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## Consolidated Financial Results for the Three Months Ended May 31, 2023 [Japanese GAAP]

July 14, 2023

Company name: DD GROUP Co.,Ltd.

Stock exchange listing: Tokyo

Code number: 3073

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

Representative: Atsuhisa Matsumura

Contact: Motoaki Saito

President and Representative Director

Senior Managing Director, General Manager of Group's  
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Scheduled date of filing quarterly securities report: July 14, 2023

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 Three Months Ended May 31, 2023 (March 1, 2023 to May 31, 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                         | %       |
| Three months ended May 31, 2023 | 9,278           | 26.2 | 1,104            | - | 1,083           | 842.6 | 1,010                                   | 1,663.0 |
| May 31, 2022                    | 7,354           | 76.6 | (337)            | - | 114             | -     | 57                                      | -       |

(Note) Comprehensive income: Three months ended May 31, 2023: ¥ 1,035 million [ 871.8%]  
Three months ended May 31, 2022: ¥ 106 million [ -%]

|                                 | Basic earnings per share | Diluted earnings per share |
|---------------------------------|--------------------------|----------------------------|
|                                 | Yen                      | Yen                        |
| Three months ended May 31, 2023 | 53.03                    | -                          |
| May 31, 2022                    | 0.38                     | -                          |

(Note) Diluted earnings per share for the first quarter period ended May 31, 2022 and for the first quarter period ended May 31, 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 |
|--------------------|-----------------|-----------------|------------------------|
|                    | Millions of yen | Millions of yen | %                      |
| As of May 31, 2023 | 35,838          | 7,261           | 18.1                   |
| February 28, 2023  | 35,248          | 6,336           | 15.8                   |

(Reference) Equity: As of May 31, 2023: ¥ 6,474 million  
As of February 28, 2023: ¥ 5,563 million

## 2. Dividends

|  | Annual dividends   |                    |                    |          |       |
|--|--------------------|--------------------|--------------------|----------|-------|
|  | 1st<br>quarter-end | 2nd<br>quarter-end | 3rd<br>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               | -                  |                    |                    |          |       |
| Fiscal year ending February 29, 2024<br>(Forecast) |                    | -                  | -                  | -        | -     |

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

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending February 29, 2024 :

Commemorative dividend - yen

Special dividend - yen

(Note) DD Group will defer making a year-end dividend forecast at the present time.

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

## 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                      |
| Six months ending August 31, 2023 | 17,733          | 18.9 | 1,390            | -     | 1,379           | -     | 1,269                                   | 239.8 | 64.57                    |
| Full year                         | 34,861          | 8.1  | 2,250            | 380.9 | 2,194           | 161.6 | 1,835                                   | 109.7 | 90.31                    |

(Note) Revision to the financial results forecast announced most recently: Yes

\* Notes:

(1) Changes in significant subsidiaries during the three months ended May 31, 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):

May 31, 2023: 18,442,720 shares

February 28, 2023: 18,442,720 shares

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

May 31, 2023: 338,751 shares

February 28, 2023: 338,751 shares

3) Average number of shares outstanding during the period:

