

FY2019 H1 Consolidated Financial Results Highlight

◆ Financial Results Highlight

(Billions of yen)

	FY2019 H1	FY2018 H1	Inc./Dec.	YoY	Remarks
Revenue	983.8	1,005.1	- 21.2	- 2.1%	
Domestic Businesses	489.6	486.7	2.8	0.6%	
Overseas Business	275.0	289.8	- 14.8	- 5.1%	
Revenue excluding liquor tax	764.5	776.6	- 12.0	- 1.6%	
Core operating profit *	89.6	88.2	1.4	1.6%	
Operating profit	88.5	87.9	0.6	0.6%	
Profit before tax	87.4	85.3	2.1	2.5%	
Profit for the period	61.7	60.2	1.4	2.4%	
Profit attributable to owners of parent	61.5	60.4	1.2	1.9%	

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

<Performance excluding the impacts of foreign exchange>

Revenue	1,003.9	1,005.1	- 1.2	- 0.1%
Core operating profit	91.7	88.2	3.5	4.0%

* The figures in FY2019 are converted by the previous year's local currency rate.

◆ Reference Data

	FY2019 H1	FY2018 H1	Inc./Dec.
Alcohol Beverages Business (including liquor tax)	10.4%	10.3%	0.1%
(excluding liquor tax)	17.2%	17.3%	- 0.1%
Soft Drinks Business	9.2%	9.4%	- 0.2%
Food Business	11.8%	11.3%	0.5%
Overseas Business (including liquor tax)	13.5%	12.0%	1.5%
(excluding liquor tax)	16.3%	14.5%	1.8%
Core operating profit margin (including liquor tax)	9.1%	8.8%	0.3%
(excluding liquor tax)	11.7%	11.4%	0.3%
EPS (yen)	134.3	131.8	2.5

FY2019 H1 Consolidated Financial Results

◆ Summary of Statement of Profit or Loss

(Billions of yen)

	FY2019 H1	FY2018 H1	Inc./Dec.	YoY	Remarks
Alcohol Beverages Business *1	410.9	418.1	- 7.1	- 1.7%	} Details are on supplement 3
Soft Drinks Business *2	181.4	175.4	6.0	3.4%	
Food Business	56.3	56.4	- 0.2	- 0.3%	
Overseas Business *1, 2	331.9	350.2	- 18.4	- 5.2%	
Other Business	53.1	52.9	0.2	0.4%	
Adjustment (corporate and elimination)	- 49.8	- 48.0	- 1.8	-	
Revenue	983.8	1,005.1	- 21.2	- 2.1%	
Alcohol Beverages Business *1	42.8	43.2	- 0.4	- 1.0%	} Details are on supplement 3
Soft Drinks Business *2	16.8	16.6	0.2	1.2%	
Food Business	6.6	6.4	0.3	3.9%	
Overseas Business *1, 2	44.7	42.1	2.6	6.1%	
Other Business	0.1	0.4	- 0.3	- 67.1%	
Adjustment (corporate and elimination)	- 10.9	- 9.2	- 1.7	-	
Amortization of acquisition-related intangible assets	- 10.5	- 11.2	0.7	-	Details are on supplement 4
Core operating profit	89.6	88.2	1.4	1.6%	
Adjustment item	- 1.1	- 0.3	- 0.8	-	
Loss (gain) on sales and retirement of non current assets	- 0.7	- 0.6	- 0.0	-	
Gain (loss) on revaluation of subsidiaries and affiliates	-	1.4	- 1.4	-	
Business integration expenses	- 0.6	- 0.7	0.1	-	
Others	0.1	- 0.3	0.5	-	
Operating profit	88.5	87.9	0.6	0.6%	
Finance income or loss	- 1.4	- 1.1	- 0.3	-	
Share of profit (loss) of entities accounted for using equity method	0.5	0.4	0.1	23.2%	
Loss (gain) on sales of investments accounted for using equity method	-	- 0.9	0.9	-	
Others	- 0.1	- 1.0	0.9	-	
Profit before tax	87.4	85.3	2.1	2.5%	
Income tax expense	- 25.7	- 25.0	- 0.7	-	
Profit for the period	61.7	60.2	1.4	2.4%	
Profit attributable to owners of parent	61.5	60.4	1.2	1.9%	
Profit attributable to non-controlling interests	0.1	- 0.1	0.3	-	

* We changed the disclosure method to allocate the results of IFRS adjustment into each individual Business's revenue and core operating profit. In response to this change, the figures in 2018 and 2019 in each Business include the impacts of IFRS adjustment.

* We reconstructed the business segment on January 1, 2019. We reflect the impacts related to the issues described as below *1, 2 to the figures in 2018 and 2019.

*1 We changed the export structure and transferred the export beer sales in Asahi Breweries in Alcohol Beverages Business previously to Other/elimination in Overseas Business.

*2 We transferred Taiwan Calpis which was previously in Other/elimination in Overseas Business to Asahi Soft Drinks in Soft Drinks Business.

