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, 2025 (FY2024) (Japanese Standards)

November 11, 2024

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 half-year report: November 13, 2024
Scheduled date of dividend payment commencement: December 9, 2024
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, 2024 to September 30, 2024

(1) Results of operation

Percentages indicate the change against the previous fiscal year.

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
6 months ended Sept. 30, 2024	91,727	6.9	3,924	33.1	5,503	34.1	3,490	31.8
6 months ended Sept. 30, 2023	85,821	4.8	2,947	-44.4	4,104	-38.2	2,648	-41.6

Note: Comprehensive income - 6 months ended Sept. 30, 2024: 2,308 million yen (-52.4%); 6 months ended Sept. 30, 2023: 4,851 million yen (8.8%)

	Profit per share	Profit per share (Fully diluted)
	Yen	Yen
6 months ended Sept. 30, 2024	72.98	72.96
6 months ended Sept. 30, 2023	54.97	54.95

(2) Financial positions

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Sept. 30, 2024	196,144	150,386	76.5
As of Mar. 31, 2024	202,094	154,468	76.3

Reference: Shareholders' equity - Sept. 30, 2024: 150,066 million yen; March 31, 2024: 154,122 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, 2024	–	35.00	–	65.00	100.00
Year ending Mar. 31, 2025	–	50.00			
Year ending Mar. 31, 2025 (Forecast)			–	60.00	110.00

Notes:
1. Revision from the most recently announced dividend forecast: None
2. The year-end dividend for the fiscal year ended March 31, 2024 consisted of an ordinary dividend of 45.00 yen and a commemorative dividend of 20.00 yen.

3. Forecast of Consolidated Financial Results for FY2024 (April 1, 2024 - March 31, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending Mar. 31, 2025	190,300	6.4	7,700	51.4	10,700	35.8	8,600	87.4	180.06

Note: Revision from the most recently announced financial forecast: None

Notes:

1. Significant changes in the scope of consolidation during the period: None

2. Adoption of special accounting methods for preparation of the consolidated financial statements: Yes
   Note: For details, refer to “Notes to special accounting methods for preparation of consolidated financial statements” in “(3) Notes to Consolidated Financial Statements” in “2. Consolidated Financial Statements” on page 10 of the attached document.

3. Changes in accounting principles and estimates, and retrospective restatements
   (1) Changes due to revision of accounting standards: Yes
   (2) Changes other than (1) above: None
   (3) Changes in accounting estimates: None
   (4) Retrospective restatements: None
   Note: For details, refer to “Notes to changes in accounting policies” in “(3) Notes to Consolidated Financial Statements” in “2. Consolidated Financial Statements” on page 10 of the attached document.

4. Number of shares issued (Common stock)

Number of shares issued (including treasury shares)	As of Sept. 30, 2024:	50,000,000	As of March 31, 2024:	50,000,000
Number of treasury shares	As of Sept. 30, 2024:	2,718,450	As of March 31, 2024:	1,879,558
Average number of shares outstanding during the period	6 months ended Sept. 30, 2024:	47,823,472	6 months ended Sept. 30, 2023:	48,187,709

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. Business Results and Financial Position

(1) Business Results

During the first six months of fiscal 2024 (April 1 to September 30, 2024), the Japanese economy was on a gradual recovery path as socioeconomic activities are normalizing against a backdrop of improved employment and income conditions. Personal consumption also showed a recovery trend, although there was a slight standstill, probably due to the impact of rising prices. On the other hand, the outlook remained uncertain due to the prolonged war between Russia and Ukraine, the worsening situation in the Middle East, and soaring energy and raw material prices, coupled with concerns about the instability of foreign exchange.

