

Contents

Executive Message	3
Corporate Philosophy, Guidelines for Corporate Activity, Supporting the United Nations Global Compact	4
Outline of the Asahi Breweries Group	5
Interview with the President	7

Priority Initiatives of the Asahi Breweries Group

Pursuit of Quality	11
Product Development	13
Procurement of Raw Materials	14
Manufacturing	15
Logistics	17
Distribution and Sales	18
Labeling and Advertising	19
For the Next	20

Activities Promoting Moderate and Responsible Drinking

Philosophy and System	23
Elimination of Drunk Driving	23
Prevention of Underage Drinking	24
Prevention of Drinking During Pregnancy and Binge Drinking	25
For the Next	26

Environmental Conservation Activities

Targets and Results	29
Future Efforts	30
Reduction of Greenhouse Gas Emissions	31
Water Resource Conservation	32
Waste Reduction	32
Reduction of the Environmental Burden in Logistics	33
Reduction of the Environmental Burden through R&D	34
Reduction of the Environmental Burden in Sales Activities	34
Reduction of the Environmental Burden in the Restaurant Business	34
Reducing, Reusing and Recycling (3R) Containers and Packaging	35
Environmental Communication	37
Forest Conservation	37
For the Next	38

For Consumers	39
For Business Partners	41
For Shareholders and Investors	43
For Employees	45
For Local Communities	49

Corporate Governance	51
Compliance	54
Third-Party Opinions	57
Introduction to Our Web Site	58

Approach to CSR Reporting

We aim to report issues in the order of their material impact.

Points of the Report 1

We report on the formulation of the Asahi Breweries Group CSR Policy and our action policies for fiscal 2007.

In view of the expansion of our Group management, we formulated our CSR Policy and action policies to encompass the entire supply chain as well as global business development.

Points of the Report 2

We provide a detailed report on key issues in response to the interests and concerns of society.

We selected issues that are considered particularly important based on our past relationship with stakeholders and sought to present an overall picture of our activities.

Points of the Report 3

We introduce some of our everyday activities based on our daily interactions and relationship with stakeholders.

We report on requests from stakeholders and actions taken by employees in response.

Points of the Report 4

We report on actions taken in response to the Financial Instruments and Exchange Law (Internal Control over Financial Reporting) and the Company Law.

We are engaged in building a Group-wide corporate governance system for compliance and comprehensive risk management.

Editorial Policy

In order to increase public understanding of the Asahi Breweries Group's CSR (Corporate Social Responsibility) activities and facilitate easy access to information, we have been making use of two media channels: a printed report (this pamphlet) and our Web site.

The Printed Report (this pamphlet)

This report focuses on priority initiatives that have a major material impact on the Asahi Breweries Group—the pursuit of quality, activities promoting moderate and responsible drinking, and environmental conservation activities. Other subjects are divided into categories according to the interests of various stakeholders, such as consumers, business partners, shareholders and investors, employees and local communities, and we report on efforts in which new progress was seen in fiscal year 2006, as well as issues that have attracted significant public attention.

The Web Site: Site for CSR Activities/Social and Environmental Activities

This portal site reports on the CSR activities of the Asahi Breweries Group, including the contents of this printed report along with detailed performance data. In addition to annual reports, the site provides information and guidance on the latest activities as well as environmental and cultural seminars and art events.

Scope of the Printed Report

Reporting Scope

In general, the scope of this report covers the activities of Asahi Breweries, Ltd., although some reported activities involve the entire Group or other Group companies.

Report Content

Social and environmental aspects of business activities are reported, including policies, plans, objectives, efforts and progress.

Reporting Period

This report primarily covers fiscal year 2006 (January 1 to December 31, 2006) as well as the history and activities as of the publication date along with future projections and plans.

Reference Guidelines

This report uses the GRI* Sustainability Reporting Guidelines (2nd and 3rd editions) and the Japanese Ministry of the Environment's Environmental Reporting Guidelines (2003 edition) as references. A table comparing the content of this report and these two guidelines is on the Web site at:



<http://www.asahibeer.co.jp/csr/guideline/index.html> (in Japanese)

* GRI: Global Reporting Initiative. Founded in 1997, the organization developed and has been working to disseminate sustainability reporting guidelines that are applicable worldwide.

Publication Date

Latest publication: June 2007

Previous publication: June 2006

Next scheduled publication: June 2008

Disclaimer

In addition to objective information on the past and present status of Asahi Breweries, Ltd. and its Group companies, this report also contains plans, perspectives and forecasts based on the corporate philosophy and management strategies as of the date of publication, and therefore the actual status and outcome of future business activities may differ from these forecasts as a result of changes in the social, economic or business environment.

The Web site discloses the latest and most complete information (in Japanese)

<http://www.asahibeer.co.jp/csr/>



Making it easy to find information and ensuring that information is complete

To help readers quickly find information they need, we prepared a subject index to improve information retrieval. Simply select the data you wish to view from "Policy, regulation, standards," "Structure, mechanism, systems" and "Performance data." Links are also provided to related sites, including investor information and purchasing.



Latest information uploaded regularly

To ensure timely information disclosure, we periodically release the latest activity reports of the Asahi Breweries Group in addition to our reports issued annually. Updates are announced on the "What's New" section on the home page of the site and other pages.



Designed for improved accessibility

The Web site is designed to be easy for anyone—including the elderly and the physically challenged—to view and use. For example, explanations on skip link navigation, current location information and so on have been incorporated for those who use talking browsers. Furthermore, with a few exceptions, we tried to make graphs and graphics as easy to view as possible.



Executive Message



Kouichi Ikeda

Chairman of the Board and CEO,
Asahi Breweries, Ltd.

Hitoshi Ogita

President and COO,
Asahi Breweries, Ltd.

Becoming an Enterprise Group that is Sustainable and Accepted by Society

The daily activities of the Asahi Breweries Group are guided by our vision of “becoming a leading company with abundant growth potential centered on the Asia region, by consistently offering customers lifelong enjoyment and excitement in our business domains of food and health.”

We believe that CSR lies at the heart of our corporate activities and is essential to our continued acceptance by society as well as to enhance corporate value.

In pursuing CSR activities, we formulated the Asahi Breweries Group CSR Policy in February 2007 (See p. 8). The Asahi Breweries Group understands that all stakeholders are, in essence, customers who watch, support and guide our corporate activities. To respond to the expectations of our customers, it is essential that we maintain vigilance across the entire supply chain and global business development and that we closely collaborate with our business partners. This mindset is reflected in our CSR Policy.

The basis for responding to the requests of our stakeholders and adequately fulfilling our various social responsibilities lies in the practical actions taken by each individual employee to satisfy the various people involved in his or her operations through dynamic interaction. By putting our CSR Policy into action, we hope to fulfill our social responsibility and steadily enhance our corporate value.

To further promote these CSR activities, we must communicate our thinking and our actions in ways that are readily understood by each stakeholder. This is the guiding principle behind the preparation of the Asahi Breweries Group CSR Report 2007, which summarizes our efforts during the past year.

We believe one major step for the Asahi Breweries Group’s CSR activities is to involve as many stakeholders as possible in reading this report and providing opinions and feedback that we can incorporate into future activities.

Corporate Philosophy

The Asahi Breweries Group aims to satisfy customers with the highest levels of quality and integrity, while contributing to the promotion of healthy living and the enrichment of society worldwide.

Guidelines for Corporate Activity

Customer satisfaction

- Provide high-quality and abundantly original products and services with customer satisfaction as the cornerstone to all corporate activities.
- Propose new value to meet our customers' expectations by revolutionizing our thinking and behavior.

Safety and environmental responsibility

- Bear full environmental responsibility and ensure the safety of all our corporate activities, ever aspiring to preserve our beautiful earth and be gentle to its people.
- Promote resource renewal and energy conservation through recycling and waste reduction.

Fair, open corporate ethics

- Win customers' trust through corporate behavior that is based on respect for sound and fair ethics.
- Value the importance of communication with society and actively facilitate mutual comprehension via the disclosure of information.

World-class corporate activities

- Have a global vision and strive to follow international standards for corporate behavior.
- Take on global business opportunities on the world stage.

A corporate culture rich in ideas and vitality

- Create a corporate climate where the rich ideas and ambitious spirit of each employee can be leveraged.
- Create a corporate climate that abounds in activities where individuals can think and act for themselves.

Original and responsive corporate action

- Stay ahead of change and always strive to be forward-minded and swift in corporate action.
- Aim to share excitement with society through inventive concepts and individual behavior.

Independent and integrated management

- Aim for corporate management where each company thrives from its own independence.
- Aim for group management that leverages our combined strengths.

Continued, high-quality growth

- Aim for efficient use of managerial resources and productive management.
- Meet everyone's expectations, from customers and shareholders to employees, through sustained and high-quality growth.

Supporting the United Nations Global Compact

Asahi Breweries announced its participation in June 2002. The Global Compact (GC) was proposed on January 31, 1999, by Kofi Annan, the former Secretary-General of the United Nations, at an international economic forum. The GC calls for participating companies to embrace and enact within their sphere of influence a total of 10 principles in the following four areas: human rights, labor standards, the environment and anti-corruption. The goal of the GC is to actively effect worldwide change by incorporating and acting on these principles in every aspect of corporate operations.

As of May 16, 2007, 4,799 companies, international labor organizations and citizens' organizations worldwide were taking part in this effort.



Outline of the Asahi Breweries Group

The Asahi Breweries Group aims to satisfy customers with the highest levels of quality and integrity, while contributing to the promotion of healthy living and the enrichment of society worldwide.

Group Long-Term Vision

Become a leading company with abundant growth potential centered on the Asia region by consistently offering customers lifelong enjoyment and excitement in our business domains of food and health



Corporate Outline

Name of the Reporting Organization:

Asahi Breweries, Ltd.

Head Office Address:

3-7-1 Kyobashi, Chuo-ku, Tokyo 104-8323
(Address of incorporation)

1-23-1 Azumabashi, Sumida-ku,
Tokyo 130-8602
(Business address)

Date Founded:

September 1, 1949

Representatives:

Kouichi Ikeda, Chairman of the Board and CEO
Hitoshi Ogita, President and COO

Paid-in Capital:

182,531 million yen
(as of December 31, 2006)

Total Assets:

1,014,878 million yen
(as of December 31, 2006)

Subsidiaries/Affiliates:

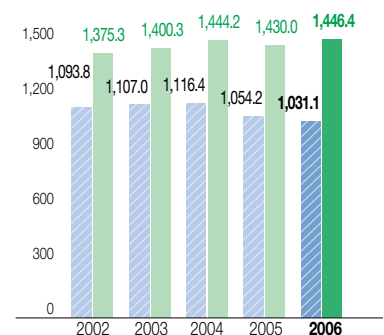
53 consolidated subsidiaries
1 non-consolidated subsidiary under equity method
25 affiliated companies under equity method
(as of December 31, 2006)

Consolidated Non-consolidated

Net Sales

(Fiscal year ended December 31)

(¥ billion)



Total Alcoholic Beverage Provider

Asahi Breweries enjoys a well-established position in the market for beer-type beverages, centered on our beer brand *Asahi Super Dry*, which celebrates its 20th anniversary in 2007, along with leading brands in the happoshu and new genre markets.

Leveraging our competitive edge in the beer-type beverages market, we engage in a total alcoholic beverage business that also encompasses various established brands in the categories of shochu, low-alcohol beverages, whisky and wine.

To fulfill our goal of “Satisfying Customers with Great Tastes”—the standard value that serves as the basis for all innovation and action at Asahi Breweries—we will continue to present customers with wide-ranging alcoholic beverage products that satisfy diversified needs.

Corporate Group that Contributes to Food and Health

Building on the strengths of the alcoholic beverages business operated by Asahi Breweries, Asahi Soft Drinks Co., Ltd. and Asahi Food & Healthcare Co., Ltd. are respectively developing the soft drinks and food and pharmaceutical businesses.

We have been endeavoring to steadily bolster our research and development structure and expand our product lineup by adding new companies to the Group, such as chilled beverage maker LB Ltd. (two companies) and health food company Sunwell Co., Ltd. in 2005, and Japan’s largest baby food maker, Wakodo Co., Ltd., in 2006.

Topics

Alliance with Kagome

In February 2007, Asahi Breweries and Kagome Co., Ltd. signed a business and capital alliance agreement to further reinforce our cooperative business relationship.

The latest agreement is intended to enhance mutual corporate value by forging a cooperative relationship that leverages our respective competencies throughout the entire scope of our business activities, encompassing R&D, procurement, production and sales, for joint research and development, as well as expanding our product lineup and collaborating in overseas businesses.

Topics

Hybrid Production at Ibaraki Brewery

The Asahi Breweries Group is promoting the optimization of its entire supply chain, including production and logistics.

We began work on turning Asahi Breweries’ Ibaraki Brewery into a hybrid plant that produces low-alcohol beverages and soft drinks in addition to beer. As a result, a major portion of low-alcohol beverage production currently being undertaken at Nikka Whisky Distilling Co., Ltd.’s Kashiwa Plant and production of soft drinks at Asahi Soft Drinks Co., Ltd.’s Kashiwa Plant will be consolidated at the Ibaraki Plant by 2009.

Topics

Expansion of Beer Business in China

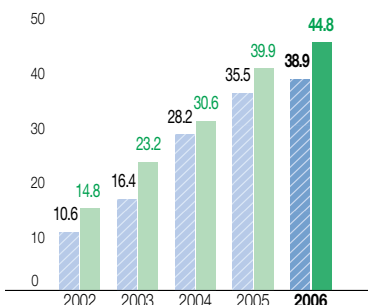
The Asahi Breweries Group has invested in four beer companies in China, where market growth continues for the world’s largest beer-consuming nation, and is striving to enhance the growth and profitability of these local companies.

In June 2007, construction was completed and operations were launched at the new plant for Hangzhou Xihu Beer Asahi Co., Ltd.

Net Income

(Fiscal year ended December 31)

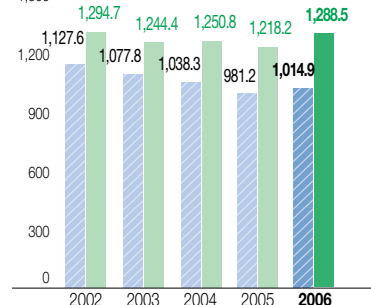
(¥ billion)



Total Assets

(As of December 31 of each year)

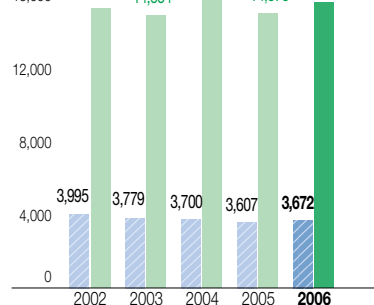
(¥ billion)



Number of Employees

(As of December 31 of each year)

(As of December 31 of each year)



Asahi Breweries Group fulfills its social responsibility through “CS (Customer Satisfaction) + R (Relations).”



Hitoshi Ogita
President and COO

Hitoshi Ogita



What is the basic idea behind Asahi Breweries Group's CSR?

The foundation of our corporate activities, as stated in the Group's corporate philosophy, is “Satisfying customers with the highest levels of quality and integrity.”

In our CSR activities, we recognize that every stakeholder is a customer who spurs the performance of the Asahi Breweries Group. In this sense, the term “customer” not only refers to the consumers of our products, but also includes shareholders and investors, suppliers, employees and local communities as well.

Every Group employee is expected to work in their respective positions to satisfy these customers and to incorporate customer opinions and feedback into future actions. Through this cycle, each of us will fulfill our responsibility to our various stakeholders and build up strong and trusting relationships. This is the essence of CSR activities for the Asahi Breweries Group.

In order to firmly instill this concept, we intend to accomplish our CSR with “CS + R,” that is, Customer Satisfaction through Relations.

To more effectively respond to customer expectations in the future, it is essential that we maintain the perspective of the entire supply chain and global business development and collaborate with our business partners. Based on this idea, we formulated the new Asahi Breweries Group CSR Policy (see diagram at right).



How will you implement your CSR Policy?

We will put our Asahi Breweries Group CSR Policy into practice based on our relations with stakeholders.

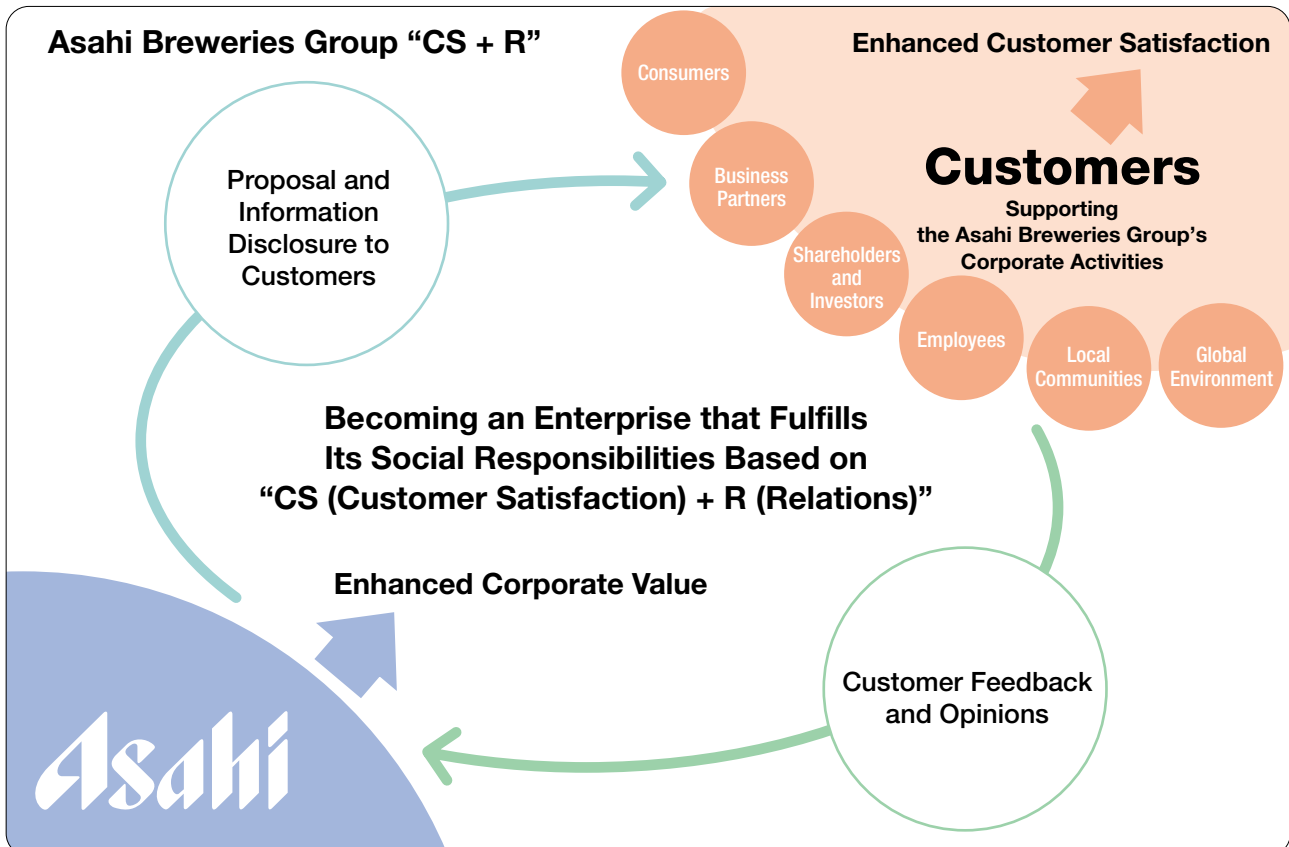
We routinely emphasize interchange or dialogue and undertake public relations activities that proactively communicate information in a way that is easy to understand. At the same time, we are also engaged in public listening activities to respectfully heed the voices of customers and incorporate their feedback into our daily activities.

Asahi Breweries Group CSR Policy

The Asahi Breweries Group seeks to bring about a sustainable society, and as we pursue our primary business domains of food and health, we will respond to customer expectations by carrying out our social responsibility through business activities that take the environment and society into consideration. We will pursue this effort from the perspective of the entire supply chain and global business development by seeking collaborative actions with our business partners.



Asahi Breweries Group “CS + R”





Could you provide a few concrete examples of your relations with stakeholders?



I always tell employees to maintain the sensitivity of their “antennas” to quickly sense changes in customers and markets so this information can be incorporated into their work.

The Asahi Breweries Group itself manages or directly implements various efforts to interact closely with stakeholders, including the Customer Relations Office that listens to the voice of our customers; the General Shareholders’ Meeting, during which we report management issues to our shareholders and seek their input; and the Corporate Culture Survey.

In 2006, we invited seven outside individuals as representatives to a Stakeholders’ Meeting. I myself participated in this meeting and received valuable opinions and advice.

We intend to reflect the voice of our stakeholders in various business activities, including new product development and personnel measures.



What are your policies for 2007?

