

FY2023 1Q Results

DD Holdings Co., Ltd.

(Securities Code 3073)

15th July, 2022

Group Philosophy

Management Philosophy	**Be the World Leading “Open Innovation Company”**
Corporate Guiding Principles	***Dynamic & Dramatic*** **Acting Dynamically and Dramatically**
3 Basic Principles	We create innovative business models by integrating technologies and knowledge of various industries.
	We maximize our corporate value by mutual complementation and synergies among the consolidated companies.
	We act dynamically and dramatically to be the world leading “Open Innovation Company”

* --%: holding ratio

Consolidated Subsidiaries

100%	90.1%	42.9%	100%
Diamond Dining Co., Ltd.	SHONAN LABEL Co., Ltd.	SLD ENTERTAINMENT Inc.	DD HOLDINGS Venture Capital Co., Ltd.
Food & Beverage Amusement	Hotel / Real Estate	Food & Beverage	CVC

Unconsolidated Subsidiaries

100%
DD Plus Co., Ltd.
Purchasing Platform

Corporate Topics

1

Consolidated Results trended upward and the ordinary income has been recovered.
→Net Sales 7,354 million yen(YoY 176.6%) / Ordinary Income 114 million yen (Increased 147 million yen)

2

Removed from a delisting candidate.
→Removed from delisting candidates by recovering from excessive liabilities at the end of FY2022

3

Expanding to the new business field.
→Co-operate with ”Shiirekan”(the purchasing support service operated by Demae-can Co., Ltd.)

4

Strengthen corporate management and governance
→We have newly appointed three directors including one female outside director.
(Ratio of the number of independent outside directors are now exceeding one third of the total number of the directors)

Ordinary Income has been turned into the black due to the recovery in Sales and 457millions of subsidy income.

Net sales [1Q]

