

Non-consolidated Financial Results for the Nine-Month Period Ended November 30, 2004

January 7, 2005

DENNY'S JAPAN CO., LTD (URL <http://www.dennys.co.jp>)

-Securities Code No.8195

-The Company's shares are listed on the First Section of the Tokyo Stock Exchange.

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, 2004 to November 30, 2004)

(1) Results of operations

(Millions of yen, except per share amounts)

	Revenue from Operations [Net sales]	Operating Income	Ordinary Income	Net Income
Nine Months Ended November 30, 2004	72,852 [72,729]	2,521	2,590	1,080
Fiscal Year Ended February 29, 2004	95,676 [95,496]	2,984	3,217	1,153

	Net Income per Share	Diluted Net Income per share
Nine Months Ended November 30, 2004	33.57 (yen)	- -
Fiscal Year Ended February 29, 2004	34.92 (yen)	- -

Note : As quarterly results were not required to disclose in prior year, comparative information such as prior year's quarterly results and percentages of increase or decrease are not presented in the table above.

On September 1, 2004, with the permission of the Minister of Health, Labour, and Welfare, the Company converted from the Ito-Yokado Group Employees' Pension Fund, in which the Company participated, to the IY Group Corporate Pension Fund. On the same date, the Company revised its retirement plan.

(2) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Shareholders' Equity	Ratio of Shareholders' Equity to Total Assets	Shareholders' Equity per Share
Nine Months Ended November 30, 2004	66,707	57,538	86.3	1,788.12
Fiscal Year Ended February 29, 2004	66,813	57,476	86.0	1,784.51

Note : As quarterly information was not required to disclose in prior year, comparative information is not presented in the table above.

(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, 2004	3,300	(2,196)	(946)	28,049
Fiscal Year Ended February 29, 2004	5,584	(12,812)	(1,035)	27,891

Note : As quarterly information was not required to disclose in prior year, comparative information is not presented in the table above.

3. Business Outlook for the Fiscal Year Ending February 28, 2005 (from March 1, 2004 to February 28, 2005)

	Revenue from Operations	Operating Income	Ordinary Income	Net Income
Entire Year	100,000 [99,830] 4.5% [4.5%]	3,800 27.3%	4,000 24.3%	1,800 56.1%

(Reference) Expected net income per share for the year ending February 28, 2005: 55.94yen

Note: Percentages above represent increase/decrease over prior year corresponding period.

FORWARD-LOOKING STATEMENTS

This document contains certain statements based on Denny's Japan's current plans, estimates and strategies; all statements that are not of historical fact are forward-looking statements. These statements represent the judgments and hypotheses of the Company's management based on currently available information. It is possible that the Company's future performance will differ significantly from the contents of these forward-looking statements. Accordingly, there is no assurance that the forward-looking statements in this document will prove to be accurate.

BALANCE SHEETS

(millions of yen)

	November 30, 2004		Ratio to Total Assets	February 29, 2004		Ratio to Total Assets
ASSETS						
Current assets:						
Cash and bank deposits	28,049			27,891		
Accounts receivable	393			343		
Inventories	526			453		
Deposits held by financial service company	10,000			10,000		
Other	2,094			2,152		
Total current assets		41,063	61.6		40,840	61.1
Non-current assets:						
Property and equipment						
Buildings	9,489			8,971		
Restaurant facilities	1,184			1,261		
Furniture, fixtures and equipment	1,491			1,693		
Land	1,864			1,864		
Other	11			43		
Total property and equipment		14,041	21.0		13,834	20.7
Intangible assets:	836			873		
Total intangible assets		836	1.3		873	1.3
Investments and other assets:						
Securities	396			333		
Long-term leasehold deposits	9,518			10,111		
Other	851			820		
Total investments and other assets		10,766	16.1		11,265	16.9
Total non-current assets		25,644	38.4		25,973	38.9
TOTAL ASSETS		66,707	100.0		66,813	100.0
LIABILITIES						
Current liabilities:						
Accounts payable, trade	2,404			2,307		
Accounts payable, other	844			935		
Income taxes payable	217			975		
Accrued expenses	3,958			2,649		
Accrued bonuses to employees	92			629		
Accounts payable, construction	88			289		
Other	888			854		
Total current liabilities		8,494	12.7		8,641	12.9

(millions of yen)

