



**Fiscal Year Ended December 31, 2007**  
**Consolidated Earnings Report Supplementary Information**

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**February, 2008**

**SAPPORO HOLDINGS LTD.**

**Securities code: 2501**

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

## Consolidated Results (Fiscal Year Ended December 31, 2007)

### 1. Condensed Consolidated Statements of Income

(billions of yen)

	Year ended Dec.31, 2006	Year ended Dec.31, 2007	Change	Change (%)
Alcoholic beverages	326.4	343.6	17.2	5.3
<i>(Japan)</i>	<i>321.1</i>	<i>315.8</i>	<i>(5.2)</i>	<i>(1.6)</i>
<i>(Overseas *1)</i>	<i>5.2</i>	<i>27.7</i>	<i>22.4</i>	<i>424.9</i>
Soft drinks	58.7	52.2	(6.4)	(11.1)
Restaurants	26.9	28.9	1.9	7.3
Real estate	22.8	24.1	1.3	5.8
Other	0.1	0.0	(0.1)	(100.0)
Net sales	435.0	449.0	13.9	3.2
Alcoholic beverages	4.1	7.8	3.6	87.7
<i>(Japan)</i>	<i>3.7</i>	<i>6.1</i>	<i>2.3</i>	<i>62.9</i>
<i>(Overseas *1)</i>	<i>0.3</i>	<i>1.6</i>	<i>1.2</i>	<i>332.3</i>
Soft drinks	(0.4)	(0.8)	(0.4)	—
Restaurants	0.4	0.6	0.1	43.4
Real estate	6.4	7.0	0.6	10.3
Other	0.0	0.0	(0.0)	(100.0)
General corporate and intercompany eliminations	(2.0)	(2.3)	(0.3)	—
Operating income	8.6	12.3	3.7	43.5
Non-operating income	2.3	2.3	(0.0)	(3.7)
Non-operating expenses	5.1	6.5	1.3	27.2
Ordinary income	5.8	8.1	2.2	38.6
Extraordinary gains	2.6	7.5	4.9	187.4
Extraordinary losses	4.5	15.4	10.9	242.6
Income before income taxes and minority interests	3.9	0.2	(3.7)	(94.4)
Income taxes	1.6	(5.2)	(6.9)	—
Net income	2.3	5.5	3.1	135.6

\*1 Overseas business includes Sapporo International Inc., the export business of Sapporo Breweries Ltd., Sleeman Breweries Ltd., and Sapporo USA Inc..

Consolidated	Year ended Dec.31, 2006	Year ended Dec.31, 2007	Change	Change (%)
Financial liabilities *2	236.0	212.4	(23.5)	(10.0)
Capital expenditures (cash basis)	21.8	19.8	(1.9)	(8.9)
Depreciation and amortization	21.9	24.5	2.5	11.8
Operating income to net sales (excluding liquor tax) (%)	2.9	4.0	1.1	
Debt-to-equity ratio (times)	2.1	1.7	(0.4)	
Return on equity (%)	2.1	4.6	2.6	

\*2 Financial liabilities include the balance of commercial paper.

## Consolidated Results (Fiscal Year Ended December 31, 2007)

### 2. Consolidated Statements of Income Breakdown of Key Changes

(billions of yen)

