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November 7, 2024

Consolidated Financial Results for the Nine Months Ended September 30, 2024 (Under Japanese GAAP)

Company name: Oeon Holdings, Inc.
Listing: Tokyo Stock Exchange
Securities code: 2533
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Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
September 30, 2024	60,466	(2.6)	2,063	(18.4)	2,162	(17.3)	1,613	(21.6)
September 30, 2023	62,108	7.1	2,530	—	2,614	—	2,058	—

Note: Comprehensive income

For the nine months ended September 30, 2024: ¥1,682 million [(37.7)%]

For the nine months ended September 30, 2023: ¥2,701 million [—%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2024	27.93	—
September 30, 2023	35.37	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	51,125	22,973	43.3
December 31, 2023	55,431	22,227	38.6

Reference: Equity

As of September 30, 2024: ¥22,130 million

As of December 31, 2024: ¥21,380 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	—	—	—	8.00	8.00
Fiscal year ending December 31, 2024	—	—	—		
Fiscal year ending December 31, 2024 (Forecast)				10.00	10.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

Details of the year-end dividends for the fiscal year ending December 31, 2024 (forecast): ordinary dividend of ¥8.00, commemorative dividend of ¥2.00 (100th anniversary commemorative dividend).

For further details, see today's release entitled "Notice of 100th Anniversary Commemorative Dividend (Revision to Dividend Forecast)."

3. Financial Forecast for the Year Ending December 31, 2024

(from January 1, 2024 to December 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending December 31, 2024	85,000	0.1	3,000	(16.3)	3,000	(19.0)	2,000	(41.1)	34.36

Note: Revisions to the financial forecast for this period: None

*** Notes**

- (1) Significant changes in scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2024	65,586,196 shares
As of December 31, 2023	65,586,196 shares

- (ii) Number of treasury shares at the end of the period

As of September 30, 2024	8,576,331 shares
As of December 31, 2023	7,375,760 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2024	57,756,200 shares
Nine months ended September 30, 2023	58,210,635 shares

* Review of the accompanying quarterly consolidated financial statements by a certified public accountant or auditing firm: None

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and future projections contained herein have are based on the information currently available and decisions the Company considers rational, but the Company makes no commitment to achieve these objectives. Actual performance may differ substantially from forecasts for a variety of reasons.

Please refer to “(3) Explanation of Consolidated financial forecast and other forward-looking information” within “1. Overview of operating results” on page 3 of the attachment to this document for cautionary statements concerning the conditions and performance forecasts that serve as the basis for these forecasts.

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First Three Quarters of the Fiscal Year Ending December 31, 2024 Financial Summary

1. Overview of operating results

(1) Overview of quarterly operating results

During the nine months ended September 30, 2024, the Japanese economy followed a modest recovery path, buoyed by a resurgence in inbound demand and improvements in the employment and income environments. On the other hand, the economic outlook remains uncertain due to a prolonged period of price rises, owing to soaring raw material and energy prices against the backdrop of unstable international conditions and the ongoing depreciation of the yen.

In this operating environment, the Oenon Group continued to implement various measures based on the five pillars of its medium- to long-term management strategy, Long-Term Vision 100, to achieve sustainable growth of the Group and enhance its corporate value over the medium to long term.

As a result, in the nine months ended September 30, 2024, net sales amounted to ¥60,466 million (down 2.6% year on year). On the profit front, the Group recorded operating income of ¥2,063 million (down 18.4% year on year) and ordinary income of ¥2,162 million (down 17.3% year on year). Profit attributable to owners of the parent was ¥1,613 million (down 21.6% year on year).

Segment performance is shown below.

