



First Three Quarters of the Fiscal Year Ending December 31, 2009 Financial Summary

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denon Holdings, Inc.

November 12, 2009

1. Consolidated Statements of Income

Amounts below one million yen are truncated.

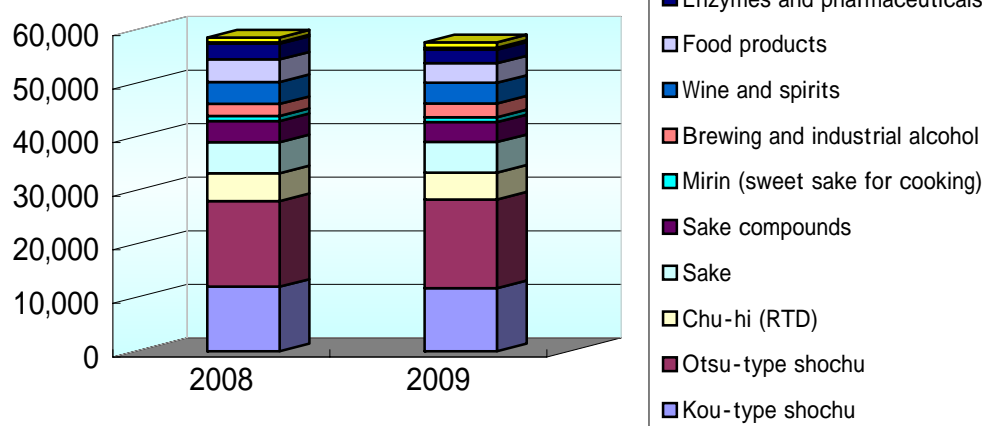
	First three quarters of fiscal year 2008 (Jan. 1, 2008–Sep. 30, 2008)	First three quarters of fiscal year 2009 (Jan. 1, 2009–Sep. 30, 2009)	Change	Percentage change (%)
Alcoholic beverages	50,273	50,112	(160)	99.7
Food products	4,200	3,636	(564)	86.6
Enzymes and pharmaceuticals	2,931	2,535	(396)	86.5
Real estate and Others	1,178	1,400	222	118.9
Net sales	58,584	57,685	(898)	98.5
Cost of sales	45,470	46,261	791	101.7
Gross profit	13,114	11,423	(1,690)	87.1
Selling, general and administrative expenses	12,586	11,389	(1,196)	90.5
Alcoholic beverages	(672)	(567)	104	-
Food products	122	(30)	(152)	-
Enzymes and pharmaceuticals	823	649	(173)	78.9
Real estate and Others	254	(17)	(272)	-
Operating income	528	34	(493)	6.5
Nonoperating income	242	245	2	101.2
Nonoperating expenses	214	229	14	106.9
Ordinary income	556	50	(505)	9.1
Extraordinary income	96	117	21	122.0
Extraordinary loss	184	289	105	157.1
Income (loss) before income taxes and minority interests	468	(121)	(589)	-
Income, residential and enterprise taxes	414	170	(243)	41.2
Interest in income (loss) in minority holdings	8	(24)	(32)	-
Net income (loss)	45	(268)	(313)	-
Net income (loss) per share (Yen)	0.69	(4.10)	(4.79)	-
Depreciation and amortization	1,600	2,495	895	155.9

2. Sales Results by Segment

Amounts below one million yen are truncated.

	First three quarters of fiscal year 2008 (Jan. 1, 2008–Sep. 30, 2008)	First three quarters of fiscal year 2009 (Jan. 1, 2009–Sep. 30, 2009)	Change	Percentage change (%)
<i>Shochu</i>	28,045	28,345	299	101.1
(<i>Kou</i> -type <i>shochu</i>)	12,053	11,760	(292)	97.6
(<i>Otsu</i> -type <i>shochu</i>)	15,992	16,584	591	103.7
<i>Chu-hi</i> (RTD)	5,190	4,990	(200)	96.1
<i>Sake</i>	5,772	5,709	(63)	98.9
<i>Sake</i> compounds	3,960	3,716	(243)	93.9
<i>Mirin</i> (sweet <i>sake</i> for cooking)	952	912	(39)	95.8
Brewing and industrial alcohol	2,238	2,578	339	115.2
Wine and spirits	4,114	3,860	(253)	93.8
Total of alcoholic beverages	50,273	50,112	(160)	99.7
Food products	4,200	3,636	(564)	86.6
Enzymes and pharmaceuticals	2,931	2,535	(396)	86.5
Real estate	276	354	78	128.4
Others	901	1,046	144	116.0
Total	58,584	57,685	(898)	98.5

(Millions of yen)



3. Profit Breakdown

Amounts below one million yen are truncated.

	Increase (Decrease)	Remarks
Alcoholic beverages	104	Higher gross profit owing to increased sales: 100 Decreased transportation and promotional expenses: 250 Lower ingredient costs, due to decreased materials costs: 600 Depreciation and amortization related to the Tomakomai factories (400) Other impacts of product mix: (446)
Food products	(152)	Decrease in starch for food processing, seasonings
Enzymes and pharmaceuticals	(173)	Decrease in exports due to foreign currency exchange rates Decrease in bulk pharmaceuticals for hyperlipidemia treatments
Real estate and Others	(272)	Bioethanol business startup costs
Operating income	(493)	
Nonoperating income	2	
Nonoperating expenses	(14)	
Ordinary income	(505)	
Extraordinary income	21	Gain on the sale of idle property, etc.
Extraordinary loss	(105)	Devaluation loss on inventories resulting from the application of new accounting standards, etc.
Income before income taxes and minority interests	(589)	
Income, residential and enterprise taxes	243	
Interest in income in minority holdings	32	
Net income	(313)	

4. Consolidated Balance Sheets

Amounts below one million yen are truncated.

