hygiene control services. Our diligent sales activities gradually yielded positive results, that helped stem declining rate of sales of our core mat products. Among technical services, facility management service recorded lower sales, but other services posted steady growth. As a result, technical service sales remained the same as one year earlier.

Among other businesses in Clean & Care Group, Health & Beauty recorded a favorable performance for skin care product sales. Rent All achieved higher sales from one year earlier due to strong performance by rental services for assisted-living and health care products. Home Instead, which provides senior care beyond the nursing care insurance program recorded an increase in the number of clients and a decrease in the average invoice. Uniform Service recorded steady growth in uniform cleaning sales. Sales of both businesses remained the same as in the same period of the previous year.

As a result, sales of Clean & Care Group totaled 27,112 million yen, down 4.8% from one year earlier, and operating income was 3,525 million yen, a 1 million yen decrease from one year earlier.

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 900 million yen decrease in sales during the first quarter. Compared with the performance in the same period of the previous year under the same conditions, sales were actually 400 million yen lower, a 1.5% decrease. There was no impact on operating income due to this contract revision.

2. Food Group

Mister Donut focused on improving taste of regular products, which many customers have enjoyed for a long time, as well as introducing products that can draw customers' attention. Included in these products are revivals of popular items such as Angel-Teddy cake, Komeko (rice flour) donuts, Old Fashion Matcha, the new release of Ginger Ring, Oekaki donuts, a set of a shell donut and a chocolate pen to create an original donut released on Mother's Day, and scones introduced in this year of the Olympics.

Among its marketing initiative, Mister Donut collaborated with Japan Air Lines for a campaign for a direct flight between Tokyo and Boston, where Mister Donut originated. As a communication tool with customers, Mister Donut opened its official corporate page in Facebook, where the number of users has been increasing. Mister Donut opened a new shop, called Pon de Lion Park with a theme based on the Mister Donut original character, Pon de Lion in the large shopping mall Tokyo Solamachi that opened along with Tokyo Skytree on May 22, 2012. With this new shop, Mister Donut is experimenting with operating a shop that has a format used exclusively at a single location.

However, these initiatives did not result in a recovery in the number of customers. Mister Donut recorded lower sales than in the same period of the previous year, while income was higher from one year earlier. This is mainly due to the decrease in sales promotion expenses from the previous year when Baked Donuts were introduced.

Among other businesses in Food Group, Café Du Monde, Katsu & Katsu, Stick Sweets Factory, and The Don, a seafood donburi chain, posted lower sales from one year earlier, due to closure of under-performing shops. As a result, Food Group, posted sales of 10,891 million yen, down 7.8% from one year earlier, and operating income of 431 million yen, up 10.2%

3. Other Businesses

Duskin Healthcare, which provides management services to medical facilities, increased the number of accounts from the same period of the previous year. However, it recorded lower sales from one year earlier mainly due to a decrease in contract fees from existing accounts. At Duskin Kyoeki, a leasing company, sales were higher from one year earlier due to the replacement of system equipment at Mister Donut shops.

The overseas dust control business and Mister Donut business performed well in the existing markets and recorded higher sales than in the same period of the previous year.

As a result, Other Businesses recorded sales of 2,631 million yen, down 0.5 % from the previous year, and operating income of 185 million yen, down 40.2 %.

Segment sales figures do not include consumption tax.

(2) Financial position

At the end of the first quarter, total assets were 193,121 million yen, a 4,194 million yen decrease from the end of the previous fiscal year. This is due to a 2,588 million yen decrease in marketable securities for short-term investments and a 2,116 million yen decrease in investment in securities.

Liabilities amounted to 44,913 million yen, a 2,798 million yen decrease compared to the previous fiscal year end. This is due to a 562 million yen increase in notes and accounts payable-trade, a 1,789 million yen decrease in provision for bonuses, and a 1,574 million yen decrease in income taxes payable.

Net assets were 148,208 million yen, a 1,396 million yen decrease. This is due to a 1,623 million yen decrease in retained earnings resulting from first quarter net income of 948 million yen and 2,571 million yen in dividend payments.

