

## FY2017 H1 Consolidated Financial Results Highlight

### ◆ Summary of Statement of Profit or Loss

(Billions of yen)

	FY2017 H1	FY2016 H1	Inc./Dec.	YoY	Remarks
Revenue	937.4	778.9	158.5	20.4%	
Domestic Business	503.0	490.3	12.7	2.6%	
Overseas Business	215.4	99.9	115.5	115.6%	
Revenue excluding liquor tax	718.4	590.2	128.2	21.7%	
Core operating profit *	74.5	54.6	20.0	36.6%	
Operating profit	70.7	52.8	18.0	34.0%	
Profit before tax	63.7	47.7	16.0	33.6%	
Profit for the period	43.2	30.3	12.9	42.5%	
Profit attributable to owners of parent	43.3	30.7	12.6	40.8%	

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

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

### ◆ Reference data

	FY2017 H1	FY2016 H1	YoY
Alcohol Beverages Business (including liquor tax)	10.6%	10.4%	0.2%
(excluding liquor tax)	17.7%	17.4%	0.3%
Soft Drinks Business	9.3%	7.3%	2.0%
Food Business	11.0%	9.1%	1.9%
Overseas Business	8.0%	5.0%	3.0%
Core operating profit margin (including liquor tax)	8.0%	7.0%	1.0%
Core operating profit margin (including liquor tax)	10.4%	9.2%	1.2%
EPS (yen)	94.5	67.1	27.4

## FY2017 H1 Consolidated Financial Results

### ◆ Summary of Statement of Profit or Loss

(Billions of yen)

	FY2017 H1	FY2016 H1	Inc./Dec.	YoY	Remarks
Alcohol Beverages Business	444.7	443.6	1.1	0.2%	} Details are on supplement 3
Soft Drinks Business	178.3	169.3	9.0	5.3%	
Food Business	55.2	53.1	2.1	3.9%	
Overseas Business	256.1	109.8	146.3	133.2%	
Other Business	51.2	48.6	2.6	5.2%	
Adjustmenet (corporate and elimination)	(48.1)	(45.6)	(2.5)	-	
<b>Revenue</b>	<b>937.4</b>	<b>778.9</b>	<b>158.5</b>	<b>20.4%</b>	
Alcohol Beverages Business	47.2	46.2	1.0	2.2%	} Details are on supplement 3
Soft Drinks Business	16.6	12.3	4.3	35.0%	
Food Business	6.1	4.8	1.2	25.8%	
Overseas Business	20.6	5.5	15.1	273.3%	
Other Business	0.3	0.3	(0.0)	(12.5%)	
Adjustmenet (corporate and elimination)	(9.9)	(9.4)	(0.5)	-	
Amortization of acquisition-related intangible assets	(4.3)	(2.7)	(1.6)	-	} Details are on supplement 4
Corporate adjustment (IFRS adjustment)	(2.0)	(2.5)	0.5	-	
<b>Core operating profit</b>	<b>74.5</b>	<b>54.6</b>	<b>20.0</b>	<b>36.6%</b>	
Adjustment item	(3.8)	(1.8)	(2.0)	-	
Gain (loss) on sales and retirement of non current assets	(0.7)	0.6	(1.4)	-	
Business integration expenses	(1.8)	(1.4)	(0.4)	-	
Others	(1.2)	(1.1)	(0.2)	-	
<b>Operating profit</b>	<b>70.7</b>	<b>52.8</b>	<b>18.0</b>	<b>34.0%</b>	
Financing income or loss	(1.1)	0.2	(1.3)	-	
Share of profit (loss) of entities accounted for using equity method	(3.7)	(4.0)	0.2	-	
Others	(2.2)	(1.3)	(0.9)	-	
<b>Profit before tax</b>	<b>63.7</b>	<b>47.7</b>	<b>16.0</b>	<b>33.6%</b>	
Income tax expenses	(20.5)	(17.3)	(3.1)	-	
<b>Profit for the period</b>	<b>43.2</b>	<b>30.3</b>	<b>12.9</b>	<b>42.5%</b>	
Profit attributable to owners of parent	43.3	30.7	12.6	40.8%	
Profit attributable to non-controlling interests	(0.1)	(0.4)	0.3	-	

### ◆ Summary of Statement of Financial Position

	FY2017 H1	FY2016	Inc./Dec.	YoY	Remarks
Total Assets	3,182.9	2,086.4	1,096.5	52.6%	
Total Equity	967.9	846.1	121.8	14.4%	
Total equity attributable to owners of parent	958.3	836.4	122.0	14.6%	
Interest-bearing debt	1,452.7	570.4	882.3	154.7%	

### ◆ Others

	FY2017 H1	FY2016 H1	Inc./Dec.	YoY	Remarks
Capital expenditures	29.5	22.8	6.8	29.7%	
Depreciation	32.9	26.3	6.6	25.2%	

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

**FY2017 H1 Financial Results (Individual)**
**◆Revenue**

(Billions of yen)

