# Summary of Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2013 (Japanese Standards)

All information contained in this document has been prepared in accordance with generally accepted accounting principles in Japan.
This document has been translated from the Japanese original for reference purpose only.

January 30, 2013

Company name: Duskin Co., Ltd. Shares listed: Tokyo and Osaka
Code number: 4665 (URL http://www.duskin.co.jp/corp/index.html)
Representative: Teruji Yamamura, President & CEO
Contact: Akihisa Tsurumi, Executive Director Phone: (06) 6821-5071

Scheduled date of filing quarterly report: February 13, 2013
Scheduled date of dividend payment: -
Preparation of supplemental explanatory materials: No
Holding of quarterly financial results meeting: No

(Amounts less than one million yen are dropped.)

## 1. Consolidated financial results for the period from April 1, 2012 - December 31, 2012

### (1) Results of operation

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

| | Sales | | Operating income | | Ordinary income | | Net income | |
|---|---|---|---|---|---|---|---|---|
| | millions of yen | % | millions of yen | % | millions of yen | % | millions of yen | % |
| 9 months ended Dec. 31, 2012 | 126,866 | -2.9 | 7,896 | 0.8 | 9,309 | 0.4 | 5,419 | 76.5 |
| 9 months ended Dec. 31, 2011 | 130,634 | -3.1 | 7,830 | -8.3 | 9,274 | -5.9 | 3,069 | -34.2 |

(Note) Comprehensive income: Dec. 31, 2012: 6,165 million yen (108.6%) Dec. 31, 2011: 2,955 million yen (-29.6%)

| | Net income per share | Net income per share (fully diluted) |
|---|---|---|
| | yen | yen |
| 9 months ended Dec. 31, 2012 | 84.38 | − |
| 9 months ended Dec. 31, 2011 | 47.56 | − |

### (2) Financial position

| | Total assets | Net assets | Ratio of equity to total assets |
|---|---|---|---|
| | millions of yen | millions of yen | % |
| As of Dec. 31, 2012 | 197,132 | 151,442 | 76.4 |
| As of Mar. 31, 2012 | 197,316 | 149,604 | 75.4 |

(Reference) Shareholders' equity: Dec. 31, 2012: 150,572 million yen Mar. 31, 2012: 148,781 million yen

## 2. Dividends

| | Dividends per share | | | | |
|---|---|---|---|---|---|
| | End of 1st Q | End of 2nd Q | End of 3rd Q | Year-end | Total (Annual) |
| | yen | yen | yen | yen | yen |
| Year ended Mar. 31, 2012 | − | 0.00 | − | 40.00 | 40.00 |
| Year ending Mar. 31, 2013 | − | 20.00 | − | | |
| Year ending Mar. 31, 2013 (Forecast) | | | | 20.00 | 40.00 |

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

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

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

| | Sales | | Operating income | | Ordinary income | | Net income | | Net income per share |
|---|---|---|---|---|---|---|---|---|---|
| | millions of yen | % | millions of yen | % | millions of yen | % | millions of yen | % | yen |
| Year ending Mar. 31, 2013 | 170,000 | -0.7 | 9,000 | -8.6 | 10,800 | -7.0 | 5,700 | 24.4 | 88.67 |

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

***Notes**

(1) Changes in significant subsidiaries during the period (Changes in specific subsidiaries resulting in an adjustment to the scope of consolidation): None

(2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting principles and estimates, and retrospective restatements
1) Changes due to revision of accounting standards: None
2) Changes other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatements: None

(4) Number of shares issued (Common stock)

| | | | | | |
|---|---|---|---|---|---|
| 1) | Number of shares issued at the end of the period (including treasury stock) | 9 months ended Dec. 31, 2012 | 66,294,823 | Year ended Mar. 31, 2012 | 66,294,823 |
| 2) | Number of treasury stock at the end of the period | 9 months ended Dec. 31, 2012 | 2,309,834 | Year ended Mar. 31, 2012 | 2,009,339 |
| 3) | Average number of shares during the period | 9 months ended Dec. 31, 2012 | 64,225,253 | 9 months ended Dec. 31, 2011 | 64,550,513 |

* Implementation status of quarterly review
This summary of financial statements is exempt from the quarterly review procedure required by the Financial Instruments and Exchange Act. Review procedures for the quarterly financial statements based on the Financial Instruments and Exchange Act were being performed at the time of the announcement of this summary of financial statements.

