Financial Results
Three Months Ended March 31, 2009—Consolidated

April 30, 2009

Company name **Sapporo Holdings Limited**

Security code 2501
Listings Tokyo Stock Exchange (First Section); Sapporo Securities Exchange
URL http://www.sapporoholdings.co.jp/english/
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Scheduled dates:
Submission of quarterly financial statements May 14, 2009
Commencement of dividend payments —

1. Consolidated Financial Results for the Three Months Ended March 31, 2009 (January 1, 2009 – March 31, 2009)

(1) Operating Results

(amounts rounded down to the nearest million yen; percentage figures represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended March 31, 2009	81,622	—	(3,370)	—	(3,839)	—	(3,284)	—
Three months ended March 31, 2008	91,652	1.6	(1,300)	—	(2,541)	—	(3,344)	—

	Net income per share	Diluted net income per share
	yen	yen
Three months ended March 31, 2009	(8.38)	—
Three months ended March 31, 2008	(8.53)	—

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
March 31, 2009	501,185	108,595	21.6	276.51
March 31, 2008	527,286	116,862	22.1	297.60

Note: Shareholders' equity
March 31, 2009: 108,367 million yen
December 31, 2008: 116,636 million yen

2. Dividends

	Dividend per share				
Record date or period	End Q1	End Q2	End Q3	Year-end	Full year
	yen	yen	yen	yen	yen
Year ended December 31, 2008	—	0.00	—	7.00	7.00
Year ended December 31, 2009	—				
Year ended December 31, 2009 (forecast)		0.00	—	7.00	7.00

Note: No changes were made to dividend forecasts in the three months ended March 31, 2009.

3. Forecast of Consolidated Earnings for the Year Ending December 31, 2009 (January 1, 2009 – December 31, 2009)

(amounts rounded down to the nearest million yen; percentage figures represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	Yen
Six months ending June 30, 2009	188,800	—	(2,000)	—	(3,200)	—	(3,700)	—	—
Full year	408,300	(1.5)	12,000	(18.3)	8,500	(19.3)	3,000	(60.7)	7.65

Note: No changes were made to earnings forecasts in the three months ended March 31, 2009.

4. Other

(1) Changes affecting the consolidation status of material subsidiaries (scope of consolidation)
None

(2) Use of simplified accounting methods and/or accounting methods specific to quarterly consolidated financial statements: Yes

Note: For details, see page 10 under subsection 4, “Other”, of the “Analysis of Operating Results” section below.

(3) Changes in accounting principles, procedures, and methods of presentation used to prepare the quarterly financial statements

1) Changes in accord with amendments to accounting standards: Yes

2) Changes other than the above: Yes

Note: For details, see page 10 under subsection 4, “Other”, of the “Analysis of Operating Results” section below.

(4) Number of shares issued and outstanding (common stock)

1) Number of shares issued at end of period (treasury stock included):

March 31, 2009:	393,971,493 shares
December 31, 2008:	393,971,493 shares

2) Number of shares held in treasury at end of period:

March 31, 2009:	2,065,298 shares
December 31, 2008:	2,045,360 shares

3) Average number of shares during the period:

Three months ended March 31, 2009:	391,915,082 shares
Three months ended March 31, 2008:	392,165,517 shares

Appropriate Use of Earnings Forecasts and Other Important Information

1. This document contains projections and other forward-looking statements based on information available to the Company as of the date of this document. Actual results may differ from forecasts depending on various factors. For the Company's earnings forecasts, please refer to page 9 under subsection 3, "Consolidated Outlook for the Fiscal Year Ending December 31, 2009", of the "Analysis of Operating Results" section below.

2. Effective from the fiscal year ending December 31, 2009, the Company has adopted the *Accounting Standard for Quarterly Financial Reporting* (ASBJ Statement No. 12) and its accompanying *Guidance on the Accounting Standard for Quarterly Financial Reporting* (ASBJ Guidance No. 14). We prepare quarterly consolidated financial statements in accord with the Regulations on the Terminology, Format, and Preparation of Quarterly Consolidated Financial Statements.

