

Asahi Group Holdings, Ltd.



FY2021 Q1 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 May 14, 2021. This translation was made for information only. The Company gives no warranty with respect to its correctness.

**Summary Report of Financial Results
(Fiscal 2021 Q1)**

May 14, 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, 2021 to March 31, 2021)

(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 2021 Q1 ended March 31, 2021	456,668	11.6	28,302	78.3	52,230	304.1	33,036	298.7
Fiscal 2020 Q1 ended March 31, 2020	409,133	(4.7)	15,874	(36.0)	12,923	(44.5)	8,286	(45.9)

	Profit attributable to owners of parent		Total comprehensive income	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2021 Q1 ended March 31, 2021	33,191	298.2	166,131	-
Fiscal 2020 Q1 ended March 31, 2020	8,334	(45.3)	(215,620)	-

	Basic earnings per share	Diluted earnings per share
	(yen)	(yen)
Fiscal 2021 Q1 ended March 31, 2021	65.50	65.49
Fiscal 2020 Q1 ended March 31, 2020	18.20	18.19

(Reference) Profit before tax: FY2021 Q1 ended March 31, 2021 48,892 millions of yen (416.1%) FY2020 Q1 ended March 31, 2020 9,473 millions of yen (-57.1%)

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

*Core operating profit is not the index defined in IFRS. We think this index is useful for financial statements users so that we disclose it spontaneously.

(2) Financial Condition

	Total assets	Total Equity	Equity attributable to owners of parent	Equity ratio attributable to owners of parent
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)
Fiscal 2021 Q1 ended March 31, 2021	4,509,296	1,657,104	1,655,560	36.7
Fiscal 2020 ended December 31, 2020	4,439,378	1,517,816	1,516,124	34.2

2. Dividends

	Cash dividend per share				
	Q1	Q2	Q3	Year-end	Total annual
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal 2020 ended December 31, 2020	-	53.00	-	53.00	106.00
Fiscal 2021 ended December 31, 2021	-				
Fiscal 2021 ending December 31, 2021 (forecast)		54.00	-	55.00	109.00

Note: Changes to the latest dividend forecast announced: No

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 H1 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 (yen)
	(Millions of yen)	(%)	
Fiscal 2021 H1 ending June 30, 2021	59,500	97.1	117.42
Fiscal 2021 ending December 31, 2021	152,000	63.7	299.97

Note: Changes to the latest consolidated results forecast announced: No
(Reference) Profit before tax : FY2021 ending December 31, 2021 forecast 203,000 millions of yen (61.9%)

<Constant Currency Basis>

	Revenue		Core Operating Profit	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2021 ending March 31, 2021 *1	436,212	6.6	25,872	63.0
Fiscal 2021 ending December 31, 2021 (forecast)	2,272,185	12.1	214,265	27.7

*1 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): No

New: - company (-), Excluded: - company (-)

(2) Changes in accounting policies, or changes in accounting estimates

(1) Changes in accounting policies required by IFRS: No

(2) Changes in accounting policies other than item (1) above: No

(3) Changes in accounting estimates: No

(3) Number of shares (common stock):

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

Q1 ended March 31, 2021 507,003,362 shares

Year ended December 31, 2020 507,003,362 shares

(2) Treasury shares at period-end:

Q1 ended March 31, 2021 288,735 shares

Year ended December 31, 2020 287,954 shares

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

Q1 ended March 31, 2021 506,714,851 shares

Q1 ended March 31, 2020 458,075,908 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 Custody Bank of Japan, Ltd. as trust property of the performance-lined stock compensation system for the Directors.

(Q1 ended March 31, 2021: 110,442 shares, Year ended December 31, 2020: 110,442 shares, Q1 ended March 31, 2020: 35,742 shares)

*** This Consolidated Financial Results for the quarter is not subject to quarterly review procedures**

* Forward-looking statements and other special instructions

The forward-looking statements that reflect Asahi's forecasts for consolidated and unconsolidated results in this document are based on information available at the time of the release of these materials and reasonable assumptions made by Asahi.

Certain risks and uncertainties could cause the results of Asahi to differ materially from any projections presented herein.