(3) Forecast

No revisions have been made to the forecast for consolidated results of operations for FY2012 (April 1, 2012 - March 31, 2013) and the FY2012 first half that was announced on May 15, 2012.

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 quarter. Tax expenses are then calculated by multiplying quarterly net income before income taxes by this estimated effective tax rate.

The income tax adjustment is included in income taxes-current on the statement of income.

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

None

3. Consolidated financial statements

(1) Consolidated balance sheets

(millions of yen)

	as of March 31, 2012	as of June 30, 2012
ASSETS		
Current assets		
Cash and deposits	15,600	14,859
Notes and accounts receivable-trade	10,891	10,613
Lease investment assets	1,850	1,881
Marketable securities	18,153	15,564
Merchandise and finished goods	6,345	7,436
Work in process	195	147
Raw materials and supplies	1,456	1,822
Deferred tax assets	2,306	1,625
Other	2,675	2,943
Allowance for doubtful accounts	-72	-101
Total current assets	59,401	56,794
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	41,283	41,567
Accumulated depreciation	-23,361	-23,549
Buildings and structures, net	17,922	18,018
Machinery, equipment and vehicles	21,742	23,050
Accumulated depreciation	-15,507	-16,655
Machinery, equipment and vehicles, net	6,235	6,394
Land	23,818	24,092
Construction in progress	268	41
Other	11,881	12,575
Accumulated depreciation	-8,317	-8,500
Other, net	3,563	4,074
Total property, plant and equipment	51,809	52,622
Intangible assets		
Goodwill	200	608
Other	8,926	8,762
Total intangible assets	9,126	9,371
Investments and other assets		
Investment securities	60,816	58,700
Long-term loans receivable	45	39
Deferred tax assets	6,998	6,666
Guarantee deposits	7,876	7,690
Other	1,454	1,436
Allowance for doubtful accounts	-212	-199
Total investments and other assets	76,979	74,333
Total noncurrent assets	137,915	136,327
Total assets	197,316	193,121

(millions of yen)

	as of March 31, 2012	as of June 30, 2012
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	6,616	7,178
Current portion of long-term loans payable	94	99
Income taxes payable	1,902	327
Provision for bonuses	3,422	1,633
Provision for point card certificates	449	422
Asset retirement obligations	253	—
Accounts payable-other	6,669	6,142
Guarantee deposit received for rental products	10,634	10,523
Other	4,281	4,625
Total current liabilities	34,323	30,953
Noncurrent liabilities		
Long-term loans payable	151	163
Provision for retirement benefits	11,965	12,326
Provision for loss on guarantees	60	54
Asset retirement obligations	355	587
Long-term guarantee deposited	791	787
Long-term accounts payable-other	62	37
Other	2	2
Total noncurrent liabilities	13,388	13,959
Total liabilities	47,711	44,913
NET ASSETS		
Shareholders' equity		
Capital stock	11,352	11,352
Capital surplus	11,337	11,337
Retained earnings	131,591	129,968
Treasury stock	-3,176	-3,176
Total shareholders' equity	151,104	149,481
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-1,793	-1,673
Deferred gains or losses on hedges	3	-2
Foreign currency translation adjustment	-533	-454
Total accumulated other comprehensive income	-2,323	-2,130
Minority interests	823	857
Total net assets	149,604	148,208
Total liabilities and net assets	197,316	193,121

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

Consolidated statements of income

(millions of yen)

	Three months April 1, 2011 - June 30, 2011	Three months April 1, 2012 - June 30, 2012
Net sales	42,909	40,635
Cost of sales	23,149	22,537
Gross profit	19,760	18,098
Selling, general and administrative expenses	17,301	15,571
Operating income	2,458	2,526
Non-operating income		
Interest income	224	233
Dividends income	125	134
Rent income on facilities	37	35
Commission fee	54	55
Amortization of negative goodwill	17	—
Equity in earnings of affiliates	29	12
Gain on transfer of goodwill	72	131
Miscellaneous income	145	116
Total non-operating income	706	719
Non-operating expenses		
Interest expenses	1	1
Foreign exchange losses	9	17
Miscellaneous loss	27	39
Total non-operating expenses	39	58
Ordinary income	3,125	3,187
Extraordinary income		
Gain on sales of noncurrent assets	—	5
Gain on sales of investment securities	—	55
Other	0	8
Total extraordinary income	0	69
Extraordinary loss		
Loss on sales of noncurrent assets	1	7
Loss on abandonment of noncurrent assets	26	40
Loss on valuation of investment securities	0	1,019
Loss on disaster	115	—
Other	15	4
Total extraordinary losses	157	1,072
Income before income taxes and minority interests	2,969	2,185
Income taxes	1,214	1,208
Income before minority interests	1,754	976
Minority interests in income	62	28
Net income	1,692	948