1. Analysis of Operating Results

a) Consolidated results for the Three Months ended March 31, 2009

In the three months ended March 31, 2009, consolidated net sales fell to ¥81.6 billion, down ¥10 billion or 11% versus the year-earlier quarter (the three months ended March 31, 2008). The decline was attributable to several factors, including growth in new genre beers' share of alcoholic beverage sales in Japan, reviews of unprofitable sales accounts in the Soft Drinks business, and a falloff in domestic unit-sales of beer and beer-type beverages versus the year-earlier quarter, when demand surged ahead of then-pending price increases. The Group's first-quarter operating loss widened to ¥3.3 billion (from ¥1.3 billion in the year-earlier quarter) and its ordinary loss worsened to ¥3.8 billion (from ¥2.5 billion), but its net loss narrowed to ¥3.2 billion (from a ¥3.3 billion loss).

Segment Information

Impact of Seasonal Factors
The Group's operating results are subject to substantial seasonal variability because demand in the Alcoholic Beverages, Soft Drinks, and Restaurants businesses tends to be concentrated disproportionately in the summer months. Sales and income consequently tend to be lower in the first quarter than in the other three quarters.

Alcoholic Beverages

Alcoholic Beverages (Japan)
In Japan's beer and beer-type beverages market, total demand contracted an estimated 4% year over year in the first quarter as consumers drastically tightened their belts in response to the steep global economic downturn since mid-2008. Meanwhile, market shares shifted among the conventional beer, *happoshu* (low-malt beer), and new genre market segments. While beer and *happoshu* sales were down year over year, new genre sales grew 30% year over year. This shift in demand toward lower-price new genre products was the beer market's most prominent trend in the first quarter.
Amid such an environment, sales of beer and beer-type beverages were down 10% year over year in unit terms, partly reflecting that sales in the year-earlier quarter were inflated by a demand surge ahead of price increases effective from April 2008. Our core Sapporo Black Label brand's unit sales fell 21% year over year. The Yebisu brand, however, outperformed the overall beer and beer-type beverages business, with its unit sales down only 8% year over year, largely by virtue of limited edition Silk Yebisu's popularity even amid the adverse market environment. In the new genre category, unit sales grew 36% year over year, outpacing the new genre market's overall growth rate. New genre sales benefited from the launch of a new product, Sapporo Reisei, in March and renewal of the existing Draft One and *Mugi to Hop* brands. Overall, sales of beer and beer-type

beverages declined 11% year over year as a result of retrenchment in demand for conventional beer and happoshu and an inflated year-over-year comparison base due to the year-earlier demand surge.
In the wine market, total demand was roughly flat year over year for both domestic and imported wines. In the domestic wine market segment, we focused on high-value-added products, most notably the *Mutenka* line, but domestic wine unit-sales declined year over year as a result of 2008 price increases on low-priced wines. Imported wine sales were brisk, particularly sales of everyday wines, but overall wine sales declined 8% year over year.
Shochu sales grew 9% year over year, buoyed by the penetration of the commercial-use market with singly distilled shochu brands, such as *Waramugi* and *Karariimo*, and strong sales of large-volume products.
Cost-wise, sales-mix shifts exerted upward pressure on cost of sales, but we offset this incremental cost factor by cutting overhead expenses. However, expenses increased as a result of accounting changes. Advertising and sales promotion expenses also increased.
Overall, the Japanese Alcoholic Beverages business incurred an operating loss of ¥3.3 billion (versus a ¥1.4 billion loss in the year-earlier quarter) on sales of ¥58.9 billion (down ¥7 billion or 11% year over year).

