

FY2018 H1 Consolidated Financial Results Highlight

(Billions of yen)

Summary of Statement of Profit or Loss	FY2018 H1	FY2017 H1	Inc./Dec.	YoY	Remarks
Revenue	1,005.1	937.4	67.7	7.2%	
Domestic Business	485.6	495.9	(10.3)	(2.1%)	
Overseas Business	291.0	222.4	68.6	30.8%	
Revenue excluding liquor tax	776.6	718.4	58.2	8.1%	
Core operating profit *1	88.2	71.3	16.9	23.7%	
Operating profit	87.9	67.5	20.4	30.2%	
Profit before tax	85.3	60.5	24.8	41.0%	
Profit for the period	60.2	40.7	19.6	48.2%	
Profit attributable to owners of parent	60.4	40.7	19.7	48.3%	

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

Reference data	FY2018 H1	FY2017 H1	Inc./Dec.
Alcohol Beverages Business (including liquor tax)	11.1%	10.6%	0.5%
(excluding liquor tax)	18.6%	17.8%	0.8%
Soft Drinks Business	9.7%	9.3%	0.4%
Food Business	11.2%	11.0%	0.2%
Overseas Business (including liquor tax)	11.8%	8.0%	3.8%
(excluding liquor tax)	14.2%	9.5%	4.7%
Core operating profit margin (including liquor tax)	8.8%	7.6%	1.2%
(excluding liquor tax)	11.4%	9.9%	1.5%
EPS (yen)	131.8	88.9	42.9

FY2018 H1 Consolidated Financial Results

(Billions of yen)

Summary of Statement of Profit or Loss	FY2018 H1	FY2017 H1	Inc./Dec.	YoY	Remarks
Alcohol Beverages Business *1	420.6	440.2	(19.5)	(4.4%)	} Details are on supplement 3
Soft Drinks Business	174.4	178.3	(3.9)	(2.2%)	
Food Business	56.4	55.2	1.2	2.2%	
Overseas Business *1	351.4	263.1	88.3	33.5%	
Other Business	52.9	51.2	1.7	3.3%	
Adjustmenet (corporate and elimination)	(50.7)	(50.6)	(0.1)	-	
Revenue	1,005.1	937.4	67.7	7.2%	
Alcohol Beverages Business *1	46.9	46.7	0.2	0.4%	} Details are on supplement 3
Soft Drinks Business	16.9	16.6	0.3	2.0%	
Food Business	6.3	6.1	0.2	4.0%	
Overseas Business *1	41.5	21.1	20.3	96.0%	
Other Business	0.3	0.3	0.1	30.0%	
Adjustmenet (corporate and elimination)	(9.2)	(9.9)	0.7	-	
Amortization of acquisition-related intangible assets *2	(11.2)	(7.5)	(3.7)	-	Details are on supplement 4
Corporate adjustment (IFRS adjustment)	(3.3)	(2.0)	(1.3)	-	
Core operating profit	88.2	71.3	16.9	23.7%	
Adjustment item	(0.3)	(3.8)	3.5	-	
Loss (gain) on sales and retirement of non current assets	(0.6)	(0.7)	0.1	-	
Gain (loss) on revaluation of subsidiaries and affiliates	1.4	-	1.4	-	
Business integration expenses	(0.7)	(1.8)	1.1	-	
Others	(0.3)	(1.2)	0.9	-	
Operating profit	87.9	67.5	20.4	30.2%	
Finance income or loss	(1.1)	(1.1)	(0.0)	-	
Share of profit (loss) of entities accounted for using equity method	0.4	(3.7)	4.1	-	
Loss (gain) on sales of investments accounted for using equity method	(0.9)	-	(0.9)	-	
Others	(1.0)	(2.2)	1.2	-	
Profit before tax	85.3	60.5	24.8	41.0%	
Income tax expense	(25.0)	(19.8)	(5.2)	-	
Profit for the period	60.2	40.7	19.6	48.2%	
Profit attributable to owners of parent	60.4	40.7	19.7	48.3%	
Profit attributable to non-controlling interests	(0.1)	(0.1)	(0.1)	-	

*1 We reconstructed the business category on January 1, 2018. We reflect the impact related to the issues described as below to the figures in 2017. Lotte Asahi and Asahi Beer U.S.A, both of which were previously in Other / elimination in segment in Alcohol Beverages Business were transferred to Other / elimination in segment in Overseas Business.

*2 We adjusted the amortization of acquisition-related intangible assets of Central Europe business during April - June in 2017 retroactively due to the confirmation of the tentative accounting process for business combination in March 2018.

Summary of Statement of Financial Position	FY2018 H1	FY2017	Inc./Dec.	YoY	Remarks
Total assets	3,087.1	3,346.8	(259.7)	(7.8%)	
Total equity	1,112.1	1,152.7	(40.6)	(3.5%)	
Total equity attributable to owners of parent	1,108.9	1,145.1	(36.3)	(3.2%)	
Interest-bearing debt	1,108.2	1,261.9	(153.8)	(12.2%)	

Others	FY2018 H1	FY2017 H1	Inc./Dec.	YoY	Remarks
Capital expenditures	29.4	29.5	(0.1)	(0.2%)	
Depreciation	36.3	32.9	3.4	10.2%	

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

FY2018 H1 Financial Results (Individual)

<Revenue>

(Billions of yen)

