

# Asahi Group Holdings, Ltd.



## FY2014 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, 2015.

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

**Summary Report of Financial Results  
(Fiscal 2014)**

February 12, 2015

**Asahi Group Holdings, Ltd.**

Code number: 2502  
Shares Listed: First Section of each of Tokyo Stock 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 2014 (From January 1, 2014 to December 31, 2014)

### (1) Operating Results

|                                     | Net sales         | % change | Operating income  | % change | Ordinary income   | % change | Net income        | % change |
|-------------------------------------|-------------------|----------|-------------------|----------|-------------------|----------|-------------------|----------|
|                                     | (Millions of yen) | (%)      | (Millions of yen) | (%)      | (Millions of yen) | (%)      | (Millions of yen) | (%)      |
| Fiscal 2014 ended December 31, 2014 | 1,785,478         | 4.2      | 128,305           | 9.2      | 133,168           | 7.7      | 69,118            | 11.9     |
| Fiscal 2013 ended December 31, 2013 | 1,714,237         | 8.6      | 117,467           | 8.3      | 123,612           | 7.7      | 61,749            | 8.0      |

(Note) Comprehensive income at the end of FY2014: 111,404 million yen(-9.2%)

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

|                                     | Net income per share (Primary) | Net income per share (Diluted) | ROE | ROA | Operating income ratio |
|-------------------------------------|--------------------------------|--------------------------------|-----|-----|------------------------|
|                                     | (yen)                          | (yen)                          | (%) | (%) | (%)                    |
| Fiscal 2014 ended December 31, 2014 | 148.92                         | 148.80                         | 8.1 | 7.1 | 7.2                    |
| Fiscal 2013 ended December 31, 2013 | 135.73                         | 126.26                         | 8.0 | 7.0 | 6.9                    |

(Note) Equity in net income of unconsolidated subsidiaries at the end of FY2014: 8,025 million yen

Equity in net income of unconsolidated subsidiaries at the end of FY2013: 8,822 million yen

### (2) Financial Condition

|                                     | Total assets      | Net assets        | Shareholders' equity ratio | Net assets per share |
|-------------------------------------|-------------------|-------------------|----------------------------|----------------------|
|                                     | (Millions of yen) | (Millions of yen) | (%)                        | (yen)                |
| Fiscal 2014 ended December 31, 2014 | 1,936,609         | 896,510           | 45.5                       | 1,904.64             |
| Fiscal 2013 ended December 31, 2013 | 1,791,555         | 827,481           | 45.7                       | 1,772.47             |

(Note) Treasury stock at the end of FY2014: 881,091 million yen

Treasury stock at the end of FY2013: 819,294 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 2014 ended December 31, 2014 | 146,783                              | (92,183)                             | (35,842)                             | 62,235   |
| Fiscal 2013 ended December 31, 2013 | 157,252                              | (65,704)                             | (84,938)                             | 41,116   |

## 2. Dividends

|   | Cash dividend per share |               |              |          |              | Total amount of Dividend | Payout Ratio (Consolidated) | Rate of dividend to net assets (Consolidated) |
|---|-------------------------|---------------|--------------|----------|--------------|--------------------------|-----------------------------|---|
|   | end of first            | end of second | end of third | Year-end | Dividend per |                          |                             |   |
|   | (yen)                   | (yen)         | (yen)        | (yen)    | (yen)        | (Millions of yen)        | (%)                         | (%)   |
| Year ended December 31, 2013            | -                       | 21.50         | -            | 21.50    | 43.00        | 19,678                   | 31.70                       | 2.6   |
| Year ended December 31, 2014            | -                       | 22.00         | -            | 23.00    | 45.00        | 21,054                   | 30.20                       | 2.4   |
| Year ended December 31, 2015 (Forecast) | -                       | 24.00         | -            | 24.00    | 48.00        |                          | 29.60                       |   |

