

# Asahi Group Holdings, Ltd.



## FY2020 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 February 12, 2021. This translation was made for information only. The Company gives no warranty with respect to its correctness.

**Summary Report of Financial Results  
(Fiscal 2020)**

February 12, 2021

**Asahi Group Holdings, Ltd.**

Code number: 2502  
Shares Listed: First Section of Tokyo Stock Exchange  
Head Office: Tokyo  
Contact: Osamu Ishizaka, Head of Corporate Communications, Executive Officer  
Tel: + 81 3 5608 5126 (<https://www.asahigroup-holdings.com/en/>)  
US GAAP: Not applicable

## 1. Overview of performance (From January 1, 2020 to December 31, 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 ended December 31, 2020 | 2,027,762         | (2.9) | 167,823               | (21.2) | 135,167           | (32.9) | 92,584                | (34.5) |
| Fiscal 2019 ended December 31, 2019 | 2,089,048         | (1.5) | 212,971               | (3.8)  | 201,436           | (4.9)  | 141,290               | (6.4)  |

  

|                                     | Profit attributable to owners of parent |        | Total comprehensive income |       |
|-------------------------------------|---|--------|----------------------------|-------|
|                                     | (Millions of yen)                       | (%)    | (Millions of yen)          | (%)   |
| Fiscal 2020 ended December 31, 2020 | 92,826                                  | (34.7) | 147,763                    | (1.3) |
| Fiscal 2019 ended December 31, 2019 | 142,207                                 | (5.9)  | 149,721                    | 249.9 |

  

|                                     | Basic earnings per share | Diluted earnings per share | ROE  | ROA | Operating Profit margin |
|-------------------------------------|--------------------------|----------------------------|------|-----|-------------------------|
|                                     | (yen)                    | (yen)                      | (%)  | (%) | (%)                     |
| Fiscal 2020 ended December 31, 2020 | 196.52                   | 196.49                     | 6.7  | 3.3 | 6.7                     |
| Fiscal 2019 ended December 31, 2019 | 310.44                   | 310.42                     | 11.9 | 6.3 | 9.6                     |

(Reference) Share of profit (loss) of entities accounted for using equity method FY2020 285 millions of yen FY2019 872 millions of yen  
 Core Operating Profit margin FY2020 8.3% FY2019 10.2%  
 Profit before tax: FY2020 125,399 millions of yen (36.5%) YoY FY2019 197,391 millions of yen (4.8%) YoY

\*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 | BPS      |
|-------------------------------------|-------------------|-------------------|---|---|----------|
|                                     | (Millions of yen) | (Millions of yen) | (Millions of yen)                       | (%)   | (%)      |
| Fiscal 2020 ended December 31, 2020 | 4,439,378         | 1,517,816         | 1,516,124                               | 34.2  | 2,992.06 |
| Fiscal 2019 ended December 31, 2019 | 3,140,788         | 1,248,279         | 1,246,314                               | 39.7  | 2,720.76 |

### (3) Cash Flows

|                                     | Cash Flows from Operating Activities | Cash Flows from Investing Activities | Cash Flows from Financing Activities | Cash and Cash Equivalents at the end of the period |
|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                                     | (Millions of yen)                    | (Millions of yen)                    | (Millions of yen)                    | (Millions of yen)                                  |
| Fiscal 2020 ended December 31, 2020 | 275,859                              | (1,243,372)                          | 956,759                              | 48,460   |
| Fiscal 2019 ended December 31, 2019 | 253,469                              | (103,666)                            | (158,841)                            | 48,489   |

## 2. Dividends

|   | Cash dividend per share |       |       |          |              | Total dividends (annual) | Payout Ratio (Consolidated) | Dividends on equity attributable to owners of the company ratio (consolidated) (%) |
|---|-------------------------|-------|-------|----------|--------------|--------------------------|-----------------------------|--|
|   | Q1                      | Q2    | Q3    | Year-end | Total annual |                          |                             |  |
|   | (yen)                   | (yen) | (yen) | (yen)    | (yen)        |                          |                             |  |
| Fiscal 2019 ended December 31, 2019             | -                       | 52.00 | -     | 48.00    | 100.00       | 45,811                   | 32.2                        | 3.8  |
| Fiscal 2020 ended December 31, 2020             | -                       | 53.00 | -     | 53.00    | 106.00       | 51,141                   | 53.9                        | 3.7  |
| Fiscal 2021 ending December 31, 2021 (forecast) | -                       | 54.00 | -     | 55.00    | 109.00       |                          | 36.3                        |  |