Three months ended May 31, 2023: 18,103,969 shares

Three months ended May 31, 2022: 18,103,969 shares

Dividend Payments for class share

|  | Annual dividends   |                    |                    |          |          |
|--|--------------------|--------------------|--------------------|----------|----------|
|  | 1st<br>quarter-end | 2nd<br>quarter-end | 3rd<br>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<br>(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 May 31, 2023 |
|-------------------------------------|-------------------------|--------------------|
| <b>Assets</b>                       |                         |                    |
| Current assets                      |                         |                    |
| Cash and deposits                   | 12,039                  | 12,412             |
| Deposits held in trust              | 94                      | 107                |
| Accounts receivable - trade         | 965                     | 1,124              |
| Deposits paid                       | 271                     | 329                |
| Real estate for sale                | 516                     | 793                |
| Merchandise                         | 28                      | 30                 |
| Raw materials and supplies          | 214                     | 219                |
| Prepaid expenses                    | 623                     | 595                |
| Short-term loans receivable         | 79                      | 66                 |
| Accounts receivable - other         | 178                     | 194                |
| Other                               | 47                      | 53                 |
| Allowance for doubtful accounts     | (12)                    | (12)               |
| Total current assets                | 15,047                  | 15,914             |
| Non-current assets                  |                         |                    |
| Property, plant and equipment       |                         |                    |
| Buildings                           | 14,058                  | 14,082             |
| Accumulated depreciation            | (8,211)                 | (8,268)            |
| Accumulated impairment              | (2,440)                 | (2,431)            |
| Buildings, net                      | 3,406                   | 3,382              |
| Vehicles                            | 29                      | 29                 |
| Accumulated depreciation            | (20)                    | (21)               |
| Vehicles, net                       | 8                       | 7                  |
| Tools, furniture and fixtures       | 4,110                   | 4,155              |
| Accumulated depreciation            | (3,496)                 | (3,510)            |
| Accumulated impairment              | (380)                   | (379)              |
| Tools, furniture and fixtures, net  | 233                     | 266                |
| Land                                | 531                     | 531                |
| Buildings in trust                  | 3,667                   | 3,667              |
| Accumulated depreciation            | (348)                   | (377)              |
| Buildings in trust, net             | 3,318                   | 3,289              |
| Land in trust                       | 1,948                   | 1,948              |
| Leased assets                       | 389                     | 389                |
| Accumulated depreciation            | (228)                   | (233)              |
| Accumulated impairment              | (66)                    | (66)               |
| Leased assets, net                  | 93                      | 88                 |
| Construction in progress            | 430                     | 178                |
| Total property, plant and equipment | 9,970                   | 9,694              |

(Millions of yen)

|   | As of February 28, 2023 | As of May 31, 2023 |
|---|-------------------------|--------------------|
| Intangible assets                         |                         |                    |
| Goodwill                                  | 2,761                   | 2,716              |
| Trademark right                           | 0                       | 0                  |
| Software                                  | 40                      | 51                 |
| Other                                     | 14                      | 6                  |
| Total intangible assets                   | 2,816                   | 2,774              |
| Investments and other assets              |                         |                    |
| Investment securities                     | 1,105                   | 1,122              |
| Long-term prepaid expenses                | 107                     | 123                |
| Guarantee deposits                        | 4,335                   | 4,344              |
| Deferred tax assets                       | 1,797                   | 1,794              |
| Other                                     | 95                      | 97                 |
| Allowance for doubtful accounts           | (27)                    | (27)               |
| Total investments and other assets        | 7,413                   | 7,455              |
| Total non-current assets                  | 20,201                  | 19,924             |
| Total assets                              | 35,248                  | 35,838             |
| Liabilities                               |                         |                    |
| Current liabilities                       |                         |                    |
| Accounts payable - trade                  | 811                     | 839                |
| Short-term borrowings                     | 6,294                   | 6,232              |
| Current portion of long-term borrowings   | 10,025                  | 8,550              |
| Current portion of bonds payable          | 100                     | -                  |
| Accounts payable - other                  | 498                     | 608                |
| Accrued expenses                          | 1,058                   | 1,093              |
| Income taxes payable                      | 165                     | 74                 |
| Provision for shareholder benefit program | 93                      | 84                 |
| Asset retirement obligations              | 65                      | 31                 |
| Other                                     | 1,295                   | 1,007              |
| Total current liabilities                 | 20,409                  | 18,521             |
| Non-current liabilities                   |                         |                    |
| Bonds payable                             | -                       | 100                |
| Long-term borrowings                      | 6,284                   | 7,738              |
| Lease liabilities                         | 97                      | 87                 |
| Asset retirement obligations              | 1,265                   | 1,279              |
| Long-term unearned revenue                | 0                       | 0                  |
| Deferred tax liabilities                  | 807                     | 802                |
| Other                                     | 47                      | 46                 |
| Total non-current liabilities             | 8,502                   | 10,055             |
| Total liabilities                         | 28,911                  | 28,576             |

