

# ASAHI BREWERIES, LTD.



## FY2007 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 5, 2008.

### Summary of Financial Results (Fiscal 2007)

February 5, 2008

#### 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: Hitoshi Ogita, President and COO  
Contact: Tsuyoshi Morita, General Manager, Public Relations Department  
Tel: +81-3-5608-5126

Date of Board of Directors' Meeting:	February 5, 2008
Date of Ordinary General Meeting of Shareholders:	March 26, 2008
Interim Dividend Payment Program:	Yes
Unit Stock System:	Yes (One unit equals 100 shares)

## 1. Consolidated Financial Results for Fiscal 2007 (From January 1, 2007 to December 31, 2007)

### (1) Operating Results

	(Rounded down to millions of yen, except per share data)					
	Net sales	% change	Operating income	% change	Ordinary income	% change
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2007 ended December 31, 2007	1,464,071	1.2	86,955	-2.0	90,217	0.1
Fiscal 2006 ended December 31, 2006	1,446,385	1.1	88,713	-1.7	90,109	-1.5

  

	Net income	% change	Net income per share (Primary)	Net income per share (Diluted)	ROE	ROA
	(Millions of yen)	(%)	(yen)	(yen)	(%)	(%)
	Fiscal 2007 ended December 31, 2007	44,797	0.0	94.94	94.74	9.0
Fiscal 2006 ended December 31, 2006	44,775	12.3	94.02	93.85	9.6	7.2

  

	Operating margin on sales (%)
Fiscal 2007 ended December 31, 2007	5.9
Fiscal 2006 ended December 31, 2006	6.2

Notes: Investment gains/losses on equity in net income of unconsolidated subsidiaries and affiliated companies

Year ended December 31, 2007: 9,010 million yen

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

### (2) Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(yen)
Fiscal 2007 ended December 31, 2007	1,324,391	529,782	38.9	1089.33
Fiscal 2006 ended December 31, 2006	1,288,501	509,774	37.0	1012.77

### (3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Fiscal 2007 ended December 31, 2007	69,573	(117,828)	36,126	11,741
Fiscal 2006 ended December 31, 2006	105,842	(82,249)	(22,246)	23,778

## 2. Dividends

	Interim dividends per share	Year-end dividends per share	Dividends per share for the year	Total amount of dividends	Dividends payout ratio (Consolidated)	Ratio of total amount of dividends to net assets (Consolidated)
	(yen)	(yen)	(yen)	(Millions of yen)	(%)	(%)
Year ended December 31, 2006	8.50	10.50	19.00	9,007	20.2	1.9
Year ended December 31, 2007	9.50	9.50	19.00	8,976	20.0	1.8
Year ended December 31, 2008 (Forecast)	9.50	9.50	19.00	-	19.1	-

## 3. Projection for Fiscal 2008 (From January 1, 2007 to December 31, 2008)

	Net sales	% change	Operating income	% change	Ordinary income	% change
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
	Fiscal 2008 ending June 30, 2008	690,000	2.6	22,000	(4.8)	24,500
Fiscal 2008 ending December 31, 2008	1,511,000	3.2	92,000	5.8	93,000	3.1

  

	Net income	% change	Net income per share
	(Millions of yen)	(%)	(yen)
	Fiscal 2008 ending June 30, 2008	11,500	(16.4)
Fiscal 2008 ending December 31, 2008	47,000	4.9	99.48

Notes:

1. Change in the scope of consolidation and application of the equity method: No

2. Change in accounting policy during the term: Yes

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

(1) Issued stock:

Year ended December 31, 2007 483,585,862 shares      Year ended December 31, 2006 483,585,862 shares

(2) Treasury stock:

Year ended December 31, 2007 11,124,073 shares      Year ended December 31, 2006 12,888,400 shares