◆ Summary of Statement of Financial Position

(Billions of yen)

	FY2019 H1	End of FY2018	Inc./Dec.	YoY	Remarks
Total assets	3,076.7	3,079.3	- 2.6	- 0.1%	
Total equity	1,142.2	1,149.6	- 7.5	- 0.6%	
Total equity attributable to owners of parent	1,139.2	1,146.4	- 7.2	- 0.6%	
Interest-bearing debt	1,028.4	1,027.4	1.0	0.1%	

◆ Others

(Billions of yen)

	FY2019 H1	FY2018 H1	Inc./Dec.	YoY	Remarks
Capital expenditures	32.8	29.4	3.4	11.5%	
Depreciation	34.8	36.3	- 1.5	- 4.1%	

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

FY2019 H1 Financial Results (Individual)

◆Revenue

(Billions of yen)

	FY2019 H1	FY2018 H1	Inc./Dec.	YoY	Remarks
Asahi Breweries *1	400.1	406.9	- 6.8	- 1.7%	
Other/elimination in segment	10.9	11.1	- 0.3	- 2.4%	
Alcohol Beverages Business	410.9	418.1	- 7.1	- 1.7%	
Asahi Soft Drinks *2	181.4	175.4	6.0	3.4%	
Other/elimination in segment	-	-	-	-	
Soft Drinks Business	181.4	175.4	6.0	3.4%	
Asahi Group Foods	56.3	56.4	- 0.2	- 0.3%	
Other/elimination in segment	- 0.0	- 0.0	- 0.0	-	
Food Business	56.3	56.4	- 0.2	- 0.3%	
Europe business *3 (Details P4)	224.5	231.0	- 6.5	- 2.8%	
Oceania business	74.7	81.0	- 6.3	- 7.8%	
Southeast Asia business	23.0	25.1	- 2.1	- 8.5%	
China business *4	2.8	6.4	- 3.6	- 55.8%	
Other/elimination in segment *1, 2, 3	6.8	6.8	0.1	0.9%	
Overseas Business	331.9	350.2	- 18.4	- 5.2%	
Other Business	53.1	52.9	0.2	0.4%	
Adjustment (corporate and elimination)	- 49.8	- 48.0	- 1.8	-	
Total	983.8	1,005.1	- 21.2	- 2.1%	

◆Core Operating Profit

(Billions of yen)

	FY2019 H1	FY2018 H1	Inc./Dec.	YoY	Remarks
Asahi Breweries *1	42.8	43.1	- 0.3	- 0.7%	
Other/elimination in segment	0.0	0.1	- 0.1	- 94.0%	
Alcohol Beverages Business	42.8	43.2	- 0.4	- 1.0%	
Asahi Soft Drinks *2	16.8	16.6	0.2	1.2%	
Other/elimination in segment	-	-	-	-	
Soft Drinks Business	16.8	16.6	0.2	1.2%	
Asahi Group Foods	6.4	6.2	0.3	4.1%	
Other/elimination in segment	0.2	0.2	0.0	0.4%	
Food Business	6.6	6.4	0.3	3.9%	
Europe business *3 (Details P4)	38.2	35.8	2.4	6.7%	
Oceania business	4.1	3.8	0.3	8.7%	
Southeast Asia business	1.4	0.9	0.5	60.6%	
China business *4	0.1	0.5	- 0.5	- 86.1%	
Other/elimination in segment *1, 2, 3	1.0	1.2	- 0.2	- 17.6%	
Overseas Business	44.7	42.1	2.6	6.1%	
Other Business	0.1	0.4	- 0.3	- 67.1%	
Adjustment (corporate and elimination) *5	- 10.9	- 9.2	- 1.7	-	
Amortization of acquisition-related intangible assets	- 10.5	- 11.2	0.7	-	
Total	89.6	88.2	1.4	1.6%	

* We changed the disclosure method to allocate the results of IFRS adjustment into each individual Business's revenue and core operating profit.

In response to this change, the figures in 2018 and 2019 in each Business include the impacts of IFRS adjustment.

* We reconstructed the business segment on January 1, 2019. We reflect the impacts related to the issues described as below *1, 2 to the figures in 2018 and 2019.

*1 We changed the export structure and transferred the export beer sales in Asahi Breweries in Alcohol Beverages Business previously to Other/elimination in Overseas Business.

*2 We transferred Taiwan Calpis which was previously in Other/elimination in Overseas Business to Asahi Soft Drinks in Soft Drinks Business.

* We reconstructed the business segment on April 1, 2019. We reflect the impacts related to the issues described as below *3 to the figures in 2018 and 2019 from the Q1 results.

*3 We transferred Asahi Beer U.S.A., Inc. which was previously in Other/elimination in Overseas Business to Europe business in Overseas Business.

*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.

Reference

◆ Details of Europe business

< Revenue (including liquor tax) >

(Billions of yen)

	FY2019 H1	FY2018 H1	Inc./Dec.	YoY	Remarks
Western Europe business *1	73.3	72.7	0.6	0.9%	
Central Europe business	151.2	158.3	- 7.1	- 4.5%	
Europe business	224.5	231.0	- 6.5	- 2.8%	

< Core Operating Profit >

(Billions of yen)

	FY2019 H1	FY2018 H1	Inc./Dec.	YoY	Remarks
Gross Core Operating Profit *1	9.6	8.6	1.0	11.1%	
Once off Cost	0.2	- 0.1	0.2	-	
Western Europe business	9.7	8.5	1.2	14.0%	
Gross Core Operating Profit	28.5	28.1	0.4	1.4%	
Once off Cost	- 0.0	- 0.8	0.8	-	
Central Europe business	28.4	27.2	1.2	4.4%	
Europe business	38.2	35.8	2.4	6.7%	

◆ Overseas Business performance excluding the impacts of foreign exchange

(Billions of yen)