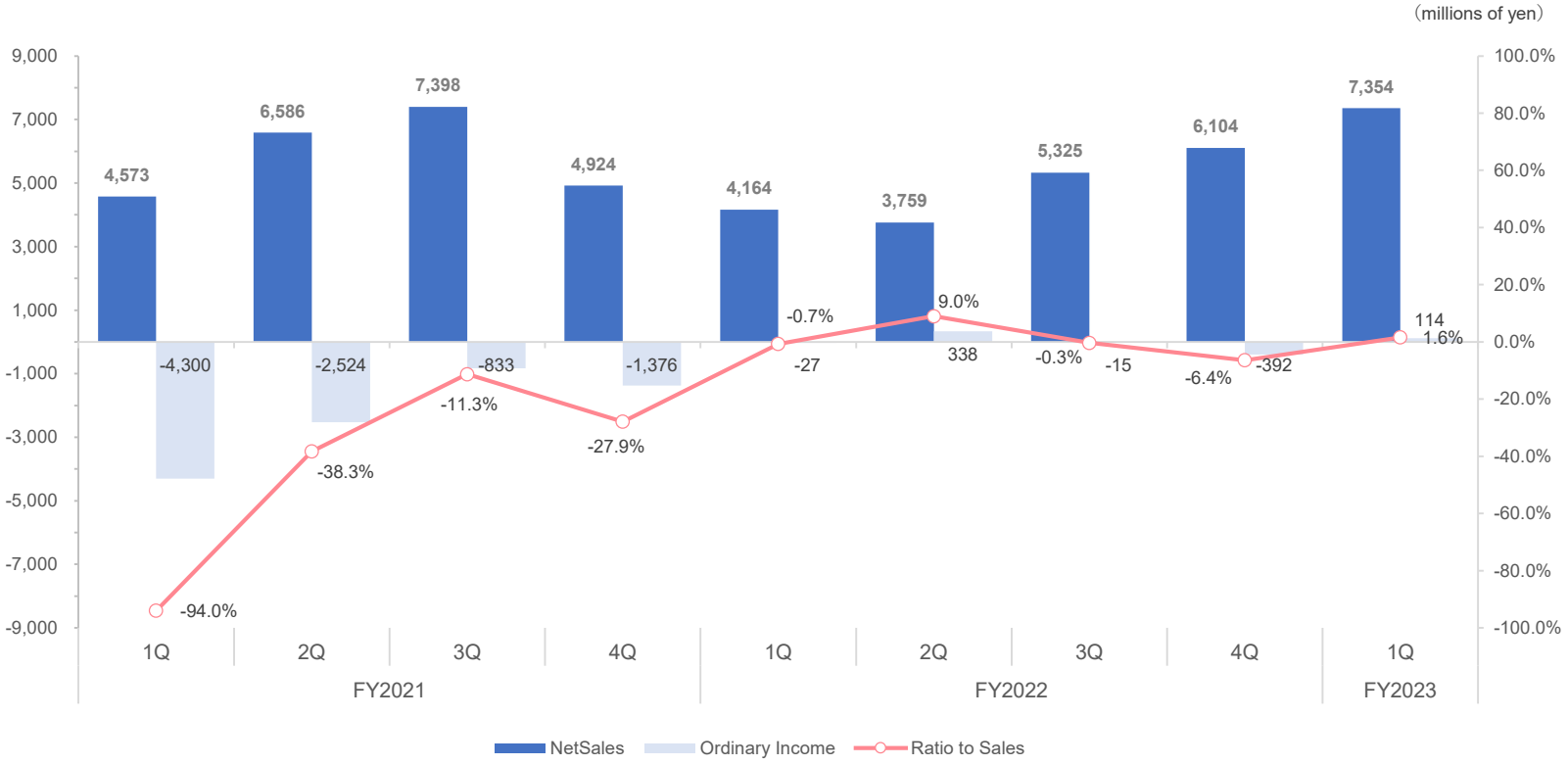
7,354

YoY 176.6%

Ordinary Income [1Q]

114

Increased 142



Corporate Topics：Strengthen corporate management and governance structure

We have newly appointed three directors including one female outside director.
As a results, the ratio of the number of independent outside directors are now exceeding one third of the total number of the directors.

▶A female outside director has been newly elected: To reflect the diverse perspectives and values and to enhance concrete workability of independence and objectivity of supervision by the board members.

▶Two directors have been newly elected: To improve our business infrastructures for sustainable growth.

NAME	Title	Previous Title	Jurisdiction	Status
MATSUMURA, Atsuhisa	Representative Director President	Same as the left	Group's CEO	To-re-elect
KANAKA, Hitoshi	Senior Executive Director	Chief Sales Management Director	Group's Sales Promotion Department	To-re-elect
HIGUCHI, Yasuhiro	Senior Executive Director	Chief Administrative Director	Group's HR Department	To-re-elect
SAITO, Motoaki	Executive Director General Manager of Corporate Management Department	Senior Executive Officer Group's Corporate Management Officer	Group's Corporate Management Department	To newly elect
YAGUCHI, Kenichi	Executive Director	Vice President of Diamond Dining Co., Ltd.(Incumbent)	–	To newly elect
NAKAGAWA, Yuji	Outside Director	Same as the left	–	To-re-elect / Independent
YAMANO, Mikio	Outside Director	Same as the left	–	To-re-elect / Independent
SHIBATA, Yoko (Surname:DOUMEN)	Outside Director	–	–	To newly elect / Independent

*Resolved at the 26th Ordinary General Meeting of Shareholders and Extraordinary meeting held in 27th of May 2022



FY2023 1Q Results

Consolidated Results（Highlights）

（millions of yen）

		FY2023 1Q	FY2022 1Q Difference	
Consolidated Performance	Net Sales	7,354	4,164 +3,190	UP Net Sales ▶YoY 176.6%（vs FY2021 1Q 160.8%） Recovered due to the cancellation of voluntary curfew and restriction on the provision of alcoholic beverages
	Operating Income	-337	-2,157 +1,820	
	Ordinary Income	114	-27 +142	UP Ordinary Income ▶Increased 142M（vs FY2021 1Q +4,415） Posted 457million yen of Subsidy Income
	Profit(Loss) Attributable to Owners of Parent	57	-139 +196	UP Net Income(Loss) Attributable to Owners of Parent ▶Increased 196M（vs FY2021 1Q +2,661） Posted 23 million yen of Loss on retirement of fixed assets
Segment	F & B Business Net Sales	5,236	3,015 +2,221	UP Net Sales ▶YoY 173.7%（vs FY2021 1Q 145.5%）
	Amusement Business Net Sales	1,341	723 +618	UP Net Sales ▶YoY 185.4%（vs FY2021 1Q 176.2%）
	Hotel・Real Estate Business Net Sales	776	424 +351	UP Net Sales ▶YoY 182.7%（vs FY2021 1Q 364.5%）

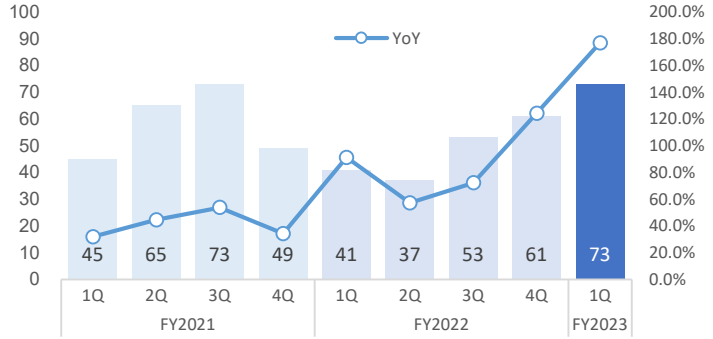
Consolidated Results（Quarterly Trends）

（100 millions of yen）

Net Sales
[1Q]

