

Asahi

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Asahi Breweries Group
CSR REPORT
Corporate Social Responsibility Report
2008

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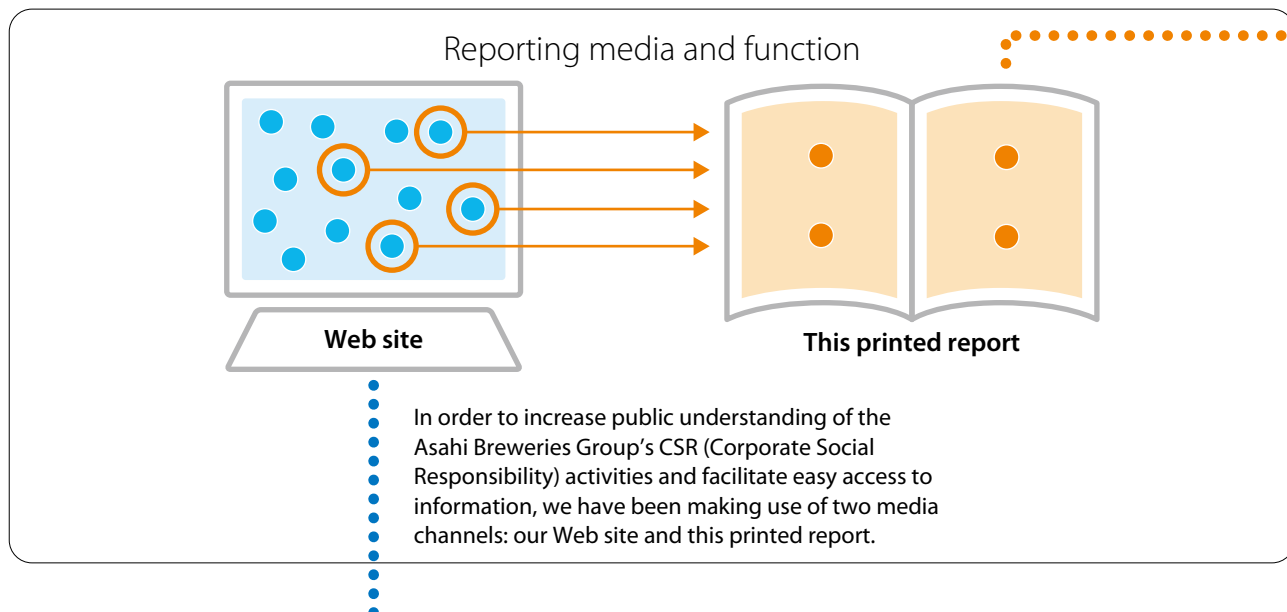


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Approach to CSR Reporting

We aim to report on issues of interest to our stakeholders through two media channels utilizing the respective features of each.



Editorial Policy of Our Web Site

We disclose the latest and most complete information (in Japanese)

This portal site reports on the CSR activities of the Asahi Breweries Group, including content not covered by this printed report along with detailed performance data. In addition to annual reports, the site provides information and guidance on the latest activities as well as environmental and cultural seminars and art events.

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

Complete information that is easy to find

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



Latest information uploaded regularly

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



Designed for improved accessibility

This Web site is designed to be easy for anyone—including the elderly and the physically challenged—to view and use. For example, explanations on skip link navigation, current location information and so on have been incorporated for those who use talking browsers.

Furthermore, with a few exceptions, we tried to make graphs and graphics as easy to view as possible.



Editorial Policy of This Printed Report

We report on issues in order of their material impact

In our 2007 report, the main focus was concentrated on three priority initiatives that have a major material impact on the Asahi Breweries Group—global environmental conservation, commitment to quality and promotion of moderate and responsible drinking.

In editing this 2008 report, we sought to deepen reader understanding by clearly stating the background context as well as the content of important themes and the reasons for each of the three initiatives. We also received feedback from expert third-party experts regarding specific efforts and accomplishments in the content of our report, and we have included their expectations and recommendations for the Asahi Breweries Group in this printed report.

Reporting Scope

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

Report Content

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

Reporting Period

This report primarily covers fiscal year 2007 (January 1 to December 31, 2007) as well as the history and activities as of the publication date along with future projections and plans.

Reference Guidelines

This report uses the GRI* Sustainability Reporting Guidelines (2nd and 3rd editions) and the Japanese Ministry of the Environment's Environmental Reporting Guidelines (2007 edition) as references. A table comparing the content of this report and these two guidelines is on the Web site at:

URL <http://www.asahibeer.co.jp/csr/guideline/index.html>

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

Disclaimer

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

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Executive Message



Kouichi Ikeda

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

Hitoshi Ogita

President and COO,
Asahi Breweries, Ltd.

Becoming an Enterprise Group That Is Sustainable and Accepted by Society

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

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

In pursuing CSR activities, we formulated the Asahi Breweries Group CSR Policy in February 2007 (See p. 5). The Asahi Breweries Group understands that all stakeholders are, in essence, customers who watch, support and guide our corporate activities. To respond to the expectations of our customers, it is essential that we maintain vigilance across the entire supply chain and global business development and that we closely collaborate with our business partners. This mindset is reflected in our CSR Policy.

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

To further promote these CSR activities, we must communicate our thinking and our actions in ways that are readily understood by each stakeholder. This is the guiding principle behind the preparation of the *Asahi Breweries Group CSR Report 2008*, which summarizes our efforts during the past year.

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

Corporate Philosophy

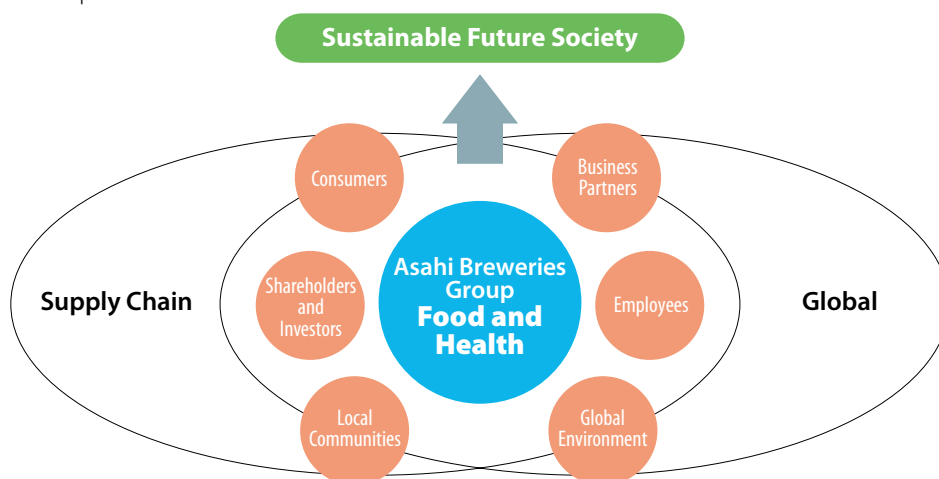
The Asahi Breweries Group aims to satisfy customers with the highest levels of quality and integrity, while contributing to the promotion of healthy living and the enrichment of society worldwide.

Guidelines for Corporate Activity

- Customer satisfaction
- Safety and environmental responsibility
- Fair, open corporate ethics
- World-class corporate activities
- A corporate culture rich in ideas and vitality
- Original and responsive corporate action
- Independent and integrated management
- Continued, high-quality growth

Asahi Breweries Group CSR Policy

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



Supporting the United Nations Global Compact

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

As of April 1, 2008, 5,226 companies, international labor organizations and citizens' organizations worldwide were taking part in this effort.



The Ten Principles of the United Nations Global Compact:

- | | |
|------------------------|---|
| Human Rights | 1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses. |
| Labor Standards | 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labor;
5. the effective abolition of child labor; and
6. the elimination of discrimination in respect of employment and occupation. |
| Environment | 7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies. |
| Anti-Corruption | 10. Businesses should work against corruption in all its forms, including extortion and bribery. |

Outline of the Asahi Breweries Group's Operations

We seek to satisfy customers with the highest levels of quality and integrity, while contributing to the promotion of healthy living and the enrichment of society worldwide.

Group Long-Term Vision

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

Total Alcoholic Beverage Provider

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

Leveraging our edge in the beer-type beverages market, we engage in a total alcoholic beverage business that also encompasses various established brands in the categories of shochu, low-alcohol beverages, whisky and wine. To fulfill our goal of "Satisfying Customers with Great Tastes"—the standard value that serves as the basis for all innovation and action at Asahi Breweries—we will continue to present customers with wide-ranging alcoholic beverage products that satisfy diversified needs.

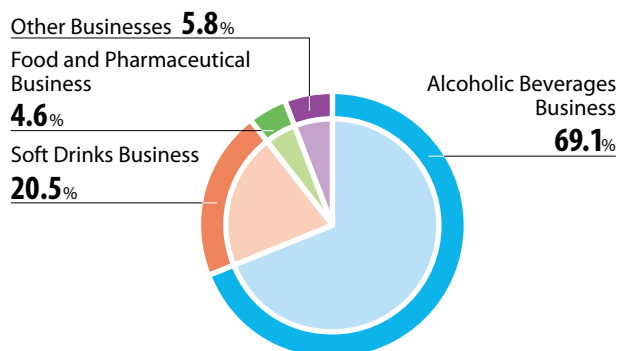
Corporate Group That Contributes to Food and Health

Building on the strengths of the alcoholic beverages business, we pursue Group management in the business domains of food and health, which also include the soft drinks and pharmaceutical businesses. With respect to beer and soft drinks, we are aggressively developing our business in Japan as well as in the Asian region centered on China.

In addition to Asahi Breweries, Asahi Soft Drinks Co., Ltd. and

Asahi Food & Healthcare Co., Ltd., in recent years we have added new companies to the Group, such as chilled beverage maker LB Ltd. (two companies), health food company Sunwell Co., Ltd. and Japan's largest baby food maker, Wakodo Co., Ltd., to expand our business structure. Under the Third Medium-term Management Plan formulated in 2007, we have been endeavoring to steadily bolster our research and development structure and expand our product lineup by pursuing the three priority initiatives of "brand cultivation and reinforcement," "profit structure reform," and "investments for dramatic growth."

Composition of Net Sales by Business Division



Corporate Outline

Name of the Reporting Organization

Asahi Breweries, Ltd.

Date Founded

September 1, 1949

Representatives

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

Paid-in Capital

182,531 million yen
(as of December 31, 2007)

Total Assets

1,014,878 million yen
(as of December 31, 2007)

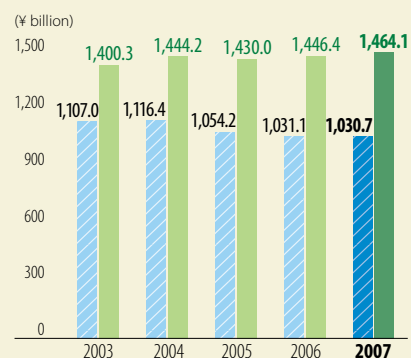
Subsidiaries/Affiliates

51 consolidated subsidiaries
1 non-consolidated subsidiary under equity method
28 affiliated companies under equity method
(as of December 31, 2007)

Consolidated Non-consolidated

Net Sales

(Fiscal year ended December 31)



Alcoholic Beverages Business

We produce and sell beer-type beverages, including beers such as *Asahi Super Dry* and *Asahi Premium Draft Beer JUKUSEN*, happoshu, such as *Asahi Honnama Draft* and *Asahi Style Free*, and new genre beverages such as *Clear Asahi*, as well as shochu, low-alcohol beverages, whisky and wine.

In response to changing consumer trends and the impact of revised producer prices for beer-type beverages due to surging raw material prices, we are seeking to build our brand by bolstering our product development capabilities. We are also striving to strengthen our sales system, which undergirds our brand-building efforts, and enhance profitability.

In overseas markets, we have been expanding sales of *Asahi Super Dry* with a focus on the Asian region; in China, we produce and sell branded products of local beer makers in which we have invested.

To improve our ability to respond to dramatic changes in the competitive environment, we intend to restructure our management and business strategies and enhance profitability.



Soft Drinks Business

Asahi Soft Drinks Co., Ltd. produces and sells soft drinks, including coffee, tea-based drinks, carbonated beverages and fruit juice. In addition, two LB Ltd. companies engage in the chilled beverage business. Overseas, we produce and sell soft drinks centered on the Chinese and South Korean markets.



Food and Pharmaceutical Business

Asahi Food & Healthcare Co., Ltd. develops and sells health food, processed food, supplements, seasonings, yeast extract-based products for industrial and commercial use, and freeze-dried products. In addition, Sunwell Co., Ltd. and Wakodo Co., Ltd. develop and sell health food and baby food, respectively.

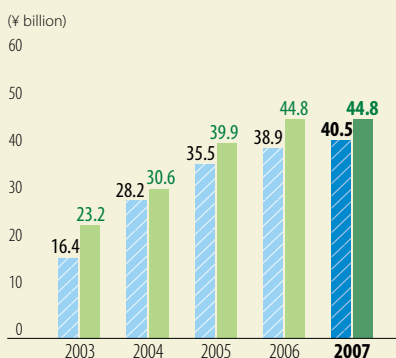


Other Businesses

We are engaged in logistics and sales support businesses for the Group, and the restaurant business.

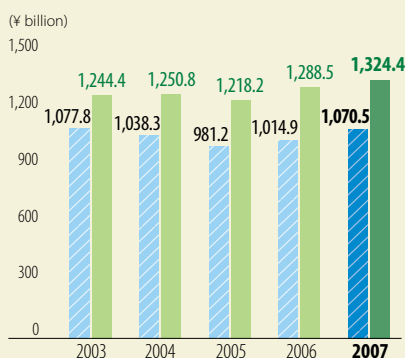
Net Income

(Fiscal year ended December 31)



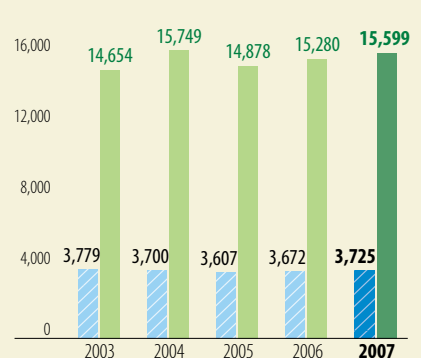
Total Assets

(As of December 31 of each year)



Number of Employees

(As of December 31 of each year)



Interview with the President

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



Hitoshi Ogita
President and COO

Hitoshi Ogita

Q What is your basic approach to CSR?

