

Asahi Group Holdings, Ltd.



FY2015 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 9, 2016. This translation was made for information only. The Company gives no warranty with respect to its correctness.

**Summary Report of Financial Results
(Fiscal 2015)**

February 09, 2016

Asahi Group Holdings, Ltd.

Code number: 2502
Shares Listed: First Section of each of Tokyo Stock Exchanges
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US GAAP: Not applicable

1. Consolidated Financial Results for Fiscal 2015 (From January 1, 2015 to December 31, 2015)

(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 2015 ended December 31, 2015	1,857,418	4.0	135,119	5.3	145,946	9.6	76,427	10.6
Fiscal 2014 ended December 31, 2014	1,785,478	4.2	128,305	9.2	133,168	7.7	69,118	11.9

(Note) Comprehensive income at the end of FY2015: 65,133 million yen (-41.5%)

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

	Net income per share (Primary)	Net income per share (Diluted)	ROE	ROA	Operating income ratio
	(yen)	(yen)	(%)	(%)	(%)
Fiscal 2015 ended December 31, 2015	166.25	166.18	8.8	7.6	7.3
Fiscal 2014 ended December 31, 2014	148.92	148.80	8.1	7.1	7.2

(Note) Equity in net income of unconsolidated subsidiaries at the end of FY2015: 14,167 million yen

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

(2) Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(yen)
Fiscal 2015 ended December 31, 2015	1,901,554	891,829	46.2	1,916.69
Fiscal 2014 ended December 31, 2014	1,936,609	896,510	45.5	1,904.64

(Note) Treasury stock at the end of FY2015: 877,672 million yen

Treasury stock at the end of FY2014: 881,019 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 2015 ended December 31, 2015	112,765	(75,583)	(73,044)	43,290
Fiscal 2014 ended December 31, 2014	146,783	(92,183)	(35,842)	62,235

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)	(%)	(%)
Fiscal 2015 ended December 31, 2015	-	22.00	-	23.00	45.00	21,054	30.2	2.4
Fiscal 2014 ended December 31, 2014	-	24.00	-	26.00	50.00	22,895	30.1	2.7
Year ended December 31, 2016 (Forecast)	-	26.00	-	27.00	53.00		30.3	

3. Projection for Fiscal 2016 (January 1, 2016 to December 31, 2016)

	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 2016 ending June 30, 2016	860,000	0.4	44,300	(6.3)	39,100	(24.4)	19,800	(49.9)	43.24
Fiscal 2016 ending December 31, 2016	1,870,000	0.7	137,000	1.4	138,000	(5.4)	80,000	4.7	174.71

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: No

(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, 2015 483,585,862 shares

Year ended December 31, 2014 483,585,862 shares

(2) Treasury stock:

Year ended December 31, 2015 25,676,299 shares

Year ended December 31, 2014 20,984,062 shares

(3) Average of issued Stock:

Year ended December 31, 2015 459,725,310 shares

Year ended December 31, 2014 464,142,183 shares

(Reference)

1. Non-consolidated Financial Results for Fiscal 2015 (From January 1, 2015 to December 31, 2015)

(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 2015 ended December 31, 2015	70,409	(19.6)	40,889	(33.8)	39,889	(35.3)	36,621	179.9
Fiscal 2014 ended December 31, 2014	87,519	75.0	61,772	134.9	61,609	133.4	13,084	(44.0)

	Net income per share (Primary)	Net income per share (Diluted)
	(yen)	(yen)
Fiscal 2015 ended December 31, 2015	79.66	79.63
Fiscal 2014 ended December 31, 2014	28.19	28.17

(2) Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(yen)
Fiscal 2015 ended December 31, 2015	916,123	517,508	56.5	1,130.15
Fiscal 2014 ended December 31, 2014	940,364	518,402	55.1	1,120.62

Notes: Equity at the end of FY2015 : 517,508 million yen Equity at the end of FY2014 : 518,402 million yen

* Implementation status of review processes

At the time of disclosure of this summary of consolidated financial results, the review procedures in accordance with the Financial Instruments and Exchange Act had not been completed.

