

# ASAHI BREWERIES, LTD.



## FY2010 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 materials 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 Exchanges in Japan on February 8, 2011. This translation was made for information only. The Company gives no warranty with respect to its correctness.

**Summary of Financial Results  
(Fiscal 2010)**

February 8, 2011

**ASAHI BREWERIES, LTD.**

Code Number: 2502  
Shares Listed: First Section of each of Tokyo Stock Exchanges and Osaka Securities Exchanges  
(URL: <http://www.asahibeer.co.jp>)  
Head Office: Tokyo, Japan  
Representative: Naoki Izumiya, President  
Contact: Tsuyoshi Morita, General Manager, Public Relations Department  
Tel: +81-3-5608-5126

US GAAP: Not applicable

## 1. Consolidated Financial Results for Fiscal 2010 (From January 1, 2010 to December 31, 2010)

### (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 2010 ended December 31, 2010	1,489,460	1.2	95,349	15.2	101,142	11.7
Fiscal 2009 ended December 31, 2009	1,472,468	0.7	82,777	(12.4)	90,546	(6.1)

	Net income	% change	Net income per share (Primary)	Net income per share (Diluted)
	(Millions of yen)	(%)	(yen)	(yen)
Fiscal 2010 ended December 31, 2010	53,080	11.4	114.10	114.00
Fiscal 2009 ended December 31, 2009	47,644	5.8	102.49	102.42

### (2) Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(yen)
Fiscal 2010 ended December 31, 2010	1,405,358	612,670	43.6	1,315.51
Fiscal 2009 ended December 31, 2009	1,433,652	577,702	40.0	1,233.25

Notes: Equity at the end of FY2010: 612,191 million yen      Equity at the end of FY2009: 573,473 million yen

### 2. Dividends

	Cash dividend per share				
	end of first	end of second	end of third	Year-end	Dividend per
	(yen)	(yen)	(yen)	(yen)	(yen)
Year ended December 31, 2009	-	10.00	-	11.00	21.00
Year ended December 31, 2010	-	10.50	-	12.50	23.00
Year ended December 31, 2011 (Forecast)	-	11.50	-	11.50	23.00

### 3. Projection for Fiscal 2011 (January 1, 2011 to December 31, 2011)

	Net sales	% change	Operating income	% change	Ordinary income	% change
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2011 ending June 30, 2011	682,000	2.2	29,500	19.5	32,500	16.6
Fiscal 2011 ending December 31, 2011	1,490,000	0.0	107,000	12.2	112,000	10.7

	Net income	% change	Net income per share
	(Millions of yen)	(%)	(yen)
Fiscal 2011 ending June 30, 2011	12,500	(19.6)	26.86
Fiscal 2011 ending December 31, 2011	57,000	7.4	122.48

#### 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 : Yes

Note: Changes simplified accounting methods or special accounting methods in preparation of quarterly financial statements.

(3) Changes in accounting policies, procedures and methods of indication of accounting methods

(1) Changes due to amendment of accounting standard: Yes

(2) Changes due to other reasons: None

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

(1) Issued stock including treasury stock:

Year ended December 31, 2010	483,585,862 shares	Year ended December 31, 2009	483,585,862	shares
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(2) Treasury stock:

Year ended December 31, 2010	18,220,056 shares	Year ended December 31, 2009	18,576,966	shares
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#### (Reference)

### 1. Non-consolidated Financial Results for Fiscal 2010 (From January 1, 2010 to December 31, 2010)

#### (1) Operating Results

	Net sales	% change	Operating income	% change
	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2010 ended December 31, 2010	963,270	(2.3)	84,741	7.9
Fiscal 2009 ended December 31, 2009	985,468	(3.3)	78,513	(13.8)

	Net income	% change	Net income per share (Primary)	Net income per share (Diluted)
	(Millions of yen)	(%)	(yen)	(yen)
Fiscal 2010 ended December 31, 2010	17,661	(41.2)	37.97	37.93
Fiscal 2009 ended December 31, 2009	30,036	(23.0)	64.61	64.57

#### (2) Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(yen)
Fiscal 2010 ended December 31, 2010	1,100,325	514,226	46.7	1,105.00
Fiscal 2009 ended December 31, 2009	1,155,860	507,569	43.9	1,091.53

Notes: Equity at the end of FY2010: 514,226 million yen      Equity at the end of FY2009: 507,569 million yen

### 2. Projection for Fiscal 2011 (January 1, 2011 to December 31, 2011)

	Net sales	% change	Operating income	% change
	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2011 ending June 30, 2011	430,000	2.2	27,000	15.8
Fiscal 2011 ending December 31, 2011	-	-	-	-

#### Cautionary Statement with Respect to Forward-Looking Statements

This report contains forward-looking statements that reflect Asahi's forecasts for consolidated and unconsolidated results.

