

# Asahi Group Holdings, Ltd.



## FY2017 H1 Consolidated Financial Results (IFRS)

**NOTE:**

All information has been prepared in accordance with International Financial Reporting Standards (IFRS). 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 August 3, 2017. This translation was made for information only. The Company gives no warranty with respect to its correctness.

**Summary Report of Financial Results  
(Fiscal 2017 H1)**

August 3, 2017

**Asahi Group Holdings, Ltd.**

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

## 1. Overview of performance (From January 1, 2017 to June 30, 2017)

(figures are rounded down to the million)

### (1) Business performance

(percentage figures represent the change from the previous year)

	Revenue		Core Operating Profit		Operating Profit		Profit for the period	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2017 ended June 30, 2017	937,375	20.4	74,533	36.6	70,735	34.0	43,236	42.5
Fiscal 2016 ended June 30, 2016	778,867	-	54,569	-	52,769	-	30,342	-

  

	Profit attributable to owners of parent		Total comprehensive income	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2017 ended June 30, 2017	43,303	40.8	122,431	-
Fiscal 2016 ended June 30, 2016	30,747	-	(34,136)	-

  

	Basic earnings per share	Diluted earnings per share
	(yen)	(yen)
Fiscal 2017 ended June 30, 2017	94.52	94.52
Fiscal 2016 ended June 30, 2016	67.12	67.11

\*Core operating profit is the reference index for normalized business performance. Core operating profit = Revenue - (COGS + general administrative cost)

\*Core operating profit is not the index defined in IFRS. We think this index is useful for financial statements users so that we disclose it spontaneously.

### (2) Financial Condition

	Total assets	Total Equity	Equity attributable to owners of parent	Equity ratio attributable to owners of parent
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)
Fiscal 2017 H1 ended June 30, 2017	3,182,874	967,892	958,311	30.1
Fiscal 2016 ended December 31, 2016	2,086,381	846,105	836,354	40.1

### 2. Dividends

	Cash dividend per share				
	Q1	Q2	Q3	Year-end	Total annual
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal 2016 ended December 31, 2016	-	26.00	-	28.00	54.00
Fiscal 2017 ending December 31, 2017	-	30.00	-	-	-
Fiscal 2017 ending December 31, 2017 (forecast)	-	-	-	39.00	69.00

Note: Changes to the latest dividend forecast announced: Yes

### 3. Forecast for Fiscal 2017 (January 1, 2017 to December 31, 2017)

	Revenue		Core Operating Profit		Operating Profit		Profit	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2017 ending December 31, 2017	2,030,000	18.9	188,000	26.6	167,300	22.2	110,000	26.3

  

	Profit attributable to owners of parent		Basic earnings per share
	(Millions of yen)	(%)	(yen)
Fiscal 2017 ending December 31, 2017	110,000	23.3	240.11

Note: Changes to the latest consolidated results forecast announced: Yes

## Notes

(1) Changes in status of material subsidiaries during the period (changes in specified subsidiaries due to changes in the scope of consolidation): Yes

New: 1 company (Asahi Breweries Europe Ltd), Excluded: - company ( - )

(2) Changes in accounting policies, or changes in accounting estimates

- (1) Changes in accounting policies required by IFRS: No
- (2) Changes in accounting policies other than item (1) above: No
- (3) Changes in accounting estimates: No

(3) Number of shares (common stock):

(1) Issued share at period-end (including treasury shares):

Year ended June 30, 2017	483,585,862 shares
Year ended December 31, 2016	483,585,862 shares

(2) Treasury shares at period-end:

Year ended June 30, 2017	25,457,346 shares
Year ended December 31, 2016	25,453,509 shares

(3) Average number of outstanding shares during the period:

Year ended June 30, 2017	458,130,380 shares
Year ended June 30, 2016	458,111,877 shares

**\* This Consolidated Financial Results for the Quarter is not subject to quarterly review procedures**

**\* 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.

#### 4. Consolidated Financial Statements (Unaudited)

##### (1) Consolidated Statement of Financial Position (As of December 31, 2016 and June 30, 2017)

(Millions of yen)