4. Consolidated Financial Statements (Unaudited)

(1) Consolidated Statement of Financial Position (As of December 31, 2020 and March 31, 2021)

(Millions of yen)

	As of December 31, 2020	As of March 31, 2021
(Assets)		
Current assets		
Cash and cash equivalents	48,460	52,239
Trade and other receivables	378,924	307,496
Inventories	183,166	201,147
Income tax receivables	24,403	26,666
Other financial assets	4,226	5,587
Other current assets	32,252	39,270
Subtotal	671,434	632,408
Assets held for sale	17,652	—
Total current assets	689,086	632,408
Non-current assets		
Property, plant and equipment	810,264	816,552
Goodwill and intangible assets	2,701,985	2,818,546
Investments accounted for using equity method	5,256	5,580
Other financial assets	160,064	166,395
Deferred tax assets	27,596	27,885
Net defined benefit assets	19,278	18,791
Other non-current assets	25,846	23,137
Total non-current assets	3,750,292	3,876,887
Total assets	4,439,378	4,509,296
(Liabilities and Equity)		
(Liabilities)		
Current liabilities		
Trade and other payables	477,098	436,954
Bonds and borrowings	924,760	649,635
Income tax payables	35,683	38,566
Provisions	12,019	11,996
Other financial liabilities	89,519	83,717
Other current liabilities	113,440	93,077
Subtotal	1,652,521	1,313,947
Liabilities directly related to assets held for sale	134	—
Total current liabilities	1,652,655	1,313,947
Non-current liabilities		
Bonds and borrowings	898,867	1,155,108
Net defined benefit liabilities	24,093	24,442
Deferred tax liabilities	205,275	213,151
Other financial liabilities	134,729	139,890
Other non-current liabilities	5,941	5,650
Total non-current liabilities	1,268,906	1,538,243
Total liabilities	2,921,562	2,852,191
(Equity)		
Issued capital	220,044	220,044
Share premium	161,783	161,798
Retained earnings	967,230	974,762
Treasury shares	(1,031)	(1,035)
Other components of equity	168,097	299,989
Total equity attributable to owners of parent	1,516,124	1,655,560
Non-controlling interests	1,691	1,543
Total equity	1,517,816	1,657,104
Total liabilities and equity	4,439,378	4,509,296

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

(From January 1 to March 31, 2020 and 2021)

<Consolidated Income Statements>

(Millions of yen)

	Previous year (From January 1 to March 31)	Current year (From January 1 to March 31)
Revenue	409,133	456,668
Cost of sales	(264,311)	(283,945)
Gross Profit	144,821	172,723
Selling, general and administrative expenses	(128,947)	(144,420)
Other operating income	402	35,630
Other operating expense	(3,352)	(11,703)
Operating Profit	12,923	52,230
Finance income	1,045	747
Finance costs	(4,548)	(4,166)
Share of profit (loss) of investments accounted for using equity method	52	81
Profit before tax	9,473	48,892
Income tax expense	(1,187)	(15,855)
Profit for the period	8,286	33,036
Attributable to:		
Owners of parent	8,334	33,191
Non-controlling interests	(48)	(154)
Total	8,286	33,036
Basic earnings per share (JPY)	18.20	65.50
Diluted earnings per share (JPY)	18.19	65.49

<Consolidated Statement of Comprehensive Income>

(Millions of yen)

	Previous year (From January 1 to March 31)	Current year (From January 1 to March 31)
Profit for the period	8,286	33,036
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Changes in fair value of financial instruments measured at fair value through other comprehensive income	(17,970)	6,391
Items that might be reclassified to profit or loss		
Cash flow hedges	(106,296)	2,765
Costs of hedging	(506)	725
Translation difference on foreign operations	(99,000)	123,066
Share of other comprehensive income of entities accounted for using equity method	(133)	146
Total other comprehensive income	(223,907)	133,094
Total comprehensive income	(215,620)	166,131
Total comprehensive income attributable to:		
Owners of parent	(215,963)	166,264
Non-controlling interests	342	(133)

