

# **Summary of Asahi Group CSR Activities**

(Issued July 2011)

**ASAHI GROUP HOLDINGS, LTD.**

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## Management

### ■Corporate Philosophy

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The Asahi 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

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#### **Customer satisfaction**

- Provide high-quality and abundantly original products and services with customer satisfaction as the cornerstone to all corporate activities.
- Propose new values 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 and 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.

## ■Brand Statement



We at the Asahi Group strive to offer products and services that can provide “Kando” to people throughout the world.

We strive to share that “Kando” with our customers while aiming for continued growth within the Asahi Group.

## ■CSR Activity Policy

### ●Our Policy on CSR Activities

#### Asahi Group CSR Policy (Established January 2010)

The Asahi Group seeks to contribute to the development of a sustainable society through all our business activities worldwide.

Not only will we comply with the various laws and rules of all countries and regions where we operate, but we will also take the initiative to actively engage in activities aimed at fulfilling our social responsibility with a global viewpoint.

Furthermore, we hope to share the excitement with all the peoples of the world through the creation of new social values.

We will continue to think about what we can do to bring this about and take action, together with all the stakeholders that surrounds us.



- Our foundation as a company: To comply with laws, regulations and ethical standards; risk management, etc.
- Response to social expectations: To take the initiative in actively promoting our social responsibilities
- Creation of social value: To promote activities for sharing the Kando\* with people in society

\* Kando is an emotion experienced in various ways. It can be extreme satisfaction, an extraordinary feeling beyond one's expectations, and/or a sensitively touching and moving sensation.

●**Supporting the United Nations Global Compact**

Asahi Breweries announced its participation in the Global Compact (GC in June 2002).

**The Ten Principles of the Global Compact**

**Human Rights**

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

**Labor Standards**

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

**Environment**

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

**Anti-Corruption**

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



## ■ Internal Control System

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### ● Establishment of Internal Control System

#### Basic Principles for Establishing an Internal Control System

To realize its corporate philosophy: "Asahi 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," the Company shall:

- institute basic policies for establishing the following system ("the internal control system") to ensure proper operation of the Asahi Group, consisting of the company and its subsidiaries ("the Group Companies"), based on corporate laws and the enforcement regulations.
- The representative director shall bear responsibility for establishing the internal control system and guiding the relevant directors to ensure through their respective departments the establishment and operation of the necessary individual policies and manuals based on these basic principles.
- The Company shall work to maintain and improve the effectiveness of the internal control system by reviewing these basic principles as well as policies, manuals, and so forth as needed to keep pace with changes in the situation.

#### 1. System to ensure that directors and employees perform their functions in compliance with the statutes and the charter

- (1) Based on fair, open corporate ethics as stipulated in the Guidelines for Corporate Activity, the Asahi Group Business Ethics Rule shall be established and observed by directors, auditors and employees.
- (2) The Asahi Group Corporate Ethics Committee shall be set up to oversee the overall compliance of the Asahi Group. One Committee member shall be an external lawyer. Details for running the Committee shall be based on the "Rule of the Asahi Group Corporate Ethics Committee," which shall be established separately.
- (3) Compliance and risk management of the Asahi Group shall be overseen by the responsible executive officers of the Company while related office duties shall be handled by the Company's General & Legal Affairs Management Department.
- (4) Persons responsible for promoting worksite compliance shall be assigned to all the business units of the Company and the Group Companies. Each assignee shall work to disseminate legal knowledge and raise compliance consciousness at the worksite in cooperation with the legal management department of the Company and the local general affairs department.
- (5) A Clean Line System shall be established as an in-house reporting mechanism for the Asahi Group. Details of system operation shall be based on the Clean Line System Implementation Guideline that is established separately.
- (6) The Basic Purchasing Policy and the Procurement Clean Line System shall be established for our suppliers to define mutual efforts for fair, transparent transactions and social responsibility. We shall build an internal control system with our suppliers through close communication.
- (7) Information shall be shared within the Asahi Group and a system established to deal with eliminating antisocial elements. We shall also cooperate with the industry and local communities and collaborate closely with police departments and other external institutions.
- (8) Detailed rules for implementation of above organizations and systems shall be in accordance with the Asahi Group Business Ethics Rule.

## **2. System for storing and managing information related to fulfilling the director duties**

- (1) Information related to fulfilling director duties shall be properly stored and managed according to the Document Management Guideline and other related guidelines and manuals.
- (2) Storage and management of information described above shall be conducted in a manner that allows directors and auditors to review information at any given point in time.
- (3) Office duties for the storage and management of information described above shall be supervised according to the relevant guidelines.

## **3. Guidelines and other systems for managing risk of loss**

- (1) A Basic Guideline on Risk Management shall be established and positioned as the highest framework for risk management of the Asahi Group. In addition, a Risk Management Operating Manual shall be developed and communicated.
- (2) Risk management shall be conducted by the responsible department in the related field locations. In addition, the Asahi Group Risk Management Committee shall be set up for cross-functional management across the entire Group. Following the guideline and the manual stipulated in the preceding paragraph, the Committee shall regularly analyze and assess risks and conduct comprehensive reviews of the risk management system as required. Quality risk management particularly requires full attention, recognizing the social responsibility of a food manufacturer to ensure the safety and security of its products.
- (3) In the event of a major accident, disaster or misconduct, a Crisis Response Meeting chaired by the president shall be convened.

## **4. System to ensure efficient execution of director functions**

- (1) In order to ensure efficient execution of director functions, the Board of Directors shall rationally delegate duties and appoint appropriate executive officers.
- (2) A standard of authority that includes transfer of authority and mutual supervision among departments shall be established.
- (3) The Management Strategy Meeting and the Management Meeting shall be effectively utilized.
- (4) To maximize operational efficiency, objective and rational business management indicators shall be used for unified follow-up and evaluation.

## **5. System to ensure proper operation in the enterprise group, consisting of the relevant business corporation as well as its parent company and subsidiaries**

- (1) Compliance and risk management systems and other systems necessary for internal control shall cover the entire Asahi Group in a cross-functional manner while the Company, as the headquarters of the Group, shall manage systems according to the individual situations of the Group Companies.
- (2) The Internal Audit Department shall conduct audits of Group Companies. With respect to internal control related to financial reporting, an evaluation organization established within the Company shall evaluate and report on the internal control of Group Companies.
- (3) Group Companies shall report the status of operations including risk information to the auditors of the Company.
- (4) Authority of final decision on the business activities of the Group Companies is stipulated in the Group Company Authority Standard.

## **6. Employees that auditors may request to assist in auditor duties**

Auditor staff may be put into position to assist the Board of Auditors in their duties.

## **7. Independence of employees as defined in the preceding paragraph from directors**

- (1) The auditor staff defined in the preceding paragraph, upon receiving necessary orders for auditing service from the auditors, shall not receive orders or instructions related to the auditors' order from any director or employee.
- (2) Ordering, transferring, evaluating or disciplining a member of the auditor staff defined in the preceding paragraph requires approval of the auditors in advance.

**8. System for the directors and employees to report to the auditors and systems for other reports to the auditors**

- (1) Directors and employees shall provide regular reports to the auditors on items related to internal control as well as other reports as required. Auditors may request reports from the directors and employees (including those of the Group Companies) as needed.
- (2) Directors shall ensure that the auditors have opportunities to regularly attend important meetings other than the Board of Directors' Meeting including the Management Strategy Meeting and the Management Meeting and shall present agenda items to them in advance.
- (3) The auditors may view important minutes, decision documents, etc. at any given point in time.

**9. Other systems to ensure effective auditing**

The directors shall provide opportunities to the auditors to regularly exchange information and opinions with the internal audit department as well as with external auditors.

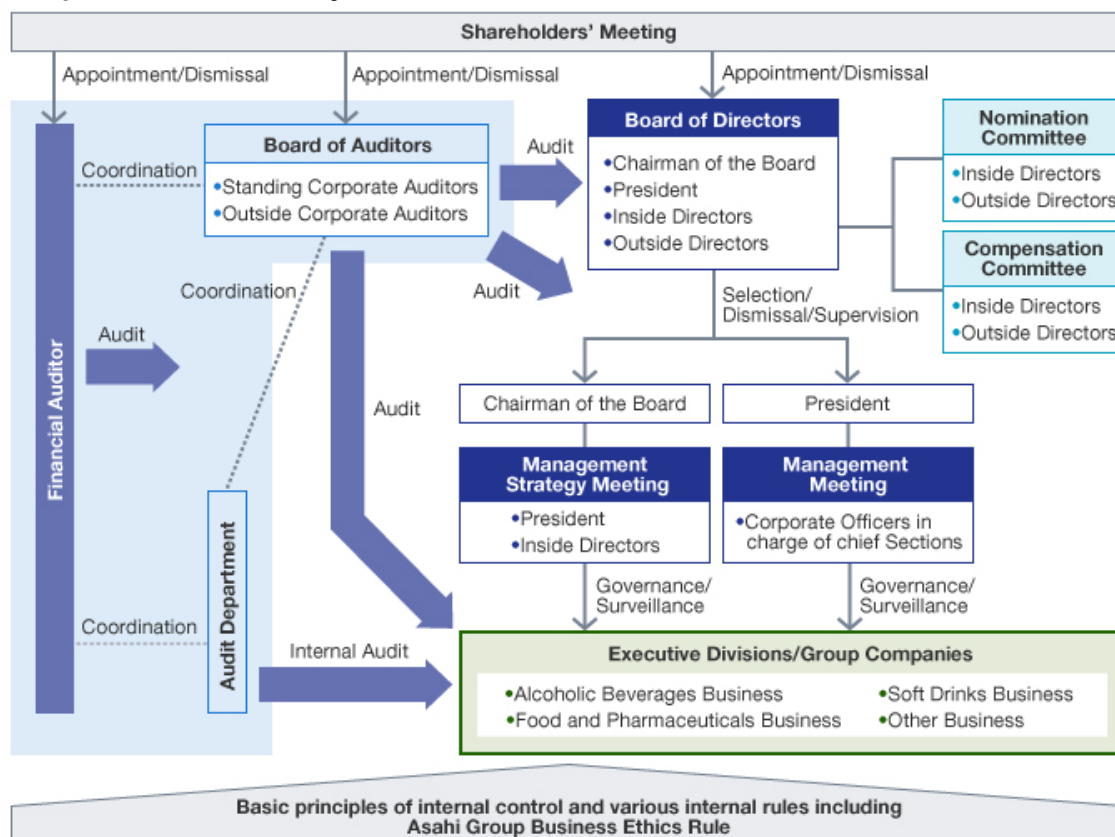


## ■Corporate Governance

### ●Basic Concept

In order to 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.

### ●Corporate Governance System



□ **Board of Directors, Board of Auditors, Nomination Committee and Compensation Committee (as of March 31, 2011)**

As of the end of March 2011, Asahi Breweries' Board of Directors consists of 11 members, including three outside directors.

Asahi Breweries' Board of Auditors consists of five members, including three outside auditors. Transparency is enhanced by having outside auditors constitute the majority.

In addition, the Nomination Committee and the Compensation Committee, both reporting to the Board of Directors, have been established to ensure fairness and transparency in the appointment of directors and executive officers and in determining their compensation. Each committee consists of four members: two inside and two outside directors. The Nomination Committee recommends nominations for directors, executive officers and corporate auditors to the Board of Directors, and the Compensation Committee submits proposals to the Board of Directors on the compensation structure for directors and executive officers.

**Meetings of the Board of Directors and attendance of outside directors**

	2007	2008	2009	2010
Number of regular meetings	11	11	11	11
Number of special meetings	1	1	0	0
Outside directors attendance rate	62.5%	100%	93.5%	96.6%

**Meetings of the Board of Auditors and attendance of outside auditors**

	2007	2008	2009	2010
Number of meetings	7	7	8	7
Outside directors attendance rate	85%	85%	95.8%	100%

**Meetings of the Nomination Committee and Compensation Committee and member attendance**

	2007	2008	2009	2010
Number of Nomination Committee meetings	2	2	1	1
Member attendance rate	88%	92%	100%	100%
Number of Compensation Committee meetings	4	5	2	3
Member attendance rate	94%	90%	100%	100%

□ **Compensation of Directors**

With respect to Directors' compensation, the upper limit of compensation for all the Directors is presented to the Shareholders' Meeting for approval.

Subsequently, the Compensation Committee submits a compensation proposal for each Director within the upper limit for deliberation by the Board of Directors.

**Compensation and retirement benefits for directors and corporate auditors (Millions of yen)**

		2008		2009		2010	
		Total amount received in compensation	Total amount received in executive bonuses	Total amount received in compensation	Total amount received in executive bonuses	Total amount received in compensation	Total amount received in executive bonuses
Directors	Company-employed directors	362.00	98.00	407.13	98.70	427.92	124.10
	Outside directors	21.60	6.70	28.80	8.10	29.40	8.50
Auditors	Corporate auditors	61.77	2.30	63.00	0	63.60	0
	Outside auditors	30.60	1.50	31.95	0	32.40	0

□ **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 and Management Meeting. One or more inside auditors attend each of these meetings. Objective, rational business indicators are used to maximize operating effectiveness and conduct management and evaluation of each director's progress.

- Management Strategy Meeting: Led by the CEO to discuss items of serious concern for the entire Group
- Management Meeting: Led by the COO to review matters affecting the entire Group and the main alcoholic beverage business.

● **Internal Audits**

The Asahi Group conducts internal audits of business units and Group companies based on unified auditing standards. Internal audits are conducted by the Audit Department, which directly reports to the president, and employees with expert knowledge. To address any significant issues concerning the entire Group that might arise in the internal audit, a summary report is submitted to the Management Strategy Committee twice a year to be incorporated into the formulation of new policies.

## ■ Compliance

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### ● Fundamental Philosophy and System for Ensuring Compliance

The Asahi Group addresses the issues of compliance and risk management in line with its Basic Policy on the Improvement of Internal Controls established in 2006 within the framework of the Asahi Group Business Ethics Rule.

#### Asahi Group Business Corporate Ethics Standards

(revised as of February 2011)

##### Part One

##### Responsibilities to Consumers

We shall strictly comply with all laws and regulations concerning consumer protection in every aspect, including manufacturing, quality, representations and advertising, sales, and consumer information management, to strive to keep up with and improve reliance from consumers. Any consumer demands shall be treated with promptness and sincerity.

(1) Maintaining Product Quality

Regarding product quality, we shall observe all food hygiene laws and product quality regulations in order to provide consumers with safe and secure products.

(2) Appropriate Representations, Advertising and Premiums

Regarding product labeling, advertising and sales campaigns, we shall observe the Food Hygiene Law, JAS Law, the Premiums and Representations Act and other related laws and regulations together with voluntary industry standards. We shall strive to maintain and further strengthen consumers' trust by providing true and direct information for product selection without any false, exaggeration nor misleading expression.

(3) Consumer Information Management

Regarding consumers' personal information, we shall observe the Personal Information Protection Act and related regulations and guidelines of the company and manage such information with extreme care. Information shall not be used for purposes other than expressly specified, or inappropriately passed on to any third parties. We shall implement necessary and appropriate supervision of contractors entrusted with the management of personal information.

(4) Dealing with Complaints

The Customer Relations Office shall act as the point of contact for consumers and shall endeavor to handle any consulting or quality-related inquiry promptly and sincerely.

##### Part Two

##### Responsibilities to Clients and Related Industries

We shall contribute to developing the industry as a whole to which we belong through fair trade and competition by complying with the Antimonopoly Act, Unfair Competition Prevention Law, and laws related to intellectual property rights, in our dealings with clients, related industries and competitors.

(1) Relationship with Clients

We shall not engage in unfair trading and shall observe the Antimonopoly Act, all other related laws and regulations and internal office regulations.

(2) Relationship with Related Industries and Competitors

We shall observe the Antimonopoly Act, Unfair Competition Prevention Law, laws related to intellectual property rights and other related laws and regulations and shall not engage in cartel formation, unfair activities on competitors or infringement of rights of others. In addition, in case we are the target of such actions, we shall respond to it resolutely.

(3) Management of Intellectual Property Rights and Confidential Information

1. Management of intellectual property rights

We shall not infringe the intellectual property rights, including patents, trademarks and copyrights of any third party. In addition, we shall protect our intellectual property rights and take decisive measures in response to any infringement of our rights by any third party.

2. Management of client and industry information

Due care and attention shall be paid when dealing with confidential information of our clients or industrial partners (including personal information) obtained through conducting business, and all such secrets shall be strictly kept. Such information shall not be obtained in an inappropriate manner nor shall it be used for any other purpose.

3. Protection of our own confidential information

Executives and employees shall keep confidential information of the company in strict confidence at all times, and only certain authorized employees shall be given access to such information. When it is necessary to disclose our confidential information to any third party, such disclosure shall be made strictly in accordance with internal rules and procedures, and only after the conclusion of a confidentiality agreement with the disclosed party.

### Part Three

#### Responsibilities to Suppliers

We shall establish complete trust and long-term cooperation with the suppliers of raw materials and services through fair and transparent trade.

(1) Observance of Antimonopoly Act

We shall observe the Antimonopoly Act, Subcontract Act and any other related law and regulation as well as maintain generally accepted trade practices based on a highly ethical approach to business. In particular, we shall not engage in any activities that abuse our dominant bargaining position, if any, over suppliers.

(2) Transparency in Engaging Suppliers

Fair and open opportunities shall be provided for our prospective suppliers, based upon our selection criteria that are made open and public, involving product quality, cost, lead time, as well as the environmental and social commitment of candidates.

(3) Maintaining Confidentiality

We shall keep the confidential information and technical information that we receive from suppliers and prospective suppliers strictly in confidence, and shall not disclose such information externally without the consent of the supplying party of such information. Likewise, only certain authorized persons in the company shall be given access to such information.

(4) Elimination of Private Interests

No request to suppliers for any hospitality, gifts or any other form of benefit shall be made. No gifts from suppliers, regardless of their monetary value, shall be received. In addition, no offers of hospitality from suppliers that are beyond the socially accepted limits shall be accepted. Any hospitality given by a supplier that exceeds internal criteria shall be reported to a superior.

(5) Prevention of Shifting Full Responsibility to Subcontractors

When entering into outsourcing agreements with suppliers, we shall exercise appropriate supervision of the subcontractor in view of our responsibility as the outsourcer.

### Part Four

#### Responsibilities to / of Employees

The company and its employees will forge a relationship of mutual trust by fulfilling obligations and responsibilities to each other with integrity.

(1) The Company's Responsibilities to Employees

1. Respect of fundamental human rights

•The company shall respect all fundamental human rights of its employees. There shall be no forms of discrimination on the basis of race, nationality, creed, religion, physical ability, age, sex, marital status, sexual orientation, or any other factor unrelated to an employee's execution of their duties.

2. Maintaining and improving the working environment

•The company shall assume its obligation to provide security for its employees and guard the safety of their life, body, and health. In addition, we shall encourage a strong response to sexual harassment or abuse of authority to subordinates (power harassment).

3. Confidentiality of employees' personal information

- The company shall assume its responsibility to manage the personal information of its employees, and never to obtain information without indicating the specific purpose, or disclose personal information to a third party without their approval.
- The company shall ensure that no employees who reported issues via the company's whistleblowing system are ever placed at risk of sanction nor suffer any other disadvantages.

4. Observance of labor laws and regulations

- The company shall uphold the rights of its employees under the respective laws or internal office regulations, and likewise uphold the rights of its temporary staffs, subcontractor and its employees, and shall not conduct any illegal acts, including disguised contract labor.

(2) Employees' Responsibilities to the Company

1. Duty of loyalty to his/her work

- Employees shall observe all applicable laws and internal office regulations and rules, fulfilling their duties in good faith. In addition, they shall not abuse the authority they have been given.

2. Information management (confidential information and insider information)

- Employees shall, during the term of their employment and eternally thereafter, keep confidential and not obtain and use inappropriately or leak to third parties any confidential information regarding the company or third parties that they have obtained while fulfilling their duties.
- Employees shall observe insider trading regulations and shall not conduct any inappropriate trading of stock on the basis of information they have obtained while fulfilling their duties, or pass such information on to any third party.

3. Preventing conflicts of interest / confusion of individual and public interests

- Employees shall not engage in any activities that confuse their individual and public interest or that result in a conflict of interest with the company, including but not limited to personal use of company assets or making requests for hospitality or gifts to suppliers. In addition, employees shall decline any gift including seasonal ones.

4. Preventing behavior that may harm the honor or trust of the Company

- Employees shall conduct themselves with moderation and dignity as sound members of society in their private lives as well as at work. Beyond the observance of laws and regulations, employees shall also not engage in actions that may result in harming the company's honor or trust.
- We shall fully recognize our social responsibilities, particularly as being member of a business group that deals in alcoholic beverages, and shall not engage in any activities against "moderate and responsible drinking".

**Part Five**

**Responsibilities to Society**

Recognizing our obligations as a corporate citizen, we shall actively fulfill our corporate responsibilities to national and local communities.

(1) CSR (Corporate Social Responsibility)

From the standpoint of contributing to a sustainable society, promoting activities to fulfill our social responsibility from a global perspective and creating new values, we shall pursue the following priority areas.

- (i) Developing a low carbon society
- (ii) Promoting diversity in human resources
- (iii) Eliminating inappropriate drinking
- (iv) Providing products and services that contribute to resolving social issues
- (v) Reinforcing compliance
- (vi) Contributing to the creation of local lifestyles and culture
- (vii) Actively communicating CSR activities
- (viii) Promoting CSR procurement

(2) Compliance with Environment-related Laws and Regulations

We shall comply with laws and regulations related to environmental preservation (preventing pollution, disposing and recycling waste, conserving energy, etc.) and ISO 14001 standards, and actively seek to preserve the environment.

(3) Confrontation with Antisocial Powers

We shall confront firmly antisocial powers that may threaten civil society.

- (i) We shall not give any illegal benefit to antisocial powers.
- (ii) We shall share all information regarding antisocial powers internally within the group and establish a system for reporting and reacting to such powers.
- (iii) We shall endeavor to eliminate antisocial powers in cooperation with related industries and the local community and in keeping close contact with police and other institutions.

**Part Six**

**Responsibilities to Governmental Institutions**

We will maintain sound and neutral relationships with public officials and political organizations in Japan and overseas or customers, suppliers and other business partners, and shall not engage in any illegal actions as well as any activities that could be perceived as illegal or unethical.

(1) Prevention of Bribery, Hospitality and other Forms of Benefits to Public Officials

- (i) We shall not engage in any form of bribery or any activities that could be misinterpreted as such with respect to public servants and other officials. In addition, we shall observe the National Public Service Ethics Law, National Public Service Ethics Code and other relevant rules, and shall not offer any hospitality or other form of inappropriate benefits to public officials, or to persons who are treated as being public officials by specific legislation in case we have an "interested party" relationship with them.
- (ii) Regarding public officials of foreign countries, we shall observe the provisions of the Unfair Competition Prevention Law of Japan and any applicable laws in the country concerned, and shall never engage in activities such as bribery or acts that could be misinterpreted as bribery.

(2) Maintenance of Political Neutrality

a. Stance on election campaign

- (i) Regarding election campaigns, we shall not engage in any acts prohibited by the Public Offices Election Law, including any offer of wining and dining, nor shall we cooperate with candidates involved in such activities. In addition, we shall not offer any celebration of elected officials except congratulatory telegrams.
- (ii) In order to ensure the freedom of choice of employees in terms of politics, during elections we shall not coerce employees to express support for a particular candidate in any way.

b. Prevention of illegal contributions to political parties

All judgment regarding contributions to political parties or political investment groups, and purchase requests for fund-raising party tickets, shall be made separately and on an individual basis, and subject to compliance with the Political Funds Control Law and the Political Party Subsidization Law.

(3) Lawful Execution of Reporting and Other Obligations to Governmental Institutions

We shall observe legal procedures for reporting to governmental institutions and for fulfilling other obligations stipulated by relevant laws and regulations.

**Part Seven**

**Responsibilities to Shareholders and Investors**

We will strive to maximize the interests of shareholders and investors by earning appropriate evaluation in capital markets through fair and prompt disclosure of corporate information and through positive investor relations activities.

(1) A Steady Return on Investment for Shareholders

With a shareholders-oriented viewpoint, we shall endeavor to improve the financial results of the company and enable shareholders to receive a steady return on their investments.

(2) Fair and Accurate Financial Reporting

Accounts shall be organized in accordance with generally accepted accounting principles, the Companies Act, Financial Instruments and Exchange Act and other related regulations, enabling fair and accurate reporting of our financial results, together with maintaining trust in the financial audit of the company.

