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Consolidated Financial Results
for the Nine Months Ended November 30, 2023
[Japanese GAAP]

January 12, 2024

Company name: DD GROUP Co.,Ltd.

Stock exchange listing: Tokyo

Code number: 3073

URL: <https://www.dd-grp.com/>

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President and Representative Director

Senior Managing Director, General Manager of Group's
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Scheduled date of filing quarterly securities report: January 12, 2024

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months Ended November 30, 2023 (March 1, 2023 to November 30, 2023)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended November 30, 2023	27,393	18.4	2,308	-	2,192	1,832.7	1,831	317.9
November 30, 2022	23,145	-	(283)	-	113	-	438	-

(Note) Comprehensive income:	Nine months ended November 30, 2023:	¥	2,057 million	[236.4%]
	Nine months ended November 30, 2022:	¥	611 million	[-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended November 30, 2023	Yen 92.87	Yen -
November 30, 2022	15.89	

(Note) Diluted earnings per share for the third quarter period ended November 30, 2022 and for the third quarter period ended November 30, 2023 is not shown in the above table, as there are no residual shares having possibilities of diluting stock value.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
November 30, 2023	32,823	8,312	22.9
February 28, 2023	35,248	6,336	15.8

(Reference) Equity:	As of	November 30, 2023:	¥	7,509 million
	As of	February 28, 2023:	¥	5,563 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2023	-	0.00	-	0.00	0.00
Fiscal year ending February 29, 2024	-	0.00	-		
Fiscal year ending February 29, 2024 (Forecast)				-	-

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 3rd quarter dividend for the fiscal year ending February 29, 2024 :

Commemorative dividend - yen

Special dividend - yen

(Note) As we have yet to determine the specific expected dividend amount, forecasts for the fiscal year-end and full year are indicated with a dash.

As for the status of dividend for class shares (unlisted) with different rights from those of the company's common stock, please see "(Reference)Dividend Payments for class A shares" on page 3.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 29, 2024(March 1, 2023 to February 29, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	36,400	12.9	2,950	530.5	2,780	231.5	2,350	168.5	118.76

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the nine months ended November 30, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

November 30, 2023: 18,442,720 shares

February 28, 2023: 18,442,720 shares

2) Number of treasury shares at the end of the period:

November 30, 2023: 338,784 shares

February 28, 2023: 338,751 shares

3) Average number of shares outstanding during the period:

Nine months ended November 30, 2023: 18,103,953 shares

Nine months ended November 30, 2022: 18,103,969 shares

Dividend Payments for class share

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2023	-	-	-	4,000.00	4,000.00
Fiscal year ending February 29, 2024	-				
Fiscal year ending February 29, 2024 (Forecast)		-	-	4,000.00	4,000.00

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2023	As of November 30, 2023
Assets		
Current assets		
Cash and deposits	12,039	9,416
Deposits held in trust	94	156
Accounts receivable - trade	965	1,129
Deposits paid	271	298
Real estate for sale	516	550
Merchandise	28	35
Raw materials and supplies	214	218
Prepaid expenses	623	552
Short-term loans receivable	79	56
Accounts receivable - other	178	227
Other	47	111
Allowance for doubtful accounts	(12)	(71)
Total current assets	15,047	12,683
Non-current assets		
Property, plant and equipment		
Buildings	14,058	13,883
Accumulated depreciation	(8,211)	(8,238)
Accumulated impairment	(2,440)	(2,431)
Buildings, net	3,406	3,213
Vehicles	29	26
Accumulated depreciation	(20)	(20)
Vehicles, net	8	5
Tools, furniture and fixtures	4,110	4,200
Accumulated depreciation	(3,496)	(3,535)
Accumulated impairment	(380)	(379)
Tools, furniture and fixtures, net	233	285
Land	531	531
Buildings in trust	3,667	3,667
Accumulated depreciation	(348)	(436)
Buildings in trust, net	3,318	3,230
Land in trust	1,948	1,948
Leased assets	389	242
Accumulated depreciation	(228)	(100)
Accumulated impairment	(66)	(61)
Leased assets, net	93	80
Construction in progress	430	479
Total property, plant and equipment	9,970	9,775

(Millions of yen)

	As of February 28, 2023	As of November 30, 2023
Intangible assets		
Goodwill	2,761	2,626
Trademark right	0	0
Software	40	46
Other	14	6
Total intangible assets	2,816	2,680
Investments and other assets		
Investment securities	1,105	1,402
Long-term prepaid expenses	107	119
Guarantee deposits	4,335	4,351
Deferred tax assets	1,797	1,744
Other	95	97
Allowance for doubtful accounts	(27)	(31)
Total investments and other assets	7,413	7,684
Total non-current assets	20,201	20,140
Total assets	35,248	32,823

(Millions of yen)

	As of February 28, 2023	As of November 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	811	765
Short-term borrowings	6,294	3,226
Current portion of long-term borrowings	10,025	8,624
Current portion of bonds payable	100	-
Accounts payable - other	498	676
Accrued expenses	1,058	1,136
Income taxes payable	165	21
Provision for shareholder benefit program	93	41
Asset retirement obligations	65	120
Other	1,295	773
Total current liabilities	20,409	15,387
Non-current liabilities		
Bonds payable	-	100
Long-term borrowings	6,284	6,869
Lease liabilities	97	72
Asset retirement obligations	1,265	1,249
Long-term unearned revenue	0	0
Deferred tax liabilities	807	794
Other	47	37
Total non-current liabilities	8,502	9,123
Total liabilities	28,911	24,511
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	7,733	7,733
Retained earnings	(2,292)	(548)
Treasury shares	(71)	(72)
Total shareholders' equity	5,469	7,213
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	56	238
Foreign currency translation adjustment	38	58
Total accumulated other comprehensive income	94	296
Share acquisition rights	1	1
Non-controlling interests	772	801
Total net assets	6,336	8,312
Total liabilities and net assets	35,248	32,823

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended November 30, 2022	For the nine months ended November 30, 2023
Net sales	23,145	27,393
Cost of sales	5,082	5,851
Gross profit	18,062	21,541
Selling, general and administrative expenses	18,346	19,232
Operating profit (loss)	(283)	2,308
Non-operating income		
Interest income	0	1
Dividend income	0	0
Receipt support money	24	27
Rental income from land and buildings	69	54
Subsidy income	469	-
Other	62	43
Total non-operating income	626	127
Non-operating expenses		
Interest expenses	114	107
Rental expenses	63	48
Commission expenses	15	12
Share of loss of entities accounted for using equity method	-	46
Foreign exchange losses	10	14
Other	24	13
Total non-operating expenses	229	243
Ordinary profit	113	2,192
Extraordinary income		
Gain on sale of non-current assets	0	-
Removal indemnity	590	-
Gain on forgiveness of debts	24	-
Total extraordinary income	614	-
Extraordinary losses		
Loss on sale of non-current assets	-	0
Loss on retirement of non-current assets	24	1
Impairment losses	91	206
Cancellation penalty	2	-
Provision of allowance for doubtful accounts	-	56
Other	3	-
Total extraordinary losses	122	264
Profit before income taxes	605	1,928
Income taxes	126	73
Profit	478	1,854
Profit attributable to non-controlling interests	40	23
Profit attributable to owners of parent	438	1,831

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended November 30, 2022	For the nine months ended November 30, 2023
Profit	478	1,854
Other comprehensive income		
Valuation difference on available-for-sale securities	102	182
Foreign currency translation adjustment	29	19
Total other comprehensive income	132	202
Comprehensive income	611	2,057
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	560	2,027
Comprehensive income attributable to non-controlling interests	50	29