## 3. Forecast for Fiscal 2021 (January 1, 2021 to December 31, 2021)

|                                      | Revenue           |      | Core Operating Profit |      | Operating Profit  |       | Profit            |      |
|--------------------------------------|-------------------|------|-----------------------|------|-------------------|-------|-------------------|------|
|                                      | (Millions of yen) | (%)  | (Millions of yen)     | (%)  | (Millions of yen) | (%)   | (Millions of yen) | (%)  |
| Fiscal 2021 ending June 30, 2021     | 1,067,500         | 22.1 | 76,500                | 45.4 | 93,500            | 106.3 | 59,400            | 97.4 |
| Fiscal 2021 ending December 31, 2021 | 2,296,000         | 13.2 | 217,500               | 29.6 | 216,000           | 59.8  | 152,000           | 64.2 |

  

|                                      | Profit attributable to owners of parent |      | Basic earnings per share |
|--------------------------------------|---|------|--------------------------|
|                                      | (Millions of yen)                       | (%)  | (yen)                    |
| Fiscal 2021 ending June 30, 2021     | 59,500                                  | 97.1 | 117.42                   |
| Fiscal 2021 ending December 31, 2021 | 152,000                                 | 63.7 | 299.97                   |

(Note) Profit before tax at the end of FY2021 (forecast): 203,000 million yen 61.9% YoY

<Constant Currency Basis>

|  | Revenue           |       | Core Operating Profit |        |
|--|-------------------|-------|-----------------------|--------|
|  | (Millions of yen) | (%)   | (Millions of yen)     | (%)    |
| Fiscal 2020 ending December 31, 2020 *1            | 2,034,591         | (2.6) | 168,082               | (21.1) |
| Fiscal 2021 ending December 31, 2021 (forecast) *2 | 2,272,185         | 12.1  | 214,265               | 27.7   |

\*1 The figures in FY2020 are converted by the previous year's local currency rates.

\*2 The figures in FY2021 are converted by the previous year's local currency rates.

## 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, CUB Australia Holding Pty Ltd (Company name changed from ABI Australia Holding Pty Ltd on August 7, 2020.), SAB Beverage Investments Pty Ltd, SAB Australia Beverage Holdings LLP, 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: Yes
- (3) Changes in accounting estimates: No

(3) Number of shares (common stock):

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

|                              |                    |
|------------------------------|--------------------|
| Year ended December 31, 2020 | 507,003,362 shares |
| Year ended December 31, 2019 | 483,585,862 shares |

(2) Treasury shares at period-end:

|                              |                   |
|------------------------------|-------------------|
| Year ended December 31, 2020 | 287,954 shares    |
| Year ended December 31, 2019 | 25,509,372 shares |

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

|                              |                    |
|------------------------------|--------------------|
| Year ended December 31, 2020 | 472,359,740 shares |
| Year ended December 31, 2019 | 458,078,035 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-lined stock compensation system for the Directors.

(Year ended December 31, 2020: 110,442 shares, Year ended December 31, 2019: 35,742 shares)

## (Reference)

### 1. Non-consolidated Financial Results for Fiscal 2020 (From January 1, 2020 to December 31, 2020)

#### (1) Business performance

|                                     | Net sales         |        | Operating income  |        | Ordinary income   |        | Net income        |        |
|-------------------------------------|-------------------|--------|-------------------|--------|-------------------|--------|-------------------|--------|
|                                     | (Millions of yen) | (%)    | (Millions of yen) | (%)    | (Millions of yen) | (%)    | (Millions of yen) | (%)    |
| Fiscal 2020 ended December 31, 2020 | 191,290           | (4.8)  | 159,075           | (4.3)  | 145,848           | (10.3) | 147,806           | (7.6)  |
| Fiscal 2019 ended December 31, 2019 | 200,895           | (17.7) | 166,294           | (22.3) | 162,562           | (23.0) | 159,957           | (30.5) |

