Summary of Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2019 (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.

February 7, 2019

Company name: Duskin Co., Ltd. Shares listed: Tokyo
Code number: 4665 (URL https://www.duskin.co.jp/corp/index.html)
Representative: Teruji Yamamura, President & CEO
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Scheduled date of filing quarterly report: February 13, 2019
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, 2018 to December 31, 2018

(1) Results of operation

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

	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, 2018	120,968	-1.6	7,351	2.0	8,793	3.9	5,439	-3.9
9 months ended Dec. 31, 2017	122,970	-0.6	7,207	40.4	8,460	32.5	5,659	29.5

(Note) Comprehensive income: Dec. 31, 2018: 7,641 million yen (-15.7%) Dec. 31, 2017: 9,060 million yen (92.9%)

	Profit per share	Profit per share (fully diluted)
	yen	yen
9 months ended Dec. 31, 2018	101.77	101.76
9 months ended Dec. 31, 2017	105.89	105.89

(Note) The provisional accounting treatment for a business combination was finalized at the end of FY2017. The FY2017 third quarter (nine months ended in Dec. 31, 2017) profit per share reflects significant changes in the initial allocation of the acquisition cost resulting from finalization of the provisional accounting treatment.

(2) Financial position

	Total assets	Net assets	Ratio of equity to total assets
	millions of yen	millions of yen	%
As of Dec. 31, 2018	191,808	152,702	79.5
As of Mar. 31, 2018	196,058	147,786	75.2

(Reference) Shareholders' equity: Dec. 31, 2018: 152,456 million yen Mar. 31, 2018: 147,415 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, 2018	—	20.00	—	20.00	40.00
Year ending Mar. 31, 2019	—	30.00			
Year ending Mar. 31, 2019 (Forecast)			—	20.00	50.00

(Note) Revision of forecast for dividend recently announced: None
Dividends at the end of second quarter of the fiscal year 2018: ordinary dividend 20 yen, commemorative dividend 10 yen

3. Forecast of consolidated financial results for the FY2018 (April 1, 2018 - March 31, 2019)

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

	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, 2019	163,000	1.2	7,900	4.5	9,000	0.2	5,400	1.4	101.04

(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 2. Consolidated financial statements (3) Notes to consolidated financial statements (Adoption of special accounting methods for preparation of consolidated financial statements) on page 10.

(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 shares)	9 months ended Dec. 31, 2018	55,194,823	Year ended Mar. 31, 2018	55,194,823
2)	Number of treasury shares at the end of the period	9 months ended Dec. 31, 2018	1,750,140	Year ended Mar. 31, 2018	1,750,262
3)	Average number of shares during the period (during the quarter)	9 months ended Dec. 31, 2018	53,444,965	9 months ended Dec. 31, 2017	53,445,091

This summary of financial statements is exempt from the quarterly review 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.

Contents of attachment:

1. Qualitative information

(1) Business results

In the first nine months of fiscal 2018 (April 1 to December 31, 2018), Japan’s economy kept its recovery on track. The economic recovery, however, continued to be slow as the outlook became more unclear due to the labor shortage and high crude oil prices as well as growing global economic uncertainties including intensifying US-China trade friction.

This fiscal year is the first year of Duskin’s Medium-Term Management Policy 2018. Direct Selling Group (the new name of Clean & Care Group since April 1, 2018) is developing its businesses into a Daily Life Fine-Tuning Service with the new theme of "Fine-Tune Everyday Life." The group also focused on adding more locations in the Care Service (professional cleaning and technical services) businesses and in the Health Rent (a separate division of Rent-All since April 1, 2018) business, which rents assisted-living and health care products. These businesses are expected to grow along with the increasing number of working couples and senior households. As part of the efforts to open new locations, we established a capital and business alliance with NAC Co., Ltd., the largest franchisee of Duskin, in August. In addition, the group is working on franchise recruitment to improve the structure for delivering these services. At Food Group, Mister Donut, the core business of this group, is accelerating its shop openings with new concepts and renovations with a focus on its product strategy. The goal is to reestablish the Mister Donut brand under the brand slogan "Something good’s gonna happen. Mister Donut."