**ASAHI BREWERIES, LTD.**  
**Consolidated Balance Sheets** (As of December 31, 2007 and 2006)  
(Unaudited)

**ASSETS**

	(in million yen)				
	<b>At</b>		<b>At</b>		<b>Increase</b>
	<b>December 31, 2006</b>		<b>December 31, 2007</b>		<b>(Decrease)</b>
	Amount	Ratio(%)	Amount	Ratio(%)	Amount
<b>(Assets)</b>					
<b>. Current Assets:</b>					
Cash and time deposits	15,873		11,627		(4,245)
Notes and accounts receivable	278,139		278,238		98
Marketable securities	5,320		52		(5,268)
Inventories	92,344		90,436		(1,908)
Deferred income tax assets	9,688		6,930		(2,757)
Other current assets	36,684		30,502		(6,181)
Allowance for doubtful accounts	(9,099)		(6,576)		2,523
<b>Total current assets</b>	<b>428,951</b>	<b>33.3</b>	<b>411,211</b>	<b>31.1</b>	<b>(17,740)</b>
<b>. Fixed Assets:</b>					
<b>Property, plant and equipment:</b>					
Buildings and structures	209,926		205,995		(3,931)
Machinery and equipment	182,438		184,888		2,450
Tools, furniture and fixtures	49,124		47,626		(1,497)
Land	185,101		180,760		(4,340)
Construction in progress	8,426		3,447		(4,979)
<b>Total tangible fixed assets</b>	<b>635,017</b>	<b>49.3</b>	<b>622,718</b>	<b>47.0</b>	<b>(12,298)</b>
<b>Intangible fixed assets:</b>					
Consolidation account adjustment	32,635		-		(32,635)
Consolidation goodwill	-		65,325		65,325
Others	13,751		15,696		1,945
<b>Total intangible fixed assets</b>	<b>46,386</b>	<b>3.6</b>	<b>81,022</b>	<b>6.1</b>	<b>(34,636)</b>
<b>Investments and other assets:</b>					
Investment securities	126,796		158,037		31,241
Long-term loans	3,401		5,759		2,357
Prepaid expenses	10,275		11,319		1,043
Deferred income tax assets	19,857		18,983		(874)
Other investments	25,998		22,492		(3,505)
Allowance for doubtful accounts	(8,183)		(7,154)		1,029
<b>Total investments and other assets</b>	<b>178,145</b>	<b>13.8</b>	<b>209,438</b>	<b>15.8</b>	<b>31,292</b>
<b>Total fixed assets</b>	<b>859,549</b>	<b>66.7</b>	<b>913,179</b>	<b>68.9</b>	<b>53,630</b>
<b>Total Assets</b>	<b>1,288,501</b>	<b>100.0</b>	<b>1,324,391</b>	<b>100.0</b>	<b>35,890</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

	(in million yen)				
	At		At		Increase
	December 31, 2006		December 31, 2007		(Decrease)
	Amount	Ratio(%)	Amount	Ratio(%)	Amount
<b>(Liabilities)</b>					
<b>. Current Liabilities:</b>					
Notes and accounts payable	106,592		100,720		(5,872)
Bank loans	88,329		103,908		15,579
Long-term debt due within one year	14,329		37,071		22,742
Bonds due within one year	40,000		10,000		(30,000)
Alcohol tax payable	132,523		134,358		1,834
Consumption tax payable	8,368		8,352		(15)
Income tax payable	28,796		14,003		(14,792)
Accounts payable-other	49,470		57,196		7,726
Accrued expenses	47,790		48,025		234
Deposits received	37,627		25,662		(11,965)
Commercial paper	3,000		52,000		49,000
Other current liabilities	4,090		5,496		1,406
<b>Total current liabilities</b>	<b>560,918</b>	<b>43.5</b>	<b>596,796</b>	<b>45.1</b>	<b>35,877</b>
<b>. Long-term Liabilities:</b>					
Bonds	55,000		70,000		15,000
Long-term debt	89,443		59,477		(29,966)
Provision for Employees' severance and retirement benefits	26,973		23,819		(3,153)
Allowance for retirement benefits for directors and corporate auditors	844		449		(395)
Deferred income tax liabilities	5,166		5,018		(148)
Other long-term liabilities	40,379		39,048		(1,331)
<b>Total long-term liabilities</b>	<b>217,807</b>	<b>16.9</b>	<b>197,813</b>	<b>14.9</b>	<b>(19,994)</b>
<b>Total liabilities</b>	<b>778,726</b>	<b>60.4</b>	<b>794,609</b>	<b>60.0</b>	<b>15,883</b>
<b>(Net assets)</b>					
<b>. Shareholders' equity:</b>					
Common stock	182,531	14.2	182,531	13.8	-
Capital surplus	150,504	11.7	151,259	11.4	755
Retained earnings	142,329	11.0	178,079	13.4	35,749
Treasury stock, at cost	(16,946)	(1.3)	(14,674)	(1.1)	2,272
<b>Total shareholders' equity</b>	<b>458,418</b>	<b>35.6</b>	<b>497,195</b>	<b>37.5</b>	<b>38,777</b>
<b>. Accumulated gains (losses) from revaluation and translation adjustments:</b>					
Unrealized gains on available-for-sale securities, net of taxes	14,563	1.1	13,037	1.0	(1,526)
Unrealized losses on hedging derivatives, net of taxes	(28)	(0.0)	(43)	(0.0)	(15)
Foreign currency translation adjustments	3,753	0.3	4,477	0.4	723
<b>Total accumulated gains (losses) from revaluation and translation adjustments</b>	<b>18,289</b>	<b>1.4</b>	<b>17,471</b>	<b>1.4</b>	<b>(818)</b>
<b>. Minority interests</b>	<b>33,067</b>	<b>2.6</b>	<b>15,115</b>	<b>1.1</b>	<b>(17,951)</b>
<b>Total net assets</b>	<b>509,774</b>	<b>39.6</b>	<b>529,782</b>	<b>40.0</b>	<b>20,007</b>
<b>Total liabilities and net assets</b>	<b>1,288,501</b>	<b>100.0</b>	<b>1,324,391</b>	<b>100.0</b>	<b>35,890</b>

