

# ASAHI BREWERIES, LTD.



## Non-Consolidated Financial Results

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 a partial English translation of the Japanese Financial Statement (Kessan Tanshin) which was filed at stock exchanges in Japan on February 10, 2006.

### Summary of Non-Consolidated Financial Statements (Fiscal 2005)

February 10, 2006

#### ASAHI BREWERIES, LTD.

Code Number: 2502  
Shares Listed: First Section of the Tokyo Stock Exchange and Osaka Securities Exchange  
(URL: <http://www.asahibeer.co.jp>)  
Head Office: Tokyo, Japan  
Representative: Kouichi Ikeda, President and COO  
Contact: Toshio Kodato, General Manager, Public Relations Department  
Tel: +81-3-5608-5126

Date of Board of Directors' Meeting:	February 10, 2006
Date of Ordinary General Meeting of Shareholders:	March 30, 2006
Interim Dividend Payment Program:	Yes
Unit Stock System:	Yes (One unit equals 100 shares)

## 1. Non-Consolidated Financial Results for Fiscal 2005

(From 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	¥1,054,161	-5.6%	¥1,116,360	0.8%
Operating income	78,513	-14.4%	91,733	26.8%
Ordinary income	76,905	-13.3%	88,659	41.1%
Net income	35,498	25.9%	28,196	72.1%
Net income per share	¥73.41		¥57.80	
Net income per share (fully diluted)	¥72.33		¥56.08	
Return on equity	8.5%		7.1%	
Ordinary income/shareholders' equity	7.6%		8.4%	
Ordinary income/net sales	7.3%		7.9%	

#### Notes:

1. Average number of shares outstanding during the term:

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

Year ended December 31, 2004: 486,472,249,215 shares

2. Change in accounting policy during the term: No

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

### (2) Dividends

	Fiscal 2005 ended December 31, 2005	Fiscal 2004 ended December 31, 2004
	Dividend per share for the year	¥17.00
Interim dividend	¥7.50	¥7.50
Year-end dividend	¥9.50	¥7.50
Total dividends paid for the year	¥8,181 million	¥7,278 million
Payout ratio	23.2%	26.0%
Dividends/shareholders' equity	1.9%	1.8%

(3) 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	¥981,151	¥1,038,319
Shareholders' equity	¥433,689	¥403,763
Shareholders' equity ratio	44.2%	38.9%
Shareholders' equity per share	¥907.20	¥831.88

Notes:

1. Number of shares issued and outstanding at the end of the term:  
Year ended December 31, 2005: 478,091,105 shares  
Year ended December 31, 2004: 485,250,957 shares
2. Number of treasury stock at the end of the term:  
Year ended December 31, 2005: 15,494,757 shares  
Year ended December 31, 2004: 28,334,905 shares

**2. Projection for Fiscal 2006**

(January 1, 2006 to December 31, 2006)

(Millions of yen, except per share data)

	Fiscal 2006 ending December 31, 2006	
	Interim	Full-year
Net sales	500,000	1,095,000
Ordinary income	29,000	88,000
Net income	11,500	42,000
Dividend per share for the year	-	¥17.00
(Interim dividend)	¥8.50	-
(Year-end dividend)	-	¥8.50

Note: Projected net income per share for fiscal 2005: ¥87.75

\* The above estimate incorporates certain assumptions and projections based on 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.**  
Non-Consolidated Balance Sheets (As of December 31, 2005 and 2004)  
(Unaudited)

**ASSETS**

(in million yen)