Both Direct Selling Group and Food Group recorded lower sales. As a result, consolidated sales were 120,968 million yen, a 2,002 million yen (1.6%) decrease from one year earlier. Gross profit decreased due to lower sales. Cost of sales decreased due to lower investments in items for rent. Promotional expenses declined. Retirement benefit expenses also decreased, reflecting a change in our corporate pension plan. As a result, operating profit was 7,351 million yen, a 144 million yen (2.0%) increase from the same period of the previous year. Ordinary profit was 8,793 million yen, a 333 million yen (3.9%) increase due to an improvement in investment return. This is because part of the profit of NAC Co., Ltd., which became an equity-method affiliate, was included in ordinary profit in proportion to Duskin’s ownership ratio. Extraordinary losses increased due to impairment losses for some non-current assets of Food Group and a loss on sales of investment securities. Tax expenses also increased. As a result, profit attributable to owners of parent was 5,439 million yen, a 220 million yen (3.9%) decrease.

(millions of yen)

	9 months ended Dec. 31, 2017	9 months ended Dec. 31, 2018	Increase/decrease	
				%
Consolidated sales	122,970	120,968	-2,002	-1.6
Consolidated operating profit	7,207	7,351	144	2.0
Consolidated ordinary profit	8,460	8,793	333	3.9
Profit attributable to owners of parent	5,659	5,439	-220	-3.9

Result by business segment

Sales

(millions of yen)

	9 months ended Dec. 31, 2017	9 months ended Dec. 31, 2018	Increase/decrease	
				%
Direct Selling Group	86,124	85,617	-506	-0.6
Food Group	28,313	26,535	-1,777	-6.3
Other Businesses	10,746	11,185	439	4.1
Total	125,183	123,338	-1,845	-1.5
Eliminations for inter-segment sales and transfers	-2,213	-2,370	-156	—
Consolidated sales	122,970	120,968	-2,002	-1.6

Sales by business segment above include inter-segment sales.

Operating profit (loss)

(millions of yen)

	9 months ended Dec. 31, 2017	9 months ended Dec. 31, 2018	Increase/decrease	
				%
Direct Selling Group	11,868	11,369	-499	-4.2
Food Group	243	260	17	7.2
Other Businesses	192	338	146	75.9
Total	12,304	11,969	-335	-2.7
Eliminations for inter-segment sales and transfers, and corporate expense	-5,097	-4,617	479	—
Consolidated operating profit	7,207	7,351	144	2.0

Operating profit or loss above includes inter-segment transactions.

i. Direct Selling Group

Total sales of Direct Selling Group were 85,617 million yen, a 506 million yen (0.6%) decrease. This is attributable to the lower sales of dust control products, the core items of this segment. Cost of sales decreased due to lower investments in items for rent. Expenses for retirement benefits also declined. Gross profit decreased due to lower sales. Personnel expenses increased resulting from personnel transfers to sanitary management, which is in high demand. Other expenses also increased mainly due to higher outsourcing expenses to reinforce the Contact Center. As a result, operating profit was 11,369 million yen, a 499 million yen (4.2%) decrease.

Sales of dust control products for residential use were lower than one year earlier. This is attributable to the lower sales of Kitchen Sponge, and the Robot Cleaner SiRo, for which sales promotions were conducted for the nationwide rollout in April 2017. The group continued its marketing efforts, including flyers with discount coupons across our business lines, a 55th anniversary campaign for free trials of rental mops, and improving customer contacts by opening a site in online shopping malls. These initiatives contributed to higher sales of Cleaning Basic Three, consisting of the LaLa floor mop, the Shushu handy mop and the Style Cleaner, and door mats for residential use. An ionic air freshener, Fuwarira, introduced this year performed well. The group also implemented nationwide sales promotions with flyers in newspaper inserts in October to achieve sales recovery of the Robot Cleaner SiRo from a drop in the first half of this year from sales growth in FY2017. As a result, the sales decline was minimized in the third quarter.

Sales of dust control products for commercial use were lower than one year earlier due to a decrease in sales of general-purpose mats and mops. Our sales activities focused on sanitary management at various facilities and acquiring national accounts. Highly functional and stylish products including our Inside mat, a custom-made indoor mat, performed well.

Among professional cleaning and technical services, the air conditioner cleaning service by ServiceMaster (professional cleaning) recorded favorable results. ServiceMaster, Merry Maids (home cleaning and helper services), Terminix (pest control and prevention), Total Green (plant and flower maintenance) and Home Repair (fixing scratches and dents) all posted higher customer-level sales. As a result, total sales were higher than in the same period of the previous year.

