

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

February 9, 2024

Company name: Duskin Co., Ltd. Shares listed: Tokyo  
 Code number: 4665 URL: <https://www.duskin.co.jp>  
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 Scheduled date for release of quarterly report: February 14, 2024  
 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, 2023 to December 31, 2023

#### (1) Results of operation

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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
9 months ended Dec. 31, 2023	134,751	5.1	4,934	-45.3	6,860	-38.0	4,694	-38.2
9 months ended Dec. 31, 2022	128,180	4.0	9,020	-12.5	11,058	-8.9	7,594	-9.0

Note: Comprehensive income - 9 months ended Dec. 31, 2023: 6,480 million yen (-13.8%), Dec. 31, 2022: 7,515 million yen (-4.2%)

	Profit per share		Profit per share (Fully diluted)	
	Yen		Yen	
9 months ended Dec. 31, 2023	97.49		97.45	
9 months ended Dec. 31, 2022	153.71		153.64	

#### (2) Financial positions

	Total assets		Net assets		Equity ratio	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
As of Dec. 31, 2023	196,669		152,747		77.5	
As of Mar. 31, 2023	197,524		151,774		76.6	

Reference: Shareholders' equity - Dec. 31, 2023: 152,412 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)
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:

- Revision from the most recently announced dividend forecast: None
- 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 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 Dec. 31, 2023: 50,994,823	As of Mar. 31, 2023: 50,994,823
Number of treasury shares	As of Dec. 31, 2023: 2,892,151	As of Mar. 31, 2023: 2,492,646
Average number of shares outstanding during the period	9 months ended Dec. 31, 2023: 48,152,989	9 months ended Dec. 31, 2022: 49,409,554

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 nine months of fiscal 2023 (April 1 to December 31, 2023), the Japanese economy has been on a gradual recovery path. One of the main factors supporting this recovery was 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)), which has greatly eased COVID-related behavioral restrictions and improved employment and income conditions. But the future remains 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.

In such circumstances, we have passed the halfway point of the second year of the Medium-Term Management Policy 2022 implementation period. This medium-term business strategy period represents the final and third phase of our long-term strategy ONE DUSKIN, and we are now focusing on implementing some specific measures. 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 encouraging more franchisees to bring in sales teams dedicated to sales visits to households, which have proven effective in test operations by our company-owned sales offices and affiliated companies in the previous year. The Food Group focused on initiatives to improve customer experience (CX) value, such as launching delivery services using Uber Eats and Wolt, while enhancing the Mister Donut eat-in menu and opening more Mister Donut shops.

We have also engaged in growth investments. One such investment was the signing of a business alliance agreement with JP-Holdings, Inc., a leading provider of childcare support services, and the acquisition of a portion of its shares to make it an equity method affiliate. In addition, we have decided to make Kenko Saien Co., Ltd. our wholly owned subsidiary and have signed a share purchase agreement with the company. This company is the holding company for Boston House Co., Ltd., which operates a food service business, including the Italian restaurant Napoli No Shokutaku, mainly in the northern Kanto area.

Consolidated net sales for the first nine months of fiscal 2023 increased 6,570 million yen (5.1%) year-over-year to 134,751 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 4,085 million yen (45.3%) year-over-year to 4,934 million yen, consolidated ordinary profit decreased 4,197 million yen (38.0%) year-over-year to 6,860 million yen, and profit attributable to owners of the parent decreased 2,899 million yen (38.2%) to 4,694 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.

	9 months ended Dec. 31, 2022	9 months ended Dec. 31, 2023	Millions of yen	
			Increase/decrease	%
Consolidated net sales	128,180	134,751	+6,570	+5.1
Consolidated gross profit	58,051	57,734	-316	-0.5
Consolidated operating profit	9,020	4,934	-4,085	-45.3
Consolidated ordinary profit	11,058	6,860	-4,197	-38.0
Profit attributable to owners of parent	7,594	4,694	-2,899	-38.2

**Results by business segment**

## Sales

Millions of yen

		9 months ended Dec. 31, 2022	9 months ended Dec. 31, 2023	Increase/decrease	
					%
	Direct Selling Group	82,785	82,226	-559	-0.7
	Food Group	35,473	42,835	+7,361	+20.8
	Other Businesses	12,307	11,747	-560	-4.6
	Total	130,567	136,808	+6,241	+4.8
	Intersegment eliminations	-2,386	-2,057	+329	-
	Consolidated net sales	128,180	134,751	+6,570	+5.1

Note: Sales by business segment above include intersegment sales.