The Six Priority Initiatives for our CSR activities—Pursuit of Quality, Compliance with Laws and Ethical Standards, Environmental Conservation, Appropriate Information Disclosure, Living in Harmony with Local Communities, and Encouraging Moderate and Responsible Drinking—will remain important in 2007.

In particular, we must systematically address the worldwide issue of global warming, in light of the fact that the start of the First Commitment Period (2008–2012) of the Kyoto Protocol is upon us. We will make a Group-wide effort by setting new concrete reduction targets for 2010.

With respect to Encouraging Moderate and Responsible Drinking, drunk driving has become a serious social issue over the

past year and its importance has grown among the various concerns related to inappropriate drinking behavior. We plan to strengthen our educational activities on this issue both inside and outside the company, in conjunction with other initiatives such as the prevention of underage drinking and drinking during pregnancy.

In addition, as stated in our new Asahi Breweries Group CSR Policy, I believe we must pursue our CSR activities with a renewed awareness of the perspective of the supply chain and global development to realize a sustainable future society. And to do so, it is essential that we collaborate with business partners who support us in our business activities both in Japan and abroad. I hope to deepen our dialogue, share the issues and work together for a solution.

In promoting these activities, I will utilize the CSR Promotion Sub-committee set up in October 2006 at the Head Office to accelerate decision making, share information and policies within the Group through the Asahi Breweries Group CSR Committee, and undertake concrete action.



Finally, what is your message to stakeholders?

Until now, the Asahi Breweries Group has undertaken CSR activities based on the “CS + R” concept with the recognition that CSR activity is synonymous with corporate activity. We will continue to uphold this basic principle going forward, and furthermore, each employee will take the initiative to act, as the entire Group strives to pursue CSR activities based on our new CSR Policy.

In this report, we have introduced examples of our efforts to establish corporate management that satisfies all stakeholders through interchange or dialogue between employees and stakeholders in our daily operations. We appreciate you taking the time to read this report and give us your frank feedback.



Pursuit of Quality

We are carrying out uncompromising quality control throughout the supply chain.

Providing safe, high-quality products that customers can use with confidence is the cornerstone and essential social responsibility for any food manufacturer.

To fulfill this responsibility, Asahi Breweries is carrying out uncompromising quality control measures throughout every process, starting from product development, material procurement, manufacturing, logistics, distribution and sales, and continuing on to labeling and advertisements, in accordance with our own quality policy as well as compliance with laws and regulations.

Product Development

We incorporate information from customers into product development and ensure that developed products meet the strictest standards. **P13**

- We incorporate the opinions of our customers into product development.
- We employ a variety of inspection methods to confirm the safety and quality of products.
- We conduct multidimensional processes for considering and verifying the safety and durability of packages as well.
- The New Product Development Process Verification Meeting conducts the final check and determines the risk to quality.



Product Development

Procurement of Raw Materials

Procurement of Raw Materials

We are working to reinforce quality audits and traceability to maintain the stable procurement of safe, high-quality raw materials. **P14**

- Quality audits are regularly conducted to review the quality control systems of our suppliers.
- We hold QA Meetings to discuss quality maintenance and enhancement measures for raw materials.
- Inspection items for quality and stability are defined for each material.



Manufacturing

We have introduced various mechanisms and systems to produce products of the best quality. **P15**

- We guarantee consistent quality for our products through the *Taikoban* Guarantee System.
- We established our Quality Control Center to provide support from objective, professional points of view.
- We introduced the Technical Master System and other measures to enhance and share skills.



Distribution and Sales

We work with wholesalers, retailers and restaurants to guarantee the highest freshness and quality. **P18**

- The Keg Fresh Beer Quality Seminar is held for wholesalers, retailers and restaurants.
- In the mass retail market, we conduct freshness checks in sales areas and hold store-front freshness seminars.
- Product orientations are conducted to anticipate any possible problems during distribution.



Manufacturing

Logistics

Distribution and Sales
+
Labeling and Advertising

Logistics

We have built a fast and efficient logistics system for delivering "fresh-from-factory quality" to customers. **P17**

- We are working with partner carriers to reduce lead time.
- We employ direct delivery from factories and transit distribution centers to prevent product deterioration.
- We are devising means to avoid quality reduction from exposure to sunlight or vibration.



Labeling and Advertising

As an alcoholic beverage provider, we ensure adequate product labeling and advertising expressions live up to the trust placed in us by our customers. **P19**

- Our Public Expression Committee rigorously examines labeling and expressions of products and advertising content.
- We try to ensure labeling and expressions appearing on product packaging are easy to understand.



Pursuit of Quality



We incorporate information from customers into product development and ensure that developed products meet the strictest standards.

Asahi Breweries carries out stringent quality control across the entire process of new product developments so our latest offerings fully satisfy the design quality requirements as safe and dependable goods.

The appropriate departments conduct tests and examinations of quality risk associated with raw materials, packaging materials, product formulation and labeling to confirm compliance with related laws and regulations as well as with internal standards.

Product Development That Incorporates the Comments of Our Customers and Retailers

Analyzing feedback from our customers and retailers, which in turn is reflected in our product development

At Asahi Breweries, the comments of customers and retailers gathered by our nationwide sales team are shared on our Intranet. In addition, a variety of opinions and requests are sent to the Customer Relations Office. The product development department analyzes this information and strives to incorporate the opinions of customers and retailers into product development.

Guaranteeing Product Safety and Quality

Confirming quality using a variety of inspection methods

At every stage of new product development, from raw materials to the final product, we review compliance with quality standards as stipulated under the Food Sanitation Law



as well as with our stricter internal standards. We also carry out stability inspections to see whether products maintain their integrity through delivery to customers, and we conduct forced life-tests to examine developed products by artificially creating the state beyond the "best before" date.

Ensuring Safety and Durability of Packages

Deploying a number of verification methods, including external monitoring

When selecting containers, we conduct not only safety tests of the material but also multidimensional examinations covering such characteristics as being easy to open, drink, hold and carry. In addition, we verify quality

by employing external monitoring, tests and durability reviews at research laboratories under conditions such as being dropped and exposure to high and low temperatures. We also conduct experiments using



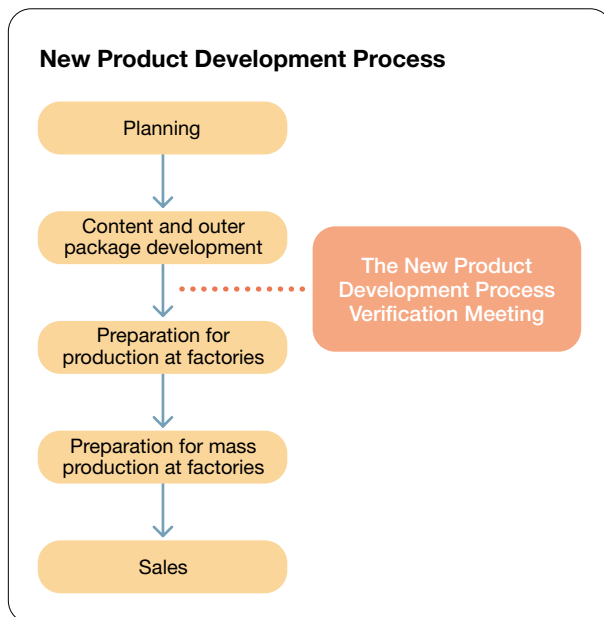
Vibration testing

both simulated and actual transportation equipment to confirm that containers are able to maintain their integrity in the course of delivery.

Checking Quality Risk

New Product Development Process Verification Meeting

Asahi Breweries established the New Product Development Process Verification Meeting in June 2006 to oversee the final review confirming that individual departments have sufficiently identified and addressed risks to quality. Meeting participants include staff members from the production, material procurement, patent/legal affairs and quality assurance departments, as well as the product development and research departments, to ensure objective and systematic judgment. Only initiatives approved by the meeting, which serves as the final gateway of our development process, can proceed to production in our factories.



**Procurement
of Raw
Materials**

We are working to reinforce quality audits and traceability to maintain the stable procurement of safe, high-quality raw materials.

In order to guarantee food safety, Asahi Breweries is dedicated to the exclusive procurement of safe raw materials by setting stringent quality standards for all materials while conducting regular quality audits of suppliers. In addition, we have strengthened the traceability of raw materials and product information and are utilizing the results to support prompt responses to problems and meticulous quality control.

Efforts with Suppliers

Regular quality audits and QA Meetings

When selecting raw material suppliers, Asahi Breweries always reviews such information as the agricultural chemicals used, agricultural chemical application records and analytic data. We then sign a quality contract with and receive raw materials only from suppliers who cooperate with us in ensuring safety, including compliance with agricultural chemical residue standards based on Japan's Positive List System.

Even after procurement has begun, we conduct quality audits of suppliers for the consistent quality of materials. The procurement department regularly visits suppliers' material plants to check their quality control systems and sanitary conditions, from receiving materials to production and shipment. We perform these audits to continually improve standards by mutually recognizing and acting on quality issues with our suppliers. If we discover any problems in the quality provided by a supplier, we offer instructions for improvement. If necessary, we will cancel orders from suppliers who fail to demonstrate improvement.

In addition, we hold QA (Quality Assurance) Meetings with each of our large-volume suppliers more than twice a year to maintain and enhance quality. In 2006, a total of 30 QA Meetings took place to discuss quality targets and concerns.



QA Meeting



Quality audits of suppliers

Quality Inspection of Raw Materials

Defined inspection items for each type of material to check quality and stability

Asahi Breweries has established standards for raw materials, raw material inspections and raw material risk management. We have also defined items, methods, frequency and standard values for analytic testing to check the quality and stability of raw materials everyday upon receipt and prior to use. Before adopting any new materials, we obtain samples to confirm their safety.

Water is a key ingredient in beer and other products. We have added our own inspection checkpoints, such as the presence and concentration of residual chlorine, to the 50 items defined in the Ordinance on Potable Water Quality Standard, as stipulated under the Water Supply Law, for inspecting water safety and suitability for use in our products.

Employee comments

The launching of the AAA System (raw material information management system)

Kenichiro Kobata

Quality Control Center, Asahi Breweries, Ltd.



As a part of our efforts to strengthen traceability, Asahi Breweries and Nikka Whisky Distilling established the AAA System to guarantee the uniform management of raw materials and product information, with full-fledged operation starting in April 2007.

The system manages information on the quality and nutritional components of raw materials as well as the additives and content for all alcoholic products* manufactured by the two companies. If any problem is discovered with the raw materials, for example, the system allows us to instantaneously search for products that may contain the relevant material.

We plan to utilize this system at the "check" stage of the PDCA cycle for quality management by gradually entering the implementation records of quality audits. Furthermore, we intend to enter information for every material used so that we can verify the safety and security of products offered by Asahi Breweries Group at any point.

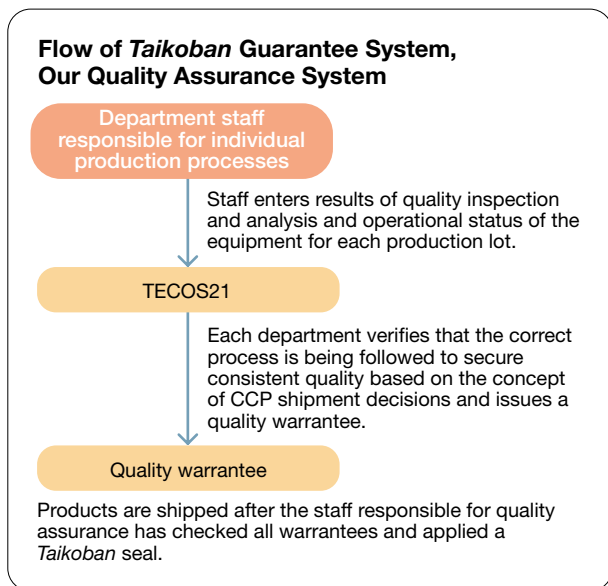
* Excluding wine

Pursuit of Quality



We have introduced various mechanisms and systems to produce products of the best quality.

Based on our management philosophy, Asahi Breweries operates a rigorous quality management system to maintain the stable production of items with the highest integrity. We respond to customer demand through production and food sanitation activities that comply with prevailing laws and ordinances while working to achieve the consistent effectiveness and ongoing improvement of our quality management system to prevent problems.



quality assurance checks all warrantees and applies a *Taikoban* seal that confirms quality prior to shipment.

If any abnormality is discovered, the system is designed to prevent a product from proceeding to the next step until the cause has been identified and quality can be ensured.

TECOS21

TECOS21 (TEchnical COmputer System) is a proprietary network system with a data backup function to issue the quality warrantees necessary for the *Taikoban* Guarantee System. By entering quality inspection and analysis data for each process into TECOS21, we can instantaneously conduct comparisons against standards and reference values and confirm the operational status of the related equipment (trends).

CCP shipment decision

CCP (Critical Control Points) is a concept for shipment decision items in the *Taikoban* Guarantee System and conforms with HACCP (Hazard Analysis and Critical Control Points), with the goal of checking from the customer's point of view for potential problems that could lead to impaired integrity in processing, materials and design. Shipment decisions can be made with higher accuracy because the responsible staff in the production process applies these criteria to confirm quality.

Quality Assurance System

Thorough *Taikoban* Guarantee System for confirming products are manufactured in compliance with our procedures and meet a specified quality level

Since introducing the *Taikoban* Guarantee System, a unique quality assurance system, in 1991, Asahi Breweries has been guaranteeing that products delivered to customers were manufactured through prescribed processes and that designated standards have been achieved.



The staff responsible for each process in our brewing, packaging, engineering and quality control departments checks the quality and operational status of equipment for each lot and issues quality warrantees using TECOS21, a factory network system. Finally, the staff responsible for

Identifying the causes of possible accidents in order to nearly eliminate quality risk factors

We clarified causes that can lead to the remote possibility of microbial contamination, the intermixture of foreign liquid or gas, the entry of foreign substances and incorrect mixing of different varieties, using an approach based on examining the actual site, items and overall situation without overlooking predictors. The results have been compiled into equipment and process guidelines. Any change in equipment or process is incorporated in the guidelines for common reference.

In addition, we annually conduct a self diagnosis based on these guidelines and have compiled required improvements into the "Measure Implementation Report," which is used for our own improvement purposes.

Quality Assurance in Group Companies

The Quality Control Center—providing support from an objective and technical point of view

Asahi Breweries established its Quality Control Center to support quality assurance at individual Group companies.

Physicochemical and microbial analyses are conducted for raw and supplementary materials and both completed and semi-finished products based on company standards that stipulate items to be analyzed, standard values and the frequency of analysis. Results are given to the relevant company along with technical support for identifying and addressing quality risks.



Quality Control Center

Technical Improvement and Apprenticeship System

The Technical Expert System and Apprenticeship System

Consistently producing good products requires establishing, improving and sharing the techniques that form the backbone of manufacturing.

Asahi Breweries has established systems to support the growth of employees in its production division into a team of manufacturing experts equipped with unique methods. Especially notable are the Technical Master System, which certifies technicians who have attained a high level of core expertise to share their knowledge and train next-generation technicians, and the Technical Expert System, which certifies employees who are cultivating their expertise and skills toward becoming a Technical Master.

In addition, we have introduced the Apprenticeship System in which employees can improve their techniques and skills as apprentices under a Technical Master or Technical Expert. The objective of the system is to create a learning environment while at the same time boosting the level of workers' skills and encouraging the exchange of techniques at the production worksite.

We are working on comprehensively improving techniques and skills and transferring them to younger workers by identifying the competencies required by the organization and using these systems to motivate each employee.

Employee comments

We analyze risk management associated with agrichemical residues, fungal toxins and other hazardous materials.



Yoko Iwama

Quality Control Center, Asahi Breweries, Ltd.

At the Quality Control Center, we carry out chemical analysis to examine products and raw materials to meet corporate standards, as well as risk management analysis to review risk factors such as agrichemical residues and fungal toxins based on those standards. Through these analyses, we verify and guarantee that our products maintain quality that complies with the standards stipulated in the Food Sanitation Law and other regulatory standards.

In 2006, we conducted an actual condition survey of agrichemical residues focusing on wine and other beverages and provided product safety information in response to the Positive List System for Agricultural Chemical Residues in Foods, enforced in May of that year.

Employee comments

We support human resource development and the sharing of techniques and skills.



Mayumi Ochiai

Technical Training Center, Asahi Breweries, Ltd.

The Technical Training Center was established in 1993 to support the development of human resources in the manufacturing division and the sharing of techniques and skills required for brewing beer. The center offers systematic brewing, packaging, quality control and engineering programs.

Looking ahead, we intend to formulate a structure to support the human resource development efforts of individual Group companies.

Use of Skill Improvement and Transfer Systems

System	Year introduced	State of use
Technical Master System	2001	11 employees have been certified as of 2006
Technical Expert System	2005	81 technicians have been certified as of 2006
Apprenticeship System	2005	13 employees have joined as of the first quarter of 2006

Pursuit of Quality



We have built a fast and efficient logistics system for delivering “fresh-from-factory quality” to customers.

Variations in temperature and vibration in the course of transporting and storing products can cause their quality to deteriorate. In addition, loading and unloading must be performed with care to maintain the best exterior conditions. Asahi Breweries Group implements a variety of efforts in its logistics operations to ensure the delivery of “fresh-from-factory quality” to customers.

Shortening Lead Times

Collaborating with retailers to deliver products at just the right time

It is important to deliver beer as soon as possible after production so that customers can enjoy its fresh taste. For this purpose, it is essential to shorten the lead time from factory to points of sale, which requires effectively coordinating delivery methods and the time between Asahi Breweries and its wholesalers and retailers. Therefore, sales and logistics personnel regularly visit wholesale distribution centers to keep abreast of the delivery environment. In addition, they make arrangements with the logistics staff of the wholesalers to ensure efficient delivery with the best possible timing.

Delivering directly from factories and transit distribution centers to avoid product deterioration

At Asahi Breweries, more than 90% of the total volume of product is delivered directly from the factory to respective wholesalers without passing through a distribution center. By knowing the required shipment volume ahead of time and shipping immediately after production, we prevent product deterioration from extended storage in warehouses.

When we use a distribution center, we select a transit distribution center that immediately sorts and delivers products upon arrival to avoid a reduction in quality from holding inventory onsite.

Care During Transportation

Countermeasures for preventing degradation of product quality from exposure to sunlight or vibration

To avoid quality deterioration from exposure to sunlight or vibration during loading or unloading from delivery

vehicles, Asahi Breweries has been introducing wing vehicles*1 that accelerate loading and unloading and AIR SUS vehicles*2 that cushion the shock to the load. These vehicles now account for about 90% of our delivery fleet. In addition, we are also enhancing the function of the Asahi Quality Sheet to shield products from sunlight and are introducing heat-insulated cars.

*1 **Wing vehicle:** The sides of the vehicle bed open like the wings of a bird, allowing loading and unloading from both sides.

*2 **AIR SUS vehicle:** Vehicle that uses air springs instead of metal springs for suspension. The absorption of vibration by air reduces impact to the loading space.



Asahi Quality Sheet

Employee comments

We continually pursue quality improvements in collaboration with partner carriers.

Kazuhiro Yamamoto

Chief of the Logistics Center,
Nishinomiya Plant Asahi Breweries, Ltd.



Quality assurance during transportation requires close collaboration with partner carriers. Therefore, we always make sure that the drivers of the partner carriers are sufficiently experienced in the transportation of Asahi Breweries products.

At the Logistics Center of the Nishinomiya Plant, we ask drivers who are delivering their first loads of Breweries products to wear red safety vests instead of yellow ones so people around them can be prepared to offer guidance or assistance. We also confirm that cushioning materials are used to prevent the collapse of cargo, and we share information on previous accidents and situations so that the drivers fully understand beforehand what is required to maintain quality and safety from loading to delivery.

We intend to establish an efficient shipment structure to avoid making the drivers wait, allowing them to fully concentrate on areas of concern.

We work with wholesalers, retailers and restaurants to guarantee the highest freshness and quality.

Asahi Breweries is committed to the concept of “quality at the moment of drinking” in order to enhance customer satisfaction. We have been strengthening quality control at the stages of distribution and sales in collaboration with wholesalers, retailers and restaurants by enhancing the methods for handling keg draft beer and equipment and confirming freshness at the points of sales and consumption.

For Customers to Enjoy Drinking Tasty Keg Draft Beer

Holding Keg Fresh Beer Quality Seminars

To ensure customers always get the best keg draft beer, Asahi Breweries conducts Keg Fresh Beer Quality Seminars for wholesalers, retailers and restaurants.

At the seminar, instructors offer lectures and explain the best practices for the appropriate handling of keg draft beer and draft beer equipment. In addition, employees of Asahi Draft Beer Service, Ltd. who have qualified as instructors train seminar participants in actual restaurant settings.

By the end of 2006, approximately 38% of restaurants that serve Asahi Breweries brand keg draft beer had participated in a Keg Fresh Beer Quality Seminar.



