

Consolidated Earnings Report for the Year Ended December 31, 2004

February 18, 2005

Company name: SAPPORO HOLDINGS LIMITED

Stock exchange listings: Tokyo and Sapporo

Stock code: 2051

Head office: Tokyo

(URL <http://www.sapporoholdings.jp/english>)

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Date of Board meeting to approve results: February 18, 2005

U.S. GAAP applied: No

1. Consolidated Results (January 1, 2004 to December 31, 2004)

(1) Consolidated Operating Results

(Amounts have been rounded down to the nearest ¥ million)

	Net Sales		Operating Income		Ordinary Income	
	¥ million	%	¥ million	%	¥ million	%
2004	494,929	3.2	23,647	77.4	18,005	165.2
2003	479,520	(6.3)	13,330	21.4	6,788	186.8

	Net Income		Net Income per Share	Diluted Net Income per Share	ROE	Ordinary Income to Total Capital	Ordinary Income Ratio
	¥ million	%	¥	¥	%	%	%
2004	4,643	92.4	13.07	12.01	5.2	2.9	3.6
2003	2,412	106.5	6.95	-	2.5	1.0	1.4

Notes:

(1) Equity-method earnings: 2004: ¥13 million; 2003: ¥10 million

(2) Average number of shares outstanding during period (consolidated): 2004: 355,305,203 shares; 2003: 347,011,781 shares

(3) Changes in accounting methods: Yes

(4) Percentages for net sales, operating income, ordinary income and net income represent year-on-year changes.

(2) Consolidated Financial Position

	Total Assets	Shareholders' Equity	Equity Ratio	Shareholders' Equity per Share
	¥ million	¥ million	%	¥
Dec. 31, 04	602,111	92,263	15.3	259.81
Dec. 31, 03	630,637	87,364	13.9	245.80

Note: Number of shares issued and outstanding at year-end: Dec. 31, 04: 355,117,445 shares; Dec. 31, 03: 355,430,496 shares

(3) Consolidated Cash Flows

	Cash Flows From Operating Activities	Cash Flows From Investing Activities	Cash Flows From Financing Activities	Cash and Cash Equivalents at Year-end
	¥ million	¥ million	¥ million	¥ million
2004	32,242	53,314	(35,418)	58,706
2003	30,476	10,956	(42,757)	8,455

(4) Scope of Consolidation and Application of the Equity Method

Consolidated subsidiaries: 15; Non-consolidated subsidiaries accounted for by the equity method: 0; Equity-method affiliates: 4

(5) Changes in Scope of Consolidation and Application of the Equity Method

Consolidated subsidiaries (New) 2, (Eliminated) 2; Equity-method affiliates: (New) 3, (Eliminated) 0

2. Consolidated Forecasts for 2005 (January 1, 2005 to December 31, 2005)

	Net Sales	Ordinary Income	Net Income
	¥ million	¥ million	¥ million
Interim	220,000	1,500	(1,000)
Full Year	482,000	16,500	8,000

(Reference) Forecast net income per share for 2005: ¥22.53

Consolidated Balance Sheets

(Million yen)

Item	As of December 31, 2004	As of December 31, 2003	Change
[Assets]			
Current assets	184,109	134,534	49,574
Cash and cash equivalents	58,712	8,541	50,170
Notes and accounts receivable-trade	79,826	73,281	6,544
Inventories	23,054	24,857	-1,802
Deferred tax assets	4,109	3,959	149
Refundable income taxes	552	217	334
Other current assets	18,140	23,969	-5,828
Allowance for doubtful receivables	-286	-292	6
Fixed assets	418,002	496,102	-78,099
Property, plant and equipment, net	351,732	429,811	-78,078
Buildings and structures	223,511	274,388	-50,877
Machinery and automobiles	51,708	57,218	-5,510
Land	70,353	91,710	-21,356
Other	6,159	6,493	-333
Intangibles	2,474	2,871	-396
Investments and long-term loans	63,794	63,419	375
Investment securities	31,686	29,308	2,378
Long-term loans receivable	11,151	11,242	-90
Deferred tax assets	2,334	2,856	-521
Other investments and other assets	21,478	22,615	-1,137
Allowance for doubtful receivables	-2,856	-2,602	-254
Total Assets	602,111	630,637	-28,525

(Million yen)

