

# ASAHI BREWERIES, LTD.



## FY2008 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, 2009.

### Summary of Financial Results (Fiscal 2008)

February 5, 2009

#### 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  
Contact: Tsuyoshi Morita, General Manager, Public Relations Department  
Tel: +81-3-5608-5126

Date of Board of Directors' Meeting:	February 5, 2009
Date of Ordinary General Meeting of Shareholders:	March 26, 2009
Interim Dividend Payment Program:	Yes
Unit Stock System:	Yes (One unit equals 100 shares)

## 1. Consolidated Financial Results for Fiscal 2008 (From January 1, 2008 to December 31, 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 ended December 31, 2008	1,462,747	(0.1)	94,520	8.7	96,474	6.9
Fiscal 2007 ended December 31, 2007	1,464,071	1.2	86,955	(2.0)	90,217	0.1

  

	Net income	% change	Net income per share (Primary)	Net income per share (Diluted)	ROE	ROA
	(Millions of yen)	(%)	(yen)	(yen)	(%)	(%)
Fiscal 2008 ended December 31, 2008	45,014	0.5	96.31	96.14	8.7	7.4
Fiscal 2007 ended December 31, 2007	44,797	0.0	94.94	94.74	9.0	6.9

  

	Operating margin on sales (%)
Fiscal 2008 ended December 31, 2008	6.5
Fiscal 2007 ended December 31, 2007	5.9

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

Year ended December 31, 2008: 9,105 million yen

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

### (2) Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(yen)
Fiscal 2008 ended December 31, 2008	1,299,058	534,627	40.2	1,122.13
Fiscal 2007 ended December 31, 2007	1,324,391	529,782	38.9	1,089.33

Notes: Equity at the end of FY2008: 521,594 million yen      Equity at the end of FY2007: 514,666 million yen

### (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 ended December 31, 2008	106,094	(58,235)	(46,365)	12,697
Fiscal 2007 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	Total amount of dividends	Dividends payout ratio (Consolidated)	Ratio of total amount of dividends to net assets (Consolidated)
	(yen)	(yen)	(yen)	(Millions of yen)	(%)	(%)
Fiscal 2007 ended December 31, 2007	9.50	9.50	19.00	8,976	20.0	1.8
Fiscal 2008 ended December 31, 2008	9.50	10.50	20.00	9,296	20.8	1.8
Year ended December 31, 2009 (Forecast)	10.00	10.00	20.00	-	18.6	-

## 3. Projection for Fiscal 2009 (From January 1, 2009 to December 31, 2009)

	Net sales	% change	Operating income	% change	Ordinary income	% change
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2009 ending June 30, 2009	675,000	1.3	23,500	(23.5)	26,000	(23.8)
Fiscal 2009 ending December 31, 2009	1,490,000	1.9	92,000	(2.7)	93,500	(3.1)

  

	Net income	% change	Net income per share
	(Millions of yen)	(%)	(yen)
Fiscal 2009 ending June 30, 2009	17,500	(7.3)	37.65
Fiscal 2009 ending December 31, 2009	50,000	11.1	107.57

Notes:

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

2. Change in accounting policy during the term: No

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

(1) Issued stock:

Year ended December 31, 2008 483,585,862 shares      Year ended December 31, 2007 483,585,862 shares

(2) Treasury stock:

Year ended December 31, 2008 18,762,163 shares      Year ended December 31, 2007 11,124,073 shares

