

Asahi Group Holdings, Ltd.



FY2013 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 February 12, 2014.

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

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

February 12, 2014

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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US GAAP: Not applicable

1. Consolidated Financial Results for Fiscal 2013 (From January 1, 2013 to December 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 ended December 31, 2013	1,714,237	8.6	117,467	8.3	123,612	7.7
Fiscal 2012 ended December 31, 2012	1,579,076	8.0	108,437	1.2	114,821	3.5

(Note) Comprehensive income at the end of FY2013: 122,725 million yen(29.5%)

Comprehensive income at the end of FY2012: 94,787 million yen(137.7%)

	Net income	% change	Net income per share (Primary)	Net income per share (Diluted)
	(Millions of yen)	(%)	(yen)	(yen)
Fiscal 2013 ended December 31, 2013	61,749	8.0	135.73	126.26
Fiscal 2012 ended December 31, 2012	57,183	3.8	122.75	122.67

(Note) Equity in net income of unconsolidated subsidiaries at the end of FY2013: 819,294 million yen

Equity in net income of unconsolidated subsidiaries at the end of FY2012: 723,819 million yen

(2) Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(yen)
Fiscal 2013 ended December 31, 2013	1,791,555	827,481	45.7	1,772.47
Fiscal 2012 ended December 31, 2012	1,732,187	726,879	41.8	1,553.35

(Note) Treasury stock at the end of FY2013: 819,294 million yen

Treasury stock at the end of FY2012: 723,819 million yen

(3) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the end of the period
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Fiscal 2013 ended December 31, 2013	157,252	(65,704)	(84,938)	41,116
Fiscal 2012 ended December 31, 2012	109,292	(134,319)	43,002	34,320

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	-	21.50	43.00
Year ended December 31, 2014 (Forecast)	-	22.00	-	22.00	44.00

	Total amount of Dividend	Payout Ratio	Rate of dividend to net assets	Year-end	Dividend per
	(Millions of yen)	(Consolidated)	(consolidated)	(yen)	(yen)
Year ended December 31, 2012	13,045	22.8	1.9		
Year ended December 31, 2013	19,678	31.7	2.6		
Year ended December 31, 2014 (Forecast)		30.4			

3. Projection for Fiscal 2014 (January 1, 2014 to December 31, 2014)

	(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 2014 ending June 30, 2014	795,000	1.8	37,000	0.2	33,500	(3.6)
Fiscal 2014 ending December 31, 2014	1,750,000	2.1	123,000	4.7	126,000	1.9

	Net income	% change	Net income per share
	(Millions of yen)	(%)	(yen)
Fiscal 2014 ending June 30, 2014	13,500	(12.5)	29.21
Fiscal 2014 ending December 31, 2014	67,000	8.5	144.95

(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) 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

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

(1) Issued stock including treasury stock:

Year ended December 31, 2013	483,585,862 shares
Year ended December 31, 2012	483,585,862 shares

(2) Treasury stock:

Year ended December 31, 2013	21,352,561 shares
Year ended December 31, 2012	17,611,484 shares

(3) Average of issued Stock:

Year ended December 31, 2013	454,943,987 shares
Year ended December 31, 2012	465,853,928 shares

(Reference)

1. Non-consolidated Financial Results for Fiscal 2012 (From January 1, 2012 to December 31, 2012)

(1) Operating Results

	Net sales	% change	Operating income	% change	Ordinary income	% change
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2013 ended December 31, 2013	50,004	(28.7)	26,302	(44.7)	26,396	(43.7)
Fiscal 2012 ended December 31, 2012	70,169	(83.0)	47,521	51.0	46,917	0.8

	Net income	% change	Net income per share (Primary)	Net income per share (Diluted)
	(Millions of yen)	(%)	(yen)	(yen)
Fiscal 2013 ended December 31, 2013	23,381	(35.4)	51.39	47.75
Fiscal 2012 ended December 31, 2012	36,208	65.8	77.72	77.67

(2) Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(yen)
Fiscal 2013 ended December 31, 2013	961,144	551,314	57.4	1,192.72
Fiscal 2012 ended December 31, 2012	1,003,068	548,065	54.6	1,176.17

Notes: Equity at the end of FY2013 : 551,314 million yen Equity at the end of FY2012 : 548,065 million yen

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 December 31, 2013 and December 31, 2012)

(in million yen)