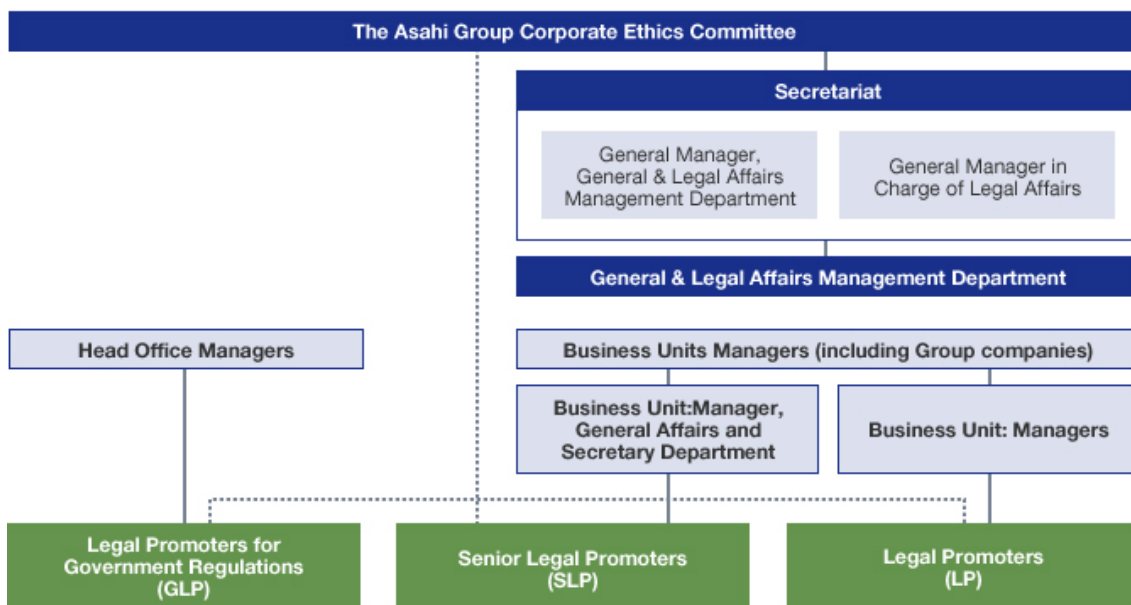
(3) Proactive Investor Relations Activities

We shall proactively disclose information regardless of whether such information is required by applicable laws and regulations, as long as such disclosure is necessary for appropriate evaluations of the company in capital markets or for proper judgments by shareholders and investors.

(4) Prevention of Insider Trading

Executives and employees of the company shall not engage in any activities that breach insider trading regulations or that could be suspected of breach of such regulations.

**Asahi Group Compliance System**



**Asahi Group Corporate Ethics Committee**

Decision-making entity for promoting business ethics and compliance. The committee employs the business ethics rules and the in-house reporting system and conducts compliance education and monitoring.

- Chairperson: director in charge of compliance and risk
- Composition: five members (board members and executive officers of Asahi Breweries and an outside lawyer)



□ **Operating the Legal Promoter System**

The Asahi Group introduced the Legal Promoter System in 1999 so that everyone in the field can practice compliance in their daily operations. This system designates employees with a certain level of knowledge as Legal Promoters for every business unit and company of the Group. Each year, the system provides training to share the latest legal knowledge and cases.

**Details of the Legal Promoter System and designated staff (Asahi Group)**

Name	Description	Number of promoters		
		As of December 2008	As of December 2009	As of December 2010
Legal Promoter	Selected by the General Manager of the General Affairs Department from staff in charge in the General Affairs, Accounting or Sales Planning Sections. 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.	159	130	130
Senior Legal Promoter	Selected by the General Manager of the General & Legal Affairs Management Department based on the nomination of the General Manager of the General Affairs Department. In principle, employees at the assistant vice president level from the General Affairs Department are assigned. 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.	29	30	30
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.	29	30	30

□ **Operation of the Clean Line System**

The Asahi Group has established a Clean Line System to quickly identify potential risks associated with business activities and to prevent the occurrence of major problems. The system is operated as shown in the diagram below. Information on the system is provided to employees through our intranet, and steps are taken to ensure that no employee is ever placed at risk for reporting problems.

Issues reported through the system are vigorously investigated, reviewed and properly addressed by the Corporate Ethics Committee. A total of 11 incidents were reported through internal and external contacts in 2010. Most of the incidents were investigated and resolved during 2010.

**Clean Line System**



● **Efforts to Ensure Full Compliance**

□ **Risk Compliance Surveys**

Since 2002, the Asahi Group has conducted annual corporate ethics surveys on an anonymous basis involving all Group employees. We have reviewed survey responses as indicators of how well compliance is understood as well as guideposts for identifying and addressing problems in the field. Since 2008, the survey has been conducted as a Risk Compliance Survey that includes questions concerning general risk in addition to compliance.

□ **Compliance Training**

In 2007, the Asahi Group held training sessions for developing a complete understanding of the Group Business Ethics Rules revised at the end of 2006. These sessions were provided to all employees across the Group, including contract employees.

Each department subsequently conducted compliance training on appropriate issues reflecting their respective operations and the nature of associated risks. Major training sessions undertaken in 2010 are summarized in the following list.

**Major compliance training sessions in 2010 (Asahi Group)**

Participants	Content
Product development staff	Training on labeling and expressions in accordance with the Food Sanitation Law, Health Promotion Law, Pharmaceutical Affairs Act, and Act against Unjustifiable Premiums and Misleading Representations, etc., and on intellectual property such as trademarks and copyrights (October)
Sales staff	Training on fair trade in accordance with the Anti-Monopoly Law, Act against Unjustifiable Premiums and Misleading Representations, etc. (November)
All employees	Compliance training aimed at encouraging employee's to consider the issue and develop a deeper understanding of related rules such as laws, regulations and internal rules applicable to their work

**●Protection of Intellectual Property Rights**

**□ Basic Concept and System on Intellectual Property Rights**

The Asahi Group has established departments in charge of intellectual property rights at each company to actively promote acquisition of rights in line with business development and to take appropriate action against violation of our rights under related laws and regulations. We thoroughly review these issues when developing new products or selecting research topics to make certain we respect the rights of third parties. In addition, we maintain only the rights we need while releasing other rights as part of an effort to promote the sound growth of the industry and cost-effectiveness. During fiscal 2007, we began operating an intellectual property rights management system to centrally control the intellectual property rights owned by each Group company. Under this system, we have established a structure that enables Group companies to exchange information on patents they own for the mutual understanding of the content as well as the use and control of each patent.

**Registered intellectual property rights (Asahi Breweries, Ltd.)**

	2007	2008	2009	2010
Patents, Design rights	22	33	67	89

**□ Reward for Invention**

To encourage employees to demonstrate their intellectual creativity and contribute to corporate growth, Asahi Breweries applies guidelines on inventions made at work to patents, utility models, design rights, variety and know-how. In line with these guidelines, the company has sought to harmonize its rights and those of its employees who have created intellectual property, including inventions. We have also paid rewards for the inventive accomplishments of our employees.

**Rewards paid for inventions (Asahi Breweries, Ltd.)**

	2007	2008	2009	2010
Number of inventions meriting rewards	33	25	58	59

**●Protection of Confidential Information and Personal Information**

The Asahi Group appropriately classifies a range of confidential information that includes personal data provided by customers and business partners and ensures systematic implementation of adequate management of such information based on the Information Management Rules (formulated in 2004) and Asahi Group Rules for Handling Personal Information (formulated in 2005). With regard to management of confidential information, we have a system in which the General & Legal Affairs Management Department is the lead office and business unit managers serve as information managers. Each business unit promotes awareness of safeguarding confidential information while reviewing compliance from various guidelines through voluntary audits and business unit audits conducted by the Audit Department.

We strive to responsibly handle personal information obtained through our Web site in accordance with our Personal Information Protection Policy and the Personal Information Protection Compliance Program\*.

\* Personal Information Protection Compliance Program

The standards for this program, including the Guideline for Handling Private Information, Rules for Information Management by Contract, Operations Manual and Q&A document, were established to assist individual business units that handle private information in strengthening their efforts through PDCA (Plan-Do-Check-Act).

**Major initiatives for protecting confidential information and personal information  
(Asahi Group)**

Topic	Actions taken
Training on protection of personal information	Conveying the importance of personal information to employees and widely disseminating appropriate methods for obtaining and managing such information, the General & Legal Affairs Management Department has been taking the lead in providing training on protection of personal information since 2005.
Employee use of PCs	Introduction of encryption software for storing data on external media such as MO and USB memory, encryption of hard disks in mobile PCs (2004, Asahi Breweries)
Management of personal information used by each business unit	Development of the Personal Information Handling Ledger to manage the process of acquisition, storage, utilization and disposal of personal information.
Management of information entered during sales promotion campaigns consigned to outside contractors	To prevent leakage of information by outside contractors entrusted with the management of information entered during sales promotion campaigns, Asahi Breweries selects contractors with sufficient security capabilities and includes a contract provision that requires compliance with the Rules for Information Management by Contract that defines the handling of information by contractors.

**●Prevention of Insider Trading**

To prevent securities trading based on information available only to executives and employees of each Group company (insider information, TOB information, etc., hereafter “insider information, etc.”), Asahi Breweries exercises due diligence in managing information under the Rules for the Prevention of Insider Trading. Insider information, etc, are collected from staff in charge of information management at each department as well as from the president or head of the General Affairs Department at each Group company, and contained within the Legal Department to centralize management.

## ■Risk Management

### ●Fundamental Risk Management Philosophy and System

The Asahi Group 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, we established a system, a basic rule and detailed operation rules as well as organized the Asahi Group Risk Management Committee to promote risk management.

### Risk Management Promotion System



#### Asahi Group Risk Management Committee

- Deliberates and decides on policy for all risk-related activities and priorities based on the results of risk reviews
- Reviews content of countermeasures for major risks and progress against plans

#### Staff responsible for or in charge of risk management promotion

- Promotes activities for the company or Group in line with the nature of each company's business

### Major efforts on risk management

Item	Content
Communication of risk information to employees	Regular publication since 1993 of "Crisis Management News," which summarizes the key points of response and preventive measures, primarily against anti-social elements based on reports from within the Group. It is distributed via intranet to Group employees.
Risk-related surveys	The General & Legal Affairs Management Department and the Quality Assurance Department at Asahi Breweries serve as the secretariat in conducting the annual risk survey. Analysis and evaluation of the impact, probability of occurrence and current state of countermeasures for various risks surrounding the Asahi Group are undertaken, and priorities are clarified.

**●Measures for Large-Scale Disasters**

Asahi Breweries has prepared various response manuals and conducts maintenance of emergency equipment and supplies and emergency drills to minimize damage and impact on the local environment in the event of a major disaster such as an earthquake.

**Measures in preparation for large-scale disasters (Asahi Breweries, Ltd.)**

Topic	Content of measures
Employee safety	<ul style="list-style-type: none"> <li>· Allocation of disaster supplies and safety confirmation system* to all business units</li> <li>· Installation of satellite-based mobile phones at regional headquarters and plants</li> <li>· Safety confirmation drills</li> </ul>
Business continuity	<ul style="list-style-type: none"> <li>· Anti-seismic reinforcement and increased disaster supplies for plants and sales bases located in areas generally considered as high-risk for earthquakes</li> <li>· Establishment of system for allocating production and shipments to regional plants</li> <li>· Organization of voluntary firefighting teams at each business unit and regular emergency drills</li> </ul>
Prevention of environmental pollution	<ul style="list-style-type: none"> <li>· Installation of liquid containment dikes around chemical tanks to prevent the release of chemicals and hazardous substances in the event of major earthquakes</li> <li>· Introduction of automatic chemical sensor system to prevent the release of liquids from the plant in the event of abnormal chemical or oil leakage into rainwater run-off</li> <li>· Drills to prepare for the possible release of chemicals or oil outside the plant during major disasters such as earthquakes</li> </ul>

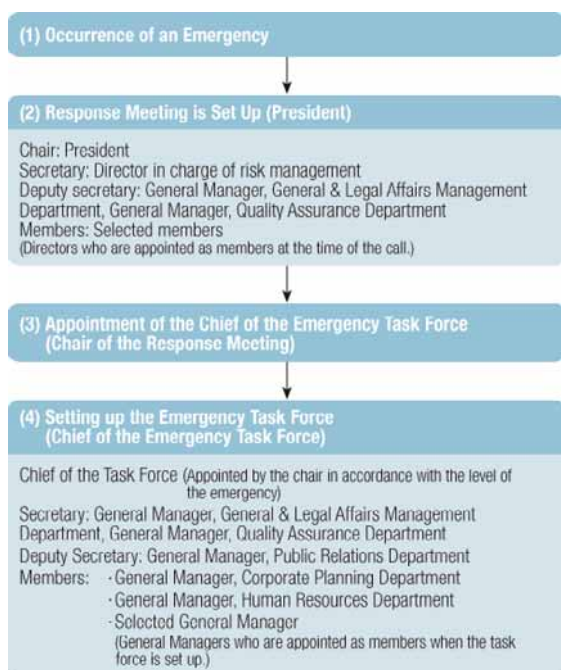
\* Safety Confirmation System

System that enables employees to report on the status of their safety to a dedicated server via phone or Internet in the event of a disaster or by calling or e-mailing a pre-registered contact point on the dedicated server.

●**Response to Emergencies (Crisis management)**

If a risk is detected, the business unit that recognized the risk shall report to the lead department of the Head Office and the Secretariat of the Risk Management Committee (General & Legal Affairs Management Department and Quality Assurance Department) according to risk management guidelines. In addition, manuals have been established for setting up the Crisis Response Meeting and the Emergency Task Force and implementing adequate first-response measures.

**Emergency Response Flow**



●**Information Disclosure in the Event of Accidents and Natural Disasters**

The content and means of public disclosure will be determined by the Crisis Response Meeting and the Emergency Task Force based on the principle of providing accurate information in a timely manner.

Under this same principle, Asahi Breweries actively discloses information in the event of accidents or disasters that may generate public concern over issues such as impact on product quality. The content and means of public disclosure will be determined by the Crisis Response Meeting and implemented by the Emergency Task Force. For example, in the event of a potential secondary disaster or other risks affecting neighboring areas, we will disclose information such as the current status of the incident, prospects for recovery and the extent of impact on neighboring areas. In situations expected to impact the supply of products, we will disclose information to business partners as necessary. Information on quality accidents involving our products will be released based on standards set by the Quality Assurance Department.

Over the past eight years up to 2010, there have been no large-scale accidents or disasters at Asahi Breweries' business units that required public disclosure. In the future, we will continue to appropriately respond by devising concrete actions as standard procedures for worst-case scenarios.

**Occurrence and disclosure of large-scale accidents and disasters at business units  
(Asahi Breweries, Ltd.)**

	2005	2006	2007	2008	2009	2010
Number of occurrences disclosed	0	0	0	0	0	0

**●Business Continuity Plan**

Current efforts on our Business Continuity Plan focus on the recent influenza virus and large-scale earthquakes.

With respect to countermeasures for the new strain of influenza, we are formulating a Business Continuity Plan for the entire Group under guidelines established in 2008 consisting of the following three key components:

- Code of practice that places top priority on securing safety while allowing us to continue shipments insofar as possible and to smoothly resume shipments in the event operations are suspended.
- Business continuity for our food-related business during a pandemic, which we expect will focus on maintaining public functions.
- Continuity plans for maintaining minimal operations as a going concern in the event full operations encounter severe difficulties.

With respect to actions related to earthquakes, we are relying on our track record for countering earthquake disasters and have started to formulate plans to be used in the case of a metropolitan earthquake, which is expected to inflict the greatest damage.



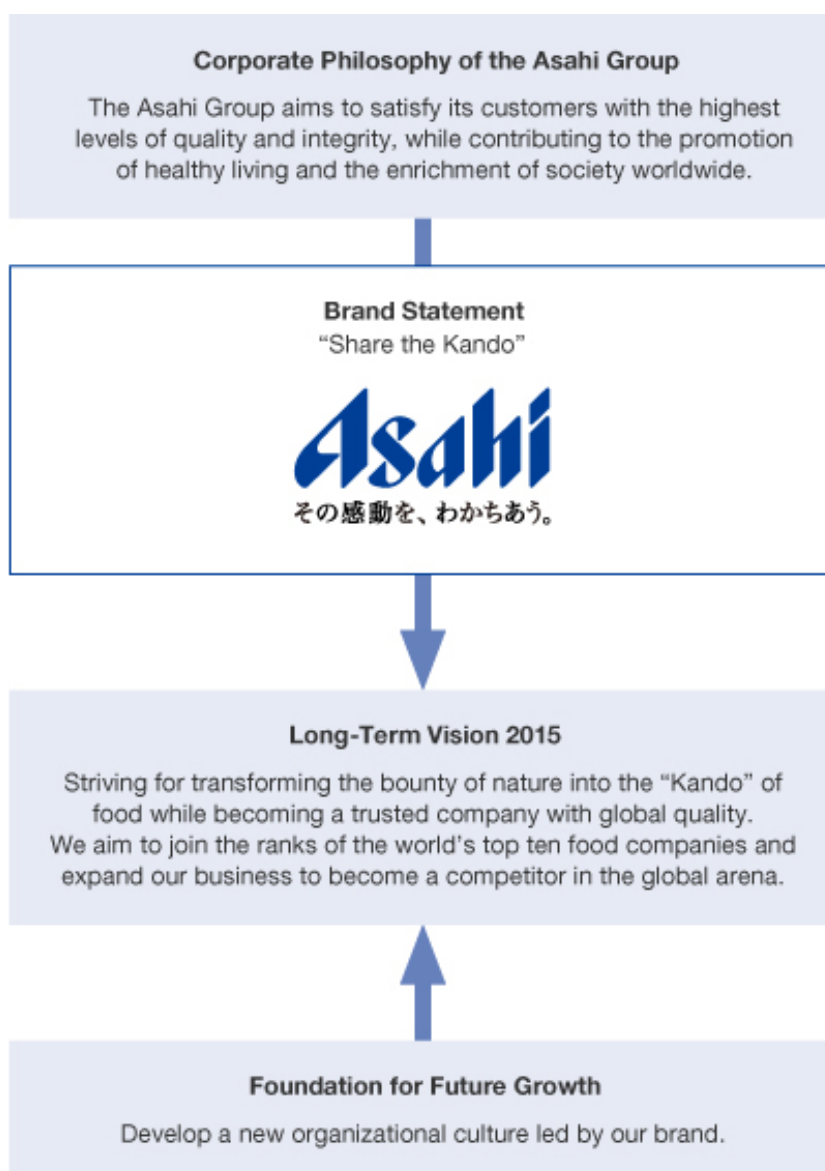
## ■Corporate Brand Management

We are striving to strengthen our corporate brand by widening the recognition of our corporate philosophy, which serves as the foundation for all corporate activities undertaken by the Asahi Group, and by pursuing activities aimed at practicing this philosophy.

In December 2009, we adopted the corporate brand statement: "Share the Kando." We appointed the President of Asahi Breweries, Ltd. as the Corporate Brand Owner and established a Brand Committee to promote educational activities throughout the Group toward our goal of offering products and services that can provide "Kando" to our customers.

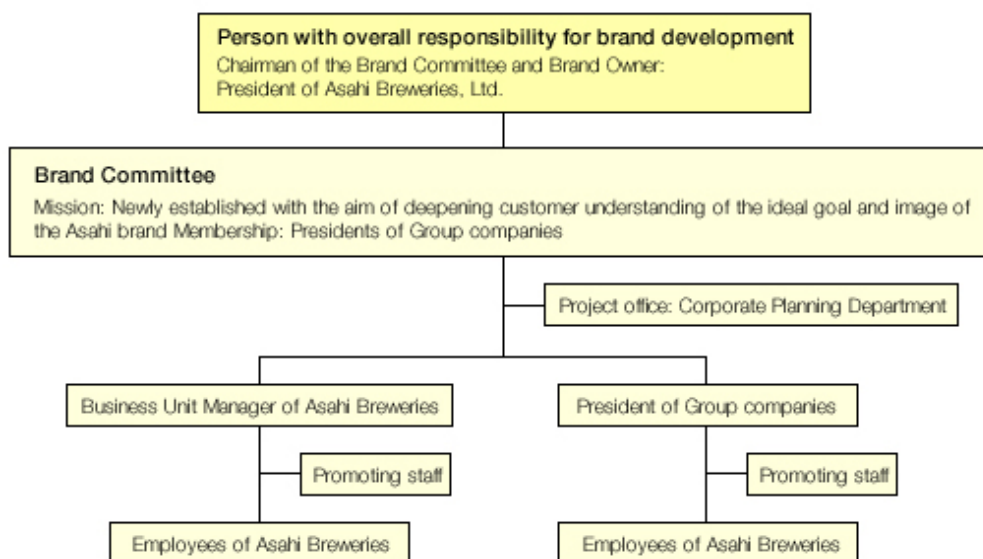
By strengthening our corporate brand, we intend to revitalize all our corporate activities including CSR activities.

### Relationship between Corporate Philosophy, Long-term Vision, and Corporate Brand

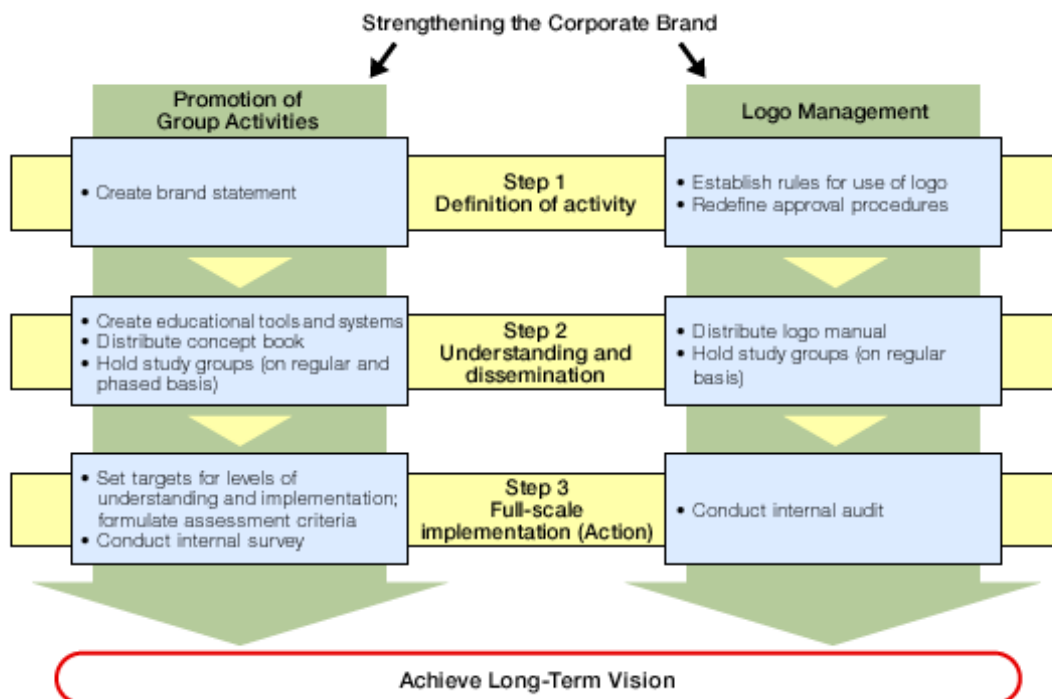


\* Kando is an emotion experienced in various ways. It can be extreme satisfaction, an extraordinary feeling beyond one's expectations, and/or a sensitively touching and moving sensation.

**Corporate Brand Management Promotion System**



**Future Promotion Plan**



## The Environment

### ■Principles (Environmental Policy)

#### ●Basic Environmental Principles (Established January 2000)

##### Basic Philosophy

Beer is made from the bounties of nature, such as water, barley and hops. We at the Asahi 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 CO<sub>2</sub> and CFCs.

Promote systems and practices that conserve water, the most precious resource for the Asahi 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.

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.

#### ●Asahi Group “Environmental Vision 2020”

We formulated Group Environmental Vision 2020 in March 2010 in order to bolster our environmental preservation activities across the Group.

##### Asahi Group Environmental Vision 2020 Preserving Nature’s Gift for Tomorrow

Asahi Group conducts business activities that make use of the gifts of nature, such as water and grain. We are able to deliver safe and reliable products to our customers only when the global environment and human society are sustainable.

