

Consolidated Interim Earnings Report for the Year Ended December 31, 2007

August 10, 2007

Company name: SAPPORO HOLDINGS LIMITED

Stock exchange listings: Tokyo and Sapporo

Stock code: 2501

Head office: Tokyo

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

Representative director: Takao Murakami, President

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Date of Board meeting to approve results: August 10, 2007

U.S. GAAP applied: No

1. Consolidated Results (January 1, 2007 to June 30, 2007)

(1) Consolidated Operating Results

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

	Net Sales		Operating Income		Ordinary Income	
	¥ million	%	¥ million	%	¥ million	%
1H 2007	211,458	5.7	(1,234)	—	(2,829)	—
1H 2006	200,133	(4.1)	(1,799)	—	(3,025)	—
2006	435,090		8,612		5,857	

	Net Income		Net Income per Share		Diluted Net Income per Share	
	¥ million	%	¥		¥	
1H 2007	(5,543)	—	(14.24)		—	
1H 2006	(3,928)	—	(10.75)		—	
2006	2,338		6.38		5.88	

Notes:

Equity in income of affiliates : June 30, 2007: ¥18 million ; June 30,2006: -¥163 million ; 2006: -¥49 million

(2) Consolidated Financial Positions

	Total Assets		Net Assets		Ratio of Equity Capital		Net Assets per Share	
	¥ million		¥ million		%		¥	
June 30, 07	582,107		117,280		20.1		298.83	
June 30, 06	533,485		102,718		19.3		281.25	
Dec.31, 06	589,597		113,495		19.2		300.13	

(3) Consolidated Cash Flows

	Cash Flows From Operating Activities		Cash Flows From Investing Activities		Cash Flows From Financing Activities		Cash and Cash Equivalents at the end of period	
	¥ million		¥ million		¥ million		¥ million	
1H 2007	11,435		(10,173)		(2,158)		7,437	
1H 2006	(1,107)		(13,679)		(1,801)		8,140	
2006	28,588		(54,414)		9,351		8,282	

2. Dividends

(Record date)	Dividends per share		
	Interim	Year-end	Total
	¥	¥	¥
Year ended December 31,2006	—	5.00	5.00
Year ended December 31,2007	—	—	—
Year ended December 31,2007(Forecast)	—	5.00	5.00

3. Consolidated Forecasts for 2007 (January 1, 2007 to December 31, 2007)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥	
Full Year	458,000	5.3	12,500	45.1	8,000	36.6	3,000	28.3	7.65	

Notes: Percentage change compares forecast results with those of the period of the previous year.

4.Others

(1)Changes in significant subsidiaries during the period

(changes in specified subsidiaries accompanying change in scope of consolidation): None

(2)Changes in accounting policies,procedures,and methods of presentation for preparing the consolidated Interim financial statements

(those to be described in the section of SIGNIFICANT ACCOUNTING POLICIES)

i . Changes due to amendment of accounting standards: Yes

ii . Changes due to other reasons: None

(3)Number of shares outstanding(common stock)

i . Number of share outstanding at the end of period(including treasury stock)

As of June 30, 2007 393,971,493 shares

As of June 30, 2006 366,571,406 shares

As of December 31, 2006 378,158,722 shares

ii .Number of treasury stock at the end of period

As of June 30, 2007 1,674,611 shares

As of June 30, 2006 1,351,242 shares

As of December 31, 2006 1,458,776 shares

Reference: SUMMARY OF NON-CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1.Non-consolidated Results (January 1, 2007 to June 30, 2007)

(1) Non-consolidated Operating Results

	Net Sales		Operating Income		Ordinary Income	
	¥ million	%	¥ million	%	¥ million	%
1H 2007	3,003	14.0	1,150	0.6	1,702	(10.0)
1H 2006	2,635	71.0	1,143	244.5	1,892	72.3
2006	5,000		1,906		3,252	

