

**【Summary】**

**FY2003 Financial Results (Consolidated)**

<Summary of Statements of income>

(¥billion)

	FY2003	FY2002	YoY	Target announced Aug.2003	Difference
Asahi Breweries	1,107.0	1,093.8	13.2	1,100.0	7.0
Asahi Soft Drinks	189.4	177.6	11.8	188.0	1.4
Asahi Food & Healthcare	22.0	14.8	7.2	22.5	(0.5)
Others	81.9	89.1	(7.2)	79.5	2.4
<b>Sales</b>	<b>1,400.3</b>	<b>1,375.3</b>	<b>25.0</b> 1.8%	<b>1,390.0</b>	<b>10.3</b> 0.7%
Asahi Breweries	72.4	69.8	2.6	63.0	9.4
Asahi Soft Drinks	2.8	(3.8)	6.6	2.3	0.5
Asahi Food & Healthcare	0.0	0.0	0.0	0.1	(0.1)
Others	3.7	3.3	0.4	0.6	3.1
<b>Operating profit</b>	<b>78.9</b>	<b>69.3</b>	<b>9.6</b> 13.9%	<b>66.0</b>	<b>12.9</b> 19.5%
Non-operating income or expense	(8.5)	(11.8)	3.3	(6.0)	(2.5)
Income/expense on financing activities	(3.2)	(4.2)	1.0	(3.5)	0.3
Other income/expense, net	(5.3)	(7.6)	2.3	(2.5)	(2.8)
[Amortization of consolidation difference]	1.6	1.6	0.0	1.6	0.0
[Provision for doubtful accounts]	(1.3)	(4.9)	3.6	0.0	(1.3)
[Others]	(5.6)	(4.3)	(1.3)	(4.1)	(1.5)
<b>Ordinary profit</b>	<b>70.4</b>	<b>57.5</b>	<b>12.9</b> 22.5%	<b>60.0</b>	<b>10.4</b> 17.3%
Extraordinary items	(21.8)	(25.1)	3.3	(20.6)	(1.2)
Gain on sale of fixed assets	0.9	0.2	0.7	0.2	0.7
Gain on reverse of allowance for doubtful accounts	-	-	-	0.5	(0.5)
Compensation for transfer of brewery	1.5	-	1.5	-	1.5
Loss on sales and disposal of fixed assets	(14.5)	(13.1)	(1.4)	(12.0)	(2.5)
Loss on devaluation of investment securities	(1.3)	(7.4)	6.1	(1.9)	0.6
Loss on liquidation of business	(7.7)	(0.5)	(7.2)	(6.5)	(1.2)
Prior year's provision for reserve for officer's retirement benefits	(0.6)	-	(0.6)	(0.6)	0.0
Loss on creation of retirement benefit trust	-	(3.6)	3.6	-	-
Other extraordinary items	(0.1)	(0.7)	0.6	(0.3)	0.2
Income before taxes	48.6	32.4	16.2	39.4	9.2
Income taxes	25.2	21.1	(4.1)	18.6	(6.6)
Minority interests in net loss of unconsolidated subsidiaries	0.2	(3.4)	(3.6)	(0.2)	(0.4)
<b>Net income</b>	<b>23.2</b>	<b>14.7</b>	<b>8.5</b> 57.3%	<b>21.0</b>	<b>2.2</b> 10.5%

<Summary of Statements of Balance Sheet>

(¥billion)

	FY2003	FY2002	YoY	Target	YoY
Total assets	1,244.4	1,294.7	(50.3)	1,270.0	(25.6)
Interest-bearing debt	336.3	402.2	(65.9)	386.0	(49.7)

<Others>

(¥billion)

	FY2003	FY2002	YoY	Target announced Aug. 2003	Difference
Operating margin	5.6%	5.0%	0.6%	4.7%	0.9%
Capital expenditures	38.1	41.2	(3.1)	44.0	(5.9)
Depreciation	53.1	51.5	1.6	53.0	0.1

**【Summary】**

**FY2003 Financial Results (Non-consolidated)**

<Sales Figures>

	FY2003	FY2002	YoY	(million cases)	
				Target announced Aug.7	Difference
Beer	149.86	162.43	(12.57) -7.7%	148.50	1.36 0.9%
Happoshu	54.25	46.99	7.26 15.5%	54.00	0.25 0.5%
<b>Total</b>	<b>204.11</b>	<b>209.42</b>	<b>(5.31)</b> <b>-2.5%</b>	<b>202.50</b>	<b>1.61</b> <b>0.8%</b>