**ASAHI BREWERIES, LTD.**  
**Consolidated Income Statements** (From January 1, 2007 to December 31, 2007)  
(Unaudited)

	(in million yen)				
	December 31 2006		December 31 2007		Increase (Decrease)
	Amount	Ratio(%)	Amount	Ratio(%)	Amount
<b>. Net sales</b>	1,446,385	100.0	1,464,071	100.0	17,686
<b>. Cost of sales</b>	950,144	65.7	961,181	65.7	11,037
<b>Gross profit</b>	496,241	34.3	502,890	34.3	6,649
<b>. Selling, general and administrative expenses</b>					
Sales promotion premium and commission	150,853		156,872		
Advertising expense	48,775		51,210		
Transportation cost	40,881		37,016		
Allowance for doubtful accounts	551		260		
Employee salary and bonus	58,221		60,106		
Retirement benefits cost	2,701		2,659		
Depreciation expense	7,722		7,937		
Amortization of consolidation account adjustment	2,140		-		
Amortization of consolidation goodwill	-		2,486		
Other	95,681		97,385		
Total	407,528	28.2	415,934	28.4	8,406
<b>Operating income</b>	88,713	6.1	86,955	5.9	(1,757)
<b>. Non-operating income:</b>					
Interest income	693		678		
Dividend income	839		1,369		
Equity in net income of unconsolidated subsidiaries and affiliated companies	6,367		9,010		
Other	1,664		2,659		
Total	9,565	0.7	13,718	1.0	4,153
<b>. Non-operating expenses:</b>					
Interest expenses	4,407		5,020		
Allowance for doubtful accounts	103		0		
Loss on sale and disposal of inventories	-		3,400		
Other	3,657		2,035		
Total	8,168	0.6	10,457	0.7	2,288
<b>Recurring profit</b>	90,109	6.2	90,217	6.2	107
<b>. Extraordinary gain:</b>					
Gain on sale of fixed assets	2,028		1,248		
Gain on sale of investment securities	79		102		
Gain on reverse of allowance for doubtful accounts	1,496		1,081		
Compensation for transfer of plant	289		-		
Total	3,894	0.3	2,432	0.2	(1,461)
<b>. Extraordinary loss:</b>					
Loss on sales and disposal of fixed assets	6,121		6,689		
Officers' retirement benefit	103		137		
Loss on sale of investment securities	190		804		
Loss on devaluation of investment securities	506		343		
Impairment loss on fixed assets	3,905		1,387		
Loss for adjustment to estimated consumption of gift coupon	-		1,545		
Loss on liquidation of subsidiary	1,776		-		
Other	234		-		
Total	12,838	0.9	10,908	0.8	(1,929)
<b>Income before income taxes</b>	81,165	5.6	81,741	5.6	576
<b>Income tax, Inhabitants tax &amp; enterprise tax</b>	36,862		31,227		
<b>Adjustment to income taxes</b>	(1,538)		5,543		
Total	35,324	2.4	36,770	2.5	1,446
<b>Minority interests in net gain of consolidated subsidiaries</b>	1,065	0.1	173	0.0	(892)
<b>Net income</b>	44,775	3.1	44,797	3.1	22

**ASAHI BREWERIES, LTD.**  
**Consolidated Statements of Cash Flows (Year ended December 31, 2007 and 2006)**  
(Unaudited)

(in million yen)