Practice at Asahi Keg Fresh Beer Quality Seminar



Lecture at the seminar

Reinforcing our equipment development and improvement system

Draft beer equipment must be used and maintained in the most effective manner to serve good-tasting keg draft beer. Therefore, we formulated an in-house quality assurance system for draft beer equipment and defined roles for each organization and employee. We have also held Draft Beer Equipment Development Meetings to more rigorously verify product standards and other activities to further strengthen the quality of keg draft beer equipment.

Initiatives for Mass Retailers

“Freshness check” campaign on sales floors

Staff dedicated to the support of freshness management on sales floors regularly visit individual outlets of mass retailers and collect date-of-manufacture data. The data is compiled at our head office and used in production and logistics planning to continually improve freshness management efforts.

Store-front freshness seminars for customers

Store-front freshness seminars have been held at mass retailers since 2006 to provide an opportunity for customers to learn about how to preserve the quality of beer and secrets for enjoying good-tasting beer at home.

In 2006, seminars were held at 50 locations nationwide. In 2007, we plan to expand the project to 200 locations, focusing on large mass retailers while also enriching seminar content.

Efforts by Sales Staff

Product Knowledge Training for simulating the discovery of defective products after shipment

Asahi Breweries’ basic policy for responding to customer concerns over product defects is to visit the customer to conduct a proper investigation and follow up with a report and prompt response in a respectful manner. To concretely implement this policy, we hold Product Knowledge Training for new recruits and recently appointed sales staff.

The training simulates the causes of diverse defectives that can occur in the period between shipment from the factory and final delivery to customers so that trainees can ascertain the problem based on the specific defect. For example, they learn that defects to a dropped can of beer depend on the direction and impact of the drop.

By participating in this training, sales staff learn better ways to listen to customers describe the discovery of the defect in more detail, thereby improving the accuracy of subsequent investigations at factories and laboratories.

Pursuit of Quality



As an alcoholic beverage provider, we ensure adequate product labeling and advertising expressions live up to the trust placed in us by our customers.

Asahi Breweries pays the utmost attention to appropriate labeling and expressions on product packages and in advertisement activities, an effort that is worth earning customers' trusts, with due consideration for alcohol-related concerns, human rights, the environmental and social ethics, as well as compliance with related laws and regulations.

We promote advertisement activities to gain customer sympathy and trust by establishing detailed policies for expressions and displays under our "Voluntary Advertisement Standards," and voluntarily controlling ad content in light of concerns over moderate and responsible drinking and limiting TV commercials during weekdays. In addition, we established our Public Expression Committee as a cross-organizational review entity, to ensure that every step is taken to ensure appropriate labeling and expression.

Labeling and Expressions in Advertisements

Stringent reviews by the Public Expression Committee

Asahi Breweries established the Public Expression Committee in 1995 to examine and review product labeling and advertising content from various perspectives. Subsequently in 2001, we strengthened its functions, membership and support system by adding such areas as product labeling and support materials to its oversight. The committee consists of 15 members selected from the 15 divisions of the company and meets weekly. We only launch products and advertising materials that have been authorized by the committee. All issues raised in the committee are recorded and countermeasures taken by the related departments are reported in the meeting minutes so that we can fully apply this information to our daily business activities. Asahi Soft Drinks Co., Ltd. and Asahi Food & Healthcare Co., Ltd. also promote similar programs.

Labeling and Expressions on Product Packaging

Appropriate consideration to diverse customers while providing easy-to-understand information

We take into account customer feedback and public expectations in label design and the content of product packaging to help customers easily locate such information as recycling guidelines and nutritional content, while also considering underage consumers and customers who do not drink alcoholic beverages.

Representative labeling and expressions on product packages

Recycling mark

The recycling mark indicates that packaging material can be recycled and encourages active support for reuse and recycling.



Warning against drinking while pregnant, breastfeeding, or under 20 years of age

We display warnings against drinking by pregnant and nursing women in addition to the expression, "You are not permitted to drink alcoholic beverages if you are under 20 years of age."



Braille

To assist visually challenged customers in distinguishing alcoholic beverages from soft drinks, we have put the Braille for "alcohol" on the top of all canned alcoholic products.



"Alcohol" mark on low-alcohol beverages

To prevent underage consumers or customers who do not drink alcoholic beverages from mistakenly consuming them, we ensure that a large "Alcohol" mark appears on every low-alcohol beverage container.



We will promote Group-wide quality control activities.

The Group Quality Management Committee has developed quality policies and established crisis management guidelines.

The Asahi Breweries Group convenes a Group Quality Management Committee to promote the quality assurance operations of individual Group companies and to exchange related information.

In 2006, the committee worked on developing Group quality policies by reviewing responses to the Positive List System and “Group Quality Crisis Management Guideline” for potentially serious accidents that may affect product quality. The quality assurance departments of LB Co., Ltd. (two companies), Wakodo Co., Ltd. and Sunwell Co., Ltd. will join the committee starting in 2007 to accelerate information sharing across the Group.



Initiatives by Major Group Companies

Asahi Soft Drinks Co., Ltd.

The company’s three plants, Kashiwa, Akashi and Hokuriku, have been certified under ISO 9001 and HACCP. In addition, the Fujisan Plant is preparing to apply for HACCP in 2008.

The company also started “A-zero” activities in 2006 to eliminate accidents through the early detection of and response to indications of potentially serious quality accidents.



Asahi Food & Healthcare Co., Ltd

Each plant at Asahi Food & Healthcare Co., Ltd. has either obtained ISO 22000 certification or is working toward doing so. The Ibaraki and Osaka plants were certified in 2006 and 2007, respectively, and the Tochigi Plant is now preparing for certification.

In addition, the company has been conducting quality audits of commissioned manufacturers and raw material suppliers. In 2006, 35 audits were conducted, including those done overseas.



LB Co., Ltd. (Head Office, Saitama Prefecture)

LB Co., Ltd. (Head Office, Saitama Prefecture) applies the quality control techniques adopted by the partner factories of the Asahi Breweries Group at its partner plants. The company seeks to further enhance quality as a part of its quality audits and plans to conduct annual audits.



Furthermore, the company holds quality improvement workshops for suppliers and strictly requires distribution and sales partners to transport shipped products at 10°C or less and to sell them in refrigerated cases.

LB Co., Ltd. (Head Office, Aichi Prefecture)

LB Co., Ltd. (Head Office, Aichi Prefecture) worked to boost its quality assurance system by strengthening its double-check system upon receipt and use as well as improving controls after the seals are broken to thoroughly control the management of raw material expiration dates. Other efforts included establishing a Labeling Committee and a Quality Committee.



Wakodo Co., Ltd.

Wakodo Co., Ltd. is taking steps to ensure the safe production of baby foods, its flagship product, in accordance with “The Infant’s Nursing/Weaning Support Guide” issued by the Ministry of Health, Labour and Welfare, “Baby Food Voluntary Standard: IV” of the Japan Baby Food Association, and other related guides governing milk products for infants and general foods.

The company implements the continuous quality monitoring of its suppliers by conducting systematic audits, including traceability measures, while sharing information via regular meetings and its Web site.



Activities Promoting Moderate and Responsible Drinking Being engaged in various educational activities to fulfill our responsibility as an alcoholic beverage maker.

Throughout history, alcohol has brought delight and pleasure into the daily lives of people around the world through a close relationship with local climates and lifestyles. At the same time, inappropriate drinking habits are known to cause a variety of problems for individuals, homes and society at large.

The Asahi Breweries Group believes it is our responsibility as an alcoholic beverage maker to lead the way in solving these problems, and we are applying ample energy toward educational activities to promote moderate and responsible drinking by maintaining a dialogue with customers, industry associates and stakeholders around the world.



Alcohol is a common cultural heritage of humankind that brings delight and pleasure into daily life.

Throughout the long history of humankind, alcohol has not only brought delight and pleasure into daily life, but has played an important role in celebrations and other commemorative moments. Since ancient times, we have produced various types of alcoholic beverages using different materials and methods, such as beer, whisky and wine. These alcoholic beverages were developed within the respective climates and cultures of each country or region, but a wide variety is now being enjoyed across borders. In this sense, alcohol is a common cultural heritage of humankind. The Asahi Breweries Group takes great pride in contributing to the enrichment of people's daily lives through the production and sales of alcoholic beverages.





- Reference Web site: “Guidebook for Moderate and Responsible Drinking” <http://www.asahibeer.co.jp/csr/tekisei/guidebook/> (in Japanese)
- Reference Web site: “Alcoholic Beverages and Health” <http://www.asahibeer.co.jp/csr/tekisei/health/> (in Japanese)

Drunk Driving

Drunk driving is extremely dangerous behavior.

P23

- We raise broad customer awareness through TV commercials and advertisements in magazines and newspapers.
- We distribute educational posters for the prevention of drunk driving to customers that operate dining and drinking establishments.
- We display educational posters for the prevention of drunk driving at each establishment operated by our restaurant business and at tasting rooms during brewery tours.



Drinking During Pregnancy

Unborn and newborn babies are vulnerable in the mother’s body and while breastfeeding.

P25

- We display warnings on products and advertisements.



Drunk Driving

Drinking During Pregnancy

Inappropriate drinking habits cause a variety of problems in society. Asahi Breweries is engaged in a sincere effort to address these issues.

Underage Drinking

Binge Drinking

Underage Drinking

Negative effects occur during the growth phase.

P24

- The beer industry is promoting the “STOP! Underage Drinking” campaign against underage drinking.
- Asahi Breweries established the Fund for the Prevention of Underage Drinking in 2005.



Binge Drinking

Acute alcohol poisoning can lead to death.

P25

- We raise awareness through pamphlets and Web sites designed to encourage an understanding of moderate and responsible drinking.



Activities Promoting Moderate and Responsible Drinking



Pursuing an educational effort to encourage moderate and responsible drinking to fulfill our responsibility as an alcoholic beverage maker through an ongoing dialogue with society

The Asahi Breweries Group encourages moderate and responsible drinking based on our recognition of the characteristic properties of alcoholic beverages. Through these efforts, we hope to fulfill our social responsibility and to contribute to the sound development of the culture of alcohol and the realization of an affluent society.

Philosophy and System of Promotion

Establishment of the Moderate and Responsible Drinking Committee based on our Basic Philosophy

“Encouraging Moderate & Responsible Drinking” is one of Asahi Breweries’ Six Priority Initiatives for CSR activities. In 2004, we formulated the Asahi Breweries: Basic Philosophy for Promotion of Moderate and Responsible Drinking and established the cross-organizational Moderate and Responsible Drinking Committee.

In 2006, the committee actively promoted educational activities to prevent drunk driving, which has become a major social issue, and selected organizations to which grants will be provided by the Fund for the Prevention of Underage Drinking in its second year of supporting research and social activities. We are also holding public seminars on moderate and responsible drinking in a timely manner.

Asahi Breweries Group’s Basic Philosophy for Promotion of Moderate and Responsible Drinking
 The Asahi Breweries Group, while aiming for the sound development of the culture of alcohol, seeks to fulfill its social responsibility and to contribute to the realization of a healthy and affluent society by recognizing the characteristic properties of alcohol and by encouraging moderate and responsible drinking through a systematic and consistent effort.

Publication of Educational Pamphlets

Guidebook for Moderate and Responsible Drinking

Asahi Breweries publishes the *Guidebook for Moderate and Responsible Drinking*, which is useful those who comes into close contact with alcoholic beverages, from juveniles who have yet to start drinking to senior citizens who have enjoyed alcoholic beverages for years. Through a combination of text and cartoons, the pamphlet warns against dangerous drinking habits and explains the key points for the healthy enjoyment of alcohol in a style that is easy to understand.

The guidebook is distributed to anyone upon request through our Web site, or by phone or fax, as well as to universities nationwide, where it is used to provide guidance to freshmen students.



Guidebook for Moderate and Responsible Drinking



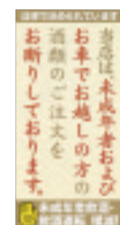
We Actively Promote Educational Activities Through TV Commercials, Newspaper and Magazine Ads, and Posters at Dining and Drinking Establishments

In 2006, a string of serious accidents caused by drunk driving occurred throughout the country, making it a major social issue. Even in relatively small quantities, alcohol intake results in a concentration of alcohol in the bloodstream, which impairs the faculties required for driving, such as vision, reflexes and judgment, in turn increasing the risk of an accident. Accidents can result in unbearable losses for both offenders and victims.

Education Through the Media

Reinforced call against drunk driving

To eliminate drunk driving, in 2006, we sought to educate the public through TV commercials and newspaper and magazine advertisements, distributed posters to dining and drinking establishments, and reinforced our efforts to raise awareness at establishments operated by our restaurant business.



Poster urging the prevention of drunk driving

Considerations During Brewery Tours

Encouraging drivers to be responsible at alcohol beverage tastings

We offer tasting opportunities for visitors who tour factories in which alcoholic beverages such as beer are manufactured. However, for visitors arriving in cars, we identify the drivers at the entrance and ask them to wear a “Prevent Drunk Driving” badge in an effort to avoid mistakenly encouraging alcohol tasting.

In addition, to promote moderate and responsible drinking, we have placed flags and posters appealing against drinking and driving in parking lots and inside tasting rooms. Tour guides also wear “Prevent Drunk Driving” badges.



“Prevent Drunk Driving” badge

Employee comments

Toward Eliminating Drunk Driving

Takahiro Watabe

Manager, Hakata Store, Asahi Beer Garden, Ltd.



In view of the fact that drunk driving has become a social issue over the past year, we at Asahi Beer Garden, Ltd. are engaged in a full-scale prevention effort at all our establishments.

For example, we display posters and stickers inside our establishments urging the prevention of underage drinking and drunk driving. We indicate in our menus

that we do not serve alcoholic beverages to underage customers and drivers; this information is also verbally explained when orders are taken.

Drivers who visit our shops are asked to wear our original Asahi Beer Garden “Driver’s Badge.” We attached a strap to the badge to encourage more drivers to display it, which led to an increase in the number of wearers and a change in awareness.

Furthermore, to encourage the use of designated drivers, we have placed cards near the cash register on the way out and inside the parking lot.

Through these efforts, we hope to continue contributing to the elimination of drunk driving.

Prevention of Underage Drinking

Promoting Educational Activities to Prevent Underage Drinking Through Joint Industry Projects and Management of the Fund

Of the various problems related to alcohol, underage drinking has a particularly strong impact on society. It is associated with the risk of impaired growth, sexual dysfunction and physiological disorders such as liver and pancreas ailments due to the lower metabolic breakdown of alcohol in youths compared with adults, in addition to the greater likelihood of developing an alcohol dependency at an early age.

Asahi Breweries is making a broad effort to fight this problem, including the “STOP! Underage Drinking” project campaign undertaken jointly with the Brewery Association of Japan, management of the Fund for the Prevention of Underage Drinking and the creation of educational videos targeting junior high school students.

Initiatives Taken by the Beer Industry

Supporting the “STOP! Underage Drinking” Project

Since October 2005, the Brewery Association of Japan has been promoting the “STOP! Underage Drinking”

project to prevent underage drinking. This joint project bolsters the activities of five beer makers that have been combatting underage drinking over the years.

In addition to displaying the “STOP! Underage Drinking” symbol mark and slogan in TV commercials and advertisements for alcoholic beverages, we also publish newspaper and transit advertisements at the start of each new school term, during the annual cultural festival season and at the end of the year. In 2006, we stepped up the campaign with the cooperation of the convenience store and supermarket industries by placing ads with the symbol mark on alcoholic beverage shelves, and by asking junior high schools and high schools nationwide to participate in creating original campaign posters.



Brewery Association of Japan

<http://www.brewers.or.jp/english/index.html>

Activities Promoting Moderate and Responsible Drinking

Initiatives Taken by Asahi Breweries

Managing the Fund for the Prevention of Underage Drinking

Asahi Breweries established the Fund for the Prevention of Underage Drinking to contribute to addressing the problem of underage drinking. The fund primarily supports medical and socio-cultural research on the prevention of underage drinking and organizations and individuals that hold prevention forums and seminars. A total of 10 million yen is distributed every year. The fund publicly solicits projects that are qualified for a grant every year and a review board consisting of experts strictly reviews project applications and selects qualified candidates. In 2006, applications were accepted from January through March, and 11 projects were selected.

Distributing educational videos for junior high school students

Asahi Breweries, in collaboration with Nikka Whisky Distilling Co., Ltd. and the Alcohol Health and Medical Association, Inc., planned and produced an educational video titled, "A Step Towards a Brilliant Future-Junior High School Students Say NO! to Alcohol," for preventing underage drinking particularly among junior high school students. The video is being distributed to junior high schools nationwide.

It features junior high school students learning on their own about how drinking alcohol out of curiosity or by some opportunity could negatively affect the body and mind during their important stage of growth, along with the latest evidence-based medical data.

Prevention of Drinking During Pregnancy and Binge Drinking

Endeavoring to Prevent Drinking During Pregnancy and Binge Drinking Through Warning Labels on Products and Distribution of the Guidebook

Drinking during pregnancy and binge drinking can have dangerous effects on the body, and the Asahi Breweries Group is urging the prevention of such behavior.

Prevention of Drinking During Pregnancy

Educating the public about the dangers of drinking during pregnancy

Alcohol intake by pregnant women may in some cases result in the birth of babies with congenital anomalies such as abnormal facial features, impaired growth and dysfunctions in the central nervous system (disabilities in learning, memory, attention deficits and communication, vision, or hearing problems). During breastfeeding, alcohol can enter the baby's body through breast milk. Asahi Breweries communicates the dangers of drinking during pregnancy through warning labels on products and educational pamphlets

Warning labels against drinking during pregnancy

Since June 2004, the industry has voluntarily included warning labels against drinking during pregnancy and breastfeeding with the phrase, "Drinking alcohol during pregnancy or breastfeeding may negatively affect the growth of unborn and newborn babies."



妊娠中や授乳期の飲酒は、胎児・乳児の発育に悪影響を与えるおそれがあります。
飲酒は20歳になってから。

Prevention of Binge Drinking

Educating the public about the dangers of inappropriate drinking habits

During binge drinking, the massive intake of alcohol in a short period of time may occur too fast for the liver's metabolism, raise alcohol concentration and result in acute alcohol poisoning. This can cause death through breathing difficulties or choking on vomit.

It is important to understand these dangers and to never engage in or encourage binge drinking.

Asahi Breweries seeks to educate the public on moderate and responsible drinking by providing explanations on binge drinking and other dangerous drinking habits in both the printed and Web-based versions of the *Guidebook for Moderate and Responsible Drinking*.

Guidebook for Moderate and Responsible Drinking
<http://www.asahibeer.co.jp/csr/tekisei/guidebook/>
(in Japanese)



Reinforcing Collaboration with the Industry and the International Community in Activities to Educate the Public on Moderate and Responsible Drinking

We Participated in the Alcoholic Beverage Industry's "Workshop on Self-Regulation—Asia-Pacific Region"

On June 19–20, 2006, the Brewery Association of Japan and the Japan Spirits & Liquors Makers Association, in collaboration with the International Center for Alcohol Policies (ICAP)—a think tank on alcohol policies—held the Alcoholic Beverage Industry's "Workshop on Self-Regulation—Asia-Pacific Region" at the Keidanren Hall in Otemachi, Tokyo.

The workshop was attended by 130 participants, including those from abroad. Presentations were made on efforts in various countries concerning publicity and advertising for alcoholic beverages, and an active Q&A session was held. The workshop culminated in the Tokyo Declaration communiqué containing points such as responsible advertising and sales of alcoholic beverages through self-regulation, as well as the improvement and expansion of such regulations throughout the Asia region.

Asahi Breweries will support the communiqué and continue promoting responsible publicity and advertising activities as a member of the alcoholic beverage industry and of the global community.



Scene from the workshop

Japanese Translation of *Drinking in Context* Published as Part of the Efforts for Promoting Moderate and Responsible Drinking

Asahi Breweries published a Japanese-language version of *Drinking in Context* (edited by Gerry Stimson, Marcus Grant, Marie Choquet and Preston Garrison) published by the ICAP, which is sponsored in part by Asahi Breweries. The book is being sold through Kinokuniya Bookstore at its 59 stores nationwide.

Drinking in Context was completed after two years of discussions by international experts on alcohol-related issues. The book examines various drinking habits in different countries, while also verifying different national and cultural attitudes toward issues related to alcohol, such as drunk driving and underage drinking. It explores the ideal alcohol policy and offers an overall analysis of the social role and importance of the culture of drinking. The book has been sold primarily in North America and Europe since the end of December 2006; this is the first Japanese translation.

By collaborating with the ICAP and others, Asahi Breweries intends to continue promoting moderate and responsible drinking from a global perspective and to spread proper understanding of the role of alcohol in society.



