Summary of Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2016 (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.

October 30, 2015

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

Scheduled date of filing quarterly report: November 13, 2015
Scheduled date of dividend payment: December 3, 2015
Preparation of supplemental explanatory materials: Yes
Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are dropped.)

1. Consolidated financial results for the period from April 1, 2015 - September 30, 2015

(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	%
6 months ended Sept. 30, 2015	82,530	-1.3	2,681	44.3	3,432	21.9	1,962	33.5
6 months ended Sept. 30, 2014	83,631	0.4	1,858	-57.3	2,815	-47.2	1,469	-52.0

(Note) Comprehensive income: Sept. 30, 2015: 2,657 million yen (-12.7%) Sept. 30, 2014: 3,043 million yen (-24.2%)

	Net income per share	Net income per share (fully diluted)
	yen	yen
6 months ended Sept. 30, 2015	33.50	—
6 months ended Sept. 30, 2014	23.87	—

(2) Financial position

	Total assets	Net assets	Ratio of equity to total assets
	millions of yen	millions of yen	%
As of Sept. 30, 2015	185,763	146,091	78.1
As of Mar. 31, 2015	198,475	155,196	77.6

(Reference) Shareholders' equity: Sept. 30, 2015: 145,010 million yen Mar. 31, 2015: 154,038 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, 2015	—	20.00	—	20.00	40.00
Year ending Mar. 31, 2016	—	20.00			
Year ending Mar. 31, 2016 (Forecast)			—	20.00	40.00

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

3. Forecast of consolidated financial results for the FY2015 (April 1, 2015 - March 31, 2016)

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

	Sales		Operating income		Ordinary income		Net income attributable to shareholders of parent		Net income per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
Year ending Mar. 31, 2016	169,000	0.6	5,300	4.6	6,800	-4.0	3,700	7.5	66.61

(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
(Please refer to page 6, 2. Summary information (other information) (2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements.)

(3) Changes in accounting policies 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

(4) Number of shares issued (Common stock)

1) Number of shares issued at the end of the period (including treasury stock)	6 months ended Sept. 30, 2015	63,494,823	Year ended Mar. 31, 2015	63,494,823
2) Number of treasury stock at the end of the period	6 months ended Sept. 30, 2015	7,948,182	Year ended Mar. 31, 2015	2,947,257
3) Average number of shares during the period	6 months ended Sept. 30, 2015	58,573,005	6 months ended Sept. 30, 2014	61,578,768

* 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. Readers are advised that actual results may differ significantly from the forecast.

Contents of attachment:

1. Qualitative information

(1) Business results

In the first half of fiscal 2015 (April 1- September 30, 2015), Japan's economy recovered. Due to an improvement in the employment situation, personal spending is recovering. However, Japan's economic recovery continued to be slow. The economic outlook remains unclear due to fears of a downturn in the Chinese economy. Our business climate with increasingly diversifying consumer needs continued to be challenging because competition with other business sectors such as convenience stores is becoming more intense.

Duskin has started various initiatives in line with the Medium-term Management Policy 2015. Clean & Care Group made a new step towards transforming our business into a hygiene management service provider through the training of Hygiene Master professionals with expertise on sanitary management. Food Group launched a new Mister Donut next generation shop concept to best reflect the different reasons for visiting the shops and the different characteristics of their locations. Food Group prepared for test marketing a new food service business, Pie Face. This is an Australian cafe chain specializing in meat pies and coffee, through a license in Japan acquired in the previous year. Food Group plans to start opening Pie Face stores in the second half of this fiscal year.

Clean & Care Group achieved favorable results while Food Group recorded lower sales due to weak sales at Mister Donut. As a result, consolidated sales were 82,530 million yen, a 1.3% decrease from one year earlier. As for earnings, Clean & Care Group recorded significantly higher income. As a result, consolidated operating income was 2,681 million yen, a 44.3% increase from one year earlier, consolidated ordinary income was 3,432 million yen, a 21.9% increase, and profit attributable to owners of parent was 1,962 million yen, a 33.5% increase.