These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause Asahi's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

## 5. Consolidated Financial Statements (Unaudited)

### (1) Consolidated Balance Sheets (As of December 31, 2010 and December 31, 2009)

(in million yen)

	As of December 31, 2009	As of December 31, 2010
<b>(Assets)</b>		
<b>Current Assets:</b>		
Cash and deposits	19,583	11,534
Notes and accounts receivable-trade	274,558	274,379
Merchandise and finished goods	64,499	64,178
Raw materials and supplies	32,943	31,180
Deferred tax assets	11,175	14,622
Other	32,952	30,842
Allowance for doubtful accounts	(7,665)	(5,685)
<b>Total Current assets</b>	<b>428,047</b>	<b>421,052</b>
<b>Noncurrent assets:</b>		
Property, plant and equipment		
Buildings and structures	416,590	398,687
Accumulated depreciation	(227,437)	(224,957)
Buildings and structures, net	189,152	173,729
Machinery, equipment and vehicles	531,835	489,228
Accumulated depreciation	(370,910)	(357,706)
Machinery, equipment and vehicles, net	160,924	131,522
Tools, furniture and fixtures	126,036	122,436
Accumulated depreciation	(77,107)	(74,887)
Tools, furniture and fixtures, net	48,929	47,548
Land	184,433	182,569
Lease assets	10,351	19,161
Accumulated depreciation	(1,208)	(4,240)
Lease assets, net	9,142	14,920
Construction in progress	6,382	6,714
Other	221	191
Accumulated depreciation	(78)	(96)
Other, net	142	95
<b>Total property, plant and equipment</b>	<b>599,108</b>	<b>557,100</b>
<b>Intangible assets</b>		
Goodwill	100,314	84,172
Other	40,427	37,640
<b>Total intangible assets</b>	<b>140,741</b>	<b>121,812</b>
<b>Investments and other assets</b>		
Investment securities	206,364	235,685
Long-term loans receivable	4,975	6,602
Long-term prepaid expenses	10,730	8,611
Deferred tax assets	21,021	30,450
Other	26,995	29,942
Allowance for doubtful accounts	(4,332)	(5,900)
<b>Total investments and other assets</b>	<b>265,755</b>	<b>305,392</b>
<b>Total noncurrent assets</b>	<b>1,005,605</b>	<b>984,305</b>
<b>Total assets</b>	<b>1,433,652</b>	<b>1,405,358</b>

(Continued)

(in million yen)

	As of December 31, 2009	As of December 31, 2010
<b>(Liabilities)</b>		
Current liabilities		
Notes and accounts payable-trade	100,998	102,948
Short-term loans payable	115,818	60,105
Current portion of long-term loans payable	25,402	9,154
Current portion of bonds	15,000	15,000
Lease obligations	2,031	4,011
Accrued alcohol tax	123,470	119,338
Accrued consumption taxes	8,914	8,583
Income taxes payable	24,096	32,493
Accounts payable-other	49,836	52,560
Accrued expenses	52,462	56,460
Deposits received	20,429	19,609
Commercial papers	30,000	14,000
Provision for bonuses	2,559	2,817
Other	2,761	2,789
Total current liabilities	573,780	499,874
Noncurrent liabilities		
Bonds payable	130,156	135,144
Long-term loans payable	75,499	78,019
Lease obligations	7,341	12,163
Provision for retirement benefits	24,252	24,738
Provision for directors' retirement benefits	602	597
Deferred tax liabilities	4,860	4,831
Other	39,457	37,318
Total noncurrent liabilities	282,169	292,813
Total liabilities	855,949	792,688
<b>(Net assets)</b>		
Shareholders' equity		
Capital stock	182,531	182,531
Capital surplus	151,048	150,910
Retained earnings	252,146	295,228
Treasury stock	(29,283)	28,721
Total shareholders' equity	556,443	599,948
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,444	198
Deferred gains or losses on hedges	(6)	693
Foreign currency translation adjustment	14,591	11,351
Total valuation and translation adjustments	17,029	12,243
Minority interests	4,229	478
Net assets	577,702	612,670
Total liabilities and net assets	1,433,652	1,405,358