  

|                                     | Net income per share (Primary) |  | Net income per share (Diluted) |  |
|-------------------------------------|--------------------------------|--|--------------------------------|--|
|                                     | (yen)                          |  | (yen)                          |  |
| Fiscal 2020 ended December 31, 2020 | 312.91                         |  | 312.87                         |  |
| Fiscal 2019 ended December 31, 2019 | 349.19                         |  | 349.17                         |  |

#### (2) Financial Condition

|                                     | Total assets      |  | Net assets        |  | Equity ratio |  | Net assets per share |  |
|-------------------------------------|-------------------|--|-------------------|--|--------------|--|----------------------|--|
|                                     | (Millions of yen) |  | (Millions of yen) |  | (%)          |  | (yen)                |  |
| Fiscal 2020 ended December 31, 2020 | 3,088,810         |  | 1,113,536         |  | 36.1         |  | 2,197.56             |  |
| Fiscal 2019 ended December 31, 2019 | 1,901,105         |  | 896,646           |  | 47.2         |  | 1,957.42             |  |

(Reference)

Equity Fiscal2020 1,113,536 Millions of yen Fiscal2019 896,646 Millions of yen

\* This Consolidated Financial Results is not subject to the 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 December 31, 2020)

(Millions of yen)

|  | As of<br>December 31, 2019 | As of<br>December 31, 2020 |
|--|----------------------------|----------------------------|
| <b>(Assets)</b>                                      |                            |                            |
| Current assets                                       |                            |                            |
| Cash and cash equivalents                            | 48,489                     | 48,460                     |
| Trade and other receivables                          | 407,621                    | 378,924                    |
| Inventories  | 171,717                    | 183,166                    |
| Income tax receivables                               | 24,940                     | 24,403                     |
| Other financial assets                               | 51,277                     | 4,226                      |
| Other current assets                                 | 31,067                     | 32,252                     |
| Subtotal   | 735,113                    | 671,434                    |
| Assets held for sale                                 | -                          | 17,652                     |
| Total current assets                                 | 735,113                    | 689,086                    |
| Non-current assets                                   |                            |                            |
| Property, plant and equipment                        | 735,022                    | 810,264                    |
| Goodwill and intangible assets                       | 1,398,422                  | 2,701,985                  |
| Investments accounted for using equity method        | 8,755                      | 5,256                      |
| Other financial assets                               | 198,657                    | 160,064                    |
| Deferred tax assets                                  | 15,734                     | 27,596                     |
| Net defined benefit assets                           | 20,655                     | 19,278                     |
| Other non-current assets                             | 28,424                     | 25,846                     |
| Total non-current assets                             | 2,405,674                  | 3,750,292                  |
| Total assets   | 3,140,788                  | 4,439,378                  |
| <b>(Liabilities and Equity)</b>                      |                            |                            |
| <b>(Liabilities)</b>                                 |                            |                            |
| Current liabilities                                  |                            |                            |
| Trade and other payables                             | 423,810                    | 477,098                    |
| Bonds and borrowings                                 | 408,259                    | 924,760                    |
| Income tax payables                                  | 39,555                     | 35,683                     |
| Provisions   | 14,407                     | 12,019                     |
| Other financial liabilities                          | 56,265                     | 89,519                     |
| Other current liabilities                            | 133,375                    | 113,440                    |
| Subtotal   | 1,075,673                  | 1,652,521                  |
| Liabilities directly related to assets held for sale | -                          | 134                        |
| Total current liabilities                            | 1,075,673                  | 1,652,655                  |
| Non-current liabilities                              |                            |                            |
| Bonds and borrowings                                 | 534,955                    | 898,867                    |
| Net defined benefit liabilities                      | 24,778                     | 24,093                     |
| Deferred tax liabilities                             | 147,969                    | 205,275                    |
| Other financial liabilities                          | 106,240                    | 134,729                    |
| Other non-current liabilities                        | 2,890                      | 5,941                      |
| Total non-current liabilities                        | 816,835                    | 1,268,906                  |
| Total liabilities                                    | 1,892,509                  | 2,921,562                  |
| <b>(Equity)</b>                                      |                            |                            |
| Issued capital                                       | 182,531                    | 220,044                    |
| Share premium  | 119,163                    | 161,783                    |
| Retained earnings                                    | 918,523                    | 967,230                    |
| Treasury shares                                      | (77,011)                   | (1,031)                    |
| Other components of equity                           | 103,107                    | 168,097                    |
| Total equity attributable to owners of parent        | 1,246,314                  | 1,516,124                  |
| Non-controlling interests                            | 1,965                      | 1,691                      |
| Total equity   | 1,248,279                  | 1,517,816                  |
| Total liabilities and equity                         | 3,140,788                  | 4,439,378                  |