	FY2018 H1	FY2017 H1	Inc./Dec.	YoY	Remarks
Asahi Breweries	425.3	443.0	(17.7)	(4.0%)	
Other / elimination in segment *1	11.1	14.2	(3.1)	(22.0%)	FY2018 H1: Negative impact of assignment of Masuda inc. (whole saler) -3.1
Corporate adjustment (IFRS adjustment)	(15.7)	(17.0)	1.3	-	
Alcohol Beverages Business	420.6	440.2	(19.5)	(4.4%)	
Asahi Soft Drinks *2	242.1	231.0	11.2	4.8%	
LB	-	10.2	(10.2)	-	The business was transferred in November 2017
Other / elimination in segment	-	(1.0)	1.0	-	
Corporate adjustment (IFRS adjustment)	(67.7)	(61.8)	(5.9)	-	
Soft Drinks Business	174.4	178.3	(3.9)	(2.2%)	
Asahi Group Foods	62.3	61.0	1.3	2.2%	
Other / elimination in segment	(0.0)	(0.0)	0.0	-	
Corporate adjustment (IFRS adjustment)	(5.9)	(5.8)	(0.1)	-	
Food Business	56.4	55.2	1.2	2.2%	
Europe business *3 (Details P4)	229.8	142.6	87.2	61.1%	
Oceania business	81.0	76.0	5.0	6.6%	
Southeast Asia business	25.1	26.8	(1.7)	(6.4%)	
China business *4	6.4	8.6	(2.2)	(26.0%)	
Other / elimination in segment *1	9.1	9.1	(0.0)	(0.1%)	
Corporate adjustment (IFRS adjustment)	-	-	-	-	
Overseas Business	351.4	263.1	88.3	33.5%	
Other Business	52.9	51.2	1.7	3.3%	
Adjustment (corporate and elimination)	(50.7)	(50.6)	(0.1)	-	
Total	1,005.1	937.4	67.7	7.2%	

<Core operating profit>

(Billions of yen)

	FY2018 H1	FY2017 H1	Inc./Dec.	YoY	Remarks
Asahi Breweries	46.8	46.4	0.3	0.7%	
Other / elimination in segment *1	0.1	0.2	(0.1)	(59.6%)	
Alcohol Beverages Business	46.9	46.7	0.2	0.4%	
Asahi Soft Drinks	16.8	16.1	0.7	4.3%	
LB	-	0.3	(0.3)	-	The business was transferred in November 2017
Other / elimination in segment	0.1	0.2	(0.0)	(17.2%)	
Soft Drinks Business	16.9	16.6	0.3	2.0%	
Asahi Group Foods	6.1	5.8	0.3	5.5%	
Other / elimination in segment	0.2	0.3	(0.1)	(26.6%)	
Food Business	6.3	6.1	0.2	4.0%	
Europe business *3 (Details P4)	35.7	16.0	19.8	123.9%	
Oceania business	3.8	3.7	0.1	2.8%	
Southeast Asia business	0.9	0.4	0.4	104.9%	
China business *4	0.5	0.6	(0.1)	(15.4%)	
Other / elimination in segment *1	0.6	0.5	0.1	20.5%	
Overseas Business	41.5	21.1	20.3	96.0%	
Other Business	0.3	0.3	0.1	30.0%	
Adjustment (corporate and elimination) *5	(9.2)	(9.9)	0.7	-	including group management expenses of Asahi Group Holdings
Amortization of acquisition-related intangible assets *6	(11.2)	(7.5)	(3.7)	-	
IFRS adjustment	(3.3)	(2.0)	(1.3)	-	
Total	88.2	71.3	16.9	23.7%	

*1 We reconstructed the business category on January 1, 2018. We reflect the impact related to the issues described as below to the figures in 2017. Lotte Asahi and Asahi Beer U.S.A, both of which were previously in Other / elimination in segment in Alcohol Beverages Business were transferred to Other / elimination in segment in Overseas Business.

*2 The figures in 2018 include the impact of new trading system introduced on January 1, 2018

*3 Europe business's figures in 2017 show combined results of Western Europe from January and Central Europe from April. (Details are shown on the next page)

*4 As for the results of Yantai Beer Tsingtao Asahi Co., Ltd., the figures in 2018 include only 3 months results (January - March) due to the change of scope of consolidation along with the sale of shares of Tsingtao Brewery.

*5 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.

*6 We adjusted the amortization of acquisition-related intangible assets of Central Europe business during April - June in 2017 retroactively due to the confirmation of the tentative accounting process for business combination in March 2018.

Details of amortization of acquisition-related intangible assets and Europe business

◆Details of amortization of acquisition-related intangible assets

(Billions of yen)

	FY2018 H1	FY2017 H1	Inc./Dec.	Remarks
Alcohol Beverages Business	(0.1)	(0.1)	-	
Soft Drinks Business	(0.8)	(0.8)	0.0	
Food Business	-	-	-	
Europe business *1	(9.0)	(4.9)	(4.1)	
Oceania business	(1.2)	(1.2)	(0.0)	
Southeast Asia business	-	(0.4)	0.4	
Overseas Business	(10.2)	(6.5)	(3.7)	
Other Business	(0.1)	(0.1)	-	
Total	(11.2)	(7.5)	(3.7)	

*1 We adjusted the amortization of acquisition-related intangible assets of Central Europe business during April - June in 2017 retroactively due to the confirmation of the tentative accounting process for business combination in March 2018.

◆Details of Europe business

< Revenue (including liquor tax) >

(Billions of yen)

	FY2018 H1	FY2017 H1	Inc./Dec.	YoY	Remarks
Western Europe business	71.5	61.0	10.6	17.4%	
Central Europe business (from April, 2017)	158.3	81.7	76.6	93.8%	
Europe business	229.8	142.6	87.2	61.1%	

< Core operating profit >

(Billions of yen)

	FY2018 H1	FY2017 H1	Inc./Dec.	YoY	Remarks
Gross core operating profit	8.5	7.5	1.0	13.4%	
Once off cost	(0.1)	(0.8)	0.7	-	
Western Europe business	8.5	6.7	1.7	26.0%	
Gross core operating profit	28.1	15.4	12.6	81.9%	
Once off cost	(0.8)	(6.2)	5.4	-	
Central Europe business	27.2	9.2	18.0	195.2%	
Europe business	35.7	16.0	19.8	123.9%	
Western Europe business	(2.3)	(1.6)	(0.7)	-	
Central Europe business	(6.7)	(3.3)	(3.4)	-	
Amortization of acquisition-related intangible assets *1	(9.0)	(4.9)	(4.1)	-	

*1 We adjusted the amortization of acquisition-related intangible assets of Central Europe business during April - June in 2017 retroactively due to the confirmation of the tentative accounting process for business combination in March 2018.