Alcoholic Beverages (International)
In the North American beer market, total demand is estimated to have contracted several percent as the US economy's sharp slowdown since last autumn dampened consumer spending. Although US domestic beers (particularly low-priced brands) have been selling relatively well, sales of premium-priced imported beers have generally declined by double-digit margins. Beer consumption in the household market has been holding firm amid the economic downturn, but consumption in the commercial market is declining. Even in some markets outside of North America, beer consumption has downshifted in the wake of the economic downturn.
Amid such an environment, we have been proactively conducting sales activities targeted at the premium market segment. By virtue of these efforts, Canadian subsidiary Sleeman Breweries' unit sales (excluding sales of Sapporo brand products brewed by Sleeman) grew 10% year over year. However, Sapporo USA's Sapporo brand unit-sales decreased 13% year over year, reflecting that Sapporo brand products are marketed in the US at a super-premium price point and is heavily dependent on the commercial market for sales.
The International Alcoholic Beverages business incurred an operating loss of ¥400 million (versus a ¥200 million loss in the year-earlier quarter) on sales of ¥4.2 billion (down ¥600 million or 14% year over year). Although its quarterly results improved sequentially in local-currency terms, this improvement was negated in yen terms by adverse exchange rate movements.

Soft Drinks

Total domestic soft drink demand contracted an estimated 2% year over year as soft drink makers' new product offerings failed to spur sales growth amid growing consumer caution in response to the economic downturn since last year.

Amid such an environment, we continue to pursue a two-pronged strategy of realigning the Soft Drinks business's profit structure to achieve sustained profitability while also pursuing growth by building brands with a meaningful market presence.

We have been implementing marketing strategies focused mainly on strengthening existing brands. Specific initiatives include relaunching *Gabunomi* in bottles featuring popular animated characters, renewing the Ribbon Citron brand to commemorate its 100th year on the market, and strengthening existing brands such as *Kissui* canned coffee, Gerolsteiner naturally carbonated water, and Ocean Spray Cranberry and *Karada ni Oishii Ume* functional fruit-juice beverages.

Cost-wise, we proactively implemented optimization measures throughout the value chain by rebuilding the Soft Drinks business's foundations through such means as reviewing unprofitable sales accounts, efficiently utilizing sales promotion budgets, and rationalizing vending machine costs.

The Soft Drinks business's sales fell to ¥6.5 billion (down ¥1.3 billion or 17% year over year) on a 19% year-over-year decline in sales volume. Despite the large sales decline, its operating loss improved to ¥200 million (from ¥700 million in the year-earlier quarter) by virtue of initiatives to boost profitability through a select-and-focus approach.

Restaurants

In the restaurant industry, low-priced fast food chains have continued to do well but full-service restaurants and pubs with high average spending-per-customer have been faring poorly as consumers have progressively cut back on dining out in favor of eating at home.

Our Restaurant business's sales at comparable restaurants have continued to track below their year-earlier level. Sales have fallen particularly sharply at Japanese and new Western formats that have a high average spending-per-customer and are highly dependent on pre-booked group events.

Amid such an environment, we endeavored to cut overhead expenses (e.g., advertising) and reduce personnel expenses by revising business hours and freezing all hiring except recruitment of new graduates.

In terms of expansion, we are focusing mainly on opening smaller new-format restaurants with relatively low average spending-per-customer. We opened five new restaurants in the first quarter, including Café & Bar Cura Echika Fit Ueno, located inside the Tokyo Metro Ueno Station, in February, and Miyazaki Jidori Osuzuyama Ohsaki New City in March. We did not close any restaurant locations in the first quarter. We ended the quarter with 209 restaurant locations.

The Restaurants business incurred an operating loss of the ¥400 million (versus a ¥100 million loss in the year-earlier quarter) on sales of ¥6.2 billion (down ¥300 million or 6% from the year-earlier quarter).

Real Estate

The office leasing market has grown increasingly adverse, with vacancy rates rising and rents in a distinct downturn. Meanwhile, real estate values continue to decline amid the credit crunch that has ensued from the subprime mortgage crisis.

Amid such an environment, our Real Estate business has been endeavoring to maintain or boost rents and occupancy rates and cut costs further at Yebisu Garden Place and other existing properties, which are predominantly located in Greater Tokyo. Despite these efforts, upscale rental apartment occupancy rates have stagnated in response to the downturn in market prices. However, we have properties under development in Nagoya and the Ebisu and Shinjuku districts of Tokyo. In February, we acquired a new income property in Sapporo.