The changes occurring in the global environment call for urgent and concrete measures on the part of all businesses and consumers.

The shared mission of humanity is to work to realize a society that can exist in harmony with the global environment.

Asahi Group will work actively to address environmental concerns and contribute to the realization of a sustainable society, in keeping with four key themes: “Building a Low Carbon Society,” “Building a Recycling-Based Society,” “Conserving Biodiversity,” and “Spreading Awareness of the Gift of Nature.”

## ■Environmental Management

### ●Four Important Themes Set in Environmental Vision 2020

Since Asahi Group conducts business activities that make use of the gift of nature, such as water and grains, we believe that our mission is to exist in harmony with the global environment and pass down to next generation. In Environmental Vision 2020, we stipulated four important themes to work on as a group.

Theme	Content
Building a low carbon society	CO <sub>2</sub> emissions reduction of 30% by 2020 · Aim to reduce CO <sub>2</sub> emissions by 30% compared to 2008 at all of our business locations
Building a recycling-based society	100% waste recycling at all business locations in Japan · Achieve 100% waste recycling at all Group manufacturing bases by 2011 · Asahi Breweries, Ltd. targets 100% waste recycling at all of its locations, including sales bases
Conserving biodiversity	· Formulation of "Declaration on Biodiversity" · Conduct surveys on biodiversity around Group manufacturing bases and on conservation activities · Conduct surveys on biodiversity in supplier areas
Spreading awareness of the gift of nature	Proactive implementation of environmental education for different generations

### ●Medium-Term Policies on Environmental Preservation Initiatives (from 2007 to 2010)

We formulate medium-term policies and plans for the environmental preservation initiatives of the Asahi Group as a whole. These provide the foundation for the goals and plans pursued by each Group company.

Key Issues	Scope	Priority Initiatives from 2007 to 2010
<b>Group business activities</b>		
Reduction in greenhouse gas emissions	Production	(1) Alcoholic Beverages Segment: Reduce total CO <sub>2</sub> emissions by 15% and CO <sub>2</sub> emission basic unit by 30% compared with 1990 by 2010 (2) Entire Group: Reduce total CO <sub>2</sub> emissions to ±0% or below and CO <sub>2</sub> emission basic unit by 15% compared with 1990 by 2010
	Logistics	Reduction of CO <sub>2</sub> emission basic 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	Accomplish 100% recycling at all of the Group's 32 manufacturing sites by 2010 (Asahi Soft Drinks Co., Ltd.'s Kashiwa Plant was closed in August. Does not include Amano Jitsugyo Co., Ltd., which was just recently added to the Group)
	Asahi Breweries Sales Division	Accomplish 100% recycling at all business units by 2010 (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
<b>Relationship with society</b>		
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 environmental activities with art and social contribution activities	

●Outline of Environmental Burden (Material Balance)

Asahi Breweries seeks to obtain accurate data on the environmental burden associated with its business activities and conducts assessment and analysis toward promoting initiatives to reduce this burden overall.

Material balance (Asahi Breweries, Ltd.)

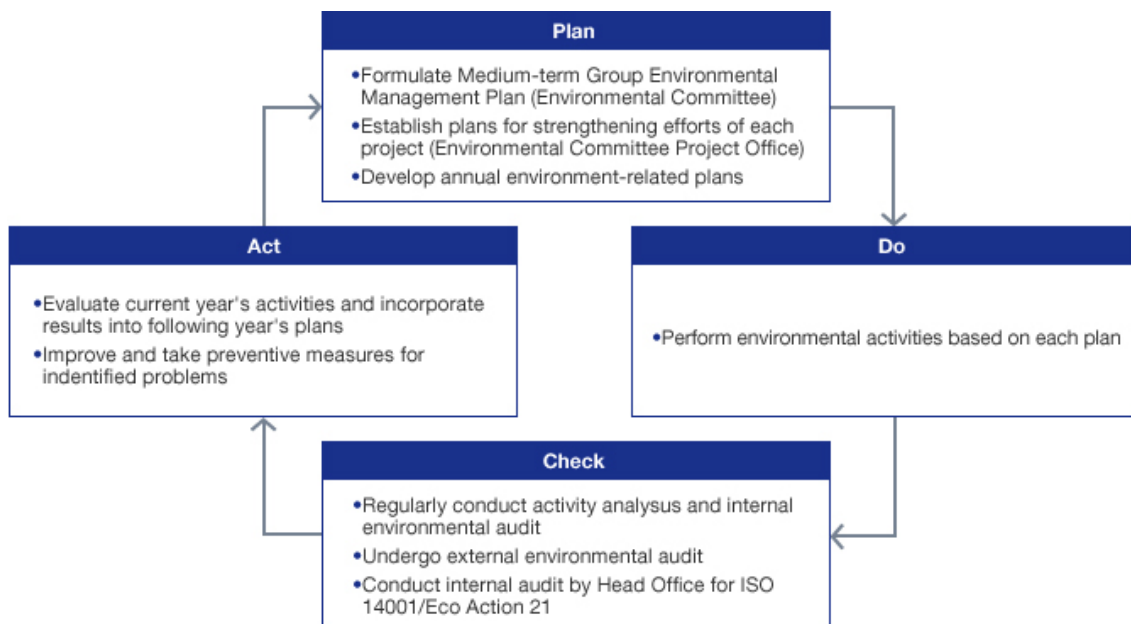
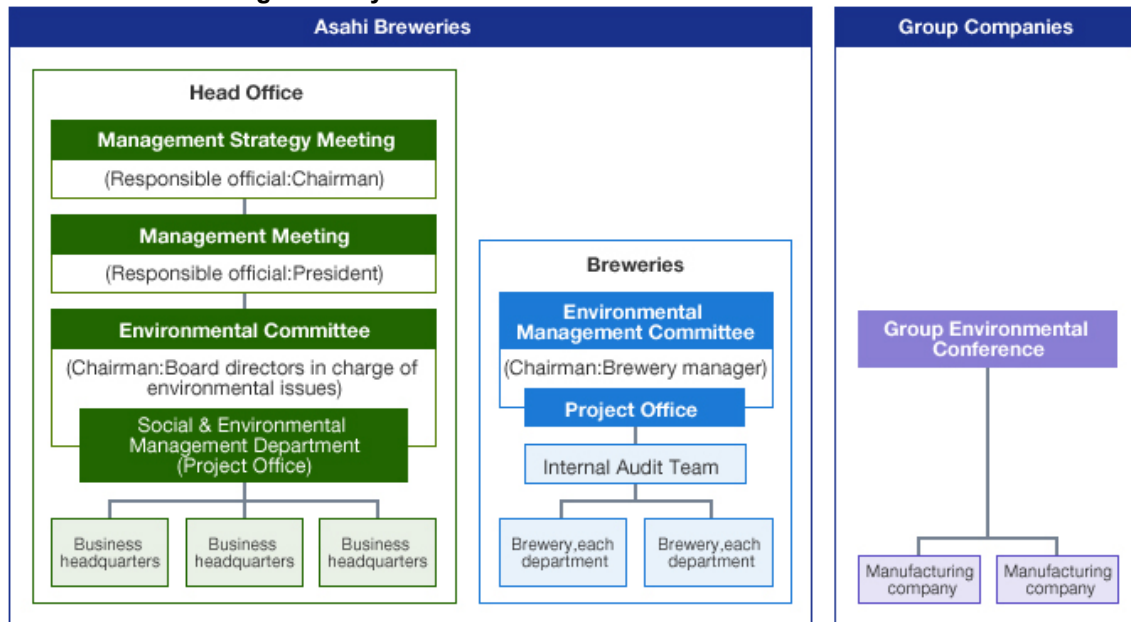
		Results	Year
Collection of containers and packages	Bottles	101.60%	2010
	Aluminum cans	93.40%	2009
	Steel Cans	89.10%	2009
	Cartons	100.60%	2009
<b>INPUT</b>			
Energy	City gas	3,065,000 GJ	2010
	A-grade heavy oil	84,000 GJ	2010
	Electric power	1,130,000 GJ	2010
		(110,216,000 kWh)	2010
	Total	4,279,000 GJ	2010
Resources	Bottles	334,000 tons	2010
	Aluminum cans	66,000 tons	2010
	Cartons	37,000 tons	2010
	Bottle caps	1,700 tons	2010
	Labels	500 tons	2010
	Total	439,200 tons	2010
Raw materials	Malt	187,000 tons	2010
	Adjuncts	175,000 tons	2010
	Hops	1,800 tons	2010
	Total	363,800 tons	2010
Liquid carbon dioxides	Purchase	4,000 tons	2010
	Collection by Asahi Breweries	50,400 tons	2010
	Total	54,400 tons	2010
Fuel for vehicles	Energy for transportation	1,133,000 tons	2010
<b>Production</b>			
Beer-type beverages	Production	2,221,000 kl	2010
	350 ml can conversion	Approx. 6.3 billion cans	2010
<b>Logistics</b>			
	Transported volume × transport distance	702,833,000 tons × km	2010
<b>OUTPUT</b>			
Air	CO <sub>2</sub>	197,000 tons	2010
	NO <sub>x</sub>	71.5 tons	2010
	SO <sub>x</sub>	2.9 tons	2010
	Soot and dust	3.5 tons	2010
Discharged water		9,245,000 m <sup>3</sup>	2010
By-products and disposal materials		245,000 tons	2010
Air (from logistics)		78,000 tons	2010
Air (from consumption)		11,000 tons	2010

**●Environmental Management System**

The Asahi Group has established an environmental management system under the Group Environmental Conference as the top decision-making entity. Board directors in charge of environmental issues at Asahi Breweries chair the committee. The Group Environmental Conference recommends policies and formulates plans for the environmental preservation initiatives of the entire Group, and is responsible for monitoring and evaluating progress. The conference maintains a secretariat that communicates the policies and plans to each Group site and reports on the status of actions taken by each site to the Group Environmental Committee.

Each brewery has an Environmental Management Committee, which is headed by the factory manager and leads in undertaking initiatives based on Group policies and plans. Progress and accomplishments are reported to the Group Environmental Conference on a quarterly basis and incorporated into the formulation of plans for the next fiscal year.

**Environmental Management System**



● **Environmental Audit**

The Asahi Group conducts external certification audits based on ISO 14001 environmental management system certification or Eco Action 21 (hereafter, EA21). Periodic internal environmental audits are also conducted by internal audit teams in each business unit.

Apart from these audits, internal environmental audit teams of the Head Office periodically conduct an internal environmental audit to confirm that the environmental activities of each business unit and brewery are proceeding satisfactorily.

**Head Office Environmental Audits (FY 2010)**

Audit Scope

Asahi Breweries, Ltd. (Total: 11 business units)	Breweries (Fukushima, Nagoya, Suita)
	Sales bases: regional headquarters (Hokkaido, Shutoken, Kanshinetsu, Chubu, Kinkiken, Chugoku, Shikoku, Kyushu)
Group companies (Total: 12 business units)	LB Co., Ltd.
	Asahi Food & Healthcare Co., Ltd.
	Nippon Freeze Drying Co., Ltd.
	Asahi Beer Malt, Ltd.
	Wakodo Co., Ltd.
	Amano Jitsugyo Co., Ltd.
	Asahi Draft Marketing Co., Ltd.
	Asahi Logistics Co., Ltd.
	East Japan AB Cargo Co., Ltd.
	West Japan AB Cargo Co., Ltd.
	Asahi Beer Garden, Ltd.
Asahi Beer Communications, Ltd.	

\* Asahi Beer Garden, Ltd. was dissolved as a result of its merger with Asahi Food Create, Ltd. on April 1, 2011.

**Audit Results**

Follow-through requiring more than improvement	72 cases
Major follow-through issues	Issues related to waste (e.g., inadequate contract documentation, storage of manifestos): 48 cases
	Inadequate management of environmental facilities (e.g., drainage treatment): 24 cases

● **Environmental Management System Certification**

□ **Domestic Bases**

The Asahi Group accomplished its goal of obtaining EA21 certification, promoted by the Ministry of the Environment, at the following domestic manufacturing sites by the end of 2008. All Asahi Breweries sales headquarters nationwide obtained EA21 certification in April 2011.

In addition, sales bases at Asahi Breweries and Asahi Soft Drinks operate proprietary environmental management systems to centrally control all environmental preservation branch office efforts.

**Asahi Breweries, Ltd.**

		<b>ISO 14001</b>
1	Hokkaido Brewery	September 2000
2	Fukushima Brewery	December 1998
3	Ibaraki Brewery	September 1999
4	Kanagawa Brewery	August 2004
5	Nagoya Brewery	August 2000
6	Suita Brewery	October 1999
7	Nishinomiya Brewery	October 1999
8	Shikoku Brewery	October 2000
9	Hakata Brewery	October 1999

**Asahi Soft Drinks Co., Ltd.**

		<b>ISO 14001</b>
1	Akashi Plant	October 2000
2	Hokuriku Plant	September 2000
3	Fujisan Plant	July 2006

**Nikka Whisky Distilling Co., Ltd.**

		<b>ISO 14001</b>
1	Hokkaido Distillery	December 2003
2	Hirosaki Distillery	February 2003
3	Sendai Distillery	December 2001
4	Tochigi Distillery	August 2003
5	Kashiwa Distillery	December 2002
6	Nishinomiya Distillery	December 2003
7	Moji Distillery	November 2000

**Asahi Food & Healthcare Co., Ltd.**

		<b>ISO 14001/EA21</b>
1	Tochigi Plant	<b>EA21</b> December 2006
2	Ibaraki Plant	<b>EA21</b> November 2007
3	Osaka Plant	<b>ISO 14001</b> February 2004

**Asahi Beer Malt, Ltd.**

		<b>EA21</b>
1	Koganei Plant	December 2006
2	Yasu Plant	January 2006

**Sainte Neige Wine Co., Ltd.**

		<b>EA21</b>
1	Head Office Plant	December 2006

**Nippon Freeze Drying Co., Ltd.**

		<b>EA21</b>
1	Head Office Plant	January 2007

**Satsumatsukasa Shuzo, Ltd.**

		<b>EA21</b>
1	Head Office Plant	January 2007

**LB Co., Ltd. (Tokyo)**

		<b>EA21</b>
1	Head Office Plant	January 2007

**LB Co., Ltd. (Nagoya)**

		<b>EA21</b>
1	Head Office Plant	January 2007

**Wakodo Co., Ltd.**

		<b>ISO 14001</b>
1	Tochigi Plant	March 2003
2	Shizuoka Plant	September 2004
3	Wako Food Industry Co., Ltd.* Nagano Plant	September 2007

\* Manufacturing subsidiary of Wakodo Co., Ltd.



□ **Overseas Bases**

Overseas, we obtained ISO 14001 certification for joint ventures in China that manufacture beer or soft drinks.

**ISO 14001 Certifications (International Business)**

		<b>ISO 14001</b>
1	China: Beijing Beer Asahi Co., Ltd.	February 2006
2	China: Yantai Beer Tsingtao Asahi Co., Ltd.	July 2008
3	China: Hangzhou Xihu Beer Asahi Co., Ltd.	September 2002
4	China: Shenzhen Tsingtao Beer Asahi Co., Ltd.	November 2003

□ **Logistics Bases**

Our three logistics companies—Asahi Logistics Co., Ltd., East Japan AB Cargo Co., Ltd., and West Japan AB Cargo Co., Ltd.—have collectively obtained EA21 certification. In addition, four major business units (Fukushima, Ibaraki, Suita, Nishinomiya) of East Japan AB Cargo Co., Ltd. and West Japan AB Cargo Co., Ltd. have obtained Green Management Certification, an environmental management system for Japanese transport enterprises.

● **Compliance with Environmental Laws and Status of Violations and Accidents**

Operations at all factories of the Asahi Group comply with all environmental regulations and laws. In addition, we set up even higher standards for brewery environmental facilities, such as for drainage treatment and atmospheric discharge.

In December 2007, Asahi Breweries' Suita Brewery underwent construction to upgrade its refrigeration system. At the time, electric equipment containing insulating oil with small traces of PCB was mistakenly transported outside the brewery for disposal. Subsequent investigation revealed that this fact was not properly included in a regular report on the status of storage.

Asahi Breweries is fully aware of the gravity of this incident and will seek to prevent future recurrence by cautioning the relevant departments within the company, re-educating relevant employees, and reinforcing and thoroughly implementing our management system.

## ■Environmental Report

### ●Climate Change (Prevention of Global Warming)

#### □ Quantitative Data on Reduction of CO<sub>2</sub> Emissions

In 2010, the Asahi Group reduced CO<sub>2</sub> emissions (totals and basic unit) compared with levels of the previous year. Both CO<sub>2</sub> emissions and basic unit were reduced compared with levels in 1990, the reference year of the Kyoto Protocol, despite the impact of increased manufacturing volume.

#### CO<sub>2</sub> emissions (Group companies in the alcoholic beverages business)

	1990	2007	2008	2009	2010
CO <sub>2</sub> emissions	309,000 tons	285,000 tons	267,000 tons	241,000 tons	226,000 tons
Basic unit (to net sales)	371 kg/one million yen	261 kg/one million yen	247 kg/one million yen	231 kg/one million yen	221 kg/one million yen

\* Calculated CO<sub>2</sub> emissions from fossil fuels and electric power.

\* Alcoholic beverage companies: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd. (low-alcohol beverages), Nikka Whisky Distilling Co., Ltd., Sainte Neige Wine Co., Ltd., Satsumatsukasa Shuzo Co., Ltd.

#### CO<sub>2</sub> emissions (All 11 Group manufacturing companies)

	1990	2005	2006	2007	2008	2009	2010
CO <sub>2</sub> emissions	348,000 tons	394,000 tons	400,000 tons	376,000 tons	371,000 tons	341,000 tons	329,000 tons
Basic unit (to net sales)	347 kg/one million yen	283 kg/one million yen	283 kg/one million yen	263 kg/one million yen	256 kg/one million yen	239 kg/one million yen	231 kg/one million yen

\* Calculated CO<sub>2</sub> emissions from fossil fuels and electric power.

\* 11 manufacturing companies of the Group: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd. 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., Wakodo Co., Ltd., Wako Food Industry Co., Ltd.

#### Energy consumption (All 11 Group manufacturing companies)

	1990	2005	2006	2007	2008	2009	2010
Energy consumption	6,803,000 GJ	7,911,000 GJ	8,041,000 GJ	7,739,000 GJ	7,490,000 GJ	7,344,000 GJ	7,294,000 GJ
Basic unit (to net sales)	6.78 GJ/one million yen	5.68 GJ/one million yen	5.69 GJ/one million yen	5.41 GJ/one million yen	5.16 GJ/one million yen	5.16 GJ/one million yen	5.12 GJ/one million yen

\* 11 manufacturing companies of the Group: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd. 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., Wakodo Co., Ltd., Wako Food Industry Co., Ltd.

□ Efforts for Reducing CO<sub>2</sub> Emissions

△ Introduction of Energy-Saving Equipment

The Asahi Group is introducing energy-saving equipment in an ongoing effort, such as cogeneration systems and anaerobic wastewater processing equipment that effectively utilize methane contained in wastewater at its breweries and other production sites.

**Environmental equipment and measures at production sites of the Asahi Group**

Technical items	Breweries where installed
Cogeneration system	- Gas turbine system - Asahi Breweries, Ltd.: Fukushima Brewery, Ibaraki Brewery, Nagoya Brewery, Suita Brewery, Nishinomiya Brewery, Hakata Brewery
	- Gas engine system - Asahi Breweries, Ltd.: Kanagawa Brewery, Nishinomiya Brewery
Conversion to gas for fuel	Asahi Breweries, Ltd.: Hokkaido Brewery, Fukushima Brewery, Ibaraki Brewery, Kanagawa Brewery, Nagoya Brewery, Suita Brewery, Nishinomiya Brewery, Hakata Brewery Asahi Soft Drinks Co., Ltd.: Fujisan Plant, Akashi Plant Nikka Whisky Distilling Co., Ltd.: Hirosaki Distillery, Kashiwa Distillery, Nishinomiya Distillery, Moji Distillery Asahi Food & Healthcare Co., Ltd.: Tochigi Plant, Osaka Plant Wakodo Co., Ltd.: Tochigi Plant Wako Food Industry Co., Ltd.: Nagano Plant Asahi Beer Malt, Ltd.: Koganei Plant, Nozu Plant LB Co, Ltd.: Hasuda Plant, Tokai Plant Satsumatsukasa Shuzo, Ltd.: Head Office Plant
Anaerobic wastewater processing equipment	All breweries of Asahi Breweries, Ltd. (Hokkaido Brewery, Fukushima Brewery, Ibaraki Brewery, Kanagawa Brewery, Nagoya Brewery, Suita Brewery, Nishinomiya Brewery, Shikoku Brewery, Hakata Brewery)
Vapor recompression system (VRC)	Asahi Breweries, Ltd. (Ibaraki Brewery, Kanagawa Brewery)
Ammonia (NH <sub>3</sub> ) absorption refrigerator	Asahi Breweries, Ltd. (Nagoya Brewery, Suita Brewery, Shikoku Brewery)
Lithium bromide absorption refrigerator	Asahi Breweries, Ltd. (Nagoya Brewery, Suita Brewery, Nishinomiya Brewery, Hakata Brewery)
CO <sub>2</sub> collecting equipment	All breweries of Asahi Breweries, Ltd. (Hokkaido Brewery, Fukushima Brewery, Ibaraki Brewery, Kanagawa Brewery, Nagoya Brewery, Suita Brewery, Nishinomiya Brewery, Shikoku Brewery, Hakata Brewery)
Nitrogen production equipment	All breweries of Asahi Breweries, Ltd. (Hokkaido Brewery, Fukushima Brewery, Ibaraki Brewery, Kanagawa Brewery, Nagoya Brewery, Suita Brewery, Nishinomiya Brewery, Shikoku Brewery, Hakata Brewery)
Back pressure steam turbine refrigerator	Asahi Breweries, Ltd. (Fukushima Brewery, Ibaraki Brewery, Kanagawa Brewery, Nagoya Brewery, Suita Brewery, Nishinomiya Brewery, Shikoku Brewery, Hakata Brewery)
Thermal/Electric storage system	- Ice thermal storage system - Asahi Breweries, Ltd.: Hokkaido Brewery, Ibaraki Brewery
	- NAS battery electric storage system - Asahi Breweries, Ltd.: Kanagawa Brewery
Methane boiler	All breweries of Asahi Breweries, Ltd. (Hokkaido Brewery, Fukushima Brewery, Ibaraki Brewery, Kanagawa Brewery, Nagoya Brewery, Suita Brewery, Nishinomiya Brewery, Shikoku Brewery, Hakata Brewery)
Solar Power Generator	Asahi Breweries, Ltd.: Nagoya Brewery, Hakata Brewery

**Power generated by cogeneration (Asahi Breweries, Ltd.)**

2006	1,469,453 GJ	143,279,000 kWh
2007	1,492,196 GJ	145,497,000 kWh
2008	1,562,674 GJ	152,369,000 kWh
2009	1,551,238 GJ	151,254,000 kWh
2010	1,534,580 GJ	149,630,000 kWh

### Use of reusable energy\* (Asahi Group)

2006	13,744,000 m <sup>3</sup>
2007	13,931,000 m <sup>3</sup>
2008	12,650,000 m <sup>3</sup>
2009	11,464,000 m <sup>3</sup>
2010	10,360,000 m <sup>3</sup>

\* Volume of methane gas generated by anaerobic wastewater processing equipment

### △ CO<sub>2</sub> Recycling

In all nine breweries of Asahi Breweries, we collect CO<sub>2</sub> generated in the brewing process and store it in tanks. We recycle this CO<sub>2</sub> in the brewing, bottling and barreling processes as well as others.

### CO<sub>2</sub> recycling volume(All breweries of Asahi Breweries)

	1990	2005	2006	2007	2008	2009	2010
Volume of CO <sub>2</sub> collected	8,119 tons	59,161 tons	57,439 tons	56,268 tons	53,961 tons	52,966 tons	50,370 tons
Basic unit of collected CO <sub>2</sub>	5.0 kg/kl	23.8 kg/kl	23.7 kg/kl	23.4 kg/kl	23.2 kg/kl	23.3 kg/kl	22.7 kg/kl
Volume of manufacturing	1,621,000 kl	2,419,000 kl	2,418,000 kl	2,407,000 kl	2,329,000 kl	2,272,000 kl	2,211,000 kl

### △ Improving Logistics Efficiency

As a specified shipper under the amended Energy Conservation Law (enacted in April 2006), Asahi Breweries is working to lower the frequency of transfers between logistics sites and increase the ratio of direct deliveries by streamlining these sites to reduce the total distance traveled during the delivery of all alcoholic beverages. In 2010, we were able to reduce CO<sub>2</sub> emissions by 3.2% while the amount transported × distance increased 0.9% compared with the previous year.