	As of December 31, 2012	As of December 31, 2013
(Assets)		
Current assets		
Cash and deposits	34,573	42,200
Notes and accounts receivable-trade	317,008	317,106
Merchandise and finished goods	79,152	81,562
Raw materials and supplies	34,366	36,740
Deferred tax assets	12,622	15,504
Other	56,379	44,893
Allowance for doubtful accounts	(4,914)	(3,117)
Total current assets	<u>529,189</u>	<u>534,890</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	431,654	432,483
Accumulated depreciation	(261,306)	(267,877)
Buildings and structures, net	<u>170,347</u>	<u>164,605</u>
Machinery, equipment and vehicles	551,862	565,942
Accumulated depreciation	(424,586)	(444,958)
Machinery, equipment and vehicles, net	<u>127,276</u>	<u>120,984</u>
Tools, furniture and fixtures	130,099	134,061
Accumulated depreciation	(79,725)	(82,519)
Tools, furniture and fixtures, net	<u>50,374</u>	<u>51,541</u>
Land	205,553	206,110
Lease assets	38,178	45,823
Accumulated depreciation	(16,234)	(24,400)
Lease assets, net	<u>21,944</u>	<u>21,423</u>
Construction in progress	7,828	19,436
Other	144	195
Accumulated depreciation	(70)	(77)
Other, net	<u>73</u>	<u>117</u>
Total property, plant and equipment	<u>583,398</u>	<u>584,219</u>
Intangible assets		
Goodwill	203,764	196,203
Other	95,373	93,822
Total intangible assets	<u>299,137</u>	<u>290,025</u>
Investments and other assets		
Investment securities	266,248	331,427
Long-term loans receivable	4,232	6,962
Long-term prepaid expenses	8,245	9,079
Deferred tax assets	18,212	9,120
Other	26,932	31,476
Allowance for doubtful accounts	(3,409)	(5,647)
Total investments and other assets	<u>320,461</u>	<u>382,419</u>
Total noncurrent assets	<u>1,202,998</u>	<u>1,256,665</u>
Total assets	<u>1,732,187</u>	<u>1,791,555</u>

(Continued)

	(in million yen)	
	As of	As of
	December 31, 2012	December 31, 2013
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	117,774	118,650
Short-term loans payable	159,330	128,971
Current portion of long-term loans payable	15,366	5,362
Commercial papers	68,000	67,000
Current portion of bonds	-	20,000
Lease obligations	7,975	8,532
Accrued alcohol tax	112,598	110,371
Accrued consumption taxes	17,722	10,344
Income taxes payable	23,201	32,151
Accounts payable-other	67,910	68,457
Accrued expenses	60,376	66,765
Deposits received	21,200	18,087
Provision for bonuses	4,139	4,284
Other	4,470	7,102
Total current liabilities	<u>680,068</u>	<u>666,081</u>
Noncurrent liabilities		
Bonds payable	188,121	148,937
Long-term loans payable	25,415	33,450
Lease obligations	15,620	14,713
Provision for retirement benefits	23,851	22,581
Provision for directors' retirement benefits	480	192
Deferred tax liabilities	31,433	37,745
Asset retirement obligations	471	429
Other	39,846	39,942
Total noncurrent liabilities	<u>325,239</u>	<u>297,993</u>
Total liabilities	<u>1,005,308</u>	<u>964,074</u>
(Net assets)		
Shareholders' equity		
Capital stock	182,531	182,531
Capital surplus	150,641	152,537
Retained earnings	383,177	428,661
Treasury stock	(27,763)	(40,032)
Total shareholders' equity	<u>688,586</u>	<u>723,698</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,259	20,981
Deferred gains or losses on hedges	(5)	223
Foreign currency translation adjustment	31,978	74,390
Total accumulated other comprehensive income	<u>35,232</u>	<u>95,595</u>
Minority interests	3,060	8,186
Total net assets	<u>726,879</u>	<u>827,481</u>
Total liabilities and net assets	<u>1,732,187</u>	<u>1,791,555</u>

(2) Consolidated Income Statements and Comprehensive Income Statement (From January 1, 2012 to December 31, 2013)

<Consolidated Income Statements>

(in million yen)