## 3. Projection for Fiscal 2015 (January 1, 2015 to December 31, 2015)

|                                      | Net sales         | % change | Operating income  | % change | Ordinary income   | % change | Net income        | % change | Net income per share |
|--------------------------------------|-------------------|----------|-------------------|----------|-------------------|----------|-------------------|----------|----------------------|
|                                      | (Millions of yen) | (%)      | (Millions of yen) | (%)      | (Millions of yen) | (%)      | (Millions of yen) | (%)      | (yen)                |
| Fiscal 2015 ending June 30, 2015     | 850,000           | 4.8      | 43,000            | (1.5)    | 39,500            | (4.5)    | 18,500            | (4.4)    | 40                   |
| Fiscal 2015 ending December 31, 2015 | 1,850,000         | 3.6      | 135,000           | 5.2      | 139,000           | 4.4      | 75,000            | 8.5      | 162                  |

#### 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: Yes
- (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, 2014 | 483,585,862 shares |
| Year ended December 31, 2013 | 483,585,862 shares |

(2) Treasury stock:

|                              |                   |
|------------------------------|-------------------|
| Year ended December 31, 2014 | 20,984,062 shares |
| Year ended December 31, 2013 | 21,352,561 shares |

(3) Average of issued Stock:

|                              |                    |
|------------------------------|--------------------|
| Year ended December 31, 2014 | 464,142,183 shares |
| Year ended December 31, 2013 | 454,943,987 shares |

#### (Reference)

##### 1. Non-consolidated Financial Results for Fiscal 2014 (From January 1, 2014 to December 31, 2014)

###### (1) Operating Results

|                                     | Net sales         | % change | Operating income  | % change | Ordinary income   | % change | Net income        | % change |
|-------------------------------------|-------------------|----------|-------------------|----------|-------------------|----------|-------------------|----------|
|                                     | (Millions of yen) | (%)      | (Millions of yen) | (%)      | (Millions of yen) | (%)      | (Millions of yen) | (%)      |
| Fiscal 2014 ended December 31, 2014 | 87,519            | 75.0     | 61,772            | 134.9    | 61,609            | 133.4    | 13,084            | (44.0)   |
| Fiscal 2013 ended December 31, 2013 | 50,004            | (28.7)   | 26,302            | (44.7)   | 26,396            | (43.7)   | 23,381            | (35.4)   |

|                                     | Net income per share (Primary) | Net income per share (Diluted) |
|-------------------------------------|--------------------------------|--------------------------------|
|                                     | (yen)                          | (yen)                          |
| Fiscal 2014 ended December 31, 2014 | 28.19                          | 28.17                          |
| Fiscal 2013 ended December 31, 2013 | 51.39                          | 47.75                          |

###### (2) Financial Condition

|                                     | Total assets      | Net assets        | Shareholders' equity ratio | Net assets per share |
|-------------------------------------|-------------------|-------------------|----------------------------|----------------------|
|                                     | (Millions of yen) | (Millions of yen) | (%)                        | (yen)                |
| Fiscal 2014 ended December 31, 2014 | 940,364           | 518,402           | 55.1                       | 1,120.62             |
| Fiscal 2013 ended December 31, 2013 | 961,144           | 551,314           | 57.4                       | 1,192.72             |

Notes: Equity at the end of FY2014 : 518,402 million yen      Equity at the end of FY2013 : 551,314 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, 2014 and December 31, 2013)

