

# Asahi Breweries, Ltd.



## FY 2005 Consolidated 3Q Financial Results

**NOTE:**

All information has been prepared in accordance with generally accepted accounting principles in Japan. Amounts shown in this accounting report and in the attached material have been rounded down to omit fractions less than one million yen. This document is an partial English translation of the Japanese Financial Statement which was filed at stock exchanged in Japan on October 27<sup>th</sup>, 2005.

**Summary Report of Consolidated 3Q Financial Results  
(Fiscal 2005)**

October 27, 2005

**Asahi Breweries, Ltd.**

Code number: 2502  
Shares Listed: First Section of Tokyo and Osaka Stock Exchanges  
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US GAAP: Not applicable

## 1. Consolidated Financial Results for the 3Q Period ended September 30, 2005

(From January 1, 2005 to September 30, 2005)

### (1) Consolidated Operating Results

(in million yen)

|                               | <u>9 months ended September 30</u> |          |             |          | <u>Year ended Dec 31</u> |
|-------------------------------|------------------------------------|----------|-------------|----------|--------------------------|
|                               | <u>2005</u>                        |          | <u>2004</u> |          | <u>2004</u>              |
|                               | Amount                             | % change | Amount      | % change | Amount                   |
| Sales                         | 1,055,225                          | 0.8%     | 1,046,941   | 2.0%     | 1,444,225                |
| Operating income              | 63,568                             | -17.9%   | 77,405      | 39.2%    | 101,272                  |
| Ordinary income               | 66,274                             | -11.5%   | 74,891      | 46.0%    | 95,650                   |
| Net income                    | 35,986                             | 15.4%    | 31,178      | 46.4%    | 30,595                   |
| Net income per share: Primary | 74.28                              |          | 72.78       |          | 62.52                    |
| : Fully diluted               | 64.08                              |          | 62.08       |          | 60.64                    |

Note: Percentage change for net sales, operating income, ordinary income and net income is based on the first quarter of the previous fiscal year.

### (2) Consolidated Financial Conditions

(in million yen)

|                                | <u>September 30</u> | <u>September 30</u> | <u>December 31</u> |
|--------------------------------|---------------------|---------------------|--------------------|
|                                | <u>2005</u>         | <u>2004</u>         | <u>2004</u>        |
| Total assets                   | 1,205,182           | 1,252,105           | 1,250,818          |
| Shareholders' equity           | 442,267             | 419,661             | 417,827            |
| Shareholders' equity ratio     | 36.7%               | 33.5%               | 33.4%              |
| Shareholders' equity per share | 925.08yen           | 864.80 yen          | 860.66 yen         |

### (3) Consolidated Cash Flows

|  | <u>9 months ended September 30</u> |             | <u>Year ended Dec 31</u> |
|--|------------------------------------|-------------|--------------------------|
|  | <u>2005</u>                        | <u>2004</u> | <u>2004</u>              |
| Cash flows from operating activities             | 79,000                             | 125,098     | 112,930                  |
| Cash flows from investing activities             | (42,311)                           | (101,334)   | (54,850)                 |
| Cash flows from financing activities             | (35,003)                           | (17,457)    | (55,666)                 |
| Cash & cash equivalent<br>at the end of the term | 15,761                             | 17,725      | 13,657                   |

### (4) Scope of consolidation and matters relating to the application of equity method

|   |    |
|---|----|
| Number of consolidated subsidiaries:                                    | 53 |
| Number of unconsolidated subsidiaries accounted for by the equity metho | 2  |
| Number of affiliated companies accounted for by the equity method: :    | 16 |