	Net Income		Net Income per Share
	¥ million	%	¥
1H 2007	1,272	(19.6)	3.27
1H 2006	1,581	129.2	4.33
2006	(958)		(2.62)

(2) Non-consolidated Financial Positions

	Total Assets	Net Assets	Ratio of Equity Capital	Net Assets per Share
	¥ million	¥ million	%	¥
June 30, 07	357,905	130,431	36.4	332.48
June 30, 06	347,257	119,311	34.4	326.68
Dec.31, 06	357,713	123,185	34.4	325.75

Reference: Equity
 June 30, 2007 130,431 million yen
 June 30, 2006 119,311 million yen
 December 31, 2006 123,185million yen

Consolidated Balance Sheets

(Million yen)

Item	As of June 30, 2006	As of June 30, 2007	Change	As of December 31, 2006
[Assets]				
Current assets	110,200	126,913	16,713	127,972
Cash and cash equivalents	8,739	7,437	(1,302)	8,916
Notes and accounts receivable-trade	61,368	70,336	8,968	73,615
Inventories	24,294	28,509	4,215	24,403
Other	15,966	20,822	4,855	21,261
Loss allowance for doubtful receivables	(168)	(192)	(24)	(224)
Fixed assets	423,285	455,193	31,907	461,624
Property, plant and equipment, net	344,649	347,038	2,389	356,727
Buildings and structures	216,463	215,188	(1,275)	220,669
Machinery and automobiles	45,364	51,744	6,380	55,510
Land	72,146	71,373	(773)	71,332
Other	10,675	8,731	(1,944)	9,214
Intangibles	2,690	34,489	31,798	33,349
Investments and other assets	75,945	73,665	(2,280)	71,547
Investment securities	46,529	43,405	(3,124)	42,082
Other	32,122	32,678	556	32,067
Loss allowance for doubtful receivables	(2,706)	(2,418)	288	(2,602)
Total Assets	533,485	582,107	48,621	589,597
[Liabilities]				
Current liabilities	241,778	246,830	5,052	268,885
Notes and accounts payable-trade	29,890	31,725	1,834	28,928
Short-term bank loans and current portion of long-term debt	104,983	84,263	(20,719)	104,007
Liquor taxes payable	26,173	38,385	12,211	38,276
Accrued bonuses	1,274	849	(424)	764
Deposits received	44,793	45,685	891	52,147
Other	34,662	45,920	11,257	44,759
Long-term liabilities	188,989	217,995	29,006	207,216
Bonds	29,720	69,710	39,990	49,720
Long-term bank loans	86,591	70,794	(15,796)	82,305
Employees' retirement benefits	16,566	15,535	(1,031)	16,301
Directors' and corporate auditors' severance benefits	116	113	(2)	118
Dealers' deposits for guarantees	34,024	34,063	38	33,657
Other	21,970	27,778	5,807	25,113
Total liabilities	430,767	464,826	34,058	476,101
[Net Assets]				
Shareholders' Equity	89,313	102,677	13,363	102,451
Common stock	46,595	53,886	7,290	50,066
Capital surplus	39,012	46,308	7,295	42,484
Retained earnings	4,207	3,240	(967)	10,472
Treasury stock, at cost	(502)	(758)	(255)	(571)
Valuation and Translation Adjustments	13,404	14,551	1,146	11,041
Unrealized holding gain on securities	13,643	12,921	(722)	11,318
Foreign currency translation adjustments	(238)	1,630	1,868	(276)
Minority interests	-	52	52	2
Total Net Assets	102,718	117,280	14,562	113,495
Liabilities, Minority Interests and Net Assets	533,485	582,107	48,621	589,597

Consolidated Statements of Income

(Million yen)

