

# Asahi Group Holdings, Ltd.



## FY2012 3Q Financial Results

**NOTE:**

All information has been prepared in accordance with generally accepted accounting principles in Japan. Amounts shown in this accounting report and in the attached materials have been rounded down to omit fractions less than one million yen. This document is a partial English translation of the Japanese Financial Statement which was filed at Stock Exchanges in Japan on October 30, 2012.

This translation was made for information only. The Company gives no warranty with respect to its correctness.

**Summary Report of 3Q Financial Results  
(Fiscal 2012)**

October 30, 2012

**Asahi Group Holdings, Ltd.**

Code number: 2502  
Shares Listed: First Section of each of Tokyo Stock Exchanges and Osaka Securities Exchanges  
Head Office: Tokyo  
Contact: Kazutomo Tamesada, General Manager, Public Relations Section  
Tel: + 81 3 5608 5126 (<http://www.asahigroup-holdings.com/en/>)  
US GAAP: Not applicable

## 1. Consolidated Financial Results for Fiscal 2012 (From January 1, 2012 to September 30, 2012)

### (1) Operating Results

(Rounded down to millions of yen, except per share data)

	Net sales	% change	Operating income	% change	Ordinary income	% change
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2012 3Q ended September 30,2012	1,139,190	6.9	67,680	(11.9)	71,080	(13.7)
Fiscal 2011 3Q ended September 30,2011	1,066,116	(2.7)	76,784	22.2	82,396	18.7

  

	Net income	% change	Net income per share (Primary)	Net income per share (Diluted)
	(Millions of yen)	(%)	(yen)	(yen)
Fiscal 2012 3Q ended September 30,2012	45,586	26.8	97.86	97.80
Fiscal 2011 3Q ended September 30,2011	35,942	36.5	77.22	77.17

### (2) Financial Condition

	Total assets	Net assets	Shareholders' equity ratio
	(Millions of yen)	(Millions of yen)	(%)
Fiscal 2012 3Q ended September 30,2012	1,560,639	689,858	44.0
Fiscal 2011 3Q ended September 30,2011	1,529,907	643,798	41.9

Notes: Equity at the end of 3Q FY2012: 687,196 million yen      Equity at the end of FY2011 : 641,732 million yen

### 2. Dividends

	Cash dividend per share				
	end of first	end of second	end of third	Year-end	Dividend per
	(yen)	(yen)	(yen)	(yen)	(yen)
Year ended December 31,2011	-	11.50	-	13.50	25.00
Year ended December 31,2012	-	14.00	-		
Year ended December 31, 2012 (Forecast)				14.00	28.00

(Note) Revisions to the forecast of dividends in the current quarter: No

### 3. Projection for Fiscal 2012 (January 1,2012 to December 31,2012)

	Net sales	% change	Operating income	% change	Ordinary income	% change
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2012 ending December 31,2012	1,569,000	7.3	113,000	5.4	118,000	6.4

  

	Net income	% change	Net income per share
	(Millions of yen)	(%)	(yen)
Fiscal 2012 ending December 31,2012	65,000	18.0	139.53

(Note) Revisions to the forecast of consolidated results in the current quarter: No

#### 4. Other

- (1) Change in the scope of consolidation and application of the equity method: No
- (2) Adoption of simplified accounting methods or special accounting methods : Yes
- (3) Changes in accounting policies, procedures and methods of indication of accounting methods
  - (1) Changes due to amendment of accounting standard: No
  - (2) Change in accounting policies other than item (1) above: No
  - (3) Change in accounting estimate: No
  - (4) Retrospective restatements: No

(1) Issued stock including treasury stock:				
Nine months ended March 31, 2012	483,585,862 shares	Year ended December 31, 2011		483,585,862 shares
(2) Treasury stock:				
Nine months ended March 31, 2012	17,668,158 shares	Year ended December 31, 2011		17,950,000 shares
(3) Average of issued Stock:				
Nine months ended March 31, 2012	465,818,901 shares	Nine months ended September 30, 2011		465,462,910 shares

#### Implementation status of quarterly review processes

This Fact Sheet is not subject to quarterly review processes under the Financial Products and Exchange Law.

At the time of this document's release, review of the quarterly financial statements under the Financial Products and Exchange Law had not been completed.