YoY
176.6%

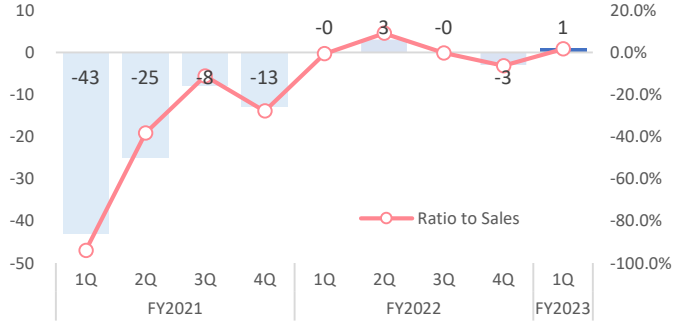
1Q 73.5



Ordinary Income
[1Q]

Increased
+1.4

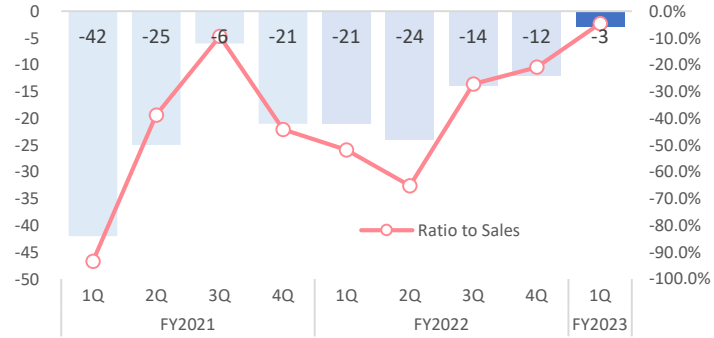
1Q 1.1



Operating Income
[1Q]

Increased
+18.2

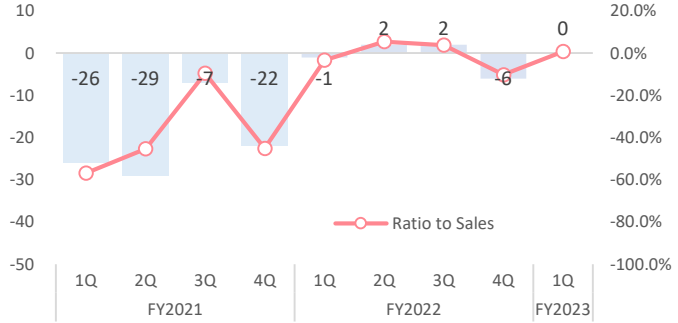
1Q -3.3



Profit (Loss) Attributable to Owners of Parent
[1Q]

Increased
+1.9

1Q 0.5



Key Factors

(100 millions of yen)

		FY2023 1Q	FY2022 1Q	YoY
Consolidated Performance	Cost of sales ratio	23.0%	22.8%	0.2%
	SG & A Ratio	81.6%	129.0%	-47.4%
	Operating Income to Sales Ratio	-4.6%	-51.8%	47.2%
	Operating Income before Goodwill to Sales Ratio	-4.0%	-50.7%	46.8%
	Ordinary Income to Sales Ratio	1.6%	-0.7%	2.2%
	EBITDA	-1.0	-18.9	+17.8

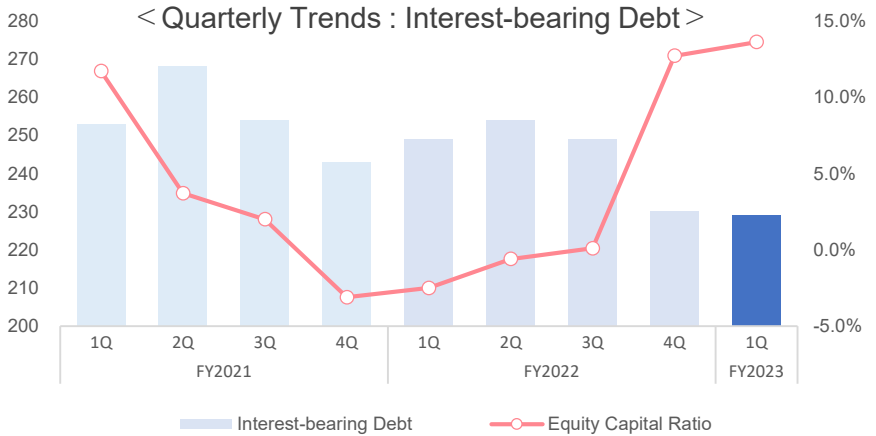
UP Cost of Sales Ratio
▶YoY 0.2%（vs FY2021 1Q -2.4%）

UP Ordinary Income to Sales Ratio
▶YoY 2.2%（vs FY2021 1Q 95.6%）
- Subsidy Income : Decreased -1,618
- Continuous Cost Reduction
  - Labor Cost Rate：YoY -17.1%
  - Depreciation Rate：YoY -2.2%

