Asahi Breweries, Ltd.

Consolidated 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 (Kessan Tanshin) which was filed at stock exchanged in Japan on August 8, 2002

Summary Report of Consolidated Interim Financial Results (Fiscal 2002)

Auguat 8, 2002

ASAHI BREWERIES, LTD.

Code Number: 2502
Shares Listed: First Section of Tokyo, Osaka & Nagoya Stock Exchanges
(URL: http://www.asahibeer.co.jp)
Head Office: Tokyo
Contact: Toshio Kodato, General Manager, Public Relations Department
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Date of board of directors' meeting: August 8, 2002
US GAAP: Not applicable

1. Consolidated Financial Results for the Interim Period ended June 30, 2002

(From January1, 2002 to June 30,2002)

(1) Consolidated Operating Results

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

	6 months ended June 30			Year ended Dec 31
	2002		2001	2001
	Amount	% change	Amount	Amount
Sales	634,063	(4.1)%	661,395	1,433,363
Operating income	27,099	2.4%	26,455	77,777
Ordinary income	23,399	16.8%	20,029	60,656
Net income	10,719	337.8%	2,448	13,616
Net income per share	Yen 20.90		Yen 4.85	Yen 27.00
Net income per share (Diluted)	Yen 19.73		Yen 4.72	Yen 25.25

Notes:

1. Investment gains or losses on equity method:
   - 6 months ended June 30, 2002: Yen 425 million
   - 6 months ended June 30, 2001: Yen 517 million
   - Year ended December 31, 2001: Yen 197 million

2 . Average number of shares outstanding during the term (consolidated) :
   - 6 months ended June 30, 2002: 513,030,656 shares
   - 6 months ended June 30, 2001: 504,521,189 shares
   - Year ended December 31, 2001: 504,314,503 shares

3. Changes in accounting policy during the term: Yes

4. The percentage figures shown in sales,operating income, ordinary income and net income columns represent year-on-year changes.

(2) Consolidated Financial Conditions

(in million yen - except per share data)

	June 30 2002	June 30 2001	December 31 2001
Total assets	1,325,114	1,397,917	1,341,102
Shareholders' equity	391,112	364,640	385,964
Shareholders' equity ratio	29.5%	26.1%	28.8%
Shareholders' equity per share	Yen 762.42	Yen 720.75	Yen 752.25

Notes:

Number of shares issued and outstanding at the end of the term (Consolidated):
- 6 months ended June 30, 2002: 512,987,579 shares
- 6 months ended June 30, 2001: 505,917,148 shares
- Year ended December 31, 2001: 513,081,389 shares

(3) Consolidated Cash Flows

(in million yen)

	6 months ended June 30 2002	6 months ended June 30 2001	Year ended Dec 31 2001
Cash flows from operating activities	26,958	54,999	110,107
Cash flows from investing activities	(15,593)	(17,734)	(36,700)
Cash flows from financing activities	(13,614)	(46,509)	(79,709)
Cash & cash equivalent at the end of the term	17,247	16,361	19,351

(4) Scope of consolidation and matters relating to the application of equity method

Number of consolidated subsidiaries: 45

Number of unconsolidated subsidiaries accounted for by the equity method: 5

Number of affiliated companies accounted for by the equity method: 2

(5) Change in the scope of consolidation and application of equity method

Consolidated subsidiaries:

Newly included: 7

Newly excluded: -

Affiliated companies to which equity method is applicalbe:

Newly applied: 7

Newly excluded: 1

2. Estimated Consolidated Results For Fiscal 2002

(January 1, 2002 to December 31, 2002)

(in million yen)

	Full year 2002
Sales	1,420,000
Ordinary income	57,000
Net Income	17,000

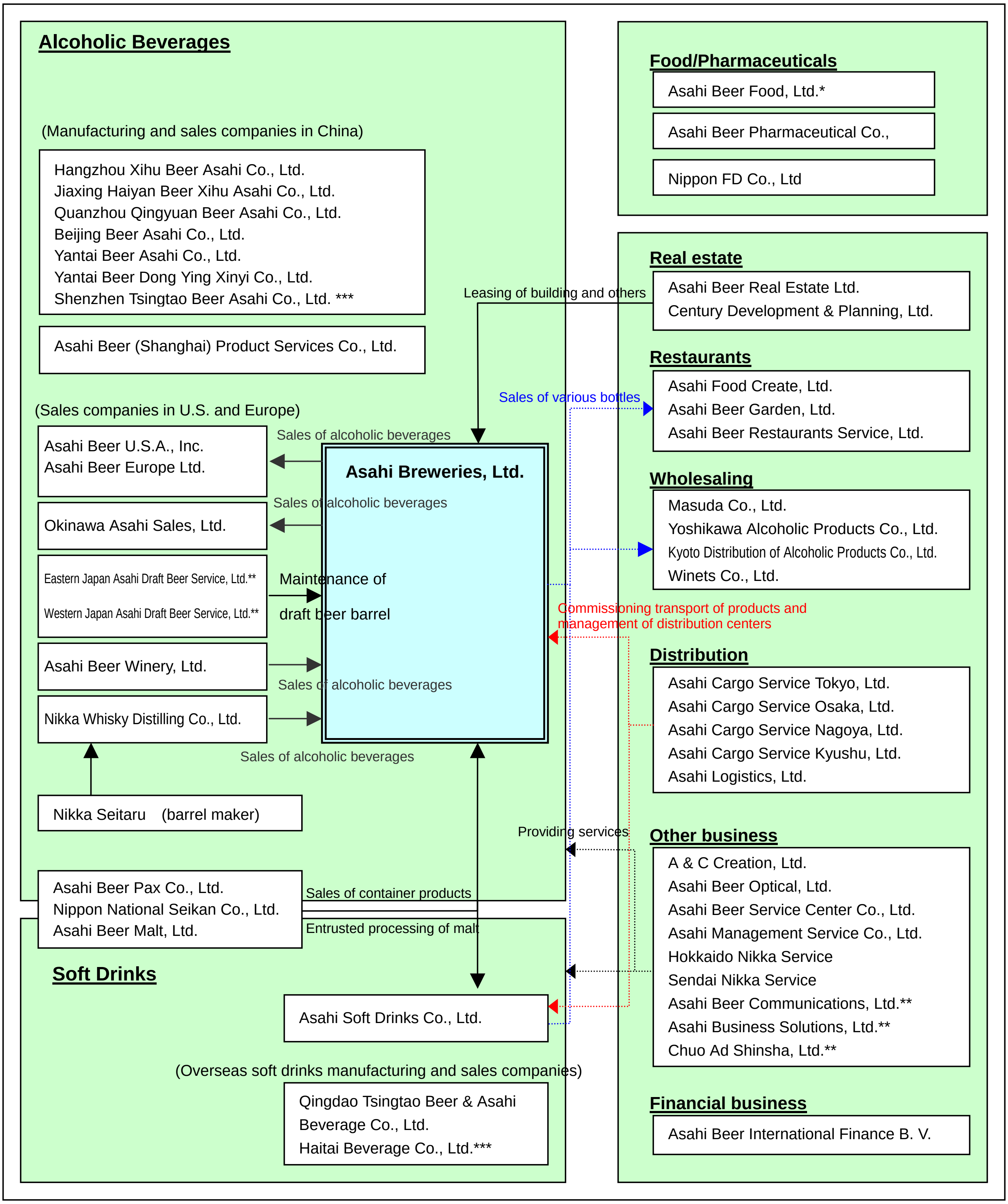
Reference: Estimated net income per share for fiscal 2002: Yen 33.14

* The above estimate incorporates certain assumptions and projections based upon which the future outlook and plans by the Company as announced in this document are formulated.