	FY2017 H1	FY2016 H1	Inc./Dec.	YoY	Remarks
Asahi Breweries	443.0	440.5	2.5	0.6%	
Other / elimination in segment	18.8	18.3	0.5	2.5%	
Corporate adjustment (IFRS adjustment)	(17.0)	(15.2)	(1.8)	-	
Alcohol Beverages Business	444.7	443.6	1.1	0.2%	
Asahi Soft Drinks	231.0	223.5	7.4	3.3%	
LB	10.2	10.3	(0.1)	(1.0%)	
Other / elimination in segment	(1.0)	(1.0)	(0.1)	-	
Corporate adjustment (IFRS adjustment)	(61.8)	(63.5)	1.7	-	
Soft Drinks Business	178.3	169.3	9.0	5.3%	
Asahi Group Foods	61.0	59.2	1.8	3.0%	
Other / elimination in segment	(0.0)	0.0	(0.0)	-	
Corporate adjustment (IFRS adjustment)	(5.8)	(6.1)	0.4	-	
Food Business	55.2	53.1	2.1	3.9%	
Europe business	142.6	-	142.6	-	Western (Jan.-Jun.) : 61.0 Central & Eastern (Apr.-Jun.) 81.7
Oceania business	76.0	68.8	7.2	10.4%	
Southeast Asia business	26.8	28.8	(2.0)	(7.0%)	
China business	9.1	9.4	(0.3)	(3.2%)	
Other / elimination in segment	1.5	2.7	(1.2)	(43.9%)	
Corporate adjustment (IFRS adjustment)	-	-	-	-	
Overseas Business	256.1	109.8	146.3	133.2%	
Other Business *7	51.2	48.6	2.6	5.2%	
Adjustment (corporate and elimination)	(48.1)	(45.6)	(2.5)	-	
Total	937.4	778.9	158.5	20.4%	

**◆Core operating profit**

(Billions of yen)

	FY2017 H1	FY2016 H1	Inc./Dec.	YoY	Remarks
Asahi Breweries	46.4	45.7	0.7	1.5%	
Other / elimination in segment	0.8	0.5	0.3	73.2%	
Alcohol Beverages Business	47.2	46.2	1.0	2.2%	
Asahi Soft Drinks	16.1	11.9	4.2	35.6%	
LB	0.3	0.3	0.0	16.8%	
Other / elimination in segment	0.2	0.2	0.0	15.0%	
Soft Drinks Business	16.6	12.3	4.3	35.0%	
Asahi Group Foods	5.8	4.8	1.0	20.0%	
Other / elimination in segment	0.3	(0.0)	0.3	-	
Food Business	6.1	4.8	1.2	25.8%	
Europe business *1	16.0	-	16.0	-	
Oceania business	3.7	3.0	0.7	22.4%	
Southeast Asia business	0.4	1.7	(1.2)	(74.6%)	
China business	0.6	0.9	(0.3)	(31.8%)	
Other / elimination in segment	(0.1)	(0.1)	(0.0)	-	
Overseas Business	20.6	5.5	15.1	273.3%	
Other Business	0.3	0.3	(0.0)	(12.5%)	
Adjustment (corporate and elimination) *2	(9.9)	(9.4)	(0.5)	-	including group management expenses of Asahi Group Holdings
Amortization of acquisition-related intangible assets	(4.3)	(2.7)	(1.6)	-	
IFRS adjustment	(2.0)	(2.5)	0.5	-	
Total	74.5	54.6	20.0	36.6%	

\*1 Details of Europe business

 Western (Jan. - Jun.) : 6.7 (Gross Core Operating Profit 7.5, One-off Cost -0.8)  
 Central & Eastern (Apr. - Jun.) : 9.2 (Gross Core Operating Profit 15.4, One-off Cost -6.2)

\*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.

<b>Reference</b>
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◆Details of amortization of acquisition-related intangible assets

(Billions of yen)

	FY2017 H1	FY2016 H1	Inc./Dec.	Remarks
Alcohol Beverages Business	(0.1)	(0.1)	-	
Soft Drinks Business	(0.8)	(0.8)	-	
Food Business	-	-	-	
Europe business *	(1.7)	-	(1.7)	
Oceania business	(1.2)	(1.2)	0.0	
Southeast Asia business	(0.4)	(0.4)	0.0	
Overseas Business	(3.3)	(1.6)	(1.6)	
Other Business	(0.1)	(0.1)	-	
Total	(4.3)	(2.7)	(1.6)	

\* The figure of amortization of acquisition-related intangible assets for Central & Eastern Europe business is not included in Europe business due to the on-going PPA process.

◆Overseas Business excluding the impact of foreign exchange

(Billions of yen)

	FY2017 H1	FY2016 H1	Inc./Dec.	Remarks
Europe business	142.6	-	142.6	
Oceania business	73.4	68.8	4.6	Growth rate 6.6%
Southeast Asia business	28.0	28.8	(0.8)	Growth rate (2.7%)
China business	9.5	9.4	0.1	Growth rate 0.7%
Other / elimination in segment	1.4	2.7	(1.3)	Growth rate (47.3%)
Corporate adjustment (IFRS adjustment)	-	-	-	
Revenue total	255.0	109.8	145.2	Growth rate 132.2%
Europe business	16.0	-	16.0	
Oceania business	3.5	3.0	0.5	Growth rate 18.2%
Southeast Asia business	0.5	1.7	(1.2)	Growth rate (72.2%)
China business	0.6	0.9	(0.3)	Growth rate (29.1%)
Other / elimination in segment	(0.1)	(0.1)	(0.0)	
Core operating profit	20.5	5.5	15.0	Growth rate 272.1%

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

\* The figure of Europe business is the actual one in 2017

◆Exchange Rate

(Yen)

	FY2017 H1 (Average)	FY2016 H1 (Average)	
US dollar	112.3	111.7	
(Equity in net income (loss) of affiliates)	111.5	118.4	* Tingyi-Asahi Beverages Holding
Euro (Western Europe)	121.7	-	* Jan. - Jun., 2017
Euro (Central & Eastern Europe)	122.3	-	* Apr. - Jun., 2017
Australian dollar	84.8	81.9	
Ringgit Malaysia	25.6	27.3	
Indonesian Rupiah	0.0085	0.0084	
Chinese Yuan	16.4	17.1	
(Equity in net income (loss) of affiliates)	16.3	18.3	* Tsingtao Brewery