* Forward-looking statements and other special instructions

The forward-looking statements that reflect Asahi's forecasts for consolidated and unconsolidated results in this document are based on information available at the time of the release of these materials and reasonable assumptions made by Asahi. Certain risks and uncertainties could cause the results of Asahi to differ materially from any projections presented herein.

5. Consolidated Financial Statements (Unaudited)

(1) Consolidated Balance Sheets (As of December 31, 2014 and December 31, 2015)

(Millions of yen)

	As of December 31, 2014	As of December 31, 2015
(Assets)		
Current assets		
Cash and deposits	65,064	48,210
Notes and accounts receivable - trade	353,704	362,240
Merchandise and finished goods	82,117	91,200
Raw materials and supplies	42,431	41,114
Deferred tax assets	13,012	15,048
Other	53,042	47,546
Allowance for doubtful accounts	(5,529)	(4,861)
Total current assets	<u>603,842</u>	<u>600,498</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	433,018	433,344
Accumulated depreciation	(263,734)	(267,980)
Buildings and structures, net	<u>169,283</u>	<u>165,364</u>
Machinery, equipment and vehicles	558,442	561,787
Accumulated depreciation	(423,378)	(426,872)
Machinery, equipment and vehicles, net	<u>135,064</u>	<u>134,914</u>
Tools, furniture and fixtures	138,901	143,017
Accumulated depreciation	(81,907)	(81,967)
Tools, furniture and fixtures, net	<u>56,993</u>	<u>61,049</u>
Land	202,051	193,891
Leased assets	45,010	40,947
Accumulated depreciation	(23,715)	(23,552)
Leased assets, net	<u>21,294</u>	<u>17,394</u>
Construction in progress	20,617	9,339
Other	179	222
Accumulated depreciation	(69)	(78)
Other, net	<u>109</u>	<u>144</u>
Total property, plant and equipment	<u>605,415</u>	<u>582,098</u>
Intangible assets		
Goodwill	195,859	145,104
Other	99,930	90,444
Total intangible assets	<u>295,790</u>	<u>235,549</u>
Investments and other assets		
Investment securities	375,044	422,469
Long-term loans receivable	2,335	2,458
Long-term prepaid expenses	12,490	11,905
Net defined benefit asset	19,252	24,574
Deferred tax assets	9,448	8,183
Other	16,116	16,388
Allowance for doubtful accounts	(3,124)	(2,571)
Total investments and other assets	<u>431,561</u>	<u>483,408</u>
Total non-current assets	<u>1,332,767</u>	<u>1,301,056</u>
Total assets	<u>1,936,609</u>	<u>1,901,554</u>

(Continued)

(Millions of yen)

	As of December 31, 2014	As of December 31, 2015
(Liabilities)		
Current liabilities		
Notes and accounts payable - trade	130,402	126,800
Short-term loans payable	173,938	148,750
Current portion of long-term loans payable	10,941	7,489
Commercial papers	76,000	63,000
Current portion of bonds	20,000	30,000
Lease obligations	8,486	7,567
Accrued alcohol tax	110,361	110,044
Accrued consumption taxes	26,617	17,857
Income taxes payable	27,396	23,460
Accounts payable - other	73,097	69,521
Accrued expenses	71,137	76,655
Deposits received	18,255	18,076
Provision for bonuses	4,685	4,917
Other	6,054	11,053
Total current liabilities	757,374	715,193
Non-current liabilities		
Bonds payable	113,000	118,000
Long-term loans payable	40,846	47,690
Lease obligations	14,810	11,590
Provision for directors' retirement benefits	302	237
Net defined benefit liability	26,525	23,377
Deferred tax liabilities	48,611	54,445
Asset retirement obligations	430	441
Other	38,198	38,748
Total non-current liabilities	282,724	294,531
Total liabilities	1,040,099	1,009,725
(Net assets)		
Shareholders' equity		
Capital stock	182,531	182,531
Capital surplus	143,339	120,524
Retained earnings	477,427	524,859
Treasury shares	(58,176)	(77,377)
Total shareholders' equity	745,120	750,537
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28,850	45,799
Deferred gains or losses on hedges	(218)	(82)
Foreign currency translation adjustment	107,832	81,259
Remeasurements of defined benefit plans	(492)	157
Total accumulated other comprehensive income	135,970	127,134
Minority interests	15,419	14,157
Total net assets	896,510	891,829
Total liabilities and net assets	1,936,609	1,901,554

