

# Asahi Group Holdings, Ltd.



## FY2017 Q3 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 November 2, 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 Q3)**

November 2, 2017

**Asahi Group Holdings, Ltd.**

Code number: 2502  
Shares Listed: First Section, Tokyo Stock Exchange  
Head Office: Tokyo  
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Tel: + 81 3 5608 5126 (<http://www.asahigroup-holdings.com/en/>)  
US GAAP: Not applicable

## 1. Overview of performance (From January 1, 2017 to September 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 September 30, 2017	1,521,928	24.0	154,143	44.3	147,154	38.1	98,896	70.2
Fiscal 2016 ended September 30, 2016	1,227,447	-	106,785	-	106,591	-	58,121	-

  

	Profit attributable to owners of parent		Total comprehensive income	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2017 ended September 30, 2017	98,812	68.3	233,202	-
Fiscal 2016 ended September 30, 2016	58,698	-	(18,312)	-

  

	Basic earnings per share	Diluted earnings per share
	(yen)	(yen)
Fiscal 2017 ended September 30, 2017	215.69	215.68
Fiscal 2016 ended September 30, 2016	128.13	128.12

\*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 Q3 ended September 30, 2017	3,267,440	1,064,857	1,054,925	32.3
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: No

### 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: No

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

(2) Treasury shares at period-end:

Year ended September 30, 2017	25,458,916 shares
Year ended December 31, 2016	25,453,509 shares

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

Year ended September 30, 2017	458,129,400 shares
Year ended September 30, 2016	458,119,627 shares

**\* This Consolidated Financial Results for the First 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 September 30, 2017)

(Millions of yen)

	As of December 31, 2016	As of September 30, 2017
<b>(Assets)</b>		
Current assets		
Cash and cash equivalents	48,459	109,610
Trade and other receivables	397,340	405,578
Inventories	136,460	166,004
Income tax receivables	14,161	24,779
Other financial assets	3,428	3,714
Other current assets	31,934	32,519
Subtotal	631,784	742,206
Assets held for sale	3,241	—
Total current assets	635,026	742,206
Non-current assets		
Property, plant and equipment	570,771	705,757
Goodwill and intangible assets	491,538	1,420,579
Investments accounted for using equity method	141,398	146,668
Other financial assets	198,586	200,042
Deferred tax assets	18,825	16,728
Net defined benefit assets	18,942	19,313
Other non-current assets	11,293	16,143
Total non-current assets	1,451,355	2,525,234
Total assets	2,086,381	3,267,440
<b>(Liabilities and Equity)</b>		
Current liabilities		
Trade and other payables	332,639	418,160
Bonds and borrowings	281,870	715,138
Income tax payables	34,957	38,290
Other financial liabilities	26,352	25,106
Other current liabilities	142,828	153,806
Subtotal	818,649	1,350,502
Liabilities directly related to assets held for sale	907	—
Total current liabilities	819,556	1,350,502
Non-current liabilities		
Bonds and borrowings	288,490	718,596
Net defined benefit liabilities	25,789	27,279
Deferred tax liabilities	49,302	49,392
Other financial liabilities	54,127	54,297
Other non-current liabilities	3,009	2,514
Total non-current liabilities	420,719	852,080
Total liabilities	1,240,276	2,202,582
Equity		
Issued capital	182,531	182,531
Share premium	118,668	118,707
Retained earnings	589,935	665,050
Treasury shares	(76,709)	(76,732)
Other components of equity	21,927	165,368
Total equity attributable to owners of parent	836,354	1,054,925
Non-controlling interests	9,750	9,931
Total equity	846,105	1,064,857
Total liabilities and equity	2,086,381	3,267,440

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

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

&lt;Consolidated Income Statements&gt;

(Millions of yen)

	Previous Year (From January 1 to September 30)	Current Year (From January 1 to September 30)
Revenue	1,227,447	1,521,928
Cost of sales	(787,010)	(940,799)
Gross Profit	440,436	581,129
Selling, general and administrative expenses	(333,651)	(426,985)
Other operating income	6,710	1,221
Other operating expense	(6,903)	(8,210)
Operating Profit	106,591	147,154
Finance income	2,062	2,016
Finance costs	(4,718)	(7,206)
Share of profit (loss) of entities accounted for using equity method	(1,643)	(1,434)
Profit before tax	102,292	140,529
Income tax expense	(44,170)	(41,633)
Profit for the period	58,121	98,896
Attributable to:		
Owners of parent	58,698	98,812
Non-controlling interests	(576)	84
Total	58,121	98,896
Basic earnings per share (JPY)	128.13	215.69
Diluted earnings per share (JPY)	128.12	215.68