**ASAHI BREWERIES, LTD.**

Consolidated 3Q Balance Sheets

ASSETS

(in million yen)

|   | Third quarter<br>of 2005 |              | Third quarter<br>of 2004 |              | Increase<br>(Decrease)<br>Amount | December 31<br>2004 |              |
|---|--------------------------|--------------|--------------------------|--------------|----------------------------------|---------------------|--------------|
|   | Amount                   | Ratio(%)     | Amount                   | Ratio(%)     |                                  | Amount              | Ratio(%)     |
| <b>Current Assets:</b>                    |                          |              |                          |              |                                  |                     |              |
| Cash and cash equivalents                 | 15,819                   |              | 18,145                   |              | 2,325                            | 14,156              |              |
| Notes and accounts receivable             | 223,287                  |              | 211,116                  |              | 12,171                           | 279,771             |              |
| Inventories                               | 90,908                   |              | 89,622                   |              | 1,285                            | 85,190              |              |
| Deferred tax assets                       | 20,186                   |              | 6,822                    |              | 13,363                           | 19,861              |              |
| Other current assets                      | 25,928                   |              | 77,911                   |              | (51,982)                         | 32,238              |              |
| Allowance for doubtful accounts           | (7,466)                  |              | (8,531)                  |              | 1,064                            | (10,438)            |              |
| <b>Total current assets</b>               | <b>368,664</b>           | <b>30.6</b>  | <b>395,086</b>           | <b>31.6</b>  | <b>(26,422)</b>                  | <b>420,780</b>      | <b>33.6</b>  |
| <b>Fixed Assets:</b>                      |                          |              |                          |              |                                  |                     |              |
| <b>Tangible fixed assets</b>              |                          |              |                          |              |                                  |                     |              |
| Buildings                                 | 215,284                  |              | 219,935                  |              | (4,651)                          | 222,493             |              |
| Machinery and equipment                   | 192,170                  |              | 188,887                  |              | 3,283                            | 196,172             |              |
| Furniture and fixtures                    | 50,677                   |              | 50,406                   |              | 271                              | 51,568              |              |
| Land                                      | 183,678                  |              | 202,298                  |              | (18,620)                         | 183,045             |              |
| Construction in progress                  | 5,049                    |              | 6,423                    |              | (1,373)                          | 4,228               |              |
| <b>Total tangible fixed assets</b>        | <b>646,860</b>           | <b>53.7</b>  | <b>667,951</b>           | <b>53.3</b>  | <b>(21,090)</b>                  | <b>657,509</b>      | <b>52.6</b>  |
| <b>Intangible fixed assets</b>            | <b>13,729</b>            | <b>1.1</b>   | <b>17,403</b>            | <b>1.4</b>   | <b>(3,674)</b>                   | <b>18,410</b>       | <b>1.5</b>   |
| <b>Investments and other assets</b>       |                          |              |                          |              |                                  |                     |              |
| Investment securities                     | 124,888                  |              | 106,944                  |              | 17,943                           | 93,653              |              |
| Deferred tax assets                       | 24,637                   |              | 35,951                   |              | (11,314)                         | 29,815              |              |
| Other                                     | 38,354                   |              | 42,292                   |              | (3,937)                          | 42,925              |              |
| Allowance for doubtful accounts           | (11,951)                 |              | (13,523)                 |              | 1,571                            | (12,275)            |              |
| <b>Total investments and other assets</b> | <b>175,928</b>           | <b>14.6</b>  | <b>171,664</b>           | <b>13.7</b>  | <b>4,263</b>                     | <b>154,118</b>      | <b>12.3</b>  |
| <b>Total fixed assets</b>                 | <b>836,518</b>           | <b>69.4</b>  | <b>857,019</b>           | <b>68.4</b>  | <b>(20,501)</b>                  | <b>830,038</b>      | <b>66.4</b>  |
| <b>Total Assets</b>                       | <b>1,205,182</b>         | <b>100.0</b> | <b>1,252,105</b>         | <b>100.0</b> | <b>(46,923)</b>                  | <b>1,250,818</b>    | <b>100.0</b> |

