2008 Financial Results Briefing

February 2009

ASAHI BREWERIES, Ltd.

URL http://www.asahibeer.co.jp
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### Overview of 2008 Results

#### (billions of yen)

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
<th>□ □ (D)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>1,463</td>
<td>1,464</td>
<td>□ 0 □ 0%</td>
</tr>
<tr>
<td>Operating income</td>
<td>95</td>
<td>87</td>
<td>□ 9 □ 9%</td>
</tr>
<tr>
<td>Equity method income</td>
<td>9</td>
<td>9</td>
<td>□ 1 □ 1%</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>97</td>
<td>90</td>
<td>□ 5 □ 5%</td>
</tr>
<tr>
<td>Net income</td>
<td>45</td>
<td>45</td>
<td>□ 0 □ 0%</td>
</tr>
</tbody>
</table>

#### Key Figures

- **Net Sales**: 1,463 (2008) vs. 1,464 (2007)

### Detailed Figures

- **Net Sales**
  - 2004: 1,444.2
  - 2005: 1,430.0
  - 2006: 1,446.4
  - 2007: 1,464.1
  - 2008: 1,462.7

- **Operating Income**
  - 2004: 91
  - 2005: 80
  - 2006: 44.8
  - 2007: 44.8
  - 2008: 45.0

- **Net Income**
  - 2004: 30.6
  - 2005: 39.9
  - 2006: 44.8
  - 2007: 44.8
  - 2008: 45.0

#### Other Figures
- **Net Income**
  - 2008: □ 5
  - 2007: □ 9

#### Notes
- All figures are in billions of yen.
- The table provides a comparison between 2008 and 2007 results with percentage changes indicated for each category.
Overview of 2008


Alcoholic Beverages Business
- Reinforce the foundations of Asahi brands, focusing on Asahi Super Dry
  ➔ Produce stable, long-term cash flows

Group Business
- Further growth of existing group companies
- Pursue synergies with new additions to our operating base acquired through M&As
- Continue to invest proactively

Overview of 2008 (Results and Issues)

Results
Alcoholic Beverages Business
- Pressed forward with earnings structure reform by streamlining advertising and promotional expenses more than ever before to counter rising cost of raw materials
- Reinforced brand foundations by nurturing core brands in each beer-type beverage genre

Group Business
- Achieved significant growth through growth of key Asahi Soft Drinks brands and integration of vending machine business
- Supported sustained growth at Tingyi-Asahi-Itochu Beverages Holding Co., Ltd.
- Acquired Amano Jitsugyo Co., Ltd., Schweppes Australia, and Tsingtao Brewery

Issues
- Unable to achieve profit targets in domestic soft drinks business and overseas business (consolidated) due to more intense competition
2009 Performance Forecast

- Net Sales: 1,490 (2008) vs. 1,463 (2007), +27 (+2%)
- Operating income: 92 (2008) vs. 95 (2007), ▴3 ▴3%}
- Equity method income: 6 (2008) vs. 9 (2007), ▴3 ▴30%
- Ordinary income: 94 (2008) vs. 97 (2007), ▴3 ▴3%
- Net income: 50 (2008) vs. 45 (2007), +5 (+11%)
**Evaluation of qualitative targets**

(1) Reinforce the brand foundations in the Alcoholic Beverages Business through measures including earnings structure reform ➔ Produce stable cash flows

(2) Further growth in existing group companies

(3) Pursue synergies with new additions to our operating base acquired through M&As