In this environment, we entered the final year of our three-year Medium-Term Management Policy 2022 (fiscal year ended March 31, 2023 to fiscal year ending March 31, 2025). This three-year period is the third and final phase of our long-term strategy called ONE DUSKIN, and in this final year we are focusing on completing a variety of initiatives that will help us achieve both of our fundamental goals: increasing social value and achieving sustainable growth. During the previous fiscal year, the Direct Selling Group almost completed installation of RFID tags on mats and mops, our most important strategic investment for building a sustainable laundry and distribution system. The group has now begun using RFID readers to simultaneously read data from multiple tags in its operations. In the Clean Service business (rental and sales of dust control and other products), we are focusing on creating new customers. Specifically, we are encouraging more franchisees to bring in sales teams dedicated to sales visits to households while strengthening our online sales channels. Furthermore, in response to the recent increase in natural disasters, Rent-All (rental of special event and daily use items) collaborated with Health Rent (rental and sales of assisted-living products), Clean Service and Care Service (professional cleaning and technical services) to expand its disaster response support service to help local governments secure necessary supplies and equipment and ensure proper hygiene in evacuation centers and other areas in the event of a disaster. In addition, we moved forward in preparing for expanding Rescue Service, an emergency locksmith service.

In the Food Group, Mister Donut is focusing on developing and introducing new products and opening more shops. The group is also focusing on gaining a presence in new markets. Specifically, as part of the development of a new restaurant business that caters to different locations, customer segments and consumer motivations from those of existing brands, in the previous fiscal year, we acquired Kenko Saien Co., Ltd., the holding company of Boston House Co., Ltd., which operates restaurant businesses, including the Italian restaurant Napoli No Shokutaku, mainly in the Kanto area.

At the same time, we also focused on initiatives that take into account profitability relative to capital to enhance shareholder value, which includes the decision and subsequent execution of share repurchases in line with our basic policy on shareholder returns.

Consolidated net sales for the first six months of fiscal 2024 increased 5,906 million yen (6.9%) year-on-year to 91,727 million yen thanks to increased sales in all business segments. In terms of profit, consolidated operating profit increased 976 million yen (33.1%) year-on-year to 3,924 million yen. This result is mainly due to a better cost-to-sales ratio, which was primarily a result of having largely completed installing RFID tags, along with an increase in gross profit due to higher sales. Consolidated ordinary profit increased 1,399 million yen (34.1%) year-on-year to 5,503 million yen due to an improvement in non-operating profit, mainly from an increase in the share of profit of entities accounted for using the equity method. Profit attributable to owners of the parent increased 841 million yen (31.8%) year-on-year to 3,490 million yen.

Millions of yen

	6 months ended Sept. 30, 2023	6 months ended Sept. 30, 2024	Increase/decrease	
				%
Consolidated net sales	85,821	91,727	5,906	6.9
Consolidated gross profit	36,887	40,971	4,083	11.1
Consolidated operating profit	2,947	3,924	976	33.1
Consolidated ordinary profit	4,104	5,503	1,399	34.1
Profit attributable to owners of the parent	2,648	3,490	841	31.8

Results by business segment

Sales

Millions of yen

	6 months ended Sept. 30, 2023	6 months ended Sept. 30, 2024	Increase/decrease	
				%
Direct Selling Group	53,434	53,743	309	0.6
Food Group	25,944	31,168	5,223	20.1
Other Businesses	7,799	8,241	441	5.7
Total	87,178	93,153	5,974	6.9
Intersegment eliminations	-1,357	-1,425	-67	–
Consolidated net sales	85,821	91,727	5,906	6.9

Note: Sales by business segment above include intersegment sales.