### Amount transported, distance traveled and CO<sub>2</sub> emissions during transportation

(Scope: beer-type beverages + other alcoholic beverages (shochu, low-alcohol beverages, etc.))

	2006	2007	2008	2009	2010
Amount transported × distance traveled	863,476,000 tons × km	801,118,000 tons × km	756,038,000 tons × km	696,836,000 tons × km	702,833,000 tons × km
Transportation energy	1,472,000 GJ	1,361,000 GJ	1,279,000 GJ	1,183,000 GJ	1,133,000 GJ
CO <sub>2</sub> emissions during transportation	100,433 tons	92,757 tons	87,162 tons	80,617 tons	78,049 tons
Basic unit of CO <sub>2</sub> emissions (to kl of alcoholic beverage sales)	37.9 kg/kl	34.9 kg/kl	33.9 kg/kl	32.2 kg/kl	31.8 kg/kl

\* Data in compliance with the amended Energy Conservation Law has been compiled since 2006.

### △ Promoting the Use of Wind Power

Asahi Breweries began funding the Aso-Nishihara Wind Farm, a wind power business operated by Electric Power Development Co., Ltd., in 2003. The Aso-Nishihara Wind Farm generates 25 million kWh of electricity annually.

### △ Introduction of the Pre Isomeriser & Evaporator (PIE) method

Asahi Breweries has successfully removed some of the flavor that negatively affects the beer, by boiling the hops in a small apparatus separately from the wort on their evaluation of the heat energy needed in detail by considering the amounts necessary for each reaction of constituents of the wort. With the PIE method, CO<sub>2</sub> emission is reduced by 30 % in the boiling process of beer brewing and the

amount of hops used has also been decreased by about 5%. Additionally, the method effectively increases the protein content, which allows the beer to maintain a head for longer.

#### △ Utilizing Green Power to Produce Asahi Super Dry

Promoting the use of natural energy, Asahi Breweries has proven itself an industry leader through its green power utilization at its breweries. One example of this utilization is at the Kanagawa Brewery of Asahi Breweries, which has been commissioning wind-powered generation through the Green Power Certification Program since 2002.

Taking this effort a step further, we signed a new agreement with Japan New Energy Co., Ltd. in April 2009 for use of green energy for the production of Asahi Super Dry and other flagship products. Based on this agreement, 33.5 million kWh of energy needed to produce 350 ml canned Asahi Super Dry and beers used in gift sets are being generated by green power. These products carry a “Green Energy Mark” and are contributing to green power promotion and education. In 2009, we were awarded the 14th New Energy Award from the Director-General of the Agency for Natural Resources and Energy in recognition of this effort.

Furthermore, we began using green power to generate all the electricity (6.5 million kWh) consumed at our Head Office building from 2009. This brings our total annual use of green power to 40 million kWh, making us the largest user of green power in the food industry.

#### △ Capturing CO<sub>2</sub> through the Corporate-Owned Asahi Forest

The corporate-owned Asahi Forest, managed by Asahi Breweries since 1941, spans a total of 2,165 hectares and absorbs 12,200 tons of CO<sub>2</sub> each year. The Asahi Forest received FSC certification in 2001.

#### △ Use of Solar Power

Asahi Breweries installed a solar power generation system at the Hakata Brewery in March 2007. The system generates approximately 153,250 kWh each year, which reduces the amount of annual CO<sub>2</sub> emissions by approximately 85 tons. The electricity generated by solar power is equivalent to the annual electricity used in areas of the brewery where visitor tours are conducted.

#### △ Participation in the Challenge 25 Campaign

Asahi Breweries is a participant in the Challenge 25 Campaign—a national movement promoted by the Japanese government—and is pursuing efforts to prevent global warming.

#### ● Exhaust (Atmospheric Emissions)

##### □ Management of Hazardous Chemical Substances

In addition to monitoring and managing the volume of substances that fall under the PRTR Law, we formulated the Standards for Handling Reagents and Standards for Handling Poisonous and Deleterious Substances to carefully control the receiving, use and disposal of reagents designated by the Poisonous and Deleterious Substances Control Act used to check the quality of our products.

##### □ Registration of Hazardous Chemical Substances

In fiscal 2010 (April 2010 through March 2011), chemical substances requiring registration were as follows:

#### Chemical Substances Requiring Registration (FY 2010, Asahi Breweries, Ltd.)

Chemical substance	Government ordinance number	Annual volume
HCFC-22	104	5,970 kg

□ **Preventing Air Pollution**

**Emissions of NOx, SOx and Exhaust (All breweries of Asahi Breweries)**

	2006	2007	2008	2009	2010
NOx	85.9 tons	74.1 tons	66.4 tons	67.5 tons	71.5 tons
SOx	18.1 tons	9.7 tons	3.5 tons	3.4 tons	2.9 tons
Soot and dust	2.7 tons	2.6 tons	2.7 tons	2.6 tons	3.5 tons

● **Water and Wastewater**

□ **Quantitative Data on Water and Wastewater**

In 2010, water consumption (total volume and basic unit) at the Asahi Group decreased from the previous year.

**Water Consumption (All 11 Group manufacturing companies)**

	2006	2007	2008	2009	2010
Water consumption	21,649,000 m <sup>3</sup>	20,974,000 m <sup>3</sup>	20,211,000 m <sup>3</sup>	19,598,000 m <sup>3</sup>	18,887,000 m <sup>3</sup>
Basic unit (to net sales)	15.3 m <sup>3</sup> /one million yen	14.7 m <sup>3</sup> /one million yen	14.0 m <sup>3</sup> /one million yen	13.8 m <sup>3</sup> /one million yen	13.3 m <sup>3</sup> /one million yen

\* 11 manufacturing companies of the Group: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., 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., Wakodo Co., Ltd., Wako Food Industry Co., Ltd.

**Volume of Wastewater (5 Group manufacturing companies)**

	2006	2007	2008	2009	2010
Wastewater discharged	17,822,000 m <sup>3</sup>	16,916,000 m <sup>3</sup>	16,440,000 m <sup>3</sup>	15,742,000 m <sup>3</sup>	14,890,000 m <sup>3</sup>

\* Five Group manufacturing companies: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Nikka Whisky Distilling Co., Ltd., Asahi Food & Healthcare Co., Ltd., Asahi Beer Malt, Ltd.

□ **Efforts for Water Resource Preservation**

△ **Reduction of Water Consumption, Control of Wastewater**

To save service water, we are reducing the amount of water we use for washing and sterilizing our tanks and pipe works and efficiently using water collected from the breweries. To control wastewater quality, Asahi Breweries purifies wastewater generated through the manufacturing process of beer-type beverages using anaerobic processing systems within our breweries before discharging it into sewers and rivers.

□ **Preventing Soil Contamination**

We set up breakwaters surrounding all entrances and storage tanks at our breweries to prevent soil contamination by cleansing agents and other chemicals used during the manufacturing process. To provide additional safeguard against any possible leakage of these liquids from tanks and other areas, we have established a system for ensuring the liquids are treated as wastewater by our in-house wastewater processing facility. In addition, we stringently control analytical reagents through inventory and usage records and locked storage, and we restrict their use to indoor analysis rooms to completely prevent them from contaminating the soil.

We have obtained confirmation under ISO 14001-based audits that these activities are being maintained on a continuous basis.

●Waste

□ Targets and Accomplishments Related to Waste

Asahi Breweries has continued recycling waste and by-products at all breweries since 1998. We have also been targeting 100% recycling of waste for the Asahi Group. This milestone was achieved in 2009 at all Group manufacturing sites.

In addition to 100% recycling, we are also endeavoring to reduce the volume of waste generation and input of raw materials.

**Breakdown and volume of by-products and waste (all breweries of Asahi Breweries)**

	2006	2007	2008	2009	2010
Malt feed	240,601 tons	247,342 tons	220,092 tons	207,801 tons	192,888 tons
Sludge, screened lees	26,120 tons	25,366 tons	24,874 tons	21,660 tons	20,443 tons
Glass cullet	18,833 tons	19,637 tons	21,469 tons	19,980 tons	17,740 tons
Collected raw material residues	2,506 tons	2,769 tons	2,961 tons	2,964 tons	2,611 tons
Surplus brewing yeast	2,841 tons	3,572 tons	3,203 tons	2,870 tons	2,900 tons
Cardboard/paper	2,310 tons	2,903 tons	3,126 tons	3,163 tons	3,232 tons
Waste palettes	1,212 tons	1,316 tons	554 tons	529 tons	440 tons
Label chaff	1,016 tons	995 tons	856 tons	803 tons	861 tons
Used plastic cartons	755 tons	771 tons	756 tons	562 tons	363 tons
Waste plastics	962 tons	1,126 tons	1,137 tons	1,270 tons	1,099 tons
Steel scrap	363 tons	493 tons	1,026 tons	661 tons	576 tons
Aluminum scrap	866 tons	1,364 tons	929 tons	716 tons	386 tons
Waste oil	14 tons	33 tons	10 tons	14 tons	21 tons
Other	559 tons	790 tons	1,425 tons	1,282 tons	1,184 tons
<b>Total</b>	<b>298,957 tons</b>	<b>308,477 tons</b>	<b>282,418 tons</b>	<b>264,274 tons</b>	<b>244,744 tons</b>
<b>Basic unit</b>	<b>124 kg/kl</b>	<b>125 kg/kl</b>	<b>112 kg/kl</b>	<b>106 kg/kl</b>	<b>97 kg/kl</b>

\* Data related to beer-type beverages, low-alcohol beverages and soft drinks manufactured by Asahi Breweries.

**Volume of by-products and waste (5 Group manufacturing companies)**

	2006	2007	2008	2009	2010
By-products and waste generated	340,728 tons	350,277 tons	328,933 tons	309,883 tons	288,212 tons
Volume of recycled by-products and waste	340,722 tons	350,274 tons	328,933 tons	309,883 tons	288,212 tons
Recycling ratio	99.99%	99.99%	100%	100%	100%
Basic unit of volume of by-products and waste	241 kg/one million yen	245 kg/one million yen	226 kg/one million yen	218 kg/one million yen	202 kg/one million yen

\* Five Group manufacturing companies: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Nikka Whisky Distilling Co., Ltd., Asahi Food & Healthcare Co., Ltd., Asahi Beer Malt, Ltd.

**Raw material input volume for products, excluding water (Asahi Breweries, Ltd.)**

		2006	2007	2008	2009	2010
Raw material	Malt	211,000 tons	213,000 tons	200,000 tons	190,000 tons	187,000 tons
	Secondary materials	157,000 tons	163,000 tons	150,000 tons	168,000 tons	175,000 tons
	Hop	2,100 tons	2,200 tons	2,500 tons	2,100 tons	1,800 tons
Supplies	Bottles	440,000 tons	411,000 tons	385,000 tons	356,000 tons	334,000 tons
	Aluminum cans	66,000 tons	69,000 tons	67,000 tons	67,000 tons	66,000 tons
	Cartons	37,000 tons	40,000 tons	38,000 tons	38,000 tons	37,000 tons
	Steel cans	100 tons	100 tons	100 tons	100 tons	100 tons
	Caps	2,100 tons	2,100 tons	1,900 tons	1,800 tons	1,700 tons
	Labels	700 tons	700 tons	600 tons	600 tons	500 tons
Total weight		916,000 tons	901,000 tons	845,000 tons	824,000 tons	803,000 tons

**□ Use of Thinned Wood from Corporate-Owned Asahi Forest**

Since 2005, Asahi Breweries has been effectively utilizing thinned wood produced by the corporate-owned Asahi Forest as raw materials for bar and restaurant promotional collateral. Chopsticks made from thinned wood scraps have been used at restaurants operated by Group companies Asahi Food Create and Asahi Beer Annex since 2007. In 2008, this effort was expanded to two of the restaurants operated by Asahi Beer Garden.

**● Environmental Consideration Efforts for Containers and Packaging**

Japan has maintained a top record in reusing beer bottles and recycling aluminum cans. Asahi Breweries develops and supports voluntary action plans in collaboration with various industry associations to promote 3R efforts (Reduce, Reuse, Recycle) for container packaging. Furthermore, the Asahi Group is striving to utilize materials with low environmental impact and to develop thinner, lighter containers.



**Rate of returnable bottle collection**

	2005	2006	2007	2008	2009	2010
Rate of returnable bottle collection	101.8%	101.6%	100.2%	100.4%	100.5%	101.6%

\* Collection rate for returnable bottles at Asahi Breweries = number of collected bottles / number of bottles shipped

**Reference: container collection recycling rates in Japan (industry data)**

	2004	2005	2006	2007	2008	2009
Aluminum cans (recycling)	86.1%	91.7%	90.9%	92.7%	87.3%	93.40%
Steel cans (recycling)	87.1%	88.7%	88.1%	85.1%	88.5%	89.10%
Cardboard (collection)	93.6%	96.3%	98.1%	95.5%	95.6%	100.60%
PET bottles (collection)	62.3%	65.6%	66.3%	69.2%	77.9%	77.50%
Glass bottles (recycling)	90.7%	91.3%	94.5%	95.6%	96.7%	97.50%

**Accomplishments in environmental efforts for containers/packaging and promotional materials**

Items	Content
Resource conservation for cans and secondary containers (Asahi Breweries, Ltd.)	With respect to primary containers that directly hold the content, in 2006 we raised the ratio of recycled materials with high silicon content used for cans and made the cans thinner. In addition, with respect to secondary containers that hold the primary containers, we reduced the tsubo volume (weight per 1 m <sup>2</sup> ) for multi-packs by approximately 4%.
Development of technology (SuperEnd 206-diameter) for reducing aluminum usage in aluminum caps (Asahi Breweries, Ltd.)	In 2007, we developed a technology (SuperEnd 206-diameter) that reduces the amount of aluminum used in caps for beer-type beverages by 9% compared to conventional caps.
Reduced use of aluminum by using pressurized sterilization manufacturing method (Asahi Breweries, Ltd.)	We developed a manufacturing method for high-gas volume can products using pressurized sterilization in a joint effort with Toyo Seikan Kaisha, Ltd. The technology relatively reduces internal differential pressure and enables the use of can bodies with lower compression strength, thereby reducing the amount of aluminum used by 18% compared to conventional cans.
Development of uniquely shaped can for reducing aluminum usage (Asahi Breweries, Ltd.)	We developed a can body shape that reduces surface area by approximately 6% and sheet thickness by 0.01 mm in a joint effort with Showa Aluminum Can Corporation, thereby reducing aluminum usage by approximately 9% (0.3 g per sheet).
Reduced CO <sub>2</sub> emissions through Tarunama shrink caps (Asahi Breweries, Ltd.)	We successfully developed Tarunama shrink caps using raw materials of plant origin (polylactate), reducing CO <sub>2</sub> emissions by approximately 60% compared to conventional materials.
Lightweight wine bottles (Sainte Neige Wine Co., Ltd.)	In collaboration with Ishizuka Glass Co., Ltd., we reduced the weight of wine bottles (volume: 720 ml) by 18% without changing their length.
Use of bioplastics for PET bottle labels (Asahi Soft Drinks Co., Ltd.)	We adopted bioplastics for 490ml PET bottle labels of Asahi Juroku-Cha and became the first in the soft drink industry to be certified with the bioplastics mark.
Reduced weight of container material, use of easy-to-peel labels (Asahi Soft Drinks Co., Ltd.)	We reduced the weight of container materials by creating a dimple in the PET bottle, and adopted ultra-thin heat-sensitive labels that are easily peeled off.
Use of eco-grip caps (Asahi Soft Drinks Co., Ltd.)	We gave concavo-convex shape to PET bottle caps to make them easier to grip and lighter in weight.
Use of cartocan paper containers (Wakodo Co., Ltd.)	We adopted cartocan paper containers certified with the "Forest Thinning Mark," indicating that more than 30% of its content consists of domestic materials containing over 10% of domestic forest thinning. Timber thinning generated by the corporate-owned Asahi Forest is used as part of the cartocan material.
Use of "Eco streamers" and "More Eco streamers" (Asahi Soft Drinks Co., Ltd.)	We use no metals for the clips and poles of streamers used in sales promotion, and we reuse the clip parts.

□ **Environmental Guidelines on Products and Sales-promotion Tools**

In July 2000, Asahi Breweries established the Environmental Guidelines for reducing the “Environmental Burden of Products and Sales-promotion Tools,” which stated our commitment to environmental considerations related to the materials, forms and methods used for container packaging and products. In 2001 we sought to strengthen our implementation of the Guidelines by establishing our own Eco Point Calculation Standard, a guideline for assessing levels of environmental consideration, which directs us in our selection of sales-promotion tools.

**Environmental Guidelines for reducing the Environmental Burden of  
Products and Sales-promotion Tools**

(Effective July 1, 2000)

1. Objective

The goal is to observe the Environmental Guidelines for Reducing the Environmental Burden of Products and Sales-promotion Tools as the company develops products that comply with environmental conservation and promote waste reduction and recycling in sales activities, all in our continued efforts to advance the environmental preservation activities of the Asahi Group.

2. Basic Policy

(2.1 Green Purchasing)

Always practice green purchasing when producing or adopting product containers/packaging and sales-promotion tools. This is done by selecting materials that can be easily recycled after use, and choosing certified products bearing the Eco Mark and other badges of environmental certification.

(2.2 Product Development)

In the course of product development, consider the environmental burden of the product's containers and packaging designs.

(2.2.1 Container)

Introduce lightweight, single-composition, recyclable materials for product containers to promote resource-saving, energy-saving, and recycling.

(2.2.2 Container Packaging)

Simplify container packaging to reduce the generation of waste.

(2.3 Sales-promotion Tools)

Reduce environmental burden in the production, adoption, and use of sales-promotion tools.

(2.3.1 Materials for Sales-promotion Tools)

In the production and adoption of sales-promotion tools, always practice green purchasing, and be sure that inappropriate materials are never used. Furthermore, pay attention to the use of composite or nonflammable materials that may prevent recycling or remanufacturing.

(2.3.2 Review of Packing Style)

For the packing of sales-promotion tools, consider packing materials and designs that produce less waste. Also be sure to check for packing materials that are environmentally friendly, and for excess packing materials in individual wrappings.

(2.3.3 Appropriate Production Volume and Inventory Levels)

Before producing and using sales-promotion tools, review plans to determine whether the production volume, inventory level, and items themselves are appropriate, with minimal chances of wasteful consumption due to nonuse or other reasons.

(2.3.4 Waste Disposition)

Promote the sorting and recycling of refuse in the waste treatment of sales-promotion tools.

3. Promotion of Recycling

Actively educate business partners and customers on the processes involved in container recycling, including the collection of returnable bottles and empty containers.

### Basis of Calculation for Eco Points

1. Discard Eligible (Safety)

Does not use materials containing substances that may harm the human body, such as carcinogens or endocrine disrupters.

2. Discard Eligible (Easy to Dismantle)

Can be dismantled and sorted by hand without the aid of machine tools. Single-material products that require no dismantling or sorting.

3. Discard Eligible (Easy to Recycle Materials)

Uses materials with an established public recycling market, such as paper (newspaper, magazines, leaflets), cardboard, aluminum, steel and glass.

4. Prevention of Resource Depletion (Use of Recycled Materials)

Reduces consumption of depletive resources through the use of recycled materials such as recycled paper and plastic.

5. Reduction of Solid Waste Volume

Year-on-year reduction in volume of waste generated by products and packaging materials by lowering the weight of materials as well as manufacturing volume.

6. Long-Life Design

Can be used repeatedly. Features ideas for enhancing durability for repeated use.

7. Information Display and Disclosure

Displays information such as environmental labeling, material composition and information on recycling and disposal.

### Change in Eco Points (Asahi Breweries, Ltd.)

	2006	2007	2008	2009
Eco Points	99.55%	98.59%	97.70%	97.73%

●**Green Purchasing**

Asahi Breweries promotes selective procurement for office supplies such as print paper and promotional materials based on its own guidelines. Asahi Soft Drinks is also applying similar environmental considerations.

**Asahi Breweries' Green Purchasing Guidelines**

1. Discard Eligible (Safety)  
Does not use materials containing substances that may harm the human body, such as carcinogens or endocrine disrupters.
2. Discard Eligible (Easy to Dismantle)  
Can be dismantled and sorted by hand without the aid of machine tools. Single-material products that require no dismantling or sorting.
3. Discard Eligible (Easy to Recycle Materials)  
Uses materials with an established public recycling market, such as paper (newspaper, magazines, leaflets), cardboard, aluminum, steel and glass.
4. Effective Use of Resources  
Reduces consumption of depletive resources through the use of recycled materials such as recycled paper and plastic, and proactively selects wood and papers that use sustainable natural resources appropriately. Thinks of using products authorized by reliable third parties as the appropriate use of resources.
5. Reduction of Solid Waste Volume  
Year-on-year reduction in volume of waste generated by products and packaging materials by lowering the weight of materials as well as manufacturing volume.
6. Long-Life Design  
Can be used repeatedly. Features ideas for enhancing durability for repeated use.
7. Information Display and Disclosure  
Displays information such as environmental labeling, material composition and information on recycling and disposal.

**Procurement rate of green products at Head Office (Asahi Breweries, Ltd.)**

	2006	2007	2008	2009	2010
Procurement rate (monetary basis)	58%	57%	64%	59%	66%

● **Environmental Consideration in Technological Development**

Asahi Breweries is actively engaged in research and technological development to reduce impact on the environment.

□ **Development of Technology for Simultaneous Production of Sugar and Ethanol from Sugarcane**

Asahi Breweries and the National Agricultural Research Center for Kyushu Okinawa Region have jointly developed a combined process for producing sugar and ethanol that uses a new variety of high-biomass sugarcane. With 1.5 times more biomass than the sugarcane used in sugar production, it can be used to produce large quantities of biomass at low cost while maintaining sugar production volume. The process not only allows for simultaneous production of sugar and ethanol through a single process, but also enables ethanol production without fossil fuel consumption. This is possible through the use of bagasse (residue generated from sugarcane production) as a sole energy source. We began conducting verification tests on the technology on Ie Island in Okinawa from January 2006 to March 2010. We successfully verified that it can yield over five times the production volume of ethanol from the same area of cropland, compared with conventional technology, while maintaining the current level of sugar production volume. We also confirmed that the process reduces greenhouse gases by approximately 40 tons per hectare of cropland, or 57 times more than the conventional technology. The tests proved that the technology offers both economic and environmental benefits. The result of our experiment has been ranked among the Ten outstanding topics of Agriculture, Forestry and Fisheries Research Results, 2010 compiled by the Ministry of Agriculture, Forestry and Fisheries. It is regarded as a promising technology that may also be effective in reducing greenhouse gases. Asahi Breweries will remain committed to enhancing this technology for commercialization.

□ **Development of Technology for Low-cost Production of Cellulase Enzyme from Wastepaper**

Asahi Breweries was the first company worldwide to develop a technology that uses wastepaper as raw material for producing cellulase enzymes that break down cellulose—a main constituent of plant fiber and cell walls—into sugar.

Our technology has made it possible to produce cellulase at less than one-tenth of the cost of conventional methods without involving genetic modification, and is thus expected to contribute significantly to food processing and the diffusion and promotion of bioethanol. We intend to continue developing a mass production technology for cellulase.

● **Initiatives for Preservation of Biodiversity**

□ **Declaration on Biodiversity**

In association with Environmental Vision 2020, we formulated the Asahi Group's own declaration on biodiversity.

**Asahi Group "Declaration on Biodiversity"  
Protect the gift of nature**

Each of Earth's diverse living things has its own role—and all live together in balance, depending on one another.

Each of the things we need for our daily lives—including clean air and water, or delicious food and drink—are the gifts of nature, provided to us by the diversity of life.

Because the business activities of the Asahi Group make use of nature's gifts, such as water and grain, we respect the diversity of life and work to preserve nature's bounty, nurturing it and passing it on to future generations.