Japanese translation of *Drinking in Context*



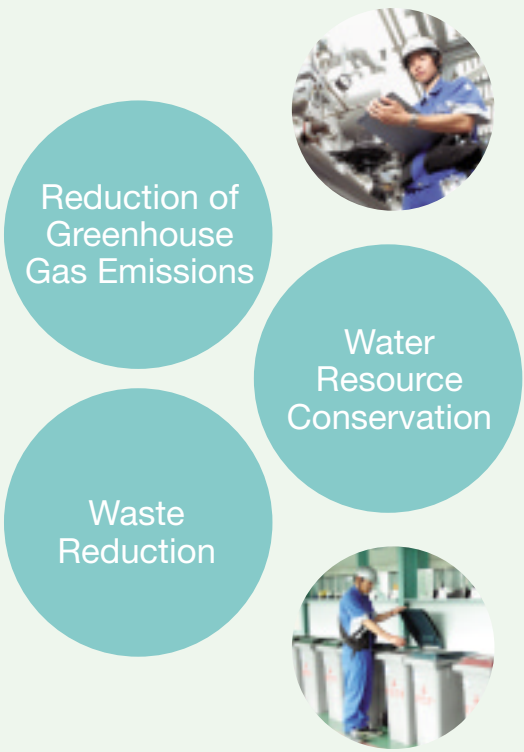
Lecture by the author

Environmental Conservation Activities

We strive to reduce the environmental burden associated with our own business as well as the overall environmental burden on society in general.

To protect the precious blessings of nature and pass them on to future generations, Asahi Breweries is addressing the responsible use of resources and energy and working to reduce the environmental burden associated with the production process.

We promote environmental protection in the Group's logistics and sales business activities and also participate in forest conservation and environmental communication activities with people outside the Group.



Through the Group's Production Operations

- We are significantly reducing CO₂ emissions through the ongoing implementation of energy-saving measures.
- We are making efforts to conserve water resources that constitute one of our raw materials.
- We are working toward 100% recycling across the entire Group.



Basic Environmental Principles

Basic Philosophy

Beer is made from the bounties of nature, such as water, barley and hops. We at the Asahi Breweries Group believe we are responsible for ensuring our children inherit a healthier planet. To achieve our goals for protecting this beautiful planet and the people who live on it, we believe our actions must demonstrate our gratitude for the natural bounty the Earth provides us all.

Guidelines for Activity

- Strive to promote waste reduction and recycling to reduce the use of natural resources and to conserve energy.
- Endeavor to reduce the output and usage of substances that burden the environment, such as CO₂ and CFCs.
- Promote systems and practices that conserve water, the most precious resource for the Asahi Breweries Group.
- Be aware of environmental concerns in product development, in the development of technologies and in procurement.
- Contribute to society by actively supporting environmental protection activities and encouraging our employees to participate as well.



- We provide additional information on environmental management and detailed performance data on our Web site.



In Our Overall Group Business

- We are endeavoring to reduce the environmental burden associated with logistics.
- We are seeking to expand the use of sales and promotional goods that cause less environmental burden.
- We are limiting waste generation at our establishments while also reducing and recycling resources.
- We are contributing to the formation of a recycling society by promoting Reduce, Reuse and Recycle (3R).

Working with Various People

- We hold environmental events and Environmental Culture Seminars for community residents.
- We are expanding our efforts to nurture the resources that provide us with precious water into a society-wide endeavor.



3R in Containers and Packaging

- In addition to carefully observing all environmental laws and regulations, each affiliated company will develop its own environmental standards.
- Outside Japan, be aware of local environmental concerns and actively work to promote environmental protection in each country in which the Group operates.
- Strive to communicate openly with society by providing appropriate information on our environmental systems and practices.



Let's Stop Global Warming Together

Team Minus 6%

Asahi Breweries participates in the government's nationwide "Team Minus 6%" movement to prevent global warming and actively engages in related efforts.

Environmental Conservation Activities



We accomplished our goals for most of the key issues under our Second Medium-term Environmental Management Plan (2004–2006).

The Asahi Breweries Group formulated the Second Medium-term Environmental Management Plan (2004–2006) with the goal of reducing the environmental burden of the entire Group by strengthening collaboration within the Group under the leadership of the Group Environmental Committee.

Looking back on the results for 2006, the final year of the plan, we achieved most of our targets for each key issue.

With respect to the reduction of CO₂ emissions that affect global warming, while we actively promoted energy-saving measures and succeeded in significantly reducing CO₂ emissions per sales, we were unable to meet our targets on total CO₂ emissions due to the expansion in the scope of our Group operations related to existing businesses as well as to M&A and other factors.

Overview of the Second Medium-term Environmental Management Plan

Key Issue	Scope	2006 Targets	2006 Results
1. Reduction in greenhouse gas emissions *1, *2			
Reduction of CO₂ emissions in the production process	All 12*3 companies	Total CO ₂ emissions: 381,800 tons/year (+9% compared with 1990)	Total CO ₂ emissions: 404,300 tons/year (+15% compared with 1990) * Total CO ₂ emissions in 1990: 350,400 tons/year [Reference] CO ₂ emissions per sales volume: 318 kg/one million yen (-9% compared with 1990) * CO ₂ emissions per sales volume in 1990: 351 kg/one million yen
2. Promotion of energy conservation			
1) Reduction in fuel and electricity unit consumption	All 12 companies	Total energy consumed to achieve the above goal for total CO ₂ emissions	Total energy consumption: 8,045,000 GJ/year [Reference] Total energy consumption per sales: 5.69 GJ/one million yen
2) Reduction in unit water consumption	All 12 companies	Total consumption: 23,230,000 m ³ /year (+15% compared with 1990)	Total consumption: 21,438,000 m ³ /year (+6% compared with 1990) * Total consumption in 1990: 20,248,000 m ³ /year
3. Promotion of waste recycling			
1) Promotion of waste recycling at Group manufacturing companies	All 12 companies	Accomplished 100% recycling of waste and by-products at all sites of Group manufacturing companies * 28 sites, excluding LB Co., Ltd. (two companies), Wakodo Co., Ltd. and Wako Food Industry Co., Ltd., which were newly added to the Group during the fiscal term.	Accomplished 100% recycling at 27 sites, except the Ibaraki Plant of Asahi Food & Healthcare Co., Ltd.
2) Promotion of recycling at sales bases	Asahi Breweries, Ltd.	Expanded number of sales bases that accomplished 100% recycling ⇒ Scope: More than 50% of the 10 bases	Accomplished 100% recycling at 3 bases (Scope: Only paper and plastic waste that are directly disposed of)
4. Promotion of the introduction of an environmental management system			
1) Promotion of the introduction of an environmental management system at Group manufacturing companies	All 12 companies	Environmental management systems such as ISO 14001 and EA21 introduced at all sites at Group manufacturing companies	Completed introduction of environmental management system at all 32 sites, excluding Wako Food Industry Co., Ltd., which was newly added to the Group during the fiscal term
2) Promotion of the introduction of an environmental management system at sales bases	Asahi Breweries, Ltd.	Introduced our own simplified environmental management system, the Asahi Way, at all sales bases	Introduction completed ahead of schedule in 2004, continuing to promote activities

*1 Formula for converting fuel into CO₂ emissions

Add CO₂ emissions (tons) = purchase volume of various fuels (GJ) × CO₂ emission factor (tons CO₂/GJ)

(For the CO₂ emission factor, we use values as stated in the *Guidelines for Method to Calculate Greenhouse Gas Emissions Generated at Businesses*, published in July 2003 by the Ministry of the Environment, Global Environment Bureau)

*2 Formula for converting electricity into CO₂ emissions

CO₂ emissions (tons) = electricity purchased (kWh) × CO₂ emission factor (kg CO₂/kWh)

(For the CO₂ emission factor, we use the latest value issued by the Federation of Electric Power Companies of Japan: 0.425 kg CO₂/kWh for 2005)

*3 All group manufacturing companies (12 companies):

Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., The Nikka Whisky Distilling Co., Ltd., Asahi Food & Healthcare Co., Ltd., Asahi Beer Malt, Ltd., Sainte Neige Wine Co., Ltd., Nippon Freeze Drying Co., Ltd., Satsumatsukasa Shuzo Co., Ltd., LB Co., Ltd. (Head Office: Saitama), LB Co., Ltd. (Head Office: Aichi), Wakodo Co., Ltd., Wako Food Industry Co., Ltd.



Having completed the final year of the Second Medium-term Environmental Management Plan, we will now turn our Group-wide focus toward new goals for 2007 and beyond.

Policies on Environmental Conservation Initiatives for 2007 and Beyond

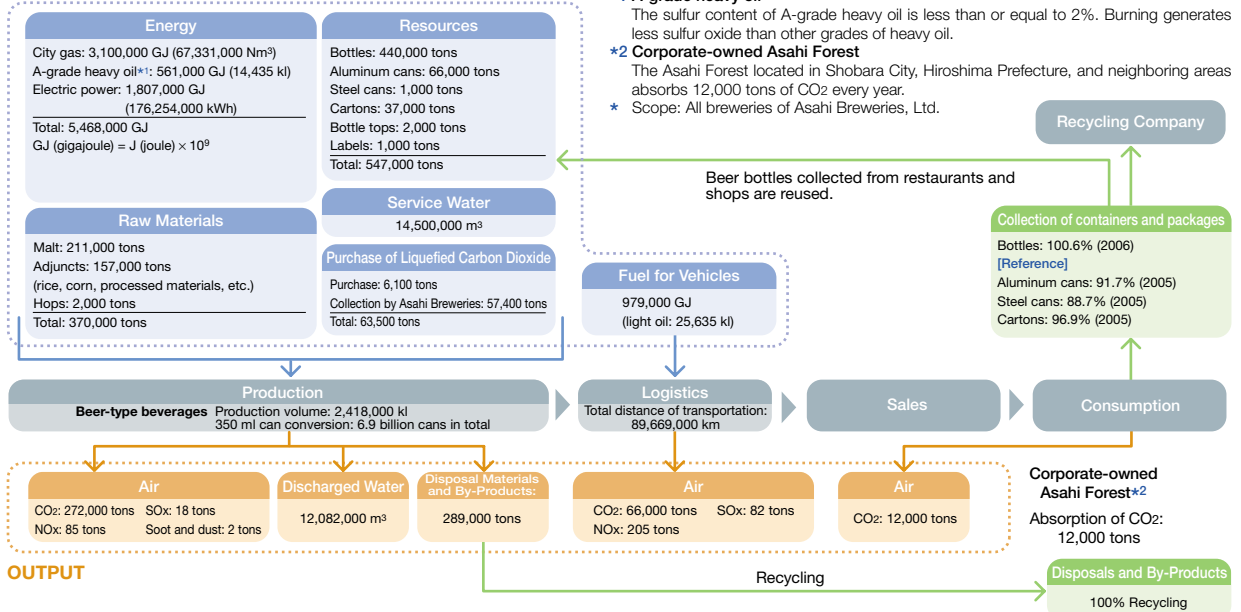
- As the First Commitment Period (2008–2012) of the Kyoto Protocol approaches, we are making a Group-wide effort to tackle the challenge of reducing greenhouse gas emissions to meet concrete medium-term targets.
- To realize a recycling society, we will seek to reduce the environmental burden associated with our production and businesses while placing value on our relationships with the public, including future generations, and pursue environmental conservation efforts Group-wide.

Priority Initiatives

Key Issue	Scope	Priority Initiatives for 2007 and Beyond
Group business activities		
Reduction in greenhouse gas emissions	Production	(1) Alcoholic Beverages Segment: Reduce total CO ₂ emissions by 15% and CO ₂ emission unit by 30% compared with 1990 by 2010 (2) Entire Group: Reduce total CO ₂ emissions to ±0% and CO ₂ emission unit by 15% compared with 1990 by 2010
	Logistics	Reduction of CO ₂ emission unit per 1 kl in sales of alcoholic beverages by 4% compared with 2006 by 2010 (annual reduction of 1%)
Promotion of waste recycling	Production	Achieve 100% waste recycling at all 33 manufacturing sites for the entire Group by 2010 (achieved at 27 sites as of the end of fiscal 2006)
	Asahi Breweries Sales Division	Accomplish 100% recycling at 3 bases (Scope: Only paper and plastic waste that are directly disposed of)
	Restaurant Division	Promotion of waste reduction and recycling
Reduction of environmental burden in the supply chain	Procurement Division	Promotion of measures to reduce environmental burden in cooperation with suppliers
	Asahi Breweries Sales Division	Promotion of sales and promotional goods that cause less environmental burden
Overseas environmental conservation activities	International Division	Promotion of environmental conservation activities in China based on local social trends
Relationship with society		
Enhancement of environmental awareness	Contribute to raising environmental awareness among people both inside and outside the company by emphasizing stakeholder relationships, undertaking environmental communication and forest preservation activities, and combining the environment with art and social contribution activities	

Environmental Impact of Asahi Breweries' Business Activities

INPUT



Priority Initiatives of the Asahi Breweries Group
 Pursuit of Quality
 Environmental Conservation Activities
 For Consumers
 For Business Partners
 For Shareholders and Investors
 For Employees
 For Local Communities



We are significantly reducing CO2 emissions through the ongoing implementation of energy-saving measures.

The Asahi Breweries Group is implementing a full-scale effort to save energy and reduce CO2, CFC and other greenhouse gases that cause global warming.

Efforts to Reduce CO2 Emissions

Reduced the basic unit by 30% from 1990 levels

Asahi Breweries’ size of production expanded 1.5 times on a non-consolidated basis in 2006, compared with 1990. We nevertheless reduced CO2 emissions for producing 1 kiloliter of beer-type beverages by 30% over this same period through consistent energy-saving efforts. Total CO2 emissions were 3% more than 1990 levels, and we fell slightly short of attaining our goal of ±0%. Looking ahead, we will strive toward our 2010 goal of reducing total CO2 emissions by 15% compared with 1990 and CO2 emissions per unit by 30% for the entire alcoholic beverages segment. While the size of production for the Group expanded by 36% in terms of sales compared with 1990 levels, the active promotion of energy-saving measures led by the Group Environmental Committee had significant impact by reducing total CO2 emissions to +15% compared with 1990 and CO2 emissions per unit to -9%.

Efforts to Conserve Energy

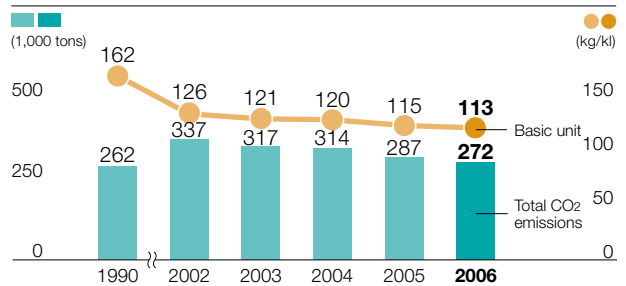
Introducing various systems that contribute to limiting CO2 emissions

The Asahi Breweries Group is actively promoting a conversion to natural gas, which emits less CO2 and SOx than heavy oil, and the introduction of cogeneration systems that allow us to use energy more efficiently.

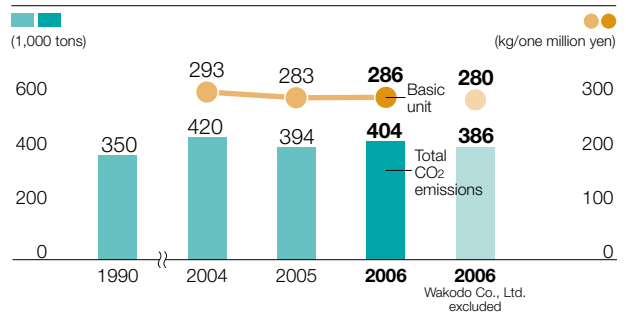
At Asahi Breweries, seven out of nine breweries have completed the conversion to natural gas and cogeneration systems have been introduced at six breweries. In terms of the entire Group, 20 out of 33 factories are using natural gas and LPG as their primary sources of fuel, and we plan to maintain our fuel conversion drive.

The Asahi Breweries Group is also actively promoting the installation of anaerobic wastewater processing systems that contribute to energy conservation and reduced CO2 emissions. In contrast to aerobic wastewater processing that requires oxygen, anaerobic wastewater processing utilizes microorganisms that are active under conditions in which oxygen is not present and thus

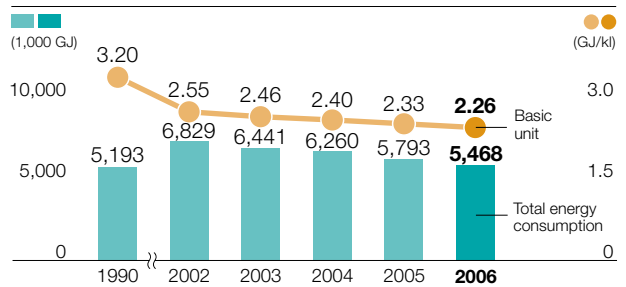
CO2 Emissions (Asahi Breweries, Ltd.)



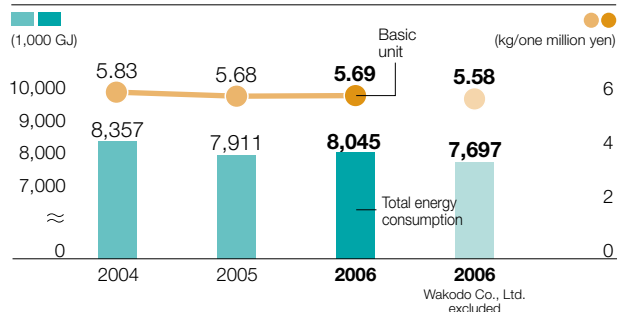
CO2 Emissions (All 12 Group manufacturing companies)



Energy Consumption (Asahi Breweries, Ltd.)



Energy Consumption (All 12 Group manufacturing companies)



requires no electricity for producing pressurized air. Other advantages include the collection and reuse of methane gas generated in the purification process as fuel.

Water Resource Conservation

We are making efforts to conserve water resources that constitute one of our raw materials.

Water constitutes the main raw material for the mainstay products of the Asahi Breweries Group, and we believe our efforts to preserve water resources are an extremely important component of our environmental activities. For this reason, we are working to reduce water consumption in our production process and to purify wastewater.

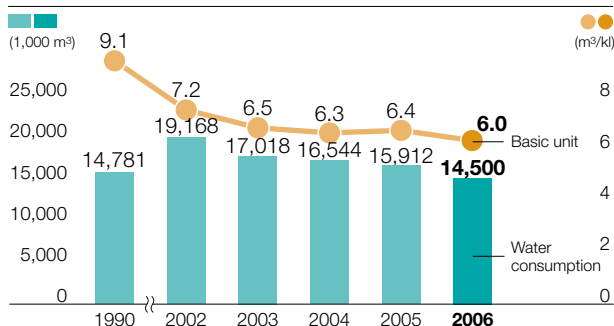
Efforts to Reduce Water Consumption

Reducing consumption for the entire Group by sharing know-how

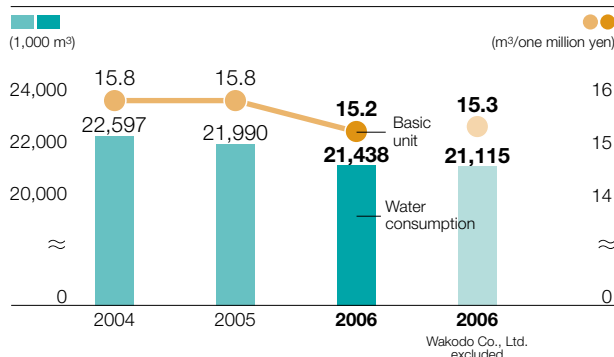
In 2006, Asahi Breweries sought measures for reducing the amount of water collected and reusing water, and reduced per-unit water consumption by 6% compared with the previous year on a non-consolidated basis. The Group as a whole reduced water consumption by 3% on the year by sharing expertise and extending these measures Group-wide.

We discharge wastewater into rivers and sewer systems after purification using energy-saving anaerobic wastewater processing as well as aerobic processing. Breweries that discharge wastewater into rivers follow voluntary standards that are more stringent than local regulations.

Water Consumption (Asahi Breweries, Ltd.)



Water Consumption (All 12 Group manufacturing companies)



Waste Reduction

We are working toward 100% recycling across the entire Group.

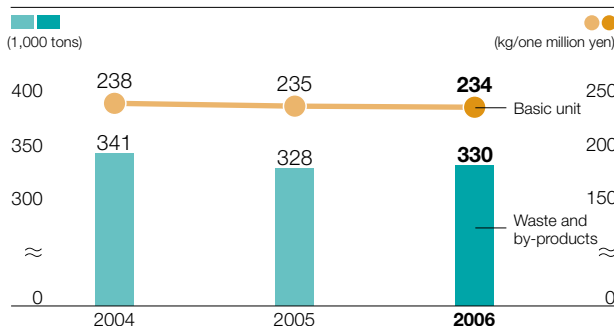
Asahi Breweries achieved 100% recycling of waste and by-products generated from the production process at all breweries in 2002. In 2006, we accomplished this at 27 out of 33 Group factories. We are working on the remaining six factories toward our goal of achieving 100% recycling at all our factories.

By-products generated from raw materials* account for more than 80% of the waste, and we are endeavoring to recycle this waste within the Group by processing it into cattle feed within our factories or into ingredients for food and drugs at Group companies.