	December 31 2006	December 31 2007	Increase (Decrease)
<b>. Cash flow from operating activities:</b>			
Net Income before income taxes and minority interest	81,165	81,741	576
Depreciation	48,792	45,250	(3,542)
Impairment loss on fixed assets	3,905	1,387	(2,517)
Amortization of goodwill	-	2,486	2,486
Decrease in provision for employees' severance and retirement benefits	(3,322)	(3,908)	(586)
Decrease in allowance for doubtful accounts	(2,800)	(3,480)	(680)
Interest and dividend income	(1,533)	(2,048)	(514)
Interest expenses	4,407	5,020	613
Equity in net loss (income) of unconsolidated subsidiaries and affiliated companies	(6,367)	(9,010)	(2,643)
Loss on sale of investment securities-net	111	701	590
Loss on devaluation of investment securities	506	343	(162)
Gain on sale of fixed assets	(2,028)	(1,248)	780
Loss on sale and disposal of fixed assets	6,121	6,689	568
Loss for adjustment to estimated consumption of gift coupon	-	1,545	1,545
Increase (decrease) in notes and accounts receivable	(16,335)	(2,049)	14,285
Increase (decrease) in inventories	(1,910)	1,343	3,253
Decrease (Increase) in notes and accounts payable	7,701	(2,716)	(10,417)
Increase (decrease) in accrued alcohol tax payable	(621)	1,833	2,455
Increase (decrease) in accrued consumption taxes payable	1,195	(132)	(1,327)
Bonuses paid to directors and corporate auditors	(188)	(149)	38
Other	1,324	(8,784)	(10,109)
Subtotal	120,122	114,814	(5,308)
Interest and dividends received	4,284	6,478	2,193
Interest paid	(4,439)	(5,200)	(760)
Income taxes paid	(14,125)	(46,519)	(32,394)
<b>Net cash provided by operating activities</b>	<b>105,842</b>	<b>69,573</b>	<b>(36,269)</b>
<b>. Cash flows from investing activities:</b>			
Payments for time deposits	(883)	(715)	168
Proceeds from time deposits	589	34	(554)
Proceeds from sales of investment securities	5	5,120	5,114
Payments for purchases of property, plant and equipment	(33,299)	(35,434)	(2,135)
Proceeds from sale of property, plant and equipment	2,395	2,909	513
Payments for purchases of intangible assets	(4,519)	(5,969)	(1,449)
Proceeds from sales of intangible assets	64	126	62
Payments for purchases of investment securities	(7,258)	(28,648)	(21,390)
Proceeds from sales of investment securities	1,403	333	(1,069)
Payments for purchase of securities of subsidiaries	-	(52,090)	(52,090)
Payments for purchases of investment in subsidiaries results in change in scope of consolidation	(39,270)	-	39,270
Payments for sales of investment in subsidiaries results in change in scope of consolidation	-	(850)	(850)
Payments for loans receivable	(772)	(3,209)	(2,437)
Proceeds from collections of loans receivable	1,813	2,923	1,110
Other	(2,516)	(2,357)	159
<b>Net cash used in investing activities</b>	<b>(82,249)</b>	<b>(117,828)</b>	<b>(35,579)</b>
<b>. Cash flows from financing activities:</b>			
Increase (decrease) in bank loans	21,142	66,104	44,961
Proceeds from long-term debt	3,664	18,209	14,545
Repayments of long-term debt	(2,531)	(24,772)	(22,241)
Proceeds from bonds and convertible debentures issued	25,000	25,000	-
Redemption of bonds	(50,000)	(40,000)	10,000
Payments for purchases of treasury stock	(13,067)	(230)	12,837
Cash dividends paid	(8,607)	(9,428)	(821)
Cash dividends paid to minority in consolidated subsidiaries	(675)	(435)	240
Contribution from minority in consolidated subsidiaries	3,061	321	(2,740)
Other	(233)	1,357	1,591
<b>Net cash used in financing activities</b>	<b>(22,246)</b>	<b>36,126</b>	<b>58,372</b>
<b>. Effect of exchange rate change on cash and cash equivalents</b>	<b>224</b>	<b>(182)</b>	<b>(406)</b>
<b>. Net increase in cash and cash equivalents</b>	<b>1,571</b>	<b>(12,311)</b>	<b>(13,882)</b>
<b>. Cash and cash equivalents at beginning of year</b>	<b>21,308</b>	<b>23,778</b>	<b>2,469</b>
<b>. Decrease in cash and cash equivalents due to increase in consolidated subsidiaries</b>	<b>898</b>	<b>274</b>	<b>(623)</b>
<b>. Cash and cash equivalents at end of period</b>	<b>23,778</b>	<b>11,741</b>	<b>(12,036)</b>