	Year ended December 31, 2012	Year ended December 31, 2013
Net sales	1,579,076	1,714,237
Cost of sales	974,702	1,032,853
Gross profit	604,374	681,383
Selling, general and administrative expenses		
Sales commission	195,336	227,245
Advertising expenses	44,017	52,418
Haulage expenses	48,992	57,146
Provision of allowance for doubtful accounts	△106	610
Salaries, allowances and bonuses	75,313	83,679
Retirement benefit expenses	7,402	6,301
Depreciation	18,092	23,640
Amortization of goodwill	10,128	12,036
Other	96,759	100,837
Total selling, general and administrative expenses	495,937	563,916
Operating income	108,437	117,467
Non-operating income		
Interest income	402	387
Dividends income	1,335	1,602
Foreign exchange gains	-	747
Gain on valuation of derivatives	207	421
Equity in earnings of affiliates	10,616	8,822
Other	1,559	1,119
Total non-operating income	14,123	13,101
Non-operating expenses		
Interest expenses	4,043	3,595
Other	3,695	3,360
Total non-operating expenses	7,738	6,955
Ordinary income	114,821	123,612
Extraordinary income		
Gain on sales of noncurrent assets	353	1,501
Gain on sales of investment securities	187	988
Gain on sales of subsidiaries and affiliates' stocks	201	-
Gain on change in equity	8,088	-
Gain on transfer of business	-	1,564
Other	525	289
Total extraordinary income	9,356	4,344
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	3,388	4,508
Loss on sales of shares of subsidiaries and associates	-	39
Loss on sales of investment securities	93	5
Loss on valuation of investment securities	888	12
Impairment loss	3,069	7,473
Loss on factory restructurings	1,459	-
Business integration expenses	5,943	3,388
Goodwill Adjustment	7,954	-
Other	1,540	2,057
Total extraordinary losses	24,338	17,485

(Continued)

(in million yen)

	Year ended December 31, 2012	Year ended December 31, 2013
Income before income taxes and minority interests	99,840	110,470
Income taxes—current	33,854	48,537
Income taxes—deferred	8,453	89
Total income taxes	42,307	48,626
Income before minority interests	57,532	61,844
Minority interests in income	349	95
Net income	57,183	61,749

<Comprehensive Income Statements>

(in million yen)

	Year ended December 31, 2012	Year ended December 31, 2013
Income before minority interests	57,532	61,844
Other comprehensive income		
Valuation difference on available-for-sale securities	5,945	17,721
Deferred gains or losses on hedges	(6)	229
Foreign currency translation adjustment	31,014	19,583
Share of other comprehensive income of associates accounted for using equity method	301	23,347
Total other comprehensive income	37,255	60,881
Comprehensive income	94,787	122,725
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	94,516	122,112
Comprehensive income attributable to minority interests	271	613

(3) Statements of Shareholders' Equity**Fiscal 2012 (January 1, 2012 to December 31, 2012)**

(in million yen)

	shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	182,531	150,788	338,809	(28,295)	643,833
Changes of items during the period					
Dividends from surplus			(12,808)		(12,808)
Net income			57,183		57,183
Purchase of treasury stock				(13)	(13)
Disposal of treasury stock		(147)		545	398
Change of scope of equity method			(7)		(7)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(147)	44,368	532	44,753
Balance at the end of current period	182,531	150,641	383,177	(27,763)	688,586

(in million yen)

	accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of current period	(2,685)	1	584	(2,100)	2,065	643,798
Changes of items during the period						
Dividends from surplus						(12,808)
Net income						57,183
Purchase of treasury stock						(13)
Disposal of treasury stock						398
Change of scope of equity method						(7)
Net changes of items other than shareholders' equity	5,945	(6)	31,394	37,333	994	38,327
Total changes of items during the period	5,945	(6)	31,394	37,333	994	83,080
Balance at the end of current period	3,259	(5)	31,978	35,232	3,060	726,879

(Continued)

Fiscal 2013 (January 1, 2013 to December 31, 2013)

(in million yen)

	shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	
Balance at the beginning of current period	182,531	150,641	383,177	(27,763)	688,586
Changes of items during the period					
Dividends from surplus			(16,264)		(16,264)
Net income			61,749		61,749
Purchase of treasury stock				(30,029)	(30,029)
Disposal of treasury stock		1,896		17,760	19,657
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	1,896	45,484	△12,268	35,112
Balance at the end of current period	182,531	152,537	428,661	△40,032	723,698

(in million yen)

	accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of current period	3,259	(5)	31,978	35,232	2,065	726,879
Changes of items during the period						
Dividends from surplus						(16,264)
Net income						61,749
Purchase of treasury stock						(30,029)
Disposal of treasury stock						19,657
Net changes of items other than shareholders' equity	17,721	229	42,412	60,363		65,489
Total changes of items during the period	17,721	229	42,412	60,363	994	100,601
Balance at the end of current period	20,981	223	74,390	95,595	994	827,481