Item	2006 Jan. 1, 2006 to June 30, 2006	2007 Jan. 1, 2007 to June 30, 2007	Change	2006 Jan. 1, 2006 to Dec. 31, 2006
Net sales	200,133	211,458	11,324	435,090
Cost of sales	138,930	144,006	5,075	300,121
Gross profit	61,202	67,452	6,249	134,968
Selling, general and administrative expenses	63,002	68,686	5,684	126,355
Operating income	(1,799)	(1,234)	564	8,612
Non-operating income	1,338	1,144	(194)	2,396
Interest income and dividend income	508	585	77	914
Rent Income	194	194	0	383
Gain on transactions related to gift coupon	119	-	(119)	211
Other	516	364	(152)	885
Non-operating expenses	2,565	2,739	174	5,151
Interest expense	1,454	2,120	666	3,041
Loss on disposal of inventories	422	243	(179)	951
Equity in loss of affiliates	163	-	(163)	49
Other	525	375	(150)	1,109
Ordinary income	(3,025)	(2,829)	196	5,857
Extraordinary gains	337	292	(44)	2,642
Gain on sales of property, plant and equipment	3	90	87	69
Gain on sales of investment securities	32	23	(9)	2,221
Reversal of doubtful receivables	33	146	113	66
Gain on sales of subsidiary securities	101	-	(101)	101
Subsidy for vending machines	47	32	(15)	88
Adjustments of gain on sales of property, plant and equipment for prior periods	95	-	(95)	95
Other	21	-	(21)	-
Extraordinary losses	1,153	8,494	7,340	4,522
Losses on disposal of property, plant and equipment	667	631	(36)	2,519
Loss on impairment of property, plant and equipment	225	570	345	1,785
Depreciation expenses resulting from revision of residual value	-	7,227	7,227	-
Devaluation of marketable securities and investments	260	64	(196)	217
Income before income taxes and minority interest	(3,842)	(11,031)	(7,188)	3,977
Current income taxes	390	527	137	1,728
Deferred income taxes	(305)	(6,013)	(5,708)	(86)
Minority loss	-	2	2	2
Net income	(3,928)	(5,543)	(1,615)	2,338

Consolidated Statements of Cash Flows

(Million yen)

Item	2006	2007	2006
	Jan. 1, 2006 to June 30, 2006	Jan. 1, 2007 to June 30, 2007	Jan. 1, 2006 to Dec. 31, 2006
Cash flows from operating activities			
Income before income taxes and minority interests	(3,842)	(11,031)	3,977
Depreciation and amortization	10,686	12,508	21,929
Depreciation expenses resulting from revision of residual value	-	7,227	-
Loss on impairment of property, plant and equipment	225	570	1,785
Increase (decrease) in employees' retirement benefits	(628)	(766)	(893)
Increase in allowance for doubtful receivables	(287)	(97)	(273)
Interest and dividend income	(508)	(585)	(915)
Interest expense	1,454	2,120	3,041
Gain on sales of property, plant and equipment	(3)	(90)	(69)
Loss on sales and disposal of property, plant and equipment	667	631	2,519
Gain on sales of investment securities	(32)	(23)	(2,221)
Devaluation of investment securities	260	64	217
Gain on sales of subsidiary securities	(101)	-	(101)
Decrease (increase) in notes and accounts receivable	10,315	3,242	1,655
(Increase) decrease in inventories	(2,309)	(3,693)	620
(Decrease) Increase in notes and accounts payable	(2,677)	3,007	(5,264)
Decrease in liquor taxes payable	(12,086)	38	(514)
Other	(3,469)	1,045	3,488
Subtotal	(2,338)	14,169	28,981
Interest and dividends received	633	716	882
Interest paid	(1,480)	(2,053)	(3,152)
Income taxes paid	2,077	(1,397)	1,876
Net cash provided by operating activities	(1,107)	11,435	28,588
Cash flows from investing activities:			
Investment in time deposits	(599)	-	(1,253)
Withdrawals from time deposits	599	655	1,238
Purchases of investment securities	(945)	(39)	(947)
Proceeds from sales of investment securities	60	1,783	2,776
Purchases of property, plant and equipment	(9,654)	(9,547)	(18,516)
Proceeds from sales of property, plant and equipment	63	117	69
Purchases of intangibles	(2,017)	(1,828)	(3,299)
Increase in long-term loans receivable	(26)	(73)	(29)
Collection of long-term loans receivable	342	230	499
Other	(1,500)	(1,471)	(34,953)
Net cash (used in) provided investing activities	(13,679)	(10,173)	(54,414)
Cash flows from financing activities:			
Net increase in short-term bank loans	17,076	11,551	30,526
Proceeds from long-term debt	6,700	8,001	9,200
Repayment of long-term debt	(23,778)	(34,570)	(48,321)
Proceeds from issuance of bonds	9,960	19,925	29,885
Redemption of bonds	(10,000)	(10,000)	(10,000)
Proceeds from commercial papers	-	5,000	-
Cash dividends paid	(1,811)	(1,883)	(1,831)
Other	52	(183)	(106)
Net cash (used in) provided financing activities	(1,801)	(2,158)	9,351
Effect of exchange rate changes on cash and cash equivalents	(20)	36	7
Net (decrease) increase in cash and cash equivalents	(16,608)	(860)	(16,466)
Cash and cash equivalents at beginning of year	24,748	8,282	24,748
Increase in cash and equivalents due to increase in consolidated subsidiaries	-	15	0
Cash and cash equivalents at end of period	8,140	7,437	8,282

