Financial Results
for the Six Months Ended June 30, 2009—Consolidated

July 31, 2009

Company name **Sapporo Holdings Limited**

Security code	2501
Listings	Tokyo Stock Exchange (First Section); Sapporo Securities Exchange
URL	http://www.sapporoholdings.jp/english/
Representative	Takao Murakami, President and Representative Director, Group CEO
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Scheduled dates:
Filing of quarterly financial statements August 13, 2009
Commencement of dividend payments —

1. Consolidated Financial Results for the Six Months Ended June 30, 2009 (January 1 – June 30, 2009)

(Amounts in million yen rounded down to the nearest million yen)

(1) Operating Results

(percentage figures represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	Million yen	%	million yen	%	million yen	%
Six months ended June 30, 2009	182,413	-	1,344	-	518	-	(738)	-
Six months ended June 30, 2008	193,486	(8.5)	1,157	-	(790)	-	9,594	-

	Net income per share	Diluted net income per share
	yen	yen
Six months ended June 30, 2009	(1.88)	-
Six months ended June 30, 2008	24.47	23.46

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
June 30, 2009	497,738	113,597	22.8	289.29
December 31, 2008	527,286	116,862	22.1	297.60

Note: Shareholders' equity
June 30, 2009: 113,368 million yen
December 31, 2008: 116,636 million yen

2. Dividends

Record date or period	Dividend per share				
	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 ending December 31, 2009 (result)	-	0.00			
Year ending December 31, 2009 (forecast)			-	7.00	7.00

Note: No changes were made to dividend forecasts in the six months ended June 30, 2009.

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

(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
Full year	400,000	(3.5)	12,000	(18.3)	8,500	(19.3)	3,000	(60.7)	7.66

Note: Changes were made to earnings forecasts in the six months ended June 30, 2009.

4. Other

(1) Changes affecting the status of significant 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 9 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: None

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):
June 30, 2009: 393,971,493 shares
December 31, 2008: 393,971,493 shares

2) Number of shares held in treasury at end of period:
June 30, 2009: 2,087,923 shares
December 31, 2008: 2,045,360 shares

3) Average number of outstanding shares during the period:
Six months ended June 30, 2009: 391,904,506 shares
Six months ended June 30, 2008: 392,130,583 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 those expressed or implied by forward-looking statements due to 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 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). The Company also prepares quarterly consolidated financial statements in accord with Japan's *Regulations on the Terminology, Format, and Preparation of Quarterly Consolidated Financial Statements*.

1. Analysis of Operating Results

Consolidated financial results for the six months ended June 30, 2009 (January 1 – June 30, 2009)

Consolidated net sales for the six months ended June 30, 2009 were down ¥11.0 billion versus the first half of 2008 (down 6%) to ¥182.4 billion, with major contributing factors including growth in (relatively low-price) new-genre products' share of our domestic alcoholic beverage sales, reviews of unprofitable sales accounts in our Soft Drinks business, and a decline in demand for restaurant meals. Costs were inflated to some extent by changes in accounting standards—which required us to book increased depreciation expenses as well as operating costs associated with disposal of obsolete inventories—but rigorous cost controls nevertheless enabled us to book operating profit of ¥1.3 billion (up ¥0.1 billion or 16% from the first half of 2008) and ordinary profit of ¥0.5 billion (versus an operating loss of ¥0.7 billion in the first half of 2008). The Group's net loss of ¥0.7 billion for the first half of 2009 is in contrast to its net profit of ¥9.5 billion for the first half of 2008. The difference was largely attributable to gains on fixed asset sales that were booked in the first half of last year.

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 is concentrated disproportionately in the summer months. As a result, first-half (January–June) net sales and income tend to be lower than in the second half of the year.

*Year-over-year comparisons are presented below for reference only.

Alcoholic Beverages (Japan)
The second quarter of 2009 showed some indications that the domestic economy was starting to recover, but consumers remained reluctant to loosen their purse strings as labor market conditions continued to deteriorate, as a result of which total demand for beer and beer-type beverages appears to have contracted by around 1% versus the first half of 2008. Conventional beer and *happoshu* (low-malt beer) saw reduced demand for a second successive quarter, while total sales of new-genre products were up a massive 25% from a year earlier.