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

(From January 1 to December 31, 2019 and 2020)

&lt;Consolidated Income Statements&gt;

(Millions of yen)

|   | Previous year<br>(From January 1<br>to December 31) | Current year<br>(From January 1<br>to December 31) |
|---|---|--|
| Revenue   | 2,089,048   | 2,027,762  |
| Cost of sales   | (1,297,302)   | (1,283,150)  |
| Gross Profit  | 791,745   | 744,612  |
| Selling, general and administrative expenses                            | (578,774)   | (576,789)  |
| Other operating income  | 6,078   | 14,870   |
| Other operating expense   | (17,613)  | (47,526)   |
| Operating Profit  | 201,436   | 135,167  |
| Finance income  | 8,094   | 7,230  |
| Finance costs   | (13,012)  | (14,982)   |
| Share of profit (loss) of investments accounted for using equity method | 872   | 285  |
| Gain (loss) on sales of investments accounted for using equity method   | —   | (2,300)  |
| Profit before tax   | 197,391   | 125,399  |
| Income tax expense  | (56,100)  | (32,815)   |
| Profit for the period   | 141,290   | 92,584   |
| Attributable to:  |   |  |
| Owners of parent  | 142,207   | 92,826   |
| Non-controlling interests   | (916)   | (241)  |
| Total   | 141,290   | 92,584   |
| Basic earnings per share (JPY)  | 310.44  | 196.52   |
| Diluted earnings per share (JPY)  | 310.42  | 196.49   |

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

(Millions of yen)

|   | Previous year<br>(From January 1<br>to December 31) | Current year<br>(From January 1<br>to December 31) |
|---|---|--|
| Profit for the period   | 141,290   | 92,584   |
| Other comprehensive income  |   |  |
| Items that will not be reclassified to profit or loss   |   |  |
| Changes in fair value of financial instruments measured at<br>fair value through other comprehensive income | 13,785  | (22,267)   |
| Remeasurements of defined benefit plans   | 2,298   | 710  |
| Items that might be reclassified to profit or loss  |   |  |
| Cash flow hedges  | 33,806  | (42,088)   |
| Costs of hedging  | 714   | 351  |
| Translation difference on foreign operations  | (41,963)  | 118,458  |
| Share of other comprehensive income of entities accounted<br>for using equity method                        | (211)   | 13   |
| Total other comprehensive income  | 8,430   | 55,178   |
| Total comprehensive income  | 149,721   | 147,763  |
| Total comprehensive income attributable to:   |   |  |
| Owners of parent  | 150,815   | 148,151  |
| Non-controlling interests   | (1,094)   | (388)  |

**(3) Condensed Consolidated Statement of Changes in Equity**

Fiscal 2019 (from January 1 to December 31, 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 | Remeasurements of defined benefit plans | 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  |   |               | 142,207           |                 |   |   |                  |
| Other comprehensive income                                    |   |               |                   |                 | 13,785  | 2,300                                   | 33,831           |
| Total comprehensive income                                    | —                                       | —             | 142,207           | —               | 13,785  | 2,300                                   | 33,831           |
| Transfer to non-financial assets                              |   |               |                   |                 |   |   | (392)            |
| Transactions with owners                                      |   |               |                   |                 |   |   |                  |
| Issuance of new shares  |   |               |                   |                 |   |   |                  |
| Dividends   |   |               | (48,556)          |                 |   |   |                  |
| Purchase of treasury shares                                   |   |               |                   | (31)            |   |   |                  |
| Disposal of treasury shares                                   |   | 0             |                   | 17              |   |   |                  |
| Changes through sales of consolidated subsidiaries            |   |               |                   |                 |   |   |                  |
| Share-based payment transaction                               |   | 34            |                   |                 |   |   |                  |
| Transfer from other components of equity to retained earnings |   |               | 5,746             |                 | (3,446)   | (2,300)                                 |                  |
| Other increase (decrease)                                     |   |               |                   |                 |   |   |                  |
| Total contributions by owners and distribution to owners      | —                                       | 34            | (42,809)          | (14)            | (3,446)   | (2,300)                                 | —                |
| Total transactions with owners                                | —                                       | 34            | (42,809)          | (14)            | (3,446)   | (2,300)                                 | —                |
| Balance as of December 31, 2019                               | 182,531                                 | 119,163       | 918,523           | (77,011)        | 63,354  | —                                       | 32,797           |