**ASAHI BREWERIES, LTD.**  
**Consolidated Statements of Changes in Net Assets (From January 1, 2006 to December 31, 2006)**

(in million yen)

	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
<b>Balance at December 31, 2005</b>	182,531	163,709	106,426	(17,317)	435,349
Changes of items during the period					
Cash Dividends paid			(8,607)		(8,607)
Bonuses paid to directors			(146)		(146)
Net income			44,775		44,775
Purchases of treasury stock				(13,067)	(13,067)
Retirement of treasury stocks		(13,147)		13,147	-
Disposal of treasury stock		(57)		291	233
Increase resulting from increase in consolidated subsidiaries			(118)		(118)
Net changes of items other than shareholders' equity					-
Total changes of items during the period	-	(13,204)	35,903	370	23,069
<b>Balance at December 31, 2006</b>	182,531	150,504	142,329	(16,946)	458,418

	Unrealized gains on available-for-sale securities, net of taxes	Unrealized losses on hedging derivatives, net of taxes	Foreign currency translation adjustments	Total valuation and translation adjustments	Minority interests	Total net assets
<b>Balance at December 31, 2005</b>	16,584	-	2,957	19,542	26,976	481,868
Changes of items during the period						
Cash Dividends paid				-		(8,607)
Bonuses paid to directors				-		(146)
Net income				-		44,775
Purchases of treasury stock				-		(13,067)
Retirement of treasury stocks				-		-
Disposal of treasury stock				-		233
Increase resulting from increase in consolidated subsidiaries				-		(118)
Net changes of items other than shareholders' equity	(2,021)	(28)	796	(1,253)	6,090	4,837
Total changes of items during the period	(2,021)	(28)	796	(1,253)	6,090	27,906
<b>Balance at December 31, 2006</b>	14,563	(28)	3,753	18,289	33,067	509,774

**ASAHI BREWERIES, LTD.**  
**Consolidated Statements of Changes in Net Assets (From January 1, 2007 to December 31, 2007)**

(in million yen)

	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
<b>Balance at December 31, 2006</b>	182,531	150,504	142,329	(16,946)	458,418
Changes of items during the period					
Cash Dividends paid			(9,428)		(9,428)
Net income			44,797		44,797
Purchases of treasury stock				(230)	(230)
Disposal of treasury stock				2,502	3,257
Increase resulting from increase in consolidated subsidiaries		755	231		231
Increase resulting from decrease in consolidated subsidiaries			148		148
Net changes of items other than shareholders' equity					-
Total changes of items during the period	-	755	35,749	2,272	38,777
<b>Balance at December 31, 2007</b>	182,531	151,259	178,079	(14,674)	497,195

	Unrealized gains on available-for-sale securities, net of taxes	Unrealized losses on hedging derivatives, net of taxes	Foreign currency translation adjustments	Total valuation and translation adjustments	Minority interests	Total net assets
<b>Balance at December 31, 2006</b>	14,563	(28)	3,753	18,289	33,067	509,774
Changes of items during the period						
Cash Dividends paid				-		(9,428)
Net income				-		44,797
Purchases of treasury stock				-		(230)
Disposal of treasury stock				-		3,257
Increase resulting from increase in consolidated subsidiaries				-		231
Increase resulting from decrease in consolidated subsidiaries				-		148
Net changes of items other than shareholders' equity	(1,526)	(15)	723	(818)	(17,951)	(18,769)
Total changes of items during the period	(1,526)	(15)	723	(818)	(17,951)	20,007
<b>Balance at December 31, 2007</b>	13,037	(43)	4,477	17,471	15,115	529,782



**(Segment information)****(1) Industrial segment information****Fiscal 2006 (January 1, 2006 to December 31, 2006)**

(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/loss	78,185	7,745	445	2,173	88,550	162	88,713
.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 2007 (January 1, 2007 to December 31, 2007)**

(Millions of yen)

