

Asahi Breweries, Ltd.



FY 2005 Consolidated 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 February 10th, 2006.

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

February 10, 2006

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 Fiscal 2005

(January 1, 2005 to December 31, 2005)

(1) Operating Results

(Rounded down to millions of yen, except per share data)

	Fiscal 2005 ended December 31, 2005		Fiscal 2004 ended December 31, 2004	
	Millions of yen	% change	Millions of yen	% change
Net sales	¥1,430,026	-1.0%	¥1,444,225	3.1%
Operating income	90,248	-10.9%	101,272	28.2%
Ordinary income	91,459	-4.4%	95,650	35.7%
Net income	39,870	30.3%	30,595	31.8%
Net income per share	¥82.22		¥62.52	
Net income per share (diluted)	¥80.98		¥60.64	
Return on equity	9.1%		7.5%	
Ordinary income/shareholders' equity	7.4%		7.7%	
Ordinary income/net sales	6.4%		6.6%	

Notes:

1. Investment gains/losses on equity method:

Year ended December 31, 2005: ¥4,426 million

Year ended December 31, 2004: ¥(734) million

2. Average number of shares outstanding during the term (consolidated):

Year ended December 31, 2005: 482,858,405 shares

Year ended December 31, 2004: 486,249,215 shares

3. Change in accounting policy during the term: No

4. The percentage figures shown in net sales, operating income, ordinary income and net income columns represent year-on-year changes.

(2) Financial Condition

(Millions of yen, except per share data)

	Fiscal 2005 as of December 31, 2005	Fiscal 2004 as of December 31, 2004
	Total assets	¥1,218,226
Shareholders' equity	454,891	417,827
Shareholders' equity ratio	37.3%	33.4%
Shareholders' equity per share	¥951.12	¥860.66

Notes:

1. Number of shares issued and outstanding at the end of the term (consolidated):

Year ended December 31, 2005: 478,091,105 shares

Year ended December 31, 2004: 485,250,957 shares

(3) Cash Flows

(Millions of yen)

	Fiscal 2005 ended December 31, 2005	Fiscal 2004 ended December 31, 2004
Cash flows from operating activities	¥87,245	¥112,930
Cash flows from investing activities	(44,547)	(54,850)
Cash flows from financing activities	(35,704)	(55,666)
Cash and cash equivalents at end of year	21,308	13,657

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

Number of consolidated subsidiaries:	53
Number of unconsolidated subsidiaries accounted for by the equity method:	1
Number of affiliated companies accounted for by the equity method:	16

(5) Change in the scope of consolidation and application of the equity method

Consolidated subsidiaries:

Newly included: 3

Newly excluded: 5

Affiliated companies to which equity method is applicable:

Newly applied: -

Newly excluded: -

2. Projection for Fiscal 2006

(January 1, 2006 to December 31, 2006)

(Millions of yen)

	Fiscal 2006 ending December 31, 2006	
	Interim	Full-year
Net sales	695,000	1,495,000
Ordinary income	33,000	104,500
Net income	8,500	44,500

Note: Projected net income per share for fiscal 2006: ¥93.80

* The above estimate incorporates certain assumptions and projections based upon which the future outlook and plans by the Company as announced in this document are formulated. Actual results may differ from the above projection depending on various conditions.

ASAHI BREWERIES, LTD.

Consolidated Balance Sheets (As of December 31, 2005 and 2004)

(Unaudited)

