



Fiscal Year Ended December 31, 2009 Financial Summary

1. Consolidated Statements of Income
2. Sales Results by Segment
3. Profit Breakdown
4. Consolidated Balance Sheets
5. Consolidated Performance Forecast for Next Fiscal Year
6. Sales Forecast for Next Fiscal Year

DENON Holdings, Inc.

February 5, 2010

1. Consolidated Statements of Income

Amounts below one million yen are truncated.

	Fiscal year 2008 (Jan. 1, 2008–Dec. 31, 2008)	Fiscal year 2009 (Jan. 1, 2009–Dec. 31, 2009)	Change	Percentage change (%)
Alcoholic beverages	71,730	72,850	1,120	101.6
Food products	5,768	4,894	(873)	84.9
Enzymes and pharmaceuticals	3,731	3,485	(245)	93.4
Bioethanol	—	150	150	—
Real estate and Others	1,663	1,780	117	107.0
Net sales	82,893	83,161	268	100.3
Cost of sales	64,742	65,816	1,074	101.7
Gross profit	18,151	17,345	(806)	95.6
Selling, general and administrative expenses	16,671	16,196	(475)	97.1
Alcoholic beverages	(81)	141	223	—
Food products	157	37	(119)	24.0
Enzymes and pharmaceuticals	1,018	894	(123)	87.9
Bioethanol	—	(564)	(564)	—
Real estate and Others	386	639	253	165.6
Operating income	1,479	1,148	(330)	77.6
Nonoperating income	323	322	(1)	99.4
Nonoperating expenses	318	331	12	104.1
Ordinary income	1,485	1,139	(345)	76.7
Extraordinary income	96	239	142	247.9
Extraordinary loss	391	480	88	122.6
Income before income taxes and minority interests	1,189	898	(291)	75.5
Income, residential and enterprise taxes	694	634	(59)	91.4
Interest in income (loss) in minority holdings	29	(11)	(40)	—
Net income	466	275	(190)	59.1

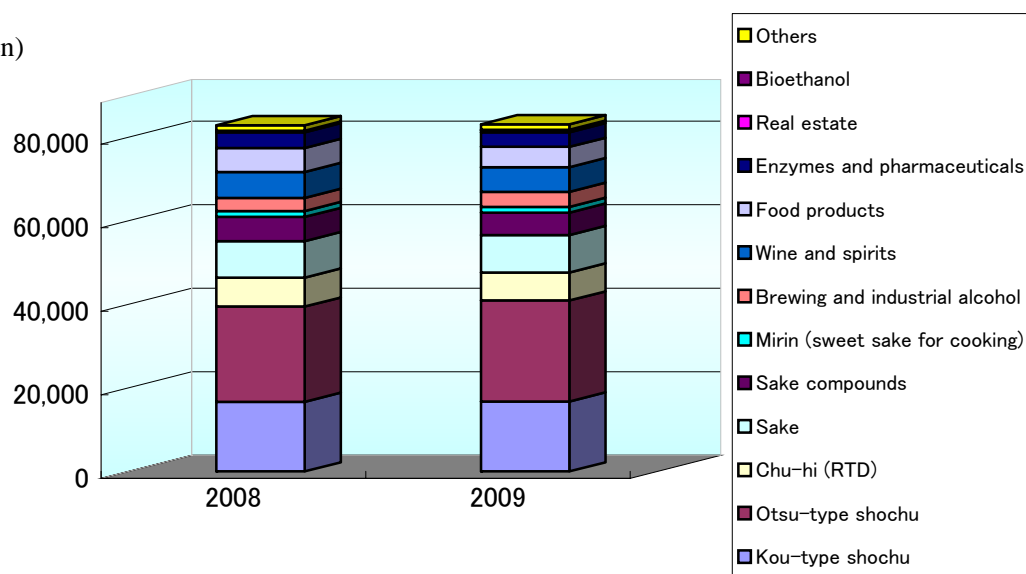
Net income per share (Yen)	7.13	4.22	(2.91)	59.2
Capital expenditures	7,316	5,246	(2,069)	71.7
Depreciation and amortization	2,178	3,500	1,321	160.7

2. Sales Results by Segment

Amounts below one million yen are truncated.