For additional information, please refer to page 9.

Current situation of the Group

Asahi Breweries Group consists of Asahi Breweries, Ltd. (the Company), 75 subsidiaries and 11 affiliated companies. The major group companies and the group organization chart are shown below.



No mark: Consolidated subsidiaries **: Non-consolidated subsidiary under equity method ***: Affiliates under equity method
Asahi Beer Food, Ltd. and Asahi Beer Pharmaceuticals Co., Ltd. were merged effective July 2002 and the new company's name was changed to Asahi Food & Health Care Co., Ltd.

Management Policy

1.**Basic Policies Regarding Group Management**

The Asahi Breweries Group aims to provide value-added to our stakeholders by striving to satisfy our consumers' needs with products of the highest quality and a caring attitude, based on a common management philosophy within the Group of contributing to the realization of a healthy and abundant society for all the people of the world.

Moreover, we are pursuing the group vision that was outlined in our Group's medium-term management plan that began last year. That is, to pursue the challenge of creating a fun and abundant lifestyle culture for the new age through our "food" and "health" businesses. Our aim is to enhance corporate value and achieve our group vision by revitalizing the structure and strengthening the competitiveness of our core businesses in general alcoholic beverages, soft drinks, food and pharmaceuticals.

2. **Basic Policies Regarding the Appropriation of Profits**

We at Asahi Breweries place great importance on rewarding our shareholders. Through continuous improvement in our profitability and financial health, we aim to provide our shareholders with a steady, stable stream of dividends. Regarding the use of funds in internal reserves, we are striving to continuously enhance our corporate value; not only through strategic investments that improve and enhance our management structure, strengthen our integrated alcoholic beverages business, and expand our food and pharmaceutical businesses, but also through flexible dividend and stock repurchase programs.

3. **Policy Regarding the Lowering of Minimum Share Trading Lot**

Asahi Breweries recognizes the importance of policies to attract long-term shareholders and policies that work to promote an expansion of our shareholder ownership base. In this regard, we in the future will be carefully reviewing the status of the distribution of minimum trading lots on the Tokyo Stock Exchange.

4. **Management Performance Benchmarks**

In order to ensure that we remain focused on maximizing return on capital and on shareholder and investor returns, we have outlined specific consolidated return on equity (ROE) targets in our Group's medium-term management plan. We aim to achieve a medium-term improvement in our consolidated ROE by restructuring our existing businesses to make them more efficient, and by resolutely implementing the policies outlined in the medium-term plan.

5. **Medium-Term Group Management Strategies and Issues**

The Asahi Group announced a new 4-year (FY2001~FY2004) medium-term plan in October, 2000, and we are currently in the midst of a group-wide promotion and implementation of this plan.

We have already made substantial progress in our efforts toward "financial restructuring". By the end of fiscal 2000, we have almost entirely written off unrealized losses on marketable securities. In fiscal 2001, we recorded a lump-sum settlement for differences arising from a change in accounting standards for retirement benefits. In addition, we have restructured inefficient operations such as our restaurant business, and are currently building corporate governance and group management systems and processes.

The period from fiscal year 2002 to fiscal year 2004 will be one in which we focus on "Group competitiveness" and "Group growth". Efficient Group management will be further emphasized—as we endeavor to strengthen our integrated alcoholic beverage business, and to expand our beverage, food, pharmaceutical and international operations.

In particular, we aim to enhance our corporate value by recycling current cash flow from our core businesses into efficient investments in new growth segments.

(Alcoholic Beverages)

In order to respond to the maturity of the alcoholic beverage market, and to more sophisticated and diversified customer needs, we are endeavoring to reshape our alcoholic beverage business into an integrated "proposal-driven company." Last year, we integrated our sales operations with those of Nikka Whiskey. This year, we have signed contracts for the purchase of the alcoholic beverage businesses of Kyowa Hakko Kogyo Co., Ltd. and Asahi Kasei Corporation, and have signed a marketing agreement with Maxxium Japan K.K.

Going forward, we intend to solidify our position in the beer and happoshu (low-malt beer) markets, as the next step in the realization of this transformation. By fully leveraging our marketing network and utilizing new alcoholic beverage product categories acquired through acquisitions, we aim to position ourselves to be able to offer new proposals in response to the needs of our customers. In addition, we fully intend to capitalize on the new market opportunities that will arise from deregulation of alcoholic beverage sales license next year.

(Soft Drinks)

In our soft drink operations, through efficient collaboration within the Group, we are strengthening our product development, and implementing a thorough review of the operational and the profit structure, as we endeavor to enhance the effectiveness of the organization. In terms of merchandise, we will identify the areas where we will prioritize the allocation of management resources. By growing these promising products into big major product category brands, we aim to ensure new sources of stable profits.

(Foods and Pharmaceuticals)

We consider our food and pharmaceutical businesses as the Group's second most important segments. Our goal is to develop these businesses into future earnings pillars. As a step in this direction, we have purchased 100% of the outstanding shares of Pola Foods Co., Ltd. at the end of March of this year. Pola Foods develops, produces and sells food and snack products. In July of this year, we merged two subsidiaries with strong positions in the beer yeast extract and preparation markets and re-launched the merged company as Asahi Food and Health Care, Co., Ltd. In the future, we will continue striving to create greater value-added products and expanded sales that can make a significant contribution to our consolidated financials.

(Overseas Beer Operations)

We continue to expand and strengthen our overseas operations, primarily in China and Southeast Asia. In January of this year, we signed an agreement with the Boon Rawd Brewery Co., Ltd. of Thailand to locally produce "Asahi Super Dry", and began selling the product in Thailand and surrounding nations from March. In the future, in addition to leveraging our local presence to capitalize on the promising market potential of the Thai beer market, we will continue expanding our presence in the ASEAN member nations, where it is expected that the formation of AFTA (the ASEAN Free Trade Agreement) will progressively lead to lower taxes and the eventual elimination of tariffs within the free trade zone.

6. **Policies Regarding Our Management Structure**

(1) Corporate governance reforms.

In March 2000, we introduced a system of executive officers and increased the number of outside directors in order to cope with the rapid changes in the operating environment and to speed up our decision processes. In addition, we established a nomination committee which proposes candidates for director, auditor and executive officer positions, and a compensation committee which proposes compensation for directors, auditors and executive officers.

(2) Introduction of a Group Performance Evaluation System

Last year we introduced a Group performance evaluation system that utilizes objective criteria such as return on investment and other financial indicators to measure the degree of achievement of management plans for each group company, and these evaluations are reflected in the responsible managers' compensation and other evaluations.

