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.

Summary of Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2024 (FY2023) (Japanese Standards)

November 8, 2023

Company name: Duskin Co., Ltd. Shares listed: Tokyo
Code number: 4665 URL: https://www.duskin.co.jp
Representative: Hiroyuki Okubo, Representative Director, President and CEO
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Scheduled date for release of quarterly report: November 13, 2023
Scheduled date of dividend payment commencement: December 8, 2023
Preparation of additional financial results materials: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

Amounts in the following tables are rounded down to the nearest million yen.

1. Consolidated Financial Results for the Six-Month Period from April 1, 2023 to September 30, 2023

(1) Results of operation

Percentages indicate the change against the previous fiscal year.

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
6 months ended Sept. 30, 2023	85,821	4.8	2,947	-44.4	4,104	-38.2	2,648	- 41.6
6 months ended Sept. 30, 2022	81,913	2.1	5,300	-16.5	6,640	-11.5	4,533	-12.4

Note: Comprehensive income - 6 months ended Sept. 30, 2023: 4,851 million yen (8.8%), Sept. 30, 2022: 4,459 million yen (-28.3%)

	Profit per share	Profit per share (Fully diluted)
	Yen	Yen
6 months ended Sept. 30, 2023	54.97	54.95
6 months ended Sept. 30, 2022	91.65	91.61

(2) Financial positions

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Sept. 30, 2023	195,111	152,768	78.1
As of Mar. 31, 2023	197,524	151,774	76.6

Reference: Shareholders' equity - Sept. 30, 2023: 152,358 million yen; March 31, 2023: 151,360 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, 2023	–	40.00	–	48.00	88.00
Year ending Mar. 31, 2024	–	35.00			
Year ending Mar. 31, 2024 (Forecast)			–	63.00	98.00

Notes:

1. Revision from the most recently announced dividend forecast: Yes
   Regarding revision of forecast for dividend, please refer to "Notice Concerning the 60th Anniversary Commemorative Dividend Payout (Revision of Dividend Forecast)" announced on November 8, 2023.
2. The year-end dividend (forecast) for the fiscal year ending March 31, 2024 will consist of an ordinary dividend of 43.00 yen and a commemorative dividend of 20.00 yen.

3. Forecast of Consolidated Financial Results for FY2023 (April 1, 2023 - March 31, 2024)

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

	Net 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
Year ending Mar. 31, 2024	178,700	4.8	4,500	-47.9	6,500	-42.9	4,400	-38.9	90.72

Note: Revision from the most recently announced dividend forecast: 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: None
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)

Number of shares issued (including treasury shares)	As of Sept. 30, 2023:	50,994,823	As of Mar. 31, 2023:	50,994,823
Number of treasury shares	As of Sept. 30, 2023:	2,937,950	As of Mar. 31, 2023:	2,492,646
Average number of shares outstanding during the period	6 months ended Sept. 30, 2023:	48,187,709	6 months ended Sept. 30, 2022:	49,462,496

This summary of financial statements is exempt from the audit by certified public accountants or audit corporations.

Explanation regarding the appropriate use of business forecasts
Note for the financial forecast:
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 Duskin makes no warranty as to the achievability of the forecast. Readers are advised that actual results may differ significantly from the forecast.

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1. Qualitative Information

(1) Business Results

During the first six months of fiscal 2023 (April 1 to September 30, 2023), Japan's economy gradually returned to normal under the influence of such factors as the transition in May 2023 of the coronavirus to a Category V infectious disease (as stipulated in the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases (the Infectious Diseases Control Law)) and improvements in the employment and income environment. But the future remains very unclear because of such factors as the prolonged war between Russia and Ukraine, sharply rising energy and raw material prices and downside risks such as the continuing and pronounced depreciation of the yen.