I believe that CSR, or fulfilling our corporate responsibility to society, is the most important issue facing companies today.

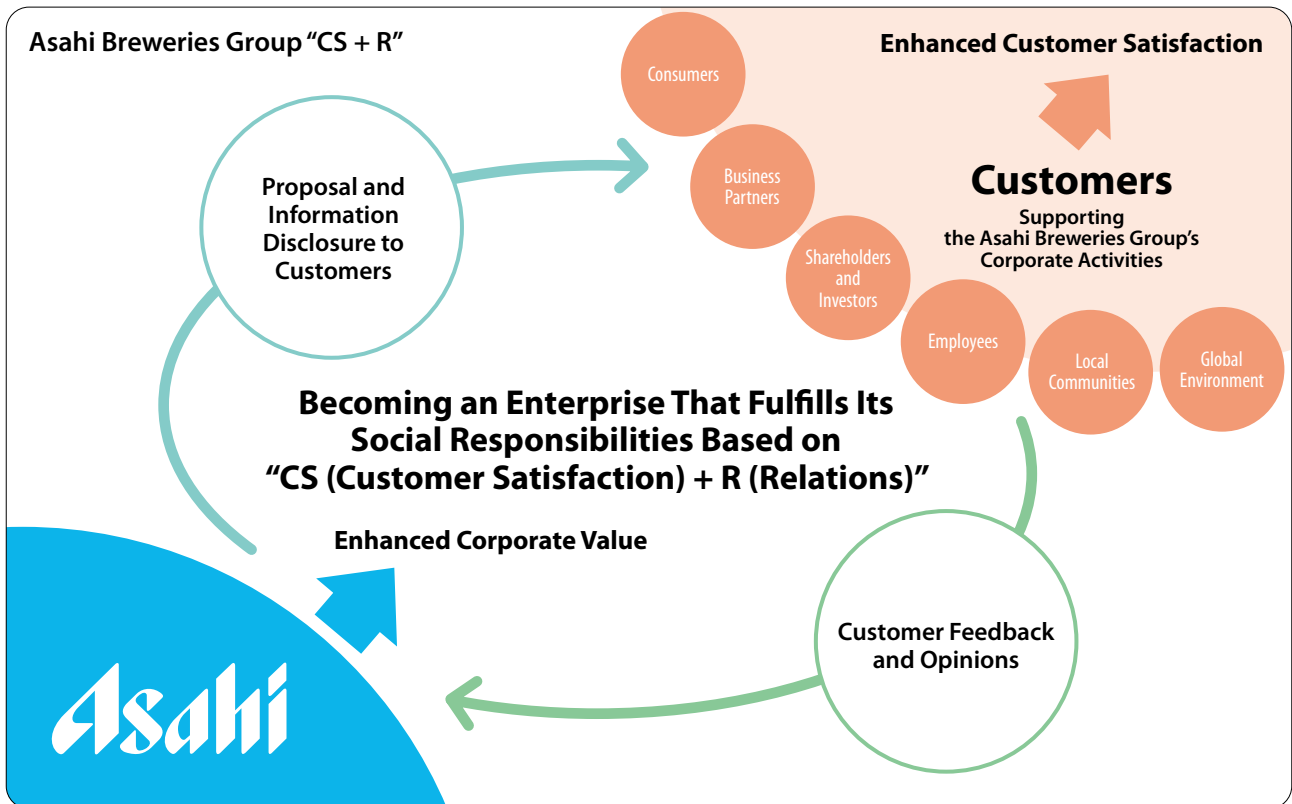
Our ultimate goal is to ensure the continued existence of Asahi Breweries Group. An essential prerequisite for achieving this goal is to be a company that is trusted and needed by society. Regardless of our profitability, the public would not support us if we did not provide a dynamic working environment for our employees or if we failed to develop a system and mindset for ensuring legal compliance. I think we must strongly recognize this point in conducting our business.

In our CSR activities, we recognize that every stakeholder is a customer who spurs the performance of the Asahi Breweries Group. In this sense, the term “customer” not only refers to the consumers of our products, but also includes shareholders and investors, business partners, employees and local communities as well. Every Group employee is expected to work to satisfy these customers and to incorporate customer opinions and feedback into future actions. Our objective is to fulfill our responsibilities and develop a relationship of trust with our stakeholders (=our customers) by repeating this cycle. In order to firmly instill this concept, we intend to accomplish our CSR with “CS + R,” that is, Customer Satisfaction through Relations.

Q What is the significance of your CSR efforts for management and business strategies?

The Asahi Breweries’ Group management guideline for 2008 is “Creation towards Evolution,” while the guideline for Asahi Breweries, Ltd. is “Creation of New Values for Tomorrow.” Based on these guidelines we have identified “brand cultivation and reinforcement,” “profit structure reform” and “investments for dramatic growth” as our three priority initiatives. I believe that practicing CSR is a precondition for these activities.

A company, needless to say, is a member of society and is deeply involved with people in various positions in undertaking the conduct of its business. Therefore, the fulfillment of our responsibility to live in harmony with society



is a major condition for pursuing our management and business strategies. In this sense, our CSR efforts lie at the very foundation of all our corporate activities.

Q How should we as individuals practically approach CSR?

The power of a company is nothing more than the combined energy of the individuals who work there. It is important that all individuals in their respective divisions—including myself, as the one who is responsible for management as president—recognize the roles and responsibilities of their positions in the execution of operations.

As the pace of social change accelerates, companies and products will come under greater scrutiny from customers. We must respond to this situation by evolving, without regard to conventional constraints, to consistently present new value that responds to the needs of the times.

All of us at the Asahi Breweries Group continue to pursue customer satisfaction to live in harmony with society through



ongoing dialogue with various stakeholders—our “customers”—with whom we come into contact. I hope to create a positive cycle in which these actions enhance trust in our company as well as our corporate value, which in turn intensifies employee motivation.

To this end, I will strive to create a working environment in which each individual member of the Asahi Breweries Group can vigorously demonstrate their abilities.

Q In particular, what do you emphasize in your CSR activities?

The Asahi Breweries Group’s CSR activities are focused on six priority initiatives—Environmental Conservation, Pursuit of Quality, Encouraging Moderate and Responsible Drinking, Compliance with Laws and Ethical Standards, Appropriate Information Disclosure, and Living in Harmony with Local Communities. In this report we have especially provided detailed information on environmental conservation, quality, and moderate drinking, three themes in which customers have expressed special interest.

Alcoholic beverages, soft drinks and food—our mainstay products—are produced from nature’s bounty, including water, grains and fruit. Therefore, conserving the global environment that nurtures valuable raw materials is, for us, an important theme that is interwoven with the very existence of our business.

Similarly, product quality is literally our lifeline as a food maker. In recent years we have observed a number of incidents in which the safety of food has been compromised, both in Japan and abroad. While we must, of course, secure the intrinsic safety of our products, as I mentioned before, I also believe that each of us must practice CSR and build up a track record of safety in every aspect of providing our products and services, so that the Asahi Breweries Group as a whole will be identified with safety.

Promoting moderate drinking is another important theme. We must recognize the facts and communicate information on the various negative impacts of alcohol, such as the danger of drinking and driving. On the other hand, I believe alcohol is an

The Six Priority Initiatives of the Asahi Breweries Group

Pursuit of Quality

Develop and provide high quality products and services to gain the trust and ensure the satisfaction of the customer.

Compliance with Laws and Ethical Standards

Perform corporate activities in compliance with laws and ethical standards to gain the trust of society.

Environmental Conservation

Reduce the Group's burden on the environment and carry out conservation activities for forests and water resources to protect the global environment.

Appropriate Information Disclosure

Rapidly disclose information in a fair and impartial manner to raise the transparency of corporate management.

Living in Harmony with Local Communities

Support volunteer and cultural activities to contribute to the creation of cultural living in communities. In addition, encourage exchanges with local communities to deepen mutual understanding.

Encouraging Moderate & Responsible Drinking

Carry out initiatives to prevent underage drinking, drinking and driving, and alcohol consumption by pregnant and breast-feeding women to actively fulfill the responsibility of enlightening consumers on proper drinking.

invention of human wisdom that promotes communication with others, enriches our daily lives and provides us with the energy to go on. We are proud to be in the business of creating alcoholic beverages as products with a long history and culture and which are deeply rooted in our daily lives. It is just as important that we express the rich culture and positive aspects of alcohol so that everyone can appropriately enjoy the products we provide with pride.

Q What future challenges do you anticipate?

As I have already stated, fulfilling CSR is the greatest challenge for companies today. The Asahi Breweries Group must cultivate an even stronger relationship with society to further enhance our corporate value by pursuing CSR, not as something we are expected or forced to do, but as an activity that we pursue in the natural course of doing business.

Based on this line of thought, I hope every member of the Asahi Breweries Group will always act with full awareness of their respective roles, so that we can continue to exist for years to come as a corporate group that leads in the creation of value in the domains of food and health.

As a corporate business in the 21st century

Conserving the Earth's Environment

Passing on the beauty of nature to coming generations is a primary concern shared by all the peoples of the Earth. Effectively addressing this issue is just as essential for a food maker that vitally depends upon the blessings of nature, such as water and agricultural goods, to ensure the continuity of its business.

Recognizing this fact, the Asahi Breweries Group strives to reduce the environmental burden associated with our operations, including the manufacturing process, as well as to communicate information on the overall impact of society on the environment with people within and outside the company.

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 Breweries Group believe we are responsible for ensuring our children inherit a healthier planet. To achieve our goals for protecting this beautiful planet and the people who live on it, we believe our actions must demonstrate our gratitude for the natural bounty the Earth provides us all.

Guidelines for Activity

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



1 Curbing global warming

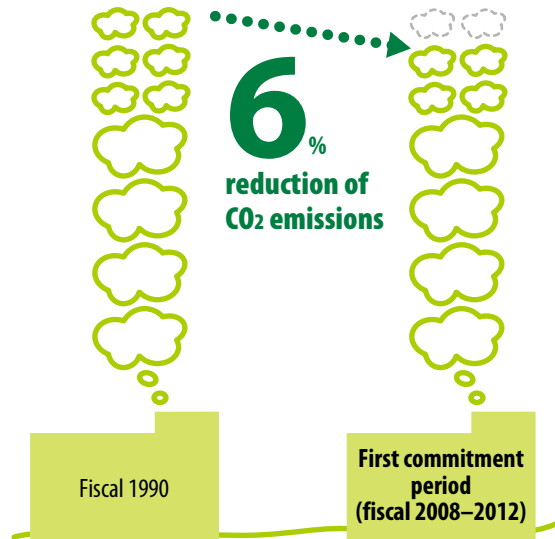
In light of the first commitment period of the Kyoto Protocol, our current top priority is reducing CO₂ emissions.

Reducing CO₂ emissions associated with global warming is a goal that should be shared by all humankind and a concern that requires worldwide cooperation. The Asahi Breweries Group releases CO₂ in the course of consuming energy at our production sites, and we recognize that cutting back these emissions is a critical social responsibility.

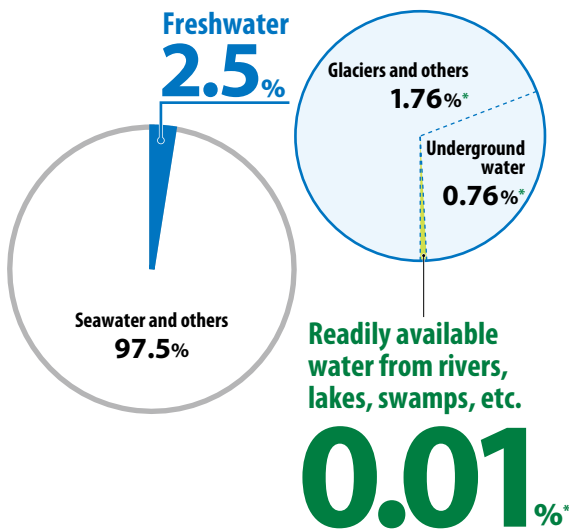
Based on this conviction, we have determined that our key alcoholic beverages segment will lead in this effort by reducing CO₂ emissions by 15% against 1990 levels by fiscal 2010, a target that exceeds Japan's commitment in the Kyoto Protocol of 6% against 1990 levels. All our business operations, particularly those centered on manufacturing, are working in concert to meet this target, through efforts focused on conserving energy to ultimately reduce CO₂ emissions.

We are also pursuing activities that help to control the level of CO₂ emissions, such as research and development into biomass ethanol and expediting the use of wind power generation. ➔ P.16

Japan's target under the Kyoto Protocol



Ratio of freshwater to total water resources on the Earth



* Values represent the ratio of global resources
Data source: "The 3rd World Water Forum," 2003, released by the Ministry of Land, Infrastructure, Transport and Tourism

2 Conserving water resources

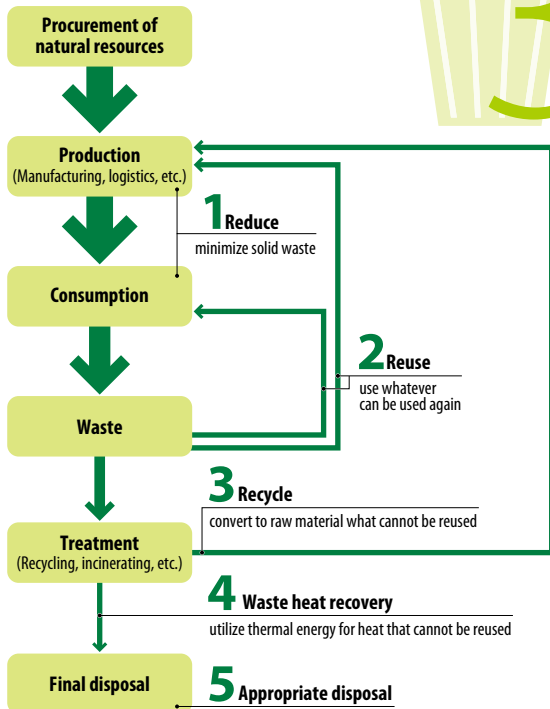
Fresh water is the main raw material in our cornerstone products—protecting this resource is critical for the very existence of our business.

