

# ASAHI BREWERIES, LTD.



## FY2006 Non-Consolidated 1H Financial Results

All information has been prepared in accordance with generally accepted accounting principles in Japan. Amounts shown in this accounting report and in the attached material have been rounded down to omit fractions less than one million yen. This document is a partial English translation of the Japanese Financial Statement (Kessan Tanshin) which was filed at stock exchanges in Japan on August 4, 2006.

### Summary of Non-Consolidated 1H Financial Results (Fiscal 2006)

August 4, 2006

#### ASAHI BREWERIES, LTD.

Code Number: 2502  
Shares Listed: First Section of the Tokyo Stock Exchange and Osaka Securities Exchange  
(URL: <http://www.asahibeer.co.jp>)  
Head Office: Tokyo, Japan  
Representative: Hitoshi Ogita, President and COO  
Contact: Toshio Kodato, General Manager, Public Relations Department  
Tel: +81-3-5608-5126

Date of Board of Directors' Meeting: February 10, 2006  
Date of Ordinary General Meeting of Shareholders: March 30, 2006  
Interim Dividend Payment Program: Yes  
Unit Stock System: Yes (One unit equals 100 shares)

**1. Non-Consolidated 1H Financial Results for Fiscal 2006**  
(From January 1, 2006 to June 30, 2006)

(1) Operating Results

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

	Fiscal 2006 1H ended June 30, 2006		Fiscal 2005 1H ended June 30, 2005	
	Millions of yen	% change	Millions of yen	% change
Net sales	¥469,840	-2.0%	¥479,432	-4.5%
Operating income	25,815	-2.7%	26,527	-24.6%
Ordinary income	25,127	-4.2%	26,223	-23.2%
Net income	12,337	-13.9%	14,321	-8.0%
Net income per share	¥25.80		¥29.51	

Notes:

1. Average number of shares outstanding during the term:

6 months ended June 30, 2006: 478,156,789 shares

6 months ended June 30, 2005: 485,251,097 shares

2. Change in accounting policy during the term: No

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

(2) Financial Condition

(Millions of yen, except per share data)

	Fiscal 2006 1H ended June 30, 2006	Fiscal 2005 1H ended June 30, 2005
Total assets	¥1,001,252	¥996,925
Shareholders' equity	¥440,094	¥415,893
Shareholders' equity ratio	44.0%	41.7%
Shareholders' equity per share	¥920.21	¥857.05

Notes:

1. Number of shares issued and outstanding at the end of the term:

6 months ended June 30, 2006: 478,254,982 shares

6 months ended June 30, 2005: 485,261,647 shares

2. Number of treasury stock at the end of the term:

6 months ended June 30, 2006: 15,330,880 shares

6 months ended June 30, 2005: 28,324,215 shares

**2. Projection for Fiscal 2006**

(January 1, 2006 to December 31, 2006)

(Millions of yen, except per share data)

	Fiscal 2006 ending December 31, 2006
Net sales	1,073,000
Ordinary income	82,000
Net income	40,000
Dividend per share for the year	¥17.0
(Interim dividend)	¥8.5
(Year-end dividend)	¥8.5

Note: Projected net income per share for fiscal 2006 ¥83.64

\* The above estimate incorporates certain assumptions and projections based on which the future outlook and plans by the Company as announced in this document are formulated. Actual results may differ from the above projection depending on various conditions.