Operating Results and Financial Conditions

1. **Operating Results**

(1)Overview of the Period Under Review

a) The Operating Environment

Despite the uncertainties surrounding the US economy prior to the terrorist attacks of September 11, signs of a US recovery are emerging as a result of inventory liquidations and accommodative monetary policy. This in turn has lead to increasing signs of recovery in the Japanese economy, as evidenced by the renewed growth in exports. However, as capital expenditures and personal consumption remain weak, Japan has yet to experience a full-scale economic recovery.

Business conditions in the alcoholic beverage market continue to be severe, as the long-term economic recession has led to flat aggregate demand for alcoholic beverages, while diversification of consumer tastes has led to price competition among product categories. At the distributor level, there has been a large shift in the structure of the distribution channel to large volume discount retailers.

Amid a challenging business environment, taxable shipment of beer and happoshu fell 4.6% from the previous year. The beer market as a whole declined by 13.9% from the previous year and has yet to show signs of bottoming, and even the high growth in the happoshu market began to slow. In particular, the slowing growth of happoshu demand has exacerbated price competition, making it difficult to sustain revenue growth and maintain profit margins.

In the soft drinks segment, we launched new products and engaged in aggressive marketing in the Japanese tea and health drink product categories. However because of market saturation in these segments, no significant increase in volume was seen, and sales volumes for the market as a whole is estimated to have remained flat compared to the previous year.

As a result, consolidated sales for the period under review were down 4.1% from the previous year to 634,063 million yen. On the other hand, thanks to the reduction in cost of sales mainly in our alcoholic beverage business, consolidated operating profits increased 2.4% from the previous year to 27,099 million yen.

b) Segment Overview

Alcoholic Beverages

The top five producers of beer and happoshu products saw their taxable shipment decline by 4.6% from the previous year. While our taxable shipment was 0.1% lower than the previous year, this decrease was nevertheless much more mild that the industry average. As a result, Asahi Breweries' share of the total domestic beer and happoshu market rose by 1.7 percentage points over the previous year to a new historical high of 39.2%

By product category, while sales volumes of our mainline beer product "Asahi Super Dry" was negatively affected by the shrinkage in the entire beer market, we sold 73 million cases(8.7% decrease from the level recorded in the same period last year) and the rate of decline was smaller than the industry average. Despite the introduction of several new competing products by competitors and a general trend toward lower selling prices, our
efforts to establish the "Asahi Honnama" happoshu brand with focused sales and aggressive marketing resulted in an increase of 34.6% over the previous year to 24.3 million cases.

In the whiskey and shochu spirit categories, as a result of expanded retail sales of "Black Nikka

Clear Blend" and increased commercial sales of our pure malt whiskey "Taketsuru", our sales of domestically-produced whiskeys for the period under review were favorable, increasing 5% over the previous year despite continued weak market demand in general for whiskey. In shochu, our efforts to expand the commercial market for the Ichibanfuda and Ginpu products paid off, as shochu product volume in the first half of the year grew by 49% over the previous year. In addition, wine sales saw strong growth, recording an increase of 11% over the previous period on good demand for "Asahi Ume Wine" and the Caliterra brand of Chile wine. We believe these increases are the direct result of our new integrated alcoholic beverage sales organization. Moreover, we introduced two new versions of a low alcohol product on May 22 called "Asahi Super Sour", and by the end of June had sold 1.3 million cases (each case contains 24 x 250ml bottles).

In total, alcoholic beverage sales, negatively affected by falling happoshu unit prices, fell 4.5% to 481,523 million yen, while operating profits grew 10.0% over the previous year to 28,956 million yen, aided by the reduction in cost of sales.

Soft Drinks

Our sales activities in soft drinks were not limited to existing product categories, as we introduced a new group of products and worked to develop new brands. Leveraging the fact that "Ryoku cha" (a green tea) is the most popular soft drink in China, we introduced a new China Tea drink called "Asahi Chinese Green Tea *Rin*". We also released a new strategic product in the health drink category called "Asahi Concept-San" and another in the soda category called "Asahi Fukigen". We also revitalized existing products to further strengthen their brand power. The 10th year of our long-selling "Asahi Juroku-Cha" was celebrated with a full content and packaging renewal, and we introduced "Mitsuya Cider Classic Taste"(clear, carbonated soft drink) as well as "Bireley's Orange Classic Taste".

In our marketing activities we identified selected product categories in which to concentrate management resources and conducted highly efficient sales promotions. In order to improve cost efficiency, we introduced a plan at the beginning of the year to achieve 10 billion yen in cost savings. We have made good progress in transforming the segment's profit structure and in reducing basic material and other costs.

However, while these active marketing efforts produced good results in certain products such as our consumer campaign to promote Mitsuya Cider, average market prices as a whole continued to deteriorate as competition among producers intensified. Significant declines were seen in coffee, green tea and blended tea sales, and as a whole we were unable to reach our initial targets. Sales volumes in terms of cases sold during the first half under review declined 8.0% from the previous year to 45,965 thousand cases.

Given the above, soft drink sales for the interim period under review declined by 7.8% year-on-year to 86,119 million yen, and segment operating profits declined by 880 million yen, producing a deficit of 2,568 million yen.

Food and Pharmaceuticals

In food business, we were able to maintain sales even with previous year's levels in the freeze-dried product segment, and yeast extract products sales were favorable. However, because of declines in sales of commercial use frozen foods and other product categories, total food sales for the interim period under review declined by 2.4% for the year.

The pharmaceuticals segment was negatively affected by preparations for a switch to direct sales from July for Ebios-related products, in which we limited shipments in order to lower market inventory levels. As a result, pharmaceutical sales for the interim period under review recorded a year-on-year decline of 21.6%. In addition, there was a noticeable increase in system-related expenses due to the merger of Asahi Beer Food Ltd. and Asahi Beer Pharmaceuticals Co., Ltd. in July. Consequently, total sales in the food and pharmaceuticals segment declined 10.0% year-on-year to 6,425 million yen, while operating profits declined by 641 million yen and produced a 281 million yen segment operating deficit.

Other Businesses

The trend in overall sales in other businesses was favorable as real estate revenues were boosted by revenue on rental properties. However, our distribution operations saw a shrinkage in operating profit margins due to efforts to contribute to Group cost saving programs. In total other business revenues declined by 5.8% year-on-year to 59,995 million yen and operating profits declined by 34.4% to 935 million yen.

Note: the previous year comparisons given above are based on new segment classifications implemented from the current interim period, and incorporate different operating expense allocations than the previous year. For an explanation of these changes and the value impact compared to the previous classifications, please refer to the segment information on page 25 - 28 of this document.

(2) Full Year Forecast

While signs of recovery in the Japanese economy continue, the wave of US corporate accounting scandals triggered by the collapse of Enron and the large declines in US stock prices have added renewed uncertainty to the domestic economic outlook. Given these circumstances total domestic demand for beer and happoshu for the year is expected to record a slight decline. Soft drink demand is expected to remain essentially flat for the year, while profit margins are expected to continue deteriorating as a result of intensified price competition, and there is a clear polarization in the success or failure of existing products that is contributing to even more intense price competition.

