

2017 Q1 Consolidated Financial Results Highlight

◆ Business Performance Highlight

(Billions of yen)

	Q1 (3 month ended March 31)				H1 forecast (announced on February 15)			
		2016	Inc./Dec.	YoY		2016	Inc./Dec.	YoY
Revenue	379.2	345.9	33.2	9.6%	843.0	778.9	64.1	8.2%
Domestic Business	219.3	212.1	7.3	3.4%	491.2	490.3	0.9	0.2%
Overseas Business	73.5	53.0	20.5	38.7%	149.5	99.9	49.6	49.6%
Revenue excluding liquor tax	292.8	265.0	27.8	10.5%	640.7	590.2	50.5	8.5%
Core operating profit *	15.0	12.5	2.5	20.0%	58.1	54.6	3.5	6.5%
Operating profit	13.6	12.9	0.7	5.7%	52.8	52.8	0.0	0.1%
Profit before tax	5.9	5.0	0.9	17.4%	49.0	47.7	1.3	2.8%
Profit	2.7	2.1	0.7	32.2%	36.1	30.3	5.8	19.0%
Profit attributable to owners of parent	2.8	2.1	0.6	29.8%	36.0	30.7	5.3	17.1%

* Core operating profit is the reference index for normalized business performance.

Core operating profit = Revenue - (COGS + general administrative cost)

◆ Reference Index

	Q1 (3 month ended March 31)			H1 forecast (announced on February 15)		
		2016	Inc./Dec.		2016	Inc./Dec.
Alcohol Beverages Business (including liquor tax)	8.0%	7.9%	0.1%	10.4%	10.4%	0.0%
(excluding liquor tax)	13.3%	13.2%	0.1%	17.4%	17.4%	0.0%
Soft Drinks Business	4.3%	0.5%	3.8%	7.4%	7.3%	0.1%
Food Business	11.3%	6.8%	4.5%	9.4%	9.1%	0.3%
Overseas Business	2.8%	5.0%	- 2.2%	6.6%	5.0%	1.6%
Core operating profit margin (including liquor tax)	4.0%	3.6%	0.4%	6.9%	7.0%	- 0.1%
(excluding liquor tax)	5.1%	4.7%	0.4%	9.1%	9.2%	- 0.1%
EPS (yen)	6.1	4.7	1.4	78.6	67.1	11.5

2017 Q1 Consolidated Financial Results

◆ Summary of Statement of Profit or Loss

(Billions of yen)