Operating profit (loss)

Millions of yen

	6 months ended Sept. 30, 2023	6 months ended Sept. 30, 2024	Increase/decrease	
				%
Direct Selling Group	2,620	3,073	453	17.3
Food Group	3,109	3,754	645	20.8
Other Businesses	243	313	69	28.7
Total	5,973	7,142	1,168	19.6
Intersegment eliminations and corporate expenses	-3,025	-3,217	-192	–
Consolidated operating profit	2,947	3,924	976	33.1

Note: Operating profit or loss above includes intersegment transactions.

a. Direct Selling Group

Sales of the Direct Selling Group increased 309 million yen (0.6%) year-on-year to 53,743 million yen. This was mainly due to an increase in sales in the Care Service business, despite a decline in sales in the mainstay Clean Service business. Meanwhile, operating profit increased 453 million yen (17.3%) year-on-year to 3,073 million yen. This was attributable to lower cost of sales in the current fiscal year, as installing RFID tags was largely completed during the previous fiscal year, although the result was also partially affected by increased expenses and higher raw material and other costs.

In the Direct Selling Group, sales in the mainstay Clean Service business declined in both residential and commercial sectors.

Sales of mop products, the core products for residential customers, remained at the same level as the same period of the previous year. This was due to steady sales of the new cleaning mop set (floor mop and mop cleaner) for pets launched in March 2024, dedicated household sales teams starting to get good results in acquiring new customers, and an increase in the number of orders received through digital channels. In other products, sales of kitchen sponges designed in the shape of Mickey Mouse and Minnie Mouse, a new

soft and elastic pillow and a new high-resilience fiber core mattress — all of which were launched in the first half of the previous fiscal year — decreased compared to the significant sales at their launch.

In products for businesses, sales of the newly launched Antibacterial Electron handy mop contributed to the growth of mop product sales. However, sales of mat products, which are the core products for business customers, decreased due to lower sales, with the exception of high-function mats, which continued to perform well. As a result, sales of products for businesses declined overall. In addition, sales of air purification products for large facilities decreased due to the transition in May 2023 of COVID-19 to a Category V infectious disease. Sales of air fresheners and other restroom-related products also declined.

Looking at customer-level sales of Care Service businesses, Home Repair (fixing scratches and dents) saw a decrease, while ServiceMaster (professional cleaning services) recorded an increase due to strong sales of air conditioner cleaning service. Merry Maids (home cleaning and helper services), Terminix (pest control and comprehensive hygiene management) and Total Green (plant and flower upkeep) also enjoyed growth.

Among other businesses in the Direct Selling Group, Rent-All experienced a decline in sales, but sales of event support services are returning to pre-pandemic levels. Health Rent (rental and sales of assisted-living products), the uniform-related business, cosmetics-related business, Life Care (support services for seniors) and Rescue Service all posted higher sales.

b. Food Group

Food Group sales increased 5,223 million yen (20.1%) year-on-year to 31,168 million yen. The group saw an increase in total customer-level sales of all shops of Mister Donut, the core business of the group, and increases in raw material sales and royalty sales. The inclusion of sales from Kenko Saien Co., Ltd. (which became a subsidiary in January 2024) in the current fiscal year also contributed to the result. Operating profit increased 645 million yen (20.8%) year-on-year to 3,754 million yen, mainly due to an increase in gross profit from higher sales.

With a focus on making its products even tastier, Mister Donut renewed recipes for some of its popular regular products and revised their prices accordingly in July. Even after the price revision, Mister Donut was able to increase both customer traffic and sales per customer year-on-year. In addition, the number of shops in operation increased due to new store openings. As a result, total customer-level sales for all shops were also higher year-on-year.

In the first quarter, Mister Donut introduced MISDO Meets Gion Tsujiri and MASTER DONUT. In the second quarter, it launched Minion Mayhem Donut, a collaboration product featuring popular animated film characters; White Pon De Ring Strawberry Milk, a new color and flavor variant of White Pon De Ring; Satsumaimo Do Sweet Potato, a popular seasonal product every fall; the Kuri Do Chestnut donut; and MISDO HALLOWEEN × BLACK THUNDER, a collaboration product with a popular chocolate snack brand. All of these products were well received by customers and contributed to increased sales.