**Three Main Policies and Nine Action Guidelines under the Declaration on Biodiversity**

1. Protect nature, which serves as the home of living things
  - (1) Protect the rich rivers and seas where species live
  - (2) Protect and nurture the rich forests where species live
  - (3) Create rich environments around our factories for living things to flourish
  
2. Use the gifts of nature with care
  - (1) Properly use the gifts of nature
  - (2) Use the gifts of nature more effectively
  - (3) Study the relationships within nature, and undertake research and development to make use of them well
  
3. Take action with people around the world
  - (1) Share this Declaration throughout the Asahi Group and put in efforts with our employees
  - (2) Make use of our products and services to clearly convey the importance of nature's gifts
  - (3) Take action globally and in cooperation with our business partners

\* The "Declaration on Biodiversity" of the Asahi Group was formulated with reference to the Declaration on Biodiversity of the Nippon Keidanren (Japan Business Federation).

●Efforts for Ecosystem Preservation

We engage in original efforts for preserving the ecosystem at each brewery of Asahi Breweries and Group companies.

Efforts for ecosystem preservation

Theme	Company	Content
Biotope construction	Asahi Breweries, Ltd. Nishinomiya Brewery	Created a dragonfly pond in 1996. Utilized as public environmental education site.
	Asahi Breweries, Ltd. Ibaraki Brewery	An employee with Class-II biotope management qualifications of the Ecosystem Conservation Society-Japan created a biotope in the corner of the open garden in which local children released <i>Luciola lateralis</i> firefly larvae. In 2009, several larvae matured into adult fireflies. We intend to continue our efforts to revive natural habitats.
	Asahi Beer Malt, Ltd.	With the factory's advantage of being near the abundant natural environment at the foot of Mt. Mikami (also known as Omi-Fuji), a biotope was constructed in the green space on the factory grounds through the efforts of all the employees. Its pond is home to killifish, carp, Japanese bitterling and dragonfly larvae, and over it various dragonfly species glide about, including the red dragonfly, damer and commons skimmer as well as damselflies. The biotope's protected forest is visited by pheasants, sparrows, bush warblers, bulbul, starlings and other birds.
	Asahi Breweries, Ltd. Kanagawa Brewery	Constructed a biotope in which firefly larvae have been bred 2002, when the brewery was completed. The pond has become a habitat supporting the birth of many fireflies.
Ecosystem preservation efforts through the corporate-owned Asahi Forest	Asahi Breweries, Ltd.	We received FSC certification* from the Forest Stewardship Council, an international forest certification organization, in 2001 for conducting forest management that emphasizes environmental preservation. In 2008, we became the first to receive CO <sub>2</sub> absorption certification from a third-party organization. Since then, we have continued to promote forestation and the nurturing of planted forests as well as the protection of native forests based on FSC's 10 Principles and Criteria for forest management, including regular monitoring using a GIS (Geographic Information System).
Water preservation activities for breweries	Asahi Breweries, Ltd.	To save forests, an essential element of our business, Asahi Breweries has made a continuous effort to preserve the forests serving as water resources for each brewery. Employees and their families from all Asahi Breweries and Group companies consistently volunteer for community-based activities, including planting saplings, trimming shrubs and overgrown branches, in addition to thinning, with the cooperation of local NPOs, forestry unions, administration offices, and the National Land Afforestation Promotion Organization. In 2010, 13 such efforts were undertaken at all 9 breweries. This has raised the aggregate total from between 2004 and 2010 to 58, and the total number of participants to 2,900.

\* FSC certification: A system under which an independent third-party organization screens and certifies that a forest is being managed appropriately.

● **Environmental Education Efforts Directed Outside the Company, Including Local Communities**

□ **Environmental Events at the Breweries**

Each brewery of Asahi Breweries holds events with local community residents for thinking about the environment.

**Environmental events at breweries of Asahi Breweries (FY 2010)**

Event	Location	Content/Attendance
Summer vacation Family Factory Tour	All 9 breweries	We offer factory tours based on the "3R" theme for elementary schoolchildren and their parents during summer vacation. In 2010, we received approximately 42,000 participants.
Release of firefly larvae and viewing fireflies	Kanagawa Brewery	We bred <i>Luciola cruciata</i> firefly larvae at the brewery and released them in a stream on the factory grounds with approximately 240 children and their parents from Kanagawa Prefecture, along with elementary schoolchildren from the local area. The brewery was opened to the public from May to June so that visitors could enjoy viewing adult fireflies.
Eco Expedition	Kanagawa Brewery	We invited elementary schoolchildren and their parents living in Kanagawa Prefecture for a tour of the brewery and a nature walk on the factory grounds, guided by a forestry instructor.
Asahi ECO Press Club	7 breweries in Hokkaido, Ibaraki, Kanagawa, Nagoya, Suita, Nishinomiya and Hakata	Families participated in factory tours to learn about the byproducts and waste generated by Asahi Breweries' factories and reported their findings through creation of original family eco newspaper.
Medaka School	Nagoya Brewery	Local elementary schoolchildren participated in an easy-to-understand course offered by a lecturer invited from the Higashiyama Zoo on the biology and behavior of <i>Kuromedaka</i> (Japanese rice-fish), an endangered species bred at the Nagoya Brewery.
Learn about Water!	Shikoku Brewery	At the Shikoku Brewery, which has first-rate effluent standards in Japan, participants learned about water by listening to a lecture on the wastewater purification process and by making model filters.
Get a Close Look at the World of Dragonflies in the Biotope!	Kanagawa Brewery	At the Kanagawa Brewery, where more than 40 types of dragonflies can be observed throughout the year, participants learned about the biology of dragonflies that inhabit the factory grounds through lectures by experts and observation.
Getting Real Close to Beetles	Kanagawa Brewery	Participants learned about the biology of beetles and other summer insects by walking around the Kanagawa Brewery with a forestry instructor and observing the landscape inhabited by beetles.
Learning about Nature	Ibaraki Brewery	We invited families from the local community to participate in a nature experience course that included harvesting hops and playing with beetles in the garden area of the Ibaraki Brewery.
Spring Vacation Family Factory Tour	8 breweries in Hokkaido, Fukushima, Ibaraki, Kanagawa, Nagoya, Suita, Nishinomiya and Shikoku	We offered factory tours for elementary school children and their parents during spring vacation. Participants were presented with original bookmarks produced with thinned wood from the Asahi Forest. They wrote down and shared their goals for reducing environmental impact. Approximately 10,000 visitors participated nationwide.
Golden Week Family Factory Tour	All 9 breweries	We offered factory tours for elementary school children and their parents during the consecutive holidays in May. Participants learned how beer is made from the bounties of nature while taking notes on a tour map during their tour of the manufacturing process. Approximately 21,000 visitors participated nationwide.
Observation of Butterflies in the Biotope	Kanagawa Brewery	We invited participants to observe butterflies in the biotope located within the grounds of the brewery.
Observation of Aquatic Life in the Biotope	Kanagawa Brewery	We invited participants to observe aquatic life in the biotope located within the grounds of the brewery.
Environmental Event for Families	Nagoya Brewery	In 2010, we offered three events under different themes, including "Learning about Marine Life from Chirimenjako (dried young sardines)."



□ **Environmental Education Programs for the Local Community**

Asahi Breweries offers various environmental events and Environmental Culture Seminars for deepening communication with the local community. In 2010, we sought to enhance our environmental education for students in the local community under the major theme of working to conserve biodiversity.

**Environmental education programs for the local community (Asahi Breweries, Ltd.)**

Event	Attendance, participants
<i>Wakamusha</i> (Young Samurai) Educational Seminar	On-site environmental education program for high school students. Held once a year since August 2006.
Environmental Culture Seminar	Environmental culture seminar for general customers that includes lectures by invited experts on environmental issues. Held since 2002. Two seminars were held in 2010 in Tokyo and Kyoto under the sponsorship of the Ministry of the Environment to commemorate the United Nations International Year of Biodiversity.
“My Blue Sky ~Hiroshima Airport, Asahi Forest~” “Dialogue with Consumers”	Seminars for Hiroshima Prefecture residents on the theme of nurturing sustainable forests. Held since 2006, with a cumulative total of 360 participants up to 2010.
Exhibit at Eco Products 2010	Participated in Japan’s largest environmental exhibition held at Tokyo Big Sight to introduce the Asahi Group’s efforts in environmental preservation
Asahi-J Power <i>Kazenoko Juku</i> (Children of the Wind School)	Environmental education for elementary schoolchildren. Utilizes the Aso Nishihara Wind Farm, which is operated by Electric Power Development Co., Ltd. (J-POWER) with the support of Asahi Breweries. Held since 2006, with a cumulative total of 560 elementary schoolchildren participating up to 2010.
Asahi <i>Morinoko Juku</i> (Children of the Forest School), Asahi <i>Morinoko Juku Follow Kyoshitsu</i> (Children of the Forest Class)	Environmental education for local elementary schoolchildren at the corporate-owned Asahi Forest (Asahi Forest Environmental Preservation Office) in Hiroshima Prefecture. Held a total of 15 times since 2006, with a cumulative total of 816 elementary schoolchildren participating up to 2010.

● **Environmental Education**

Asahi Breweries regularly offers environmental education at its breweries based on ISO 14001 and EA21.

**Environmental education results (FY 2010, Asahi Breweries, Ltd.)**

Topic	Target participants	Period	Attendance	Total hours
Environmental management seminar	Seminar with a focus on the Rationalization in Energy Use Law, Waste Management and Public Cleansing Law and the Tokyo Metropolitan Ordinance on Environmental Preservation	February 2010	Approx. 70	3

## Quality

### ■Group Quality Policy

#### Basic Philosophy

##### “Satisfying Customers with Great Tastes”

We provide customer satisfaction by delivering an abundant, original selection of safe, high-quality products and services throughout all corporate activities, from product development, material procurement, manufacturing, logistics, distribution and sales.

#### Guidelines for Activity

1. We deliver products and services that customers can use with confidence by placing top priority on safety.
2. We listen to customer opinions with sincerity and reflect them in our products and services; we proactively offer appropriate information.
3. All members of the Asahi Group place themselves in the customer’s position and act with sincerity.
4. We ensure quality by incorporating international standards and perspectives, such as ISO and HACCP, and in our overseas operations, we gain a thorough understanding of each country’s quality requirements.
5. We comply with laws and regulations related to quality, and each Group company also complies with the self-regulations of their respective industry.

### ■Quality Management System

#### ●Status of Quality Management Certification

Asahi Group has acquired ISO 9001 certification at 33 domestic sites. We have also acquired ISO 22000 certification at 4 domestic sites and HACCP certification at 4 sites.

#### Status of ISO 9001 certification

Company	Business unit	Certificated in
Asahi Breweries, Ltd.	Hokkaido Brewery	July 1999
	Fukushima Brewery	September 1999
	Ibaraki Brewery	July 1998
	Nagoya Brewery	July 1998
	Suita Brewery	May 1997
	Nishinomiya Brewery	July 1998
	Shikoku Brewery	June 1999
	Hakata Brewery	June 1998
Asahi Soft Drinks Co., Ltd.	Kanagawa Brewery	June 2003
	Akashi Plant	March 1999
	Hokuriku Plant	December 1998

Summary of Asahi Group CSR Activities – Quality  
(Issued July 2011)

Company	Business unit	Certificated in
Nikka Whisky Distilling Co., Ltd.	Sendai Distillery	November 1999
	Tochigi Distillery	February 2000
	Hirosaki Distillery	August 2000
	Kashiwa Distillery	January 2001
	Nishinomiya Distillery	December 2001
	Hokkaido Distillery	January 2002
	Moji Distillery	December 1999
	Environmental Analysis Center	February 2004
Sainte Neige Wine Co., Ltd.	Head Office Plant	February 2008
Asahi Business Solutions Corp.	Head Office	October 2000
Asahi Logistics Co., Ltd.	Head Office	September 2006 (Re-certificated due to change of company name)
	Heiwajima Branch	September 2006 (Re-certificated due to change of company name)
	Sumida Branch	September 2006 (Re-certificated due to change of company name)
	West Japan Vending Machine Center	September 2006 (Re-certificated due to change of company name)
	Hiroshima Office	September 2006 (Re-certificated due to change of company name)
	Saga Branch	September 2006 (Re-certificated due to change of company name)
Beijing Beer Asahi Co., Ltd.		February 2006
Yantai Beer Asahi Co., Ltd.		December 2003
Hangzhou Xihu Beer Asahi Co., Ltd.		September 2002
Shenzhen Tsingtao Beer Asahi Co., Ltd.		August 2002
Qingdao Tsingtao Beer & Asahi Beverage Co., Ltd.		December 2003

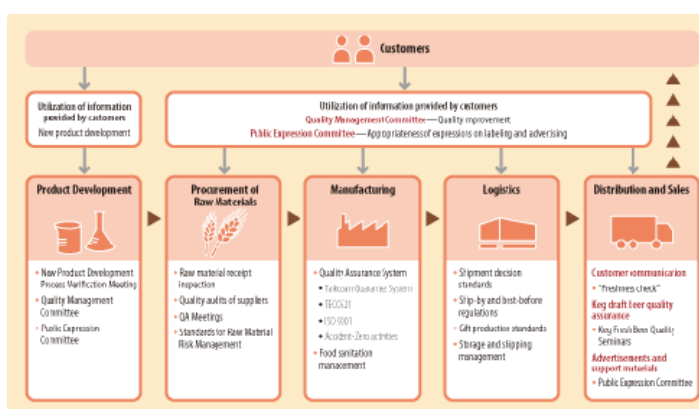
**Status of ISO 22000 certification**

Company	Business unit	Certificated in
Asahi Food & Healthcare Co., Ltd.	Ibaraki Plant	September 2006
	Tochigi Plant	February 2007
	Osaka Plant	March 2007
Nippon Freeze Drying Co., Ltd.		December 2007

**Status of HACCP certification**

Company	Business unit	Item	Certificated on
Asahi Soft Drinks Co., Ltd.	Hokuriku Plant	Soft drinks (sterilization after tapped and sealed), dairy products	January 9, 2003, November 7, 1999
	Akashi Plant	Soft drinks (before sterilization), Soft drinks (sterilization after tapped and sealed), Soft drinks (sealed and tapped after sterilization)	December 24, 2003
Nikka Whisky Distilling Co., Ltd.	Hirosaki Distillery	Soft drinks (Other soft drinks: sterilization after tapped and sealed)	October 22, 2004
Amano Jitsugyo Co., Ltd	Satosho 2nd Plant	Retort pouch food that is packed and sealed in tight containers and packaging (foods excluding those bottled or canned: thermal dissolution)	February 12, 2002

**•Quality Assurance System**



**•Quality Management Committee and Group Quality Management Committee**

In 2003, Asahi Breweries launched the Quality Management Committee as a cross-organizational team to address quality issues through discussions with the members of related internal departments and to enhance its quality assurance system. In December 2005, we established the Group Quality Management Committee\*, an organization for promoting these activities at a Group level. It has since met every other month to exchange quality-related information. Among other activities, the Group Quality Management Committee drafts Group quality policies and quality assurance strategies for each company and formulates plans for integrating these strategies into each company's medium-term management plan and annual plan. In 2009, the committee formulated a plan to support Group companies in meeting Quality Assurance Requirements representing the management items needed to satisfy quality assurance levels for food companies. In 2010, the committee took measures based on this plan, such as expanding implementation of the New Product Development Process Verification Meeting and Public Expression Committee to each Group company.

\* As of the end of fiscal 2010, membership includes related departments at Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Food & Healthcare Co., Ltd., and quality assurance departments at LB Co., Ltd., Wakodo Co., Ltd., and Amano Jitsugyo Co., Ltd.

**Major topics discussed by the Asahi Breweries Quality Management Committee (FY 2010)**

- Improvement in variety of material supplies (e.g., can lids)
- Revision of rules on shipment deadlines and best before dates
- Preventing recurrence of quality defects (e.g., content, outward packaging, labeling issues for domestic and imported products)

**Major topics discussed by the Group Quality Management Committee (FY 2010)**

- Support plan for attaining Quality Assurance Requirements
- Quality assurance for imported raw materials and processed goods
- Guidelines for the operation and management of inspection equipment for foreign substances
- Preventing recurrence of quality defects (e.g., voluntary recalls)

**□ New Product Development Process Verification Meeting**

Asahi Breweries convenes regular New Product Development Process Verification Meetings to determine whether individual departments have sufficiently satisfied quality requirements and to decide whether the product should progress to the factories for production. We conduct a complete safety check on our products through a structured, objective evaluation and assessment with the participation of staff from the product development and R&D departments as well as representatives from the production, material procurement, patent/legal affairs and quality assurance departments. We conduct similar checks at each of our Group companies.

**Outline of items confirmed at the new product development process verification meeting (Asahi Breweries, Ltd.)**

Item	Content
Raw materials	· Legality of residual agricultural chemicals and allergens, safety traceability, origin of production, variety, etc.
Container materials	· Legality, safety, material properties (shape, strength), quality control and supply capability of suppliers, etc.
Content components	· Legality, safety, stability (durability), etc.
Manufacturing	· Qualification for manufacturing (mass production), quality control and supply systems, etc.
Display	· Proper display of trademarks, raw material information and nutritional contents, and appropriate product explanation, appropriate expression in advertisements, etc.

**□ Public Expression Committee**

Asahi Breweries pays the utmost attention to appropriate labeling and expression on product packages and in advertisements an effort that earns customers trust with due consideration for alcohol-related concerns, human rights, the environment and social ethics, as well as compliance with related laws and regulations\*<sup>1</sup>.

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 16 departments\*<sup>2</sup> of the company and meets weekly. We only launch products and advertising materials that have been authorized by the committee. Asahi Soft Drinks Co., Ltd., Asahi Food & Healthcare Co., Ltd., Wakodo Co., Ltd., and LB Co., Ltd. also promote similar programs.

\*1 The Liquor Tax Act, the Liquor Industry Association Act, Food Sanitation Law, JAS Law, and Health Promotion Law, as well as the Anti-Monopoly Act, Act against Unjustifiable Premiums and Misleading Representations, Code of Fair Competition, and other regulations.

\*2 16 departments: Departments responsible for policy planning and formulation, such as new product development, advertisement and sales promotion departments, as well as departments related to legal affairs and intellectual property strategy, quality assurance, customer relations, social environment, CSR, and production.

#### Meetings of the Public Expression Committee (Asahi Breweries, Ltd.)

	2007	2008	2009	2010
Number of meetings	49	50	49	50
Number of draft proposals	1,534	2,025	1,783	1,541
Issues requiring further reporting	176	245	184	172

#### ●Quality Audits

Since 1996, Asahi Breweries under the leadership of the Quality Assurance Department has implemented quality audits at the production worksites of Asahi Breweries. In 1999, we began conducting audits for the head offices and production worksites for the Group companies and restaurants. In these quality audits, we review the status of implementation of the quality system in accordance with auditing standards described in the Internal Audit Rules.

#### Sites subjected to quality audits

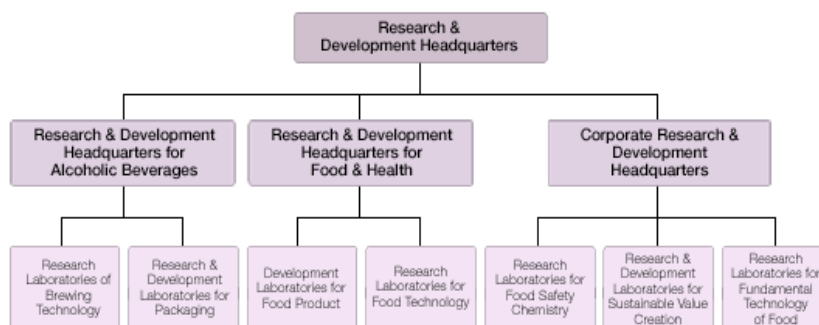
Fiscal Year	Sites
2007	Asahi Breweries production worksites, Nikka Whisky production worksites, Asahi Food & Healthcare head office and production worksites, Wakodo head office and production worksites, Sainte Neige Wine, Asahi Beer Malt head office and production worksites, Asahi Beer Garden head office and stores* <sup>3</sup> , Asahi Food Create head office and stores, Usquebaugh head office and stores, Asahi Ecology, Nippon Freeze Drying, Coordination Division for China Business, Yantai Beer, Shangdong Asahi Green Source High-tech Farm, and others
2008	Asahi Breweries head office and production worksites, Nikka Whisky production worksites, Asahi Food & Healthcare head office and production worksites, Nippon Freeze Drying, LB (Tokyo)* <sup>2</sup> , LB (Nagoya)* <sup>3</sup> , Sumidagawa Brewing* <sup>1</sup> , Asahi Beer Garden head office and stores, Asahi Beer Communications head office and branch offices, Asahi Beer Annex*, Sendai Nikka Service, Hokkaido Nikka Service, Haitai Beverage (South Korea), Hangzhou Beer (China), and others
2009	Asahi Breweries production sites, Nikka Whisky Distilling, Sainte Neige, Satsumatsukasa, Wakodo, Amano Jitsugyo, Nippon Freeze Drying, Wako Food Industry, LB (Tokyo), Asahi Food Create, Usquebaugh, Beijing Beer, and others
2010	Asahi Breweries production sites, Asahi Food & Healthcare head office and production worksites, Wakodo head office and production worksites, Amano Jitsugyo, Nippon Freeze Drying, LB (Tokyo)* <sup>2</sup> , LB (Nagoya)* <sup>3</sup> , Asahi Food Create, Usquebaugh, Beijing Beer, and others

\*1 Sumidagawa Brewing and Asahi Beer Annex were dissolved as a result of their merger with Asahi Food Create, Ltd. on January 1, 2010.

\*2 LB (Tokyo) and LB (Nagoya) merged their operations on January 1, 2011 to become LB Co., Ltd.

\*3 Asahi Beer Garden, Ltd. was dissolved following a merger with Asahi Food Create, Ltd. on April 1, 2011.

●Asahi Breweries Research Laboratories and Purpose



Laboratories	Purpose
Research laboratories for brewing technology	Develops manufacturing technologies for alcoholic beverages and technologies related to microorganisms
R&D laboratories for packaging	Conducts development, testing and evaluation of container and packaging materials and related machinery and equipment for business areas of the Asahi Group
Development laboratories for food products	Develops new food products based on business and R&D strategies
Research laboratories for food technology	Develops manufacturing technologies for food and pharmaceuticals, and technologies related to microorganisms
Research laboratories for food safety chemistry	Develops analytical technologies for toxic substances and for guaranteeing active ingredients to ensure safety and reliability of Asahi Group products
R&D laboratories for sustainable value creation	Conducts research and technological development aimed at business expansion and new business development of the Asahi Group, such as development of agricultural materials utilizing yeast and other byproducts, as well as production technology for bioethanol
Research laboratories for fundamental food technology	Conducts distillation of ingredients and structural analysis for alcoholic beverages, soft drinks and food products; research on nutritional physiology; and development of production technology

●Establishment of Research Laboratories for Food Safety Chemistry

In October 2007, we established the Research Laboratories for Food Safety Chemistry. The laboratories use high-precision analytical equipment and state-of-the-art assessment technology to promote research and development. The analysis methods established here are utilized in quality inspections at the Quality Control Center.

The laboratories also work closely with related government ministries, international research and safety institutions, academic societies, and the industry as a whole to closely exchange information and promote joint investigations and research. In recent years the laboratories have participated in a collaborative test involving methods of analysis with the National Institute of Health Sciences, which worked on developing the analysis methods for mycotoxins.

## ■Activity Report

### ●Response to Product Complaints and Accidents

We formulated the Group Quality Crisis Management Guideline to structure our response to serious accidents related to our products. Under this guideline, incidents are promptly reported through a designated emergency channel to the president, who then chairs a Crisis Response Meeting, and a task force is established to handle the situation.

In responding to accidents, we place top priority on safeguarding the lives (health) of our customers and make a company-wide effort to minimize any damage through the following basic approach.

(1) We endeavor to ascertain the facts and circumstances, promptly disclose necessary information and contain potential damage and increase in concern.

(2) We take the initiative in taking every appropriate action for our customers and society, including disclosure to the mass media, corporate announcements (information calling for attention), recalls, and so forth.

(3) We promptly report to the supervising authorities and quickly respond to any requirements.

The Asahi Group implemented three voluntary recalls in fiscal 2010 as outlined below.

Each case has been taken up by the Asahi Group Quality Management Committee, which has conducted discussions and information sharing on tasks and measures related to quality assurance as well as our emergency response. Efforts are underway to prevent recurrences and to reinforce our quality assurance system as a group.