|  | (Millions of yen)          |                            |
|--|----------------------------|----------------------------|
|  | As of<br>December 31, 2013 | As of<br>December 31, 2014 |
| <b>(Assets)</b>                        |                            |                            |
| Current assets                         |                            |                            |
| Cash and deposits                      | 42,200                     | 65,064                     |
| Notes and accounts receivable - trade  | 317,106                    | 353,704                    |
| Merchandise and finished goods         | 81,562                     | 82,117                     |
| Raw materials and supplies             | 36,740                     | 42,431                     |
| Deferred tax assets                    | 15,504                     | 13,012                     |
| Other                                  | 44,893                     | 53,042                     |
| Allowance for doubtful accounts        | (3,117)                    | (5,529)                    |
| Total current assets                   | <u>534,890</u>             | <u>603,842</u>             |
| Non-current assets                     |                            |                            |
| Property, plant and equipment          |                            |                            |
| Buildings and structures               | 432,483                    | 433,018                    |
| Accumulated depreciation               | (267,877)                  | (263,734)                  |
| Buildings and structures, net          | <u>164,605</u>             | <u>169,283</u>             |
| Machinery, equipment and vehicles      | 565,942                    | 558,442                    |
| Accumulated depreciation               | (444,958)                  | (423,378)                  |
| Machinery, equipment and vehicles, net | <u>120,984</u>             | <u>135,064</u>             |
| Tools, furniture and fixtures          | 134,061                    | 138,901                    |
| Accumulated depreciation               | (82,519)                   | (81,907)                   |
| Tools, furniture and fixtures, net     | <u>51,541</u>              | <u>56,993</u>              |
| Land                                   | 206,110                    | 202,051                    |
| Leased assets                          | 45,823                     | 45,010                     |
| Accumulated depreciation               | (24,400)                   | (23,715)                   |
| Leased assets, net                     | <u>21,423</u>              | <u>21,294</u>              |
| Construction in progress               | 19,436                     | 20,617                     |
| Other                                  | 195                        | 179                        |
| Accumulated depreciation               | (77)                       | (69)                       |
| Other, net                             | <u>117</u>                 | <u>109</u>                 |
| Total property, plant and equipment    | <u>584,219</u>             | <u>605,415</u>             |
| Intangible assets                      |                            |                            |
| Goodwill                               | 196,203                    | 195,859                    |
| Other                                  | 93,822                     | 99,930                     |
| Total intangible assets                | <u>290,025</u>             | <u>295,790</u>             |
| Investments and other assets           |                            |                            |
| Investment securities                  | 331,427                    | 375,044                    |
| Long-term loans receivable             | 6,962                      | 2,335                      |
| Long-term prepaid expenses             | 9,079                      | 12,490                     |
| Net defined benefit asset              | -                          | 19,252                     |
| Deferred tax assets                    | 9,120                      | 9,448                      |
| Other                                  | 31,476                     | 16,116                     |
| Allowance for doubtful accounts        | (5,647)                    | (3,124)                    |
| Total investments and other assets     | <u>382,419</u>             | <u>431,561</u>             |
| Total non-current assets               | <u>1,256,665</u>           | <u>1,332,767</u>           |
| Total assets                           | <u>1,791,555</u>           | <u>1,936,609</u>           |

(Continued)

|   | (Millions of yen)          |                            |
|---|----------------------------|----------------------------|
|   | As of<br>December 31, 2013 | As of<br>December 31, 2014 |
| <b>(Liabilities)</b>                                  |                            |                            |
| Current liabilities                                   |                            |                            |
| Notes and accounts payable - trade                    | 118,650                    | 130,402                    |
| Short-term loans payable                              | 128,971                    | 173,938                    |
| Current portion of long-term loans payable            | 5,362                      | 10,941                     |
| Commercial papers                                     | 67,000                     | 76,000                     |
| Current portion of bonds                              | 20,000                     | 20,000                     |
| Lease obligations                                     | 8,532                      | 8,486                      |
| Accrued alcohol tax                                   | 110,371                    | 110,361                    |
| Accrued consumption taxes                             | 10,344                     | 26,617                     |
| Income taxes payable                                  | 32,151                     | 27,396                     |
| Accounts payable - other                              | 68,457                     | 73,097                     |
| Accrued expenses                                      | 66,765                     | 71,137                     |
| Deposits received                                     | 18,087                     | 18,255                     |
| Provision for bonuses                                 | 4,284                      | 4,685                      |
| Other   | 7,102                      | 6,054                      |
| Total current liabilities                             | <u>666,081</u>             | <u>757,374</u>             |
| Non-current liabilities                               |                            |                            |
| Bonds payable   | 148,937                    | 113,000                    |
| Long-term loans payable                               | 33,450                     | 40,846                     |
| Lease obligations                                     | 14,713                     | 14,810                     |
| Provision for retirement benefits                     | 22,581                     | -                          |
| Provision for directors' retirement benefits          | 192                        | 302                        |
| Net defined benefit liability                         | -                          | 26,525                     |
| Deferred tax liabilities                              | 37,745                     | 48,611                     |
| Asset retirement obligations                          | 429                        | 430                        |
| Other   | 39,942                     | 38,198                     |
| Total non-current liabilities                         | <u>297,993</u>             | <u>282,724</u>             |
| Total liabilities                                     | <u>964,074</u>             | <u>1,040,099</u>           |
| Net assets  |                            |                            |
| Shareholders' equity                                  |                            |                            |
| Capital stock   | 182,531                    | 182,531                    |
| Capital surplus                                       | 152,537                    | 143,339                    |
| Retained earnings                                     | 428,661                    | 477,427                    |
| Treasury shares                                       | (40,032)                   | (58,176)                   |
| Total shareholders' equity                            | <u>723,698</u>             | <u>745,120</u>             |
| Accumulated other comprehensive income                |                            |                            |
| Valuation difference on available-for-sale securities | 20,981                     | 28,850                     |
| Deferred gains or losses on hedges                    | 223                        | (218)                      |
| Foreign currency translation adjustment               | 74,390                     | 107,832                    |
| Remeasurements of defined benefit plans               | -                          | (492)                      |
| Total accumulated other comprehensive income          | <u>95,595</u>              | <u>135,970</u>             |
| Minority interests                                    | 8,186                      | 15,419                     |
| Total net assets                                      | <u>827,481</u>             | <u>896,510</u>             |
| Total liabilities and net assets                      | <u>1,791,555</u>           | <u>1,936,609</u>           |

