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

Summary of Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2027 (FY2026) (Japanese Standards)

November 6, 2026

Company name: Duskin Co., Ltd. Shares listed: Tokyo
Code number: 4665 URL: https://www.duskin.co.jp
Representative: Hiroyuki Okubo, Representative Director, President and CEO
Contact: Takeharu Ide, Operating Officer; Manager, Corporate Planning Tel: +81-6-6821-5071

Scheduled date for release of half-year report: November 13, 2026
Scheduled date of dividend payment commencement: December 7, 2026
Preparation of additional financial results materials: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Six-Month Period from April 1, 2026 to September 30, 2026

(1) Results of operation

Percentages indicate the change against the previous fiscal year.

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
6 months ended Sept. 30, 2026	98,363	3.5	5,126	9.3	6,918	5.3	4,891	15.1
6 months ended Sept. 30, 2025	95,078	3.7	4,691	19.5	6,569	19.4	4,248	21.7

Note: Comprehensive income - 6 months ended Sept. 30, 2026: 3,527 million yen (-27.6%); 6 months ended Sept. 30, 2025: 4,875 million yen (111.2%)

	Profit per share	Profit per share (Fully diluted)
	Yen	Yen
6 months ended Sept. 30, 2026	103.86	103.86
6 months ended Sept. 30, 2025	90.47	90.45

(2) Financial positions

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Sept. 30, 2026	206,751	158,775	76.6
As of Mar. 31, 2026	210,288	158,297	75.1

Reference: Shareholders' equity - Sept. 30, 2026: 158,424 million yen; March 31, 2026: 157,936 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, 2026	–	50.00	–	68.00	118.00
Year ending Mar. 31, 2027	–	60.00			
Year ending Mar. 31, 2027 (Forecast)			–	75.00	135.00

Notes: Revision from the most recently announced dividend forecast: None

3. Forecast of Consolidated Financial Results for FY2026 (April 1, 2026 - March 31, 2027)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending Mar. 31, 2027	202,900	4.3	10,100	15.5	14,000	8.0	10,600	15.5	225.15

Note: Revision from the most recently announced financial results forecast: None

Notes:

1. Significant changes in the scope of consolidation during the period: Yes
   Newly included: 1 company (Shanghai Duskin Trading Co., Ltd.)
   Excluded: None

2. Adoption of special accounting methods for preparation of the consolidated financial statements: Yes
   Note: For details, refer to “Notes to special accounting methods for preparation of consolidated financial statements” in “(3) Notes to Consolidated Financial Statements” in “2. Consolidated Financial Statements” on page 10 of the attached document.

3. Changes in accounting principles and estimates, and retrospective restatements
   (1) Changes due to revision of accounting standards: 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	As of Sept. 30, 2026:	48,000,000	As of March 31, 2026:	48,000,000
Number of treasury shares	As of Sept. 30, 2026:	856,249	As of March 31, 2026:	921,263
Average number of shares outstanding during the period	6 months ended Sept. 30, 2026:	47,097,060	6 months ended Sept. 30, 2025:	46,967,442

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. Business Results and Financial Position

(1) Business Results

During the first six months of fiscal 2026 (April 1 to September 30, 2026), the Japanese economy was on a gradual recovery path against a backdrop of improved employment and income conditions. At the same time, however, rising prices, which affect consumer sentiment, the prolonged instability in the Middle East and other unfavorable factors continue to cast uncertainty over the outlook.

In such an environment, we have launched our Medium-Term Business Plan 2028. This three-year plan, covering the period from fiscal 2025 (the year ended March 31, 2026) to fiscal 2027 (the year ending March 31, 2028), is the first phase of our Long-Term Business Policy Do-Connect. In fiscal 2026, the second year of the three-year plan, we are continuing our efforts to EXplore new businesses, EXpand to related businesses, and EXcel in our existing businesses, while also solidifying the business base that supports these efforts.

The Direct Selling Group is working to expand its business scope especially in the home maintenance domain, a key focus area for the group. Specifically, Rescue Service (emergency locksmith service) is expanding its network of franchise locations, and the group is also conducting feasibility studies for a newly planned home appliance replacement service. Furthermore, Duskin Rent-All (rental of special event and daily use items) is working to conclude disaster response agreements with local governments nationwide as part of its disaster prevention and mitigation efforts, with the goal of contributing to community safety and peace of mind in the event of a disaster.

