

October 4, 2013  
DDS Inc.

News Release

Notification Regarding Recognition of Extraordinary Profits  
Due to Exemption from the Payment of Delay Damages

DDS Inc. announces that it will record extraordinary profits for the third quarter of the fiscal year ending December 31, 2013 (from July 1, 2013 to September 30, 2013). The details are as follows:

1. Background

On July 2013, DDS Inc. agreed on the costs of moving out associated with the relocation of its headquarters office in January 2012, with Tokyo Tatemono Co., Ltd., the lessor. For costs relating to Tokyo Tatemono, we recorded liabilities in accounts payable of 19,621 thousand yen and long-term accounts payable of 16,351 thousand yen, and non-operating expenses of 2,660 thousand yen, which is the settlement money, in the second quarter of FY 2013. In connection with this, DDS had an agreement with Tokyo Tatemono that once it pays off the account payable and the long-term account payable it will be exempted from paying delay damages.

On September 30, 2013, we completed the repayment of the debts, which was the condition for the exemption from the payment of delay damages, as described above. Today, the repayment was confirmed, and the exemption was decided by Tokyo Tatemono; accordingly, we will record an extraordinary profit of 3,911 thousand yen as a gain on the exemption of the payment of delay damages both in a consolidated and a non-consolidated financial results for the third quarter of FY 2013. In addition, the settlement money of 2,660 thousand yen recorded in the second quarter of FY 2013 will be cancelled.

2. Future prospects

We plan to record the extraordinary profit both in a consolidated and a non-consolidated financial results for the third quarter of FY 2013. For changes of earnings forecast, we are now reviewing, and once they are finalized, we will inform you.

Company information

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