* Explanation regarding the appropriate use of business forecasts
The financial forecast contained in this report is based on information available at the time of preparation of the report and certain assumptions considered reasonable, and thus the Company makes no warranty as to the achievability of the forecast. Accordingly, readers are advised that actual results may differ significantly from the forecast.

Contents of attachment:

1. Qualitative information for the first nine months ended on December 31, 2012

(1) Business results

In the first nine months ended on December 31, 2012 (April 1, 2012 - December 31, 2012), Japan's economy showed a slow recovery due to the increasing demand for reconstruction and restoration from the damage caused by the Great East Japan Earthquake. However, during the latter part of the period, the overseas economy slowed down, affected by recurrent European debt crisis issues. In the domestic market, the economic outlook grew increasingly unclear due to higher electric power charges and the consumption tax hike bill establishment. The business climate saw even stronger commitment by companies to cost cutting and an increasingly defensive mindset and reluctance to make purchases among consumers.

Under these circumstances, we have undertaken our new Medium-term Management Policy, focusing on business system innovation and its swift implementation. Consolidated sales were 126,866 million yen, down 2.9% from one year earlier, operating income was 7,896 million yen, up 0.8%, ordinary income was 9,309 million yen, up 0.4%, and net income was 5,419 million yen, up 76.5%.

＜Results by business segment＞

1. Clean & Care Group

Clean & Care Business, which provides cleaning tools and technical services to customers, continued sales efforts focused on promoting a New Cleaning Style in the residential market. This cleaning style uses a floor mop, LaLa and Dust Cleaner, an electrically-powered dust box placed on the floor, which makes it possible to easily remove dust collected by floor mops whenever dust is spotted. Sales of LaLa and Dust Cleaner steadily grew due to focused promotions with demonstrations at shopping malls in addition to TV commercials and other advertisements on various media. However, total sales of mop products were lower than in the same period of the previous year, due to lower sales of handy mops and largely lower sales of accessories for LaLa mops, which occur at the beginning of the rental service, compared to the previous year when LaLa was introduced. While all the technical services for residential market posted higher sales than in the same period of the previous year, total sales for the residential market were lower than one year earlier (down 2.5% on the basis of products shipped in comparison with the same period of the previous year).

In the commercial market, our business climate remained difficult since most companies still continued their cost reduction efforts. As a result, total sales for the commercial market were lower than in the same period of the previous year. However, toiletry products recorded favorable sales due to the release of Smart Dispenser AUTO (Dispensers for Medicated Foaming Hand Soap and Toilet Seat Foam Cleaner) in June. Clean and Care Group continued its sales efforts to offer comprehensive solutions tailored to meet customer needs, by combining rental of cleaning tool with cleaning, pest control and hygiene control services. Our committed sales efforts gradually saw positive results, and helped stem the decline in sales of our dust control products (including mats). In technical services, sales of the air-conditioner cleaning service declined, but pest control and pruning services recorded higher sales from one year earlier (down 0.7% on the basis of products shipped in comparison with the same period of the previous year).

Among other businesses in the Clean & Care Group, Rent-All posted higher sales from one year earlier, due to increased rental orders for events, in addition to continued favorable results in rental services for assisted-living and health care products. Health & Beauty recorded the same level of sales as one year earlier while Body Milk (body serum) which was developed in cooperation with our consolidated subsidiary, Kyowa Cosmetics Co., Ltd. and released in November, posted favorable sales. Uniform Service and Home Instead recorded lower sales from one year earlier.

As a result, sales for the Clean & Care Group totaled 83,954 million yen, down 3.4% from one year earlier, and operating income was 11,413 million yen, a 4.2% increase from one year earlier.

We revised the contract with the independent service operators who are engaged in sales activities in our branches, in order to enhance their independent business ownership. This revision resulted in a

1,900 million yen decrease in sales during the third quarter. Excluding this impact in the comparison with the result of the same period of the previous year, the decline in sales was 1,000 million yen, 1.2% down. There was no impact on operating income due to this contract revision.

