

1. Overview of performance (From January 1, 2020 to June 30, 2020)

(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 2020 H1 ended June 30, 2020	874,289	(11.1)	52,611	(41.3)	45,318	(48.8)	30,090	(51.2)
Fiscal 2019 H1 ended June 30, 2019	983,832	(2.1)	89,594	1.6	88,465	0.6	61,678	2.4
	Profit attributable to owners of parent		Total comprehensive income					
	(Millions of yen)	(%)	(Millions of yen)	(%)				
Fiscal 2020 H1 ended June 30, 2020	30,192	(50.9)	(57,556)	-				
Fiscal 2019 H1 ended June 30, 2019	61,538	1.9	19,686	-				
	Basic earnings per share		Diluted earnings per share					
	(yen)	(yen)	(yen)	(yen)				
Fiscal 2020 H1 ended June 30, 2020	65.91		65.91					
Fiscal 2019 H1 ended June 30, 2019	134.34		134.33					

(Reference) Profit before tax: FY2020 H1 ended June 30, 2020 41,135 millions of yen (52.9%) FY2019 H1 ended June 30, 2019 87,387 millions of yen 2.5%

*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)	(Millions of yen)	(Millions of yen)	(%)	(%)	
Fiscal 2020 H1 ended June 30, 2020	4,256,986		1,180,510		1,178,674		27.7	
Fiscal 2019 ended December 31, 2019	3,140,788		1,248,279		1,246,314		39.7	

2. Dividends

	Cash dividend per share				
	Q1	Q2	Q3	Year-end	Total annual
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal 2019 ended December 31, 2019	-	52.00	-	48.00	100.00
Fiscal 2020 ended December 31, 2020	-	53.00			
Fiscal 2020 ending December 31, 2020 (forecast)			-	53.00	106.00

Note: Changes to the latest dividend forecast announced: No

3. Forecast for Fiscal 2020 (January 1, 2020 to December 31, 2020)

	Revenue		Core Operating Profit		Operating Profit		Profit	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2020 ending December 31, 2020	2,007,000	(3.9)	147,000	(31.0)	124,000	(38.4)	79,500	(43.7)
	Profit attributable to owners of parent		Basic earnings per share					
	(Millions of yen)	(%)	(yen)	(yen)				
Fiscal 2020 ending December 31, 2020	80,000	(43.7)		174.64				

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

(Reference) Profit before tax : FY2020 ending December 31, 2020 forecast 112,000 millions of yen (43.3%)

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: 9 companies (company name) Fosters Group Pty Ltd, CUB Pty Ltd, New Crest Investments Pty Ltd, Dismin Investments Pty Ltd, FBG Finance Pty Ltd, ABI Australia Holding Pty Ltd, SAB Beverage Investments Pty Ltd, SAB Australia Beverage Holdings LLP, and SAB Financing Southern LLP

Excluded: No

(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):

H1 ended June 30, 2020 483,585,862 shares

Year ended December 31, 2019 483,585,862 shares

(2) Treasury shares at period-end:

H1 ended June 30, 2020 25,510,990 shares

Year ended December 31, 2019 25,509,372 shares

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

H1 ended June 30, 2020 458,075,549 shares

H1 ended June 30, 2019 458,078,413 shares

(Note) The treasury shares which are excluded from calculations of the number of treasury shares at the end of the fiscal period and the average number of shares during the period under review include the Company's shares held by Japan Trustee Services Bank, Ltd. as trust property of the performance-linked stock compensation system for the Directors.

(H1 ended June 30, 2020: 35,742 shares, Year ended December 31, 2019: 35,742 shares, H1 ended June 30, 2019: 38,700 shares)

*** This Consolidated Financial Results for the First Half 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, 2019 and June 30, 2020)

(Millions of yen)