**ASAHI BREWERIES, LTD.**  
SEMI-ANNUAL NON-CONSOLIDATED BALANCE SHEETS  
June 30, 2006 and 2005  
(Unaudited)

**ASSETS**

	Millions of yen				
	June 30 2006		June 30 2005		Increase (Decrease)
	Amount	Ratio(%)	Amount	Ratio(%)	Amount
<b>(Assets)</b>					
<b>I . Current assets:</b>					
Cash and time deposits	2,781		2,652		128
Notes receivable	4,566		5,486		(920)
Accounts receivable	181,526		182,960		(1,434)
Inventories	41,108		42,865		(1,757)
Short-term loans receivable from subsidiaries and affiliated compani	20,017		43,421		(23,403)
Other current assets	18,225		30,977		(12,751)
Allowance for doubtful accounts	(9,347)		(8,727)		(619)
<b>Total current assets</b>	<b>258,879</b>	<b>25.9%</b>	<b>299,637</b>	<b>30.1%</b>	<b>(40,757)</b>
<b>II . Fixed assets:</b>					
<b>Property, plant and equipment:</b>					
Buildings and structures	146,290		142,751		3,538
Machinery and equipment	150,476		161,566		(11,089)
Tools, furniture and fixtures	46,346		47,263		(917)
Land	133,763		130,001		3,762
Construction in progress	3,004		4,405		(1,401)
Other tangible fixed assets	21,275		22,464		(1,189)
<b>Total tangible fixed assets</b>	<b>501,156</b>		<b>508,452</b>		<b>(7,296)</b>
<b>Intangible fixed assets:</b>	<b>8,221</b>		<b>8,957</b>		<b>(736)</b>
<b>Investments and other assets:</b>					
Investment securities	73,696		55,739		17,957
Investments in subsidiaries and affiliated companies	122,825		72,923		49,902
Other investments	44,441		62,799		(18,357)
Allowance for doubtful accounts	(7,969)		(11,584)		3,615
<b>Total investments and other assets</b>	<b>232,995</b>		<b>179,877</b>		<b>53,117</b>
<b>Total fixed assets</b>	<b>742,373</b>	<b>74.1%</b>	<b>697,288</b>	<b>69.9%</b>	<b>45,084</b>
<b>Total assets</b>	<b>¥1,001,252</b>	<b>100.0%</b>	<b>¥996,925</b>	<b>100.0%</b>	<b>¥4,326</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

	Millions of yen				
	June 30		June 30		Increase
	2006		2005		(Decrease)
	Amount	Ratio(%)	Amount	Ratio(%)	Amount
<b>(Liabilities)</b>					
<b>I . Current liabilities:</b>					
Notes payable	251		110		(124)
Accounts payable	44,339		48,979		6,656
Short-term debt	45,000		36,000		(7,000)
Bonds due within one year	60,000		20,000		(39,997)
Alcohol tax payable	125,285		134,954		(1,015)
Deposits received	41,775		59,811		(17,479)
Commercial paper	2,000		1,000		1,000
Reserve for bonus payment	1,203		1,182		(41)
	35		-		
Other current liabilities	62,200		67,487		(4,323)
<b>Total current liabilities</b>	<b>382,093</b>	<b>38.2%</b>	<b>369,525</b>	<b>37.1%</b>	<b>(62,325)</b>
<b>II . Long-term liabilities:</b>					
Bonds	85,000		120,000		(20,000)
Long-term debt	50,125		46,500		1,000
Long-term deposits received	34,842		33,992		963
Employees' severance and retirement benefits	8,828		10,644		(1,377)
Retirement benefits for directors and corporate auditors	268		369		61
<b>Total long-term liabilities</b>	<b>179,064</b>	<b>17.8%</b>	<b>211,506</b>	<b>21.2%</b>	<b>(19,351)</b>
<b>Total liabilities</b>	<b>561,157</b>	<b>56.0%</b>	<b>581,031</b>	<b>58.3%</b>	<b>(81,677)</b>
<b>(Net assets)</b>					
<b>I . Shareholders' equity:</b>					
Common stock	182,531	18.2%	-	-	182,531
Capital surplus:	172,685	17.3%	-	-	172,685
Retained earnings:	87,192	8.7%	-	-	87,192
Treasury stock	(17,141)	-1.7%	-	-	(17,141)
<b>Total shareholders' equity:</b>	<b>425,267</b>	<b>42.5%</b>	<b>-</b>	<b>-</b>	<b>425,267</b>
<b>II . Valuation and translation adjustments:</b>					
Net unrealized holding losses on available-for-sale securities	14,827	1.5%	-	-	14,827
<b>Total valuation and translation adjustments</b>	<b>14,827</b>	<b>1.5%</b>	<b>-</b>	<b>-</b>	<b>14,827</b>
<b>Total net assets</b>	<b>440,094</b>	<b>44.0%</b>	<b>-</b>	<b>-</b>	<b>440,094</b>
<b>Total liabilities and net assets</b>	<b>¥1,001,252</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>	<b>¥1,001,252</b>
<b>(Shareholders' equity)</b>					
<b>I . Common stock</b>	<b>-</b>	<b>-</b>	<b>182,531</b>	<b>18.3%</b>	<b>(182,531)</b>
<b>II . Capital surplus:</b>	<b>-</b>	<b>-</b>	<b>190,292</b>	<b>19.1%</b>	<b>(190,292)</b>
<b>III . Retained earnings:</b>	<b>-</b>	<b>-</b>	<b>61,908</b>	<b>6.2%</b>	<b>(61,908)</b>
<b>IV . Net unrealized holding losses on available-for-sale securities</b>	<b>-</b>	<b>-</b>	<b>6,044</b>	<b>0.6%</b>	<b>(6,044)</b>
<b>V . Treasury stock</b>	<b>-</b>	<b>-</b>	<b>(24,883)</b>	<b>-2.5%</b>	<b>24,883</b>
<b>Total shareholders' equity</b>	<b>-</b>	<b>-</b>	<b>415,893</b>	<b>41.7%</b>	<b>(415,893)</b>
<b>Total liabilities, minority interests and shareholders' equity</b>	<b>-</b>	<b>-</b>	<b>¥996,925</b>	<b>100.0%</b>	<b>(¥996,925)</b>