Item	As of December 31, 2004	As of December 31, 2003	Change
[Liabilities]			
Current liabilities	233,614	195,189	38,424
Notes and accounts payable	34,790	31,215	3,575
Short-term bank loans and current portion of long-term debt	80,608	39,149	41,459
Liquor taxes payable	43,379	43,692	-312
Income taxes payable	2,547	1,616	931
Accrued bonuses	3,001	751	2,249
Deposits received	27,447	30,004	-2,556
Other current liabilities	41,839	48,759	-6,920
Long-term liabilities	276,234	348,060	-71,826
Bonds	59,720	99,720	-40,000
Long-term bank loans	149,525	179,499	-29,974
Employees' retirement benefits	16,657	16,627	30
Directors' and corporate auditors' severance benefits	215	470	-255
Dealers' deposits for guarantees	34,454	37,180	-2,725
Other long-term liabilities	15,660	14,562	1,098
Total liabilities	509,848	543,250	-33,401
[Minority Interests]			
Minority interests in consolidated subsidiaries	-	22	-22
[Shareholders' Equity]			
Common stock	43,831	43,831	-
Capital surplus	36,241	36,231	10
Retained earnings	8,108	4,953	3,154
Unrealized holding gain on securities	4,803	2,895	1,908
Foreign currency translation adjustments	(385)	(349)	-36
Treasury stock, at cost	(336)	(198)	-138
Total shareholders' equity	92,263	87,364	4,899
Liabilities, Minority Interests and Shareholders' Equity	602,111	630,637	-28,525

Consolidated Statements of Income

(Million yen)

Item	2004 Jan. 1, 2004 to Dec. 31, 2004	2003 Jan. 1, 2003 to Dec. 31, 2003	Change
Net sales	494,929	479,520	15,409
Cost of sales	339,426	338,573	853
Gross profit	155,503	140,947	14,556
Selling, general and administrative expenses	131,855	127,616	4,238
Sales incentives and commissions	38,895	37,263	1,632
Advertising and promotion expenses	18,759	15,828	2,930
Provision for doubtful receivables	42	304	-261
Salaries	17,456	18,270	-813
Bonuses	2,073	437	1,635
Retirement benefit expenses	3,503	4,029	-525
Other	51,124	51,483	-358
Operating income	23,647	13,330	10,317
Non-operating income	2,030	1,871	158
Interest income	342	360	-17
Dividend income	399	345	54
Equity in income of an affiliate	13	10	3
Other non-operating income	1,274	1,155	119
Non-operating expenses	7,672	8,413	-740
Interest expense	4,863	5,779	-915
Loss on disposal of inventories	1,662	1,756	-93
Other non-operating expenses	1,146	877	268
Ordinary income	18,005	6,788	11,216
Extraordinary gains	9,894	19,864	-9,969
Gain on sales of property, plant and equipment	2,409	18,685	-16,275
Gain on sales of investment securities	454	1,178	-724
Gain on sale of business (The Westin Tokyo)	6,820	-	6,820
Gain on exemption from future payments of substitutional portion of the WFPF	114	-	114
Subsidy for removal construction	95	-	95
Extraordinary losses	20,138	24,382	-4,244
Losses on disposal of property, plant and equipment	3,890	22,112	-18,221
Losses on sales of property, plant and equipment	7,589	833	6,755
Loss on impairment of property, plant and equipment	6,031	-	6,031
Loss on floriculture business	1,014	-	1,014
Loss on redemption of bonds	890	-	890
Devaluation of marketable securities and investments	641	423	218
Losses on sales of investment securities	2	6	-4
Loss on liquidation of affiliate	77	-	77
Write-off of deposit for trade	-	437	-437
Business reorganization costs	-	569	-569
Income before income taxes and minority interests	7,761	2,270	5,491
Current income taxes	3,671	1,836	1,835
Deferred income taxes	(614)	(1,409)	794
Minority interests	61	(569)	631
Net income	4,643	2,412	2,230

Consolidated Statements of Cash Flows

(Million yen)

