

Asahi Group Holdings, Ltd.



FY2022 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 16, 2022.

This translation was made for information only. The Company gives no warranty with respect to its correctness.

Summary Report of Financial Results (Fiscal 2022 Q1)

May 16, 2022

Asahi Group Holdings, Ltd.

Code number: 2502

Shares Listed: Prime Market 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, 2022 to March 31, 2022)

(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 2022 Q1 ended March 31, 2022	496,863	8.8	24,687	(12.8)	9,044	(82.7)	4,358	(86.8)
Fiscal 2021 Q1 ended March 31, 2021	456,668	11.6	28,302	78.3	52,230	304.1	33,036	298.7

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(yen)	(yen)
Fiscal 2022 Q1 ended March 31, 2022	4,346	(86.9)	218,493	31.5	8.58	8.58
Fiscal 2021 Q1 ended March 31, 2021	33,191	298.2	166,131	—	65.50	65.49

(Reference)

- Profit before tax: FY2022 Q1 7,530 millions of yen (-84.6%) FY2021 Q1 48,892 millions of yen (416.1%)
- Adjusted profit attributable to owners of parent: FY2022 Q1 13,308 millions of yen (-59.9%) FY2021 Q1 33,191 millions of yen (298.2%)
- Constant Currency Basis (Figures calculated by converting foreign currency amounts for the year to yen using the exchange rate of the previous year)
FY2022 Q1 Revenue 7.1% YoY Core Operating Profit -14.7% 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.

*Adjusted profit attributable to owners of parent

= Profit attributable to owners of parent - One-off special factors including business portfolio restructuring and impairment loss

(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 2022 Q1 ended March 31, 2022	4,783,842	1,949,370	1,947,242	40.7
Fiscal 2021 ended December 31, 2021	4,547,748	1,759,148	1,757,104	38.6

2. Dividends

	Cash dividend per share				
	Q1	Q2	Q3	Year-end	Total annual
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal 2021 ended December 31, 2021	—	54.00	—	55.00	109.00
Fiscal 2022 ended December 31, 2022	—				
Fiscal 2022 ending December 31, 2022 (forecast)		55.00	—	56.00	111.00

Note: Changes to the latest dividend forecast announced: No

3. Forecast for Fiscal 2022 (From January 1, 2022 to December 31, 2022)

(Percentage figures represent the change from the previous year)

	Revenue		Core Operating Profit		Operating profit		Profit	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2022 ending December 31, 2022	2,450,000	9.6	240,000	10.1	217,500	2.6	146,500	(4.8)

	Profit attributable to owners of parent		Basic earnings per share
	(Millions of yen)	(%)	
Fiscal 2022 ending December 31, 2022	146,500	(4.6)	289.10

Note: Changes to the latest consolidated results forecast announced: No

(Reference)

- Profit before tax: FY2022 forecast 205,500 million yen (2.8%)
- Adjusted profit attributable to owners of parent: FY2022 forecast 156,500 million yen (1.2%)
- Constant Currency Basis (Figures calculated by converting foreign currency amounts for the year to yen using the exchange rate of the previous year)
FY2022 (Forecast) Revenue 10.5% YoY Core Operating Profit 11.4% YoY

*Adjusted profit attributable to owners of parent

= Profit attributable to owners of parent - One-off special factors including business portfolio restructuring and impairment loss

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, 2022	507,003,362 shares
Year ended December 31, 2021	507,003,362 shares

(2) Treasury shares at period-end:

Q1 ended March 31, 2022	263,527 shares
Year ended December 31, 2021	263,187 shares

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

Q1 ended March 31, 2022	506,739,867 shares
Q1 ended March 31, 2021	506,714,851 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, 2022: 80,482 shares, Year ended December 31, 2021: 80,482 shares, Q1 ended March 31, 2021: 110,442 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, 2021 and March 31, 2022)

(Millions of yen)