Katsu & Katsu pork cutlet restaurants, another Food Group business, also posted an increase in sales.

c. Other Businesses

Overseas, both Duskin Shanghai Co., Ltd., which rents and sells dust control products in China, and Big Apple Worldwide Holdings Sdn. Bhd., which operates a donut business mainly in Malaysia, posted higher sales year-on-year due to the weaker yen. In addition, an increase in trade sales transferred from Duskin Hong Kong Co., Ltd. (which is scheduled for liquidation) to Duskin Co., Ltd. also contributed to overall sales growth. Domestically, both the leasing and insurance agency business (Duskin Kyoeki Co., Ltd.) and medical facility management services (Duskin Healthcare Co., Ltd.) reported higher sales. Consequently, overall sales of businesses in the Other Businesses segment increased 441 million yen (5.7%) year-on-year

to 8,241 million yen, and operating profit increased 69 million yen (28.7%) year-on-year to 313 million yen.

(2) Financial Position

Consolidated total assets at the end of the second quarter of the current fiscal year (September 30, 2024) amounted to 196,144 million yen, a decrease of 5,950 million yen compared to the end of the previous fiscal year (March 31, 2024). Specifically, investment securities and securities decreased 3,785 million yen and 3,200 million yen, respectively, while other intangible assets increased 582 million yen.

Total liabilities amounted to 45,758 million yen, down 1,867 million yen compared to the end of the previous fiscal year. Specifically, accounts payable-other, notes and accounts payable-trade, and deferred tax liabilities decreased by 2,276 million yen, 688 million yen, and 638 million yen, respectively, while income taxes payable increased by 1,768 million yen.

Net assets totaled 150,386 million yen, down 4,082 million yen from the end of the previous fiscal year. Specifically, treasury shares increased 3,198 million yen (net assets decreased) mainly due to share repurchases, and valuation difference on available-for-sale securities decreased 818 million yen.

(3) Forecast

Our forecasts of consolidated and non-consolidated financial results for the full year of fiscal 2024 (April 1, 2024 to March 31, 2025) are as described in the Notice Concerning Revision to Financial and Dividend Forecasts released on November 5, 2024. However, we have revised the breakdown by segment as follows, taking into account sales trends and other factors in the first six months of the year.

Millions of yen

		Full-year forecast		
		Figures announced on May 15, 2024 (1)	Figures revised on Nov. 11, 2024 (2)	Revised amount (2)-(1)
Direct Selling Group	Net sales	110,000	109,200	-800
	Operating profit	10,800	6,900	-3,900
Food Group	Net sales	65,700	67,600	1,900
	Operating profit	7,000	7,800	800
Other Businesses	Net sales	16,100	16,300	200
	Operating profit	600	600	–
Intersegment eliminations and corporate expenses	Net sales	-2,800	-2,800	–
	Operating profit	-7,700	-7,600	100
Consolidated total	Net sales	189,000	190,300	1,300
	Operating profit	10,700	7,700	-3,000

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of yen

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	14,434	14,695
Notes and accounts receivable - trade, and contract assets	11,158	10,986
Lease receivables and investments in leases	1,012	1,032
Securities	12,200	9,000
Merchandise and finished goods	8,254	8,452
Work in process	215	237
Raw materials and supplies	3,137	3,147
Accounts receivable - other	6,954	7,264
Other	1,947	2,219
Allowance for doubtful accounts	-11	-10
Total current assets	59,305	57,026
Non-current assets		
Property, plant and equipment		
Buildings and structures	47,036	47,488
Accumulated depreciation	-32,549	-32,955
Buildings and structures, net	14,487	14,533
Machinery, equipment and vehicles	27,984	28,331
Accumulated depreciation	-19,827	-20,191
Machinery, equipment and vehicles, net	8,157	8,139
Land	22,466	22,466
Construction in progress	756	599
Other	17,065	17,573
Accumulated depreciation	-12,443	-13,075
Other, net	4,621	4,498
Total property, plant and equipment	50,489	50,237
Intangible assets		
Goodwill	326	314
Software	5,601	5,290
Other	1,486	2,068
Total intangible assets	7,414	7,674
Investments and other assets		
Investment securities	73,877	70,092
Long-term loans receivable	0	0
Retirement benefit asset	4,501	4,537
Deferred tax assets	877	908
Guarantee deposits	5,088	5,098
Other	574	606
Allowance for doubtful accounts	-34	-37
Total investments and other assets	84,885	81,206
Total non-current assets	142,789	139,117
Total assets	202,094	196,144

