



January 10, 2006

Non-consolidated Financial Results for the Nine-Month Period Ended November 30, 2005 Denny's Japan Co., Ltd.

President and C.E.O. : Kenichi Asama

1. Matters Concerning the Preparation of the Quarterly Financial Results

Adoption of Simplified Accounting Method : Applied

Changes in Accounting Method : None

2. Business Results for the Nine-Month Period (from March 1, 2005 to November 30, 2005)

(1) Results of operations

(Millions of yen, except per share amounts)

	Revenue from Operations		Net Sales		Operating Income	
Nine Months Ended November 30, 2005	71,825	(1.4%)	71,757	(1.3%)	2,211	(12.3%)
Nine Months Ended November 30, 2004	72,852	-	72,729	-	2,521	-
Fiscal Year Ended February 28, 2005	96,523	0.9%	96,360	0.9%	3,220	7.9%

	Ordinary Income		Net Income		Net Income per Share	
Nine Months Ended November 30, 2005	2,334	(9.9%)	1,156	7.0%	35.86	(yen)
Nine Months Ended November 30, 2004	2,590	-	1,080	-	33.57	(yen)
Fiscal Year Ended February 28, 2005	3,317	3.1%	1,284	11.4%	39.08	(yen)

Note: Percentages above represent increase/ (decrease) over prior year corresponding period unless otherwise stated.

(2) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Shareholder(s)' Equity	Ratio of Shareholder(s)' Equity to Total Assets	Shareholder(s)' Equity per Share
November 30, 2005	66,957	58,419	87.2%	1,805.49 (yen)
November 30, 2004	66,707	57,538	86.3%	1,788.12 (yen)
February 28, 2005	66,184	57,752	87.3%	1,794.00 (yen)

(3) Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
Nine Months Ended November 30, 2005	3,071	(829)	(924)	29,179
Nine Months Ended November 30, 2004	3,300	(2,196)	(946)	28,049
Fiscal Year Ended February 28, 2005	3,488	(2,487)	(1,029)	27,862

BALANCE SHEETS

(Millions of yen)

	November 30, 2005		November 30, 2004		February 28, 2005	
	Amount	%	Amount	%	Amount	%
ASSETS						
Current assets	42,683	63.7	41,063	61.6	41,002	62.0
Cash and bank deposits	29,179		28,049		27,862	
Accounts receivable	395		393		338	
Parent company's stock	497		-		-	
Inventories	608		526		429	
Deposits held by financial service company	10,000		10,000		10,000	
Other	2,003		2,094		2,371	
Non-current assets	24,273	36.3	25,644	38.4	25,181	38.0
Property and equipment	12,875	19.2	14,041	21.0	13,624	20.6
Buildings	8,515		9,489		9,197	
Restaurant facilities	1,217		1,184		1,158	
Furniture, fixtures and equipment	1,299		1,491		1,394	
Land	1,708		1,864		1,864	
Other	134		11		9	
Intangible assets	603	0.9	836	1.3	779	1.2
Investments and other assets	10,794	16.1	10,766	16.1	10,778	16.3
Investments in securities	639		396		415	
Long-term leasehold deposits	9,102		9,518		9,392	
Other	1,052		851		969	
TOTAL ASSETS	66,957	100.0	66,707	100.0	66,184	100.0

(Millions of yen)

	November 30, 2005		November 30, 2004		February 28, 2005	
	Amount	%	Amount	%	Amount	%
LIABILITIES						
Current liabilities	7,965	11.9	8,494	12.7	7,750	11.7
Accounts payable, trade	2,237		2,404		2,171	
Accounts payable, other	897		844		756	
Accrued expenses	3,588		3,958		2,447	
Income taxes payable	333		217		860	
Accrued bonuses to employees	62		92		618	
Account payable, construction	115		88		232	
Other	731		888		664	
Non-current liabilities	572	0.9	674	1.0	681	1.0
Accrued pension and severance costs	290		347		345	
Allowance for retirement benefits to directors and corporate auditors	272		278		285	
Other	9		49		49	
TOTAL LIABILITIES	8,538	12.8	9,169	13.7	8,432	12.7
SHAREHOLDER(S)' EQUITY						
Common stock	7,125	10.6	7,125	10.7	7,125	10.8
Capital surplus	9,785	14.6	9,785	14.7	9,785	14.8
Additional paid-in capital	9,784		9,784		9,784	
Other	0		0		0	
Retained earnings	41,160	61.5	40,851	61.2	41,055	
Legal reserve	1,383		1,383		1,383	
General reserve	36,408		36,409		36,409	
Unappropriated retained earnings	3,368		3,058		3,262	
Net unrealized gains on available-for-sale securities	348	0.5	114	0.2	126	0.2
Treasury stock	-	-	(338)	(0.5)	(340)	(0.5)
TOTAL SHAREHOLDER(S)' EQUITY	58,419	87.2	57,538	86.3	57,752	87.3
TOTAL LIABILITIES AND SHAREHOLDER(S)' EQUITY	66,957	100.0	66,707	100.0	66,184	100.0