The Real Estate business earned operating income of ¥1.7 billion (down ¥100 million or 8% year over year) on revenues of ¥5.5 billion (down ¥500 million or 9% year over year). The year-over-year decrease in its revenues and income is attributable to last April’s sale of a 15% co-ownership stake in Yebisu Garden Place.

2. Review of Consolidated Financial Condition

Consolidated Financial Condition

Consolidated assets totaled ￥501.1 billion at the end of the first quarter (March 31, 2009), down ￥26.1 billion versus the end of the previous fiscal year (December 31, 2008). This mainly reflects a decline in cash and cash equivalents, a decline in trade notes and accounts receivable, and a decline in goodwill due to our adoption of a policy of amortizing foreign subsidiaries' goodwill.

Consolidated liabilities totaled ￥392.5 billion at March 31, 2009, down ￥17.8 billion versus December 31, 2008. This mainly reflects the decrease in notes and accounts payable, decrease in liquor taxes payable, and decrease in deposits received due to the termination of sales of beer gift vouchers in February 2009.

The balance of consolidated net assets was ￥108.5 billion at March 31, 2009, a decrease of ￥8.2 billion versus December 31, 2008. This mainly reflects the amortization of the previous fiscal year's portion of foreign subsidiaries' goodwill, payment of a year-end dividend, a decrease in retained earnings due to our year-to-date quarterly net loss, and a decrease in unrealized holding gains on securities due to a decrease in unrealized gains on investment securities.

Consolidated Cash Flows

The following presents consolidated cash flow figures for the three months ended March 31, 2009.

Net cash used in operating activities was ￥1.0 billion.
This was mainly due to reductive factors such as the quarterly net loss before income taxes and minority interests of ￥4.3 billion and reduction in liquor taxes payable of ￥16.6 billion, which were partly offset by positive factors such as the ￥17.0 billion decrease in accounts receivable.
Net cash used in investing activities was ￥4.8 billion.
This mainly reflects outlays of ￥2.3 billion for the acquisition of property, plant and equipment and ￥1.6 billion for the purchase of investment securities.
Net cash provided by financing activities was ￥1.9 billion.
This mainly reflects ￥9.0 billion in proceeds from long-term debt, which were partly offset by ￥8.8 billion in repayments of long-term debt.

As a result of the above, the consolidated balance of cash and cash equivalents was ￥18.3 billion at the end of the first quarter (March 31, 2009).

3. Consolidated Outlook for the Fiscal Year Ending December 31, 2009

No changes have been made to the consolidated earnings forecast for the year ending December 31, 2009, that was released on February 13, 2009.

4. Other

(1) Changes affecting the consolidation status of material subsidiaries (scope of consolidation)

None

(2) Use of simplified accounting methods and/or accounting methods specific to quarterly consolidated financial statements

1) Simplified accounting methods

Calculation of deferred tax assets and deferred tax liabilities
If there have been no material changes in the business environment nor in temporary differences since the end of the previous fiscal year, the Company uses the earnings forecasts and tax planning that it used in the previous fiscal year to determine the possibility of deferred tax assets being used. If there have been material changes in the business environment and/or in temporary differences since the end of the previous fiscal year, the Company uses the

earnings forecasts and tax planning that it used in the previous fiscal year but modifies them to reflect such changes.

2) Accounting methods specific to quarterly consolidated financial statements

Calculation of tax liabilities
The Company calculates tax liabilities by producing a reasonable estimate of the effective tax rate after applying tax-effect accounting to net income before taxes and minority interests for the fiscal year under review, which encompasses the fiscal first quarter under review, and then multiplying net income before taxes and minority interests by this estimated effective tax rate.

