

Asahi Breweries, Ltd.



FY2009 1Q 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 April 30, 2009.

**Summary Report of 1Q Financial Results
(Fiscal 2009)**

April 30, 2009

Asahi Breweries, Ltd.

Code number: 2502
Shares Listed: First Section of Tokyo and Osaka Stock Exchanges
Head Office: Tokyo
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US GAAP: Not applicable

1. Consolidated 1Q Financial Results for Fiscal 2009
(From January 1, 2009 to March 31, 2009)

(1) Operating Results

	Net sales	% change	Operating income	% change	Ordinary income	% change
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2009 1Q ended March 31, 2009	277,404	-	(4,940)	-	(2,937)	-
Fiscal 2008 1Q ended March 31, 2008	291,464	(0.3)	3,437	-	4,784	-

	Net income	% change	Net income per share (Primary)	Net income per share (Diluted)
	(Millions of yen)	(%)	(yen)	(yen)
Fiscal 2009 1Q ended March 31, 2009	(964)	-	(2.08)	-
Fiscal 2008 1Q ended March 31, 2008	2,596	-	5.49	5.5

(2) Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(yen)
Fiscal 2009 1Q ended March 31, 2009	1,247,656	526,234	41.2	1,105.72
Fiscal 2008 1Q ended December 31, 2008	1,299,058	534,627	40.2	1,122.13

Notes: Equity at the end of FY2009 1Q: 513,970 million yen Equity at the end of FY2008: 521,594 million yen

2. Dividends

	1Q dividend per share	Interim dividend per share	3Q dividend per share	Year-end dividend per share	Dividend per share for the year
	(yen)	(yen)	(yen)	(yen)	(yen)
Year ended December 31, 2008	-	9.50	-	10.50	20.00
Year ended December 31, 2009	-	-	-	-	-
Year ended December 31, 2009 (Forecast)	-	10.00	-	10.00	20.00

3. Projection for Fiscal 2009

(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 June30, 2009	675,000	1.3	23,500	(23.5)	26,000	(23.8)
Fiscal 2008 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 June30, 2009	17,500	(7.3)	37.65
Fiscal 2008 ending December 31, 2009	50,000	11.1	107.57

4. Other

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

(2) Adoption of simplified accounting methods or special accounting methods in preparation of quarterly financial statements

1. Simplified accounting methods

• Method of estimating general credit losses

The Company and its main consolidated subsidiaries adopt the method of estimating general credit losses using reasonable criteria such as the credit-loss ratio estimated in the consolidated financial statements of the previous fiscal year, as it was deemed that there has been no marked change from the credit-loss ratio estimated at the end of the previous fiscal year.

• Method of estimating depreciation expenses for fixed assets

When employing the fixed-percentage depreciation method, the Company and its main consolidated subsidiaries adopt a method of assigning to the period under review an estimated proportional amount of depreciation expenses for the fiscal year.

• Method of estimating deferred tax assets and liabilities

In assessing the recoverability of deferred tax assets, as the Company and its main consolidated subsidiaries have deemed that there has been no marked change in the operating environment, etc., since the end of the previous year, and that there has been no marked change with respect to the occurrence of temporary differences, etc., they employ the future earnings forecasts and tax planning assumptions of the financial statements for the previous fiscal year.

2. Special accounting methods for preparation of quarterly financial statements

Method of estimating tax expenses

The Company and its main consolidated subsidiaries estimate tax expenses for the fiscal year, including the three months under review, by making a reasonable estimation of the effective tax rate on net income before income taxes after the application of tax effect accounting, and apply this rate to net income before income taxes for the period under review. Corporate tax adjustments have been included in the income taxes.

(3) Changes in principles, procedures and methods of indication of accounting methods for formulation of quarterly financial statements:

1. Adoption of accounting standards for quarterly financial statements

From the current fiscal year, the Company has adopted the "Accounting Standard for Quarterly Financial Reporting" (Accounting Standards Board of Japan (ASBJ) Statement No. 12) and the "Implementation Guidance for Accounting Standard for Quarterly Financial Statements" (ASBJ Guidance No. 14). Furthermore, the Company prepares its quarterly consolidated financial statements in accordance with the "Rules for Quarterly Financial Statements."

2. Changes in valuation standards and methods for important assets

The Company has adopted the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9 of July 5, 2006) from the first quarter of the current fiscal year, and accordingly such inventories are now mainly stated using the acquisition cost method, cost being determined by the average method (in cases where the profitability has declined, the book value is reduced accordingly). As a result, operating income for the three months ended March 31, 2009 decreased ¥137 million in Alcoholic beverage, ¥233 million in Soft drink, ¥69 million in Food and pharmaceuticals, and ¥0 million in other. The impact on segment information is stated in the applicable sections.

3. Adoption of "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"

From the first quarter of the current fiscal year, the Company has adopted the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force (PITF) No. 18 of May 17, 2006), and made the necessary revisions to its financial statements. As a result, the effect to operating income for the three months under review is minor. There are no impact on segments.