	Q1 (3 month ended March 31)				H1 forecast (announced on February 15)			
	2016	Inc./Dec.	YoY		2016	Inc./Dec.	YoY	
Alcohol Beverages Business	190.4	189.1	1.4	0.7%	446.1	443.6	2.5	0.6%
Soft Drinks Business	75.2	70.5	4.6	6.6%	170.5	169.3	1.2	0.7%
Food Business	27.0	25.4	1.6	6.2%	52.3	53.1	- 0.8	- 1.5%
Overseas Business	84.2	58.4	25.8	44.1%	171.8	109.8	62.0	56.5%
Other Business	23.2	21.9	1.4	6.2%	51.3	48.6	2.7	5.4%
Adjustmenet (corporate and elimination)	- 20.8	- 19.3	- 1.4	-	- 49.0	- 45.6	- 3.4	-
Revenue	379.2	345.9	33.2	9.6%	843.0	778.9	64.1	8.2%
Alcohol Beverages Business	15.2	14.9	0.3	1.8%	46.2	46.2	0.0	0.0%
Soft Drinks Business	3.2	0.4	2.9	787.2%	12.7	12.3	0.4	3.3%
Food Business	3.1	1.7	1.3	76.8%	4.9	4.8	0.1	1.8%
Overseas Business *	2.3	2.9	- 0.6	- 20.8%	11.4	5.5	5.9	106.8%
Other Business	- 0.9	- 0.5	- 0.5	-	- 0.1	0.3	- 0.4	-
Adjustmenet (corporate and elimination)	- 4.3	- 4.4	0.0	-	- 9.8	- 9.4	- 0.4	-
Amortization of acquisition-related intangible assets	- 2.4	- 1.3	- 1.0	-	- 4.7	- 2.7	- 2.0	-
Corporate adjustment (IFRS adjustment)	- 1.2	- 1.3	0.1	-	- 2.5	- 2.5	- 0.0	-
Core operating profit	15.0	12.5	2.5	20.0%	58.1	54.6	3.5	6.5%
Adjustment item	- 1.4	0.4	- 1.8	-	- 5.3	- 1.8	- 3.5	-
Gain (loss) on sales and retirement of non current assets	0.1	1.2	- 1.1	- 92.9%	- 2.3	0.6	- 2.9	-
Business integration expenses	- 0.5	- 0.5	0.0	-	-	- 1.4	1.4	-
Others	- 1.0	- 0.3	- 0.7	-	- 3.0	- 1.1	- 2.0	-
Operating profit	13.6	12.9	0.7	5.7%	52.8	52.8	0.0	0.1%
Financing income or loss	- 0.7	- 0.5	- 0.2	-	- 0.5	0.2	- 0.7	-
Share of profit (loss) of entities accounted for using equity method	- 5.5	- 6.2	0.8	-	- 3.3	- 4.0	0.7	-
Others	- 1.6	- 1.1	- 0.5	-	-	- 1.3	1.3	-
Profit before tax	5.9	5.0	0.9	17.4%	49.0	47.7	1.3	2.8%
Income tax expense	- 3.2	- 3.0	- 0.2	-	- 12.9	- 17.3	4.4	-
Profit	2.7	2.1	0.7	32.2%	36.1	30.3	5.8	19.0%
Profit attributable to owners of parent	2.8	2.1	0.6	29.8%	36.0	30.7	5.3	17.1%
Profit attributable to non-controlling interests	- 0.1	- 0.1	0.0	-	0.1	- 0.4	0.5	-

* Core operating profit in Overseas Business includes one-off cost of Western Europe business (JPY 0.4 billion) and acquisition related costs of Central and Eastern Europe business (JPY 2.2 billion)

◆ Summary of Statement of Financial Position

	Q1 (as of March 31)			
	2016	Inc./Dec.	YoY	
Total Assets	2,991.8	2,086.4	905.4	43.4%
Total Equity	835.8	846.1	- 10.3	- 1.2%
Total equity attributable to owners of parent	826.1	836.4	- 10.2	- 1.2%
Interest-bearing debt	1,501.0	570.4	930.6	163.2%

* We have used a provisional accounting treatment since PPA related to the acquisition of Central and Eastern Europe business is not completed.

◆ Others

	Q1 (3 month ended March 31)			
	2016	Inc./Dec.	YoY	
Capital expenditures	12.7	10.6	2.2	20.5%
Depreciation	13.2	13.1	0.1	0.7%

* Capital expenditures and depreciation do not include lease assets or trademarks at the time of acquisition of subsidiaries.

2017 Q1 Financial Results (Individual)

◆ Revenue

(Billions of yen)