Among other businesses of Direct Selling Group, sales of Uniform Services, cosmetic-related businesses and Life Care (rebranded from Home Instead since April 1, 2018), which provides living support services for seniors, were lower. Health Rent continued to perform well. Rent-All saw sales recover this quarter and posted higher sales than in the same period of the previous year despite the cancellation of various events in the first half due to natural disasters such as earthquakes and typhoons.

ii. Food Group

At Food Group, shorter business hours and temporary closures caused by natural disasters during the first half of FY2018 impacted the sales of all business lines. Sales of Mister Donut were lower due to closures of underperforming locations. Food Group recorded lower customer-level sales, royalty income and sales of raw materials to franchisees. As a result, sales were 26,535 million yen, a 1,777 million yen (6.3%) decrease from the same period of the previous year. Operating profit was 260 million yen, a 17 million yen (7.2%) increase from one year earlier due to a lower cost ratio.

Mister Donut, the core business of Food Group, continued its focus on sales of MISDO Meets items developed in collaboration with companies with leading techniques and high-quality materials, and light meal items named MISDO GOHAN. As part of MISDO Meets items, Mister Donut collaborated with Gion Tsujiri, a Kyoto green tea specialty brand in the first quarter, and with the fresh-out-of-oven cheese tarts specialty store PABLO in the second quarter. In the third quarter, Mister Donut started selling Good-old Restaurant's Premium Pies in collaboration with Gotoken, a long-established western style restaurant in Hakodate. MISDO GOHAN has light meal selections for customers to enjoy at different times of the day, including breakfast, brunch, lunch and coffee breaks. Mister Donut is building a brand for more than simply a place to enjoy a snack between meals. Following the menu revisions with the addition of Yum Cha (dim sum) and pasta items in May, Mister Donut started the sales of MISDO Lunch Set, which is a donut and a Yum Cha, pasta or Good-old Restaurant's Premium Pie. Mister Donut conducted the "Meet Pokémon at MISDO!" promotion in collaboration with Pocket Monster Let's Go, Pikachu! Let's Go, Eevee! games by the Pokémon Company, which are popular across generations. This promotion included the sale of various Pokémon products for customers of all ages to enjoy. As a result, sales per shop in operation were higher than in the same period of the previous year. However, total customer-level sales were lower than one year earlier, impacted by the decrease in the number of shops in operation.

Among other food service businesses, Katsu & Katsu, a pork cutlet specialty restaurant, posted higher sales. The Chiffon & Spoon, a specialty chiffon cake shop, Bakery Factory, a large suburban bakery shop, and Pie Face, a specialty pie store, recorded lower sales. At the end of FY2017, Duskin discontinued the Café Du Monde business. As a result, total sales of other food businesses were lower than one year earlier.

iii. Other Businesses

Among consolidated subsidiaries in Japan, Duskin Kyoeki, a leasing and insurance company, and Duskin Healthcare, which provides management services to medical facilities, recorded higher sales. Among consolidated subsidiaries outside Japan, Mister Donut Shanghai Co., Ltd. recorded lower sales due to the smaller number of locations. Duskin Hong Kong Co., Ltd., which procures raw materials and equipment, posted higher sales due to the higher volume of paper towels. Sales of Duskin Shanghai Co., Ltd. increased due to higher sales of dust control products to commercial customers. Total sales of overseas businesses were therefore higher than one year earlier. As a result, sales of Other Businesses were 11,185 million yen, a 439 million yen (4.1%) increase from one year earlier. Operating profit was 338 million yen, a 146 million yen (75.9%) increase from the previous year. Higher income of Duskin Kyoeki and Duskin Healthcare and a lower operating loss at overseas businesses contributed to this improvement.

With regard to customer-level sales in overseas businesses, Direct Selling businesses posted higher sales than one year earlier in Taiwan, Shanghai, China and South Korea. Among donut businesses, Mister Donut in Thailand, the Philippines and Indonesia recorded higher sales while sales were lower in Taiwan and Shanghai, China. Sales at Big Apple Worldwide Holdings Sdn. Bhd., which is based in Malaysia, were about the same as in the previous year.

Segment sales figures do not include consumption tax.

(2) Financial Position

Total assets were 191,808 million yen at the end of the third quarter of FY2018, a 4,249 million yen decrease from the end of the previous fiscal year. This is mainly due to a 5,453 million yen decrease in securities and a 1,743 million yen decrease in deferred tax assets.

Liabilities totaled 39,105 million yen, a 9,166 million yen decrease from the end of the previous fiscal year. Primary factors included decreases of 5,556 million yen in net defined benefit liability and 1,573 million yen in accounts payable-other.

Net assets totaled 152,702 million yen at the end of the fiscal year, a 4,916 million yen increase from the previous fiscal year. This is primarily attributable to a 3,471 million yen increase in remeasurements of defined benefit plans and a 2,767 million yen increase in retained earnings.