### Report on voluntary product recalls (FY 2010)

Company	Outline and Response to Accidents
Asahi Breweries, Ltd.	<p><b>Incident summary:</b> In December 2010, it was discovered that some of the canned <i>Asahi Chocolat Cocktail</i> products manufactured and sold under consignment by Japan Foods Co. might have been shipped and sold without their lids having been properly sealed.</p> <p><b>Response:</b> We immediately held a Crisis Response Meeting and set up a task force. After confirming the facts, we determined that the incident was unlikely to recur. However, it was possible that affected products had not been detected and removed during inspections in the manufacturing process due to a combination of conditions. We therefore decided to voluntarily recall the product in order to ensure maximum safety. We reported the incident to the supervising authorities and announced the voluntary recall on our corporate Web site.</p>
Amano Jitsugyo Co., Ltd.	<p><b>Incident summary:</b> In April 2010, it was discovered that products containing fried rice purchased from a supplier might have been contaminated by metal particles.</p> <p><b>Response:</b> Replication experiments showed that the metal particles were too small to have been 100% detected and removed by the inspection equipment that the company used. We therefore decided to voluntarily recall the products containing the fried rice in order to ensure maximum safety. We reported the incident to the supervising authorities and announced the voluntary recall.</p>
Asahi Breweries, Ltd.	<p><b>Incident summary:</b> In November 2010, it was discovered that a portion of the <i>Santa Ana Cabernet Sauvignon 2009</i> (750 ml) product imported and sold by the company might have been shipped and sold without meeting certain standard requirements (below the alcohol and extract concentration standards of BVA S.A. - Bodegas Santa Ana).</p> <p><b>Response:</b> We recalled the distribution stock, made an announcement on our corporate Web site, and reported the incident together with our response to the supervising authorities.</p>



●Efforts to Ensure Quality and Product Safety at Each Stage of the Supply Chain

Major efforts at the product development stage (Asahi Breweries, Ltd.)

Topic	Content
Incorporating customer feedback into product development	We share various opinions and requests collected by our nationwide sales staff and the Customer Relations Office via our intranet. Our development department analyzes this data and incorporates it into product development.
Stability inspections on product quality	We conduct inspections to confirm that the required quality can be maintained until the best before date. Inspections utilize specific checklists for each product category for a total of 12 categories and as many as 100 checkpoints.
Compliance tests based on the Food Sanitation Law and internal standards	At every stage of new product development, from raw materials to the final product, we review compliance with quality standards as stipulated by the Food Sanitation Law as well as our stricter internal standards.
Securing safety and durability of containers	In selecting containers, we evaluate the quality assurance capability of suppliers and inspect the safety of materials based on Food Sanitation Law compliance tests, while also taking into account diverse perspectives reflecting the various ways in which customers may use the product. This includes characteristics such as ease in opening, drinking, holding and carrying. In addition, we verify quality by means of external monitoring, tests and durability reviews at research laboratories to evaluate products in accident conditions and adverse conditions such as being dropped or exposed to extreme high or low temperatures. We also review the environmental impact of materials used for containers.
Securing appropriate labeling	At Asahi Breweries, internal review entities such as the New Product Development Process Verification Meeting and the Public Expression Committee confirm the appropriateness of expressions concerning raw materials, best before dates, nutritional content, allergens, and original production sites of raw materials.
Securing safety and quality during the manufacturing process and transportation	We hold Initial Production Control Confirmation Meetings and Mass Production Confirmation Meetings to confirm a product's readiness for mass production as well as quality inspection methods for each process, from the receipt of raw materials and supplies to shipment. In addition, to confirm that quality is maintained in containers during transportation, we conduct tests using transport simulation equipment at our research laboratories as well as tests under actual conditions in which products are loaded onto trucks and checked for ink staining and durability.

**Major efforts at the raw material procurement stage**

Topic	Content
Signing quality contracts with suppliers	We review information such as lists of agricultural chemicals used, agricultural chemicals application records and analytic data received from suppliers, and only sign quality contracts with suppliers who can guarantee security and safety.
Quality audits of suppliers	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. 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.
QA (Quality Assurance) Meetings	We hold QA Meetings with each of our large-volume suppliers to maintain and enhance quality.
Actions related to residual agricultural chemicals	With respect to malt and hop, the main raw materials for beer, Asahi Breweries compares standards for residual agricultural chemicals under Japan's Positive List system with those of countries in which the suppliers are located. The company also seeks information on the usage of agricultural chemicals from suppliers that operate under lower regulatory standards than Japan. If a supplier is using any of these chemicals, we request analytic data to confirm compliance within residual standards set by Japan's Positive List system.
Genetically modified food products	The use and labeling of genetically modified food products differ according to the laws of each country. With respect to genetically modified agricultural products and processed foods using such products as raw materials, Asahi Breweries complies with all pertinent regulations in the countries in which it operates.
Launching of raw material information management system	In June 2006, we launched the AAA System, which guarantees integrated management of information on raw materials and products. Under this system, the procurement department registers information on raw materials such as quality, nutritional components, raw materials and additives. Registered information is confirmed and approved by the Quality Control Center responsible for this system, allowing the goods to be used as raw materials for our products.
Quality inspections of raw materials	We have 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 every day upon receipt and prior to use. Before introducing any new materials, we obtain samples to confirm their safety.
Safety management of water sources	With respect to water, the key ingredient for Group products, such as beer, soft drinks, whisky and wine, we conduct inspections to ascertain safety and applicability to beer brewing based on the 26-point criteria of the potable water quality standards under the Food Sanitation Law and the 50-point criteria of the Ordinance on Potable Water Quality Standard as stipulated by the Water Supply Law. In addition, we also conduct additional inspections as necessary based on our own criteria, including residual chlorine concentrations, analysis of components that affect brewing and analysis of agricultural chemicals.

**Supplier Quality Audit and QA Meetings (Asahi Breweries, Ltd.)**

Content	Number of meetings		
	2008	2009	2010
Discussions on quality goals, issues related to quality and technical development, information sharing	Total: 29	Total: 86	Total: 93

**Major efforts at the production stage (Asahi Breweries, Ltd.)**

Topic	Content
<i>Taikoban</i> Guarantee System	Since introducing the <i>Taikoban</i> Guarantee System, a unique quality assurance system, in 1991, Asahi Breweries has been guaranteeing that products delivered to customers have been 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 warranties using TECOS21, a factory network system. Finally, the staff responsible for quality assurance checks all warranties and applies a <i>Taikoban</i> 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.
Total Freshness Management Activities	Beer requires careful handling*. These activities are intended to maintain quality and freshness in every possible way, from post-production storage and delivery to handling at retailers and restaurants. For example, as a result of these activities we reduced the average number of days from production to shipping from 20 in the 1980s to 3 for the main Asahi Super Dry brands. * Lengthy exposure to sunlight, changes in temperature or vibration may alter flavor balance and cause odors or turbidity in the beer.

**Points on quality control in the production process (Asahi Breweries, Ltd.)**

Topic	Content
Sensory inspection	Inspection based on the human senses, such as taste and smell. Conducted not only at the final production stage, but at all stages, from raw materials, brewing and fermentation to maturation and storage.
Chemical analysis	Analysis is conducted under stringent quality standards during each stage from brewing to the finished product.
Anti-oxidation	We monitor percolation and packaging to prevent exposure to oxygen and have installed equipment to prevent the entry of oxygen during the brewing process. We also select malt suitable for producing products that do not readily oxidize as raw materials.
Hygiene management	We formulate control standards based on the Food Sanitation Law, eliminate pests, conduct voluntary inspections and undergo inspections by outside specialists.
Microbial inspection	We conduct strict checks to prevent the entry of microorganisms during each production process and maintain hygienic conditions.
Appearance inspection	No product is delivered that has not successfully passed through a series of checks, ranging from content volume to the text printed on packaging.

**Major efforts at the distribution stage (Asahi Breweries, Ltd.)**

Topic	Content
Shorter lead times	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.
Factory and distribution center efforts	In the course of directly delivering our products to wholesalers, we prevent product deterioration from extended storage in warehouses by knowing the required shipment volume ahead of time and shipping immediately after production. 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 on site.
Efforts during transportation	To avoid quality deterioration from exposure to sunlight or vibration during loading or unloading from delivery vehicles, Asahi Breweries has been introducing wing vehicles that accelerate loading and unloading and AIR SUS vehicles 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.
Efforts in cooperation with business partners	We always ensure that the drivers of partner carriers have experience in the transportation of Asahi Breweries products and require that drivers delivering their first loads fully understand the checkpoints in loading and handling our products before they make the delivery. In addition, the distribution departments in each region share the Asahi Breweries Group Quality Policy with partner carriers to eliminate drunk driving and excess loads, prevent serious accidents and damaging accidents, and promote educational activities on safety.

**Major efforts during distribution and sales (Asahi Breweries, Ltd.)**

Topic	Content
Freshness management at mass retailers	To control product freshness at stores, employees 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.
Asahi Breweries Keg Fresh Beer Quality Seminars	We conduct Asahi Breweries Keg Fresh Beer Quality Seminars that combine video and experience to educate wholesalers, retailers and restaurants.
Product Knowledge Training for sales staff	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 a specific defect.
Information sharing through Asahi Quality Access	The Asahi Quality Access Web site provides customers information about the Asahi Super Dry they are consuming at that time, by whom and by which factory it was produced together with the producer's thoughts. By simply entering a portion of the manufacturer's code printed on the bottom of the can or the back of a bottle, customers can review comments from the factory manager and staff responsible for production of the specific product.
Development of highly convenient and efficient <i>tarunama</i> dispensers	We jointly developed the <i>tarunama</i> dispenser "Happy-End Kun" with Kyokko Inc. This is the industry's first computerized draft beer dispenser that prevents loss due to spurts that occur as the keg becomes empty. It also detects grime on the dispenser's beer hose and alerts the user when cleaning is recommended if cleaning has not been regularly done.

● **Labeling and Advertising Efforts**

□ **Labeling**

**Labeling and expressions on product packages (Asahi Breweries, Ltd.)**

Topic	Content
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.
Display of best before date on six-can packages	We led the industry in responding to customer requests to make the best before date easier to read, and began printing the production date and other information on the upper side of the six-can package.
“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.
Display of nutritional contents	We are expanding the scope of displays of nutritional content, sought by many customers, such as calorie data, to more products, including beer and low-alcohol beverages. We also publish on our Web site nutritional content data on beer, happoshu and low-alcohol beverages.
Displays regarding content of new materials	When emphasizing new ingredients, we provide explanations and information on suitable levels of intake to prevent misunderstanding or misconception.

#### □ Advertisements

The purpose of our advertising is to communicate to customers information such as the characteristics, quality and world view of Asahi Breweries products in the hope of winning their patronage.

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 the daytime. In addition, we established our Public Expression Conference as a cross-organizational review entity to ensure that every step is taken toward appropriate labeling and expression.

#### Self-regulatory Code of Advertising Practices

1. Advertising practices should be conducted in compliance with all relevant laws and regulations.
  - (1) Wording or expressions that violate laws, regulations, and codes, such as the Anti-monopoly Law, the Law for Preventing Unjustifiable Premiums and Misleading Representation, Fair Competition Codes (representation) and the Unfair Competition Prevention Law, must not be used.
  - (2) Wording or expressions that violate laws in various fields, such as the Liquor Tax Law, the Law Concerning Liquor Business Associations and Measures for Securing Revenue from Liquor Tax, the Food Sanitation Law, and the Health Promotion Law, must not be used.
  - (3) Legally-protected rights, such as intellectual property rights (trademark rights, copyrights, etc.) and portrait rights, must not be infringed.
2. Great attention must be paid to social common sense and morality in the conduct of all advertising practices.
  - (1) Wording or expressions lacking in common sense, dignity, and social morality, and that betray customers' trust, must not be used.
  - (2) Wording or expressions that stretch the truth and facts, that are false, or that lead to misunderstandings, must not be used.
  - (3) Wording or expressions for which the attribution is uncertain and for which responsibility is unidentified must not be used.
  - (4) Wording or expressions that defame competitors or their products must not be used.
  - (5) Wording or expressions that may cause offense or discomfort to society must not be used.
    - 1) Explicit wording or expressions that violate sexual morality must not be used.
    - 2) Wording or expressions that suggest crimes (murder, torture, violence, etc.) and cruelty must not be used.
  - (6) Wording or expressions that are detrimental in terms of public morals or that may harm the public's sense of cleanliness and well-being must not be used.
3. Great attention must be paid to alcohol-related problems in the conduct of all advertising practices.
  - 3-1. The prevention of underage drinking should be a goal in all advertising practices.
    - (1) The message “Alcohol is for those who have turned 20 years old” is required by law to be displayed in all advertisements.
    - (2) Underage people must not be used for product advertising.
    - (3) TV celebrities and characters who predominantly appeal to underage people must not be used.
    - (4) Wording or expressions in advertisements must not encourage, suggest, or entice underage drinking.
    - (5) Promotional campaigns that predominantly appeal to underage people are prohibited.
    - (6) Wording or expressions that may lead people to mistake alcoholic beverages for soft drinks must not be used.
    - (7) Product logos and trademarks of alcoholic beverages must not be applied to articles predominantly used by underage people, such as clothing, toys, and games.

3-2. Advertising practices should be conducted with due consideration for appropriate consumption of alcohol.

- (1) The message of “Responsible drinking” must be displayed in advertisements if possible, in order to endeavor to promote appropriate alcohol drinking.
- (2) Wording or expressions that suggest alcoholic consumption during pregnancy and breast-feeding must not be used.
- (3) Wording or expressions that evoke or suggest binge drinking and excessive consumption of alcohol must not be used.
- (4) Wording or expressions that evoke or suggest consumption of alcohol while bathing or during exercise must not be used. In addition, wording or expressions that evoke or suggest exercise after consumption of alcohol must not be used.
- (5) Wording or expressions that suggest consumption of alcohol under inappropriate circumstances, such as in dangerous places, must not be used.
- (6) Wording or expressions that evoke or suggest alcohol dependence must not be used. For example, “People may lose their mental stability if they do not consume alcohol.”
- (7) Wording or expressions that concretely suggest that consumption of alcohol has a positive effect on one’s health must not be used.

3-3. The prevention of driving when impaired by alcohol should be strived for in all advertising practices.

- (1) Wording or expressions that evoke or suggest driving when impaired by alcohol must not be used.

4. Great attention should be paid to the safe handling of products (including equipment needed for the sale of the products) in all advertising practices.

- (1) Wording or expressions that, were customers to act in a manner similar to such wording or expressions they would be exposed to potential risk, must not be used.
- (2) Wording or expressions and displays (including audio) that run counter to the idea that alcoholic beverages should be treated with care must not be used.
- (3) Wording or expressions and displays that suggest deliberately causing carbonated beverages to froth up, or that suggest the breakage of bottles etc., must not be used.
- (4) Wording or expressions that suggest consumption of alcohol while performing jobs that could lead to serious accidents must not be used. For example, “Operating a machine after consuming alcohol.”
- (5) Wording or expressions and displays that suggest handling mugs or glasses in a manner that may create a foreseeable risk to people must not be used.
- (6) Wording or expressions and displays that give people excessively high expectations regarding the ability of products to safely withstand inappropriate treatment must not be used.
  - 1) Wording or expressions that suggest treating products like toys must not be used. Examples of such wording or expressions include: “Throwing products,” “Spinning products,” and “Shaking products.”
  - 2) Wording or expressions that, were customers to act in a manner similar to such wording or expressions they would be exposed to potential risk, must not be used. Examples of such wording or expressions include: “Opening many bottles in rapid succession,” “Slamming down products forcefully,” and “Carrying a large quantity of products at one time.”
  - 3) Wording or expressions that, were customers to act in a manner similar to such wording or expressions they would be exposed to potential risk in terms of quality or safety, must not be used. Examples of such wording or expressions include: “Freezing products” and “Exposing products to extreme heat.”
  - 4) Wording or expressions that suggest activities that could lead to accidents must not be used. Examples of wording or expressions include: “Slamming down glasses (or mugs) forcefully” and “Banging glasses together forcefully when making a toast.”
- (7) Great attention must be paid to safety from the standpoint of elderly people, infants, and young children.

## Summary of Asahi Group CSR Activities – Quality

(Issued July 2011)

### 5. Great attention paid to human-rights issues in all advertising practices.

- (1) Wording or expressions linked to discrimination based on gender, community, race, body, nationality, job, academic background, politics, religion, family origin, thoughts, beliefs, and social status etc., must not be used.

### 6. Great attention paid to environmental issues and animal protection in all advertising practices.

- (1) Wording or expressions that run counter to recycling and environmental conservation must not be used.
- (2) Wording or expressions that evoke wastage of energy must not be used in corporate activities.
  - 1) The message “Recycle Empty Cans (Recycle Mark)” is required by law to be displayed.
  - 2) The message “Please Return Empty Bottles to an Appropriate Store for Disposal” (STEINY BOTTLE) is required by law to be displayed.
  - 3) Wording or expressions and displays that suggest environmental destruction must not be used.
- (3) Wording or expressions that go against the spirit of animal protection must not be used.

In principle, advertising materials made in accordance with the above Self-regulatory Code are not placed in media for underage people or media that are expected to run counter to social morality and the prevention of driving when impaired by alcohol.

TV and radio commercials are not broadcast within the following time frames:

#### **Television**

Between 5:00 AM and 6:00 PM daily

#### **Radio**

Between 5:00 AM and 12:00 PM daily



## Moderate & Responsible Drinking and Health

### ■Basic Philosophy and System of Promotion

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Throughout the long history of humankind, alcohol has not only brought delight and pleasure into daily life, but has also played an important role in celebrations and commemorative moments. We take great pride in our role in the production and sales of alcoholic beverages.

At the same time, we are well aware that inappropriate drinking habits can lead to a variety of problems for individuals, families and society at large. Therefore, as a corporate group centered around alcoholic beverages, the Asahi Group will continue to take action as a company that society trusts to eliminate problems associated with inappropriate drinking habits and to promote moderate and responsible drinking so that many can share in the joys and pleasures of alcoholic beverages.

#### Basic Philosophy

The Asahi Group will work towards developing a healthy alcohol-related culture while at the same time, fulfilling its social responsibility by acknowledging the characteristics of alcoholic beverages and promoting moderate and responsible drinking in a systematic and continuous manner, thereby contributing to the realization of a healthy and affluent society.

#### Action Guidelines

- We will disseminate information about moderate and responsible drinking.
- We will comply with related laws and regulations and voluntary standards set up by the industry and the Group in our sales activities.
- We will take steps to prevent problems associated with improper drinking habits such as drunk driving, underage drinking, drinking during pregnancy or while breastfeeding, and binge drinking, in addition to cooperating with and assisting social movements against improper drinking.
- We will drive medical research on the relationship between alcohol and health, and provide assistance to external organizations.
- As members of a corporate group dealing in alcoholic beverages, our employees will keep current with accurate information on moderate and responsible drinking, be mindful of their responsibilities, and act accordingly. To this end, we will actively provide training and education.

### ●Educational Activities

The Asahi Group views initiatives to eradicate inappropriate drinking as vital to its CSR activities.

From this standpoint, we established the Asahi Group's Basic Philosophy for Promotion of Moderate and Responsible Drinking and Drinking Rules. We summarized this policy in the form of pamphlets and pocket cards and distributed them to all executives and employees in the Group and publicly announced our Basic Philosophy. The Basic Philosophy and rules on moderate drinking are required subjects in training programs for newly hired employees at each Group company.

## ■Activity Report

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### ●Presenting Results of Research on Alcohol

As part of its CSR activities, Asahi Breweries promotes research on the impact of alcohol intake on health. We actively publish our research results as a means for publicly disseminating information on our efforts and to benefit from the understanding and feedback of researchers who specialize in the physiological and medical aspects of alcohol consumption.

In fiscal 2010, we conducted a detailed analysis of the effects of individual constitutional differences on alcohol metabolism in joint research with the Nippon Medical School. The results of our research were presented to the Japanese Association of Forensic Toxicology, Japanese Medical Society of Alcohol and Drug Studies and Japanese Society for Biomedical Research on Alcohol. In our joint research with the Kurihama Alcoholism Center, we discovered how constitutional differences affect concentration after drinking alcohol. The center presented the results of this research at a conference of the International Society for Biomedical Research on Alcoholism.

We closely analyze how physical constitution and other conditions related to alcohol affect alcohol metabolism and physiological changes in individuals. Using our research results, we intend to continue providing information on moderate and responsible drinking to our customers.

### ●Funding Through the Fund for the Prevention of Underage Drinking

Asahi Breweries established the Fund for the Prevention of Underage Drinking in March 2005 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 April 2011, this fund supported the research and social activities of eight recipient organizations for fiscal 2011 (the seventh distribution of funds).

### ●Membership in the International Center for Alcohol Policies (ICAP)

In June 2001, Asahi Breweries became the first alcoholic beverage maker in Asia to join the International Center for Alcohol Policies (ICAP), while also seeking solutions for alcohol-related issues from a global perspective.

ICAP is an international NPO established in 1995 that deals with alcohol-related issues; current membership comprises eleven of the world's major alcoholic beverage makers including Asahi Breweries.

### ●Collaboration with GAPG\*

In June 2001, Asahi Breweries became the first alcoholic beverage maker in Asia to join the International Center for Alcohol Policies (ICAP), while also seeking solutions for alcohol-related issues from a global perspective.

\* GAPG: Global Alcohol Producers Group is an international industry group established in August 2005 by alcoholic beverage manufacturers worldwide. An industry association from Japan, of which Asahi Breweries is also a member, is part of this organization.

### ●Project Against Underage Drinking

The beer industry launched the "STOP! Underage Drinking" project in 2005, and five beer makers are acting in concert to promote the project.

●**Publication of *The Happy Relationship Between People and Alcohol***

Asahi Breweries publishes *The Happy Relationship Between People and Alcohol*, which is useful for those who come into close contact with alcoholic beverages, from adolescents who have yet to start drinking to senior citizens who have enjoyed alcoholic beverages for years. The pamphlet warns against dangerous drinking habits through text and illustrations 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.

In fiscal 2010, at the start of the academic year in April, we distributed about 260,000 free copies of *The Happy Relationship between People and Alcohol* to newly enrolled college students.

●**Publication of an Educational Tool for Primary School Students “What would you do? What could happen? Learn about alcoholic beverages.”**

As a part of its educational activities to prevent underage drinking, Asahi Breweries developed in September 2007 an educational tool for primary school students entitled, “What would you do? What could happen? Learn about alcoholic beverages.” It is distributed without charge to anyone who requests it. This four-page informal pamphlet can be used to supplement classroom material or school educational activities.

Since its publication, the pamphlet has been utilized at junior high schools and high schools as well as primary schools, and a cumulative total of over 460,000 copies have been distributed. In March 2008, the tool won the Outstanding Performance Award in the Printed Material Division of the 6th Consumer Education Material Recognition sponsored by Supporters for Consumers. In 2009, this tool received the Special Prize after being selected out of the 2008 Outstanding Performance Award winners.

●**Launch of Nationwide Project for Zero Accidents by Sales Vehicles to Promote Safe Driving**

In December 2008, the Nationwide Project for Zero Accidents by Sales Vehicles was launched to promote safe driving by employees, including the eradication of drunk driving.

## For Customers

### Policy on Maintaining Good Relations with Customers

Asahi Breweries has positioned customer satisfaction as the starting point for all corporate activity and strives to reflect the voices of customers and retailers into management improvement, product development and services. Information about issues with our products pointed out to us by customers is valuable for improving quality. We address such issues quickly and appropriately over all other operations under our basic policy that states we respond in such a manner.

### Management System

#### System for Collecting Customer Feedback and Incorporating it into Our Business Activities

Asahi Breweries has established a Customer Relations Office and strives to consider each comment promptly, accurately and respectfully. All customer inquiries, including comments and opinions, requests and problems, are entered into an in-house database and utilized in developing products and services as well as in formulating policies for our management and activities.