	December 31		December 31		Increase (Decrease)
	2005		2004		
	Amount	Ratio(%)	Amount	Ratio(%)	Amount
<b>Current assets:</b>					
Cash and cash equivalents	3,043		4,886		(1,843)
Notes receivable	5,434		6,937		(1,502)
Accounts receivable	190,726		220,878		(30,152)
Finish goods	9,955		9,772		182
Work in process	8,501		7,330		1,171
Raw materials	12,853		11,794		1,058
Storage	4,459		5,012		(553)
Short term loans	41,359		46,056		(4,697)
Prepaide expense	6,660		7,307		(647)
Accrued revenue	5,036		12,693		(7,656)
Deferred income taxes	4,121		17,527		(13,406)
Other	663		484		179
Allowance for doubtful accounts	(8,867)		(11,994)		3,127
<b>Total current assets</b>	<b>283,947</b>	<b>28.9%</b>	<b>338,687</b>	<b>32.6%</b>	<b>(54,740)</b>
<b>Fixed Assets</b>					
<b>Tangible fixed assets:</b>					
Buildings	138,408		146,440		(8,031)
Machinery and equipment	156,267		163,174		(6,906)
Furniture and fixtures	46,529		48,041		(1,512)
Land	123,308		129,947		(6,639)
Construction in progress	4,132		3,335		796
Other	21,842		23,083		(1,240)
<b>Total tangible fixed assets</b>	<b>490,488</b>		<b>514,023</b>		<b>(23,534)</b>
<b>Intangible fixed assets</b>	<b>8,434</b>		<b>12,656</b>		<b>(4,222)</b>
<b>Investments and other assets</b>					
Investment securities	73,342		50,869		22,473
Investments in subsidiaries and affiliates	85,124		66,437		18,686
Long-term loans receivables	14,846		18,388		(3,542)
Deferred tax asset	6,421		14,897		(8,476)
Other	28,631		33,132		(4,500)
Allowance for doubtful accounts	(10,086)		(10,774)		688
<b>Total investments and other assets</b>	<b>198,280</b>		<b>172,951</b>		<b>25,329</b>
<b>Total fixed assets</b>	<b>697,203</b>	<b>71.1%</b>	<b>699,631</b>	<b>67.4%</b>	<b>(2,427)</b>
<b>Total Assets</b>	<b>981,151</b>	<b>100.0%</b>	<b>1,038,319</b>	<b>100.0%</b>	<b>(57,167)</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

(in million yen)

	December 31 2005		December 31 2004		Increase (Decrease)
	Amount	Ratio(%)	Amount	Ratio(%)	Amount
<b>Current liabilities:</b>					
Notes payable	271		229		41
Accounts payable	52,837		49,162		3,675
Short-term debt	47,104		22,018		25,086
Bonds due within one year	50,000		49,997		3
Accrued liabilities	12,967		10,654		2,313
Alcohol tax payable	124,644		138,199		(13,555)
Consumption tax payable	5,484		9,099		(3,615)
Income tax payable	-		21,010		(21,010)
Accrued expenses	35,125		45,664		(10,538)
Deposits received	52,530		75,637		(23,107)
Commercial paper	3,500		-		3,500
Allowance for bonus payable	948		1,398		(449)
Other	69		96		(26)
<b>Total current liabilities</b>	<b>385,484</b>	<b>39.3%</b>	<b>423,167</b>	<b>40.8%</b>	<b>(37,683)</b>
<b>Non-current liabilities:</b>					
Bonds	70,000		120,000		(50,000)
Long-term debt	46,500		46,500		-
Long-term deposits received	34,503		32,974		1,529
Employees' severance and retirement benefits	10,567		11,565		(998)
Allowance for retirement benefits for directors and corporate auditors	406		346		59
<b>Total non-current liabilities</b>	<b>161,977</b>	<b>16.5%</b>	<b>211,387</b>	<b>20.3%</b>	<b>(49,409)</b>
<b>Total liabilities</b>	<b>547,462</b>	<b>55.8%</b>	<b>634,555</b>	<b>61.1%</b>	<b>(87,093)</b>
<b>Shareholders' equity:</b>					
<b>Common stock</b>	<b>182,531</b>	<b>18.6%</b>	<b>182,531</b>	<b>17.6%</b>	<b>-</b>
<b>Capital surplus:</b>					
Capital reserve	130,292		130,292		-
Other	42,425		59,999		(17,573)
	<b>172,718</b>	<b>17.6%</b>	<b>190,291</b>	<b>18.3%</b>	<b>(17,573)</b>
<b>Retained earnings:</b>					
Voluntary reserve	42,402		22,606		19,795
Unappropriated retained earnings	37,043		28,711		8,332
	<b>79,445</b>	<b>8.1%</b>	<b>51,318</b>	<b>4.9%</b>	<b>28,127</b>
<b>Appreciation by revaluation of investment securities</b>	<b>16,310</b>	<b>1.6%</b>	<b>4,507</b>	<b>0.4%</b>	<b>11,803</b>
<b>Treasury stock</b>	<b>(17,317)</b>	<b>-1.7%</b>	<b>(24,885)</b>	<b>-2.3%</b>	<b>7,568</b>
<b>Total shareholders' equity</b>	<b>433,689</b>	<b>44.2%</b>	<b>403,763</b>	<b>38.9%</b>	<b>29,925</b>
<b>Total Liabilities and Shareholders' equity</b>	<b>981,151</b>	<b>100.0%</b>	<b>1,038,319</b>	<b>100.0%</b>	<b>(57,167)</b>