(3) Changes in accounting principles, procedures, and methods of presentation used to prepare the quarterly financial statements

Changes in accord with amendments to accounting standards

1) Use of accounting standards for quarterly financial statements
Effective from the fiscal year ending December 31, 2009, the Company adopted the *Accounting Standard for Quarterly Financial Reporting* (ASBJ Statement No. 12) and its accompanying *Guidance on the Accounting Standard for Quarterly Financial Reporting* (ASBJ Guidance No. 14). We prepare quarterly consolidated financial statements in accord with the *Regulations on the Terminology, Format, and Preparation of Quarterly Consolidated Financial Statements*.

2) Use of Accounting Standard for Measurement of Inventories
Effective from the fiscal year ending December 31, 2009, the Company adopted the *Accounting Standard for the Measurement of Inventories* (ASBJ Statement No. 9) and switched from the conventional cost method of measurement to a cost method that involves reducing book values to reflect reduced profitability. In line with this change, loss on disposal of inventories, which had been recorded under non-operating expenses until the previous fiscal year (ended December 31, 2008), is now included in cost of sales.
Due to this change, compared with what they would have been under the previous accounting method, gross profit was ￥260 million lower; operating loss, ￥248 million higher; ordinary loss, ￥23 million higher; and loss before income taxes and minority interests, ￥149 million higher in the three months ended March 31, 2009.
The impact on each business segment is stated in the relevant sections of this document.

3) Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements
Effective this fiscal year, the Company adopted the *Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements* (ASBJ Practical Issues Task Force Report No.

18). Accordingly, the Company amortized goodwill recorded by foreign subsidiaries. Due to this change, operating loss, ordinary loss, and loss before income taxes and minority interests were each ￥86 million higher in the three months ended March 31, 2009, compared with what they would have been under the previous accounting method. Likewise, retained earnings were ￥1,477 million lower at the beginning of the fiscal year (January 1, 2009) than what they would have been under the previous method.
The impact on each business segment is stated in the relevant sections of this document.

Additional Information

Change in useful life of property, plant and equipment
Following revisions to the Corporate Tax Act in 2008, effective the fiscal year ended December 31, 2009, the Company and its subsidiaries in Japan reviewed the useful lives of property, plant and equipment and changed useful lives of machinery. Due to this change, compared with what they would have been under the previous accounting method, gross profit was ￥284 million lower and operating loss, ordinary loss, and loss before income taxes and minority interests were each ￥286 million higher in the three months ended March 31, 2009.
The impact on each business segment is stated in the relevant sections of this document.

5.Consolidated Financial Statement

(1)Consolidated Balance Sheets

(in millions of yen)

	March 31, 2009	December 31, 2008
Assets		
I Current assets		
1 Cash and cash equivalents	18,821	22,494
2 Notes and accounts receivable - trade	45,346	62,258
3 Marketable securities	44	39
4 Merchandize and finished products	14,880	12,560
5 Raw materials and supplies	8,731	8,848
6 Other	17,923	23,384
7 Allowance for doubtful receivables	(127)	(167)
Total current assets	105,620	129,418
II Fixed assets		
1 Property, plant and equipment		
(1) Buildings and structures	360,015	358,590
Accumulated depreciation	(179,660)	(177,716)
Buildings and structures, net	180,354	180,873
(2) Machinery and vehicles	181,897	180,772
Accumulated depreciation	(135,036)	(134,476)
Machinery and vehicles, net	46,861	46,296
(3) Land	79,038	78,893
(4) Construction in progress	8,275	9,145
(5) Other	20,023	20,045
Accumulated depreciation	(15,957)	(16,047)
Other, net	4,065	3,998
Total property, plant and equipment	318,595	319,207
2 Intangible assets		
(1) Goodwill	15,299	17,018
(2) Other	4,083	3,948
Total intangible assets	19,382	20,966
3 Investments and other assets		
(1) Investment securities	25,696	26,460
(2) Long-term loans receivable	10,578	10,480
(3) Deferred tax assets	6,422	5,039
(4) Other	16,715	17,523
(5) Allowance for doubtful receivables	(1,827)	(1,809)
Total investments and other assets	57,586	57,693
Total fixed assets	395,564	397,868
Total assets	501,185	527,286
Liabilities		
I Current liabilities		
1 Notes and accounts payable	21,408	23,829
2 Short-term bank loans	45,397	43,806
3 Current portion of long-term debt	19,710	19,710
4 Liquor taxes payable	19,002	35,585
5 Income taxes payable	597	724
6 Reserve for bonuses	3,058	1,350
7 Deposits received	40,608	46,835
8 Other	42,762	41,361
Total current liabilities	192,546	213,203
II Long-term liabilities		
1 Bonds	53,843	53,843
2 Long-term bank loans	74,842	71,892
3 Deferred tax liabilities	12,157	12,303
4 Employees' retirement benefits	7,483	7,531
5 Reserve for directors' retirement benefits	46	52
6 Dealers' deposits for guarantees	32,614	32,023
7 Other	19,055	19,573
Total long-term liabilities	200,042	197,220
Total liabilities	392,589	410,424
Net Assets		
I Shareholders' equity		
1 Common stock	53,886	53,886
2 Capital surplus	46,323	46,325
3 Retained earnings	12,466	19,972
4 Treasury stock, at cost	(1,063)	(1,058)
Total shareholders' equity	111,613	119,126
II Valuation and translation adjustments		
1 Unrealized holding gain on securities	1,733	3,046
2 Foreign currency translation adjustments	(4,980)	(5,536)
Total valuation and translation adjustments	(3,246)	(2,490)
III Minority Interests	228	226
Total net assets	108,595	116,862
Total liabilities and net assets	501,185	527,286