LIABILITIES AND SHAREHOLDERS' EQUITY

(in million yen)

|   | Third quarter<br>of 2005 |              | Third quarter<br>of 2004 |              | Increase<br>(Decrease)<br>Amount | December 31<br>2004 |              |
|---|--------------------------|--------------|--------------------------|--------------|----------------------------------|---------------------|--------------|
|   | Amount                   | Ratio(%)     | Amount                   | Ratio(%)     |                                  | Amount              | Ratio(%)     |
| <b>Current Liabilities:</b>   |                          |              |                          |              |                                  |                     |              |
| Notes and accounts payable  | 85,147                   |              | 70,516                   |              | 14,631                           | 84,585              |              |
| Short-term debt   | 68,782                   |              | 50,688                   |              | 18,094                           | 48,569              |              |
| Bonds due within one year   | 30,000                   |              | 74,997                   |              | (44,997)                         | 49,997              |              |
| Alcohol tax payable   | 142,341                  |              | 152,916                  |              | (10,574)                         | 148,654             |              |
| Deposits received   | 44,453                   |              | 61,097                   |              | (16,643)                         | 63,718              |              |
| Other current liabilities   | 107,426                  |              | 123,202                  |              | (15,776)                         | 136,165             |              |
| Total current liabilities   | 478,152                  | 39.7         | 533,418                  | 42.6         | (52,265)                         | 531,690             | 42.5         |
| <b>Non-current Liabilities:</b>   |                          |              |                          |              |                                  |                     |              |
| Bonds   | 95,000                   |              | 125,000                  |              | (30,000)                         | 120,000             |              |
| Long-term debt  | 95,070                   |              | 82,472                   |              | 12,597                           | 84,521              |              |
| Allowance for retirement benefits   | 27,713                   |              | 28,235                   |              | (521)                            | 29,183              |              |
| Reserve for officers' retirement benefits                                 | 555                      |              | 539                      |              | 16                               | 674                 |              |
| Deferred tax liabilities  | 435                      |              | 456                      |              | (21)                             | 448                 |              |
| Other non-current liabilities   | 39,989                   |              | 40,265                   |              | (275)                            | 39,644              | 22.0         |
| Total non-current liabilities   | 258,763                  | 21.4         | 276,969                  | 22.1         | (18,205)                         | 274,472             |              |
| <b>Total liabilities</b>  | <b>736,916</b>           | <b>61.1</b>  | <b>810,387</b>           | <b>64.7</b>  | <b>(73,471)</b>                  | <b>806,162</b>      | <b>64.5</b>  |
| Minority Interests  | 25,998                   | 2.2          | 22,056                   | 1.8          | 3,941                            | 26,827              | 2.1          |
| <b>Shareholders' Equity:</b>  |                          |              |                          |              |                                  |                     |              |
| Common stock  | 182,531                  | 15.1         | 182,531                  | 14.6         | -                                | 182,531             | 14.6         |
| Capital surplus   | 163,712                  | 13.6         | 181,282                  | 14.5         | (17,569)                         | 181,282             | 14.5         |
| Retained earnings:  | 102,542                  | 8.5          | 74,635                   | 5.9          | 27,906                           | 74,053              | 5.9          |
| Appreciation by revaluation of investment securities                      | 8,854                    | 0.7          | 5,251                    | 0.4          | 3,602                            | 4,796               | 0.4          |
| Foreign currency translation adjustments                                  | 1,944                    | 0.2          | 823                      | 0.1          | 1,121                            | 76                  | 0.0          |
| Treasury stock  | (17,317)                 | (1.4)        | (24,862)                 | (2.0)        | 7,544                            | (24,885)            | (2.0)        |
| <b>Total shareholders' equity</b>   | <b>442,267</b>           | <b>36.7</b>  | <b>419,661</b>           | <b>33.5</b>  | <b>22,606</b>                    | <b>417,827</b>      | <b>33.4</b>  |
| <b>Total liabilities, minority interests<br/>and shareholders' equity</b> | <b>1,205,182</b>         | <b>100.0</b> | <b>1,252,105</b>         | <b>100.0</b> | <b>(46,923)</b>                  | <b>1,250,818</b>    | <b>100.0</b> |