Sales results

Segment name	Item	Nine months ended September 30, 2024 (January 1 to September 30, 2024) (Millions of yen)	YoY change (Previous period = 100%)	
Alcoholic beverages	Japanese alcohol products	<i>Shochu</i>	25,973	101.6
		<i>Chu-hi</i> (RTD)	12,322	98.4
		<i>Sake</i>	2,472	99.2
		<i>Sake</i> compounds	1,292	97.6
		Brewing and industrial alcohol for sale	9,771	90.9
		<i>Mirin</i> (rice cooking wine)	271	91.0
		52,103	98.4	
	Wine and spirits	3,733	102.0	
Others	492	116.8		
	56,329	98.8		
Enzymes and pharmaceuticals		3,224	117.8	
Real estate		849	89.8	
Others		62	99.6	
Total		60,466	97.4	

Note: On May 15, 2023, the Company sold some of its shares in SUNNY MAIZE CO., LTD., which had handled the starch for food processing segment. As a result, SUNNY MAIZE was excluded from the scope of consolidation. For this reason, the starch for food processing segment has been removed as a reportable segment from the first quarter.

(Alcoholic beverages)

In the alcoholic beverages segment, competition is intensifying further because the population is shrinking, the birth rate is falling, the population is aging in Japan, the frequency of drinking outside the home is declining, and rising prices are driving a trend toward more frugal spending. As a result, sales of alcoholic beverages amounted to ¥56,329 million (down 1.2% year on year). In this segment, operating income was ¥1,146 million (down 31.7% year on year).

Sales in the *shochu* category (within Japanese alcohol products) increased, thanks to favorable sales of *kou-otsu* blended *shochu* products in the *SUGO-MUGI* and *SUGO-IMO* series, as well as for *Hakata no Hana*, our *otsu*-type *shochu* series. In this category, cumulative production of *Hakata no Hana Mug*i in 25% 1,800ml

packs reached 100 million units, and we ran a commemorative gift campaign. We are implementing such measures to further increase the number of fans.

In *chu-hi* and other RTD products, sales declined year on year despite favorable performance of our *NIPPON PREMIUM chu-hi* series, which strictly uses ingredients of Japanese origin, as sales of store-brand products declined. We strengthened our lineup in the *NIPPON PREMIUM* series by introducing *Nagano Prefecture Shine Muscat* and *Okayama Prefecture Pione* as limited-edition offerings.

In the *sake* category, performance was favorable for *Fukutokucho Kome Dake no Sutto Nomete Yasashii Osake, Junmai Ginjoshu*. However, sales of store-brand products were down, causing category sales to decline. Sales in the category of brewing and industrial alcohol for sale declined.

In wine and spirits, sales were strong for *chu-hi* base spirits, which allow consumers to just add carbonated water to enjoy drinking at home while replicating the feeling of being in an *izakaya* (Japanese-style pub). Sales also grew for *WHISKY KOHKUN*, a type of whisky that is ideal for mixing in highballs, pushing up category sales.

(Enzymes and pharmaceuticals)

Sales in the enzymes and pharmaceuticals segment were ¥3,224 million (up 17.8% year on year), due to favorable overseas sales in the enzymes category. Operating income came to ¥461 million (up 28.5% year on year).

(Real estate)

In the real estate segment, sales amounted to ¥849 million (down 10.2% year on year), and operating income was ¥446 million (down 9.0% year on year), reflecting the sale of real estate for sale in the previous year.

(2) Financial conditions

As of September 30, 2024, total assets amounted to ¥51,125 million, down ¥4,306 million from December 31, 2023, due to a decrease in trade notes and accounts receivable despite an increase in inventories.

Liabilities amounted to ¥28,151 million, down ¥5,052 million from the end of the previous fiscal year. Short-term loans payable rose, but accrued liquor tax and trade notes and accounts payable declined.

Net assets up ¥746 million, to ¥22,973 million, mainly because of an increase in retained earnings.

(3) Explanation of Consolidated financial forecast and other forward-looking information

The full-year financial forecast remains unchanged from the figures announced on February 9, 2024.