2. Food Group

Mister Donut promoted its new brand slogan, “Encircling the Heart,” introduced in the beginning of 2012, and undertook various initiatives to reinforce the brand. Among its product development efforts, Mister Donut placed its focus on “tasty products.” Among the basic items, French Cruller, which has enjoyed wide popularity over 40 years, and other yeast-raised shell donuts, including Angel Cream had their ingredients and production processes reviewed with the aim of further enhancing their quality. Mister Donut released various items for seasonal events as well as introducing several products that drew customer attention. Included in these products are Snoopy’s Mont Blanc House as Christmas items, Two Curry-Flavor Buns developed under the direction of the popular comedian, Tomomitsu Yamaguchi, and scones introduced in the Olympic Year.

Promotional initiatives included collaborative campaigns with Japan Airlines, and Universal Studio Japan, a revival of the popular “Lucky Card Campaign” with scratch cards, and lowered minimum points for exchanges with MISDO Club goods and products. With these promotions, Mister Donut offered fun and hot topics in order to increase customer visits to the shops. Mister Donut undertook new social media initiatives, including opening its official corporate page on Facebook, and various campaigns on Twitter. Mister Donut opened a new shop, called “Pon de Lion Park” with a theme on Mister Donut original character, Pon de Lion in Tokyo Solamachi in May. In September, the JR Nishi Kokubunji shop opened on a platform of Nishi Kokubunji Station, as a part of new shopping mall called “nonowa Nishi Kokubunji” in the train station of JR Chuo Line. In November, Otemachi Financial City Shop opened as a new model shop for urban markets. In addition to these initiatives, a campaign conducted in September contributed to increasing the number of customers during the first half of the FY 2012. However, the number of customers and the average check declined during the second half. As a result, Mister Donut recorded lower sales than the same period of the previous year.

Among other businesses in the Food Group, Café Du Monde, Katsu & Katsu, Stick Sweets Factory, and The Don, a seafood *donburi* (rice bowl) chain, all posted lower sales from one year earlier, due to the closure of underperforming shops.

Including 764 million yen sales of Hachiya Dairy Products Co., Ltd., a newly acquired consolidated subsidiary from the second quarter, sales of Food Group totaled 35,282million yen, down 2.4%, and operating income was 1,143 million yen, 37.9% down from one year earlier.

3. Other Businesses

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

Among the overseas dust control businesses, various marketing initiatives led to steady growth in the Korean residential market, which we entered in March 2012. The dust control business in Taiwan showed synergic effects of technical services introduced in the previous year. Various marketing initiatives were executed in order to expand our share in the other existing markets. Mister Donut posted steady sales growth in Malaysia, where it marked the first anniversary of the business in August. Sales in Thailand and Shanghai were also favorable due to continued new store openings. However, sales in other areas decreased. As a result, Mister Donut’s overseas business recorded the same level of sales as in the same period of the previous year.

As a result, Other Businesses recorded sales of 7,629 million yen, up 0.7 % from the previous year, and operating income of 284 million yen, down 0.8%.

Segment sales figures do not include consumption tax.

### (2) Financial Position

At the end of the third quarter, total assets were 197,132 million yen, a 183 million yen decrease from the end of the previous year. This is due to a 2,458 million yen increase in cash and deposits, a 1,757 million yen increase in notes and account receivables-trade, a 1,034 million yen increase in property, plant and equipment due to the replacement of system equipment at Mister Donut shops, and a 3,226 million yen decrease in investment securities due to the sale and redemption of bonds.

Liabilities amounted to 45,690 million yen, a 2,021 million yen decrease compared to the previous fiscal year end. This is due to a 983 million yen increase in the provision for retirement benefits, a 161 million yen decrease in the provision for bonuses, and a 1,123 million yen decrease in income taxes payable.

Net assets were 151,442 million yen, a 1,837 million yen increase. This is due to a 1,562 million yen increase in retained earnings resulting from third quarter net income of 5,419 million yen and 3,857 million yen dividend payments, a 657 million yen increase in valuation difference on available-for-sale securities, and a 455 million yen decrease in treasury stock, resulting from the repurchase of the company’s stock.

