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May 10, 2023

Consolidated Financial Results for the Three Months Ended March 31, 2023 (Under Japanese GAAP)

Company name: Oeon Holdings, Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 2533
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 Scheduled date to file quarterly securities report: May 10, 2023
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: None

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

1. Consolidated financial results for the three months ended March 31, 2023 (from January 1, 2023 to March 31, 2023)

(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	%
Three months ended								
March 31, 2023	20,844	19.3	876	—	882	—	797	—
March 31, 2022	17,472	(0.9)	(138)	—	(112)	—	(144)	—

Note: Comprehensive income For the three months ended March 31, 2023: ¥822 million [—%]
 For the three months ended March 31, 2022: ¥(130) million [—%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2023	13.70	—
March 31, 2022	(2.42)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2023	53,797	20,129	34.0
December 31, 2022	55,511	19,604	32.0

Reference: Equity
 As of March 31, 2023: ¥18,300 million
 As of December 31, 2022: ¥17,766 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, 2022	—	—	—	5.00	5.00
Fiscal year ending December 31, 2023	—				
Fiscal year ending December 31, 2023 (Forecast)		—	—	5.00	5.00

Note: Revisions to the forecast of cash dividends most recently announced: None

2. Financial Forecast for the Year Ending December 31, 2023

(from January 1, 2023 to December 31, 2023)

(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, 2023	88,000	8.5	1,000	—	1,000	—	500	—	8.59

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

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): 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 March 31, 2023	65,586,196 shares
As of December 31, 2022	65,586,196 shares

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

As of March 31, 2023	7,375,477 shares
As of December 31, 2022	7,375,353 shares

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

Three months ended March 31, 2023	58,210,750 shares
Three months ended March 31, 2022	59,432,776 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forecasts and future projections contained herein have been prepared on the basis of forecasts as of the date of announcement of this document. The assumptions and forecasts that form the basis of the plan are included in the stated information. 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. Qualitative information on quarterly financial 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 Quarter of the Fiscal Year Ending December 31, 2023 Financial Summary

1. Qualitative information on quarterly financial results

(1) Operating performance analysis

During the first quarter of the fiscal year ending December 31, 2023, economic and social activity in Japan began to normalize in Japan and move toward a modest recovery, as COVID-era restrictions on movement were eased. On the other hand, the economic outlook remains uncertain due soaring raw material and energy prices resulting from the protracted situation in Russia and Ukraine, and rising prices associated with the depreciation of the yen and other factors.

In this operating environment, the Oeon 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 first quarter of the fiscal year ending December 31, 2023 net sales amounted to ¥20,844 million (up 19.3% year on year). On the profit front, the Group recorded operating income of ¥876 million (operating loss of ¥138 million in the same period of the preceding year) and ordinary income of ¥882 million (ordinary loss of ¥112 million). Profit attributable to owners of the parent was ¥797 million (loss attributable to owners of the parent of ¥144 million).

Segment performance is shown below.

Sales results

Segment name	Item	First quarter of the fiscal year ending December 31, 2023 (January 1 to March 31, 2023) (Millions of yen)	YoY change (Previous period = 100%)	
Alcoholic beverages	Japanese alcohol products	Shochu	8,158	102.0
		Chu-hi (RTD)	3,951	137.8
		Sake	883	112.4
		Sake compounds	418	115.4
		Brewing and industrial alcohol for sale	3,566	162.8
		Mirin (sweet sake for cooking)	104	73.8
		17,082	119.1	
	Wine and spirits	1,080	115.4	
	Others	145	103.9	
	18,308	118.7		
Starch for food processing		1,341	142.8	
Enzymes and pharmaceuticals		921	91.9	
Real estate		252	265.8	
Others		20	119.7	
Total		20,844	119.3	

(Alcoholic beverages)

In the alcoholic beverages segment, competition is intensifying as domestic demand falls further because the population is shrinking, the birth rate is falling, the population is aging, the frequency of drinking is declining, and selling prices are being adjusted (raised) across all categories. Looking at different drinking practices, the on-premise market is showing signs of recovery as restrictions on movement are eased. However, the practice of drinking at home persists as rising prices drive more frugal behavior, leading to favorable performance for store-brand products. Sales of chu-hi base spirit and whiskies suitable for use in highballs also rose. We moved forward with sales efforts aimed at meeting these changing needs. As a result, sales of alcoholic beverages amounted to ¥18,308 million (up 18.7% year on year). Progress on price revisions pushed up profitability in all categories, resulting in segment operating profit of ¥485 million (operating loss of ¥301 million in the same period of the previous year).