* By-products generated from raw materials: malt feed (produced during the brewing process) and extra yeast (grown as beer is fermented).

Basic Unit of Waste and By-Products

(Five major Group manufacturing companies*)



* Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., The Nikka Whisky Distilling Co., Ltd., Asahi Food & Healthcare Co., Ltd., Asahi Beer Malt, Ltd.

Environmental Conservation Activities—Through the Group’s Production Operations



We are endeavoring to reduce the environmental burden associated with logistics.

The Asahi Breweries Group is making a Group-wide effort to reduce CO2 emissions associated with logistics.

Reduction of CO2 Emissions

Endeavoring to reduce total travel distance during deliveries

Asahi Breweries is working to lower the frequency of transfers between logistics sites and increase the ratio of direct deliveries to reduce the total distanced traveled during the deliveries of all alcoholic beverages.

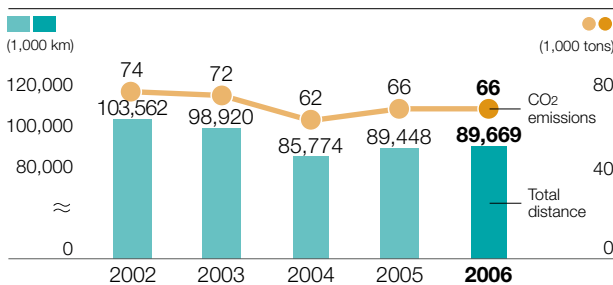
In response to the amended Energy Conservation Law, we will also expand the scope of monitoring CO2 emissions in the logistics process from beer-type beverages to all alcoholic beverages in an effort to raise the efficiency of logistics on a broader scale. Our target is to reduce the CO2 emission unit (CO2 emission volume generated by the transport of 1 kiloliter of product sales) associated with the logistics by 4% in 2010 compared with 2006.

Following their realignment in January 2006, our Group logistics companies have introduced environmental management systems and the three logistics companies*1 obtained Eco Action 21*2 certification in December.

*1 Asahi Logistics Co., Ltd., East Japan AB Cargo Co., Ltd., West Japan AB Cargo Co., Ltd.

*2 Eco Action 21: Environmental management system developed by the Institute for Global Environmental Strategies. The Ministry of the Environment is encouraging certification.

Transportation Distance and CO2 Emissions
(Scope: Transportation of beer-type beverages)



Promoting a modal shift

From the standpoint of ensuring freshness, we uphold our basic principle of production at the site of consumption for beer-type beverages—our core products—and we are endeavoring to minimize transportation between sites in

an effort to reduce CO2 emissions.

For new and small-lot products that require long-distance transportation because of limited production sites, we are promoting a modal shift from trucks to container transportation that generates less CO2 emissions.

The ratio of container transportation*3 in 2006 was 3.2%, which we intend to increase to 10.8% by 2010.

*3 Ratio of container transportation: logistics volume transported via containers / total logistics volume of all long-distance transportation.

Other Environmental Efforts

Using Eco Bands and RFID to develop model operations

Since 2006, Asahi Breweries has collaborated with Group logistics company Asahi Logistics Co., Ltd. in an effort to reduce our environmental burden by using Eco Bands and RFID*4.

We will decrease packaging materials by switching to reusable Eco Bands to prevent the collapse of cargo and incorporating RFID to achieve greater efficiency in sorting by forklift. This is currently being undertaken in part of the transportation route between Tokyo and Nagoya, and we plan to gradually expand transportation distances.

We obtained certification under the Green Logistics Partnership Promotion Program of the Ministry of Land, Infrastructure and Transport and the Ministry of Economy, Trade and Industry for this operation in 2006.



Eco Band

*4 RFID: Radio Frequency Identification technology for communicating information through tags containing ID data.

Use of tachograph and hybrid trucks

Our three Group logistics companies are striving to enhance fuel efficiency in logistics operations through the following measures.

Tachographs have been installed in all large-scale trucks to numerically evaluate eco-drive ratings, such as sudden braking or acceleration, to raise driver awareness.

Two hybrid trucks have been adopted as small-scale vehicles for short-distance transportation in urban areas in an aggressive effort to introduce energy-saving vehicles.

Reduction of the Environmental Burden Through R&D

We will contribute to the creation of a resource recycling society by promoting the biomass ethanol project.

Since 2002, Asahi Breweries has been conducting joint research on producing biomass ethanol derived from sugarcanes with the National Agricultural Research Center for Kyushu Okinawa Region. In January 2006, we began verification tests encompassing sugarcane cultivation, ethanol production and usage. These tests are being conducted on Ie Island, northwest of the Okinawa mainland, as part of the Ie Island Biomass Initiative.

In February 2007, we were awarded the Minister of the Environment Award of the 16th Global Environment Award sponsored by the Fuji Sankei Group.



Award Ceremony for the Global Environment Award

Reduction of the Environmental Burden in Sales Activities

We are seeking to expand the use of sales and promotional goods that cause less environmental burden.

Asahi Breweries has established in-house standards for materials used in posters and various point-of-purchase advertisements and actively promotes the use of materials that can be reused upon disposal (Eco Mark and Eco Label certified products).

For example, we are developing wooden tags for sales messages and table stands for introducing products that utilize thinned wood produced by the Asahi Forest around Shobara City, Hiroshima Prefecture.

In addition, we are doing everything we can to use materials with low environmental burden for signposts installed at shops that sell Taru Nama beer. Looking ahead, we will step up our efforts to raise the ratio of sales and promotional goods with low environmental burden.



Sales promotional items using thinned wood

Reduction of the Environmental Burden in the Restaurant Business

We are limiting waste generation at our establishments while also reducing and recycling resources.

We have identified waste reduction as a major management issue in our restaurant business. Following the enactment of the Food Recycling Law in 2001, we have been endeavoring to establish a PDCA cycle that involves obtaining quantitative data; formulating action plans for limiting, reusing and reducing waste; and evaluating the effects of our actions for further

improvement. We ask suppliers to deliver only the necessary parts of vegetable and marine products used as raw materials, and we eliminate excess water from waste.

To date, 10 establishments operated by six Group restaurant business companies have achieved 100% waste recycling.

Reducing, Reusing and Recycling (3R) Containers and Packaging

We contribute to the formation of a recycling society by promoting Reduce, Reuse and Recycle.

Containers and packaging are essential for protecting content and ensuring safe and efficient transport, as well as convenient carrying and consumption by customers. However, environmental burdens are generated at each stage of extracting materials for containers and packaging, production, transportation, disposal and recycling. Asahi Breweries seeks to create a recycling society primarily through the promotion of the 3Rs—Reduce, Reuse, Recycle—and the development of eco-friendly containers and packaging.

Reduce

Effectively utilizing limited resources

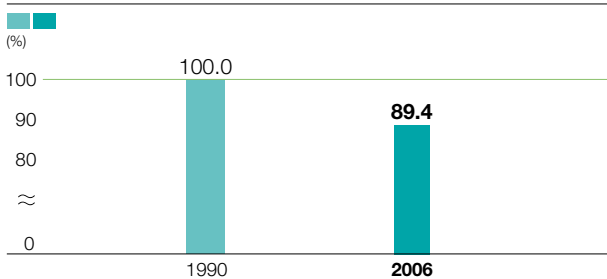
To effectively utilize limited resources, we endeavor to reduce the weight of containers and packages while ensuring content protection and safety.

Reducing the weight of cans

We are working on manufacturing lighter-weight cans for beer-type beverages, and in 2006 we succeeded in reducing aluminum volume per liter by 10.6% compared with 1990.

Over the past few years, we have increased the ratio of recyclable materials high in silicon content and managed to produce stronger, thinner cans by reviewing the distribution of thickness.

Reduction in Weight of Cans (Indexed against 1990 as 100)



Reducing the weight of the six-pack

We are seeking to make the six-pack lighter by reducing the basis weight (weight per 1m²). In 2006, we reduced the weight of the six-packs for 350 milliliter and 500 milliliter cans by about 4%.



Reuse

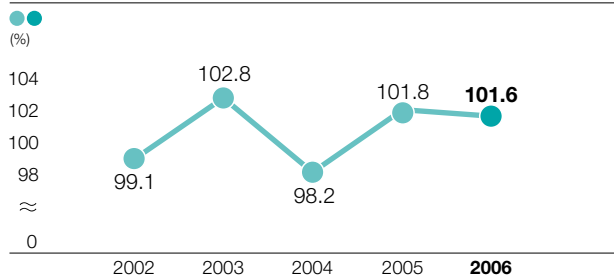
Promoting environmentally sound returnable bottles

Nearly 100% of returnable beer bottles are collected after consumption and reused an average of 30 times. While the use of returnable bottles has been falling recently due to changing lifestyles, we will continue to promote returnable bottles since their reuse reduces the overall environmental burden.

We also collect *Taru Nama* beer (keg beer) containers from restaurant clients and return them to our breweries for reuse.



Rate of Returnable Bottle Collection at Asahi Breweries



Recycle

Contributing to the creation of a recycling society

Containers and packaging used by Asahi Breweries consist primarily of aluminum cans, cardboard and PET bottles, and we have achieved high recycling rates against global standards.

To further contribute to the creation of a recycling society, Asahi Breweries belongs to organizations for recycling containers and packaging* and actively participates in their activities. We are also a member of the Beverage Industry Environment Beautification Association, composed of industry groups of beverage makers. Over the years, we have been discouraging the littering of containers and packages and working to maintain a beautiful environment.

* Organizations for recycling containers and packaging: Japan Aluminum Can Recycling Association, Glass Recycling Association, the Council for PET Bottle Recycling, Liaison Group for Alcoholic Beverage PET Bottle Recycling, Liaison Group for Alcoholic Beverage Paper Containers and Packaging Recycling.

Example of Recycling

Recycled whisky caps

Materials taken from used barrels serve as caps on 660 milliliter bottles of *Taketsuru 12-Year-Old Pure Malt*.



Recycled PET bottles

Recycled PET bottles are used as handles on 4 liter bottles of *Daigoro*, *Donna Mondai*, *Daichan* and *Kanoka*.



Use of Eco-friendly Materials

Promoting use of cullet and non-wood paper

We use other-colored cullet*1 that generally have fewer opportunities for recycling compared with non-colored or brown cullet as Super Ecology Bottles*2 for the *Sankaboshizai-Mutenka-Yuki Wine* (antioxidant-free, organic wine in red, white, sweet red) and *Sankaboshizai-Mutenka-Monogatari Wine* (red, white, sweet red) made in Japan by Sainte Neige Wine Co., Ltd.



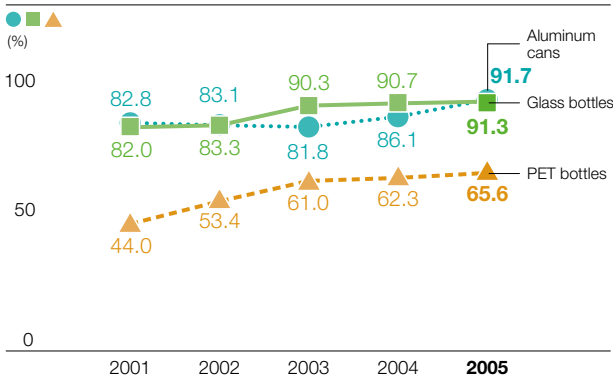
Sankaboshizai-Mutenka-Yuki Wine

In addition, we use pagas, a non-wood paper made of fiber derived from pressed sugarcanes, as labels on Sainte Neige's *Sankaboshizai-Mutenka-Yuki Wine*.

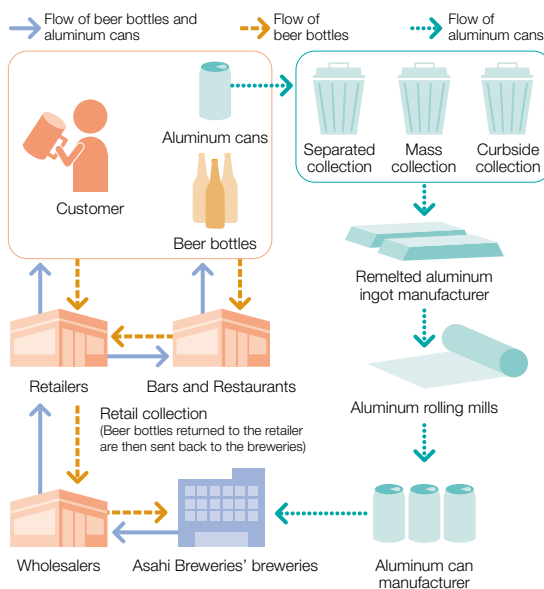
*1 **Cullet:** Crushed glass bottles that are mainly recycled into glass bottle materials.

*2 **Super Ecology Bottle:** Bottle that consists of 90% cullet from other-colored bottles instead of non-colored or brown bottles.

Recycling Rate by Container Type



Reusing and Recycling of Beer Bottles and Aluminum Cans



Thinned wood for cartons

Wakodo Co., Ltd. obtained certification for the "Thinned Wood Mark" by using materials made in Japan that consist of at least 10% thinned wood made in Japan for at least 30% of its paper cartons.

By actively using Japanese materials, costs required for maintaining forests are returned to the mountains to make them healthier. This activity complies with the National Movement for Fostering Beautiful Forests and the spirit of the *Kizukai* ("use wood") movement being promoted by the Forestry Agency, and contributes to creating a verdant recycling society as well as to absorbing CO₂, which is one of the causes of global warming.



Organic Kajitsu To Yasai

Environmental Conservation Activities—With Various People



We hold environmental education events and Environmental Culture Seminars for local community residents.

Kazenoko Juku and Morinoko Juku

Environmental education events under the theme of global warming

In October 2006, we held a “Kazenoko Juku” (Children of the Wind School) program at the Aso Nishihara Wind Farm power plant in Kumamoto Prefecture. Local elementary school children learned about addressing global warming from the perspective of wind power generation. In the same month, a “Morinoko Juku” (Children of the Forest



Kazenoko Juku

School) event held at the Asahi Forest (Shobara Forest Office) in Hiroshima Prefecture helped children from the neighboring community learn about forest conservation and global warming.

Environmental Event at Breweries

Factory events on solid waste disposal

Asahi Breweries’ breweries offer various communication opportunities based on environmental themes. Each year during summer vacation, our nine breweries hold Family Factory Tours focused on environmental themes. In 2006, about 18,000 visitors participated in tours that highlighted the issue of solid waste disposal.

Asahi Breweries Environmental Culture Seminars

Opportunities for people to deepen their understanding of the natural environment

Since autumn 2002, Asahi Breweries has been holding Environmental Culture Seminars by outside lecturers under the theme of “Connecting People, the Future and the Environment.”



Seminar participant experiences bicycle power generation

As of the end of 2006, 29 seminars were held, attended by a cumulative total of 4,500 people.

These lectures approach environmental topics from various angles, such as global warming, natural energy and environmental destruction from the perspective of their impact on animal life. We receive many questions from participants during the seminars, which have become a forum for discussing with the lecturers the connection between the environment and people.

We hope to continue offering opportunities for deepening people’s understanding of the natural environment through familiar topics.



We are expanding our efforts to nurture the resources that provide us with precious water into a public endeavor.

Water Resource Conservation Activities

Promoting activities at all breweries in collaboration with local NPOs

To protect the invaluable forests that provide water, an essential ingredient for the production of beer and beverages, Asahi Breweries works with local non-profit organizations to undertake conservation activities at forests that serve as the sources of water for breweries in each region.

These activities began at the Shikoku Brewery in 2004

and spread to all nine breweries by 2006. Employees at the breweries and Group companies and their families have participated as volunteers in 13 events.

Starting next year, we intend to further expand these activities through collaboration with other environmental education activities.



Water resource conservation activity

Asahi Forest

Our Sound Forest Management Obtained FSC Certification

The Asahi Forest located in the expansive area around Shobara City, Hiroshima Prefecture, occupies 2,165 hectares—the equivalent of 463 Tokyo Dome stadiums—and absorbs approximately 12,000 tons of CO₂ each year.

Through forest management emphasizing environmental preservation, the Asahi Forest has been recognized as a

resource worthy of conservation and designated as a Water Resource Conservation Forest and a Prefectural Nature Reserve. In 2001, we obtained FSC certification in recognition of sound forest management from the Forest Stewardship Council, an international certification institution for forest management.



The Asahi Forest

For the Next

We held the *Wakamusha* Educational Seminar for High School Students to Promote Local Environmental Activities.

In 2006, Asahi Breweries held the *Wakamusha* (Young Samurai) Educational Seminar for Protecting Japan's Environment, targeting high school students.

The seminar was intended to provide high school students with an opportunity to directly experience environmental issues, learn about solutions through experience-based education, company tours and sharing sessions, and acquire the ability to solve local environmental problems by putting their ideas into practice.

For the first-year seminar, we solicited public participation from the four prefectures of Shikoku, and selected seven groups of 24 students from seven high schools based on a screening of their essays. The groups participated in a camp held at the Asahi Breweries' Shikoku Brewery in Saijo City, Ehime Prefecture. At the camp, students engaged in nature observation classes in forested and river environs, learned about 100% waste recycling efforts and formulated environmental activity plans for their respective local communities based on what they had learned.

After the camp, they launched environmental activities in their local communities based on the plans, and reported on results and future goals during final presentations that took place in December. The group that gave the best presentation won an ecological tour to the World Heritage Yakushima Island, participated in a tour of the ancient yakusugi cypress and held an exchange with high school students on the Island.

Apart from the *Wakamusha* Educational Seminar, Asahi Breweries has been offering brewery eco tours for elementary school children, environmental culture

seminars at our head office and breweries, and other environmental education events open to our customers. We intend to continue these activities.

Summer Camp Activities of the *Wakamusha* Educational Seminar

Tour and practical class in the forest

With the help of local NPOs, participants joined a tour to observe differences between a well-preserved and ill-preserved forest.



Observation of living organisms in the river

Participants observed living organisms in the Kamo River in Saijo City, which is renowned for the quality of its water, to experience the relationship between the forest and the river.



Tour of an illegal waste dump

Participants visited an illegal waste dumping site and learned from local citizens who have been coping with the problem.



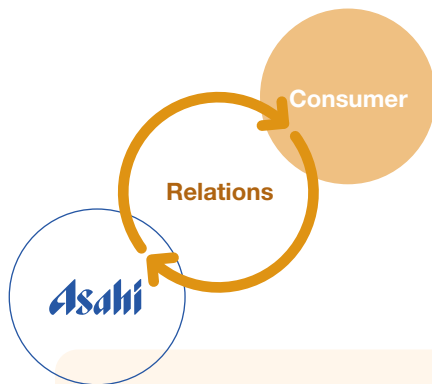
Asahi Breweries Factory Tour

Participants learned about the mechanism of zero emission and waste sorting and toured a wastewater processing facility.



For Consumers

Comments from customers are utilized as assets for enhancing the quality of corporate management.



Asahi Breweries believes that two-way communication, which includes proactively listening to customer opinions and effectively responding to requests, is essential to ensure genuine customer satisfaction.

To this end, we promptly respond to comments sent to the Customer Relations Office, or through other channels, and then strive to utilize these comments—accurately, respectfully and in a spirit of gratitude—as valuable assets for improvement.

Message from the front line

We improve quality by promptly and effectively responding to problems that customers point out, as well as specific requests.

We refer to problems pointed out by customers or their requests as “Q net information” (commonly known as “Q information”) rather than product complaints.

The “Q” of Q information stands for Quality and Quick. When responding to Q information, we maintain the basic principle of responding promptly and



Junjiro Ishikawa
Azumabashi Sales Office,
Tokyo Branch
Asahi Breweries, Ltd.

effectively before moving on to anything else.

When we receive Q information from the Customer Relations Office or retailers, our salespeople promptly visit the customer to directly observe the situation while listening to the details of product storage and handling, which are entered into Q Net, an in-house database. Asahi Breweries uses this system to improve administrative services and other functions by unifying the management in the entire process, from receiving Q information and the history of responses to the customer up to the solution of the problem and sharing the case learnings with related departments.

Some customers I have visited even thanked me for coming all the way to see them. In addition, receiving more accurate Q information can improve our products. I am handling Q information with the belief that salespeople also play an essential role in quality improvement.

A System for Incorporating Customer Feedback into Our Business

Developing a system for sharing information between management and all employees

Asahi Breweries deploys a system for entering, on a real-time basis, all customer inquiries, such as opinions and requests, as well as problems such as dissatisfaction and product defects, into Q Net, an in-house, fully secured database, allowing all employees, from management to sales staff, to share and make use of this data. In May 2005, we launched the “Customer Information Topics” page on our corporate intranet, which analyzes comments sent to us from various perspectives and provides every employee with information in a timely manner. We have also been submitting CS reports to management, which provide details on how departments have responded to

customer comments. To protect customer privacy, personal information and company names are deleted from these reports.

Response to Reported Problems about Our Products

Utilizing this data as valuable information for quality improvement

Asahi Breweries is actively improving our system for receiving and responding to reported problems, with the belief that the information provided to us by customers regarding dissatisfaction with products or product defects is valuable for improving quality.