### (3) Forecasts

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

## 2. Summary information (Other information)

### (1) Changes in significant subsidiaries during the period

None

### (2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements

Calculation of tax expenses

To determine tax expenses for consolidated subsidiaries, a reasonable estimate is made for the effective tax rate after the application of deferred tax accounting for net income before income taxes for the fiscal year, including the first nine months. Tax expenses for consolidated subsidiaries are then calculated by multiplying net income of the period before income taxes of the period by this estimated effective tax rate.

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

None

## 3. Consolidated financial statements

### (1) Consolidated balance sheets

(millions of yen)

| | as of March 31, 2012 | as of December 31, 2012 |
|---|---|---|
| ASSETS | | |
| Current assets | | |
| Cash and deposits | 15,600 | 18,058 |
| Notes and accounts receivable-trade | 10,891 | 12,648 |
| Lease investment assets | 1,850 | 1,830 |
| Marketable securities | 18,153 | 17,067 |
| Merchandise and finished goods | 6,345 | 6,035 |
| Work in process | 195 | 159 |
| Raw materials and supplies | 1,456 | 1,980 |
| Deferred tax assets | 2,306 | 1,647 |
| Other | 2,675 | 3,021 |
| Allowance for doubtful accounts | -72 | -39 |
| Total current assets | 59,401 | 62,411 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 41,283 | 41,898 |
| Accumulated depreciation | -23,361 | -24,094 |
| Buildings and structures, net | 17,922 | 17,804 |
| Machinery, equipment and vehicles | 21,742 | 23,435 |
| Accumulated depreciation | -15,507 | -17,083 |
| Machinery, equipment and vehicles, net | 6,235 | 6,352 |
| Land | 23,818 | 24,232 |
| Construction in progress | 268 | 305 |
| Other | 11,881 | 13,695 |
| Accumulated depreciation | -8,317 | -9,096 |
| Other, net | 3,563 | 4,598 |
| Total property, plant and equipment | 51,809 | 53,291 |
| Intangible assets | | |
| Goodwill | 200 | 690 |
| Other | 8,926 | 8,005 |
| Total intangible assets | 9,126 | 8,696 |
| Investments and other assets | | |
| Investment securities | 60,816 | 57,590 |
| Long-term loans receivable | 45 | 132 |
| Deferred tax assets | 6,998 | 6,171 |
| Guarantee deposits | 7,876 | 7,580 |
| Other | 1,454 | 1,452 |
| Allowance for doubtful accounts | -212 | -193 |
| Total investments and other assets | 76,979 | 72,733 |
| Total noncurrent assets | 137,915 | 134,721 |
| Total assets | 197,316 | 197,132 |

(millions of yen)

| | as of March 31, 2012 | as of December 31, 2012 |
|---|---|---|
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable-trade | 6,616 | 7,335 |
| Current portion of long-term loans payable | 94 | 99 |
| Income taxes payable | 1,902 | 778 |
| Provision for bonuses | 3,422 | 1,820 |
| Provision for point card certificates | 449 | 405 |
| Asset retirement obligations | 253 | 2 |
| Accounts payable-other | 6,669 | 5,741 |
| Guarantee deposit received for rental products | 10,634 | 11,177 |
| Other | 4,281 | 3,838 |
| Total current liabilities | 34,323 | 31,201 |
| Noncurrent liabilities | | |
| Long-term loans payable | 151 | 113 |
| Provision for retirement benefits | 11,965 | 12,949 |
| Provision for loss on guarantees | 60 | 24 |
| Asset retirement obligations | 355 | 581 |
| Long-term guarantee deposited | 791 | 780 |
| Long-term accounts payable-other | 62 | 37 |
| Other | 2 | 2 |
| Total noncurrent liabilities | 13,388 | 14,489 |
| Total liabilities | 47,711 | 45,690 |
| NET ASSETS | | |
| Shareholders' equity | | |
| Capital stock | 11,352 | 11,352 |
| Capital surplus | 11,337 | 11,337 |
| Retained earnings | 131,591 | 133,153 |
| Treasury stock | -3,176 | -3,632 |
| Total shareholders' equity | 151,104 | 152,211 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | -1,793 | -1,136 |
| Deferred gains or losses on hedges | 3 | 6 |
| Foreign currency translation adjustment | -533 | -509 |
| Total accumulated other comprehensive income | -2,323 | -1,638 |
| Minority interests | 823 | 869 |
| Total net assets | 149,604 | 151,442 |
| Total liabilities and net assets | 197,316 | 197,132 |

