



**Fiscal Year Ended December 31, 2008**  
**Consolidated Earnings Report Supplementary Information**

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February, 2009

**SAPPORO HOLDINGS LTD.**

Securities code: 2501

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

<b>Consolidated Results (Fiscal Year Ended December 31, 2008)</b>
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### 1. Condensed Consolidated Statements of Income

(billions of yen)

	Fiscal year ended December 31, 2007	Fiscal year ended December 31, 2008	Change	Change (%)
Alcoholic beverages	343.6	324.7	(18.9)	(5.5)
<i>(Japan)</i>	315.8	299.6	(16.1)	(5.1)
<i>(Overseas)</i>	27.7	25.0	(2.7)	(9.9)
Soft drinks	52.2	36.8	(15.3)	(29.5)
Restaurants	28.9	29.5	0.5	2.0
Real estate	24.1	23.4	(0.6)	(2.9)
Net sales	449.0	414.5	(34.4)	(7.7)
Alcoholic beverages	7.8	8.6	0.7	9.6
<i>(Japan)</i>	6.1	7.7	1.5	24.6
<i>(Overseas)</i>	1.6	0.9	(0.7)	(45.9)
Soft drinks	(0.8)	0.2	1.0	-
Restaurants	0.6	0.5	(0.1)	(16.1)
Real estate	7.0	7.6	0.5	7.6
General corporate and intercompany eliminations	(2.3)	(2.3)	0.0	-
Operating income	12.3	14.6	2.3	18.8
Non-operating income	2.3	1.7	(0.5)	(25.0)
Non-operating expenses	6.5	5.8	(0.6)	(10.1)
Ordinary income	8.1	10.5	2.4	29.7
Extraordinary gains	7.5	26.0	18.4	242.7
Extraordinary losses	15.4	18.5	3.0	20.0
Income before income taxes and minority interests	0.2	17.9	17.7	****
Income taxes	(5.2)	10.3	15.6	-
Minority interests (loss)	(0.0)	(0.0)	(0.0)	-
Net income	5.5	7.6	2.1	38.7

Consolidated	Fiscal year ended December 31, 2007	Fiscal year ended December 31, 2008	Change	Change (%)
Financial liabilities *1	212.4	189.2	(23.2)	(10.9)
Capital expenditures (cash basis)	19.8	27.3	7.4	37.5
Depreciation and amortization	24.5	21.6	(2.9)	(11.9)

Operating income to net sales (excluding liquor tax) (%)	4.0	5.2	1.2	
Debt-to-equity ratio (times)	1.7	1.6	(0.1)	
Return on equity (%)	4.6	6.3	1.7	

\* 1. Financial liabilities include the balance of commercial paper.

**Consolidated Results (Fiscal Year Ended December 31, 2008)**

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

(billions of yen)