**ASAHI BREWERIES, LTD.**

## Consolidated 1Q Statements of Operations

(in million yen)

|  | 9 months ended     |          | 9 months ended     |          | Increase<br>(Decrease) | Year ended        |          |
|--|--------------------|----------|--------------------|----------|------------------------|-------------------|----------|
|  | September 30, 2005 |          | September 30, 2004 |          |                        | December 31, 2004 |          |
|  | Amount             | Ratio(%) | Amount             | Ratio(%) | Amount                 | Amount            | Ratio(%) |
| <b>Sales</b>   | 1,055,225          | 100.0    | 1,046,941          | 100.0    | 8,283                  | 1,444,225         | 100.0    |
| <b>Cost of sales</b>   | 700,582            | 66.4     | 705,275            | 67.4     | (4,693)                | 978,610           | 67.8     |
| <b>Gross profit</b>  | 354,642            | 33.6     | 341,665            | 32.6     | 12,977                 | 465,615           | 32.2     |
| <b>Selling, General &amp; Administrative expense</b>               | 291,073            | 27.6     | 264,260            | 25.2     | 26,813                 | 364,342           | 25.2     |
| <b>Operating income (loss)</b>                                     | 63,568             | 6.0      | 77,405             | 7.4      | (13,836)               | 101,272           | 7.0      |
| <b>Non-operating income:</b>                                       |                    |          |                    |          |                        |                   |          |
| Interest income  | 382                |          | 377                |          | 5                      | 538               |          |
| Dividend income  | 648                |          | 856                |          | (207)                  | 966               |          |
| Equity in net income of unconsolidated subsidiaries                | 3,997              |          | 25                 |          | 3,972                  | -                 |          |
| Amortization of consolidation negative goodwill                    | 1,386              |          | 1,312              |          | 73                     | 1,620             |          |
| Other  | 1,698              |          | 969                |          | 728                    | 2,002             |          |
|  | 8,113              | 0.8      | 3,541              | 0.3      | 4,571                  | 5,127             | 0.3      |
| <b>Non-operating expenses:</b>                                     |                    |          |                    |          |                        |                   |          |
| Interest expense   | 2,862              |          | 2,858              |          | 4                      | 4,284             |          |
| Equity in net loss of unconsolidated subsidiaries                  | -                  |          | -                  |          | -                      | 734               |          |
| Other  | 2,544              |          | 3,197              |          | (652)                  | 5,731             |          |
|  | 5,407              | 0.5      | 6,055              | 0.5      | (648)                  | 10,750            | 0.7      |
| <b>Ordinary income (loss)</b>                                      | 66,274             | 6.3      | 74,891             | 7.2      | (8,617)                | 95,650            | 6.6      |
| <b>Extraordinary gains:</b>  |                    |          |                    |          |                        |                   |          |
| Gain on sale of fixed assets                                       | 5,082              |          | 192                |          | 1,889                  | 449               |          |
| Gain on sale of investment securities                              | 248                |          | 284                |          | (35)                   | 580               |          |
| Gain on reverse of allowance for doubtful accounts                 | 2,522              |          | 1,795              |          | 726                    | -                 |          |
| Compensation money for relocation of brewery                       | 664                |          | 371                |          | 292                    | 597               |          |
|  | 8,517              | 0.8      | 2,644              | 0.2      | 5,872                  | 1,627             | 0.1      |
| <b>Extraordinary losses:</b>                                       |                    |          |                    |          |                        |                   |          |
| Loss on disposal and sale of fixed assets                          | 4,995              |          | 4,036              |          | 959                    | 31,314            |          |
| Loss on sale of investment securities                              | 1,035              |          | 1,922              |          | (887)                  | 2,048             |          |
| Loss on devaluation of investment securities                       | 228                |          | 162                |          | 66                     | 271               |          |
| Loss on devaluation of subsidiaries' securities                    | -                  |          | 446                |          | (446)                  | -                 |          |
| Loss on liquidation of subsidiaries                                | -                  |          | -                  |          | -                      | 665               |          |
| Other  | 1,075              |          | 590                |          | 484                    | 4,608             |          |
|  | 7,335              | 0.7      | 7,158              | 0.7      | 176                    | 38,908            | 2.7      |
| <b>Income (loss) before income taxes</b>                           | 67,456             | 6.4      | 70,377             | 6.7      | (2,920)                | 58,368            | 4.0      |
| <b>Income tax</b>  | 28,879             | 2.7      | 36,887             | 3.5      | (8,007)                | 33,741            | 2.3      |
| <b>Adjustment to income taxes</b>                                  | -                  | -        | -                  | -        | -                      | (6,910)           | (0.5)    |
| <b>Minority interests in net loss of consolidated subsidiaries</b> | 2,590              | 0.3      | 2,311              | 0.2      | 278                    | 941               | 0.1      |
| <b>Net Income (loss)</b>   | 35,986             | 3.4      | 31,178             | 3.0      | 4,808                  | 30,595            | 2.1      |