Given such an operating environment, the Asahi Breweries Group will continue to pursue the strengthening of Group competitiveness and Group-wide growth in accordance with the goals outlined in our medium-term management plan. We are accelerating the strengthening of our integrated alcoholic beverage business through strategic acquisition such as the purchase of the alcoholic beverage businesses of Kyowa Hakko Kogyo Co., Ltd. and the Asahi Kasei Corporation, and are exerting every effort to expand our soft drink, food and pharmaceutical, and international operations.

Based on the above scenario, we are projecting fiscal 2002 consolidated sales of 1,420,000 million yen, ordinary profits of 57,000 million yen and net income of 17,000 million yen.

2. **Financial Condition**

Total consolidated assets at the end of the interim period under review declined by 72,802 million yen to 1,325,114 million yen from the level a year ago, reflecting the transfer of marketable securities to our pension fund trust, and a reduction in the assets under management by our overseas investment subsidiaries. Shareholder’s equity rose by 26,471 million yen to 391,112 million yen due to the contribution of net profits for the year and because of an increase in consolidated retained earnings resulting from the inclusion of new consolidated subsidiaries.

Net cash provided by operating activities decreased by 28,040 million yen to 26,958 million yen. While the contribution from pretax profits increased by 11,882 million yen, there was no increase in reserves for pension liabilities that were recorded the previous year. In addition, unpaid alcoholic beverage taxes declined as a result of an increase in the weight of happoshu sales, and enterprise taxes paid in the previous year declined as the result of losses recorded two years prior.

Investment cash outflows declined by 2,141 million yen to a net outflow of 15,593 million yen, reflecting declines in capital investment.

Cash outflows from financing activities also declined by 32,894 million yen to 13,614 million yen as the result of a decline in financial liabilities compared to the corresponding interim period last year.

The balance of cash and cash equivalents at the end of the interim period under review increased by 885 million yen to 17,247 million yen.

ASAHI BREWERIES, LTD.

Consolidated Interim Balance Sheets

ASSETS

(in million yen)

	June 30 2002		June 30 2001		Increase (Decrease)	December 31 2001	
	Amount	Ratio(%)	Amount	Ratio(%)	Amount	Amount	Ratio(%)
Current Assets:							
Cash and cash equivalents	17,328		18,826		(1,497)	20,307	
Notes and accounts receivable	254,933		269,873		(14,940)	259,924	
Inventories	112,610		115,543		(2,933)	93,908	
Deffered tax assets	4,690		4,700		(9)	4,723	
Other current assets	36,249		43,467		(7,217)	39,735	
Allowance for doubtful accounts	(5,667)		(4,484)		(1,182)	(5,970)	
Total current assets	420,145	31.7	447,926	32.0	(27,781)	412,628	30.8
Fixed Assets							
Tangible fixed assets							
Buildings	244,670		238,280		6,389	246,221	
Machinery and equipment	219,266		215,093		4,172	219,998	
Furniture and fixtures	55,792		55,864		(72)	56,675	
Land	209,538		214,795		(5,257)	208,804	
Construction in progress	5,965		24,802		(18,837)	10,128	
Total tangible fixed assets	735,232	55.5	748,837	53.6	(13,605)	741,828	55.3
Intangible fixed assets	11,911	0.9	10,768	0.8	1,143	11,651	0.9
Investments and other assets							
Investment securities	81,872		124,422		(42,550)	97,316	
Deferred tax assets	43,936		24,896		19,040	44,443	
Other	55,408		53,655		1,753	52,671	
Allowance for doubtful accounts	(23,393)		(12,590)		(10,803)	(19,436)	
Total investments and other assets	157,824	11.9	190,384	13.6	(32,559)	174,994	13.0
Total fixed assets	904,968	68.3	949,990	68.0	(45,021)	928,474	69.2
Total Assets	1,325,114	100.0	1,397,917	100.0	(72,802)	1,341,102	100.0

LIABILITIES AND SHAREHOLDERS' EQUITY

(in million yen)

	June 30 2002		June 30 2001		Increase (Decrease)	December 31 2001	
	Amount	Ratio(%)	Amount	Ratio(%)	Amount	Amount	Ratio(%)
Current Liabilities:							
Notes and accounts payable	90,954		100,357		(9,402)	86,642	
Short-term debt	135,993		119,793		16,199	97,998	
Bonds due within one year	18,418		64,975		(46,557)	61,884	
Alcohol tax payable	149,467		155,900		(6,433)	142,840	
Deposits received	72,974		71,921		1,052	78,299	
Commercial paper	60,000		81,000		(21,000)	19,000	
Other current liabilities	117,005		132,956		(15,951)	132,186	
Total current liabilities	644,813	48.7	726,905	52.0	(82,091)	618,851	46.1
Non-current Liabilities:							
Bonds	163,490		131,878		31,611	173,476	
Long-term debt	30,536		67,285		(36,748)	64,808	
Allowance for retirement benefits	34,013		40,288		(6,274)	35,161	
Reserve for officers' retirement benefits	425		162		262	526	
Reserve for special repairs	219		196		23	219	
Deferred tax liabilities	48		1,713		(1,665)	-	
Other non-current liabilities	43,234		45,316		(2,082)	44,404	
Total non-current liabilities	271,968	20.5	286,841	20.5	(14,872)	318,597	23.8
Total liabilities	916,782	69.2	1,013,746	72.5	(96,964)	937,448	69.9
Minority interests	17,219	1.3	19,529	1.4	(2,310)	17,690	1.3
Shareholders' Equity:							
Common stock	182,531	13.8	178,086	12.8	4,444	182,530	13.6
Capital surplus	180,894	13.7	-	-	180,894	-	-
Capital reserve	-	-	176,585	12.6	(176,585)	180,894	13.5
Retained earnings:	28,389	2.1	-	-	28,389	-	-
Consolidated retained earnings	-	-	8,848	0.6	(8,848)	20,864	1.5
Appreciation by revaluation of investment securities	(874)	(0.1)	-	-	(874)	-	-
Foreign currency transaltion adjustments	878	0.1	1,665	0.1	(786)	2,274	0.2
Treasury stock	(705)	(0.1)	(544)	(0.0)	(160)	(598)	(0.0)
Total shareholders' equity	391,112	29.5	364,640	26.1	26,471	385,964	28.8
Total liabilities, minority interests and shareholders' equity	1,325,114	100.0	1,397,917	100.0	(72,802)	1,341,102	100.0

ASAHI BREWERIES, LTD.
Consolidated Interim Statements of Operations

(in million yen)