ASSETS

	(in million yen)				
	December 31		December 31		Increase
	2005		2004		(Decrease)
	Amount	Ratio(%)	Amount	Ratio(%)	Amount
Current Assets:					
Cash and cash equivalents	15,433		14,156		1,277
Notes and accounts receivable	253,474		279,771		(26,296)
Securities	5		2,172		(2,166)
Inventories	86,423		85,190		1,232
Deffered tax assets	7,305		19,861		(12,556)
Other	31,914		30,066		1,847
Allowance for doubtful accounts	(9,105)		(10,438)		1,333
Total current assets	385,451	31.6%	420,780	33.6%	(35,328)
Fixed Assets					
Tangible fixed assets:					
Buildings	214,013		222,493		(8,480)
Machinery and equipment	192,139		196,172		(4,033)
Furniture and fixtures	49,815		51,568		(1,753)
Land	173,744		183,045		(9,300)
Construction in progress	4,637		4,228		409
Total tangible fixed assets	634,349	52.1%	657,509	52.6%	(23,159)
Intangible fixed assets	23,556	1.9%	18,410	1.5%	5,146
Investments and other assets:					
Investment securities	126,981		93,653		33,328
Long-term loans receivables	5,366		5,392		(25)
Long-term prepaid expenses	9,215		9,062		152
Deferred tax asset	18,972		29,815		(10,843)
Other	25,443		28,470		(3,026)
Allowance for doubtful accounts	(11,111)		(12,275)		1,164
Total investments and other assets	174,868	14.4%	154,118	12.3%	20,750
Total fixed assets	832,775	68.4%	830,038	66.4%	2,736
Total Assets	1,218,226	100.0%	1,250,818	100.0%	(32,591)

LIABILITIES AND SHAREHOLDERS' EQUITY

	(in million yen)				
	December 31 2005		December 31 2004		Increase (Decrease)
	Amount	Ratio(%)	Amount	Ratio(%)	Amount
Current Liabilities:					
Notes and accounts payable	93,155		84,585		8,570
Short-term debt	65,637		38,864		26,772
Long-term debt due within one year	2,168		9,705		(7,536)
Bonds due within one year	50,000		49,997		3
Alcohol tax payable	133,142		148,654		(15,511)
Consumption tax payable	7,001		10,851		(3,850)
Income tax payable	5,590		23,958		(18,368)
Accrued liabilities	49,539		43,234		6,304
Accrued expenses	43,349		54,524		(11,175)
Deposits received	43,762		63,718		(19,956)
Commercial paper	3,500		-		3,500
Other	3,094		3,594		(500)
Total current liabilities	499,941	41.1%	531,690	42.5%	(31,748)
Non-current Liabilities:					
Bonds	70,000		120,000		(50,000)
Long-term debt	97,896		84,521		13,374
Employees' severance and retirement benefits	27,720		29,183		(1,463)
Allowance for retirement benefits for directors and corporate auditors	686		674		12
Deferred tax liabilities	708		448		260
Other	39,404		39,644		(240)
Total non-current liabilities	236,416	19.4%	274,472	22.0%	(38,055)
Total liabilities	736,358	60.5%	806,162	64.5%	(69,804)
Minority interests	26,976	2.2%	26,827	2.1%	148
Shareholders' Equity:					
Common stock	182,531	15.0%	182,531	14.6%	-
Capital surplus	163,709	13.4%	181,282	14.5%	(17,573)
Retained earnings	106,426	8.7%	74,053	5.9%	32,372
Net Unrealized holding gains on securities, net of taxes	16,584	1.4%	4,769	0.4%	11,815
Foreign currency translation adjustments	2,957	0.2%	76	0.0%	2,880
Treasury stock	(17,317)	-1.4%	(24,885)	-2.0%	7,568
Total shareholders' equity	454,891	37.3%	417,827	33.4%	37,064
Total liabilities, minority interests and shareholders' equity	1,218,226	100.0%	1,250,818	100.0%	(32,591)

ASAHI BREWERIES, LTD
Consolidated Income Statements (Years ended December 31, 2005 and 2004)
(Unaudited)