(4) Consolidated Statements of Cash Flows (From January 1 to December 31, 2012 and 2013)

(in million yen)

	Year ended December 31, 2012 (From January 1 to December 31)	Year ended December 31, 2013 (From January 1 to December 31)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	99,840	110,470
Depreciation and amortization	59,365	62,581
Impairment loss	3,069	7,473
Amortization of goodwill	10,552	12,460
Increase (decrease) in provision for retirement benefits	1,693	(2,480)
Increase (decrease) in allowance for doubtful accounts	(509)	417
Interest and dividends income	(1,738)	(1,990)
Interest expenses	4,043	3,595
Equity in (earnings) losses of affiliates	(10,616)	(8,822)
Loss (gain) on sales of investment securities	(94)	(982)
Loss (gain) on valuation of investment securities	888	12
Loss (gain) on sales of stocks of subsidiaries and affiliates	(201)	39
Loss (gain) on sales of noncurrent assets	(353)	(1,501)
Loss (gain) on sales and retirement of noncurrent assets	3,388	4,508
Loss on factory restructurings	1,459	-
Loss (gain) on change in equity	(8,088)	-
Goodwill Adjustment	7,954	-
Decrease (increase) in notes and accounts receivable-trade	(8,797)	3,235
Decrease (increase) in inventories	(5,373)	(3,089)
Increase (decrease) in notes and accounts payable-trade	(3,399)	(1,052)
Increase (Decrease) in accrued alcohol tax payable	1,208	(2,276)
Increase (decrease) in accrued consumption taxes	1,530	531
Bonuses paid to directors and corporate auditors	(383)	(312)
Other, net	1,623	3,122
Subtotal	157,062	185,941
Interest and dividends income received	5,020	5,607
Interest expenses paid	(4,275)	(3,845)
Income taxes paid	(48,515)	(30,450)
Net cash provided by (used in) operating activities	109,292	157,252
Net cash provided by (used in) investing activities		
Payments into time deposits	(136)	(810)
Proceeds from withdrawal of time deposits	675	29
Purchase of property, plant and equipment	(35,220)	(43,602)
Proceeds from sales of property, plant and equipment	753	1,843
Purchase of intangible assets	(5,120)	(5,358)
Purchase of investment securities	(4,741)	(12,549)
Proceeds from sales of investment securities	1,039	3,976
Proceeds from sales of investments in subsidiaries	552	-
Purchase of investments in subsidiaries resulting in change in scope of consolidat	(88,270)	(2,991)
Payments for sales of shares of subsidiaries resulting in change in scope of cons	-	(197)
Payments of loans receivable	(1,477)	(1,261)
Collection of loans receivable	1,190	1,446
Other, net	(3,562)	(6,229)
Net cash provided by (used in) investing activities	(134,319)	(65,704)

(Continued)

(in million yen)

	Year ended December 31, 2012 (From January 1 to December 31)	Year ended December 31, 2013 (From January 1 to December 31)
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term loans payable	106,842	(32,451)
Repayments of lease obligations	(7,253)	(8,948)
Proceeds from long-term loans payable	565	13,088
Repayment of long-term loans payable	(46,514)	(15,654)
Proceeds from issuance of bonds	28,000	-
Redemption of bonds	(25,000)	-
Purchase of treasury stock	(13)	(30,029)
Cash dividends paid	(12,808)	(16,264)
Cash dividends paid to minority shareholders	(1,551)	(250)
Proceeds from stock issuance to minority shareholders	1,390	4,767
Other, net	(654)	805
Net cash provided by (used in) financing activities	43,002	(84,938)
Effect of exchange rate change on cash and cash equivalents	207	187
Net increase (decrease) in cash and cash equivalents	18,182	6,796
Cash and cash equivalents at beginning of period	16,137	34,320
Cash and cash equivalents at end of period	34,320	41,116

(Segment information)**(1) Industrial segment information****Fiscal 2012 (January 1, 2012 to December 31, 2012)**

(in million yen)

