

August 14, 2013
DDS Inc.

News Release

Notification Regarding Recognition of Non-operating Expenses and Extraordinary Losses

DDS Inc. (“the Company”) hereby announces that it will report non-operating expenses and extraordinary losses in the second quarter of the fiscal year ending December 31, 2013, (from January 1, 2013 to June 30, 2013) as shown below.

1. Non-Operating Expenses

We have recorded bad debts expenses of 6 million yen for a long-term accounts receivable of an overseas subsidiary. Also, with respect to expenses for evacuation in association with the relocation of the head office, for which we had recorded allowance for contingent losses, we reached a settlement and the amount was finalized. Therefore, we recorded the settlement of 2 million yen for the delinquent charges incurred in the second quarter.

2. Extraordinary Losses

With respect to the penalty imposed on the Company by the Financial Services Agency, which was disclosed on October 3, 2011, we recorded a penalty of 4 million yen because the amount of delinquent charges for the delinquent portion of payments was finalized with the completion of the installment payments on June 27.

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