Net Debt Equity Ratio

3.0 times

FY2022
3.2 times



Equity Capital
…4,614 millions of Yen(Increased +91M)
Equity Capital Ratio：13.6%
（FY2022：12.7%）

Interest-bearing Debt
…22,934 millions of Yen(Decreased -66M)
Interest-bearing Debt Ratio：67.4%
（FY2022：64.4%）

Consolidated Balance Sheet

(millions of yen)

	FY2022	FY2023 1Q	Difference
Current Assets	14,909	13,207	-1,701
Cash and Bank Deposits	8,353	9,044	690
Other Current Assets	6,555	4,163	-2,391
Non-Current Assets	20,778	20,765	-13
Property, Plant and Equipment	10,294	10,376	81
Intangible Assets	2,998	2,946	-52
Goodwill	2,942	2,897	-45
Investments and Other Assets	7,485	7,442	-42
Deferred Assets	48	31	-17
Total Assets	35,736	34,004	-1,732

	FY2022	FY2023 1Q	Difference
Interest-bearing Debt	23,000	22,934	-66
Other Liabilities	7,495	5,721	-1,773
Total Liabilities	30,495	28,655	-1,839
Shareholders' Equity	4,522	4,578	55
Capital Surplus	-3,238	-3,183	55
Accumulated other comprehensive income	-0	35	36
Subscription Rights To Share	5	3	-1
Non-controlling Interests	713	730	17
Total Net Assets	5,240	5,348	107
Total Liabilities and Net Assets	35,736	34,004	-1,732

【Key Factor of Changes】
▶ Total Assets：34,004（vs End of FY2022: -1,701）
・Cash and Bank deposits：vs End of FY2022: +690
・Accounts Receivable：vs End of FY2022: +527
・Other Receivable：vs End of FY2022: -2,972

【Key Factor of Changes】
▶Total Liabilities：28,655（vs End of FY2022: -1,839）
・Account Payable：vs End of FY2022: -66
▶Total Net Assets：5,348（vs End of FY2022: +107）
・Exercised the 6th stock acquisition and issued class-A preferred stock in previous fiscal year. (The 7th stock acquisition has not exercised yet.)

PY: Previous Year



FY2023 1Q Store Opening Status

Group's Store Opening Status

FY2023 1Q：Newly Opened 0shops / Closed 0shops / Changed Brand 0shops

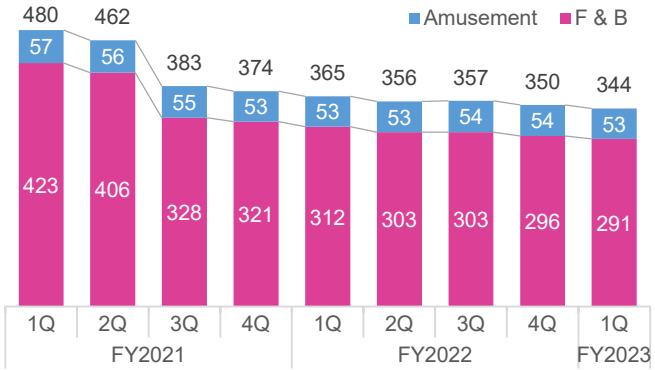
【Group's Total Number of shops（F&B, Amusement）】 (No of shops)

Food & Beverage Business	291
Amusement Business	53
Directly Operating Shops	344
Licensed , Franchise and Consignment shops	9
Total Number of Shops	353

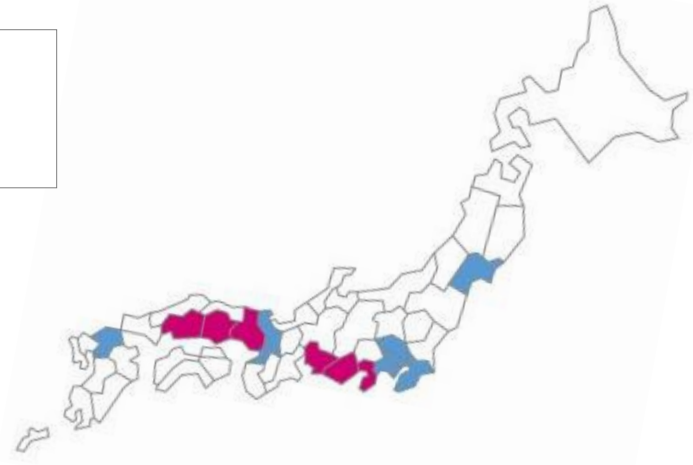
【Group's Total Number of Hotels】

Hotel・Real Estate Business	6 hotels

【Directly Operating Shops】



【Note】
- F&B only
- F&B and Amusement



【Number of Shops by Prefecture】 (shops)

Eastern Japan		Central Japan		Western Japan	
Tokyo	231	Osaka	26	Hiroshima	21
Kanagawa	22	Kyoto	10	Fukuoka	6
Saitama	8	Aichi	8	Okayama	1
Miyagi	3	Hyogo	4		
Chiba	3	Shizuoka	1		



FY2023 1Q Business Segment Results

The semi- emergency COVID-19 measures has been lifted in all prefectures covered and both sales and incomes are improving due to the normalization of the economic activities.

