

**【Summary】**

**FY2004 Financial Results (Consolidated)**

<Summary of Statements of income>

(¥billion)

	FY2004	FY2003	YoY	Target announced Aug.2004	Difference
Asahi Breweries	1,116.4	1,107.0	9.4	1,123.0	(6.6)
Asahi Soft Drinks	204.0	189.4	14.6	204.0	0.0
Asahi Food & Healthcare	22.3	22.0	0.3	23.9	(1.6)
Others	101.5	81.9	19.6	84.1	17.4
<b>Sales</b>	<b>1,444.2</b>	<b>1,400.3</b>	<b>43.9</b> 3.1%	<b>1,435.0</b>	<b>9.2</b> 0.6%
Asahi Breweries	91.7	72.4	19.3	80.0	11.7
Asahi Soft Drinks	8.1	2.8	5.3	7.0	1.1
Asahi Food & Healthcare	(0.6)	0.0	(0.6)	(0.4)	(0.2)
Others	2.0	3.7	(1.7)	1.4	0.6
<b>Operating profit</b>	<b>101.2</b>	<b>78.9</b>	<b>22.3</b> 28.2%	<b>88.0</b>	<b>13.2</b> 15.0%
Non-operating income or expense	(5.6)	(8.5)	2.9	(4.0)	(1.6)
Income/expense on financing activities	(2.8)	(3.2)	0.4	(3.0)	0.2
Other income/expense, net	(2.8)	(5.3)	2.5	(1.0)	(1.8)
[Amortization of consolidation difference]	1.6	1.6	0.0	1.8	(0.2)
[Provision for doubtful accounts]	(0.2)	(1.3)	1.1	0.0	(0.2)
[Others]	(4.2)	(5.6)	1.4	(2.8)	(1.4)
<b>Ordinary profit</b>	<b>95.6</b>	<b>70.4</b>	<b>25.2</b> 35.7%	<b>84.0</b>	<b>11.6</b> 13.8%
Extraordinary items	(37.3)	(21.8)	(15.5)	(20.0)	(17.3)
Gain on sale of fixed assets	0.4	0.9	(0.5)	0.0	0.4
Compensation for transfer of brewery	0.6	1.5	(0.9)	1.2	(0.6)
Loss on sales and disposal of fixed assets	(6.5)	(6.2)	(0.3)	(6.6)	0.1
Loss on liquidation of real estate	(24.9)	(8.3)	(16.6)	(7.5)	(17.4)
Loss on devaluation of investment securities	(0.3)	(1.3)	1.0	(0.5)	0.2
Subsidiaries related expense	(3.3)	(7.7)	4.4	(6.0)	2.7
Prior year's provision for reserve for officer's retirement benefits	-	(0.6)	0.6	-	-
Prior period adjustment of sales promotion expense	(2.0)	-	(2.0)	-	(2.0)
Vending machine related expense correspond with the issuance the new notes	(1.6)	-	(1.6)	-	(1.6)
Other extraordinary items	0.3	(0.1)	0.4	(0.6)	0.9
<b>Income before taxes</b>	<b>58.3</b>	<b>48.6</b>	<b>9.7</b>	<b>64.0</b>	<b>(5.7)</b>
Income taxes	26.8	25.2	(1.6)	34.3	7.5
Minority interests in net loss of unconsolidated subsidiaries	0.9	0.2	(0.7)	1.7	0.8
<b>Net income</b>	<b>30.6</b>	<b>23.2</b>	<b>7.4</b> 31.8%	<b>28.0</b>	<b>2.6</b> 9.3%

<Summary of Statements of Balance Sheet>

(¥billion)

	FY2004	FY2003	YoY	Target announced Aug. 2004	Difference
Total assets	1,250.8	1,244.4	6.4	1,233.0	17.8
Interest-bearing debt	303.1	336.3	(33.2)	323.0	(19.9)

<Others>

(¥billion)

	FY2004	FY2003	YoY	Target announced Aug. 2004	Difference
Operating margin	7.0%	5.6%	1.4%	6.1%	0.9%

(¥billion)

Capital expenditures	40.1	38.1	2.0	40.0	0.1
Depreciation	51.3	53.1	(1.8)	53.0	(1.7)

**【Summary】**

**FY2004 Financial Results (Non-consolidated)**

<Sales Figures>

(million cases)

	FY2004	FY2003	YoY	Target announced Aug. 2004	Difference
Beer	150.14	149.86	0.28 0.2%	148.00	2.14 1.4%
Happoshu	53.87	54.25	(0.38) -0.7%	57.00	(3.13) -5.5%
<b>Total</b>	<b>204.01</b>	<b>204.11</b>	<b>(0.10)</b> <b>-0.0%</b>	<b>205.00</b>	<b>(0.99)</b> <b>-0.5%</b>

<Summary of statements of income>

(¥billion)