## Consolidated 3Q Statements of Retained Earnings

(in million yen)

|   | 9 months ended<br>September 30, 2005 | 9 months ended<br>September 30, 2004 | Year ended<br>Dec. 31, 2004 |
|---|--------------------------------------|--------------------------------------|-----------------------------|
| <b>Capital surplus</b>  |                                      |                                      |                             |
| Balance, beginning of period                                  | 181,282                              | 181,281                              | 180,894                     |
| Gain on disposition of treasury stock                         | -                                    | 0                                    | 0                           |
| Increase total  | -                                    | 0                                    | 0                           |
| Loss on disposition of treasury stock                         | 17,596                               | -                                    | -                           |
| Decrease total  | 17,596                               | -                                    | -                           |
| Balance, end of period  | 163,712                              | 181,282                              | 181,281                     |
| <b>Retained earnings</b>                                      |                                      |                                      |                             |
| Balance, beginning of period                                  | 74,053                               | 50,409                               | 50,409                      |
| Net income  | 35,986                               | 31,178                               | 30,595                      |
| Increase resulting from increase in consolidated subsidiaries | -                                    | 5                                    | 5                           |
| Increase total  | 35,986                               | 31,184                               | 30,601                      |
| Dividends   | 7,278                                | 6,832                                | 6,832                       |
| Bonus paid to directors and corporate auditors                | 185                                  | 123                                  | 123                         |
| Decrease resulting from decrease in consolidated subsidiaries | 33                                   | -                                    | -                           |
| Decrease resulting from increase in consolidated subsidiaries | -                                    | 1                                    | 1                           |
| Decrease total  | 7,497                                | 6,957                                | 6,957                       |
| Balance, end of period  | 102,542                              | 74,635                               | 74,053                      |

## Consolidated 3Q Statements of Cash Flows

(in million yen)