2. Quarterly consolidated financial statements and notes
(1) Quarterly consolidated statement of financial position

(Millions of yen)

	Fiscal year 2023 (As of Dec. 31, 2023)	Nine months ended September 30, 2024 (As of Sep. 30, 2024)
ASSETS		
Current assets		
Cash and deposits	828	667
Notes and accounts receivable–trade	16,754	12,095
Merchandise and finished goods	6,862	7,215
Work in process	235	385
Raw materials and supplies	1,264	1,083
Other	155	269
Allowance for doubtful accounts	(19)	(9)
Total current assets	26,081	21,707
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	29,623	29,717
Accumulated depreciation	(19,794)	(20,221)
Buildings and structures, net	9,828	9,495
Machinery, equipment and vehicles	35,254	35,925
Accumulated depreciation	(30,328)	(30,754)
Machinery, equipment and vehicles, net	4,926	5,171
Land	9,546	9,546
Construction in progress	106	111
Other	1,771	1,797
Accumulated depreciation	(1,519)	(1,536)
Other, net	251	260
Total property, plant and equipment	24,660	24,586
Intangible assets		
Goodwill	3	1
Other	505	501
Total intangible assets	508	502
Investments and other assets		
Investment securities	3,104	3,234
Deferred tax assets	736	728
Other	345	371
Allowance for doubtful accounts	(5)	(5)
Total investments and other assets	4,181	4,329
Total noncurrent assets	29,350	29,418
Total assets	55,431	51,125

(Millions of yen)

	Fiscal year 2023 (As of Dec. 31, 2023)	Nine months ended September 30, 2024 (As of Sep. 30, 2024)
LIABILITIES		
Current liabilities		
Notes and accounts payable–trade	4,981	4,297
Electronically recorded obligations	2,035	1,494
Short-term loans payable	3,200	5,600
Accounts payable–other	4,693	4,145
Accrued liquor tax	8,240	4,310
Income taxes payable	681	267
Provision for bonuses	59	407
Provision for directors’ bonuses	38	28
Provision for shareholder benefit program	27	—
Notes payable–facilities	125	65
Electronically recorded obligations–facilities	86	89
Other	2,121	1,077
Total current liabilities	26,292	21,785
Noncurrent liabilities		
Long-term loans payable	1,800	1,200
Long-term deposits received	3,164	3,181
Deferred tax liabilities	153	161
Provision for directors’ stock benefits	145	161
Net defined benefit liabilities	1,502	1,494
Asset retirement obligation	42	41
Other	102	124
Total noncurrent liabilities	6,911	6,366
Total liabilities	33,204	28,151
NET ASSETS		
Shareholders’ equity		
Capital stock	6,946	6,946
Capital surplus	5,636	5,636
Retained earnings	9,973	11,114
Treasury stock	(1,954)	(2,414)
Total shareholders’ equity	20,601	21,283
Total accumulated other comprehensive income		
Valuation difference on available-for-sale securities	958	1,018
Deferred gains on hedges	(83)	(78)
Remeasurements of defined benefit plans	(95)	(93)
Total accumulated other comprehensive income	779	846
Non-controlling interests	846	843
Total net assets	22,227	22,973
Total liabilities and net assets	55,431	51,125

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income
Quarterly consolidated statement of income
Nine months of the fiscal years

(Millions of yen)

	Nine months ended September 30, 2023 (Jan. 1, 2023–Sep. 30, 2023)	Nine months ended September 30, 2024 (Jan. 1, 2024–Sep. 30, 2024)
Net Sales	62,108	60,466
Cost of sales	51,966	50,740
Gross profit	10,142	9,726
Selling, general and administrative expenses	7,611	7,662
Operating income	2,530	2,063
Nonoperating income		
Interest income	0	0
Dividend income	27	32
Share of profit of entities accounted for using equity method	35	100
Rent income	46	44
Foreign exchange gains	41	5
Miscellaneous income	34	32
Total nonoperating income	185	215
Nonoperating expenses		
Interest expenses	69	74
Shutdown expenses	18	21
Miscellaneous losses	12	21
Total nonoperating expenses	100	116
Ordinary income	2,614	2,162
Extraordinary income		
Gain on sales of investment securities	14	—
Other	0	1
Total extraordinary income	14	1
Extraordinary loss		
Loss on sale and retirement of noncurrent assets	7	24
Impairment loss	9	—
Loss on sales of shares of subsidiaries and associates	46	—
Loss on revaluation of investment securities	10	1
Other	1	1
Total extraordinary loss	75	27
Income before income taxes and minority interests	2,554	2,136
Income taxes	504	521
Profit	2,049	1,614
Profit (loss) attributable to non-controlling interests	(8)	1
Profit attributable to owners of the parent	2,058	1,613