## &lt;Consolidated Statement of Comprehensive Income&gt;

(Millions of yen)

	Previous Year (From January 1 to September 30)	Current Year (From January 1 to September 30)
Profit for the period	58,121	98,896
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	(17,667)	8,697
Remeasurements of defined benefit plans	—	32
Items that might be reclassified to profit or loss		
Cash flow hedges	(11,964)	(13,840)
Hedge costs	—	(1,164)
Translation difference on foreign operations	(27,429)	135,119
Share of other comprehensive income of entities accounted for using equity method	(19,372)	5,462
Total other comprehensive income	(76,434)	134,305
Total comprehensive income	(18,312)	233,202
Total comprehensive income attributable to:		
Owners of parent	(16,109)	233,138
Non-controlling interests	(2,203)	63

**(3) Consolidated Statement of Changes in Equity**  
Fiscal 2016 (January 1 to September 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	Hedge costs	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			58,698								58,698	(576)	58,121
Other comprehensive income					(17,624)		(11,964)		(45,218)	(74,807)	(74,807)	(1,627)	(76,434)
Total comprehensive income	—	—	58,698	—	(17,624)	—	(11,964)	—	(45,218)	(74,807)	(16,109)	(2,203)	(18,312)
Transfer to non-financial assets							419			419	419		419
Transactions with owners													
Dividends			(23,817)							—	(23,817)	(516)	(24,333)
Purchase of treasury shares				(13)						—	(13)		(13)
Disposal of treasury shares		(302)		689						—	386		386
Changes through business combinations										—	—		—
Share-based payment transaction										—	—		—
Transfer from other components of equity to retained earnings			1,492		(1,492)					(1,492)	—		—
Other increase (decrease)										—	—	24	24
Total contributions by owners and distribution to owners	—	(302)	(22,324)	675	(1,492)	—	—	—	—	(1,492)	(23,444)	(492)	(23,936)
Acquisition of non-controlling interests without change in control										—	—	207	207
Total changes in ownership interests in subsidiaries	—	—	—	—	—	—	—	—	—	—	—	207	207
Total transactions with owners	—	(302)	(22,324)	675	(1,492)	—	—	—	—	(1,492)	(23,444)	(284)	(23,729)
Balance as of September 30, 2016	182,531	120,221	585,458	(76,701)	17,480	—	(11,683)	—	(67,019)	(61,222)	750,286	11,773	762,059

**(3) Consolidated Statement of Changes in Equity**  
Fiscal 2017 (January 1 to September 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	Hedge costs	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			98,812								98,812	84	98,896
Other comprehensive income					8,697	32	(13,813)	(1,164)	140,574	134,326	134,326	(20)	134,305
Total comprehensive income	—	—	98,812	—	8,697	32	(13,813)	(1,164)	140,574	134,326	233,138	63	233,202
Transfer to non-financial assets							11,988			11,988	11,988		11,988
Transactions with owners													
Dividends			(26,571)							—	(26,571)	(405)	(26,976)
Purchase of treasury shares				(23)						—	(23)		(23)
Disposal of treasury shares		0		0						—	0		0
Changes through business combinations										—	—	300	300
Share-based payment transaction		36								—	36		36
Transfer from other components of equity to retained earnings			2,873		(2,841)	(32)				(2,873)	—		—
Other increase (decrease)										—	—	264	264
Total contributions by owners and distribution to owners	—	36	(23,697)	(23)	(2,841)	(32)	—	—	—	(2,873)	(26,558)	159	(26,398)
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	—	39	(23,697)	(23)	(2,841)	(32)	—	—	—	(2,873)	(26,555)	116	(26,438)
Balance as of September 30, 2017	182,531	118,707	665,050	(76,732)	57,737	—	(2,044)	(1,164)	110,840	165,368	1,054,925	9,931	1,064,857



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

(Notes Regarding Going Concern Assumptions)

None