## Operating profit (loss)

Millions of yen

		9 months ended Dec. 31, 2022	9 months ended Dec. 31, 2023	Increase/decrease	
					%
	Direct Selling Group	7,812	3,723	-4,088	-52.3
	Food Group	4,539	5,422	+882	+19.4
	Other Businesses	637	343	-294	-46.2
	Total	12,990	9,489	-3,500	-26.9
	Intersegment eliminations and corporate expenses	-3,969	-4,554	-584	-
	Consolidated operating profit	9,020	4,934	-4,085	-45.3

Note: Operating profit or loss above includes intersegment transactions.

**a. Direct Selling Group**

Direct Selling Group sales decreased 559 million yen (0.7%) year-over-year to 82,226 million yen, mainly due to lower sales in the mainstay Clean Service business. Operating profit decreased 4,088 million yen (52.3%) year-over-year to 3,723 million yen, mainly due to higher costs associated with RFID tag installation, which is proceeding according to plan.

In the Direct Selling Group's mainstay Clean Service business, sales to both residential and commercial customers declined.

Among products for household use, sales decreased for mops and compact water purifiers that attach directly to the faucet, as well as for Robot Cleaner SiRo, which had been selling well after its renewal. Sales of kitchen sponges, for which there was a last-minute spike in demand ahead of the price revision in the previous year, also declined. 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. Thanks in part to these efforts, the decline in the number of customers is shrinking.

Sales of commercial market products decreased overall. Although sales of mats with antibacterial and antiviral functions continued to be strong, the drop in sales of Clear Kukan air purifiers and lower sales of alcohol sanitizers, which had been strong in the previous year, contributed to this decline in overall sales.

Among the Care Service (professional cleaning and technical services) businesses, ServiceMaster (professional cleaning services) posted higher customer-level sales thanks to brisk air conditioner cleaning sales. Customer-level sales also increased for Merry Maids (home cleaning and helper services), Terminix (pest control and comprehensive hygiene management) and Total Green (plant and flower upkeep), all of which enjoyed steady sales growth in scheduled services. On the other hand, Home Repair (fixing

scratches and dents), saw a decline in customer-level sales.

Among other Direct Selling Group businesses, Rent-All (rental of special event and daily use items) reported a decline in sales, mainly due to a decrease in orders for hygiene services at coronavirus vaccination sites. However, we are seeing signs of recovery in the number of events held, which is becoming as many as they were before the pandemic. In addition to Health-Rent (rental and sales of assisted-living products), which continues to perform well, the cosmetics-related business, uniform-related businesses and Lifecare (support services for seniors) all reported higher sales.

## **b. Food Group**

Food Group sales increased 7,361 million yen (20.8%) year-over-year to 42,835 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 882 million yen (19.4%) year-over-year to 5,422 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, 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, which is now in its seventh year; White Pon de Ring, a product commemorating the 20th anniversary of Pon de Ring; and Soft French Cruller, a product commemorating the 50th anniversary of Mister Donut's French Cruller were all well-received and contributed to increased sales. In addition, the "Let's take a rest and relax" campaign, which took place in the third quarter in collaboration with Pokémon Company, supported sales growth. The series of items marketed under the campaign as the "MISDO Pokémon rest & relax collection" and the "2024 lucky bag" performed well. Furthermore, following the launch of Crunchy Soft Ring in June, Pizzetta, an easy-to-bite pizza that is baked to order, was added to the MISDO GOHAN lineup in October to meet customer demand for light meals and went on to receive favorable reviews.

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 560 million yen (4.6%) year-over-year to 11,747 million yen. Specifically, sales of domestic consolidated subsidiaries increased while sales of overseas operations decreased. Operating profit decreased 294 million yen (46.2%) year-over-year to 343 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.

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.