In the shochu category (within Japanese alcohol products), since 2022 we have introduced price revisions that have raised average prices of kou-type shochu by 4% and those of otsu-type and kou-otsu blended shochu by 6%. In addition, favorable sales of the Big Man series of kou-type shochu, our shiso shochu, Tantakatan, and store-brand products boosted category sales year on year. In this category, we have been implementing various measures to attract more fans, such as strengthening our marketing over social media. One example is a campaign over the official

Twitter account for Tantakatan, our shiso shochu that celebrated its 30th anniversary last year.

In chu-hi and other RTD products, we have strengthened the lineup of our Mukashi Natsukashii series, which produces a retro atmosphere and nostalgic flavors. Sales also rose thanks to favorable performance of the Gotochi series, which spotlights local izakaya (Japanese-style pubs) and manufacturers, and store-brand products. In this category, we revised prices by an average of 9% in fiscal 2022. We strengthened our lineup in the Gotochi series, launching nationwide Asakusa Punch Hachibudo Punch, a product that we had introduced on a limited regional basis last November.

In the sake category, the market was lackluster, but sales rose on favorable performance in on-premise and store-brand products. In this category, we revised prices by an average of 7% in fiscal 2022.

In brewing and industrial alcohol for sale, category sales increased due to favorable performance in brewing and industrial alcohol. In this category, we generally conduct price revisions with each business partner approximately every quarter and are working to pass on increased raw material costs.

In wine and spirits, we added Chu-hi Senka Zeitaku Grapefruit Sour no Moto, strengthening our lineup in the Chu-hi Senka series (RTS products that allow consumers to just add carbonated water to enjoy drinking at home while replicating the feeling of being in an izakaya (Japanese-style pub)). We also saw sales increase in Japan and overseas for WHISKY KOHKUN, a type of whisky that is ideal for mixing in highballs. In this category, we revised prices by an average of 7% in fiscal 2022

(Starch for food processing)

In the starch for food processing segment, for the past two years prices have been rising sharply for corn, a raw material, and we have revised selling prices in response. As a result, segment sales came to ¥1,341 million (up 42.8% year on year). Due to sharply higher raw material prices, however, we generated a segment operating loss of ¥6 million (operating loss of ¥68 million in the same period of the previous year).

(Enzymes and pharmaceuticals)

Sales in the enzymes and pharmaceuticals segment were ¥921 million (down 8.1% year on year), despite solid results from the contract manufacturing business in Japan, due to a decline in overseas sales in the enzymes category. However, operating income came to ¥265 million (up 54.4% year on year), due to lower cost of sales, as well as to the impact of the product mix.

(Real estate)

In the real estate segment, sales amounted to ¥252 million (up 165.8% year on year), and operating income was ¥130 million (up 146.2% year on year). November, 2022 marked the opening of The Royal Park Canvas Ginza Corridor, a new hotel on our former head office site in Ginza that is operated by Royal Park Hotels and Resorts Company, Limited, a Mitsubishi Estate Group company.

(2) Financial conditions analysis

As of March 31, 2023, total assets amounted to ¥53,797 million, down ¥1,713 million from December 31, 2022. The decline was due mainly to a decline in trade notes and accounts receivable, while inventories increased.

Liabilities amounted to ¥33,668 million, down ¥2,238 million year on year. Short-term loans payable increased, but accrued liquor tax and accounts payable—other decreased.

Net assets up ¥525 million, to ¥20,129 million, mainly because of a 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 10, 2023.