It was in this environment that we embarked on the second year of our Medium-Term Management Policy 2022 (for the three years from fiscal year ending March 31, 2023 to fiscal year ending March 31, 2025). This medium-term business strategy is Phase III and the final phase of our long-term strategy ONE DUSKIN, and we have taken some specific actions in step with the basic policy of the Medium-Term Management Policy 2022. The Direct Selling Group began the full-scale attaching of RFID electronic tags to mats and mops as part of its effort that began in the previous fiscal year to establish a sustainable laundering and distribution system. In the Clean Service business (rental and sale of dust control and other products), we are in the process of setting up sales teams specializing in sales visits to households — the effectiveness of which was verified at company-owned sales offices and by affiliated companies during the previous year — at our franchisee locations. The Food Group began delivery service through Uber Eats and Wolt as part of its effort to further enhance the Mister Donut customer experience (CX). And in addition to these efforts, to help promote local industries through the creation of new businesses and other business development, and to contribute to bolstering the economy and securing employment in the Kansai region, Duskin is investing in the Kansai Innovation Network No. 2 Investment Limited Partnership managed by Senshu Ikeda Capital Co., Ltd. We also focused on initiatives to reduce CO_2 emissions, including the launch of a practical test to switch our sales fleet to electric vehicles.

Consolidated net sales for the first six months of fiscal 2023 increased 3,908 million yen (4.8%) year-over-year to 85,821 million yen. Higher sales in the Food Group contributed to this result, despite lower sales in the Direct Selling Group and Other Businesses. In terms of profit, consolidated operating profit decreased 2,352 million yen (44.4%) year-over-year to 2,947 million yen, consolidated ordinary profit decreased 2,536 million yen (38.2%) to 4,104 million yen, and profit attributable to owners of the parent decreased 1,884 million yen (41.6%) to 2,648 million yen. This was primarily due to a significant increase in cost of sales, as the Direct Selling Group proceeded with its strategic investment plan to install RFID tags and despite an increase in gross profit in the Food Group due to higher sales.

Millions of yen

	6 months ended Sept. 30, 2022	6 months ended Sept. 30, 2023	Increase/decrease	
				%
Consolidated net sales	81,913	85,821	+3,908	+4.8
Consolidated gross profit	37,756	36,887	-869	-2.3
Consolidated operating profit	5,300	2,947	-2,352	-44.4
Consolidated ordinary profit	6,640	4,104	-2,536	-38.2
Profit attributable to owners of parent	4,533	2,648	-1,884	-41.6

Results by business segment

Sales

Millions of yen

	6 months ended Sept. 30, 2022	6 months ended Sept. 30, 2023	Increase/decrease	
				%
Direct Selling Group	54,188	53,434	-754	-1.4
Food Group	21,359	25,944	+4,585	+21.5
Other Businesses	8,029	7,799	-229	-2.9
Total	83,577	87,178	+3,601	+4.3
Intersegment eliminations	-1,664	-1,357	+306	–
Consolidated net sales	81,913	85,821	+3,908	+4.8

Note: Sales by business segment above include intersegment sales.

Operating profit (loss)

Millions of yen

	6 months ended Sept. 30, 2022	6 months ended Sept. 30, 2023	Increase/decrease	
				%
Direct Selling Group	5,081	2,620	-2,460	-48.4
Food Group	2,431	3,109	+678	+27.9
Other Businesses	443	243	-199	-45.1
Total	7,955	5,973	-1,982	-24.9
Intersegment eliminations and corporate expenses	-2,655	-3,025	-370	–
Consolidated operating profit	5,300	2,947	-2,352	-44.4

Note: Operating profit or loss above includes intersegment transactions.

a. Direct Selling Group

Direct Selling Group sales decreased 754 million yen (1.4%) year-over-year to 53,434 million yen. This was mainly due to lower sales in the mainstay Clean Service business. Operating profit decreased 2,460 million yen (48.4%) year-over-year to 2,620 million yen, mainly due to higher costs associated with RFID tag installation, which is proceeding according to plan.

The Direct Selling Group saw a decline in sales in its mainstay Clean Services business, with a drop in sales for both the residential and commercial markets.

For residential products overall sales declined. This was mainly due to lower sales of Robot Cleaner SiRo, which had been selling well after the renewal, and compact water purifiers that attach directly to the faucet, as well as lower sales of kitchen sponges, for which there had been a last-minute spike in demand ahead of their price revision implemented on July 1 last year. However, sales teams specializing in paying sales visits to residential customers, which have been deployed at company-owned sales offices and by affiliated companies since last year, are now also being deployed at franchisee locations as of this fiscal year, and this is beginning to produce results in terms of new customer acquisition.

