

# Asahi Breweries, Ltd.



## FY2008 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 a partial English translation of the Japanese Financial Statement which was filed at stock exchanged in Japan on October 29, 2008.

**Summary Report of 3Q Financial Results  
(Fiscal 2008)**

October 29, 2008

**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 3Q Financial Results for Fiscal 2008 (From January 1, 2008 to September 30, 2008)

### (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 2008 3Q ended September 30, 2008	1,079,858	(0.2)	70,464	14.8	75,832	13.2
Fiscal 2008 3Q ended September 30, 2007	1,082,429	1.7	61,382	0.0	66,982	5.7
Fiscal 2007 year ended December 31, 2007	1,464,071	-	86,955	-	90,217	-

	Net income	% change	Net income per share (Primary)	Net income per share (Diluted)
	(Millions of yen)	(%)	(yen)	(yen)
Fiscal 2008 3Q ended September 30, 2008	41,799	22.5	89.27	89.10
Fiscal 2008 3Q ended September 30, 2007	34,119	9.9	72.33	72.18
Fiscal 2007 year ended December 31, 2007	44,797	-	94.94	94.74

### (2) Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(yen)
Fiscal 2008 3Q ended September 30, 2008	1,268,680	536,458	41.3	1,127.61
Fiscal 2008 3Q ended September 30, 2007	1,283,158	539,292	39.5	1,072.65
Fiscal 2007 year ended December 31, 2007	1,324,391	529,782	38.9	1,089.33

### (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 2008 3Q ended September 30, 2008	104,107	(47,386)	(54,889)	13,301
Fiscal 2008 3Q ended September 30, 2007	76,833	(51,316)	(26,153)	23,177
Fiscal 2007 year ended December 31, 2007	69,573	(117,828)	36,126	11,741

## 2. Dividends

	Interim dividends per share	Year-end dividends per share	Dividends per share for the year
	(yen)	(yen)	(yen)
Year ended December 31, 2007	9.50	9.50	19.00
Year ended December 31, 2008	9.50	-	19.00
Year ended December 31, 2008 (Forecast)	-	9.50	

## 3. Projection for Fiscal 2008 (From January 1, 2008 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 December 31, 2008	1,465,000	0.1	94,000	8.1	95,000	5.3

  

	Net income	% change	Net income per share
	(Millions of yen)	(%)	(yen)
Fiscal 2008 ending December 31, 2008	48,000	7.1	103.26

#### Notes:

1. Change in the scope of consolidation and application of the equity method: No
2. Use of simplified accounting methods specific to preparation of the quarterly consolidated financial statements: No
3. Change in accounting policy during the term: No

**ASAHI BREWERIES, LTD.**  
**Consolidated Balance Sheets** (As of September 30, 2008 and 2007)  
(Unaudited)

**ASSETS**

(in million yen)