	As of December 31, 2016	As of June 30, 2017
<b>(Assets)</b>		
Current assets		
Cash and cash equivalents	48,459	83,793
Trade and other receivables	397,340	395,243
Inventories	136,460	169,662
Income tax receivables	14,161	20,862
Other financial assets	3,428	5,383
Other current assets	31,934	35,616
Subtotal	631,784	710,562
Assets held for sale	3,241	—
Total current assets	635,026	710,562
Non-current assets		
Property, plant and equipment	570,771	700,325
Goodwill and intangible assets	491,538	1,376,881
Investments accounted for using equity method	141,398	144,296
Other financial assets	198,586	196,873
Deferred tax assets	18,825	17,842
Net defined benefit assets	18,942	19,610
Other non-current assets	11,293	16,482
Total non-current assets	1,451,355	2,472,312
Total assets	2,086,381	3,182,874
<b>(Liabilities and Equity)</b>		
Current liabilities		
Trade and other payables	332,639	404,884
Bonds and borrowings	281,870	902,151
Income tax payables	34,957	36,306
Other financial liabilities	26,352	27,224
Other current liabilities	142,828	158,374
Subtotal	818,649	1,528,941
Liabilities directly related to assets held for sale	907	—
Total current liabilities	819,556	1,528,941
Non-current liabilities		
Bonds and borrowings	288,490	550,513
Net defined benefit liabilities	25,789	27,030
Deferred tax liabilities	49,302	51,036
Other financial liabilities	54,127	53,126
Other non-current liabilities	3,009	4,332
Total non-current liabilities	420,719	686,039
Total liabilities	1,240,276	2,214,981
Equity		
Issued capital	182,531	182,531
Share premium	118,668	118,695
Retained earnings	589,935	622,875
Treasury shares	(76,709)	(76,725)
Other components of equity	21,927	110,934
Total equity attributable to owners of parent	836,354	958,311
Non-controlling interests	9,750	9,581
Total equity	846,105	967,892
Total liabilities and equity	2,086,381	3,182,874

**(2) Consolidated Statement of Profit or Loss and Comprehensive Income**

(From January 1 to June 30, 2016 and 2017)

&lt;Consolidated Income Statements&gt;

(Millions of yen)

	Previous year (From January 1 to June 30)	Current year (From January 1 to June 30)
Revenue	778,867	937,375
Cost of sales	(500,863)	(587,114)
Gross Profit	278,003	350,260
Selling, general and administrative expenses	(223,433)	(275,727)
Other operating income	2,876	915
Other operating expense	(4,676)	(4,712)
Operating Profit	52,769	70,735
Finance income	1,932	1,720
Finance costs	(3,066)	(5,007)
Share of profit (loss) of entities accounted for using equity method	(3,963)	(3,749)
Profit before tax	47,673	63,698
Income tax expense	(17,330)	(20,461)
Profit for the period	30,342	43,236
Profit attributable to:		
Owners of parent	30,747	43,303
Non-controlling interests	(405)	(66)
Total	30,342	43,236
Basic earnings per share (JPY)	67.12	94.52
Diluted earnings per share (JPY)	67.11	94.52

<Consolidated Statement of Comprehensive Income>

(Millions of yen)

	Previous year (From January 1 to June 30)	Current year (From January 1 to June 30)
Profit for the period	30,342	43,236
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Changes in fair value of financial instruments measured at fair value through other comprehensive income	(18,904)	3,708
Remeasurements of defined benefit plans	—	18
Items that might be reclassified to profit or loss		
Cash flow hedges	(8,936)	(12,254)
Translation difference on foreign operations	(26,315)	83,221
Share of other comprehensive income of entities accounted for using equity method	(10,322)	4,500
Total other comprehensive income	(64,479)	79,194
Total comprehensive income	(34,136)	122,431
Total comprehensive income attributable to:		
Owners of parent	(32,344)	122,719
Non-controlling interests	(1,791)	(288)

**(3) Consolidated Statement of Changes in Equity**  
Fiscal 2016 (January 1 to June 30, 2016)

(Millions of yen)