	Fiscal year 2008 (Jan. 1, 2008–Dec. 31, 2008)	Fiscal year 2009 (Jan. 1, 2009–Dec. 31, 2009)	Change	Percentage change (%)
<i>Shochu</i>	39,478	40,934	1,456	103.7
(<i>Kou</i> -type <i>shochu</i>)	16,649	16,776	127	100.8
(<i>Otsu</i> -type <i>shochu</i>)	22,828	24,158	1,329	105.8
<i>Chu-hi</i> (RTD)	6,939	6,738	(200)	97.1
<i>Sake</i>	8,736	8,942	206	102.4
<i>Sake</i> compounds	5,794	5,354	(440)	92.4
<i>Mirin</i> (sweet <i>sake</i> for cooking)	1,433	1,376	(56)	96.0
Brewing and industrial alcohol	3,105	3,648	543	117.5
Wine and spirits	6,243	5,854	(389)	93.8
Total of alcoholic beverages	71,730	72,850	1,120	101.6
Food products	5,768	4,894	(873)	84.9
Enzymes and pharmaceuticals	3,731	3,485	(245)	93.4
Real estate	375	458	83	122.3
Bioethanol	—	150	150	—
Others	1,288	1,321	33	102.6
Total	82,893	83,161	268	100.3

(Millions of yen)



3. Profit Breakdown

Amounts below one million yen are truncated.

	Increase (Decrease)	Remarks
Alcoholic beverages	223	Higher gross profit owing to increased sales: 200 Decreased transportation and promotional expenses: 50 Lower ingredient costs, due to decreased materials costs: 1,100 Depreciation and amortization related to the Tomakomai factories (600) Other impacts of product mix: (527)
Food products	(119)	Decrease in sales of starch for food processing Increase in ingredient costs
Enzymes and pharmaceuticals	(123)	Decrease in exports due to foreign currency exchange rates
Bioethanol	(564)	Bioethanol business startup costs (amortization costs: 545)
Real estate and Others	253	Increase in rental-property income, lower SG&A expenses
Operating income	(330)	
Nonoperating income	(1)	
Nonoperating expenses	(12)	Higher interest expenses
Ordinary income	(345)	
Extraordinary income	142	Gain on the sale of idle property, blemished rice subsidies, etc.
Extraordinary loss	(88)	Devaluation loss on inventories resulting from the application of new accounting standards, etc.
Income before income taxes and minority interests	(291)	
Income, residential and enterprise taxes	59	
Interest in income in minority holdings	40	
Net income	(190)	

4. Consolidated Balance Sheets

Amounts below one million yen are truncated.

	Fiscal year 2008 (As of Dec. 31, 2008)	Fiscal year 2009 (As of Dec. 31, 2009)	Change	Percentage change (%)	Remarks
(Assets)					
Cash and deposits	2,425	2,121	(303)	87.5	
Notes and accounts receivable	22,263	22,585	322	101.4	Increased sales
Inventories	9,943	9,419	(523)	94.7	
Deferred tax assets	763	948	185	124.3	
Other current assets	939	1,077	137	114.7	Increase in consumption taxes receivable
Allowance for doubtful accounts	(25)	(18)	6	—	
Total current assets	36,309	36,133	(175)	99.5	
Buildings	8,638	8,733	94	101.1	Increase in Tomakomai- related facilities
Land	8,646	8,791	144	101.7	Increase in land for building in Hokkaido
Other tangible fixed assets	11,266	10,458	(807)	92.8	
Total tangible fixed assets	28,551	27,983	(567)	98.0	
Intangible fixed assets	1,187	1,290	103	108.7	Increase in software
Investment securities	1,345	1,201	(143)	89.3	Downturn in market prices
Long-term prepaid expenses	187	189	1	101.0	
Deferred tax assets	189	192	3	101.7	
Long-term deposits	500	500	—	100.0	
Other investments and other assets	425	269	(155)	63.4	Decrease in insurance provision
Allowance for doubtful accounts	(48)	(7)	40	—	
Total investments and other assets	2,599	2,345	(253)	90.3	
Total fixed assets	32,337	31,619	(718)	97.8	
Total assets	68,646	67,752	(893)	98.7	

Amounts below one million yen are truncated.