FY2018 H1 Breakdown of Increase/Decrease in Revenue and Profit
< Asahi Breweries Sales Volume >

(Millions of cases)

	FY2018 H1	FY2017 H1	Inc./Dec.	YoY	Remarks
Beer	41.53	44.71	(3.18)	(7.1%)	
Happoshu	6.67	7.14	(0.47)	(6.5%)	
New Genre	19.16	20.98	(1.82)	(8.7%)	
Beer-type beverages total	67.36	72.82	(5.46)	(7.5%)	

< Revenue >

(Billions of yen)

Beer	228.9	243.2	(14.3)	(5.9%)	
Happoshu	25.4	27.5	(2.1)	(7.6%)	
New Genre	63.5	69.5	(6.0)	(8.6%)	
Beer-type beverages total	317.9	340.2	(22.3)	(6.6%)	
Whiskey and spirits	27.4	26.2	1.2	4.6%	
RTD low-alcohol beverages	21.1	18.1	3.0	16.4%	
Wine	19.4	19.0	0.4	2.1%	
Shochu	13.2	13.2	0.0	0.3%	
Other	0.0	0.0	(0.0)	(11.8%)	
Other alcohol beverages total	81.2	76.5	4.6	6.0%	
Non-alcohol beverages	14.6	13.9	0.6	4.6%	Including beer-taste non alcohol beverages
Other, contracted manufacture, etc.	11.7	12.3	(0.6)	(5.0%)	
Asahi Breweries Revenue	425.3	443.0	(17.7)	(4.0%)	
Other / elimination in segment *1	11.1	14.2	(3.1)	(22.0%)	FY2018 H1: Negative impact of assignment of Masuda inc. (whole saler) -3.1
Corporate adjustment (IFRS adjustment)	(15.7)	(17.0)	1.3	-	
Revenue total	420.6	440.2	(19.5)	(4.4%)	

< Core operating profit >

(Billions of yen)

Beer-type - Decrease in sales volume *2	-	-	(6.3)		
Change in Beer-type	-	-	0.3		Container mix +0.3
Other alcohol beverages - Increase in sales volume	-	-	1.7		
Cost reduction in manufacturing	-	-	0.8		Raw materials +0.2, Other alcohol beverages total +0.4, etc.
Cost increase in manufacturing	-	-	(0.8)		Raw materials -0.2, Utilities -0.4, etc.
Decrease in sales promotion expense	48.0	51.0	3.0		Advertisement -0.7, Promotion expense +3.7 (Beer-type +3.9, Other -0.9)
Decrease in other expenses	-	-	1.6		
Increase in personal expenses	-	-	(0.1)		
Decrease in depreciation	-	-	0.2		
Decrease in selling equipment expenses	-	-	0.2		
Decrease in other materials	-	-	1.4		
Asahi Breweries Core operating profit	46.8	46.4	0.3	0.7%	
Other / elimination in segment *1	0.1	0.2	(0.1)	(59.6%)	
Core operating profit total	46.9	46.7	0.2	0.4%	

*1 We reconstructed the business category on January 1, 2018. We reflect the impact related to the issues described as below to the figures in 2017. Lotte Asahi and Asahi Beer U.S.A, both of which were previously in Other / elimination in segment in Alcohol Beverages Business were transferred to Other / elimination in segment in Overseas Business.

*2 The figure includes the impact of price revision.

FY2018 H1 Breakdown of Increase/Decrease in Revenue and Profit

< Asahi Soft Drinks Sales Volume >

(Millions of cases)

	FY2018 H1	FY2017 H1	Inc./Dec.	YoY	Remarks
Carbonated drinks	31.67	29.32	2.36	8.0%	
Fruit juice	9.77	10.57	(0.80)	(7.6%)	
Coffee	21.13	22.28	(1.15)	(5.2%)	
Tea	18.52	19.20	(0.68)	(3.6%)	
Mineral water	11.28	10.56	0.71	6.8%	
Lactic acid drinks	23.14	20.89	2.25	10.8%	
Other drinks	9.46	8.97	0.49	5.5%	
Asahi Soft Drinks total	124.97	121.79	3.17	2.6%	

< Revenue >

(Billions of yen)

Carbonated drinks	52.1	46.7	5.4	11.7%	
Fruit juice	16.0	16.8	(0.8)	(4.5%)	
Coffee	46.1	47.0	(0.9)	(1.9%)	
Tea	29.1	29.4	(0.3)	(1.2%)	
Mineral water	13.4	12.4	1.0	8.0%	
Lactic acid drinks	50.1	46.0	4.1	8.8%	
Other drinks	29.6	27.1	2.5	9.4%	
Other	5.7	5.6	0.1	1.7%	Including Calpis dairy business, etc.
Asahi Soft Drinks Revenue	242.1	231.0	11.2	4.8%	
LB Revenue *1	-	10.2	(10.2)	-	
Other / elimination in segment	-	(1.0)	1.0	-	
Corporate adjustment (IFRS adjustment)	(67.7)	(61.8)	(5.9)	-	
Revenue total	174.4	178.3	(3.9)	(2.2%)	

< Core operating profit >

(Billions of yen)

Increase in sales volume	-	-	1.6		
Change in product & pack mix	-	-	0.1		
Cost reduction	-	-	2.4		Raw materials 0.8, Package 0.3, operational efficiency·In-house production 1.3
Cost increase	-	-	(0.8)		Raw materials -0.4, Package -0.4
Increase in sales promotion expenses	-	-	(1.3)		Advertisement 0.4, Promotion expense -1.7
Increase in other expenses	-	-	(1.3)		Depreciation, etc.
Asahi Soft Drinks Core operating profit	16.8	16.1	0.7	4.3%	Including Calpis dairy business, etc.
LB Core operating profit *1	-	0.3	(0.3)	-	
Other / elimination in segment	0.1	0.2	(0.0)	(17.2%)	
Core operating profit total	16.9	16.6	0.3	2.0%	

*1 The business was transferred in November 2017

FY2018 H1 Consolidated Statement of Financial Position

(Billions of yen)