	Fiscal year 2008 (As of Dec. 31, 2008)	First three quarters of fiscal year 2009 (As of Sep. 30, 2009)	Change	Percentage change (%)	Remarks
(Assets)					
Cash and deposits	2,425	2,220	(204)	91.6	
Notes and accounts receivable	22,263	14,088	(8,174)	63.3	Lower sales due to seasonal factors
Inventories	9,943	9,977	33	100.3	
Deferred tax assets	763	823	60	108.0	
Other current assets	939	1,407	467	149.8	Increase in consumption taxes receivable
Allowance for doubtful accounts	(25)	(12)	12	-	
Total current assets	36,309	28,504	(7,804)	78.5	
Buildings	8,638	8,871	232	102.7	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	11,072	(193)	98.3	
Total tangible fixed assets	28,551	28,734	183	100.6	
Intangible fixed assets	1,187	1,286	99	108.4	Increase in software
Investment securities	1,345	1,256	(89)	93.4	Downturn in market prices
Long-term prepaid expenses	187	182	(5)	97.1	
Deferred tax assets	189	192	3	101.8	
Long-term deposits	500	500	-	100.0	
Other investments and other assets	425	281	(143)	66.2	Amortization of differences from change in retirement allowance systems, decrease in insurance provision
Allowance for doubtful accounts	(48)	(20)	28	-	
Total investments and other assets	2,599	2,392	(206)	92.1	
Total fixed assets	32,337	32,414	76	100.2	
Total assets	68,646	60,918	(7,727)	88.7	

Amounts below one million yen are truncated.

	Fiscal year 2008 (As of Dec. 31, 2008)	First three quarters of fiscal year 2009 (As of Sep. 30, 2009)	Change	Percentage change (%)	Remarks
(Liabilities)					
Notes and accounts payable	7,442	4,973	(2,468)	66.8	Lower sales due to seasonal factors
Short-term debt	7,530	6,905	(625)	91.7	Transfer to long-term debt
Warrant bonds maturing within one year	3,984	3,984	-	100.0	
Other payables	5,262	3,663	(1,598)	69.6	Increase in accounts payable for Tomakomai-related fixed asset
Accrued liquor tax	8,928	4,866	(4,061)	54.5	Lower sales due to seasonal factors
Other current liabilities	7,048	1,712	(5,335)	24.3	Decreases in Tomakomai-related suspense receipts, decrease in accrued consumption taxes
Total current liabilities	40,195	26,104	(14,090)	64.9	
Long-term debt	3,540	10,667	7,127	301.3	Tomakomai capital expenditures, other
Other long-term liabilities	5,414	5,440	25	100.5	
Total long-term liabilities	8,954	16,107	7,153	179.9	
Total liabilities	49,149	42,212	(6,937)	85.9	
(Net assets)					
Common stock	6,946	6,946	-	100.0	
Capital surplus	5,577	5,576	(0)	100.0	
Retained earnings	4,622	3,896	(725)	84.3	
Treasury stock	(56)	(56)	(0)	-	
Total shareholders' equity	17,090	16,362	(727)	95.7	
Valuation difference of other securities	135	85	(49)	63.5	Downturn in market prices
Deferred hedging gains (losses)	(55)	(7)	47	-	
Total valuation, currency translation and other adjustments	80	78	(1)	97.8	
Minority interests	2,326	2,265	(61)	97.4	
Total net assets	19,497	18,706	(790)	95.9	
Total liabilities and net assets	68,646	60,918	(7,727)	88.7	

5. Consolidated Performance Forecast for FY2009

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	72,704	973	101.4
Food products	5,768	4,900	(867)	85.0
Enzymes and pharmaceuticals	3,731	3,488	(243)	93.5
Real estate and others	1,663	1,907	244	114.7
Net sales	82,893	83,000	106	100.1
Cost of sales	64,742	65,678	936	101.4
Gross profit	18,151	17,321	(830)	95.4
Selling, general and administrative expenses	16,671	16,221	(450)	97.3
Alcoholic beverages	(81)	236	317	-
Food products	157	100	(57)	63.6
Enzymes and pharmaceuticals	1,018	870	(148)	85.5
Real estate and others	386	(106)	(492)	-
Operating income	1,479	1,100	(379)	74.3
Nonoperating income (expenses)	5	(100)	(105)	-
Ordinary income	1,485	1,000	(485)	67.3
Extraordinary income (loss)	(295)	(93)	201	-
Income before income taxes and minority interests	1,189	906	(283)	76.2
Income, residential and enterprise taxes	694	591	(102)	85.3
Interest in income (loss) in minority holdings	29	14	(14)	50.0
Net income	466	300	(166)	64.3

6. Sales Forecast for FY2009

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	40,610	1,132	102.9
(<i>Kou</i> -type <i>shochu</i>)	16,649	16,674	24	100.2
(<i>Otsu</i> -type <i>shochu</i>)	22,828	23,936	1,107	104.9
<i>Chu-hi</i> (RTD)	6,939	6,890	(48)	99.3
<i>Sake</i>	8,736	8,839	103	101.2
<i>Sake</i> compounds	5,794	5,371	(423)	92.7
<i>Mirin</i> (sweet <i>sake</i> for cooking)	1,433	1,394	(38)	97.3
Brewing and industrial alcohol	3,105	3,567	462	114.9
Wine and spirits	6,243	6,029	(214)	96.6
Total of alcoholic beverages	71,730	72,704	973	101.4
Food products	5,768	4,900	(867)	85.0
Enzymes and pharmaceuticals	3,731	3,488	(243)	93.5
Real estate	375	458	83	122.2
Others	1,288	1,448	160	112.5
Total	82,893	83,000	106	100.1