(3) Condensed Consolidated Statement of Changes in Equity

Fiscal 2020 (from January 1 to March 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	Cash flow hedges
Balance as of January 1, 2020	182,531	119,163	918,523	(77,011)	63,354	32,797
Comprehensive income						
Profit			8,334			
Other comprehensive income					(17,970)	(106,296)
Total comprehensive income	—	—	8,334	—	(17,970)	(106,296)
Transfer to non-financial assets						126
Transactions with owners						
Dividends			(21,987)			
Purchase of treasury shares				(4)		
Disposal of treasury shares		0		0		
Changes through sales of consolidated subsidiaries						
Share-based payment transaction		39				
Transfer from other components of equity to retained earnings			(321)		321	
Other increase (decrease)		(0)				
Total contributions by owners and distribution to owners	—	39	(22,309)	(4)	321	—
Total transactions with owners	—	39	(22,309)	(4)	321	—
Balance as of March 31, 2020	182,531	119,202	904,549	(77,015)	45,706	(73,371)

	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
Comprehensive income						
Profit			—	8,334	(48)	8,286
Other comprehensive income	(506)	(99,525)	(224,298)	(224,298)	391	(223,907)
Total comprehensive income	(506)	(99,525)	(224,298)	(215,963)	342	(215,620)
Transfer to non-financial assets			126	126		126
Transactions with owners						
Dividends			—	(21,987)	(23)	(22,011)
Purchase of treasury shares			—	(4)		(4)
Disposal of treasury shares			—	0		0
Changes through sales of consolidated subsidiaries			—	—	(62)	(62)
Share-based payment transaction			—	39		39
Transfer from other components of equity to retained earnings			321	—		—
Other increase (decrease)			—	(0)	(0)	(1)
Total contributions by owners and distribution to owners	—	—	321	(21,952)	(86)	(22,039)
Total transactions with owners	—	—	321	(21,952)	(86)	(22,039)
Balance as of March 31, 2020	(1,631)	(91,445)	(120,742)	1,008,524	2,221	1,010,745

(3) Condensed Consolidated Statement of Changes in Equity

Fiscal 2021 (from January 1 to March 31, 2021)

(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, 2021	220,044	161,783	967,230	(1,031)	39,605	2,526
Comprehensive income						
Profit			33,191			
Other comprehensive income					6,391	2,765
Total comprehensive income	—	—	33,191	—	6,391	2,765
Transfer to non-financial assets						15
Transactions with owners						
Dividends			(26,855)			
Purchase of treasury shares				(3)		
Disposal of treasury shares		0		0		
Changes through sales of consolidated subsidiaries						
Share-based payment transaction		15				
Transfer from other components of equity to retained earnings			1,197		(1,197)	
Other increase (decrease)						
Total contributions by owners and distribution to owners	—	15	(25,658)	(3)	(1,197)	—
Total transactions with owners	—	15	(25,658)	(3)	(1,197)	—
Balance as of March 31, 2021	220,044	161,798	974,762	(1,035)	44,799	5,307

	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, 2021	(773)	126,739	168,097	1,516,124	1,691	1,517,816
Comprehensive income						
Profit			—	33,191	(154)	33,036
Other comprehensive income	725	123,191	133,072	133,072	21	133,094
Total comprehensive income	725	123,191	133,072	166,264	(133)	166,131
Transfer to non-financial assets			15	15		15
Transactions with owners						
Dividends			—	(26,855)	(13)	(26,869)
Purchase of treasury shares			—	(3)		(3)
Disposal of treasury shares			—	0		0
Changes through sales of consolidated subsidiaries			—	—		—
Share-based payment transaction			—	15		15
Transfer from other components of equity to retained earnings			(1,197)	—		—
Other increase (decrease)			—	—		—
Total contributions by owners and distribution to owners	—	—	(1,197)	(26,843)	(13)	(26,857)
Total transactions with owners	—	—	(1,197)	(26,843)	(13)	(26,857)
Balance as of March 31, 2021	(48)	249,931	299,989	1,655,560	1,543	1,657,104

(4) Notes to the Condensed Consolidated Financial Statements

(Notes Regarding Going Concern Assumptions)

None