<Summary of statements of income>

	FY2003	FY2002	YoY	¥(billion)	
				Target announced Aug. 2003	Difference
Beer	784.4	849.6	(65.2)	776.5	7.9
Happoshu	195.6	162.4	33.2	194.7	0.9
Others	127.0	81.8	45.2	128.8	(1.8)
<b>Sales</b>	<b>1,107.0</b>	<b>1,093.8</b>	<b>13.2</b> <b>1.2%</b>	<b>1,100.0</b>	<b>7.0</b> <b>0.6%</b>
Beer - decrease in sales volume	-	-	(19.2)	(21.0)	1.8
Happoshu - increase in sales volume	-	-	9.1	8.8	0.3
Cost reduction in manufacturing	-	-	6.4	5.8	0.6
Cost reduction in logistics	-	-	4.4	3.5	0.9
Other alcoholic beverages - Increase in sales volume	-	-	12.1	12.8	(0.7)
Happoshu - price reduction	-	-	(4.6)	(4.6)	0.0
Difference in composition ratio of containers	-	-	0.8	1.0	(0.2)
Cost increase in raw materials	-	-	(0.2)	(1.0)	0.8
Increase in sales promotion expense	109.1	106.0	(3.1)	(6.5)	3.4
Increase in other expenses	-	-	(3.1)	(5.6)	2.5
<b>Operating profit</b>	<b>72.4</b>	<b>69.8</b>	<b>2.6</b> <b>3.7%</b>	<b>63.0</b>	<b>9.4</b> <b>14.9%</b>
Income/expense on financing activities	(1.5)	(2.2)	0.7	(2.0)	0.5
Other income/expense, net	(8.1)	(10.9)	2.8	(4.0)	(4.1)
[Provision for doubtful accounts]	(3.5)	(6.7)	3.2	(1.0)	(2.5)
[Other]	(4.6)	(4.2)	(0.4)	(3.0)	(1.6)
<b>Ordinary profit</b>	<b>62.8</b>	<b>56.7</b>	<b>6.1</b> <b>10.8%</b>	<b>57.0</b>	<b>5.8</b> <b>10.2%</b>
Extraordinary Items	(18.8)	(29.9)	11.1	(19.5)	0.7
Gain on sale of fixed assets	0.5	0.0	0.5	0.2	0.3
Gain on sale of Investment securities	0.2	0.3	(0.1)	0.0	0.2
Gain on reverse of allowance for doubtful accounts	-	-	-	0.5	(0.5)
Loss on sales and disposal of fixed assets	(7.8)	(10.1)	2.3	(7.8)	0.0
Loss on devaluation of investment securities	(1.3)	(7.4)	6.1	(1.9)	0.6
Subsidiaries related expense	(9.8)	(9.1)	(0.7)	(9.9)	0.1
Loss on creation of retirement benefit trust	-	(3.6)	3.6	-	-
Prior year's provision for reserve for officer's retirement benefits	(0.6)	-	(0.6)	(0.6)	-
Retirement benefits for directors	-	0.0	0.0	-	-
<b>Income before taxes</b>	<b>44.0</b>	<b>26.8</b>	<b>17.2</b>	<b>37.5</b>	<b>6.5</b>
Income taxes	27.6	16.2	(11.4)	22.5	(5.1)
<b>Net income</b>	<b>16.4</b>	<b>10.6</b>	<b>5.8</b> <b>55.0%</b>	<b>15.0</b>	<b>1.4</b> <b>9.2%</b>

<Summary of Statements of Balance Sheet>

	FY2003	FY2002	YoY	¥(billion)	
				Target announced Aug. 2003	Difference
Total assets	1,077.8	1,127.6	(49.8)	1100.0	(22.2)
Interest-bearing debt	291.5	347.4	(55.9)	335.0	(43.5)

<Others>

	FY2003	FY2002	YoY	¥(billion)	
				Target announced Aug. 2003	Difference
Operating margin	6.5%	6.4%	0.1%	5.7%	0.8%
Capital expenditures	27.1	30.1	(3.0)	33.0	(5.9)
Depreciation	39.7	37.8	1.9	40.0	(0.3)

**【Summary】**

**FY2004 Consolidated Forecast**

Summary of Statements of income

(¥billion)

