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Consolidated Financial Results for the Nine Months Ended November 30, 2024 [Japanese GAAP]

January 14, 2025

Company name: DD GROUP Co.,Ltd.
Listing: Tokyo
Securities code: 3073
URL: https://www.dd-grp.com/
Representative: Atsuhisa Matsumura President and Representative Director
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Nine Months Ended November 30, 2024 (March 1, 2024 to November 30, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
November 30, 2024	28,519	4.1	2,562	11.0	2,565	17.0	1,705	(6.9)
November 30, 2023	27,393	18.4	2,308	-	2,192	1,832.7	1,831	317.9

(Note) Comprehensive income: Nine months ended November 30, 2024: ¥ 1,771 million [(13.9)%]
Nine months ended November 30, 2023: ¥ 2,057 million [236.4%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
November 30, 2024	85.88	-
November 30, 2023	92.87	-

(Note) Diluted earnings per share for the interim period is not shown in the above table, there are no residual shears 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, 2024	34,435	11,325	31.0
February 29, 2024	34,292	9,738	26.5

(Reference) Equity: As of November 30, 2024: ¥ 10,663 million
As of February 29, 2024: ¥ 9,079 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 29, 2024	-	0.00	-	0.00	0.00
Fiscal year ending February 28, 2025	-	0.00	-		
Fiscal year ending February 28, 2025 (Forecast)				-	-

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 3rd quarter dividend for the fiscal year ending February 28, 2025 :

Commemorative dividend - yen

Special dividend - yen

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2025(March 1, 2024 to February 28, 2025)

(Percentages indicate year-on-year changes.)

	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	38,780	4.6	3,760	15.9	3,690	17.9	2,640	(22.7)	134.72

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: Yes

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

November 30, 2024: 18,455,019 shares

February 29, 2024: 18,442,720 shares

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

November 30, 2024: 338,833 shares

February 29, 2024: 338,784 shares

3) Average number of shares outstanding during the period:

Nine months ended November 30, 2024: 18,110,084 shares

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

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Explanation of appropriate use of the financial forecast and other special remarks

The forward-looking statements, such as the financial forecast, provided in this material are based on information currently available to DD GROUP Co.,Ltd. (“Company”) and certain assumptions that the Company believes are reasonable, and are not intended as a guarantee that the Company will achieve the same. In addition, actual results, including financial performance, may significantly differ due to various factors.

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 29, 2024	－	－	－	4,000.00	4,000.00
Fiscal year ending February 28, 2025	－	－	－		
Fiscal year ending February 28, 2025 （Forecast）				4,000.00	4,000.00

Quarterly Consolidated Financial Statements

(1)Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of February 29, 2024	As of November 30, 2024
Assets		
Current assets		
Cash and deposits	10,301	9,457
Deposits held in trust	99	131
Accounts receivable - trade	1,065	1,322
Deposits paid	284	352
Real estate for sale	490	750
Merchandise	33	41
Raw materials and supplies	216	239
Prepaid expenses	560	581
Short-term loans receivable	33	-
Accounts receivable - other	384	595
Other	63	93
Allowance for doubtful accounts	(33)	-
Total current assets	13,499	13,564
Non-current assets		
Property, plant and equipment		
Buildings	14,030	14,386
Accumulated depreciation	(8,279)	(8,356)
Accumulated impairment	(2,765)	(2,409)
Buildings, net	2,985	3,620
Vehicles	26	19
Accumulated depreciation	(21)	(17)
Vehicles, net	4	1
Tools, furniture and fixtures	3,922	4,090
Accumulated depreciation	(3,272)	(3,319)
Accumulated impairment	(391)	(364)
Tools, furniture and fixtures, net	258	407
Land	521	521
Buildings in trust	3,667	3,667
Accumulated depreciation	(466)	(553)
Buildings in trust, net	3,201	3,113
Land in trust	1,948	1,948
Leased assets	239	240
Accumulated depreciation	(101)	(117)
Accumulated impairment	(61)	(60)
Leased assets, net	75	62
Construction in progress	480	10
Total property, plant and equipment	9,475	9,685

(Millions of yen)

	As of February 29, 2024	As of November 30, 2024
Intangible assets		
Goodwill	2,581	2,446
Trademark right	0	0
Software	43	33
Other	6	6
Total intangible assets	2,632	2,486
Investments and other assets		
Investment securities	1,542	1,639
Long-term prepaid expenses	108	113
Guarantee deposits	4,289	4,215
Deferred tax assets	2,646	2,626
Other	98	102
Total investments and other assets	8,685	8,697
Total non-current assets	20,793	20,870
Total assets	34,292	34,435

(Millions of yen)

	As of February 29, 2024	As of November 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	716	838
Short-term borrowings	3,227	1,819
Current portion of long-term borrowings	10,851	11,136
Accounts payable - other	579	735
Accrued expenses	1,102	1,273
Income taxes payable	31	887
Provision for shareholder benefit program	96	73
Asset retirement obligations	231	71
Other	850	551
Total current liabilities	17,687	17,387
Non-current liabilities		
Bonds payable	100	100
Long-term borrowings	4,674	3,528
Lease liabilities	67	52
Asset retirement obligations	1,202	1,202
Long-term unearned revenue	0	23
Provision for share-based payments	-	6
Deferred tax liabilities	784	771
Other	37	37
Total non-current liabilities	6,866	5,722
Total liabilities	24,554	23,109
Net assets		
Shareholders' equity		
Share capital	100	107
Capital surplus	7,733	7,741
Retained earnings	1,083	2,589
Treasury shares	(72)	(72)
Total shareholders' equity	8,845	10,366
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	234	297
Total accumulated other comprehensive income	234	297
Share acquisition rights	1	1
Non-controlling interests	658	660
Total net assets	9,738	11,325
Total liabilities and net assets	34,292	34,435

(2)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, 2023	For the nine months ended November 30, 2024
Net sales	27,393	28,519
Cost of sales	5,851	6,012
Gross profit	21,541	22,507
Selling, general and administrative expenses	19,232	19,944
Operating profit	2,308	2,562
Non-operating income		
Interest income	1	1
Dividend income	0	11
Receipt support money	27	43
Rental income from land and buildings	54	54
Support money	-	60
Other	43	53
Total non-operating income	127	224
Non-operating expenses		
Interest expenses	107	114
Rental expenses	48	48
Commission expenses	12	14
Share of loss of entities accounted for using equity method	46	37
Foreign exchange losses	14	-
Other	13	5
Total non-operating expenses	243	221
Ordinary profit	2,192	2,565
Extraordinary income		
Gain on sale of non-current assets	-	0
Gain on reversal of allowance for doubtful accounts	-	33
Total extraordinary income	-	33
Extraordinary losses		
Loss on sale of non-current assets	0	-
Loss on retirement of non-current assets	1	0
Impairment losses	206	10
Cancellation penalty	-	7
Provision of allowance for doubtful accounts	56	-
Total extraordinary losses	264	18
Profit before income taxes	1,928	2,580
Income taxes	73	872
Profit	1,854	1,708
Profit attributable to non-controlling interests	23	2
Profit attributable to owners of parent	1,831	1,705

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

(Millions of yen)

	For the nine months ended November 30, 2023	For the nine months ended November 30, 2024
Profit	1,854	1,708
Other comprehensive income		
Valuation difference on available-for-sale securities	182	63
Foreign currency translation adjustment	19	-
Total other comprehensive income	202	63
Comprehensive income	2,057	1,771
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,027	1,769
Comprehensive income attributable to non-controlling interests	29	2