Under the slogan “Always cozy, always evolving — Mister Donut,” Mister Donut, the flagship business of the Food Group, is exploring new ways to provide products that are distinctive not only in taste but also in texture. The group is also focusing on expanding its overseas operations. As part of this effort, Mister Donut opened its first shop in Shanghai in September 2026 under a master franchise agreement.

During this six-month period, we achieved sales growth across all business segments, and consolidated net sales increased by 3,285 million yen (3.5%) year-on-year to 98,363 million yen. Profit-wise, consolidated operating profit increased by 435 million yen (9.3%) year-on-year to 5,126 million yen, primarily due to an increase in gross profit resulting from higher sales. Consolidated ordinary profit increased by 348 million yen (5.3%) year-on-year to 6,918 million yen. Profit attributable to owners of the parent increased by 642 million yen (15.1%) year-on-year to 4,891 million yen, primarily due to the recognition of gains on the sale of strategically held shares.

Millions of yen

	6 months ended Sept. 30, 2025	6 months ended Sept. 30, 2026	Increase/decrease	
				%
Consolidated net sales	95,078	98,363	3,285	3.5
Consolidated gross profit	42,180	43,048	868	2.1
Consolidated operating profit	4,691	5,126	435	9.3
Consolidated ordinary profit	6,569	6,918	348	5.3
Profit attributable to owners of the parent	4,248	4,891	642	15.1

Results by business segment

Sales

Millions of yen

	6 months ended Sept. 30, 2025	6 months ended Sept. 30, 2026	Increase/decrease	
				%
Direct Selling Group	55,609	56,124	514	0.9
Food Group	32,420	34,899	2,478	7.6
Other Businesses	8,420	8,642	222	2.6
Total	96,450	99,666	3,216	3.3
Intersegment eliminations	-1,371	-1,302	69	–
Consolidated net sales	95,078	98,363	3,285	3.5

Note: Sales by business segment above include intersegment sales.

Operating profit (loss)

Millions of yen

	6 months ended Sept. 30, 2025	6 months ended Sept. 30, 2026	Increase/decrease	
				%
Direct Selling Group	2,572	2,759	187	7.3
Food Group	5,229	5,626	397	7.6
Other Businesses	368	401	33	9.0
Total	8,170	8,787	617	7.6
Intersegment eliminations and corporate expenses	-3,479	-3,660	-181	–
Consolidated operating profit	4,691	5,126	435	9.3

Note: Operating profit or loss above includes intersegment transactions.

a. Direct Selling Group

Sales of the Direct Selling Group increased by 514 million yen (0.9%) year-on-year to 56,124 million yen. Specifically, sales from Care Service decreased year-on-year. This was due to the relative difference compared to the same period of the previous year, when sales from cleaning services for common areas and various pavilions at the Osaka-Kansai Expo contributed significantly to the company's business performance. On the other hand, sales increased in the group's core Clean Service and other businesses, contributing to the growth in segment sales. Operating profit increased by 187 million yen (7.3%) year-on-year to 2,759 million yen. During this six-month period, we saw an increase in the cost of raw materials, such as naphtha and heavy oil, as a consequence of the conflict in the Middle East. Additionally, in response to the 2026 Kumamoto Earthquake, we brought forward the delivery of rental products to maintain supply, and this led to a rise in the cost-to-sales ratio. However, a reduction in the one-time cost recognition associated with the launch of the mop cleaner with built-in mop storage unit — which had been significant in the same period of the previous year — drove an increase in operating profit. A decrease in selling, general and administrative expenses also contributed to the result.

In the Clean Service businesses — the mainstay of this business segment — sales declined in the residential sector but increased in the commercial sector.

Looking at sales in the residential sector by product, the cleaning mop set for pets continued to perform well, and rental revenue from the new mop cleaner with built-in mop storage unit contributed to sales. However, total sales in the residential sector fell below the level recorded during the same period last year. This was due to a decline in sales of the shower head with a water purification function that produces ultra-fine bubbles launched in June 2025, as well as a decline in sales of fire extinguishers — which had seen replacement demand in the same period of the previous year as the expiration dates of existing products approached. In the meantime, in addition to expanding our efforts focused on sales visits to households, an area we have been prioritizing for the past few years, we are working to establish a system that enables a

more diverse range of staff members across more locations to participate in sales activities.

Looking at sales to business customers by product, sales of mats increased, driven in part by price adjustments to some of our flagship products. In addition, sales of the Aroma Diffuser launched in July 2026 have been performing well, and overall sales to business customers exceeded the same period last year.

