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 Nine Months of the Fiscal Year Ending March 31, 2025 (FY2024) (Japanese Standards)

February 7, 2025

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 of dividend payment commencement: -
Preparation of additional financial results materials: None
Holding of financial results meeting: None

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

1. Consolidated Financial Results for the Nine-Month Period from April 1, 2024 to December 31, 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	%
9 months ended Dec. 31, 2024	142,233	5.6	7,071	43.3	9,773	42.5	8,092	72.4
9 months ended Dec. 31, 2023	134,751	5.1	4,934	-45.3	6,860	-38.0	4,694	-38.2

Note: Comprehensive income - 9 months ended Dec. 31, 2024: 5,269 million yen (-18.7%); 9 months ended Dec. 31, 2023: 6,480 million yen (-13.8%)

	Profit per share	Profit per share (Fully diluted)
	Yen	Yen
9 months ended Dec. 31, 2024	170.11	170.06
9 months ended Dec. 31, 2023	97.49	97.45

(2) Financial positions

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Dec. 31, 2024	197,572	149,526	75.5
As of Mar. 31, 2024	202,094	154,468	76.3

Reference: Shareholders' equity - Dec. 31, 2024: 149,193 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: Yes
   (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 Dec. 31, 2024:	50,000,000	As of March 31, 2024:	50,000,000
Number of treasury shares	As of Dec. 31, 2024:	3,072,888	As of March 31, 2024:	1,879,558
Average number of shares outstanding during the period	9 months ended Dec. 31, 2024:	47,573,753	9 months ended Dec. 31, 2023:	48,152,989

Review of the accompanying consolidated financial statements by certified public accountants or auditing firms: None

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 nine months of fiscal 2024 (April 1 to December 31, 2024), socioeconomic activities in Japan have further normalized against the backdrop of improved employment and income conditions. With personal consumption also picking up, the Japanese economy continued its gradual recovery. 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 the rise of commodity prices and concerns about the instability of foreign exchange.

In this environment, we entered the final year of our three-year Medium-Term Management Policy 2022 (from fiscal year ended March 31, 2023 through 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. One such example is the acquisition last year of 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. This acquisition was part of the development of a new business model that caters to different locations, customer segments and consumer motivations from those of existing brands. At the same time, we focused on initiatives to enhance our shareholder value, including the decision and subsequent execution of share repurchases, as well as on specific initiatives that will help us achieve a sustainable future. Included in the latter is the decision to enter into a virtual power purchase agreement with NTT Anode Energy Corporation (headquartered in Minato-ku, Tokyo and led by President and CEO Teruyuki Kishimoto), with the goal of converting 100% of the power used by the mat and mop manufacturing plants to renewable energy. (This agreement became effective on February 1, 2025.)

Consolidated net sales for the first nine months of fiscal 2024 increased 7,482 million yen (5.6%) year-on-year to 142,233 million yen thanks to increased sales in all business segments. Consolidated operating profit increased 2,136 million yen (43.3%) year-on-year to 7,071 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 2,912 million yen (42.5%) year-on-year to 9,773 million yen due to an increase in profit of entities accounted for using the equity method, which was mainly the result of making JP-Holdings, Inc. an equity method affiliate in the previous year. Profit attributable to owners of the parent increased 3,398 million yen (72.4%) year-on-year to 8,092 million yen. This result was mainly due to gains on sales of investment securities resulting from the sale of strategically held shares.

Millions of yen

	9 months ended Dec. 31, 2023	9 months ended Dec. 31, 2024	Increase/decrease	
				%
Consolidated net sales	134,751	142,233	7,482	5.6
Consolidated gross profit	57,734	63,074	5,339	9.2
Consolidated operating profit	4,934	7,071	2,136	43.3
Consolidated ordinary profit	6,860	9,773	2,912	42.5
Profit attributable to owners of the parent	4,694	8,092	3,398	72.4

Results by business segment

Sales

Millions of yen

	9 months ended Dec. 31, 2023	9 months ended Dec. 31, 2024	Increase/decrease	
				%
Direct Selling Group	82,226	82,898	672	0.8
Food Group	42,835	49,136	6,301	14.7
Other Businesses	11,747	12,387	639	5.4
Total	136,808	144,422	7,614	5.6
Intersegment eliminations	-2,057	-2,189	-131	–
Consolidated net sales	134,751	142,233	7,482	5.6

Note: Sales by business segment above include intersegment sales.