	At		At		Increase (Decrease)	At	
	September 30, 2007		September 30, 2008			December 31, 2007	
	Amount	Ratio(%)	Amount	Ratio(%)	Amount	Amount	Ratio(%)
<b>(Assets)</b>							
<b>. Current Assets:</b>							
Cash and time deposits	23,302		13,430		(9,871)	11,627	
Notes and accounts receivable	253,260		220,227		(33,033)	278,238	
Inventories	93,413		98,692		5,278	90,436	
Deferred income tax assets	9,820		7,233		(2,587)	6,930	
Other current assets	30,773		35,173		4,399	30,554	
Allowance for doubtful accounts	(5,997)		(5,358)		639	(6,576)	
<b>Total current assets</b>	<b>404,572</b>	<b>31.5</b>	<b>369,398</b>	<b>29.1</b>	<b>(35,173)</b>	<b>411,211</b>	<b>31.1</b>
<b>. Fixed Assets:</b>							
<b>Property, plant and equipment:</b>							
Buildings and structures	207,741		198,157		(9,584)	205,995	
Machinery and equipment	182,324		174,926		(7,398)	184,888	
Tools, furniture and fixtures	48,188		45,828		(2,360)	47,626	
Land	181,651		178,668		(2,983)	180,760	
Construction in progress	3,971		3,149		(821)	3,447	
<b>Total tangible fixed assets</b>	<b>623,878</b>	<b>48.6</b>	<b>600,729</b>	<b>47.4</b>	<b>(23,148)</b>	<b>622,718</b>	<b>47.0</b>
<b>Intangible fixed assets:</b>							
Consolidation goodwill	31,655		64,078		32,422	65,325	
Others	13,864		15,001		1,136	15,696	
<b>Total intangible fixed assets</b>	<b>45,520</b>	<b>3.6</b>	<b>79,079</b>	<b>6.2</b>	<b>33,559</b>	<b>81,022</b>	<b>6.1</b>
<b>Investments and other assets:</b>							
Investment securities	159,861		160,917		1,056	158,037	
Deferred income tax assets	18,419		24,039		5,619	18,983	
Others	40,320		41,254		934	39,571	
Allowance for doubtful accounts	(9,414)		(6,739)		2,674	(7,154)	
<b>Total investments and other assets</b>	<b>209,187</b>	<b>16.3</b>	<b>219,472</b>	<b>17.3</b>	<b>10,285</b>	<b>209,438</b>	<b>15.8</b>
<b>Total fixed assets</b>	<b>878,586</b>	<b>68.5</b>	<b>899,281</b>	<b>70.9</b>	<b>20,695</b>	<b>913,179</b>	<b>68.9</b>
<b>Total Assets</b>	<b>1,283,158</b>	<b>100.0</b>	<b>1,268,680</b>	<b>100.0</b>	<b>(14,478)</b>	<b>1,324,391</b>	<b>100.0</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

(in million yen)

	At		At		Increase (Decrease)	At	
	September 30, 2007		September 30, 2008			December 31, 2007	
	Amount	Ratio(%)	Amount	Ratio(%)	Amount	Amount	Ratio(%)
<b>(Liabilities)</b>							
<b>. Current Liabilities:</b>							
Notes and accounts payable	105,387		91,190		(14,197)	100,720	
Bank loans	98,780		105,794		7,014	140,980	
Bonds due within one year	40,000		-		(40,000)	10,000	
Alcohol tax payable	138,198		133,045		(5,153)	134,358	
Deposits received	34,242		20,734		(13,507)	25,662	
Commercial paper	2,000		2,000		-	52,000	
Others	125,554		122,843		(2,711)	133,075	
<b>Total current liabilities</b>	<b>544,164</b>	<b>42.4</b>	<b>475,608</b>	<b>37.5</b>	<b>(68,555)</b>	<b>596,796</b>	<b>45.1</b>
<b>. Long-term Liabilities:</b>							
Bonds	70,000		140,171		70,171	70,000	
Long-term debt	60,991		47,908		(13,082)	59,477	
Provision for Employees' severance and retirement benefits	24,061		23,836		(224)	23,819	
Allowance for retirement benefits for directors and corporate auditors	383		360		(22)	449	
Deferred income tax liabilities	5,040		4,913		(127)	5,018	
Others	39,225		39,423		197	39,048	
<b>Total long-term liabilities</b>	<b>199,702</b>	<b>15.5</b>	<b>256,612</b>	<b>20.2</b>	<b>56,910</b>	<b>197,813</b>	<b>14.9</b>
<b>Total liabilities</b>	<b>743,866</b>	<b>57.9</b>	<b>732,221</b>	<b>57.7</b>	<b>(11,644)</b>	<b>794,609</b>	<b>60.0</b>
<b>(Net assets)</b>							
<b>. Shareholders' equity:</b>							
Common stock	182,531	14.2	182,531	14.4	-	182,531	13.8
Capital surplus	151,202	11.8	151,180	11.9	(21)	151,259	11.4
Retained earnings	167,253	13.0	210,974	16.6	43,721	178,079	13.4
Treasury stock, at cost	(15,016)	(1.1)	(29,621)	(2.3)	(14,605)	(14,674)	(1.1)
<b>Total shareholders' equity</b>	<b>485,970</b>	<b>37.9</b>	<b>515,064</b>	<b>40.6</b>	<b>29,094</b>	<b>497,195</b>	<b>37.5</b>
<b>. Accumulated gains (losses) from revaluation and translation adjustments:</b>							
Unrealized gains on available-for-sale securities, net of taxes	16,465	1.3	5,489	0.4	(10,976)	13,037	1.0
Unrealized losses on hedging derivatives, net of taxes	(10)	(0.0)	14	0.0	24	(43)	(0.0)
Foreign currency translation adjustments	4,070	0.3	3,541	0.3	(529)	4,477	0.4
<b>Total accumulated gains (losses) from revaluation and translation adjustments</b>	<b>20,525</b>	<b>1.6</b>	<b>9,045</b>	<b>0.7</b>	<b>(11,480)</b>	<b>17,471</b>	<b>1.4</b>
<b>. Minority interests</b>	<b>32,795</b>	<b>2.6</b>	<b>12,348</b>	<b>1.0</b>	<b>(20,447)</b>	<b>15,115</b>	<b>1.1</b>
<b>Total net assets</b>	<b>539,292</b>	<b>42.1</b>	<b>536,458</b>	<b>42.3</b>	<b>(2,833)</b>	<b>529,782</b>	<b>40.0</b>
<b>Total liabilities and net assets</b>	<b>1,283,158</b>	<b>100.0</b>	<b>1,268,680</b>	<b>100.0</b>	<b>(14,478)</b>	<b>1,324,391</b>	<b>100.0</b>