## (2) Consolidated Income Statements (From January 1, 2010 to December 31, 2010)

	(in million yen)	
	December 31 2009 Amount	December 31 2010 Amount
Net sales	1,472,468	1,489,460
Cost of sales	958,444	943,323
Gross profit	514,024	546,137
Selling, general and administrative expenses		
Sales commission	154,329	170,488
Advertising expenses	50,313	49,529
Haulage expenses	37,022	38,915
Provision of allowance for doubtful accounts	336	438
Salaries, allowances and bonuses	65,565	67,543
Retirement benefit expenses	6,535	6,016
Depreciation	11,885	13,921
Amortization of goodwill	5,075	5,697
Other	100,182	98,236
Total selling, general and administrative expenses	431,247	450,787
Operating income	82,777	95,349
Non-operating income		
Interest income	328	314
Dividends income	2,426	1,389
Equity in net income of unconsolidated subsidiaries	1,814	-
Equity in earnings of affiliates	8,512	9,846
Other	2,860	1,627
Total non-operating income	15,943	13,178
Non-operating expenses		
Interest expenses	4,628	4,328
Other	3,544	3,056
Total non-operating expenses	8,173	7,384
Ordinary income	90,546	101,142
Extraordinary income		
Gain on sales of noncurrent assets	778	653
Gain on sales of investment securities	388	1,738
Gain on sales of subsidiaries and affiliates' stocks	16,090	32,336
Reversal of allowance for doubtful accounts	478	179
Compensation for recall of goods	910	-
Gain on change in equity	912	726
Other	-	432
Total extraordinary income	19,558	36,067
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	9,954	5,991
Loss on sales of investment securities	487	1,068
Loss on valuation of investment securities	788	1,004
Impairment loss	8,317	13,573
Loss on factory restructurings	-	19,780
Loss on liquidation of subsidiaries and affiliates	-	1,265
Loss on contribution of securities to retirement benefit tr	1,401	-
Other	1,077	2,061
Total extraordinary loss	22,027	44,744
Income before income taxes and minority interests	88,077	92,464
Income taxes-current	42,369	53,547
Income taxes-deferred	(898)	(12,625)
Income taxes	41,470	40,921
Minority interests in income	(1,037)	(1,536)
Net income	47,644	53,080

**(3) Consolidated Statements of Cash Flows (From January 1 to June 30, 2010 and 2009)**

(in million yen)

	Six months ended June 30, 2009 (From January 1 to June 30)	Six months ended June 30, 2010 (From January 1 to June 30)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	88,077	92,464
Depreciation and amortization	58,372	59,709
Impairment loss	8,317	13,573
Amortization of goodwill	5,287	5,931
Increase (decrease) in provision for retirement benefits	765	2,141
Increase (decrease) in allowance for doubtful accounts	(753)	(233)
Interest and dividends income	(2,755)	(1,704)
Interest expenses	4,628	4,328
Equity in (earnings) losses of affiliates	(8,512)	(9,846)
Loss (gain) on sales of investment securities	98	(670)
Loss (gain) on valuation of investment securities	788	1,004
Loss (gain) on sales of stocks of subsidiaries and affiliates	(16,090)	(32,336)
Loss (gain) on sales of noncurrent assets	(778)	(653)
Loss (gain) on sales and retirement of noncurrent assets	9,954	5,991
Loss on factory restructurings	-	19,780
Decrease (increase) in notes and accounts receivable-trade	(891)	(255)
Decrease (increase) in inventories	5,042	1,716
Increase (decrease) in notes and accounts payable-trade	(2,820)	2,255
Increase (decrease) in accrued alcohol tax payable	(4,909)	(4,128)
Increase (decrease) in accrued consumption taxes	267	(351)
Bonuses paid to directors and corporate auditors	(349)	(355)
Other, net	2,488	6,873
Subtotal	146,229	165,234
Interest and dividends income received	7,162	6,964
Interest expenses paid	(4,605)	(4,090)
Income taxes paid	(42,428)	(42,499)
Net cash provided by (used in) operating activities	106,358	125,608
Net cash provided by (used in) investing activities		
Payments into time deposits	(3,364)	(844)
Proceeds from withdrawal of time deposits	2,242	1,527
Purchase of property, plant and equipment	(35,120)	(25,367)
Proceeds from sales of property, plant and equipment	1,202	2,502
Purchase of intangible assets	(23,417)	(4,778)
Proceeds from sales of intangible assets	9	84
Purchase of investment securities	(82,837)	(50,264)
Proceeds from sales of investment securities	39,329	46,488
Purchase of investments in subsidiaries	(15,362)	(2,920)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(60,043)	-
Payments for sales of investments in subsidiaries resulting in change in scope of con	(18)	-
Payments for transfer of business	-	(5,339)
Payments of loans receivable	(3,374)	(2,074)
Collection of loans receivable	2,629	2,134
Other, net	(2,511)	(2,939)
Net cash provided by (used in) investing activities	(180,637)	(41,790)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	61,616	(71,330)
Repayments of lease obligations	(1,124)	(3,081)
Proceeds from long-term loans payable	42,000	10,716
Repayment of long-term loans payable	19,740	(22,798)
Proceeds from issuance of bonds	25,000	20,000
Redemption of bonds	(20,000)	(15,000)
Purchase of treasury stock	(31)	(22)
Cash dividends paid	(9,529)	(9,999)
Cash dividends paid to minority shareholders	(60)	-
Proceeds from stock issuance to minority shareholders	716	-
Other, net	(301)	688
Net cash provided by (used in) financing activities	78,545	(90,828)
Effect of exchange rate change on cash and cash equivalents	643	(261)
Net increase (decrease) in cash and cash equivalents	4,908	(7,271)
Cash and cash equivalents	12,697	18,082
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	475	-
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	2
Cash and cash equivalents	18,082	10,813