	FY2004	FY2003	YoY	Target announced Aug. 2004	Difference
Beer	786.8	784.4	2.4	775.7	11.1
Happoshu	200.6	195.6	5.0	212.3	(11.7)
Others	129.0	127.0	2.0	135.0	(6.0)
<b>Sales</b>	<b>1,116.4</b>	<b>1,107.0</b>	<b>9.4</b> <b>0.8%</b>	<b>1,123.0</b>	<b>(6.6)</b> <b>-0.6%</b>
Beer - increase in sales volume	-	-	0.5	(2.9)	3.4
Happoshu - decrease in sales volume	-	-	(0.4)	3.3	(3.7)
Other alcoholic beverages - Increase in sales volume	-	-	0.7	2.4	(1.7)
Cost reduction in manufacturing	-	-	4.1	3.1	1.0
Cost reduction in logistics	-	-	3.7	2.0	1.7
Difference in composition ratio of containers	-	-	1.4	0.2	1.2
Cost increase in raw materials	-	-	(0.8)	(1.5)	0.7
Decrease in sales promotion expense	108.6	109.1	0.5	3.6	(3.1)
Decrease in other expenses	-	-	9.6	(2.6)	12.2
<b>Operating profit</b>	<b>91.7</b>	<b>72.4</b>	<b>19.3</b> <b>26.8%</b>	<b>80.0</b>	<b>11.7</b> <b>14.7%</b>
Income/expense on financing activities	(1.0)	(1.5)	0.5	(1.3)	0.3
Other income/expense, net	(2.0)	(8.1)	6.1	(9.7)	7.7
[Provision for doubtful accounts]	(0.0)	(3.5)	3.5	(7.0)	7.0
[Other]	(2.0)	(4.6)	2.6	(2.7)	0.7
<b>Ordinary profit</b>	<b>88.7</b>	<b>62.8</b>	<b>25.9</b> <b>41.1%</b>	<b>69.0</b>	<b>19.7</b> <b>28.5%</b>
Extraordinary Items	(37.0)	(18.8)	(18.2)	(15.0)	(22.0)
Gain on sale of fixed assets	0.3	0.5	(0.2)	0.0	0.3
Gain on sale of Investment securities	0.2	0.2	(0.0)	0.0	0.2
Loss on sales and disposal of fixed assets	(4.8)	(4.0)	(0.8)	(5.0)	0.2
Loss on sale of real estate	(2.6)	(3.8)	1.2	(2.5)	(0.1)
Loss on devaluation of investment securities	(0.3)	(1.3)	1.0	(0.5)	0.2
Subsidiaries related expense	(29.8)	(9.8)	(20.0)	(7.0)	(22.8)
Prior year's provision for reserve for officer's retirement benefits	-	(0.6)	0.6	-	-
<b>Income before taxes</b>	<b>51.7</b>	<b>44.0</b>	<b>7.7</b>	<b>54.0</b>	<b>(2.3)</b>
Income taxes	23.5	27.6	4.1	30.0	6.5
<b>Net income</b>	<b>28.2</b>	<b>16.4</b>	<b>11.8</b> <b>72.1%</b>	<b>24.0</b>	<b>4.2</b> <b>17.5%</b>

<Summary of Statements of Balance Sheet>

(¥billion)

(¥billion)

	FY2004	FY2003	YoY	Target announced Aug. 2004	Difference
Total assets	1,038.3	1,077.8	(39.5)	1047.0	(8.7)
Interest-bearing debt	238.5	291.5	(53.0)	260.0	(21.5)

<Others>

	FY2004	FY2003	YoY	Target announced Aug. 2004	Difference
Operating margin	8.2%	6.5%	1.7%	7.1%	1.1%
			(¥billion)		(¥billion)
Capital expenditures	26.9	27.1	(0.2)	27.0	(0.1)
Depreciation	38.6	39.7	(1.1)	39.5	(0.9)

**【Summary】**

**FY2005 Consolidated Forecast**

Summary of Statements of income

(¥billion)