(Segment Information)

1. Segment Information by Business

(Million yen)

	2006							Jan. 1, 2006 to June 30, 2006	
	Alcoholic Beverages	Soft Drinks	Restaurants	Real Estate	Other	Total	Corporate & Eliminations	Consolidated	
I. Net Sales									
(1) Operating revenues	149,706	26,770	12,564	10,975	116	200,133	-	200,133	
(2) Intra-group sales and transfers	2,630	129	-	1,301	6	4,068	(4,068)	-	
Total	152,337	26,899	12,564	12,277	123	204,202	(4,068)	200,133	
Operating expenses	155,467	27,715	12,644	9,100	118	205,045	(3,113)	201,932	
Operating income (loss)	(3,130)	(815)	(79)	3,176	4	(843)	(955)	(1,799)	

(Million yen)

	2007							Jan. 1, 2007 to June 30, 2007	
	Alcoholic Beverages	Soft Drinks	Restaurants	Real Estate	Other	Total	Corporate & Eliminations	Consolidated	
I. Net Sales									
(1) Operating revenues	161,941	24,194	13,471	11,851	-	211,458	-	211,458	
(2) Intra-group sales and transfers	2,990	112	-	1,306	-	4,409	(4,409)	-	
Total	164,932	24,306	13,471	13,157	-	215,867	(4,409)	211,458	
Operating expenses	167,048	25,442	13,577	9,781	-	215,849	(3,157)	212,692	
Operating income (loss)	(2,116)	(1,135)	(106)	3,375	-	17	(1,251)	(1,234)	

(Million yen)

	2006							Jan. 1, 2006 to Dec. 31, 2006	
	Alcoholic Beverages	Soft Drinks	Restaurants	Real Estate	Other	Total	Corporate & Eliminations	Consolidated	
I. Net Sales									
(1) Operating revenues	326,419	58,730	26,995	22,827	116	435,090	-	435,090	
(2) Intra-group sales and transfers	6,129	313	-	2,675	6	9,125	(9,125)	-	
Total	332,549	59,044	26,995	25,502	123	444,215	(9,125)	435,090	
Operating expenses	328,365	59,471	26,538	19,089	118	433,581	(7,104)	426,477	
Operating income (loss)	4,183	(426)	457	6,413	5	10,634	(2,021)	8,612	

Notes:

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

(2) Main products in each segment

Business Segment	Main Products
Alcoholic Beverages	Beer, Happo-shu and others, wine, whiskey, shochu 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 and fitness club

(3) Unallocated operating expenses included in "Corporate & Eliminations" : 1,004 million yen at June 30, 2006, 1,306 million yen at June 30, 2007, and 2,118 million yen at December 31, 2006.