（100 millions of yen）

F & B Business

Recovering since the semi-emergency COVID-19 measures has been lifted.

UP	Net Sales	：	52.3	YoY	：	173.7%
UP	Operating Income	：	-2.4	YoY variance	：	+12.5

Amusement Business

Turned into profitable due to the recovering consumption mindset.

UP	Net Sales	：	13.4	YoY	：	185.4%
UP	Operating Income	：	0.1	YoY variance	：	+ 4.4

Hotel・Real Estate Business

Continuous increase in Sales and Incomes as a result of implemented successful various measures.

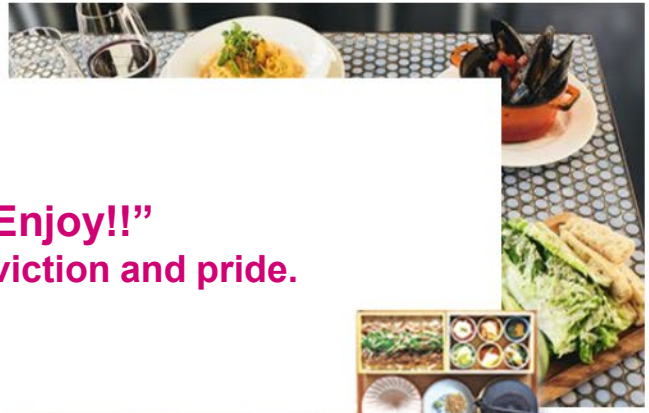
UP	Net Sales	：	7.7	YoY	：	182.7%
UP	Operating Income	：	2.1	YoY variance	：	+ 0.8

*Background waving images are the trends of Quarterly sales within 3years(Hotels for within 2years)

Segment： Food & Beverage Business










”Let’s Enjoy!!”
with strong conviction and pride.










Brand Portfolio

Diamond Dining

SLD ENTERTAINMENT INC.



VAMPIRE CAFE（TOKYO）



WARAYAKI-YA （TOKYO）



kawara CAFE（TOKYO）



24/7 coffee & roaster
(HIROSHIMA)



chano-ma（TOKYO）



KYOTO-SHUGEN
(KYOTO)

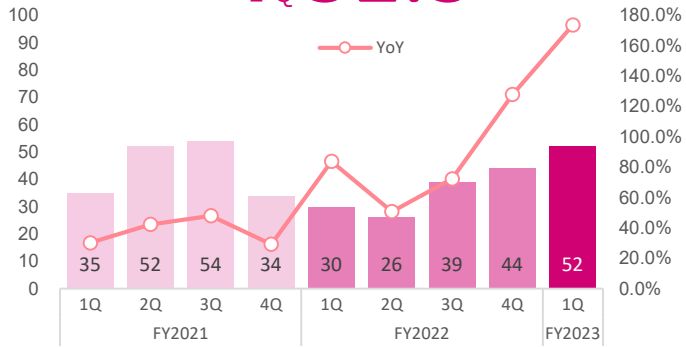
Segment：Food & Beverage Business (Performance)