(millions of yen)

	6 months ended September 30, 2014	6 months ended September 30, 2015	Increase/decrease	
				%
Consolidated sales	83,631	82,530	-1,101	-1.3%
Consolidated operating income	1,858	2,681	822	44.3%
Consolidated ordinary income	2,815	3,432	617	21.9%
Quarter net income attributable to parent company shareholders	1,469	1,962	492	33.5%

*Starting with the first half of FY2015, Duskin adopted Revised Accounting Standard for Business Combinations (ASBJ Statement No.21, September 13, 2013) and net income is reported as profit attributable to owners of parent.

[Results by business segment]

1) Clean & Care Group

Dust control products, the core products of this segment, posted higher sales during the first quarter. However, sales of filter products were lower in the second quarter. As a result, first half sales of dust control products were about the same as in the same period of the previous year. Rent-All, which rents out daily commodities and equipment for various events, continued to perform well. Other businesses also recorded higher sales than one year earlier. As a result, sales of the Clean & Care Group totaled 55,007 million yen, an 869 million yen (1.6%) increase.

Operating income totaled 6,084 million yen, a 19.4% increase from one year earlier. This is mainly due to higher sales, the lower cost for *Style Cleaner* (a new type of electrically-powered dust cleaner placed on the floor) and expenses recorded in the previous year for the regional conventions held for our sales representatives across Japan.

(millions of yen)

	6 months ended September 30, 2014	6 months ended September 30, 2015	Increase/decrease	
				%
Sales	54,137	55,007	869	1.6%
Operating income	5,097	6,084	986	19.4%

For residential customers, we continued to focus on further promoting a handy, easy and health-conscious cleaning method with a set of three cleaning items: the *LaLa* floor mop, the *shushu* handy mop, and the *Style Cleaner*. As a result, sales of *Cleaning Basic Three* steadily increased. However, the other floor mops and handy mops posted significantly lower sales. Total sales of dust control products for residential use were lower than one year earlier.

Looking at sales by product, mop sales, including *Cleaning Basic Three*, were lower and filter products and rental products of water purifiers posted lower sales. Product renewal for the popular *Kitchen Sponge* produced a significant sales increase over the same period of the previous year.

Among dust control products for commercial customers, we focused on the promotion of our *Inside* custom-made indoor use mats, which are unrivaled in design and quality by our competitors. We also introduced a new service to gain more access to commercial customers. Office Drink/Snack Service offers convenient drinks and snacks for office workers. However, total sales of dust control products for commercial customers were lower than one year earlier.

Looking at sales by product, our original highly functional mats, such as custom-made indoor use mats and thin dust control and water absorption mats, posted higher sales. While sales of *Basic Mat*, the core product of this line were higher than one year earlier, other mat products posted lower sales.

In the technical services sector, we increased the workforce to meet the growing market needs. A new sales channel was launched in cooperation with Amazon co. jp. Orders for our technical services are now also received via Amazon Reform Store. These efforts led to an increase in customer-level sales and royalty fees. In addition, equipment and chemical sales, which were affected by the consumption tax hike during the same period of the previous year, recovered. As a result, technical services sector recorded higher sales than one year earlier.

In other businesses in the Clean & Care Group, Rent All achieved steady sales growth due to favorable results in rental services for event-related items. Home Instead, which provides senior care services, Uniform Service and cosmetic-related businesses all recorded higher sales than one year earlier.

2) Food Group

With shop openings in new food businesses, sales of company owned shops increased. However, Mister Donut customer-level sales decreased, which led to a decrease in royalty fees and raw material sales to our franchisees. As a result, sales of Food Group were 22,118 million yen, an 8.6% (2,069 million yen) decrease from one year earlier.

While earnings increased by 108 million yen due to a reduction in promotional expenses and the reduced disposal of raw materials from the same period of the previous year, Food Group recorded a 377 million yen operating loss. (485 million yen operating loss in the same period of FY2014).

(millions of yen)

	6 months ended September 30, 2014	6 months ended September 30, 2015	Increase/decrease	
				%
Sales	24,187	22,118	-2,069	-8.6%
Operating income	-485	-377	108	—

While the major convenience stores are working on donut sales, Mister Donut is focusing its 45th anniversary year on original products that are available only at Mister Donut shops.