**ASAHI BREWERIES, LTD.**  
**Consolidated Statement of Changes in Net Asset (Year ended December 31 2009 and 2010)**  
**(Unaudited)**

	(in million yen)	
	Year ended December 31, 2009	Year ended December 31, 2010
Shareholders' equity		
Capital stock		
Balance at the end of previous period	182,531	182,531
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of the year	182,531	182,531
Capital surplus		
Balance at the end of previous period	151,147	151,048
Changes of items during the period		
Disposal of treasury stock	(99)	(138)
Total changes of items during the period	(99)	(138)
Balance at the end of current period	151,048	150,910
Retained earnings		
Balance at the end of previous period	214,189	252,146
Changes of items during the period		
Dividends from surplus	(9,529)	(9,999)
Net income	47,644	53,080
Change of scope of consolidation	(394)	-
Change of scope of equity method	(15)	14
Change from merger with unconsolidated subsidiaries	-	(12)
Effect of changes in accounting policies applied to foreign subsidiaries	251	-
Total changes of items during the period	37,957	43,081
Balance at the end of current period	252,146	295,228
Treasury stock		
Balance at the end of previous period	(29,579)	(29,283)
Changes of items during the period		
Purchase of treasury stock	(31)	(22)
Disposal of treasury stock	327	584
Total changes of items during the period	296	561
Balance at the end of current period	(29,283)	(28,721)
Total shareholders' equity		
Balance at the end of previous period	518,288	556,443
Changes of items during the period		
Dividends from surplus	(9,529)	(9,999)
Net income	47,644	53,080
Purchase of treasury stock	(31)	(22)
Disposal of treasury stock	228	446
Change of scope of consolidation	(394)	-
Change of scope of equity method	(15)	14
Change from merger with unconsolidated subsidiaries	-	(12)
Effect of changes in accounting policies applied to foreign subsidiaries	251	-
Total changes of items during the period	38,154	43,505
Balance at the end of current period	556,443	599,948



(Continued)

	(in million yen)	
	Year ended December 31, 2009	Year ended December 31, 2010
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	1,111	2,444
Changes of items during the period		
Net changes of items other than shareholders' equity	1,333	(2,246)
Total changes of items during the period	1,333	(2,246)
Balance at the end of current period	2,444	198
Revaluation surplus		
Balance at the end of previous period	1,751	-
Changes of items during the period		
Net changes of items other than shareholder's equity	(1,751)	-
Total changes of items during the period	(1,751)	-
Balance at the end of current period	-	-
Deferred gains or losses on hedges		
Balance at the end of previous period	(3)	(6)
Changes of items during the period		
Net changes of items other than shareholders' equity	(3)	700
Total changes of items during the period	(3)	700
Balance at the end of current period	(6)	693
Foreign currency translation adjustment		
Balance at the end of previous period	446	14,591
Changes of items during the period		
Net changes of items other than shareholders' equity	14,145	(3,240)
Total changes of items during the period	14,145	(3,240)
Balance at the end of current period	14,591	11,351
Total valuation and translation adjustments		
Balance at the end of previous period	3,305	17,029
Changes of items during the period		
Net changes of items other than shareholders' equity	13,723	(4,786)
Total changes of items during the period	13,723	(4,786)
Balance at the end of current period	17,029	12,243
Minority interests		
Balance at the end of previous period	13,033	4,229
Changes of items during the period		
Net changes of items other than shareholders' equity	(8,803)	(3,751)
Total changes of items during the period	(8,803)	(3,751)
Balance at the end of current period	4,229	478
Total net assets		
Balance at the end of previous period	534,627	577,702
Changes of items during the period		
Dividends from surplus	(9,529)	(9,999)
Net income	47,644	53,080
Purchase of treasury stock	(31)	(22)
Disposal of treasury stock	228	446
Change of scope of consolidation	(394)	-
Change of scope of equity method	(15)	14
Change from merger with unconsolidated subsidiaries	-	(12)
Effect of changes in accounting policies applied to foreign subsidiaries	251	-
Net changes of items other than shareholders' equity	4,919	(8,537)
Total changes of items during the period	43,074	34,967
Balance at the end of current period	577,702	612,670