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

(Millions of yen)

	Fiscal year 2022 (As of Dec. 31, 2022)	First quarter of fiscal year 2023 (As of Mar. 31, 2023)
ASSETS		
Current assets		
Cash and deposits	899	716
Notes and accounts receivable–trade	16,955	14,847
Merchandise and finished goods	6,329	7,069
Work in process	230	241
Raw materials and supplies	2,026	2,135
Other	615	377
Allowance for doubtful accounts	(18)	(12)
Total current assets	27,038	25,378
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	30,122	30,134
Accumulated depreciation	(19,737)	(19,895)
Buildings and structures, net	10,385	10,239
Machinery, equipment and vehicles	36,348	36,496
Accumulated depreciation	(30,975)	(31,207)
Machinery, equipment and vehicles, net	5,372	5,288
Land	9,628	9,628
Construction in progress	8	19
Other	1,777	1,823
Accumulated depreciation	(1,549)	(1,566)
Other, net	228	257
Total property, plant and equipment	25,623	25,433
Intangible assets		
Goodwill	5	4
Other	549	587
Total intangible assets	554	591
Investments and other assets		
Investment securities	1,545	1,537
Deferred tax assets	403	505
Other	351	356
Allowance for doubtful accounts	(5)	(5)
Total investments and other assets	2,294	2,394
Total noncurrent assets	28,473	28,419
Total assets	55,511	53,797

(Millions of yen)

	Fiscal year 2022 (As of Dec. 31, 2022)	First quarter of fiscal year 2023 (As of Mar. 31, 2023)
LIABILITIES		
Current liabilities		
Notes and accounts payable–trade	5,035	4,786
Electronically recorded obligations	1,791	1,496
Short-term loans payable	6,950	8,950
Accounts payable–other	4,608	3,748
Accrued liquor tax	8,448	5,401
Income taxes payable	153	173
Provision for bonuses	62	266
Provision for directors’ bonuses	2	0
Provision for shareholder benefit program	23	23
Notes payable–facilities	43	55
Electronically recorded obligations–facilities	34	68
Other	1,322	1,437
Total current liabilities	28,476	26,408
Noncurrent liabilities		
Long-term loans payable	2,400	2,100
Long-term deposits received	3,134	3,169
Deferred tax liabilities	128	198
Provision for directors’ stock benefits	111	114
Net defined benefit liabilities	1,497	1,494
Asset retirement obligation	53	53
Other	104	128
Total noncurrent liabilities	7,430	7,260
Total liabilities	35,906	33,668
NET ASSETS		
Shareholders’ equity		
Capital stock	6,946	6,946
Capital surplus	5,602	5,602
Retained earnings	6,873	7,377
Treasury stock	(1,927)	(1,927)
Total shareholders’ equity	17,494	17,998
Total accumulated other comprehensive income		
Valuation difference on available-for-sale securities	454	446
Deferred gains on hedges	(97)	(61)
Remeasurements of defined benefit plans	(84)	(83)
Total accumulated other comprehensive income	272	301
Non-controlling interests	1,837	1,829
Total net assets	19,604	20,129
Total liabilities and net assets	55,511	53,797

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income
Quarterly consolidated statement of income
First quarter of the fiscal year

(Millions of yen)

	First quarter of fiscal year 2022 (Jan. 1, 2022–Mar. 31, 2022)	First quarter of fiscal year 2023 (Jan. 1, 2023–Mar. 31, 2023)
Net Sales	17,472	20,844
Cost of sales	15,164	17,528
Gross profit	2,307	3,315
Selling, general and administrative expenses	2,446	2,438
Operating income (loss)	(138)	876
Nonoperating income		
Interest income	0	0
Dividend income	6	7
Rent income	16	15
Foreign exchange gains	16	11
Miscellaneous income	14	9
Total nonoperating income	53	44
Nonoperating expenses		
Interest expenses	16	24
Shutdown expenses	6	6
Miscellaneous losses	4	7
Total nonoperating expenses	27	37
Ordinary income (loss)	(112)	882
Extraordinary loss		
Loss on retirement of noncurrent assets	14	0
Loss on recalling of products	82	—
Other	0	—
Total extraordinary loss	97	0
Income (loss) before income taxes and minority interests	(209)	882
Income taxes	(29)	94
Profit (loss)	(180)	788
Loss attributable to non-controlling interests	(36)	(9)
Profit (loss) attributable to owners of the parent	(144)	797