Item	2004	2003
	Jan. 1, 2004 to Dec. 31, 2004	Jan. 1, 2003 to Dec. 31, 2003
Cash flows from operating activities		
Income before income taxes and minority interests	7,761	2,270
Depreciation and amortization	25,329	28,434
Increase in employees' retirement benefits	148	661
Increase (decrease) in allowance for doubtful receivables	251	(474)
Interest and dividend income	(742)	(705)
Interest expense	4,863	5,779
Gain on sales of property, plant and equipment	(2,409)	(18,685)
Loss on sales and disposal of property, plant and equipment	11,479	22,945
Loss on impairment of property, plant and equipment	6,031	-
Gain on sales of investment securities	(451)	(1,178)
Devaluation of investment securities	641	423
Gain on sale of business (The Westin Tokyo)	(6,820)	-
Write-off of deposit for trade	-	437
(Increase) decrease in notes and accounts receivable	(6,901)	1,466
Decrease in inventories	1,698	4,161
Increase (decrease) in notes and accounts payable	3,590	(6,198)
(Decrease) increase in liquor taxes payable	(312)	68
Decrease in deposits received	(2,382)	(2,535)
Increase in other current liabilities	762	1,224
Other	(2,801)	(472)
Subtotal	39,738	37,620
Interest and dividends received	713	786
Interest paid	(5,131)	(7,202)
Income taxes paid	(3,078)	(728)
Net cash provided by operating activities	32,242	30,476
Cash flows from investing activities		
Purchases of investment securities	(361)	(2,370)
Proceeds from sales of investment securities	1,150	3,597
Proceeds from sale of business (The Westin Tokyo)	49,659	-
Purchases of property, plant and equipment	(7,756)	(8,424)
Proceeds from sales of property, plant and equipment	9,423	18,798
Purchases of intangibles	(594)	(398)
Increase in long-term loans receivable	(601)	(143)
Collection of long-term loans receivable	4,528	526
Other	(2,132)	(628)
Net cash provided by investing activities	53,314	10,956
Cash flows from financing activities		
Net decrease in short-term bank loans	(636)	(14,585)
Proceeds from long-term debt	6,106	59,050
Repayment of long-term debt	(33,989)	(52,399)
Proceeds from issuance of bonds	20,100	-
Redemption of bonds	(20,000)	(50,000)
Refund of deposit for redemption of bonds	-	20,000
Cash dividends paid	(1,772)	(1,695)
Other	(5,226)	(3,128)
Net cash used in financing activities	(35,418)	(42,757)
Effect of exchange rate changes on cash and cash equivalents	(36)	(154)
Net increase (decrease) in cash and cash equivalents	50,101	(1,479)
Cash and cash equivalents at beginning of year	8,455	9,933
Cash and cash equivalents of additional consolidated subsidiaries	125	1
Cash and cash equivalents of subsidiaries excluded from consolidation	(0)	-
Increase in cash and cash equivalents upon change in fiscal year-end of consolidated	23	-
Cash and cash equivalents at end of year	58,706	8,455

(Segment Information)

1. Segment Information by Business

(Million yen)

	2004 Jan. 1, 2004 to Dec. 31, 2004							
	Alcoholic Beverages	Soft Drinks	Restaurants	Real Estate	Other	Total	Corporate & Eliminations	Consolidated
I. Net Sales								
(1) Operating revenues	364,585	69,323	26,610	22,505	11,904	494,929	-	494,929
(2) Intra-group sales and transfers	4,985	262	-	4,931	36	10,216	(10,216)	-
Total	369,570	69,586	26,610	27,437	11,941	505,146	(10,216)	494,929
Operating expenses	350,759	69,120	26,382	21,464	12,205	479,932	(8,650)	471,281
Operating income (loss)	18,810	466	228	5,972	(264)	25,213	(1,565)	23,647
II. Assets, Depreciation and Amortization and Capital Expenditures								
Identifiable assets	303,808	19,736	15,145	197,449	519	536,659	65,452	602,111
Depreciation and amortization	15,205	289	765	8,733	336	25,329	-	25,329
Loss on impairment	5,431	-	599	-	-	6,031	-	6,031
Capital expenditures	8,494	381	769	302	321	10,268	-	10,268

(Million yen)