	6 months ended June 30, 2002		6 months ended June 30, 2001		Increase (Decrease)	Year ended December 31, 2001	
	Amount	Ratio(%)	Amount	Ratio(%)	Amount	Amount	Ratio(%)
Sales	634,063	100.0	661,395	100.0	(27,331)	1,433,363	100.0
Cost of sales	437,345	69.0	461,447	69.8	(24,101)	1,003,969	70.0
Gross profit	196,718	31.0	199,947	30.2	(3,229)	429,394	30.0
Selling, General & Administrative expense	169,619	26.7	173,492	26.2	(3,872)	351,616	24.6
Operating income	27,099	4.3	26,455	4.0	643	77,777	5.4
Non-operating income:							
Interest income	419		1,064		(645)	1,877	
Dividend income	753		584		168	652	
Investment gains under equity method	425		517		(92)	197	
Amortization of consolidation negative goodwill	820		812		7	1,543	
Other	1,540		1,713		(173)	2,308	
	3,957	0.6	4,693	0.7	(735)	6,579	0.5
Non-operatiing expenses:							
Interest expense	3,201		4,444		(1,242)	8,136	
Provision for doubtful accounts	1,654		2,418		(763)	7,555	
Other	2,800		4,257		(1,456)	8,008	
	7,657	1.2	11,119	1.7	(3,462)	23,700	1.7
Ordinary income	23,399	3.7	20,029	3.0	3,369	60,656	4.2
Extraordinary gains:							
Gain on sale of fixed assets	202		49		153	4,320	
Gain on sale of investment securities	173		390		(216)	843	
Other	49		221		(171)	610	
	425	0.1	661	0.1	(235)	5,774	0.4
Extraordinary losses:							
Loss on disposal and sale of fixed assets	5,341		2,154		3,187	12,266	
Loss on sale of investment securities	403		-		403	3,060	
Loss on devaluation of investment securities	757		2,023		(1,265)	7,675	
Differential resulting from the change in retirement accounting	-		10,229		(10,229)	20,444	
Other extraordinary losses	530		1,373		(843)	4,373	
	7,032	1.1	15,780	2.4	(8,747)	47,820	3.3
Income before income taxes	16,792	2.7	4,910	0.7	11,882	18,611	1.3
Income tax, inhabitants tax & enterprise taxes	7,363	1.2	3,482	0.5	3,881	24,925	1.7
Adjustment to income taxes	-	-	-	-	-	(18,859)	(1.3)
Minority interests in net loss of consolidated subsidiaries	(1,290)	(0.2)	(1,019)	(0.2)	(271)	(1,071)	(0.1)
Net Income	10,719	1.7	2,448	0.4	8,271	13,616	1.0

Consolidated Interim Statements of Retained Earnings

(in million yen)

	6 moths ended June 30, 2002	6 moths ended June 30, 2001	Year ended Dec. 31, 2001
Capital Surplus			
Balance, beginning of period	180,894		
Increase	-		
Decrease	-		
Balance, end of period	180,894		
Retained Earnings			
Balance, beginning of period	20,864		
Increase	11,216		
Net income (Interim)	10,719		
Increase due to change in the scope of consolidation	496		
Increase due to liquidation of consolidated subsidiaries	-		
Decrease	3,692		
Dividends	3,591		
Bonus paid to directors and corporate auditor	100		
Balance, end of period	28,389		
Consolidated retained earnings, beginning of period		9,009	9,009
Increase		426	4,308
Increase due to change in the scope of consolidation		426	85
Increase due to liquidation of consolidated subsidiaries		-	4,223
Decrease		3,035	6,070
Dividends		2,987	6,020
Bonus paid to directors and corporate auditor		48	50
Net income (Interim)		2,448	13,616
Consolidated retained earnings, end of period		8,848	20,864

Consolidated Statements of Cash Flows

(in million yen)

	6 moths ended June 30, 2002	6 moths ended June 30, 2001	Increase (Decrease)	Year ended Dec. 31, 2001
Cash flows from operating acitivities:				
Net income before taxes	16,792	4,910	11,882	18,611
Depreciation and amortization	25,456	25,728	(272)	52,901
Increase (decrease) in provision for employees' retirement benefits	-	(31,343)	31,343	(31,343)
Increase (decrease) in reserve for retirement allowances	(1,275)	40,239	(41,514)	47,944
Increase in reserve for doubtful accounts	3,538	2,265	1,273	10,934
Interest and dividend income	(1,172)	(1,649)	476	(2,529)
Interest expenses	3,201	4,444	(1,242)	8,136
Equity in net income of unconsolidated subsidiaries	(425)	(517)	92	(197)
Loss on sale of investment securities	757	2,023	(1,265)	7,675
Loss on sale and disposal of fixed assets	5,341	2,154	3,187	12,266
Increase (decrease) in accounts receivable trade	5,403	(9,872)	15,276	9
Increase (decrease) in inventories	(17,636)	(19,864)	2,227	1,694
Increase (decrease) in accounts payable trade	5,095	11,047	(5,951)	(2,859)
Increase (decrease) in accrued alcohol tax payable	6,545	16,617	(10,072)	3,555
Increase (decrease) in accrued consumption tax payable	(1,536)	(2,702)	1,166	(1,732)
Bonus paid to officers	(101)	(48)	(52)	(50)
Other	(1,046)	18,218	(19,264)	1,838
Sub total	48,939	61,649	(12,710)	126,854
Interest and dividend received	1,423	2,126	(702)	2,961
Interest paid	(3,791)	(5,040)	1,248	(8,545)
Income taxes paid	(19,613)	(3,737)	(15,876)	(11,162)
Net cash provided by operating activities	26,958	54,999	(28,040)	110,107
Cash flows from investing acitivities:				
Proceeds from time deposits	1,181	1,955	(773)	3,495
Payment for purchase of tangible fixed assets	(27,648)	(31,761)	4,113	(69,186)
Proceeds from sale of tangible fixed assets	359	592	(232)	9,181
Payment for purchase of intangible fixed assets	(1,362)	(1,639)	277	(4,254)
Payment for purchase of investment securities	(764)	(1,095)	330	(11,470)
Proceeds from sale of investment securities	12,536	9,906	2,629	21,309
Payment for loans	(1,658)	-	(1,658)	-
Proceeds from collections of loans	697	2,497	(1,799)	4,937
Other	1,065	1,810	(745)	9,286
Net cash (used in) provided by investing activities	(15,593)	(17,734)	2,141	(36,700)
Cash flows from financing activities:				
Increase (decrease) in short-term debt	50,075	7,140	42,935	(60,365)
Proceeds from long-term debt	230	2,429	(2,198)	7,656
Repayments of long-term debt	(6,870)	(7,786)	916	(25,169)
Proceeds from issuances of bonds	-	-	-	50,000
Redemption of bonds	(53,381)	(44,736)	(8,644)	(47,950)
Cash dividend paid	(3,591)	(2,987)	(604)	(6,020)
Cash dividend paid to minority shareholders	(114)	(214)	99	(116)
Other	37	(353)	391	2,255
Net cash used in financing activities	(13,614)	(46,509)	32,894	(79,709)
Effect of exchange rate changes on cash and cash equivalents	(468)	351	(820)	396
Net decrease in cash and cash equivalents	(2,717)	(8,893)	6,175	(5,905)
Cash and cash equivalents, beginning of period	19,351	24,743	(5,390)	24,743
Increase (decrease) in cash and cash equivalents due to increase in consolidated subsidiaries	612	512	100	514
Cash and cash equivalents balance, end of period	17,247	16,361	885	19,351