**(Segment information)****(1) Industrial segment information****Fiscal 2009 (January 1, 2009 to December 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	958,155	355,162	92,399	66,751	1,472,468	-	1,472,468
2) Inter-segment sales	20,968	2,571	1,744	52,329	77,614	(77,614)	-
Total	979,124	357,734	94,144	119,080	1,550,083	(77,614)	1,472,468
Operating expenses	900,245	357,039	91,399	118,190	1,466,875	(77,183)	1,389,691
Operating income/loss	78,879	694	2,744	889	83,208	(430)	82,777
.Assets, depreciation and capital expenditures							
Assets	737,832	334,849	90,096	79,286	1,242,064	191,587	1,433,652
Depreciation	40,672	13,165	2,500	2,032	58,370	2	58,372
Impairment loss on fixed assets	4,110	760	-	3,445	8,317	-	8,317
Capital expenditures	15,924	40,800	4,340	1,310	62,376	-	62,376

**Fiscal 2010 (January 1, 2010 to December 31, 2010)**

(Millions of yen)

	Alcoholic beverages	Soft drinks	Food	Other	Total	Elimination or corporate	Consolidated total
I. Net sales							
1) To outside customers	935,850	391,565	95,440	66,604	1,489,460	-	1,489,460
2) Inter-segment sales	17,284	2,377	1,787	53,552	75,001	(75,001)	-
Total	953,134	393,942	97,227	120,156	1,564,461	(75,001)	1,489,460
Operating expenses	868,568	389,020	93,594	118,651	1,469,834	(75,723)	1,394,111
Operating income	84,566	4,922	3,632	1,505	94,627	722	95,349
.Assets, depreciation and capital expenditures							
Assets	680,117	335,324	83,120	73,091	1,171,654	233,704	1,405,358
Depreciation	38,635	16,460	2,581	2,029	59,707	1	59,709
Impairment loss on fixed assets	-	931	11,046	1,595	13,573	-	13,573
Capital expenditures	10,536	18,625	6,502	1,072	36,737	0	36,737

## (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 ----- 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 208,954 million yen  
This fiscal year 250,527 million yen
- Change in Accounting policy
  - The Company has adopted the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ PITF No. 18 of May 17, 2006) and made the necessary adjustments to its consolidated financial statements.  
The effect of this change was to decrease operating income by ¥1,377 million.
  - The Company has adopted the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9 of July 5, 2006) .  
The effect of this change was to decrease operating income by ¥655 million in alcoholic business, ¥729 million in soft drinks business, ¥169 million in food and pharmaceuticals, and ¥2 million in other business.
- 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.  
The effect of this change was to decrease operating income ¥5,960 million in alcoholic business and ¥23 million in soft drinks business, and increase ¥99 million in food and pharmaceuticals and ¥0 million in other business.
- Food and pharmaceuticals business renamed the "Foods business" from first quarter of fiscal year 2010.  
This change is only the change of segment name, and there is no change in the method of segment classification.

**(Segment information)****(2) Geographical segment information****Fiscal 2009 (January 1, 2009 to December 31, 2009)**

Sales outside Japan and sales to foreign customers are less than 10% of the Company's consolidated net sales for previous year. Therefore, geographical segment information and the overseas sales information are not disclosed.