(4) Continue to invest proactively

**Achievement of quantitative targets by business**

<table>
<thead>
<tr>
<th>Business</th>
<th>Net sales target</th>
<th>Level of achievement</th>
<th>Operating income guideline</th>
<th>Level of achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alcoholic beverages</td>
<td>1,110.0</td>
<td>×</td>
<td>90.0</td>
<td>□□</td>
</tr>
<tr>
<td>Soft drinks</td>
<td>290.0</td>
<td>□□</td>
<td>14.5</td>
<td>□</td>
</tr>
<tr>
<td>Food and healthcare</td>
<td>80.0</td>
<td>□□</td>
<td>3.0</td>
<td>□□</td>
</tr>
<tr>
<td>Overseas</td>
<td>70.0</td>
<td>×</td>
<td>1.5</td>
<td>×</td>
</tr>
<tr>
<td><strong>Total sales</strong></td>
<td><strong>1,600.0</strong></td>
<td>×</td>
<td><strong>110.0</strong></td>
<td>×</td>
</tr>
</tbody>
</table>

Index to symbols

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Level of achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>++</td>
<td>Excellent</td>
</tr>
<tr>
<td>+</td>
<td>Good</td>
</tr>
<tr>
<td>–</td>
<td>Fair</td>
</tr>
<tr>
<td>X</td>
<td>Poor</td>
</tr>
</tbody>
</table>

*Does not account for impact of special factors such as changes to accounting standards.*

**Special factors attributable to changes to accounting standards**

<table>
<thead>
<tr>
<th>Year</th>
<th>Contents</th>
<th>Consolidated</th>
<th>Non-consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>Tax system revision: Residual value after depreciation of up to 5% to be depreciated equally over 5 years</td>
<td>¥2.0 bn</td>
<td>¥1.7 bn</td>
</tr>
<tr>
<td></td>
<td>Tax system revision: Review of useful life for depreciation of machinery (reduced from 14 years to 10 years)</td>
<td>¥6.0 bn</td>
<td>¥6.0 bn</td>
</tr>
<tr>
<td>2009</td>
<td>Changes to accounting standards: Change to valuation method for inventories (change to account title for loss on disposal)</td>
<td>¥2.0 bn</td>
<td>¥0.6 bn</td>
</tr>
<tr>
<td></td>
<td>Increase in retirement benefit expenses</td>
<td>¥3.6 bn</td>
<td>¥3.6 bn</td>
</tr>
</tbody>
</table>
Beer-Type Beverages 2008 Sales

Beer and Beer-Type Beverages: Taxable Sales Volume (Jan – Dec 2008)

<table>
<thead>
<tr>
<th>Industry total</th>
<th>Asahi Breweries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cases</td>
<td>YoY change</td>
</tr>
<tr>
<td>Beer</td>
<td>256.12</td>
</tr>
<tr>
<td>Happoshu</td>
<td>112.36</td>
</tr>
<tr>
<td>New genre</td>
<td>114.20</td>
</tr>
<tr>
<td>Of which: liqeuer-type</td>
<td>51.97</td>
</tr>
<tr>
<td>Industry total</td>
<td>482.68</td>
</tr>
</tbody>
</table>

Asahi Breweries’ Market Share by Category

- Beer
  - Asahi: 50.5%
  - Company A: 26.6%
  - Company B: 14.0%
  - Company C: 8.2%

- Happoshu
  - Asahi: 26.0%
  - Company A: 56.8%
  - Company B: 5.2%
  - Company C: 11.0%

- New genre
  - Asahi: 20.9%
  - Company A: 41.7%
  - Company B: 13.4%
  - Company C: 23.3%
## 2009 sales targets by brand