**ASAHI BREWERIES, LTD.**  
**Consolidated Balance Sheets** (As of December 31, 2008 and 2007)  
(Unaudited)

**ASSETS**

	(in million yen)				
	<u>At</u>		<u>At</u>		<u>Increase</u>
	<u>December 31, 2007</u>		<u>December 31, 2008</u>		<u>(Decrease)</u>
	Amount	Ratio(%)	Amount	Ratio(%)	Amount
<b>(Assets)</b>					
<b>. Current Assets:</b>					
Cash and time deposits	11,627		12,771		1,144
Notes and accounts receivable	278,238		265,048		(13,190)
Marketable securities	52		301		249
Inventories	90,436		97,039		6,603
Deferred income tax assets	6,930		9,009		2,078
Other current assets	30,502		34,218		3,715
Allowance for doubtful accounts	(6,576)		(6,044)		531
<b>Total current assets</b>	<b>411,211</b>	<b>31.1</b>	<b>412,344</b>	<b>31.7</b>	<b>1,132</b>
<b>. Fixed Assets:</b>					
<b>Property, plant and equipment:</b>					
Buildings and structures	205,995		196,061		(9,933)
Machinery and equipment	184,888		174,038		(10,850)
Tools, furniture and fixtures	47,626		45,398		(2,227)
Land	180,760		185,201		4,441
Construction in progress	3,447		6,090		2,642
<b>Total tangible fixed assets</b>	<b>622,718</b>	<b>47.0</b>	<b>606,791</b>	<b>46.7</b>	<b>(15,927)</b>
<b>Intangible fixed assets:</b>					
Consolidation goodwill	65,325		60,675		(4,650)
Others	15,696		15,696		(0)
<b>Total intangible fixed assets</b>	<b>81,022</b>	<b>6.1</b>	<b>76,371</b>	<b>5.88</b>	<b>(4,651)</b>
<b>Investments and other assets:</b>					
Investment securities	158,037		142,731		(15,306)
Long-term loans	5,759		6,034		274
Prepaid expenses	11,319		12,109		790
Deferred income tax assets	18,983		24,212		5,228
Others	22,492		25,109		2,616
Allowance for doubtful accounts	(7,154)		(6,645)		508
<b>Total investments and other assets</b>	<b>209,438</b>	<b>15.8</b>	<b>203,551</b>	<b>15.7</b>	<b>(5,886)</b>
<b>Total fixed assets</b>	<b>913,179</b>	<b>68.9</b>	<b>886,714</b>	<b>68.3</b>	<b>(26,465)</b>
<b>Total Assets</b>	<b>1,324,391</b>	<b>100.0</b>	<b>1,299,058</b>	<b>100.0</b>	<b>(25,333)</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

(in million yen)

	At		At		Increase
	December 31, 2007	Ratio(%)	December 31, 2008	Ratio(%)	(Decrease)
	Amount		Amount		Amount
<b>(Liabilities)</b>					
<b>. Current Liabilities:</b>					
Notes and accounts payable	100,720		99,674		(1,045)
Bank loans	103,908		76,828		(27,080)
Long-term debt due within one year	37,071		18,728		(18,343)
Bonds due within one year	10,000		20,000.00		10,000
Alcohol tax payable	134,358		128,379		(5,978)
Consumption tax payable	8,352		8,636		283
Income tax payable	14,003		22,653		8,649
Accounts payable-other	57,196		53,362		(3,834)
Accrued expenses	48,025		51,823		3,798
Deposits received	25,662		22,863		(2,798)
Commercial paper	52,000		7,000		(45,000)
Others	5,496		6,111		615
<b>Total current liabilities</b>	<b>596,796</b>	<b>45.1</b>	<b>516,061</b>	<b>39.7</b>	<b>(80,735)</b>
<b>. Long-term Liabilities:</b>					
Bonds	70,000		120,168		50,168
Long-term debt	59,477		59,535		57
Provision for Employees' severance and retirement benefits	23,819		23,515		(304)
Allowance for retirement benefits for directors and corporate auditors	449		633		184
Deferred income tax liabilities	5,018		6,112		1,093
Others	39,048		38,404		(643)
<b>Total long-term liabilities</b>	<b>197,813</b>	<b>14.9</b>	<b>248,369</b>	<b>19.1</b>	<b>50,556</b>
<b>Total liabilities</b>	<b>794,609</b>	<b>60.0</b>	<b>764,430</b>	<b>58.8</b>	<b>(30,178)</b>
<b>(Net assets)</b>					
<b>. Shareholders' equity:</b>					
Common stock	182,531	13.8	182,531	14.1	-
Capital surplus	151,259	11.4	151,147	11.6	(112)
Retained earnings	178,079	13.4	214,189	16.5	36,109
Treasury stock, at cost	(14,674)	(1.1)	(29,579)	(2.2)	(14,904)
<b>Total shareholders' equity</b>	<b>497,195</b>	<b>37.5</b>	<b>518,288</b>	<b>40.0</b>	<b>21,092</b>
<b>. Accumulated gains (losses) from revaluation and translation adjustments:</b>					
Unrealized gains on available-for-sale securities, net of taxes	13,037	0.98	1,111	0.1	(11,925)
Revaluation surplus	-	0	1,751	0.1	1,751
Unrealized losses on hedging derivatives, net of taxes	(43)	(0.0)	(3)	0.0	40
Foreign currency translation adjustments	4,477	0.4	446	0.0	(4,031)
<b>Total accumulated gains (losses) from revaluation and translation adjustments</b>	<b>17,471</b>	<b>1.4</b>	<b>3,305</b>	<b>0.2</b>	<b>(14,165)</b>
<b>. Minority interests</b>	<b>15,115</b>	<b>1.14</b>	<b>13,033</b>	<b>1.0</b>	<b>(2,081)</b>
<b>Total net assets</b>	<b>529,782</b>	<b>40</b>	<b>534,627</b>	<b>41.2</b>	<b>4,845</b>
<b>Total liabilities and net assets</b>	<b>1,324,391</b>	<b>100.0</b>	<b>1,299,058</b>	<b>100.0</b>	<b>(25,333)</b>

