

Review of Operations

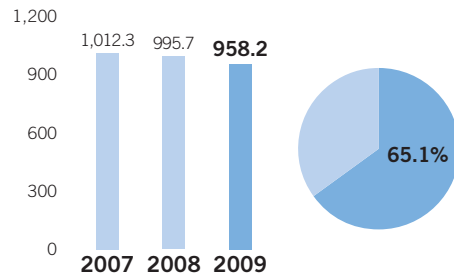
Asahi at a Glance

The Asahi Breweries Group's four business segments, as represented in consolidated accounting, are alcoholic beverages, soft drinks, food, and other businesses. In each business segment, the entities that generate major profits are: Asahi Breweries, Ltd. for the alcoholic beverages business; Asahi Soft Drinks Co., Ltd. for the soft drinks business; and Asahi Food & Healthcare Co., Ltd. and Wakado Co., Ltd. for the food business.

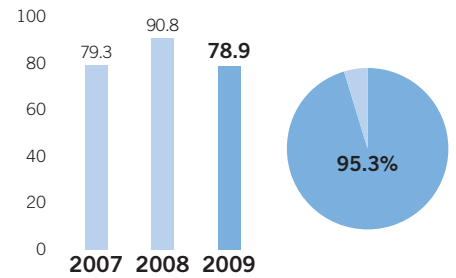
ALCOHOLIC BEVERAGES



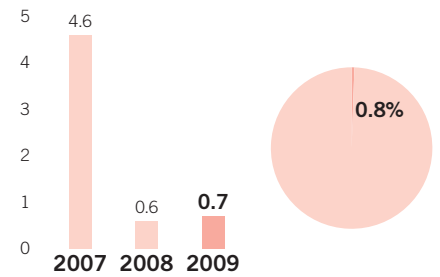
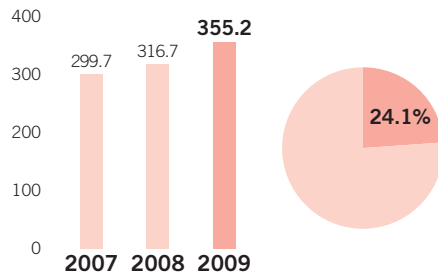
Net Sales (¥ billion)



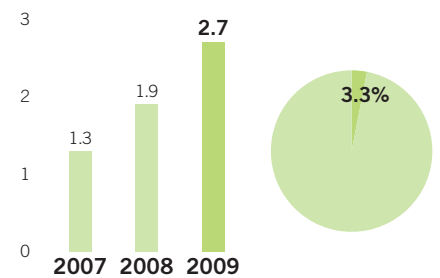
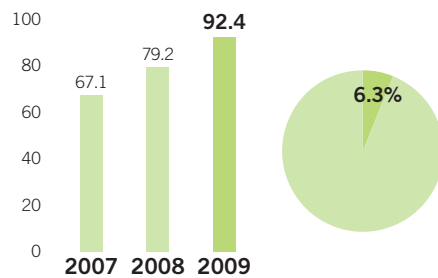
Operating Income (¥ billion)



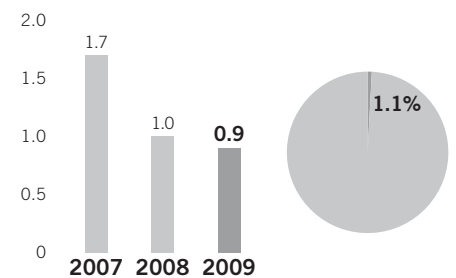
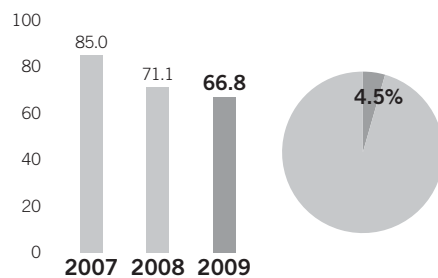
SOFT DRINKS



FOOD



OTHERS



**Major Group Companies
(including affiliates)**

2009 Highlights

Plans for 2010

- Asahi Breweries, Ltd.
- The Nikka Whisky Distilling Co., Ltd.
- Sainte Neige Wine Co., Ltd.
- Satsumatsukasa Shuzo Co., Ltd.
- Beijing Beer Asahi Co., Ltd.
- Tsingtao Brewery Co., Ltd.

- Share of the domestic beer market*¹ surpassed 50% for the second year in a row
- Taxable shipment volume of *Asahi Style Free* rose year-on-year even amid overall market contraction
- Expanded market share by introducing *Asahi Off* and *Asahi Mugi Shibori* in addition to *Clear Asahi*
- Acquired shares of China's Tsingtao Brewery Company Limited (Tsingtao Brewery) and built a strong partnership
- Boosted presence of *Asahi Super Dry*, mainly in Asia

- Aim for net sales of ¥941.0 billion (down 1.8% year on year) and operating income of ¥86.5 billion (up 9.7% year on year).
- Strengthen brand power of *Asahi Super Dry* and target latent users
- Aim to make *Asahi Style Free* the top brand in the low-carbohydrate beverage category
- Introduce *Asahi Strong Off*, a new value-added product in the new-genre beverages category, which is expected to grow
- Aim to improve the profitability of the Chinese beer business in partnership with Tsingtao Brewery

- Asahi Soft Drinks Co., Ltd.
- LB Co., Ltd. (Tokyo)
- LB Co., Ltd. (Nagoya)
- Haitai Beverage Co., Ltd.
- Schweppes Australia Pty Ltd.
- Tingyi-Asahi Beverages Holdings Co., Ltd. (Equity Method Affiliate)

- *WONDA* brand coffee achieved a fifth consecutive year of higher sales volume and captured No. 3 market share in coffee
- *Mitsuya Cider* brand sales volume rose for a sixth consecutive year, to over 37 million cases annually*²
- In the Chinese soft drinks business, Tingyi-Asahi Beverages Holding Co., Ltd. (Tingyi-Asahi Beverages) achieved steady growth
- Schweppes Australia saw strong performance from mainstay brands and new brands alike

- Aim for net sales of ¥389.0 billion (up 9.5% year on year) and operating income of ¥5.2 billion (up by a factor of 7.4 year on year).
- Actively develop zero-carbohydrate Health Facts and product proposals based on the concept of good taste and health
- Further promote creation of an optimal production framework linked throughout the Group to enhance cost competitiveness
- Harness synergies with Schweppes Australia to strengthen our foundation for growth and improve profitability
- Strengthen across-the-board support for Tingyi-Asahi Beverages with the aim of making it China's number-one soft drinks manufacturer

- Asahi Food & Healthcare Co., Ltd.
- Wakodo Co., Ltd.
- Amano Jitsugyo Co., Ltd.

- Asahi Food & Healthcare Co., Ltd., Wakodo Co., Ltd. and Amano Jitsugyo Co., Ltd. all expanded profits
- Harnessed Group synergies to launch a seasonings business

- Aim for net sales of ¥99.0 billion (up 7.1% year on year) and operating income of ¥3.7 billion (up 34.8% year on year)
- Further strengthen core brands and synergies between operating companies
- Aim to raise operating income ratio by pursuing greater SCM efficiency for the business as a whole

In our other businesses, we undertake Group company support operations such as logistics and sales support businesses and operation of restaurants. In 2009, sales and operating income both declined as a result of reorganization of our wholesale business and other factors.

*¹ Refer to inside front cover for details on beer-type beverage categories (beer, happoshu, and new genre beverages). *² For the purpose of sales volume, a case is calculated as a case of product ready for shipment.