<table>
<thead>
<tr>
<th>Brand</th>
<th>2009 target</th>
<th>2008</th>
<th>YoY(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super Dry</td>
<td>122.50</td>
<td>125.30</td>
<td>(2.2%)</td>
</tr>
<tr>
<td>Jukusen</td>
<td>2.20</td>
<td>2.01</td>
<td>9.5%</td>
</tr>
<tr>
<td>Other</td>
<td>1.30</td>
<td>1.70</td>
<td>(23.4%)</td>
</tr>
<tr>
<td>Beer total</td>
<td>126.00</td>
<td>129.01</td>
<td>(2.3%)</td>
</tr>
<tr>
<td>Cool Draft</td>
<td>7.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Style Free</td>
<td>15.00</td>
<td>11.38</td>
<td>31.8%</td>
</tr>
<tr>
<td>Other</td>
<td>6.00</td>
<td>17.64</td>
<td>(66.0%)</td>
</tr>
<tr>
<td>Happoshu total</td>
<td>28.00</td>
<td>29.02</td>
<td>(3.5%)</td>
</tr>
<tr>
<td>Clear Asahi</td>
<td>20.00</td>
<td>14.12</td>
<td>41.6%</td>
</tr>
<tr>
<td>Off</td>
<td>7.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>2.00</td>
<td>16.74</td>
<td>(88.1%)</td>
</tr>
<tr>
<td>New genre total</td>
<td>29.00</td>
<td>23.47</td>
<td>23.6%</td>
</tr>
<tr>
<td>Total</td>
<td>183.00</td>
<td>181.50</td>
<td>0.8%</td>
</tr>
</tbody>
</table>
Expand market share by launching products in each segment and building them into top brands

**Beer Market**

- **Super Dry**: Boost brand value through the “Challenge and Commitment of No. 1” campaign

**Standard Happoshu Market**

- Launch **Cool Draft**, a new product that fulfills customers’ taste preferences (sharp)

**Functional Happoshu Market**

- Develop **Style Free** into the leading brand in the functional happoshu market

**Malt-Based New Genre Market** (liqueur-type, wheat-based)

- Product strategy tailored to the wheat-based new-genre market
- Build **Clear Asahi** into the No. 1 brand in the wheat-based new-genre market
- Launch **Asahi Off** to create a wheat-based new-genre functional beverages market
2008 overview

- Sales declined due to reviews of terms of trade for RTD beverages, lack of significant introduction of new products compared with 2007, voluntary recall of shochu, and other factors
- Sales of core brands Kanoka, Black Nikka Clear Blend, and Ste. Neige Natural expanded
- Earnings structure reform focused on efficient use of advertising and promotional expenses (achieved the medium-term plan operating margin target of 5%)

Past performance and 2009 plan

- Build frameworks to deliver safe, high-quality products and establish a brand base that instills confidence
- Aim to develop leading brands and create new value and new demand

<table>
<thead>
<tr>
<th>(billions of yen)</th>
<th>2008</th>
<th>2009 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shochu</td>
<td>52.7</td>
<td>52.7</td>
</tr>
<tr>
<td>RTD</td>
<td>31.4</td>
<td>31.4</td>
</tr>
<tr>
<td>Whisky</td>
<td>27.5</td>
<td>26.4</td>
</tr>
<tr>
<td>Wine</td>
<td>14.8</td>
<td>15.3</td>
</tr>
<tr>
<td>Other</td>
<td>3.2</td>
<td>3.3</td>
</tr>
<tr>
<td>Other alcohol total</td>
<td>129.7</td>
<td>129.1</td>
</tr>
</tbody>
</table>

Past performance and 2009 plan chart

![Chart showing sales and operating margin from 2005 to 2009 (E) for Shochu, RTD, Whisky, Wine, Other, and Other alcohol total. The chart indicates sales and operating margin trends and the 2009 target values.](chart)
## Advertising and sales promotion expenses by category

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>% Change</th>
<th>2009 plan</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales promotion expenses</td>
<td>67.9</td>
<td>77.9</td>
<td>76.3</td>
<td>77.8</td>
<td>80.8</td>
<td>77.9</td>
<td>64.9</td>
<td>(13.0)</td>
<td>68.7</td>
<td>3.8</td>
</tr>
<tr>
<td>Advertising expenses</td>
<td>38.1</td>
<td>31.2</td>
<td>32.3</td>
<td>32.2</td>
<td>32.7</td>
<td>34.9</td>
<td>32.3</td>
<td>(2.6)</td>
<td>27.4</td>
<td>(4.9)</td>
</tr>
<tr>
<td>Total</td>
<td>106.0</td>
<td>109.1</td>
<td>108.6</td>
<td>110.0</td>
<td>113.5</td>
<td>112.8</td>
<td>97.2</td>
<td>(15.6)</td>
<td>96.1</td>
<td>(1.1)</td>
</tr>
</tbody>
</table>