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

Consolidated statements of income

(millions of yen)

| | Nine months<br>April 1, 2011 - December 31, 2011 | Nine months<br>April 1, 2012 - December 31, 2012 |
|---|---|---|
| Net sales | 130,634 | 126,866 |
| Cost of sales | 73,530 | 72,069 |
| Gross profit | 57,104 | 54,796 |
| Selling, general and administrative expenses | 49,274 | 46,900 |
| Operating income | 7,830 | 7,896 |
| Non-operating income | | |
| Interest income | 675 | 698 |
| Dividends income | 222 | 201 |
| Rent income on facilities | 97 | 90 |
| Commission fee | 211 | 218 |
| Amortization of negative goodwill | 17 | — |
| Equity in earnings of affiliates | 17 | — |
| Gain on transfer of goodwill | 72 | 131 |
| Miscellaneous income | 458 | 366 |
| Total non-operating income | 1,772 | 1,707 |
| Non-operating expenses | | |
| Interest expenses | 4 | 3 |
| Foreign exchange losses | 81 | 40 |
| Equity in losses of affiliates | — | 64 |
| Compensation expenses | 26 | 65 |
| Loss on cancellation of leasehold contracts | 86 | 33 |
| Miscellaneous loss | 129 | 87 |
| Total non-operating expenses | 328 | 294 |
| Ordinary income | 9,274 | 9,309 |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | 0 | 0 |
| Gain on sales and redemption of investment securities | 130 | 939 |
| Gain on negative goodwill | 0 | — |
| Reversal of allowance for doubtful accounts | 24 | — |
| Other | 9 | 97 |
| Total extraordinary income | 164 | 1,037 |
| Extraordinary loss | | |
| Loss on sales of noncurrent assets | 32 | 3 |
| Loss on abandonment of noncurrent assets | 127 | 118 |
| Impairment loss | 71 | 67 |
| Loss on valuation of investment securities | 1,079 | 706 |
| Loss on disaster | 284 | — |
| Other | 25 | 17 |
| Total extraordinary losses | 1,621 | 912 |
| Income before income taxes and minority interests | 7,817 | 9,433 |
| Income taxes | 4,698 | 3,962 |
| Income before minority interests | 3,119 | 5,470 |
| Minority interests in income | 49 | 51 |
| Net income | 3,069 | 5,419 |

Consolidated statements of comprehensive income

(millions of yen)

| | Nine months April 1, 2011 - December 31, 2011 | Nine months April 1, 2012 - December 31, 2012 |
|---|---|---|
| Income before minority interests | 3,119 | 5,470 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | -53 | 657 |
| Deferred gains or losses on hedges | -5 | 2 |
| Foreign currency translation adjustment | -56 | 22 |
| Share of other comprehensive income of associates accounted for using equity method | -48 | 10 |
| Total other comprehensive income | -164 | 694 |
| Comprehensive income | 2,955 | 6,165 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of the parent | 2,928 | 6,104 |
| Comprehensive income attributable to minority interests | 26 | 60 |

(3) Notes relating to going concern assumption

None

(4) Notes on significant changes in shareholders' equity

None

(5) Segment information

I Nine-month period (April 1, 2011 – December 31, 2011)

1. Sales, profit/loss by business segment

(millions of yen)

| | Clean Group | Food Group | Other Businesses (Note:1) | Total | Adjustment (Note:2) | Consolidated total (Note:3) |
|---|---|---|---|---|---|---|
| Sales | | | | | | |
| To outside customers | 86,889 | 36,168 | 7,577 | 130,634 | — | 130,634 |
| Inter-segment sales | 651 | 4 | 1,800 | 2,455 | -2,455 | — |
| Total | 87,541 | 36,172 | 9,377 | 133,090 | -2,455 | 130,634 |
| Segment income | 10,950 | 1,840 | 286 | 13,076 | -5,246 | 7,830 |

(Notes)
1. "Other Businesses" are comprised of the businesses, that are not categorized in reportable business segments, including hospital management services, office equipment and vehicle leasing, insurance agent services, and overseas businesses.
2. Segment income adjustments of -5,246 million yen include a -20 million yen elimination for inter-segment sales and transfers and -5,226 million yen of corporate expenses that cannot be allocated to a particular business segment.
3. Segment operating income has been adjusted for consistency with operating income that is shown in the quarterly consolidated statements of income.