**FY2017 H1 Breakdown of Increase/Decrease in Revenue and Profit**
**◆Asahi Breweries Sales Volume**

(Millions of cases)

	FY2017 H1	FY2016 H1	Inc./Dec.	Remarks
Beer	44.71	45.62	(0.92)	Growth rate (2.0%)
Happoshu	7.14	7.15	(0.02)	Growth rate (0.2%)
New Genre	20.98	20.18	0.80	Growth rate 3.9%
Beer-type beverages total	72.82	72.96	(0.14)	Growth rate (0.2%)

**◆Details of Revenue**

(Billions of yen)

Beer	243.2	246.8	(3.6)	Growth rate (1.5%)
Happoshu	27.5	27.7	(0.2)	Growth rate (0.7%)
New Genre	69.5	66.9	2.6	Growth rate 3.9%
Beer-type beverages total	340.2	341.4	(1.2)	Growth rate (0.3%)
Whiskey and spirits	26.2	25.9	0.3	Growth rate 1.3%
Wine	19.0	18.6	0.4	Growth rate 2.2%
RTD low-alcohol beverages	18.1	16.0	2.1	Growth rate 12.9%
Shochu	13.2	13.1	0.1	Growth rate 0.4%
Other	0.0	0.0	(0.0)	Growth rate (11.0%)
Other alcohol beverages total	76.5	73.7	2.9	Growth rate 3.9%
Non-alcohol beverages	13.9	13.6	0.3	Growth rate 2.3%
Other, contracted manufacture, etc.	12.3	11.8	0.5	Growth rate 4.0%
Asahi Breweries Revenue	443.0	440.5	2.5	Growth rate 0.6%
Other / elimination in segment	18.8	18.3	0.5	Growth rate 2.5%
Corporate adjustment (IFRS adjustment)	(17.0)	(15.2)	(1.8)	
Revenue total	444.7	443.6	1.1	Growth rate 0.2%

**◆Details of Core Operating Profit**

	FY2017 H1	FY2016 H1	Inc./Dec.	Remarks
Beer-type - Decrease in sales volume	-	-	(0.5)	Beer -1.6, Happoshu 0.0, New genre +1.1
Change in Beer-type	-	-	0.2	Category mix +0.3, Container mix -0.1
Other alcohol beverages - increase in sales volume	-	-	1.3	
Cost reduction in manufacturing	-	-	2.0	Raw materials +1.2, Other alcohol beverages total +0.5, etc.
Cost increase in manufacturing	-	-	(0.3)	Raw materials -0.1, etc.
Decrease in sales promotion expense	51.0	51.6	0.6	Advertisement +0.4, Promotion expense +0.2 (Beer-type +1.2, Other -0.6)
Increase in other expenses	-	-	(2.6)	
Increase in personnel expenses	-	-	(0.8)	
Decrease in depreciation	-	-	0.2	
Increase in sales equipment expenses	-	-	(0.4)	
Increase in others	-	-	(1.6)	Business tax revision -0.4, etc.
Asahi Breweries Core operating profit	46.4	45.7	0.7	Growth rate 1.5%
Other / elimination in segment	0.8	0.5	0.3	Growth rate 73.2%
Core operating profit total	47.2	46.2	1.0	Growth rate 2.2%

**FY2017 H1 Breakdown of Increase/Decrease in Revenue and Profit**
**◆Asahi Soft Drinks Sales Volume**

(Millions of cases)

	FY2017 H1	FY2016 H1	Inc./Dec.	Remarks
Carbonated drinks	29.32	27.54	1.78	Growth rate 6.4%
Fruit juice	10.57	11.11	(0.53)	Growth rate (4.8%)
Coffee	22.28	21.62	0.67	Growth rate 3.1%
Tea	19.20	19.70	(0.50)	Growth rate (2.5%)
Mineral water	10.56	12.08	(1.52)	Growth rate (12.6%)
Lactic acid drinks *1	20.89	19.09	1.80	Growth rate 9.4%
Other drinks *2	8.97	8.43	0.54	Growth rate 6.4%
Asahi Soft Drinks total	121.79	119.57	2.23	Growth rate 1.9%

**◆Details of Revenue**

(Billions of yen)

Carbonated drinks	46.7	44.1	2.6	Growth rate 5.9%
Fruit juice	16.8	17.6	(0.8)	Growth rate (4.7%)
Coffee	47.0	45.7	1.2	Growth rate 2.7%
Tea	29.4	30.6	(1.1)	Growth rate (3.7%)
Mineral water	12.4	13.9	(1.5)	Growth rate (10.7%)
Lactic acid drinks *1	46.0	41.8	4.2	Growth rate 10.1%
Other drinks *2	27.1	23.8	3.3	Growth rate 13.8%
Other	5.6	6.0	(0.4)	Growth rate (6.9%)
Asahi Soft Drinks Revenue	231.0	223.5	7.4	Growth rate 3.3%
LB Revenue	10.2	10.3	(0.1)	Growth rate (1.0%)
Other / elimination in segment	(1.0)	(1.0)	(0.1)	
Corporate adjustment (IFRS adjustment)	(61.8)	(63.5)	1.7	
Revenue total	178.3	169.3	9.0	Growth rate 5.3%

**◆Details of Core Operating Profit**

	FY2017 H1	FY2016 H1	Inc./Dec.	Remarks
Increase in sales volume	-	-	1.6	
Change in product & pack mix	-	-	0.8	
Cost reduction	-	-	1.4	Raw materials +0.7, Package +0.3, operational efficiency·In-house production +0.4
Cost increase	-	-	(0.1)	Raw materials -0.1
Decrease in sales promotion expenses	-	-	1.0	Advertisement -0.3, Promotion expense +1.3
Increase in other expenses	-	-	(0.5)	Depreciation, etc.
Asahi Soft Drinks core operating profit	16.1	11.9	4.2	Growth rate 35.6%
LB core operating profit	0.3	0.3	0.0	Growth rate 16.8%
Other / elimination in segment	0.2	0.2	0.0	Growth rate 15.0%
Core operating profit total	16.6	12.3	4.3	Growth rate 35.0%

\*1 Lactic acid drinks includes Calpis brand and other lactic acid products, which was previously in Other drinks.