	FY2019 H1	FY2018 H1	Inc./Dec.	YoY	Remarks
Europe business *1	237.4	231.0	6.4	2.8%	
Oceania business	80.6	81.0	- 0.4	- 0.5%	
Southeast Asia business	23.8	25.1	- 1.3	- 5.0%	
China business *2	3.0	6.4	- 3.4	- 53.4%	
Other / elimination in segment *1, 3, 4	7.2	6.8	0.4	5.6%	
Revenue	351.9	350.2	1.7	0.5%	
Europe business *1	40.5	35.8	4.7	13.0%	
Oceania business	4.4	3.8	0.7	17.2%	
Southeast Asia business	1.4	0.9	0.6	66.8%	
China business *2	0.1	0.5	- 0.4	- 85.3%	
Other / elimination in segment *1, 3, 4	1.0	1.2	- 0.2	- 15.7%	
Core operating profit	47.4	42.1	5.3	12.5%	

* The figures in 2019 are converted by the previous year's local currency rate

* We reconstructed the business segment on April 1, 2019. We reflect the impacts related to the issues described as below *1 to the figures in 2018 and 2019 from the Q1 results.

*1 We transferred Asahi Beer U.S.A., Inc. which was previously in Other/elimination in Overseas Business to Europe business in Overseas Business.

*2 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.

* We reconstructed the business segment on January 1, 2019. We reflect the impacts related to the issues described as below *3, 4 to the figures in 2018 and 2019.

*3 We changed the export structure and transferred the export beer sales in Asahi Breweries in Alcohol Beverages Business previously to Other/elimination in Overseas Business.

*4 We transferred Taiwan Calpis which was previously in Other/elimination in Overseas Business to Asahi Soft Drinks in Soft Drinks Business.

◆ Exchange Rate

(yen)

	2019 H1 (Average)	2018 H1 (Average)
US dollar	110.1	108.7
Euro	124.3	131.6
Australian dollar	77.7	83.9
Malaysia Ringgit	26.7	27.6
Chinese Yuan	16.2	17.1

FY2019 H1 Breakdown of Increase/Decrease in Revenue and Profit
< Asahi Breweries Sales Volume >

(Millions of cases)

	FY2019 H1	FY2018 H1	Inc./Dec.	YoY	Remarks
Beer	39.55	41.53	- 1.98	- 4.8%	
Happoshu	6.23	6.67	- 0.44	- 6.6%	
New Genre	19.49	19.16	0.33	1.7%	
Beer-type beverages total	65.27	67.36	- 2.09	- 3.1%	

< Revenue >

(Billions of yen)

	FY2019 H1	FY2018 H1	Inc./Dec.	YoY	Remarks
Asahi Breweries *1	400.1	406.9	- 6.8	- 1.7%	
Other/elimination in segment	10.9	11.1	- 0.3	- 2.4%	
Alcohol Beverages Businsee revenue total	410.9	418.1	- 7.1	- 1.7%	

< Reference: Revenue by Category (before rebate deduction) >

Beer *1	217.1	226.3	- 9.2	- 4.1%	
Happoshu	23.7	25.4	- 1.7	- 6.8%	
New Genre	64.6	63.5	1.1	1.7%	
Beer-type beverages total	305.4	315.3	- 9.8	- 3.1%	
Whiskey and spirits	29.0	27.4	1.6	5.7%	
RTD low-alcohol beverages	21.9	21.1	0.8	3.9%	
Wine	19.6	19.4	0.2	0.9%	
Shochu	12.5	13.2	- 0.7	- 5.5%	
Non-alcohol beverages	14.9	14.6	0.3	2.2%	

< Core Operating Profit >

(Billions of yen)

	FY2019 H1	FY2018 H1	Inc./Dec.	YoY	Remarks
Change in sales, category and container mix *2	-	-	- 1.5		Sales volume increase in beer-type -2.7, Sales increase in other alcohol beverages +1.1, Change in category and container mix, and others
Cost reduction in manufacturing	-	-	0.9		Raw materials +0.3, Product mix improvement in categories other than beer-type +0.5, and others
Cost increase in manufacturing	-	-	- 0.8		Raw materials -0.3, Utilities -0.2, and others
Advertisement and Sales promotion expenses *3	-	-	- 1.0		Advertisement -0.6, Promotion expense -0.4 (Beer-type -0.4, others -0.6)
Other expenses	-	-	2.1		
Change in personal expenses	-	-	0.1		
Change in depreciation	-	-	- 0.0		
Change in selling equipment expenses	-	-	- 0.2		
Change in other materials	-	-	2.3		
Asahi Breweries *1	42.8	43.1	- 0.3	- 0.7%	
Other/elimination in segment	0.0	0.1	- 0.1	- 94.0%	
Alcohol Beverages Business core operating profit total	42.8	43.2	- 0.4	- 1.0%	

*1 We reconstructed the business segment on January 1, 2019. We reflect the impacts related to the issues described as below to the figures in 2018 and 2019.

We changed the export structure and transferred the export beer sales in Asahi Breweries in Alcohol Beverages Business previously to Other/elimination in Overseas Business.