**(2) Consolidated Income Statements and Comprehensive Income Statement**

(From January 1, 2013 to December 31, 2014)

&lt;Consolidated Income Statements&gt;

(Millions of yen)

|   | Year ended<br>December 31, 2013<br>(From January 1 to<br>December 31) | Year ended<br>December 31, 2014<br>(From January 1 to<br>December 31) |
|---|---|---|
| Net sales   | 1,714,237   | 1,785,478   |
| Cost of sales   | 1,032,853   | 1,073,439   |
| Gross profit  | 681,383   | 712,039   |
| Selling, general and administrative expenses                  |   |   |
| Sales commission  | 227,245   | 240,835   |
| Advertising expenses  | 52,418  | 52,738  |
| Haulage expenses  | 57,146  | 57,145  |
| Provision of allowance for doubtful accounts                  | 610   | 88  |
| Salaries, allowances and bonuses                              | 83,679  | 86,777  |
| Retirement benefit expenses                                   | 6,301   | 5,024   |
| Depreciation  | 23,640  | 23,560  |
| Amortization of goodwill                                      | 12,036  | 13,823  |
| Other   | 100,837   | 103,742   |
| Total selling, general and administrative expenses            | 563,916   | 583,733   |
| Operating income  | 117,467   | 128,305   |
| Non-operating income  |   |   |
| Interest income   | 387   | 453   |
| Dividend income   | 1,602   | 1,840   |
| Foreign exchange gains  | 747   | 1,404   |
| Share of profit of entities accounted for using equity method | 8,822   | 8,025   |
| Other   | 1,541   | 1,437   |
| Total non-operating income                                    | 13,101  | 13,161  |
| Non-operating expenses  |   |   |
| Interest expenses   | 3,595   | 3,686   |
| Other   | 3,360   | 4,612   |
| Total non-operating expenses                                  | 6,955   | 8,299   |
| Ordinary income   | 123,612   | 133,168   |
| Extraordinary income  |   |   |
| Gain on sales of non-current assets                           | 1,501   | 16,243  |
| Gain on sales of investment securities                        | 988   | 611   |
| Settlement received   | -   | 16,994  |
| Gain on transfer of business                                  | 1,564   | -   |
| Other   | 289   | 250   |
| Total extraordinary income                                    | 4,344   | 34,099  |
| Extraordinary losses  |   |   |
| Loss on sales and retirement of non-current assets            | 4,508   | 4,166   |
| Loss on sales of shares of subsidiaries and associates        | 39  | -   |
| Loss on sales of investment securities                        | 5   | 28  |
| Loss on valuation of investment securities                    | 12  | 23  |
| Impairment loss   | 7,473   | 23,701  |
| Business integration expenses                                 | 3,388   | 5,686   |
| Other   | 2,057   | 4,525   |
| Total extraordinary losses                                    | 17,485  | 38,131  |