For the Asahi Breweries Group, which produces alcoholic beverages and soft drinks, water is an essential raw material that directly impacts the continued existence of our business. As the declining availability of water resources becomes a global issue, the entire Group has placed the water conservation at the forefront of its environmental initiatives. We are working to reduce consumption and to purify wastewater to ensure the continued abundance of resources, both in terms of quality and quantity, far into the future.

Our breweries throughout Japan are also cooperating with local NPOs to preserve forestlands, which are important sources of water supply. In addition, we donate to groups that promote activities to protect water and greenery through Water Planet, the Asahi Breweries environmental fund, which was established in March 2004.

➔ P.17

Prioritization of processes toward a recycling society



This chart is based on documents released by the Japanese Ministry of the Environment.



3 Controlling waste generation and discharge

We are promoting the 3Rs—reduce, reuse and recycle—and working toward 100% recycling across the entire Group.

Every industry faces the challenge of reducing waste as the available landfill space continues to decline and as industrial waste leads to escalated levels of environmental pollution. In the food industry, the 2007 revisions to the Food Recycling Law require that actions be taken more quickly to address this issue.

The Asahi Breweries Group also generates various wastes and by-products during the manufacturing process at our breweries and other production sites. We are actively promoting the 3Rs in working toward a recycling-oriented society.

Asahi Breweries recycled 100% of its waste from all its breweries before fiscal 2002. We have been working to achieve a 100% recycling rate at Group factories by fiscal 2010, and will broaden the scope of these efforts to include sales bases and offices to engage the entire Group in accomplishing this goal.



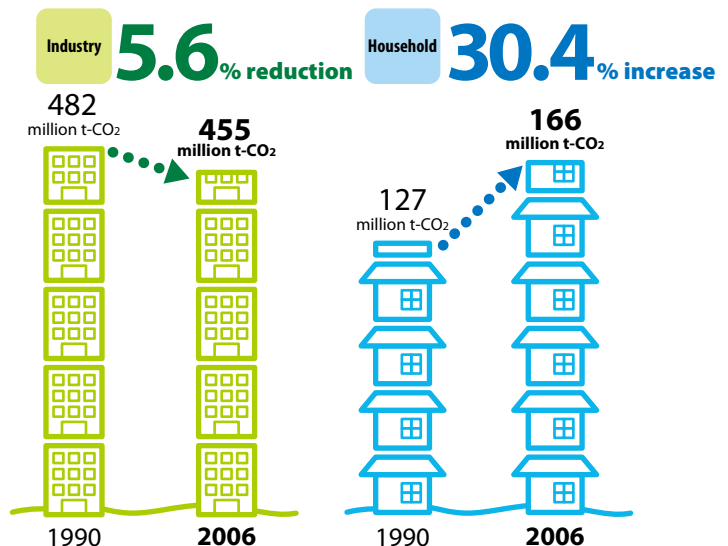
4 Environmental communication

We provide opportunities for thinking about environmental conservation through various educational events.

Environmental preservation is not just a challenge for the industrial segment; states, municipalities and consumers must also be aware of and address this concern in unison. Asahi Breweries believes that beyond reducing environmental burdens through our business activities, we must also educate society at large about preserving the environment as one of our fundamental social responsibilities. By holding events, such as Environmental Culture Seminars, the *Wakamusha* (Young Samurai) Educational Seminar for Protecting Japan's Environment, "*Morinoko Juku*" (Children of the Forest School), and "*Kazenoko Juku*" (Children of the Wind School), we promote environmental education to deepen understanding and provide opportunities for local residents to think about these issues as well as for the children who will bear responsibility for the future of the Earth.



Energy sources of CO₂ emissions by segment



Data source: "FY2006 Provisionary Greenhouse Gas Emissions (Overview)" released by the Japanese Ministry of the Environment

DIALOGUE

Expert Opinions

The Asahi Breweries Group promotes environmental preservation activities while conducting dialogues with our stakeholders. As a part of our efforts in 2007, we invited four outside experts who address environmental problems from their own distinctive positions to a stakeholders dialogue. At the forum, we asked their opinions on what is required of the Asahi Breweries Group in social issues such as curbing global warming.

Date: November 15, 2007

Location: Headquarters of Asahi Breweries, Ltd.

Moderator: Hiroyuki Tada, Joint Representative, Japan for Sustainability (JFS)



Implement CSR across the entire product lifecycle and take responsibility for your supply chain

Minako Oishi
Vice Chairperson, Environment Committee, Nippon Association of Consumer Specialists (NACS)

From the standpoint of the consumer, if an accident or problematic incident were to break out within the Asahi Breweries' supply chain, the incident would be viewed as Asahi Breweries' responsibility. This is exactly why I urge you to clarify your policies and structure for raw material procurement. I expect Asahi to fulfill its CSR obligations throughout the lifecycle of its products, including the entire supply chain.



Value the views of your consumers, employees, business partners, and stakeholders

Soichi Ueda
Producer, Think the Earth Project

When you address environmental issues, it is very important to see through the eyes of others who are keenly aware of the environment and the corporation's CSR activities. Employees and business partners are also highly motivated when they feel their work has a positive impact on society and the environment. I think relationships with stakeholders are important for addressing the complex problems related to resources, such as water and the environment.



Think about what you can do not only as a corporation but also as a member of society

Naoki Adachi
Sustainability Planner, Response Ability, Inc.

In order to halve global greenhouse gas emissions by 2050, Japan must reduce emissions by 80–90%. An enterprise would not survive under these circumstances unless it considered how to continue its business. Another important matter is to address the issue not as a single business but in its entirety, including your supply chain. I would like to see Asahi Breweries reinforce cooperative relationships with its suppliers and work toward solving environmental issues.



It is important to know the impact global warming has on your business as a food manufacturer

Nobuyuki Sugimoto
Associate General Manager, Environmental & Safety Department and PR & CSR Department, Ajinomoto Co., Inc.

The food industry may exert less impact on the environment than other industries, but on the other hand, it is significantly affected by global warming. I believe we are expected to not only think about reducing our own company's environmental burden but to also consider the challenges society at large faces in solving environmental problems and how we as companies in the food industry can help address these problems.



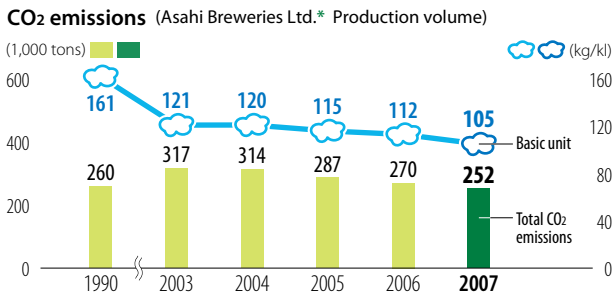
1 Prevention of global warming

Introducing energy-saving equipment and promoting fuel conversion

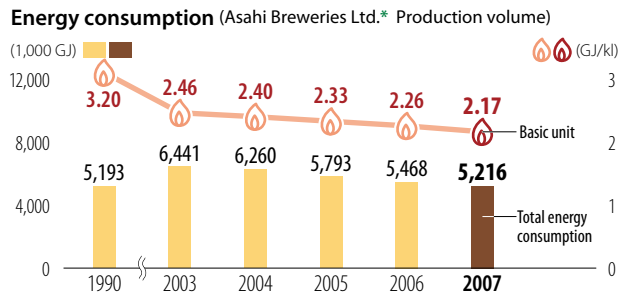
The Asahi Breweries Group is introducing energy-saving equipment and promoting fuel conversion in our factories to reduce the use of electricity and boiler combustion, which generate CO₂ emissions. We are also introducing cogeneration systems and promoting the collection and recycling of CO₂ at our breweries. Actions in fiscal 2007 included converting from heavy oil to urban gas for fuel, and introducing a cogeneration system in the Fukushima Brewery as well as introducing a solar power generation

system in the Hakata Brewery.

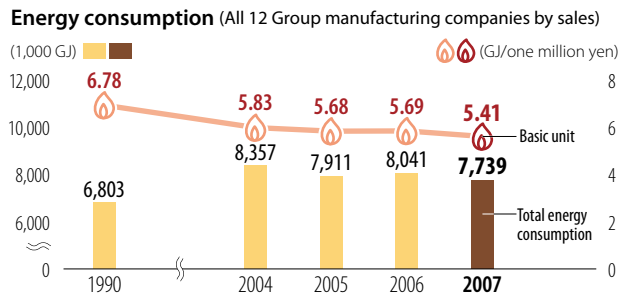
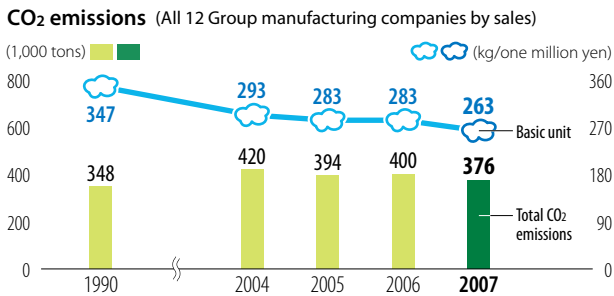
In 2007, Asahi Breweries and the Group as a whole both reduced energy consumption and CO₂ emissions (totals and per-unit) compared with the levels of the previous fiscal year. Across all 12 Group manufacturing companies, CO₂ emissions increased 8% compared with the level of 1990, the standard level of the Kyoto Protocol, in proportion with the increase in our production volume. Nevertheless, on a per-unit basis, we reduced emissions by 24%.



* Consolidated data for manufacturing beer-type beverages in all breweries in the Asahi Group.



* Consolidated data for manufacturing beer-type beverages in all breweries in the Asahi Group.



Encouraging the use and spread of natural energy

Asahi Breweries advances activities that contribute to the spread of natural energy. One initiative was the installation of a solar power generation system in the Hakata Brewery in March 2007. Our business was selected as a field test site for New Technology in Photovoltaic Generation, a joint research



Rooftop solar power generation system at Hakata Brewery

program carried out by the New Energy and Industrial Technology Development Organization. With this installation, we achieved an annual reduction of

about 85 tons of CO₂ emissions.

We are also funding the Aso-Nishihara Wind Farm, a premier wind-power generation business on the island of Kyushu, operated in Kumamoto Prefecture by Electric Power Development Co., Ltd. Since it started operations in 2005, the wind farm has generated 25 million kWh of electricity annually, equivalent to the yearly electricity consumption of 7,000 households. We have been conducting Asahi J-Power "Kazenoko Juku" (Children of the Wind School), a work-study program for local elementary school children at this site since 2006.

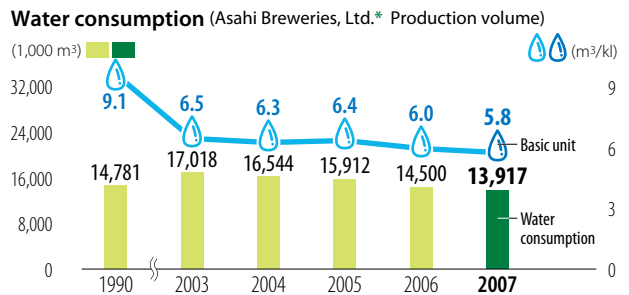
2 Conserving water resources

Reducing water consumption and environmental load of waste water

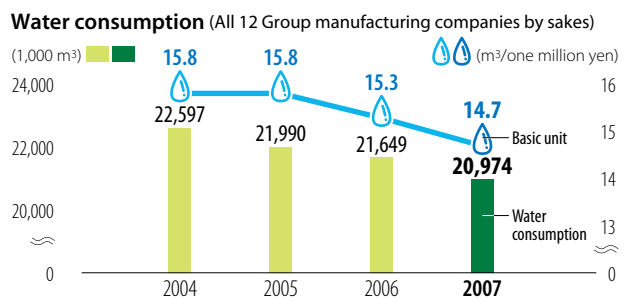
The Asahi Breweries Group is engaged in conserving water, one of the most important raw materials used for our alcoholic beverages and soft drinks, from the perspectives of efficiently using water resources and effectively managing waste water quality.

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. In fiscal 2007, the water consumption (totals and per-unit) of Asahi Breweries and the entire Group decreased from the previous year. Per-unit service water consumption declined about 3% in the Asahi Breweries Group, and about 4% in all 12 Group manufacturing companies.

To control waste water 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. A number of our breweries also perform active carbon treatment in addition to conventional purification processes to control the quality level to be near that of tap water.



* Consolidated data for manufacturing beer-type beverages in all breweries in the Asahi Group.



Water resource preservation activities for breweries

Forests provide the Asahi Breweries Group, with the water that is indispensable for our beer-type and other beverage products. To protect forests, Asahi Breweries continues to carry out preservation activities for forests that are necessary for each brewery's water resources.

In 2004, the Shikoku Brewery started this effort and by 2006 we had expanded it to all nine breweries. As of May 2008, actions have been carried out on 25 occasions. 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, or the National Land Afforestation Promotion Organization.

Water resource preservation activity at Okushima Yama National Forest, Omihachiman, Shiga Prefecture

Future Issues



Steadfast action has produced significant rewards

We have been carrying out water resource preservation activities at the Suita Brewery once a year since 2006. At first, participants had difficulty understanding the relationship between forest preservation activities and water. Their understanding deepened, however, with

each activity. I am moved by the change in employee awareness, and the children accompanying them are now interested in the mountains. I believe that continuing these activities to the point we can see with our own eyes the regeneration of the forest will further enhance participant motivation. We employees will work in concert so that we can realize the much-awaited rebirth of the forest.