These are principally operating expenses incurred by "Sapporo Holdings" (as parent company) for each operating companies.

(4) Changes in accounting methods

(Jan. 1, 2006 to June 30, 2006)

According to Medium Term Management Plan started from 2006 to 2008, which was announced in February 2006, "Fitness club" was posted from "Other" segment into "Real Estate" segment effective from 2006FY.

Due to this change, net sales in "Real Estate" segment is increased by JPY 338 million and operating income in that segment is increased by JPY 36 million. On the other hand, net sales and operating income in "Other" segment are decreased by same number respectively.

(Jan. 1, 2007 to June 30, 2007)

There is not the pertinence matter.

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 Dec. 31, 2007
Interim Earnings Report Supplementary Information

1. Consolidated Interim Statements of Income (Six Months Ended June 30)
2. Consolidated Interim Statements of Income: Breakdown of Key Changes
3. Consolidated Interim Balance Sheets (Six Months Ended June 30)
4. Consolidated Full-Year Outlook (Fiscal Year Ending December 31, 2007)
5. Projected Full-Year Statements of Income: Breakdown of Key Changes (Fiscal Year Ending December 31, 2007)
6. [Reference] Major Sales Volume
7. Financial Highlights

August 2007

SAPPORO HOLDINGS LTD.

Code: 2501

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

Condensed Consolidated Interim Financial Results (Year Ended December 31, 2007)

Condensed Consolidated Statements of Income

(Billions of yen)

	Jan. 1-June 30, 2006	Jan. 1-June 30, 2007	Change	% Change
Alcoholic Beverages	149.7	161.9	12.2	8.2%
(Domestic business)	147.1	148.3	1.2	0.9%
(Overseas business)	2.5	13.5	10.9	426.5%
Soft Drinks	26.7	24.1	2.5	9.6%
Restaurants	12.5	13.4	0.9	7.2%
Real Estate	10.9	11.8	0.8	8.0%
Others	0.1	-	0.1	100.0%
Net Sales	200.1	211.4	11.3	5.7%
Alcoholic Beverages	3.1	2.1	1.0	-
(Domestic business)	3.2	2.9	0.3	-
(Overseas business)	0.1	0.8	0.6	420.6%
Soft Drinks	0.8	1.1	0.3	-
Restaurants	0.0	0.1	0.0	-
Real Estate	3.1	3.3	0.1	6.3%
Others	0.0	-	0.0	100.0%
General corporate and intercompany eliminations	0.9	1.2	0.2	-
Operating Income	1.7	1.2	0.5	-
Non-operating income	1.3	1.1	0.1	14.5%
Non-operating expenses	2.5	2.7	0.1	6.8%
Ordinary Income	3.0	2.8	0.1	-
Extraordinary gains	0.3	0.2	0.0	13.2%
Extraordinary losses	1.1	8.4	7.3	636.1%
Net Income	3.9	5.5	1.6	-

(Consolidated)	Jan. 1-June 30, 2006	Jan. 1-June 30, 2007	Change	% Change
Financial Liabilities	221.2	229.7	8.4	3.8%
Capital Expenditures (paid basis)	11.6	11.3	0.2	2.5%
Depreciation and Amortization	10.6	12.5	1.8	17.1%

D-E Ratio (Times)	2.2	2.0	0.2	
ROE (%)	-	-	-	

Consolidated Interim Financial Results (Fiscal Year Ended December 31, 2007)

Major Changes in Income

indicates a negative change

(Billions of yen)