STATEMENTS OF INCOME

(Millions of yen)

	Nine Months Ended November 30, 2005		Nine Months Ended November 30, 2004		Fiscal Year Ended February 28, 2005	
	Amount	%	Amount	%	Amount	%
Net sales	71,757	100.0	72,729	100.0	96,360	100.0
Cost of sales	23,829	33.2	23,862	32.8	31,932	33.1
Gross profit on sales	47,928	66.8	48,866	67.2	64,428	66.9
Other operating revenue	67	0.1	123	0.2	162	0.2
Gross profit from operations	47,995	66.9	48,990	67.4	64,590	67.0
Selling, general and administration expenses	45,784	63.8	46,468	63.9	61,370	63.7
Operating income	2,211	3.1	2,521	3.5	3,220	3.3
Non-operating income	215	0.3	153	0.2	199	0.2
Non-operating expenses	92	0.1	84	0.1	102	0.1
Ordinary income	2,334	3.3	2,590	3.6	3,317	3.4
Special gains	333	0.5	4	0.0	104	0.1
Special losses	490	0.7	362	0.5	681	0.7
Income before income taxes for the period (year)	2,177	3.0	2,232	3.1	2,740	2.8
Income taxes - current	988	1.4	975	1.3	1,617	1.7
Income taxes - deferred	32	0.0	176	0.2	(161)	(0.2)
Net Income for the period (year)	1,156	1.6	1,080	1.5	1,284	1.3
Retained earnings brought forward	2,738		2,477		2,477	
Interim dividends	525		498		498	
Unappropriated retained earnings	3,368		3,058		3,262	

STATEMENTS OF CASH FLOWS

(Millions of yen)

	Nine Months Ended November 30, 2005	Nine Months Ended November 30, 2004	Fiscal Year Ended February 28, 2005
Cash flows from operating activities:			
Income before income taxes for the period (year)	2,177	2,232	2,740
Depreciation and amortization	1,509	1,713	2,307
Decrease in accrued bonuses to employees	(555)	(536)	(10)
Reversal of accrued pension and severance costs	(55)	(37)	(38)
Interest and dividend income	(28)	(27)	(37)
Gain on revaluation of investments in securities	-	(4)	(4)
Net loss on sales and disposals of property and equipment	(79)	213	298
Impairment losses	160	-	228
(Increase)decrease in accounts receivable	(56)	(50)	4
(Increase)decrease in inventories	(178)	(73)	23
Increase(decrease) in accounts payable, trade	66	96	(136)
Others	1,791	1,493	(170)
Sub-total	4,750	5,020	5,204
Interest and dividends received	13	12	16
Income taxes paid	(1,693)	(1,732)	(1,732)
Net cash provided by operating activities	3,071	3,300	3,488
Cash flows from investing activities:			
Acquisition of property and equipment	(1,270)	(2,129)	(2,414)
Proceeds from sales of property and equipment	500	-	-
Acquisition of intangible assets	(13)	(174)	(177)
Proceeds from sales of investment in securities	-	6	6
Payment of leasehold deposits	(240)	(145)	(235)
Refund of leasehold deposits	193	246	332
Others	0	0	1
Net cash used in investing activities	(829)	(2,196)	(2,487)
Cash flows from financing activities:			
Cash dividends paid	(1,024)	(915)	(998)
Purchase of treasury stock	(5)	(33)	(35)
Proceeds from sales of treasury stock	0	3	3
Others	105	-	-
Net cash used in financing activities	(924)	(946)	(1,029)
Effect of exchange rate changes on cash and cash equivalents	-	-	-
Increase (decrease) in cash and cash equivalents	1,316	158	(28)
Cash and cash equivalents at beginning of period (year)	27,862	27,891	27,891
Cash and cash equivalents at end of period (year)	29,179	28,049	27,862