**Fiscal 2010 (January 1, 2010 to December 31, 2010)**

(Millions of yen)

	Japan	Other regions	Total	Elimination or corporate	Consolidated total
I. Net sales					
1) To outside customers	1,391,871	97,589	1,489,460	-	1,489,460
2) Inter-segment sales	226	8	235	(235)	-
Total	1,392,097	97,598	1,489,695	(235)	1,489,460
Operating expenses	1,292,753	101,594	1,394,348	(237)	1,394,111
Operating income (loss)	99,343	(3,996)	95,347	1	95,349
. Assets	1,029,117	127,135	1,156,252	249,106	1,405,358

**(Notes)**

- Countries and areas are categorized in accordance with their geographic nearness. However, any net sales and net asset in any country or area other than Japan account for less than 10% of the total net sales and net asset of all the segments. Hence, all the countries and areas other than Japan are indicated collectively as the "other areas".
- The other areas principally consist of Australia and China.
- 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.  
This fiscal year      250,527 million yen

**ASAHI BREWERIES, LTD.**  
**Non-Consolidated Balance Sheets** (As of December 31, 2010 and 2009)  
(Unaudited)

(in million yen)

	As of December 31, 2009	As of December 31, 2010
<b>(Assets)</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	4,749	3,696
Notes receivable-trade	3,160	3,040
Accounts receivable-trade	185,724	180,353
Merchandise and finished goods	16,061	16,998
Raw materials and supplies	20,296	18,734
Prepaid expenses	9,791	10,096
Deferred tax assets	7,439	6,964
Short-term loans receivable	2,535	742
Short-term loans receivable from employees	1	0
Short-term loans receivable from subsidiaries and affiliates	13,556	20,901
Accounts receivable-other	6,310	7,247
Other	324	1,426
Allowance for doubtful accounts	(5,894)	(4,634)
<b>Total current assets</b>	<b>264,058</b>	<b>265,569</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings	271,394	253,956
Accumulated depreciation	(144,062)	(141,404)
Buildings, net	127,332	112,552
<b>Structures</b>	44,415	40,221
Accumulated depreciation	(27,286)	(25,604)
Structures, net	17,128	14,616
Machinery and equipment	401,600	357,125
Accumulated depreciation	(283,741)	(265,156)
Machinery and equipment, net	117,859	91,969
Vehicles	368	337
Accumulated depreciation	(345)	(324)
Vehicles, net	23	13
Tools, furniture and fixtures	96,147	92,464
Accumulated depreciation	(54,834)	(52,394)
Tools, furniture and fixtures, net	41,312	40,069
Land	127,692	126,074
Lease assets	621	849
Accumulated depreciation	(133)	(311)
Lease assets, net	487	538
Construction in progress	3,041	1,363
<b>Total property, plant and equipment</b>	<b>434,878</b>	<b>387,198</b>

**ASAHI BREWERIES, LTD.**  
**Non-Consolidated Balance Sheets** (As of December 31, 2010 and 2009)  
(Unaudited)

(in million yen)

	As of December 31, 2009	As of December 31, 2010
<b>(Assets)</b>		
Intangible assets		
Leasehold right	6	-
Right of trademark	18,615	17,652
Software	7,661	6,858
Lease assets	22	17
Right of using facilities	576	517
Other	-	9
Total intangible assets	26,882	25,055
Investments and other assets		
Investment securities	81,002	73,253
Stocks of subsidiaries and affiliates	307,796	293,751
Investments in capital	37	83
Investments in capital of subsidiaries and affiliates	4,244	5,219
Long-term loans receivable	3,269	4,981
Long-term loans receivable from employees	0	-
Long-term loans receivable from subsidiaries and affiliates	4,527	3,835
Long-term prepaid expenses	7,441	5,429
Deferred tax assets	6,985	19,389
Lease and guarantee deposits	6,495	6,273
Prepaid pension cost	-	12,626
Other	13,539	4,462
Allowance for doubtful accounts	(5,301)	(6,804)
Total investments and other assets	430,040	422,501
Total noncurrent assets	891,802	834,755
Total assets	1,155,860	1,100,325

(in million yen)

