

Consolidated Statements of Cash Flows

Asahi Breweries, Ltd. and Consolidated Subsidiaries
For years ended December 31, 2010, 2009 and 2008

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2010	2009	2008	2010
Cash flows from operating activities:				
Income before income taxes and minority interests	¥ 92,465	¥ 88,078	¥ 82,938	\$ 1,134,679
Depreciation	59,710	58,372	47,353	732,728
Loss on impairment of fixed assets	13,573	8,318	2,197	166,560
Increase (decrease) in provision for employees' severance and retirement benefits	2,141	765	(3,272)	26,273
Decrease in allowance for doubtful accounts	(234)	(754)	(530)	(2,872)
Interest and dividend income	(1,705)	(2,756)	(1,798)	(20,923)
Interest expenses	4,328	4,629	5,194	53,111
Equity in net income of unconsolidated subsidiaries and affiliated companies	(9,846)	(8,512)	(9,105)	(120,825)
Loss (gain) on sale of securities—net	(670)	99	(32)	(8,222)
Loss on devaluation of investment securities	1,004	788	3,598	12,321
Gain on sales of investments in subsidiaries and affiliated companies	(32,336)	(16,090)	—	(396,809)
Loss on sale and disposal of property, plant and equipment—net	5,337	9,176	4,213	65,493
Loss on factory restructurings	19,781	—	—	242,741
Decrease (increase) in notes and accounts receivable	(256)	(891)	15,576	(3,141)
Decrease (increase) in inventories	1,717	5,043	(6,956)	21,070
Increase (decrease) in notes and accounts payable (excluding construction)	2,255	(2,820)	(4,105)	27,672
Decrease in accrued alcohol tax payable	(4,128)	(4,910)	(5,971)	(50,656)
Increase (decrease) in accrued consumption taxes payable	(351)	267	422	(4,307)
Bonuses paid to directors and corporate auditors	(356)	(349)	(279)	(4,369)
Other	12,805	7,777	12,315	157,136
Subtotal	165,234	146,230	141,758	2,027,660
Interest and dividends received	6,965	7,162	2,067	85,470
Interest paid	(4,090)	(4,605)	(5,192)	(50,190)
Income taxes paid	(42,500)	(42,429)	(32,539)	(521,536)
Net cash provided by operating activities	125,609	106,358	106,094	1,541,404
Cash flows from investing activities:				
Payments for time deposits	(845)	(3,365)	(651)	(10,369)
Proceeds from time deposits	1,528	2,243	1,296	18,751
Proceeds from sales of securities	—	—	4	—
Payments for purchases of property, plant and equipment	(25,367)	(35,120)	(36,193)	(311,290)
Proceeds from sale of property, plant and equipment	2,502	1,203	743	30,703
Payments for purchases of intangible assets	(4,779)	(23,418)	(4,524)	(58,645)
Proceeds from sales of intangible assets	85	9	1	1,043
Payments for purchases of investment securities	(50,264)	(82,838)	(8,560)	(616,812)
Proceeds from sale of investment securities	46,489	39,330	1,167	570,487
Purchase of investments in subsidiaries	(2,920)	(15,362)	(2,928)	(35,833)
Payments for purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(60,044)	(5,420)	—
Proceeds from sale of investments in subsidiaries resulting in change in scope of consolidation	—	—	2,154	—
Payments for sale of investments in subsidiaries resulting in change in scope of consolidation	—	(19)	(174)	—
Payments for transfer of business	(5,340)	—	—	(65,530)
Payments for loans receivable	(2,074)	(3,375)	(3,234)	(25,451)
Proceeds from collections of loans receivable	2,135	2,629	3,585	26,200
Other	(2,940)	(2,511)	(5,501)	(36,078)
Net cash used in investing activities	(41,790)	(180,638)	(58,235)	(512,824)
Cash flows from financing activities:				
Increase (decrease) in bank loans	(71,330)	61,616	(72,095)	(875,322)
Repayments of lease obligations	(3,082)	(1,124)	—	(37,821)
Proceeds from long-term debt	10,717	42,000	24,148	131,513
Repayments of long-term debt	(22,799)	(19,740)	(34,377)	(279,777)
Proceeds from bonds and convertible debentures issued	20,000	25,000	70,175	245,429
Redemption of bonds	(15,000)	(20,000)	(10,000)	(184,072)
Payments for purchases of treasury stock	(23)	(31)	(15,349)	(282)
Cash dividends paid	(10,000)	(9,529)	(8,904)	(122,714)
Cash dividends paid to minority interest in consolidated subsidiaries	—	(61)	(98)	—
Contribution from minority interests in consolidated subsidiaries	—	716	—	—
Other	689	(302)	135	8,455
Net cash provided by (used in) financing activities	(90,828)	78,545	(46,365)	(1,114,591)
Effect of exchange rate change on cash and cash equivalents	(262)	643	(537)	(3,215)
Net increase (decrease) in cash and cash equivalents	(7,271)	4,908	957	(89,226)
Cash and cash equivalents at beginning of year	18,082	12,698	11,741	221,892
Increase in cash and cash equivalents resulting from change of scope of consolidation	—	476	—	—
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	2	—	—	25
Cash and cash equivalents at end of year (Note 3)	¥ 10,813	¥ 18,082	¥ 12,698	\$ 132,691