*2 The figures include the impact of change of sales rebate

*3 The figures exclude the impact of change of sales rebate (2019 H1: advertisement 17.3, promotion expense 15.4)

FY2019 H1 Breakdown of Increase/Decrease in Revenue and Profit

< Asahi Soft Drinks Sales Volume >

(Millions of cases)

	FY2019 H1	FY2018 H1	Inc./Dec.	YoY	Remarks
Carbonated drinks	35.26	31.67	3.59	11.3%	
Lactic acid drinks	24.07	23.14	0.93	4.0%	
Coffee	20.37	21.13	- 0.77	- 3.6%	
Tea	18.88	18.52	0.37	2.0%	
Mineral water	9.51	11.28	- 1.76	- 15.6%	
Fruit juice	9.40	9.77	- 0.37	- 3.8%	
Other drinks	10.36	9.46	0.90	9.5%	
Asahi Soft Drinks total	127.85	124.97	2.88	2.3%	

< Revenue >

(Billions of yen)

	FY2019 H1	FY2018 H1	Inc./Dec.	YoY	Remarks
Asahi Soft Drinks *1	181.4	175.4	6.0	3.4%	
Other/elimination in segment	-	-	-	-	
Soft Drinks Business revenue total	181.4	175.4	6.0	3.4%	

< Core operating profit >

(Billions of yen)

	FY2019 H1	FY2018 H1	Inc./Dec.	YoY	Remarks
Change in sales, category and container mix	-	-	1.8		Increase in sales volume +1.6, Change in category and container mix, and others
Cost reduction in manufacturing	-	-	0.9		Raw materials +0.5, Packages +0.2, operational efficiency / in-house production +0.2
Cost increase in manufacturing	-	-	- 1.3		Raw materials -0.1, Packages -1.2
Advertisement and Sales promotion expenses	-	-	- 0.5		Advertisement -0.2, Promotion expenses -0.3
Other expenses	-	-	- 0.7		Depreciation, etc.
Asahi Soft Drinks *1	16.8	16.6	0.2	1.2%	
Other/elimination in segment	-	-	-	-	
Soft Drinks Business core operating profit total	16.8	16.6	0.2	1.2%	

*1 We reconstructed the business segment on January 1, 2019. We reflect the impacts related to the issues described as below to the figures in 2018 and 2019.

We transferred Taiwan Calpis which was previously in Other/elimination in Overseas Business to Asahi Soft Drinks in Soft Drinks Business.

FY2019 H1 Consolidated Statement of Financial Position

(Billions of yen)

	FY2019 H1	End of FY2018	Inc./Dec.	Remarks
Current assets	702.3	714.6	- 12.3	
Cash and cash equivalents	51.7	57.3	- 5.6	
Trade and other receivables	419.6	427.3	- 7.7	
Inventories	181.9	160.3	21.6	
Income tax receivables	5.8	37.3	- 31.5	
Other financial assets	7.0	7.0	- 0.0	
Other current assets	36.3	25.3	11.0	
Subtotal	702.3	714.6	- 12.3	
Non-current assets	2,374.4	2,364.7	9.7	
Property, plant and equipment	718.2	690.0	28.3	
Goodwill and intangible assets	1,404.8	1,428.5	- 23.7	
Investments accounted for using equity method	8.7	8.7	0.1	
Other financial assets	180.5	184.5	- 4.1	
Deferred tax assets	18.2	16.3	1.9	
Net defined benefit assets	18.6	19.3	- 0.7	
Other non-current assets	25.5	17.4	8.1	
Total assets	3,076.7	3,079.3	- 2.6	
Current liabilities	1,089.5	939.6	149.9	
Trade and other payables	427.0	416.8	10.2	
Bonds and borrowings (current)	442.3	262.6	179.7	
Income tax payables	34.9	39.6	- 4.7	
Allowance	13.8	17.7	- 3.9	
Other financial liabilities	38.9	62.0	- 23.1	
Other current liabilities	132.5	140.8	- 8.3	
Subtotal	1,089.5	939.6	149.9	
Non-current liabilities	845.1	990.1	- 145.0	
Bonds and borrowings (non-current)	586.0	764.8	- 178.7	
Net defined benefit liabilities	25.6	25.5	0.1	
Deferred tax liabilities	132.3	137.3	- 4.9	
Other financial liabilities	98.5	59.8	38.7	
Other non-current liabilities	2.6	2.7	- 0.1	
Total liabilities	1,934.6	1,929.7	4.9	
Issued capital	182.5	182.5	-	
Share premium	119.2	119.1	0.0	
Retained earnings	858.5	821.1	37.3	
Treasury shares	- 77.0	- 77.0	- 0.0	
Other components of equity	56.0	100.6	- 44.6	
Non-controlling interests	3.0	3.2	- 0.2	
Total equity	1,142.2	1,149.6	- 7.5	
Total liabilities and equity	3,076.7	3,079.3	- 2.6	

FY2019 H1 Consolidated Statement of Cash Flows

(Billions of yen)

	FY2019 H1	FY2018 H1	Inc./Dec.	Remarks
Cash flows from (used in) operating activities	89.7	107.4	- 17.7	
(Profit before tax)	87.4	85.3	2.1	
(Depreciation) *1	34.8	36.3	- 1.5	
(Amortization of acquisition-related intangible assets)	10.5	11.2	- 0.7	
(Income tax paid)	- 2.6	- 38.9	36.3	
Cash flows from (used in) investing activities	- 56.0	68.7	- 124.7	
(Proceeds from sales of business investment)	-	102.6	- 102.6	
(Acquisition of stock of subsidiaries)	- 22.0	-	- 22.0	
(Capital expenditure) *1	- 32.8	- 29.4	- 3.4	
Cash flows from (used in) financing activities	- 38.3	- 169.0	130.7	
(Increase (decrease) of financial obligation) *2	1.0	- 153.8	154.7	
(Acquisition of treasury shares) *3	-	-	-	
(Dividends paid)	- 24.7	- 20.6	- 4.1	
Translation difference	- 1.0	- 1.9	0.9	
Increase (decrease) of cash and cash equivalents	- 5.6	5.1	- 10.7	
Increase (decrease) of cash relating to the change of scope of consolidation	-	- 0.7	0.7	