\*2 Other drinks compiles the previous Functional, Other drinks and Sales of other company's products

**FY2017 H1 Consolidated Statement of Financial Position**

(Billions of yen)

	FY2017 H1	FY2016	Inc./Dec.	Remarks
Current assets	710.6	635.0	75.5	
Cash and cash equivalents	83.8	48.5	35.3	
Trade and other receivables	395.2	397.3	(2.1)	
Inventories	169.7	136.5	33.2	
Income tax receivables	20.9	14.2	6.7	
Other financial assets	35.6	31.9	3.7	
Other current assets	5.4	3.4	2.0	
Subtotal	710.6	631.8	78.8	
Assets held for sale	-	3.2	(3.2)	
Non-current assets	2,472.3	1,451.4	1,021.0	
Property, plant and equipment	700.3	570.8	129.6	
Goodwill and intangible assets	1,376.9	491.5	885.3	
Investments accounted for using equity method	144.3	141.4	2.9	
Other financial assets	196.9	198.6	(1.7)	
Deferred tax assets	17.8	18.8	(1.0)	
Net defined benefit assets	19.6	18.9	0.7	
Other non-current assets	16.5	11.3	5.2	
Total assets	3,182.9	2,086.4	1,096.5	
Current liabilities	1,528.9	819.6	709.4	
Trade and other payables	404.9	332.6	72.2	
Bonds and borrowings	902.2	281.9	620.3	
Income tax payables	36.3	35.0	1.3	
Other financial liabilities	27.2	26.4	0.9	
Other current liabilities	158.4	142.8	15.5	
Subtotal	1,528.9	818.6	710.3	
Liabilities directly related to assets held for sale	-	0.9	(0.9)	
Non-current liabilities	686.0	420.7	265.3	
Bonds and borrowings	550.5	288.5	262.0	
Net defined benefit liabilities	27.0	25.8	1.2	
Deferred tax liabilities	51.0	49.3	1.7	
Other financial liabilities	53.1	54.1	(1.0)	
Other non-current liabilities	4.3	3.0	1.3	
Total liabilities	2,215.0	1,240.3	974.7	
Issued capital	182.5	182.5	-	
Share premium	118.7	118.7	0.0	
Retained earnings	622.9	589.9	32.9	
Treasury shares	(76.7)	(76.7)	(0.0)	
Other components of equity (total attributable to owners of parent)	110.9	21.9	89.0	
Other components of equity (total attributable to non-controlling interests)	9.6	9.8	(0.2)	
Total equity	967.9	846.1	121.8	
Total liabilities and equity	3,182.9	2,086.4	1,096.5	

**FY2017 H1 Consolidated Statement of Cash Flows**

(Billions of yen)

	FY2017 H1	FY2016 H1	Inc./Dec.
Cash flows from operating activities	88.8	62.3	26.5
(Profit before income tax)	63.7	47.7	16.0
(Depreciation) *1	32.9	26.3	6.6
(Amortization of acquisition-related intangible assets)	4.3	2.7	1.6
(Corporate tax payment)	(43.3)	(25.5)	(17.8)
Cash flows from investing activities	(920.4)	(21.8)	(898.6)
(Acquisition of share of subsidiaries)	(896.6)	-	(896.6)
(Capital expenditure) *1	(29.5)	(22.8)	(6.8)
Cash flows from financing activities	864.7	(30.3)	895.0
(Increase (decrease) of financial obligation) *2	882.3	(17.3)	899.6
(Acquisition of treasury shares) *3	-	-	-
(Dividend payment)	(12.8)	(11.9)	(0.9)
Translation difference	2.2	(1.9)	4.2
Increase (decrease) of cash relating to the change of scope of consolidation	-	-	-
Cash and cash equivalents contained in assets for trading	-	-	-
Increase (decrease) of cash and cash equivalents	35.3	8.2	27.1

\*1 Capital expenditures and depreciation do not include lease assets or trademarks at the time of acquisition of subsidiaries.

\*2 We describe the figure of Increase (decrease) of financial obligation as the difference of each balance between at the end of this period and at the end of the previous period.

\*3 We only describe the figure of acquisition of treasury shares resolved at board of director's meeting.



<b>FY2017 Consolidated Financial Results Forecast Highlight</b>
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◆ Summary of Statement of Profit or Loss

(Billions of yen)

	FY2017 forecast	FY2016	Inc./Dec.	YoY	Remarks
Revenue	2,030.0	1,706.9	323.1	18.9%	
Domestic Business	1,068.1	1,058.2	9.9	0.9%	
Overseas Business	470.9	222.9	248.0	111.3%	
Revenue excluding liquor tax	1,539.0	1,281.1	257.9	20.1%	
Core operating profit *1	188.0	148.5	39.5	26.6%	
Operating profit	167.3	136.9	30.4	22.2%	
EBITDA *2	273.6	205.8	67.8	32.9%	
Profit before tax	163.5	150.1	13.4	9.0%	
Profit for the year	110.0	87.1	22.9	26.3%	
Profit attributable to owners of the parent company	110.0	89.2	20.8	23.3%	

\*1 Core operating profit is the reference index for normalized business performance.