(2) Consolidated Income Statements and Comprehensive Income Statements

(From January 1 to December 31, 2014 and 2015)

<Consolidated Income Statements>

(Millions of yen)

	Year ended December 31, 2014 (From January 1 to December 31)	Year ended December 31, 2015 (From January 1 to December 31)
Net sales	1,785,478	1,857,418
Cost of sales	1,073,439	1,100,519
Gross profit	712,039	756,899
Selling, general and administrative expenses		
Sales commission	247,058	267,557
Advertising expenses	52,738	50,549
Haulage expenses	57,145	61,355
Provision of allowance for doubtful accounts	88	(503)
Salaries, allowances and bonuses	88,125	94,898
Retirement benefit expenses	5,024	4,005
Depreciation	23,560	24,154
Amortization of goodwill	13,823	10,564
Other	96,170	109,196
Total selling, general and administrative expenses	583,733	621,779
Operating income	128,305	135,119
Non-operating income		
Interest income	453	583
Dividend income	1,840	2,112
Foreign exchange gains	1,404	-
Share of profit of entities accounted for using equity method	8,025	14,167
Other	1,437	2,526
Total non-operating income	13,161	19,389
Non-operating expenses		
Interest expenses	3,686	3,615
Other	4,612	4,947
Total non-operating expenses	8,299	8,562
Ordinary income	133,168	145,946
Extraordinary income		
Gain on sales of non-current assets	16,243	833
Gain on sales of investment securities	611	1,011
Settlement received	16,994	-
Gain on step acquisitions		5,932
Other	250	184
Total extraordinary income	34,099	7,961
Extraordinary losses		
Loss on sales and retirement of non-current assets	4,166	4,903
Loss on sales of investment securities	28	157
Loss on valuation of investment securities	23	2,619
Impairment loss	23,701	21,336
Business integration expenses	5,686	8,049
Other	4,525	4,090
Total extraordinary losses	38,131	41,157

(Continued)

	(Millions of yen)	
	Year ended December 31, 2014 (From January 1 to December 31)	Year ended December 31, 2015 (From January 1 to December 31)
Income before income taxes and minority interests	129,136	112,750
Income taxes - current	52,018	42,532
Income taxes - deferred	7,934	(4,920)
Total income taxes	59,952	37,611
Income before minority interests	69,183	75,138
Minority interests in income or loss	65	(1,288)
Net income	69,118	76,427

<Comprehensive Income Statements>

	(Millions of yen)	
	Year ended December 31, 2014 (From January 1 to December 31)	Year ended December 31, 2015 (From January 1 to December 31)
Income before minority interests	69,183	75,138
Other comprehensive income		
Valuation difference on available-for-sale securities	7,868	16,950
Deferred gains or losses on hedges	(442)	136
Foreign currency translation adjustment	21,162	(35,093)
Remeasurements of defined benefit plans, net of tax	-	618
Share of other comprehensive income of entities accounted for using equity method	13,632	7,382
Total other comprehensive income	42,221	(10,005)
Comprehensive income	111,404	65,133
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	109,985	67,869
Comprehensive income attributable to minority interests	1,419	(2,736)

(3) Consolidated Statements of changes in net assets

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

(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
Cumulative effect of a change in accounting policy					
Initial balance reflecting change in accounting policy	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
Cumulative effect of a change in accounting policy							
Initial balance reflecting change in accounting policy	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

(3) Consolidated Statements of changes in net assets

Fiscal 2015 (January 1, 2015 to December 31, 2015)