|   | 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  |   |  | —                                | 142,207                                       | (916)                     | 141,290      |
| Other comprehensive income                                    | 714                                     | (42,023)                                     | 8,608                            | 8,608   | (178)                     | 8,430        |
| Total comprehensive income                                    | 714                                     | (42,023)                                     | 8,608                            | 150,815                                       | (1,094)                   | 149,721      |
| Transfer to non-financial assets                              |   |  | (392)                            | (392)   |                           | (392)        |
| Transactions with owners                                      |   |  |                                  |   |                           |              |
| Issuance of new shares  |   |  | —                                | —   |                           | —            |
| Dividends   |   |  | —                                | (48,556)                                      | (167)                     | (48,723)     |
| Purchase of treasury shares                                   |   |  | —                                | (31)  |                           | (31)         |
| Disposal of treasury shares                                   |   |  | —                                | 17  |                           | 17           |
| Changes through sales of consolidated subsidiaries            |   |  | —                                | —   |                           | —            |
| Share-based payment transaction                               |   |  | —                                | 34  |                           | 34           |
| Transfer from other components of equity to retained earnings |   |  | (5,746)                          | —   |                           | —            |
| Other increase (decrease)                                     |   |  | —                                | —   |                           | —            |
| Total contributions by owners and distribution to owners      | —                                       | —  | (5,746)                          | (48,535)                                      | (167)                     | (48,702)     |
| Total transactions with owners                                | —                                       | —  | (5,746)                          | (48,535)                                      | (167)                     | (48,702)     |
| Balance as of December 31, 2019                               | (1,125)                                 | 8,080  | 103,107                          | 1,246,314                                     | 1,965                     | 1,248,279    |

**(3) Condensed Consolidated Statement of Changes in Equity**

Fiscal 2020 (from January 1 to December 31, 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 | Remeasurements of defined benefit plans | 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  |   |               | 92,826            |                 |   |   |                  |
| Other comprehensive income                                    |   |               |                   |                 | (22,267)  | 668                                     | (42,088)         |
| Total comprehensive income                                    | —                                       | —             | 92,826            | —               | (22,267)  | 668                                     | (42,088)         |
| Transfer to non-financial assets                              |   |               |                   |                 |   |   | 11,816           |
| Transactions with owners                                      |   |               |                   |                 |   |   |                  |
| Issuance of new shares  | 37,513                                  | 37,513        |                   |                 |   |   |                  |
| Dividends   |   |               | (46,265)          |                 |   |   |                  |
| Purchase of treasury shares                                   |   |               |                   | (309)           |   |   |                  |
| Disposal of treasury shares                                   |   | 5,018         |                   | 76,289          |   |   |                  |
| Changes through sales of consolidated subsidiaries            |   |               |                   |                 |   |   |                  |
| Share-based payment transaction                               |   | 88            |                   |                 |   |   |                  |
| Transfer from other components of equity to retained earnings |   |               | 2,151             |                 | (1,482)   | (668)                                   |                  |
| Other increase (decrease)                                     |   | (0)           | (6)               |                 |   |   |                  |
| Total contributions by owners and distribution to owners      | 37,513                                  | 42,620        | (44,120)          | 75,979          | (1,482)   | (668)                                   | —                |
| Total transactions with owners                                | 37,513                                  | 42,620        | (44,120)          | 75,979          | (1,482)   | (668)                                   | —                |
| Balance as of December 31, 2020                               | 220,044                                 | 161,783       | 967,230           | (1,031)         | 39,605  | —                                       | 2,526            |