(Continued)

|   | (Millions of yen)   |   |
|---|---|---|
|   | Year ended<br>December 31, 2013<br>(From January 1 to<br>December 31) | Year ended<br>December 31, 2014<br>(From January 1 to<br>December 31) |
| Income before income taxes and minority interests | 110,470   | 129,136   |
| Income taxes - current                            | 48,537  | 52,018  |
| Income taxes - deferred                           | 89  | 7,934   |
| Total income taxes                                | 48,626  | 59,952  |
| Income before minority interests                  | 61,844  | 69,183  |
| Minority interests in income                      | 95  | 65  |
| Net income  | 61,749  | 69,118  |

<Comprehensive Income Statements>

|   | (Millions of yen)   |   |
|---|---|---|
|   | Year ended<br>December 31, 2013<br>(From January 1 to<br>December 31) | Year ended<br>December 31, 2014<br>(From January 1 to<br>December 31) |
| Income before minority interests  | 61,844  | 69,183  |
| Other comprehensive income  |   |   |
| Valuation difference on available-for-sale securities                             | 17,721  | 7,868   |
| Deferred gains or losses on hedges  | 229   | (442)   |
| Foreign currency translation adjustment   | 19,583  | 21,162  |
| Share of other comprehensive income of entities accounted for using equity method | 23,347  | 13,632  |
| Total other comprehensive income  | 60,881  | 42,221  |
| Comprehensive income  | 122,725   | 111,404   |
| Comprehensive income attributable to  |   |   |
| Comprehensive income attributable to owners of parent                             | 122,112   | 109,985   |
| Comprehensive income attributable to minority interests                           | 613   | 1,419   |



**(3) Statements of Shareholders' Equity**  
Fiscal 2013 (January 1, 2013 to December 31, 2013)

(Millions of yen)

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

(Millions of 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 | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                    |                  |
| Balance at beginning of current period               | 3,259   | (5)                                | 31,978                                  | —                                       | 35,232                                       | 3,060              | 726,879          |
| Changes of items during period                       |   |                                    |   |   |  |                    |                  |
| Dividends of surplus                                 |   |                                    |   |   |  |                    | (16,264)         |
| Net income   |   |                                    |   |   |  |                    | 61,749           |
| Purchase of treasury shares                          |   |                                    |   |   |  |                    | (30,029)         |
| Disposal of treasury shares                          |   |                                    |   |   |  |                    | 19,657           |
| Net changes of items other than shareholders' equity |   |                                    |   |   | 229  |                    | 65,489           |
| Total changes of items during period                 |   |                                    |   |   | 229  |                    | 100,601          |
| Balance at end of current period                     |   |                                    |   |   | 223  |                    | 827,481          |

**(3) Statements of Shareholders' Equity**  
Fiscal 2013 (January 1, 2013 to December 31, 2013)

(Millions of yen)

|  | shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Capital stock        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period               | 182,531              | 152,537         | 428,661           | (40,032)        | 723,698                    |
| Changes of items during period                       |                      |                 |                   |                 |                            |
| Dividends of surplus                                 |                      |                 | (20,353)          |                 | (20,353)                   |
| Net income   |                      |                 | 69,118            |                 | 69,118                     |
| Purchase of treasury shares                          |                      |                 |                   | (50,378)        | (50,378)                   |
| Disposal of treasury shares                          |                      | (9,198)         |                   | 32,234          | 23,036                     |
| Net changes of items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes of items during period                 | —                    | (9,198)         | 48,765            | (18,144)        | 21,422                     |
| Balance at end of current period                     | 182,531              | 143,339         | 477,427           | (58,176)        | 745,120                    |

(Millions of 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 | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                    |                  |
| Balance at beginning of current period               | 20,981  | 223                                | 74,390                                  | —                                       | 95,595                                       | 8,186              | 827,481          |
| Changes of items during period                       |   |                                    |   |   |  |                    |                  |
| Dividends of surplus                                 |   |                                    |   |   |  |                    | (20,353)         |
| Net income   |   |                                    |   |   |  |                    | 69,118           |
| Purchase of treasury shares                          |   |                                    |   |   |  |                    | (50,378)         |
| Disposal of treasury shares                          |   |                                    |   |   |  |                    | 23,036           |
| Net changes of items other than shareholders' equity | 7,868   | (442)                              | 33,441                                  | △492                                    | 40,374                                       | 7,232              | 47,606           |
| Total changes of items during period                 | 7,868   | (442)                              | 33,441                                  | △492                                    | 40,374                                       | 7,232              | 69,029           |
| Balance at end of current period                     | 28,850  | (218)                              | 107,832                                 | △492                                    | 135,970                                      | 15,419             | 896,510          |