Major Factors	Change	Remarks	
		Details	Amount
Beer and related products	0.2		
Marginal profit	0.4	Lower volume/product mix Raw materials costs Cost reductions of production	0.4 0.5 0.5
Fixed costs, others	0.2	Increased sales promotion costs System-related costs Others	0.8 0.1 0.7
Wine and spirits	0.1	Increased volume/product mix Lower sales promotion costs	0.1 0.2
Others	0.0	Others	0.0
Alcoholic Beverages(Domestic)	0.3		
Sleeman Brewery(Canada)			0.6
Others			0.0
Alcoholic Beverages(Overseas)	0.6		
Soft Drinks	0.3	Lower volume/product mix Cost reductions of production Increased costs of sales Other cost reductions	0.3 0.1 0.2 0.1
Restaurants	0.0	Increased sales volume Increased costs	0.0 0.0
Real Estate	0.1	Sales Rent	0.1 0.2
Others	0.0		
General Corporate	0.2	Consolidation of administrative divisions	0.2
Change in Operating Income	0.5		
Other income (expenses)	0.4	Financial income (expenses) (0.9 1.5) Others(0.3 0.1)	0.6 0.2
Change in Ordinary Income	0.1		
Extraordinary gains and losses	7.3	Gain on sales of property, plant and equipment(0.0 0.1) Gain on sales of investment securities(0.0 0.0) Other extraordinary gains(0.3 0.2) Loss on disposal of property, plant and equipment(0.6 0.6) Depreciation expenses resulting from revision of residual value(0.0 7.2) Impairment loss on disposal of property, plant and equipment(0.2 0.6) Devaluation of marketable securities and investments(0.3 0.1) Other extraordinary losses	0.1 0.0 0.1 0.0 7.2 0.3 0.2 -
Change in income taxes	5.5		
Change in Net Income	1.6		

Consolidated Interim Financial Results (Fiscal Year Ended December 31, 2007)

Condensed Consolidated Balance Sheets (As of June 30)

(Billions of yen)

	June 30, 2006	June 30, 2007	Change	% Change
Current Assets	110.2	126.9	16.7	15.2%
Cash and cash equivalents	8.7	7.4	1.3	14.9%
Notes and accounts receivable trade	61.3	70.3	8.9	14.5%
Inventories	24.2	28.5	4.2	17.4%
Others	15.7	20.6	4.8	30.6%
Fixed Assets	423.2	455.1	31.9	7.5%
Property, plant and equipment	347.3	381.5	34.1	9.8%
Investments	75.9	73.6	2.2	2.9%
Total Assets	533.4	582.1	48.6	9.1%
Current Liabilities	241.7	246.8	5.0	2.1%
Notes and accounts payable trade	29.8	31.7	1.8	6.0%
Short-term debt	104.9	89.2	15.7	15.0%
Others	106.9	125.8	18.9	17.7%
Long-term Liabilities	188.9	217.9	29.0	15.4%
Long-term debt	116.3	140.5	24.1	20.7%
Employees retirement benefits	16.6	15.5	1.0	6.0%
Others	55.9	61.9	5.8	10.4%
Total Liabilities	430.7	464.8	34.0	7.9%
Total Net Assets	102.7	117.2	14.5	14.1%
Total Liabilities and Net Assets	533.4	582.1	48.6	9.1%

Condensed Balance Sheet by Operating Company

(Billions of yen)

June 30, 2007	Sapporo Breweries Ltd.	Sapporo Beverage Co., Ltd.	Sapporo Lion Ltd.	Yebis Garden Place Co., Ltd.
Current Assets	92.6	15.9	2.3	2.6
Fixed Assets	187.9	2.4	12.6	188.5
Total Assets	280.5	18.4	15.0	191.1
Current Liabilities	163.4	13.2	3.1	17.9
Long-term Liabilities	91.4	2.4	2.0	134.1
(Financial Liabilities)	79.2	-	0.1	129.8
Total Shareholders Equity	25.5	2.7	9.7	39.1
Total Liabilities and Shareholders Equity	280.5	18.4	15.0	191.1

Consolidated Full-Year Outlook (Fiscal Year Ending December 31, 2007)

Condensed Consolidated Statements of Income (Forecast)

(Billions of yen)