		Year ended Dec.31, 2006	Year ended Dec.31, 2007	Change
	Total	3.8	5.8	2.0
Beer and related products	Sub total			(2.0)
	Decrease in volume / Product mix			(1.7)
	Raw materials costs			(1.6)
	Decrease in production costs			0.8
	Other			0.5
Fixed and other costs	Sub total			4.0
	Decrease in sales promotion costs			2.2
	System-related costs			0.2
	Other			1.6
Wine and spirits	Total	(0.3)	0.1	0.3
	Increase in volume / Product mix			(0.0)
	Decrease in sales promotion costs			0.4
Other	Other	0.2	0.2	0.0
<b>Alcoholic beverages (Japan)</b>		3.7	6.1	2.3
	Sleeman Breweries Ltd. (includes amortization of goodwill)	-	1.6	1.6
	Other	0.3	0.0	(0.3)
<b>Alcoholic beverages (Overseas)</b>		0.3	1.6	1.2
	Decrease in volume / Product mix			(1.1)
	Decrease in production costs			0.1
	Decrease in sales promotion costs			0.2
	Other cost reductions			0.4
<b>Soft drinks</b>		(0.4)	(0.8)	(0.4)
	Increase in sales			0.1
	Decrease in production costs			0.0
<b>Restaurants</b>		0.4	0.6	0.1
	Sales	0.3	-	(0.3)
	Rent	6.1	7.0	0.9
<b>Real estate</b>		6.4	7.0	0.6
<b>Other</b>		0.0	-	(0.0)
<b>General corporate and intercompany eliminations</b>		(2.0)	(2.3)	(0.3)
<b>Change in operating income</b>		8.6	12.3	3.7
	Financial income (expense)	(2.1)	(3.2)	(1.1)
	Other	(0.7)	(1.0)	(0.3)
<b>Non-operating income and expenses</b>		(2.8)	(4.2)	(1.4)
<b>Change in ordinary income</b>		5.8	8.1	2.2
	Gain on sales of property, plant and equipment	0.1	6.7	6.6
	Gain on sales of investment securities	2.2	0.7	(1.4)
	Other extraordinary gains	0.4	0.0	(0.3)
	Loss on disposal of property, plant and equipment	(2.5)	(1.3)	1.2
	Depreciation expenses resulting from revision of residual value	-	(6.5)	(6.5)
	Impairment loss on property, plant and equipment	(1.8)	(6.9)	(5.2)
	Devaluation of marketable securities and investments	(0.2)	(0.3)	(0.2)
	Other extraordinary losses	-	(0.2)	(0.2)
<b>Extraordinary gains and losses</b>		(1.8)	(7.8)	(6.0)
<b>Change in income before income taxes and minority interests</b>		3.9	0.2	(3.7)
<b>Change in income taxes</b>		1.6	(5.2)	6.9
<b>Change in net income</b>		2.3	5.5	3.1

## Consolidated Results (Fiscal Year Ended December 31, 2007)

### 3. Condensed Consolidated Balance Sheets

(billions of yen)

	As of Dec. 31, 2006	As of Dec. 31, 2007	Change	
Current assets	127.9	117.7	(10.2)	
Cash and cash equivalents	8.9	6.5	(2.4)	
Notes and accounts receivable—trade	73.6	69.6	(3.9)	
Inventories	24.4	24.0	(0.3)	
Others	21.0	17.4	3.5	
Fixed assets	461.6	444.1	(17.4)	
Property, plant and equipment	390.1	371.8	(18.2)	Impairment loss on Sapporo Factory (5.9)
Investments and others	71.5	72.2	(5.2)	Once-off depreciation on Osaka plant (6.5)
Total assets	589.5	561.8	(27.7)	
Current liabilities	268.8	223.5	(45.3)	
Notes and accounts payable—trade	28.9	26.1	(2.8)	
Short-term bank loans	104.0	68.4	(35.5)	Repayment of short-term bank loans
Other	135.9	128.9	(6.9)	Deposits received, accrued construction expenses, and other current liabilities
Long-term liabilities	207.2	213.1	5.9	
Long-term debt	132.0	144.0	12.0	Increase due to issuance of bonds
Employees' retirement benefits	16.3	15.1	(1.1)	
Others	58.8	53.9	(4.9)	
Total liabilities	476.1	436.6	(39.4)	
Total net assets	113.5	125.1	11.6	Conversion of convertible bonds +7.6 Increase in retained earnings +3.8
Total liabilities and net assets	589.5	561.8	(27.7)	

### Condensed Balance Sheets by Operating Company

(billions of yen)

As of Dec. 31, 2007	Sapporo Breweries Ltd.	Sapporo International Inc.	Sapporo Beverage Co. Ltd	Sapporo Lion Ltd.	Yebisu Garden Place Co., Ltd.
Current assets	87.8	0.7	14.7	2.4	2.5
Fixed assets	183.8	32.1	1.7	12.3	184.5
Total assets	271.6	32.8	16.5	14.8	187.0
Current liabilities	165.0	0.9	11.1	2.7	19.3
Long-term liabilities	78.1	1.9	2.3	2.0	123.0
(Long-term debt)	72.3	2.3	—	0.0	119.7
Total net assets	28.5	29.9	3.0	10.0	44.5
Total liabilities and net assets	271.6	32.8	16.5	14.8	187.0

<b>Consolidated Forecasts (Fiscal Year Ending December 31, 2008)</b>
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#### 4. Condensed Consolidated Statements of Income

(billions of yen)