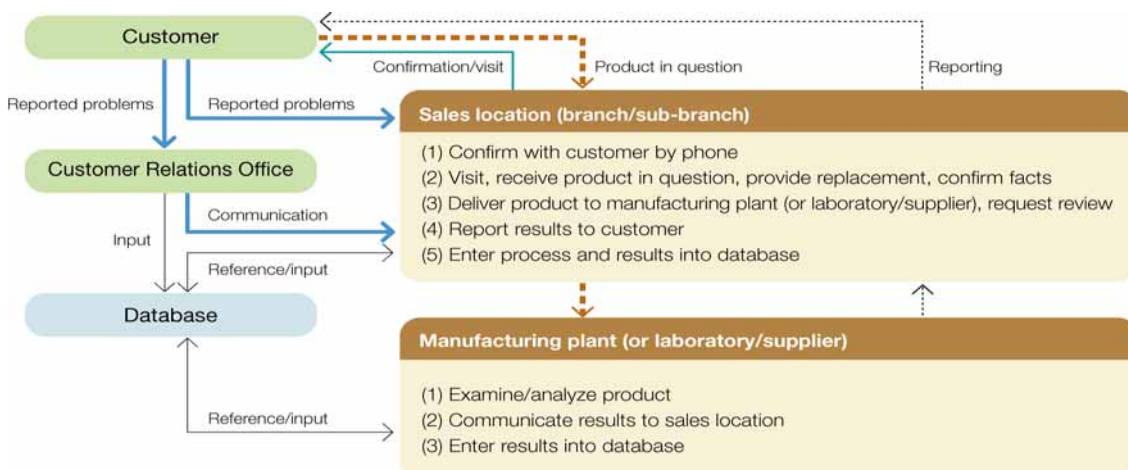
\* The six companies are: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Food & Healthcare Co. Ltd., LB Co., Ltd. (two companies), and Wakodo Co., Ltd.

#### System for Management to Monitor Response to Customers

At Asahi Breweries, regular reports on the responses of relevant departments to customer inquiries are compiled and submitted to enable management to monitor overall responsiveness to customers.

#### Response System for Reported Problems Concerning Our Products

##### Flow of Response to Reported Problems (Asahi Breweries, Ltd.)



## ■Activity Report

### ●Enhancing Customer Relations Skills

To enhance the quality of our response to customers, the Customer Relations Office voluntarily undergoes direct evaluation\* through customer questionnaires and external evaluation for responses made over the phone. Training sessions are also conducted for our customer relations staff.

\* Direct evaluation:

Questionnaires are sent to customers who provide us with valuable opinions or to whom we deliver replacement products. Customers are asked to evaluate Asahi Breweries' response, including the level of comprehensiveness in explanations as well as the sincerity of and time taken for explanation.

#### Results of direct evaluation (Asahi Breweries, Ltd.)

	2008	2009	2010
Evaluation based on 100-point scale (average scores)	93.7	93.9	94.7

#### Activities for enhancing customer relations skills (Asahi Breweries, Ltd.)

Activity	Participants	Purpose and outline of activity	Achievements
Tours of company facilities	Customer Relations Office staff	Enhancement of customer relations skills	Tours of Satsumatsukasa Shuzo Co., Ltd.'s Moji Distillery (Fiscal 2010)
Customer Information Topics	All employees of Asahi Breweries	Employees share information and exchange views on commonly made customer comments via intranet in an effort to disseminate the customer's perspective.	Continuously implemented since May 2005

### ●Engaging in Dialogue with Customers

We are striving to promote dialogue with customers to achieve ongoing corporate development with their support.

#### Efforts to promote dialogue with customers (Asahi Breweries, Ltd.)

Item	Action summary and results
On-site training at the Customer Relations Office	Employees in the production and R&D departments experience directly responding to customers over the phone at the Customer Relations Office.
Dialogue with consumers	Workshop-style event for exchanging views to deepen mutual understanding and create a customer-oriented corporate culture. In fiscal 2010, consumer representatives, academics, consumer assistance staff and others were invited to participate in discussions on the theme of "ideas on hospitality that generate excitement."

**Comments from customers received at the Customer Relations Office (Asahi Breweries, Ltd.)**

		2008		2009		2010	
		Number of cases	Ratio	Number of cases	Ratio	Number of cases	Ratio
Inquiries	References	33,227	78.9%	24,867	71.2%	26,161	74.0%
	Comments/opinions	2,003	4.8%	1,063	3.0%	1,061	3.0%
	Contacts	1,901	4.5%	2,830	8.1%	2,828	8.0%
	Requests	1,016	2.4%	2,291	6.6%	1,414	4.0%
	Suggestions	191	0.5%	250	0.7%	354	1.0%
Problems		3,782	8.9%	3,603	10.3%	3,535	10.0%
Total		42,120	100%	34,904	100%	35,353	100%

**●Representative Product Improvements Reflecting Customer Comments  
(by FY2010, Asahi Breweries, Ltd.)**

**Addition of helpful markings on paper cartons for shochu, liquor and wine**

Folding lines were added to the paper carton to make discarding used cartons easier, and the method of disposal was printed on the package.

**Improvements in back labels for bottled beer to make them easier to understand**

In response to comments that the letter, “H” signifying plants printed on the back label of conventional beer bottles was easily mistaken to signify the year “Heisei,” we changed the location of the letter on the label.

**Addition of markings showing manufacturing date and best before date on six-pack cartons of canned beer type beverages**

We were first in the industry to print the manufacturing date and best before date on the upper side of the packaging for six-pack cartons of canned beer to make it easier to see.

**Redesigned, easy-to-open can for beer-type beverages and low-alcoholic beverages**

We altered the shape of the tab and deepened the concave portion behind the top of the tab for beer-type beverages and low-alcoholic beverages so that customers can more firmly grasp the tab with their fingers.

**Improvements in label’s text on casings for beer-type beverages to show whether the content can be removed individually or in six-packs**

In response to customers commenting that from the external packaging it was difficult to ascertain whether cans were packed in units of six or individually, we added the expressions, “Cans may be taken out of the box individually” and “Six-pack x 4” on three sides (top, a long side, a short side).

**Easy-to-understand disclosure of nutritional information of products via our Web site**

We provide detailed nutritional information about beer-type beverages on the Asahi Breweries Web site in response to the growing number of customer inquiries on ingredient labeling.

## For Business Partner

### ■Purchasing Policy and Management System

Asahi Breweries promotes programs that ensure fair, equitable business practices and share prosperity with all our business partners. Information on our Basic Purchasing Policy, responsible divisions and purchasing process can be found on the Asahi Breweries Web site.

#### Basic Purchasing Policy

- In all purchasing, Asahi Breweries is committed to observing both the letter and the spirit of all relevant laws and maintaining high ethical standards in all its activities.
- Asahi Breweries selects products offered according to a combined evaluation of quality, cost, and delivery schedule.
- Asahi Breweries has a fair, just, open and straightforward system for engaging suppliers both within Japan and abroad.

#### Fairness and Justice

- Asahi Breweries provides fair and just opportunities for organizations wishing to become suppliers to Asahi Breweries both within Japan and abroad.
- When deciding upon a supplier, Asahi Breweries considers not only the quality, cost and delivery schedule of a potential supplier's product, but it also evaluates the company's stance and technology.
- When asking for a quotation from a potential supplier, Asahi Breweries provides all relevant information and conditions; it does not provide any supplier with advantageous information.

#### Confidentiality

- Asahi Breweries will not disclose to external parties any information or technology provided by suppliers without the prior express consent of the supplier. Regarding the disclosure of such information and technology within the company, this is limited to those personnel requiring access to the information.
- Asahi Breweries does not develop supplier relations with the intent of collecting information or technology. Quotations and technical inquiries by personnel in charge of procurement are strictly limited to those items Asahi Breweries is considering for purchase. The company asks, however, that these activities be excused in cases where the purchase is not completed.

#### Procurement

- Asahi Breweries ensures that personnel in charge of purchasing have no personal interests or ties with any supplier. Should such interests exist, the company will appoint a new staff member in charge.
- Asahi Breweries ensures that personnel in charge of purchasing do not receive gifts or personal financial considerations from any supplier. Purchasers may not demand others to give donations, etc.
- Purchasers may not abuse their position as a customer to obtain unfair reductions in price or services.

#### Consideration of Responsibilities to the Environment and Society

- Asahi Breweries recognizes that in order "to realize a sustainable society," the company must be actively committed to tackling environmental problems and fulfilling its social responsibility. To this end, the company believes it must work together with suppliers to gain their understanding and co-operation to fulfill its corporate mission.
- Asahi Breweries asks all potential suppliers to complete both an Environmental Questionnaire and a Social Responsibility Questionnaire. The company takes a potential supplier's commitment to the environment and its social responsibility into account when making a selection.
- Asahi Breweries also asks suppliers to complete both an Environmental Questionnaire and a Social Responsibility Questionnaire at regular intervals after being appointed. The company is committed to encouraging its suppliers to support its environmental objectives as much as possible, with a view to creating a sustainable society. In this way, the company also believes it can build long and trusting relationships with its suppliers.

## ■Activity Report

### ●Programs for Enhancing Quality

Asahi Breweries strives to maintain an awareness of quality as well as quality programs with business partners through supplier audits intended to safeguard the quality of raw materials and resources. In addition, we hold QA Meetings more than twice each year for protecting and enhancing quality.

#### Supplier Quality Audit and QA Meetings (Asahi Breweries, Ltd.)

Content	Number of meetings		
	2008	2009	2010
Discussions on quality goals, issues related to quality and technical development, information sharing	Total: 29	Total: 86	Total: 93

#### Cost of sales (Asahi Breweries, Ltd. and Asahi Group)

(Billions of yen)

Fiscal Year	2006	2007	2008	2009	2010
Asahi Breweries	729.3	729.6	724.5	702.0	675.2
Asahi Group	950.1	961.2	953.5	958.4	943.3

#### Number of suppliers (Asahi Breweries, Ltd.)

##### Japan and overseas

Fiscal Year	2006	2007	2008	2009	2010
Japanese suppliers	177	207	245	209	194
Overseas suppliers	38	34	39	36	36

##### By corporate size

Fiscal Year	2006	2007	2008	2009	2010
Large corporations	171	175	191	177	130
Small and mid-sized corporations	44	66	93	68	100

#### Suppliers accounting for 10% or more of total procurement (Asahi Breweries, Ltd.)

Fiscal Year	2006	2007	2008	2009	2010
Number of suppliers accounting for 10% or more of total procurement	2	2	2	2	2

#### Countries for which total procurement amount exceeds 5% of GDP (Asahi Breweries, Ltd.)

Fiscal Year	2006	2007	2008	2009	2010
Number of countries for which total procurement amount exceeds 5% of GDP	0	0	0	0	0

#### Incidents reported to the Procurement Clean Line (Asahi Breweries, Ltd.)

Fiscal Year	2006	2007	2008	2009	2010
Number of incidents reported	0	0	0	0	0



**●Supporting the Activation and Strengthening of Management Foundations of Distributors**

In the context of sharing prosperity with distributors such as wholesalers and retailers, the Asahi Group takes action to stimulate market growth and fortify the management foundation of wholesalers.

□ **Keg Fresh Beer Quality Seminar**

Asahi Breweries strives to apply strict quality control by conducting seminars on the distribution and sales of keg draft beer for wholesalers, retailers and restaurants.

At these seminars, special instructors for the Keg Fresh Beer Quality Seminar offer lectures and best practices on the appropriate handling of keg draft beer and draft beer equipment to the participants. In addition, employees of Asahi Draft Beer Service, Ltd. who have qualified as instructors are dispatched to restaurants to provide training on the proper handling of keg draft beer and equipment through a Quality Seminar Mini Course (QSM)

**Participation in the Keg Fresh Beer Quality Seminar (Asahi Breweries, Ltd.)**

	2008	2009	2010
Number of participating stores	Approx. 45,000	Approx. 46,200	32,490

□ **Initiatives Undertaken by Asahi Group Companies**

**Representative programs for supporting the activation and strengthening of the management foundation of distributors**

Group company	Content
Asahi Field Marketing Ltd.	Offers recommendations on sales section design and sales promotions based on storefront marketing strategies for supermarkets, discount stores and other mass retailers.
Asahi Draft Marketing Co.,Ltd	Promotes quality management of keg draft beer at restaurants and recommends drink menus in line with customer drink 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.

## For Shareholders and Investors

### ■Basic Policies on Disclosure

Asahi Breweries' Basic Policies on Disclosure states that information should be disclosed in accordance with various laws and regulations, including the Financial Instruments and Exchange Act and with the Rules on Timely Disclosure of the Tokyo Stock Exchange, and that even in cases that do not fall under these rules, information deemed relevant to investment decisions should be disclosed voluntarily and fairly. The company complies with statutory disclosure standards under Basic Policies on Disclosure. Asahi Breweries also voluntarily discloses information at the request of shareholders, investors, and financial analysts inside and outside of Japan, and keeps them informed of the current status of corporate operations.

#### Disclosure Policies

##### Basic Policies on Disclosure

Regarding the disclosure of important information such as when decisions are made that may influence investors' investment decisions, when incidents occur, or when data on financial results is prepared, disclosure is made in accordance with the relevant laws and regulations, including the Financial Instruments and Exchange Act and the "Rules on Timely Disclosure of Corporate Information by Issuer of Listed Security and the Like" ("Rules on Timely Disclosure") established by the Tokyo Stock Exchange (TSE).

Regarding information that does not fall under the category stipulated in the Rules on Timely Disclosure, we have made it our basic policy concerning disclosure to provide fairer, quicker, and broader disclosure so that it can meet the needs of investors and securities analysts.

##### Disclosure Method

When disclosing important information that falls under the Rules on Timely Disclosure, we will register the information to the "TDnet System" provided by TSE in accordance with the Rules. Soon after registering the information, we will promptly provide the media with the same information and post identical data on our Web site.

When disclosing information that does not fall under the Rules on Timely Disclosure, we will make careful arrangements to communicate the relevant information through Web sites and the media as impartially as possible.

##### Voluntarily Disclosed Items

Regarding information that does not fall under the Rules on Timely Disclosure but which we judge useful for investment decisions, we will proactively disclose such information. Specifically, the following types of information are being disclosed: medium-term management plans, information on monthly sales results, and supplementary/presentation information etc. from financial results briefings.

##### Dealing with Performance Forecasts and Relevant Information

We sometimes provide information on future prospects in addition to the earnings forecast described in the financial statement. We also sometimes include the future prospects, our opinions, etc. in the information provided to media, at briefings, or in various data, Q&A sessions, etc. In any of such cases, any piece of information that is not a fact that has occurred in the past is provided based on our judgment at the time and under the conditions when the information was compiled. Therefore, we would like you to understand that information related to the future may change without prior notice if conditions change, and that actual performance may differ substantially from those forecasts due to various factors.

●**Evaluation of IR Activities**

The IR (Investor Relations) activities of Asahi Breweries are highly rated by external organizations, as shown in the list below.

**Evaluation of IR activities by external organizations**

Review organization (awards, etc.)	Subject of evaluation (company, area of activity, etc.)	Period
Japan Investor Relations Association Award for Excellent IR Activity	IR (Investor Relations) activities of Asahi Breweries	FY 2004 FY 2010
Tokyo Stock Exchange 13th Disclosure Award	IR (Investor Relations) activities of Asahi Breweries	FY 2006
Security Analysts Association of Japan No.1 in the Food Sector of the Awards for Excellence in Corporate Disclosure	IR (Investor Relations) activities of Asahi Breweries	2003–2009 awarded for 7 consecutive years
Daiwa Investor Relations Co., Ltd. Award for Excellent Corporate IR Site	Investor relations site	2001–2009 awarded for 9 consecutive years
Daiwa Investor Relations Co., Ltd. Award for Best Internet IR	Investor relations site	2009 First time awarded
Daiwa Investor Relations Co., Ltd. Award for Excellence in Internet IR	Investor relations site	2010 First time awarded

■**Returns to Shareholders**

●**Shareholders' Meeting, Product Exhibition and Tasting Sessions**

Asahi Breweries has been convening Shareholders' Meetings since 2004 at a central Tokyo hotel that offers ready access and better accommodations. Shareholders who are not able to attend annual meetings can exercise their voting rights via the Internet.

A Shareholders Forum\* was held following the Shareholders' Meeting in March 2011 to introduce the corporate activities of the Asahi Group as a whole through exhibits and presentations. Asahi Breweries' Board of Directors attended the forum and engaged in dialogue with shareholders.

\* We voluntarily canceled the Shareholders Forum scheduled for March 2011 due to the Great East Japan Earthquake.

**Attendance at the Shareholders' Meetings**

	March 2008	March 2009	March 2010	March 2011
Number of shareholders who attended	2,214	2,434	2,551	2,190

●**Increased Dividends and Repurchasing of Shares**

Asahi Breweries intends to provide sustainable, stable dividends to shareholders by targeting a consolidated dividend payout ratio of 20% or higher. In addition, we have sought to maintain overall returns to shareholders by repurchasing shares as appropriate with respect to our funding needs to meet the expectations of our shareholders and investors.

**Consolidated net income per share and annual dividends**

	2006	2007	2008	2009	2010
Net income per share (consolidated)	¥94.0	¥94.9	¥96.3	¥102.4	¥114.1
Annual dividend per share	¥19.0	¥19.0	¥20.0	¥21.0	¥23.0

**●Shareholders' Courtesy Program**

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.

**■Report on IR Activities**

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**●Meetings Following the Release of Financial Results and Road Shows for Domestic and Overseas 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 affected the results, and future management strategy and actions. Since 2004, we conduct conference calls on the days of the announcement of first quarter and third quarter results.

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.

**●Quarterly Publication of the "Asahi Super Report"**

Asahi Breweries publishes a quarterly report to shareholders titled, "Asahi Super Report."

**●Utilizing the Web Site**

In order to ensure that shareholders and investors inside and outside of Japan receive the same information in a timely manner, video coverage of interim and annual results announcements, with simultaneous interpretation voiceover in English, is provided on the Asahi Breweries Investor Relations Web site.

Conference calls can also be accessed via audio webcast. In addition, we voluntarily disclose information including the Medium-Term Management Plan, monthly taxable shipments for beer and happoshu, and presentation documents related to announcements of results on our Web site.

**For Employees**

**■Group Basic Policy on Personnel Management**

**Group Basic Policy on Personnel Management**

**(1) Proactively offer opportunities to innovative employees who thrive on challenge to encourage them to grow and demonstrate their capabilities**

We proactively offer highly motivated, innovative employees who thrive on challenge a variety of opportunities within their scope of operations to encourage them to grow and demonstrate what they can do.

**(2) Generously reward employees who fully demonstrate their capabilities, successfully complete their tasks and achieve results**

We provide generous rewards to employees who demonstrate a strong sense of responsibility for their work and who constantly strive to enhance their capabilities and tackle their assignments in order to successfully complete their individual goals and achieve results

**(3) Promote employee development to enhance the competencies of the entire Group**

By developing and providing opportunities for employees to demonstrate their capabilities, we improve the operational performance of individuals and teams and enhance the competencies of the entire Group.

**(4) Ensure stable employment**

We make maximum effort to ensure stable employment across the entire Group through the flexible and effective deployment of our personnel.

**■Respect and Consideration for Fundamental Human Rights**

**●Fundamental Philosophy and Management System**

Asahi Group Business Ethics Rule expressly states that “The Company shall respect all fundamental human rights of its employees in accordance with the principles of the Global Compact. There shall be no forms of discrimination on the basis of race, nationality, creed, religion, physical ability, age, gender, sexual orientation, or any other factor unrelated to an employee’s execution of their duties.” For this reason, the company does not allow any form of discrimination, including power and sexual harassment.

The company has established a reporting and response system for issues related to human rights, which includes a consultation service section in the Human Resources Department as well as the General Affairs Section at business units to deal with such issues.

There have been no reported issues related to child labor or forced labor.

**Representative educational efforts related to human rights (Asahi Group)**

Topic	Content and results of our efforts
Eliminating discrimination	<ul style="list-style-type: none"> <li>Educational seminars for new hires on discrimination against people from “dowa” areas (held annually in April; attended by 74 employees in 2008, 93 in 2009, and 98 in 2010)</li> </ul>
Preventing and responding to sexual harassment and power harassment	<ul style="list-style-type: none"> <li>Declaration prohibiting sexual harassment in the Asahi Group Business Ethics and Working Regulations</li> <li>Publication of Manual on Preventing Sexual Harassment</li> <li>Training for Legal Promoters (staff responsible for promoting compliance) at each Group company (attended by about 130 employees in 2008, 130 in 2009, and 120 in 2010)</li> </ul>

●**Support for the Global Compact for Respecting Labor Rights**

To confirm its respect for workers rights, the Asahi Group declared its support for the Ten Principles (including six related to human rights and labor standards) in June 2002 and remains committed to upholding these principles.

●**Relationship with Labor Unions**

Labor unions have been organized at Asahi Breweries, Ltd. and at several Group companies, and these companies maintain signed labor agreements with the unions. Labor-management negotiations are based on the principle of cooperatively seeking solutions to problems. Improvements are discussed at regular meetings and through the daily exchange of information and feedback.

The agreements require labor and management to discuss principles and standards related to major changes in conditions affecting employees, such as personnel reductions associated with corporate downsizing.

**Labor union membership (as of December 31, Asahi Breweries, Ltd.)**

		2006	2007	2008	2009	2010
Number of Labor Union Members	Men	1,818	1,783	1,742	1,710	1,628
	Women	510	506	504	513	527

■**Employment Status**

●**Basic Approach to Employment**

Based on its commitment to ensuring secure employment, the Asahi Group seeks to maintain appropriate employment levels by giving due consideration to the personnel situation and growth plans for the Group as a whole. As stated in the working regulations, we do not discriminate on the basis of nationality, creed or social position in the hiring and treatment of employees. And we seek to achieve corporate growth and safeguard the well-being of each individual employee by actively embracing diverse values and ideas in order to flexibly respond to an ever-evolving social environment.

●**Employment Situations**

**Number of employees by employment type (as of the end of December, Asahi Group\*)**

	2006	2007	2008	2009	2010
Permanent employees	15,280	15,559	16,357	17,316	16,712
Contract employees and others	3,878	3,990	4,481	4,008	5,070

**Number of permanent employees by region (as of the end of each year, Asahi Group\*)**

	Japan	North America	Europe	China	Asia (excluding China)	Oceania	Total
2008	11,853	10	63	2,809	1,622	—	<b>16,357</b>
2009	12,026	12	70	2,702	1,223	1,283	<b>17,316</b>
2010	11,838	13	59	2,683	921	1,198	<b>16,712</b>

\* Organizations included in the data:

North America: Asahi Beer U.S.A., Inc.; Europe: Buckinghamshire Golf Co., Ltd.; China: AI Beverage Holding Co., Ltd., Hangzhou Xihu Beer Asahi Co., Ltd., Zhejiang Xihu Beer Asahi Co., Ltd., Beijing Beer Asahi Co., Ltd., ASAHI Breweries ITOCHU Holdings Ltd., Yantai Beer Tsingtao Asahi Company, Ltd., Asahi Beer (China) Investment Co., Ltd., Asahi Beer (Shanghai) Product Services Co., Ltd., Shangdong Asahi Green Source High-Tech Farm Co., Ltd.; Shangdong Asahi Green Source Milk Products Co., Ltd.; Asia other than China: Haitai Beverage Co., Ltd.; Oceania: Schweppes Australia Pty Ltd. Group

## ■Activity Report

### Equality and Fairness in Employment

#### ●Efforts for Matching the Goals of New Hires and the Company

Asahi Breweries, Ltd. ensures the efficient integration of new hires into the company through a program in which senior colleagues who have completed the required training provide guidance in their respective divisions. Another program supports the professional development of young employees through empathetic, face-to-face career conversations with retired employees who have been re-hired as contract workers.

#### Number of new hires (Asahi Breweries, Ltd.)

##### New graduates

	2006	2007	2008	2009	2010
Men	38	52	58	66	36
Women	9	14	16	27	15

##### Mid-career hires

	2006	2007	2008	2009	2010
Men	17	30	25	33	3
Women	1	5	1	6	0

#### Total employee turnover and turnover rate(as of December 31, Asahi Breweries, LTD.)

	2006	2007	2008	2009	2010
Average years of employment	14.1	14.2	14.4	14.7	15.2
Total turnover	342	438	418	356	436
Men	112	154	135	160	164
Women	230	284	283	196	272
(Turnover associated with personal reasons)	40	31	33	30	61
Turnover rate	7.30%	9.39%	8.91%	7.60%	9.17%
Men	3.05%	4.23%	3.74%	4.45%	4.51%
Women	22.64%	27.73%	26.28%	18.06%	24.29%
(Turnover rate associated with personal reasons)	0.85%	0.66%	0.70%	0.64%	1.28%

#### ●Hiring of Temporary Employees as Permanent Employees

As required, Asahi Breweries, Ltd. conducts examinations for hiring a limited number of contract workers (junior employees, temporary staff) as permanent employees, primarily in the business divisions. Individuals passed the examinations and became permanent employees in 1989 and 1997.