During the first quarter, Mister Donut released *Brooklyn Merry-go-Round*, a hybrid donut combining a cookie and bagel. *Cotton Snow Candy* with a new melty texture, which was well received and contributed to the sales increase last year, was also released this year. During the second quarter, Mister Donut continued to introduce new items: *Mister Summer Donut*, which is also good when chilled; a seasonal item, *Chestnut Donut*; and *Maple Stick*, maple paste wrapped in a fluffy dough. In response to our customers' requests, we brought back the reasonably-priced item *Cookie Cruller*. To attract the curiosity of target generations of women, we promoted a set of donuts and an original mug or plate in collaboration with Fishes Eddy, a popular houseware shop in New York City.

However, *Brooklyn Merry-go-Round* did not reach the level of sales of *Mister Croissant Donut* in the previous year. The set sales system that was introduced to replace the MISDO Card Campaign in the same period of the previous year was not well received. The number of shops decreased due to the closures of underperforming shops. Price revision of some products affected the sales. As a result, Mister Donut recorded lower customer-level sales than one year earlier. For the set sales system that was not well received, we reviewed and changed parts of this campaign in phases from June. Due to the 45th anniversary sales promotion, customer-level sales in September were higher than in the same period of the previous year.

We launched the NEW MISDO concept for Mister Donut shops. This concept makes the most of Mister Donut's strength in offering fresh home-made donuts while continuing to deliver new value in an enjoyable and exciting setting. The Koshien Shop was remodeled and reopened under this concept.

In other food service businesses, sales were higher than in the previous fiscal year mainly due to an increase in the number of stores for new businesses that we have been working on since the previous year. Among new concepts, Chiffon & Spoon, a chiffon cake specialty shop, opened its second location at Cocoon City shopping mall in April. Bakery Factory, a large suburban bakery shop, increased the number of shops. Among existing businesses, Katsu and Katsu pork cutlet restaurants, popular among many generations, continued to achieve favorable results. Café Du Monde and The Don, a seafood donburi chain operated by The Don Co., Ltd, posted lower sales than one year earlier, with a smaller number of restaurants. At Hachiya Dairy Products, a consolidated subsidiary (ice cream manufacturer), orders decreased.

3) Other Businesses

Sales of Other Businesses were 5,404 million yen, a 1.8% increase and operating loss was 5 million yen (154 million yen operating income in the same period of FY2014).

At consolidated subsidiaries in Japan, Duskin Healthcare, which provides management services to medical facilities, recorded higher sales and lower income. Duskin Kyoeki, a leasing and insurance company, recorded lower sales and income.

(millions of yen)

	6 months ended September 30, 2014	6 months ended September 30, 2015	Increase/decrease	
				%
Sales	5,306	5,404	97	1.8%
Operating income	154	-5	-159	-103.5%

Among overseas consolidated subsidiaries, Duskin Hong Kong, which procures raw materials and equipment, increased its sales due to higher demand for paper towels in Japan and the weaker yen. The favorable results at Duskin Hong Kong contributed to the increase of total sales of overseas consolidated subsidiaries.

Clean & Care Businesses posted higher customer-level sales than one year earlier in Taiwan, China and South Korea. Sales of dust control products for the residential market in Shanghai steadily increased. Mister Donut recorded higher customer-level sales from one year earlier in Taiwan, South Korea, Thailand and Malaysia, while sales decreased in the Philippines and China. On May 9, 2015 the first Mister Donut shop opened in Indonesia, our seventh overseas market.

Segment sales do not include consumption tax.

(2) Financial Position

At the end of second quarter of FY2015, total assets amounted to 185,763 million yen, a 12,712 million yen decrease compared with the end of the previous fiscal year. This is mainly due to a 6,348 million yen decrease in investment securities and a 4,024 million yen decrease in marketable securities.

Liabilities amounted to 39,671 million yen, a 3,607 million yen decrease from the end of the previous fiscal year. This is mainly due to a 1,849 million yen decrease in current liabilities-other; and a 622 million yen decrease in accounts payable-other because of declines in accrued consumption taxes and deposits.