[Significant Accounting Policies Regarding the Preparation of Consolidated Interim Financial Statements]

1. Scope of consolidation
   (1) Number of consolidated subsidiaries: 45
      Names of consolidated subsidiaries: Nikka Whisky Distilling Co., Ltd., Asahi Beer Pax Co., Ltd., Asahi Soft Drinks Co., Ltd., Nippon National Seikan Company, Ltd., and other
   (2) Number of newly consolidated subsidiaries: 7
      1) Names
         Asahi Beer Winery, Ltd., Asahi Beer Service Center Co., Ltd., Asahi Management Service Co., Ltd. Hokkaido Nikka Service, Sendai Nikka Service, Nikka Seitaru(barrel maker), Qingdao Tsingtao Beer & Asahi Beverage Co., Ltd.
      Reason for consolidation: Increased importance of these subsidiaries warrants inclusion in consolidated statements
   (3) Major unconsolidated subsidiaries
      1) Names: Sunshine Co., Ltd., other
      2) Reasons for non-consolidation: Scale of operation of the non-consolidated subsidiaries are small. Their total assets, sales, our share of their interim net income (as calculated by equity method) and retained earnings (as calculated by equity method) have no meaningful impact on our interim financial statements.
2. Application of equity method
   (1) Subsidiaries to which equity method is applicable
      1) Non-consolidated subsidiaries to which equity method is applicable: 5
         Names: Asahi Business Solutions, Ltd., Asahi Beer Communications, Ltd., other
      2) Affiliated companies to which equity method is applicable: 2
         Names: Shenzhen Tsingtao Beer Asahi Co.,Ltd. Haitai Beverage Co., Ltd.
   (2) Subsidiaries and affiliates to which equity method is newly applied
      1) Names: Shenzhen Tsingtao Beer Asahi Co.,Ltd. Haitai Beverage Co., Ltd.
      2) Reasons: Increased importance of these subsidiaries/affiliates warrants application of equity method.
   (3) Subsidiaries/affiliates to which equity method became unapplicable
      1) Name: Asahi Beer Winery, Ltd.
      2) Reason: Because of increased importance, Asahi Beer Winery, Ltd., was included in consolidated subsidiaries effective this interim period under review.
   (4) Major non-consolidated subsidiaries and affiliated companies to which equity method is not applied
      1) Name: Non-consolidated subsidiaries – Sunshine Co., Ltd., other
         Affiliated companies - Kitahama Chuo Building Management, Ltd.

2) Reason: Scale of operation of the subsidiaries/affiliates to which equity method is not applied are small. Our share of their interim net income (as calculated by equity method) and retained earnings (as calculated by equity method) have no meaningful impact on our interim financial statements.

3. Interim accounting period of consolidated subsidiaries

Yoshikawa Liquor Sales Co., Ltd., one of the Company's consolidated subsidiaries, has its interim accounting period ending on September 30. Pro forma interim statements as of June 30 (statements prepared in a manner that is substantially identical to the preparation of official financial statements) was prepared for Yoshikawa Liquor Sales Co., Ltd. in order to facilitate its consolidation.

4. Significant accounting policies

(1) Valuation of material assets

1) Securities

Held-to-maturity debt securities ----- stated at amortized cost

Other securities;

- for which market price is available ----- stated at fair value based on the average market price during the last one month of the interim financial period (unrealized holding gains and losses are reported as a net amount in a separate component of shareholders' equity. Cost of sale is calculated based on moving average method).
- for which market price is not available ---- stated at cost based on moving average method

2) Inventories

Inventories are primarily carried at cost based on average method.

(2) Method of depreciation/amortization of depreciable/amortizable assets

1) Tangible fixed assets

Out of the parent company and consolidated subsidiaries, seven companies use straight line method for part of their tangible fixed assets (plants, buildings for lease), and declining balance method for other tangible fixed assets (distribution facilities, etc.) Other consolidated subsidiaries use declining balance method. Notwithstanding the aforementioned, straight line method is used for buildings (excluding ancillary facilities) acquired on or after April 1, 1998. Useful life and residual value are determined primarily based on the provisions of the Corporate Income Tax Law.

2) Intangible fixed assets

Straight line method is applied. Softwares (for in-house use) are depreciated using straight line method over their useful life for in-house use (5 years).

Useful life is determined based on the method as provided in the Corporate Income Tax Law.

(3) Allowance

1) Allowance for doubtful accounts ----- Amount of potential loss is calculated by taking historical loss ratio in case of non-classified loans/receivables. Potential loss for classified loans/receivables are individually assessed.

2) Allowance for retirement benefits ----- The amount estimated to represent potential liability as of the end of the interim period under review is calculated by taking retirement benefit liabilities and estimated value of pension assets. Differentials resulting from actuarial calculations are amortized based on straight line method over a fixed period (10 years) which is not to exceed the number of years between the fiscal year immediately following the year under review and the year on which average period of employment will fall.

(4) Lease transactions

Finance leases where ownership does not transfer to the lessees are not capitalized, and are accounted for in the same manner as operating leases.

(5) Consumption tax, etc.

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

5. Cash and cash equivalents

Included in “cash and cash equivalents” in the statements of cash flows for the interim period are cash in hand, demand deposits, and short-term investments with maturities arriving in three months from the date of acquisition that are liquid, readily convertible into cash and are subject to minimum risk of price fluctuations.

[Additional information]

1. Accounting treatment of financial instruments

Effective this interim period, the Group adopted the Accounting Standard for Financial Instruments (“Proposal on the Introduction of Standard Accounting Principle for the Treatment of Financial Instruments” by Corporate Accounting Council dated January 22, 1999) as a method of evaluating securities included in “other securities” for which market price is available. As a result of the change in accounting treatment, the Group recorded appreciation by revaluation of investment securities in the amount of 874 million yen and deferred tax assets in the amount of 617 million yen.

2. Consolidated balance sheets

Effective this interim period, “shareholders’ equity” is comprised of accounts as designated by the Supplementary Provision 2 of the “Cabinet Office Ordinance on Partial Revision of the Rules on Interim Financial Statements Terminology, Format and Preparation (Cabinet Office Order No. 12 dated March 26, 2002)” such as common stock, capital surplus, retained earnings, etc. Capital reserve is included in capital surplus.

3. Consolidated statement of retained earnings

Effective this interim period, Consolidated Statement of Retained Earnings is divided into "capital surplus" and "retained earnings" as designated by the Supplementary Provision 2 of the "Cabinet Office Ordinance on Partial Revision of the Rules on Interim Financial Statements Terminology, Format and Preparation (Cabinet Office Order No. 12 dated March 26, 2002)"

4. Market price used in the recognition of impairment losses for other securities

Until the previous accounting period, the Group had used fair value for the recognition of impairment losses on "other securities" for which market price is available, based on the market price prevailing as of the end of the accounting period. Effective this interim period, the Group will use the average of the prices during the last one month of the period concerned in order to eliminate the effect of short-term movements in stock prices. Effect of this change is minimal.

