

Asahi Breweries, Ltd.



FY 2006 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 6th, 2007.

**Summary Report of Consolidated Financial Results
(Fiscal 2006)**

February 6, 2007

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 2006

(From January 1, 2006 to December 31, 2006)

(1) Operating Results

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

	Fiscal 2006 ended December 31, 2006		Fiscal 2005 ended December 31, 2005	
	Millions of yen	% change	Millions of yen	% change
Net sales	1,446,385	+1.1%	1,430,026	-1.0%
Operating income	88,713	-1.7%	90,248	-10.9%
Ordinary income	90,109	-1.5%	91,459	-4.4%
Net income	44,775	+12.3%	39,870	30.3%
Net income per share	¥94.02		¥82.22	
Net income per share (diluted)	¥93.85		¥80.98	
Return on equity	9.6%		9.1%	
Ordinary income/shareholders' equity	7.2%		7.4%	
Ordinary income/net sales	6.2%		6.4%	

Notes:

1. Investment gains/losses on equity method:

Year ended December 31, 2006: 6,367 million yen

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

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

Year ended December 31, 2006: 476,241,763 shares

Year ended December 31, 2005: 482,858,405 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 2006 as of December 31, 2006	Fiscal 2005 as of December 31, 2005
	Total assets	1,288,501
Shareholders' equity	509,774	454,891
Shareholders' equity ratio	37.0%	37.3%
Shareholders' equity per share	¥1,012.77	¥951.12

Notes:

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

Year ended December 31, 2006: 470,697,462 shares

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

(3) Cash Flows

(Millions of yen)

	Fiscal 2006 ended December 31, 2006	Fiscal 2005 ended December 31, 2005
Cash flows from operating activities	105,842	87,245
Cash flows from investing activities	(82,249)	(44,547)
Cash flows from financing activities	(22,246)	(35,704)
Cash and cash equivalents at end of year	23,778	21,308

(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:	25

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

Consolidated subsidiaries:	
Newly included:	7
Newly excluded:	7
Affiliated companies to which equity method is applicable:	
Newly applied:	9
Newly excluded:	-

2. Projection for Fiscal 2007

(January 1, 2007 to December 31, 2007)

(Millions of yen)

	Fiscal 2007 ending December 31, 2007	
	Interim	Full-year
Net sales	700,000	1,520,000
Ordinary income	29,700	93,000
Net income	15,000	46,000

Note: Projected net income per share for fiscal 2007: ¥97.73

* 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, 2006 and 2005)
(Unaudited)

ASSETS

	(in million yen)				
	December 31		December 31		Increase
	2,006		2,005		(Decrease)
	Amount	Ratio(%)	Amount	Ratio(%)	Amount
(Assets)					
. Current Assets:					
Cash and time deposits	15,873		15,433		439
Notes and accounts receivable	278,139		253,474		24,664
Securities	5,320		5		5,315
Inventories	92,344		86,423		5,921
Deferred income taxes	9,688		7,305		2,382
Other current assets	36,684		31,914		4,770
Allowance for doubtful accounts	(9,099)		(9,105)		6
Total current assets	428,951	33.3	385,451	31.6	43,500
. Fixed Assets:					
Property, plant and equipment:					
Buildings and structures	209,926		214,013		(4,086)
Machinery and equipment	182,438		192,139		(9,701)
Tools, furniture and fixtures	49,124		49,815		(690)
Land	185,101		173,744		11,356
Construction in progress	8,426		4,637		3,789
Total tangible fixed assets	635,017	49.3	634,349	52.1	667
Intangible fixed assets					
Consolidation goodwill	32,635		-		32,635
Others	13,751		-		13,751
Total intangible fixed assets	46,386	3.6	23,556	1.9	22,830
Investments and other assets:					
Investment securities	126,796		126,981		(184)
Long-term loans receivables	3,401		5,366		(1,965)
Long-term prepaid expenses	10,275		9,215		1,059
Deferred income taxes	19,857		18,972		885
Other investments	25,998		25,443		554
Allowance for doubtful accounts	(8,183)		(11,111)		2,927
Total investments and other assets	178,145	13.8	174,868	14.4	3,276
Total fixed assets	859,549	66.7	832,775	68.4	26,774
Total Assets	1,288,501	100.0	1,218,226	100.0	70,274