Naoko Kimura General Affairs Department, Suita Brewery, Asahi Breweries Co., Ltd.

The results of our initiatives



Controlling waste generation and discharge

Toward 100% recycling of waste and by-products across the entire Group

Although our breweries generate approximately 300,000 tons of waste and by-products every year, we have been recycling 100% since 1998. We are working toward the target of 100% recycling across all 33 Group manufacturing sites, and in 2007 achieved this milestone in 28 factories. We intend to reach this goal by fiscal 2010 for the remaining five new Group companies (LB Co., Ltd., Tokyo and Nagoya; Wakodo Co., Ltd., Tochigi and Shizuoka; and Wako Food Industry Co., Ltd.).

The Asahi Breweries Group is also working to generate less waste. The amount of waste generated across the entire Group in fiscal 2007 increased about 3% over the previous year due to business expansion; however, we will continue to promote initiatives to limit waste while devising unique plans for each factory.

Future Issues

Toward the formation of a recycling society

To maintain 100% recycling, we are continuing to practice the 3Rs (reduce, reuse and recycle) in handling various waste and by-products generated during the manufacturing process. For example, malt feed, a major by-product produced during the brewing process, has typically been useful as livestock feed.

The most important future issue is achieving our target of 100% waste recycling across all 33 Group manufacturing sites by 2010. We are working toward achieving this target at the earliest possible time.



Takeshi Kurashige

Social & Environmental Management Department,
Asahi Breweries, Ltd.

Effective utilization of beer yeast



Developing a plant activator using yeast, a by-product

We had already been reusing beer yeast, a beer fermentation by-product, in products such as the *EBIOS* tablets and as a yeast extract for seasoning. In 2006, we developed the plant activator, *Hosaku Monogatari*, which uses yeast cell walls generated from beer yeast and has the effect of strengthening plant immune systems. We offer this product to producers of lettuce, tomatoes and strawberries, as a safe and reliable natural ingredient that reduces environmental burden by decreasing the amounts of fertilizer residue.

Promoting the 3Rs in containers and packaging

Containers and packaging are essential for protecting the content of products. However, each stage, from extracting materials and production to recycling containers and packaging negatively impacts the environment. The Asahi Breweries Group promotes the 3Rs in order to minimize these problems.

● Reduce

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

We have recently increased the utilization ratio of recyclable materials and improved the strength of cans that are thinner than conventional ones. In fiscal 2006, we reduced aluminum volume per liter for beer-type beverages by 10.6% compared with 1990. Furthermore, in fiscal 2008, we succeeded in reducing the weight of can lids by 9% by redesigning their shape.



Conventional can lids

Can lids after conversion (Super End 206-diameter)

● Reuse

Nearly 100% of returnable beer bottles are collected after use and reused an average of 30 times. We will continue our endeavors to educate customers on the excellent properties of returnable bottles, and that reuse lessens the overall environmental burden.

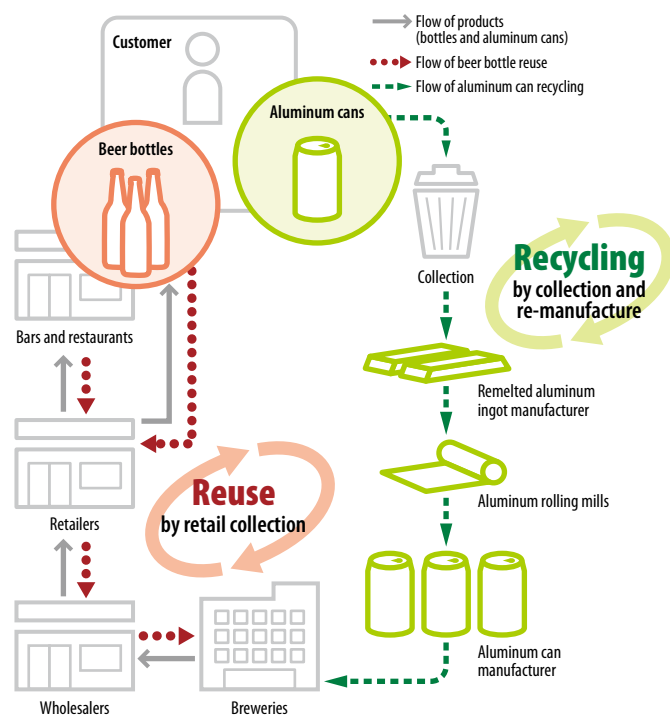
We also collect keg beer containers from restaurant clients and return them to our breweries for reuse.

● Recycle

Containers and packaging used by Asahi Breweries consist primarily of aluminum and steel cans, cardboard, and PET bottles. Japan maintains a high recycling rate for these materials against global standards.

In order to contribute to the creation of a recycling society, the Asahi Breweries belongs to and actively participates in organizations for recycling containers and packaging.

Reusing and recycling beer bottles and aluminum cans



● Use of eco-friendly materials

We use “other-colored” cullet*, which generally have fewer opportunities for recycling, as Super Ecology Bottles for the *Sankaboshizai-Mutenka-Yuki Wine* made in Japan by Sainte Neige Wine Co., Ltd.

Wakodo Co., Ltd. actively uses materials made in Japan for paper cartons, in compliance with the spirit of the National Movement for Fostering Beautiful Forests and the Kizukai (“use wood”) movement promoted by the Forestry Agency. Wakodo obtained certification for the “Thinned Wood Mark” by using materials made in Japan that consist of at least 10% thinned domestic wood for at least 30% of its packaging. Some of the materials made in Japan utilize thinned wood from our corporate-owned Asahi Forest (see p. 20).

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

4 Environmental communications

Disseminating information acquired at the corporate-owned Asahi Forest

● Management of a sustainable forest with a more than 60-year history

Forests are vital assets that serve various functions, such as conserving water resources as well as preserving soil and absorbing CO₂. Amid concerns in recent years about the decline and devastation of forests around the world, the Forestry Agency in Japan has been actively encouraging the use of domestic wood.

The Asahi Breweries takes advantage of our corporate-owned Asahi Forest, which we have been cultivating for the past 66 years, in emphasizing the use of thinned wood and providing insight into environmental awareness.

The Asahi Forest occupies 2,165 hectares in the expansive area surrounding Shobara and Miyoshi in Hiroshima Prefecture. All mountains in the 15 divisions of the corporate-owned forest are FSC-certified* and have been designated as Water Resource Conservation Forests. We will continue to maintain this sustainable forest and push forward with the operation of environment-friendly woodlands.

*FSC certification: A certification granted to forests managed appropriately under international standards that span environmental, social and economic concerns as set forth by the Forest Stewardship Council. Wood and wood products yielded by certified forests are marked with a unique certification logo for broad distribution to consumers.

● Collaboration with local NPOs to encourage the use of thinned wood

Thinned wood is primarily used for building materials. It is also used in promotional materials for bars and restaurants as well as disposable chopsticks supplied to restaurants outside of the Asahi Breweries Group. Recently, we have also been working with local NPOs to promote the use of thinned wood as wood pellets, which are attracting

attention as a biomass fuel for effectively controlling CO₂ emissions. Moreover, by actively disseminating information widely, we are helping to improve the understanding of forest preservation and environmental awareness.

● Environmental education event for children, "Morinoko Juku"

Since 2006, we have conducted the Asahi *Morinoko Juku* (Children of the Forest School) in the Asahi Forest. Through experience-based education, local children learn the forest's roles, such as absorbing CO₂, nourishing water and preserving biodiversity.



The Asahi Forest, which absorbs 12,200 tons of CO₂ annually



Asahi *Morinoko Juku*



Thinning wood improves the absorption of light and nutrients and promotes healthy growth



A wooden tag and a pair of disposable chopsticks made from thinned wood

Future Issues

We will communicate the magnificence of the forest to all we can

We cooperate with local communities in nurturing the Asahi Forest with the goal of realizing harmony between environmental preservation and economic efficiency. With afforestation of the Asahi Forest completed in 2000, leaving native forest in more than 20% of the land area, we obtained FSC certification in September 2001, the third incidence of certification within Japan and the first among Japanese food corporation-owned forests.

Currently, we are caring for the forest by annually thinning 100 hectares of wood. With meticulous care and appropriate use, the forest will vigorously grow and continually share its bounty with us. We would like to communicate the importance and magnificence of the forest's cycle to all we can through Asahi Forest activities.



Shigetaka Nakamura Head of the Asahi Forest Environmental Preservation Office, Asahi Breweries, Ltd.

Emphasizing environmental education

The Asahi Breweries holds educational activities in various regions to work with local community residents in reducing environmental burdens. One activity is the *Wakamusha* (Young Samurai) Educational Seminar for Protecting Japan's Environment, which we have held since 2006, targeting high school students.

The seminars provide high school students with opportunities for directly experiencing environmental issues through hands-on education in forests and along rivers and in company tours, and to think about solving problems and putting their ideas into practice. Through this program, we endeavor to nurture ambitious young samurai who have acquired the ability to face up to and solve local environmental issues.

Participants, who are selected from high school groups that apply, take part in workshop camps. They formulate environmental activity plans for their respective local communities based on what they have learned. After the camp, participants put their plans into practice within their



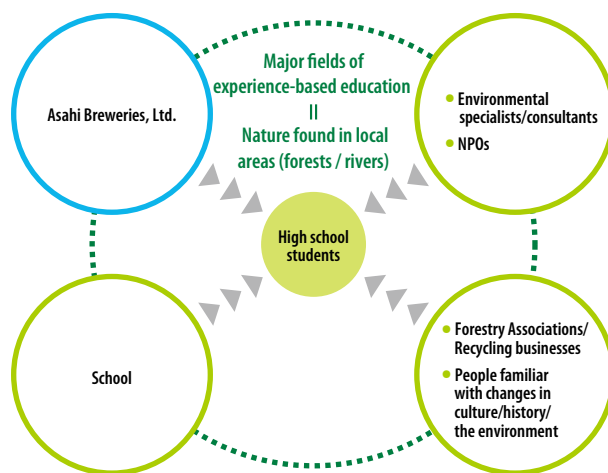
Workshop camp group

local communities and report on the results at a final presentation held at the end of the year.

In fiscal 2007, the seminar was held in the Tohoku district.

Participating groups

Provision of knowledge and technology through diverse perspectives: *Wakamusha* (Young Samurai) Educational Seminar for Protecting Japan's Environment



observed environmental activities carried out by our Fukushima Brewery and experienced a study session in the Lake Inawashiro area under the guidance of a local forestry association. Upon returning to their local communities, the students engaged in close-to-home environmental activities, such as using fuel made from waste cooking oil and purifying river water with charcoal.

We will continue to contribute to the realization of a sustainable society together with local residents through these kinds of learning opportunities.

Third party opinion

Expectations for Asahi Breweries

I look forward to your reducing total CO₂ emissions and preserving biodiversity

Dr. Naoki Adachi

Doctor of Science
CEO, Response Ability, Inc.



The Asahi Breweries has been a leader, not only in the beer industry but for Japanese enterprises as a whole, in reducing environmental burdens within its business operations. However, the world has changed rapidly over the past few years. For example, total CO₂ emissions must

be reduced as well as per-unit reductions. When reviewing Asahi Breweries' activities from this perspective, there is certainly room for improvement. This may be the right time to reconsider the assumptions behind your actions and apply new evaluation standards.

The same can be said of biodiversity. Beer is made from the bounty of nature, so the preservation of biodiversity is essential for the continuation of Asahi Breweries' business.

Although Japan has not yet begun to fully address this concern, I look forward to Asahi Breweries' active contribution to sustainable management in addition to the protection of water resources and living organisms.

As a corporate group that contributes to food and health

Uncompromising Quality Control

With food and health as core business domains, the Asahi Breweries Group offers safe, high-quality products that customers can use with confidence as a fundamental social responsibility and a cornerstone for business longevity. To fulfill this responsibility, the entire Group carries out uncompromising quality control throughout every process, from product development, material procurement, manufacturing, logistics and sales, continuing through into labeling and advertising in accordance with our own quality policy as well as strict compliance with laws and regulations.

Asahi Breweries Group Quality Policy (Established August 2007)

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

- We deliver products and services that customers can use with confidence by placing top priority on safety.
- We listen to direct customer opinions and reflect them in our products and services; we proactively offer appropriate information.
- All members of the Asahi Breweries Group place themselves in the customers' position and act with sincerity.
- 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.
- We comply with laws and regulations related to quality, and each Group company also complies with the self-regulations of their respective industry.



1 Reinforcing Group management structure

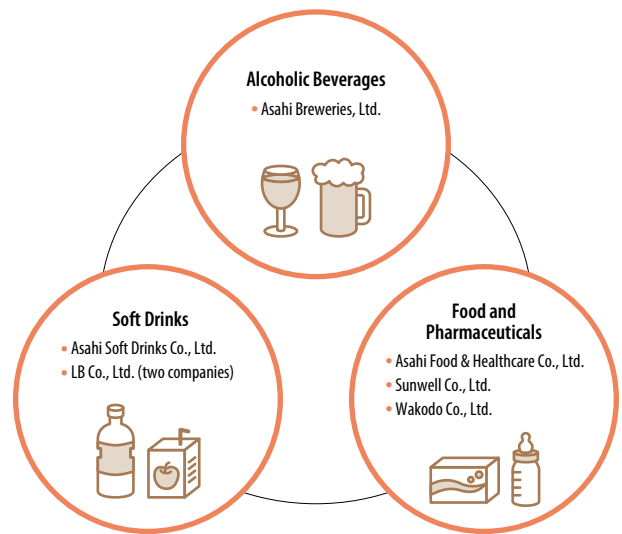
Sharing common values and living up to the trust placed in us by our customers, we pursue activities based on the Quality Policy under the leadership of our Quality Committee.