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

\*2 EBITDA = Core operating profit + amortization of intangible assets + depreciation.

◆ Reference data

	FY2017 forecast	FY2016	Inc./Dec.
Alcohol Beverages Business (including liquor tax)	12.6%	12.4%	0.2%
(excluding liquor tax)	21.4%	20.9%	0.5%
Soft Drinks Business	9.9%	8.9%	1.0%
Food Business	10.1%	9.3%	0.8%
Overseas Business	10.4%	4.9%	5.5%
Core operating profit margin (including liquor tax)	9.3%	8.7%	0.6%
Core operating profit margin (excluding liquor tax)	12.2%	11.6%	0.6%
EBITDA margin (including liquor tax)	13.5%	12.1%	1.4%
(excluding liquor tax)	17.8%	16.1%	1.7%
EPS (yen)	240.1	194.8	45.4
ROE	11.9%	11.0%	0.9%
Debt Equity Ratio	1.39	0.68	0.71
Net Debt EBITDA Ratio	4.82	2.52	2.30

## FY2017 Consolidated Financial Results Forecast

### ◆ Summary of Statement of Profit or Loss

(Billions of yen)

	FY2017 forecast	FY2016	Inc./Dec.	YoY	Remarks
Alcohol Beverages Business	972.5	976.6	(4.1)	(0.4%)	} Details are on supplement 11
Soft Drinks Business	374.3	363.9	10.4	2.9%	
Food Business	113.9	110.8	3.1	2.8%	
Overseas Business	565.4	250.3	315.1	125.9%	
Other Business	106.3	102.3	4.0	3.9%	
Adjustmenet (corporate and elimination)	(102.4)	(97.1)	(5.3)	-	
<b>Revenue</b>	<b>2,030.0</b>	<b>1,706.9</b>	<b>323.1</b>	<b>18.9%</b>	
Alcohol Beverages Business	123.0	120.8	2.2	1.8%	} Details are on supplement 11
Soft Drinks Business	37.1	32.3	4.8	14.7%	
Food Business	11.5	10.3	1.2	12.1%	
Overseas Business	58.9	12.3	46.6	377.0%	
Other Business	2.1	2.0	0.1	5.0%	
Adjustmenet (corporate and elimination)	(22.0)	(19.9)	(2.1)	-	
Amortization of acquisition-related intangible assets	(18.6)	(6.2)	(12.3)	-	} Details are on supplement 12
Corporate adjustment (IFRS adjustment)	(4.0)	(3.1)	(0.9)	-	
<b>Core operating profit</b>	<b>188.0</b>	<b>148.5</b>	<b>39.5</b>	<b>26.6%</b>	
Adjustment item	(20.7)	(11.6)	(9.1)	-	
Gain (loss) on sales and retirement of non current assets	(6.0)	1.3	(7.3)	-	
Impairment loss	-	(6.3)	6.3	-	
Business integration expenses	(1.8)	(4.4)	2.6	-	
Others	(13.0)	(2.2)	(10.8)	-	
<b>Operating profit</b>	<b>167.3</b>	<b>136.9</b>	<b>30.4</b>	<b>22.2%</b>	
Financing income or loss	(3.7)	(0.9)	(2.8)	-	
Share of profit (loss) of entities accounted for using equity method	3.0	2.0	1.0	50.0%	
Gain on sales of investments accounted for using equity method	-	12.2	(12.2)	-	
Others	(3.0)	(0.0)	(3.0)	-	
<b>Profit before tax</b>	<b>163.5</b>	<b>150.1</b>	<b>13.4</b>	<b>9.0%</b>	
Income tax expenses	(53.5)	(63.0)	9.5	-	
<b>Profit</b>	<b>110.0</b>	<b>87.1</b>	<b>22.9</b>	<b>26.3%</b>	
Profit attributable to owners of parent	110.0	89.2	20.8	23.3%	
Profit attributable to non-controlling interests	-	(2.1)	2.1	-	

### ◆ Summary of Statement of Financial Position

	FY2017 forecast	FY2016	Inc./Dec.	YoY	Remarks
Total Assets	3,240.0	2,086.4	1,153.6	55.3%	
Total Equity	1,017.5	846.1	171.4	20.3%	
Total equity attributable to owners of parent	1,008.0	836.4	171.6	20.5%	
Interest-bearing debt	1,400.0	570.4	829.6	145.5%	

### ◆ Others

	FY2017 forecast	FY2016	Inc./Dec.	YoY	Remarks
Capital expenditures	94.0	63.5	30.5	48.1%	
Depreciation	67.0	51.1	15.9	31.2%	

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

**FY2017 Financial Results Forecast (Individual)**
**◆ Revenue**

(Billions of yen)