LIABILITIES AND SHAREHOLDERS' EQUITY

(Liabilities)	(in million yen)				
	December 31		December 31		Increase
	2,006		2,005		(Decrease)
	Amount	Ratio(%)	Amount	Ratio(%)	Amount
. Current Liabilities:					
Notes and accounts payable	106,592		93,155		13,437
Short-term debt	88,329		65,637		22,691
Long-term debt due within one year	14,329		2,168		12,161
Bonds due within one year	40,000		50,000		(10,000)
Alcohol tax payable	132,523		133,142		(619)
Consumption tax payable	8,368		7,001		1,366
Income tax payable	28,796		5,590		23,206
Accrued liabilities	49,470		49,539		(69)
Accrued expenses	47,790		43,349		4,441
Deposits received	37,627		43,762		(6,135)
Commercial paper	3,000		3,500		(500)
Other current liabilities	4,090		3,094		995
Total current liabilities	560,918	43.5	499,941	41.1	60,976
. Long-term Liabilities:					
Bonds	55,000		70,000		(15,000)
Long-term debt	89,443		97,896		(8,452)
Employees' severance and retirement benefits	26,973		27,720		(747)
Retirement benefits for directors and corporate auditors	844		686		157
Deferred tax liabilities	5,166		708		4,458
Other long-term liabilities	40,379		39,404		975
Total long-term liabilities	217,807	16.9	236,416	19.4	(18,608)
Total liabilities	778,726	60.4	736,358	60.5	42,368
(Minority interests)					
Minority interests:	-	-	26,976	2.2	(26,976)
(Net assets)					
. Shareholders' equity:					
Common stock	182,531	14.2	-	-	182,531
Capital surplus	150,504	11.7	-	-	150,504
Retained earnings	142,329	11	-	-	142,329
Treasury stock	(16,946)	-1.3	-	-	(16,946)
Total shareholders' equity	458,418	35.6	-	-	458,418
. Valuation and translation adjustments:					
Valuation difference on available-for-sale securities	14,563	1.1	-	-	14,563
Deferred gains or losses on hedges	(28)	-0.0	-	-	(28)
Foreign currency translation adjustments	3,753	0.3	-	-	3,753
Total valuation and translation adjustments	18,289	1.4	-	-	18,289
. Minority interests:					
Minority interests	33,067	2.6	-	-	33,067
Total net assets	509,774	39.6	-	-	509,774
Total liabilities and net assets	1,288,501	100.0	-	-	1,288,501
(Shareholders' equity)					
. Common stock:	-	-	182,531	15.0	(182,531)
. Capital surplus:	-	-	163,709	13.4	(163,709)
. Retained earnings:	-	-	106,426	8.7	(106,426)
. Valuation difference on available-for-sale securities:	-	-	16,584	1.4	(16,584)
. Foreign currency translation adjustments:	-	-	2,957	0.2	(2,957)
. Treasury stock:	-	-	(17,317)	(1.4)	17,317
Total shareholders' equity	-	-	454,891	37.3	(454,891)
Total liabilities, minority interests and shareholders' equity	-	-	1,218,226	100.0	(1,218,226)

ASAHI BREWERIES, LTD.

Consolidated Income Statements (Years ended December 31, 2006 and 2005)
(Unaudited)