	FY2018 H1	FY2017	Inc./Dec.	Remarks
Current assets	685.0	812.4	(127.4)	
Cash and cash equivalents	62.5	58.1	4.4	
Trade and other receivables	406.1	433.4	(27.4)	
Inventories	170.4	155.9	14.4	
Income tax receivables	5.7	12.4	(6.7)	
Other financial assets	7.5	6.9	0.6	
Other current assets	32.9	27.1	5.8	
Subtotal	685.0	693.8	(8.7)	
Assets held for sale	-	118.6	(118.6)	
Non-current assets	2,402.0	2,534.4	(132.3)	
Property, plant and equipment	683.7	717.9	(34.2)	
Goodwill and intangible assets	1,444.3	1,538.7	(94.4)	
Investments accounted for using equity method	8.1	4.8	3.2	
Other financial assets	214.4	219.1	(4.8)	
Deferred tax assets	9.6	11.4	(1.8)	
Net defined benefit assets	25.3	26.1	(0.7)	
Other non-current assets	16.7	16.4	0.3	
Total assets	3,087.1	3,346.8	(259.7)	
Current liabilities	895.7	1,052.2	(156.5)	
Trade and other payables	419.6	433.6	(14.0)	
Bonds and borrowings (current)	259.9	359.7	(99.8)	
Income tax payables	33.9	51.9	(17.9)	
Allowance	14.4	15.5	(1.1)	
Other financial liabilities	28.6	29.2	(0.6)	
Other current liabilities	139.2	144.4	(5.1)	
Subtotal	895.7	1,034.2	(138.5)	
Liabilities directly related to assets held for sale	-	18.0	(18.0)	
Non-current liabilities	1,079.3	1,141.9	(62.6)	
Bonds and borrowings (non-current)	848.3	902.2	(53.9)	
Net defined benefit liabilities	25.3	25.5	(0.1)	
Deferred tax liabilities	142.6	156.8	(14.2)	
Other financial liabilities	59.5	53.0	6.5	
Other non-current liabilities	3.6	4.4	(0.9)	
Total liabilities	1,975.0	2,194.1	(219.1)	
Issued capital	182.5	182.5	-	
Share premium	119.1	119.1	0.1	
Retained earnings	753.9	713.1	40.8	
Treasury shares	(77.0)	(76.7)	(0.2)	
Other components of equity	130.3	210.6	(80.3)	
Other componentsof equity related to disposal group held for sale	-	(3.4)	3.4	
Non-controlling interests	3.3	7.6	(4.3)	
Total equity	1,112.1	1,152.7	(40.6)	
Total liabilities and equity	3,087.1	3,346.8	(259.7)	

FY2018 H1 Consolidated Statement of Cash Flows

(Billions of yen)

	FY2018 H1	FY2017 H1	Inc./Dec.
Cash flows from (used in) operating activities	107.4	88.8	18.6
Profit before tax	85.3	60.5	24.8
Depreciation *1	36.3	32.9	3.4
Amortization of acquisition-related intangible assets	11.2	7.5	3.7
Income tax paid	(38.9)	(43.3)	4.4
Cash flows from (used in) investing activities	68.7	(920.4)	989.1
Acquisition of stock of subsidiaries	-	(896.6)	896.6
Capital expenditure *1	(29.4)	(29.5)	0.1
Cash flows from (used in) financing activities	(169.0)	864.7	(1,033.7)
Increase (decrease) of financial obligation *2	(153.8)	882.3	(1,036.1)
Acquisition of treasury shares *3	-	-	-
Dividends paid	(20.6)	(12.8)	(7.8)
Translation difference	(1.9)	2.2	(4.2)
Increase (decrease) of cash and cash equivalents	5.1	35.3	(30.2)
Increase (decrease) of cash resulted from change of scope of consolidation	(0.7)	-	(0.7)
Cash and cash equivalents contained in assets held for sale	-	-	-

*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.

Reference

◆Overseas Business excluding the impact of foreign exchange

(Billions of yen)

	FY2018 H1	FY2017 H1	Inc./Dec.	YoY	Remarks
Europe business	213.3	142.6	70.7	49.5%	
Oceania business	81.9	76.0	5.9	7.8%	
Southeast Asia business	23.7	26.8	(3.1)	(11.4%)	
China business	6.1	8.6	(2.5)	(28.9%)	
Other / elimination in segment *1	9.0	9.1	(0.1)	(1.4%)	
Corporate adjustment (IFRS adjustment)	-	-	-	-	
Revenue	334.0	263.1	70.9	26.9%	
Europe business	33.2	16.0	17.2	107.8%	
Oceania business	3.8	3.7	0.1	4.0%	
Southeast Asia business	0.8	0.4	0.4	85.5%	
China business	0.5	0.6	(0.1)	(18.7%)	
Other / elimination in segment *1	0.6	0.5	0.1	18.8%	
Core operating profit	38.8	21.1	17.7	83.6%	

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

*1 We reconstructed the business category on January 1, 2018. We reflect the impact related to the issues described as below to the figures in 2017.
Lotte Asahi and Asahi Beer U.S.A, both of which were previously in Other / elimination in segment in Alcohol Beverages Business were transferred to Other / elimination in segment in Overseas Business.

◆Exchange Rate

(Yen)

	FY2018 H1 (Average)	FY2017 H1 (Average)	
US dollar	108.7	112.3	
Euro (Western Europe)	131.6	121.7	* From January, 2017
Euro (Central Europe)	131.6	122.3	* From April, 2017
Australian dollar	83.9	84.8	
Malaysia Ringgit	27.6	25.6	
Indonesian Rupiah	0.0079	0.0085	
Chinese Yuan	17.1	16.4	

FY2018 Consolidated Financial Results Forecast Highlight

(Billions of yen)

Summary of Statement of Profit or Loss	FY2018 forecast	FY2017	Inc./Dec.	YoY	Remarks
Revenue	2,140.0	2,084.9	55.1	2.6%	
Domestic Business	1,058.2	1,056.4	1.9	0.2%	
Overseas Business	577.6	533.0	44.6	8.4%	
Revenue excluding liquor tax	1,635.9	1,589.4	46.5	2.9%	
Core operating profit *1	220.0	196.4	23.6	12.0%	
Operating profit	204.0	183.2	20.8	11.4%	
EBITDA *2	315.8	285.4	30.4	10.7%	
Profit before tax	203.0	197.0	6.0	3.1%	
Profit	142.3	138.8	3.5	2.5%	
Profit attributable to owners of parent	142.0	141.0	1.0	0.7%	
Adjusted Profit attributable to owners of parent *3	139.0	120.1	18.9	15.7%	

*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.