**ASAHI BREWERIES, LTD.**

**Consolidated Income Statements** (9 months ended September 30, 2008 and 2007)

(Unaudited)

(in million yen)

	3Q ended		3Q ended		Increase (Decrease)	Year ended	
	September 30, 2007		September 30, 2008			December 31, 2007	
	Amount	Ratio(%)	Amount	Ratio(%)	Amount	Amount	Ratio(%)
<b>. Net sales</b>	1,082,429	100.0	1,079,858	100.0	(2,570)	1,464,071	100.0
<b>. Cost of sales</b>	706,504	65.3	698,769	64.7	(7,735)	961,181	65.7
<b>Gross profit</b>	375,924	34.7	381,088	35.3	5,164	502,890	34.3
<b>. Selling, general and administrative expenses</b>	314,542	29.0	310,624	28.8	(3,917)	415,934	28.4
<b>Operating income</b>	61,382	5.7	70,464	6.5	9,081	86,955	5.9
<b>. Non-operating income:</b>							
Interest income	540		211			678	
Dividend income	994		1,007			1,369	
Equity in net income of unconsolidated subsidiaries and affiliated companies	9,062		9,670			9,010	
Others	1,629		1,378			2,659	
Total	12,227	1.1	12,267	1.1	40	13,718	1.0
<b>. Non-operating expenses:</b>							
Interest expenses	3,694		4,009			5,020	
Loss on sale and disposal of inventories	1,939		1,241			3,400	
Others	992		1,647			2,035	
Total	6,627	0.6	6,899	0.6	272	10,457	0.7
<b>Recurring profit</b>	66,982	6.2	75,832	7.0	8,850	90,217	6.2
<b>. Extraordinary gain:</b>							
Gain on sale of fixed assets	334		103			1,248	
Gain on sale of investment securities	67		43			102	
Gain on reverse of allowance for doubtful accounts	1,276		1,550			1,081	
Total	1,678	0.1	1,697	0.2	18	2,432	0.2
<b>. Extraordinary loss:</b>							
Loss on sales and disposal of fixed assets	3,518		1,694			6,689	
Loss on sale of investment securities	775		35			804	
Loss on devaluation of investment securities	271		1,202			343	
Impairment loss on fixed assets	98		140			1,387	
Loss for adjustment to estimated consumption of gift coupon	1,545		-			1,545	
Loss on recall of goods	-		557			-	
Others	104		43			137	
Total	6,313	0.6	3,673	0.3	(2,639)	10,908	0.8
<b>Income before income taxes</b>	62,347	5.7	73,855	6.9	11,508	81,741	5.6
<b>Income tax, Inhabitants tax &amp; enterprise tax</b>	26,427		32,884			31,227	
<b>Adjustment to income taxes</b>	-		-			5,543	
Total	26,427	2.4	32,884	3.1	6,456	36,770	2.5
<b>Minority interests in net gain of consolidated subsidiaries</b>	1,799	0.1	(827)	(0.1)	(2,627)	173	0.0
<b>Net income</b>	<u>34,119</u>	3.2	<u>41,799</u>	3.9	<u>7,679</u>	<u>44,797</u>	3.1