Quarterly consolidated statement of comprehensive income
 First quarter of the fiscal year

(Millions of yen)

	First quarter of fiscal year 2022 (Jan. 1, 2022–Mar. 31, 2022)	First quarter of fiscal year 2023 (Jan. 1, 2023–Mar. 31, 2023)
Profit (loss)	(180)	788
Other comprehensive income		
Valuation difference on available-for-sale securities	34	(6)
Deferred gains or losses on hedges	17	39
Remeasurements of defined benefit plans	(1)	1
Total other comprehensive income	50	34
Comprehensive income	(130)	822
Comprehensive income attributable to		
Comprehensive income (loss) attributable to owners of the parent	(93)	826
Comprehensive income (loss) attributable to non-controlling interests	(36)	(4)

(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)

Not applicable

(Changes in accounting methods)

Not applicable

(Segment information, etc.)

Segment information

I. First quarter of fiscal year 2022 (January 1 to March 31, 2022)

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	Enzymes and pharmaceuticals	Real estate	Total			
Sales								
Sales to external customers	15,418	939	1,002	95	17,455	16	—	17,472
Inter-segment sales or transfers	0	—	—	—	0	—	(0)	—
Total	15,419	939	1,002	95	17,455	16	(0)	17,472
Segment profit (loss)	(301)	(68)	171	53	(144)	6	—	(138)

(Note) 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 profits or losses are adjusted in operating loss in the quarterly consolidated statement of income.

II. First quarter of fiscal year 2023 (January 1 to March 31, 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	Enzymes and pharmaceuticals	Real estate	Total			
Sales								
Sales to external customers	18,308	1,341	921	252	20,823	20	—	20,844
Inter-segment sales or transfers	0	—	—	—	0	—	(0)	—
Total	18,308	1,341	921	252	20,824	20	(0)	20,844
Segment profit (loss)	485	(6)	265	130	875	0	—	876

(Note) 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 profits or losses are adjusted in operating income in the quarterly consolidated statement of income.



First Quarter of the Fiscal Year Ending December 31, 2023 Financial Summary

1. Consolidated Statements of Income
2. Sales Results by Segment
3. Profit Breakdown
4. Consolidated Balance Sheets
5. Consolidated Performance Forecast for FY2023
6. Sales Forecast for FY2023

DENON Holdings, Inc.

May 10, 2023

1. Consolidated Statements of Income

(Millions of yen)

	First quarter of fiscal year 2022 <small>(Jan. 1, 2022–Mar. 31, 2022)</small>	First quarter of fiscal year 2023 <small>(Jan. 1, 2023–Mar. 31, 2023)</small>	Change	Percentage change (%)
Alcoholic beverages	15,418	18,308	2,889	118.7
Starch for food processing	939	1,341	401	142.8
Enzymes and pharmaceuticals	1,002	921	(80)	91.9
Real estate and others	112	273	161	243.7
Net sales	17,472	20,844	3,371	119.3
Cost of sales	15,164	17,528	2,364	115.6
Gross profit	2,307	3,315	1,007	143.7
Selling, general and administrative expenses	2,446	2,438	(7)	99.7
Alcoholic beverages	(301)	485	787	—
Starch for food processing	(68)	(6)	61	—
Enzymes and pharmaceuticals	171	265	93	154.4
Real estate and Others	59	131	72	222.4
Operating income (loss)	(138)	876	1,014	—
Nonoperating income	53	44	(9)	81.7
Nonoperating expenses	27	37	10	136.5
Ordinary income (loss)	(112)	882	994	—
Extraordinary income	—	—	—	—
Extraordinary loss	97	0	(96)	—
Income (loss) before income taxes	(209)	882	1,091	—
Income, residential and enterprise taxes	(29)	94	123	—
Profit (loss)	(180)	788	968	—
Profit (loss) attributable to non-controlling interests	(36)	(9)	26	—
Profit (loss) attributable to owners of the parent	(144)	797	941	—
Profit (loss) per share (Yen)	(2.42)	13.70	16.12	—