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

(1) Issued stock including treasury stock:

Three months ended December 31, 2009	483,585,862 shares	Year ended December 31, 2008	483,585,862 shares
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(2) Treasury stock:

Three months ended December 31, 2009	18,755,811 shares	Year ended December 31, 2008	18,76,163 shares
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(3) Average of issued Stock:

Three months ended March 31, 2009	464,833,192 shares	Year ended March 31, 2008	472,534,091 shares
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ASAHI BREWERIES, LTD.
Consolidated Balance Sheets (As of March 31, 2009 and As of December 2008)
(Unaudited)

ASSETS

	(in million yen)	
	At	At
	March 31, 2009	December 31, 2008
	Amount	Amount
(Assets)		
. Current Assets:		
Cash and time deposits	19,319	12,771
Notes and accounts receivable	195,135	265,048
Investment securities	2,261	301
Finish goods	71,655	66,264
Raw materials and storages	31,863	30,774
Deferred income tax assets	9,078	9,009
Other current assets	38,614	34,218
Allowance for doubtful accounts	(5,420)	(6,044)
Total current assets	362,508	412,344
. Fixed Assets:		
Property, plant and equipment:		
Buildings and structures	415,610	413,983
accumulated depreciation	(221,166)	(217,921)
buildings and structures (in net)	194,444	196,061
Machinery and equipment	527,228	521,651
accumulated depreciation	(356,009)	(347,613)
machinery and equipment (in net)	171,218	174,038
Other	112,803	112,343
accumulated depreciation	(67,568)	(66,944)
other (in net)	45,235	45,398
Land	179,594	185,201
Construction in progress	6,009	6,090
Total tangible fixed assets	596,500	606,791
Intangible fixed assets:		
Consolidation goodwill	60,566	60,675
Others	16,268	15,696
Total intangible fixed assets	76,834	76,371
Investments and other assets:		
Investment securities	150,430	142,731
Deferred income tax assets	26,126	24,212
Other investments	41,915	43,253
Allowance for doubtful accounts	(6,659)	(6,645)
Total investments and other assets	211,812	203,551
Total fixed assets	885,148	886,714
Total Assets	1,247,656	1,299,058

LIABILITIES AND SHAREHOLDERS' EQUITY

(in million yen)

	At	At
	March 31, 2009	December 31, 2008
	Amount	Amount
(Liabilities)		
. Current Liabilities:		
Notes and accounts payable	78,637	99,674
Bank loans	100,504	95,556
Bonds due within one year	20,000	20,000
Alcohol tax payable	82,907	128,379
Deposits received	20,822	22,863
Commercial paper	62,000	7,000
Other current liabilities	112,646	142,587
Total current liabilities	477,520	516,061
. Long-term Liabilities:		
Bonds	120,165	120,168
Long-term debt	57,368	59,535
Provision for Employees' severance and retirement benefits	23,475	23,515
Allowance for retirement benefits for directors and corporate auditors	543	633
Deferred income tax liabilities	4,857	6,112
Other long-term liabilities	37,491	38,404
Total long-term liabilities	243,901	248,369
Total liabilities	721,421	764,430
(Net assets)		
. Shareholders' equity:		
Common stock	182,531	182,531
Capital surplus	151,140	151,147
Retained earnings	208,180	214,189
Treasury stock, at cost	(29,566)	(29,579)
Total shareholders' equity	512,285	518,288
. Accumulated gains (losses) from revaluation and translation adjustments:		
Unrealized gains on available-for-sale securities, net of taxes	(1,764)	1,111
	-	1,751
Unrealized losses on hedging derivatives, net of taxes	1,041	(3)
Foreign currency translation adjustments	2,407	446
Total accumulated gains (losses) from revaluation and translation adjustments	1,684	3,305
. Minority interests	12,264	13,033
Total net assets	526,234	534,627
Total liabilities and net assets	1,247,656	1,299,058

ASAHI BREWERIES, LTD.
Consolidated Income Statements (3 months ended March 31, 2009 and 2008)
(Unaudited)

	1Q ended March 31, 2009	1Q ended March 31, 2008
	Amount	Amount
		(in million yen)
		*For reference
. Net sales	277,404	291,464
. Cost of sales	184,373	191,914
Gross profit	93,031	99,550
. Selling, general and administrative expenses	97,972	96,112
Operating income	(4,940)	3,437
. Non-operating income:		
Interest income	53	68
Dividend income	38	34
Equity in net income of unconsolidated subsidiaries and affiliated companies	2,506	2,592
Other	1,381	768
Total	3,979	3,463
. Non-operating expenses:		
Interest expenses	1,035	1,381
Other	939	735
Total	1,975	2,116
Recurring profit	(2,937)	4,784
. Extraordinary gain:		
Gain on sale of fixed assets	12	101
Gain on sale of investment securities	-	1
Gain on sale of sale of investment in affiliated companies	94	-
Gain on reverse of allowance for doubtful accounts	1,024	104
Total	1,131	207
. Extraordinary loss:		
Loss on sale and disposal of fixed assets	146	342
Loss on sale of investment securities	-	-
Loss on devaluation of investment securities	168	44
Total	315	386
Income before income taxes	(2,120)	4,604
Income tax, Inhabitants tax & enterprise tax	(274)	2,606
Minority interests in net gain of consolidated subsidiaries	(881)	(597)
Net income	(964)	2,596

ASAHI BREWERIES, LTD.