A company's approach to quality is more important than ever before as customers become increasingly concerned over food safety. Asahi Breweries believes it must establish and reinforce its Group-wide quality assurance system to continue living up to the trust placed in us by our customers while taking into consideration the rising number of Group companies and product lines in the wake of our expanding business.

To this end, the Asahi Breweries Group founded its Quality Committee in 2005. Since establishment, the Committee has periodically convened to promote quality control measures and has aligned all Group companies behind these efforts. Each company is building a quality assurance system for its specific business and organization while working to make the system effective based on the Quality Policy planned and developed by the Committee.

➔ P.26

Asahi Breweries' expanding product domains



Conserving the Earth's Environment

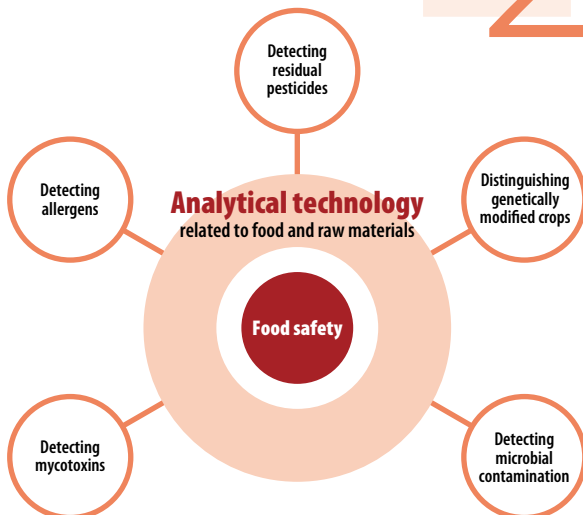
Uncompromising Quality Control

Promotion of Moderate and Responsible Drinking

Initiatives in Other Areas

2 Expanding technological expertise in quality assurance

Technology to support food safety



We are strengthening our analytical technology to support quality assurance centered on the Research Laboratories for Food Safety Chemistry.

An effective quality assurance system depends on continually expanding the technology and expertise that supports it. Asahi Breweries is working to strengthen its skills in analytical technology from a variety of perspectives related to food and raw materials, such as residual pesticides, mycotoxins, and genetically modified crops.

At the core of these initiatives is our Research Laboratories for Food Safety Chemistry, established in October 2007. The laboratories conduct research and carry out development utilizing state-of-the-art analytical equipment, applying the results in quality assurance throughout the entire Group.

➔ P.27

3 Promising quality throughout the entire supply chain

We are striving to guarantee quality that lives up to customer trust throughout the entire supply chain, from product development, material procurement, manufacturing logistics, distribution and sales, to labeling and advertising.

Uncompromising quality assurance throughout the entire supply chain—from new product development to material procurement, manufacturing, logistics, sales, and including even labeling and advertising—is just as important for offering products that customers can confidently enjoy as quality control during the manufacturing process. Based on this conviction, Asahi Breweries has established a system and mechanism for securing product quality and safety throughout every process in the supply chain.

For example, in new product development, our New Product Development Process Verification Meeting evaluates the risk to quality from various positions. Only initiatives approved by the meeting can proceed to production.

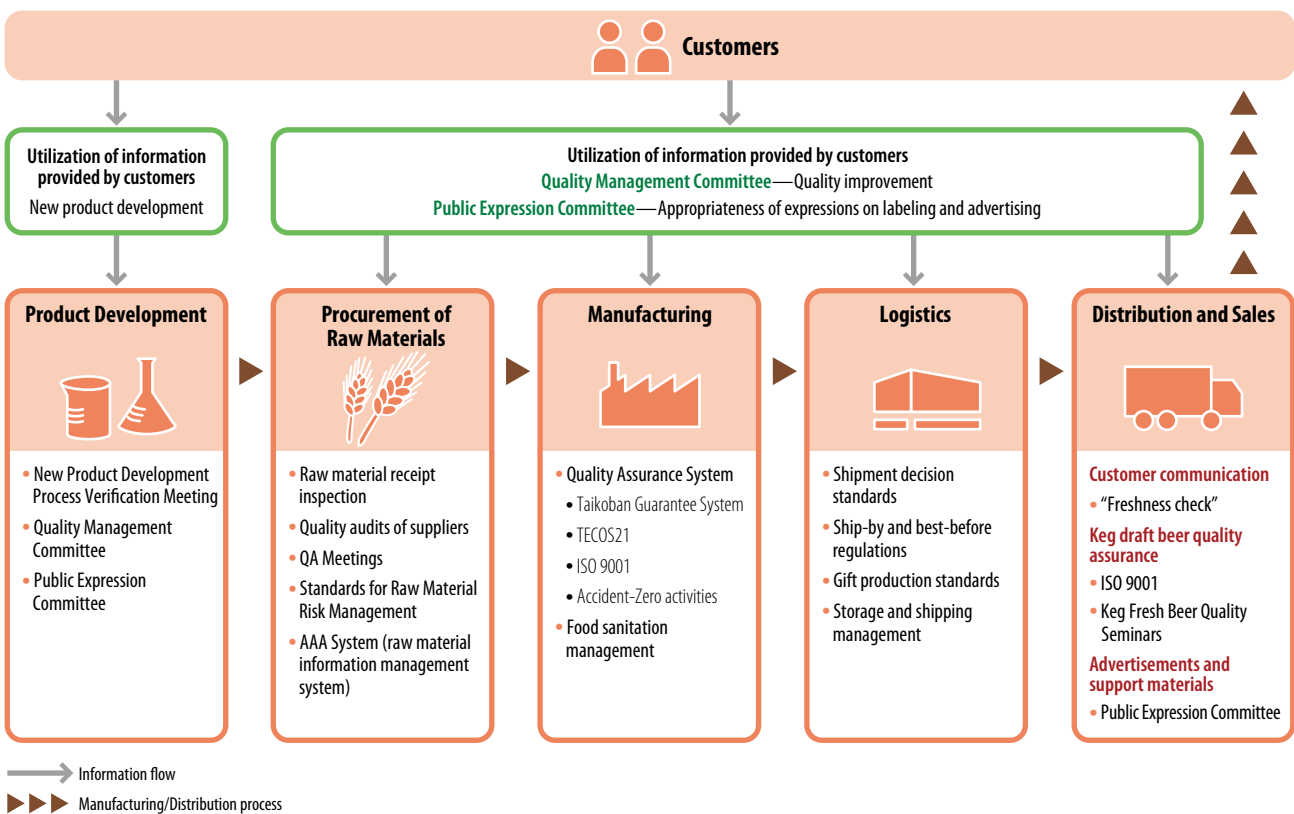
In procurement of raw materials, we have secured safety by establishing our Regulations for Procurement Quality Assurance and Standards for Raw Material Risk Management, as well as a traceability system.

In manufacturing, we strive to reduce quality risks through various analyses at the Quality Control Center and by exercising quality control through the Taikoban Guarantee System.

And we continually seek to enhance quality for customers at the moment of drinking through Total Freshness Management Activities in post-production storage and shipping, right up to handling at retailers, bars and restaurants.

P.28

The Asahi Breweries quality assurance system



DIALOGUE

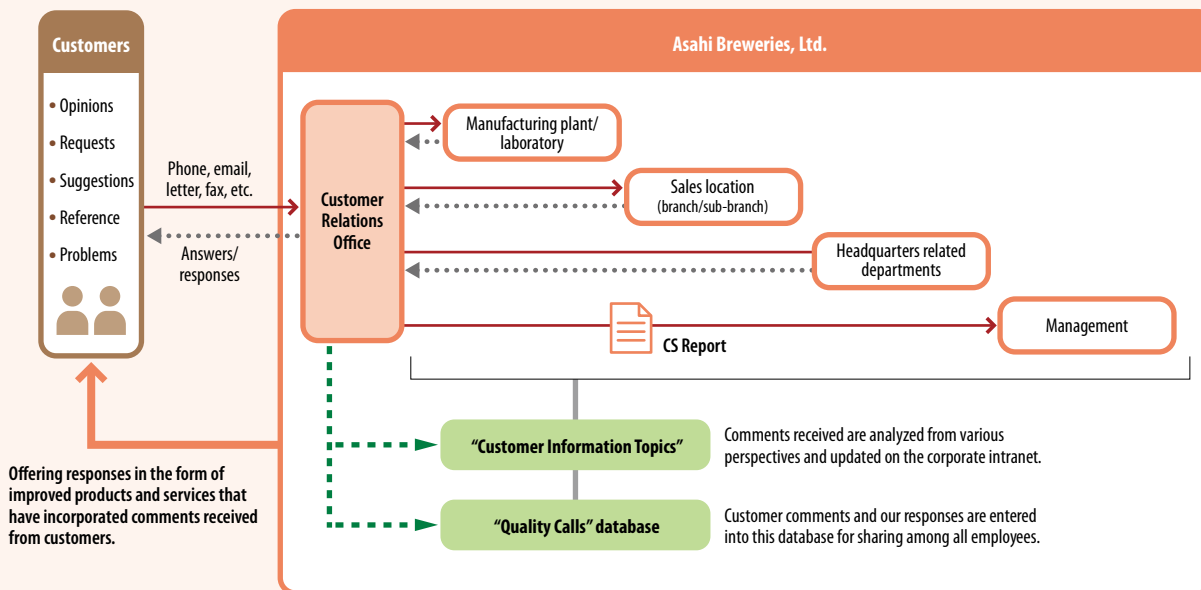
System for Incorporating Customer Feedback into Our Business

Through the Customer Relations Office

The Asahi Breweries Group refers to customer comments as “quality calls,” which it considers to be valuable assets for improving management quality. Through proactive dialogue with our customers, we develop and improve products and services based on a good understanding of the issues, so that we can continuously heighten customer satisfaction and incorporate the information into management and operational policies.

The Customer Relations Office* plays a central role in our dialogues with customers. We respond to customers who contact the Customer Relations Office in a spirit of gratitude and strive to consider each comment promptly, accurately and respectfully by placing ourselves in the position of the customer.

* Each of six companies maintains a Customer Relations Office: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Food & Healthcare Co., Ltd., LB Co., Ltd. (two companies), and Wakodo Co., Ltd.



Asahi Breweries deploys a system for the real-time entry of all customer inquiries, such as comments and opinions, requests and problems, into a fully secured in-house database, allowing all employees, from sales staff to management, to share and utilize this data.

In May 2005, we launched the “Customer Information Topics” page on our corporate intranet, which analyzes comments sent to us from various perspectives and

provides employees with timely information. “CS reports” are also posted to this intranet page. These reports, which are submitted to management, include details on responses to specific issues and are produced by the departments involved.

Personal information and company names are deleted from these reports to protect customer privacy.

1 Reinforcing the management structure of the Group

Reinforced management based on the Group Quality Policy

● Enhanced operation and information sharing related to quality assurance

The Asahi Breweries Group has been convening Group Quality Management Committee meetings every two months since December 2005.

The committee, consisting of quality assurance department personnel from Group companies, establishes quality assurance structures and strategies, and shares related information. The committee is developing a Group-wide quality maintenance infrastructure, including the establishment of the Group Quality Policy (see p. 22) in August 2007 and the Group Quality Crisis Management Guideline, which stipulates responses to potentially serious accidents that could impact product quality. The committee also deliberates response policies for food safety upon exchanging related information, such as responses to Japan's Positive List System and management of raw material expiration dates.

In 2007, the committee, which originally consisted of Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd. and Asahi Food & Healthcare Co., Ltd., was expanded to include LB Co., Ltd. (two companies), Wakodo Co., Ltd. and Sunwell Co., Ltd.,



Group Quality Management Committee

further reinforcing overall Group structure.

The committee discussed methods for preventing the recurrence of defective

products, through such means as managing raw material expiration dates and maintaining voluntary inspection flow charts related to health food safety as well as case studies of voluntary collection, in the meetings held in 2007.

● Reinforcing Group-wide verification of appropriate labeling

Recognizing labeling and advertising as important elements of quality, Asahi Breweries established the Public Expression Committee in 1995. Committee members selected from 17 company departments have been reviewing company-wide labeling and expressions on products, advertisements and sales promotional items from various perspectives on a weekly basis to offer truthful, accurate labeling and advertising to customers.

Group companies (Asahi Soft Drinks Co., Ltd., Asahi Food & Healthcare Co., Ltd., Wakodo Co., Ltd. and LB Co., Ltd. (two companies)) have also established review boards based on Asahi Breweries' initiatives and are taking action accordingly.

● Quality audits of Group companies

Asahi Breweries provides personnel and expertise to support the quality assurance activities of Group companies. It also confirms the operational status of each company's quality control system through periodic quality audits.

Quality auditing has been conducted for Group companies' headquarters, factories and restaurants, chiefly by the Asahi Breweries' Quality Assurance Department. In 2007, we audited 36 sites including those overseas (China headquarters, Yantai Beer Asahi Co., Ltd., and Shandong Asahi Green Source High Tech Farm Co., Ltd.).

Future Issues

Developing an infrastructure for a quality assurance system as a Group member

Almost two years have passed since Wakodo Co., Ltd. joined the Asahi Breweries Group. Like Wakodo, many Group companies are in the food business, and I have found many colleagues to consult with through information exchange meetings and regular business correspondence. I am just beginning to feel like a member of the Group on a personal level as well.

Since Wakodo joined the Group in

2007, we have established our own Public Expression Committee as well as the Wakodo Quality Policy/Activity Policy, which is based on the Asahi Breweries Group quality policy. We plan to establish a quality review board in fiscal 2008.

We have also launched a company-wide quality improvement initiative. By identifying the problems in each department and reviewing fundamental mechanisms related to quality, we plan to develop a foundation for a quality assurance system centered on the production department.



Junichi Sekiguchi Head of the Quality Assurance Department, Wakodo Co., Ltd.

2 Expanding technical expertise related to quality assurance

Establishment of analysis/research institutions in support of food safety

The Asahi Breweries Group established a Quality Control Center to support Group companies in further living up to customer trust amid increasing public concern over food safety. The center analyzes each company's products and subsequently reports its results and advises each company on potential quality risks and preventive measures as a specialized, independent entity.