	Equity attributable to owners of parent										Non-controlling interests	Total equity
	Issued capital	Share premium	Retained earnings	Treasury shares	Other components of equity					Total equity attributable to owners of parent		
					Changes in fair value of financial instruments measured at fair value through OCI	Remeasurements of defined benefit plans	Cash flow hedges	Translation difference on foreign operations	Total other components of equity			
Balance as of January 1, 2016	182,531	120,524	549,084	(77,377)	36,596	—	(138)	(21,800)	14,657	789,420	14,261	803,682
Comprehensive income												
Profit for the period			30,747						—	30,747	(405)	30,342
Other comprehensive income					(18,861)		(8,936)	(35,294)	(63,092)	(63,092)	(1,386)	(64,479)
Total comprehensive income	—	—	30,747	—	(18,861)	—	(8,936)	(35,294)	(63,092)	(32,344)	(1,791)	(34,136)
Transfer to non-financial assets							214		214	214		214
Transactions with owners												
Dividends			(11,905)						—	(11,905)	(516)	(12,422)
Purchase of treasury shares				(8)					—	(8)		(8)
Disposal of treasury shares		(303)		689					—	386		386
Changes through business combinations									—	—		—
Share-based payment transaction									—	—		—
Transfer from other components of equity to retained earnings			1,016		(1,016)				(1,016)	—		—
Other increase (decrease)									—	—	11	11
Total contributions by owners and distribution to owners	—	(303)	(10,888)	680	(1,016)	—	—	—	(1,016)	(11,527)	(504)	(12,032)
Acquisition of non-controlling interests without change in control									—	—		—
Total changes in ownership interests in subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—
Total transactions with owners	—	(303)	(10,888)	680	(1,016)	—	—	—	(1,016)	(11,527)	(504)	(12,032)
Balance as of June 30, 2016	182,531	120,221	568,943	(76,696)	16,718	—	(8,860)	(57,095)	(49,236)	745,762	11,965	757,727

**(3) Consolidated Statement of Changes in Equity**  
Fiscal 2017 (January 1 to June 30, 2017)

(Millions of yen)

	Equity attributable to owners of parent										Non-controlling interests	Total equity
	Issued capital	Share premium	Retained earnings	Treasury shares	Other components of equity					Total equity attributable to owners of parent		
					Changes in fair value of financial instruments measured at fair value through OCI	Remeasurements of defined benefit plans	Cash flow hedges	Translation difference on foreign operations	Total other components of equity			
Balance as of January 1, 2017	182,531	118,668	589,935	(76,709)	51,881	—	(219)	(29,734)	21,927	836,354	9,750	846,105
Comprehensive income												
Profit for the period			43,303						—	43,303	(66)	43,236
Other comprehensive income					3,708	18	(12,223)	87,912	79,416	79,416	(221)	79,194
Total comprehensive income	—	—	43,303	—	3,708	18	(12,223)	87,912	79,416	122,719	(288)	122,431
Transfer to non-financial assets							12,054		12,054	12,054		12,054
Transactions with owners												
Dividends			(12,827)						—	(12,827)	(405)	(13,232)
Purchase of treasury shares				(16)					—	(16)		(16)
Disposal of treasury shares		0		0					—	0		0
Changes through business combinations									—	—	300	300
Share-based payment transaction		24							—	24		24
Transfer from other components of equity to retained earnings			2,463		(2,444)	(18)			(2,463)	—		—
Other increase (decrease)									—	—	266	266
Total contributions by owners and distribution to owners	—	24	(10,364)	(16)	(2,444)	(18)	—	—	(2,463)	(12,819)	161	(12,658)
Acquisition of non-controlling interests without change in control		2							—	2	(42)	(39)
Total changes in ownership interests in subsidiaries	—	2	—	—	—	—	—	—	—	2	(42)	(39)
Total transactions with owners	—	27	(10,364)	(16)	(2,444)	(18)	—	—	(2,463)	(12,816)	118	(12,698)
Balance as of June 30, 2017	182,531	118,695	622,875	(76,725)	53,144	—	(388)	58,178	110,934	958,311	9,581	967,892



**(4) Notes to the Condensed Consolidated Financial Statements**

(Notes Regarding Going Concern Assumptions)

None