(2)Consolidated Statements of Income

(in millions of yen)

	Fiscal year ended March 31, 2009
	Amount
I Net sales	81,622
II Cost of sales	58,148
Gross profit	23,473
III Selling, general and administrative expenses	
1 Sales incentives and commissions	4,090
2 Advertising and promotion expenses	6,023
3 Salaries	3,750
4 Provision for accrued bonuses	1,055
5 Retirement benefit expenses	765
6 Other	11,157
Total selling, general and administrative expenses	26,843
Operating loss	(3,370)
IV Non-operating income	
1 Interest income	95
2 Dividend income	121
3 Foreign exchange gain	47
4 Other	229
Total non-operating income	493
V Non-operating expenses	
1 Interest expense	860
2 Equity in loss of affiliates	44
3 Other	58
Total non-operating expenses	963
Ordinary loss	(3,839)
VI Extraordinary gains	
1 Gain on sales of property, plant and equipment	2
2 Reversal of provision for doubtful receivables	19
Total extraordinary gains	21
VII Extraordinary losses	
1 Loss on disposal of property, plant and equipment	264
2 Loss on devaluation of investment securities	137
3 Loss on devaluation of inventories	125
Total extraordinary losses	527
Income before income taxes and minority interests	(4,345)
Income taxes	(1,063)
Minority loss	2
Net loss	(3,284)

(3)Consolidated Statements of Cash Flows

(in millions of yen)

	Three months ended March 31, 2009
	Amount
I Cash flows from operating activities	
1 Loss before income taxes and minority interests	(4,345)
2 Depreciation and amortization	5,602
3 Amortization of goodwill	248
4 Increase (decrease) in employees' retirement benefits	(47)
5 Increase (decrease) in allowance for doubtful receivables	(22)
6 Interest and dividend income	(216)
7 Interest expense	860
8 (Gain) loss on sales and disposal of property, plant and equipment	262
9 (Gain) loss on devaluation of investment securities	137
10 (Increase) decrease in notes and accounts receivable - trade	17,059
11 (Increase) decrease in inventories	(2,067)
12 (Increase) decrease in other current assets	6,847
13 Increase (decrease) in notes and accounts payable	(2,509)
14 Increase (decrease) in liquor taxes payable	(16,602)
15 Increase (decrease) in deposits received	(6,226)
16 Other	528
Sub total	(491)
17 Interest and dividends received	460
18 Interest paid	(582)
19 Income taxes paid	(428)
Net cash provided by (used in) operating activities	(1,042)
II Cash flows from investing activities	
1 Purchases of investment securities	(1,610)
2 Purchases of property, plant and equipment	(2,398)
3 Proceeds from sales of property, plant and equipment	364
4 Purchases of intangibles	(1,010)
5 Other	(238)
Net cash provided by (used in) investing activities	(4,893)
III Cash flows from financing activities	
1 Net increase (decrease) in short-term bank loans	4,124
2 Proceeds from long-term debt	9,000
3 Repayment of long-term debt	(8,803)
4 Cash dividends paid	(2,326)
5 Other	(7)
Net cash provided by (used in) financing activities	1,986
IV Effect of exchange rate changes on cash and cash equivalents	93
V Net increase (decrease) in cash and cash equivalents	(3,854)
VI Cash and cash equivalents at beginning of period	22,217
VII Cash and cash equivalents at end of period	18,362