Consolidated Statements of Cash Flows (3 months ended March 31, 2009 and 2008)

(Unaudited)

(in million yen)

*For reference

	1Q ended March 31, 2009	1Q ended March 31, 2008
. Cash flow from operating activities:		
1Q Net Loss(Income) before income taxes and minority interest	(2,120)	4,604
Depreciation	13,490	11,754
Amortization of goodwill	935	1,004
Increase(decrease) in provision for employees' severance and retirement benefits	83	(670)
Decrease in allowance for doubtful accounts	(678)	(91)
Interest and dividend income	(91)	(102)
Interest expenses	1,035	1,381
Equity in net income of unconsolidated subsidiaries and affiliated companies	(2,506)	(2,592)
Loss on devaluation of investment securities	168	-
Loss on sale of fixed assets	134	240
Decrease in notes and accounts receivable	69,983	87,726
Increase in inventories	(6,162)	(7,495)
Decrease in notes and accounts payable	(21,874)	(26,564)
Decrease in accrued alcohol tax payable	(45,476)	(43,120)
Other	(11,471)	(9,052)
Subtotal	(4,550)	17,022
Interest and dividends received	68	75
Interest paid	(554)	(818)
Income taxes paid	(22,632)	(14,371)
Net cash provided by operating activities	(27,669)	1,907
. Cash flows from investing activities:		
Payments for purchases of property, plant and equipment	(7,174)	(9,811)
Payments for purchases of intangible assets	(1,764)	(732)
Payments for purchases of investment securities	(7,922)	(3,616)
Proceeds from sale of securities of subsidiaries	141	2,154
Payments for loans receivable	(1,367)	(703)
Proceeds from collections of loans receivable	521	1,584
Other	(1,412)	1,220
Net cash used in investing activities	(18,977)	(12,345)
. Cash flows from financing activities:		
Increase in bank loans	57,323	18,163
Proceeds from long-term debt	2,648	2,589
Repayments of long-term debt	(2,807)	(220)
Payments for purchases of treasury stock	(13)	(14)
Cash dividends paid	(4,880)	(4,488)
Cash dividends paid to minority in consolidated subsidiaries	542	-
Other	881	746
Net cash used in financing activities	53,693	16,775
. Effect of exchange rate change on cash and cash equivalents	102	(316)
. Net increase in cash and cash equivalents	7,148	6,020
. Cash and cash equivalents at beginning of year	12,697	11,741
. Increase in cash and cash equivalents due to increase in consolidated subsidiaries	475	-
. Cash and cash equivalents at end of period	20,322	17,762

(Segment information)**(1) Industrial segment information****Fiscal 2009 (January 1, 2009 to March 31, 2009)**

(Millions of yen)

	Alcoholic beverages	Soft drinks	Food and pharmaceuticals	Other	Total	Elimination or corporate	Consolidated total
I. Net sales							
1) To outside customers	179,633	63,106	20,838	13,826	277,404	-	277,404
2) Inter-segment sales	3,695	274	492	11,238	15,701	(15,701)	-
Total	183,328	63,381	21,330	25,065	293,105	(15,701)	277,404
Operating expenses	184,972	65,972	21,678	25,485	298,109	(15,764)	282,345
Operating income/loss	(1,644)	(2,591)	(347)	(420)	(5,004)	63	(4,940)

(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.
- Changes in valuation standards and methods for important assets
The Company has adopted the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9 of July 5, 2006) from the first quarter of the current fiscal year, and accordingly such inventories are now mainly stated using the acquisition cost method, cost being determined by the average method (in cases where the profitability has declined, the book value is reduced accordingly). As a result, operating income for the three months ended March 31, 2009 decreased ¥137 million in Alcoholic beverage, ¥233 million in Soft drink, ¥69 million in Food and pharmaceuticals, and ¥0 million in other.
- Additional Information
In line with a revision of the Corporation Tax Law in fiscal 2008, from the first quarter of the current fiscal year, the Company and its main consolidated subsidiaries in Japan have changed their estimates for the useful lives of fixed assets.
As a result, operating income for the three months under review decreased ¥1,560 million in Alcoholic beverage, ¥4 million in Soft drink, increased ¥22 million in Food and pharmaceuticals and ¥0 in other.

*For reference

Fiscal 2008 (January 1, 2008 to March 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	192,344	65,685	15,605	17,828	291,464	-	291,464
2) Inter-segment sales	5,700	398	381	11,670	18,150	(18,150)	-
Total	198,045	66,084	15,986	29,498	309,614	(18,150)	291,464
Operating expenses	191,123	69,363	16,000	29,847	306,335	(18,308)	288,026
Operating income/loss	6,921	(3,279)	(13)	(349)	3,279	157	3,437

(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.