

# Asahi Group Holdings, Ltd.



## FY2013 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 November 1, 2013.

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

**Summary Report of 3Q Financial Results  
(Fiscal 2013)**

November 1, 2013

**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 2013 (From January 1, 2013 to September 30, 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 2012 3Q ended September 30, 2013	1,257,032	10.3	83,770	23.8	84,459	18.8
Fiscal 2012 3Q ended September 30, 2012	1,139,190	6.9	67,680	(11.9)	71,080	(13.7)

(Note) Comprehensive income at the end of 3Q FY2013: 99,272 million yen(71.5%)

Comprehensive income at the end of 3Q FY2012: 57,870 million yen(266.3%)

	Net income	% change	Net income per share (Primary)	Net income per share (Diluted)
	(Millions of yen)	(%)	(yen)	(yen)
Fiscal 2013 3Q ended September 30, 2013	46,726	2.5	102.80	102.70
Fiscal 2012 3Q ended September 30, 2012	45,586	26.8	97.86	97.80

### (2) Financial Condition

	Total assets	Net assets	Shareholders' equity ratio
	(Millions of yen)	(Millions of yen)	(%)
Fiscal 2012 3Q ended September 30, 2013	1,723,840	782,172	45.1
Year ended December 31, 2012	1,732,187	726,879	41.8

(Note) Equity at the end of 3Q FY2013: 776,748 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	-	21.50	-	-	-
Year ended December 31, 2013 (Forecast)	-	-	-	21.50	43.00

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

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

(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 ending December 31, 2013	1,723,000	9.1	118,000	8.8	118,000	2.8

	Net income	% change	Net income per share
	(Millions of yen)	(%)	(yen)
Fiscal 2013 ending December 31, 2013	65,500	14.5	144.22

(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:

Year ended September 30, 2013 483,585,862 shares

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

(2) Treasury stock:

Year ended September 30, 2013 30,480,824 shares

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

(3) Average of issued Stock:

Year ended September 30, 2013 454,521,331 shares

Year ended September 30, 2012 465,818,901 shares

#### Implementation status of quarterly review processes

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.

## 5. Consolidated Financial Statements (Unaudited)

### (1) Consolidated Balance Sheets (As of September 30, 2013 and December 31, 2012)

(in million yen)

	As of December 31, 2012	As of September 30, 2013
<b>(Assets)</b>		
<b>Current Assets:</b>		
Cash and deposits	34,573	45,649
Notes and accounts receivable-trade	317,008	263,161
Merchandise and finished goods	79,152	89,746
Raw materials and supplies	34,366	36,851
Deferred tax assets	12,622	12,628
Other	56,379	44,131
Allowance for doubtful accounts	(4,914)	(2,553)
<b>Total Current assets</b>	<b>529,189</b>	<b>489,615</b>
<b>Noncurrent assets:</b>		
Property, plant and equipment		
Buildings and structures	431,654	434,687
Accumulated depreciation	(261,306)	(269,049)
Buildings and structures, net	170,347	165,637
Machinery, equipment and vehicles	551,862	560,181
Accumulated depreciation	(424,586)	(441,704)
Machinery, equipment and vehicles, net	127,276	118,476
Other	168,422	176,815
Accumulated depreciation	(96,030)	(104,427)
Other, net	72,392	72,387
Land	205,553	205,415
Construction in progress	7,828	14,467
<b>Total property, plant and equipment</b>	<b>583,398</b>	<b>576,383</b>
<b>Intangible assets</b>		
Goodwill	203,764	202,864
Other	95,373	93,436
<b>Total intangible assets</b>	<b>299,137</b>	<b>296,300</b>
<b>Investments and other assets</b>		
Investment securities	266,248	315,491
Deferred tax assets	18,212	9,068
Other	39,410	42,007
Allowance for doubtful accounts	(3,409)	(5,027)
<b>Total investments and other assets</b>	<b>320,461</b>	<b>361,539</b>
<b>Total noncurrent assets</b>	<b>1,202,998</b>	<b>1,234,224</b>
<b>Total assets</b>	<b>1,732,187</b>	<b>1,723,840</b>

(Continued)

(in million yen)