	(in million yen)				
	December 31, 2005		December 31, 2004		Increase (Decrease)
	Amount	Ratio(%)	Amount	Ratio(%)	Amount
Sales	1,430,026	100.0%	1,444,225	100.0%	(14,199)
Cost of sales	953,995	66.7%	978,610	67.8%	(24,614)
Gross profit	476,030	33.3%	465,615	32.2%	10,415
Selling, General & Administrative expense:					
Sales promotion premium and commission	141,002		128,845		12,157
Advertising expense	47,580		46,060		1,520
Transportation cost	37,597		34,607		2,989
Allowance for doubtful accounts	450		571		(120)
Employee salary and bonus	55,414		52,853		2,561
Retirement benefits cost	4,134		4,714		(580)
Depreciation expense	6,997		6,547		449
Other	92,603		90,142		2,461
	385,782	27.0%	364,342	25.2%	21,439
Operating income	90,248	6.3%	101,272	7.0%	(11,024)
Non-operating income:					
Interest income	568		538		29
Dividend income	783		966		(182)
Investment gains under equity method	4,426		-		4,426
Amortization of consolidation negative goodwill	1,373		1,620		(246)
Other	2,276		2,002		274
	9,428	0.7%	5,127	0.3%	4,300
Non-operating expenses:					
Interest expense	4,068		4,284		(215)
Investment losses under equity method	-		734		(734)
Allowance for doubtful accounts	32		182		(149)
Other	4,115		5,549		(1,433)
	8,217	0.6%	10,750	0.7%	(2,532)
Ordinary income	91,459	6.4%	95,650	6.6%	(4,190)
Extraordinary gains:					
Gain on sale of fixed assets	5,596		449		5,147
Gain on sale of investment securities	442		580		(137)
Reversal of allowance for doubtful accounts					
Compensation for transfer of brewery	694		597		97
	8,193	0.6%	1,627	0.1%	6,566
Extraordinary losses:					
Loss on disposal and sale of fixed assets	15,313		31,314		(16,001)
Bonus paid to directors and corporate auditors	233		301		(67)
Loss on sale of investment securities	1,178		2,048		(869)
Loss on devaluation of investment securities	336		271		64
Loss on devaluation of land	3,181		-		3,181
Loss on restructuring businesses					
Loss on liquidation of business	3,597		-		3,597
Loss on liquidation of affiliated companies	-		665		(665)
Expense for modification of vending machines due to issuance of new bank bill	-		1,667		(1,667)
Prior period adjustment of sales promotion expense	-		1,974		(1,974)
Other	86		664		(577)
	23,927	1.7%	38,908	2.7%	(14,980)
Income before income taxes	75,725	5.3%	58,368	4.0%	17,356
Income tax, inhabitants tax & enterprise taxes	18,541	1.3%	33,741	2.3%	(15,199)
Adjustment to income taxes	15,478	1.1%	(6,910)	-0.5%	22,389
Minority interests in net loss of consolidated subsidiaries	1,834	0.1%	941	0.1%	893
Net Income	39,870	2.8%	30,595	2.1%	9,274

ASAHI BREWERIES, LTD.
Consolidated Statements of Cash Flows (Years ended December 31, 2005 and 2004
(Unaudited))