	FY2017 forecast	FY2016	Inc./Dec.	YoY	Remarks
Asahi Breweries	977.0	976.3	0.7	0.1%	
Other / elimination in segment	35.5	39.7	(4.2)	(10.6%)	including negative impact of transfer of Masuda (wholesaler) : -4.4
Corporate adjustment (IFRS adjustment)	(40.0)	(39.4)	(0.6)	-	
Alcohol Beverages Business	972.5	976.6	(4.1)	(0.4%)	
Asahi Soft Drinks	487.0	476.6	10.4	2.2%	
LB	22.3	21.8	0.5	2.3%	
Other / elimination in segment	(2.0)	(2.1)	0.1	-	
Corporate adjustment (IFRS adjustment)	(133.0)	(132.4)	(0.6)	-	
Soft Drinks Business	374.3	363.9	10.4	2.9%	
Asahi Group Foods	125.2	122.4	2.8	2.3%	
Other / elimination in segment	-	0.0	(0.0)	-	
Corporate adjustment (IFRS adjustment)	(11.3)	(11.6)	0.3	-	
Food Business	113.9	110.8	3.1	2.8%	
Europe business	337.1	26.4	310.7	-	Western (Jan.-Dec.) : +125.1 Central & Eastern (Apr.-Dec.) : +212.0
Oceania business	159.4	148.3	11.1	7.5%	
Southeast Asia business	50.2	52.2	(2.0)	(3.7%)	
China business	16.1	17.0	(0.9)	(5.3%)	
Other / elimination in segment	2.6	6.4	(3.9)	(60.2%)	
Corporate adjustment (IFRS adjustment)	-	-	-	-	
Overseas Business	565.4	250.3	315.1	125.9%	
Other Business	106.3	102.3	4.0	3.9%	
Adjustment (corporate and elimination)	(102.4)	(97.1)	(5.3)	-	
Total	2,030.0	1,706.9	323.1	18.9%	

**◆ Core operating profit**

(Billions of yen)

	FY2017 forecast	FY2016	Inc./Dec.	YoY	Remarks
Asahi Breweries	121.5	119.5	2.0	1.6%	
Other / elimination in segment	1.5	1.3	0.2	16.7%	
Alcohol Beverages Business	123.0	120.8	2.2	1.8%	
Asahi Soft Drinks	36.0	31.3	4.7	15.2%	
LB	0.8	0.8	0.0	0.7%	
Other / elimination in segment	0.3	0.2	0.0	7.4%	
Soft Drinks Business	37.1	32.3	4.8	14.7%	
Asahi Group Foods	11.1	10.1	1.1	10.5%	
Other / elimination in segment	0.4	0.2	0.2	104.1%	
Food Business	11.5	10.3	1.2	12.1%	
Europe business *1	43.3	(1.8)	45.1	-	
Oceania business	13.2	11.0	2.1	19.5%	
Southeast Asia business	1.3	2.5	(1.2)	(47.4%)	
China business	1.0	1.2	(0.2)	(20.0%)	
Other / elimination in segment	0.1	(0.5)	0.7	-	
Overseas Business	58.9	12.3	46.6	377.0%	
Other Business	2.1	2.0	0.1	5.0%	
Adjustment (corporate and elimination) *2	(22.0)	(19.9)	(2.1)	-	including group management expenses of Asahi Group Holdings
Amortisation of acquisition-related intangible assets	(18.6)	(6.2)	(12.3)	-	
IFRS adjustment	(4.0)	(3.1)	(0.9)	-	
Total	188.0	148.5	39.5	26.6%	

\*1 Details of Europe business

Western (Jan. - Dec.) : 16.5 (Gross Core Operating Profit 18.2, One-off Cost -1.6)

Central &amp; Eastern (Apr. - Dec.) : 26.8 (Gross Core Operating Profit 40.1, One-off Cost -13.2)

\*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)

	FY2017 forecast	FY2016	Inc./Dec.	Remarks
Alcohol Beverages Business	(0.2)	(0.2)	0.0	
Soft Drinks Business	(1.7)	(1.7)	(0.0)	
Food Business	-	-	-	
Europe business	(13.4)	(1.0)	(12.4)	
Oceania business	(2.3)	(2.4)	0.1	
Southeast Asia business	(0.8)	(0.8)	0.0	
Overseas Business	(16.5)	(4.2)	(12.3)	
Other Business	(0.2)	(0.2)	0.0	
Total	(18.6)	(6.2)	(12.3)	

\* The figure of amortization of acquisition-related intangible assets for Central & Eastern Europe business in Europe business is the estimated tentative one due to the on-going PPA process.

◆Overseas Business excluding the impact of forex

(Billions of yen)

	FY2017 forecast	FY2016	Inc./Dec.	Remarks
Europe business	333.1	26.4	306.7	
Oceania business	155.2	148.3	6.9	Growth rate 4.6%
Southeast Asia business	52.1	52.2	(0.1)	Growth rate (0.2%)
China business	16.5	17.0	(0.5)	Growth rate (3.1%)
Other / elimination in segment	2.4	6.4	(4.1)	Growth rate (63.0%)
Corporate adjustment (IFRS adjustment)	-	-	-	
Revenue total	559.2	250.3	308.9	Growth rate 123.4%
Europe business	42.8	(1.8)	44.6	
Oceania business	12.8	11.0	1.8	Growth rate 16.4%
Southeast Asia business	1.4	2.5	(1.0)	Growth rate (41.7%)
China business	1.0	1.2	(0.2)	Growth rate (18.2%)
Other / elimination in segment	0.1	(0.5)	0.7	
Operating profit	58.2	12.3	45.8	Growth rate 371.2%

\* The FY2017 forecast figures in local currencies are converted into the ones in yen by the previous year's exchange rate

◆Exchange Rate

(Yen)

	FY2017 (Target)	FY2016 (Average)	
US dollar	110.0	108.8	
(Equity in net income of affiliates)	110.0	111.8	* Tingyi-Asahi Beverages Holding
Euro (Western Europe)	122.0	118.1	* Jan. - Dec., 2017
Euro (Central & Eastern Europe)	122.0	-	* Apr. - Dec., 2017
Australian dollar	83.0	80.8	
Ringgit Malaysia	25.0	26.3	
Indonesian Rupiah	0.0083	0.0082	
Chinese Yuan	16.0	16.4	
(Equity in net income of affiliates)	16.0	17.1	* Tsingtao Brewery