	Alcoholic beverages	Soft drinks	Food and pharmaceuticals	Other	Total	Elimination or corporate	Consolidated total
I. Net sales							
1) To outside customers	1,012,255	299,663	67,088	85,064	1,464,071	-	1,464,071
2) Inter-segment sales	30,825	3,320	1,877	55,378	91,401	(91,401)	-
Total	1,043,081	302,983	68,966	140,442	1,555,473	(91,401)	1,464,071
Operating expenses	963,796	298,390	67,622	138,718	1,468,526	(91,410)	1,377,116
Operating income	79,284	4,593	1,343	1,724	86,946	9	88,955
.Assets, depreciation and capital expenditures							
Assets	809,484	218,929	80,470	84,988	1,193,872	130,518	1,324,391
Depreciation	34,264	7,321	1,976	1,686	45,247	2	45,250
Impairment loss on fixed assets	-	-	1,387	-	1,387	-	1,387
Capital expenditures	25,558	16,942	1,318	660	44,480	-	44,480

(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.
- Corporate assets in the Elimination and/or corporate column in 2007 and 2006, amounted to as follows, respectively, which are mainly the financial assets of the Company and subsidiaries related to the group finance.
 

Year ended December 31, 2006:	133,819 million yen
Year ended December 31, 2007:	145,175 million yen
- Sales, costs, and expenses of its oversea subsidiaries are translated by the period of FY2007 average rate, instead of the year-end rate. As a result, net sales and operation profit to outside customers of each segment has increased(decreased) by as follows;

	Alcoholic beverages	Soft drinks	Other	(in million yen)
Net sales	(54)	1745	22	
Operating profit	26	(110)	0	

**1. Non-Consolidated Financial Results for Fiscal 2007**  
**(From January 1, 2007 to December 31, 2007)**

**(1) Operating Results**

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

	Net sales	% change	Operating income	% change	Ordinary income	% change
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2007 ended December 31, 2007	1,030,736	0.0	79,933	1.7	77,372	1.4
Fiscal 2006 ended December 31, 2006	1,031,060	-2.2	78,596	0.1	76,307	-0.8

	Net income	% change	Net income per share (Primary)	Net income per share (Diluted)
	(Millions of yen)	(%)	(yen)	(yen)
Fiscal 2007 ended December 31, 2007	40,513	4.1	85.84	85.66
Fiscal 2006 ended December 31, 2006	38,902	9.6	81.69	81.54

**(2) Financial Condition**

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(yen)
Fiscal 2007 ended December 31, 2007	1,070,506	482,026	45.0	1,020.24
Fiscal 2006 ended December 31, 2006	1,014,878	449,270	44.3	954.48

**2. Projection for Fiscal 2008**  
**(From January 1, 2007 to December 31, 2008)**

	Net sales	% change	Operating income	% change	Ordinary income	% change
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2008 ending June 30, 2008	467,000	1.7	21,000	3.0	20,000	0.3
Fiscal 2008 ending December 31, 2008	1,044,000	1.3	82,000	2.6	78,300	1.2

	Net income	% change	Net income per share
	(Millions of yen)	(%)	(yen)
Fiscal 2008 ending June 30, 2008	9,200	-13.8	19.47
Fiscal 2008 ending December 31, 2008	40,500	0.0	85.72

**ASAHI BREWERIES, LTD.**  
**Non-Consolidated Balance Sheets** (As of December 31, 2007 and 2006)  
(Unaudited)

**ASSETS**

	(in million yen)				
	At		At		Increase
	December 31, 2006		December 31, 2007		(Decrease)
	Amount	Ratio(%)	Amount	Ratio(%)	Amount
<b>(Assets)</b>					
<b>. Current Assets:</b>					
Cash and cash equivalents	2,575		2,525		(49)
Notes receivable	4,984		3,593		(1,390)
Accounts receivable	202,863		200,668		(2,195)
Finish goods	11,518		11,098		(420)
Work in process	9,234		9,583		348
Raw materials	12,002		10,890		(1,112)
Storage	4,893		4,494		(398)
Short term loans receivable	16,436		13,508		(2,927)
Prepaide expense	7,562		8,307		744
Accrued revenue	4,113		3,230		(883)
Deferred income taxes	6,756		4,136		(2,620)
Other current assets	1,142		874		(268)
Allowance for doubtful accounts	(7,105)		(4,649)		2,456
<b>Total current assets</b>	<b>276,980</b>	<b>27.3</b>	<b>268,262</b>	<b>25.1</b>	<b>(8,717)</b>
<b>. Fixed Assets:</b>					
<b>Property, plant and equipment:</b>					
Buildings and structures	142,409		140,077		(2,332)
Machinery and equipment	147,065		148,251		1,186
Tools, furniture and fixtures	45,863		44,244		(1,619)
Land	133,024		130,025		(2,998)
Construction in progress	6,562		2,969		(3,593)
Other tangible fixed assets	20,803		20,142		(661)
<b>Total tangible fixed assets</b>	<b>495,729</b>	<b>48.9</b>	<b>485,711</b>	<b>45.4</b>	<b>(10,018)</b>
<b>Intangible fixed assets</b>	<b>8,010</b>	<b>0.8</b>	<b>9,080</b>	<b>0.8</b>	<b>1,069</b>
<b>Investments and other assets:</b>					
Investment securities	75,553		100,778		25,224
Investment in subsidiaries and affiliated companies	123,181		170,802		47,620
Long-term loans receivables	9,480		11,385		1,904
Deferred tax asset	5,573		5,094		(478)
Other investments	28,541		27,164		(1,377)
Allowance for doubtful accounts	(8,173)		(7,773)		400
<b>Total investments and other assets</b>	<b>234,157</b>	<b>23.0</b>	<b>307,451</b>	<b>28.7</b>	<b>73,294</b>
<b>Total fixed assets</b>	<b>737,898</b>	<b>72.7</b>	<b>802,244</b>	<b>74.9</b>	<b>64,345</b>
<b>Total Assets</b>	<b>1,014,878</b>	<b>100.0</b>	<b>1,070,506</b>	<b>100.0</b>	<b>55,627</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