	November 30, 2004		Ratio to Total Assets	February 29, 2004		Ratio to Total Assets
Non-current liabilities:						
Accrued pension and severance costs	347			384		
Allowance for retirement benefits to directors and corporate auditors	278			252		
Other	49			59		
Total non-current liabilities		674	1.0		695	1.0
TOTAL LIABILITIES		9,169	13.7		9,337	14.0
SHAREHOLDERS' EQUITY						
Common stock		7,125	10.7		7,125	10.7
Capital surplus:						
Additional paid-in capital	9,784			9,784		
Other	0			-		
Total capital surplus		9,785	14.7		9,784	14.6
Retained earnings:						
Legal reserve	1,383			1,383		
General reserve	36,409			36,411		
Unappropriated retained earnings	3,058			3,002		
Total retained earnings		40,851	61.2		40,798	61.1
Net unrealized gains on available-for-sale securities		114	0.2		76	0.1
Treasury stock		(338)	(0.5)		(307)	(0.5)
TOTAL SHAREHOLDERS' EQUITY		57,538	86.3		57,476	86.0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		66,707	100.0		66,813	100.0

STATEMENTS OF INCOME

(millions of yen)

	Nine Months Ended November 30, 2004		Ratio to Total Net sales	Fiscal Year Ended February 29, 2004		Ratio to Total Net sales
Net sales		72,729	100.0		95,496	100.0
Cost of sales		23,862	32.8		31,417	32.9
Gross profit		48,866	67.2		64,078	67.1
Revenues from other operations		123	0.2		180	0.2
Operating gross profit		48,990	67.4		64,258	67.3
Selling, general and administrative expenses		46,468	63.9		61,274	64.2
Operating income		2,521	3.5		2,984	3.1
Non-operating income		153	0.2		366	0.4
Non-operating expenses		84	0.1		133	0.1
Ordinary income		2,590	3.6		3,217	3.4
Special gains		4	0.0		55	0.1
Special losses		362	0.5		688	0.7
Income before income taxes		2,232	3.1		2,585	2.7
Income taxes- current	975			1,550		
Income taxes- deferred	176	1,152	1.6	(118)	1,431	1.5
Net income		1,080	1.5		1,153	1.2
Retained earnings brought forward		2,477			2,348	
Interim dividends		498			499	
Loss on sales of treasury stock		-			0	
Unappropriated retained earnings		3,058			3,002	

STATEMENTS OF CASH FLOWS

(millions of yen)

	Nine Months Ended November 30, 2004	Fiscal Year Ended February 29, 2004
Cash flows from operating activities:		
Income before income taxes	2,232	2,585
Depreciation and amortization	1,713	2,424
Decrease in accrued bonuses to employees	(536)	(5)
Reversal of accrued pension and severance costs	(37)	(17)
Interest and dividend income	(27)	(27)
Gain on revaluation of investments in securities	(4)	(40)
Net loss on sales and disposals of property and equipment	213	124
Business reengineering cost	-	240
Increase in accounts receivable	(50)	(19)
(Increase) decrease in inventories	(73)	140
Increase in accounts payable, trade	96	33
Other, net	1,493	433
Sub-total	5,020	5,871
Interest and dividends received	12	8
Income taxes paid	(1,732)	(295)
Net cash provided by operating activities	3,300	5,584

(millions of yen)

	Nine Months Ended November 30 2004	Fiscal Year Ended February 29, 2004
Cash flows from investing activities:		
Acquisition of property and equipment	(2,129)	(3,000)
Acquisition of intangible assets	(174)	(98)
Proceeds from sales of investments in securities	6	115
Increase in deposits held by financial service company	-	(10,000)
Payment of leasehold deposits	(145)	(566)
Refund of leasehold deposits	246	737
Other, net	0	1
Net cash used in investing activities	(2,196)	(12,812)
Cash flows from financing activities:		
Cash dividends paid	(915)	(998)
Purchase of treasury stock	(33)	(42)
Proceeds from sales of treasury stock	3	5
Net cash used in financing activities	(946)	(1,035)
Effect of exchange rate changes on cash and cash equivalents	-	-
Increase (decrease) in cash and cash equivalents	158	(8,263)
Cash and cash equivalents at beginning of the period (year)	27,891	36,154
Cash and cash equivalents at end of the period (year)	28,049	27,891