Sales of commercial market products, which saw an increase in the first quarter, declined throughout the first half. Although the substantial need of businesses to practice effective hygiene continues to contribute to the robust sale of mats with antibacterial and antiviral functions, overall sales decreased primarily due to lower sales of Clear Kukan air purifiers.

Looking at customer-level sales (estimated sales to end customers) in the Care Service (professional cleaning and technical services) business, ServiceMaster (professional cleaning services) saw an increase thanks to brisk air conditioner cleaning sales. Merry Maids (home cleaning and helper services), Terminix (pest control and comprehensive hygiene management) and Total Green (plant and flower upkeep) also saw higher customer-level sales primarily due to the increase in the number of business locations, although

Home Repair (fixing scratches and dents) saw a decline.

Among other Direct Selling Group businesses, Rent-All (rental of special event and daily use items), which had seen sales growth in the first quarter as the event business continued to recover to pre-pandemic levels, saw a decline in sales due to a drop in orders for hygiene services at coronavirus vaccination sites. Although sales in the cosmetics-related businesses declined, Health-Rent (rental and sales of assisted-living products), which continues to have strong sales, uniform-related businesses and Lifecare (support services for seniors) reported higher sales.

b. Food Group

Food Group sales increased 4,585 million yen (21.5%) year-over-year to 25,944 million yen, mainly due to an increase in total customer-level sales at all shops of the mainstay Mister Donut business, as well as an increase in raw material sales and royalty sales. Operating profit increased 678 million yen (27.9%) year-over-year to 3,109 million yen. The increase in gross profit due to higher sales offset such negative factors as an increase in the cost of sales ratio due to changes in the product mix, as well as an increase in expenses, including higher personnel costs.

Mister Donut maintained its strong performance from the previous year, with both customer traffic and sales per customer increasing year-over-year, resulting in higher year-over-year customer-level sales per shop. Moreover, there are more shops in operation primarily due to new shop openings, and total customer-level sales for all shops were higher year-over-year. Among specific products, MISDO Meets Gion Tsujiri, a series of products jointly developed with Kyoto green tea specialty brand Gion Tsujiri that is now in its seventh year, continues to be immensely popular. In addition, both White Pon de Ring, a product commemorating the 20th anniversary of Pon de Ring, launched in June as part of our regular product anniversary special offers, and Soft French Cruller, a product commemorating the 50th anniversary of Mister Donut's French Cruller, launched in August as the second installment, have had an excellent reception and contributed significantly to sales growth. Crunchy Soft Ring and Sweet Potato Donut, launched in June and August respectively, also contributed to sales growth. The former is part of our MISDO GOHAN series, which caters to the demand for light meals, while the latter is a seasonal product that is offered every fall.

Among other Food Group businesses, sales at Pie Face, a pie specialty shop, declined due to a decrease in the number of shops, while sales at Katsu & Katsu pork cutlet restaurants increased.

c. Other Businesses

Overall sales in the Other Business segment decreased 229 million yen (2.9%) year-over-year to 7,799 million yen. Specifically, sales of domestic consolidated subsidiaries increased while sales of overseas operations decreased. Operating profit decreased 199 million yen (45.1%) year-over-year to 243 million yen. This result was due to a decrease in gross profit resulting from lower sales, as well as an increase in personnel and other expenses at domestic consolidated subsidiaries.

Both medical facility management services (Duskin Healthcare Co., Ltd.) and the leasing and insurance agency business (Duskin Kyoeki Co., Ltd.), both of which operate domestically, reported higher sales but lower profits due to increases in costs and expenses, including higher personnel costs.

Overseas, while the dust control product rental and sales business in China (Duskin Shanghai Co., Ltd.) posted higher sales, overall sales saw a decline year-over-year. This was because Duskin Hong Kong Co., Ltd. (currently undergoing liquidation proceedings) are no longer our supplier of paper towels, which are now being procured from other domestic suppliers. In addition, Big Apple Worldwide Holdings Sdn. Bhd., which operates a donut business mainly in Malaysia, reported lower sales due to decreased customer traffic as a result of changes in customer behavior in line with the convergence of the COVID-19 pandemic.

(2) Financial Position

Consolidated total assets at the end of the second quarter of the current fiscal year amounted to 195,111 million yen, a decrease of 2,413 million yen from the end of the previous fiscal year. The major factors were a 2,584 million yen decrease in cash and deposits and a 1,767 million yen decrease in securities, while investment securities increased by 1,421 million yen.