	Jan. 1-Dec. 31, 2006	Forecast (Jan. 1- Dec. 31, 2007)	Change	% Change
Alcoholic Beverages	326.4	348.7	22.3	6.8%
(Domestic business)	321.1	322.9	1.8	0.6%
(Overseas business)	5.3	25.8	20.5	387.6%
Soft Drinks	58.7	55.6	3.1	5.3%
Restaurants	26.9	29.1	2.1	7.8%
Real Estate	22.8	24.6	1.8	7.8%
Others	0.1	-	0.1	-
Net Sales	435.0	458.0	22.9	5.3%
Alcoholic Beverages	4.1	7.6	3.4	81.7%
(Domestic business)	3.8	5.6	1.7	47.4%
(Overseas business)	0.3	2.0	1.6	419.5%
Soft Drinks	0.4	0.6	0.2	-
Restaurants	0.4	0.8	0.4	75.1%
Real Estate	6.4	6.9	0.5	7.6%
Others	0.0	-	0.0	-
General corporate and intercompany eliminations	2.0	2.2	0.2	-
Operating Income	8.6	12.5	3.8	45.1%
Non-operating income	2.4	2.1	0.3	12.4%
Non-operating expenses	5.2	6.6	1.4	28.1%
Ordinary Income *1	5.8	8.0	2.1	36.6%
Extraordinary gains	2.7	5.2	2.5	96.8%
Extraordinary losses	4.5	9.4	4.9	107.9%
Net Income	2.3	3.0	0.6	28.3%

(Consolidated)	Jan. 1-Dec. 31, 2006	Forecast (Jan. 1- Dec. 31, 2007)	Change	% Change
Financial Liabilities	236.0	218.0	18.0	7.6%
Capital Expenditures	21.8	21.4	0.4	1.8%
Depreciation and Amortization	21.9	24.3	2.4	11.0%

D-E Ratio (Times)	2.1	1.7	0.4	
ROE (%)	2.1%	2.4%	0.3%	

Consolidated Full-Year Outlook (Fiscal Year Ending Dec. 31, 2007)

Major Changes in Income

indicates a negative change

Billions of yen)

Major Factors	Change	Remarks	
		Details	Amount
Beer and related products	0.5		
Marginal profit	1.5	Increased volume/product mix Raw materials costs Cost reductions of production	1.5 1.0 1.0
Fixed costs, others	1.0	Increased sales promotion costs System-related costs Others	0.8 0.5 0.3
Wine and spirits	0.5	Increased volume/product mix Lower sales promotion costs	0.3 0.2
Others	0.7	Others	0.7
Alcoholic Beverages(Domestic)	1.7		
Sleeman Brewery(Canada)			1.6
Others			0.0
Alcoholic Beverages(Overseas)	1.6		
Soft Drinks	0.2	Lower volume/product mix Cost reductions of production Increased costs of sales Other cost reductions	0.4 0.4 0.5 0.3
Restaurants	0.4	Increased sales volume Other cost reductions	0.2 0.2
Real Estate	0.5	Sales Rent	0.2 0.7
Others	0.0		
General Corporate	0.2	Consolidation of administrative divisions	0.2
Change in Operating Income	3.8		
Other income (expenses)	1.7	Financial income (expenses) (2.1 3.7) Others(0.7 0.8)	1.6 0.1
Change in Ordinary Income	2.1		
Extraordinary gains and losses	2.4	Gain on sales of property, plant and equipment(0.1 0.1) Gain on sales of investment securities(2.2 0.0) Other extraordinary gains(0.4 5.1) Loss on disposal of property, plant and equipment(2.5 1.5) Depreciation expenses resulting from revision of residual value(0.0 7.2) Impairment loss on disposal of property, plant and equipment(1.8 0.6) Devaluation of marketable securities and investments(0.2 0.1)	0.0 2.2 4.7 1.0 7.2 1.2 0.1
Change in income taxes	0.8		
Change in Net Income	0.6		

[Reference] Major Sales Volume

Beer(Domestic)

(10,000 cases)