2. Impairment loss of noncurrent assets or goodwill by business segment

(Significant impairment loss on noncurrent assets)
None

(Significant change on the amount of goodwill)
There were no significant events that significantly affected the amount of goodwill during the third quarter ended December 31, 2011.

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

(millions of yen)

| | Clean Group | Food Group | Other Businesses | Elimination or corporate | Consolidated total |
|---|---|---|---|---|---|
| Amortization – Goodwill | 96 | 2 | 0 | — | 99 |
| Balance (Note) | 236 | 0 | — | — | 236 |

(Note) The balance of goodwill at the end of the third quarter includes 93 million yen of goodwill in Clean Group for Ami Corporation, which was acquired in July 2008 (currently integrated into Duskin Serve Tohoku) and 103 million yen of goodwill in Clean Group resulting from the purchase by the Company and its subsidiaries of the business operations of several franchisees.

(Significant gains on negative goodwill)
None

## II Nine-month period (April 1, 2012- December 31, 2012)

### 1. Sales, profit/loss by business segment

(millions of yen)

| | Clean & Care Group | Food Group | Other Businesses (Note:1) | Total | Adjustment (Note:2) | Consolidated total (Note:3) |
|---|---|---|---|---|---|---|
| Sales | | | | | | |
| To outside customers | 83,954 | 35,282 | 7,629 | 126,866 | — | 126,866 |
| Inter-segment sales | 720 | 10 | 1,874 | 2,604 | -2,604 | — |
| Total | 84,674 | 35,293 | 9,503 | 129,471 | -2,604 | 126,866 |
| Segment income | 11,413 | 1,143 | 284 | 12,841 | -4,945 | 7,896 |

(Notes)
1. "Other Businesses" are comprised of the businesses, that are not categorized in reportable business segments, including hospital management services, office equipment and vehicle leasing, insurance agent services, and overseas businesses.
2. Segment income adjustments of -4,945 million yen include a -8 million yen elimination for inter-segment sales and transfers and -4,936 million yen of corporate expenses that cannot be allocated to a particular business segment.
3. Segment operating income has been adjusted for consistency with operating income that is shown in the quarterly consolidated statements of income.
4. Clean Group has been renamed the Clean & Care Group. This is only a name change and does not affect business segment classifications.

### 2. Impairment loss of noncurrent assets or goodwill by business segment

(Significant impairment loss on noncurrent assets)
None

(Significant change on the amount of goodwill)
During the nine-month period ended December 31, 2012, goodwill of 404 million yen is recorded in Food Group segment due to the acquisition of Hachiya Dairy Products Co., Ltd. as a subsidiary in May 2012. The amortization of goodwill during the nine-month period ended December 31, 2012 and the balance of goodwill at the end of third quarter are as follows:

(millions of yen)

| | Clean & Care Group | Food Group | Other Businesses | Elimination or corporate | Consolidated total |
|---|---|---|---|---|---|
| Amortization – Goodwill | 101 | 40 | — | — | 141 |
| Balance (Note) | 326 | 364 | — | — | 690 |

(Note) The balance of goodwill at the end of the third quarter includes 364 million yen of goodwill in Food Group for Hachiya Dairy Products Co., Ltd., which was acquired in May 2012, 270 million yen of goodwill in Clean & Care Group resulting from the purchase by the Company and its subsidiaries of the business operations of several franchisees, and 31 million yen of goodwill in Clean & Care Group for Ami Corporation, which was acquired in July 2008 (currently integrated into Duskin Serve Tohoku).

(Significant gains on negative goodwill)

None