**ASAHI BREWERIES, LTD.**  
**Consolidated Income Statements** (From January 1, 2008 to December 31, 2008)  
(Unaudited)

	(in million yen)				
	December 31 2007		December 31 2008		Increase (Decrease)
	Amount	Ratio(%)	Amount	Ratio(%)	Amount
<b>. Net sales</b>	1,464,071	100.0	1,462,747	100.0	(1,324)
<b>. Cost of sales</b>	961,181	65.7	953,486	65.2	(7,695)
<b>Gross profit</b>	502,890	34.3	509,261	34.8	6,371
<b>. Selling, general and administrative expenses</b>					
Sales promotion premium and commission	156,872		152,317		
Advertising expense	51,210		47,480		
Transportation cost	37,016		36,167		
Allowance for doubtful accounts	260		250		
Employee salary and bonus	60,106		61,256		
Retirement benefits cost	2,659		3,391		
Depreciation expense	7,937		8,340		
Amortization of consolidation goodwill	2,486		3,994		
Other	97,385		101,543		
Total	415,934	28.4	414,741	28.3	(1,193)
<b>Operating income</b>	86,955	5.9	94,520	6.5	7,564
<b>. Non-operating income:</b>					
Interest income	678		312		
Dividend income	1,369		1,485		
Equity in net income of unconsolidated subsidiaries and affiliated companies	9,010		9,105		
Others	2,659		3,020		
Total	13,718	1.0	13,923	0.9	204
<b>. Non-operating expenses:</b>					
Interest expenses	5,020		5,193		
Foreign exchange loss, net	-		1,244		
Loss on sale and disposal of inventories	3,400		2,240		
Others	2,035		3,289		
Total	10,457	0.7	11,969	0.8	1,512
<b>Recurring profit</b>	90,217	6.2	96,474	6.6	6,257
<b>. Extraordinary gain:</b>					
Gain on sale of fixed assets	1,248		130		
Gain on sale of investment securities	102		69		
Gain on reverse of allowance for doubtful accounts	1,081		571		
Compensation for transfer	-		758		
Compensation for recall of goods	-		1,385		
Total	2,432	0.2	2,915	0.2	483
<b>. Extraordinary loss:</b>					
Loss on sales and disposal of fixed assets	6,689		4,343		
Retirement benefit for officers, directors and corporate auditors	137		50		
Loss on sale of investment securities	804		37		
Loss on devaluation of investment securities	343		3,598		
Impairment loss on fixed assets	1,387		2,196		
Expenses for business restructuring	-		1,064		
Loss on recall of goods	-		3,113		
Prior period adjustment of sales promotion expense	-		1,407		
Loss for adjustment to estimated consumption of gift coupon	1,545		-		
Others	-		639		
Total	10,908	0.8	16,452	1.1	5,543
<b>Income before income taxes</b>	81,741	5.6	82,938	5.7	1,196
<b>Income tax, Inhabitants tax &amp; enterprise tax</b>	31,227		39,574		
<b>Adjustment to income taxes</b>	5,543		1,548		
Total	36,770	2.5	41,122	2.8	4,351
<b>Minority interests in net gain of consolidated subsidiaries</b>	173	0.0	(3,198)	(0.2)	(3,371)
<b>Net income</b>	44,797	3.1	45,014	3.1	216

