

Asahi Group Holdings, Ltd.



FY2013 1Q 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 May 2, 2013. This translation was made for information only. The Company gives no warranty with respect to its correctness.

**Summary Report of 1Q Financial Results
(Fiscal 2013)**

May 2, 2013

Asahi Group Holdings, Ltd.

Code number: 2502
Shares Listed: First Section of each of Tokyo Stock Exchanges and Osaka Securities Exchanges
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Tel: + 81 3 5608 5126 (<http://www.asahigroup-holdings.com/en/>)
US GAAP: Not applicable

1. Consolidated Financial Results for Fiscal 2013 (From January 1, 2013 to March 31, 2013)

(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 2013 1Q ended March 31, 2013	340,810	9.6	6,263	35.0	3,011	(25.5)
Fiscal 2012 1Q ended March 31, 2012	310,998	11.0	4,640	(37.4)	4,044	(61.7)

Notes: Comprehensive income at the end of 1Q FY2013: 41,289 million yen(41.5%)

Comprehensive income at the end of 1Q FY2013: 29,174 million yen(617.5%)

	Net income	% change	Net income per share (Primary)	Net income per share (Diluted)
	(Millions of yen)	(%)	(yen)	(yen)
Fiscal 2013 1Q ended March 31, 2013	(1,617)	-	(3.54)	-
Fiscal 2012 1Q ended March 31, 2012	1,310	(64.0)	2.81	2.81

(2) Financial Condition

	Total assets	Net assets	Shareholders' equity ratio
	(Millions of yen)	(Millions of yen)	(%)
Fiscal 2013 1Q ended March 31, 2013	1,714,886	731,836	42.5
Fiscal 2012 1Q ended March 31, 2012	1,732,187	726,879	41.8

Notes: Equity at the end of 1Q FY2013: 728,459 million yen

Equity at the end of FY2012: 723,819 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, 2012	-	14.00	-	14.00	28.00
Year ended December 31, 2013	-				
Year ended December 31, 2013 (Forecast)		21.50	-	21.50	43.00

3. Projection for Fiscal 2013 (January 1, 2013 to December 31, 2013)

	Net sales	% change	Operating income	% change	Ordinary income	% change
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2013 ending June 30, 2013	780,000	9.8	34,000	3.7	31,000	(13.5)
Fiscal 2013 ending December 31, 2013	1,720,000	8.9	118,000	8.8	1,180,000	2.8

	Net income	% change	Net income per share
	(Millions of yen)	(%)	(yen)
Fiscal 2013 ending June 30, 2013	13,000	(49.3)	28.63
Fiscal 2013 ending December 31, 2013	65,500	14.5	144.26

(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: Yes

(2) Change in accounting policies other than item (1) above: No

(3) Changes in accounting estimate: Yes

(4) Retrospective restatements: No

(4) Number of shares issued and outstanding at the end of the term (consolidated):

(1) Issued stock including treasury stock:

Three months ended March 31, 2013 483,585,862 shares

Year ended December 31, 2012 483,585,862 shares

(2) Treasury stock:

Three months ended March 31, 2013 30,677,774 shares

Year ended December 31, 2012 17,611,484 shares

(3) Average of issued Stock:

Three months ended March 31, 2013 457,486,333 shares

Three months ended March 31, 2012 465,731,534 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

(1) 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) The Asahi Groups business performance fluctuates with the seasons because demand in its main businesses of alcohol beverages and soft drinks is concentrated in the summer season.

5. Consolidated Financial Statements (Unaudited)

(1) Consolidated Balance Sheets (As of March 31, 2013 and March 31, 2012)

(in million yen)

	As of March 31, 2012	As of March 31, 2013
(Assets)		
Current Assets:		
Cash and deposits	34,573	45,225
Notes and accounts receivable-trade	317,008	251,373
Merchandise and finished goods	79,152	87,613
Raw materials and supplies	34,366	34,821
Deferred tax assets	12,622	13,664
Other	56,379	51,824
Allowance for doubtful accounts	(4,914)	(4,593)
Total Current assets	529,189	479,929
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures	431,654	433,174
Accumulated depreciation	(261,306)	(264,328)
Buildings and structures, net	170,347	168,846
Machinery, equipment and vehicles	551,862	558,094
Accumulated depreciation	(424,586)	(432,755)
Machinery, equipment and vehicles, net	127,276	125,339
Other	168,422	172,563
Accumulated depreciation	(96,030)	(100,076)
Other, net	72,392	72,487
Land	205,553	206,426
Construction in progress	7,828	9,796
Total property, plant and equipment	583,398	582,895
Intangible assets		
Goodwill	203,764	213,513
Other	95,373	97,661
Total intangible assets	299,137	311,175
Investments and other assets		
Investment securities	266,248	292,206
Deferred tax assets	18,212	11,999
Other	39,410	39,792
Allowance for doubtful accounts	(3,409)	(3,111)
Investments and other assets	320,461	340,886
Total noncurrent assets	1,202,998	1,234,957
Total assets	1,732,187	1,714,886

(Continued)

(in million yen)