(3) Forecast

No revisions have been made to the forecast for consolidated results of operations for FY2018 (April 1, 2018 - March 31, 2019) that was announced on May 15, 2018.

2. Consolidated financial statements

(1) Consolidated balance sheets

(millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	18,846	19,718
Notes and accounts receivable - trade	9,950	12,062
Lease receivables and investment assets	1,326	1,254
Securities	24,461	19,008
Merchandise and finished goods	7,738	7,236
Work in process	142	173
Raw materials and supplies	1,598	1,473
Other	3,585	3,869
Allowance for doubtful accounts	-37	-40
Total current assets	67,611	64,756
Non-current assets		
Property, plant and equipment		
Buildings and structures	43,486	43,581
Accumulated depreciation	-26,490	-27,089
Buildings and structures, net	16,996	16,492
Machinery, equipment and vehicles	24,975	25,401
Accumulated depreciation	-18,484	-18,630
Machinery, equipment and vehicles, net	6,491	6,771
Land	22,750	22,607
Construction in progress	178	375
Other	12,405	12,302
Accumulated depreciation	-9,478	-9,678
Other, net	2,927	2,624
Total property, plant and equipment	49,344	48,871
Intangible assets		
Goodwill	549	458
Other	7,925	9,134
Total intangible assets	8,474	9,593
Investments and other assets		
Investment securities	60,523	60,343
Long-term loans receivable	3	2
Deferred tax assets	3,073	1,330
Guarantee deposits	5,751	5,622
Other	1,310	1,311
Allowance for doubtful accounts	-34	-24
Total investments and other assets	70,627	68,587
Total non-current assets	128,446	127,052
Total assets	196,058	191,808

(millions of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,834	6,552
Short-term loans payable	173	—
Income taxes payable	1,403	688
Provision for bonuses	3,397	1,991
Asset retirement obligations	18	27
Accounts payable - other	8,112	6,539
Guarantee deposit received for rental products	9,314	9,864
Other	4,731	4,703
Total current liabilities	33,985	30,366
Non-current liabilities		
Net defined benefit liability	12,882	7,325
Asset retirement obligations	578	586
Long-term guarantee deposited	788	784
Long-term accounts payable - other	18	27
Other	18	15
Total non-current liabilities	14,286	8,739
Total liabilities	48,271	39,105
Net assets		
Shareholders' equity		
Capital stock	11,352	11,352
Capital surplus	11,087	11,092
Retained earnings	120,519	123,286
Treasury shares	-3,571	-3,571
Total shareholders' equity	139,388	142,160
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,878	8,720
Deferred gains or losses on hedges	1	2
Foreign currency translation adjustment	-54	-100
Remeasurements of defined benefit plans	-1,798	1,673
Total accumulated other comprehensive income	8,026	10,295
Share acquisition rights	9	15
Non-controlling interests	361	230
Total net assets	147,786	152,702
Total liabilities and net assets	196,058	191,808

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

Consolidated statements of income

(millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	122,970	120,968
Cost of sales	67,372	65,710
Gross profit	55,598	55,257
Selling, general and administrative expenses	48,390	47,905
Operating profit	7,207	7,351
Non-operating income		
Interest income	261	213
Dividend income	309	329
Rent income on facilities	113	121
Commission fee	146	153
Share of profit of entities accounted for using equity method	183	277
Miscellaneous income	406	574
Total non-operating income	1,420	1,670
Non-operating expenses		
Interest expenses	5	6
Rent expenses on facilities	41	58
Miscellaneous loss	120	164
Total non-operating expenses	167	229
Ordinary profit	8,460	8,793
Extraordinary income		
Gain on sales of non-current assets	31	5
Gain on sales of investment securities	―	66
Insurance income	―	184
Other	5	9
Total extraordinary income	36	265
Extraordinary losses		
Loss on sales of non-current assets	93	―
Loss on abandonment of non-current assets	84	113
Impairment loss	115	376
Loss on sales of investment securities	―	211
Loss on disaster	0	146
Other	5	6
Total extraordinary losses	299	855
Profit before income taxes	8,197	8,203
Income taxes	2,552	2,830
Profit	5,644	5,373
Loss attributable to non-controlling interests	-14	-66
Profit attributable to owners of parent	5,659	5,439