|  | 9 months ended<br>September 30, 2005 | 9 months ended<br>September 30, 2004 | Increase<br>(Decrease) | Year ended<br>Dec. 31, 2004 |
|--|--------------------------------------|--------------------------------------|------------------------|-----------------------------|
| <b>Cash flows from operating activities:</b>                                 |                                      |                                      |                        |                             |
| Net loss (income) before taxes   | 67,456                               | 70,377                               | (2,920)                | 58,368                      |
| Depreciation and amortization  | 37,639                               | 37,526                               | 113                    | 51,339                      |
| Decrease (increase) in provision for employees' retirement benefits          | (1,385)                              | (838)                                | (546)                  | (1,038)                     |
| Decrease in reserve for doubtful accounts                                    | (3,289)                              | (1,751)                              | (1,538)                | (1,262)                     |
| Interest and dividend income   | (1,031)                              | (1,233)                              | 202                    | (1,504)                     |
| Interest expenses  | 2,862                                | 2,858                                | 4                      | 4,284                       |
| Equity in net income of unconsolidated subsidiaries and affiliated companies | (3,997)                              | (25)                                 | (3,971)                | 734                         |
| Gain on sales of fixed assets  | (5,082)                              | (192)                                | (4,889)                | (449)                       |
| Loss on sale and disposal of fixed assets                                    | 4,995                                | 4,036                                | 959                    | 31,314                      |
| Decrease in accounts receivable trade  | 55,539                               | 48,948                               | 6,590                  | (12,808)                    |
| Increase (decrease) in inventories   | (5,822)                              | (3,480)                              | (2,341)                | 4,315                       |
| Increase (decrease) in accounts payable trade                                | 1,812                                | (3,038)                              | 4,851                  | 2,770                       |
| Decrease (increase) in accrued alcohol tax payable                           | (6,295)                              | 6,208                                | (12,503)               | 1,937                       |
| Other  | (23,026)                             | (3,493)                              | (19,532)               | 8,074                       |
| Sub total  | 120,376                              | 155,900                              | (35,524)               | 146,075                     |
| Interest and dividend received   | 1,061                                | 1,357                                | (296)                  | 1,621                       |
| Interest paid  | (2,529)                              | (2,461)                              | (68)                   | (4,392)                     |
| Income taxes paid  | (39,907)                             | (29,698)                             | (10,208)               | (30,374)                    |
| <b>Net cash provided by operating activities</b>                             | <b>79,000</b>                        | <b>125,098</b>                       | <b>(46,097)</b>        | <b>112,930</b>              |
| <b>Cash flows from investing activities:</b>                                 |                                      |                                      |                        |                             |
| Payment for purchase of tangible fixed assets                                | (28,330)                             | (30,191)                             | 1,860                  | (36,020)                    |
| Payment for purchase of investment securities                                | (23,265)                             | (41,128)                             | 17,863                 | (39,113)                    |
| Proceeds from sale of investment securities                                  | 545                                  | 15,870                               | (15,324)               | 12,179                      |
| Payment for loans receivable   | (1,835)                              | (55,393)                             | 53,557                 | (809)                       |
| Proceeds from collections of loans receivable                                | 1,172                                | 7,263                                | (6,091)                | 978                         |
| Other  | 9,400                                | 2,243                                | 7,156                  | 7,934                       |
| <b>Net cash (used in) provided by investing activities</b>                   | <b>(42,311)</b>                      | <b>(101,334)</b>                     | <b>59,022</b>          | <b>(54,850)</b>             |
| <b>Cash flows from financing activities:</b>                                 |                                      |                                      |                        |                             |
| Increase in bank loans   | 25,801                               | (16,978)                             | 42,780                 | (17,359)                    |
| Proceeds from long-term debt   | 14,320                               | 29,862                               | (15,542)               | 30,764                      |
| Repayments of long-term debt   | (12,291)                             | (8,380)                              | (3,911)                | (17,242)                    |
| Proceeds from issuances of bonds   | -                                    | 10,000                               | (10,000)               | 10,000                      |
| Redemption of bonds  | (44,997)                             | (17,882)                             | (27,114)               | (47,396)                    |
| Payments for purchases of treasury stock                                     | (10,028)                             | (6,847)                              | (3,180)                | (6,871)                     |
| Cash dividend paid   | (7,278)                              | (6,832)                              | (446)                  | (6,832)                     |
| Other  | (529)                                | (397)                                | (131)                  | (727)                       |
| <b>Net cash used in financing activities</b>                                 | <b>35,003</b>                        | <b>(17,457)</b>                      | <b>(17,545)</b>        | <b>(55,666)</b>             |
| <b>Net increase(decrease) in cash and cash equivalents</b>                   | <b>2,104</b>                         | <b>6,249</b>                         | <b>(4,145)</b>         | <b>2,181</b>                |
| <b>Cash and cash equivalents, beginning of period</b>                        | <b>13,657</b>                        | <b>11,561</b>                        | <b>2,095</b>           | <b>11,561</b>               |
| <b>Increase in cash and cash equivalents due to</b>                          |                                      |                                      | <b>0</b>               |                             |
| <b>increase in consolidated subsidiaries</b>                                 | <b>(0)</b>                           | <b>(86)</b>                          | <b>85</b>              | <b>(86)</b>                 |
| <b>Cash and cash equivalents balance, end of period</b>                      | <b>15,761</b>                        | <b>17,725</b>                        | <b>(1,963)</b>         | <b>13,657</b>               |