### Breakdown

<table>
<thead>
<tr>
<th>Category</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>% Change</th>
<th>2009 plan</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beer</td>
<td>66.0</td>
<td>60.3</td>
<td>58.0</td>
<td>54.9</td>
<td>58.6</td>
<td>59.5</td>
<td>50.1</td>
<td>(9.4)</td>
<td>49.4</td>
<td>(0.7)</td>
</tr>
<tr>
<td>Happoshu</td>
<td>19.6</td>
<td>20.5</td>
<td>20.4</td>
<td>12.2</td>
<td>9.9</td>
<td>13.0</td>
<td>10.1</td>
<td>(3.0)</td>
<td>9.1</td>
<td>(1.0)</td>
</tr>
<tr>
<td>New Genre</td>
<td></td>
<td></td>
<td></td>
<td>9.2</td>
<td>13.0</td>
<td>10.0</td>
<td>10.9</td>
<td>0.9</td>
<td>11.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Beer-type category total</td>
<td>85.6</td>
<td>80.8</td>
<td>78.4</td>
<td>76.3</td>
<td>81.5</td>
<td>82.5</td>
<td>71.0</td>
<td>(11.5)</td>
<td>69.6</td>
<td>(1.4)</td>
</tr>
<tr>
<td>Other alcoholic beverages total</td>
<td>20.4</td>
<td>28.3</td>
<td>30.2</td>
<td>33.7</td>
<td>32.0</td>
<td>30.3</td>
<td>26.2</td>
<td>(4.1)</td>
<td>26.5</td>
<td>0.3</td>
</tr>
</tbody>
</table>

- In 2008, Asahi prioritized its brands and adhered strictly to its own guidelines, which helped to significant improve efficiency.
- In 2009, the Company will allocate advertising and sales promotion expenses with a focus on maintaining and expanding sales momentum, while rigorously controlling the overall budget and maintaining efficient operations.
Growth Strategies, Structural Reform, and Taking on Challenges in New Areas
- Key brands Wonda and Mitsuya achieved sales of 30 million cases (two consecutive years for Mitsuya)
  Total sales volume rose 11%, outperforming the industry average which fell 1%, and we posted record sales
- Profit declined owing to higher fixed costs reflecting the surge in raw material prices, aggressive investment in sales promotion, and integration of vending machine business, despite sales growth and cost reductions through development of optimal production structure
- Aim for 3% growth with priority on growth by strengthening key brands
- Continue with efforts to reduce fixed costs, including in the vending machine business, and implement structural reform aimed at improving cost competitiveness

Asahi Soft Drinks 2008 results and 2009 plan

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>YoY</th>
<th>2009 target</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales volume (million cases)</td>
<td>14.53</td>
<td>10.9%</td>
<td>15.00</td>
<td>3.2%</td>
</tr>
<tr>
<td>Net sales (billions of yen)</td>
<td>273.6</td>
<td>11.0%</td>
<td>285.0</td>
<td>4.2%</td>
</tr>
<tr>
<td>Operating income</td>
<td>7.0</td>
<td>(17.8%)</td>
<td>9.0</td>
<td>27.8%</td>
</tr>
<tr>
<td>Net income</td>
<td>1.7</td>
<td>(60.2%)</td>
<td>3.8</td>
<td>122.5%</td>
</tr>
</tbody>
</table>
Food and Healthcare Business Overview and Strategy

Asahi Food and Healthcare Co., Ltd.

- Accelerate growth strategies and structural reform
  - Strong sales of core products including Mintia, Balance Up, and Dear Natura. Mail order sales also have been brisk
  - Achieved four consecutive terms of growth in sales and profit due to higher sales and improved operating rates
  - Work to further reinforce mainstay brands and improve efficiency

Wakodo Co., Ltd.