**FY2017 Breakdown of Increase/Decrease in Revenue and Profit**
**◆Asahi Breweries Sales Volume**

(Millions of cases)

	FY2017 forecast	FY2016	Inc./Dec.	Remarks
Beer	101.50	103.09	(1.59)	Growth rate (1.5%)
Happoshu	14.50	15.27	(0.77)	Growth rate (5.1%)
New Genre	44.00	42.92	1.08	Growth rate 2.5%
Beer-type beverages total	160.00	161.29	(1.29)	Growth rate (0.8%)

**◆Details of Revenue**

(Billions of yen)

Beer	553.1	560.3	(7.2)	Growth rate (1.3%)
Happoshu	55.9	59.1	(3.1)	Growth rate (5.3%)
New Genre	145.8	142.2	3.6	Growth rate 2.5%
Beer-type beverages total	754.8	761.6	(6.8)	Growth rate (0.9%)
Whiskey and spirits	55.0	54.3	0.7	Growth rate 1.2%
Wine	41.2	40.1	1.1	Growth rate 2.7%
RTD low-alcohol beverages	41.5	37.2	4.3	Growth rate 11.6%
Shochu	27.7	27.4	0.3	Growth rate 1.1%
Other	0.0	0.1	(0.0)	Growth rate (8.7%)
Other alcohol beverages total	165.4	159.1	6.4	Growth rate 4.0%
Non-alcohol beverages	32.2	31.6	0.6	Growth rate 2.0%
Other, contracted manufacture, etc.	24.5	24.0	0.5	Growth rate 2.1%
Asahi Breweries Revenue	977.0	976.3	0.7	Growth rate 0.1%
Other / elimination in segment	35.5	39.7	(4.2)	Growth rate (10.6%)
Corporate adjustment (IFRS adjustment)	△40.0	△39.4	(0.6)	-
Revenue total	972.5	976.6	(4.1)	Growth rate (0.4%)

**◆Details of Core Operating Profit**

	FY2017 forecast	FY2016	Inc./Dec.	Remarks
Beer-type - Decrease in sales volume	-	-	(2.3)	Beer -2.8, Happoshu -1.0, New genre +1.5
Change in Beer-type	-	-	0.5	Container mix +0.6, Category mix -0.1
Other alcohol beverages - increase in sales volume	-	-	3.0	
Cost reduction in manufacturing	-	-	3.1	Raw materials +2.1, Other alcohol beverages total +1.0, etc.
Cost increase in manufacturing	-	-	(0.4)	Raw materials -0.2, etc.
Increase in sales promotion expense	106.0	108.5	2.5	Advertisement +0.7, Promotion expense +1.8 (Beer-type +4.0, other -1.5)
Increase in other expenses	-	-	(4.4)	
Increase in personnel expenses	-	-	(1.3)	
Decrease in depreciation	-	-	0.3	
Increase in sales equipment expenses	-	-	(0.9)	
Increase in others	-	-	(2.5)	Business tax revision -0.8, etc.
Asahi Breweries core operating profit	121.5	119.5	2.0	Growth rate 1.6%
Other / elimination in segment	1.5	1.3	0.2	Growth rate 16.7%
Core operating profit total	123.0	120.8	2.2	Growth rate 1.8%

**FY2017 Breakdown of Increase/Decrease in Revenue and Profit**
**◆Asahi Soft Drinks Sales Volume**

(Millions of cases)

	FY2017 forecast	FY2016	Inc./Dec.	Remarks
Carbonated drinks	61.90	58.19	3.71	Growth rate 6.4%
Fruit juice	21.63	23.60	(1.97)	Growth rate (8.3%)
Coffee	45.50	44.00	1.50	Growth rate 3.4%
Tea	40.55	42.10	(1.55)	Growth rate (3.7%)
Mineral water	23.40	25.94	(2.54)	Growth rate (9.8%)
Lactic acid drinks *1	43.50	41.29	2.21	Growth rate 5.4%
Other drinks *2	19.92	18.73	1.19	Growth rate 6.3%
Asahi Soft Drinks total	256.40	253.86	2.54	Growth rate 1.0%

**◆Details of Revenue**

(Billions of yen)

Carbonated drinks	99.8	93.4	6.3	Growth rate 6.8%
Fruit juice	35.1	37.9	(2.8)	Growth rate (7.4%)
Coffee	96.7	93.2	3.5	Growth rate 3.7%
Tea	62.1	65.1	(3.0)	Growth rate (4.6%)
Mineral water	28.6	30.7	(2.1)	Growth rate (6.8%)
Lactic acid drinks *1	96.0	90.5	5.6	Growth rate 6.2%
Other drinks *2	57.0	53.3	3.7	Growth rate 7.0%
Other	11.6	12.5	(0.9)	Growth rate (7.1%)
Asahi Soft Drinks Revenue	487.0	476.6	10.4	Growth rate 2.2%
LB Revenue	22.3	21.8	0.5	Growth rate 2.3%
Other / elimination in segment	(2.0)	(2.1)	0.1	-
Corporate adjustment (IFRS adjustment)	(133.0)	(132.4)	(0.6)	-
Revenue total	374.3	363.9	10.4	Growth rate 2.9%