	Year ended Dec.31, 2007	Year ending Dec.31, 2008	Change	Change (%)
Alcoholic beverages	343.6	351.8	8.1	2.4
<i>(Japan)</i>	<i>315.8</i>	<i>323.2</i>	<i>7.3</i>	<i>2.3</i>
<i>(Overseas)</i>	<i>27.7</i>	<i>28.6</i>	<i>0.8</i>	<i>3.0</i>
Soft drinks	52.2	43.6	(8.6)	(16.5)
Restaurants	28.9	30.1	1.1	3.6
Real estate	24.1	23.7	(0.4)	(1.9)
Net sales	449.0	449.2	0.1	0.0
Alcoholic beverages	7.8	8.7	0.8	10.8
<i>(Japan)</i>	<i>6.1</i>	<i>7.5</i>	<i>1.3</i>	<i>21.2</i>
<i>(Overseas)</i>	<i>1.6</i>	<i>1.2</i>	<i>(0.5)</i>	<i>(27.9)</i>
Soft drinks	(0.8)	(0.5)	0.3	—
Restaurants	0.6	0.8	0.1	22.0
Real estate	7.0	7.4	0.3	4.6
General corporate and intercompany eliminations	(2.3)	(2.9)	(0.5)	—
Operating income	12.3	13.5	1.1	9.2
Non-operating income	2.3	1.9	(0.4)	(17.6)
Non-operating expenses	6.5	6.2	(0.4)	(5.3)
Ordinary income	8.1	9.2	1.0	13.3
Extraordinary gains	7.5	25.1	17.5	230.4
Extraordinary losses	15.4	10.5	(5.0)	(32.2)
Income before income taxes and minority interests	0.2	23.8	23.6	10669.2
Income taxes	(5.2)	11.0	16.3	—
Net income	5.5	12.8	7.2	132.4

Consolidated	Year ended Dec.31, 2007	Year ending Dec.31, 2008	Change	Change (%)
Financial liabilities	212.4	180.0	(32.4)	(15.3)
Capital expenditures (cash basis)	19.8	24.1	4.3	21.7
Depreciation and amortization	24.5	23.2	(1.3)	(5.3)

Operating income to net sales (excluding liquor tax) (%)	4.0	4.3	0.3	
Debt-to-equity ratio (times)	1.7	1.3	(0.4)	
Return on equity (%)	4.6	9.8	5.2	

## Consolidated Forecasts (Fiscal Year Ending December 31, 2008)

### 5. Consolidated Statements of Income Breakdown of Key Changes

(billions of yen)

		Year ended Dec.31, 2007	Year ending Dec.31, 2008	Change	
Beer and related products	Total	5.8	6.8	1.0	
	Marginal profit	Sub total			2.3
		Increase (decrease) in volume / Product mix			5.8
		Increase in cost of raw ingredients and materials			(3.0)
		Transportation expenses			(0.7)
		Decrease in production costs			0.2
	Fixed and other costs	Sub total			(1.3)
		Effect of production base restructuring			1.3
		New sales and distribution systems			(1.0)
		Decrease in sales promotion costs			0.9
	Other				(2.5)
		Total	0.1	0.2	0.1
	Wine and spirits	Increase in marginal profit			0.2
		Increase in sales promotion costs			(0.1)
Other		0.2	0.4	0.2	
Alcoholic beverages (Domestic)		6.1	7.5	1.3	
	Increase in volume / Exchange rate effects			0.2	
	Increase in cost of raw ingredients and materials			(0.4)	
	Other			(0.3)	
Alcoholic beverages (Overseas)		1.6	1.2	(0.5)	
	Decrease in volume / Product mix			0.1	
	Increase in cost of raw ingredients and materials			(0.6)	
	Other cost reductions			0.8	
Soft drinks		(0.8)	(0.5)	0.3	
	Existing stores			0.1	
	New stores / Refurbished stores			0.0	
Restaurants		0.6	0.8	0.1	
	Sales	—	—	—	
	Rent	7.0	7.4	0.3	
Real estate		7.0	7.4	0.3	
General corporate and intercompany eliminations		(2.3)	(2.9)	(0.5)	
<b>Change in operating income</b>		<b>12.3</b>	<b>13.5</b>	<b>1.1</b>	
	Financial income (expense)	(3.2)	(3.2)	0.0	
	Other	(1.0)	(1.1)	(0.1)	
Non-operating income and expenses		(4.2)	(4.3)	(0.1)	
<b>Change in ordinary income</b>		<b>8.1</b>	<b>9.2</b>	<b>1.0</b>	
	Gain on sales of property, plant and equipment	6.7	25.1	18.4	
	Gain on sales of investment securities	0.7	—	(0.7)	
	Other extraordinary gains	0.0	—	(0.0)	
	Loss on disposal of property, plant and equipment	(1.3)	(4.8)	(3.5)	
	Depreciation expenses resulting from revision of residual value	(6.5)	—	6.5	
	Impairment loss on property, plant and equipment	(6.9)	—	6.9	
	Devaluation of marketable securities and investments	(0.3)	—	0.3	
	Other extraordinary losses	(0.2)	(5.7)	(5.5)	
Extraordinary gains and losses		(7.8)	14.6	22.4	
<b>Change in income before income taxes and minority interests</b>		<b>0.2</b>	<b>23.8</b>	<b>23.6</b>	
Change in income taxes		(5.2)	(11.0)	(16.3)	
<b>Change in net income</b>		<b>5.5</b>	<b>12.8</b>	<b>7.2</b>	