(4)Segment Information

1. Segment Information by Business

(millions of yen)

	Three months ended March 31, 2009 (January 1, 2009 – March 31, 2009)						
	Alcoholic Beverages	Soft Drinks	Restaurants	Real Estate	Total	Corporate and eliminations	Consolidated
Net sales							
(1) Operating revenues	63,264	6,554	6,249	5,553	81,622	—	81,622
(2) Intra-group sales and transfers	1,097	21	—	550	1,669	(1,669)	—
Total	64,361	6,576	6,249	6,103	83,291	(1,669)	81,622
Operating income (loss)	(3,792)	(222)	(421)	1,776	(2,660)	(709)	(3,370)

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, happoshu and new genre beverages, wine, whiskey, shochu and other products, distribution, brewing equipment etc.
Soft drinks	Soft drinks, other non-alcoholic beverages and snack foods
Restaurants	Operation of beer halls and restaurants
Real estate	Real estate leasing, real estate sales, operation of commercial facilities, utility supplies, and fitness clubs

(3) Changes in Accounting Policies

1) Measurement of Inventories

As stated in "(3) Changes in accounting principles, procedures, and methods of disclosure used to prepare the quarterly financial statements" in section "4. Other," effective this fiscal year (ending December 31, 2009), the Company adopted the Accounting Standard for the Measurement of Inventories (ASBJ Statement No. 9) and switched from the conventional cost method of measurement to a cost method that involves reducing book values to reflect reduced profitability.
Due to this change, compared with what they would have been under the previous accounting method, operating loss in the Alcoholic Beverages business was ￥161 million higher; and in the Soft Drinks business, ￥86 million higher in the three months ended March 31, 2009.

2) Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements

As stated in "(3) Changes in accounting principles, procedures, and methods of disclosure used to prepare the quarterly financial statements" in section "4. Other," effective this fiscal year (ending December 31, 2009), the Company adopted the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ Practical Issues Task Force Report No. 18). Due to this change, operating loss in the Alcoholic Beverages business was ￥86 million higher in the three months ended March 31, 2009, compared with what it would have been under the previous accounting method.

3) Change in useful life of property, plant and equipment

As stated in "(3) Changes in accounting principles, procedures, and methods of disclosure used to prepare the quarterly financial statements" in section "4. Other," following revisions to the Corporate Tax Act in 2008, effective the fiscal year ending December 31, 2009, the Company and its subsidiaries in Japan reviewed useful lives of property, plant and equipment and changed useful lives of machinery.
Due to this change, compared with what they would have been under the previous accounting method, operating loss in the Alcoholic Beverages business was ￥283 million higher; in the Soft Drinks business, higher by less than one million yen; and in the Restaurants business ￥2 million higher. By the same comparison, operating income in the Real Estate business was lower by less than one million yen.