**ASAHI BREWERIES, LTD.**  
SEMI-ANNUAL NON-CONSOLIDATED INCOME STATEMENTS  
Six months ended June 30, 2006 and 2005  
(Unaudited)

	June 30 2006		June 30 2005		Increase (Decrease)
	Amount	Ratio(%)	Amount	Ratio(%)	Amount (Decrease)
<b>I . Net sales</b>	469,840	100.0%	479,432	100.0%	(9,592)
<b>II . Cost of sales</b>	333,798	71.0%	344,396	71.8%	(10,598)
<b>Gross profit</b>	136,042	29.0%	135,035	28.2%	1,006
<b>III . Selling, general and administrative</b>	110,227	23.5%	108,507	22.6%	1,719
<b>Operating income</b>	25,815	5.5%	26,527	5.6%	(712)
<b>IV . Non-operating income:</b>					
Interest income	148		306		(158)
Dividend income	1,048		1,113		(64)
Other	276		615		(338)
Total	1,473	0.3%	2,034	0.4%	(561)
<b>V . Non-operating expenses:</b>					
Interest expenses	1,133		1,157		(24)
Other	1,027		1,181		(154)
Total	2,161	0.5%	2,339	0.5%	(178)
<b>Recurring profit</b>	25,127	5.3%	26,223	5.5%	(1,095)
<b>VI . Extraordinary gain:</b>					
Gain on sale of fixed assets	1		1		0
Gain on sale of investment securities	5		66		(60)
Gain on sale of subsidiaries' shares	-		297		(297)
Gain on reverse of allowance for doubtful accounts	1,733		2,386		(652)
Total	1,740	0.4%	2,752	0.6%	(1,011)
<b>VII . Extraordinary loss:</b>					
Loss on sales and disposal of fixed assets	1,005		3,654		(2,649)
Loss on sale of investment securities	8		-		8
Loss on devaluation of investment securities	68		228		(160)
Loss on sale of investment in affiliated companies	91		-		91
Loss on devaluation of investment in affiliated companies	97		317		(220)
Loss on liquidation of business	-		-		-
Loss on disposition of subsidiary's stock due to business succession	401		-		401
Impairment loss on fixed assets	422		-		422
Loss on devaluation of real estates	3,238		-		3,238
Total	5,335	1.1%	4,201	0.9%	1,133
<b>Income before income taxes</b>	21,533	4.6%	24,773	5.2%	(3,240)
<b>Income tax, Inhabitants tax &amp; enterprise tax</b>	9,196	2.0%	10,452	2.2%	(1,256)
<b>Adjustment to income taxes</b>	-	-	-	2.2%	-
<b>Interim net income</b>	12,337	2.6%	14,321	3.0%	(1,984)
<b>Retained earnings at beginning of the term</b>	-		5,185		(5,185)
Unappropriated retained earnings	-		¥19,506		(¥19,506)

Sales by Business Segment  
(January 1, 2006 to July, 2006)

(Millions of yen)

	Fiscal 2006 1H ended June 30, 2006	Fiscal 2005 1H ended June 30, 2005	Increase (decrease) %
Beer	323,149	314,991	2.6
Happoshu (low-malt beer)	52,000	80,951	(35.8)
New genre (no-malt beer)	28,285	18,597	52.1
Sho-chu	28,630	28,271	1.3
Low-alcohol beverages	16,144	14,957	7.9
Whisky and other spirits	13,413	14,096	(4.8)
Wine	6,028	5,532	9.0
Other alcoholic beverages	1,270	1,364	(6.9)
Real estate	916	669	36.8
<b>Total</b>	<b>469,835</b>	<b>470,432</b>	<b>(2.0)</b>