(Millions of yen)

	shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	182,531	143,339	477,427	(58,176)	745,120
Cumulative effect of a change in accounting policy		(22,443)	(7,365)		(29,809)
Initial balance reflecting change in accounting policy	182,531	120,895	470,061	(58,176)	715,311
Changes of items during period					
Dividends of surplus			(21,629)		(21,629)
Net income			76,427		76,427
Purchase of treasury shares				(20,031)	(20,031)
Disposal of treasury shares		(370)		831	460
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(370)	54,798	(19,200)	35,226
Balance at end of current period	182,531	120,554	524,859	(77,377)	750,537

(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	28,850	(218)	107,832	(492)	135,970	15,419	896,510
Cumulative effect of a change in accounting policy			(277)		(277)		(30,086)
Initial balance reflecting change in accounting policy	28,850	(218)	107,554	(492)	135,693	15,419	866,423
Changes of items during period							
Dividends of surplus							(21,629)
Net income							76,427
Purchase of treasury shares							(20,031)
Disposal of treasury shares							460
Net changes of items other than shareholders' equity	16,949	136	(26,295)	650	(8,558)	(1,261)	(9,820)
Total changes of items during period	16,949	136	(26,295)	650	(8,558)	(1,261)	25,406
Balance at end of current period	45,799	(82)	81,259	157	127,134	14,157	891,829

(4) Consolidated Statements of Cash Flows

(From January 1 to December 31, 2014 and 2015)

(Millions of yen)

	Year ended December 31, 2014 (From January 1 to December 31)	Year ended December 31, 2015 (From January 1 to December 31)
-		
Cash flows from operating activities		
Income before income taxes and minority interests	129,136	112,750
Depreciation	59,050	60,682
Impairment loss	23,701	21,336
Amortization of goodwill	14,247	10,564
Increase (decrease) in net defined benefit asset and liability	(3,908)	(5,308)
Increase (decrease) in allowance for doubtful accounts	(29)	(1,148)
Interest and dividend income	(2,294)	(2,695)
Interest expenses	3,686	3,615
Foreign exchange profit (loss)	(415)	2,465
Share of (profit) loss of entities accounted for using equity method	(8,025)	(14,167)
Loss (gain) on sales of investment securities	(583)	(853)
Loss (gain) on valuation of investment securities	23	2,619
Loss (gain) on sales of non-current assets	(16,243)	(833)
Loss (gain) on sales and retirement of non-current assets	4,166	4,903
Settlement received	(16,994)	-
The difference between gains and losses on step acquisition	-	(5,932)
Decrease (increase) in notes and accounts receivable - trade	(26,223)	(12,775)
Decrease (increase) in inventories	(838)	(4,721)
Increase (decrease) in notes and accounts payable - trade	5,748	(3,030)
Increase (Decrease) in accrued alcohol tax payable	(80)	(173)
Increase (decrease) in accrued consumption taxes	15,301	(8,786)
Bonuses paid to directors and corporate auditors	(349)	(369)
Other, net	7,771	18,087
Subtotal	186,846	176,227
Interest and dividend income received	8,329	8,798
Interest expenses paid	(3,676)	(3,644)
Settlement received	20,306	-
Income taxes paid	(65,022)	(68,616)
Net cash provided by (used in) operating activities	146,783	112,765
Cash flows from investing activities		
Payments into time deposits	(1,219)	(1,830)
Proceeds from withdrawal of time deposits	336	1,912
Purchase of property, plant and equipment	(55,205)	(46,504)
Proceeds from sales of property, plant and equipment	22,439	5,239
Purchase of intangible assets	(8,831)	(5,004)
Purchase of investment securities	(18,147)	(3,822)
Proceeds from sales of investment securities	3,405	2,279
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(28,563)	(21,257)
Payments for transfer of business	(2,408)	-
Payments of loans receivable	(384)	(1,542)
Collection of loans receivable	1,153	1,193
Other, net	(4,757)	(6,247)
Net cash provided by (used in) investing activities	(92,183)	(75,583)

(Continued)