(Millions of yen)

|   | As of February 28, 2023 | As of May 31, 2023 |
|---|-------------------------|--------------------|
| Net assets  |                         |                    |
| Shareholders' equity                                  |                         |                    |
| Share capital   | 100                     | 100                |
| Capital surplus                                       | 7,733                   | 7,733              |
| Retained earnings                                     | (2,292)                 | (1,393)            |
| Treasury shares                                       | (71)                    | (71)               |
| Total shareholders' equity                            | 5,469                   | 6,367              |
| Accumulated other comprehensive income                |                         |                    |
| Valuation difference on available-for-sale securities | 56                      | 80                 |
| Foreign currency translation adjustment               | 38                      | 26                 |
| Total accumulated other comprehensive income          | 94                      | 106                |
| Share acquisition rights                              | 1                       | 1                  |
| Non-controlling interests                             | 772                     | 785                |
| Total net assets                                      | 6,336                   | 7,261              |
| Total liabilities and net assets                      | 35,248                  | 35,838             |

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

(Millions of yen)

|   | For the three months<br>ended May 31, 2022 | For the three months<br>ended May 31, 2023 |
|---|--|--|
| Net sales   | 7,354                                      | 9,278                                      |
| Cost of sales   | 1,693                                      | 1,838                                      |
| Gross profit  | 5,661                                      | 7,440                                      |
| Selling, general and administrative expenses                | 5,999                                      | 6,335                                      |
| Operating profit (loss)                                     | (337)                                      | 1,104                                      |
| Non-operating income  |  |  |
| Interest income   | 0  | 0  |
| Receipt support money                                       | 6  | 11   |
| Rental income from land and buildings                       | 24   | 18   |
| Subsidy income  | 457  | -  |
| Foreign exchange gains                                      | -  | 11   |
| Other   | 36   | 10   |
| Total non-operating income                                  | 525  | 53   |
| Non-operating expenses                                      |  |  |
| Interest expenses   | 36   | 36   |
| Rental expenses   | 22   | 16   |
| Commission expenses   | 8  | 1  |
| Share of loss of entities accounted for using equity method | -  | 13   |
| Other   | 5  | 6  |
| Total non-operating expenses                                | 73   | 74   |
| Ordinary profit   | 114  | 1,083                                      |
| Extraordinary income  |  |  |
| Gain on sale of non-current assets                          | 0  | -  |
| Gain on forgiveness of debts                                | 24   | -  |
| Total extraordinary income                                  | 24   | -  |
| Extraordinary losses  |  |  |
| Loss on retirement of non-current assets                    | 23   | -  |
| Total extraordinary losses                                  | 23   | -  |
| Profit before income taxes                                  | 115  | 1,083                                      |
| Income taxes  | 45   | 59   |
| Profit  | 70   | 1,023                                      |
| Profit attributable to non-controlling interests            | 12   | 13   |
| Profit attributable to owners of parent                     | 57   | 1,010                                      |

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

(Millions of yen)

|   | For the three months<br>ended May 31, 2022 | For the three months<br>ended May 31, 2023 |
|---|--|--|
| Profit  | 70   | 1,023                                      |
| Other comprehensive income  |  |  |
| Valuation difference on available-for-sale securities             | 29   | 24   |
| Foreign currency translation adjustment                           | 6  | (12)                                       |
| Total other comprehensive income                                  | 36   | 12   |
| Comprehensive income  | 106  | 1,035                                      |
| Comprehensive income attributable to                              |  |  |
| Comprehensive income attributable to owners of<br>parent          | 89   | 1,022                                      |
| Comprehensive income attributable to non-controlling<br>interests | 17   | 13   |