(Liabilities)	(in million yen)				
	At		At		Increase
	December 31, 2006	Ratio(%)	December 31, 2007	Ratio(%)	(Decrease)
	Amount	Ratio(%)	Amount	Ratio(%)	Amount
<b>. Current Liabilities:</b>					
Notes payable	40		105		64
Accounts payable	55,355		52,416		(2,938)
Short-term debt	72,500		106,000		33,500
Bonds due within one year	40,000		10,000		(30,000)
Accrued liabilities	16,440		17,472		1,031
Alcohol tax payable	123,276		125,041		1,764
Consumption tax payable	6,957		6,851		(106)
Income tax payable	25,208		11,126		(14,081)
Accrued expenses	35,704		36,654		950
Deposits received	39,388		34,932		(4,455)
Commercial paper	3,000		52,000		49,000
Allowance for bonus payable	1,265		1,726		460
Allowance for bonus payable to directors and corporate auditors	49		99		50
Other current liabilities	90		106		16
<b>Total current liabilities</b>	<b>419,277</b>	<b>41.3</b>	<b>454,534</b>	<b>42.5</b>	<b>35,256</b>
<b>. Long-term Liabilities:</b>					
Bonds	55,000		70,000		15,000
Long-term debt	49,125		26,625		(22,500)
Long-term deposits received	35,163		33,389		(1,773)
Provision for Employees' severance and retirement benefits	6,684		3,259		(3,424)
Allowance for retirement benefits for directors and corporate auditors	310		-		(310)
Long-term accrued liabilities	-		563		563
Other long-term liabilities	47		107		60
<b>Total long-term liabilities</b>	<b>146,330</b>	<b>14.4</b>	<b>133,945</b>	<b>12.5</b>	<b>(12,384)</b>
<b>Total liabilities</b>	<b>565,608</b>	<b>55.7</b>	<b>588,479</b>	<b>55.0</b>	<b>22,871</b>
<b>(Net assets)</b>					
<b>. Shareholders' equity:</b>					
<b>Common stock</b>	<b>182,531</b>	<b>18.0</b>	<b>182,531</b>	<b>17.1</b>	<b>-</b>
<b>Capital surplus:</b>					
Capital reserve	130,292		130,292		-
Other capital surplus	29,221		29,984		763
Total	159,513	15.7	160,277	15.0	763
<b>Retained earnings:</b>					
Reserve for advanced depreciation	1,431		1,289		(142)
Contingent reserve	65,000		95,000		30,000
Unappropriated retained earnings	43,260		44,486		1,225
Total	109,691	10.8	140,775	13.1	31,083
<b>Treasury stock</b>	<b>(16,946)</b>		<b>(14,674)</b>		<b>2,272</b>
<b>Total shareholders' equity</b>	<b>434,790</b>	<b>42.9</b>	<b>468,909</b>	<b>43.8</b>	<b>34,119</b>
<b>. Accumulated gains (losses) from revaluation and translation adjustments:</b>					
Unrealized gains on available-for-sale securities, net of taxes	14,508		13,180		(1,327)
Unrealized losses on hedging derivatives, net of taxes	(28)		(64)		(35)
<b>Total accumulated gains (losses) from revaluation and translation adjustments</b>	<b>14,480</b>	<b>1.4</b>	<b>13,116</b>	<b>1.2</b>	<b>(1,363)</b>
<b>Total net assets</b>	<b>449,270</b>	<b>44.3</b>	<b>482,026</b>	<b>45.0</b>	<b>32,756</b>
<b>Total liabilities and net assets</b>	<b>1,014,878</b>	<b>100.0</b>	<b>1,070,506</b>	<b>100.0</b>	<b>55,627</b>