## Segment information

### (1) Segment information based on business category

3Q period ended September 2005 (January 1, 2005 – September 30, 2005)

(in million yen)

|                         | Alcoholic beverages | Soft drinks | Food/ Pharmaceuticals | Other   | Total     | Elimination or Corporate | Consolidated total |
|-------------------------|---------------------|-------------|-----------------------|---------|-----------|--------------------------|--------------------|
| Sales                   |                     |             |                       |         |           |                          |                    |
| 1) to outside customers | 754,374             | 199,800     | 18,299                | 82,750  | 1,055,225 | -                        | 1,055,225          |
| 2) inter-segment sales  | 31,743              | 3,044       | 1,171                 | 44,844  | 80,804    | (80,804)                 | -                  |
| Total                   | 786,118             | 202,845     | 19,471                | 127,594 | 1,136,029 | (80,004)                 | 1,055,225          |
| Operating expenses      | 732,858             | 194,862     | 18,976                | 125,768 | 1,072,464 | (80,808)                 | 991,656            |
| Operating income/loss   | 53,260              | 7,983       | 494                   | 1,826   | 63,564    | 4                        | 63,568             |

3Q period ended March 2004 (January 1, 2004 – September 30, 2004)

(in million yen)

|                         | Alcoholic beverages | Soft drinks | Food/ Pharmaceuticals | Other   | Total     | Elimination or Corporate | Consolidated total |
|-------------------------|---------------------|-------------|-----------------------|---------|-----------|--------------------------|--------------------|
| Sales                   |                     |             |                       |         |           |                          |                    |
| 1) to outside customers | 783,305             | 155,753     | 15,966                | 91,915  | 1,046,941 | -                        | 1,046,941          |
| 2) inter-segment sales  | 36,067              | 3,177       | 156                   | 46,952  | 86,354    | (86,354)                 | -                  |
| Total                   | 819,372             | 158,930     | 16,123                | 138,868 | 1,133,295 | (86,354)                 | 1,046,941          |
| Operating expenses      | 750,731             | 151,545     | 16,939                | 136,729 | 1,055,947 | (86,411)                 | 969,535            |
| Operating income/loss   | 68,641              | 7,384       | (815)                 | 2,138   | 77,348    | (57)                     | 77,405             |

Year ended December 2004 (January 1, 2004 – December 31, 2004)

(in million yen)

|                         | Alcoholic beverages | Soft drinks | Food/Pharmaceuticals | Other   | Total     | Elimination or Corporate | Consolidated total |
|-------------------------|---------------------|-------------|----------------------|---------|-----------|--------------------------|--------------------|
| I. Net Sales            |                     |             |                      |         |           |                          |                    |
| 1) to outside customers | 1,078,931           | 217,380     | 22,162               | 125,751 | 1,444,225 | -                        | 1,444,225          |
| 2) inter-segment sales  | 49,780              | 4,366       | 207                  | 63,300  | 117,656   | (117,656)                | -                  |
| Total                   | 1,128,711           | 221,747     | 22,370               | 189,052 | 1,561,882 | (117,656)                | 1,444,225          |
| Operating expenses      | 1,037,840           | 213,633     | 22,969               | 186,117 | 1,460,560 | (117,607)                | 1,342,952          |
| Operating income (loss) | 90,871              | 8,113       | -598                 | 2,935   | 101,321   | (49)                     | 101,272            |

Note:

1. The Group's businesses are classified into segments by type and nature of products handled.
2. Major products for each segment
  - (1) Alcoholic beverages ----- beer, happoshu (low-malt beer), zasshu (no-malt beer), shochu, whisky, etc.
  - (2) Soft drinks ----- refreshing drinks, etc.
  - (3) Food/pharmaceuticals ----- food business, pharmaceuticals business
  - (4) Other ----- real estate, restaurants, wholesale, logistics, etc.