*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

◆Details of amortization of acquisition-related intangible assets

(Billions of yen)

	FY2019 H1	FY2018 H1	Inc./Dec.	YoY	Remarks
Alcohol Beverages Business	- 0.1	- 0.1	-	-	
Soft Drinks Business	- 0.8	- 0.8	-	-	
Food Business	-	-	-	-	
Western Europe business	- 2.2	- 2.3	0.1	-	
Central Europe business	- 6.3	- 6.7	0.4	-	
Europe business	- 8.4	- 9.0	0.5	-	
Oceania business	- 1.0	- 1.2	0.2	-	
Southeast Asia business	-	-	-	-	
Overseas Business	- 9.5	- 10.2	0.7	-	
Other Business	- 0.1	- 0.1	-	-	
Total	- 10.5	- 11.2	0.7	-	

FY2019 Consolidated Financial Results Forecast

◆ Summary of Statement of Profit or Loss

(Billions of yen)

	FY2019 forecast	FY2018	Inc./Dec.	YoY	Remarks
Alcohol Beverages Business *1	902.2	913.4	- 11.2	- 1.2%	} Details are on supplement 12
Soft Drinks Business *2	376.0	370.8	5.2	1.4%	
Food Business	118.0	116.0	2.0	1.7%	
Overseas Business *1, 2	714.3	710.4	3.9	0.5%	
Other Business	114.3	109.5	4.8	4.4%	
Adjustment (corporate and elimination)	- 104.2	- 99.7	- 4.5	-	
Revenue	2,120.5	2,120.3	0.2	0.0%	
Alcohol Beverages Business *1	109.5	109.5	0.0	0.0%	} Details are on supplement 12
Soft Drinks Business *2	37.6	37.3	0.4	1.0%	
Food Business	12.7	12.4	0.3	2.7%	
Overseas Business *1, 2	104.2	100.6	3.6	3.5%	
Other Business	2.1	2.5	- 0.4	- 17.6%	
Adjustment (corporate and elimination)	- 23.6	- 18.9	- 4.7	-	
Amortization of acquisition-related intangible assets	- 21.0	- 22.0	1.0	-	Details are on supplement 17
Core operating profit	221.5	221.4	0.1	0.1%	
Adjustment item	- 6.0	- 9.6	3.6	-	
Loss (gain) on sales and retirement of non current assets	- 3.0	- 4.1	1.1	-	
Gain (loss) on revaluation of subsidiaries and affiliates	-	1.4	- 1.4	-	
Business integration expenses	- 0.6	- 3.0	2.4	-	
Impairment loss	-	- 0.3	0.3	-	
Others	- 2.4	- 3.6	1.3	-	
Operating profit	215.5	211.8	3.7	1.8%	
Finance income or loss	- 4.1	- 3.6	- 0.5	-	
Share of profit (loss) of entities accounted for using equity method	0.7	0.9	- 0.2	- 18.1%	
Loss (gain) on sales of investments accounted for using equity method	-	- 0.9	0.9	-	
Others	-	- 0.8	0.8	-	
Profit before tax	212.1	207.3	4.8	2.3%	
Income tax expense	- 60.6	- 56.4	- 4.2	-	
Profit	151.5	150.9	0.6	0.4%	
Profit attributable to owners of parent	151.5	151.1	0.4	0.3%	
Profit attributable to non-controlling interests	-	- 0.1	0.1	-	

* We changed the disclosure method to allocate the results of IFRS adjustment into each individual Business's revenue and core operating profit. In response to this change, the figures in 2018 and 2019 in each Business include the impacts of IFRS adjustment.

* We reconstructed the business segment on January 1, 2019. We reflect the impacts related to the issues described as below *1, 2 to the figures in 2018 and 2019 forecast.

*1 We changed the export structure and transferred the export beer sales in Asahi Breweries in Alcohol Beverages Business previously to Other/elimination in Overseas Business.

*2 We transferred Taiwan Calpis which was previously in Other/elimination in Overseas Business to Asahi Soft Drinks in Soft Drinks Business.

◆ Summary of Statement of Financial Position

(Billions of yen)

	FY2019 forecast	FY2018	Inc./Dec.	YoY	Remarks
Total assets	3,080.0	3,079.3	0.7	0.0%	
Total equity	1,191.0	1,149.6	41.4	3.6%	
Total equity attributable to owners of parent	1,188.0	1,146.4	41.6	3.6%	
Interest-bearing debt	940.0	1,027.4	- 87.4	- 8.5%	

◆ Others

(Billions of yen)

	FY2019 forecast	FY2018	Inc./Dec.	YoY	Remarks
Capital expenditures	93.0	78.2	14.8	18.9%	
Depreciation	73.0	75.1	- 2.1	- 2.7%	

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

FY2019 Financial Results (Individual) Forecast
◆Revenue

(Billions of yen)