		Details	Fiscal year ended December 31, 2007	Fiscal year ended December 31, 2008	Change
Beer and related products		Total	5.8	6.5	0.6
	Marginal profit	Sub total			(7.0)
		Decrease in volume / Product mix			(2.9)
		Increase in cost of raw ingredients and materials			(3.6)
		Transportation expenses			(0.4)
		Decrease in production costs			0.1
	Fixed and other costs	Other			(0.2)
		Sub total			7.6
		Effect of production base restructuring			1.3
		Decrease in sales promotion costs			5.7
		Other			0.6
	Wine and spirits	Total	0.1	0.5	0.4
		Increased (decrease) in volume / Product mix			0.2
		Other			0.2
	Other		0.2	0.7	0.5
<b>Alcoholic beverages (Japan)</b>			<b>6.1</b>	<b>7.7</b>	<b>1.5</b>
	Increase in volume / Product mix			0.5	
	Increase in cost of raw ingredients and materials			(0.4)	
	Exchange rates			(0.5)	
	Other			(0.3)	
<b>Alcoholic beverages (Overseas)</b>			<b>1.6</b>	<b>0.9</b>	<b>(0.7)</b>
	Decrease in volume / Product mix			(0.4)	
	Increase in cost of raw ingredients and materials			(0.5)	
	Decrease in sales promotion costs			0.6	
	Other cost reductions			1.3	
<b>Soft drinks</b>			<b>(0.8)</b>	<b>0.2</b>	<b>1.0</b>
	Existing stores			(0.1)	
	New stores / Refurbished stores			0.0	
<b>Restaurants</b>			<b>0.6</b>	<b>0.5</b>	<b>(0.1)</b>
	Sales			0.0	
	Rent			0.5	
<b>Real estate</b>			<b>7.0</b>	<b>7.6</b>	<b>0.5</b>
<b>General corporate and intercompany eliminations</b>			<b>(2.3)</b>	<b>(2.3)</b>	<b>0.0</b>
<b>Change in operating income</b>			<b>12.3</b>	<b>14.6</b>	<b>2.3</b>
	Financial income (expense)		(3.2)	(2.7)	0.5
	Other		(1.0)	(1.4)	(0.4)
<b>Non-operating income and expenses</b>			<b>(4.2)</b>	<b>(4.1)</b>	<b>0.1</b>
<b>Change in ordinary income</b>			<b>8.1</b>	<b>10.5</b>	<b>2.4</b>
	Gain on sales of property, plant and equipment		6.7	25.8	19.1
	Other extraordinary gains		0.8	0.1	(0.7)
	Loss on disposal of property, plant and equipment		(1.3)	(5.8)	(4.5)
	Impairment loss on property, plant and equipment		(6.9)	(8.2)	(1.3)
	Depreciation expenses resulting from revision of residual value		(6.5)	-	6.5
	Provision for gift voucher redemptions		-	(0.7)	(0.7)
	Loss on revision of retirement benefit plan		-	(1.3)	(1.3)
	Early retirement benefits		-	(0.3)	(0.3)
	Business reorganization expenses		-	(1.5)	(1.5)
	Amortization of goodwill		(0.2)	-	0.2
	Devaluation of marketable securities and investments		(0.4)	(0.7)	(0.3)
<b>Extraordinary gains and losses</b>			<b>(7.8)</b>	<b>7.4</b>	<b>15.2</b>
<b>Change in income before income taxes and minority interests</b>			<b>0.2</b>	<b>17.9</b>	<b>17.7</b>
<b>Change in income taxes and minority interests (loss)</b>			<b>5.2</b>	<b>(10.3)</b>	<b>(15.6)</b>
<b>Change in net income</b>			<b>5.5</b>	<b>7.6</b>	<b>2.1</b>

**Consolidated Results (Fiscal Year Ended December 31, 2008)**

**3. Condensed Consolidated Balance Sheets**

(billions of yen)

	As of December 31, 2007	As of December 31, 2008	Change	
Current assets	117.7	129.4	11.7	
Cash and cash equivalents	6.5	22.4	15.9	Increase in cash-on-hand
Notes and accounts receivable trade	69.6	62.2	(7.4)	
Inventories	24.0	21.4	(2.6)	
Others	17.4	23.2	5.7	
Fixed assets	444.1	397.8	(46.2)	
Property, plant and equipment	371.8	340.1	(31.6)	Partial sale of YGP property and other factors
Investments and others	72.2	57.6	(14.5)	Decrease in investment securities and other factors
Total assets	561.8	527.2	(34.5)	
Current liabilities	223.5	213.2	(10.2)	
Notes and accounts payable trade	26.1	23.8	(2.2)	
Short-term bank loans *1	68.4	63.5	(4.8)	
Others	128.9	125.8	(3.1)	
Long-term liabilities	213.1	197.2	(15.9)	
Long-term debt	144.0	125.7	(18.3)	Reduction of finance liabilities
Employees' retirement benefits	15.1	7.5	(7.6)	Switch to defined-contribution pension plan
Others	53.9	63.9	9.9	Increase in deferred tax liabilities (reserve for advance depreciation)
Total liabilities	436.6	410.4	(26.2)	
Total net assets	125.1	116.8	(8.3)	{ Increase in retained earnings 5.7 Decrease in valuation and translation adjustments (14.0)
Total liabilities and net assets	561.8	527.2	(34.5)	

\*1 Short-term bank loans include the balance of commercial paper.

**Condensed Balance Sheets by Operating Company**

(billions of yen)

As of December 31, 2008	Sapporo Breweries Ltd.	Sapporo International Inc.	Sapporo Beverage Co. Ltd	Sapporo Lion Ltd.	Yebisu Garden Place Co., Ltd.
Current assets	84.7	0.4	14.5	2.3	4.5
Fixed assets	176.7	32.1	1.9	12.0	154.1
Total assets	261.4	32.6	16.4	14.3	158.6
Current liabilities	178.3	0.8	8.6	2.5	18.3
Long-term liabilities	58.9	1.9	6.3	1.7	88.6
(Financial liabilities)	73.9	2.4	3.8	-	80.5
Total net assets	24.1	29.7	1.4	9.9	51.6
Total liabilities and net assets	261.4	32.6	16.4	14.3	158.6

<b>Consolidated Forecasts (Fiscal Year Ending December 31, 2009)</b>
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#### 4. Condensed Consolidated Statements of Income

(billions of yen)