Our Japanese Alcoholic Beverages business saw very little change in total sales volume for beer and beer-type beverages relative to the first half of 2008. Our core Sapporo Black Label brand's unit sales fell 10% year over year in line with the decline in overall beer-category sales, but our Yebisu brand achieved a 1% year-over-year increase in unit sales despite a very difficult operating climate, with the Yebisu Jukusei 2009 limited-edition release providing a successful follow-up to the previous Silk Yebisu campaign. In the new-genre product category, the March launch of Sapporo Reisei proved somewhat unsuccessful in generating new interest, but renewal of our *Mugi to Hop* brands resulted in strong sales growth, with monthly sales exceeding one million cases for the first time in June. This enabled our total new-genre unit sales to outpace the new genre market's overall growth rate (+43% versus +25%). The higher market share of (relatively low-price) new-genre products, however, meant that our total sales revenue for beer and beer-type beverages ended up falling some 3% versus the first half of 2008.

Total demand for domestic wines was roughly unchanged from the first half of 2008, while demand for imported wines appears to have contracted by around 2%. Our domestic Grande Polaire and Mutenka lines continued to sell well, but the domestic wines category nevertheless saw a year-over-year decline in unit sales, apparently as a consequence of last year's price hikes for our lower-priced products. Relatively strong sales of everyday wines meant that our overall imported wine sales kept pace with total demand in unit terms. The net result of the above was total domestic and imported wine sales that were down 9% from a year earlier.

Shochu sales revenue was up 7% versus the first half of 2008, buoyed by penetration of the commercial-use market with singly distilled shochu brands, such as Waramugi and Karariimo, and strong sales of large-volume products.

Cost increases associated with changes to accounting standards, increased sales promotion outlays, and changes to our product lineup were offset by cost-cutting in other areas.

Overall, our Japanese Alcoholic Beverages business booked sales of ¥132.7 billion (down just ¥4.4 billion, or 3%, versus the first half of 2008) and an operating loss of approximately ¥0 billion (an improvement of ¥1.0 billion).

Alcoholic Beverages (International)
Our estimates indicate that total demand in the North American beer market has contracted by some 2–3% as a severe US economic downturn from autumn 2008 onwards has impacted on consumer spending. US domestic beers (particularly low-priced brands) have continued to sell relatively well, but sales of premium-priced imported beers have generally declined by around 10%. 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.

Despite these challenging headwinds, proactive sales campaigns targeting the premium market segment enabled our Canadian subsidiary Sleeman Breweries to achieve an 11% year-over-year increase in unit sales (excluding sales of Sapporo brand products brewed by Sleeman). However, Sapporo USA's Sapporo brand unit sales decreased 14% year over year, reflecting that these products are marketed in the US at a super-premium price point with a heavy reliance on the commercial market for sales.

The International Alcoholic Beverages business incurred an operating loss of ¥0.1 billion (versus operating income of approximately ¥0 in the first half of 2008) on sales of ¥10.4 billion. Although first-half sales were up year over year in local-currency terms, this improvement was negated in yen terms by adverse exchange rate movements.

Soft Drinks
Our estimates indicate that total domestic demand for soft drinks declined some 2% year over year for the first half of 2009, with new product offerings failing to generate strong sales growth in the face of still-sluggish consumer spending.

Against this backdrop, we continue to pursue a two-pronged strategy of realigning the Soft Drinks business's profit structure with a view to achieving 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 television commercials and a campaign to promote Gerolsteiner naturally carbonated water among consumers by expanding customer-contact points and engaging in more proactive in-store marketing, which have cemented the products market presence. We also ran a special sales campaign to commemorate our Ribbon Citron brand's 100^{th} year on the market in a determined effort to expand the number of stores that stock the brand.

We actively implemented cost-cutting initiatives aimed at further shoring up stability of the segment's earnings base. This included optimizing production bases, placing greater focus on raw materials procurement costs, and endeavoring to reduce disposal losses in relation to both raw materials and manufactured products.

This spring also saw our food business launch the *Sapporo Potekaru* range of non-oil-fried potato chips.