*3 Adjusted Profit attributable to owners of parent

= Profit attributable to owners of parent - one off special factors including business portfolio restructuring

Reference data	FY2018 forecast	FY2017	Inc./Dec.
Alcohol Beverages Business (including liquor tax)	12.8%	12.6%	0.2%
(excluding liquor tax)	21.5%	21.3%	0.2%
Soft Drinks Business	10.5%	10.2%	0.3%
Food Business	10.6%	10.2%	0.4%
Overseas Business (including liquor tax)	13.6%	10.5%	3.1%
(excluding liquor tax)	16.6%	12.6%	4.0%
Core operating profit margin (including liquor tax)	10.3%	9.4%	0.9%
(excluding liquor tax)	13.4%	12.4%	1.0%
EBITDA margin (including liquor tax)	14.8%	13.7%	1.1%
(excluding liquor tax)	19.3%	18.0%	1.3%
EPS (yen)	310.0	307.8	2.2
Adjusted EPS (yen) *4	303.4	262.2	41.2
ROE	12.3%	14.2%	(1.9%)
Adjusted ROE *5	14.1%	13.7%	0.4%
Debt Equity Ratio	0.86	1.05	(0.19)
Net Debt EBITDA Ratio	3.20	4.22	(1.02)
Dividend payout ratio	29.0%	24.4%	4.6%
Adjusted Dividend payout ratio *6	29.7%	28.6%	1.1%

*4 Calculated based on Adjusted Profit attributable to owners of parent

*5 Adjusted ROE

= Adjusted Profit attributable to owners of parent / Equity attributable to owners of parent

(after the deduction of translation difference on foreign operations and Changes in fair value of financial instruments measured at fair value through other comprehensive income)

*6 Calculated based on Adjusted EPS

FY2018 Consolidated Financial Results Forecast

(Billions of yen)

Summary of Statement of Profit or Loss	FY2018 forecast	FY2017	Inc./Dec.	YoY	Remarks
Alcohol Beverages Business *1	942.6	958.4	(15.8)	(1.6%)	Details are on supplement 12
Soft Drinks Business	369.7	374.5	(4.8)	(1.3%)	
Food Business	113.9	113.8	0.1	0.1%	
Overseas Business *1	702.3	637.0	65.3	10.3%	
Other Business	110.8	106.1	4.7	4.4%	
Adjustmenet (corporate and elimination)	(99.3)	(104.9)	5.6	-	
Revenue	2,140.0	2,084.9	55.1	2.6%	
Alcohol Beverages Business *1	121.0	120.5	0.5	0.4%	Details are on supplement 12
Soft Drinks Business	38.9	38.3	0.6	1.5%	
Food Business	12.1	11.6	0.5	4.1%	
Overseas Business *1	95.6	67.0	28.6	42.6%	
Other Business	2.4	2.0	0.4	20.5%	
Adjustmenet (corporate and elimination)	(21.4)	(20.2)	(1.1)	-	
Amortization of acquisition-related intangible assets	(21.8)	(19.2)	(2.6)	-	Details are on supplement 13
Corporate adjustment (IFRS adjustment)	(6.8)	(3.6)	(3.2)	-	
Core operating profit	220.0	196.4	23.6	12.0%	
Adjustment item	(16.0)	(13.2)	(2.8)	-	
Loss (gain) on sales and retirement of non current assets	(4.8)	(5.5)	0.7	-	
Gain (loss) on sales of stocks of subsidiaries and affiliates	-	9.6	(9.6)	-	
Gain (loss) on revaluation of subsidiaries and affiliates	1.4	-	1.4	-	
Business integration expenses	(0.7)	(4.0)	3.3	-	
Impairment loss	-	(10.1)	10.1	-	
Others	(11.9)	(3.1)	(8.8)	-	
Operating profit	204.0	183.2	20.8	11.4%	
Finance income or loss	(3.4)	(3.8)	0.4	-	
Share of loss (profit) of entities accounted for using equity method	0.8	1.1	(0.3)	(28.8%)	
Loss (gain) on sales of investments accounted for using equity method	(0.9)	17.9	(18.8)	-	
Others	2.5	(1.4)	3.9	-	including profit (loss) relating to restructuring business portfolio
Profit before tax	203.0	197.0	6.0	3.1%	
Income tax expense	(60.7)	(58.1)	(2.6)	-	
Profit	142.3	138.8	3.5	2.5%	
Profit attributable to owners of parent	142.0	141.0	1.0	0.7%	
Profit attributable to non-controlling interests	0.3	(2.2)	2.5	-	

*1 We reconstructed the business category on January 1, 2018. We reflect the impact related to the issues described as below to the figures in 2017. Lotte Asahi and Asahi Beer U.S.A, both of which were previously in Other / elimination in segment in Alcohol Beverages Business were transferred to Other / elimination in segment in Overseas Business.