Net Sales

YoY

173.7%

1Q 52.3



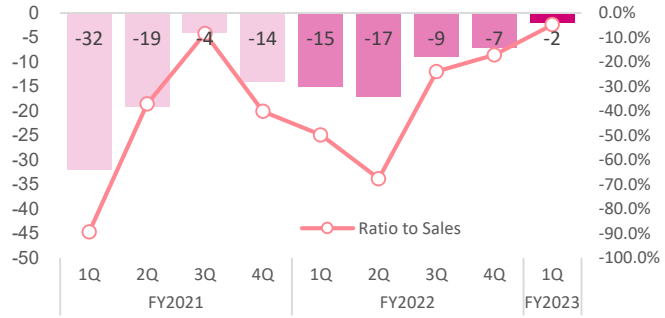
Operating Income

YoY

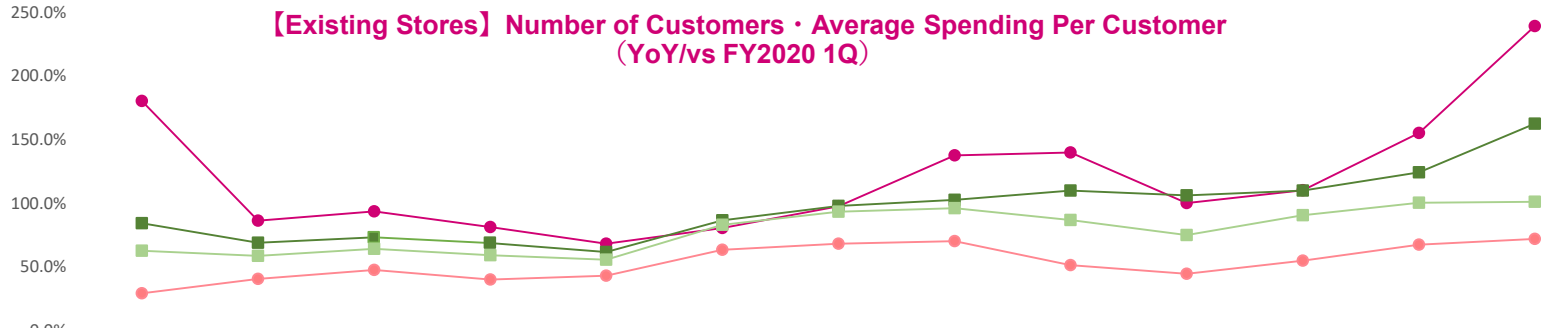
12.5

（100 millions of yen）

1Q -2.4



【Existing Stores】Number of Customers・Average Spending Per Customer (YoY/vs FY2020 1Q)



	2021.5	2021.6	2021.7	2021.8	2021.9	2021.1	2021.11	2021.12	2022.1	2022.2	2022.3	2022.4	2022.5
Number of Customers YoY	180.4%	86.3%	93.5%	81.1%	68.2%	80.4%	97.6%	137.6%	139.7%	100.1%	110.1%	155.2%	239.1%
Number of Customers vs FY2020	29.1%	40.4%	47.5%	39.9%	43.0%	63.3%	68.1%	70.1%	51.4%	44.5%	54.9%	67.5%	71.9%
Average Spend Per Customer YoY	84.2%	68.9%	73.1%	68.7%	61.7%	86.5%	97.7%	102.7%	110.0%	106.2%	109.8%	124.1%	162.5%
Average Spend Per Customer vs FY2020	62.6%	58.6%	64.0%	59.0%	55.7%	82.9%	93.2%	96.0%	86.8%	74.9%	90.5%	100.3%	101.0%

Segment: Amusement Business



Segment: Amusement Business（Business Situation ）



＜Brand＞

BAGUS
Bane BAGUS
GRAN CYBER CAFE bagus
BAGUS EXE.
BAGUS QUALIA
BAGUS GOLKA
The BAGUS PLACE
es
THE PUBLIC
under
Hiroo Golf IMPACT
COMFORT CAPSULE HOTEL GLANSIT



BAGUS



GRAN CYBER CAFE bagus



THE PUBLIC



Hiroo Golf IMPACT

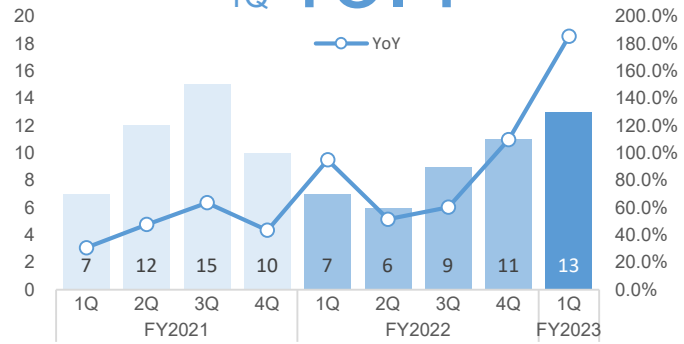
Segment: Amusement Business (Performance)