|   | 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  |   |  | —                                | 92,826  | (241)                     | 92,584       |
| Other comprehensive income                                    | 351                                     | 118,659                                      | 55,325                           | 55,325  | (146)                     | 55,178       |
| Total comprehensive income                                    | 351                                     | 118,659                                      | 55,325                           | 148,151                                       | (388)                     | 147,763      |
| Transfer to non-financial assets                              |   |  | 11,816                           | 11,816  |                           | 11,816       |
| Transactions with owners                                      |   |  |                                  |   |                           |              |
| Issuance of new shares  |   |  | —                                | 75,027  |                           | 75,027       |
| Dividends   |   |  | —                                | (46,265)                                      | (23)                      | (46,289)     |
| Purchase of treasury shares                                   |   |  | —                                | (309)   |                           | (309)        |
| Disposal of treasury shares                                   |   |  | —                                | 81,307  |                           | 81,307       |
| Changes through sales of consolidated subsidiaries            |   |  | —                                | —   | (62)                      | (62)         |
| Share-based payment transaction                               |   |  | —                                | 88  |                           | 88           |
| Transfer from other components of equity to retained earnings |   |  | (2,151)                          | —   |                           | —            |
| Other increase (decrease)                                     |   |  | —                                | (6)   | 200                       | 194          |
| Total contributions by owners and distribution to owners      | —                                       | —  | (2,151)                          | 109,842                                       | 114                       | 109,956      |
| Total transactions with owners                                | —                                       | —  | (2,151)                          | 109,842                                       | 114                       | 109,956      |
| Balance as of December 31, 2020                               | (773)                                   | 126,739                                      | 168,097                          | 1,516,124                                     | 1,691                     | 1,517,816    |



#### (4) Consolidated Statement of Cash Flows

(From January 1 to December 31, 2019 and 2020)

(Millions of yen)

|   | Previous year<br>(From January 1 to<br>December 31) | Current year<br>(From January 1 to<br>December 31) |
|---|---|--|
| <b>Cash flows from operating activities</b>   |   |  |
| Profit before tax   | 197,391   | 125,399  |
| Depreciation and amortization   | 113,036   | 123,277  |
| Impairment loss   | 57  | 8,819  |
| Interest and dividends income   | (3,103)   | (3,536)  |
| Interest expenses   | 7,390   | 11,164   |
| Share of profit (loss) of entities accounted for using equity method                            | (872)   | (285)  |
| Loss (gain) on sales of investments accounted for using equity method                           | —   | 2,300  |
| Gain (loss) on sales of stocks of subsidiaries and affiliates                                   | (298)   | —  |
| Loss (gain) on sales and retirement of non-current assets                                       | 3,926   | (1,839)  |
| Increase (decrease) in trade and other receivables  | 22,881  | 48,666   |
| Increase (decrease) in inventories  | (10,722)  | 3,306  |
| Decrease (increase) in trade and other payables   | 2,955   | (3,302)  |
| Decrease (increase) in accrued liquor tax payables  | (9,214)   | (16,609)   |
| Increase (decrease) in defined benefit assets and liabilities                                   | 1,338   | 1,627  |
| Other   | (14,572)  | 37,994   |
| Subtotal  | 310,192   | 336,982  |
| Interest and dividends received   | 3,818   | 4,182  |
| Interest paid   | (6,875)   | (10,049)   |
| Income tax paid   | (53,666)  | (55,256)   |
| Cash flows from operating activities  | 253,469   | 275,859  |
| <b>Cash flows from investing activities</b>   |   |  |
| Purchase of property, plant and equipment   | (74,312)  | (80,775)   |
| Proceeds from sales of property, plant and equipment  | 4,564   | 12,095   |
| Purchase of intangible assets   | (11,009)  | (9,968)  |
| Purchase of investment securities   | (5,841)   | (10,237)   |
| Proceeds from sales of investment securities  | 8,856   | 11,869   |
| Gain from sales of investments accounted for using equity method                                | —   | 1,552  |
| Purchase of subsidiaries and others relating to the change of scope of consolidation            | (23,942)  | (1,165,974)  |
| Proceeds from sales of subsidiaries and others relating to the change of scope of consolidation | 741   | 83   |
| Other   | (2,721)   | (2,017)  |
| Cash flows from investing activities  | (103,666)   | (1,243,372)  |