Summary of Statement of Financial Position	FY2018 forecast	FY2017	Inc./Dec.	YoY	Remarks
Total assets	3,140.0	3,346.8	(206.8)	(6.2%)	
Total equity	1,172.0	1,152.7	19.3	1.7%	
Total equity attributable to owners of parent	1,169.0	1,145.1	23.9	2.1%	
Interest-bearing debt	1,060.0	1,261.9	(201.9)	(16.0%)	

Others	FY2018 forecast	FY2017	Inc./Dec.	YoY	Remarks
Capital expenditures	89.0	89.6	(0.6)	(0.6%)	
Depreciation	74.0	69.8	4.2	6.0%	

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

FY2018 Financial Results (Individual) Forecast

<Revenue>

(Billions of yen)

	FY2018 forecast	FY2017	Inc./Dec.	YoY	Remarks
Asahi Breweries	954.5	967.2	(12.6)	(1.3%)	
Other / elimination in segment *1	24.0	27.8	(3.8)	(13.6%)	FY2018: Negative impact of assignment of Masuda inc. (whole saler) -3.1
Corporate adjustment (IFRS adjustment)	(35.9)	(36.5)	0.6	-	
Alcohol Beverages Business	942.6	958.4	(15.8)	(1.6%)	
Asahi Soft Drinks *2	510.0	486.2	23.8	4.9%	
LB	-	20.2	(20.2)	-	The business was transferred in November 2017
Other / elimination in segment	-	(2.0)	2.0	-	
Corporate adjustment (IFRS adjustment)	(140.3)	(129.9)	(10.4)	-	
Soft Drinks Business	369.7	374.5	(4.8)	(1.3%)	
Asahi Group Foods	126.3	126.1	0.2	0.2%	
Other / elimination in segment	-	(0.0)	0.0	-	
Corporate adjustment (IFRS adjustment)	(12.4)	(12.3)	(0.1)	-	
Food Business	113.9	113.8	0.1	0.1%	
Europe business *3 (Details P13)	449.5	373.6	75.9	20.3%	
Oceania business	177.2	173.2	4.0	2.3%	
Southeast Asia business	47.9	55.4	(7.5)	(13.5%)	
China business *4	9.5	16.4	(6.9)	(42.0%)	
Other / elimination in segment *1	18.2	18.4	(0.2)	(1.1%)	
Corporate adjustment (IFRS adjustment)	-	-	-	-	
Overseas Business	702.3	637.0	65.3	10.3%	
Other Business	110.8	106.1	4.7	4.4%	
Adjustment (corporate and elimination)	(99.3)	(104.9)	5.6	-	
Total	2,140.0	2,084.9	55.1	2.6%	

<Core operating profit>

(Billions of yen)

	FY2018 forecast	FY2017	Inc./Dec.	YoY	Remarks
Asahi Breweries	120.2	119.6	0.6	0.5%	
Other / elimination in segment *1	0.8	0.9	(0.1)	(8.7%)	
Alcohol Beverages Business	121.0	120.5	0.5	0.4%	
Asahi Soft Drinks	38.7	37.0	1.7	4.5%	
LB	-	0.9	(0.9)	-	The business was transferred in November 2017
Other / elimination in segment	0.2	0.4	(0.2)	(49.9%)	
Soft Drinks Business	38.9	38.3	0.6	1.5%	
Asahi Group Foods	11.7	11.1	0.5	4.9%	
Other / elimination in segment	0.4	0.5	(0.1)	(14.8%)	
Food Business	12.1	11.6	0.5	4.1%	
Europe business *3 (Details P13)	76.5	51.1	25.5	49.9%	
Oceania business	15.2	14.0	1.1	8.0%	
Southeast Asia business	2.1	0.8	1.3	162.5%	
China business *4	0.5	0.9	(0.5)	(50.8%)	
Other / elimination in segment *1	1.3	0.2	1.1	511.4%	
Overseas Business	95.6	67.0	28.6	42.6%	
Other Business	2.4	2.0	0.4	20.5%	
Adjustment (corporate and elimination) *5	(21.4)	(20.2)	(1.1)	-	including group management expenses of Asahi Group Holdings
Amortization of acquisition-related intangible assets	(21.8)	(19.2)	(2.6)	-	
IFRS adjustment	(6.8)	(3.6)	(3.2)	-	
Total	220.0	196.4	23.6	12.0%	

*1 We reconstructed the business category on January 1, 2018. We reflect the impact related to the issues described as below to the figures in 2017. Lotte Asahi and Asahi Beer U.S.A, both of which were previously in Other / elimination in segment in Alcohol Beverages Business were transferred to Other / elimination in segment in Overseas Business.

*2 Figure in 2018 forecast includes the impact of new trading system introduced on January 1, 2018

*3 Europe business's figures in 2017 show combined results of Western Europe from January and Central Europe from April. (Details are shown on the next page)

*4 As for the results of Yantai Beer Tsingtao Asahi Co., Ltd., the figures in 2018 include only 3 months results (January - March) due to the change of scope of consolidation along with the sale of shares of Tsingtao Brewery.

*5 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.

Details of Amortization of acquisition-related intangible assets and Europe business Forecast

◆Details of amortization of acquisition-related intangible assets

(Billions of yen)

	FY2018 forecast	FY2017	Inc./Dec.	Remarks
Alcohol Beverages Business	(0.2)	(0.2)	-	
Soft Drinks Business	(1.6)	(1.7)	0.0	
Food Business	-	-	-	
Europe business	(17.5)	(14.0)	(3.4)	
Oceania business	(2.3)	(2.4)	0.1	
Southeast Asia business	-	(0.7)	0.7	
Overseas Business	(19.8)	(17.2)	(2.6)	
Other Business	(0.2)	(0.2)	-	
Total	(21.8)	(19.2)	(2.6)	

◆Details of Europe business

< Revenue (including liquor tax) >

(Billions of yen)

	FY2018 forecast	FY2017	Inc./Dec.	YoY	Remarks
Western Europe business	145.3	135.0	10.2	7.6%	
Central Europe business (from April, 2017)	304.2	238.5	65.7	27.5%	
Europe business	449.5	373.6	75.9	20.3%	

< Core operating profit >

(Billions of yen)

	FY2018 forecast	FY2017	Inc./Dec.	YoY	Remarks
Gross core operating profit	21.4	19.6	1.8	9.4%	
Once off cost	(0.1)	(1.8)	1.7	-	
Western Europe business	21.3	17.7	3.6	20.0%	
Gross core operating profit	56.6	45.2	11.4	25.3%	
Once off cost	(1.3)	(11.8)	10.5	-	
Central Europe business	55.3	33.3	21.9	65.8%	
Europe business	76.5	51.1	25.5	49.9%	
Western Europe business	(4.5)	(4.4)	(0.1)	-	
Central Europe business	(13.0)	(9.7)	(3.3)	-	
Amortization of acquisition-related intangible assets	(17.5)	(14.0)	(3.4)	-	