Net Sales

YoY

185.4%

1Q 13.4



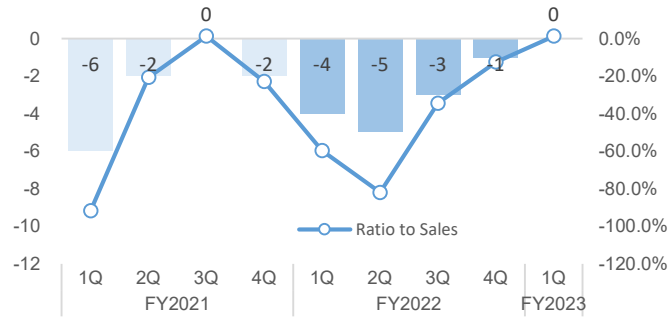
Operating Income

YoY

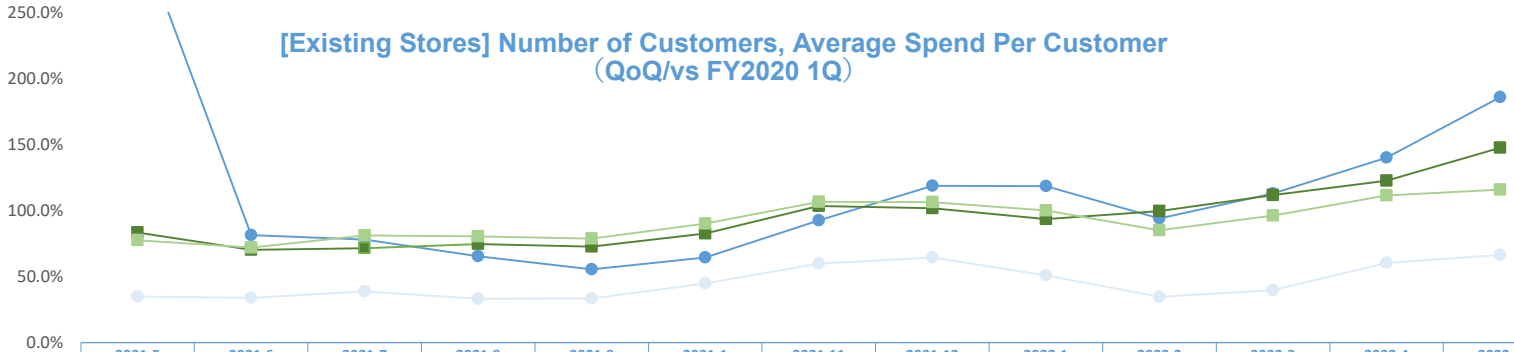
4.4

（100 millions of yen）

1Q 0.1



[Existing Stores] Number of Customers, Average Spend Per Customer (QoQ/vs FY2020 1Q)



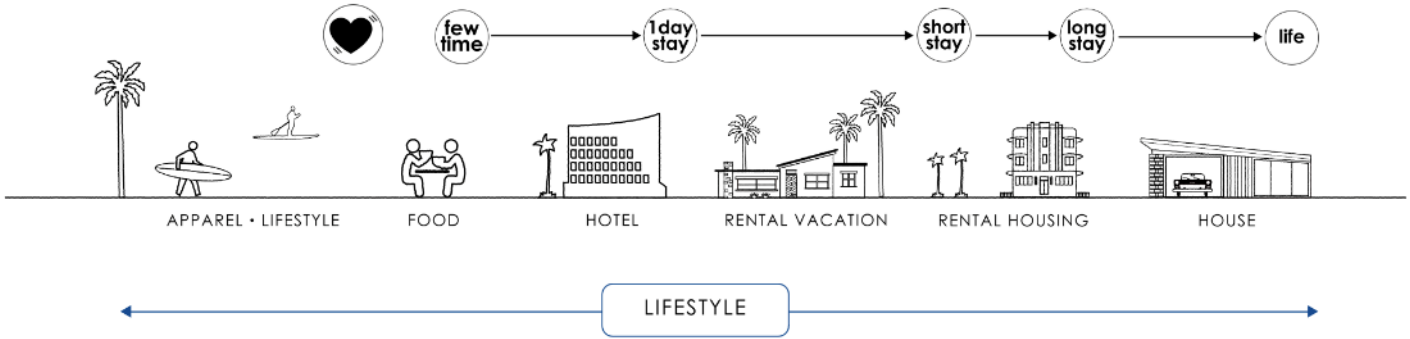
	2021.5	2021.6	2021.7	2021.8	2021.9	2021.1	2021.11	2021.12	2022.1	2022.2	2022.3	2022.4	2022.5
Number of Customers YoY	312.2%	81.4%	78.0%	65.3%	55.3%	64.4%	92.4%	118.5%	118.3%	93.9%	112.8%	140.0%	185.7%
Number of Customers vs FY2020	34.8%	33.8%	38.6%	33.1%	33.4%	44.8%	59.7%	64.3%	50.8%	34.6%	39.6%	60.3%	66.3%
Average Spend Per Customer YoY	83.2%	70.1%	71.4%	74.6%	72.7%	82.6%	103.3%	101.6%	93.4%	99.5%	111.6%	122.4%	147.5%
Average Spend Per Customer vs FY2020	77.5%	71.9%	81.1%	80.3%	78.7%	90.1%	106.5%	106.3%	99.9%	85.0%	96.0%	111.3%	115.6%

Segment: Hotel/Real Estate Business



SHONAN LABEL ENTERTAINMENT

WHAT WE DO



＜HOTEL Business＞





KAMAKURA HOTEL
Award “SAUNACHELIEN 2021”