	FY2019 forecast	FY2018	Inc./Dec.	YoY	Remarks
Asahi Breweries *1	877.6	889.3	- 11.7	- 1.3%	
Other/elimination in segment	24.6	24.0	0.5	2.3%	
Alcohol Beverages Business	902.2	913.4	- 11.2	- 1.2%	
Asahi Soft Drinks *2	376.0	370.8	5.2	1.4%	
Other/elimination in segment	-	-	-	-	
Soft Drinks Business	376.0	370.8	5.2	1.4%	
Asahi Group Foods	118.0	116.0	2.0	1.7%	
Other/elimination in segment	-	- 0.0	0.0	-	
Food Business	118.0	116.0	2.0	1.7%	
Europe business *3 (Details P13)	477.7	467.8	9.8	2.1%	
Oceania business	175.0	174.7	0.3	0.2%	
Southeast Asia business	42.5	45.9	- 3.4	- 7.4%	
China business *4	5.3	9.8	- 4.5	- 45.7%	
Other/elimination in segment *1, 2, 3	13.7	12.1	1.6	12.9%	
Overseas Business	714.3	710.4	3.9	0.5%	
Other Business	114.3	109.5	4.8	4.4%	
Adjustment (corporate and elimination)	- 104.2	- 99.7	- 4.5	-	
Total	2,120.5	2,120.3	0.2	0.0%	

◆Core Operating Profit

(Billions of yen)

	FY2019 forecast	FY2018	Inc./Dec.	YoY	Remarks
Asahi Breweries *1	108.7	108.7	0.0	0.0%	
Other/elimination in segment	0.9	0.9	0.0	0.1%	
Alcohol Beverages Business	109.5	109.5	0.0	0.0%	
Asahi Soft Drinks *2	37.6	37.3	0.4	1.0%	
Other/elimination in segment	-	-	-	-	
Soft Drinks Business	37.6	37.3	0.4	1.0%	
Asahi Group Foods	12.3	12.0	0.3	2.7%	
Other/elimination in segment	0.4	0.4	0.0	2.3%	
Food Business	12.7	12.4	0.3	2.7%	
Europe business *3 (Details P13)	85.2	81.3	3.9	4.9%	
Oceania business	15.7	14.8	0.9	5.9%	
Southeast Asia business	2.4	2.2	0.2	8.3%	
China business *4	- 0.6	0.5	- 1.1	-	
Other/elimination in segment *1, 2, 3	1.5	1.8	- 0.4	- 20.0%	
Overseas Business	104.2	100.6	3.6	3.5%	
Other Business	2.1	2.5	- 0.4	- 17.6%	
Adjustment (corporate and elimination) *5	- 23.6	- 18.9	- 4.7	-	
Amortization of acquisition-related intangible assets	- 21.0	- 22.0	1.0	-	
Total	221.5	221.4	0.1	0.1%	

* We changed the disclosure method to allocate the results of IFRS adjustment into each individual Business's revenue and core operating profit.

In response to this change, the figures in 2018 and 2019 forecast in each Business include the impacts of IFRS adjustment.

* We reconstructed the business segment on January 1, 2019. We reflect the impacts related to the issues described as below *1, 2 to the figures in 2018 and 2019 forecast.

*1 We changed the export structure and transferred the export beer sales in Asahi Breweries in Alcohol Beverages Business previously to Other/elimination in Overseas Business.

*2 We transferred Taiwan Calpis which was previously in Other/elimination in Overseas Business to Asahi Soft Drinks in Soft Drinks Business.

* We reconstructed the business segment on April 1, 2019. We reflect the impacts related to the issues described as below *3 to the figures in 2018 and 2019 forecast from the Q1 results.

*3 We transferred Asahi Beer U.S.A., Inc. which was previously in Other/elimination in Overseas Business to Europe business in Overseas Business.

*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.

Reference

◆ Details of Europe business

< Revenue (including liquor tax) >

(Billions of yen)

	FY2019 forecast	FY2018	Inc./Dec.	YoY	Remarks
Western Europe business *1	169.7	151.8	17.9	11.8%	
Central Europe business	308.0	316.1	- 8.0	- 2.5%	
Europe business	477.7	467.8	9.8	2.1%	

< Core Operating Profit >

(Billions of yen)

	FY2019 forecast	FY2018	Inc./Dec.	YoY	Remarks
Gross Core Operating Profit *1	24.8	22.6	2.2	9.6%	
Once off Cost	0.2	- 0.2	0.4	-	
Western Europe business	25.0	22.4	2.5	11.3%	
Gross Core Operating Profit	60.3	59.9	0.3	0.5%	
Once off Cost	- 0.0	- 1.1	1.1	-	
Central Europe business	60.2	58.8	1.4	2.4%	
Europe business	85.2	81.3	3.9	4.9%	

◆ Overseas Business performance excluding the impacts of foreign exchange

(Billions of yen)

	FY2019 forecast	FY2018	Inc./Dec.	YoY	Remarks
Europe business *1	505.2	467.8	37.4	8.0%	
Oceania business	187.7	174.7	12.9	7.4%	
Southeast Asia business	44.9	45.9	- 1.1	- 2.3%	
China business *2	5.6	9.8	- 4.2	- 42.6%	
Other / elimination in segment *1, 3, 4	14.7	12.1	2.6	21.5%	
Revenue	758.1	710.4	47.7	6.7%	
Europe business *1	90.3	81.3	9.0	11.1%	
Oceania business	16.8	14.8	2.0	13.5%	
Southeast Asia business	2.6	2.2	0.3	14.3%	
China business *2	- 0.7	0.5	- 1.1	-	
Other / elimination in segment *1, 3, 4	1.5	1.8	- 0.3	- 16.1%	
Core operating profit	110.6	100.6	9.9	9.9%	

* The figures in 2019 are converted by the previous year's local currency rate

* We reconstructed the business segment on April 1, 2019. We reflect the impacts related to the issues described as below *1 to the figures in 2018 and 2019 forecast from the Q1 results.