	Year ended Dec.31, 2008	Year ending Dec.31, 2009	Change	Change (%)
Alcoholic beverages	324.7	317.7	(7.0)	(2.2)
<i>(Japan)</i>	299.6	295.6	(4.1)	(1.4)
<i>(Overseas)</i>	25.0	22.1	(2.9)	(11.7)
Soft drinks	36.8	35.5	(1.3)	(3.7)
Restaurants	29.5	30.5	1.0	3.3
Real estate	23.4	24.6	1.1	4.9
Net sales	414.5	408.3	(6.2)	(1.5)
Alcoholic beverages	8.6	6.5	(2.1)	(24.5)
<i>(Japan)</i>	7.7	5.6	(2.1)	(27.4)
<i>(Overseas)</i>	0.9	0.9	(0.0)	(0.1)
Soft drinks	0.2	0.3	0.1	36.0
Restaurants	0.5	0.7	0.1	27.1
Real estate	7.6	7.7	0.1	1.2
General corporate and intercompany eliminations	(2.3)	(3.2)	(0.9)	-
Operating income	14.6	12.0	(2.6)	(18.3)
Non-operating income	1.7	1.4	(0.3)	(19.1)
Non-operating expenses	5.8	4.9	(1.0)	(16.8)
Ordinary income	10.5	8.5	(2.0)	(19.3)
Extraordinary gains	26.0	0.0	(26.0)	(100.0)
Extraordinary losses	18.5	3.0	(15.6)	(83.9)
Income before income taxes and minority interests	17.9	5.5	(12.5)	(69.4)
Income taxes	10.3	2.5	(7.9)	(75.9)
Minority interests (loss)	(0.0)	0.0	0.0	-
Net income	7.6	3.0	(4.6)	(60.7)

Consolidated	Year ended Dec.31, 2008	Year ending Dec.31, 2009	Change	Change (%)
Financial liabilities *1	189.2	188.0	(1.2)	(0.6)
Capital expenditures (cash basis)	27.3	22.7	(4.6)	(16.8)
Depreciation and amortization	21.6	23.2	1.6	7.4

Operating income to net sales (excluding liquor tax) (%)	5.2	4.2	(1.0)	
Debt-to-equity ratio (times)	1.6	1.6	0.0	
Return on equity (%)	6.3	2.6	(3.7)	

\* 1. Financial liabilities include the balance of commercial paper.

**Consolidated Forecasts (Fiscal Year Ending December 31, 2009)**

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

(billions of yen)

		Year ended Dec.31, 2008	Year ending Dec.31, 2009	Change
	Beer and related products	6.5	4.7	(2.4)
	Marginal profit			1.9
	Increase (decrease) in volume / Product mix			3.7
	Increase in cost of raw ingredients and materials			(0.8)
	Loss on disposal of inventories			(0.6)
	Transportation expenses			(0.4)
	Fixed and other costs			(4.3)
	Revision of depreciation and amortization methods			(1.8)
	Increase in retirement benefit expenses			(0.5)
	Decrease in sales promotion costs			(0.3)
	Other			(1.7)
	Wine and spirits	0.5	0.7	0.2
	Other	0.7	0.8	0.1
	<b>Alcoholic beverages (Japan)</b>	<b>7.7</b>	<b>5.6</b>	<b>(2.1)</b>
	Increase in volume / Product mix			1.6
	Increase in cost of raw ingredients and materials			(0.6)
	Exchange rates			(0.7)
	Other			(0.3)
	<b>Alcoholic beverages (Overseas)</b>	<b>0.9</b>	<b>0.9</b>	<b>(0.0)</b>
	Decrease in volume / Product mix			0.0
	Increase in cost of raw ingredients and materials			(0.4)
	Loss on disposal of inventories			(0.2)
	Other cost reductions			0.7
	<b>Soft drinks</b>	<b>0.2</b>	<b>0.3</b>	<b>0.1</b>
	Existing stores			0.0
	New stores / Refurbished stores			0.1
	<b>Restaurants</b>	<b>0.5</b>	<b>0.7</b>	<b>0.1</b>
	Sales			0.1
	Rent			0.0
	<b>Real estate</b>	<b>7.6</b>	<b>7.7</b>	<b>0.1</b>
	<b>General corporate and intercompany eliminations</b>	<b>(2.3)</b>	<b>(3.2)</b>	<b>(0.9)</b>
	<b>Change in operating income</b>	<b>14.6</b>	<b>12.0</b>	<b>(2.6)</b>
	Financial income (expense)	(2.7)	(3.1)	(0.4)
	Other	(1.4)	(0.4)	1.0
	<b>Non-operating income and expenses</b>	<b>(4.1)</b>	<b>(3.5)</b>	<b>0.6</b>
	<b>Change in ordinary income</b>	<b>10.5</b>	<b>8.5</b>	<b>(2.0)</b>
	Gain on sales of property, plant and equipment	25.8	-	(25.8)
	Other extraordinary gains	0.1	-	(0.1)
	Loss on disposal of property, plant and equipment	(5.8)	(2.0)	3.8
	Impairment loss on property, plant and equipment	(8.2)	-	8.2
	Other extraordinary losses	(4.5)	(1.0)	3.5
	<b>Extraordinary gains and losses</b>	<b>7.4</b>	<b>(3.0)</b>	<b>(10.4)</b>
	<b>Change in income before income taxes and minority interests</b>	<b>17.9</b>	<b>5.5</b>	<b>(12.5)</b>
	<b>Change in income taxes and minority interests (loss)</b>	<b>(10.3)</b>	<b>(2.5)</b>	<b>7.9</b>
	<b>Change in net income</b>	<b>7.6</b>	<b>3.0</b>	<b>(4.6)</b>