	(Millions of yen)	
	Year ended December 31, 2014 (From January 1 to December 31)	Year ended December 31, 2015 (From January 1 to December 31)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	48,383	(36,328)
Repayments of lease obligations	(9,367)	(9,198)
Proceeds from long-term loans payable	16,043	13,828
Repayments of long-term loans payable	(9,169)	(14,113)
Proceeds from issuance of bonds	35,000	35,000
Redemption of bonds	(48,405)	(20,000)
Purchase of treasury shares	(50,378)	(20,031)
Cash dividends paid	(20,353)	(21,629)
Cash dividends paid to minority shareholders	(376)	(479)
Proceeds from share issuance to minority shareholders	2,334	-
Other, net	446	(92)
Net cash provided by (used in) financing activities	<u>(35,842)</u>	<u>(73,044)</u>
Effect of exchange rate change on cash and cash equivalents	<u>2,361</u>	<u>(4,558)</u>
Net increase (decrease) in cash and cash equivalents	<u>21,118</u>	<u>(40,421)</u>
Cash and cash equivalents at beginning of period	<u>41,116</u>	<u>62,235</u>
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	<u>-</u>	<u>21,476</u>
Cash and cash equivalents at end of period	<u>62,235</u>	<u>43,290</u>

(5) Segment information

Fiscal 2014 (January 1 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	946,616	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.

- Adjustment of segment income (loss) of (14,983) million yen includes corporate expense of (13,946) million yen which is not allocated to reportable segment and the elimination of inter-segment transactions, etc. of (1,037) million yen.
- Adjustment of segment assets of 103,632 million yen includes corporate assets of 123,552 million yen which is not allocated to reportable segment, and the receivables and payables elimination among inter-segment of (19,919) million yen. Corporate assets are primarily the assets held by the Company.
- Adjustment of depreciation of 1,509 million yen is the depreciation related to corporate assets.
- Adjustment of equity in earnings (loss) of affiliates of 107 million yen is the equity in earnings (loss) of affiliates related to corporate assets.
- Adjustment of investment in affiliates of 1,064 million yen is the equity in earnings (loss) of affiliates related to corporate assets.
- Adjustment of investment in increase in property, plant and equipment and intangible assets of 573 million yen 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 2015 (January 1 to December 31, 2015)

(Millions of yen)

	Reporting Segment				Other	Total	Elimination or corporate	Consolidated total
	Alcoholic beverages	Soft drinks	Foods	Overseas				
Net sales								
1) To outside customers	972,924	490,186	115,035	249,734	29,537	1,857,418	-	1,857,418
2) Inter-segment sales	26,900	4,920	2,176	2,210	57,069	93,278	(93,278)	-
Total	999,825	495,106	117,212	251,945	86,607	1,950,696	(93,278)	1,857,418
Operating income/loss	118,732	22,409	8,074	3,519	1,305	154,043	(18,923)	135,119
Segment Asset	755,893	317,591	92,425	673,184	19,038	1,858,132	43,421	1,901,554
Others								
Depreciation	24,182	18,867	3,236	12,718	201	59,205	1,476	60,682
Amortization of goodwill	581	1,343	371	8,267	-	10,564	-	10,564
Equity earnings of affiliates(Loss)	44	-	(10)	14,012	-	14,046	120	14,167
Investment in affiliates	125	-	-	185,696	-	185,822	1,120	186,942
Increase in property, plant and equipment and intangible assets	18,095	16,637	5,359	15,680	201	55,975	855	56,830

(Notes)

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

2. Adjustment is as follows.

- Adjustment of segment income (loss) of (18,923) million yen includes corporate expense of (17,411) million yen which is not allocated to reportable segment and the elimination of inter-segment transactions, etc. of (1,511) million yen.
- Adjustment of segment assets of 43,421 million yen includes corporate assets of 65,885 million yen which is not allocated to reportable segment, and the receivables and payables elimination among inter-segment of (22,463) million yen. Corporate assets are primarily the assets held by the Company.
- Adjustment of depreciation of 1,476 million yen is the depreciation related to corporate assets.
- Adjustment of equity in earnings (loss) of affiliates of 120 million yen is the equity in earnings (loss) of affiliates related to corporate assets.
- Adjustment of investment in affiliates of 1,120 million yen is the equity in earnings (loss) of affiliates related to corporate assets.
- Adjustment of investment in increase in property, plant and equipment and intangible assets of 855 million yen 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.