**ASAHI BREWERIES, LTD.**  
**Consolidated Statements of Cash Flows (6 months ended June 30, 2008 and 2007)**  
(Unaudited)

(in million yen)

	December 31 2007	December 31 2008	Increase (Decrease)
<b>. Cash flow from operating activities:</b>			
Net Income before income taxes and minority interest	81,741	82,938	1,196
Depreciation	45,250	47,353	2,102
Impairment loss on fixed assets	1,387	2,196	809
Amortization of goodwill	2,486	3,994	1,507
Decrease in provision for employees' severance and retirement benefits	(3,908)	(3,271)	636
Decrease in allowance for doubtful accounts	(3,480)	(529)	2,951
Interest and dividend income	(2,048)	(1,797)	250
Interest expenses	5,020	5,193	173
Equity in net income of unconsolidated subsidiaries and affiliated companies	(9,010)	(9,105)	(94)
Gain on sale of investment securities-net	701	(32)	(733)
Loss on devaluation of investment securities	343	3,598	3,254
Gain on sale of fixed assets	(1,248)	(130)	1,117
Loss on sale and disposal of fixed assets	6,689	4,343	(2,345)
Loss for adjustment to estimated consumption of gift coupon	1,545	-	(1,545)
Increase (decrease) in notes and accounts receivable	(2,049)	15,576	17,625
Increase (decrease) in inventories	1,343	(6,956)	(8,299)
Decrease (Increase) in notes and accounts payable	(2,716)	(4,104)	(1,388)
Increase (decrease) in accrued alcohol tax payable	1,833	(5,970)	(7,804)
Increase (decrease) in accrued consumption taxes payable	(132)	422	554
Bonuses paid to directors and corporate auditors	(149)	(279)	(129)
Other	(8,784)	8,321	17,106
Subtotal	114,814	141,758	26,944
Interest and dividends received	6,478	2,066	(4,412)
Interest paid	(5,200)	(5,191)	8
Income taxes paid	(46,519)	(32,538)	13,981
<b>Net cash provided by operating activities</b>	<b>69,573</b>	<b>106,094</b>	<b>36,521</b>
<b>. Cash flows from investing activities:</b>			
Payments for time deposits	(715)	(651)	63
Proceeds from time deposits	34	1,295	1,260
Proceeds from sales of investment securities	5,120	4	(5,115)
Payments for purchases of property, plant and equipment	(35,434)	(36,192)	(758)
Proceeds from sale of property, plant and equipment	2,909	742	(2,166)
Payments for purchases of intangible assets	(5,969)	(4,524)	1,445
Proceeds from sales of intangible assets	126	0	(125)
Payments for purchases of investment securities	(28,648)	(8,559)	20,089
Proceeds from sales of investment securities	333	1,167	833
Payments for purchase of securities of subsidiaries	(52,090)	(2,928)	49,162
Payments for purchases of investment in subsidiaries results in change in scope of consolidation	-	(5,420)	(5,420)
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
Payments for loans receivable	(3,209)	(3,233)	(23)
Proceeds from collections of loans receivable	2,923	3,584	661
Other	(2,357)	(5,500)	(3,143)
<b>Net cash used in investing activities</b>	<b>(117,828)</b>	<b>(58,235)</b>	<b>59,592</b>
<b>. Cash flows from financing activities:</b>			
Increase (decrease) in bank loans	66,104	(72,095)	(138,199)
Proceeds from long-term debt	18,209	24,148	5,938
Repayments of long-term debt	(24,772)	(34,376)	(9,603)
Proceeds from bonds and convertible debentures issued	25,000	70,175	45,175
Redemption of bonds	(40,000)	(10,000)	30,000.00
Payments for purchases of treasury stock	(230)	(15,348)	(15,118)
Cash dividends paid	(9,428)	(8,904)	523
Cash dividends paid to minority in consolidated subsidiaries	(435)	(97)	337
Contribution from minority in consolidated subsidiaries	321	-	(321)
Other	1,357	134	(1,223)
<b>Net cash used in financing activities</b>	<b>36,126</b>	<b>(46,365)</b>	<b>(82,491)</b>
<b>. Effect of exchange rate change on cash and cash equivalents</b>	<b>(182)</b>	<b>(536)</b>	<b>(354)</b>
<b>. Net increase in cash and cash equivalents</b>	<b>(12,311)</b>	<b>956</b>	<b>13,267</b>
<b>. Cash and cash equivalents at beginning of year</b>	<b>23,778</b>	<b>11,741</b>	<b>(12,036)</b>
<b>. Decrease in cash and cash equivalents due to increase in consolidated subsidiaries</b>	<b>274</b>	<b>-</b>	<b>(274)</b>
<b>. Cash and cash equivalents at end of period</b>	<b>11,741</b>	<b>12,697</b>	<b>956</b>