8 HOTEL FUJISAWA
（Fujisawa-City, Kanagawa）



8 HOTEL CHIGASAKI
（Chigasaki-City, Kanagawa）

＜RENTAL CONTAINER Business＞



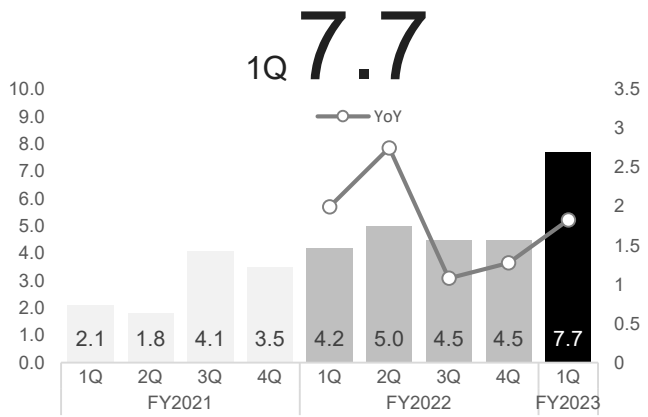
RoomMart’s Rental Container
Largest Container Warehouse

Segment：Hotel・Real Estate Business (Performance)

Net Sales

YoY

182.7%

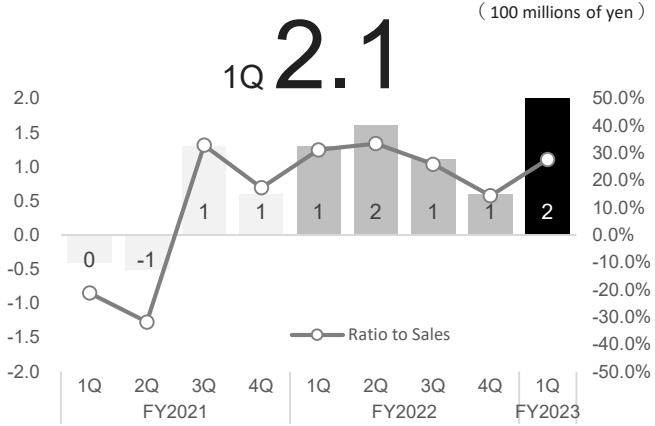


Operating Income

Increased

+0.8

（100 millions of yen）



Hotel and Real Estate Business achieved an increase both in sales and incomes from the previous fiscal year.

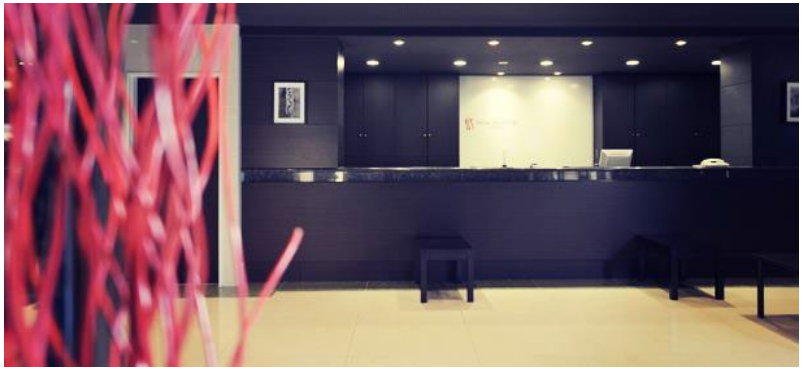
Net Sales:YoY 182.7%/Operating Income:YoY 162.0%

The company provides “PARK IN HOTEL ATSUGI” as a recovery facility for the persons with mild symptoms of COVID-19 infection since previous fiscal year. Needless to say, this measure contributes to reducing the burden for the overwhelming community healthcare. All of the hotels also continue business while a number of customer slightly decreased.

In the Container Rental Business, the performance is steady as a result of several implemented measures including an expansion of motorcycle container as its demand increases recently.



PARK IN HOTEL ATSUGI



＜PARK IN HOTEL ATSUGI（Atsugi-city, KANAGAWA）＞



Forecasts

Consolidated Forecasts of FY2023

Expecting the business environment to remain harsh in FY2023 due to the impact of price increases of various resources world wide and the depreciation of the Yen.

We aim to bring the business into the black by swiftly responding to changes in the business environment

(millions of yen)

		FY2023 Budget	FY2023 1Q	FY2022 1Q	YoY variance
Consolidated Performance	Net Sales	32,628	7,354	4,164	+3,190
	Operating Income	524	-337	-2,157	+1,820
	Ordinary Income	903	114	-27	+142
	Profit(Loss) Attributable to Owners of Parent	522	57	-139	+196
	Net Income Per Share	17.80 yen	0.38yen	—	—

*The Budget Assumption
The Budget is calculated with the prediction including an impairment of fixed assets, assuming the Sales is normalized gradually through September 2022.
The financial position and(or) operating results of the Group will be affected in the case of a deviation between the changes in the future's performance and the assumption.

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This material is prepared to provide for the purpose of continuous disclosure to general shareholders and investors and will not constitute an offers or solicitation.

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DD HOLDINGS

Dynamic & Dramatic

Acting Dynamically and Dramatically

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