

Review of Operations Asahi at a Glance

The Asahi 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 Wakodo Co., Ltd. for the food business.



	Major Group Companies (including affiliates)	2010 Highlights	Plans for 2011
	<ul style="list-style-type: none"> ■ 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. 	<ul style="list-style-type: none"> ■ Met annual sales target for the domestic beer market. ■ Expanded market share in the new genre category by introducing <i>Asahi Strong Off</i> and <i>Asahi Kutsurogi-Jikomi <4VG></i>, in addition to <i>Clear Asahi</i>. ■ Promoted major market expansion in the highball category via launch of <i>Black Nikka Clear Highball</i> and <i>Taketsuru Premium Highball</i>. ■ Recorded significantly higher sales volume year on year in the non-alcoholic brews category, mainly from beer-taste beverage sales. ■ Commenced contract production of Tsingtao Beer brand, forging a stronger relationship with Tsingtao Brewery Co., Ltd. ■ Realized lower production costs and greater efficiency in fixed costs through profit structure reform. 	<ul style="list-style-type: none"> ■ Aim for net sales of ¥934.0 billion (down 0.2% year on year) and operating income of ¥90.5 billion (up 7.0% year on year). ■ For <i>Asahi Super Dry</i>, target further penetration and profile of the "Extra Cold" value proposition to improve brand value. ■ For <i>Asahi Off</i>, take steps to attract existing and trial users. ■ In the non-alcoholic brew market, focus on brand development for <i>Double Zero</i> and <i>Double Zero Cocktail</i>. ■ Integrate production functions for beer-type beverages by transitioning to a new production structure of eight breweries in Japan.
	<ul style="list-style-type: none"> ■ Asahi Soft Drinks Co., Ltd. ■ LB Co., Ltd. ■ Schweppes Australia Pty Ltd. ■ Tingyi-Asahi Beverages Holding Co., Ltd. (Equity Method Affiliate) 	<ul style="list-style-type: none"> ■ <i>Mitsuya Cider</i> brand sales volume rose for a seventh consecutive year. ■ <i>Asahi Juroku-cha</i> sales volume surpassed the previous year with annual sales volume topping 16 million cases. ■ Reinforced existing brands and expanded sales channels at Schweppes Australia Pty Ltd. ■ In the Chinese soft drinks business, Tingyi-Asahi Beverages Holding Co., Ltd. (Tingyi-Asahi Beverages) achieved significant growth. 	<ul style="list-style-type: none"> ■ Aim for net sales of ¥389.0 billion (down 0.7% year on year) and operating income of ¥10.5 billion (up 113.3% year on year). ■ Build a stronger foundation for growth by bolstering core brands <i>Mitsuya Cider</i>, <i>WONDA</i>, and <i>Asahi Juroku-cha</i>. ■ Cultivate the next crop of brands, such as <i>Asahi TeaO</i>, <i>Asahi Rokko no Oishii Mizu</i> mineral water, and <i>Asahi Rokujo Mugicha</i>. ■ Establish a growth and earnings base for LB post-merger to achieve Medium-Term Management Plan 2012 targets. ■ At Schweppes Australia, target further growth through aggressive investment in core product brands and growth fields. ■ At Tingyi-Asahi Beverages in China, continue to support human resource development, sharing of marketing and other expertise, and assistance for quality assurance and production technology.
	<ul style="list-style-type: none"> ■ Asahi Food & Healthcare Co., Ltd. ■ Wakodo Co., Ltd. ■ Amano Jitsugyo Co., Ltd. 	<ul style="list-style-type: none"> ■ Business base expansion and steady growth in core brands at Asahi Food & Healthcare Co., Ltd. ■ Firm sales of baby food maintain top market share at Wakodo Co., Ltd. ■ Posted record sales at Amano Jitsugyo Co., Ltd. for a second consecutive year and reinforced production capabilities. ■ Overseas, joined forces with ITOCHU Corporation to acquire some shares in TING HSIN (CAYMAN ISLANDS) HOLDING CORP. 	<ul style="list-style-type: none"> ■ Aim for net sales of ¥102.0 billion (up 6.9% year on year) and operating income of ¥5.0 billion (up 38.9% year on year). ■ Further strengthen core brands and synergies between operating companies. ■ Pursue greater efficiency in total SCM across the entire business. ■ Strive via alliance with TING HSIN (CAYMAN ISLANDS) HOLDING CORP in China to develop and expand food business in the Chinese and Taiwanese markets.
	<p>In our other businesses, we undertake Group company support operations, such as logistics and sales support businesses, and operation of restaurants. In 2010, sales declined but operating income was higher, primarily from expansion in the logistics and restaurant businesses.</p>		

* For the purpose of sales volume, a case is calculated as a case of product ready for shipment.