[Notes]

(Consolidated interim balance sheets)

1. Accumulated depreciation of tangible fixed assets (in million yen)

Interim period ended June 2002	Interim period ended June 2001	Increase/decrease	Year ended December 2001
422,595	405,440	17,155	419,930

2. Assets pledged as collateral and collateralized borrowings

Amounts of assets pledged as collateral

(in million yen)

Assets Pledged as collateral	Interim period ended June 2002	Interim period ended June 2001	Increase/decrease	Year ended December 2001
Deposits	2,334	-	2,334	2,000
Buildings & Structures	8,842	17,229	(8,386)	14,109
Machinery, equipment, transportation equipment	8,306	11,278	(2,972)	11,674
Land	28,889	37,967	(9,078)	29,213
Total	48,373	66,475	(18,102)	56,998

Amounts of liabilities for which above assets are pledged as collateral (in million yen)

	Interim period ended June 2002	Interim period ended June 2001	Increase/decrease	Year ended December 2001
Short-term borrowings	5,942	5,844	98	7,516
Long-term borrowings	9,397	12,588	(3,191)	10,591
Bonds due in one year	-	98	(98)	-
Total	15,340	18,530	(3,190)	18,107

3. Contingent liabilities (in million yen)

	Interim period ended June 2002	Interim period ended June 2001	Increase/decrease	Year ended December 2001
Guarantee	5,011	5,045	(34)	4,943
Commitment to guarantee	-	1,669	(1,669)	-
Letter of undertaking, etc.	5,393	7,269	(1,876)	7,178

4. Notes receivable/payable falling due on the last day of the accounting period

Notes receivable/payable are settled on a business day when banks are open for business. As the last day of the interim period under review was a bank holiday, following notes receivable/payable falling due on the last day of the interim period are included in the balance sheet.

¥(in million yen)

	Interim period ended Jun 2002	Interim period ended June 2001	Increase/decrease	Year ended December 2001
Notes receivable	1,716	1,529	187	946
Notes payable	514	502	11	401

(Consolidated interim statements of operations)

Tax effect accounting

The Group uses the “simple method” in applying tax effect accounting. A lump sum amount including income tax deferred is reflected in the operating statement.

(Consolidated interim statements of cash flows)

Reconciliation of the cash and cash equivalent amounts stated in the balance sheets and cash flow statements

(in million yen)

	Interim period ended June 2002	Interim period ended June 2001	Increase/decrease	Year ended December 2001
Cash and cash equivalents (B.S.)	17,328	18,826	(1,497)	20,307
Time deposits longer than three months	(81)	(2,464)	2,383	(955)
Cash and cash equivalents (Cash flow statements)	17,247	16,361	885	19,351

[Lease transactions]

1. Finance leases where ownership does not transfer to the lessees

1) Acquisition cost equivalents, accumulated depreciation equivalents and book value equivalents of leased properties as of the end of interim (fiscal year) period.

(in million yen)

Interim period ended June 2002				**Interim period ended June 2001**				**Year ended December 2001**			
Machinery and equipment	Furniture and fixtures	Other	Total	Machinery and equipment	Furniture and fixtures	Other	Total	Machinery and equipment	Furniture and fixtures	Other	Total
Acquisition cost equivalents											
52,837	100,234	152	153,223	57,589	108,091	205	165,886	53,248	106,401	279	159,930
Accumulated depreciation equivalents											
31,577	57,791	76	89,445	30,782	58,225	111	89,120	30,149	59,926	152	90,228
Book value equivalents											
21,259	42,442	76	63,778	26,807	49,865	93	76,766	23,099	46,475	126	69,701

2) Unexpired lease payments as of the end of interim (fiscal year) period.

(in million yen)

	Interim period ended June 2002	**Interim period ended June 2001**	**Year ended December 2001**
Within one year	23,102	26,486	24,214
Over one year	45,795	57,583	52,047
Total	68,898	84,069	76,262

3) Lease payment, depreciation equivalents and interest expense equivalent

(in million yen)

	Interim period ended June 2002	**Interim period ended June 2001**	**Year ended December 2001**
Lease payment	14,604	16,738	32,281
Depreciation equiv.	12,060	13,768	25,838
Int. payment equiv.	1,527	2,057	3,793

4) Calculation of depreciation equivalents and interest expense equivalents

- Depreciation equivalents are calculated based on straight line method. Useful life of leased property is deemed to equal contractual period of the lease, with no residual value remaining at the end of the lease period.
- Interest expense equivalents are calculated by taking the difference between total amount of lease payment and acquisition cost equivalent of the leased property, and amortizing it over the lease period based on interest method.

2. Operating lease

- Unexpired lease payment (in million yen)

	Interim period ended June 2002	**Interim period ended June 2001**	**Year ended December 2001**
Within one year	216	255	271
Over one year	191	247	244
Total	408	503	516

(Securities)

1. Held-to-maturity debt securities for which market price is available

N.A.

2. Other securities for which market price is available (in million yen)

	Interim period ended June 2002		
	Acquisition cost	Amount stated in the interim period Balance Sheet	Difference
(1) Stocks	42,555	41,087	(1,468)
(2) Debt securities			
1) Central/local government bonds	-	-	-
2) Corporate bonds	4	4	0
3) Other	-	-	-
(3) Other	-	-	-
Total	42,559	41,091	(1,468)

(Note) Relevant information for the interim period ended June 2001 is omitted pursuant to the Supplementary Clause 3 of Ministry of Finance Ordinance No. 11 (2000). Likewise relevant information for the year ended December 2001 is omitted pursuant to the Supplementary Clause 3 of Ministry of finance Ordinance No. 9 (2000).

1. Securities for which market price is not available

(in million yen)

	Interim period ended June 2002 (amounts stated in consolidated interim balance sheet)	Interim period ended June 2001 (amounts stated in consolidated interim balance sheet)	Year ended December 2001 (amounts stated in consolidated full-year statement)
Held-to-maturity debt securities			
Non-listed foreign bonds	10,831	26,627	21,493
Other securities			
Non-listed stocks (excl. OTC stocks)	15,834	15,219	17,253
Preferred stock	13,500	14,000	13,500
Other	615	639	612
Total	40,781	56,486	52,859

(Derivative transactions)

Interim period ended June 2002 (as of June 30, 2002)

The Group has outstanding contracts in interest rate swaps and currency swaps. No details are provided herein as these transactions are for hedging purposes only.

Interim period ended June 2001 (as of June 30, 2001)

The Group has outstanding contracts in interest rate swaps. No details are provided herein as these transactions are for hedging purposes only.

Year ended December 2001 (as of December 31, 2001)

The Group has outstanding contracts in interest rate swaps. No details are provided herein as these transactions are for hedging purposes only.