Quarterly consolidated statement of comprehensive income
 Nine months of the fiscal years

(Millions of yen)

	Nine months ended September 30, 2023 (Jan. 1, 2023–Sep. 30, 2023)	Nine months ended September 30, 2024 (Jan. 1, 2024–Sep. 30, 2024)
Profit	2,049	1,614
Other comprehensive income		
Valuation difference on available-for-sale securities	430	60
Deferred gains or losses on hedges	217	1
Remeasurements of defined benefit plans	3	2
Share of other comprehensive income of entities accounted for using equity method	—	3
Total other comprehensive income	651	67
Comprehensive income	2,701	1,682
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,705	1,680
Comprehensive income (loss) attributable to non- controlling interests	(3)	1

(3) Notes to the quarterly consolidated financial statements

(Notes related to the going concern assumption)

Not applicable

(Notes in the event of significant changes in shareholders' equity)

Based on a resolution of the Board of Directors held on May 10, 2024, the Company acquired 1,200,000 treasury stock during the period under review. As a result, treasury stock amounted to ¥2,414 million as of September 30, 2024, up ¥459 million during the period.

(Changes in accounting methods)

Not applicable

(Notes to the segment information, etc.)

Segment information

I. Nine months ended September 30, 2023 (January 1 to September 30, 2023)

1. Information on sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segment					Others (Note) 1	Reconciliations (Note) 2	Amount stated in the quarterly consolidated statement of income (Note) 3
	Alcoholic beverages	Starch for food processing (Note) 4	Enzymes and pharmaceuticals	Real estate	Total			
Sales								
Sales to external customers	57,021	1,341	2,736	946	62,045	62	—	62,108
Inter-segment sales or transfers	14	—	—	—	14	—	(14)	—
Total	57,035	1,341	2,736	946	62,059	62	(14)	62,108
Segment profit (loss)	1,679	(6)	359	490	2,523	7	—	2,530

(Notes) 1. The “others” category includes business that is not included in the reportable segments, such as warehousing and cargo handling.

2. Reconciliations are to eliminate intersegment transactions.

3. Segment profit or losses are adjusted in operating income in the quarterly consolidated statement of income.

4. On May 15, 2023, the Company sold some of its shares in SUNNY MAIZE CO., LTD., which handled the starch for food processing segment. As a result, SUNNY MAIZE was excluded from the scope of consolidation and became an equity method affiliate. For this reason, sales and the segment loss for this segment are from January 1, 2023 to March 31, 2023.

II. Nine months ended September 30, 2024 (January 1 to September 30, 2024)

1. Information on sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segment				Others (Note) 1	Reconciliations (Note) 2	Amount stated in the quarterly consolidated statement of income (Note) 3
	Alcoholic beverages	Enzymes and pharmaceuticals	Real estate	Total			
Sales							
Sales to external customers	56,329	3,224	849	60,404	62	—	60,466
Inter-segment sales or transfers	14	—	—	14	7	(22)	—
Total	56,344	3,224	849	60,419	69	(22)	60,466
Segment profit	1,146	461	446	2,055	8	—	2,063

(Notes) 1. The “others” category includes business that is not included in the reportable segments, such as warehousing and cargo handling.

2. Reconciliations are to eliminate intersegment transactions.

3. Segment profit are adjusted in operating income in the quarterly consolidated statement of income.

2. Items related to changes in reportable segments

On May 15, 2023, the Company sold some of its shares in SUNNY MAIZE CO., LTD., which had handled the starch for food processing segment. As a result, SUNNY MAIZE was excluded from the scope of consolidation. For this reason, the starch for food processing segment has been removed as a reportable segment from the first quarterly period.

(Notes related to the consolidated statement of cash flows)

The Company has not prepared a quarterly consolidated statement of cash flows for the period under review. However, depreciation and amortization (including amortization related to intangible assets excluding goodwill) and the amortization of goodwill for the nine months ended September 30, 2024, are as follows.