	Q1 (3 month ended March 31)				H1 forecast (announced on February 15)			
	2016	Inc./Dec.	YoY		2016	Inc./Dec.	YoY	
Asahi Breweries	189.3	186.9	2.4	1.3%	443.9	440.5	3.4	0.8%
Other / elimination in segment	8.8	8.4	0.3	4.1%	17.9	18.3	- 0.4	- 2.1%
Corporate adjustment (IFRS adjustment)	- 7.6	- 6.2	- 1.4	-	- 15.7	- 15.2	- 0.5	-
Alcohol Beverages Business	190.4	189.1	1.4	0.7%	446.1	443.6	2.5	0.6%
Asahi Soft Drinks	98.1	92.6	5.5	5.9%	225.8	223.5	2.3	1.0%
LB	4.3	4.5	- 0.1	- 3.2%	10.2	10.3	- 0.1	- 1.1%
Other / elimination in segment	- 0.4	- 0.4	0.0	-	- 1.0	- 1.0	0.0	-
Corporate adjustment (IFRS adjustment)	- 26.9	- 26.2	- 0.7	-	- 64.5	- 63.5	- 1.0	-
Soft Drinks Business	75.2	70.5	4.6	6.6%	170.5	169.3	1.2	0.7%
Asahi Group Foods	29.5	27.3	2.2	8.0%	58.8	59.2	- 0.4	- 0.6%
Other / elimination in segment	- 0.0	0.0	- 0.0	-	-	0.0	- 0.0	-
Corporate adjustment (IFRS adjustment)	- 2.5	- 1.9	- 0.6	-	- 6.5	- 6.1	- 0.4	-
Food Business	27.0	25.4	1.6	6.2%	52.3	53.1	- 0.8	- 1.5%
Europe business	24.5	-	24.5	-	56.9	-	56.9	-
Oceania business	41.5	37.6	3.8	10.1%	73.6	68.8	4.8	7.0%
Southeast Asia business	13.0	14.7	- 1.8	- 12.1%	30.8	28.8	2.0	6.9%
China business	4.2	4.6	- 0.5	- 10.2%	8.0	9.4	- 1.4	- 15.3%
Other / elimination in segment	1.1	1.4	- 0.3	- 18.1%	2.5	2.7	- 0.2	- 9.0%
Corporate adjustment (IFRS adjustment)	-	-	-	-	-	-	-	-
Overseas Business	84.2	58.4	25.8	44.1%	171.8	109.8	62.0	56.5%
Other Business	23.2	21.9	1.4	6.2%	51.3	48.6	2.7	5.4%
Adjustment (corporate and elimination)	- 20.8	- 19.3	- 1.4	-	- 49.0	- 45.6	- 3.4	-
Total	379.2	345.9	33.2	9.6%	843.0	778.9	64.1	8.2%

◆ Core Operating Profit

(Billions of yen)

	Q1 (3 month ended March 31)				H1 forecast (announced on February 15)			
	2016	Inc./Dec.	YoY		2016	Inc./Dec.	YoY	
Asahi Breweries	15.1	14.9	0.2	1.4%	45.9	45.7	0.1	0.3%
Other / elimination in segment	0.1	0.1	0.1	77.2%	0.3	0.5	- 0.1	- 25.4%
Alcohol Beverages Business	15.2	14.9	0.3	1.8%	46.2	46.2	0.0	0.0%
Asahi Soft Drinks	3.1	0.2	2.9	-	12.3	11.9	0.4	3.7%
LB	0.0	0.0	- 0.0	- 89.9%	0.2	0.3	- 0.0	- 14.0%
Other / elimination in segment	0.1	0.1	0.0	40.7%	0.2	0.2	0.0	5.8%
Soft Drinks Business	3.2	0.4	2.9	787.2%	12.7	12.3	0.4	3.3%
Asahi Group Foods	2.9	1.6	1.2	75.3%	4.7	4.8	- 0.1	- 2.3%
Other / elimination in segment	0.2	0.1	0.1	103.6%	0.2	- 0.0	0.2	-
Food Business	3.1	1.7	1.3	76.8%	4.9	4.8	0.1	1.8%
Europe business *1	- 0.8	-	- 0.8	-	5.5	-	5.5	-
Oceania business	2.7	1.6	1.1	71.0%	3.5	3.0	0.5	15.8%
Southeast Asia business	0.1	0.9	- 0.8	- 93.1%	1.8	1.7	0.1	7.0%
China business	0.2	0.5	- 0.2	- 51.1%	0.7	0.9	- 0.2	- 26.1%
Other / elimination in segment	0.1	- 0.0	0.1	-	- 0.1	- 0.1	- 0.0	-
Overseas Business	2.3	2.9	- 0.6	- 20.8%	11.4	5.5	5.9	106.8%
Other Business	- 0.9	- 0.5	- 0.5	-	- 0.1	0.3	- 0.4	-
Adjustment (corporate and elimination) *2	- 4.3	- 4.4	0.0	-	- 9.8	- 9.4	- 0.4	-
Amortization of acquisition-related intangible assets	- 2.4	- 1.3	- 1.0	-	- 4.7	- 2.7	- 2.0	-
IFRS adjustment	- 1.2	- 1.3	0.1	-	- 2.5	- 2.5	- 0.0	-
Total	15.0	12.5	2.5	20.0%	58.1	54.6	3.5	6.5%

*1 Core operating profit in Overseas Business includes acquisition related expenses of Central and Eastern Europe business (JPY 2.2 billion)

*2 Adjustment to Core operating profit includes all corporate expenses incurred by Asahi Group Holdings.