(Segment information)

(1) Industrial segment information

Interim period ended June 2002 (January 1, 2002 – June 30, 2002)

(in million yen)

	Alcoholic beverages	Soft drinks	Food/ Pharmaceuticals	Other	Total	Elimination or Corporate	Consolidated total
Sales							
1) to outside customers	481,523	86,119	6,425	59,995	634,063	-	634,063
2) inter-segment sales	23,233	1,709	107	26,538	51,588	(51,588)	-
Total	504,756	87,829	6,532	86,534	685,652	(51,588)	634,063
Operating expenses	475,800	90,397	6,813	85,598	658,609	(51,644)	606,964
Operating income/loss	28,956	(2,568)	(281)	935	27,043	55	27,099

Interim period ended June 2001 (January 1, 2001 – June 30, 2001)

(in million yen)

	Alcoholic beverages	Soft drinks	Food/ Pharmaceuticals	Other	Total	Elimination or Corporate	Consolidated total
Sales							
1) to outside customers	537,394	97,854	1,534	24,612	661,395	-	661,395
2) inter-segment sales	992	1,978	221	109	3,301	(3,301)	-
Total	538,387	99,832	1,755	24,721	664,697	(3,301)	661,395
Operating expenses	504,392	101,327	606	24,518	630,846	4,093	634,939
Operating income/loss	33,994	(1,495)	1,148	202	33,851	(7,395)	26,455

Year ended December 2001 (January 1, 2001 – December 31, 2001) (in million yen)

	Alcoholic beverages	Soft drinks	Food/ Pharmaceuticals	Other	Total	Elimination or Corporate	Consolidated total
Sales							
1) to outside customers	1,179,412	201,771	3,058	49,121	1,433,363	-	1,433,363
2) inter-segment sales	2,103	5,180	457	656	8,398	(8,398)	-
Total	1,181,516	206,951	3,515	49,778	1,441,762	(8,398)	1,433,343
Operating expenses	1,088,881	208,437	1,682	50,595	1,349,596	5,990	1,355,586
Operating income/loss	92,634	(1,485)	1,833	(816)	92,166	(14,388)	77,777

(Note)

1. The Group's businesses are classified into segments by type and nature of products handled.

(Change in the method of segmentation)

Under the Group's Medium-term Management Plan, the three year period starting this year was declared as the period for the "enhancement of Group's competitive advantage" and "overall growth of the Group". In keeping with the spirit of the three year plan and in order to reinforce our soft drink and food/pharmaceuticals businesses as core businesses of the Group outside of alcoholic beverage business, we reviewed and revised the Group's business segment classification. As a result of the review, the food business that had been included in the "soft drinks/food" segment was combined with the pharmaceuticals business that had been included in the "other business" segment, to form a new "food/pharmaceuticals" segment. In addition, the wholesale operations that had been included in the "alcoholic beverages" segment and distribution business that had been split into related businesses were included in "other businesses" segment.

Thus the Group businesses that had been classified into "alcoholic beverages", "soft drinks/food", "real estate" and "other businesses" are now reclassified into "alcoholic beverages", "soft drinks", "food/pharmaceuticals" and "other businesses" effective this interim period under review.

Segment information for the interim period ended June 2001 and the year ended December 2001 as reclassified according to the new segmentation are shown below for reference.

Interim period ended June 2001 (January 1, 2001 – June 30, 2001)

(in million yen)

	Alcoholic beverages	Soft drinks	Food/ Pharmaceuticals	Other	Total	Elimination or Corporate	Consolidated total
Sales							
1) to outside customers	504,142	93,380	7,138	56,734	661,395	-	661,395
2) inter-segment sales	20,290	1,711	151	26,785	48,938	(48,938)	-
Total	524,433	95,091	7,289	83,519	710,334	(48,938)	661,395
Operating expenses	498,113	96,778	6,929	82,093	683,915	(48,976)	634,939
Operating income/loss	26,319	(1,687)	360	1,425	26,418	37	26,455

Year ended December 2001 (January 1, 2001 – December 31, 2001)

(in million yen)

	Alcoholic beverages	Soft drinks	Food/ Pharmaceuticals	Other	Total	Elimination or Corporate	Consolidated total
Sales							
1) to outside customers	1,101,620	192,525	14,561	124,657	1,433,363	-	1,433,363
2) inter-segment sales	42,269	4,631	297	56,717	103,916	(103,916)	-
Total	1,143,889	197,157	14,858	181,374	1,537,280	(103,916)	1,433,363
Operating expenses	1,067,081	199,236	14,451	178,898	1,459,668	(104,081)	1,355,586
Operating income/loss	76,808	(2,079)	406	2,476	77,612	165	77,777

2. Major products for each segment
   (1) Alcoholic beverages ----- beer, happoshu (low-malt beer), whisky, etc.
   (2) Soft drinks ----- refreshing drinks, etc.
   (3) Food/pharmaceuticals ----- food business, pharmaceuticals business
   (4) Other ----- real estate, restaurants, wholesale, distribution, etc.

3. For the interim period ended June 2002, there were no operating expenses included in "elimination or corporate" that were not assignable to particular segment(s). For the interim period ended June 2001 and the year ended December 2001, the amounts of operating expenses included in "elimination or corporate" that were not assignable to particular segment(s) were 7,050 million yen and 14,043 million yen respectively. Expenses related to the administrative functions of the head office and research and development activities are the major items included in "elimination or corporate."

(Change in the method of allocation of operating expenses)

Effective this interim financial period under review, expenses related to the administrative functions of the head office and research and development activities are allocated to relevant alcoholic beverage category. These expenses had been included in “elimination or corporate” until the previous year.

The change in the method of operating expense allocation is a result of the change in the Group’s internal performance measurement system where expenses related to the administrative functions of the head office and research and development activities are now all assigned to the alcoholic beverage business in order to facilitate category by category performance evaluation within the alcoholic beverage segment.

As a result, operating expense for the alcoholic beverage segment is overstated by 6,432 million yen, and its operating income is understated by the same amount than otherwise would have been the case.

(2) Geographic segment information

For the interim period ended June 2002, the interim period ended June 2001 and the year ended December 2001, geographical segment information is not provided herein as sales and assets outside the Group’s home country accounted for less than 10% of its consolidated sales and consolidated total assets for these periods.

(3) Export sales and sales by overseas subsidiaries

For the interim period ended June 2002, the interim period ended June 2001 and the year ended December 2001, information regarding export sales and sales by overseas subsidiaries is not provided herein as they accounted for less than 10% of consolidated sales.

Production, Orders Received and Sales

1. Production

Actual production for each segment for the interim period ended June 2002 were as follows:

(in million yen)

	Volume or amount	Unit	y-o-y change
Alcoholic beverages	1,529,287	KL	(2.7)%
Soft drinks	94,941	mil yen	(10.0)%
Food/Pharmaceuticals	3,651	mil yen	(19.5)%
Other	2,819	mil yen	3.5%

(Note)

1. Stated amounts represent amount of sales.
2. Production for the soft drinks segment include commissioned production by outside parties.
3. Consumption tax is not included in the stated amounts.

2. Orders received

Volume of order-based production is minimum.

3. Sales

Actual sales for each segment for the interim period ended June 2002 were as follows:

(in million yen)

	Amount	y-o-y change
Alcoholic beverages	481,523	(4.5)%
Soft drinks	86,119	(7.8)%
Food/Pharmaceuticals	6,425	(10.0)%
Other	59,995	5.8%

(Note)

1. Consumption tax is not included in the stated amounts.