(Millions of yen)

	Nine months ended September 30, 2023 (Jan. 1, 2023–Sep. 30, 2023)	Nine months ended September 30, 2024 (Jan. 1, 2024–Sep. 30, 2024)
Depreciation and amortization	1,386	1,417
Amortization of goodwill	1	1



First Three Quarters of the Fiscal Year Ending December 31, 2024 Financial Summary

1. Consolidated Statements of Income
2. Consolidated Statements of Income (Third quarter)
3. Sales Results by Segment
4. Profit Breakdown
5. Consolidated Balance Sheets
6. Consolidated Performance Forecast for FY2024
7. Sales Forecast for FY2024

DENON Holdings, Inc.

November 7, 2024

1. Consolidated Statements of Income

(Millions of yen)

	First three quarters of fiscal year 2023 (Jan. 1, 2023–Sep. 30, 2023)	First three quarters of fiscal year 2024 (Jan. 1, 2024–Sep. 30, 2024)	Change	Percentage change (%)
Alcoholic beverages	57,021	56,329	(691)	98.8
Starch for food processing	1,341	—	(1,341)	—
Enzymes and pharmaceuticals	2,736	3,224	488	117.8
Real estate and others	1,009	912	(97)	90.4
Net sales	62,108	60,466	(1,641)	97.4
Cost of sales	51,966	50,740	(1,226)	97.6
Gross profit	10,142	9,726	(415)	95.9
Selling, general and administrative expenses	7,611	7,662	51	100.7
Alcoholic beverages	1,679	1,146	(532)	68.3
Starch for food processing	(6)	—	6	—
Enzymes and pharmaceuticals	359	461	102	128.5
Real estate and Others	497	455	(42)	91.4
Operating income	2,530	2,063	(466)	81.6
Nonoperating income	185	215	30	116.4
Nonoperating expenses	100	116	15	115.8
Ordinary income	2,614	2,162	(451)	82.7
Extraordinary income	14	1	(12)	10.6
Extraordinary loss	75	27	(47)	37.0
Income before income taxes	2,554	2,136	(417)	83.7
Income, residential and enterprise taxes	504	521	17	103.5
Profit	2,049	1,614	(435)	78.8
Profit (loss) attributable to non-controlling interests	(8)	1	10	—
Profit attributable to owners of the parent	2,058	1,613	(445)	78.4
Profit per share (Yen)	35.37	27.93	(7.44)	79.0

Note: During the six months ended June 30, 2023, the Company sold some of its shares in SUNNY MAIZE CO., LTD., which had handled the starch for food processing segment, making SUNNY MAIZE an equity-method affiliate. Accordingly, the Company generated no sales or operating income in the starch for food processing segment in the first three quarters of fiscal year 2024.

2. Consolidated Statements of Income (Third quarter)

(Millions of yen)

	Third quarter of fiscal year 2023 <small>(Jul. 1, 2023–Sep. 30, 2023)</small>	Third quarter of fiscal year 2024 <small>(Jul. 1, 2024–Sep. 30, 2024)</small>	Change	Percentage change (%)
Alcoholic beverages	18,220	18,947	726	104.0
Enzymes and pharmaceuticals	924	975	51	105.5
Real estate and Others	304	303	(1)	99.6
Net sales	19,450	20,227	776	104.0
Cost of sales	16,414	17,150	735	104.5
Gross profit	3,036	3,076	40	101.3
Selling, general and administrative expenses	2,535	2,585	50	102.0
Alcoholic beverages	359	243	(115)	67.8
Enzymes and pharmaceuticals	(1)	98	99	—
Real estate and Others	142	149	6	104.8
Operating income	500	491	(9)	98.1
Nonoperating income	45	54	9	120.2
Nonoperating expenses	32	90	57	275.2
Ordinary income	513	455	(58)	88.7
Extraordinary income	—	0	0	—
Extraordinary loss	23	15	(8)	64.0
Income before income taxes	489	440	(49)	89.9
Income, residential and enterprise taxes	154	92	(62)	59.7
Profit	334	347	12	103.8
Profit (loss) attributable to non-controlling interests	(5)	1	6	—
Profit attributable to owners of the parent	340	346	6	101.8
Profit per share (Yen)	5.85	6.07	0.22	103.8

3. Sales Results by Segment

(Millions of yen)