**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		755		2,502	3,257
Increase resulting from increase in consolidated subsidiaries			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

**ASAHI BREWERIES, LTD.**  
**Consolidated Statements of Changes in Net Assets (From January 1, 2008 to December 31, 2008)**

(in million yen)

	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
<b>Balance at December 31, 2007</b>	182,531	151,259	178,079	(14,674)	497,195
Changes of items during the period					
Cash Dividends paid			(8,904)		(8,904)
Net income			45,014		45,014
Purchases of treasury stock				(15,348)	(15,348)
Disposal of treasury stock		(112)		443	331
Net changes of items other than shareholders' equity					-
Total changes of items during the period	-	(112)	36,109	(14,904)	21,092
<b>Balance at December 31, 2008</b>	182,531	151,147	214,189	(29,579)	518,288

	Unrealized gains on available-for-sale securities, net of taxes	Revaluation surplus	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, 2007</b>	13,037	-	(43)	4,477	17,471	15,115	529,782
Changes of items during the period							
Cash Dividends paid					-		(8,904)
Net income					-		45,014
Purchases of treasury stock					-		(15,348)
Disposal of treasury stock					-		331
Net changes of items other than shareholders' equity	(11,925)	1,751	40	(4,031)	(14,165)	(2,081)	(16,246)
Total changes of items during the period	(11,925)	1,751	40	(4,031)	(14,165)	(2,081)	4,845
<b>Balance at December 31, 2008</b>	1,111	1,751	(3)	446	3,305	13,033	534,627



**(Segment information)****(1) Industrial segment information****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/loss	79,284	4,593	1,343	1,724	86,946	9	86,955
.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

**Fiscal 2008 (January 1, 2008 to December 31, 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	995,703	316,737	79,202	71,104	1,462,747	-	1,462,747
2) Inter-segment sales	21,483	3,411	1,460	53,725	80,081	(80,081)	-
Total	1,017,187	320,148	80,662	124,829	1,542,828	(80,081)	1,462,747
Operating expenses	926,424	319,533	78,718	123,823	1,448,500	(80,273)	1,368,227
Operating income	90,762	615	1,944	1,006	94,328	191	94,520
.Assets, depreciation and capital expenditures							
Assets	780,078	227,887	91,350	76,406	1,175,722	123,336	1,299,058
Depreciation	35,586	7,569	2,301	1,894	47,350	2	47,353
Impairment loss on fixed assets	-	2,176	-	20	2,196	-	2,196
Capital expenditures	16,841	16,379	2,126	786	36,134	-	36,134

## (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.
- All company assets included under Corporate and Eliminations are as stated below.  
Major items of that are financial asset of group financing of parent company and subsidiaries and other assets.  
Previous fiscal year 145,175 million yen  
This fiscal year 138,625 million yen
- With respect of tangible fixed assets acquired on or before March 31, 2007, from the fiscal year following the fiscal year in which the remaining value of the assets reaches the depreciation limit stipulated in the Corporate Tax Law, the remaining value is depreciated evenly over a period of five years.  
As a result, operating income decreased by 1,901 million yen for Alcoholic Business, 28 million yen for Soft Drink Business, 48 million yen for Food and Healthcare, and 0 yen for other business.