#### ●Efforts to Ensure Diversity and Equal Opportunity in Employment

To date, hiring and placement efforts have been conducted on a case-by-case basis, and we have maintained a consistent track record with respect to the employment of the physically challenged. We are also hiring more elderly workers. On the other hand, we have not yet been as successful in employing women and foreign workers. We intend to implement stronger measures to address these issues.

The following major activities and results summarize our efforts in establishing a diverse workforce.

□ **Active Recruiting and Career Support for Female Employees**

Major efforts (Asahi Breweries, Ltd.):

- Assignments to management training seminars and external seminars targeting female producers
- Enhanced maternity and childcare leave initiatives

**Number of male and female employees in director and manager positions  
(as of December 31, Asahi Breweries, Ltd.)**

		2006	2007	2008	2009	2010
Directors	Men	11	11	11	11	13
	Women	1	0	1	1	1
Producers and others of same rank (including Executive Officers)	Men	1,411	1,420	1,438	1,443	1,409
	Women	38	41	45	51	60

□ **Promoting Employment of Foreign Nationals**

Major efforts (Asahi Breweries, Ltd.):

- High priority on foreign language skills in recruiting career employees
- Preparation of visa documents as required
- Expanded job positions after joining the company

**Employment of foreign nationals (non-consolidated)**

	2006	2007	2008	2009	2010
Men	0	0	1	1	1
Women	1	2	1	4	1

□ **Supporting Long-term Employment of the Physically Challenged**

Major efforts (Asahi Breweries, Ltd.):

- Focused efforts to maintain a 2% employment ratio of physically challenged employees
- Job matching in collaboration with schools and job centers for the physically challenged
- Workplace development based on individual aptitude
- Increased number of employees qualified as vocational life consultants for the physically challenged in the workplace
- Promotion of barrier-free worksites (installation of hand rails and access ramps)

**Change in the employment rate of the physically challenged (Asahi Breweries, Ltd.)**

	2006	2007	2008	2009	2010
Employment rate of the physically challenged	2.01%	2.00%	2.10%	1.96%	1.95%

\* After improvement measures were taken, the rate stood at 1.86% in 2009, exceeding the statutory employment rate.



□ **Promoting the Re-hiring of People of Retiree Age**

Major efforts (Asahi Breweries, Ltd.):

- Re-hiring conducted under the new continued employment program established in April 2006
- Seminars offered to support employee life planning and life-career planning

**Employment of post-retirement employees (Asahi Breweries, Ltd.)**

	2006	2007	2008	2009	2010
Number of reemployment employees	25	35	42	44	39

**Evaluation and Treatment**

● **Personnel Evaluation System**

Asahi Breweries' performance and merit review system, which emphasizes employee interviews for personnel evaluation, is designed to energize individual staff and worksites. We have also adopted a multifaceted approach that includes evaluation by colleagues, junior employees and subordinates, in addition to evaluation by supervisors. Furthermore, to ensure the effective management of the personnel evaluation system, we provide training for properly presenting the system's framework and for enhancing the skills of supervisors responsible for evaluating subordinates (training for all division heads and for newly appointed division heads).

**Flow of personnel evaluation (Asahi Breweries, Ltd.)**

<b>Primary evaluation</b>	<b>Secondary/Final evaluation</b>	<b>Evaluation feedback</b>
Based on personnel evaluation standards made available to all employees, managers conduct interviews with each employee every six months to review performance, identify areas to review and consider, and ultimately come to a joint assessment of the employee's work.	The overall director of the business unit or another manager at a comparable level reviews the evaluation and makes a final determination to prevent unfair assessments due to variations in evaluation standards.	Supervisors thoroughly review with employees the results of these personnel evaluations, as well as their own comments.

**Participation in training (Asahi Breweries, Ltd.)**

	Participants in Training for Newly Appointed Division Heads	
2008		41
2009		45
2010		18

● **Dialogue-based Decisions on Employee Transfer and Deployment**

Asahi Breweries' employee transfer and deployment system places high priority on dialogue.

**Representative measures for promoting dialogue in deployment and transfers**

Systems and measures (activities)	Content and results
Research by Human Resources department	For employee transfers and deployment, the Human Resources 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.
Career Design Sheet	A system for employees to declare their ambitions, helping them formulate long-term career plans.
"Direct Appeal" System	Employees can independently apply for employment directly to the department in which they desire to work and in accordance with their individual career plans. Through this system, 23 employees were accepted (15% of all applicants) in 2007 (first year), 21 in 2008 (20%), 19 in 2009 (22%), and 17 in 2010 (18%).

**•Questionnaire Survey on Corporate Culture**

A company-wide questionnaire survey was first conducted in 1999 on employee satisfaction with the personnel system and their morale. We report survey results to management and utilize this information to improve our corporate culture and employee training.

**Questionnaire survey outline (FY 2010, Asahi Breweries, Ltd.)**

	Number of respondents	Survey period	Content of survey
Employee Satisfaction Questionnaire Survey	328	October	Survey on each employee's evaluation of aspects including trust, respect, fairness, pride and sense of solidarity.
Questionnaire survey conducted by the labor union	1,650	January–March	Survey on the level of satisfaction with interviews; whether feedback was given to evaluation rankings; to what extent those surveyed accepted the evaluation of their performance.
	1,869	July–August	

**Employee Compensation and Incentives**

Asahi Breweries' basic policy on employee compensation and incentives is to generously reward employees who fully demonstrate their capabilities and achieve results. This basic policy also applies to non-permanent employees. Compensation decisions are based on individual evaluations.

In addition, Asahi Breweries has been compensating employees for inventions developed at work under the Employee Invention Treatment Guideline established in 1971.

**Average annual employee salary (as of December 31, Asahi Breweries, Ltd.)**

	2006	2007	2008	2009	2010
Average annual employee salary	¥8,550,000	¥8,617,898	¥8,923,756	¥8,813,974	8,795,364

**Employees rewards (Asahi Breweries, Ltd.)**

	2008	2009	2010
Significant contribution to corporate performance	17	54	55
Recognition by third-party organizations	8	6	6

**Implementation and management of corporate pension system  
(as of fiscal year-end, Asahi Breweries, Ltd.)**

	2008	2009	2010
Defined Benefit (DB)	100% implementation (applied to all employees)	100% implementation (applied to all employees)	100% implementation (applied to all employees)
Defined Contribution (DC)	Approx. 85% enrollment	Approx. 85% enrollment	Approx. 85% enrollment

**Ratio of personnel cost to net sales and operating income (Asahi Breweries, Ltd.)**

(Millions of yen)

	2008	2009	2010
Personnel cost	45,654	48,310	46,938
Net Sales	1,019,613	985,468	963,270
Operating income	91,050	78,513	84,741
Ratio of personnel cost to net sales	4.62%	4.90%	4.87%
Ratio of personnel cost to operating income	50.1%	61.5%	55.4%

**Training and Education**

**●Basic Policy and System for Training and Education**

Asahi Breweries encourages the development of employees who are capable of independently seeking their own personal development. To that end, we have various rank-based, profession-based and selective programs. Improvement of these programs is ongoing, made by reflecting the results of surveys conducted with program participants.

**Major training and education programs (Asahi Breweries, Ltd.)**

Topics	Contents
Selective programs	Development of next-generation management
Rank-based programs	Introductory training for new recruits, training for newly appointed producers (managers)
Self-study programs	Selective training, correspondence courses, e-learning and video-based learning support system
Professional training programs	System for supporting employees in obtaining special qualifications, Asahi Business College
Department-based programs	Department training sessions, business unit training

**Change in results of training and education (average per employee, Asahi Breweries, Ltd.)**

	2008	2009	2010
Average cost of training per employee	Approx. ¥56,000	Approx. ¥58,000	Approx. ¥69,000
Average number of days for training per employee	1.3	1.3	1.4

## Occupational Safety and Health

### ●Basic Approach and Management System for Occupational Safety and Health

Recognizing that ensuring the safety and health of its employees is a key responsibility, Asahi Breweries endeavors to maintain and develop a safe, healthy working environment based on the labor agreement signed with the union and the company's own working regulations.

Each worksite convenes a monthly Occupational Safety and Health Committee consisting of representatives of labor unions and management as a forum for reviewing problems and improvements in workplace safety and health and implementing solutions. We intend to strengthen our health-related efforts with special emphasis on mental health.

Since 2005, safety manager trainings have been conducted under the guidance of visiting lecturers to raise safety awareness across the entire Asahi Group. In addition, information exchange sessions are regularly held to share knowledge and expertise, and safety policies have been formulated to increase workplace safety throughout the Group.

### □ Certification of Occupational Safety and Health Management System (OHSMS)\*

The Asahi Group has been seeking to obtain certification for the Occupational Health and Safety Management System (OHSMS) to further promote the development of a safety culture that is appropriate to the actual conditions at each worksite and to eliminate industrial accidents. As of the end of 2010, six breweries (Hokkaido, Ibaraki, Kanagawa, Nagoya, Suita, Nishinomiya) of Asahi Breweries have been OHSMS certified.

\* Occupational Safety and Health Management System (OHSMS)

A system for effectively and efficiently repeating a PDCA cycle of Policy declaration    Goal-setting    Identification of risks and hazard factors (risk assessment)    Plan formulation    Implementation and execution of plan    Daily inspections and improvements    System monitoring    System review.

### Frequency and severity rates of industrial accidents (permanent employee basis, Asahi Breweries, Ltd.)

	2007	2008	2009	2010
Frequency of industrial accidents	0.1297	0	0	0
Severity rates of industrial accidents	0.008	0	0	0

●Employee Health Management

**Major efforts for maintaining and enhancing employee health (Asahi Breweries, Ltd.)**

Item	Content and subjects
Implementation and improvement of health check-ups	<ul style="list-style-type: none"> <li>· Conducted annually for all executives and employees. Industrial physicians or nurses follow up with any employee whose check-up reveals the need for additional testing.</li> <li>· Lowering the age at which employees become eligible to receive check-ups for lifestyle diseases from 35 to 30.</li> <li>· Expanded the age range of employees eligible for a complete medical check-up from 40 to 30 or 35.</li> </ul>
Implementation of mental health care	<ul style="list-style-type: none"> <li>· Established a system enabling employees to consult contracted industrial doctors on health issues in areas around Japanese business sites.</li> <li>· Provided training to all managers on how to deal with their subordinates through case-study-based discussions and the advice of specialists.</li> <li>· In September 2005, mental health counseling by a certified clinical psychologist was introduced for employees and family members. User privacy is strictly protected.</li> </ul>
Introduction of reinstatement system	<p>A system for supporting the return to work of employees suffering from work-related disabilities (mainly mental health problems) caused by illness or injury (introduced May 2006)</p> <ul style="list-style-type: none"> <li>· Application of shorter work hours when returning to work after an extended leave of absence resulting from illness or injury</li> <li>· Follow-up in collaboration with the attending doctor and industrial physicians depending on individual health conditions</li> <li>· Utilization of outside experts including psychiatrists, certified clinical psychologists and occupational therapists</li> </ul>

●Prevention of Service Overtime and Work Hours Log

We introduced a system that allows supervisors to monitor and control employee sign-in and sign-off times. Under this system, employees submit their work information to their supervisors for confirmation and approval on the administrator's screen.

Since the system was based on self-reported data, however, service overtime was possible. Therefore, Asahi Breweries introduced an additional overtime management system in December 2007 that displays log-in and log-off times on employees' computers to encourage proper reporting of work hours. The system records when employees log-in and log-off their computers and displays this data as a point of reference on each employee's computer screen as well as the screen for supervisor authorization. Any significant discrepancy from self-reported data is displayed as highlighted text to alert the related worker. We intend to use this new system as an opportunity for raising employee awareness of appropriate self-reporting and work habits and to encourage them to adopt more productive practices.

**Average employee overtime (monthly basis, Asahi Breweries, Ltd.)**

	2006	2007	2008	2009	2010
Average employee overtime	Approx. 24 hours	Approx. 24 hours	Approx. 24 hours	Approx. 24 hours	Approx. 22 hours

## Support for Maternity, Childcare and Family Care

### ●Introduction of Varied Support Systems that Exceed Legal Mandates

Asahi Breweries actively supports employees by providing and applying systems to enable employees to balance childbirth, childcare and other family care needs with their work so they can enjoy an invigorating life both in the company and in society. In 2007 and 2010, we obtained certifications under the Assistance Strategies for Raising the Next Generation Law.

### Employee support systems for maternity leave, childcare and other family care leave (Asahi Breweries, Ltd.)

System	Contents
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. Men can also use this system.
System for exemption from full working hours for childcare	Employees who provide care for pre-junior high school children are allowed to reduce their work hours by a maximum of 2 hours per day. Hours reduced under this system are paid for by the company until the child turns 3 years old.
System for exemption from full working hours for family members	Employees who provide care for family members are eligible to start or leave work 2 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 1 year within a 2-year period, as well as the right to start or leave work 2 hours earlier or later than usual.
Welcome Back Program	Employees who had left the company due to marriage, childbirth, childcare, care provision for ill or elderly family member, or transfer of spouse are reemployed if certain requirements are met.

### Use of Childcare Leave System and Family Care Leave System (Asahi Breweries, Ltd.)

	2006	2007	2008	2009	2010
Number of Childcare Leave System users	30* (Including 2 men)	37* (Including 1 man)	49* (Including 2 men)	38* (Including 3 men)	45* (Including 2 men)
Number of Family Care Leave System users	3* (Including 3 men)	2* (Including 2 men)	0	1	3* (Including 1 man)

\* Figures include staff on loan from Group companies.

## Supporting Diverse Work Styles

### ●Paid Leave System and Applications

#### Annual paid leave system (Asahi Breweries, Ltd.)

System	Contents
Accumulated Annual Paid Leave System	Allows employees to accumulate up to 40 days of unused annual paid leave for use during recovery from illness or injury or to care for a family member
Half-day Paid Leave System	Permits employees to acquire annual paid leave in half-day units
Refresh Leave System	Allows employees to take off more than 6 consecutive days for a planned holiday
Memorial Leave System	Allows employees to take a day off on their hiring anniversary

**Other systems related to paid leave (Asahi Breweries, Ltd.)**

Nice Life Leave System	Allows employees to take off 12 days each year to participate in social contribution activities that meet the required criteria.
Childcare Leave System	Allows employees to take off 10 days per year per child of pre-junior high school age, up to 20 days. Days off under this system are counted as paid leave until the child turns 3 years old.
Family Care Leave System	Allows employees to take off 5 days per year per family member requiring care, up to 10 days. Days off under this system are counted as paid leave.
Others	Paid leaves for weddings, religious rites, childbirth (for the husband), accidents, traffic obstructions, official duties, transfers
	Other allowable unpaid leaves: In addition to maternity leave and menstrual leave, which are compensated for separately, there is also a morning sickness leave system by which accumulated paid leave can be used.

**Number of employees who took Nice Life Leave (Asahi Breweries, Ltd.)**

	2008	2009	2010
Number of employees who took Nice Life Leave	16	18	10

**Average use of paid leave by job classification (Asahi Breweries, Ltd.)**

		2007	2008	2009	2010
Producers	Average number of days used	9.8	10.4	11.7	11.4
	Rate	49.4%	52.1%	59.2%	58.0%
General employees	Average number of days used	13.3	13.4	14.4	13.8
	Rate	69.2%	70.1%	77.9%	75.2%

**•Working Systems for Supporting Diverse Work Styles**

**Major systems for supporting diverse work styles (Asahi Breweries, Ltd.)**

Flexitime System (Introduced November 2007)	Both start and finish times are left to the individual's choice with no required core working hours. Employees can flexibly and autonomously plan their work schedule for improved efficiency and better health management, depending on their respective workload and working conditions. Mainly applied to regional divisions such as sales and also to research.
Work-at-Home System (Pilot introduction from March 2009)	Intended to allow each employee to demonstrate their capabilities to achieve higher productivity by offering flexible working systems to promote autonomous work styles. Introduced on a pilot for 6 months starting in March 2009 and a full-scale basis for the R&D division in 2010. Considering full-scale introduction for the sales division pending an additional trial period.

**Other Benefits (Asahi Breweries, Ltd.)**

- Establishment of cafeteria-style benefit program (2002)
- Introduction of long-term income support system (Group Long-Term Disability Insurance) (September 2005)
- Survey of labor conditions at overseas worksites (annual basis)

## Local Communities

### ■Philosophy of Community and Cultural Activities

The Asahi Group is actively engaged in cultural and social contribution activities based on the recognition that they constitute its corporate responsibility.

#### Philosophy of Community and Cultural Activities

The Asahi Group's engagement in community and cultural activities is intended to help enrich communities across the world at the local and regional levels. Through these activities, Asahi works to win the trust of the communities it serves and to share in the excitement of their growth and prosperity.

The Group therefore aims to contribute to community development through the social awareness of its employees, along with an open corporate culture and abundant creativity.

#### Important Goals

1. Contributing to the revitalization and improvement of local communities
2. Contributing to the realization of a community that ensures access for all people
3. Contributing to the creation of new culture and living art
4. Contributing to the protection of our global environment
5. Contributing to the development of a global society

### ●Philosophy on Supporting Artistic and Cultural Activities

The Asahi Group utilizes its assets to support artistic and cultural activities based on these keywords offering many people the opportunity to come into contact with art so that a highly creative and diversified culture takes root in daily life: the future, citizens and local communities. We endeavor to build a foundation for artistic endeavors by

We aspire to become a corporation that is open to society and takes on the challenge of creating new value by forging partnerships with citizens and society at large.

1. The Future: We will contribute to developing original means of social contribution and the creation of a future culture.
2. Citizens: We support voluntary citizen participation.  
We support the activities of citizens in their role as a bridge between society and art.
3. Local communities: We support the revitalization of local culture focused on local assets, such as people, resources and nature.

### ●Philosophy of Social Contribution Activities

The Asahi Group promotes healthy living and the enrichment of society based on the philosophy that a corporation is just as responsible for the betterment of society as it is for generating profit. We also encourage employees to participate in voluntary activities to strengthen their social awareness.

We will contribute to the development of a future society by forging social partnerships.

1. We promote the voluntary participation of citizens.
2. We support the revitalization of local communities.
3. We support the NPO sector.
4. We support the development of new means of social contribution.



## ■Activity Report

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### ●MÉCÉNAT Activities (FY 2010)

#### Asahi Arts Festival

An arts festival for bringing energy to the community through discovery of its distinctive regional appeal and creating a future culture using the power of art, based on a citizen's planning and organization initiative. Held every summer since 2002 in collaboration with art-related NPOs and citizen groups nationwide.

[Activity Report]

Theme: "Art Tourism is the Way to Go"

Period: June 19 to September 12

Participating programs: 23 selected from the public, 4 organized by Asahi Breweries (sponsor/special supporter), and others

Number of staff and volunteers: approximately 780

Total number of visitors: approximately 296,445

#### Asahi Arts Square

Company-owned facility designed by architect Philippe Starck and located next to the Head Office is being used as a center for introducing new culture through partnerships with art-related NPOs.

[Activity Report]

Number of operating days: approximately 283 (including days closed to the public for preparations, etc.)

Total number of visitors: 16,990

#### Asahi Breweries Lobby Concerts

Concerts that can be enjoyed by anyone; held in the ground floor lobby of the Head Office and at breweries nationwide. Held since 1990.

[Activity Report]

- Tokyo: 2 performances

#### Other Programs for the Arts and Culture

We plan and organize programs in collaboration with local NPOs, citizens' groups and artists. Our aim for these programs is to get people to participate rather than remain in the audience so that they can enjoy interacting with the artists.

[Activity Report]

· "Shiraishi Island Shadowplay—A Story Woven by Ships" (Shiraishi Island, Kasaoka City, Okayama Prefecture): 1 performance

· "AAF School in Okishima" (Okishima Island, Omi Hachiman City, Shiga Prefecture): 1 performance

#### Subsidizing Activities by the Asahi Beer Arts Foundation

We provide subsidies for the multifaceted development of Japanese arts and culture to assist in the development of regional communities through the creation of future culture and by offering opportunities for citizens to experience the arts in collaboration with art-related NPOs.

[Activity Report]

· Subsidies for art: 10

· Subsidies for music: 12

· Subsidies for theatrical arts: 18

· Subsidies for exchange projects for artists and creators: 8

- Subsidies for cultural institutions, facilities and NPOs: 22

### Sumidagawa Art Project

A long-term, ongoing art project spanning an 80-year period ending 2089 and firmly focused on the Sumida River. The project is aimed at creation and enjoyment of “riverside culture” through collaboration between artists and other members of society.

[Activity Report]

Title: “Ichiro Endo—Sumida River NOW—a Museum for the Future”

Period: June 26 to July 25

Venue: Ground floor lobby of Head Office, Asahi Arts Square, Sumida Riverside Hall Gallery

Total number of visitors: approximately 1,671

### Asahi Beer Oyamazaki Villa Museum of Art \* Sponsored by the Asahi Beer Arts Foundation

A villa built on the side of Mount Tenno in Kyoto during the Taisho and Showa eras by businessman Shotaro Kaga was renovated and reopened as a museum, which includes an annex designed by architect Tadao Ando. In addition to exhibiting its main collection of folk craft and Monet paintings, the museum features exhibitions planned by modern artists.

[Activity Report]

Number of exhibits: 5 (from January to December)

\* Closed for renovations from July 20 to September 30

Total number of visitors: approximately 71,000

### Various Support Activities

We provide support by forging partnerships with art-related NPOs and citizens’ groups that share our concept of MĒCĒNAT activities.

[Activity Report]

Approximately 40 projects

### ●Major Systems and Programs for Voluntary Activities by Employees

Asahi Breweries offers a variety of systems and programs to support voluntary activities by employees.

#### Systems and tools for supporting voluntary activities by employees (Asahi Breweries, Ltd.)

System/Program	Content
Asahi Nice Life Leave System (Volunteer Leave System)	Provides 12 days of annual paid leave for employees participating in voluntary activities that meet the required criteria. 10 cases in 2010.
VolunteerNet site on our intranet	Provides various information on voluntary activities
Company newsletters, in-house PR videos and bulletin boards	Provides various information on voluntary activities
Corporate provision of volunteer activity insurance	Provides voluntary activity insurance for company-hosted programs
Asahi Eco-mileage donation program	Converts voluntary activities of employees into points that serve as the basis for calculating donations to local community organizations

● **Donation Activity and Track Record**

As part of our social contribution activities, Asahi Breweries has consistently returned profits to society by donating a portion of our product sales. Specifically, we donate to a wide range of projects, including environmental preservation activities, artistic and cultural activities, regional community activities, health and medicine, social welfare, education and civic training, academic research, international exchange and cooperation, and sports, after screening them from the standpoint of ethics and legal compliance.

**Major donations (FY 2010, Asahi Breweries, Ltd.)**

	Content
Refreshingly Sustainable Project	The total shipment of products during the campaign is added up for each prefecture and 1 yen per unit is donated for protection and conservation of the environment and cultural assets in each respective prefecture after the campaign period. In 2010, we extended donations in two installments as in 2009, with the cumulative total amounting to 818,129,448 yen.
Support for disaster-stricken regions	Earthquake in Haiti, earthquake in Chile, earthquake in Qinghai, China, flood damage in Gansu Province, China, floods in Pakistan, foot-and-mouth epidemic in Miyazaki Prefecture, heavy rains in Shobara, Hiroshima Prefecture
Eco Miles	Donated ¥4,331,000 to 44 organizations
One Beer Club	Donated ¥5,450,000 to 48 organizations

**Donations by area (FY 2010, Asahi Breweries, Ltd.)**

Area	Amount
Environmental preservation	¥1,045,066,000
Culture/Arts	¥302,565,000
Local community activities	¥55,699,000
Education/Social education	¥27,241,000
Social welfare	¥45,858,000
Others	¥99,432,000
Total	¥1,575,861,000
Share of ordinary income	1.86%

□ **Contribution to Water Resource Preservation (Environmental Fund Mizu no Wakusei)**

Asahi Breweries established its Mizu no Wakusei (water planet) environmental fund on April 1, 2004 to support efforts for saving water as well as the forests that serve as its resource. In fiscal 2010, the fund donated approximately 6.85 million yen to the Green Fund.

**Donations by Environmental Fund Mizu no Wakusei**

Fund Recipient	2008	2009	2010
Green Fund	Approx. 6.70 million yen	Approx. 6.30 million yen	Approx. 6.85 million yen

● **Actions in Times of Disaster and Support for Disaster-Stricken Areas**

Each brewery of the Asahi Breweries has prepared for emergency response to disasters such as earthquakes and typhoons, including support agreements with local governments in such areas as providing water during disaster relief efforts.



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