In addition, Asahi Group Holdings records income from major subsidiaries such as management fees and corporate brand royalties on a non-consolidated basis. Core operating profit for each business segment has been arrived at without taking into account major subsidiaries' expenditures for these management fees and corporate brand royalties.

Reference

◆Details of amortization of acquisition-related intangible assets

(Billions of yen)

	2017 Q1 (3month ended March 31)	Inc./Dec.	Remarks
Alcohol Beverages Business	- 0.1	-	
Soft Drinks Business	- 0.4	-	
Food Business	-	-	
Europe business	- 1.0	- 1.0	
Oceania business	- 0.6	0.0	
Southeast Asia business	- 0.2	0.0	
Overseas Business	- 1.8	- 1.0	
Other Business	- 0.0	-	
Total	- 2.4	- 1.0	

◆Overseas Business excluding the impact of foreign exchange

(Billions of yen)

	Q1 (3 month ended March 31)				H1 forecast (announced on February 15)			
	2016	Inc./Dec.	YoY		2016	Inc./Dec.	YoY	
Europe business	24.5	-	24.5	-	56.9	-	56.9	-
Oceania business	40.1	37.6	2.4	6.4%	72.6	68.8	3.8	5.5%
Southeast Asia business	13.8	14.7	- 1.0	- 6.6%	33.5	28.8	4.6	16.1%
China business	4.4	4.6	- 0.2	- 4.6%	9.1	9.4	- 0.3	- 3.7%
Other / elimination in segment	1.1	1.4	- 0.3	- 19.1%	2.7	2.7	- 0.0	- 0.2%
Corporate adjustment (IFRS adjustment)	-	-	-	-	-	-	-	-
Revenue	83.8	58.4	25.4	43.5%	174.8	109.8	65.0	59.2%
Europe business	- 0.8	-	- 0.8	-	5.5	-	5.5	-
Oceania business	2.6	1.6	1.0	65.3%	3.4	3.0	0.4	14.2%
Southeast Asia business	0.1	0.9	- 0.8	- 91.5%	1.9	1.7	0.3	16.8%
China business	0.2	0.5	- 0.2	- 48.0%	0.8	0.9	- 0.1	- 16.0%
Other / elimination in segment	0.0	- 0.0	0.1	-	- 0.1	- 0.1	- 0.0	-
Core operating profit	2.3	2.9	- 0.7	- 23.3%	11.6	5.5	6.1	110.5%

* The figures in 2017 are converted by the previous year's local currency rate

* The figures of Europe business is the results of FY2017

◆Exchange Rate

(Yen)

	2016 Q1 (Average)	2017 Q1 (Average)	2017 Target (announced on Feb. 15)	
US dollar	115.4	113.6	110.0	
(Share of profit (loss) of entities accounted for using equity method)	121.5	109.4	110.0	* Tingyi-Asahi Beverages Holding
Euro	-	121.1	120.0	
Australian dollar	83.3	86.2	83.0	
Ringgit Malaysia	27.5	25.6	25.0	
Indonesian Rupiah	0.0086	0.0085	0.0078	
Chinese Yuan	17.6	16.6	15.0	
(Share of profit (loss) of entities accounted for using equity method)	18.9	16.0	15.0	* Tsingtao Brewery

2017 Q1 Breakdown of Inc./Dec. in Revenue and Profit (Alcohol Beverages Business)

< Asahi Breweries Sales Volume >

(Millions of cases)

	Q1 (3 month ended March 31)				H1 forecast (announced on February 15)			
		2016	Inc./Dec.	YoY		2016	Inc./Dec.	YoY
Beer	-	-	-	- 2%	46.00	45.62	0.37	0.8%
Happoshu	-	-	-	0%	6.50	7.15	- 0.66	- 9.2%
New Genre	-	-	-	6%	21.00	20.18	0.82	4.1%
Beer-type beverages total	-	-	-	0%	73.50	72.96	0.54	0.7%