Consolidated statements of comprehensive income

(millions of yen)

	Three months April 1, 2011 - June 30, 2011	Three months April 1, 2012 - June 30, 2012
Income before minority interests	1,754	976
Other comprehensive income		
Valuation difference on available-for-sale securities	108	120
Deferred gains or losses on hedges	-8	-6
Foreign currency translation adjustment	36	50
Share of other comprehensive income of associates accounted for using equity method	12	48
Total other comprehensive income	148	213
Comprehensive income	1,903	1,189
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,826	1,141
Comprehensive income attributable to minority interests	76	48

(3) Notes relating to going concern assumption

None

(4) Notes on significant changes in shareholders' equity

None

(5) Segment information

I Three-month period (April 1, 2011 - June 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	28,469	11,807	2,632	42,909	—	42,909
Inter-segment sales	217	1	601	820	-820	—
Total	28,686	11,809	3,233	43,729	-820	42,909
Segment income	3,527	391	310	4,228	-1,770	2,458

(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 1,770 million yen include a 14 million yen elimination for inter-segment sales and transfers and 1,756 million yen of corporate expenses that cannot be allocated to a particular business segment.
3. Segment operating income has been adjusted for consistency with operating income that is shown in the quarterly consolidated statements of income.

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 first quarter ended June 30, 2011.

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

(millions of yen)

	Clean Group	Food Group	Other Businesses	Elimination or corporate	Consolidated total
Amortization - Goodwill	31	0	0	—	33
Balance (Note)	282	10	12	—	304

(Note) The balance of goodwill at the end of the first quarter includes 125 million yen of goodwill in Clean Group for Ami Corporation, which was acquired in July 2008 (currently integrated into Duskin Serve Tohoku) and 111 million yen of goodwill in Clean Group resulting from the purchase by the Company and its subsidiaries of the business operations of several franchisees.

(Significant gains on negative goodwill)

None

II Three-month period (April 1, 2012- June 30, 2012)

1. Sales, profit/loss by business segment

(millions of yen)

	Clean & Care Group	Food Group	Other Businesses (Note: 1)	Total	Adjustment (Note: 2)	Consolidated total (Note: 3)
Sales						
To outside customers	27,112	10,891	2,631	40,635	—	40,635
Inter-segment sales	256	3	579	839	-839	—
Total	27,369	10,894	3,211	41,475	-839	40,635
Segment income	3,525	431	185	4,142	-1,615	2,526

(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 1,615 million yen include a 3 million yen elimination for inter-segment sales and transfers and 1,611 million yen of corporate expenses that cannot be allocated to a particular business segment.

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

4. Clean Group has been renamed the Clean & Care Group. This is only a name change and does not affect business segment classifications.

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)
Goodwill of 404 million yen is recorded in Food Group segment due to the acquisition of Hachiya Dairy Products Co., Ltd. as a subsidiary in May 2012. The amortization of goodwill during the three-month period ended June 30, 2012 and the balance of goodwill at the end of first quarter are as follows:

(millions of yen)

	Clean & Care Group	Food Group	Other Businesses	Elimination or corporate	Consolidated total
Amortization - Goodwill	27	0	—	—	27
Balance (Note)	204	404	—	—	608

(Note) The balance of goodwill at the end of the first quarter includes 404 million yen of goodwill in Food Group for Hachiya Dairy Products Co., Ltd., which was acquired in May 2012, 62 million yen of goodwill in Clean & Care Group for Ami Corporation, which was acquired in July 2008 (currently integrated into Duskin Serve Tohoku) and 109 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.

(Significant gains on negative goodwill)

None