	As of December 31, 2012	As of September 30, 2013
<b>(Liabilities)</b>		
Current liabilities		
Notes and accounts payable-trade	117,774	101,246
Short-term loans payable	174,697	138,324
Current portion of bonds	—	20,000
Accrued alcohol tax	112,598	110,752
Income taxes payable	23,201	17,891
Deposits received	21,200	14,453
Commercial papers	68,000	79,000
Provision for bonuses	4,139	10,044
Other	158,455	144,546
Total current liabilities	680,068	636,259
Noncurrent liabilities		
Bonds payable	188,121	168,111
Long-term loans payable	25,415	26,661
Provision for retirement benefits	23,851	22,952
Provision for directors' retirement benefits	480	176
Asset retirement obligations	471	458
Deferred tax liabilities	31,433	31,779
Other	55,467	55,267
Total noncurrent liabilities	325,239	305,407
Total liabilities	1,005,308	941,667
<b>(Net assets)</b>		
Shareholders' equity		
Capital stock	182,531	182,531
Capital surplus	150,641	150,464
Retained earnings	383,177	413,639
Treasury stock	(27,763)	(57,140)
Total shareholders' equity	688,586	689,494
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,259	20,389
Deferred gains or losses on hedges	(5)	30
Foreign currency translation adjustment	31,978	66,833
Total accumulated other comprehensive income	35,232	87,253
Minority interests	3,060	5,424
Total net assets	726,879	782,172
Total liabilities and net assets	1,732,187	1,723,840

**(2) Consolidated Income Statements and Comprehensive Income Statement(From January 1, 2013 to September 30,**  
**<Consolidated Income Statements>**

(in million yen)

	Year ended September 30,2012	Year ended September 30,2013
Net sales	1,139,190	1,257,032
Cost of sales	704,690	750,003
Gross profit	434,500	507,028
Selling, general and administrative expenses	366,819	423,258
Operating income	67,680	83,770
Non-operating income		
Interest income	285	286
Dividends income	837	1,070
Foreign exchange gains	—	489
Gain on valuation of derivatives	167	—
Equity in earnings of affiliates	7,370	2,527
Other	1,085	983
Total non-operating income	9,746	5,356
Non-operating expenses		
Interest expenses	3,020	2,730
Foreign exchange losses	681	—
Other	2,643	1,937
Total non-operating expenses	6,345	4,667
Ordinary income	71,080	84,459
Extraordinary income		
Gain on sales of noncurrent assets	314	205
Gain on sales of investment securities	12	988
Gain on sales of subsidiaries and affiliates' stocks	201	—
Gain on change in equity	8,088	—
Gain on transfer of business	—	900
Other	525	—
Total extraordinary income	9,142	2,093
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	1,986	2,066
Loss on sales of investment securities	—	36
Loss on valuation of investment securities	1,132	4
Loss on factory restructurings	1,459	—
Business integration expenses	3,255	1,627
Other	486	1,831
Total extraordinary losses	8,321	5,566
Income before income taxes and minority interests	71,902	80,986
Total income taxes	25,979	33,980
Income before minority interests	45,922	47,006
Minority interests in income	336	279
Net income	45,586	46,726

(Continued)  
<Comprehensive Income Statements>

	(in million yen)	
	Year ended September 30,2012	Year ended September 30,2013
Income before minority interests	45,922	47,006
Other comprehensive income		
Valuation difference on available-for-sale securities	4,411	17,129
Deferred gains or losses on hedges	2	36
Foreign currency translation adjustment	6,277	11,968
Share of other comprehensive income of associates accounted for using equity method	1,257	23,132
Total other comprehensive income	11,947	52,265
Comprehensive income	57,870	99,272
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	57,957	98,747
Comprehensive income attributable to minority interests	(87)	525

(3) Notes regarding premise of a going concern

No applicable items

(4) Segment information

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

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

(in Million yen)

	Alcohol beverages	Soft drinks	Foods	Overseas	Others *1	Total	Adjustment *2	Consolidated total*3
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)

\*1. "Others" includes the distribution business and others.

\*2. 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.

\*3. 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 September 30, 2013)

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

(in Million yen)

	Alcohol beverages	Soft drinks	Foods	Overseas	Others *1	Total	Adjustment *2	Consolidated total*3
I. Net sales								
1) To outside customers	672,737	352,715	75,832	134,425	21,320	1,257,032	-	1,257,032
2) Inter-segment sales	17,378	3,765	1,528	494	39,417	62,584	(62,584)	-
Total	690,116	356,480	77,361	134,920	60,738	1,319,617	(62,584)	1,257,032
Operating income/loss	81,009	14,848	2,698	(6,268)	756	93,044	(9,273)	83,770

(Notes)

\*1. "Others" includes the distribution business and others.

\*2. An adjustment of -¥9,273 million to segment income or loss includes corporate expenses of -¥8,702 million not allocated to any one segment, along with inter-segment sales and elimination of -¥571 million. The corporate expenses are mainly Group management expenses generated by the Company in its role as a pure holding company.

\*3. 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 129,999 million between February 14, 2013 and March 1, 2013 on the open market using the trust method.

(6) Other notes

No applicable items.