Total liabilities amounted to 42,343 million yen, down 3,407 million yen from the end of the previous fiscal year. The major factors were a 2,446 million yen decrease in accounts payable - other and a 971 million yen decrease in provision for bonuses, while deferred tax liabilities increased by 1,391 million yen.

Net assets totaled 152,768 million yen, an increase of 994 million yen from the end of the previous fiscal year. The main factor for this result was an increase of 1,481 million yen in treasury stock (net assets decreased) due to stock repurchases, while valuation difference on available-for-sale securities increased 2,282 million yen.

(3) Forecast

At the time of this report, the forecasts for the full-year business results of fiscal 2023 (April 1, 2023 to March 31, 2024), both consolidated and non-consolidated, remain unchanged from those announced on May 15, 2023. The Company made this decision based on the need to assess sales trends and other factors in each business segment at this time, taking into account the continuing price hikes in a wide range of areas, including food and service industries, electricity and gas, and other areas where raw material prices and logistics costs have risen.

However, the Company has revised the segment breakdown in the consolidated full-year forecasts as follows. This revision is due to a review of the second half forecast for each segment, which takes into account sales trends and budget usage in the first half of the year.

Sales forecasts for the second half of the year are revised downward for the Direct Selling Group and upward for the Food Group and Other Businesses, in line with the business results in the first half of the year.

Operating profit forecast for the second half of the year takes into account the carryover of RFID electronic tag installation costs to the second half of the year. Operating profit for the second half is expected to be lower in the Food Group, where sales are expected to be higher. This forecast considers the fact that a portion of the advertising budget for Mister Donut will be used in the second half and also reflects the use of the advertising budget for the Mister Donut beverage price revision and an expected deterioration in the cost of sales ratio due to soaring raw material prices. The forecast also takes into account the effects of the business alliance with JP-Holdings, Inc. and the partial acquisition of shares of that company, which we announced on October 27, 2023, but the impact on the earnings for the current fiscal year will be negligible.

If it becomes necessary to make any revisions to the full-year forecasts, we will promptly announce such revisions.

Millions of yen

		Full-year forecast		
		Figures announced on May 15, 2023 (1)	Figures revised on Nov. 8, 2023 (2)	Revised amount (2) - (1)
Direct Selling Group	Net sales	113,100	109,200	-3,900
	Operating profit	4,500	4,100	-400
Food Group	Net sales	52,900	56,700	+3,800
	Operating profit	5,600	6,300	+700
Other Businesses	Net sales	16,000	15,300	-700
	Operating profit	800	600	-200
Eliminations and corporate expenses	Net sales	-3,300	-2,500	+800
	Operating profit	-6,400	-6,500	-100
Consolidated total	Net sales	178,700	178,700	–
	Operating profit	4,500	4,500	–

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of yen

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	18,207	15,623
Notes and accounts receivable - trade, and contract assets	11,553	10,907
Lease receivables and investments in leases	1,003	1,023
Securities	19,864	18,097
Merchandise and finished goods	8,212	8,812
Work in process	290	288
Raw materials and supplies	2,629	3,060
Accounts receivable - other	5,666	5,994
Other	1,707	1,921
Allowance for doubtful accounts	-13	-13
Total current assets	69,122	65,715
Non-current assets		
Property, plant and equipment		
Buildings and structures	45,027	45,554
Accumulated depreciation	-30,546	-31,104
Buildings and structures, net	14,481	14,450
Machinery, equipment and vehicles	26,141	26,962
Accumulated depreciation	-18,754	-19,300
Machinery, equipment and vehicles, net	7,386	7,662
Land	22,439	22,439
Construction in progress	320	408
Other	15,715	16,251
Accumulated depreciation	-11,267	-11,665
Other, net	4,448	4,586
Total property, plant and equipment	49,076	49,546
Intangible assets		
Goodwill	253	270
Software	5,645	5,283
Other	1,556	1,562
Total intangible assets	7,454	7,116
Investments and other assets		
Investment securities	61,743	63,164
Retirement benefit asset	2,987	2,991
Deferred tax assets	887	919
Guarantee deposits	5,260	5,009
Other	1,012	667
Allowance for doubtful accounts	-19	-19
Total investments and other assets	71,871	72,733
Total non-current assets	128,402	129,396
Total assets	197,524	195,111