*1 We transferred Asahi Beer U.S.A., Inc. which was previously in Other/elimination in Overseas Business to Europe business in Overseas Business.

*2 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.

* We reconstructed the business segment on January 1, 2019. We reflect the impacts related to the issues described as below *3, 4 to the figures in 2018 and 2019 forecast.

*3 We changed the export structure and transferred the export beer sales in Asahi Breweries in Alcohol Beverages Business previously to Other/elimination in Overseas Business.

*4 We transferred Taiwan Calpis which was previously in Other/elimination in Overseas Business to Asahi Soft Drinks in Soft Drinks Business.

◆ Exchange Rate

(yen)

	FY2019 forecast (Average)	FY2018 (Average)
US dollar	108.0	110.4
Euro	123.0	130.4
Australian dollar	77.0	82.6
Malaysia Ringgit	26.0	27.4
Chinese Yuan	15.8	16.7

FY2019 Breakdown of Increase/Decrease in Revenue and Profit Forecast
< Asahi Breweries Sales Volume >

(Millions of cases)

	FY2019 forecast	FY2018	Inc./Dec.	YoY	Remarks
Beer	90.00	93.51	- 3.51	- 3.8%	
Happoshu	13.00	13.89	- 0.89	- 6.4%	
New Genre	41.00	39.75	1.25	3.1%	
Beer-type beverages total	144.00	147.16	- 3.16	- 2.1%	

< Revenue >

(Billions of yen)

	FY2019 forecast	FY2018	Inc./Dec.	YoY	Remarks
Asahi Breweries Revenue *1	877.6	889.3	- 11.7	- 1.3%	
Other/elimination in segment	24.6	24.0	0.5	2.3%	
Alcohol Beverages Business revenue total	902.2	913.4	- 11.2	- 1.2%	

< Reference: Revenue by Category (before rebate deduction) >

(Billions of yen)

	FY2019 forecast	FY2018	Inc./Dec.	YoY	Remarks
Beer *1	496.8	513.8	- 17.0	- 3.3%	
Happoshu	49.4	52.9	- 3.5	- 6.6%	
New Genre	135.9	131.8	4.2	3.2%	
Beer-type beverages total	682.2	698.5	- 16.3	- 2.3%	
Whiskey and spirits	60.0	57.8	2.1	3.7%	
RTD low-alcohol beverages	46.6	44.4	2.2	5.0%	
Wine	42.5	42.2	0.3	0.8%	
Shochu	26.2	27.4	- 1.2	- 4.4%	
Non-alcohol beverages	34.6	33.2	1.4	4.3%	

< Core operating profit >

(Billions of yen)

	FY2019 forecast	FY2018	Inc./Dec.	YoY	Remarks
Change in sales, category and container mix *2	-	-	- 1.5		Sales volume increase in beer-type -4.8, Sales increase in other alcohol beverages +2.4, Change in category and container mix, and others
Cost reduction in manufacturing	-	-	2.1		Raw materials +0.3, Product mix improvement in categories other than beer-type +1.3, and others
Cost increase in manufacturing	-	-	- 1.6		Raw materials -0.6, Utilities -0.3, and others
Advertisement and Sales promotion expenses *3	-	-	0.3		Advertisement -1.0, Promotion expenses +1.3 (Beer-type -0.4, Other +0.7)
Other expenses	-	-	0.7		
Change in personal expenses	-	-	- 0.6		
Change in depreciation	-	-	- 0.2		
Change in selling equipment expenses	-	-	- 0.5		
Change in other materials	-	-	2.0		
Asahi Breweries *1	108.7	108.7	0.0	0.0%	
Other/elimination in segment	0.9	0.9	0.0	0.1%	
Alcohol Beverages Business core operating profit total	109.5	109.5	0.0	0.0%	

*1 We reconstructed the business segment on January 1, 2019. We reflect the impacts related to the issues described as below to the figures in 2018 and 2019.

We changed the export structure and transferred the export beer sales in Asahi Breweries in Alcohol Beverages Business previously to Other/elimination in Overseas Business.

*2 The figures include the impact of change of sales rebate

*3 The figures exclude the impact of change of sales rebate (2019 forecast: advertisement 29.5, promotion expense 34.9)

FY2019 Breakdown of Increase/Decrease in Revenue and Profit Forecast
< Asahi Soft Drinks Sales Volume >

(Millions of cases)

	FY2019 forecast	FY2018	Inc./Dec.	YoY	Remarks
Carbonated drinks	72.76	67.26	5.51	8.2%	
Lactic acid drinks	50.78	49.53	1.24	2.5%	
Coffee	40.72	42.11	- 1.39	- 3.3%	
Tea	40.42	41.29	- 0.88	- 2.1%	
Mineral water	20.22	23.96	- 3.73	- 15.6%	
Fruit juice	19.81	21.20	- 1.39	- 6.5%	
Other drinks	22.48	20.77	1.70	8.2%	
Asahi Soft Drinks total	267.20	266.13	1.07	0.4%	

< Revenue >

(Billions of yen)

	FY2019 forecast	FY2018	Inc./Dec.	YoY	Remarks
Asahi Soft Drinks *1	376.0	370.8	5.2	1.4%	
Other/elimination in segment	-	-	-	-	
Soft Drinks Business revenue total	376.0	370.8	5.2	1.4%	

< Core operating profit >

(Billions of yen)

	FY2019 forecast	FY2018	Inc./Dec.	YoY	Remarks
Change in sales, category and container mix	-	-	2.1		Increase in sales volume +1.5, Change in category and container mix, and others
Cost reduction in manufacturing	-	-	2.1		Raw materials +0.8, Packages +0.6, operational efficiency / in-house production +0.7
Cost increase in manufacturing	-	-	- 2.8		Raw materials -0.2, Packages -2.6
Advertisement and Sales promotion expenses	-	-	0.7		Advertisement +0.5, Promotion expenses +0.2
Other expenses	-	-	- 1.7		Depreciation, etc.
Asahi Soft Drinks *1	37.6	37.3	0.4	1.0%	
Other/elimination in segment	-	-	-	-	
Soft Drinks Business core operating profit total	37.6	37.3	0.4	1.0%	

*1 We reconstructed the business segment on January 1, 2019. We reflect the impacts related to the issue described as below to the figures in 2018 and 2019 forecast.