	FY2005 Est.	FY2004	YoY
Asahi Breweries	1,164.0	1,116.4	47.6
Asahi Soft Drinks	209.0	204.0	5.0
Asahi Food & Healthcare	26.5	22.3	4.2
Others	125.5	101.5	24.0
<b>Sales</b>	<b>1,525.0</b>	<b>1,444.2</b>	<b>80.8</b> 5.6%
Asahi Breweries	92.0	91.7	0.3
Asahi Soft Drinks	8.5	8.1	0.4
Asahi Food & Healthcare	0.0	(0.6)	0.6
Others	2.0	2.0	0.0
<b>Operating profit</b>	<b>102.5</b>	<b>101.2</b>	<b>1.3</b> 1.2%
Non-operating income or expense	(4.5)	(5.6)	1.1
Income/expense on financing activities	(2.7)	(2.8)	0.1
Other income/expense, net	(1.8)	(2.8)	1.0
[Amortization of consolidation difference]	1.8	1.6	0.2
[Provision for doubtful accounts]	0.0	(0.2)	0.2
[Others]	(3.6)	(4.2)	0.6
<b>Ordinary profit</b>	<b>98.0</b>	<b>95.6</b>	<b>2.4</b> 2.5%
Extraordinary items	(11.3)	(37.3)	26.0
Gain on sale of fixed assets	-	0.4	(0.4)
Compensation for transfer of brewery	1.2	0.6	0.6
Loss on sale and disposal of fixed assets	(9.0)	(6.5)	(2.5)
Loss on liquidation of real estate	(3.0)	(24.9)	21.9
Loss on devaluation of investment securities	(0.5)	(0.3)	(0.2)
Subsidiary related expense	-	(3.3)	3.3
Prior period adjustment of sales promotion expense	-	(2.0)	2.0
Vending machine related expense correspond with the issuance the new notes	-	(1.6)	1.6
Other	-	0.3	(0.3)
Income before taxes	86.7	58.3	28.4
Income taxes	38.5	26.8	(11.7)
Minority interests in earnings/loss	2.2	0.9	(1.3)
<b>Net income</b>	<b>46.0</b>	<b>30.6</b>	<b>15.4</b> 50.3%

<Summary of Statements of Balance Sheet>

(¥billion)

	FY2005 Est.	FY2004	YoY
Total assets	1,233.0	1,250.8	(17.8)
Interest-bearing debt	310.0	303.1	6.9

<Others>

	FY2005 Est.	FY2004	YoY
Operating margin	6.7%	7.0%	-0.3%

(¥billion)

Capital expenditures	46.0	40.1	5.9
Depreciation	51.0	51.3	(0.3)

**【Summary】**

**FY2005 Non-Consolidated Forecast**

<Sales Figures>

(million cases)

	FY2005 Est.	FY2004	YoY
Beer	150.00	150.14	(0.14) -0.1%
Happoshu	38.00	53.87	(15.87) -29.5%
Zasshu	22.00	-	22.00 -
<b>Total</b>	<b>210.00</b>	<b>204.01</b>	<b>5.99</b> <b>2.9%</b>

<Summary of statements of income>

(¥billion)

	FY2005 Est.	FY2004	YoY
Beer	784.2	786.8	(2.6)
Happoshu	141.2	200.6	(59.4)
Zasshu	68.2	-	68.2
Others	170.4	129.0	41.4
<b>Sales</b>	<b>1,164.0</b>	<b>1,116.4</b>	<b>47.6</b> <b>4.3%</b>
Beer - decrease in sales volume	-	-	(0.1)
Happoshu - increase in sales volume	-	-	(19.8)
Increase in profit resulting from launch of Zasshu	-	-	28.5
Other alcoholic beverages - increase in sales volume	-	-	12.8
Cost reduction in manufacturing	-	-	1.6
Cost reduction in logistics	-	-	(0.9)
Difference in composition ratio of containers	-	-	0.4
Cost increase in raw materials	-	-	(3.0)
Decrease in sales promotion expenses	114.4	108.6	(5.8)
Other expenses	-	-	(13.4)
<b>Operating profit</b>	<b>92.0</b>	<b>91.7</b>	<b>0.3</b> <b>0.3%</b>
Income/expense on financing activities	(1.0)	(1.0)	0.0
Other income/expense, net	(2.0)	(2.0)	0.0
[Provision for doubtful accounts]	-	(0.0)	0.0
[Other]	(2.0)	(2.0)	0.0
<b>Ordinary profit</b>	<b>89.0</b>	<b>88.7</b>	<b>0.3</b> <b>0.4%</b>
Extraordinary Items	(12.5)	(37.0)	24.5
Gain on sale of fixed assets	-	0.3	(0.3)
Gain on sale of investment securities	-	0.2	(0.2)
Loss on sales and disposal of fixed assets	(8.0)	(4.8)	(3.2)
Loss on liquidation of real estate	(3.0)	(2.6)	(0.4)
Loss on devaluation of investment securities	(0.5)	(0.3)	(0.2)
Subsidiary related expense	(1.0)	(29.8)	28.8
<b>Income before income taxes</b>	<b>76.5</b>	<b>51.7</b>	<b>24.8</b>
Income taxes	32.5	23.5	9.0
<b>Net income</b>	<b>44.0</b>	<b>28.2</b>	<b>15.8</b> <b>56.1%</b>

<Summary of Statements of Balance Sheet>

(¥billion)

	FY2005 Est.	FY2004	YoY
Total assets	1,023.0	1,038.3	(15.3)
Interest-bearing debt	248.5	238.5	10.0

<Others>

	FY2005 Est.	FY2004	YoY
Operating margin	7.9%	8.2%	-0.3%
(¥billion)			
Capital expenditures	32.0	26.9	5.1
Depreciation	38.0	38.6	(0.6)