	As of December 31, 2019	As of June 30, 2020
(Assets)		
Current assets		
Cash and cash equivalents	48,489	101,107
Trade and other receivables	407,621	356,873
Inventories	171,717	203,064
Income tax receivables	24,940	3,426
Other financial assets	51,277	6,226
Other current assets	31,067	40,613
Total current assets	735,113	711,312
Non-current assets		
Property, plant and equipment	735,022	789,394
Goodwill and intangible assets	1,398,422	2,509,930
Investments accounted for using equity method	8,755	5,034
Other financial assets	198,657	173,195
Deferred tax assets	15,734	21,755
Net defined benefit assets	20,655	19,814
Other non-current assets	28,424	26,549
Total non-current assets	2,405,674	3,545,673
Total assets	3,140,788	4,256,986
(Liabilities and Equity)		
(Liabilities)		
Current liabilities		
Trade and other payables	423,810	430,612
Bonds and borrowings	408,259	1,688,354
Income tax payables	39,555	26,330
Provisions	14,407	10,474
Other financial liabilities	56,265	55,480
Other current liabilities	133,375	106,451
Total current liabilities	1,075,673	2,317,704
Non-current liabilities		
Bonds and borrowings	534,955	474,775
Net defined benefit liabilities	24,778	24,862
Deferred tax liabilities	147,969	121,426
Other financial liabilities	106,240	111,674
Other non-current liabilities	2,890	26,032
Total non-current liabilities	816,835	758,771
Total liabilities	1,892,509	3,076,476
(Equity)		
Issued capital	182,531	182,531
Share premium	119,163	119,218
Retained earnings	918,523	925,665
Treasury shares	(77,011)	(77,018)
Other components of equity	103,107	28,277
Total equity attributable to owners of parent	1,246,314	1,178,674
Non-controlling interests	1,965	1,835
Total equity	1,248,279	1,180,510
Total liabilities and equity	3,140,788	4,256,986

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

(From January 1 to June 30, 2019 and 2020)

<Consolidated Income Statements>

(Millions of yen)

	Previous year (From January 1 to June 30)	Current year (From January 1 to June 30)
Revenue	983,832	874,289
Cost of sales	(604,989)	(557,751)
Gross Profit	378,843	316,537
Selling, general and administrative expenses	(289,249)	(263,926)
Other operating income	2,433	6,486
Other operating expense	(3,561)	(13,779)
Operating Profit	88,465	45,318
Finance income	6,483	4,095
Finance costs	(8,051)	(6,176)
Share of profit (loss) of investments accounted for using equity method	489	198
Gain (loss) on sales of investments accounted for using equity method	—	(2,300)
Profit before tax	87,387	41,135
Income tax expense	(25,708)	(11,044)
Profit for the period	61,678	30,090
Attributable to:		
Owners of parent	61,538	30,192
Non-controlling interests	140	(101)
Total	61,678	30,090
Basic earnings per share (JPY)	134.34	65.91
Diluted earnings per share (JPY)	134.33	65.91

<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	61,678	30,090
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	1,004	(15,764)
Items that might be reclassified to profit or loss		
Cash flow hedges	1,194	(44,058)
Costs of hedging	604	41
Translation difference on foreign operations	(44,664)	(27,801)
Share of other comprehensive income of entities accounted for using equity method	(130)	(63)
Total other comprehensive income	(41,992)	(87,647)
Total comprehensive income	19,686	(57,556)
Total comprehensive income attributable to:		
Owners of parent	19,747	(57,312)
Non-controlling interests	(61)	(243)

(3) Condensed Consolidated Statement of Changes in Equity

Fiscal 2019 (from January 1 to June 30, 2019)

(Millions of yen)

	Equity attributable to owners of parent					
	Issued capital	Share premium	Retained earnings	Treasury shares	Other components of equity	
					Changes in fair value of financial instruments measured at fair value through OCI	Cash flow hedges
Balance as of January 1, 2019	182,531	119,128	821,120	(76,997)	53,015	(641)
Cumulative effects of changes in accounting policies			(1,993)			
Restated Balance as of January 1, 2019	182,531	119,128	819,126	(76,997)	53,015	(641)
Comprehensive income						
Profit			61,538			
Other comprehensive income					1,004	1,163
Total comprehensive income	—	—	61,538	—	1,004	1,163
Transfer to non-financial assets						(271)
Transactions with owners						
Dividends			(24,736)			
Purchase of treasury shares				(14)		
Disposal of treasury shares		0		0		
Changes through sales of consolidated subsidiaries						
Share-based payment transaction		27				
Transfer from other components of equity to retained earnings			2,540		(2,540)	
Other increase (decrease)						
Total contributions by owners and distribution to owners	—	27	(22,195)	(13)	(2,540)	—
Total transactions with owners	—	27	(22,195)	(13)	(2,540)	—
Balance as of June 30, 2019	182,531	119,156	858,468	(77,011)	51,478	251