\* Assumed exchange rates: US\$1 = 90 yen, CAN\$1 = 75 yen

Reference Materials
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## 6. Major Sales Volume Data

### Beer (Japan)

(10,000 cases)

	Jan. 1 - Dec. 31, 2008	Year on year (%)	Year ending Dec.31, 2009	Year on year (%)
Sapporo Black Label	2,155	95.3	2,050	95.1
Yebisu (total)	1,082	90.3	1,200	110.9
1. Beer (total)	3,547	95.4	3,440	97.0
2. Happoshu (total)	577	73.7	400	69.3
3. New genre beverages	1,506	91.2	1,960	130.1
Beer, happoshu, and new genre (total; 1 + 2 + 3)	5,630	91.5	5,800	103.0

### Beer (Overseas)

(10,000 cases)

	Jan. 1 - Dec. 31, 2008	Year on year (%)	Year ending Dec.31, 2009	Year on year (%)
Sleeman Breweries Ltd. *1	945	106.0	1,039	110.0
Sapporo brand	248	109.0	263	106.0

\*1 Excludes contracted manufacturing for the Sapporo brand

### Wine and Spirits

(10,000 cases)

	Jan. 1 - Dec. 31, 2008	Year on year (%)	Year ending Dec.31, 2009	Year on year (%)
Domestic wines	132	104.0	105	80.0
Imported wines	74	100.0	74	100.0
Wine (total)	206	103.0	179	87.0
Wine and spirits (total)	53	102.0	55	102.0

### Shochu

(billions of yen)

	Jan. 1 - Dec. 31, 2008	Year on year (%)	Year ending Dec.31, 2009	Year on year (%)
Shochu	11.0	113.0	10.6	96.0

### Soft Drinks

(10,000 cases)

	Jan. 1 - Dec. 31, 2008	Year on year (%)	Year ending Dec.31, 2009	Year on year (%)
Soft drinks	2,441	81.0	2,330	95.0

<b>Reference Materials</b>
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## 7. Financial Highlights

(Consolidated Full-year Results (Forecast) , 2000 – 2009)

### Consolidated Financial Results

(billions of yen)

	Year ended December 31, 2000	Year ended December 31, 2001	Year ended December 31, 2002	Year ended December 31, 2003	Year ended December 31, 2004
Net sales	564.0	557.2	511.7	479.5	494.9
Operating income	16.2	19.7	10.9	13.3	23.6
Ordinary income	8.5	9.4	2.3	6.7	18.0
Net income	1.3	4.3	1.1	2.4	4.6
Total assets	764.6	729.6	717.4	630.6	602.1
Total net assets	103.3	105.9	106.5	87.3	92.2
Financial liabilities	399.9	372.8	364.3	323.3	289.8
Capital expenditures	31.0	12.6	11.9	8.8	8.3
Depreciation and amortization	33.2	32.3	31.4	28.4	25.3

	Year ended December 31, 2005	Year ended December 31, 2006	Year ended December 31, 2007	Year ended December 31, 2008	Year ending December 31, 2009 (forecast)
Net sales	453.6	435.0	449.0	414.5	408.3
Operating income	10.3	8.6	12.3	14.6	12.0
Ordinary income	6.6	5.8	8.1	10.5	8.5
Net income	3.6	2.3	5.5	7.6	3.0
Total assets	563.8	589.5	561.8	527.2	/
Total net assets	111.4	113.5	125.1	116.8	
Financial liabilities	220.7	236.0	212.4	189.2	188.0
Capital expenditures	12.5	21.8	19.8	27.3	22.7
Depreciation and amortization	22.0	21.9	24.5	21.6	23.2