	2003 Jan. 1, 2003 to Dec. 31, 2003							
	Alcoholic Beverage	Soft Drinks	Restaurants	Real Estate	Other	Total	Corporate & Eliminations	Consolidated
I. Net Sales								
(1) Operating revenues	341,924	65,169	26,591	33,429	12,406	479,520	-	479,520
(2) Intra-group sales and transfers	4,943	239	-	4,586	40	9,809	(9,809)	-
Total	346,867	65,408	26,591	38,015	12,446	489,330	(9,809)	479,520
Operating expenses	342,325	66,243	27,680	24,504	12,745	473,500	(7,310)	466,189
Operating income (loss)	4,541	(835)	(1089)	13511	(298)	15,830	(2,499)	13,330
II. Assets, Depreciation and Amortization and Capital Expenditures								
Identifiable assets	327,650	19,535	18,142	247,871	12,269	625,468	5,168	630,637
Depreciation and amortization	17,037	346	809	9,867	373	28,434	-	28,434
Capital expenditures	7,644	214	874	1,187	160	10,081	-	10,081

Notes:

(1) Segment classifications reflect the similarity of constituent businesses and take into account standard industry classifications in Japan

(2) Main products in each segment

Business Segment	Main Products
Alcoholic Beverages	Beer, Hoppo-shu and others, wine, whiskey and others, distribution, brewing equipment and agribusiness
Soft Drinks	Soft drinks and other non-alcoholic beverages
Restaurants	Operation of beer halls and restaurants
Real Estate	Real estate leasing, real estate sales, operation of commercial facilities, utility supplies
Other	Hotel operations and other activities

(3) Unallocated operating expenses included in "Corporate & Eliminations" amounted to 1,751 million yen in 2004. This represented expenses incurred at the Company. In 2003, unallocated operating expenses were 2,721 million yen. These expenses included 2,000 million yen related to general administration of the Company before the July 1, 2003 corporate separation and 721 million yen incurred at the Company after separation. Unallocated assets included in "Corporate & Eliminations" amounted to 75,500 million yen and 22,904 million yen at December 31, 2004 and 2003, respectively. The main components were cash and cash equivalents and marketable securities, long-term investments and assets of general administration.

(4) Depreciation and amortization and capital expenditures include long-term prepaid expenses and other write-offs.

2. Geographical Segment Information

Sales and assets in Japan account for more than 90% of consolidated net sales and assets. Accordingly, geographical segment information has not been disclosed.

3. Overseas Sales

Overseas sales account for less than 10% of consolidated net sales. Accordingly, overseas sales have not been disclosed.



Fiscal Year Ended December 31, 2004
Full-Year Earnings Report—Supplementary Information

1. Consolidated Statements of Income (Year Ended December 31)
2. Consolidated Statements of Income: Breakdown of Key Changes
3. Consolidated Balance Sheets (As of December 31)
4. Consolidated Full-Year Outlook (Fiscal Year Ending December 31, 2005)
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February 2005

SAPPORO HOLDINGS LTD.

Code: 2501

URL <http://www.sapporoholdings.jp/english/>

Condensed Consolidated Financial Results (Year Ended December 31, 2004)

Condensed Consolidated Statements of Income

(Billions of yen)

	Jan. 1-Dec. 31, 2004	Jan. 1-Dec. 31, 2003	Change	% Change
Alcoholic Beverages	364.5	341.9	22.6	6.6%
Soft Drinks	69.3	65.1	4.1	6.4%
Restaurants	26.6	26.5	0	0.1%
Real Estate	22.5	33.4	10.9	32.7%
Others	11.9	12.4	0.5	4.0%
Net Sales	494.9	479.5	15.4	3.2%
Alcoholic Beverages	18.8	4.5	14.2	314.2%
Soft Drinks	0.4	0.8	1.3	-
Restaurants	0.2	1.0	1.3	-
Real Estate	5.9	13.5	7.5	55.8%
Others	0.2	0.2	0	-
General corporate and intercompany eliminations	1.5	2.4	0.9	-
Operating Income	23.6	13.3	10.3	77.4%
Alcoholic Beverages	16.5			
Soft Drinks	0.4			
Restaurants	0.2			
Real Estate	3.3			
Others, general corporate and intercompany eliminations	2.4			
Ordinary Income ¹	18.0	6.7	11.2	165.2%
Alcoholic Beverages	0.2			
Soft Drinks	0.4			
Restaurants	0.6			
Real Estate	7.5			
Others, general corporate and intercompany eliminations	2.5			
Net Income* 1	4.6	2.4	2.2	92.4%

*1 Stated as a lump-sum figure for the fiscal year ended December 31, 2003 prior to the establishment of operating companies under the new holding company structure. "Others" includes Sapporo Holdings.