Overall sales from the Care Service businesses decreased year-on-year, despite increases in both customer-level sales and royalty income. This result is primarily due to the fact that services related to the 2025 Osaka-Kansai World Expo, which had boosted sales during the same period last year, were not present this year.

Among the other businesses in the Direct Selling Group, while sales for Life Care (support services for seniors) and Health Rent (rental and sales of assisted-living products) declined, Duskin Rent-All, the uniform-related businesses and the cosmetic-related business reported higher sales. Rescue Service, one of our key focus areas, saw an increase in the number of locations through the expansion of our franchise network, as well as steady growth in customer-level sales.

b. Food Group

Sales of the Food Group increased by 2,478 million yen (7.6%) year-on-year to 34,899 million yen. The primary drivers of this growth were the increase in total customer-level sales across all Mister Donut shops, the group's core business, and the resulting rise in raw material sales and royalty income. Profit-wise, operating profit increased by 397 million yen (7.6%) year-on-year to 5,626 million yen, primarily due to a rise in gross profit resulting from higher sales.

At Mister Donut, both the number of customers per shop and average customer spend increased year-over-year. In addition, due to the increase in the number of shops resulting from new shop openings, total customer-level sales across all shops exceeded the same period last year.

As part of its first-quarter product lineup, Mister Donut launched the UJI Matcha Donut Series from April through May, featuring Uji matcha from Gion Tsujiri, a Kyoto-based green tea specialty brand, as well as Sakupofun Crisp & Puff Donut, a new donut inspired by Taiwanese donuts and featuring two distinct textures. In June, we relaunched Mocchurin. Featuring a new texture concept characterized by a chewy bite and a fluffy mouthfeel, this donut originally launched during the same period last year to commemorate Mister Donut's 55th anniversary received an overwhelmingly positive response. Its relaunch this year contributed to increased sales. However, the response far exceeded our expectations, resulting in considerable customer congestion as well as product shortages at some shops. In the second quarter, we launched Mrs. Donut, a collaborative product with the rock band Mrs. GREEN APPLE. The annual fall staple Satsumaimo Do Sweet Potato, now in its eighth year since its launch, continued to perform well, thanks in part to the positive response from customers to the product improvements we made.

Among the Food Group's other businesses, sales at Katsu & Katsu pork cutlet restaurants decreased year-on-year. On the other hand, Boston House Co., Ltd. reported higher sales. At its flagship Italian restaurant Napoli No Shokutaku, although the number of customers decreased, the average customer spend increased, driven by the price adjustments implemented last year, and this contributed to the company's overall sales.

c. Other Businesses

Sales for the Other Businesses segment increased by 222 million yen (2.6%) year-on-year to 8,642 million yen, while operating profit increased by 33 million yen (9.0%) year-on-year to 401 million yen. Among domestic consolidated subsidiaries, Duskin Kyoeki Co., Ltd. (leasing and insurance agency services) experienced a decline in sales, while Duskin Healthcare Co., Ltd. (medical facility hygiene management services) recorded higher sales.

Overseas, Big Apple Worldwide Holdings Sdn. Bhd., a consolidated subsidiary that operates a donut business mainly in Malaysia, recorded an increase in sales, driven mainly by higher customer-level sales. Among sales of materials and supplies for overseas markets, we saw an increase in sales of mat products to Taiwan.

(2) Financial Position

Consolidated total assets as of the end of the second quarter of the current fiscal year (as of September 30, 2026) amounted to 206,751 million yen, a decrease of 3,536 million yen compared to the end of the previous fiscal year (March 31, 2026). Specifically, while investment securities decreased by 7,506 million yen, notes and accounts receivable - trade, and contract assets increased by 1,160 million yen; other property, plant and equipment increased by 988 million yen; and other intangible assets increased by 865 million yen.

Total liabilities amounted to 47,975 million yen, a decrease of 4,014 million yen compared to the end of the previous fiscal year. Specifically, accounts payable - other decreased by 2,291 million yen, and deferred tax liabilities decreased by 771 million yen.

Net assets totaled 158,775 million yen, an increase of 478 million yen compared to the end of the previous fiscal year. Specifically, while retained earnings increased by 1,686 million yen, the valuation difference on available-for-sale securities decreased by 806 million yen, and the remeasurements of defined benefit plans decreased by 653 million yen.

(3) Forecast

Our full-year consolidated and non-consolidated earnings forecasts for fiscal 2026 (April 1, 2026 to March 31, 2027) remain unchanged from those announced on August 10, 2026. There are no changes to the breakdown by segment as well. However, this forecast takes into account the anticipated impacts for the second half of the fiscal year that were not previously factored in — namely, the effects of the conflict in the Middle East and the impacts resulting from the 2026 Kumamoto Earthquake.