(Continued)

(Millions of yen)

|  | Previous year<br>(From January 1 to<br>December 31) | Current year<br>(From January 1 to<br>December 31) |
|--|---|--|
| <b>Cash flows from financing activities</b>                  |   |  |
| Decrease (increase) in short-term borrowings                 | 38,736  | 489,155  |
| Repayments of lease obligations                              | (22,113)  | (21,238)   |
| Proceeds from long-term loans payables                       | 1,579   | —  |
| Repayment of long-term loans payables                        | (94,569)  | (100,076)  |
| Proceeds from issuance of bonds                              | —   | 607,600  |
| Redemption of bonds  | (35,000)  | (125,000)  |
| Proceeds from issuance of shares                             | —   | 75,027   |
| Purchase of treasury shares                                  | (31)  | (309)  |
| Proceeds from sales of treasury shares                       | 17  | 81,307   |
| Dividends paid   | (48,556)  | (46,265)   |
| Proceeds from share issuance to non-controlling interests    | —   | 201  |
| Other  | 1,096   | (3,642)  |
| Cash flows from financing activities                         | (158,841)   | 956,759  |
| Effect of exchange rate changes on cash and cash equivalents | 209   | 10,725   |
| Decrease (increase) in cash and cash equivalents             | (8,828)   | (29)   |
| Cash and cash equivalents at the beginning of period         | 57,317  | 48,489   |
| Cash and cash equivalents at the end of period               | 48,489  | 48,460   |

## **(5) Notes to the Condensed Consolidated Financial Statements**

(Notes Regarding Going Concern Assumptions)

None

(Notes Regarding Subsequent Events)

(Regarding the divestments of selected brands of beer and cider)

Asahi obtained, through its wholly-owned subsidiary Asahi Holdings (Australia) Pty Ltd approvals from the Australian Consumer and Competition Commission (the "ACCC") on November 17, 2020 and from the Foreign Investment Review Board ("FIRB") on December 21, 2020, respectively, in relation to the proposed sale of certain selected brands Asahi acquired from Anheuser-Busch InBev ("AB InBev") on June 1, 2020 to Heineken N.V.

The brands subject to the divestments are: "Stella Artois" and "Beck's" (both licensed from AB InBev) for beer and "Strongbow", "Little Green" and "Bonamy's" for cider.

The divestments above are to achieve our commitment to the ACCC in relation to our acquisition of AB InBev's Australian business completed on June 1, 2020 relating to our release dated June 1, 2020 titled "Announcement regarding completion of acquisition of the Australian business of Anheuser-Busch InBev and shelf registration of newly issued stock".

All the conditions precedent for the contemplated divestments have been satisfied, we closed the deal with Heineken N.V. on January 5, 2021.

As of the end of the current fiscal year, the fair value of the brands to be transferred, net of disposal costs, was recorded as "Assets held for sale" in the amount of 17,652 million yen and "Liabilities directly related to assets held for sale" in the amount of 134 million yen.

The financial impact of the divestments on the consolidated performance of Asahi for the fiscal year ending in December 2021 is insignificant.

## (Segment Information)

Fiscal 2019 (January 1 to December 31, 2019)

(Millions of yen)