**1. Non-Consolidated Financial Results for Fiscal 2008**  
**(From January 1, 2008 to December 31, 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 ended December 31, 2008	1,019,613	(1.1)	91,050	13.9	88,562	14.5
Fiscal 2007 ended December 31, 2007	1,030,736	(0.0)	79,933	1.7	77,372	1.4

	Net income	% change	Net income per share (Primary)	Net income per share (Diluted)
	(Millions of yen)	(%)	(yen)	(yen)
Fiscal 2008 ended December 31, 2008	38,994	(3.8)	83.43	83.29
Fiscal 2007 ended December 31, 2007	40,513	4.1	85.84	85.66

**(2) Financial Condition**

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(yen)
Fiscal 2008 ended December 31, 2008	1,049,190	485,538	46.3	1,044.56
Fiscal 2007 ended December 31, 2007	1,070,506	482,026	45.0	1,020.24

Notes: Equity at the end of FY2008: 485,538 million yen      Equity at the end of FY2007: 482,026 million yen

**2. Projection for Fiscal 2009**

**(From January 1, 2009 to December 31, 2009)**

	Net sales	% change	Operating income	% change	Ordinary income	% change
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2008 ending June 30, 2009	456,300	0.3	23,100	(24.8)	22,200	(26.3)
Fiscal 2008 ending December 31, 2009	1,027,000	0.7	83,000	(8.8)	81,000	(8.5)

	Net income	% change	Net income per share
	(Millions of yen)	(%)	(yen)
Fiscal 2008 ending June 30, 2009	9,100	(39.7)	19.58
Fiscal 2008 ending December 31, 2009	40,000	2.6	86.05

**ASAHI BREWERIES, LTD.**

**Non-Consolidated Balance Sheets (As of December 31, 2008 and 2007)**

(Unaudited)

**ASSETS**

	(in million yen)				
	At		At		Increase
	December 31, 2007		December 31, 2008		(Decrease)
	Amount	Ratio(%)	Amount	Ratio(%)	Amount
<b>(Assets)</b>					
<b>. Current Assets:</b>					
Cash and cash equivalents	2,525		5,403		2,877
Notes receivable	3,593		3,317		(275)
Accounts receivable	200,668		186,287		(14,380)
Finish goods	11,098		11,145		46
Work in process	9,583		9,363		(219)
Raw materials	10,890		13,790		2,900
Storage	4,494		5,345		850
Short term loans receivable	13,508		16,245		2,736
Prepaide expense	8,307		9,202		895
Accrued revenue	3,230		7,294		4,063
Deferred income taxes	4,136		5,976		1,839
Other current assets	874		601		(272)
Allowance for doubtful accounts	(4,649)		(4,359)		290
<b>Total current assets</b>	<b>268,262</b>	<b>25.1</b>	<b>269,614</b>	<b>25.7</b>	<b>1,352</b>
<b>. Fixed Assets:</b>					
<b>Property, plant and equipment:</b>					
Buildings and structures	140,077		135,064		(5,013)
Machinery and equipment	148,251		140,011		(8,240)
Tools, furniture and fixtures	44,244		42,771		(1,473)
Land	130,025		130,027		1
Construction in progress	2,969		1,671		(1,298)
Other tangible fixed assets	20,142		18,902		(1,240)
<b>Total tangible fixed assets</b>	<b>485,711</b>	<b>45.4</b>	<b>468,447</b>	<b>44.7</b>	<b>(17,263)</b>
<b>Intangible fixed assets</b>	<b>9,080</b>	<b>0.8</b>	<b>8,825</b>	<b>0.8</b>	<b>(254)</b>
<b>Investments and other assets:</b>					
Investment securities	100,778		85,336		(15,442)
Investment in subsidiaries and affiliated companies	170,802		174,834		4,032
Long-term loans receivables	11,385		10,422		(962)
Deferred tax asset	5,094		11,036		5,941
Other investments	27,164		28,405		1,240
Allowance for doubtful accounts	(7,773)		(7,732)		41
<b>Total investments and other assets</b>	<b>307,451</b>	<b>28.7</b>	<b>302,302</b>	<b>28.8</b>	<b>(5,149)</b>
<b>Total fixed assets</b>	<b>802,244</b>	<b>74.9</b>	<b>779,576</b>	<b>74.3</b>	<b>(22,667)</b>
<b>Total Assets</b>	<b>1,070,506</b>	<b>100.0</b>	<b>1,049,190</b>	<b>100.0</b>	<b>(21,315)</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