Consolidated statements of comprehensive income

(millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	5,644	5,373
Other comprehensive income		
Valuation difference on available-for-sale securities	3,067	-1,150
Deferred gains or losses on hedges	4	1
Foreign currency translation adjustment	-9	-16
Remeasurements of defined benefit plans, net of tax	317	3,462
Share of other comprehensive income of entities accounted for using equity method	35	-29
Total other comprehensive income	3,415	2,268
Comprehensive income	9,060	7,641
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,074	7,708
Comprehensive income attributable to non-controlling interests	-14	-66

(3) Notes to consolidated financial statements

(Notes relating to going concern assumption)
None

(Notes on significant changes in shareholders’ equity)
None

(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 tax effect accounting for profit before income taxes for the fiscal year, including the third quarter. Tax expenses are then calculated by multiplying quarterly profit before income taxes by this estimated effective tax rate.

(Additional information)
(Application of partial amendments to accounting standard for tax effect accounting)
Partial Amendments to Accounting Standards for Tax Effect Accounting (ASBJ Statement No.28 issued on February 16, 2018) has been applied since the beginning of the first quarter. Deferred tax assets are included in investments and other assets, and deferred tax liabilities are in non-current assets.

(Segment information)

Segment information

I Nine-month period (April 1, 2017-December 31, 2017)

1. Sales, profit (loss) by business segment

(millions of yen)

	Direct Selling Group	Food Group	Other Businesses (Note: 1)	Total	Adjustment (Note: 2)	Consolidated total (Note: 3)
Sales						
To outside customers	85,577	28,305	9,086	122,970	―	122,970
Inter-segment sales and transfers	546	7	1,659	2,213	-2,213	―
Total	86,124	28,313	10,746	125,183	-2,213	122,970
Segment income (loss)	11,868	243	192	12,304	-5,097	7,207

(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 loss adjustments of -5,097 million yen include a 47 million yen elimination for inter-segment sales and transfers and -5,145 million yen of corporate expenses that cannot be allocated to a particular business segment.
3. Segment operating profit/loss has been adjusted for consistency with operating profit that is shown in the quarterly consolidated statements of income.
4. Segment information above reflects significant changes in the initial allocation of the acquisition cost arising from finalization of the provisional accounting treatment for a business combination.

2. Impairment loss of non-current assets or goodwill by 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 FY2017 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 or corporate	Consolidated total
Amortization	133	―	5	―	139
Balance (Notes)	499	―	64	―	564

(Notes)
1. Goodwill at the end of the third quarter includes 499 million yen of goodwill in Direct Selling Group resulting from the purchase by Duskin and its subsidiaries of the business operations of several franchisees and 64 million yen of goodwill in Other Businesses for Big Apple Worldwide Holdings Sdn. Bhd., which was acquired in February 2017.
2. The amortization and the balance by business segment reflect significant changes in the initial allocation of the acquisition cost arising from finalization of the provisional accounting treatment for a business combination.

(Significant gains on negative goodwill)

None

II Nine-month period (April 1, 2018-December 31, 2018)

1. Sales, profit (loss) by business segment

(millions of yen)

	Direct Selling Group	Food Group	Other Businesses (Note: 1)	Total	Adjustment (Note: 2)	Consolidated total (Note: 3)
Sales						
To outside customers	85,044	26,527	9,395	120,968	—	120,968
Inter-segment sales and transfers	572	8	1,789	2,370	-2,370	—
Total	85,617	26,535	11,185	123,338	-2,370	120,968
Segment income (loss)	11,369	260	338	11,969	-4,617	7,351

(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 loss adjustments of -4,617 million yen include a 53 million yen elimination for inter-segment sales and transfers and -4,671 million yen of corporate expenses that cannot be allocated to a particular business segment.
3. Segment operating profit/loss has been adjusted for consistency with operating profit 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)
An impairment loss on non-current assets of 376 million yen was recognized in Food Group.

(Significant change in the amount of goodwill)
None
The amortization of goodwill during the first nine months of FY2018 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 or corporate	Consolidated total
Amortization	122	4	8	—	135
Balance (Note)	343	26	87	—	458

(Note) Goodwill at the end of the third quarter includes 343 million yen of goodwill in Direct Selling Group and 26 million yen of goodwill in Food Group resulting from the purchase by Duskin and its subsidiaries of the business operations of several franchisees and 87 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

3. Notes relating to change in business segments

(Change of business segment name)

In the first quarter of FY2018, Clean & Care Group was renamed Direct Selling Group. This change has no impact on segment information. The name Direct Selling Group is used for the business segment during the first nine months of FY2017 (April 1, 2017-December 31, 2017).