Operating profit (loss)

Millions of yen

	9 months ended Dec. 31, 2023	9 months ended Dec. 31, 2024	Increase/decrease	
				%
Direct Selling Group	3,723	5,241	1,517	40.7
Food Group	5,422	6,635	1,213	22.4
Other Businesses	343	396	53	15.4
Total	9,489	12,272	2,783	29.3
Intersegment eliminations and corporate expenses	-4,554	-5,201	-646	–
Consolidated operating profit	4,934	7,071	2,136	43.3

Note: Operating profit or loss above includes intersegment transactions.

a. Direct Selling Group

Sales of the Direct Selling Group increased 672 million yen (0.8%) year-on-year to 82,898 million yen. This result was due to higher sales in most business divisions, including Care Service, although the mainstay Clean Service business experienced lower sales. Operating profit increased 1,517 million yen (40.7%) year-on-year to 5,241 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 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.

Although sales of mop products — the core products for residential customers — declined overall, we saw steady sales of the new cleaning mop set for pets (consisting of a floor mop and mop cleaner), which was launched in March 2024. In addition, the efforts of the dedicated household sales teams and the year-on-year increase in the number of orders received through digital channels had positive results in acquiring new customers. As a result, the decline in sales was smaller compared to the same period last year. Among

other household products, sales of kitchen sponges designed in the shape of Mickey Mouse and Minnie Mouse and a new high-resilience fiber core mattress — both of which were launched in the previous fiscal year — decreased compared to the significant sales at their launches. In products for businesses, sales of the newly launched Antibacterial Electron handy mop contributed to the growth of mop product sales. However, for mat products — the core article for business customers — sales were down across the board, with the exception of high-function mats, which continued to perform well. As a result, sales to business customers decreased overall. In addition, sales of air purification products for large facilities were down 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 services. Merry Maids (home cleaning and helper services), Terminix (pest control and comprehensive hygiene management) and Total Green (plant and flower upkeep) also enjoyed growth.

Sales of Rent-All, which had been lower year-on-year in the first half, increased year-on-year in the first nine months of the year as sales from various events began to return to pre-pandemic levels.

b. Food Group

Food Group sales increased 6,301 million yen (14.7%) year-on-year to 49,136 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 1,213 million yen (22.4%) year-on-year to 6,635 million yen, mainly due to an increase in gross profit from higher sales.

With a focus on making its products even tastier, in July, Mister Donut renewed recipes for some of its popular regular products and revised their prices accordingly. 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. Looking at specific product marketing, Mister Donut introduced MISDO Meets Gion Tsujiri and MASTER DONUT in the first quarter and introduced Minion Mayhem Donut, White Pon De Ring Strawberry Milk, Satsumaimo Do Sweet Potato, Kuri Do Chestnut and MISDO HALLOWEEN × BLACK THUNDER in the second quarter. In the third quarter, it launched a campaign in collaboration with The Pokémon Company, now in its seventh year. All of these products and campaigns were well received by customers and contributed to increased sales. However, our annual Year-End MISDO Lucky Bag, whose contents we significantly changed this year, saw a decline in sales volume.

Other businesses in the Food Group, including the Katsu & Katsu pork cutlet restaurants, also posted higher sales thanks to higher year-on-year sales per customer.

c. Other Businesses

With higher year-on-year sales from both domestic consolidated subsidiaries and overseas businesses, overall sales of the Other Businesses segment increased 639 million yen (5.4%) year-on-year to 12,387 million yen, and operating profit increased 53 million yen (15.4%) year-on-year to 396 million yen.

Among domestic consolidated subsidiaries, Duskin Kyoeki Co., Ltd. (leasing business and insurance services) posted higher sales and profits, while Duskin Healthcare Co., Ltd. (hospital hygiene management services) reported higher sales but lower profits due to higher personnel expenses.

Overseas, Duskin Shanghai Co., Ltd., which rents and sells dust control products in China, had posted

higher sales year-on-year through the second quarter due to the yen's continued depreciation. However, its cumulative sales up to the third quarter were down year-on-year due to the appreciation of the yen in the third quarter. Big Apple Worldwide Holdings Sdn. Bhd., which operates a donut business mainly in Malaysia, posted higher sales year-on-year, as in the second quarter, thanks to the weaker yen against the relevant currency. In Singapore, sales of Mister Donut Singapore, which began operations in 2023, were strong, resulting in a significant growth in sales of donut ingredients to overseas customers.

(2) Financial Position

Consolidated total assets at the end of the third quarter of the current fiscal year (December 31, 2024) amounted to 197,572 million yen, a decrease of 4,522 million yen compared to the end of the previous fiscal year (March 31, 2024). Specifically, securities and investment securities decreased by 7,700 million yen and 4,042 million yen, respectively, while increases were seen in accounts receivable - other by 3,674 million yen, notes and accounts receivable - trade and contract assets by 1,482 million yen, and cash and deposits by 1,360 million yen.

Total liabilities amounted to 48,045 million yen, up 419 million yen from the end of the previous fiscal year. Specifically, income taxes payable, other current liabilities and notes and accounts payable - trade increased by 2,636 million yen, 1,136 million yen and 646 million yen, respectively, while accounts payable - other, deferred tax liabilities and provision for bonuses decreased by 1,710 million yen, 1,240 million yen and 1,005 million yen, respectively.