## ASAHI BREWERIES, LTD.

Non-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
<b>Sales</b>	1,054,161	100.0%	1,116,360	100.0%	(62,199)
<b>Cost of sales</b>	753,797	71.5%	803,486	72.0%	(49,689)
<b>Gross profit</b>	300,363	28.5%	312,873	28.0%	(12,510)
<b>Selling, General &amp; Administrative expense:</b>					
Sales promotion premium and commission	77,768		76,249		1,519
Advertising expense	32,207		32,342		(135)
Transportation cost	17,445		16,926		518
Allowance for doubtful accounts	-		30		(30)
Employee salary benefits	19,074		19,244		(170)
Bonus paid to employees	7,290		7,795		(504)
Retirement benefits cost	2,351		3,198		(847)
Allowance for officers' retirement benefit	73		73		0
Depreciation expense	5,037		5,207		(169)
Enterprise tax	834		-		834
Other	59,766		60,071		(304)
	221,849	21.1%	221,140	19.8%	709
<b>Operating income</b>	78,513	7.4%	91,733	8.2%	(13,220)
<b>Non-operating income:</b>					
Interest and dividend income	1,955		1,844		111
Other	1,003		905		97
	2,959	0.3%	2,749	0.2%	209
<b>Non-operating expenses:</b>					
Interest expense	2,202		2,806		(603)
Other	2,365		3,017		(652)
	4,567	0.4%	5,823	0.5%	(1,256)
<b>Ordinary income</b>	76,905	7.3%	88,659	7.9%	(11,754)
<b>Extraordinary gains:</b>					
Gain on sale of fixed assets	503		300		203
Gain on sale of investment securities	421		213		207
Gain on liquidation of affiliated company	297		8		289
Gain on reverse of allowance for doubtful accounts	1,361		-		1,361
	2,584	0.2%	522	0.0%	2,062
<b>Extraordinary losses:</b>					
Loss on disposal and sale of fixed assets	12,764		7,322		5,442
Loss on sale of investment securities	77		123		(45)
Loss on devaluation of investment securities	263		167		96
Loss on liquidation of affiliated companies	1,381		24,668		(23,286)
Loss on sale of securities of affiliated company	-		121		(121)
Loss on devaluation of securities of affiliated company	362		5,033		(4,670)
Loss on devaluation of contribution to affiliated company	1,445		-		1,445
Loss on devaluation of fixed assets	1,573		-		1,573
	17,870	1.7%	37,435	3.3%	(19,565)
<b>Income before income taxes</b>	61,620	5.8%	51,746	4.6%	9,873
<b>Income tax, inhabitants tax &amp; enterprise tax</b>	12,237	1.1%	30,199	2.7%	(17,962)
<b>Adjustment to income taxes</b>	13,885	1.3%	(6,648)	-0.6%	20,534
<b>Net Income</b>	35,498	3.4%	28,196	2.5%	7,301
<b>Retained earnings at beginning of the term</b>	5,185		4,154		1,030
<b>Dividends (interim)</b>	3,639		3,639		0
<b>Unappropriated retained earnings</b>	37,043		28,711		8,332

Sales by Business Segment  
(January 1, 2005 to December 31, 2005)

(Millions of yen)

	Fiscal 2005 ended December 31, 2005	Fiscal 2004 ended December 31, 2004	Increase (decrease) %
Beer	726,226	786,756	(7.7)
Happoshu (low-malt beer)	147,387	200,645	(26.5)
Other miscellaneous liquors(;	45,858	-	-
Sho-chu	55,087	51,773	6.4
Whisky and other spirits	32,051	28,328	13.1
Low-alcohol beverages	28,219	29,525	(4.4)
Wine	15,072	14,398	4.7
Other alcoholic beverages	2,921	3,049	(4.2)
Real estate	1,336	1,882	(29.0)
<b>Total</b>	<b>1,054,157</b>	<b>1,116,360</b>	<b>(5.6)</b>