	Reporting Segment				Other	Total	Elimination or corporate	Consolidated total
	Alcoholic beverages	Soft drinks	Foods	Overseas				
I. Net sales								
1) To outside customers	922,249	370,836	101,626	157,932	26,431	1,579,076	-	1,579,076
2) Inter-segment sales	21,767	4,613	1,871	22	48,024	76,298	(76,298)	-
Total	944,017	375,449	103,498	157,954	74,455	1,655,375	(76,298)	1,579,076
Operating income/loss	113,305	7,379	3,669	(3,872)	606	121,088	(12,650)	108,437
Segment Asset	683,587	338,340	88,063	498,079	17,144	1,625,216	106,971	1,732,187
Others								
Depreciation	30,253	14,455	3,367	8,915	308	57,300	2,065	59,365
Amortization of goodwill	-	2,373	297	7,456	-	10,128	-	10,128
Equity earnings of affiliates(Loss)	-	-	(142)	10,579	-	10,437	179	10,616
Investment in affiliates	-	-	-	174,531	-	174,531	1,458	175,989
Increase in property, plant and equipment and intangible assets	18,095	15,883	5,211	9,966	219	49,376	792	50,169

(Notes)

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

2. Adjustment is as follows.

(a) Adjustment of segment income (loss) of ¥(12,650) million includes corporate expense of ¥(12,434) million thousand) which is not allocated to reportable segment and the elimination of inter-segment transactions, etc. of ¥216 million.

(b) Adjustment of segment assets of ¥106,971 million includes corporate assets of ¥124,707 million which is not allocated to reportable segment, and the receivables and payables elimination among inter-segment of ¥(-17,735) million. Corporate assets are primarily the assets held by the Company.

(c) Adjustment of depreciation of ¥2,065 million is the depreciation related to corporate assets.

(d) Adjustment of equity in earnings (loss) of affiliates of ¥179 million is the equity in earnings (loss) of affiliates related to corporate assets.

(e) Adjustment of investment in affiliates of ¥1,458 million is the equity in earnings (loss) of affiliates related to corporate assets.

(f) Adjustment of investment in increase in property, plant and equipment and intangible assets of ¥792 million is the amount of purchase of property, plant and intangible assets related to corporate assets.

3. Segment income (loss) was reconciled with operating income presented in the consolidated statements of income.

Fiscal 2013 (January 1, 2013 to December 31, 2013)

(in million yen)

	Reporting Segment				Other	Total	Elimination or corporate	Consolidated total
	Alcoholic beverages	Soft drinks	Foods	Overseas				
I. Net sales								
1) To outside customers	925,878	461,054	106,240	192,034	29,029	1,714,237	-	1,714,237
2) Inter-segment sales	22,677	5,193	1,916	859	52,568	83,215	(83,215)	-
Total	948,555	466,247	108,156	192,894	81,597	1,797,452	(83,215)	1,714,237
Operating income/loss	113,743	15,457	4,919	(4,565)	622	130,177	(12,709)	117,467
Segment Asset	681,295	343,335	89,787	559,232	17,601	1,691,251	100,304	1,791,555
Others								
Depreciation	27,106	18,709	3,524	10,822	290	60,454	2,127	62,581
Amortization of goodwill	-	3,368	367	8,300	-	12,036	-	12,036
Equity earnings of affiliates(Loss)	13	-	(121)	8,765	-	8,657	165	8,822
Investment in affiliates	50	-	26	207,091	-	207,168	1,542	208,711
Increase in property, plant and equipment and intangible assets	15,283	22,540	2,914	14,691	221	55,651	987	56,639

(Notes)

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

2. Adjustment is as follows.

(a) Adjustment of segment income (loss) of ¥(12,709) million includes corporate expense of ¥(11,932) million which is not allocated to reportable segment and the elimination of inter-segment transactions, etc. of ¥(777) million.

(b) Adjustment of segment assets of ¥100,304 million includes corporate assets of ¥118,857 million which is not allocated to reportable segment, and the receivables and payables elimination among inter-segment of ¥(18,553). Corporate assets are primarily the assets by the Company.

(c) Adjustment of depreciation of ¥2,127 million is the depreciation related to corporate assets.

(d) Adjustment of equity in earnings (loss) of affiliates of ¥165 million is the equity in earnings (loss) of affiliates related to corporate assets.

(e) Adjustment of investment in affiliates of ¥1,542 million is the equity in earnings (loss) of affiliates related to corporate assets.

(f) Adjustment of investment in increase in property, plant and equipment and intangible assets of ¥987 million is the amount of purchase of property, plant and intangible assets related to corporate assets.

3. Segment income (loss) was reconciled with operating income presented in the consolidated statements of income.