Net assets totaled 149,526 million yen, down 4,941 million yen from the end of the previous fiscal year. Specifically, treasury shares increased 4,642 million yen (net assets decreased) mainly due to share repurchases, and valuation difference on available-for-sale securities decreased 2,154 million yen, while retained earnings increased 2,568 million yen.

(3) Forecast

The full-year financial forecasts for fiscal 2024 (April 1, 2024 to March 31, 2025), either on a consolidated or non-consolidated basis, remain unchanged from those announced on November 5, 2024.

If any revision to the full-year forecast becomes necessary, we will announce it promptly.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of yen

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	14,434	15,795
Notes and accounts receivable - trade, and contract assets	11,158	12,640
Lease receivables and investments in leases	1,012	1,039
Securities	12,200	4,500
Merchandise and finished goods	8,254	8,628
Work in process	215	256
Raw materials and supplies	3,137	2,965
Accounts receivable - other	6,954	10,629
Other	1,947	1,985
Allowance for doubtful accounts	-11	-10
Total current assets	59,305	58,429
Non-current assets		
Property, plant and equipment		
Buildings and structures	47,036	47,692
Accumulated depreciation	-32,549	-33,206
Buildings and structures, net	14,487	14,485
Machinery, equipment and vehicles	27,984	28,638
Accumulated depreciation	-19,827	-20,420
Machinery, equipment and vehicles, net	8,157	8,217
Land	22,466	22,466
Construction in progress	756	640
Other	17,065	17,630
Accumulated depreciation	-12,443	-13,325
Other, net	4,621	4,305
Total property, plant and equipment	50,489	50,116
Intangible assets		
Goodwill	326	292
Software	5,601	5,373
Other	1,486	2,422
Total intangible assets	7,414	8,088
Investments and other assets		
Investment securities	73,877	69,835
Long-term loans receivable	0	0
Retirement benefit asset	4,501	4,553
Deferred tax assets	877	907
Guarantee deposits	5,088	5,086
Other	574	591
Allowance for doubtful accounts	-34	-37
Total investments and other assets	84,885	80,937
Total non-current assets	142,789	139,142
Total assets	202,094	197,572

Millions of yen

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,800	8,446
Short-term borrowings	60	50
Current portion of long-term borrowings	108	46
Income taxes payable	393	3,029
Provision for bonuses	3,576	2,571
Provision for loss on disaster	275	275
Asset retirement obligations	1	–
Accounts payable - other	10,013	8,302
Guarantee deposit received for rental products	8,626	8,865
Other	5,923	7,059
Total current liabilities	36,778	38,646
Non-current liabilities		
Long-term borrowings	747	463
Retirement benefit liability	5,885	5,867
Asset retirement obligations	817	851
Long-term guarantee deposits	1,072	1,144
Long-term accounts payable - other	8	–
Deferred tax liabilities	2,305	1,064
Lease liabilities	9	7
Total non-current liabilities	10,847	9,398
Total liabilities	47,626	48,045
Net assets		
Shareholders' equity		
Share capital	11,352	11,352
Capital surplus	11,110	11,112
Retained earnings	122,533	125,101
Treasury shares	-5,464	-10,107
Total shareholders' equity	139,531	137,460
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,342	9,188
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	390	385
Remeasurements of defined benefit plans	2,857	2,157
Total accumulated other comprehensive income	14,590	11,732
Share acquisition rights	49	23
Non-controlling interests	296	310
Total net assets	154,468	149,526
Total liabilities and net assets	202,094	197,572

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

Consolidated statements of income

Millions of yen

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	134,751	142,233
Cost of sales	77,016	79,158
Gross profit	57,734	63,074
Selling, general and administrative expenses	52,799	56,002
Operating profit	4,934	7,071
Non-operating income		
Interest income	164	206
Dividend income	402	498
Rental income from facilities	123	100
Commission income	179	219
Share of profit of entities accounted for using equity method	649	1,323
Other	703	692
Total non-operating income	2,223	3,041
Non-operating expenses		
Interest expenses	0	0
Rental expenses on facilities	75	52
Loss on abandonment of inventories	–	113
Other	222	172
Total non-operating expenses	297	339
Ordinary profit	6,860	9,773
Extraordinary income		
Gain on sale of non-current assets	1	1
Gain on sale of investment securities	–	2,254
Gain from refund due to capital reduction at subsidiaries and associates	–	170
Total extraordinary income	1	2,426
Extraordinary losses		
Loss on sale of non-current assets	0	–
Loss on abandonment of non-current assets	62	82
Impairment losses	95	–
Loss on sale of investment securities	–	5
Loss on disaster	–	100
Total extraordinary losses	158	188
Profit before income taxes	6,703	12,011
Income taxes	1,970	3,883
Profit	4,733	8,128
Profit attributable to non-controlling interests	38	35
Profit attributable to owners of the parent	4,694	8,092