	First three quarters of fiscal year 2023 (Jan. 1, 2023–Sep. 30, 2023)	First three quarters of fiscal year 2024 (Jan. 1, 2024–Sep. 30, 2024)	Change	Percentage change (%)
<i>Shochu</i>	25,555	25,973	418	101.6
(<i>Kou</i> -type <i>shochu</i>)	9,343	8,784	(558)	94.0
(<i>Otsu</i> -type <i>shochu</i>)	16,211	17,188	976	106.0
<i>Chu-hi</i> (RTD)	12,522	12,322	(200)	98.4
<i>Sake</i>	2,493	2,472	(20)	99.2
<i>Sake</i> compounds	1,324	1,292	(32)	97.6
Brewing and industrial alcohol for sale	10,745	9,771	(974)	90.9
<i>Mirin</i> (rice cooking wine)	298	271	(26)	91.0
Wine and spirits	3,659	3,733	73	102.0
Others	421	492	71	116.8
Total of alcoholic beverages	57,021	56,329	(691)	98.8
Starch for food processing	1,341	—	(1,341)	—
Enzymes and pharmaceuticals	2,736	3,224	488	117.8
Real estate	946	849	(96)	89.8
Others	62	62	(0)	99.6
Total	62,108	60,466	(1,641)	97.4

4. Profit Breakdown

(Millions of yen)

	Increase (Decrease)	Remarks
Alcoholic beverages	(532)	Increase in gross profit due to revised selling prices and others: 260 Higher ingredient costs, due to increased materials costs: (330) Increase in labor costs and other production-related costs: (131) Higher SG&A expenses, including personnel expenses: (82) Impact of changes in the product mix: (249)
Starch for food processing	6	First three quarters of fiscal year 2023: (6)
Enzymes and pharmaceuticals	102	Increase in enzyme exports
Real estate and others	(42)	Decrease in sale of real estate for sale
Operating income	(466)	
Nonoperating income	30	Increase in share of profit of entities accounted for using equity method
Nonoperating expenses	(15)	
Ordinary income	(451)	
Extraordinary income	(12)	
Extraordinary loss	47	
Income before income taxes	(417)	
Income, residential and enterprise taxes	(17)	
Profit	(435)	
Profit attributable to non-controlling interests	(10)	
Profit attributable to owners of the parent	(445)	

5. Consolidated Balance Sheets

(Millions of yen)

	Fiscal year 2023 (As of Dec. 31, 2023)	First three quarters of fiscal year 2024 (As of Sep. 30, 2024)	Change	Percentage change (%)	Remarks
(Assets)					
Cash and deposits	828	667	(161)	80.6	
Notes and accounts receivable	16,754	12,095	(4,658)	72.2	Lower sales due to seasonal factors
Inventories	8,362	8,684	321	103.8	
Other current assets	155	269	113	173.3	
Allowance for doubtful accounts	(19)	(9)	9	—	
Total current assets	26,081	21,707	(4,374)	83.2	
Buildings	8,331	8,059	(271)	96.7	
Land	9,546	9,546	(0)	100.0	
Other tangible fixed assets	6,782	6,979	197	102.9	
Total tangible fixed assets	24,660	24,586	(74)	99.7	
Intangible fixed assets	508	502	(5)	98.9	
Investment securities	3,104	3,234	130	104.2	Appreciation of market value
Long-term prepaid expenses	110	137	26	123.8	
Deferred tax assets	736	728	(8)	98.9	
Other investments and other assets	234	234	(0)	99.9	
Allowance for doubtful accounts	(5)	(5)	—	—	
Total investments and other assets	4,181	4,329	148	103.5	
Total fixed assets	29,350	29,418	67	100.2	
Total assets	55,431	51,125	(4,306)	92.2	

(Millions of yen)