- Reinforce operating base to improve profitability and promote growth
  - Sales of mainstay brands expanded as we added new value to our products to differentiate them from competitors'
  - Sales and profits increased reflecting reduced cost of raw materials and distribution
  - Drive forward the “best for baby” brand strategy and across-the-board cost reductions

Amano Jitsugyo Co., Ltd.

- Business and capital alliance with Japan’s leading freeze-dried foods manufacturer (June 2008)
  - Although the mail order business led overall sales growth, reflecting active investments in advertisements, profits were hurt by sharp increases in raw material prices
  - Collaborate with various group companies and work on development of new products and optimal production and sales structures
Chinese beer business
- Did not achieve sales targets due to more intense competition from national brands. Profits improved on the year thanks to streamlining efforts
  - Work continuously to curb cost of goods manufactured and to reduce fixed costs, including SG&A expenses
  - Improve profitability through measures that include introducing new schemes to drastically overhaul manufacturing and marketing structures

Haitai Beverage of South Korea
- Sales of mainstay Sunkist brand products declined. Did not achieve targets, despite efforts to curb GA expenses, due to sharp increases in ingredient prices caused by weaker won
  - Streamline promotional expenses and reduce fixed costs by consolidating plants, branches, and distribution centers
  - Expand sales and improve profitability by strengthening core brands and launching high margin products

Tingyi-Asahi-Itochu Beverages
- Growth continues to outpace market growth but has slowed slightly because of the economic slowdown and more intense competition
  - While reinforcing strengths in tea and water, work to build fruit juice etc., which is expected to be the third pillar of the business
  - Strengthen support systems in production technology, distribution, and marketing
Objectives and significance of the Schweppes Australia acquisition

1. To acquire an operating base in Oceania, where stable growth is expected, and to accelerate overseas expansion of the soft drink business.

2. To promote joint procurement, R&D, and SCM streamlining across the entire group, including Asahi Soft Drinks, Tingyi-Asahi-Itochu Beverages, and Haitai Beverage.

3. To acquire marketing expertise in the global beverage business and to secure a platform for forays into new markets.

* The acquisition is to be made by the end of April.
Objectives and significance of Asahi’s stake in Tsingtao

(1) To improve profitability of the Chinese beer business by further strengthening strategic partnerships in China.

(2) To create synergies in joint procurement of ingredients, streamlining of SCM, product development, and marketing by exploiting the strengths of both companies.

(3) To gain more opportunities to develop Asahi Breweries’ brand over the medium to long term by strengthening the alliance with Tsingtao Brewery.

* The acquisition is to be made in mid-March.
Tingyi-Asahi-Itochu Beverages Holding 40%

- Investment in No. 2 Chinese soft drinks maker

Tsingtao Brewery 20%

- Investment in No. 2 Chinese beer maker

Beijing Beer Asahi 47%

Yantai Beer Tsingtao Asahi 51%

Hangzhou Xihu Beer Asahi 55%

Shenzhen Tsingtaobeer Asahi 29%

Khonkaen Brewery (Thailand)

Haitai Beverage 41%

- Investment in No. 2 Chinese soft drinks maker

Molson Coors (Canada)

Schweppes Australia 100%

- Investment in No. 2 Australian soft drinks maker

Shepherd Neame (U.K.)

Staropramen (Czech)

Baltica (Russia)

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Shareholder Return Policy

Net income and total dividends

- Enhance total shareholder returns by aiming to increase dividends (target consolidated payout ratio of 20% or more) based on a policy of continuous and stable dividends while carrying out share buybacks whenever appropriate.

2008:
- Dividends (up from 19 yen per share to 20 yen per share)
- Share buybacks (15.0 billion yen)

Total returns to shareholders: 54% (as a percentage of net income)

2009:
- Aim to increase dividends in line with net income
- Source funds for business investment (around 130 billion yen) with own funds and external borrowings (financial liabilities to increase by 85.7 billion yen)

Returns to shareholders, including share buybacks, to be decided in light of financing requirements
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