**ASAHI BREWERIES, LTD.**  
**Consolidated Statements of Cash Flows (9 months ended September 30, 2008 and 2007)**  
(Unaudited)

(in million yen)

	3Q ended September 30, 2007	3Q ended September 30, 2008	Increase (Decrease)	Year ended December 31 2007
<b>. Cash flow from operating activities:</b>				
Net Income before income taxes and minority interest	62,347	73,855	11,508	81,741
Depreciation	34,003	35,249	1,246	45,250
Impairment loss on fixed assets	98	140	42	1,387
Amortization of goodwill	1,866	3,029	1,163	2,486
Decrease in provision for employees' severance and retirement benefits	(2,880)	(2,180)	699	(3,908)
Decrease in allowance for doubtful accounts	(1,797)	(1,385)	411	(3,480)
Interest and dividend income	(1,534)	(1,218)	316	(2,048)
Interest expenses	3,694	4,009	314	5,020
Equity in net income of unconsolidated subsidiaries and affiliated companies	(9,062)	(9,670)	(607)	(9,010)
Gain on sale of fixed assets	(334)	(103)	230	(1,248)
Loss on sale and disposal of fixed assets	3,518	1,694	(1,824)	6,689
Loss for adjustment to estimated consumption of gift coupon	1,545	-	(1,545)	1,545
Increase (decrease) in notes and accounts receivable	23,128	58,573	35,444	(2,049)
Increase (decrease) in inventories	(1,557)	(9,485)	(7,928)	1,343
Decrease (Increase) in notes and accounts payable	913	(11,577)	(12,490)	(2,716)
Increase (decrease) in accrued alcohol tax payable	5,676	(1,311)	(6,987)	1,833
Other	326	(3,054)	(3,380)	(8,021)
Subtotal	119,950	136,564	16,613	114,814
Interest and dividends received	5,622	1,394	(4,228)	6,478
Interest paid	(3,132)	(3,506)	(374)	(5,200)
Income taxes paid	(45,607)	(30,345)	15,262	(46,519)
<b>Net cash provided by operating activities</b>	<b>76,833</b>	<b>104,107</b>	<b>27,273</b>	<b>69,573</b>
<b>. Cash flows from investing activities:</b>				
Proceeds from sales of investment securities	5,184	5	(5,178)	5,120
Payments for purchases of property, plant and equipment	(27,115)	(29,052)	(1,937)	(35,434)
Payments for purchases of intangible assets	(3,049)	(2,926)	123	(5,969)
Payments for purchases of investment securities	(25,097)	(12,729)	12,368	(28,648)
Proceeds from sales of investment securities	208	82	(125)	333
Payments for purchase of securities of subsidiaries	-	(2,904)	(2,904)	(52,090)
Proceeds for purchases of investment in subsidiaries results in change in scope of consolidation	-	2,154	2,154	-
Payments for sales of investment in subsidiaries results in change in scope of consolidation	(850)	(173)	676	(850)
Payments for loans receivable	(2,640)	(2,467)	173	(3,209)
Proceeds from collections of loans receivable	2,037	3,046	1,008	2,923
Other	6	(2,421)	(2,427)	(1)
<b>Net cash used in investing activities</b>	<b>(51,316)</b>	<b>(47,386)</b>	<b>3,930</b>	<b>(117,828)</b>
<b>. Cash flows from financing activities:</b>				
Increase (decrease) in bank loans	(23,287)	(73,512)	(50,224)	66,104
Proceeds from long-term debt	6,357	23,357	16,999	18,209
Payments for repayments of long-term debt	(14,641)	(40,529)	(25,888)	(24,772)
Proceeds from bonds and convertible debentures issued	25,000	70,175	45,175	25,000
Proceeds from redemption of bonds	(10,000)	(10,000)	-	(40,000)
Payments for purchases of treasury stock	(115)	(15,289)	(15,173)	(230)
Cash dividends paid	(9,428)	(8,904)	523	(9,428)
Cash dividends paid to minority in consolidated subsidiaries	123	-	(123)	321
Other	(160)	(185)	(24)	922
<b>Net cash used in financing activities</b>	<b>(26,153)</b>	<b>(54,889)</b>	<b>(28,736)</b>	<b>36,126</b>
<b>. Effect of exchange rate change on cash and cash equivalents</b>	<b>(238)</b>	<b>(270)</b>	<b>(32)</b>	<b>(182)</b>
<b>. Net increase in cash and cash equivalents</b>	<b>(874)</b>	<b>1,560</b>	<b>2,434</b>	<b>(12,311)</b>
<b>. Cash and cash equivalents at beginning of year</b>	<b>23,778</b>	<b>11,741</b>	<b>(12,036)</b>	<b>23,778</b>
<b>. Decrease in cash and cash equivalents due to increase in consolidated subsidiaries</b>	<b>274</b>	<b>-</b>	<b>(274)</b>	<b>274</b>
<b>. Cash and cash equivalents at end of period</b>	<b>23,177</b>	<b>13,301</b>	<b>(9,876)</b>	<b>11,741</b>