**◆Details of Core Operating Profit**

	FY2017 forecast	FY2016	Inc./Dec.	Remarks
Increase in sales volume	-	-	2.3	
Change in product & pack mix	-	-	1.1	
Cost reduction	-	-	3.0	Raw materials +1.4, Package +0.3, operational efficiency·In-house production +1.3
Cost increase	-	-	(0.3)	Raw materials -0.2, Package -0.1
Decrease in sales promotion expenses	-	-	0.4	Advertisement -0.5, Promotion expense +0.9
Increase in other expenses	-	-	(1.7)	Depreciation, etc.
Asahi Soft Drinks core operating profit	36.0	31.3	4.7	Growth rate 15.2%
LB core operating profit	0.8	0.8	0.0	Growth rate 0.7%
Other / elimination in segment	0.3	0.2	0.0	Growth rate 7.4%
Core operating profit total	37.1	32.3	4.8	Growth rate 14.7%

\*1 Lactic acid drinks includes Calpis brand and other lactic acid products, which was previously in Other drinks.

\*2 Other drinks compiles the previous Functional, Other drinks and Sales of other company's products

**FY2017 Consolidated Statement of Cash Flows Forecast**

(Billions of yen)

	FY2017 forecast	FY2016	Inc./Dec.
Cash flows from operating activities	210.0	154.5	55.5
(Profit before income tax)	163.5	150.1	13.4
(Depreciation) *1	67.0	51.1	15.9
(Amortisation of acquisition-related intangible assets) *1	18.6	6.2	12.4
(Corporate tax payment)	(50.4)	(52.2)	1.8
Cash flows from investing activities	(980.5)	(268.5)	(712.0)
(Acquisition of share of subsidiaries)	(896.6)	(290.9)	(605.7)
(Capital expenditure) *1	(94.0)	(63.5)	(30.5)
Cash flows from financing activities	802.0	119.6	682.4
(Increase (decrease) of financial obligation) *2	829.6	155.9	673.7
(Acquisition of treasury stocks) *3	-	-	-
(Dividend payment)	(26.6)	(23.8)	(2.8)
Translation difference	-	0.6	(0.6)
Increase (decrease) of cash relating to the change of scope of consolidation	-	-	-
Cash and cash equivalents contained in assets for trading	-	(1.0)	1.0
Increase (decrease) of cash and cash equivalents	31.5	6.1	25.4

\*1 We recalibrate the figures of Depreciation, Amortisation of acquisition-related intangible assets and Capital expenditure according to the segment information below.

\*2 We describe the figure of Increase (decrease) of financial obligation as the difference of each balance between at the end of this period and at the end of the previous period.

\*3 We only describe the figure of acquisition of treasury shares resolved at board of director's meeting.

**Segment Information**

## ◆FY2017 forecast

(Billions of yen)

	Alcohol Beverages	Soft Drinks	Food	Overseas	Other	Adjustment (corporate/elimination)	Amortization of intangible assets	Corporate adjustment (IFRS adjustment)	Total
Revenue	972.5	374.3	113.9	565.4	106.3	(102.4)	-	-	2,030.0
Core operating profit	123.0	37.1	11.5	58.9	2.1	(22.0)	(18.6)	(4.0)	188.0
Depreciation *1	23.5	10.0	3.7	24.3	0.5	3.3	-	1.7	67.0
Amortisation of acquisition-related intangible assets	0.2	1.7	-	16.5	0.2	-	-	-	18.6
EBITDA *2	146.5	47.1	15.2	83.2	2.6	-	-	-	273.6
Capital expenditure *1	27.9	22.6	4.6	35.4	0.7	2.8	-	-	94.0

\*1 Capital expenditures and depreciation do not include lease assets or trademarks at the time of acquisition of subsidiaries.

\*2 consolidated EBITDA = Core operating profit + amortization of acquisition-related intangible assets + depreciation  
each business EBITDA = Core operating profit + depreciation

## ◆FY2016

(Billions of yen)

	Alcohol Beverages	Soft Drinks	Food	Overseas	Other	Adjustment (corporate/elimination)	Amortization of intangible assets	Corporate adjustment (IFRS adjustment)	Total
Revenue	976.6	363.9	110.8	250.3	102.3	(97.1)	-	-	1,706.9
Core operating profit	120.8	32.3	10.3	12.3	2.0	(19.9)	(6.2)	(3.1)	148.5
Depreciation *1	24.1	9.2	3.3	10.5	0.3	2.8	-	0.9	51.1
Amortisation of acquisition-related intangible assets	0.2	1.7	-	4.2	0.2	-	-	-	6.2
EBITDA *2	144.9	41.6	13.5	22.9	2.3	-	-	-	205.8
Capital expenditure *1	24.4	13.0	3.6	17.9	0.4	4.2	-	-	63.5

## ◆Increase / Decrease

(Billions of yen)

	Alcohol Beverages	Soft Drinks	Food	Overseas	Other	Adjustment (corporate/elimination)	Amortization of intangible assets	Corporate adjustment (IFRS adjustment)	Total
Revenue	(4.1)	10.4	3.1	315.1	4.0	(5.3)	-	-	323.1
Core operating profit	2.2	4.8	1.2	46.6	0.1	(2.1)	(12.3)	(0.9)	39.5
Depreciation *1	(0.6)	0.8	0.4	13.8	0.2	0.5	-	0.8	15.9
Amortisation of acquisition-related intangible assets	-	0.0	-	12.3	(0.0)	-	-	-	12.3
EBITDA *2	1.6	5.5	1.7	60.3	0.3	-	-	-	67.8
Capital expenditure *1	3.5	9.6	1.0	17.5	0.3	(1.4)	-	-	30.5