	(in million yen)				
	December 31		December 31		Increase
	2,006	2,005	2,006	2,005	(Decrease)
	Amount	Ratio(%)	Amount	Ratio(%)	Amount
. Net sales	1,446,385	100.0	1,430,026	100.0	16,358
. Cost of sales	950,144	65.7	953,995	66.7	(3,851)
Gross profit	496,241	34.3	476,030	33.3	20,210
. Selling, general and administrative	407,528	28.2	385,782	27.0	21,745
Sales promotion premium and commission	150,853		141,002		9,851
Advertising expense	48,775		47,580		1,194
Transportation cost	40,881		37,597		3,283
Allowance for doubtful accounts	551		450		100
Employee salary and bonus	58,221		55,414		2,806
Retirement benefits cost	2,701		4,134		(1,432)
Depreciation expense	7,722		6,997		724
Amortization of consolidation account adjustment	2,140		-		2,140
Other	95,681		92,603		3,077
Operating income	88,713	6.1	90,248	6.3	(1,535)
. Non-operating income:					
Interest income	693		568		124
Dividend income	839		783		53
Equity in net income of unconsolidated subsidiaries and affiliated companies	6,367		4,426		1,941
Amortization of consolidation account adjustment	-		1,373		(1,373)
Other	1,664		2,276		(611)
Total	9,565	0.7	9,428	0.7	136
. Non-operating expenses:					
Interest expenses	4,407		4,068		338
Allowance for doubtful accounts	103		32		71
Other	3,657		4,115		(457)
Total	8,168	0.6	8,217	0.6	(48)
Recurring profit	90,109	6.2	91,459	6.4	(1,350)
. Extraordinary gain:					
Gain on sale of fixed assets	2,028		5,596		(3,567)
Gain on sale of investment securities	79		442		(363)
Gain on reverse of allowance for doubtful accounts	1,496		1,459		36
Compensation for transfer of plant	289		694		(405)
Total	3,894	0.3	8,193	0.6	(4,299)
. Extraordinary loss:					
Loss on sales and disposal of fixed assets	6,121		15,313		(9,191)
Bonus paid to directors and corporate auditors	103		233		(129)
Loss on sale of investment securities	190		1,178		(988)
Loss on devaluation of investment securities	506		336		169
Impairment loss on fixed assets	3,905		-		3,905
Loss on liquidation of business	1,776		3,597		(1,821)
Loss in devaluation of real estates	-		3,181		(3,181)
Other	234		86		147
Total	12,838	0.9	23,927	1.7	(11,089)
Income before income taxes	81,165	5.6	75,725	5.3	5,439
Income tax, Inhabitants tax & enterprise tax	36,862	2.5	18,541	1.3	18,320
Adjustment to income taxes	(1,538)	(0.1)	15,478	1.1	(17,017)
Minority interests in net gain (loss) of unconsolidated subsidiaries	1,065	0.1	1,834	0.1	(769)
Net income	44,775	3.1	39,870	2.8	4,905

ASAHI BREWERIES, LTD.

Consolidated Statements of Cash Flows (Years ended December 31, 2006 and 2005)
(Unaudited)

(in million yen)