	As of December 31, 2009	As of December 31, 2010
<b>(Liabilities)</b>		
<b>Current liabilities:</b>		
Accounts payable-trade	54,939	55,718
Short-term loans payable	106,700	42,500
Current portion of bonds	15,000	15,000
Lease obligations	167	219
Accounts payable-other	7,944	4,819
Accrued alcohol tax	114,708	110,271
Accrued consumption taxes	6,740	6,545
Income taxes payable	12,050	16,927
Accrued expenses	39,071	42,215
Deposits received	30,664	33,010
Commercial papers	30,000	14,000
Provision for bonuses	1,278	1,375
Provision for directors' bonuses	108	121
Other	370	326
Total current liabilities	<u>419,742</u>	<u>343,051</u>
Noncurrent liabilities		
Bonds payable	130,156	135,144
Long-term loans payable	61,000	71,200
Lease obligations	370	366
Long-term deposits received	33,726	33,317
Provision for retirement benefits	2,907	2,809
Long-term accounts payable-other	386	208
Total long-term liabilities	<u>228,547</u>	<u>243,047</u>
Total liabilities	<u>648,290</u>	<u>586,098</u>
<b>(Net assets)</b>		
Shareholders' equity		
Capital stock	182,531	182,531
Capital surplus		
Legal capital surplus	130,292	130,292
Other capital surplus	29,773	29,635
Total capital surpluses	<u>160,066</u>	<u>159,927</u>
Retained earnings		
Other retained earnings		
Reserve for advanced depreciation of noncurrent assets	1,065	946
General reserve	155,000	175,000
Retained earnings brought forward	35,306	23,087
Total retained earnings	<u>191,372</u>	<u>199,034</u>
Treasury stock	<u>(29,283)</u>	<u>(28,721)</u>
Total shareholders' equity	<u>504,686</u>	<u>512,771</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,882	761
Deferred gains or losses on hedges	-	693
Total valuation and translation adjustments	<u>2,882</u>	<u>1,455</u>
Total net assets	<u>507,569</u>	<u>514,226</u>
Total liabilities and net assets	<u>1,155,860</u>	<u>1,100,325</u>

**ASAHI BREWERIES, LTD.**  
**Non-Consolidated Income Statements** (From January 1, 2010 to December 31, 2010)  
(Unaudited)

	(in million yen)	
	December 31 2009	December 31 2010
Net sales	985,468	963,270
Cost of sales		
Beginning merchandise and finished goods	11,145	7,985
Cost of products manufactured	208,229	202,009
Alcohol tax	418,234	401,638
Cost of purchased goods	72,966	73,093
Total	710,576	684,725
Transfer to other account	4,328	2,828
Valuation and abandonment loss on goods	2,119	1,315
Ending merchandise and finished goods	7,985	9,672
Cost of sales-real estate	1,635	1,620
Cost of sales	<u>702,016</u>	<u>675,160</u>
Gross profit	<u>283,452</u>	<u>288,110</u>
Selling, general and administrative expenses		
Sales commission	64,142	66,526
Advertising expenses	33,165	30,723
Haulage expenses	13,722	13,272
Employees' salaries and allowances	19,209	19,169
Employees' bonuses	7,228	7,363
Retirement benefit expenses	4,286	3,441
Depreciation	6,877	6,512
Enterprise tax	941	968
Other	55,365	55,392
Total selling, general and administrative expenses	<u>204,939</u>	<u>203,369</u>
Operating income	<u>78,513</u>	<u>84,741</u>
Non-operating income		
Interest income	705	334
Interest on securities	6	3
Dividends income	2,873	2,201
Foreign exchange gains	1,620	-
Royalty income	1,105	1,449
Miscellaneous income	697	910
Total non-operating income	<u>7,009</u>	<u>4,898</u>
Non-operating expenses		
Interest expenses	1,857	1,609
Interest on bonds	1,031	961
Interest on commercial papers	66	66
Taxes and dues	218	11
Bond-related cost	139	114
Provision of allowance for doubtful accounts	425	-
Bad debts expenses	662	63
Depreciation	724	966
Miscellaneous expenses	1,093	1,138
Total non-operating expenses	<u>6,219</u>	<u>4,932</u>
Ordinary income	<u>79,303</u>	<u>84,707</u>
Extraordinary income		
Gain on sales of noncurrent assets	48	17
Gain on sales of investment securities	370	1,653
Reversal of allowance for doubtful accounts	383	309
Compensation for transfer	-	242
Compensation for recall of goods	910	-
Total Extraordinary income	<u>1,711</u>	<u>2,223</u>
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	7,453	4,680
Loss on sales of investment securities	88	566
Loss on valuation of investment securities	706	989
Loss on valuation of stocks of subsidiaries and affiliates	4,718	16,678
Loss on sales of stocks of subsidiaries and affiliates	3,207	0
Loss on valuation of investments in capital of subsidiaries and affiliates	1,401	-
Prior period adjustment of sales promotion expense	-	19,778
Loss on recall of goods	-	3,409
Loss on contribution of securities to retirement benefit trust	3,435	1,595
Impairment loss	-	1,340
Total extraordinary loss	<u>21,012</u>	<u>49,039</u>
Income before income taxes	<u>60,002</u>	<u>37,892</u>
Income taxes-current	28,278	31,193
Income taxes-deferred	1,688	(10,962)
Income taxes	<u>29,966</u>	<u>20,230</u>
Net income	<u>30,036</u>	<u>17,661</u>