	Jan. 1-June 30, 2007	YoY Comparison	Forecast (Jan. 1-Dec. 31, 2007)	YoY Comparison
Sapporo Black Label	1,063	93%	2,280	94%
Yebisu (Total)	504	130%	1,300	128%
Guinness	25	93%	57	105%
1. Beer (Total)	1,659	101%	3,833	103%
2. Happo-shu (Total)	395	78%	762	76%
Draft One (Total)	579	80%	1,170	80%
Umai nama	228	-	280	-
3. New product genre	908	109%	1,755	106%
Beer, Happo-shu and New (Total) (1+2+3)	2,963	99%	6,350	99%

Beer(Overseas)

(10,000 cases)

	Jan. 1-June 30, 2007	YoY Comparison	Forecast (Jan. 1-Dec. 31, 2007)	YoY Comparison
Sleeman Brand	501	-	1,058	-
Sapporo Brand	115	106%	237	109%

Wine and Spirits

(10,000 cases)

	Jan. 1-June 30, 2007	YoY Comparison	Forecast (Jan. 1-Dec. 31, 2007)	YoY Comparison
Domestic wines	62	98%	124	98%
Imported wines	34	108%	76	107%
Wine (Total)	96	101%	200	101%
Spirits	24	94%	52	96%
Wine and spirits (Total)	120	100%	252	100%

Shochu

(Billions of yen)

	Jan. 1-June 30, 2007	YoY Comparison	Forecast (Jan. 1-Dec. 31, 2007)	YoY Comparison
Shochu	4.5	167%	10.0	139%

Soft Drinks

(10,000 cases)

	Jan. 1-June 30, 2007	YoY Comparison	Forecast (Jan. 1-Dec. 31, 2007)	YoY Comparison
Soft Drinks	1,394	91%	3,200	95%

**Financial Highlights (Fiscal Years Ended December 31, 2003-2007,
Fiscal Year Ending December 31, 2007)**

Consolidated Interim Financial Results

(Billions of yen)

	Jan. 1-Jun. 30, 2003	Jan. 1-Jun. 30, 2004	Jan. 1-Jun. 30, 2005	Jan. 1-Jun. 30, 2006	Jan. 1-Jun. 30, 2007
Net Sales	215.5	224.3	208.6	200.1	211.4
Operating Income	5.1	6.1	0.7	1.7	1.2
Ordinary Income	8.8	3.2	2.4	3.0	2.8
Net Income	13.3	2.8	5.2	3.9	5.5
Total Assets	1,036.7	625.5	555.0	533.4	582.1
Total Net Assets	92.5	91.1	87.0	102.7	117.2
Financial Liabilities	739.3	336.9	265.7	221.2	229.7
Capital Expenditures	5.3	5.1	4.3	11.6	11.3
Depreciation and Amortization	14.6	12.9	10.9	10.6	12.5
D-E Ratio (Times)			3.1	2.2	2.0
ROE (%)			-	-	-

Consolidated Full-Year Results

(Billions of yen)

	Jan. 1-Dec. 31, 2003	Jan. 1-Dec. 31, 2004	Jan. 1-Dec. 31, 2005	Jan. 1-Dec. 31, 2006	Jan. 1-Dec.31, 2007 (Forecast)
Net Sales	479.5	494.9	453.6	435.0	458.0
Operating Income	13.3	23.6	10.3	8.6	12.5
Ordinary Income	6.7	18.0	6.6	5.8	8.0
Net Income	2.4	4.6	3.6	2.3	3.0
Total Assets	630.6	602.1	563.8	589.5	
Total Net Assets	87.3	92.2	111.4	113.5	
Financial Liabilities	323.3	289.8	220.7	236.0	218.0
Capital Expenditures	8.8	8.3	12.5	21.8	21.4
Depreciation and Amortization	28.4	25.3	22.0	21.9	24.3
D-E Ratio (Times)			2.0	2.1	1.7
ROE (%)			3.6	2.1	2.4