Adjustments to the group financing spread due to the financial income (expenses) of operating companies is accounted for in the calculation of ordinary income and net income.

(Consolidated)	Jan. 1-Dec. 31, 2004	Jan. 1-Dec. 31, 2003	Change	% Change
Financial Liabilities	289.8	323.3	33.5	10.4%
Capital Expenditures (paid basis)	8.3	8.8	4.0	5.4%
Depreciation and Amortization	25.3	28.4	3.1	10.9%
Return on Invested Capital	6.0%	3.1%		

Consolidated Financial Results (Fiscal Year Ended December 31, 2004)

Major Changes in Income

▲ indicates a negative change

(Billions of yen)

Major Factors	Change	Remarks	
		Details	Amount
Beer and related products	14.1		
Marginal profit	15.8	Increased volume/product mix Raw materials costs Energy cost reductions Others	10.7 3.7 0.8 0.6
Fixed costs, others	▲ 1.7	Concentrated production Higher sales promotion costs Expenses previously classified as corporate until previous fiscal year Others	2.3 ▲ 3.4 ▲ 1.1 0.5
Wine and spirits	▲ 0.6	Higher sales promotion costs	▲ 0.6
Others	0.7	Transportation Others	0.4 0.3
Alcoholic Beverages	14.2		
Soft Drinks	1.3	Increased volume/product mix Cost reductions	0 1.3
Restaurants	1.3	New format outlets and remodeling Cost reductions	0.2 1.1
Real Estate	▲ 7.5	Sales Rent	▲ 8.1 0.6
Others	0	Others	0
Corporate	0.9	Following business restructuring, corporate expenses allocated to each operating company*	1.1
Change in Operating Income	10.3		
Other income (expenses)	0.9	Financial expenses (▲5.2→▲4.1) Others (▲1.3→▲1.5)	1.1 ▲ 0.2
Change in Ordinary Income	11.2		
Extraordinary gains and losses	▲ 5.7	Gain on sales of investment securities (1.1→0.4) Gain on sale of businesses (0→6.8) Gain on sales of property, plant and equipment (18.7→2.4) Loss on sales of property, plant and equipment (▲0.8→▲7.5) Impairment loss on property, plant and equipment (0→▲6.0) Loss on disposal of property, plant and equipment (▲22.1→▲3.9) Losses in affiliated businesses (0→▲1.0) Loss on redemption of bonds (0→▲0.9) Others (▲1.4→▲5.0)	▲ 0.7 6.8 ▲ 16.3 ▲ 6.7 ▲ 6.0 18.2 ▲ 1.0 ▲ 0.9 0.9
Change in income taxes	▲ 2.6		
Loss on minority interests	▲ 0.6		
Change in Net Income	2.2		

*The gain of ¥1.1 billion in the corporate division, and commensurate loss in the Alcoholic Beverages segment, was the result of the transfer of ¥1.1 billion in administrative division expenses (general corporate expenses last year) from the former Sapporo Breweries Ltd. to the Alcoholic Beverages segment during the fiscal year under review. This was due to business realignment carried out on July 1, 2003.

Consolidated Financial Results (Fiscal Year Ended December 31, 2004)

Condensed Consolidated Balance Sheets (As of December 31) (Billions of yen)

	Jan. 1-Dec. 31, 2004	Jan. 1-Dec. 31, 2003	Change	% Change
Current Assets	184.1	134.5	49.5	36.8%
Cash and cash equivalents	58.7	8.5	50.1	587.4%
Notes and accounts receivable—trade	79.8	73.2	6.5	8.9%
Inventories	23.0	24.8	1.8	7.2%
Others	22.5	27.8	5.3	19.2%
Fixed Assets	418.0	496.1	78.1	15.7%
Property, plant and equipment	354.2	432.6	78.4	18.1%
Investments	63.8	63.4	0.4	0.6%
Total Assets	602.1	630.6	28.5	4.5%
Current Liabilities	233.6	195.1	38.4	19.7%
Notes and accounts payable—trade	34.8	31.2	3.5	11.5%
Short-term bank loans	80.6	44.1	36.4	82.6%
Others	118.2	119.8	1.6	1.3%
Long-term Liabilities	276.2	348.0	71.8	20.6%
Long-term debt	209.2	279.2	70.0	25.1%
Employees' retirement benefits	16.8	17.0	0.2	1.3%
Others	50.1	51.7	1.6	3.1%
Total Liabilities	509.8	543.2	33.4	6.1%
Minority Interests	-	0	0.0	-
Total Shareholders' Equity	92.2	87.3	4.9	5.6%
Total Liabilities and Shareholders' Equity	602.1	630.6	28.5	4.5%