	(in million yen)				
	At		At		Increase
	December 31, 2007	Ratio(%)	December 31, 2008	Ratio(%)	(Decrease)
	Amount		Amount		Amount
<b>(Liabilities)</b>					
<b>. Current Liabilities:</b>					
Notes payable	105		-		(105)
Accounts payable	52,416		55,744		3,327
Short-term debt	106,000		56,625		(49,375)
Bonds due within one year	10,000		20,000		10,000
Accrued liabilities	17,472		9,363		(8,108)
Alcohol tax payable	125,041		120,219		(4,821)
Consumption tax payable	6,851		7,357		506
Income tax payable	11,126		19,844		8,718
Accrued expenses	36,654		42,024		5,369
Deposits received	34,932		26,559		(8,373)
Commercial paper	52,000		7,000		(45,000)
Allowance for bonus payable	1,726		1,355		(371)
Allowance for bonus payable to directors and corporate auditors	99		105		6
Other current liabilities	106		64		(42)
<b>Total current liabilities</b>	<b>454,534</b>	<b>42.5</b>	<b>366,265</b>	<b>34.9</b>	<b>(88,269)</b>
<b>. Long-term Liabilities:</b>					
Bonds	70,000		120,168		50,168
Long-term debt	26,625		40,000		13,375
Long-term deposits received	33,389		33,740		350
Provision for Employees' severance and retirement benefits	3,259		3,055		(203)
Long-term accrued liabilities	563		422		(141)
Other long-term liabilities	107		-		(107)
<b>Total long-term liabilities</b>	<b>133,945</b>	<b>12.5</b>	<b>197,386</b>	<b>18.8</b>	<b>63,441</b>
<b>Total liabilities</b>	<b>588,479</b>	<b>55.0</b>	<b>563,652</b>	<b>53.7</b>	<b>(24,827)</b>
<b>(Net assets)</b>					
<b>. Shareholders' equity:</b>					
<b>Common stock</b>	<b>182,531</b>	<b>17.1</b>	<b>182,531</b>	<b>17.4</b>	<b>-</b>
<b>Capital surplus:</b>					
Capital reserve	130,292		130,292		-
Other capital surplus	29,984		29,872		(112)
<b>Total</b>	<b>160,277</b>	<b>15</b>	<b>160,165</b>	<b>15.3</b>	<b>(112)</b>
<b>Retained earnings:</b>					
Reserve for advanced depreciation	1,289		1,130		(159)
Contingent reserve	95,000		125,000		30,000
Unappropriated retained earnings	44,486		44,735		248
<b>Total</b>	<b>140,775</b>	<b>13.1</b>	<b>170,865</b>	<b>16.2</b>	<b>30,089</b>
<b>Treasury stock</b>	<b>(14,674)</b>	<b>(1.4)</b>	<b>(29,579)</b>	<b>(2.8)</b>	<b>(14,904)</b>
<b>Total shareholders' equity</b>	<b>468,909</b>	<b>43.8</b>	<b>483,982</b>	<b>46.1</b>	<b>15,072</b>
<b>. Accumulated gains (losses) from revaluation and translation adjustments:</b>					
Unrealized gains on available-for-sale securities, net of taxes	13,180		1,555		(11,625)
Unrealized losses on hedging derivatives, net of taxes	(64)		-		64
<b>Total accumulated gains (losses) from revaluation and translation adjustments</b>	<b>13,116</b>	<b>1.2</b>	<b>1,555</b>	<b>0.2</b>	<b>(11,561)</b>
<b>Total net assets</b>	<b>482,026</b>	<b>45.0</b>	<b>485,538</b>	<b>46.3</b>	<b>3,511</b>
<b>Total liabilities and net assets</b>	<b>1,070,506</b>	<b>100.0</b>	<b>1,049,190</b>	<b>100.0</b>	<b>(21,315)</b>