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.

The Asahi Breweries Group will further pursue product safety by continuously addressing similar leading-edge topics and themes.



Research and Development Center

Pursuit of innovative microbial inspection methods

The positive effects of lactic acid bacteria on human health are widely known. In the beer industry, however, research has been conducted on measures to prevent this spoilage-causing microorganism, which reduces the flavor and aroma of beer. Beer spoilage is caused by a very few species of bacteria that are resistant to hop, a naturally derived antimicrobial constituent. The same bacterial species may or may not cause spoilage, however, and screening and extermination have been problematic because detection has been difficult through normal inspection media.



The award ceremony

The Asahi Breweries Research Laboratories for Brewing Technology have been researching the hop-resistant mechanism of the lactic acid bacteria spoilage of beer for more

than 12 years. It has produced world-leading results such as, "Discovery of hop-resistant genes in beer spoilage lactic acid bacteria and a horizontal transmission hypothesis," "Proposing a method for accurately screening beer spoilage lactic acid bacteria," and "Development of inspection media for complex culture lactic acid bacteria." In 2007, this series of research studies received the 2007 Japan Brewing Academy Encouragement Award from the Brewing Society of Japan*.

The laboratories hope to further evolve inspection technology and sanitation control, build a foundation for quality assurance based on the results of these studies and then contribute to the entire beer industry by widely releasing the details of our research around the world.

* **Brewing Society of Japan:** Established in 1987 to promote the enhancement of academic research related to brewing. The Encouragement Award is presented once a year to an individual society member who has achieved a significant advance in brewing research and development.

3

Assuring quality throughout the entire supply chain

Reinforced traceability in all areas of development and raw materials procurement

Asahi Breweries conducts stringent quality control from the initial stage of product development and works to procure safe raw materials.

In the development process, we perform tests and reviews to confirm that raw materials, packaging materials, content descriptions and labeling conform to applicable laws and regulations as well as to our corporate standards.

In the procurement of raw materials, we select suppliers after confirming the list of the agricultural chemicals used, agricultural chemical application records and analytical data. We only procure raw materials from suppliers who cooperate with us in



Quality audit of suppliers

ensuring quality and safety, including compliance with the Positive List System*1. To ensure quality maintenance and improvement, our procurement department conducts quality audits of suppliers and holds regular QA Meetings*2 with large-volume suppliers.

We have strengthened traceability of raw materials and product and have been utilizing the results to support prompt responses to problems and facilitate meticulous quality control. Asahi Breweries and Nikka Whisky Distilling established the AAA System to guarantee the uniform management of raw materials and product information. Full scale operations began in April 2007. We can ensure traceability by only using raw materials registered in the system when developing products.

*1 Positive List System: A system that, in principle, prohibits food that contains more than a specified amount of agricultural chemicals for which standards are not yet established.
 *2 QA Meetings: Meetings related to Quality Assurance (QA).

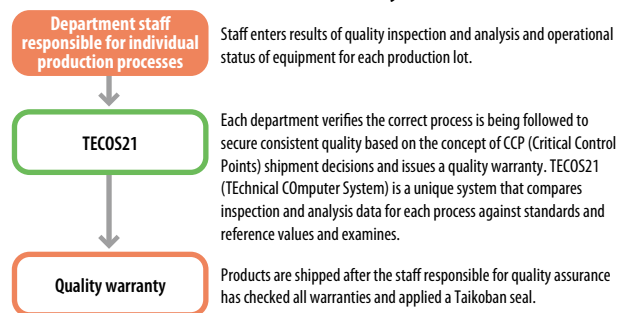
Operation of a unique quality assurance system in the manufacturing process

In 1991, Asahi Breweries introduced its Taikoban System, which guarantees that products were manufactured through prescribed processes and that designated standards have been achieved.

Through the system, we confirm the quality and operational status of equipment for each lot and issue product quality warranties. The staff responsible for quality assurance then reviews all warranties and applies a Taikoban seal confirming quality prior to shipment. Should any abnormality be discovered at any point in the process, the system is designed to prevent the product from proceeding to the next step until the cause has been identified and quality can be ensured.

Moreover, to nearly eliminate quality risk factors, we clarified situations that can lead to even the remote possibility of microbial contamination, the intermixture of foreign liquid or gas, the entry of foreign substances or different varieties. We apply an approach based on examining the actual site, ingredients and overall situation without overlooking predictors. In addition to practicing the items stipulated in the guidelines, each manufacturing

Flowchart of the Taikoban Guarantee System



site also conducts a self-diagnosis each year for improvement purposes.

In accordance with our belief that consistently producing good products requires establishing, refining and sharing techniques that form the backbone of manufacturing, we have established systems to share the expertise of skilled technicians with the next generation, such as the Technical Master System (11*), Technical Expert System (total 106*), and the Apprenticeship System (12 instances in fiscal 2007).

* Numbers in parentheses indicate certified personnel as of the end of 2007

Shortened lead times

Once a product has been manufactured, deterioration must be prevented to maintain freshness. Asahi Breweries shortens the lead time from factory to points of sale by coordinating with wholesalers and retailers to enable us to plan for the required shipment volume ahead of time and can ship immediately after production.

Since 2006, we have been introducing RFID* for greater efficiency in sorting at factories to stabilize lead times. To avoid quality deterioration from exposure to sunlight or

vibration during transport, Asahi Breweries is devising measures related to delivery vehicles and protective materials and promoting the introduction of heat-insulated cars.



Sorting RFID tagged items

* RFID (Radio Frequency IDentification): A technology for exchanging information via identification-imbedded tags.

Various seminars for enhancing sales service

Asahi Breweries conducts Keg Fresh Beer Quality Seminars that instruct wholesalers, retailers and restaurants in the best practices for storing keg draft beer (approximately



Asahi Keg Fresh Beer Quality Seminars

44,800 outlets*1) and store-front freshness seminars and spot sale campaigns at mass retailers to offer customers the tips for enjoying good-tasting

beer at home (approximately 170 sessions*2). Dedicated staff members regularly visit individual outlets of mass retailers and collect date-of-manufacture information for production and logistics planning.

We also conduct staff training to concretely implement our basic policy for responding to customer concerns over product defects, which is to conduct a proper investigation and follow up with a report and prompt response.

*1 Numbers in parentheses indicate participants as of fiscal 2007

*2 Numbers in parentheses indicate campaigns held in fiscal 2007

Third party opinion

Expectations for Asahi Breweries

I look forward to seeing the establishment of a crisis management structure to further increase consumer confidence

Professor Nobuo Gohara

Toin University of Yokohama Law School



I think that Asahi Breweries' diligent quality improvement efforts in beer manufacturing, where uniform freshness and taste is vital, have led to its current quality assurance structure encompassing the entire supply chain. The company is also steadily standardizing its quality

assurance structure to keep pace with rapidly expanding Group businesses.

In a dramatically evolving food business environment, where consumer demand is becoming increasingly sophisticated and complex, the only fear is the heightened risk of unforeseeable problems as the Group's business diversifies. These risks will vary greatly depending on the product characteristics and target customers. I would like to see Asahi Breweries establish a crisis management structure that forecasts prevalent problematic climates in all its products and further secures consumer confidence in the safety and security of the brand.

As a Total Alcoholic Beverage Provider

Promotion of Moderate and Responsible Drinking

Since ancient times, alcoholic beverages have been produced around the world as a cultural asset that brings delight and pleasure into daily life. At the same time, however, inappropriate drinking habits are associated with a variety of social problems. The Asahi Breweries Group believes it is our serious responsibility as an alcoholic beverage maker to lead the way in solving these problems, and we are directing significant energy across the Group into educational activities that promote moderate and responsible drinking in line with The Asahi Breweries Group's Basic Philosophy for Promotion of Moderate & Responsible Drinking.

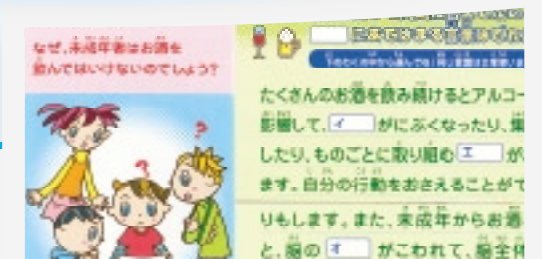
The Asahi Breweries Group's Basic Philosophy for Promotion of Moderate & Responsible Drinking (Established December 2004)

Basic Philosophy

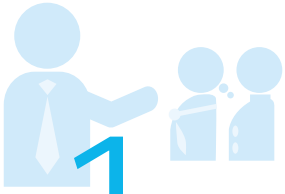
The Asahi Breweries Group will work towards developing a healthy alcohol-related culture while at the same time, fulfilling its social responsibility by acknowledging the characteristics of alcoholic beverages and promoting moderate and responsible drinking in a systematic and continuous manner, thereby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



Vital initiatives for the Group



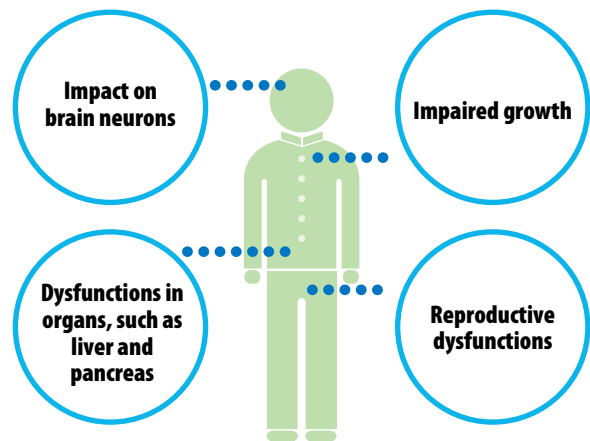
1 Prevention of underage drinking

Recognizing the serious impact of alcohol on young minds and bodies, we continue to raise awareness in cooperation with industry groups

The lower metabolic breakdown of alcohol in young people at a time when they are still maturing physically and psychologically places them at increased risk of impaired growth, organ dysfunction, and other conditions associated with underage drinking. Some research even points to a greater likelihood of developing an alcohol dependency at an early age.

Recognizing that underage drinking has a particularly serious social impact, Asahi Breweries is implementing a broad effort to fight this problem, including educational activities through the "STOP! Underage Drinking" campaign undertaken jointly with the Brewers Association of Japan, the management of its own Fund for the Prevention of Underage Drinking and the distribution of learning tools targeting primary school students. ➔ P.34

Impact of drinking on the health of minors

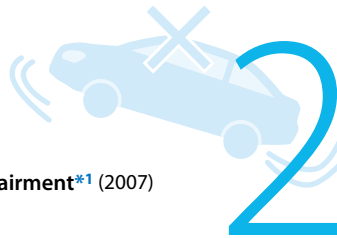


Conserving the Earth's Environment

Uncompromising Quality Control

Promotion of Moderate and Responsible Drinking

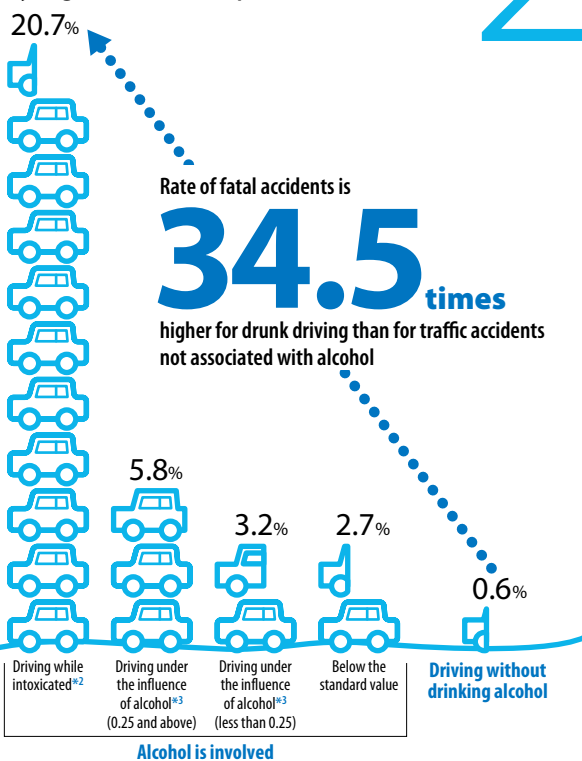
Initiatives in Other Areas



2 Elimination of drunk driving

Warnings issued through the media, restaurants and bars to prevent drunk driving as a social scourge

Rate of fatal accidents by degree of alcohol impairment*1 (2007)



Drunk driving has continued to result in serious accidents in recent years, and therefore is a social problem that must be addressed. Beyond the risk to human life, such accidents can ruin the lives of those who survive, including the individuals at fault, their families and the families of the victims.

With the goal of eliminating such tragedies, the Asahi Breweries is working to eradicate drunk driving with the awareness of its responsibility as an alcoholic beverage manufacturer. The company calls for the prevention of drunk driving through various media, such as television commercials and posters and stickers in restaurants and bars, including those operated by the Group. The Asahi Breweries Group also makes sure employees are in full compliance with internal rules on drinking, including spot checks for residual traces of alcohol on the breath of salespeople every morning before driving. ➔ P.35

*1 Fatal accident rate: Number of fatal accidents ÷ number of traffic accidents x 100.

*2 Driving while intoxicated: Driving while not being capable of operating a vehicle due to the influence of alcohol.

*3 Driving under the influence of alcohol: Driving with a breath alcohol concentration of 0.15mg per liter and above or blood alcohol concentration of 0.3mg per ml and above. Values in the graph represents breath alcohol concentration.

Created based on "Change in fatal accident rate of drivers of small motor vehicles and above (primary party)," a report published by the National Police Agency.

3 Prevention of other drinking problems

Fetal Alcohol Syndrome causes disabilities in infants

When alcohol is ingested by a pregnant woman, it enters into the infant's body through the placenta with potentially adverse effects, including **Fetal Alcohol Syndrome (FAS)**.