Condensed Balance Sheet by Operating Company

(Billions of yen)

Jan. 1-Dec. 31, 2004	Sapporo Breweries Ltd.	Sapporo Beverage Co.	Sapporo Lion Ltd.	Yebis Garden Place Co. Ltd.
Current Assets	105.4	18.7	3.3	2.9
Fixed Assets	191.5	3.6	12.1	194.6
Total Assets	296.9	22.3	15.4	197.5
Current Liabilities	161.9	15.1	3.0	20.0
Long-term Liabilities	108.5	2.1	2.6	142.1
(Long-term debt)	98.5	-	0.8	139.4
Total Shareholders' Equity	26.4	5.1	9.8	35.4
Total Liabilities and Shareholders' Equity	296.9	22.3	15.4	197.5

Consolidated Full-Year Outlook (Fiscal Year Ending December 31, 2005)

Condensed Consolidated Statements of Income (Forecast)

(Billions of yen)

	Forecast (Jan. 1- Dec. 31, 2005)	Jan. 1-Dec. 31, 2004	Change	%-Change
Alcoholic Beverages	360.0	364.5	4.5	1.3%
Soft Drinks	73.1	69.3	3.7	5.4%
Restaurants	27.2	26.6	0.5	2.2%
Real Estate	21.0	22.5	1.5	6.7%
Others	0.7	11.9	11.2	94.1%
Net Sales	482.0	494.9	12.9	2.6%
Alcoholic Beverages	16.4	18.8	2.4	12.8%
Soft Drinks	0.9	0.4	0.5	93.1%
Restaurants	0.7	0.2	0.5	207.0%
Real Estate	4.8	5.9	1.1	19.6%
Others	0.1	0.2	0.1	-
General corporate and intercompany eliminations	1.9	1.5	0.4	-
Operating Income	20.8	23.6	2.8	12.0%
Alcoholic Beverages	14.3	16.5	2.2	13.4%
Soft Drinks	0.7	0.4	0.2	73.3%
Restaurants	0.7	0.2	0.4	180.0%
Real Estate	2.9	3.3	0.3	11.6%
Others	2.1	2.4	0.3	-
Ordinary Income*1	16.5	18.0	1.5	8.4%
Alcoholic Beverages	7.7	0.2	7.8	-
Soft Drinks	0.6	0.4	0.1	33.9%
Restaurants	0.4	0.6	0.9	-
Real Estate	2.4	7.5	5.1	68.1%
Others	3.1	2.5	0.5	-
Net Income*1	8.0	4.6	3.3	72.3%
Financial Liabilities	226.3	289.8	63.5	21.9%
Capital Expenditures	18.6	8.3	10.2	122.8%
Depreciation and Amortization	22.7	25.3	2.6	10.3%
Return on Invested Capital	6.1%	6.0%		

1 "Others" includes Sapporo Holdings.

Adjustments to the group financing spread due to the financial income (expenses) of operating companies is accounted for in the calculation of ordinary income and net income.

Consolidated Full-Year Outlook (Fiscal Year Ending Dec. 31, 2005)

Major Changes in Income

indicates a negative change

(Billions of yen)