2. Segment Information by Geographic Area (January 1, 2009 to March 31, 2009)

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

3. Overseas Sales (January 1, 2009 to March 31, 2009)

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

< Reference Data>

(in millions of yen)

1.Consolidated Statements of Income

	Three months ended March 31, 2008	
	Amount	
I Net sales		91,652
II Cost of sales		65,922
Gross profit		25,729
III Selling, general and administrative expenses		27,029
Operating income (loss)		(1,300)
IV Non-operating income		
1 Interest and dividend income	138	
2 Other	318	457
V Non-operating expenses		
1 Interest expense	1,066	
2 Loss on disposal of inventories	148	
3 Equity in loss of affiliates	21	
4 Other	461	1,697
Ordinary income (loss)		(2,541)
VI Extraordinary gains		
1 Gain on sales of property, plant and equipment	55	
2 Gain on sales of investment securities	1	
3 Reversal of provision for doubtful receivables	78	
4 Other	—	134
VII Extraordinary losses		
1 Loss on disposal of property, plant and equipment	478	
2 Loss on impairment of property, plant and equipment	—	
3 Depreciation expenses resulting from revision of residual value	—	
4 Provision for gift voucher redemptions	746	
5 Other	1,458	2,683
Income (loss) before income taxes and minority interests		(5,090)
Current income taxes	23	
Income tax adjustment	(1,761)	(1,737)
Minority loss		7
Net income (loss)		(3,344)

2.Consolidated Statements of Cash Flows

	Three months ended March 31, 2008
	Amount
I Cash flows from operating activities	
1 Income (loss) before income taxes and minority interests	(5,090)
2 Depreciation and amortization	5,629
3 Depreciation expenses resulting from revision of residual value	—
4 Loss on impairment of property, plant and equipment	—
5 Decrease in employees' retirement benefits	(736)
6 Decrease in allowance for doubtful receivables	(73)
7 Interest and dividend income	(138)
8 Interest expense	1,066
9 Gain on sales of property, plant and equipment	(55)
10 Loss on sales and disposal of property, plant and equipment	478
11 Decrease in notes and accounts receivable - trade	14,152
12 (Increase) decrease in inventories	715
13 Decrease in notes and accounts payable	(4,347)
14 Decrease in liquor taxes payable	(14,645)
15 Other	1,936
Sub total	(1,105)
16 Interest and dividends received	383
17 Interest paid	(782)
18 Income taxes paid	(2,781)
Net cash provided by (used in) operating activities	(4,285)
II Cash flows from investing activities	
1 Purchases of investment securities	(588)
2 Proceeds from sales of investment securities	101
3 Purchases of property, plant and equipment	(6,269)
4 Proceeds from sales of property, plant and equipment	60
5 Purchases of intangibles	(1,726)
6 Increase in long-term loans receivable	(14)
7 Collection of long-term loans receivable	100
8 Other	230
Net cash provided by (used in) investing activities	(8,105)
III Cash flows from financing activities	
1 Increase (decrease) in short-term bank loans	15,979
2 Proceeds from long-term debt	10,000
3 Repayment of long-term debt	(9,064)
4 Proceeds from issuance of bonds	3,843
5 Redemption of bonds	—
6 Net increase (decrease) in commercial paper	(4,000)
7 Cash dividends paid	(1,660)
8 Other	228
Net cash provided by (used in) financing activities	15,326
IV Effect of exchange rate changes on cash and cash equivalents	(248)
V Net increase (decrease) in cash and cash equivalents	2,687
VI Cash and cash equivalents at beginning of year	5,881
VII Cash and cash equivalents of additional consolidated subsidiaries	—
VIII Cash and cash equivalents at end of year	8,569

(3)Segment Information

(millions of yen)

	Three months ended March 31, 2008 (January 1, 2008 – March 31, 2008)						
	Alcoholic Beverages	Soft Drinks	Restaurants	Real Estate	Total	Corporate and eliminations	Consolidated
Net sales							
(1) Operating revenues	71,011	7,941	6,628	6,072	91,652	—	91,652
(2) Intra-group sales and transfers	1,170	31	—	616	1,817	(1,817)	—
Total	72,181	7,972	6,628	6,688	93,470	(1,817)	91,652
Operating income (loss)	(1,748)	(727)	(143)	1,928	(690)	(609)	(1,300)

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, happoshu and other beverages, wine, whiskey, shochu and other products, distribution, brewing equipment
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, and fitness clubs