Alcohol intake during pregnancy is also known to result in premature birth, miscarriage or abnormal labor. Caution should be exercised also during breastfeeding, since alcohol can enter the child's body through breast milk.

What is Fetal Alcohol Syndrome (FAS)?

These congenital anomalies have been found in infants of women who ingested alcohol while pregnant:

Low body weight before and after birth

Central nervous system dysfunctions
(delayed development, intellectual impairment)

Abnormal cephalic/facial features

...and others

Raising awareness to prevent high-risk drinking behaviors, including drinking during pregnancy, binge drinking and heavy drinking

Drinking based on misguided knowledge or attitudes can have serious consequences; for example, drinking by pregnant women can affect the unborn infant, binge drinking can cause acute alcohol poisoning, and heavy drinking can result in alcohol dependency.

Asahi Breweries publicly addresses these behaviors by disseminating accurate information to prevent the occurrence of drinking-related problems and accidents. While releasing verifiable information through its Web site and printed guidebooks, the company also works to prevent alcohol dependency in cooperation with NGOs, NPOs and medical institutions.

➔ P.36

4 Industry-wide collaboration

Addressing alcohol problems from a global standpoint through the participation in international industry associations

The dangers of irresponsible drinking habits have been discussed in recent years at the general assembly of the World Health Organization (WHO). Initiatives for moderate and responsible drinking have reached global proportions in response to alcohol-related problems.

In this context, the Asahi Breweries believes it is important to raise awareness of moderate and responsible drinking across the world as well as in Japan. Therefore, the company is involved in international research institutes and industry associations to explore methods for preventing the impact of irresponsible drinking.

Through these groups, the company will appropriately respond to WHO's policies concerning alcohol. ➔ P.37

Key points for the advertisement/promotion of alcoholic beverages (excerpts)

- Avoid expressions that encourage, suggest, or otherwise induce underage drinking.
- Avoid advertising on TV programs, radio programs, newspapers, magazines, Web sites or leaflets that target minors.
- Avoid using minors as models in advertising.
- Avoid expressions that might be seen to equate alcoholic beverages with soft drinks.
- Avoid using expressions that can lead to excessive drinking or drunk driving.

Source: "Self-Regulatory Code of Advertisement Practices and Container Labeling for Alcoholic Beverages," Japan Liquor Industry Council

DIALOGUE

Expert Opinions

In 2007 Asahi Breweries held stakeholders dialogues focused on alcohol-related problems. Five external experts offered their opinions on alcohol-related problems as well as requests and recommendations for addressing them.

Date: November 28, 2007

Venue: Asahi Breweries

Moderator: Peter David Pedersen, Chief Executive of E-Square



We must recognize the social environment surrounding the mass production and consumption of alcoholic beverages.

Shinji Shimuzu

Professor of the Department of Culture and Humanities, Faculty of Human Life and Environment, Nara Women's University

To keep alcoholic beverages as a part of our society, we may need to build a new drinking culture toward creating a social environment that encourages moderate and responsible drinking.

I want more information distributed on moderate and responsible drinking.

Masami Kojima

Senior Staff Writer, Living & Domestic News Dept., The Mainichi Newspapers



A key responsibility for alcoholic beverage manufacturers is to provide the public with information on the risks associated with alcohol. Asahi Breweries' educational activities on moderate and responsible drinking are commendable, but I want to see more efforts so that information reaches more people.



Looking for stronger contributions to improve the environment for moderate and responsible drinking.

Takeshi Haseba

Lecturer, Department of Legal Medicine, Nippon Medical School

To address alcohol-related problems, it is important to improve the environment for moderate and responsible drinking rather than questioning the responsibility of those who drink. This is a social responsibility of alcoholic beverage manufacturers as well as state and administrative authorities.



Because alcoholism is an illness, we must view it from the perspective of treatment, not just the severity of punishment.

Sachio Matsushita

Director, Department of Psychiatry, National Hospital Organization Kurihama Alcoholism Center

Although tougher penalties have been imposed to prevent drunk driving, the drivers may be suffering from alcohol dependency. Alcoholism is an illness, and drunk driving can be a symptom. We must approach this problem from the perspective of treatment in addition to toughening penalties.

Look at both the usefulness and adverse affects of alcohol to eliminate harm.

Tomomi Imanari

Chairperson, Japan Specified Non-profit Corporation to Prevent Alcohol and Drug Problems



We don't categorically reject drinking. We believe we need to reject without compromise those aspects that cause harm. We want Asahi Breweries to look at both the usefulness and risks associated with alcohol and proactively incorporate the results in their CSR. I hope the company will also further advance employee education to demonstrate its commitment to frontline workers.



Prevention of underage drinking

Management of the Fund for the Prevention of Underage Drinking

Asahi Breweries is spotlighting the risk of drinking by minors and enlightening the wider public to prevent underage drinking.

As a part of these efforts, the company established its Fund for the Prevention of Underage Drinking in March 2005. The fund offers grants mainly to groups and individuals who conduct medical, social or educational research for preventing underage drinking and those who hold forums or seminars related to this issue. The annual budget for these grants is 10 million yen. The fund accepts applications from the general public every year and determines recipients based on an impartial review by a panel of external experts.

In 2007, applications were solicited from January to March, and grants were subsequently offered to 10 projects. On April 19, an award ceremony was held in conjunction with a briefing session on the results of research and activities that had received grants in the preceding cycle.



Award ceremony



Briefing session

Development of an educational tool for primary school students

As a part of its educational activities to prevent underage drinking, Asahi Breweries has developed 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 tool can be used to supplement classroom material or school educational activities.

The tool provides information on problems and coping strategies related to underage drinking while deepening communication with friends and family members through a

fill-in-the-blank test on why minors should not drink alcohol, which encourages them to think together about how to refuse offers of alcohol. While the tool is designed for fifth or sixth graders, younger students and junior-high students may also enjoy it.

In March 2008, the tool won the Outstanding Performance Award in the Printed Material Division of the 6th Consumer Education Material Recognition held by Supporters for Consumers.



"What would you do? What could happen?—Learn about alcoholic beverages."

Future Issues

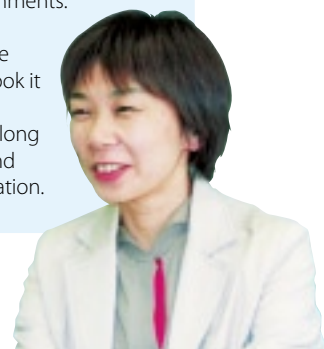
Ongoing improvements through feedback from classrooms

Feedback is constantly received from schools that have used the tool, including the following comments: "We used the tool for role-plays in the classroom"; "We distributed the tool before summer and winter holidays"; "Children took it very seriously."

Going forward, we will make the tool, along with our Web site, easier to understand and better suited to the needs of school education.

Mitoe Onoda

Customer Relations Office of the Social & Environmental Management Department, Asahi Breweries, Ltd.



2 Elimination of drunk driving

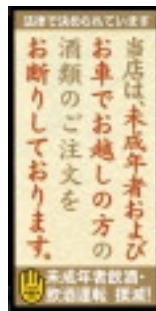
Considerations during brewery tours and at restaurants

Asahi Breweries works closely as an organization to prevent drunk driving.

During brewery tours we have placed flags, signs and posters discouraging drinking and driving in and around tasting rooms. When visitors arrive in cars, we identify the drivers at the entrance and ask them to wear a "Prevent Drunk Driving" badge. We also request that drivers not participate in tastings.

Asahi Beer Garden, Ltd., which operates restaurants, also asks customers who are driving to wear an original "driver badge." In addition, our menus include a statement that declares we do not serve alcoholic beverages to drivers, which is verbally repeated when orders are taken, and we

display posters and stickers inside our establishments urging the prevention of drunk driving and place cards near the cash register at the exit and inside the parking lot to encourage the use of a replacement driver service.



Poster urging the prevention of drunk driving

We participate in public service activities that call for the prevention of drunk driving and take every opportunity to share this message through the media such as TV commercials, newspaper and magazine ads.

Alcohol checks of salespeople

The Asahi Breweries Group has implemented strict initiatives to prevent drunk driving by employees. For example, in 2007, Asahi Breweries introduced alcohol checks at individual worksites of salespeople who drive frequently. Every morning, supervisors check drivers using alcohol detectors and only allow driving if the alcohol



Alcohol detector

indication is zero. Alcohol detectors are provided to employees who must drive without coming in to the office before or after performing their duties, along with instructions for conducting self-checks. We have also established strict regulations that, in principle, ban drinking after 10 o'clock at night, and anyone found to have violated the rules will not be allowed to drive company vehicles the next morning.

Similar efforts are also implemented by other Group companies. This is particularly true at companies that frequently use vehicles, including Asahi Logistics Co., Ltd. and East/West Japan Asahi Draft Beer Service, Ltd., which maintain draft beer equipment in restaurants and bars, and therefore apply even stricter standards to prevent drunk driving.

Future Issues

Toward establishing a system that completely prevents drunk driving

As employees in a company that handles alcoholic beverages, we should never cause an accident that involves alcohol. In the Tokyo metropolitan area and Kanto/

Shin-Etsu area for which I am responsible, an alcohol detector is provided to every employee who drives a company vehicle. Each of them checks his/her breath and records the result before driving. We intend to further strengthen and thoroughly enforce this system.



Youhei Matsuda
General Affairs Department,
Tokyo Branch, Asahi Breweries, Ltd.



Prevention of other drinking problems

Distribution of the *Guidebook for Moderate and Responsible Drinking*

Asahi Breweries publishes the *Guidebook for Moderate and Responsible Drinking*, 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 cartoons 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.

URL To request the guidebook, please visit:
http://www.asahibeer.co.jp/csr/user/user_21.html



Guidebook for Moderate and Responsible Drinking

An educational section supporting responsible drinking on our Web site

Asahi Breweries has opened a section of its Web site dedicated to providing information on dangerous drinking habits, such as binge drinking and heavy drinking, and to promote moderate and responsible drinking. In addition to basic information on alcoholic beverages, the section offers key considerations for drinking in a clear, easy to understand manner.

URL Web site to promote moderate and responsible drinking:
<http://www.asahibeer.co.jp/csr/tekisei/guidebook/>

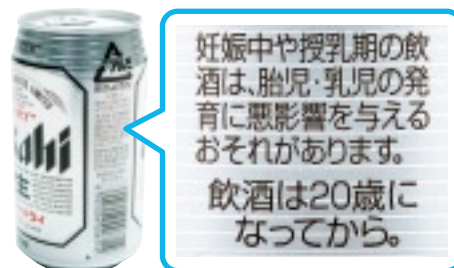


"Good relationship with alcohol" Web site

Warning labels against drinking during pregnancy

Alcohol intake by pregnant women may, in some cases, result in the birth of infants with congenital anomalies. During breastfeeding, alcohol can enter the baby's body through breast milk.

Since June 2004, the industry has voluntarily included warning labels against drinking during pregnancy and breastfeeding.



Warning labels against drinking during pregnancy



4 Industry-wide collaboration

Promoting moderate and responsible drinking from a global perspective

Asahi Breweries believes we must inform the public of the positive aspects of alcoholic beverages while also striving to prevent the harmful effects of irresponsible drinking by studying various activities across the world from a global perspective. In line with this approach, Asahi Breweries has become the only Asian member of the International Center for Alcohol Policies (ICAP*1), where we have been collaborating with a study of the ideal alcohol policy, which is a major ICAP activity. As part of this study, the company published a Japanese-language version of ICAP's publication, *Drinking in Context*. The book is being sold nationwide through the bookstore chain Kinokuniya to promote educational activities.

In addition, Asahi Breweries strictly reviews its advertising and promotional activities based on industry standards as well as our own voluntary standards. On this front, the company, in partnership with the industry, has become a member of GAPG*2, through which global alcoholic beverage companies collectively advance voluntary

activities. Here, the company studies voluntary standards and related topics from a global point of view to encourage appropriate advertising, promotion, and sales of alcoholic beverages in Japan.

*1 ICAP: Established in 1995, ICAP is a non-profit organization concerned with international alcoholic problems. Current members include 11 major alcoholic beverage manufacturers around the world, including Asahi Breweries.

*2 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.



Lecture by the author



Japanese version of *Drinking in Context*

Third party opinion

Expectations for Asahi Breweries

Lead the industry in the self-regulation of labeling and advertising

Tomomi Imanari

Chairperson, Japan Specified Non-profit Corporation to Prevent Alcohol and Drug Problems



Alcoholic beverages have intoxicating and dependence properties as well as toxic effects on organs. Depending on how you drink, they can lead to lifestyle diseases or even death. Drunk driving can cause devastating accidents, and alcoholic dependency can ruin not only the mind and body of the dependent person but also

seriously impact his or her family. Just like light is always accompanied by shadow, the fun and comfort of drinking can conceal a major peril. Alcoholic beverage manufacturers must face this fact. The company has positioned efforts to address this issue as a top priority and has stepped up its corporate engagement, including its Public Expression Committee, the Fund for the Prevention of Underage Drinking and ICAP. I personally view the self-regulation of labeling and advertising as the most critical factor, and the place where the company's genuine commitment will be tested. Action is required now, especially to protect women, who tend to be more vulnerable. I would like to see the company lead the industry in self-regulation.

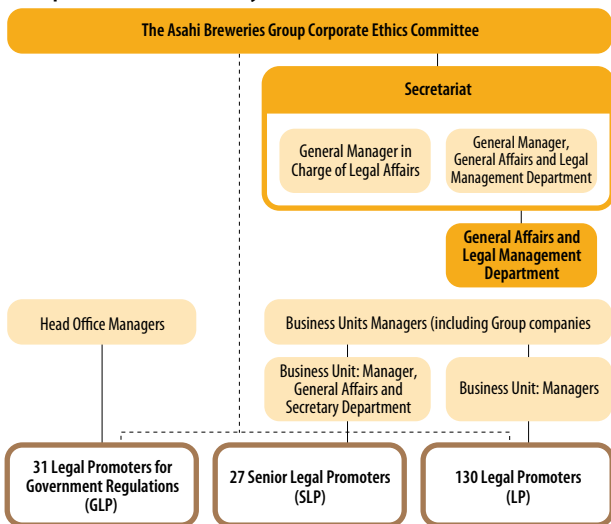
We pursue initiatives for other social responsibilities based on dialogues with stakeholders

Compliance

Compliance Promotion System

The Asahi Breweries Group established the Basic Regulations on Corporate Ethics of the Asahi Breweries Group to realize its corporate philosophy and to promote legally sound management. Based on these rules, we specify an internal system and operations for corporate ethics.