We respond to customer comments under three basic principles—properly investigate, respectfully report and promptly respon—in order to meet customer expectations.

- Activities of the Customer Relations Office
- Breakdown of comments received
- Response to customer suggestions
- Example of product improvements

In addition, our Q Net Information Response Policy that guides how we handle reported problems lays down the principle of responding promptly and effectively before moving on to anything else. Based on these policies, our responses follow these procedures:

1. Receiving information

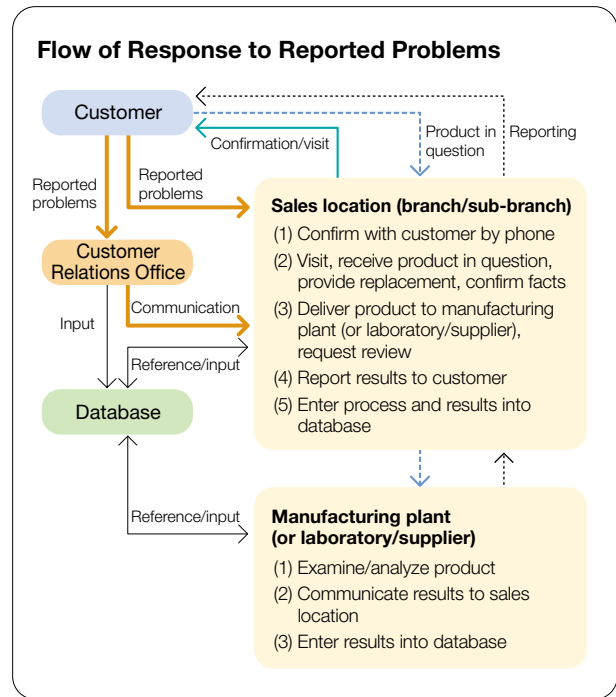
We receive Q information through the Customer Relations Office, which was set up as a contact point for customers across Japan, or through sales locations, including branches and sub-branches. Information sent to the Customer Relations Office is promptly communicated to the related sales location.

2. Salesperson visits the customer

A salesperson visits the customer who provided the information, listens to the details of the situation and status of the defective product directly from the customer, provides a replacement and receives the product in question for further review.

3. Investigation and analysis

The product in question is sent to the manufacturing plant (or laboratory/supplier) for prompt review and analysis, and the results are reported to the customer.



Comments Received and Example of Product Improvements

We improve our products based on an understanding of customer comments.

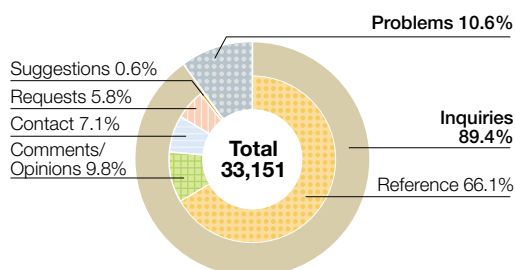
FOCUS

At Asahi Breweries, we meticulously categorize customer comments into inquiries, including comments/opinions, requests, suggestions, questions and contacts, and reported problems, such as dissatisfaction and complaints. We then strive to discern the concrete circumstances, impact and trends related to the report in an effort

to determine a more effective response.

We are also working on product improvements based on comments we have received.

Comments from Customers Received at the Customer Relations Office (2006)



Example of Product Improvements (2006) Year-round sales of "Feel the freshness" pack

Distribution of the "Feel the freshness" pack of Asahi Super Dry that pursues exceptional freshness (sold in limited quantities; in principle shipped from the brewery within three days after manufacturing) was changed to year-round sales (once a month*) in response to customers who want to buy the product every month.

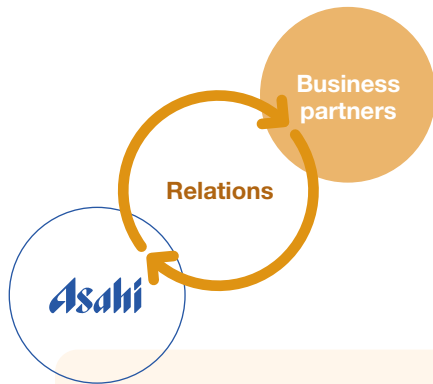


* Twice a month during summer 2007

"Feel the freshness" pack

For Business Partners

Asahi Breweries Group promotes programs that ensure fair and equitable business practices and share prosperity with our business partners.



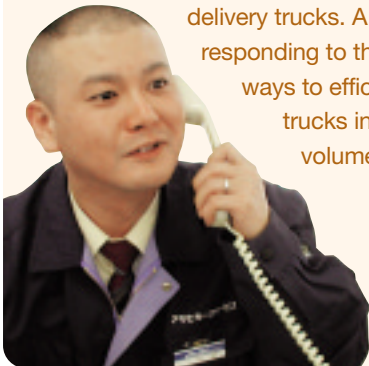
Cooperation is essential for fulfilling our mission to provide the best products and services. Therefore, we partner with suppliers who consistently provide safe, high-quality raw materials and resources, as well as with the distributors, retailers and restaurants that deliver our products to consumers.

Asahi Breweries promotes fair and equitable business practices and shares prosperity with our business partners through close dialogue.

Message from the front line

We are building sustainable partnerships by working with partner carriers to reduce our environmental burden.

The persistently high price of diesel oil is creating a difficult situation for logistics companies like ours. In addition, a growing awareness of the environment has made it important to reduce CO₂ and black smoke emissions from delivery trucks. A major issue for responding to this situation is to find ways to efficiently use delivery trucks in terms of cargo volume and transportation



Yuichiro Yamamura
West Japan Vehicle
Dispatch Center
Asahi Logistics Co., Ltd.

area, factors that change daily.

Asahi Logistics Co., Ltd. is working with partner carriers on various initiatives to address these issues. For example, we are trying to maximize overall operational efficiency and reduce the number of vehicles required through mutual accommodations with trucks by sharing operation and loading information. Today, about 10% of our delivery trucks are operated on this arrangement. In addition, we promote cost reduction by making available filling stations owned by Asahi Logistics Co., Ltd. to partner carriers, thereby effectively expanding the purchasing group.

In these ways, issues that are difficult for individual companies to solve can be addressed through cooperation. We hope to continue our efforts to reduce our environmental burden in cooperation with partner carriers while building partnerships that encourage growth for all parties.

Fair and Equitable Business Practices Based on Our Basic Purchasing Policy

Establishing strong relationships of trust with our suppliers by increasing transparency

In line with our corporate philosophy to provide the best products and services, Asahi Breweries established the Basic Purchasing Policy in August 2003, which requires purchasing decisions to comply with all relevant laws and regulations, while also calling for fair and equitable practices in the selection of products and business partners in Japan and overseas.

The policy encompasses four major components. Under Fairness and Justice, the policy promises to offer opportunities for participation, regardless of company location, based on an evaluation of quality, cost, delivery time constraints, corporate vision and technical skills.

Under Confidentiality, the policy calls for the protection of business partner information. The third component, Procurement, refers to prohibiting conflicts of interest rewards, and purchasing incentives, with a firm commitment to ethical practices. The fourth component, Consideration of Responsibilities to the Environment and Society, promotes the realization of a sustainable society.

Asahi Breweries publicly discloses its purchasing policy, along with detailed business standards and entry sheets, on its Procurement Web site.



Asahi Breweries Procurement Web Site
<http://www.asahibeer.co.jp/english/suppliers/index.html>



- Relationship with suppliers
 - Reference Web site: "Procurement Web site" <http://www.asahibeer.co.jp/english/suppliers/index.html>
- Relationship with business partners
 - Reference Web site: "Keg draft beer, it's tasty!" <http://www.asahibeer.co.jp/enjoy/umadaru/index.html> (in Japanese)

Reporting system is set up to protect the interests of our business partners

Asahi Breweries provides the Procurement Clean Line service, a reporting system that current and future business partners can confidently use without fear of being put at a disadvantage in situations where employees or the procurement division act in violation of the Basic Purchasing Policy or fail to comply with legal requirements or social ethics.

In these situations, partners can contact Asahi Breweries at any time through such channels as its Web sites. Issues are promptly investigated, verified and addressed by an objective, third-party organization associated with the Corporate Ethics Committee, operating independently of the procurement division. No incidents were presented to the Procurement Clean Line in 2006.

Shared Prosperity with Distributors

Supporting distributors in their management and business activities

With the goal of sharing prosperity with our distributors, Asahi Breweries Group companies, that interact face-to-face with distributors, retailers and restaurants, implement a variety of activities to stimulate market growth and fortify the management foundation of wholesalers.

Initiatives Undertaken by Asahi Breweries Group Companies

Asahi Field Marketing Ltd.

Supports sales section design and sales promotions based on storefront marketing with supermarkets, discount stores and other mass retailers.



East Japan Asahi Draft Beer Service, Ltd. / West Japan Asahi Draft Beer Service, Ltd.

Promotes quality management of keg draft beer at restaurants and recommends drink menus in line with customer taste preferences.



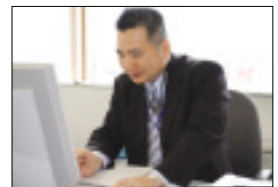
Full House Co., Ltd.

Provides advice to restaurants and conducts support activities such as seminars and restaurant market surveys.



Asahi Distribution Research Institute, Ltd.

Provides timely industry information to special dealers and conducts support activities to strengthen management.



Follow-up to the Questionnaire Survey on Corporate Social Responsibilities

We request feedback based on survey results.

Creating a sustainable society requires effective, ongoing CSR activities throughout the supply chain.

Therefore, Asahi Breweries requires current and future suppliers to complete a Questionnaire on Corporate Social Responsibilities and a Questionnaire on the Environment. When selecting business partners, we take into account the extent to which they consider the environment and social responsibility.

In 2006, we began to request feedback based on the information we obtained through the questionnaires in our supplier quality audits to improve the awareness of all parties.

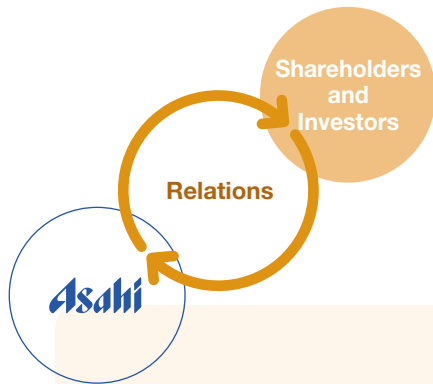
FOCUS



Supplier quality audit

For Shareholders and Investors

The Asahi Breweries Group pursues solid revenue growth and provides value to shareholders while practicing fair, expeditious and timely information disclosure.



A corporation's fundamental responsibility is to generate solid revenues and return satisfactory value to shareholders. To fulfill this responsibility, a corporation must actively communicate with shareholders and investors and incorporate their feedback into business management. Asahi Breweries ensures detailed information disclosure and communication to continue upholding the expectations and trust of our shareholders and investors in Japan and overseas.

Message from the front line

We seek to further improve shareholder satisfaction by enriching information disclosure through dialogue with shareholders and investors.

The environment surrounding corporate accounting is undergoing dramatic change with the scheduled introduction of quarterly disclosure and an internal control report system, in addition to a reformed accounting system and the soon-to-be-enforced New Company Law. It is natural for shareholders and investors to want



Ceremony for the 12th Disclosure Award

to grasp the current status of a company as quickly and accurately as possible in this age of rapid change.

Therefore, Asahi

Breweries actively worked to release earnings announcements earlier and moved the announcement dates forward by 14 days in 2006, compared with 2004. In addition, we took steps toward more meticulous disclosure by including a detailed analysis of the factors for rises and falls in profit as support documentation in addition to a brief announcement. We also provide shareholders with a variety of information in our published quarterly reports and on the corporate Web site.

In recognition of these active efforts to disclose information, the Tokyo Stock Exchange selected us for the 12th Disclosure Award in 2006. We will continue to pursue faster and richer information disclosure.

Yoshiaki Suzuki
Finance Department,
Asahi Breweries, Ltd.



Enhanced Information Disclosure

Shareholders' meeting and investor relations activities

Asahi Breweries' basic policy for disclosing information to shareholders and investors is to do so in accordance with the Timely Disclosure Requirements of the Tokyo Stock Exchange, on which the company is listed. Information that is not subject to the Timely Disclosure Requirements but deemed to be relevant to investment decisions will be disclosed voluntarily and accurately.

• Toward Open Shareholders' Meetings

To encourage as many shareholders as possible to attend, the company moved the venue for the 2004 Shareholders'

Meeting from the Asahi Breweries headquarters, the site of previous meetings, to a hotel in central Tokyo with better accessibility and a larger space. As a result, the number of shareholders who attended in 2007 was 1,990.

Shareholders who are not able to attend annual meetings can exercise their voting rights via the Internet.

Following the 2007 Shareholders' Meeting, we held a product exhibition that welcomed a large number of shareholders. The event included an exhibition of *Asahi Super Dry*, marking the 20th anniversary of its launch, and showcased the products of Asahi Breweries and other Group companies.



Shareholders' Meeting



- Return to shareholders
- Information disclosure and communication
- Evaluations by external review organizations

- Reference Web site: “Investor Relations”
<http://www.asahibeer.co.jp/english/ir/index.html>
- Reference Web site: “Asahi Supporter Community”, reference site for individual investors
<http://www.asahibeer.co.jp/ir/supporter> (in Japanese)

• **Publication of Quarterly Reports for Shareholders**

Asahi Breweries publishes a report for its shareholders titled, “Asahi Super Report.” To announce financial and other corporate information in a more timely manner and maintain closer communication with shareholders, we began to publish the report in 2005 on a quarterly basis instead of the previous semiannual cycle.



Asahi Super Report

• **Meetings Following the Release of Financial Results and Road Shows for Institutional Investors**

Meetings are held for securities analysts and institutional investors in Japan following the announcements of interim and fiscal year-end results. The president, financial officers and other directors attend these meetings to report on business results, positive and negative factors affecting earnings, and future management strategy and actions.

For individual investors overseas, the company issues an annual report in English, and the latest results are posted on our English Web site. The president and financial officers also explain the medium- and long-term strategies of the Group at “road show” meetings held every year in the United States and Europe.

Evaluations by External Review Organizations

Highly valued stance and method of information disclosure

The IR (Investor Relations) activities of Asahi Breweries were awarded the Excellent IR Activity Award for fiscal 2004 by the Japan Investor Relations Association and the 12th Disclosure Award from the Tokyo Stock Exchange in 2006. Since 2003, the company has been selected as No.1 in the food sector of the Awards for Excellence in Corporate Disclosure organized by the Security Analysts Association of Japan for the fourth consecutive year.

In addition, our investor information site was chosen for the Award for Excellence in Internet Investor Relations in 2005 (awarded for seven consecutive years from 2001 to 2007) and Internet IR Best Company Award (food section, awarded two consecutive years in 2004 and 2005) by Daiwa Investor Relations Co., Ltd.

Increased Returns to Shareholders

We provide stable dividends and shareholders’ courtesy products.

In the Third Medium-Term Management Plan announced in February 2007, Asahi Breweries stipulated that it would continue comprehensive returns to its shareholders based on sustainable and stable dividends. Under this policy, we increased dividends by 2 yen for the third consecutive year to 19 yen per share in 2006.

To express our appreciation for shareholder support, request continued support and improve understanding of the company, Asahi Breweries launched a shareholders’ courtesy program in 2003. Under this program, shareholders can select a courtesy gift, such as specially brewed beer or a gift package containing products of Group companies. Shareholders can also choose, in lieu of receiving a gift, to have the company make a donation of comparable value to the Asahi Breweries’ *Mizu no Wakusei* (Water Planet)

environmental fund as a contribution to forest protection and greening activities.

To maximize investor satisfaction, we are extending our best efforts to respond to requests from shareholders. In 2007, in response to the request for delivering shareholders’ courtesy products before the long holiday season that starts at the end of April, we delivered the products in mid to late April.

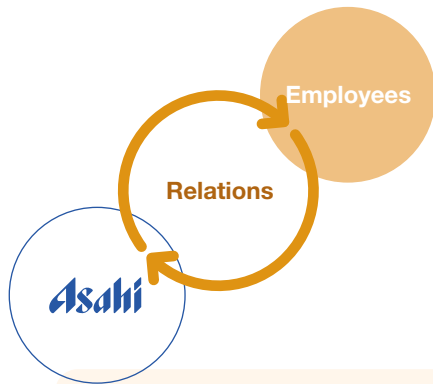


Beer packaged exclusively for shareholders

FOCUS

For Employees

We are committed to fair performance evaluation and to creating a pleasant work environment while respecting workforce diversity and values.



Asahi Breweries is committed to eliminating all forms of discrimination on the basis of race, nationality, creed, gender, or any factor unrelated to actual performance. Our recruitment, assignment, and performance evaluation procedures respect fundamental human rights, and we remain committed to creating an ideal work environment for employees. This includes implementing education guidelines that encourage independent personal development, self-development programs, creating an employee health management system, and nurturing a pleasant workplace for women and physically challenged employees as well.

Message from the front line

We have introduced the Occupational Safety & Health Management System and a reinstatement system to create a secure workplace.

Embodying the spirit of a company that treasures people, the Asahi Breweries Group is developing a variety of systems for allowing employees to work vigorously with a sense of security.

Individual plants have been introducing the Occupational Safety & Health Management System (OSHMS) since 2006 and working to improve their safety levels.

In specific terms, we have introduced the Risk Assessment method as the foundation for our activities. This method identifies potential risks involving equipment and operations and enables us to prioritize and implement measures to

prevent disasters at an early stage.

In addition, we introduced a reinstatement system in 2006 to support employees who return to work after long absences or leaves due to sickness or injury. This system establishes a given period when work is combined with rehabilitation support based on the opinions or advice of doctors when employees return to work after an extended leave of absence due to a lifestyle disease or mental illness. The introduction of this system allows for a phased reinstatement tailored to the individual state of recovery from a disease or medical condition.

Nobuyuki Goto

General Affairs Department,
Suita Brewery
Asahi Breweries, Ltd.

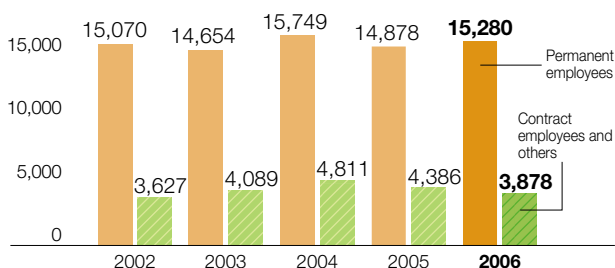


Employment Situations

Eliminated discrimination on the basis of nationality, age or gender

Asahi Breweries has established its Group Basic Personnel Policies and is committed to creating a pleasant

Number of Employees by Employment Type (Consolidated)



work environment that allows our employees to work vigorously while continually fostering their abilities. Based on our basic policies, we are working to ensure fair employment without any form of discrimination on the basis of nationality, disability, age or gender.

• Employment of Foreign Nationals

When hiring new graduates, Asahi Breweries employs and evaluates applicants regardless of their nationality. We also work to recruit and retain a wide variety of mid-career workers based on evaluations of their expertise as well as their knowledge of technologies or language skills.

When working visas are required prior to employment, the company completes the required work contract and reference papers and provides details in the required format regarding why the person is being employed. The company strives through these efforts to create a comfortable work environment for non-Japanese employees.

Furthermore, after joining the company, the job

- Group basic personnel policies
- Equality and fairness in employment
Employment situation/promotion of women, employment of foreign nationals, employment of the physically challenged, reemployment situations, recruitment situations, relations with the labor union

- Personnel evaluation and performance rating
- Training and education programs
- Creating a pleasant workplace
Efforts for occupational safety & health/
Efforts for employees' health management, maternity leave, childcare and other family care support, raising awareness of human rights, other health and welfare systems

categories of these foreign employees are expanded beyond the international divisions that were formerly their main assignment to include other locations.

• **Employment of the Physically Challenged**

Asahi Breweries' goal is for physically challenged employees to represent 2.0% of our workforce.

In accordance with the employment policies prepared by the Personnel Department, we frequently contact schools and job centers serving the physically challenged in our recruitment efforts. The recruitment process allows applicants to take alternative forms of testing to eliminate any disadvantage due to their disabilities. Asahi Soft Drinks Co., Ltd. follows a similar policy in the hiring of the physically challenged.

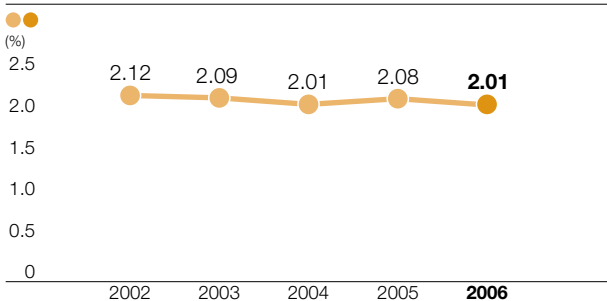
Asahi Breweries assists the intellectually challenged to continue working over the long term by keeping in touch with their old schools and job centers to ensure that their specific worksites and jobs are appropriate. We are also striving to create new workplaces based on individual aptitude. Furthermore, we are making efforts to increase certified vocational life consultants for the physically challenged at our worksites and to install handrails and access ramps to establish a comfortable and pleasant working environment.