Millions of yen

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,800	7,111
Short-term borrowings	60	60
Current portion of long-term borrowings	108	52
Income taxes payable	393	2,161
Provision for bonuses	3,576	3,737
Provision for loss on disaster	275	275
Asset retirement obligations	1	–
Accounts payable - other	10,013	7,736
Guarantee deposit received for rental products	8,626	8,598
Other	5,923	6,077
Total current liabilities	36,778	35,812
Non-current liabilities		
Long-term borrowings	747	472
Retirement benefit liability	5,885	5,891
Asset retirement obligations	817	833
Long-term guarantee deposits	1,072	1,077
Long-term accounts payable - other	8	–
Deferred tax liabilities	2,305	1,666
Lease liabilities	9	5
Total non-current liabilities	10,847	9,946
Total liabilities	47,626	45,758
Net assets		
Shareholders' equity		
Share capital	11,352	11,352
Capital surplus	11,110	11,112
Retained earnings	122,533	122,875
Treasury shares	-5,464	-8,662
Total shareholders' equity	139,531	136,678
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,342	10,524
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	390	470
Remeasurements of defined benefit plans	2,857	2,392
Total accumulated other comprehensive income	14,590	13,388
Share acquisition rights	49	23
Non-controlling interests	296	296
Total net assets	154,468	150,386
Total liabilities and net assets	202,094	196,144

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

Consolidated statements of income

Millions of yen

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	85,821	91,727
Cost of sales	48,933	50,756
Gross profit	36,887	40,971
Selling, general and administrative expenses	33,939	37,047
Operating profit	2,947	3,924
Non-operating income		
Interest income	111	137
Dividend income	195	267
Rental income from facilities	83	69
Commission income	130	145
Share of profit of entities accounted for using equity method	378	722
Other	455	462
Total non-operating income	1,354	1,805
Non-operating expenses		
Interest expenses	0	0
Rental expenses on facilities	53	38
Loss on valuation of inventories	–	77
Compensation for damage	–	46
Other	144	62
Total non-operating expenses	197	226
Ordinary profit	4,104	5,503
Extraordinary income		
Gain on sale of non-current assets	1	1
Gain on sale of investment securities	–	100
Gain from refund due to capital reduction at subsidiaries and associates	–	170
Total extraordinary income	1	272
Extraordinary losses		
Loss on abandonment of non-current assets	46	47
Loss on disaster	–	69
Total extraordinary losses	46	117
Profit before income taxes	4,059	5,658
Income taxes	1,388	2,147
Profit	2,671	3,511
Profit attributable to non-controlling interests	22	20
Profit attributable to owners of the parent	2,648	3,490

Consolidated statements of comprehensive income

Millions of yen

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	2,671	3,511
Other comprehensive income		
Valuation difference on available-for-sale securities	2,296	-826
Foreign currency translation adjustment	87	7
Remeasurements of defined benefit plans, net of tax	-277	-463
Share of other comprehensive income of entities accounted for using equity method	73	79
Total other comprehensive income	2,180	-1,202
Comprehensive income	4,851	2,308
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	4,826	2,287
Comprehensive income attributable to non-controlling interests	24	20

(3) Notes to Consolidated Financial Statements

Notes to changes in accounting policies

— Adoption of the Accounting Standard for Current Income Taxes and other relevant standards

The Company adopted the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, issued on October 28, 2022, hereinafter referred to as the "2022 Revised Accounting Standard") as well as other relevant standards from the beginning of FY2024.