Should any revisions to the earnings forecasts (either consolidated or non-consolidated) become necessary in the future, we will announce them promptly.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of yen

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	19,496	20,003
Notes and accounts receivable - trade, and contract assets	11,981	13,142
Lease receivables and investments in leases	1,036	1,031
Securities	11,192	11,392
Merchandise and finished goods	8,554	8,465
Work in process	319	364
Raw materials and supplies	3,417	3,579
Accounts receivable - other	8,137	8,195
Other	2,197	2,765
Allowance for doubtful accounts	-12	-15
Total current assets	66,320	68,925
Non-current assets		
Property, plant and equipment		
Buildings and structures	48,727	48,794
Accumulated depreciation	-34,471	-34,932
Buildings and structures, net	14,255	13,862
Machinery, equipment and vehicles	29,801	29,986
Accumulated depreciation	-21,442	-21,845
Machinery, equipment and vehicles, net	8,358	8,140
Land	21,526	21,526
Construction in progress	490	512
Other	16,046	17,055
Accumulated depreciation	-12,264	-12,284
Other, net	3,781	4,770
Total property, plant and equipment	48,412	48,812
Intangible assets		
Goodwill	304	262
Software	6,351	6,151
Other	4,535	5,400
Total intangible assets	11,191	11,814
Investments and other assets		
Investment securities	67,730	60,223
Long-term loans receivable	0	－
Retirement benefit asset	9,219	9,411
Deferred tax assets	1,087	1,101
Guarantee deposits	4,990	4,938
Other	1,360	1,548
Allowance for doubtful accounts	-25	-24
Total investments and other assets	84,363	77,198
Total non-current assets	143,967	137,825
Total assets	210,288	206,751

Millions of yen

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,594	8,271
Current portion of long-term borrowings	1	1
Income taxes payable	1,378	1,800
Provision for bonuses	4,268	3,829
Provision for loss on disaster	152	152
Provision for loss on liquidation of subsidiaries and affiliates	–	194
Asset retirement obligations	45	41
Accounts payable - other	10,762	8,470
Guarantee deposit received for rental products-CL	8,539	8,369
Other	8,164	7,855
Total current liabilities	41,908	38,987
Non-current liabilities		
Long-term borrowings	2	1
Retirement benefit liability	4,546	4,227
Asset retirement obligations	869	873
Long-term guarantee deposits	704	698
Deferred tax liabilities	3,958	3,187
Lease liabilities	0	–
Total non-current liabilities	10,082	8,988
Total liabilities	51,990	47,975
Net assets		
Shareholders' equity		
Share capital	11,352	11,352
Capital surplus	11,111	11,119
Retained earnings	123,050	124,736
Treasury shares	-3,031	-2,857
Total shareholders' equity	142,483	144,351
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,427	9,620
Deferred gains or losses on hedges	-1	3
Foreign currency translation adjustment	666	741
Remeasurements of defined benefit plans	4,361	3,707
Total accumulated other comprehensive income	15,453	14,073
Share acquisition rights	10	10
Non-controlling interests	349	339
Total net assets	158,297	158,775
Total liabilities and net assets	210,288	206,751

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

Consolidated statements of income

Millions of yen

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	95,078	98,363
Cost of sales	52,898	55,315
Gross profit	42,180	43,048
Selling, general and administrative expenses	37,488	37,921
Operating profit	4,691	5,126
Non-operating income		
Interest income	179	189
Dividend income	238	218
Rental income from facilities	52	42
Commission income	150	138
Share of profit of entities accounted for using equity method	767	684
Other	599	609
Total non-operating income	1,987	1,883
Non-operating expenses		
Interest expenses	0	0
Rental expenses on facilities	24	17
Compensation expenses	44	23
Other	39	50
Total non-operating expenses	109	91
Ordinary profit	6,569	6,918
Extraordinary income		
Gain on sale of non-current assets	46	6
Gain on sale of investment securities	67	701
Total extraordinary income	114	708
Extraordinary losses		
Loss on abandonment of non-current assets	28	60
Loss on disaster	–	65
Provision of reserves for losses on liquidation of subsidiaries and affiliates	–	194
Total extraordinary losses	28	320
Profit before income taxes	6,654	7,306
Income taxes	2,387	2,398
Profit	4,267	4,907
Profit attributable to non-controlling interests	18	16
Profit attributable to owners of parent	4,248	4,891