	As of December 31, 2021	As of March 31, 2022
(Assets)		
Current assets		
Cash and cash equivalents	52,743	45,497
Trade and other receivables	395,974	355,494
Inventories	200,828	230,855
Income tax receivables	2,232	8,695
Other financial assets	7,119	12,060
Other current assets	34,081	37,787
Subtotal	692,980	690,392
Assets held for sale	7,196	14,880
Total current assets	700,176	705,272
Non-current assets		
Property, plant and equipment	818,398	817,909
Goodwill and intangible assets	2,819,634	3,030,054
Investments accounted for using equity method	6,640	7,121
Other financial assets	126,295	133,503
Deferred tax assets	34,549	43,965
Net defined benefit assets	23,981	23,307
Other non-current assets	18,071	22,707
Total non-current assets	3,847,572	4,078,570
Total assets	4,547,748	4,783,842
(Liabilities and Equity)		
(Liabilities)		
Current liabilities		
Trade and other payables	531,573	506,824
Bonds and borrowings	423,652	507,004
Income tax payables	36,841	33,021
Provisions	13,253	13,917
Other financial liabilities	111,585	112,508
Other current liabilities	125,985	107,586
Total current liabilities	1,242,891	1,280,864
Non-current liabilities		
Bonds and borrowings	1,172,551	1,176,190
Net defined benefit liabilities	24,053	24,325
Deferred tax liabilities	203,579	222,218
Other financial liabilities	139,194	124,487
Other non-current liabilities	6,330	6,385
Total non-current liabilities	1,545,709	1,553,608
Total liabilities	2,788,600	2,834,472
(Equity)		
Issued capital	220,044	220,044
Share premium	161,731	161,748
Retained earnings	1,064,644	1,041,620
Treasury shares	(923)	(925)
Other components of equity	311,607	524,754
Total equity attributable to owners of parent	1,757,104	1,947,242
Non-controlling interests	2,043	2,127
Total equity	1,759,148	1,949,370
Total liabilities and equity	4,547,748	4,783,842

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

(From January 1 to March 31, 2021 and 2022)

<Consolidated Income Statements>

(Millions of yen)

	Previous year (From January 1 to March 31)	Current year (From January 1 to March 31)
Revenue	456,668	496,863
Cost of sales	(283,945)	(319,066)
Gross Profit	172,723	177,797
Selling, general and administrative expenses	(144,420)	(153,109)
Other operating income	35,630	720
Other operating expense	(11,703)	(16,364)
Operating Profit	52,230	9,044
Finance income	747	1,914
Finance costs	(4,166)	(3,514)
Share of profit (loss) of investments accounted for using equity method	81	86
Profit before tax	48,892	7,530
Income tax expense	(15,855)	(3,171)
Profit for the period	33,036	4,358
Attributable to:		
Owners of parent	33,191	4,346
Non-controlling interests	(154)	12
Total	33,036	4,358
Basic earnings per share (JPY)	65.50	8.58
Diluted earnings per share (JPY)	65.49	8.58

<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	33,036	4,358
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	6,391	1,072
Items that might be reclassified to profit or loss		
Cash flow hedges	2,765	7,022
Costs of hedging	725	40
Translation difference on foreign operations	123,066	205,815
Share of other comprehensive income of entities accounted for using equity method	146	183
Total other comprehensive income	133,094	214,134
Total comprehensive income	166,131	218,493
Total comprehensive income attributable to:		
Owners of parent	166,264	218,394
Non-controlling interests	(133)	98

(3) Condensed Consolidated Statement of Changes in Equity

Previous year (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		
Share-based payment transaction		15				
Transfer from other components of equity to retained earnings			1,197		(1,197)	
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
Share-based payment transaction			—	15		15
Transfer from other components of equity to retained earnings			(1,197)	—		—
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

(3) Condensed Consolidated Statement of Changes in Equity

Current year (from January 1 to March 31, 2022)

(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, 2022	220,044	161,731	1,064,644	(923)	37,975	7,486
Comprehensive income						
Profit			4,346			
Other comprehensive income					1,072	7,026
Total comprehensive income	—	—	4,346	—	1,072	7,026
Transfer to non-financial assets						(401)
Transactions with owners						
Dividends			(27,870)			
Purchase of treasury shares				(2)		
Disposal of treasury shares		0		0		
Share-based payment transaction		17				
Transfer from other components of equity to retained earnings			499		(499)	
Total contributions by owners and distribution to owners	—	17	(27,370)	(1)	(499)	—
Total transactions with owners	—	17	(27,370)	(1)	(499)	—
Balance as of March 31, 2022	220,044	161,748	1,041,620	(925)	38,548	14,112

	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, 2022	(601)	266,746	311,607	1,757,104	2,043	1,759,148
Comprehensive income						
Profit			—	4,346	12	4,358
Other comprehensive income	40	205,907	214,047	214,047	86	214,134
Total comprehensive income	40	205,907	214,047	218,394	98	218,493
Transfer to non-financial assets			(401)	(401)		(401)
Transactions with owners						
Dividends			—	(27,870)	(15)	(27,885)
Purchase of treasury shares			—	(2)		(2)
Disposal of treasury shares			—	0		0
Share-based payment transaction			—	17		17
Transfer from other components of equity to retained earnings			(499)	—		—
Total contributions by owners and distribution to owners	—	—	(499)	(27,855)	(15)	(27,870)
Total transactions with owners	—	—	(499)	(27,855)	(15)	(27,870)
Balance as of March 31, 2022	(560)	472,654	524,754	1,947,242	2,127	1,949,370

(4) Notes to the Condensed Consolidated Financial Statements

(Notes Regarding Going Concern Assumptions)

None