**(4) Consolidated Statements of Cash Flows**

(From January 1 to December 31, 2013 and 2014)

(Millions of yen)

|   | Year ended<br>December 31, 2013<br>(From January 1 to<br>December 31) | Year ended<br>December 31, 2014<br>(From January 1 to<br>December 31) |
|---|---|---|
| <b>Cash flows from operating activities</b>                                       |   |   |
| Income before income taxes and minority interests                                 | 110,470   | 129,136   |
| Depreciation  | 62,581  | 59,050  |
| Impairment loss   | 7,473   | 23,701  |
| Amortization of goodwill  | 12,460  | 14,247  |
| Increase (decrease) in provision for retirement benefits                          | (2,480)   | -   |
| Increase (decrease) in net defined benefit asset and liability                    | -   | (3,908)   |
| Increase (decrease) in allowance for doubtful accounts                            | 417   | (29)  |
| Interest and dividend income  | (1,990)   | (2,294)   |
| Interest expenses   | 3,595   | 3,686   |
| Share of (profit) loss of entities accounted for using equity method              | (8,822)   | (8,025)   |
| Loss (gain) on sales of investment securities                                     | (982)   | (583)   |
| Loss (gain) on valuation of investment securities                                 | 12  | 23  |
| Loss (gain) on sales of shares of subsidiaries and associates                     | 39  | -   |
| Loss (gain) on sales of non-current assets  | (1,501)   | (16,243)  |
| Loss (gain) on sales and retirement of non-current assets                         | 4,508   | 4,166   |
| Settlement received   | -   | (16,994)  |
| Decrease (increase) in notes and accounts receivable - trade                      | 3,235   | (26,223)  |
| Decrease (increase) in inventories  | (3,089)   | (838)   |
| Increase (decrease) in notes and accounts payable - trade                         | (1,052)   | 5,748   |
| Increase (Decrease) in accrued alcohol tax payable                                | (2,276)   | (80)  |
| Increase (decrease) in accrued consumption taxes                                  | 531   | 15,301  |
| Bonuses paid to directors and corporate auditors                                  | (312)   | (349)   |
| Other, net  | 3,122   | 7,356   |
| Subtotal  | 185,941   | 186,846   |
| Interest and dividend income received   | 5,607   | 8,329   |
| Interest expenses paid  | (3,845)   | (3,676)   |
| Settlement package received   | -   | 20,306  |
| Income taxes paid   | (30,450)  | (65,022)  |
| Net cash provided by (used in) operating activities                               | 157,252   | 146,783   |
| <b>Cash flows from investing activities</b>                                       |   |   |
| Payments into time deposits   | (810)   | (1,219)   |
| Proceeds from withdrawal of time deposits   | 29  | 336   |
| Purchase of property, plant and equipment   | (43,602)  | (55,205)  |
| Proceeds from sales of property, plant and equipment                              | 1,843   | 22,439  |
| Purchase of intangible assets   | (5,358)   | (8,831)   |
| Purchase of investment securities   | (12,549)  | (18,147)  |
| Proceeds from sales of investment securities                                      | 3,976   | 3,405   |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation  | (2,991)   | (28,563)  |
| Payments for sales of shares of subsidiaries resulting in change in scope of cons | (197)   | -   |
| Payments for transfer of business   | -   | (2,408)   |
| Payments of loans receivable  | (1,261)   | (384)   |
| Collection of loans receivable  | 1,446   | 1,153   |
| Other, net  | (6,229)   | (4,757)   |
| Net cash provided by (used in) investing activities                               | (65,704)  | (92,183)  |