**ASAHI BREWERIES, LTD.**

**Non-Consolidated Income Statements** (From January 1, 2007 to December 31, 2007)

(Unaudited)

	(in million yen)				
	<b>December 2006</b>		<b>December 2007</b>		<b>Increase (Decrease)</b>
	Amount	Ratio(%)	Amount	Ratio(%)	Amount
<b>. Net sales</b>	1,031,060	100.0	1,030,736	100.0	(324)
<b>. Cost of sales</b>	729,338	70.7	729,597	70.8	259
<b>Gross profit</b>	301,722	29.3	301,138	29.2	(584)
<b>. Selling, general and administrative</b>					
Sales promotion premium and commission	80,743		77,887		
Advertising expense	32,726		34,871		
Transportation cost	17,081		15,797		
Allowance for doubtful accounts	19,355		20,038		
Employee salary and bonus	7,378		7,441		
Retirement benefits cost	745		787		
Allowance for officers' retirement benefit	88		-		
Depreciation expense	5,648		5,927		
Corporation enterprise tax	986		937		
Other	58,371		57,516		
Total	223,125	21.7	221,204	21.4	(1,921)
<b>Operating income</b>	78,596	7.6	79,933	7.8	1,336
<b>. Non-operating income:</b>					
Interest income	323		441		
Dividend income	1,519		1,920		
Other	554		1,097		
Total	2,397	0.2	3,458	0.3	1,061
<b>. Non-operating expenses:</b>					
Interest expenses	2,475		2,905		
Loss on sale and disposal of inventories	-		1,056		
Other	2,210		2,059		
Total	4,686	0.4	6,020	0.6	1,333
<b>Recurring profit</b>	76,307	7.4	77,372	7.5	1,064
<b>. Extraordinary gain:</b>					
Gain on sale of fixed assets	1,991		50		
Gain on sale of investment securities	72		0		
Gain on liquidation of subsidiary	-		1,441		
Gain on disposition of subsidiary's stock due to business succe	-		29		
Gain on reverse of allowance for doubtful accounts	1,416		999		
Total	3,480	0.3	2,520	0.2	(959)
<b>. Extraordinary loss:</b>					
Loss on sales and disposal of fixed assets	5,454		5,446		
Loss on sale of investment securities	99		0		
Loss on devaluation of investment securities	52		230		
Loss on sale of investment in affiliated companies	91		618		
Loss on devaluation of investment in affiliated companies	445		1,958		
Loss on devaluation of contribution to affiliated company	534		314		
Loss for adjustment to estimated consumption of gift coupon	-		1,545		
Loss on liquidation of subsidiary	435		-		
Loss on disposition of subsidiary's stock due to business succession	422		-		
Impairment loss on fixed assets	3,238		-		
Total	10,774	1.0	10,113	1.0	(660)
<b>Income before income taxes</b>	69,013	6.7	69,779	6.7	765
<b>Income tax, Inhabitants tax &amp; enterprise tax</b>	30,659		25,243		
<b>Adjustment to income taxes</b>	(547)		4,022		
Total	30,111	2.9	29,265	2.8	(846)
<b>Net income</b>	<u>38,902</u>	<u>3.8</u>	<u>40,513</u>	<u>3.9</u>	<u>1,611</u>

**Sales by Business Segment**  
**(January 1, 2007 to December 31, 2007)**

(Millions of yen)

	December 2006	December 2007	Increase (decrease) %
Beer	718,169	705,462	-1.8
Happoshu (low-malt beer)	108,561	124,697	14.9
New genre (no-malt beer)	67,162	61,729	-8.1
Sho-chu	57,177	54,878	-4.0
Low-alcohol beverages	32,741	35,707	9.1
Whisky and other spirits	27,436	27,326	-0.4
Wine	15,064	15,263	1.3
Other alcoholic beverages	2,896	3,234	11.7
Real estate	1,852	2,437	31.6
<b>Total</b>	<b>1,031,060</b>	<b>1,030,736</b>	<b>0.0</b>