We transferred Taiwan Calpis which was previously in Other/elimination in Overseas Business to Asahi Soft Drinks in Soft Drinks Business.

FY2019 Consolidated Statement of Cash Flows Forecast

(Billions of yen)

	FY2019 forecast	FY2018	Inc./Dec.
Cash flows from (used in) operating activities	269.0	252.4	16.6
(Profit before tax)	212.1	207.3	4.8
(Depreciation) *1	73.0	75.1	- 2.1
(Amortization of acquisition-related intangible assets)	21.0	22.0	- 1.0
(Income tax paid)	- 60.0	- 103.1	43.1
Cash flows from (used in) investing activities	- 121.0	22.5	- 143.5
(Proceeds from sales of business investment)	-	102.6	- 102.6
(Acquisition of stock of subsidiaries)	- 22.0	-	- 22.0
(Capital expenditure) *1	- 93.0	- 78.2	- 14.8
Cash flows from (used in) financing activities	- 165.0	- 270.6	105.6
(Increase (decrease) of financial obligation) *2	- 87.4	- 234.5	147.1
(Acquisition of treasury shares) *3	-	-	-
(Dividends paid)	- 48.6	- 41.2	- 7.3
Translation difference	- 0.3	- 4.4	4.1
Increase (decrease) of cash and cash equivalents	- 17.3	- 0.0	- 17.3
Increase (decrease) of cash relating to the change of scope of consolidation	-	- 0.7	0.7

*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

◆FY2019 forecast

(Billions of yen)

	Alcohol Beverages	Soft Drinks	Food	Overseas	Other	Adjustment (corporate/elimination)	Amortization of intangible assets	Total
Revenue	902.2	376.0	118.0	714.3	114.3	- 104.2	-	2,120.5
Core operating profit	109.5	37.6	12.7	104.2	2.1	- 23.6	- 21.0	221.5
Depreciation *1	22.1	11.2	3.7	30.5	0.7	4.8	-	73.0
Amortisation of acquisition-related intangible assets	0.2	1.6	-	19.0	0.2	-	-	21.0
EBITDA *2	131.6	48.8	16.4	134.7	2.8	-	-	315.5
Capital expenditure *1	22.5	17.8	6.5	39.3	0.9	6.0	-	93.0

*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

◆FY2018

(Billions of yen)

	Alcohol Beverages	Soft Drinks	Food	Overseas	Other	Adjustment (corporate/elimination)	Amortization of intangible assets	Total
Revenue	913.4	370.8	116.0	710.4	109.5	- 99.7	-	2,120.3
Core operating profit	109.5	37.3	12.4	100.6	2.5	- 18.9	- 22.0	221.4
Depreciation *1	22.2	10.8	3.5	34.6	0.5	3.5	-	75.1
Amortisation of acquisition-related intangible assets	0.2	1.6	-	20.0	0.2	-	-	22.0
EBITDA *2	131.8	48.1	15.9	135.2	2.9	-	-	318.5
Capital expenditure *1	23.1	12.0	3.1	36.9	0.6	2.4	-	78.2

◆Increase / Decrease

(Billions of yen)

	Alcohol Beverages	Soft Drinks	Food	Overseas	Other	Adjustment (corporate/elimination)	Amortization of intangible assets	Total
Revenue	- 11.2	5.2	2.0	3.9	4.8	- 4.5	-	0.2
Core operating profit	0.0	0.4	0.3	3.6	- 0.4	- 4.7	1.0	0.1
Depreciation *1	- 0.1	0.4	0.2	- 4.1	0.2	1.3	-	- 2.1
Amortisation of acquisition-related intangible assets	-	-	-	- 1.0	-	-	-	- 1.0
EBITDA *2	- 0.1	0.8	0.5	- 0.6	- 0.2	-	-	- 3.0
Capital expenditure *1	- 0.6	5.8	3.3	2.4	0.3	3.6	-	14.8

Reference

◆Details of amortization of acquisition-related intangible assets

(Billions of yen)

	FY2019 forecast	FY2018	Inc./Dec.	YoY	Remarks
Alcohol Beverages Business	- 0.2	- 0.2	-	-	
Soft Drinks Business	- 1.6	- 1.6	-	-	
Food Business	-	-	-	-	
Western Europe business	- 4.3	- 4.5	0.3	-	
Central Europe business	- 12.7	- 13.2	0.5	-	
Europe business	- 17.0	- 17.7	0.7	-	
Oceania business	- 2.0	- 2.3	0.3	-	
Southeast Asia business	-	-	-	-	
Overseas Business	- 19.0	- 20.0	1.0	-	
Other Business	- 0.2	- 0.2	-	-	
Total	- 21.0	- 22.0	1.0	-	