Net assets totaled 146,091 million yen, a 9,104 million yen decrease from the end of the previous fiscal year. This is due to the purchase of treasury stock of 10,505 million yen.

(3) Forecast

The following revisions have been made to the forecast for consolidated results of operations for FY2015 (April 1, 2015 - March 31, 2016) on September 24, 2015.

(1) Revision of consolidated financial forecast for the fiscal year ending March 31, 2016 (April 1, 2015 - March 31, 2016)

(millions of yen)

		Sales	Operating income	Ordinary income	Net income	Net income per share
		millions of yen	millions of yen	millions of yen	millions of yen	yen
Previous forecast (A)		173,700	5,300	6,800	3,700	65.16
Revised forecast (B)		169,000	5,300	6,800	3,700	66.61
Revision	Change (B-A)	-4,700	—	—	—	—
	Rate of change (%)	-2.7	—	—	—	—
(For reference) Results of the FY 2014		167,987	5,067	7,083	3,441	56.19

(2) Revision of consolidated financial forecast for the fiscal year ending March 31, 2016 (April 1, 2015 - March 31, 2016)

(millions of yen)

		Sales	Operating income	Ordinary income	Net income	Net income per share
		millions of yen	millions of yen	millions of yen	millions of yen	yen
Previous forecast (A)		146,400	3,200	6,000	3,600	64.81
Revised forecast (B)		142,600	3,200	6,000	3,600	64.81
Revision	Change (B-A)	-3,800	—	—	—	—
	Rate of change (%)	-2.6	—	—	—	—
(For reference) Results of the FY 2014		141,580	3,002	6,167	3,394	55.42

2. Summary Information (Other information)

(1) Changes in significant subsidiaries during the period

None

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

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 and minority interests for the fiscal year, including the second quarter. Tax expenses are then calculated by multiplying quarterly net income before income taxes and minority interests by this estimated effective tax rate.

(3) Changes in accounting policies, changes or modifications on financial statements

(Changes in accounting policies)

(Application of accounting standard related to business combination)

Effective from the first quarter of FY2015, the Company adopted Revised Accounting Standard for Business Combinations (ASBJ Statement No.21, September 13, 2013), Revised Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22, September 13, 2013), and Revised Accounting Standard for Business Divestitures (ASBJ Statement No.7, September 13, 2013). Accordingly, the accounting method was changed to record the difference arising from changes in equity in subsidiaries which Duskin continues to control as capital surplus, and to record business acquisition costs as expenses for the fiscal year in which they occurred. Regarding business combinations which became or will become effective on or after April 1, 2015, the accounting method was changed to reflect adjustments to the amount allocated to acquisition cost under provisional accounting treatment on the consolidated financial statements of the quarter in which the relevant business combination became or will become effective. In addition, the net income and other statements have been changed accordingly, and minority interest has been changed to non-controlling interest. To reflect these changes, the Company has revised the financial statements for the second quarter of the previous consolidated fiscal year and the previous consolidated fiscal year.

The Business Combinations Accounting Standard and other standards were applied in accordance with the transitional treatment set forth in Article 58-2 (3) of the Business Combinations Accounting Standard, Article 44-5 (3) of the Consolidation Accounting Standard and Article 57-4 (3) of the Business Divestitures Accounting Standard. The cumulative effects arising from the retroactive application of these new accounting policies to all previous fiscal years were added to or deducted from capital surplus and retained earnings as of April 1, 2015.

As a result, goodwill decreased by 39 million yen, capital surplus decreased by 6 million yen and retained earnings decreased by 32 million yen as of April 1, 2015. In addition, operating income, ordinary income and net income before taxes and minority interests for the second quarter of FY2015 increased by 8 million yen, each.