< Summary of Statement of Profit or Loss >

(Billions of yen)

Beer	100.3	102.3	- 2.0	- 1.9%	249.5	246.8	2.7	1.1%
Happoshu	12.1	12.2	- 0.1	- 0.8%	25.1	27.7	- 2.6	- 9.4%
New Genre	30.2	28.4	1.8	6.2%	69.6	66.9	2.7	4.1%
Beer-type beverages total	142.6	142.9	- 0.3	- 0.2%	344.2	341.4	2.8	0.8%
Whiskey and spirits	12.3	12.0	0.3	2.8%	24.7	25.9	- 1.2	- 4.8%
Wine	9.0	9.1	- 0.1	- 1.0%	19.3	18.6	0.7	3.8%
RTD low-alcohol beverages	7.9	6.2	1.7	27.5%	17.3	16.0	1.2	7.8%
Shochu	6.2	6.2	0.0	0.1%	13.5	13.1	0.3	2.6%
Other	0.0	0.0	- 0.0	- 15.5%	0.0	0.0	0.0	86.3%
Other alcohol beverages total	35.5	33.5	2.0	5.8%	74.8	73.7	1.1	1.5%
Non-alcohol beverages	5.7	5.6	0.1	2.0%	13.6	13.6	0.0	0.2%
Other, contracted manufacture, etc.	5.6	4.9	0.6	12.6%	11.3	11.8	- 0.5	- 4.3%
Asahi Breweries Revenue	189.3	186.9	2.4	1.3%	443.9	440.5	3.4	0.8%
Other / elimination in segment	8.8	8.4	0.3	4.1%	17.9	18.3	- 0.4	- 2.1%
Corporate adjustment (IFRS adjustment)	- 7.6	- 6.2	- 1.4	-	- 15.7	- 15.2	- 0.5	-
Revenue total	190.4	189.1	1.4	0.7%	446.1	443.6	2.5	0.6%

(Billions of yen)

	Q1 (3 month ended March 31)				H1 forecast (announced on February 15)			
		2016	Inc./Dec.	YoY		2016	Inc./Dec.	YoY
Beer-type - Decrease in sales volume *1	-	-	0.0		-	-	1.0	
Change in Beer-type *2	-	-	0.1		-	-	0.2	
Other alcohol beverages - increase in sales volume	-	-	0.9		-	-	0.3	
Cost reduction in manufacturing *3	-	-	1.1		-	-	1.2	
Cost increase in manufacturing *4	-	-	- 0.2		-	-	- 0.3	
Increase in advertising and sales promotion expense *5	23.1	22.9	- 0.2		51.4	51.6	0.2	
Increase in other expenses	-	-	- 1.4		-	-	- 2.5	
Increase in personnel expenses	-	-	- 0.3		-	-	- 0.8	
Decrease in depreciation	-	-	0.1		-	-	0.2	
Increase in sales equipment expenses	-	-	- 0.3		-	-	- 0.5	
Increase in others *6	-	-	- 0.9		-	-	- 1.4	
Asahi Breweries Core operating profit	15.1	14.9	0.2	1.4%	45.9	45.7	0.1	0.3%
Other / elimination in segment	0.1	0.1	0.1	77.2%	0.3	0.5	- 0.1	- 25.4%
Core operating profit total	15.2	14.9	0.3	1.8%	46.2	46.2	0.0	0.0%

*1 Beer -0.8, Happoshu 0.0, New genre 0.8

*2 Category mix 0.0, Container mix 0.1

*3 Raw materials 0.6, Utilities 0.2, Mix improvement of other than beer-type 0.2, and others

*4 Raw materials -0.1, and others

*5 Advertisement 0.1, Promotion expense -0.3 (Beer-type 0.2, other -0.4)

*6 Impact of tax revision -0.2, and others

2017 Q1 Breakdown of Inc./Dec. in Revenue and Profit (Soft Drinks Business)

< Asahi Soft Drinks Sales Volume >

(Millions of cases)