**ASAHI BREWERIES, LTD.**

**Non-Consolidated Income Statements (From January 1, 2008 to December 31, 2008)**

(Unaudited)

	(in million yen)				
	December 31 2007		December 31 2008		Increase (Decrease)
	Amount	Ratio(%)	Amount	Ratio(%)	Amount
<b>. Net sales</b>	1,030,736	100.0	1,019,613	100.0	(11,122)
<b>. Cost of sales</b>	729,597	70.8	724,460	71.1	(5,137)
<b>Gross profit</b>	301,138	29.2	295,153	28.9	(5,985)
<b>. Selling, general and administrative</b>					
Sales promotion premium and commission	77,887		64,881		
Advertising expense	34,871		32,268		
Transportation cost	15,797		14,431		
Allowance for doubtful accounts	20,038		19,340		
Employee salary and bonus	7,441		7,655		
Retirement benefits cost	787		1,469		
Depreciation expense	5,927		6,442		
Corporation enterprise tax	937		996		
Other	57,516		56,615		
Total	221,204	21.4	204,102	20.0	(17,101)
<b>Operating income</b>	79,933	7.8	91,050	8.9	11,116
<b>. Non-operating income:</b>					
Interest income	441		447		
Dividend income	1,920		1,924		
Other	1,097		870		
Total	3,458	0.3	3,242	0.3	(215)
<b>. Non-operating expenses:</b>					
Interest expenses	2,905		2,997		
Loss on sale and disposal of inventories	1,056		786		
Other	2,059		1,946		
Total	6,020	0.6	5,731	0.5	(289)
<b>Recurring profit</b>	77,372	7.5	88,562	8.7	11,190
<b>. Extraordinary gain:</b>					
Gain on sale of fixed assets	50		3		
Gain on sale of investment securities	0		55		
Gain on reverse of allowance for doubtful accounts	999		413		
Compensation for transfer	-		758		
Compensation for recall of goods	-		1,385		
Gain on liquidation of subsidiary	1,441		-		
Gain on disposition of subsidiary's stock due to business su	29		-		
Total	2,520	0.2	2,615	0.3	94
<b>. Extraordinary loss:</b>					
Loss on sales and disposal of fixed assets	5,446		3,615		
Loss on sale of investment securities	0		1		
Loss on devaluation of investment securities	230		3,064		
Loss on sale of investment in affiliated companies	618		191		
Loss on devaluation of investment in affiliated companies	1,958		5,343		
Loss on devaluation of contribution to affiliated company	314		2,128		
Prior period adjustment of sales promotion expense	-		3,113		
Loss on recall of goods	-		1,407		
Loss for adjustment to estimated consumption of gift coupon	1,545		-		
Total	10,113	1.0	18,866	1.9	8,752
<b>Income before income taxes</b>	69,779	6.7	72,311	7.1	2,532
<b>Income tax, Inhabitants tax &amp; enterprise tax</b>	25,243		33,265		
<b>Adjustment to income taxes</b>	4,022		52		
Total	29,265	2.8	33,317	3.3	4,051
<b>Net income</b>	40,513	3.9	38,994	3.8	(1,519)

**Sales by Business Segment**  
**(January 1, 2008 to December 31, 2008)**

(Millions of yen)

	December 31 2007	December 31 2008	Increase (decrease) %
Beer	705,462	685,729	(2.8)
Happoshu (low-malt beer)	124,697	110,314	(11.5)
New genre (no-malt beer)	61,729	77,469	25.5
Sho-chu	54,878	52,710	(4.0)
Low-alcohol beverages	35,707	31,393	(12.1)
Whisky and other spirits	27,326	27,512	0.7
Wine	15,263	14,840	(2.8)
Other alcoholic beverages	3,234	3,235	0.0
Contracted manufacture	609	14,612	2298.9
Real estate	1,827	1,794	(1.8)
<b>Total</b>	<b>1,030,736</b>	<b>1,019,613</b>	<b>(1.1)</b>