Millions of yen

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,594	7,096
Income taxes payable	1,147	704
Provision for bonuses	4,022	3,051
Accounts payable - other	9,759	7,312
Guarantee deposit received for rental products	8,771	8,686
Other	5,537	5,124
Total current liabilities	36,832	31,975
Non-current liabilities		
Long-term borrowings	1,115	892
Retirement benefit liability	5,850	6,037
Asset retirement obligations	607	640
Long-term guarantee deposits	982	1,043
Long-term accounts payable - other	9	9
Deferred tax liabilities	352	1,744
Total non-current liabilities	8,917	10,367
Total liabilities	45,750	42,343
Net assets		
Shareholders’ equity		
Share capital	11,352	11,352
Capital surplus	11,088	11,091
Retained earnings	124,943	125,240
Treasury shares	-7,102	-8,583
Total shareholders’ equity	140,282	139,101
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,532	10,815
Deferred gains or losses on hedges	-0	-0
Foreign currency translation adjustment	245	420
Remeasurements of defined benefit plans	2,300	2,021
Total accumulated other comprehensive income	11,078	13,256
Share acquisition rights	49	49
Non-controlling interests	364	360
Total net assets	151,774	152,768
Total liabilities and net assets	197,524	195,111

(2) Consolidated Statements of Income and Statements of Comprehensive Income

Consolidated statements of income

Millions of yen

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	81,913	85,821
Cost of sales	44,156	48,933
Gross profit	37,756	36,887
Selling, general and administrative expenses	32,456	33,939
Operating profit	5,300	2,947
Non-operating income		
Interest income	75	111
Dividend income	194	195
Rental income from facilities	90	83
Commission income	135	130
Share of profit of entities accounted for using equity method	299	378
Other	692	455
Total non-operating income	1,487	1,354
Non-operating expenses		
Interest expenses	0	0
Rental expenses on facilities	59	53
Other	87	144
Total non-operating expenses	147	197
Ordinary profit	6,640	4,104
Extraordinary income		
Gain on sale of non-current assets	3	1
Total extraordinary income	3	1
Extraordinary losses		
Loss on abandonment of non-current assets	0	–
Loss on abandonment of non-current assets	24	46
Impairment losses	30	–
Provision of reserves for losses on liquidation of subsidiaries and affiliates	16	–
Total extraordinary losses	72	46
Profit before income taxes	6,571	4,059
Income taxes	2,014	1,388
Profit	4,557	2,671
Profit attributable to non-controlling interests	24	22
Profit attributable to owners of parent	4,533	2,648

Consolidated statements of comprehensive income

Millions of yen

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	4,557	2,671
Other comprehensive income		
Valuation difference on available-for-sale securities	166	2,296
Foreign currency translation adjustment	204	87
Remeasurements of defined benefit plans, net of tax	-564	-277
Share of other comprehensive income of entities accounted for using equity method	96	73
Total other comprehensive income	-97	2,180
Comprehensive income	4,459	4,851
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,427	4,826
Comprehensive income attributable to non-controlling interests	32	24

(3) Notes to Consolidated Financial Statements

Notes relating to going concern assumption
None.

Notes on significant changes in shareholders' equity
The Company repurchased 527,000 shares of treasury stock during the first half of this consolidated fiscal year based on a resolution of the Board of Directors meeting held on November 8, 2022. As a result, treasury stock increased by 1,481 million yen, including changes due to the disposal of Company shares held by the Employee Stock Ownership Plan. As a result, treasury stock amounted to 8,583 million yen as of September 30, 2023.