	FY2004 Est.	FY2003	YoY
Asahi Breweries	1,131.0	1,107.0	24.0
Asahi Soft Drinks	196.5	189.4	7.1
Asahi Food & Healthcare	25.5	22.0	3.5
Others	87.0	81.9	5.1
<b>Sales</b>	<b>1,440.0</b>	<b>1,400.3</b>	<b>39.7</b> 2.8%
Asahi Breweries	78.0	72.4	5.6
Asahi Soft Drinks	5.0	2.8	2.2
Asahi Food & Healthcare	(0.4)	0.0	(0.4)
Others	1.4	3.7	(2.3)
<b>Operating profit</b>	<b>84.0</b>	<b>78.9</b>	<b>5.1</b> 6.4%
Non-operating income or expense	(4.0)	(8.5)	4.5
Income/expense on financing activities	(3.0)	(3.2)	0.2
Other income/expense, net	(1.0)	(5.3)	4.3
[Amortization of consolidation difference]	1.6	1.6	0.0
[Provision for doubtful accouts]	0.0	(1.3)	1.3
[Others]	(2.6)	(5.6)	3.0
<b>Ordinary profit</b>	<b>80.0</b>	<b>70.4</b>	<b>9.6</b> 13.5%
Extraordinary items	(19.7)	(21.8)	2.1
Gain on sale of fixed assets	-	0.9	(0.9)
Compensation for transfer of brewery	1.3	1.5	(0.2)
Loss on sale and disposal of fixed assets	(6.5)	(6.2)	(0.3)
Loss on liquidation of real estate	-	(8.3)	8.3
Loss on devaluation of investment securities	-	(1.3)	1.3
Subsidiary related expense	-	(7.7)	7.7
Prior year's provision for reserve for officer's retirement benefits	-	(0.6)	0.6
Other	(0.5)	(0.1)	(0.4)
Business restructuring	(14.0)	-	(14.0)
Income before taxes	60.3	48.6	11.7
Income taxes	34.3	25.4	(8.9)
<b>Net income</b>	<b>26.0</b>	<b>23.2</b>	<b>2.8</b> 12.0%

<Summary of Statements of Balance Sheet>

(¥billion)

	FY2004 Est.	FY2003	YoY
Total assets	1,236.0	1,244.4	(8.4)
Interest-bearing debt	323.0	336.3	(13.3)

<Others>

	FY2004 Est.	FY2003	YoY
Operating margin	5.8%	5.6%	0.2%

(¥billion)

Capital expenditures	40.0	38.1	1.9
Depreciation	53.0	53.1	(0.1)

**【Summary】**

**FY2004 Non-Consolidated Forecast**

<Sales Figures>

(million cases)

	FY2004 Est.	FY2003	YoY
Beer	141.50	149.86	(8.36) -5.6%
Happoshu	63.50	54.25	9.25 17.1%
<b>Total</b>	<b>205.00</b>	<b>204.11</b>	<b>0.89</b> <b>0.4%</b>

<Summary of statements of income>

(¥billion)

	FY2004 Est.	FY2003	YoY
Beer	742.4	784.4	(42.0)
Happoshu	236.6	195.6	41.0
Others	152.0	127.0	25.0
<b>Sales</b>	<b>1,131.0</b>	<b>1,107.0</b>	<b>24.0</b> <b>2.2%</b>
Beer - decrease in sales volume	-	-	(13.0)
Happoshu - increase in sales volume	-	-	11.0
Cost reduction in manufacturing	-	-	1.8
Cost reduction in logistics	-	-	1.2
Other alcoholic beverages - increase in sales volume	-	-	7.5
Difference in composition ratio of containers	-	-	0.5
Cost increase in raw materials	-	-	(1.0)
Decrease in sales promotion expenses	105.5	109.1	3.6
Other expenses	-	-	(6.0)
<b>Operating profit</b>	<b>78.0</b>	<b>72.4</b>	<b>5.6</b> <b>7.8%</b>
Income/expense on financing activities	(1.5)	(1.5)	0.0
Other income/expense, net	(9.5)	(8.1)	(1.4)
[Provision for doubtful accounts]	(7.0)	(3.5)	(3.5)
[Other]	(2.5)	(4.6)	2.1
<b>Ordinary profit</b>	<b>67.0</b>	<b>62.8</b>	<b>4.2</b> <b>6.6%</b>
Extraordinary Items	(15.0)	(18.8)	3.8
Gain on sale of fixed assets	-	0.5	(0.5)
Gain on sale of investment securities	-	0.2	(0.2)
Loss on sales and disposal of fixed assets	(5.0)	(4.0)	(1.0)
Loss on liquidation of real estate	-	(3.8)	3.8
Loss on devaluation of investment securities	-	(1.3)	1.3
Subsidiary related expense	-	(9.8)	9.8
Prior year's provision for reserve for officer's retirement benefits	-	(0.6)	0.6
Business restructuring	(10.0)	-	(10.0)
<b>Income before income taxes</b>	<b>52.0</b>	<b>44.0</b>	<b>8.0</b>
Income taxes	29.0	27.6	(1.4)
<b>Net income</b>	<b>23.0</b>	<b>16.4</b>	<b>6.6</b> <b>40.4%</b>

<Summary of Statements of Balance Sheet>

(¥billion)

	FY2004 Est.	FY2003	YoY
Total assets	1,075.0	1,077.8	(2.8)
Interest-bearing debt	290.0	291.5	(1.5)

<Others>

	FY2004 Est.	FY2003	YoY
Operating margin	6.9%	6.5%	0.4%
Capital expenditures	27.0	27.1	(0.1)
Depreciation	40.0	39.7	0.3