Revisions regarding the account classification of income taxes (taxation on other comprehensive income) are in accordance with the transitional treatment prescribed in the proviso of paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment prescribed in the proviso of Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, issued on October 28, 2022, hereinafter referred to as the "2022 Revised Guidance on Accounting Standard"). This change in accounting policy has no impact on the consolidated financial statements.

With respect to revisions related to the revised accounting rules for consolidated financial statements when gains or losses on the sale of shares of subsidiaries and other securities between consolidated companies are deferred for tax purposes, the Company has adopted the 2022 Revised Guidance on Accounting Standard from the beginning of FY2024. The change in accounting policy has been applied retrospectively, and the consolidated financial statements for the first six months of FY2023 and the consolidated financial statements for FY2023 have been adjusted to reflect this retrospective application. This change in accounting policies has no impact on the consolidated financial statements for the first six months of FY2023 and the consolidated financial statements for FY2023.

Notes to special accounting methods for preparation of consolidated financial statements

— Calculation of tax expenses

The Company calculates tax expenses in the following method: it first makes a reasonable estimate of the effective tax rate for the projected consolidated profit before income taxes for the fiscal year, including the first six months, after applying tax effect accounting, and then multiplies profit before income taxes for the six months under review by that estimated effective tax rate.

Notes to segment information and other information

1) 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	39,128	–	–	39,128	–	39,128
Care Service businesses	6,917	–	–	6,917	–	6,917
Mister Donut business	–	25,034	–	25,034	–	25,034
Other	7,085	888	5,627	13,601	–	13,601
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 an 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	Elimination or corporate	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 the Company acquired in February 2017.

Significant gains on negative goodwill
None.

2) First six months of FY2024 (April 1 to September 30, 2024)

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	38,980	–	–	38,980	–	38,980
Care Service businesses	7,243	–	–	7,243	–	7,243
Mister Donut business	–	28,929	–	28,929	–	28,929
Other	7,206	2,234	5,984	15,425	–	15,425
Revenue from contracts with customers	53,430	31,163	5,984	90,579	–	90,579
Other revenue[2]	–	–	1,148	1,148	–	1,148
To outside customers	53,430	31,163	7,133	91,727	–	91,727
Intersegment sales and transfers	313	4	1,107	1,425	-1,425	–
Total	53,743	31,168	8,241	93,153	-1,425	91,727
Segment income (loss)	3,073	3,754	313	7,142	-3,217	3,924

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 -3,217 million yen include a 22 million yen elimination for intersegment sales and transfers and -3,240 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 FY2024 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	Elimination or corporate	Total
Amortization	45	6	6	–	58
Balance*	216	66	31	–	314

* Goodwill at the end of the second quarter includes 216 million yen of goodwill in the Direct Selling Group resulting from the purchase by Duskin and its subsidiaries of the business operations of several franchisees and 59 million yen of goodwill for Kenko Saien Co., Ltd., which the Company acquired in January 2024 in the Food Group and 31 million yen of goodwill in Other Businesses for Big Apple Worldwide Holdings Sdn. Bhd., which the Company acquired in February 2017.

Significant gains on negative goodwill
None.

3) Matters related to changes in reportable segments

During the first six-month period under review, the Company reviewed its consolidated business segmentation and made changes to the content of the Clean Service business segment in the revenue breakdown information. The revenue breakdown information for the first six-month period of FY2023 is also presented in the amounts that reflect the change.

Notes on significant changes in shareholders' equity

The Company repurchased 927,500 shares during the first six months of this consolidated fiscal year based on a resolution of the Board of Directors meeting held on May 23, 2024. As a result, treasury stock increased by 3,198 million yen, including changes due to the disposal of Company shares held by the Employee Stock Ownership Plan. Consequently, treasury stock amounted to 8,662 million yen as of September 30, 2024.

Notes relating to going concern assumption

None.