	As of March 31, 2012	As of March 31, 2013
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	117,774	102,848
Short-term loans payable	174,697	162,104
Accrued alcohol tax	112,598	75,456
Income taxes payable	23,201	5,877
Deposits received	21,200	15,976
Commercial papers	68,000	147,000
Provision for bonuses	4,139	9,473
Other	158,455	139,527
Total current liabilities	680,068	658,265
Noncurrent liabilities		
Bonds payable	188,121	188,118
Long-term loans payable	25,415	25,668
Provision for retirement benefits	23,851	23,592
Provision for directors' retirement benefits	480	334
Asset retirement obligations	471	473
Deferred tax liabilities	31,433	32,070
Other	55,467	54,526
Total noncurrent liabilities	325,239	324,784
Total liabilities	1,005,308	983,049
(Net assets)		
Shareholders' equity		
Capital stock	182,531	182,531
Capital surplus	150,641	150,576
Retained earnings	383,177	375,036
Treasury stock	(27,763)	(57,506)
Total shareholders' equity	688,586	650,637
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,259	14,991
Deferred gains or losses on hedges	(5)	(6)
Foreign currency translation adjustment	31,978	62,837
Total accumulated other comprehensive income	35,232	77,822
Minority interests	3,060	3,377
Total net assets	726,879	731,836
Total liabilities and net assets	1,732,187	1,714,886

(2) Consolidated Income Statements and Comprehensive Income Statement

(From January 1, 2013 to March 31, 2013)

<Consolidated Income Statements>

(in million yen)

	As of March 31, 2012	As of March 31, 2013
Net sales	310,998	340,810
Cost of sales	195,049	209,286
Gross profit	115,948	131,524
Selling, general and administrative expenses	111,308	125,261
Operating income	4,640	6,263
Non-operating income		
Interest income	95	87
Dividends income	39	72
Foreign exchange gains	597	391
Gain on valuation of derivatives	44	—
Other	879	650
Total non-operating income	1,656	1,201
Non-operating expenses		
Interest expenses	1,064	935
Loss on valuation of derivatives	—	95
Equity in losses of affiliates	273	2,659
Other	914	763
Total non-operating expenses	2,252	4,454
Ordinary income	4,044	3,011
Extraordinary income		
Gain on sales of noncurrent assets	23	55
Gain on sales of investment securities	8	150
Total extraordinary income	32	205
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	567	620
Loss on sales of investment securities	—	36
Loss on valuation of investment securities	4	1
Business integration expenses	859	352
Other	—	328
Total extraordinary losses	1,432	1,339
Income before income taxes and minority interests	2,644	1,876
Income taxes	1,479	3,447
Income (loss) before minority interests	1,165	(1,571)
Minority interests in income (loss)	(145)	46
Net income (loss)	1,310	(1,617)

(Continued)
 <Comprehensive Income Statements>

	(in million yen)	
	As of	As of
	March 31, 2012	March 31, 2013
Income before minority interests	1,165	(1,571)
Other comprehensive income		
Valuation difference on available-for-sale securities	4,898	11,732
Deferred gains or losses on hedges	(4)	(1)
Foreign currency translation adjustment	20,707	21,801
Share of other comprehensive income of associates accounted for using equity method	2,407	9,328
Total other comprehensive income	28,008	42,860
Comprehensive income	29,174	41,289
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	29,194	40,972
Comprehensive income attributable to minority interests	(20)	316

(3) Notes regarding premise of a going concern

No applicable items

(4) Segment information

Fiscal 2012 (January 1, 2012 to March 31, 2012)

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

(in Millions yen)

	Alcohol beverages	Soft drinks	Foods	Overseas	Others	Total	Adjustment	Consolidated total
I. Net sales								
1) To outside customers	172,924	68,483	24,064	39,439	6,086	310,998	-	310,998
2) Inter-segment sales	4,555	705	478	0	9,511	15,250	(15,250)	-
Total	177,480	69,188	24,542	39,439	15,598	326,249	(15,250)	310,998
Operating income/loss	13,621	(4,295)	130	(1,475)	(316)	7,665	(3,025)	4,640

(Notes)

- "Others" includes the distribution business and others.
- An adjustment of -¥3,025 million to segment income or loss includes corporate expenses of -¥2,884 million not allocated to any one segment, along with inter-segment sales and elimination of -¥141 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 2013 (January 1, 2013 to March 31, 2013)

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

(in Millions yen)

	Alcohol beverages	Soft drinks	Foods	Overseas	Others	Total	Adjustment	Consolidated total
I. Net sales								
1) To outside customers	172,438	91,671	23,761	46,547	6,391	340,810	-	340,810
2) Inter-segment sales	4,389	921	625	45	10,613	16,595	(16,595)	-
Total	176,827	92,592	24,386	46,593	17,005	357,405	(16,595)	340,810
Operating income/loss	12,463	(1,884)	290	(1,576)	(92)	9,199	(2,936)	6,263

(Notes)

- "Others" includes the distribution business and others.
- An adjustment of -¥2,936 million to segment income or loss includes corporate expenses of -¥2,399 million not allocated to any one segment, along with inter-segment sales and elimination of -¥536 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

In the Board of Directors meeting held on February 13, 2013, Asahi Group Holdings, Ltd. decided on items regarding the purchase of own shares under the provisions of Article 165, Paragraph 3 of the Corporate Law of Japan as set out by the provisions of Article 156 of the same law.

Accordingly, the Company repurchased 13,217,100 of its own shares for ¥29,999 million between February 14, 2013 and March 1, 2013 on the open market using the trust method.

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

(Impact of Seasonal Factors)

The Asahi Groups business performance fluctuates with the seasons because demand in its main businesses of alcohol beverages and soft drinks is concentrated in the summer season. Demand is lowest during the first quarter in particular.

(7) Other notes

No applicable items.