Consolidated statements of comprehensive income

Millions of yen

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	4,733	8,128
Other comprehensive income		
Valuation difference on available-for-sale securities	1,951	-2,164
Foreign currency translation adjustment	143	10
Remeasurements of defined benefit plans, net of tax	-416	-695
Share of other comprehensive income of entities accounted for using equity method	68	-8
Total other comprehensive income	1,747	-2,858
Comprehensive income	6,480	5,269
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	6,436	5,234
Comprehensive income attributable to non-controlling interests	43	35

(3) Notes to Consolidated Financial Statements

Notes to changes in accounting policies

— Change in method of calculating tax expenses

Previously, tax expenses were calculated using the same method as for full-year financial statements, but effective from the first quarter of FY2024, the Company has changed the calculation method for the quarterly periods. Namely, the Company first makes a reasonable estimate of the effective tax rate for consolidated profit before income taxes for the fiscal year after applying tax effect accounting, and then multiplies profit before income taxes for the quarter under review by that estimated effective tax rate.

The purpose of this change is to ensure promptness and increase the efficiency of the Group's quarterly financial reporting.

Since this change has no material effect on the quarterly consolidated financial statements, the change has not been applied retrospectively.

— 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 nine 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 nine 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 nine months, after applying tax effect accounting, and then multiplies profit before income taxes for the nine months under review by that estimated effective tax rate.

Notes to segment information and other information

1) First nine months of FY2023 (April 1 to December 31, 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	59,977	–	–	59,977	–	59,977
Care Service businesses	10,627	–	–	10,627	–	10,627
Mister Donut business	–	41,437	–	41,437	–	41,437
Other	11,151	1,376	8,480	21,008	–	21,008
Revenue from contracts with customers	81,756	42,814	8,480	133,051	–	133,051
Other revenue[2]	–	–	1,699	1,699	–	1,699
To outside customers	81,756	42,814	10,179	134,751	–	134,751
Intersegment sales and transfers	469	20	1,567	2,057	-2,057	–
Total	82,226	42,835	11,747	136,808	-2,057	134,751
Segment income (loss)	3,723	5,422	343	9,489	-4,554	4,934

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 -4,554 million yen include a 32 million yen elimination for intersegment sales and transfers and -4,587 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 nine months of FY2023 and the balance of goodwill at the end of the third quarter are as follows:

Millions of yen

	Direct Selling Group	Food Group	Other Businesses	Elimination or corporate	Total
Amortization	80	5	8	–	94
Balance*	224	9	38	–	273

* Goodwill at the end of the third quarter includes 222 million yen of goodwill in the Direct Selling Group and 9 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 38 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 nine months of FY2024 (April 1 to December 31, 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	59,633	–	–	59,633	–	59,633
Care Service businesses	11,164	–	–	11,164	–	11,164
Mister Donut business	–	45,719	–	45,719	–	45,719
Other	11,596	3,412	8,967	23,977	–	23,977
Revenue from contracts with customers	82,395	49,132	8,967	140,495	–	140,495
Other revenue[2]	–	–	1,737	1,737	–	1,737
To outside customers	82,395	49,132	10,705	142,233	–	142,233
Intersegment sales and transfers	503	4	1,681	2,189	-2,189	–
Total	82,898	49,136	12,387	144,422	-2,189	142,233
Segment income (loss)	5,241	6,635	396	12,272	-5,201	7,071

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 -5,201 million yen include a 34 million yen elimination for intersegment sales and transfers and -5,235 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 nine months of FY2024 and the balance of goodwill at the end of the third quarter are as follows:

Millions of yen

	Direct Selling Group	Food Group	Other Businesses	Elimination or corporate	Total
Amortization	70	9	9	–	90
Balance*	199	63	29	–	292

* Goodwill at the end of the third quarter includes 199 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 58 million yen of goodwill for Kenko Saien Co., Ltd., which the Company acquired in January 2024 in the Food Group and 29 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 three-months of the fiscal year 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 nine-month period of FY2023 is also presented in the amounts that reflect the change.

Notes on significant changes in shareholders' equity

The Company repurchased 1,328,200 shares during the first nine 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 4,642 million yen, including changes due to the disposal of Company shares held by the Employee Stock Ownership Plan. Consequently, treasury stock amounted to 10,107 million yen as of December 31, 2024.

Notes relating to going concern assumption

None.

Notes to quarterly consolidated statements of cash flows

Quarterly consolidated statements of cash flows for the first nine months of FY2024 have not been prepared. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first nine months of FY2023 and FY2024 are as follows.

Millions of yen

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	5,879	5,756
Amortization of goodwill	94	90