3. Consolidated financial statements

(1) Consolidated balance sheets

(millions of yen)

	As of March 31, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	20,817	17,215
Notes and accounts receivable - trade	10,201	11,571
Lease investment assets	1,549	1,524
Securities	21,564	17,540
Merchandise and finished goods	8,104	7,990
Work in process	158	139
Raw materials and supplies	1,292	1,398
Deferred tax assets	1,801	2,228
Other	2,270	3,105
Allowance for doubtful accounts	-33	-50
Total current assets	67,727	62,663
Non-current assets		
Property, plant and equipment		
Buildings and structures	42,495	44,091
Accumulated depreciation	-24,641	-25,272
Buildings and structures, net	17,853	18,819
Machinery, equipment and vehicles	23,577	23,793
Accumulated depreciation	-17,053	-17,414
Machinery, equipment and vehicles, net	6,524	6,378
Land	24,192	24,192
Construction in progress	1,067	505
Other	12,740	12,980
Accumulated depreciation	-9,417	-9,732
Other, net	3,322	3,248
Total property, plant and equipment	52,960	53,143
Intangible assets		
Goodwill	425	410
Other	7,731	7,532
Total intangible assets	8,156	7,942
Investments and other assets		
Investment securities	59,417	53,069
Long-term loans receivable	10	9
Deferred tax assets	2,383	1,323
Guarantee deposits	6,479	6,338
Other	1,532	1,420
Allowance for doubtful accounts	-193	-146
Total investments and other assets	69,630	62,014
Total non-current assets	130,748	123,099
Total assets	198,475	185,763

(millions of yen)

	As of March 31, 2015	As of September 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,915	7,124
Current portion of long-term loans payable	30	7
Income taxes payable	1,392	916
Provision for bonuses	3,270	2,891
Asset retirement obligations	5	4
Accounts payable - other	6,957	6,335
Guarantee deposit received for rental products-CL	9,887	9,773
Other	5,567	3,717
Total current liabilities	34,026	30,769
Non-current liabilities		
Long-term loans payable	20	17
Net defined benefit liability	7,839	7,501
Asset retirement obligations	577	584
Long-term guarantee deposited	732	723
Long-term accounts payable - other	82	74
Other	0	0
Total non-current liabilities	9,253	8,901
Total liabilities	43,279	39,671
Net assets		
Shareholders' equity		
Capital stock	11,352	11,352
Capital surplus	10,841	10,834
Retained earnings	131,115	131,834
Treasury shares	−5,170	−15,675
Total shareholders' equity	148,139	138,345
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,944	6,534
Deferred gains or losses on hedges	—	−0
Foreign currency translation adjustment	32	73
Remeasurements of defined benefit plans	−78	57
Total accumulated other comprehensive income	5,899	6,665
Non-controlling interests	1,157	1,080
Total net assets	155,196	146,091
Total liabilities and net assets	198,475	185,763

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

Consolidated statements of income

(millions of yen)

	Six months April 1, 2014 – September 30, 2014	Six months April 1, 2015 – September 30, 2015
Net sales	83,631	82,530
Cost of sales	48,982	47,732
Gross profit	34,649	34,797
Selling, general and administrative expenses	32,790	32,116
Operating income	1,858	2,681
Non-operating income		
Interest income	479	317
Dividend income	131	140
Rent income on facilities	48	47
Commission fee	117	124
Share of profit of entities accounted for using equity method	37	57
Gain on transfer of goodwill	7	—
Miscellaneous income	220	251
Total non-operating income	1,041	939
Non-operating expenses		
Interest expenses	0	0
Compensation expenses	28	23
Loss on cancellation of leasehold contracts	10	0
Commission for purchase of treasury shares	—	44
Miscellaneous loss	45	119
Total non-operating expenses	85	188
Ordinary income	2,815	3,432
Extraordinary income		
Gain on sales of non-current assets	6	4
Gain on sales of investment securities	30	—
Gain on bargain purchase	—	50
Other	0	10
Total extraordinary income	38	64
Extraordinary losses		
Loss on sales of non-current assets	1	4
Loss on abandonment of non-current assets	111	137
Impairment loss	37	130
Loss on liquidation of subsidiaries and associates	—	115
Other	29	0
Total extraordinary losses	179	388
Income before income taxes and minority interests	2,674	3,108
Income taxes	1,184	1,266
Profit	1,489	1,842
Profit attributable to non-controlling interests	19	-119
Profit attributable to owners of parent	1,469	1,962

(millions of yen)