2. Sales Results by Segment

(Millions of yen)

	First quarter of fiscal year 2022 (Jan. 1, 2022–Mar. 31, 2022)	First quarter of fiscal year 2023 (Jan. 1, 2023–Mar. 31, 2023)	Change	Percentage change (%)
<i>Shochu</i>	7,995	8,158	163	102.0
(<i>Kou</i> -type <i>shochu</i>)	2,698	2,890	191	107.1
(<i>Otsu</i> -type <i>shochu</i>)	5,296	5,268	(28)	99.5
<i>Chu-hi</i> (RTD)	2,866	3,951	1,084	137.8
<i>Sake</i>	785	883	97	112.4
<i>Sake</i> compounds	362	418	55	115.4
Brewing and industrial alcohol for sale	2,191	3,566	1,375	162.8
<i>Mirin</i> (sweet <i>sake</i> for cooking)	141	104	(37)	73.8
Wine and spirits	936	1,080	144	115.4
Others	139	145	5	103.9
Total of alcoholic beverages	15,418	18,308	2,889	118.7
Starch for food processing	939	1,341	401	142.8
Enzymes and pharmaceuticals	1,002	921	(80)	91.9
Real estate	95	252	157	265.8
Others	16	20	3	119.7
Total	17,472	20,844	3,371	119.3

3. Profit Breakdown

(Millions of yen)

	Increase (Decrease)	Remarks
Alcoholic beverages	787	Increase in gross profit due to revised selling prices and higher sales: 2,140 Higher ingredient costs, due to increased materials costs: (1,250) Impact of changes in the product mix: (103)
Starch for food processing	61	Increase in sales due to revised selling prices
Enzymes and pharmaceuticals	93	Impact of changes in the product mix and lower cost of sales
Real estate and others	72	
Operating income	1,014	
Nonoperating income	(9)	Decrease in foreign currency exchange gains
Nonoperating expenses	(10)	Higher interest expenses
Ordinary income	994	
Extraordinary income	—	
Extraordinary loss	96	Decrease in loss on recalling of products
Income before income taxes	1,091	
Income, residential and enterprise taxes	(123)	
Profit	968	
Profit attributable to non-controlling interests	(26)	
Profit attributable to owners of the parent	941	

4. Consolidated Balance Sheets

(Millions of yen)

	Fiscal year 2022 (As of Dec. 31, 2022)	First quarter of fiscal year 2023 (As of Mar. 31, 2023)	Change	Percentage change (%)	Remarks
(Assets)					
Cash and deposits	899	716	(182)	79.7	
Notes and accounts receivable	16,955	14,847	(2,107)	87.6	Lower sales due to seasonal factors
Inventories	8,586	9,447	861	110.0	
Other current assets	615	377	(237)	61.4	
Allowance for doubtful accounts	(18)	(12)	6	—	
Total current assets	27,038	25,378	(1,660)	93.9	
Buildings	8,753	8,631	(121)	98.6	
Land	9,628	9,628	—	100.0	
Other tangible fixed assets	7,241	7,172	(68)	99.0	
Total tangible fixed assets	25,623	25,433	(190)	99.3	
Intangible fixed assets	554	591	37	106.7	
Investment securities	1,545	1,537	(8)	99.5	
Long-term prepaid expenses	115	103	(12)	89.2	
Deferred tax assets	403	505	102	125.4	
Other investments and other assets	235	253	18	107.8	
Allowance for doubtful accounts	(5)	(5)	—	—	
Total investments and other assets	2,294	2,394	100	104.4	
Total fixed assets	28,473	28,419	(53)	99.8	
Total assets	55,511	53,797	(1,713)	96.9	

(Millions of yen)