The Soft Drinks business saw its unit sales for the first half of 2009 fall 19% year over year, while sales revenue dropped ¥3.2 billion (18%) versus the first half of 2008 to ¥14.8 billion. However, our ongoing program to boost earnings power via a select-and-focus approach (selectively focusing resources on key areas) saw the segment's operating loss improve ¥0.2 billion from a year earlier to approximately ¥0 billion.

Restaurants
Low-priced fast food chains continue to outperform full-service restaurants and pubs with high average spending-per-customer as the domestic economy struggles to develop momentum. Demand for May was also hard hit by an outbreak of the H1N1 influenza virus, mainly in the Kansai region.

Our Restaurants business was unable to buck these overall market trends, with comparable-store sales continuing to fall year over year for restaurants with a high average customer spend that are highly dependent on pre-booked group events.

Our efforts to boost sales in this difficult climate have included price cuts for seasonal menu items and the introduction of low-priced appetizer-sized dishes. We have also been working to cut costs by suspending pay increases and putting renovation plans on hold.

The April opening of a Kakoiya restaurant in the Kasumigaseki Building followed five other new restaurant openings in the first quarter of this year, and we also closed one store at the end of May. So we had a total of 209 restaurant locations as of June 30.

All told, our Restaurants business's total sales revenue declined some ¥0.7 billion (5%) versus the first half of 2008 to ¥13.2 billion, while its operating loss worsened from approximately ¥0 billion to around ¥0.4 billion.

Real Estate

The office leasing market is growing increasingly adverse, with vacancy rates rising and rents continuing to fall. Meanwhile, real estate values remain in decline due to the persisting credit crunch and other factors.

Amid such an environment, our Real Estate business has been endeavoring to maintain and boost rents and occupancy rates and further reduce costs at Yebisu Garden Place and other existing properties, which are predominantly located in the Greater Tokyo. Despite these efforts, upscale rental apartment occupancy rates have stagnated in the face of deteriorating economic conditions and a downturn in market prices. In real estate development, we continued work on the three-story MLB Cafe Tokyo facility in Ebisu; the Shinjuku office building; and the Chikusa Garden Terrace condominium complex in central Nagoya. We also plan to acquire the Ebisu Square office building as an income-generating property in August of this year.

The April 2008 sale of a 15% co-ownership stake in Yebisu Garden Place meant that the first half of 2009 showed a year-over-year decline in both revenues and profits. The Real Estate business ultimately booked a ¥3.5 billion operating profit (down ¥0.1 billion, or 4%, versus the first half of 2008) on total revenues of ¥11.1 billion (down ¥0.5 billion, or 5%, year over year).

2. Review of Consolidated Financial Condition

Consolidated Financial Condition

Consolidated assets totaled ¥497.7 billion as of June 30, 2009, down ¥29.5 billion from the end of the previous fiscal year (December 31, 2008) due to a decline in cash and cash equivalents, a decline in trade notes and accounts receivable, and a decline in goodwill attributable to our adoption of a policy requiring the amortization of foreign subsidiaries' goodwill.

Consolidated assets totaled ¥384.1 billion, down ¥26.2 billion from December 31, 2008 on the back of a decrease in liquor taxes payable and a decrease in deposits received stemming from the termination of beer gift voucher sales in February 2009.

The balance of consolidated net assets declined ¥3.2 billion to ¥113.5 billion over the first half of 2009, reflecting the amortization of foreign subsidiaries' goodwill for previous fiscal years, payment of a year-end dividend, and a decline in retained earning due to our net loss for the first half of 2009.

Consolidated Cash Flows

Consolidated cash flows for the six months ended June 30, 2009 were as follows.

Operating activities provided net cash of ¥2.5 billion. Inflows mainly comprised depreciation and amortization of ¥11.3 billion, a ¥9.7 billion decrease in trade notes and accounts receivable, and a ¥7.5 billion decrease in other current assets, which were partly offset by a ¥12.4 billion decrease in liquor taxes payable and a ¥12.2 billion decrease in deposits received. The decreases in other current assets and deposits received were mainly due to the termination of sales of beer gift vouchers.

Investing activities used net cash of ¥12.1 billion, reflecting outlays of ¥7.6 billion for the acquisition of property, plant and equipment and ¥2.0 billion for purchases of investment securities.