	Fiscal year 2008 (As of Dec. 31, 2008)	Fiscal year 2009 (As of Dec. 31, 2009)	Change	Percentage change (%)	Remarks
(Liabilities)					
Notes and accounts payable	7,442	6,686	(756)	89.8	
Short-term debt	7,530	4,580	(2,950)	60.8	Transfer to long-term debt
Warrant bonds maturing within one year	3,984	—	(3,984)	—	Matured in November 2009
Other payables	5,262	5,171	(90)	98.3	
Accrued liquor tax	8,928	9,588	659	107.4	
Notes for fixed asset acquisitions	3,722	288	(3,433)	7.8	Tomakomai-related
Other current liabilities	3,326	2,249	(1,076)	67.6	Decreases in Tomakomai- related suspense receipts
Total current liabilities	40,195	28,563	(11,631)	71.1	
Long-term debt	3,540	14,560	11,020	411.3	Tomakomai capital expenditures, other
Other long-term liabilities	5,414	5,388	(25)	99.5	
Total long-term liabilities	8,954	19,948	10,994	222.8	
Total liabilities	49,149	48,512	(637)	98.7	
(Net assets)					
Common stock	6,946	6,946	—	100.0	
Capital surplus	5,577	5,576	(0)	100.0	
Retained earnings	4,622	4,440	(182)	96.1	
Treasury stock	(56)	(57)	(1)	—	
Total shareholders' equity	17,090	16,906	(183)	98.9	
Valuation difference of other securities	135	49	(85)	36.7	Downturn in market prices
Deferred hedging gains (losses)	(55)	7	62	—	
Total valuation, currency translation and other adjustments	80	57	(22)	71.4	
Minority interests	2,326	2,276	(50)	97.8	
Total net assets	19,497	19,240	(256)	98.7	
Total liabilities and net assets	68,646	67,752	(893)	98.7	

5. Consolidated Performance Forecast for Next Fiscal Year

Amounts below one million yen are truncated.

	Fiscal year 2009 (Jan. 1, 2009–Dec. 31, 2009)	Fiscal year 2010 (Jan. 1, 2010–Dec. 31, 2010)	Change	Percentage change (%)
Alcoholic beverages	72,850	75,122	2,271	103.1
Food products	4,894	4,547	(346)	92.9
Enzymes and pharmaceuticals	3,485	3,858	372	110.7
Bioethanol	150	759	609	505.4
Real estate and others	1,780	1,712	(68)	96.2
Net sales	83,161	86,000	2,838	103.4
Cost of sales	65,816	67,440	1,623	102.5
Gross profit	17,345	18,560	1,214	107.0
Selling, general and administrative expenses	16,196	17,060	863	105.3
Alcoholic beverages	141	300	160	212.3
Food products	37	37	0	100.2
Enzymes and pharmaceuticals	894	1,000	105	111.8
Bioethanol	(564)	(350)	214	—
Real estate and others	639	511	(128)	80.0
Operating income	1,148	1,500	351	130.6
Nonoperating income (expenses)	(9)	(200)	(190)	—
Ordinary income	1,139	1,300	160	114.1
Extraordinary income (loss)	(241)	(195)	46	—
Income before income taxes and minority interests	898	1,105	206	123.0
Income, residential and enterprise taxes	634	526	(107)	83.1
Interest in income (loss) in minority holdings	(11)	78	89	—
Net income	275	500	224	181.5

6. Sales Forecast for Next Fiscal Year

Amounts below one million yen are truncated.

	Fiscal year 2009 (Jan. 1, 2009–Dec. 31, 2009)	Fiscal year 2010 (Jan. 1, 2010–Dec. 31, 2010)	Change	Percentage change (%)
<i>Shochu</i>	40,934	42,126	1,191	102.9
(<i>Kou</i> -type <i>shochu</i>)	16,776	16,878	101	100.6
(<i>Otsu</i> -type <i>shochu</i>)	24,158	25,248	1,090	104.5
<i>Chu-hi</i> (RTD)	6,738	6,829	91	101.4
<i>Sake</i>	8,942	9,252	310	103.5
<i>Sake</i> compounds	5,354	5,145	(208)	96.1
<i>Mirin</i> (sweet <i>sake</i> for cooking)	1,376	1,354	(21)	98.4
Brewing and industrial alcohol	3,648	4,234	585	116.0
Wine and spirits	5,854	6,178	323	105.5
Total of alcoholic beverages	72,850	75,122	2,271	103.1
Food products	4,894	4,547	(346)	92.9
Enzymes and pharmaceuticals	3,485	3,858	372	110.7
Real estate	458	419	(39)	91.3
Bioethanol	150	759	609	505.4
Others	1,321	1,293	(28)	97.8
Total	83,161	86,000	2,838	103.4

(Millions of yen)