**(Segment information)****(1) Industrial segment information****Fiscal 2007 (January 1, 2007 to September 30, 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	737,666	233,370	48,014	63,377	1,082,429	-	1,082,429
2) Inter-segment sales	22,717	2,692	1,514	41,452	68,377	(68,377)	-
Total	760,384	236,063	49,529	104,830	1,150,807	(68,377)	1,082,429
Operating expenses	706,132	230,818	49,303	103,221	1,089,475	(68,428)	1,021,047
Operating income/loss	54,252	5,245	225	1,609	61,331	50	61,382

**Fiscal 2008 (January 1, 2008 to September 30, 2008)**

(Millions of yen)

	Alcoholic beverages	Soft drinks	Food and pharmaceuticals	Other	Total	Elimination or corporate	Consolidated total
I. Net sales							
1) To outside customers	728,600	245,817	51,847	53,593	1,079,858	-	1,079,858
2) Inter-segment sales	16,137	2,397	1,122	39,679	59,337	(59,337)	-
Total	744,738	248,215	52,969	93,272	1,139,196	(59,337)	1,079,858
Operating expenses	677,787	246,156	52,556	92,446	1,068,946	(59,552)	1,009,394
Operating income	66,950	2,059	413	825	70,249	214	70,464

**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	86,955

## (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), new genre ,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.