Sales from overseas businesses were lower year-over-year. This was mainly because of lower sales at Duskin Shanghai Co., Ltd., which rents and sells dust control products in China, and also due to our decision to stop procuring paper towels from Duskin Hong Kong Co., Ltd. (currently undergoing liquidation proceedings) and switch to procuring from domestic suppliers. The decrease in sales of Big Apple Worldwide Holdings Sdn. Bhd., which operates a donut business mainly in Malaysia, also affected the result. The lower sales at Big Apple were owing to the continued decline in 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 third quarter of the current fiscal year amounted to 196,669 million yen, a decrease of 855 million yen from the end of the previous fiscal year. Specifically, securities decreased 7,563 million yen, cash and deposits decreased 5,573 million yen and software decreased 611 million yen. On the other hand, investment securities increased 6,321 million yen, accounts receivable-other increased 4,959 million yen, notes and accounts receivable-trade and contract assets increased 681 million yen, raw materials and supplies increased 458 million yen and merchandise and finished goods increased 438 million yen.

Total liabilities amounted to 43,922 million yen, down 1,828 million yen from the end of the previous fiscal year. Specifically, provision for bonuses decreased 2,142 million yen, accounts payable-other decreased 1,869 million yen and income taxes payable decreased 900 million yen. On the other hand, deferred tax liabilities increased 1,574 million yen and notes and accounts payable-trade increased 1,182 million yen.

Net assets totaled 152,747 million yen, an increase of 972 million yen from the end of the previous fiscal year. Specifically, valuation difference on available-for-sale securities increased 1,935 million yen and retained earnings increased 648 million yen. On the other hand, treasury stock increased 1,362 million yen (net assets decreased) mainly due to stock repurchases.

## (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. Forecasts for each segment are also unchanged from those announced on November 8, 2023.

The 2024 Noto Peninsula Earthquake, which occurred on and after January 1, 2024 caused damage to buildings and equipment at the Wakura Plant of our subsidiary, Wakura Duskin Co., Ltd. As a result, the plant has partially suspended operations. The amount of damage caused by the earthquake is currently being calculated, and the impact on consolidated financial results has not been determined at this time.

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

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

Millions of yen

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	18,207	12,633
Notes and accounts receivable - trade, and contract assets	11,553	12,235
Lease receivables and investments in leases	1,003	1,032
Securities	19,864	12,301
Merchandise and finished goods	8,212	8,651
Work in process	290	266
Raw materials and supplies	2,629	3,087
Accounts receivable - other	5,666	10,626
Other	1,707	1,783
Allowance for doubtful accounts	-13	-11
<b>Total current assets</b>	<b>69,122</b>	<b>62,607</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	45,027	45,595
Accumulated depreciation	-30,546	-31,394
Buildings and structures, net	14,481	14,200
Machinery, equipment and vehicles	26,141	27,104
Accumulated depreciation	-18,754	-19,533
Machinery, equipment and vehicles, net	7,386	7,571
Land	22,439	22,439
Construction in progress	320	728
Other	15,715	16,615
Accumulated depreciation	-11,267	-11,954
Other, net	4,448	4,660
<b>Total property, plant and equipment</b>	<b>49,076</b>	<b>49,601</b>
<b>Intangible assets</b>		
Goodwill	253	273
Software	5,645	5,033
Other	1,556	1,502
<b>Total intangible assets</b>	<b>7,454</b>	<b>6,809</b>
<b>Investments and other assets</b>		
Investment securities	61,743	68,065
Retirement benefit asset	2,987	2,998
Deferred tax assets	887	907
Guarantee deposits	5,260	5,027
Other	1,012	673
Allowance for doubtful accounts	-19	-19
<b>Total investments and other assets</b>	<b>71,871</b>	<b>77,651</b>
<b>Total non-current assets</b>	<b>128,402</b>	<b>134,062</b>
<b>Total assets</b>	<b>197,524</b>	<b>196,669</b>



Millions of yen

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	7,594	8,776
Income taxes payable	1,147	246
Provision for bonuses	4,022	1,880
Asset retirement obligations	–	4
Accounts payable - other	9,759	7,890
Guarantee deposit received for rental products	8,771	9,015
Other	5,537	5,484
<b>Total current liabilities</b>	<b>36,832</b>	<b>33,297</b>
<b>Non-current liabilities</b>		
Long-term borrowings	1,115	892
Retirement benefit liability	5,850	6,078
Asset retirement obligations	607	636
Long-term guarantee deposits	982	1,081
Long-term accounts payable - other	9	9
Deferred tax liabilities	352	1,926
<b>Total non-current liabilities</b>	<b>8,917</b>	<b>10,625</b>
<b>Total liabilities</b>	<b>45,750</b>	<b>43,922</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	11,352	11,352
Capital surplus	11,088	11,113
Retained earnings	124,943	125,591
Treasury shares	-7,102	-8,465
<b>Total shareholders' equity</b>	<b>140,282</b>	<b>139,591</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	8,532	10,468
Deferred gains or losses on hedges	-0	-0
Foreign currency translation adjustment	245	471
Remeasurements of defined benefit plans	2,300	1,881
<b>Total accumulated other comprehensive income</b>	<b>11,078</b>	<b>12,820</b>
Share acquisition rights	49	49
Non-controlling interests	364	284
<b>Total net assets</b>	<b>151,774</b>	<b>152,747</b>
<b>Total liabilities and net assets</b>	<b>197,524</b>	<b>196,669</b>