Consolidated statements of comprehensive income

Millions of yen

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit	4,267	4,907
Other comprehensive income		
Valuation difference on available-for-sale securities	1,099	-824
Foreign currency translation adjustment	-14	52
Remeasurements of defined benefit plans, net of tax	-571	-646
Share of other comprehensive income of entities accounted for using equity method	94	38
Total other comprehensive income	607	-1,380
Comprehensive income	4,875	3,527
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,856	3,511
Comprehensive income attributable to non-controlling interests	18	16

(3) Notes to Consolidated Financial Statements

Notes to special accounting methods for preparation of consolidated financial statements

— Calculation of tax expenses

The Company calculates tax expenses in the following method: it first makes a reasonable estimate of the effective tax rate for the projected consolidated profit before income taxes for the fiscal year, including the first six months, after applying tax effect accounting, and then multiplies profit before income taxes for the six months under review by that estimated effective tax rate.

Notes to segment information and other information

1) First six months of FY2025 (April 1 to September 30, 2025)

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

Millions of yen

	Direct Selling Group	Food Group	Other Businesses[1]	Total	Adjustment[3]	Consolidated total[4]
Sales						
Clean Service businesses	38,665	–	–	38,665	–	38,665
Care Service businesses	8,011	–	–	8,011	–	8,011
Mister Donut business	–	30,058	–	30,058	–	30,058
Other	8,624	2,361	6,222	17,207	–	17,207
Revenue from contracts with customers	55,301	32,419	6,222	93,942	–	93,942
Other revenue[2]	–	–	1,135	1,135	–	1,135
To outside customers	55,301	32,419	7,357	95,078	–	95,078
Intersegment sales and transfers	308	1	1,062	1,371	-1,371	–
Total	55,609	32,420	8,420	96,450	-1,371	95,078
Segment income (loss)	2,572	5,229	368	8,170	-3,479	4,691

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 -3,479 million yen include a 26 million yen elimination for intersegment sales and transfers and -3,505 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 six months of FY2025 and the balance of goodwill at the end of the second quarter are as follows:

Millions of yen

	Direct Selling Group	Food Group	Other Businesses	Elimination or corporate	Total
Amortization	40	5	6	–	51
Balance*	228	86	19	–	334

* Goodwill at the end of the second quarter includes 228 million yen of goodwill in the Direct Selling Group resulting from the purchase by Duskin and its subsidiaries of the business operations of several franchisees and 53 million yen of goodwill in the Food Group for Kenko Saien Co., Ltd. (now Boston House Co., Ltd.), which the Company acquired in January 2024 and 19 million yen of goodwill in Other Businesses for Big Apple Worldwide Holdings Sdn. Bhd., which the Company acquired in February 2017.

Significant gains on negative goodwill
None.

2) First six months of FY2026 (April 1 to September 30, 2026)

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

Millions of yen

	Direct Selling Group	Food Group	Other Businesses[1]	Total	Adjustment[3]	Consolidated total[4]
Sales						
Clean Service businesses	38,744	–	–	38,744	–	38,744
Care Service businesses	7,767	–	–	7,767	–	7,767
Mister Donut business	–	32,483	–	32,483	–	32,483
Other	9,291	2,411	6,461	18,164	–	18,164
Revenue from contracts with customers	55,803	34,894	6,461	97,159	–	97,159
Other revenue[2]	–	–	1,204	1,204	–	1,204
To outside customers	55,803	34,894	7,666	98,363	–	98,363
Intersegment sales and transfers	320	5	976	1,302	-1,302	–
Total	56,124	34,899	8,642	99,666	-1,302	98,363
Segment income (loss)	2,759	5,626	401	8,787	-3,660	5,126

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 -3,660 million yen include a 26 million yen elimination for intersegment sales and transfers and -3,687 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 six months of FY2026 and the balance of goodwill at the end of the second quarter are as follows:

Millions of yen

	Direct Selling Group	Food Group	Other Businesses	Elimination or corporate	Total
Amortization	31	11	7	–	50
Balance*	148	106	7	–	262

* Goodwill at the end of the second quarter includes 148 million yen of goodwill in the Direct Selling Group and 58 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 7 million yen of goodwill in Other Businesses for Big Apple Worldwide Holdings Sdn. Bhd., which the Company acquired in February 2017.

Significant gains on negative goodwill
None.

Notes on significant changes in shareholders' equity
None.

Notes relating to going concern assumption
None.