**1. Non-Consolidated Financial Results for Fiscal 2008**  
**(From January 1, 2008 to September 30, 2008)**

**(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 2008 3Q ended September 30, 2008	745,318	(0.5)	66,643	24.2	65,296	24.1
Fiscal 2008 3Q ended September 30, 2007	749,168	(0.1)	53,652	3.0	52,615	3.7
Fiscal 2007 year ended December 31, 2007	1,030,736	-	79,933	-	77,372	-

	Net income	% change	Net income per share (Primary)
	(Millions of yen)	(%)	(yen)
Fiscal 2008 3Q ended September 30, 2008	33,907	18.5	72.41
Fiscal 2008 3Q ended September 30, 2007	28,606	9.7	60.63
Fiscal 2007 year ended December 31, 2007	40,513	-	85.84

**(2) Financial Condition**

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(yen)
Fiscal 2008 3Q ended September 30, 2008	1,010,495	484,597	48.0	1,042.61
Fiscal 2008 3Q ended September 30, 2007	1,000,671	473,591	47.3	1,002.51
Fiscal 2007 year ended December 31, 2007	1,070,506	482,026	45.0	1,020.24

**2. Projection for Fiscal 2008**

**(From January 1, 2008 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 December 31, 2008	1,027,000	(0.4)	88,000	10.1	84,600	9.3

	Net income	% change	Net income per share
	(Millions of yen)	(%)	(yen)
Fiscal 2008 ending December 31, 2008	41,000	1.2	88.20



**ASAHI BREWERIES, LTD.**  
**Non-Consolidated Balance Sheets** (As of September 30, 2008 and 2007)  
(Unaudited)

**ASSETS**

	(in million yen)						
	At		At		Increase	At	
	September 30, 2007		September 30, 2008		(Decrease)	December 31, 2007	
	Amount	Ratio(%)	Amount	Ratio(%)	Amount	Amount	Ratio(%)
<b>(Assets)</b>							
<b>. Current Assets:</b>							
Cash and time deposits	4,607		2,977		(1,629)	2,525	
Notes receivable	3,426		3,228		(197)	3,593	
Accounts receivable	165,482		139,944		(25,538)	200,668	
Inventories	39,454		41,520		2,066	36,066	
Short-term loans receivable from subsidiaries and affiliated companies	12,675		12,854		179	12,091	
Others	22,517		20,696		(1,820)	17,965	
Allowance for doubtful accounts	(4,529)		(3,617)		912	(4,649)	
<b>Total current assets</b>	<b>243,635</b>	<b>24.3</b>	<b>217,606</b>	<b>21.6</b>	<b>(26,029)</b>	<b>268,262</b>	<b>25.1</b>
<b>. Fixed Assets:</b>							
<b>Property, plant and equipment:</b>							
Buildings and structures	141,109		136,211		(4,897)	140,077	
Machinery and equipment	146,936		141,620		(5,316)	148,251	
Tools, furniture and fixtures	44,628		43,157		(1,471)	44,244	
Land	130,026		130,027		0	130,025	
Construction in progress	3,055		1,776		(1,278)	2,969	
Others	20,351		19,151		(1,199)	20,142	
<b>Total tangible fixed assets</b>	<b>486,107</b>	<b>48.6</b>	<b>471,943</b>	<b>46.7</b>	<b>(14,163)</b>	<b>485,711</b>	<b>45.4</b>
<b>Intangible fixed assets</b>	<b>8,120</b>	<b>0.8</b>	<b>8,415</b>	<b>0.8</b>	<b>295</b>	<b>9,080</b>	<b>0.8</b>
<b>Investments and other assets:</b>							
Investment securities	103,126		93,875		(9,251)	100,778	
Investment in subsidiaries and affiliated companies	125,851		177,329		51,477	170,802	
Other investments	43,127		48,735		5,608	43,644	
Allowance for doubtful accounts	(9,298)		(7,411)		1,887	(7,773)	
<b>Total investments and other assets</b>	<b>262,807</b>	<b>26.3</b>	<b>312,529</b>	<b>30.9</b>	<b>49,721</b>	<b>307,451</b>	<b>28.7</b>
<b>Total fixed assets</b>	<b>757,035</b>	<b>75.7</b>	<b>792,889</b>	<b>78.4</b>	<b>35,853</b>	<b>802,244</b>	<b>74.9</b>
<b>Total Assets</b>	<b>1,000,671</b>	<b>100.0</b>	<b>1,010,495</b>	<b>100.0</b>	<b>9,824</b>	<b>1,070,506</b>	<b>100.0</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