FY2018 Breakdown of Increase/Decrease in Revenue and Profit Forecast
< Asahi Breweries Sales Volume >

(Millions of cases)

	FY2018 forecast	FY2017	Inc./Dec.	YoY	Remarks
Beer	95.85	99.98	(4.13)	(4.1%)	
Happoshu	14.35	15.01	(0.66)	(4.4%)	
New Genre	41.60	42.98	(1.38)	(3.2%)	
Beer-type beverages total	151.80	157.97	(6.17)	(3.9%)	

< Revenue >

(Billions of yen)

Beer	533.8	546.1	(12.2)	(2.2%)	
Happoshu	54.6	57.9	(3.3)	(5.6%)	
New Genre	138.0	142.4	(4.4)	(3.1%)	
Beer-type beverages total	726.4	746.3	(19.9)	(2.7%)	
Whiskey and spirits	56.9	55.0	1.9	3.5%	
RTD low-alcohol beverages	45.2	40.6	4.6	11.4%	
Wine	41.7	41.3	0.4	1.0%	
Shochu	27.5	27.9	(0.3)	(1.2%)	
Other	0.0	0.0	(0.0)	(6.1%)	
Other alcohol beverages total	171.4	164.8	6.6	4.0%	
Non-alcohol beverages	33.1	31.9	1.2	3.7%	Including beer-taste non alcohol beverages
Other, contracted manufacture, etc.	23.6	24.1	(0.5)	(2.1%)	
Asahi Breweries Revenue	954.5	967.2	(12.6)	(1.3%)	
Other / elimination in segment *1	24.0	27.8	(3.8)	(13.6%)	FY2018: Negative impact of assignment of Masuda inc. (whole saler) -3.1
Corporate adjustment (IFRS adjustment)	(35.9)	(36.5)	0.6	-	
Revenue total	942.6	958.4	(15.8)	(1.6%)	

< Core operating profit >

(Billions of yen)

Beer-type - Decrease in sales volume *2	-	-	(4.4)		
Change in Beer-type	-	-	1.5		Container mix 1.5
Other alcohol beverages - increase in sales volume	-	-	2.5		
Cost reduction in manufacturing	-	-	1.3		Raw materials 0.5, Other alcohol beverages total 0.5, etc.
Cost increase in manufacturing	-	-	(1.0)		Raw materials -0.4, Utilities -0.5, etc.
Decrease in sales promotion expense	104.5	104.9	0.4		Advertisement -1.5, Promotion expense 1.9 (Beer-type 0.7, Other -0.3)
Decrease in other expenses	-	-	0.3		
Increase in personal expenses	-	-	(0.4)		
Decrease in depreciation	-	-	0.4		
Increase in selling equipment expenses	-	-	(0.2)		
Decrease in other materials	-	-	0.5		
Asahi Breweries Core operating profit	120.2	119.6	0.6	0.5%	
Other / elimination in segment	0.8	0.9	(0.1)	(8.7%)	
Core operating profit total	121.0	120.5	0.5	0.4%	

*1 We reconstructed the business category on January 1, 2018. We reflect the impact related to the issues described as below to the figures in 2017. Lotte Asahi and Asahi Beer U.S.A, both of which were previously in Other / elimination in segment in Alcohol Beverages Business were transferred to Other / elimination in segment in Overseas Business.

*2 The figure includes the impact of price revision.

FY2018 Breakdown of Increase/Decrease in Revenue and Profit Forecast

< Asahi Soft Drinks Sales Volume >

(Millions of cases)

	FY2018 forecast	FY2017	Inc./Dec.	YoY	Remarks
Carbonated drinks	66.33	62.06	4.26	6.9%	
Fruit juice	19.55	22.42	(2.88)	(12.8%)	
Coffee	43.80	44.17	(0.37)	(0.8%)	
Tea	40.75	40.20	0.55	1.4%	
Mineral water	24.80	23.46	1.34	5.7%	
Lactic acid drinks	48.46	44.37	4.09	9.2%	
Other drinks	19.82	19.29	0.53	2.7%	
Asahi Soft Drinks total	263.50	255.98	7.52	2.9%	

< Revenue >

(Billions of yen)

Carbonated drinks	107.7	99.2	8.5	8.5%	
Fruit juice	32.3	36.3	(4.0)	(10.9%)	
Coffee	94.9	93.0	1.9	2.1%	
Tea	65.1	61.1	4.0	6.5%	
Mineral water	30.6	28.1	2.5	8.9%	
Lactic acid drinks	104.1	97.4	6.7	6.9%	
Other drinks	63.6	59.3	4.3	7.2%	
Other	11.7	11.8	(0.1)	(0.7%)	Including Calpis dairy business, etc.
Asahi Soft Drinks Revenue	510.0	486.2	23.8	4.9%	
LB Revenue *1	-	20.2	(20.2)	-	
Other / elimination in segment	-	(2.0)	2.0	-	
Corporate adjustment (IFRS adjustment)	(140.3)	(129.9)	(10.4)	-	
Revenue total	369.7	374.5	(4.8)	(1.3%)	

< Core operating profit >

(Billions of yen)

Increase in sales volume	-	-	3.3		
Change in product & pack mix	-	-	0.2		
Cost reduction	-	-	3.7		Raw materials 1.1, Package 0.9, operational efficiency·In-house production 1.7
Cost increase	-	-	(1.6)		Raw materials -0.8, Package -0.8
Increase in sales promotion expenses	-	-	(1.8)		Advertisement 0.5, Promotion expense -2.3
Increase in other expenses	-	-	(2.1)		Depreciation, etc.
Asahi Soft Drinks Core operating profit	38.7	37.0	1.7	4.5%	Including Calpis dairy business, etc.
LB Core operating profit *1	-	0.9	(0.9)	-	
Other / elimination in segment	0.2	0.4	(0.2)	(49.9%)	
Core operating profit total	38.9	38.3	0.6	1.5%	