Access to personal information regarding employee disabilities and illnesses is only available to supervisory employees who need such information, such as immediate supervisors, under conditions of strict confidentiality.



Sheltered parking spaces for employees in wheelchairs is provided at the entrance.

Change in the Employment Rate of the Physically Challenged
(Non-consolidated)



• **Reemployment Situations**

Asahi Breweries reemploys some of its workers who have reached the mandatory retirement age of 60 when their desire to keep working aligns with corporate needs so that they can continue to utilize their rich experience and high-level skills.

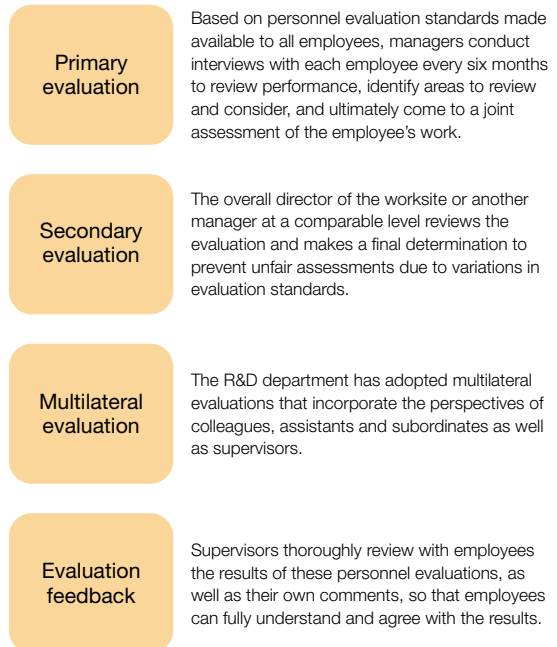
In 2005, we developed a continued employment system to more aggressively promote reemployment of older workers. Reemployment, based on the new system, started in April 2006.

Fair Personnel Evaluation and Performance Rating

Asahi Breweries' performance and merit review system for personnel evaluation is designed to energize individual staff and worksites. At the heart of the system is an employee interview, which is conducted within the framework of the employee's own initiative.

For employee transfers and deployment, for example, the Personnel Department at the company's head office and other worksites regularly review the local needs of each worksite, individual circumstances, and the personnel evaluations of each employee.

Flow of Personnel Evaluation



Career Design Support

System for every employee to declare his or her ambitions

Asahi Breweries has established a system for employees to declare their ambitions through a Career Design Sheet that helps them formulate long-term career plans.

Employees are asked to provide comments that describe their desired line of work and workplace as well as the type of work they want to be doing in five years. The sheet is submitted to the Personnel Department after an interview with their supervisors and taken into consideration in personnel transfer decisions upon coordination with related departments.

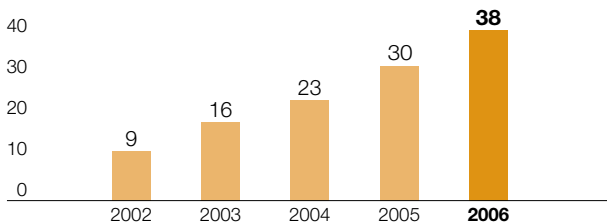


Supporting career development of women

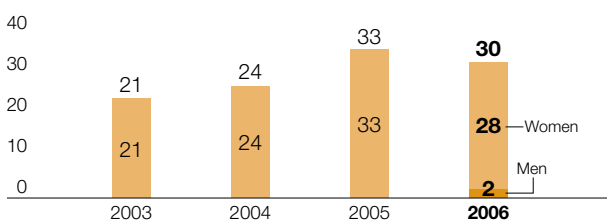
Asahi Breweries is aggressively recruiting female employees and appointing them as appropriate to managerial positions. The number of female managers is increasing each year.

The company is also working to create a pleasant working environment for women by expanding the maternity leave and childcare leave systems.

Number of Female Managers (Non-consolidated)



Use of the Childcare Leave System



Training and Education Programs

Variety of programs that correspond with employees' willingness to grow

Asahi Breweries encourages the development of employees who are capable of independently seeking their own personal development. Various training programs are offered to correspond with employees' willingness to grow.

• Major Training Programs

We have begun offering self-study programs in which employees freely select a curriculum that best suits them from more than 300 options. The Asahi Business College helps business leaders acquire world-class knowledge and analytical skills through training sessions based on an MBA-level curriculum.



Selective training

Major Training and Education Programs

Selective programs	Asahi Business Leader Development School
Rank-based programs	Introductory training for new recruits, training for newly appointed producers (managers)
Self-study programs	Selective training, correspondence courses and e-learning
Professional training programs	System for supporting employees to obtain special qualifications, Asahi Business College
Department-based programs	Department training sessions, workplace training

Occupational Safety and Health

Working to eradicate potential risks to occupational safety

Asahi Breweries convenes an Occupational Safety and Health Committee at each worksite as a monthly discussion forum for representatives of labor and management.

In 2006, we prepared to phase in the introduction of the OSHMS focusing on the eradication and reduction of potential risks through risk assessment.

Working to raise safety awareness across the entire group

Management personnel training seminars are conducted under the guidance of visiting lecturers to raise safety awareness across the entire Asahi Breweries Group. In addition, information exchange sessions are regularly held to share knowledge and expertise.

In 2006, we held workshops for introducing risk assessment methods across the entire Group as well as voluntary inspection methods. We also implemented safety management workshops for the new member companies of the Group.

Employee Health Management

Enhancing mental health care practice

The company supports the mental well-being of employees as well as their physical health with the goal of early detection and prevention of stress. We implement various measures, including the assignment of internal health practitioners and nurses.

- **Contracts with Industrial Medicine Specialists**

The company has contracts with specialists in psychiatry to provide mental health examinations for each employee.

- **Manager Training**

We provide training to all managers on how to deal with their subordinates through case-study-based discussions and the advice of specialists.

- **Mental Health Counseling**

In September 2005, our corporate health insurance introduced counseling by a certified clinical psychologist for employees and family members. User privacy is strictly protected.

Maternity Leave, Childcare and Other Family Care

Introducing and operating support systems that exceed legal requirements

FOCUS

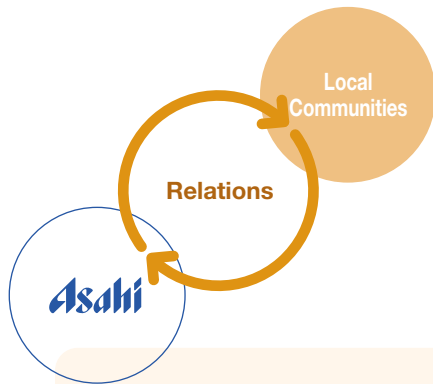
Asahi Breweries provides employees with support systems at levels that exceed legal mandates under its basic policy for providing employees with as much support as possible so they can continue to actively work while facing childbirth, childcare or other family care needs.

Major Systems for Maternity Leave, Childcare and Other Family Care Support

Support Systems	
Maternity leave system	Employees are allowed to take leaves of absence of up to 14 weeks for pre- and postnatal care.
Childcare leave system	Employees are allowed to take leave when they have children under the age of 2 years. Male employees also can use this system.
Exemption from full working hours for childcare	Employees who provide care for elementary school-aged children in third grade or below, or other children under school age are allowed to start or leave work one hour earlier or later than usual.
Exemption from full working hours for family members	Employees who provide care for family members are eligible under this system to start or leave work two hours earlier or later than usual.
Family care leave system	Employees who provide care for relatives are allowed to take leaves of absence of up to one year within a two-year period, as well as the right to start or leave work two hours earlier or later than usual.

For Local Communities

We intend to help create a prosperous society by contributing to and supporting artistic and cultural activities.



The guiding principle behind every activity of Asahi Breweries is to promote healthy living and the enrichment of society worldwide. Therefore, as a responsible corporate citizen, we actively participate in cultural and community activities that are not directly associated with our food-related business operations.

We are continuously promoting diverse projects including support for areas stricken by disaster, for employees engaged in volunteer activities they have chosen, and for artistic and cultural activities rooted in local communities.

Message from the front line

We have set up arrangements with local governments near our business facilities to protect community safety and security.

Minami-Ashigara City, Kanagawa Prefecture, the location of the Asahi Breweries Kanagawa Plant, lies in an area that is vulnerable to wide-scale disasters such as the Tokai and Kanto offshore earthquakes. As a precautionary measure, Asahi Breweries and Asahi Soft Drinks Co., Ltd. have established an arrangement with Minami-Ashigara City to provide potable water and food and necessities in the event such disasters occur.

Under this arrangement, if the public water utility is damaged by a major disaster, the Asahi Breweries Kanagawa Plant will supply about 1,200 tons of water stored for beer brewing and Asahi Soft Drinks Co., Ltd. will provide about 1.8 million plastic bottles of soft drinks.

At the request of the mayor of Minami-Ashigara City, who believes that timely rescue and

restoration during disasters requires mutual cooperation with other municipalities, Kanagawa Plant also facilitated conversations between Minami-Ashigara City and Moriya City in Ibaraki Prefecture resulting in the "Agreement on Mutual Assistance in a Time of Disaster." The Asahi Breweries Ibaraki Plant is located in Moriya City. Because the two plants are situated on opposite sides of the Kanto region, it is highly unlikely that both would be damaged, thereby increasing the advantages of this cooperative agreement. The two plants have established infrastructural support such as physical distribution and personnel exchanges. Based on these resources, we intend to support recovery efforts at the request of the cities in the event of disaster.

We continue to work as a factory that lives with the people of the community through our diverse activities.

Mitsutaka Nitta
General Affairs Department,
Suita Brewery
Asahi Breweries, Ltd.



Contributing to Society

Promoting contribution activities and support for employee volunteer activities

Asahi Breweries has developed a variety of volunteer programs that respect employees' own choices, including the KIDS Project, a project for visiting and holding recreational events for children who live in welfare facilities; One Beer Club, for making donations in increments of 200 yen from the salaries of participating employees; and clean-ups around business sites.

The company is also committed to more indirect support, such as providing volunteer information on its

intranet, a volunteer leave system and the Eco Mileage System, under which points for volunteer activities are accumulated with the equivalent amount donated to local organizations from the related business unit.

In addition, we donate to community activities, the environment, art and culture, and science within reasonable parameters from the perspective of social ethics and legal compliance.

In 2006, we made donations to disaster areas including the provision of supplies to victims of the Central Java earthquake in Indonesia and to Okaya in Nagano Prefecture, which was flooded by torrential rains.



KIDS Project

- Our approach to social and cultural activities
 - Supporting the development of artistic and cultural activities: Asahi Arts Square, Asahi Arts Festival, Lobby Concerts, MÉCÉNAT Calendar of the Month, The Asahi Beer Arts Foundation, Asahi Breweries Foundation, etc.
 - Contributing to society
One Beer Club, KIDS project, Eco Mileage System, environment beautification activities, Artbility, other contributions to society, social contribution data
- Reference Web site: "Asahi Beer Oyamazaki Villa Museum" <http://www.asahibeer-oyamazaki.com/> (in Japanese)

Supporting the Development of Artistic and Cultural Activities

Supporting creative artistic and cultural activities rooted in the community

We support creative artistic and cultural activities rooted in the community.

Since the establishment of the Corporate Culture Department (currently the Social & Environmental Management Department) in 1990, our artistic and cultural activities have become more organized and well planned. Our basic concept is defined by three parts: the future (creating the culture of tomorrow); citizens (bridging citizens and the arts); and local communities (recovering local resourcefulness through unique activities that are deeply rooted in the local community).

Current activities include the Asahi Arts Festival, the Asahi Eco Art Series, Lobby Concerts, the Asahi Art Collaboration Exhibition, Food Culture Seminars and the management of Asahi Arts Square, which opened as a new center for increasing exposure to cultural expressions.

Assistance for NPOs and NGOs

Asahi Breweries has been actively supporting the activities of Arts NPO Link, a specified non-profit corporation that started activities in October 2004 and formally changed its legal status in January 2004.

The objectives of Arts NPOs Link are to connect arts NPOs nationwide, address common issues, and develop receptive environments for NPO activities. Arts NPO Link also creates opportunities for art NPOs and organizations from other sectors to meet by organizing the annual National Art NPO Forum and introducing the activities and roles of diverse art NPOs at home and abroad.

Through the support of the Arts NPOs Link, Asahi Breweries contributes to creating a receptive environment in Japan for art NPOs and promotes active citizen participation in the arts.



A scene from the 4th National Art NPO Forum in Beppu

Exchange with Citizens Around Our Business Facilities

Lobby Concerts are held in many parts of the nation

FOCUS

Since 1990, Asahi Breweries has been holding Lobby Concerts at the Asahi Breweries headquarters based on the following principles: (1) providing enjoyment to local citizens, (2) encouraging employee involvement in planning and management, and (3) introducing music not well known to the public.

The concerts have been introducing diverse music, regardless of genre, in an effort to invite to the stage young world-class musicians who are not yet widely known.

In 1992, we also began holding concerts at our plants and business facilities throughout the nation, bringing the total number of concerts to 186 (as of the end of December 2006). We intend to continue these concerts with the strong support of audiences across the nation.

In addition, our beer breweries around the country host fun events, including special tours and the Eco Exploration Party, toward establishing a positive reputation for the plants among the citizens of the community. We continue to distribute a variety of information, including our efforts related to the environment and the culture of brewing.



Lobby Concert

Corporate Governance

The Asahi Breweries Group is strengthening its corporate governance to ensure consistent and ongoing fulfillment of its corporate social responsibility.

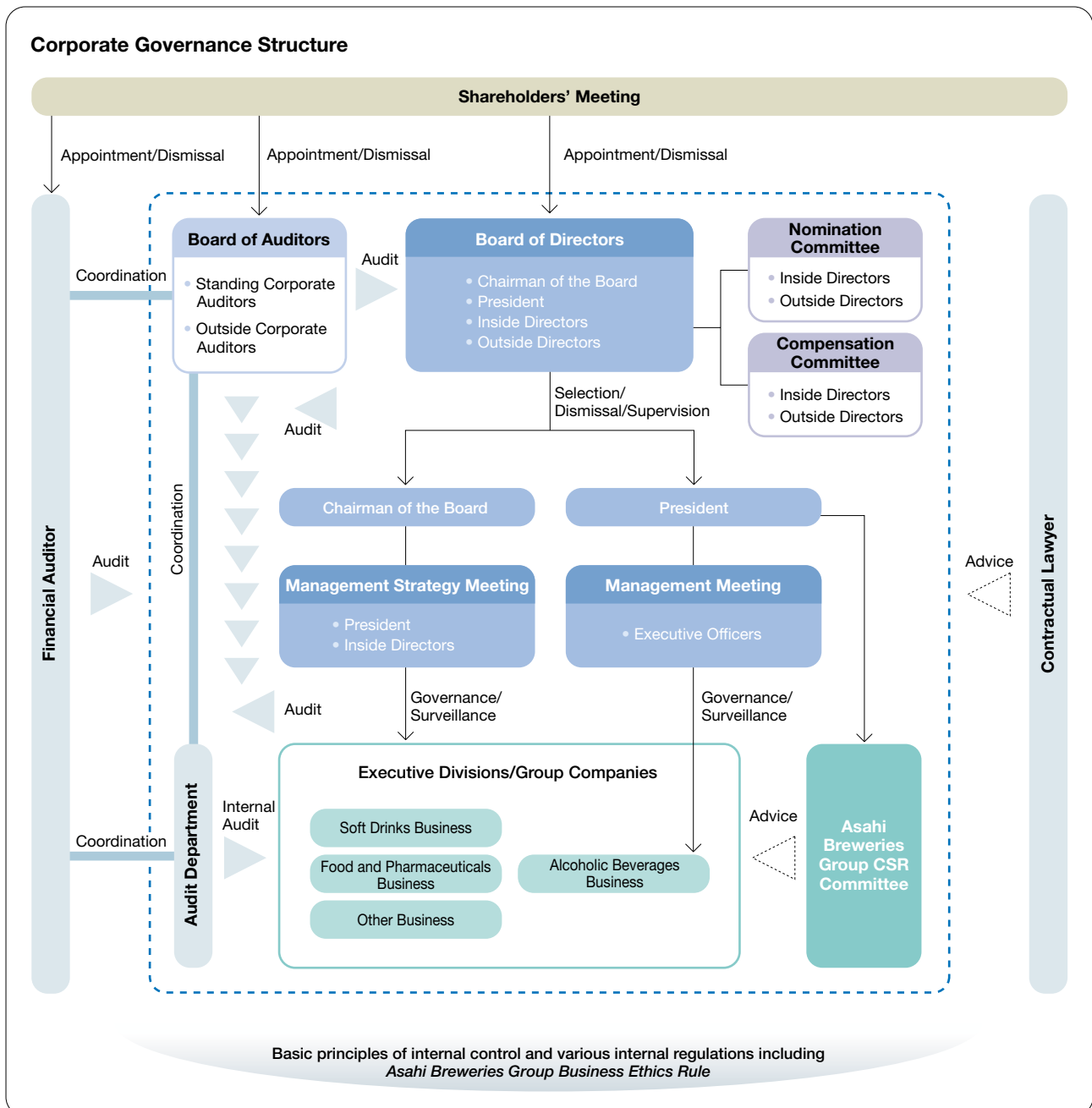
Basic Concept

Positioning stronger corporate governance as a priority management issue

The Asahi Breweries Group considers all our stakeholders as customers, including shareholders, investors, suppliers, employees and local communities as well as the

consumers of our products.

In order to conduct business activities that satisfy customers while quickly responding to a dramatically changing business environment, we have positioned the enhancement of our Corporate Governance as a priority management issue through which we intend to strengthen consolidated management and further reinforce the trust society has placed in us while enhancing corporate social responsibility and transparency.





- Internal control system (Basic Policy on the Improvement of Internal Control)
- Corporate governance (Group CSR Committee, compensation and retirement benefits of directors and auditors)
- Risk management (including measures against wide-scale disasters, response to emergencies)

Corporate Governance Structure

A structure based on the Board of Directors and the Board of Auditors

With the Shareholders' Meeting as the ultimate decision-making body for management issues, Asahi Breweries' corporate governance structure is based on the Board of Directors, which supervises the execution of duties by executive officers, and the Board of Auditors, which reviews and audits the performance of the directors.

The Company Law, which came into force in May 2006, calls for the establishment of "structures necessary to ensure that the execution of duties by directors conforms to prevailing laws as well as the Company's Articles of Incorporation." Asahi Breweries Group has been developing a structure that meets these requirements, including the development of its Basic Policy on the Improvement of Internal Control and the establishment of the Risk Management Committee in 2006.

• Board of Directors

The company's Board of Directors consists of 11 members, two of whom are outside directors (as of the end of March 2007). In 2000, the company reduced the number of directors from 40 to 10 to promote shareholder-oriented management by accelerating decision-making and by completely separating business management from the execution of duties.

Current outside directors—a former diplomat and a former senior executive—review the functioning of the Board of Directors from an independent perspective.

In 2006, 12 regular meetings and two special meetings were held with 71% attendance by outside directors.

• Nomination Committee and Compensation Committee

The company established the Nomination Committee and the Compensation Committee, both reporting to the Board of Directors, to ensure fairness and transparency in the appointment of directors and executive officers and in the determination of their compensation. Each committee consists of four members: two inside directors and two outside directors.

The Nomination Committee recommends candidates for directors, executive officers and corporate auditors to the Board of Directors. The committee met two times in 2006 with a member attendance rate of 88%. The Compensation Committee submits proposals to the Board of Directors on

the compensation structure for directors and executive officers. The committee met five times in 2006 with a member attendance rate of 95%.

• Management Strategy Meeting and Management Meeting

To promptly follow through on decisions made by the Board of Directors, the company set up the Management Strategy Meeting, led by the CEO, to oversee operations of the entire Group, and the Management Meeting, under the leadership of the COO, to oversee the operation of the main alcoholic beverage business. These committees use objective, rational business indicators to maximize operating effectiveness and conduct management and evaluations of each directors' progress.

One or more inside auditors attend each of these meetings.

• Board of Auditors and Internal Audits

The company's Board of Auditors reviews and audits the management and performance of the directors. The board consists of five auditors, three of whom are outside auditors. Transparency is enhanced by having outside auditors constitute the majority. With their different backgrounds as a company executive, a lawyer and a professor, these outside auditors provide multifaceted audits on corporate management. Eight meetings of the Board of Auditors were held in 2006 with an 83% attendance rate by outside directors. The company has also established a system to allow its auditors to view final documents at any time as well as to attend important meetings so they can efficiently and effectively perform their duties. In addition, two dedicated staff persons are assigned to the Board of Auditors.