**ASAHI BREWERIES, LTD.**  
**Non-Consolidated Statement of Changes in Net Asset** (From January 1, 2010 to December 31, 2010)  
**(Unaudited)**

	December 31 2009	December 31 2010
Shareholders' equity		
Capital stock		
Balance at the end of previous period	182,531	182,531
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	<u>182,531</u>	<u>182,531</u>
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	130,292	130,292
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	<u>130,292</u>	<u>130,292</u>
Other capital surplus		
Balance at the end of previous period	29,872	29,773
Changes of items during the period		
Disposal of treasury stock	(99)	(138)
Total changes of items during the period	(99)	(138)
Balance at the end of current period	<u>29,773</u>	<u>29,635</u>
Total capital surplus		
Balance at the end of previous period	160,165	160,066
Changes of items during the period		
Disposal of treasury stock	(99)	(138)
Total changes of items during the period	(99)	(138)
Balance at the end of current period	<u>160,066</u>	<u>159,927</u>
Retained earnings		
Other retained earnings		
Reserve for advanced depreciation of noncurrent assets		
Balance at the end of previous period	1,130	1,065
Changes of items during the period		
Reversal of reserve for advanced depreciation of noncurrent assets	(64)	(118)
Total changes of items during the period	(64)	(118)
Balance at the end of current period	<u>1,065</u>	<u>946</u>
General reserve		
Balance at the end of previous period	125,000	155,000
Changes of items during the period		
Provision of general reserve	30,000	20,000
Total changes of items during the period	30,000	20,000
Balance at the end of current period	<u>155,000</u>	<u>175,000</u>
Retained earnings brought forward		
Balance at the end of previous period	44,735	35,306
Changes of items during the period		
Dividends from surplus	(9,529)	(9,999)
Net income	30,036	17,661
Reversal of reserve for advanced depreciation of noncurrent assets	64	118
Provision of general reserve	(30,000)	(20,000)
Total changes of items during the period	(9,428)	(12,219)
Balance at the end of current period	<u>35,306</u>	<u>23,087</u>
Total retained earnings		
Balance at the end of previous period	170,865	191,372
Changes of items during the period		
Dividends from surplus	(9,529)	(9,999)
Net income	30,036	17,661
Total changes of items during the period	20,506	7,661
Balance at the end of current period	<u>191,372</u>	<u>199,034</u>
Treasury stock		
Treasury stock	(29,579)	(29,283)
Changes of items during the period		
Purchase of treasury stock	(31)	(22)
Disposal of treasury stock	327	584
Total changes of items during the period	296	561
Balance at the end of current period	<u>(29,283)</u>	<u>(28,721)</u>
Total shareholders' equity		
Balance at the end of previous period	483,982	504,686
Changes of items during the period		
Dividends from surplus	(9,529)	(9,999)
Net income	30,036	17,661
Purchase of treasury stock	(31)	(22)
Disposal of treasury stock	228	446
Total changes of items during the period	20,704	8,085
Balance at the end of current period	<u>504,686</u>	<u>512,771</u>



	(in million yen)	
	December 31 2009	December 31 2010
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	1,555	2,882
Changes of items during the period		
Changes of items during the period	1,327	(2,120)
Total changes of items during the period	<u>1,327</u>	<u>(2,120)</u>
Balance at the end of current period	<u>2,882</u>	<u>761</u>
Deferred gains or losses on hedges		
Balance at the end of previous period	-	-
Changes of items during the period		
Net changes of items other than shareholders' equity	-	693
Total changes of items during the period	<u>-</u>	<u>693</u>
Balance at the end of current period	<u>-</u>	<u>693</u>
Total valuation and translation adjustments		
Balance at the end of previous period	1,555	2,882
Changes of items during the period		
Net changes of items other than shareholders' equity	1,327	(1,427)
Total changes of items during the period	<u>1,327</u>	<u>(1,427)</u>
Balance at the end of current period	<u>2,882</u>	<u>1,455</u>
Total net assets		
Balance at the end of previous period	485,538	507,569
Changes of items during the period		
Dividends from surplus	(9,529)	(9,999)
Net income	30,036	17,661
Purchase of treasury stock	(31)	(22)
Disposal of treasury stock	228	446
Net changes of items other than shareholders' equity	1,327	(1,427)
Total changes of items during the period	<u>22,031</u>	<u>6,657</u>
Balance at the end of current period	<u>507,569</u>	<u>514,226</u>