#### Cautionary Statement with Respect to Forward-Looking Statements

This report contains forward-looking statements that reflect Asahi's forecasts for consolidated and unconsolidated results.

These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause Asahi's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

2. Consolidated Financial Statements (Unaudited)

(1) Consolidated Balance Sheets (As of December 31, 2011 and September 30, 2012)

(in million yen)

	As of December 31, 2011	As of September 30, 2012
<b>(Assets)</b>		
<b>Current Assets:</b>		
Cash and deposits	16,893	33,949
Notes and accounts receivable-trade	279,596	265,669
Merchandise and finished goods	70,400	79,211
Raw materials and supplies	32,229	34,014
Deferred tax assets	12,982	13,210
Other	48,369	54,016
Allowance for doubtful accounts	(3,326)	(4,575)
Total Current assets	<u>457,145</u>	<u>475,496</u>
<b>Noncurrent assets:</b>		
Property, plant and equipment		
Buildings and structures	399,002	400,665
Accumulated depreciation	(234,330)	(242,037)
Buildings and structures, net	<u>164,671</u>	<u>158,627</u>
Machinery, equipment and vehicles	502,091	513,011
Accumulated depreciation	(378,636)	(395,322)
Machinery, equipment and vehicles, net	<u>123,455</u>	<u>117,688</u>
Other	148,801	158,478
Accumulated depreciation	(82,101)	(89,188)
Other, net	<u>66,699</u>	<u>69,289</u>
Land	176,054	176,336
Construction in progress	5,354	8,168
Total property, plant and equipment	<u>536,236</u>	<u>530,111</u>
<b>Intangible assets</b>		
Goodwill	184,407	176,300
Other	49,880	58,690
Total intangible assets	<u>234,288</u>	<u>234,991</u>
<b>Investments and other assets</b>		
Investment securities	236,099	257,804
Deferred tax assets	28,950	26,556
Other	42,842	39,311
Allowance for doubtful accounts	(5,655)	(3,631)
Total investments and other assets	<u>302,237</u>	<u>320,040</u>
<b>Total noncurrent assets</b>	<u>1,072,762</u>	<u>1,085,143</u>
Total assets	<u>1,529,907</u>	<u>1,560,639</u>

(Continued)

(in million yen)

	As of December 31, 2011	As of September 30, 2012
<b>(Liabilities)</b>		
Current liabilities		
Notes and accounts payable-trade	104,527	111,205
Short-term loans payable	136,679	132,567
Current portion of bonds	25,000	-
Accrued alcohol tax	111,063	111,684
Income taxes payable	25,018	17,829
Deposits received	18,931	14,757
Commercial papers	28,000	21,000
Provision for bonuses	3,051	8,129
Other	149,894	143,206
Total current liabilities	602,166	560,379
Noncurrent liabilities		
Bonds payable	160,133	188,124
Long-term loans payable	40,279	33,028
Provision for retirement benefits	21,854	22,462
Provision for directors' retirement benefits	372	192
Asset retirement obligations	478	448
Deferred tax liabilities	6,601	10,802
Other	54,222	55,342
Total noncurrent liabilities	283,942	310,401
Total liabilities	886,108	870,781
<b>(Net assets)</b>		
Shareholders' equity		
Capital stock	182,531	182,531
Capital surplus	150,788	150,666
Retained earnings	338,809	371,580
Treasury stock	(28,295)	(27,852)
Total shareholders' equity	643,833	676,925
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(2,685)	1,725
Deferred gains or losses on hedges	1	3
Foreign currency translation adjustment	584	8,542
Total accumulated other comprehensive income	(2,100)	10,271
Minority interests	2,065	2,661
Total net assets	643,798	689,858
Total liabilities and net assets	1,529,907	1,560,639