For internal audits, the company established the Audit Department, which directly reports to the president and conducts audits based on an annual audit plan to check whether duties are executed properly and efficiently across the entire Group. Audit results are submitted regularly twice a year to the Management Strategy Meeting to inform the development of new policies.

Auditors, the Internal Audit Department and the Financial Auditor exchange information regularly, or as needed, by holding debriefing sessions, sending copies of audit reports, and so forth, to ensure mutual coordination. In 2006, the Board of Auditors and the Financial Auditor held four meetings while the Board of Auditors and the Audit Department met four times.

Building an Internal Control System

Working in response to amended laws

The Financial Instruments and Exchange Law (internal controls on financial reporting) passed in June 2006 stipulates that certified public accountants shall audit the appropriateness of the process for developing financial statements to ensure the credibility of corporate financial statements and prevent accounting fraud. It also mandates the submission of internal control reports. These provisions will first be applied to the settlements of accounts in the fiscal year ending March 31, 2009. Implementation for the Company will start from the settlement of accounts in the fiscal year ending December 31, 2009.

At the same time, the Company Law, which came into force in May 2006 calls for the establishment of structures for basic internal controls on compliance and overall risk to prevent corporate misconduct.

The Company is actively working to respond to these amended laws.

- **Response to the Financial Instruments and Exchange Law (internal controls on financial reporting)**

In 2006, we identified the scope of application for the Company and key subsidiaries. In addition, we selected important accounts and developed related business processes as well as document formats for Company-wide internal control and evaluation. Based on these efforts, we will promote documentation, establish an operational structure and evaluate the adequacy of controls in 2007.

- **Building an internal control system in conformity with the Company Law**

Based on the Company Law, the Company established the Basic Policy on the Improvement of Internal Controls in 2006. With this basic policy, we are now working to construct an internal control system for the entire group, developing guidelines for risk management and compliance in line with this system and the basic policy, and implementing control efforts.

Major group companies including Asahi Soft Drinks Co., Ltd., Asahi Food & Healthcare Co., Ltd., Nikka Whisky Distilling Co., Ltd and Wakodo Co., Ltd. have separately established their own basic policies.

Risk Management

Devising measures against every risk

Asahi Breweries is promoting risk management to prevent every risk associated with its business as well as to protect the safety of its employees and local citizens and to ensure the continuity of its business in the event of emergency.

In regard to the risk management promotion system, we established the Asahi Breweries Group Risk Management Basic Rule and Detailed Operation Rules for Risk Management that stipulate the application of this rule. The Asahi Breweries Group Risk Management Committee was set up to promote risk management.

The Risk Management Committee deliberates and decides policies for all risk-related activities as well as priorities based on the results of risk reviews while checking the content of countermeasures to major risks and progress against plans.

In addition, staff responsible for or in charge of risk management promotion in the company and other Group companies work within the specific parameters of their responsibilities in line with the policy of the Risk Management Committee.

Risk Management Promotion System



Compliance

We are strengthening systems including employee education to ensure compliance.

Promotion System

Operating the Corporate Ethics Committee with the participation of an outside lawyer

Asahi Breweries established the Asahi Breweries Group Business Ethics Rule to realize its corporate philosophy and to promote legally sound management. Based on this Business Ethics Rule, we specify an internal system for corporate ethics and compliance and implement this system to establish fair and transparent corporate ethics. Under this concept, the Asahi Breweries Group set up the Asahi Breweries Group Corporate Ethics Committee as the deliberative body for promoting corporate ethics and compliance.

The committee consists of five members: the board members and executive officers of Asahi Breweries and an outside lawyer. The director in charge of compliance and risk serves as chairperson. The Corporate Ethics Committee operates the Business Ethics Rules and the In-house Reporting System and conducts compliance education and monitoring to ensure the soundness of the Asahi Breweries Group's business activities.

Asahi Breweries Group Business Ethics Rule is not limited to compliance but also includes the ethical values and code of conduct that should be observed by every member of the Asahi Breweries Group. The content of the rule was updated in 2003 and 2006 in response to new laws, amendments and current social issues while making it more convenient for its use as a compliance tool in day-to-day operations.

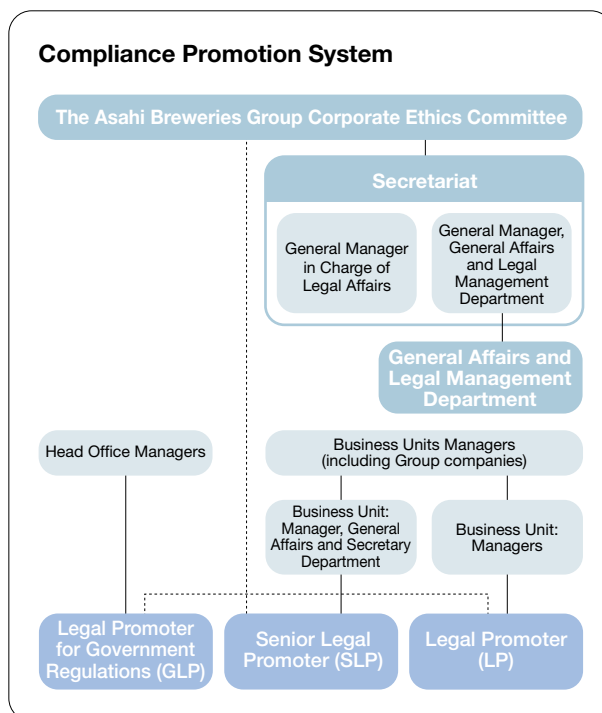
Deploying Legal Promoters with the latest legal knowledge

The Asahi Breweries Group introduced the Legal Promoter System in 1999 so that everyone in the field can concretely understand the importance of compliance and practice compliance in daily operations. This system deploys the employees who have participated in compliance training organized by the General Affairs and Legal Management Department and have gained a certain level of knowledge as Legal Promoters for every business unit and company of the Group. The system provides training every year to share the latest legal knowledge and cases.

In addition, Senior Legal Promoters who are highly knowledgeable on compliance have been assigned to

major business units since 2002 to further reinforce our compliance promotion system.

In addition, in March 2006, Legal Promoters for Government Regulations who review operations at worksites from a technical point of view based on the administrative regulatory laws related to major operations were assigned at the Head Office and such activities as identifying legal and compliance risks in cooperation with the General Affairs and Legal Management Department.



Legal Promoter System

Name	Description	Number of promoters
Legal Promoter	Selected from the staff persons in charge of general affairs, accounting, or marketing and sales and assigned to every business unit and company of the Group. They are expected to cultivate general knowledge of legal affairs, watch for violations and detect compliance problems on site. They are encouraged to pass TCCI Legal Affairs for Business Test, Level 3.	About 130
Senior Legal Promoter	Nominated from the assistant vice president level of the General Affairs and Secretary Department, approved by the General Manager in Charge of Legal Affairs and assigned to every business unit and major companies of the Group. They are expected to cultivate expert knowledge in legal affairs and sense of ownership as a compliance leader and to address problems. They are required to pass TCCI Legal Affairs for Business Test, Level 2.	27
Legal Promoter for Government Regulations	Recommended by individual departments of Asahi Breweries Head Office and assigned upon approval of the General Manager in Charge of Legal Affairs. They are expected to cultivate sophisticated expertise and capability to negotiate with government agencies specialized in administrative regulatory laws directly related to the operations in their charge and to handle legal risks in fields that the legal affairs section cannot cover.	31

Priority Initiatives of the Asahi Breweries Group

Pursuit of Quality

Activities Promoting Moderate and Responsible Drinking

Environmental Conservation Activities

For Consumers

For Business Partners

For Shareholders and Investors

For Employees

For Local Communities

Conducting corporate ethics surveys involving all employees across the entire Group

Since 2002, Asahi Breweries has conducted annual corporate ethics surveys on an anonymous basis involving all employees across the entire Group to check understanding of compliance and identify problems in the field. We are also implementing finely tuned improvement measures based on survey results.

Training tailored to each department

At Asahi Breweries, individual departments hold compliance training sessions tailored to their respective operations.

In 2006, the General Affairs and Legal Management Department took the lead in carrying out caravan training sessions that visited business units across the nation for encouraging staff learning in such areas as premiums and labeling, personal information, and moderate and



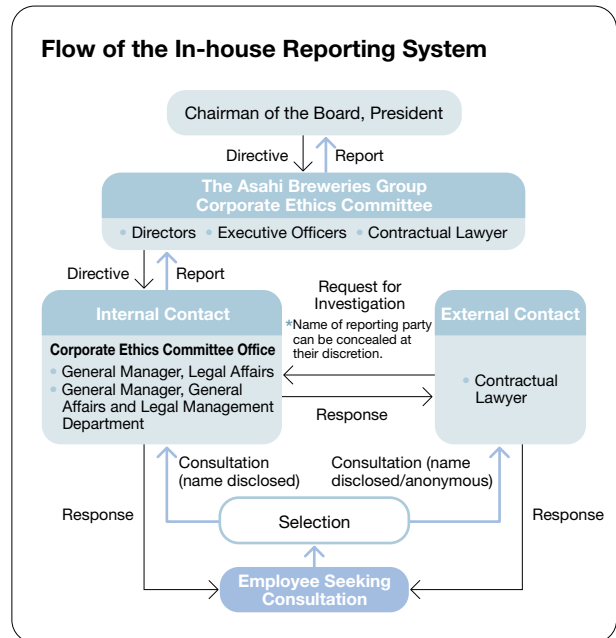
Compliance training sessions

responsible drinking. They also conducted collective training sessions on individual topics such as fair trade, trademarks and labeling.

lawyers. Reporting can be made face-to-face or via e-mail, sealed letter or fax (external contacts only).

Any issues reported through the system are vigorously investigated, reviewed and properly addressed by the committee and steps are taken to ensure that no employee ever places themselves at risk by reporting a problem.

Flow of the In-house Reporting System



Operation of the Clean Line System

Operating an in-house reporting system with internal and external contacts

The Asahi Breweries Group set up the Clean Line System and provides information about the system through its intranet and other channels for quickly identifying potential risks associated with business activities and preventing the occurrence of major problems.

The system was established to address problems that, for whatever reason, employees felt they could not report or could not seek advice for through standard channels of communication. It provides a mechanism for protecting employees in reporting or consulting with experts with regard to actions at the workplace that are, or may be, in violation of prevailing laws and regulations, the Asahi Breweries Group Business Ethics Rule, or other rules. Consultations can be arranged either through an internal contact person using the Corporate Ethics Committee Office or an external contact person using contractual

Protection of Intellectual Property Rights

Preventing violations of the rights of the Company and third parties

Asahi Breweries considers Intellectual Property (IP) right activities to be essential for our business deployment. Therefore, the Company actively promotes the acquisition of rights according to the stage of business development to ensure free business activities while conducting research into potential violations of our rights by others and properly addressing any discovered violations based on applicable laws and regulations.

We are also establishing an organization and rules for respecting the IP rights of third parties, including conducting searches on prior arts to avoid violating others' rights when developing new products, new research projects and so forth.

In addition, we maintain only those rights we need while releasing other rights as part of an effort for the sound growth of the industry and cost-benefit performance.

- Compliance
Compliance promotion system and activities, in-house reporting system, Asahi Breweries Group Business Ethics Rule, protection of confidential information, protection of intellectual property rights

Collaboration between Research & Development Division and Patent Room to support other departments

A director in charge of IP strategy is appointed, a strategy is developed in line with our business strategy, rights are sought and strategies of competitors are analyzed in the related field.

For acquiring IP rights, expert staff members of the Planning Department of the Research & Development Division, the Patent Room and other related entities provide support and advice by visiting individual business units to promote the discovery of potential intellectual properties, acquire rights and conduct research into the IP rights of others. For overseas applications, the country in which the application is to be filed is selected based on discussions in the Research & Development Division.

As a result, we have registered 24 new rights including patents, utility models and design rights.

Whenever we have information about applications, we conduct related searches and appropriately respond under the laws of the relevant country based on the spirit of respect for the rights of others as well as those of the Company.

Rewards for Employee Inventions are decided based on the Employee Invention Treatment Guideline

Since establishing the Employee Invention Treatment Guideline in 1971 to contribute to the Company's development by encouraging the intellectual creativity of its employees, Asahi Breweries has been working to harmonize the rights of employees with those of the company.

The Employee Invention Treatment Guideline divides the field of intellectual creativity into patents, utility models, design, variety and know-how while classifying rewards into the Filing Reward, which is paid at the time of filing, and the Performance Reward, which is paid based on the evaluation after registration.

The evaluation is performed by the Invention Evaluation Committee and based on the contribution to corporate performance by inventions that are used in the Company or based on the price of inventions that are transferred or licensed to a third party.

If the inventor disagrees with the evaluation results, a system is provided for a settlement acceptable to both sides and includes an appeal process to the committee.

A total of 37 Performance Rewards were paid in 2006.

Information Security

Protecting a variety of confidential information under the Information Management Rules

The Asahi Breweries Group formulated the Information Management Rules in April 2004 to protect a variety of confidential information, including personal data provided by customers and business partners, and to properly classify information and ensure systematic implementation of adequate management.

The General Affairs and Legal Management Department is the lead office for handling confidential information and business unit managers serve as information managers.

Business units distribute the *Information Management Handbook*, which provides easy-to-understand explanations of the essence of information handling to employees in order to raise their awareness. In addition, compliance with various rules and policies is checked through voluntary audits or business unit audits conducted by the Audit Department.



Information Management Handbook

Rigorously protecting personal information obtained through Web sites and business units

The Asahi Breweries Group established the Asahi Breweries Group Rules for Handling Personal Information in May 2005 to offer more detailed guidance in line with the full enforcement of the Personal Information Protection Law in April 2005.

We ensure the protection of personal information obtained on Web sites through the Personal Information Protection Policy and the Personal Information Protection Compliance Program.

For personal information that is used in our business units, we manage the process from acquisition to storage, use and disposal by utilizing the Personal Information Management Ledger.

Diligently selecting and managing contractors

Asahi Breweries entrusts the management of customer application information to outside contractors during promotional campaigns and other activities. We choose highly reliable contractors who must comply with the Rules for Information Management by Contract to prevent the leakage of personal information.



Kanji Tanimoto

Professor, Graduate School of Commerce and Management, Hitotsubashi University

The main features of CSR efforts by the Asahi Breweries Group during this year are the launch of an organization for promoting CSR activities and the establishment of the CSR Policy. Incorporation of CSR into a Company-wide management system and the construction of a mechanism to run PDCA cycles at individual departments remain issues for the future.

It can be said that that CSR in the food industry begins with ensuring the safety and security of food. In this sense, the basis for CSR is to establish a corporate structure for pursuing quality that will be supported by consumers for improving public appreciation of the Company.

Looking at the history of the CSR activities by the Asahi Breweries Group, the period of the Second Medium-term Management Plan (2004–2006) of the Group corresponds to the Introductory Stage when the Group CSR Committee was set up and the first CSR report was published. The period of the Third Medium-term Management Plan (2007–2009) is the Expanding Stage in which an organization for promoting CSR activities with greater flexibility was set up and the CSR Policy (see p. 8) was established last autumn.

During the Introductory Stage, each related department separately responded to its own issues based on the Corporate Philosophy and the guidelines for corporate activity. While these activities themselves are valuable, including quality control, environmental management and social contribution activities, it is not clear how they are specifically incorporated into Company-wide management system or how the individual companies of the Group will align with CSR management if the Asahi Breweries Group is to genuinely establish a CSR system. Furthermore, CSR management does not itself constitute a governance or compliance system. Social fairness, ethics and consideration for the environment, safety, human rights and so on must be incorporated into the process of daily business activities to ensure they are socially responsible. A governance system is a framework for ensuring the effective functioning of this management.

The Expanding Stage will require developing and improving a Company-wide management system based on the CSR Policy. Correct understanding and active commitment by all employees of Group companies will form the foundation. To this end, it is necessary to establish PDCA cycles after clearly defining targets in each department. Unlike the situation surrounding environmental management, social aspects include areas difficult to quantify; therefore, objectives must be managed through a more qualitative approach.

The CSR Policy states that it looks at the entire supply chain and global development. We can interpret this to express the commitment to include these factors in CSR. However, there is no indication of how this will be done in concrete terms. For example, how will matters related to the environment or CSR be incorporated in the existing procurement standard, and to what degree will they be controlled and monitored? Future efforts will be watched.

This year's report is characterized by the intention to show CSR-related issues in the overall flow of manufacturing from product development to distribution and sales. Compared with past reports in which philosophies, systems and topics were listed for each stakeholder category, the flow and characteristics of the entire business are far more visible. Future reports will become easier to understand by also showing relations with stakeholders in this style, and not merely as a sub-topic, as in the "Pursuit of Quality" in this report. I hope that challenges during the year and the next targets for each sector will be described, showing the linkage between the report and CSR activities.

Since the Introductory Stage, decision-makers in the Asahi Breweries Group have believed that CSR is an essential aspect of management that forms the foundation of a corporation, and a poor approach to CSR would undermine its *raison d'être*. Indeed, CSR is not anything especially new. The real question is how to build and maintain a relationship of trust with stakeholders. I expect the Company will also define a Company-wide orientation for important CSR issues, risks and activities in its medium- and long-term management plans and pursue systematic CSR management efforts.

Profile

Professor (Doctor of Business Administration), Graduate School of Commerce and Management, Hitotsubashi University
Representative Director of Social Innovation Japan (specified nonprofit corporation)
Specialized in enterprise system theory and corporations and society theory
Chairperson of the Study Group for Food Industry's CSR and the CSR Management Promotion Association, among others
Recent publications include: *SRI and New Corporation/Finance* (author and editor), *Toyo-Keizai-Shinpo-sya*, and *CSR, Considering Companies and Societies*, NTT Publishing

Visit our Web Site

 <http://www.asahibeer.co.jp/csr/> (in Japanese)

Please review a variety of information that is not included in this booklet.

Our Approach to CSR

- Our approach to CSR
- President's message

CSR Management

- Internal control system
- Corporate governance
- Compliance
- Risk management

Pursuit of Quality

- New product development
- Procurement of raw materials
- Manufacturing
- Logistics
- Distribution and sales
- Labeling and advertisement
- Quality policy and assurance system
- Quality management system certification status

Moderate and Responsible Drinking and Health

- Actions taken by Asahi Breweries
- Industry-wide efforts
- Tools for encouraging moderate drinking
- Moderate drinking
- Alcohol and health

Environmental Conservation Activities

- **Prevention of global warming**
Reduction of CO₂ emissions, introduction of energy-saving facilities, CO₂ recycling, increasing distribution efficiency
- **Water resources conservation**
Water usage reduction, waste water reduction
- **Waste reduction**
Reduction of waste generation, volume reduction of raw materials, resource recycling, recycling at headquarters building, 3R in containers and packaging
- **Environmental education**
Environmental education programs, water resource conservation activities
- **Green purchasing**
- **Environmental management**
Environmental Basic Principles, promotion system, obtaining certifications, environmental education, compliance with environmental laws and regulations, measurement guidelines for environmental soundness in sales and promotional goods, environmental accounting
- **Medium-term environmental management plan**
- **Environmental targets and results by each group company**
- **Material balance**
- **Asahi forest**
- **Eco-tanken game**
- **Environmental culture seminars**
- **Eco-life proposals**

Social and Cultural Contributions

- Our approach to social and cultural activities
- Supporting the development of artistic and cultural activities
- Contributing to society

For Consumers

- Activities of the Customer Relations Office
- Comments received
- Response to customer suggestions

For Business Partners

- **Relationship with suppliers**
Basic Purchasing Policy, Procurement Clean Line, Questionnaire Survey on Corporate Social Responsibilities
- **Relationship with business partners**

For Shareholders and Investors

- Return to shareholders
- Information disclosure and communication
- Evaluations by external review organizations

For Employees

- **Group basic personnel policies**
- **Equality and fairness in employment**
Employment situation, promotion of women, employment of foreign nationals, employment of the physically challenged, reemployment situations, recruitment situations, relationship with the labor union
- **Personnel evaluation and performance rating**
- **Training and education programs**
- **Creating a pleasant workplace**
Efforts for occupational safety & health, efforts for employees health management, maternity leave, childcare and other family care support, raising awareness of human rights, other health and welfare systems

Index by Function

- Policies, rules, standards
- Frameworks, structures, systems
- Performance data

Guideline Comparison List

- GRI guideline comparison list
- The Ministry of the Environment guideline comparison list



ASAHI BREWERIES, LTD.

CSR Committee

1-23-1 Azumabashi, Sumida-ku,

Tokyo 130-8602, Japan

Tel.: +81-3-5608-5195

Fax: +81-3-5608-5201

URL: <http://www.asahibeer.co.jp/english>

Published: August 2007

Consumption of alcohol by persons under 20 years of age and drunk driving are prohibited by Japanese law. Drinking alcohol during pregnancy or while breastfeeding is harmful to unborn babies and infants. Please drink responsibly. Please recycle bottles and cans.