*1 The business was transferred in November 2017

FY2018 Consolidated Statement of Cash Flows Forecast

(Billions of yen)

	FY2018 forecast	FY2017	Inc./Dec.
Cash flows from (used in) operating activities	252.8	231.7	21.1
Profit before tax	203.0	197.0	6.0
Depreciation *1	74.0	69.8	4.2
Amortization of acquisition-related intangible assets	21.8	19.2	2.6
Income tax paid	(78.2)	(78.2)	0.0
Cash flows from (used in) investing activities	(0.5)	(885.8)	885.4
Acquisition of stock of subsidiaries	-	(891.6)	891.6
Capital expenditure *1	(89.0)	(89.6)	0.6
Cash flows from (used in) financing activities	(258.8)	661.9	(920.7)
Increase (decrease) of financial obligation *2	(201.9)	691.6	(893.5)
Acquisition of treasury shares *3	-	-	-
Dividends paid	(41.2)	(26.6)	(14.7)
Translation difference	(1.2)	2.1	(3.3)
Increase (decrease) of cash and cash equivalents	(7.6)	9.9	(17.5)
Increase (decrease) of cash resulted from change of scope of consolidation	(0.7)	-	(0.7)
Cash and cash equivalents contained in assets held for sale	-	(0.3)	0.3

*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.

Segment Information

FY2018 forecast

(Billions of yen)

	Alcohol Beverages	Soft Drinks	Food	Overseas	Other	Adjustment (corporate/elimination)	Amortization of intangible assets	Corporate adjustment (IFRS adjustment)	Total
Revenue	942.6	369.7	113.9	702.3	110.8	(99.3)	-	-	2,140.0
Core operating profit	121.0	38.9	12.1	95.6	2.4	(21.4)	(21.8)	(6.8)	220.0
Depreciation *1	23.1	10.7	3.7	30.9	0.3	3.0	-	2.3	74.0
Amortisation of acquisition-related intangible assets	0.2	1.6	-	19.8	0.2	-	-	-	21.8
EBITDA *2	144.1	49.6	15.8	126.5	2.7	-	-	-	315.8
Capital expenditure *1	29.4	12.9	3.0	40.3	0.8	2.6	-	-	89.0

*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

FY2017

(Billions of yen)

	Alcohol Beverages	Soft Drinks	Food	Overseas	Other	Adjustment (corporate/elimination)	Amortization of intangible assets	Corporate adjustment (IFRS adjustment)	Total
Revenue	958.4	374.5	113.8	637.0	106.1	(104.9)	-	-	2,084.9
Core operating profit	120.5	38.3	11.6	67.0	2.0	(20.2)	(19.2)	(3.6)	196.4
Depreciation *1	23.7	10.9	3.4	27.6	0.4	2.9	-	0.8	69.8
Amortisation of acquisition-related intangible assets	0.2	1.7	-	17.2	0.2	-	-	-	19.2
EBITDA *2	144.2	49.3	15.0	94.7	2.4	-	-	-	285.4
Capital expenditure *1	23.3	23.0	4.7	35.9	0.5	2.0	-	-	89.6

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	(15.8)	(4.8)	0.1	65.3	4.7	5.6	-	-	55.1
Core operating profit	0.5	0.6	0.5	28.6	0.4	(1.1)	(2.6)	(3.2)	23.6
Depreciation *1	(0.6)	(0.2)	0.3	3.3	(0.1)	0.1	-	1.5	4.2
Amortisation of acquisition-related intangible assets	-	(0.0)	-	2.6	-	-	-	-	2.6
EBITDA *2	(0.1)	0.3	0.8	31.8	0.3	-	-	-	30.4
Capital expenditure *1	6.1	(10.1)	(1.7)	4.4	0.3	0.6	-	-	(0.6)

* We reconstructed the business category on January 1, 2018. We reflect the impact related to the issues described as below to the figures in 2017. Lotte Asahi and Asahi Beer U.S.A, both of which were previously in Other / elimination in segment in Alcohol Beverages Business were transferred to Other / elimination in segment in Overseas Business.

Reference

◆Overseas Business excluding the impact of foreign exchange

(Billions of yen)

	FY2018 forecast	FY2017	Inc./Dec.	YoY	Remarks
Europe business	449.3	373.6	75.7	20.3%	
Oceania business	183.6	173.2	10.4	6.0%	
Southeast Asia business	46.7	55.4	(8.7)	(15.7%)	
China business	9.3	16.4	(7.1)	(43.3%)	
Other / elimination in segment *1	18.4	18.4	0.0	0.1%	
Corporate adjustment (IFRS adjustment)	-	-	-	-	
Revenue total	707.4	637.0	70.4	11.0%	
Europe business	76.6	51.1	25.5	50.0%	
Oceania business	15.7	14.0	1.7	12.0%	
Southeast Asia business	2.1	0.8	1.2	152.7%	
China business	0.4	0.9	(0.5)	(51.9%)	
Other / elimination in segment *1	1.3	0.2	1.1	519.3%	
Core operating profit	96.1	67.0	29.0	43.3%	

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

*1 We reconstructed the business category on January 1, 2018. We reflect the impact related to the issues described as below to the figures in 2017.
Lotte Asahi and Asahi Beer U.S.A, both of which were previously in Other / elimination in segment in Alcohol Beverages Business were transferred to Other / elimination in segment in Overseas Business.

◆Exchange Rate

(Yen)

	FY2018 (Forecast)	FY2017 (Average)	
US dollar	109.0	112.2	
Euro (Western Europe)	128.0	126.7	* From January, 2017
Euro (Central Europe)	128.0	128.6	* From April, 2017
Australian dollar	83.0	86.0	
Malaysia Ringgit	27.0	26.1	
Indonesian Rupiah	0.0079	0.0084	
Chinese Yuan	17.0	16.6	