	Fiscal year 2023 (As of Dec. 31, 2023)	First three quarters of fiscal year 2024 (As of Sep. 30, 2024)	Change	Percentage change (%)	Remarks
(Liabilities)					
Notes and accounts payable	7,017	5,791	(1,225)	82.5	
Short-term debt	3,200	5,600	2,400	175.0	
Other payables	4,693	4,145	(547)	88.3	
Accrued liquor tax	8,240	4,310	(3,930)	52.3	Lower sales due to seasonal factors
Other current liabilities	3,141	1,937	(1,203)	61.7	Decreases in income taxes payable and accrued consumption taxes
Total current liabilities	26,292	21,785	(4,507)	82.9	
Long-term debt	1,800	1,200	(600)	66.7	
Other long-term liabilities	5,111	5,166	54	101.1	
Total long-term liabilities	6,911	6,366	(545)	92.1	
Total liabilities	33,204	28,151	(5,052)	84.8	
(Net assets)					
Common stock	6,946	6,946	—	100.0	
Capital surplus	5,636	5,636	0	100.0	
Retained earnings	9,973	11,114	1,141	111.4	
Treasury stock	(1,954)	(2,414)	(460)	—	
Total shareholders' equity	20,601	21,283	682	103.3	
Valuation difference of other securities	958	1,018	59	106.3	
Deferred hedging gains (losses)	(83)	(78)	4	—	
Cumulative adjustments related to retirement benefits	(95)	(93)	2	—	
Cumulative other comprehensive income	779	846	66	108.6	
Non-controlling interests	846	843	(2)	99.7	
Total net assets	22,227	22,973	746	103.4	
Total liabilities and net assets	55,431	51,125	(4,306)	92.2	

Equity ratio (%)	38.6	43.3	4.7		
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6. Consolidated Performance Forecast for FY2024

(Millions of yen)

	Fiscal year 2023 (Jan. 1, 2023–Dec. 31, 2023)	Fiscal year 2024 (Jan. 1, 2024–Dec. 31, 2024)	Change	Percentage change (%)
Alcoholic beverages	78,799	79,881	1,081	101.4
Starch for food processing	1,341	—	(1,341)	—
Enzymes and pharmaceuticals	3,488	3,896	407	111.7
Real estate and others	1,318	1,222	(96)	92.7
Net sales	84,947	85,000	52	100.1
Cost of sales	70,964	70,988	24	100.0
Gross profit	13,983	14,011	28	100.2
Selling, general and administrative expenses	10,397	11,011	613	105.9
Alcoholic beverages	2,632	2,043	(589)	77.6
Starch for food processing	(6)	—	6	—
Enzymes and pharmaceuticals	328	370	41	112.8
Real estate and others	631	587	(44)	93.0
Operating income	3,585	3,000	(585)	83.7
Nonoperating income (expenses)	117	—	(117)	—
Ordinary income	3,702	3,000	(702)	81.0
Extraordinary income (loss)	(98)	(163)	(65)	—
Income before income taxes	3,604	2,836	(768)	78.7
Income, residential and enterprise taxes	206	831	625	402.8
Profit	3,398	2,004	(1,393)	59.0
Profit attributable to non-controlling interests	4	4	0	105.4
Profit attributable to owners of the parent	3,393	2,000	(1,393)	58.9

7. Sales Forecast for FY2024

(Millions of yen)

	Fiscal year 2023 (Jan. 1, 2023–Dec. 31, 2023)	Fiscal year 2024 (Jan. 1, 2024–Dec. 31, 2024)	Change	Percentage change (%)
<i>Shochu</i>	35,902	37,127	1,225	103.4
(<i>Kou</i> -type <i>shochu</i>)	12,774	12,311	(462)	96.4
(<i>Otsu</i> -type <i>shochu</i>)	23,128	24,816	1,688	107.3
<i>Chu-hi</i> (RTD)	16,806	16,976	170	101.0
<i>Sake</i>	3,709	3,751	41	101.1
<i>Sake</i> compounds	1,942	1,966	24	101.3
Brewing and industrial alcohol for sale	14,216	13,430	(786)	94.5
<i>Mirin</i> (rice cooking wine)	430	385	(44)	89.7
Wine and spirits	5,177	5,555	377	107.3
Others	614	687	73	111.9
Total of alcoholic beverages	78,799	79,881	1,081	101.4
Starch for food processing	1,341	—	(1,341)	—
Enzymes and pharmaceuticals	3,488	3,896	407	111.7
Real estate	1,230	1,131	(98)	92.0
Others	87	90	2	103.1
Total	84,947	85,000	52	100.1