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

## Consolidated statements of income

Millions of yen

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	128,180	134,751
Cost of sales	70,129	77,016
Gross profit	58,051	57,734
Selling, general and administrative expenses	49,030	52,799
Operating profit	9,020	4,934
Non-operating income		
Interest income	121	164
Dividend income	366	402
Rental income from facilities	135	123
Commission income	193	179
Share of profit of entities accounted for using equity method	555	649
Other	883	703
Total non-operating income	2,255	2,223
Non-operating expenses		
Interest expenses	0	0
Rental expenses on facilities	84	75
Other	132	222
Total non-operating expenses	217	297
Ordinary profit	11,058	6,860
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	1	0
Loss on abandonment of non-current assets	30	62
Impairment losses	30	95
Provision of reserves for losses on liquidation of subsidiaries and affiliates	26	–
Total extraordinary losses	89	158
Profit before income taxes	10,971	6,703
Income taxes	3,331	1,970
Profit	7,640	4,733
Profit attributable to non-controlling interests	46	38
Profit attributable to owners of parent	7,594	4,694

## Consolidated statements of comprehensive income

	Millions of yen	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	7,640	4,733
Other comprehensive income		
Valuation difference on available-for-sale securities	374	1,951
Foreign currency translation adjustment	242	143
Remeasurements of defined benefit plans, net of tax	-847	-416
Share of other comprehensive income of entities accounted for using equity method	105	68
Total other comprehensive income	-124	1,747
Comprehensive income	7,515	6,480
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,461	6,436
Comprehensive income attributable to non-controlling interests	54	43

### (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 nine months 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 1,362 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 8,465 million yen as of December 31, 2023.

#### Segment information and other information

##### Segment information

##### 1) First nine months of FY2022 (April 1 to December 31, 2022)

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

	Direct Selling Group	Food Group	Other Businesses <sup>1</sup>	Total	Adjustment <sup>3</sup>	Consolidated total <sup>4</sup>
Sales						
Clean Service businesses	60,934	–	–	60,934	–	60,934
Care Service businesses	10,342	–	–	10,342	–	10,342
Mister Donut business	–	34,129	–	34,129	–	34,129
Other	10,993	1,331	8,746	21,071	–	21,071
Revenue from contracts with customers	82,270	35,461	8,746	126,478	–	126,478
Other revenue <sup>2</sup>	–	–	1,702	1,702	–	1,702
To outside customers	82,270	35,461	10,448	128,180	–	128,180
Intersegment sales and transfers	515	12	1,858	2,386	-2,386	–
Total	82,785	35,473	12,307	130,567	-2,386	128,180
Segment income (loss)	7,812	4,539	637	12,990	-3,969	9,020

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 -3,969 million yen include a 32 million yen elimination for intersegment sales and transfers and -4,002 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 FY2022 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	Eliminations and corporate expenses	Total
Amortization	66	10	8	–	85
Balance*	202	18	49	–	270

\* Goodwill at the end of the third quarter includes 194 million yen of goodwill in the Direct Selling Group and 18 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 49 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 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 <sup>1</sup>	Total	Adjustment <sup>3</sup>	Consolidated total <sup>4</sup>
Sales						
Clean Service businesses	60,107	–	–	60,107	–	60,107
Care Service businesses	10,627	–	–	10,627	–	10,627
Mister Donut business	–	41,437	–	41,437	–	41,437
Other	11,021	1,376	8,480	20,878	–	20,878
Revenue from contracts with customers	81,756	42,814	8,480	133,051	–	133,051
Other revenue <sup>2</sup>	–	–	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	Eliminations and corporate expenses	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 was acquired in February 2017.

### **Significant gains on negative goodwill**

None.