	Equity attributable to owners of parent				Non-controlling interests	Total equity
	Other components of equity			Total equity attributable to owners of parent		
	Costs of hedging	Translation difference on foreign operations	Total other components of equity			
Balance as of January 1, 2019	(1,839)	50,103	100,637	1,146,420	3,227	1,149,647
Cumulative effects of changes in accounting policies			—	(1,993)		(1,993)
Restated Balance as of January 1, 2019	(1,839)	50,103	100,637	1,144,426	3,227	1,147,653
Comprehensive income						
Profit			—	61,538	140	61,678
Other comprehensive income	604	(44,563)	(41,790)	(41,790)	(201)	(41,992)
Total comprehensive income	604	(44,563)	(41,790)	19,747	(61)	19,686
Transfer to non-financial assets			(271)	(271)		(271)
Transactions with owners						
Dividends			—	(24,736)	(161)	(24,897)
Purchase of treasury shares			—	(14)		(14)
Disposal of treasury shares			—	0		0
Changes through sales of consolidated subsidiaries			—	—		—
Share-based payment transaction			—	27		27
Transfer from other components of equity to retained earnings			(2,540)	—		—
Other increase (decrease)			—	—		—
Total contributions by owners and distribution to owners	—	—	(2,540)	(24,722)	(161)	(24,883)
Total transactions with owners	—	—	(2,540)	(24,722)	(161)	(24,883)
Balance as of June 30, 2019	(1,234)	5,540	56,035	1,139,180	3,004	1,142,184

(3) Condensed Consolidated Statement of Changes in Equity

Fiscal 2020 (from January 1 to June 30, 2020)

(Millions of yen)

	Equity attributable to owners of parent					
	Issued capital	Share premium	Retained earnings	Treasury shares	Other components of equity	
					Changes in fair value of financial instruments measured at fair value through OCI	Cash flow hedges
Balance as of January 1, 2020	182,531	119,163	918,523	(77,011)	63,354	32,797
Cumulative effects of changes in accounting policies						
Restated Balance as of January 1, 2020	182,531	119,163	918,523	(77,011)	63,354	32,797
Comprehensive income						
Profit			30,192			
Other comprehensive income					(15,764)	(44,058)
Total comprehensive income	—	—	30,192	—	(15,764)	(44,058)
Transfer to non-financial assets						11,617
Transactions with owners						
Dividends			(21,987)			
Purchase of treasury shares				(7)		
Disposal of treasury shares		0		0		
Changes through sales of consolidated subsidiaries						
Share-based payment transaction		55				
Transfer from other components of equity to retained earnings			(1,057)		1,057	
Other increase (decrease)		(0)	(6)			
Total contributions by owners and distribution to owners	—	55	(23,051)	(7)	1,057	—
Total transactions with owners	—	55	(23,051)	(7)	1,057	—
Balance as of June 30, 2020	182,531	119,218	925,665	(77,018)	48,647	356

	Equity attributable to owners of parent				Non-controlling interests	Total equity
	Other components of equity			Total equity attributable to owners of parent		
	Costs of hedging	Translation difference on foreign operations	Total other components of equity			
Balance as of January 1, 2020	(1,125)	8,080	103,107	1,246,314	1,965	1,248,279
Cumulative effects of changes in accounting policies			—	—		—
Restated Balance as of January 1, 2020	(1,125)	8,080	103,107	1,246,314	1,965	1,248,279
Comprehensive income						
Profit			—	30,192	(101)	30,090
Other comprehensive income	41	(27,723)	(87,505)	(87,505)	(141)	(87,647)
Total comprehensive income	41	(27,723)	(87,505)	(57,312)	(243)	(57,556)
Transfer to non-financial assets			11,617	11,617		11,617
Transactions with owners						
Dividends			—	(21,987)	(23)	(22,011)
Purchase of treasury shares			—	(7)		(7)
Disposal of treasury shares			—	0		0
Changes through sales of consolidated subsidiaries			—	—	(62)	(62)
Share-based payment transaction			—	55		55
Transfer from other components of equity to retained earnings			1,057	—		—
Other increase (decrease)			—	(6)	200	194
Total contributions by owners and distribution to owners	—	—	1,057	(21,944)	114	(21,830)
Total transactions with owners	—	—	1,057	(21,944)	114	(21,830)
Balance as of June 30, 2020	(1,083)	(19,643)	28,277	1,178,674	1,835	1,180,510

(4) Notes to the Condensed Consolidated Financial Statements

(Notes Regarding Going Concern Assumptions)

None