\* Assumed exchange rates: US\$1 = 110 yen, CAN\$1 = 110 yen

## Reference Materials

### 6. Major Sales Volume Data

#### Beer (Japan)

(10,000 cases)

	Year ended Dec.31, 2007	Year on year (%)	Year ending Dec.31, 2008	Year on year (%)
Sapporo Black Label	2,261	93.4	2,150	95.1
Yebisu (total)	1,198	118.3	1,320	110.2
Beer Fine			270	-
Guinness	53	96.6	56	106.4
1. Beer (total)	3,718	100.1	3,920	105.4
2. Happoshu (total)	783	77.9	790	100.9
Draft One	1,146	78.3	1,160	101.2
3. New genre beverages	1,651	99.3	1,340	81.1
Beer, happoshu, and new (total; 1 + 2 + 3)	6,152	96.4	6,050	98.3

#### Beer (Overseas)

(10,000 cases)

	Year ended Dec.31, 2007	Year on year (%)	Year ending Dec.31, 2008	Year on year (%)
Sleeman Breweries Ltd.*	893	-	946	106.0
Sapporo brand	231	106.0	254	110.0

\* Excludes contracted manufacturing for the Sapporo brand

#### Wine and Spirits

(10,000 cases)

	Year ended Dec.31, 2007	Year on year (%)	Year ending Dec.31, 2008	Year on year (%)
Domestic wines	127	100.0	127	100.0
Imported wines	74	104.0	76	103.0
Wine (total)	201	102.0	203	101.0
Spirits	52	97.0	50	96.0
Wine and spirits (total)	253	100.0	253	100.0

#### Shochu

(billions of yen)

	Year ended Dec.31, 2007	Year on year (%)	Year ending Dec.31, 2008	Year on year (%)
Shochu	9.8	-	11.4	116.0

#### Soft Drinks

(10,000 cases)

	Year ended Dec.31, 2007	Year on year (%)	Year ending Dec.31, 2008	Year on year (%)
Soft drinks	3,000	89.0	2,928	98.0

<b>Reference Materials</b>
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**7. Financial Highlights**  
**(Fiscal Years Ended (Ending) Dec. 31, 2001 – 2008)**

**Consolidated Financial Results and Forecasts**

(billions of yen)

	Year ended Dec.31, 2001	Year ended Dec.31, 2002	Year ended Dec.31, 2003	Year ended Dec.31, 2004
Net sales	557.2	511.7	479.5	494.9
Operating income	19.7	10.9	13.3	23.6
Ordinary income	9.4	2.3	6.7	18.0
Net income	4.3	1.1	2.4	4.6
Total assets	729.6	717.4	630.6	602.1
Total net assets	105.9	106.5	87.3	92.2
Financial liabilities	372.8	364.3	323.3	289.8
Capital expenditures	12.6	11.9	8.8	8.3
Depreciation and amortization	32.3	31.4	28.4	25.3

	Year ended Dec.31, 2005	Year ended Dec.31, 2006	Year ended Dec.31, 2007	Year ending Dec.31, 2008
Net sales	453.6	435.0	449.0	449.2
Operating income	10.3	8.6	12.3	13.5
Ordinary income	6.6	5.8	8.1	9.2
Net income	3.6	2.3	5.5	12.8
Total assets	563.8	589.5	561.8	
Total net assets	111.4	113.5	125.1	
Financial liabilities	220.7	236.0	212.4	180.0
Capital expenditures	12.5	21.8	19.8	24.1
Depreciation and amortization	22.0	21.9	24.5	23.2