Major Factors	Change	Remarks	
		Details	Amount
Beer and related products	3.5		
Marginal profit	0.2	Increased volume/product mix Raw materials costs Others	0.9 0.9 0.2
Fixed costs, others	3.3	Higher sales promotion costs System-related costs Others	3.4 0.8 0.9
Wine and spirits	1.0	Increased volume/product mix	1.0
Others	0.1	Transportation Others	0.1 0
Alcoholic Beverages	2.4		
Soft Drinks	0.5	Increased volume/product mix Cost reductions	0.3 0.2
Restaurants	0.5	Sapporo Lion Others	0.3 0.2
Real Estate	1.1	Sales Sales	0.3 0.8
Others	0.1	Improvement due to sale of businesses Others	0.3 0.2
General corporate and intercompany eliminations	0.4	Consolidation of administrative divisions	0.4
Change in Operating Income	2.8		
Other income (expenses)	1.3	Financial income (expenses)(4.1 2.7) Others(1.5 1.6)	1.4 0.1
Change in Ordinary Income	1.5		
Extraordinary gains and losses	7.4	Gain on sales of investment securities(0.4 0) Gain on sale of businesses(6.8 0) Gain on sales of property, plant and equipment(2.4 0) Loss on sales of property, plant and equipment(7.5 0) Impairment loss on property, plant and equipment(6.0 0) Loss on disposal of property, plant and equipment(3.9 0.9) Losses in affiliated businesses(1.0 0) Loss on redemption of bonds(0.9 0) Others(0.5 1.9)	0.4 6.8 2.4 7.5 6.0 3.0 1.0 0.9 1.4
Change in income taxes	2.6		
Gain on minority interests	0.1		
Change in Net Income	3.4		

[Reference] Major Sales Volume

Beer

(10,000 cases)

	Forecast (Jan. 1- Dec. 31, 2005)	YoY Comparison	Jan. 1-Dec. 31, 2004	YoY Comparison
Sapporo Black Label	2,600	92%	2,840	94%
Yebisu (Total)	1,050	107%	978	98%
Yebisu	920	106%	865	101%
Yebisu Black	110	97%	113	77%
Guinness	48	122%	39	123%
1. Beer (Total)	3,830	95%	4,020	95%
2. Happo-shu (Total)	1,470	83%	1,775	72%
3. Draft One	2,200	121%	1,815	
Beer and Happo-shu (Total) (1+2)	5,300	91%	5,796	86%
Happo-shu and Draft One (Total) (2+3)	3,670	102%	3,591	144%
Beer, Happo-shu and Draft One (Total) (1+2+3)	7,500	99%	7,611	113%

Sales volume for beer and Happo-shu operations in Japan

Wine and Spirits

(10,000 cases)

	Forecast (Jan. 1- Dec. 31, 2005)	YoY Comparison	Jan. 1-Dec. 31, 2004	YoY Comparison
Domestic wines	137	105%	130	95%
Imported wines	92	137%	67	112%
Wine (Total)	229	116%	197	100%
Spirits	56	106%	53	102%
Wine and spirits (Total)	285	114%	250	100%

Soft Drinks

(10,000 cases)

	Forecast (Jan. 1- Dec. 31, 2005)	YoY Comparison	Jan. 1-Dec. 31, 2004	YoY Comparison
Soft Drinks	3,850	105%	3,673	108%

Financial Highlights (Fiscal Years Ended Dec. 31, 1998-2004, Fiscal Year Ending December 31, 2005)

Consolidated Full-Year Results

(Billions of yen)

	Jan. 1-Dec. 31, 1998	Jan. 1-Dec. 31, 1999	Jan. 1- Dec. 31, 2000	Jan. 1- Dec. 31, 2001
Net Sales	605.7	572.9	564.0	557.2
Operating Income	11.1	16.9	16.2	19.7
Ordinary Income	0.4	8.0	8.5	9.4
Net Income	11.1	4.4	1.3	4.3
Total Assets	841.4	808.0	764.6	729.6
Total Shareholders Equity	99.9	103.1	103.3	105.9
Financial Liabilities			399.9	372.8
Capital Expenditures			31.0	12.6
Depreciation and Amortization			33.2	32.3

	Jan. 1- Dec. 31, 2002	Jan. 1- Dec. 31, 2003	Jan. 1- Dec. 31, 2004	Forecast (Jan. 1- Dec. 31, 2005)
Net Sales	511.7	479.5	494.9	482.0
Operating Income	10.9	13.3	23.6	20.8
Ordinary Income	2.3	6.7	18.0	16.5
Net Income	1.1	2.4	4.6	8.0
Total Assets	717.4	630.6	602.1	
Total Shareholders Equity	106.5	87.3	92.2	
Financial Liabilities	364.3	323.3	289.8	226.3
Capital Expenditures	11.9	8.8	8.3	18.6
Depreciation and Amortization	31.4	28.4	25.3	22.7