Segment information and other information

Segment information

1) First six months of FY2022 (April 1 to September 30, 2022)

a) Sales, income or losses by reportable business segment, and breakdown of revenue

Millions of yen

	Direct Selling Group	Food Group	Other Businesses[1]	Total	Adjustment[3]	Consolidated total[4]
Sales						
Clean Service businesses	40,020	–	–	40,020	–	40,020
Care Service businesses	6,728	–	–	6,728	–	6,728
Mister Donut business	–	20,494	–	20,494	–	20,494
Other	7,105	856	5,578	13,540	–	13,540
Revenue from contracts with customers	53,853	21,350	5,578	80,783	–	80,783
Other revenue[2]	–	–	1,130	1,130	–	1,130
To outside customers	53,853	21,350	6,708	81,913	–	81,913
Intersegment sales and transfers	334	8	1,320	1,664	-1,664	–
Total	54,188	21,359	8,029	83,577	-1,664	81,913
Segment income (loss)	5,081	2,431	443	7,955	-2,655	5,300

Notes:
1. Other Businesses are comprised of the businesses that are not categorized in reportable business segments, including office equipment and vehicle leasing, insurance agent services, hospital management services and overseas businesses.
2. "Other revenue" represents revenue from leasing of office equipment and vehicles.
3. Segment income (loss) adjustments of -2,655 million yen include a 16 million yen elimination for intersegment sales and transfers and -2,671 million yen of corporate expenses that cannot be allocated to a particular reportable business segment.
4. Segment income (loss) has been adjusted for consistency with operating profit that is shown in the consolidated statements of income.

b) Impairment loss of non-current assets or goodwill by reportable business segment

Significant impairment loss on non-current assets
None.

Significant change in the amount of goodwill
None.
The amortization of goodwill during the first six months of FY2022 and the balance of goodwill at the end of the second quarter are as follows:

Millions of yen

	Direct Selling Group	Food Group	Other Businesses	Eliminations and corporate expenses	Total
Amortization	42	6	5	–	55
Balance*	219	21	52	–	294

* Goodwill at the end of the second quarter includes 209 million yen of goodwill in the Direct Selling Group and 21 million yen of goodwill in the Food Group resulting from the purchase by Duskin and its subsidiaries of the business operations of several franchisees and 52 million yen of goodwill in Other Businesses for Big Apple Worldwide Holdings Sdn. Bhd., which was acquired in February 2017.

Significant gains on negative goodwill
None.

2) First six months of FY2023 (April 1 to September 30, 2023)

a) Sales, income or losses by reportable business segment, and breakdown of revenue

Millions of yen

	Direct Selling Group	Food Group	Other Businesses[1]	Total	Adjustment[3]	Consolidated total[4]
Sales						
Clean Service businesses	39,202	–	–	39,202	–	39,202
Care Service businesses	6,917	–	–	6,917	–	6,917
Mister Donut business	–	25,034	–	25,034	–	25,034
Other	7,011	888	5,627	13,527	–	13,527
Revenue from contracts with customers	53,131	25,923	5,627	84,682	–	84,682
Other revenue[2]	–	–	1,138	1,138	–	1,138
To outside customers	53,131	25,923	6,766	85,821	–	85,821
Intersegment sales and transfers	303	21	1,033	1,357	-1,357	–
Total	53,434	25,944	7,799	87,178	-1,357	85,821
Segment income (loss)	2,620	3,109	243	5,973	-3,025	2,947

Notes:
1. Other Businesses are comprised of the businesses that are not categorized in reportable business segments, including office equipment and vehicle leasing, insurance agent services, hospital management services and overseas businesses.
2. "Other revenue" represents revenue from leasing of office equipment and vehicles.
3. Segment income (loss) adjustments of -3,025 million yen include a 18 million yen elimination for intersegment sales and transfers and -3,044 million yen of corporate expenses that cannot be allocated to a particular reportable business segment.
4. Segment income (loss) has been adjusted for consistency with operating profit that is shown in the consolidated statements of income.

b) Impairment loss of non-current assets or goodwill by reportable business segment

Significant impairment loss on non-current assets
None.

Significant change in the amount of goodwill
None.
The amortization of goodwill during the first six months of FY2023 and the balance of goodwill at the end of the second quarter are as follows:

Millions of yen

	Direct Selling Group	Food Group	Other Businesses	Eliminations and corporate expenses	Total
Amortization	51	3	5	–	60
Balance*	218	11	40	–	270

* Goodwill at the end of the second quarter includes 214 million yen of goodwill in the Direct Selling Group and 11 million yen of goodwill in the Food Group resulting from the purchase by Duskin and its subsidiaries of the business operations of several franchisees and 40 million yen of goodwill in Other Businesses for Big Apple Worldwide Holdings Sdn. Bhd., which was acquired in February 2017.

Significant gains on negative goodwill

None.