## (2) Consolidated Income Statements (From January 1, 2012 to September 30, 2012)

	(in million yen)	
	September 30 2011 Amount	September 30 2012 Amount
Net sales	1,066,116	1,139,190
Cost of sales	656,397	704,690
Gross profit	409,719	434,500
Selling, general and administrative expenses	332,934	366,819
Operating income	76,784	67,680
Non-operating income		
Interest income	232	285
Dividends income	735	837
Gain on valuation of derivatives	3,529	167
Equity in earnings of affiliates	5,995	7,370
Other	839	1,085
Total non-operating income	11,333	9,746
Non-operating expenses		
Interest expenses	2,680	3,020
Foreign exchange losses	895	681
Other	2,144	2,643
Total non-operating expenses	5,720	6,345
Ordinary income	82,396	71,080
Extraordinary income		
Gain on sales of noncurrent assets	191	314
Gain on sales of investment securities	2	12
Gain on sales of subsidiaries and affiliates' stocks	4,596	201
Reversal of allowance for doubtful accounts	1,521	-
Gain on change in equity	-	8088
Other	-	525
Total extraordinary income	6,311	9,142
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	1,609	1,986
Loss on valuation of investment securities	1,730	1,132
Loss on liquidation of subsidiaries and affiliates	18	-
Loss on factory restructurings	713	1459
Earthquake related expenses	16,185	-
Loss on adjustment for changes of accounting standard	460	-
Business integration expenses	3,659	3,255
Other	1,850	486
Total extraordinary loss	26,227	8,321
Income before income taxes and minority interests	62,480	71,902
Income taxes	26,095	25,979
Income before minority interests	36,385	45,922
Minority interests in loss	442	336
Net income	35,942	45,586

(Continued)  
<Comprehensive Income Statements>

(in million yen)

	September 30 2011 Amount	September 30 2012 Amount
Income before minority interests	36,385	45,922
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,555)	4,411
Deferred gains or losses on hedges	(695)	2
Foreign currency translation adjustment	(17,492)	6,277
Share of other comprehensive income of associates accounted for using equity method	(842)	1,257
Total other comprehensive income	(20,586)	11,947
Comprehensive income	15,798	57,870
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	16,689	57,957
Comprehensive income attributable to minority interests	(890)	(87)

### (3) Notes regarding premise of a going concern

No applicable items

### (4) Segment information

Fiscal 2011 (January 1, 2011 to September 30, 2011)

#### 1. Information on net sales and profits or losses by reported segment

(Millions of yen)

	Alcoholic beverages	Soft drinks	Food	Overseas	Others	Total	Adjustment	Consolidated total
I. Net sales								
1) To outside customers	669,909	246,476	70,745	61,456	17,528	1,066,116	-	1,066,116
2) Inter-segment sales	16,629	3,707	1,542	9	34,876	56,765	(56,765)	-
Total	686,539	250,184	72,287	61,465	52,404	1,122,881	(56,765)	1,066,116
Operating income/loss	70,130	11,328	2,362	(3,788)	484	80,518	(3,734)	76,784

(Notes)

- "Others" includes the distribution business and others.
- An adjustment of -¥3,734 million to segment income or loss includes corporate expenses of -¥3,726 million not allocated to any one segment, along with inter-segment sales and elimination of -¥8 million. The corporate expenses are mainly Group management expenses generated by the Company in its role as a pure holding company.
- Segment income and loss are based on adjusted operating income reported in the consolidated statements of income.

#### 2. Information regarding asset impairment losses and goodwill based on reporting segments

(Significant asset impairment losses)

There are no applicable items.

Fiscal 2012 (January 1, 2012 to September 30, 2012)

#### 1. Information on net sales and profits or losses by reported segment

(Millions of yen)

	Alcoholic beverages	Soft drinks	Food	Overseas	Others	Total	Adjustment	Consolidated total
I. Net sales								
1) To outside customers	670,784	264,933	73,470	110,358	19,643	1,139,190	-	1,139,190
2) Inter-segment sales	16,314	3,380	1,413	5	34,689	55,802	(55,802)	-
Total	687,098	268,314	74,884	110,363	54,332	1,194,993	(55,802)	1,139,190
Operating income/loss	76,622	4,898	1,503	(6,200)	72	76,896	(9,215)	67,680

(Notes)

- "Others" includes the distribution business and others.
- An adjustment of -¥9,215 million to segment income or loss includes corporate expenses of -¥9,185 million not allocated to any one segment, along with inter-segment sales and elimination of -¥29 million. The corporate expenses are mainly Group management expenses generated by the Company in its role as a pure holding company.
- Segment income and loss are based on adjusted operating income reported in the consolidated statements of income.

#### 2. Information regarding asset impairment losses and goodwill based on reporting segments

(Significant asset impairment losses)

There are no applicable items.

### (5) Notes regarding marked changes in amount of shareholders' equity

No applicable items