|  | Alcohol Beverages | Soft Drinks | Food    | Overseas  | Other  | Total     | Adjustments | Consolidated total |
|--|-------------------|-------------|---------|-----------|--------|-----------|-------------|--------------------|
| Revenue  |                   |             |         |           |        |           |             |                    |
| To outside customers   | 859,221           | 368,404     | 128,046 | 698,274   | 35,101 | 2,089,048 | —           | 2,089,048          |
| Inter-segment revenue  | 27,638            | 8,463       | 920     | 272       | 62,605 | 99,900    | (99,900)    | —                  |
| Total  | 886,860           | 376,867     | 128,966 | 698,546   | 97,707 | 2,188,949 | (99,900)    | 2,089,048          |
| Segment profit (loss)  | 102,957           | 30,782      | 13,345  | 75,923    | 1,187  | 224,196   | (22,760)    | 201,436            |
| Segment assets   | 674,236           | 313,610     | 96,111  | 1,933,234 | 34,860 | 3,052,053 | 88,735      | 3,140,788          |
| Others   |                   |             |         |           |        |           |             |                    |
| Depreciation and amortization  | 24,352            | 20,802      | 3,921   | 55,255    | 4,105  | 108,437   | 4,598       | 113,036            |
| Impairment loss  | —                 | 37          | 19      | —         | —      | 57        | —           | 57                 |
| Equity in net income (loss) of affiliates  | 43                | —           | (19)    | 769       | —      | 793       | 79          | 872                |
| Investments accounted for using equity method  | 719               | —           | 389     | 6,816     | —      | 7,926     | 829         | 8,755              |
| Payments added to non-current assets (excluding financial instruments and deferred tax assets) | 30,705            | 25,270      | 5,685   | 53,999    | 4,534  | 120,194   | 4,188       | 124,383            |

Adjustment of segment profit (loss) of (22,760) million yen includes corporate expenses of (23,203) million yen which is not allocated to reporting segment and the elimination of inter-segment transactions, etc. of 443 million yen. The corporate expenses are mainly Group management expenses generated by the Company in its role as a pure holding company. The prices applied to the internal transactions among the segments are equivalent to those for the outside customers.

Adjustment of segment assets of 88,735 million yen includes corporate assets of 112,638 million yen which is not allocated to reporting segment and the elimination of inter-segment transactions (receivables and payables), etc. of (23,903) million yen. The corporate assets are mainly the Company assets in its role as a pure holding company.

Fiscal 2020 (January 1 to December 31, 2020)

(Millions of yen)

|  | Alcohol Beverages | Soft Drinks | Food    | Overseas  | Other  | Total     | Adjustments | Consolidated total |
|--|-------------------|-------------|---------|-----------|--------|-----------|-------------|--------------------|
| Revenue  |                   |             |         |           |        |           |             |                    |
| To outside customers   | 732,435           | 345,345     | 122,543 | 792,865   | 34,572 | 2,027,762 | —           | 2,027,762          |
| Inter-segment revenue  | 25,835            | 8,036       | 943     | 90        | 58,582 | 93,488    | (93,488)    | —                  |
| Total  | 758,270           | 353,381     | 123,486 | 792,956   | 93,155 | 2,121,250 | (93,488)    | 2,027,762          |
| Segment profit (loss)  | 65,933            | 28,901      | 11,178  | 52,089    | 1,093  | 159,196   | (24,028)    | 135,167            |
| Segment assets   | 617,703           | 290,872     | 100,078 | 3,277,221 | 32,239 | 4,318,115 | 121,263     | 4,439,378          |
| Others   |                   |             |         |           |        |           |             |                    |
| Depreciation and amortization  | 23,569            | 21,024      | 4,211   | 65,300    | 4,767  | 118,873   | 4,403       | 123,277            |
| Impairment loss  | 8,411             | 407         | —       | —         | —      | 8,819     | —           | 8,819              |
| Equity in net income (loss) of affiliates  | 63                | —           | (200)   | 461       | —      | 324       | (39)        | 285                |
| Investments accounted for using equity method  | 769               | —           | 175     | 3,601     | —      | 4,546     | 710         | 5,256              |
| Payments added to non-current assets (excluding financial instruments and deferred tax assets) | 30,631            | 19,425      | 5,088   | 48,351    | 5,724  | 109,222   | 7,353       | 116,576            |

Adjustment of segment profit (loss) of (24,028) million yen includes corporate expenses of (24,482) million yen which is not allocated to reporting segment and the elimination of inter-segment transactions, etc. of 453 million yen. The corporate expenses are mainly Group management expenses generated by the Company in its role as a pure holding company. The prices applied to the internal transactions among the segments are equivalent to those for the outside customers.

Adjustment of segment assets of 121,263 million yen includes corporate assets of 144,667 million yen which is not allocated to reporting segment and the elimination of inter-segment transactions (receivables and payables), etc. of (23,404) million yen. The corporate assets are mainly the Company assets in its role as a pure holding company.