(Continued)

|   | (Millions of yen)   |   |
|---|---|---|
|   | Year ended<br>December 31, 2013<br>(From January 1 to<br>December 31) | Year ended<br>December 31, 2014<br>(From January 1 to<br>December 31) |
| Cash flows from financing activities                        |   |   |
| Increase (decrease) in short-term loans payable             | (32,451)  | 48,383  |
| Repayments of lease obligations                             | (8,948)   | (9,367)   |
| Proceeds from long-term loans payable                       | 13,088  | 16,043  |
| Repayments of long-term loans payable                       | (15,654)  | (9,169)   |
| Proceeds from issuance of bonds                             | -   | 35,000  |
| Redemption of bonds   | -   | (48,405)  |
| Purchase of treasury shares                                 | (30,029)  | (50,378)  |
| Cash dividends paid   | (16,264)  | (20,353)  |
| Cash dividends paid to minority shareholders                | (250)   | (376)   |
| Proceeds from share issuance to minority shareholders       | 4,767   | 2,334   |
| Other, net  | 805   | 446   |
| Net cash provided by (used in) financing activities         | (84,938)  | (35,842)  |
| Effect of exchange rate change on cash and cash equivalents | 187   | 2,361   |
| Net increase (decrease) in cash and cash equivalents        | 6,796   | 21,118  |
| Cash and cash equivalents at beginning of period            | 34,320  | 41,116  |
| Cash and cash equivalents at end of period                  | 41,116  | 62,235  |

**(Segment information)****(1) Industrial segment information**

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

(Millions of yen)

|   | Reporting Segment   |             |         |          | Other  | Total     | Elimination or corporate | Consolidated total |
|---|---------------------|-------------|---------|----------|--------|-----------|--------------------------|--------------------|
|   | Alcoholic beverages | Soft drinks | Foods   | Overseas |        |           |                          |                    |
| 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) million. Corporate assets are primarily the assets held 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.

Fiscal 2014 (January 1, 2014 to December 31, 2014)

(Millions of yen)

|   | Reporting Segment   |             |         |          | Other  | Total     | Elimination or corporate | Consolidated total |
|---|---------------------|-------------|---------|----------|--------|-----------|--------------------------|--------------------|
|   | Alcoholic beverages | Soft drinks | Foods   | Overseas |        |           |                          |                    |
| Net sales   |                     |             |         |          |        |           |                          |                    |
| 1) To outside customers   | 941,953             | 471,456     | 110,024 | 233,184  | 28,859 | 1,785,478 | -                        | 1,785,478          |
| 2) Inter-segment sales  | 22,663              | 5,110       | 1,965   | 1,542    | 54,889 | 86,170    | (86,170)                 | -                  |
| Total   | 964,616             | 476,567     | 111,989 | 234,726  | 83,748 | 1,871,649 | (86,170)                 | 1,785,478          |
| Operating income/loss   | 116,924             | 21,319      | 6,047   | (1,204)  | 202    | 143,289   | (14,983)                 | 128,305            |
| Segment Asset   | 717,292             | 354,837     | 90,997  | 650,963  | 18,885 | 1,832,976 | 103,632                  | 1,936,609          |
| Others  |                     |             |         |          |        |           |                          |                    |
| Depreciation  | 24,378              | 17,835      | 3,055   | 12,078   | 192    | 57,540    | 1,509                    | 59,050             |
| Amortization of goodwill  | 11                  | 3,248       | 437     | 10,125   | -      | 13,823    | -                        | 13,823             |
| Equity earnings of affiliates(Loss)                             | 30                  | -           | 181     | 7,705    | -      | 7,918     | 107                      | 8,025              |
| Investment in affiliates  | 80                  | -           | 8       | 223,746  | -      | 223,835   | 1,064                    | 224,900            |
| Increase in property, plant and equipment and intangible assets | 19,383              | 27,878      | 3,446   | 22,103   | 200    | 73,012    | 573                      | 73,586             |

(Notes)

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

2. Adjustment is as follows.

(a) Adjustment of segment income (loss) of¥(14,983) million includes corporate expense of¥(13,946) million which is not allocated to reportable segment and the elimination of inter-segment transactions, etc. of¥(1,037) million.

(b) Adjustment of segment assets of¥103,632 million includes corporate assets of¥123,552 million which is not allocated to reportable segment, and the receivables and payables elimination among inter-segment of¥(19,919). Corporate assets are primarily the assets held by the Company.

(c) Adjustment of depreciation of¥1,509 million is the depreciation related to corporate assets.

(d) Adjustment of equity in earnings (loss) of affiliates of¥107 million is the equity in earnings (loss) of affiliates related to corporate assets.

(e) Adjustment of investment in affiliates of¥1,064 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¥573 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.