	December 31, 2005	December 31, 2004	Increase (Decrease)
			(in million yen)
Cash flows from operating activities:			
Net income before taxes	75,725	58,368	17,356
Depreciation and amortization	50,028	51,339	(1,311)
Decrease in reserve for retirement allowances	(1,614)	(1,038)	(575)
Decrease in allowance for doubtful accounts	(2,496)	(1,262)	(1,234)
Interest and dividend income	(1,352)	(1,504)	152
Interest expenses	4,068	4,284	(215)
Equity in net income of unconsolidated subsidiaries	(4,426)	734	(5,160)
Loss on sale of investment securities	735	1,468	(732)
Loss on devaluation of investment securities	336	271	64
Loss on liquidation of affiliated companies	-	665	(665)
Gain on sale of property, plant and equipment - net	(5,596)	(449)	(5,147)
Loss on sale and disposal of fixed assets	15,633	31,314	(15,681)
Loss on devaluation of fixed assets	3,181	-	3,181
Decrease in accounts receivable trade	28,023	(12,808)	40,832
Increase in inventories	(998)	4,315	(5,314)
Increase in accounts payable trade	6,764	2,770	3,994
Decrease in accrued alcohol tax payable	(15,493)	1,937	(17,431)
Decrease in accrued consumption tax payable	(3,849)	7	(3,857)
Bonus paid to officers	(196)	(127)	(69)
Other	(18,110)	5,787	(23,898)
Sub total	130,363	146,075	(15,711)
Interest and dividend received	1,432	1,621	(188)
Interest paid	(4,029)	(4,392)	362
Income taxes paid	(40,521)	(30,374)	(104,147)
Net cash provided by operating activities	87,245	112,930	(25,685)
Cash flows from investing activities:			
Payments for time deposits	(112)	(1,046)	933
Proceeds from time deposits	549	1,278	(729)
Proceeds from sales of investment securities	2,464	-	2,464
Payments for purchases of property, plant and equipment	(35,080)	(36,020)	940
Proceeds from sales of property, plant and equipment	11,548	3,959	7,588
Payments for purchases of intangible fixed assets	(3,390)	(5,888)	2,497
Proceeds from sales of intangible fixed assets	1,499	-	1,499
Payments for purchases of investment securities	(11,782)	(39,113)	27,331
Proceeds from sales of investment securities	844	12,179	(11,335)
Payments for investment in subsidiaries results in change in scope of consolidation	(11,003)	(784)	(10,218)
Proceeds from sales of investment in subsidiaries results in change in scope of consolidation	631	7,780	(7,148)
Payment for loans receivable	(1,312)	(809)	(503)
Proceeds from collections of loans receivable	1,473	978	494
Other	(877)	2,634	(3,511)
Net cash (used in) provided by investing activities	(44,547)	(54,850)	10,302
Cash flows from financing activities:			
Increase in bank loans	25,921	(17,359)	43,281
Proceeds from long-term debt	17,604	30,764	(13,160)
Repayments of long-term debt	(13,104)	(17,242)	4,138
Proceeds from issuances of bonds	-	10,000	(10,000)
Redemption of bonds	(49,996)	(47,396)	(2,599)
Payments for purchase of treasury stock	(10,041)	(6,871)	(3,169)
Cash dividend paid	(7,278)	(6,832)	(446)
Cash dividend paid to minority in consolidated subsidiaries	(489)	(2)	-486
Contribution from minority in consolidated subsidiaries	1,293	2,504	(1,211)
Other	385	(3,230)	3,615
Net cash used in financing activities	(35,704)	(55,666)	19,961
Effect of exchange rate changes on cash and cash equivalents	659	(231)	890
Net increase in cash and cash equivalents	7,651	2,181	5,469
Cash and cash equivalents, beginning of period	13,657	11,561	2,095
Increase in cash and cash equivalents due to change in scope of consolidation	-	(86)	86
Cash and cash equivalents balance, end of period	21,308	13,657	7,651

(Segment information)

(1) Industrial segment information

Fiscal 2005 (January 1, 2005 to December 31, 2004)

(Millions of yen)

	Alcoholic beverages	Soft drinks	Food and pharmaceuticals	Other	Total	Elimination or corporate	Consolidated total
I. Net sales							
1) To outside customers	1,025,446	267,002	25,286	112,291	1,430,026	–	1,430,026
2) Inter-segment sales	42,527	4,291	1,526	60,222	108,567	(108,567)	–
Total	1,067,973	271,293	26,812	172,513	1,538,593	(108,567)	1,430,026
Operating expenses	989,884	262,661	26,007	169,954	1,448,508	(108,730)	1,339,777
Operating income	78,089	8,631	804	2,559	90,085	163	90,248
II. Assets, depreciation and capital expenditures							
Assets	826,746	168,874	17,707	105,764	1,119,093	99,133	1,218,226
Depreciation	40,170	6,788	885	2,180	50,024	3	50,028
Capital expenditures	34,812	6,775	1,034	1,318	43,940	-	43,940

Fiscal 2004 (January 1, 2004 to December 31, 2004)

(Millions of yen)

	Alcoholic beverages	Soft drinks	Food and 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
II. Assets, depreciation and capital expenditures							
Assets	886,843	133,758	16,939	129,082	1,166,622	84,195	1,250,818
Depreciation	42,119	5,298	847	3,069	51,334	4	51,339
Capital expenditures	31,188	4,160	1,756	3,013	40,119	14	40,134

(Notes)

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), sho-chu, whisky, etc.
 - (2) Soft drinks ----- refreshing drinks, etc.
 - (3) Food and pharmaceuticals ----- food business, pharmaceuticals business
 - (4) Other ----- real estate, restaurants, wholesale, distribution, etc.
3. The Company did not have any operating expenses included in "elimination or corporate" that were not assignable to particular segment(s) during the consolidated fiscal year under review or the previous consolidated fiscal year.
4. The amounts for corporate assets included in the item "eliminations or corporate" under assets are shown below. The main amount was for financial assets, etc. related to group finance of the parent company and subsidiaries.

Consolidated fiscal year under review	¥117,078 million
Previous consolidated fiscal year	¥106,491 million