	December 31 2006	December 31 2005	Increase (Decrease)
. Cash flow from operating activities:			
Interim (current period) net income before income taxes	81,165	75,725	5,439
Depreciation	48,792	50,028	(1,235)
Decrease in provision for employees' severance and retirement benefits	(3,322)	(1,614)	(1,707)
Decrease in allowance for doubtful accounts	(2,800)	(2,496)	(303)
Interest and dividend income	(1,533)	(1,352)	(180)
Interest expenses	4,407	4,068	338
Equity in net income of unconsolidated subsidiaries	(6,367)	(4,426)	(1,941)
Gain on sale of investment securities	111	735	(624)
Loss on devaluation of investment securities	506	336	169
Loss on devaluation of fixed assets	-	3,181	-3181
Gain on sales of fixed assets	(2,028)	(5,596)	3,567
Loss on sales and disposal of fixed assets	6,121	15,633	(9,512)
Impairment loss on fixed assets	3,905	-	3,905
Decrease in notes and accounts receivable	(16,335)	28,023	(44,358)
Decrease in inventories	(1,910)	(998)	(911)
Increase in notes and accounts payable	7,701	6,764	936
Increase in alcohol tax payable	(621)	(15,493)	14,872
Decrease in accrued consumption tax payable	1,195	(3,849)	5,045
Bonus paid to officers	(188)	(196)	8
Other	1,324	(18,110)	19,434
Subtotal	120,122	130,363	(10,241)
Interest and dividends received	4,284	1,432	2,852
Interest paid	(4,439)	(4,029)	(409)
Income taxes paid	(14,125)	(40,521)	26,396
Net cash provided by operating activities	105,842	87,245	18,597
. Cash flows from investing activities:			
Payments for time deposits	(883)	(112)	(770)
Proceeds from time deposits	589	549	40
Proceeds from sales of investment securities	5	2,464	(2,458)
Payments for purchases of property, plant and equipment	(33,299)	(35,080)	1,780
Proceeds from sales of property, plant and equipment	2,395	11,548	(9,152)
Payments for purchases of intangible fixed assets	(4,519)	(3,390)	(1,128)
Proceeds from sales of intangible fixed assets	64	1,499	(1,435)
Payments for purchases of investment securities	(7,258)	(11,782)	4,523
Proceeds from purchases of investment securities	1,403	844	558
Payments for investment in subsidiaries results in change in scope of consolidation	(39,270)	(11,003)	(28,267)
Proceeds from sales of investment in subsidiaries results in change in scope of consolidation	-	631	(631)
Payment for loans receivable	(772)	(1,312)	540
Proceeds from collections of loans receivable	1,813	1,473	339
Other	(2,516)	(877)	(1,639)
Net cash used in investing activities	(82,249)	(44,547)	(37,701)
. Cash flows from financing activities:			
Decrease in short-term borrowings	21,142	25,921	(4,778)
Proceeds from long-term debt	3,664	17,604	(13,940)
Repayments of long-term debt	(2,531)	(13,104)	10,572
Redemption of bonds	25,000	-	25,000
Payments for Issue of bond	(50,000)	(49,996)	(4)
Payments for treasury stocks	(13,067)	(10,041)	(3,025)
Cash dividends paid	(8,607)	(7,278)	(1,328)
Cash dividends paid to minority in consolidated subsidiaries	(675)	(489)	(186)
Contribution from minority in consolidated subsidiaries	3,061	1,293	1,768
Other	(233)	385	(619)
Net cash used in financing activities	(22,246)	(35,704)	13,458
. Effect of exchange rate change on cash and cash equivalents	224	659	(435)
. Net increase in cash and cash equivalents	1,571	7,651	(6,080)
. Cash and cash equivalents at beginning of year	21,308	13,657	7,651
. Increase in cash and cash equivalents due to increase in consolidated subsidiaries	898	-	898
. Cash and cash equivalents at end of year	23,778	21,308	2,469

(Segment information)

(1) Industrial segment information

Fiscal 2006 (January 1, 2006 to December 31, 2005)

(Millions of yen)

	Alcoholic beverages	Soft drinks	Food and pharmaceuticals	Other	Total	Elimination or corporate	Consolidated total
I. Net sales							
1) To outside customers	1,007,557	283,121	53,791	101,914	1,446,385	-	1,446,385
2) Inter-segment sales	37,950	4,082	1,810	58,235	102,078	(102,078)	-
Total	1,045,508	287,203	55,601	160,149	1,548,463	(102,078)	1,446,385
Operating expenses	967,322	279,458	55,156	157,976	1,459,913	(102,240)	1,357,672
Operating income	78,185	7,745	445	2,173	88,550	162	88,713
II. Assets, depreciation and capital expenditures							
Assets	816,800	176,403	83,886	93,446	1,170,537	117,963	1,288,501
Depreciation	38,094	6,903	1,720	2,071	48,789	3	48,792
Impairment loss on fixed assets	-	-	-	3,905	3,905	-	3,905
Capital expenditures	29,500	5,235	1,376	778	36,890	2	36,893

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

(Notes)

- The Group's businesses are classified into segments by type and nature of products handled.
- Major products for each segment
 - Alcoholic beverages ----- beer, happoshu (low-malt beer), new genre ,sho-chu, whisky, etc.
 - Soft drinks ----- refreshing drinks, etc.
 - Food and pharmaceuticals ----- food business, pharmaceuticals business
 - Other ----- real estate, restaurants, wholesale, distribution, etc.
- 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.
- 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	133,819 million yen
Previous consolidated fiscal year	117,078 million yen