	Fiscal year 2022 (As of Dec. 31, 2022)	First quarter of fiscal year 2023 (As of Mar. 31, 2023)	Change	Percentage change (%)	Remarks
(Liabilities)					
Notes and accounts payable	6,827	6,282	(544)	92.0	
Short-term debt	6,950	8,950	2,000	128.8	
Other payables	4,608	3,748	(859)	81.4	
Accrued liquor tax	8,448	5,401	(3,046)	63.9	Lower sales due to seasonal factors
Other current liabilities	1,643	2,025	382	123.3	Increases in accrued consumption taxes
Total current liabilities	28,476	26,408	(2,068)	92.7	
Long-term debt	2,400	2,100	(300)	87.5	
Other long-term liabilities	5,030	5,160	129	102.6	
Total long-term liabilities	7,430	7,260	(170)	97.7	
Total liabilities	35,906	33,668	(2,238)	93.8	
(Net assets)					
Common stock	6,946	6,946	—	100.0	
Capital surplus	5,602	5,602	—	100.0	
Retained earnings	6,873	7,377	504	107.3	
Treasury stock	(1,927)	(1,927)	(0)	—	
Total shareholders' equity	17,494	17,998	504	102.9	
Valuation difference of other securities	454	446	(7)	98.3	
Deferred hedging gains (losses)	(97)	(61)	35	—	
Cumulative adjustments related to retirement benefits	(84)	(83)	1	—	
Cumulative other comprehensive income	272	301	29	110.7	
Non-controlling interests	1,837	1,829	(8)	99.6	
Total net assets	19,604	20,129	525	102.7	
Total liabilities and net assets	55,511	53,797	(1,713)	96.9	

Equity ratio (%)	32.0	34.0	2.0		
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5. Consolidated Performance Forecast for FY2023

(Millions of yen)

	Fiscal year 2022 (Jan. 1, 2022–Dec. 31, 2022)	Fiscal year 2023 (Jan. 1, 2023–Dec. 31, 2023)	Change	Percentage change (%)
Alcoholic beverages	72,904	78,131	5,226	107.2
Starch for food processing	4,279	5,087	808	118.9
Enzymes and pharmaceuticals	3,395	3,671	275	108.1
Real estate and others	541	1,110	568	205.1
Net sales	81,120	88,000	6,879	108.5
Cost of sales	71,449	76,057	4,607	106.4
Gross profit	9,670	11,942	2,271	123.5
Selling, general and administrative expenses	10,378	10,942	564	105.4
Alcoholic beverages	(961)	27	988	—
Starch for food processing	(344)	36	380	—
Enzymes and pharmaceuticals	370	470	99	126.8
Real estate and others	227	467	239	204.9
Operating income (loss)	(707)	1,000	1,707	—
Nonoperating income (expenses)	61	0	(61)	—
Ordinary income (loss)	(645)	1,000	1,645	—
Extraordinary income (loss)	(131)	(181)	(50)	—
Income (loss) before income taxes	(777)	818	1,595	—
Income, residential and enterprise taxes	664	302	(362)	45.5
Profit (loss)	(1,441)	516	1,957	—
Profit (loss) attributable to non-controlling interests	(184)	16	200	—
Profit (loss) attributable to owners of the parent	(1,257)	500	1,757	—

6. Sales Forecast for FY2023

(Millions of yen)

	Fiscal year 2022 (Jan. 1, 2022–Dec. 31, 2022)	Fiscal year 2023 (Jan. 1, 2023–Dec. 31, 2023)	Change	Percentage change (%)
<i>Shochu</i>	36,100	35,920	(180)	99.5
(<i>Kou</i> -type <i>shochu</i>)	12,886	12,570	(316)	97.5
(<i>Otsu</i> -type <i>shochu</i>)	23,213	23,349	135	100.6
<i>Chu-hi</i> (RTD)	14,169	16,278	2,108	114.9
<i>Sake</i>	3,545	3,822	276	107.8
<i>Sake</i> compounds	1,862	1,835	(26)	98.6
Brewing and industrial alcohol for sale	11,265	13,980	2,715	124.1
<i>Mirin</i> (sweet <i>sake</i> for cooking)	621	412	(209)	66.3
Wine and spirits	4,748	5,303	554	111.7
Others	589	577	(12)	98.0
Total of alcoholic beverages	72,904	78,131	5,226	107.2
Starch for food processing	4,279	5,087	808	118.9
Enzymes and pharmaceuticals	3,395	3,671	275	108.1
Real estate	460	1,017	557	221.2
Others	81	92	11	113.9
Total	81,120	88,000	6,879	108.5