	Six months April 1, 2014 – September 30, 2014	Six months April 1, 2015 – September 30, 2015
Profit	1,489	1,842
Other comprehensive income		
Valuation difference on available-for-sale securities	1,445	589
Deferred gains or losses on hedges	―	-0
Foreign currency translation adjustment	-0	88
Remeasurements of defined benefit plans, net of tax	143	136
Share of other comprehensive income of entities accounted for using equity method	-34	0
Total other comprehensive income	1,553	814
Comprehensive income	3,043	2,657
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,024	2,728
Comprehensive income attributable to non-controlling interests	19	-71

(3) Notes relating to quarterly consolidated financial statements

(Notes relating to going concern assumption)

None

(Notes on significant changes in shareholders' equity)

At the end of second quarter of FY2015, shareholders' equity was less 9,793 million yen than at the end of the previous fiscal year.

This is mainly due to a 1,962 million yen increase in retained earnings along with higher net income, a 1,210 million yen decrease in retained earnings due to a dividend payment, and a 10,505 million yen increase in treasury stock.

Following the authorization by the Board of Directors at its meeting on May 15, 2015, 3,764,000 shares of Duskin stock were repurchased at a cost of 7,539 million yen through a tender offer. In addition, 1,236,100 shares of Duskin stock were repurchased using stock market transactions at a cost of 2,964 million yen.

(Segment information)

I Six-month period (April 1, 2014 - September 30, 2014)

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	54,137	24,187	5,306	83,631	—	83,631
Inter-segment sales	482	2	1,340	1,825	-1,825	—
Total	54,619	24,189	6,647	85,457	-1,825	83,631
Segment income/loss	5,097	-485	154	4,765	-2,907	1,858

(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. Segment adjustments of -2,907 million yen include a 7 million yen elimination for inter-segment sales and transfers and -2,915 million yen of corporate expenses that cannot be allocated to a particular business segment.
3. Segment operating income/loss has been adjusted for consistency with operating income that is shown in the quarterly consolidated statements of income.

2. Impairment loss of non-current assets or goodwill by business segment

(Significant impairment loss on non-current assets)

None

(Significant change on the amount of goodwill)

There were no significant events that significantly affected the amount of goodwill during the second quarter ended September 30, 2014.
The amortization of goodwill during the second quarter and the balance of goodwill at the end of second quarter are as follows:

(millions of yen)

	Clean & Care Group	Food Group	Other Businesses	Elimination or corporate	Consolidated total
Amortization - Goodwill	55	44	—	—	99
Balance (Note)	276	245	—	—	521

(Note) The balance of goodwill at the end of the second quarter includes 271 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 222 million yen of goodwill in Food Group for Hachiya Dairy Products Co., Ltd., which was acquired in May 2012.

(Significant gains on negative goodwill)

None

II Six-month period (April 1, 2015 - September 30, 2015)

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	55,007	22,118	5,404	82,530	—	82,530
Inter-segment sales	487	6	1,440	1,934	-1,934	—
Total	55,494	22,124	6,845	84,464	-1,934	82,530
Segment income/loss	6,084	-377	-5	5,701	-3,020	2,681

(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. Segment adjustments of -3,020 million yen include a 7 million yen elimination for inter-segment sales and transfers and -3,026 million yen of corporate expenses that cannot be allocated to a particular business segment.

3. Segment operating income/loss has been adjusted for consistency with operating income that is shown in the quarterly consolidated statements of income.

2. Impairment loss of non-current assets or goodwill by business segment

(Significant impairment loss on non-current assets)

None

(Significant change on the amount of goodwill)

There were no significant events that significantly affected the amount of goodwill during the second quarter ended September 30, 2015.

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

(millions of yen)

	Clean & Care Group	Food Group	Other Businesses	Elimination or corporate	Consolidated total
Amortization - Goodwill	62	35	—	—	97
Balance (Note)	284	125	—	—	410

(Note) Balance at the end of the second quarter includes 283 million yen of goodwill resulting from the purchase by the Company and its subsidiaries of the business operations of several franchisees at the Clean Group and 111 million yen of goodwill of Hachiya Dairy Products at the Food Group.

(Significant gains on negative goodwill)

None