Compliance Promotion System (as of March 2007)



The Asahi Breweries Group Corporate Ethics Committee, a decision-making entity, is chaired by the director in charge of compliance and risk. The committee consists of five members: board members and executive officers of Asahi Breweries and an outside lawyer. The Committee employs the corporate ethics rules and the in-house reporting system, and conducts compliance education and monitoring to ensure sound operations across the entire Group.

The Group introduced the Legal Promoter System in 1999 to ensure everyone in the field concretely understands the importance of compliance and practices it in daily operations. This system deploys employees who have received compliance training organized by the General Affairs and Legal Management Department and have gained sufficient knowledge as Legal Promoters for every Group business unit and company.

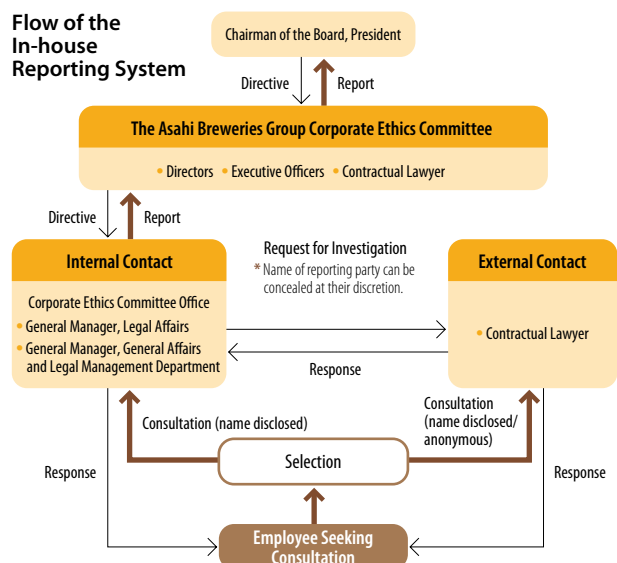
In addition, highly knowledgeable Senior Legal Promoters have been assigned to major business units since 2002 to further reinforce our compliance promotion system. In March 2006, Legal Promoters for Government Regulations were assigned to the Head Office to review worksite operations from a technical perspective based on regulatory mandates governing major operations, further strengthening our compliance promotion system.

Operation of the Clean Line System

The Asahi Breweries Group has the Clean Line System for quickly identifying potential risks associated with business activities and preventing the occurrence of major problems.

The system was established to address problems that, for whatever reason, employees felt they could not report or ask about through standard channels. It protects those who approach experts with regard to workplace actions that are, or may be, in violation of prevailing laws and regulations, the Group's Business Ethics Rule, or other rules. Consultations can be arranged either through an internal contact person using the Corporate Ethics Committee Office or an external contact person using contractual lawyers. Reporting can be face-to-face or via e-mail, sealed letter or fax (external contacts only).

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





Creating a pleasant workplace

Promotion of work-life balance

The Asahi Breweries Group is working to create a workplace that encourages employees to work vigorously and lead fully satisfying lives. As part of these efforts, we introduced support systems that exceed legal mandates under our basic policy for providing employees with as much support as possible so they can continue working while attending to family needs including childbirth, childcare and care giving for family members.

In addition, Asahi Breweries implemented a new flexitime system in November 2007 to support the autonomous working styles of employees. Individual sites can introduce the system, and some departments, including research centers, have already done so.

Under this system, both start and finish times are left to individual choice without the constraint of any core work hours (period during which all employees must work). Employees can flexibly plan their work schedule for improved efficiency and better health management. We intend for this system to take root while promoting a shift in the concept of working toward increased productivity.

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

Support System	Outline
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.
Exemption from full working hours for childcare	Employees who provide care for elementary school-aged children in third grade or below, or other children under school age are allowed to start or leave work one hour earlier or later than usual.
Exemption from full working hours for family members	Employees who provide care for family members are eligible to start or leave work two hours earlier or later than usual.
Family care leave system	Employees who provide care for relatives are allowed to take leaves of absence of up to one year within a two year period, as well as the right to start or leave work two hours earlier or later than usual.
Reemployment system	Employees who had left the company after completing three years of service to provide childcare or care for another family member are reemployed if certain requirements are met.

Occupational safety and health, and employee health management

Since 2006, Asahi Breweries has been preparing to phase in OSHMS across the Group focusing on the eradication or reduction of potential risks through risk assessment. In 2007, the Hokkaido Brewery and the Kanagawa Brewery of the Asahi Breweries were OSHMS certified, followed by the Suita Brewery in January 2008.

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

In 2007, we worked to advance the safety level through the development of policies, targets, and issues to be shared across the Group including new Group members, Wakodo Co., Ltd. and LB Co., Ltd. (two companies).

In terms of health management, the company supports the mental well-being of employees as well as their



Scene of risk assessment efforts



Training by industrial health staff

physical health with the goal of early detection and prevention of stress. We have established systems and structures, including the assignment of industrial physicians, health practitioners and nurses at individual sites across the country, contracts with psychiatrists, Mental Health Training to newly assigned managers and Mental Health Counseling by a certified clinical psychologist.



Contributions to local communities

Ongoing donations to return value to the local community

As part of its social action programs, Asahi Breweries continues ongoing efforts to return value to local communities by donating a part of product sales to environmental preservation activities as well as the arts and culture.

● Donation to the organizing body of the Hokkaido Toyako Summit

In July 2008, the Hokkaido Toyako Summit will be held as an international conference on issues related to climate is change including global warming. Asahi Breweries selling a specially branded *Hokkaido Toyako Summit Asahi Super Dry* 350ml only in the Hokkaido area from the end of January to March. A total of 7,065,816 yen, equivalent to one yen per can, will be donated to the Hokkaido Toyako Summit

Preparation Council.

In addition, *Asahi Super Dry* medium-sized bottles will be produced and sold from mid-April, and one yen per bottle will be also donated to the Hokkaido Toyako Summit Preparation Council and used for summit-related projects and environmental preservation activities in Hokkaido.



Hokkaido Toyako Summit Asahi Super Dry 350ml

● Supporting environmental preservation activities in four prefectures of Shikoku

In appreciation for marking the 10th anniversary of its Shikoku Brewery operations in 2008, Asahi Breweries is running a campaign to help preserve water and forestry resources in four prefectures of Shikoku. The company donates one yen for each campaign product produced in the Shikoku Brewery and shipped from March 11 through June 30, 2008 in this area. The donation is intended to help water and forestry preservation activities conducted by the four prefectures. In addition, employees of the Asahi Breweries Group will participate. We plan to continue this campaign for three years from 2008 to 2010.



Six-pack of Asahi Super Dry 350ml: Thanks to the Water and Forests of Shikoku

Partnering with communities in times of disaster

Individual Asahi Breweries production facilities have concluded arrangements with their respective communities to help restore areas struck by disasters such as earthquakes or typhoons. They have established systems based on these arrangements, including the supply of water stocked in the plants at the time of disaster and the installation of water purification systems (CV).

Furthermore, the Asahi Breweries Group actively supports disaster-stricken areas beyond the immediately surrounding communities. In October 2004, we provided Group products such as drinking water and food to the area hit by the Niigata Chuetsu Earthquake. We also sent blankets, food, cotton gloves, and so forth stored in

individual breweries to our Fukushima Brewery, which is situated near the disaster area, and distributed them at request of the local governments.

In addition to these initiatives, we have institutionalized volunteer leaves so that our employees can join activities to support disaster-stricken areas as they choose. We are also actively making donations to disaster-stricken areas through the One Beer Club, our office fund-raising vehicle.



Donating funds of the One Beer Club

Supplying safe foods to the Chinese market

In May 2006, Asahi Breweries jointly established Shandong Asahi Green Source High-tech Farm Co. Ltd. (Asahi Green Source) in Laiyang City of Shandong Province, China, with Sumitomo Chemical Co., Ltd. and Itochu Corporation. The company operates a large-scale farm with the cooperation of Shandong Province.

● Practicing safe, secure farm management

Asahi Green Source practices farm management that meets the growing need for safe and delicious foods in the urban areas of China by ensuring traceability and introducing advanced technologies, such as resource-recycling agriculture. The company supplies the Chinese market with outdoor-grown sweet corn, greenhouse-grown cherry tomatoes and strawberries, and so forth under thorough quality control.

We intend to present a new farm management model that contributes to improving the diet in China by building a consistent food system, from cultivation to distribution and sales. Furthermore, we intend to be part of the solution



Greenhouse cultivation of strawberries

to the challenges faced by Chinese agriculture by training next-generation agricultural engineers and deploying businesses in other Chinese provinces.

Key characteristics of farm management

Resource-recycling agriculture

Pursuing resource-recycling agriculture that maintains soil fertility free of chemical fertilizers by applying compost from cow manure derived from dairy farms to vegetable and fruit gardens.

Energy saving

Implementing energy-saving measures including the active introduction of natural energy.

IT utilization

Introducing plastic greenhouses with various sensors for cultivation management and enhancing traceability utilizing cutting-edge IT, such as managing crop production history and managing individual cows through IC tags.

Logistics that preserve freshness

Constructing a physical distribution system focused on freshness through complete temperature control.



● Starting a dairy business using milk from the farm

In addition to agriculture, Asahi Green Source operates a dairy business. Since May 2007 the company has been supplying raw milk to dairies in Shandong Province. To provide safe, secure milk to Chinese consumers using this high-quality raw milk, Asahi Breweries jointly set up Shandong Asahi Green Source Milk Products Co., Ltd. with Itochu Corporation in April 2008. The company will process raw milk from a single farm in a newly built plant using Japanese production technologies and produce and sell processed whole milk in Shanghai, Beijing and Qingdao.



Grazing cows

Demand for good quality milk is rising in China; Asahi Green Source brand's premium milk will meet this demand.

Key characteristics of dairy management

Safety/security

We only use healthy Holstein cows imported from New Zealand or Australia and have introduced Japanese dairy technologies and individual cow management through IC tags to ensure herd health and hygiene. Quality of produced milk is inspected against strict standards and sold using the chilled physical distribution facilities of Itochu Corporation.

Collaboration with the agricultural division

Inedible parts of crops, such as stems grown with cow manure, are used to feed cattle, thereby realizing resource-recycling agriculture.

Environment-conscious management

Wastewater treatment facilities have been introduced to leverage brewery technologies.

Responses to dialogues and third-party opinions



Akiyoshi Koji

Managing Director of Asahi Breweries and
Chairman of the CSR Committee of the
Asahi Breweries Group

In February 2007, Asahi Breweries developed the Asahi Breweries Group CSR Policy, which identifies food and health as our business domains and embodies the company's eagerness to create a sustainable society.

This year's CSR report received third-party opinions in the three areas of the environment, quality, and moderate and responsible drinking.

Reducing environmental burdens is an important issue in the field of the environment. I want all members of the Asahi Breweries Group to promote activities to reduce environmental burdens, not only in their business activities but in every aspect of daily life as well. The company's Asahi Forest is useful for CO₂ absorption while the ecosystem nurtured by the forest is an component of biodiversity. I believe it is important to maintain the Asahi Forest in a sustainable manner while strengthening the dissemination of information about forestry management as a biodiversity initiative of the Asahi Breweries Group. For the Asahi Breweries Group, whose core business depends on water, the sustainable use of water resources is absolutely critical. We will realize this through activities such as water resource preservation for breweries.

Because environmental protection requires a concerted effort across the entire supply chain, we will steadily promote collaboration with our business partners.

In the food industry, ensuring food safety and security has become a major concern in recent years. The Asahi Breweries Group shares this concern. To ensure safety and security, all Group members must understand and put into practice our CSR policy. As indicated, one of the biggest challenges we face is to avoid risks associated

with the diversification of the Group's business. We must establish a management system for quickly responding to consumer needs at home and abroad that will surely increase in complexity and diversity, in addition to maintaining our existing quality assurance system across a diversifying supply chain.

We recognize education for moderate and responsible drinking as a central agenda for the alcoholic beverages business, which represents the main pillar of the Asahi Breweries Group. Alcohol has two aspects, light and shadow. An alcoholic beverage manufacturer is responsible for accurately communicating both aspects, inside and outside the company. We will fully implement activities, including strict compliance with our Voluntary Advertisement Standards, and continue our efforts as an alcoholic beverage manufacturer that is trusted by society. We also need research to correctly communicate the wonderful aspects of alcohol inside and outside the company. Here in Japan, we not only cooperate with the industry but also share information with other parties, such as the government and NPOs. Outside the country, we are gathering the latest information from across the globe by participating in ICAP (the International Center for Alcohol Policies) and other organizations.

Finally, none of the activities of the Asahi Breweries Group, including those already mentioned, are possible without solid relationships with people in society. Let me emphasize again that it is essential for all members of the Asahi Breweries Group to respond appropriately to an ever-changing social environment. We will address issues generated by these changes with a positive attitude that will contribute to our success.

Visit Our Web Site

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

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

Our Approach to CSR

- Our approach to CSR
- President's message

CSR Management

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

Pursuit of Quality

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

Moderate and Responsible Drinking and Health

- Actions taken by Asahi Breweries
- Industry-wide efforts
- Tools for encouraging moderate drinking
- Special section promoting moderate drinking

Environmental Conservation Activities

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

Social and Cultural Contributions

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

For Consumers

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

For Business Partners

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

For Shareholders and Investors

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

For Employees

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

Index by Function

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

Guideline Comparison List

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



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