(in million yen)

	At September 30, 2007		At September 30, 2008		Increase (Decrease)	At December 31, 2007	
	Amount	Ratio(%)	Amount	Ratio(%)		Amount	Ratio(%)
<b>(Liabilities)</b>							
<b>. Current Liabilities:</b>							
Notes payable	107		-		(107)	105	
Accounts payable	50,724		46,857		(3,867)	52,416	
Bank loans	63,850		53,524		(10,325)	106,000	
Bonds due within one year	40,000		-		(40,000)	10,000	
Alcohol tax payable	131,203		125,358		(5,844)	125,041	
Deposits received	39,614		28,033		(11,581)	34,932	
Commercial paper	2,000		2,000		-	52,000	
Allowance for bonus payable	4,102		4,040		(61)	1,726	
Allowance for bonus payable to directors and corporate auditors	53		51		(1)	99	
Other current liabilities	59,257		59,566		309	72,212	
<b>Total current liabilities</b>	<b>390,913</b>	<b>39.1</b>	<b>319,432</b>	<b>31.6</b>	<b>(71,480)</b>	<b>454,534</b>	<b>42.5</b>
<b>. Long-term Liabilities:</b>							
Bonds	70,000		140,171		70,171	70,000	
Long-term debt	28,625		29,000		375	26,625	
Long-term deposits received	33,776		33,658		(117)	33,389	
Provision for Employees' severance and retirement benefits	3,523		3,087		(436)	3,259	
Long-term accrued liabilities	214		548		334	563	
Other long-term liabilities	27		-		(27)	107	
<b>Total long-term liabilities</b>	<b>136,166</b>	<b>13.6</b>	<b>206,465</b>	<b>20.4</b>	<b>70,298</b>	<b>133,945</b>	<b>12.5</b>
<b>Total liabilities</b>	<b>527,079</b>	<b>52.7</b>	<b>525,897</b>	<b>52.0</b>	<b>(1,182)</b>	<b>588,479</b>	<b>55.0</b>
<b>(Net assets)</b>							
<b>. Shareholders' equity:</b>							
<b>Common stock</b>	<b>182,531</b>	<b>18.2</b>	<b>182,531</b>	<b>17.8</b>	<b>-</b>	<b>182,531</b>	<b>17.1</b>
<b>Capital surplus:</b>							
Capital reserve	130,292		130,292		-	130,292	
Other capital surplus	30,026		29,905		(120)	29,984	
Total	160,319	16.0	160,198	15.8	(120)	160,277	15.0
<b>Retained earnings:</b>							
Reserve for advanced depreciation	1,431		1,289		(142)	1,289	
Contingent reserve	95,000		125,000		30,000	95,000	
Unappropriated retained earnings	32,437		39,488		7,051	44,486	
Total	128,868	12.9	165,778	16.4	36,909	140,775	13.1
<b>Treasury stock</b>	<b>(14,724)</b>	<b>(1.5)</b>	<b>(29,621)</b>	<b>(2.9)</b>	<b>(14,897)</b>	<b>(14,674)</b>	<b>(1.4)</b>
<b>Total shareholders' equity</b>	<b>456,994</b>	<b>45.6</b>	<b>478,885</b>	<b>47.4</b>	<b>21,891</b>	<b>468,909</b>	<b>43.8</b>
<b>. Accumulated gains (losses) from revaluation and translation adjustments:</b>							
Unrealized gains on available-for-sale securities, net of taxes	16,612		5,711		(10,900)	13,180	
Unrealized losses on hedging derivatives, net of taxes	(16)		-		16	(64)	
<b>Total accumulated gains (losses) from revaluation and translation adjustments</b>	<b>16,596</b>	<b>1.7</b>	<b>5,711</b>	<b>0.6</b>	<b>(10,884)</b>	<b>13,116</b>	<b>1.2</b>
<b>Total net assets</b>	<b>473,591</b>	<b>47.3</b>	<b>484,597</b>	<b>48</b>	<b>11,006</b>	<b>482,026</b>	<b>45.0</b>
<b>Total liabilities and net assets</b>	<b>1,000,671</b>	<b>100.0</b>	<b>1,010,495</b>	<b>100.0</b>	<b>9,824</b>	<b>1,070,506</b>	<b>100.0</b>