	Q1 (3 month ended March 31)				H1 forecast (announced on February 15)			
	2016	Inc./Dec.	YoY		2016	Inc./Dec.	YoY	
Carbonated drinks	11.88	10.76	1.11	10.4%	28.76	27.54	1.22	4.4%
Fruit juice	4.87	4.76	0.10	2.1%	9.66	11.11	- 1.44	- 13.0%
Coffee	10.77	10.09	0.68	6.7%	22.76	21.62	1.15	5.3%
Tea	8.08	8.22	- 0.15	- 1.8%	19.61	19.70	- 0.09	- 0.4%
Mineral water	4.28	4.61	- 0.33	- 7.1%	13.60	12.08	1.52	12.5%
Lactic acid drinks *	8.30	7.64	0.66	8.7%	19.05	19.09	- 0.04	- 0.2%
Other drinks **	3.71	3.42	0.29	8.5%	7.20	8.43	- 1.23	- 14.6%
Asahi Soft Drinks total	51.89	49.51	2.38	4.8%	120.64	119.57	1.08	0.9%

< Summary of Statement of Profit or Loss >

(Billions of yen)

Carbonated drinks	18.9	17.2	1.7	10.1%	46.8	44.1	2.6	6.0%
Fruit juice	7.9	7.6	0.3	3.6%	15.5	17.6	- 2.1	- 11.9%
Coffee	22.7	21.4	1.4	6.4%	48.3	45.7	2.6	5.6%
Tea	12.4	12.8	- 0.3	- 2.5%	30.5	30.6	- 0.0	- 0.1%
Mineral water	4.8	5.2	- 0.3	- 6.3%	15.9	13.9	2.0	14.5%
Lactic acid drinks *	18.0	16.3	1.7	10.4%	41.7	41.8	- 0.1	- 0.2%
Other drinks **	10.6	9.2	1.4	15.1%	21.7	23.8	- 2.1	- 8.9%
Other	2.7	3.0	- 0.3	- 10.4%	5.4	6.0	- 0.6	- 10.0%
Asahi Soft Drinks Revenue	98.1	92.6	5.5	5.9%	225.8	223.5	2.3	1.0%
LB Revenue	4.3	4.5	- 0.1	- 3.2%	10.2	10.3	- 0.1	- 1.1%
Other / elimination in segment	- 0.4	- 0.4	0.0	-	- 1.0	- 1.0	0.0	-
Corporate adjustment (IFRS adjustment)	- 26.9	- 26.2	- 0.7	-	- 64.5	- 63.5	- 1.0	-
Revenue total	75.2	70.5	4.6	6.6%	170.5	169.3	1.2	0.7%

(Billions of yen)

	Q1 (3 month ended March 31)				H1 forecast (announced on February 15)			
	2016	Inc./Dec.	YoY		2016	Inc./Dec.	YoY	
Increase in sales volume	-	-	1.5		-	-	0.5	
Change in product & package mix	-	-	0.5		-	-	0.2	
Cost reduction *1	-	-	0.7		-	-	1.2	
Cost increase *2	-	-	- 0.1		-	-	- 0.2	
Decrease in advertising and sales promotion expenses *3	-	-	0.5		-	-	- 0.4	
Increase in other expenses *4	-	-	- 0.2		-	-	- 0.8	
Asahi Soft Drinks core operating profit	3.1	0.2	2.9	-	12.3	11.9	0.4	3.7%
LB core operating profit	0.0	0.0	- 0.0	- 89.9%	0.2	0.3	- 0.0	- 14.0%
Other / elimination in segment	0.1	0.1	0.0	40.7%	0.2	0.2	0.0	5.8%
Core operating profit total	3.2	0.4	2.9	787.2%	12.7	12.3	0.4	3.3%

* Lactic acid drinks includes Calpis brand and other lactic acid products, which was previously in Other drinks.

** Other drinks compiles the previous Functional, Other drinks and Sales of other company's products

*1 Raw materials 0.3, Package 0.2, Operational efficiency / In-house production 0.2

*2 Raw materials -0.0, Package -0.0

*3 Advertisement 0.1, Promotion expense 0.4

*4 Depreciation, and others