**ASAHI BREWERIES, LTD.**

**Non-Consolidated Income Statements** (9 months ended September 30, 2008 and 2007)

(Unaudited)

	(in million yen)						
	3Q ended		3Q ended		Increase (Decrease)	Year ended	
	September 30, 2007	September 30, 2008	September 30, 2007	September 30, 2008		December 31, 2007	December 31, 2007
	Amount	Ratio(%)	Amount	Ratio(%)	Amount	Amount	Ratio(%)
<b>. Net sales</b>	749,168	100.0	745,318	100.0	(3,849)	1,030,736	100.0
<b>. Cost of sales</b>	530,173	70.8	529,021	71.0	(1,152)	729,597	70.8
<b>Gross profit</b>	218,994	29.2	216,297	29.0	(2,697)	301,138	29.2
<b>. Selling, general and administrative</b>	165,342	22.0	149,654	20.1	(15,687)	221,204	21.4
<b>Operating income</b>	53,652	7.2	66,643	8.9	12,990	79,933	7.8
<b>. Non-operating income:</b>							
Interest income	309		326			441	
Dividend income	1,559		1,461			1,920	
Other	513		534			1,097	
Total	2,382	0.3	2,323	0.3	(59)	3,458	0.3
<b>. Non-operating expenses:</b>							
Interest expenses	2,171		2,310			2,905	
Loss on sale and disposal of inventories	633		400			1,056	
Other	614		958			2,059	
Total	3,419	0.5	3,670	0.5	250	6,020	0.6
<b>Recurring profit</b>	52,615	7.0	65,296	8.7	12,680	77,372	7.5
<b>. Extraordinary gain:</b>							
Gain on sale of fixed assets	-		2			50	
Gain on sale of investment securities	0		30			0	
Gain on liquidation of subsidiary	1,263		-			1,441	
Gain on reverse of allowance for doubtful accounts	1,175		1,479			999	
Gain on disposition of subsidiary's stock due to business succession	29		-			29	
Total	2,467	0.3	1,512	0.2	(955)	2,520	0.2
<b>. Extraordinary loss:</b>							
Loss on sales and disposal of fixed assets	-		1,387			5,446	
Loss on sale of investment securities	-		0			0	
Loss on devaluation of investment securities	160		846			230	
Loss on sale of investment in affiliated companies	618		191			618	
Loss on devaluation of investment in affiliated companies	110		2,400			1,958	
Loss on devaluation of contribution to affiliated company	288		-			314	
Loss for adjustment to estimated consumption of gift coupon	1,545		-			1,545	
Loss on recall of goods	-		557			-	
Total	5,939	0.8	5,383	0.7	(556)	10,113	1.0
<b>Income before income taxes</b>	49,143	6.5	61,425	8.2	12,281	69,779	6.7
<b>Income tax, Inhabitants tax &amp; enterprise tax</b>	20,537		27,518			25,243	
<b>Adjustment to income taxes</b>	-		-			4,022	
Total	20,537	2.7	27,518	3.7	6,981	29,265	2.8
<b>Net income</b>	<u>28,606</u>	<u>3.8</u>	<u>33,907</u>	<u>4.5</u>	<u>5,300</u>	<u>40,513</u>	<u>3.9</u>