Financing activities used net cash of ¥3.8 billion. Proceeds of ¥19.0 billion from long-term debt were offset by a ¥7.4 billion decrease in short-term bank loans and ¥12.5 billion in repayments of long-term debt.

As of a result of the above, the consolidated balance of cash and cash equivalents had fallen to ¥8.9 billion as of June 30, 2009.

3. Consolidated Earnings Forecasts

Based on our results for the first half of 2009—including a significant decline in sales revenue for our Soft Drinks business—we now forecast consolidated net sales of ¥400.0 billion for the full year ending December 31, 2009, which would represent a decline of ¥14.5 billion (4%) versus 2008.

Our full-year profit forecasts are unchanged from those announced on February 13, 2009. On a consolidated basis we forecast operating income of ¥12.0 billion (down ¥2.6 billion, or 18%, from 2008), ordinary income of ¥8.5 billion (down ¥2.0 billion, or 19%), and net income of ¥3.0 billion (down ¥4.6 billion, or 61%).

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 either the business environment or temporary differences since the end of the previous fiscal year, the Company uses the same earnings forecasts and tax planning strategies that it used in the previous fiscal year to assess the likelihood of deferred tax assets being used at a later date. 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 strategies that it used in the previous fiscal year but modifies them to allow for the likely impact of these material 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 six-month period under review, and then multiplying net income before taxes and minority interests by this estimated effective tax rate.

Note that “deferred income taxes” are included under “income taxes”.

(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) Adoption of *Accounting Standard for Quarterly Financial Reporting*

Effective 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 also prepare quarterly consolidated financial statements in accord with Japan's *Regulations on the Terminology, Format, and Preparation of Quarterly Consolidated Financial Statements*.

2) Adoption of *Accounting Standard for Measurement of Inventories*

Effective 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 inventory measurement to a cost method that involves reducing book values to reflect diminished profit potential.

Due to this change, compared with what they would have been under the previous accounting method, gross profit for the first half of 2009 was ¥489 million lower; operating income, ¥489 million lower; and ordinary income, ¥32 million lower, resulting in a loss before income taxes and minority interests that was ¥157 million higher than if based on the previous method.

The impact on each business segment is stated in the relevant sections of this document.

3) Adoption of *Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements*

Effective the 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). The resulting amortization of goodwill recorded by foreign subsidiaries meant that operating income and ordinary income for the first half of 2009 were each ¥181 million lower than they would have been under the previous accounting method, which translated into a loss before income taxes and minority interests that was ¥181 million higher than if based on the previous method. Retained earnings at the beginning of the fiscal year (January 1, 2009) were ¥1,477 million lower than what they would have been under the previous accounting method, reflecting deductions to cover amortization of goodwill for previous fiscal years.
The impact on each business segment is stated in the relevant sections of this document.

Additional information

Changes in useful life of property, plant and equipment

The Company and its subsidiaries in Japan have reviewed the useful lives of property, plant and equipment following the 2008 revision of Japan's Corporation Tax Act, and effective the fiscal year ending December 31, 2009, will use new useful lives for depreciation of machinery assets.

Due to this change, compared to what they would have been under the previous accounting method, gross profit for the first half of 2009 was ¥689 million lower and operating income and ordinary income were each ¥693 million lower, resulting in a loss before income taxes and minority interests that was ¥693 million higher than if based on the previous method.

The impact on each business segment is stated in the relevant sections of this document.

5.Consolidated Balance Sheets

(in millions of yen)

	June 30, 2009	December 31, 2008
Assets		
I Current assets		
1 Cash and cash equivalents	9,545	22,494
2 Notes and accounts receivable - trade	52,835	62,258
3 Marketable securities	46	39
4 Merchandize and finished products	15,645	12,560
5 Raw materials and supplies	9,380	8,848
6 Other	14,105	23,384
7 Allowance for doubtful receivables	(185)	(167)
Total current assets	101,373	129,418
II Fixed assets		
1 Property, plant and equipment		
(1) Buildings and structures	360,463	358,590
Accumulated depreciation	(181,784)	(177,716)
Buildings and structures, net	178,678	180,873
(2) Machinery and vehicles	182,928	180,772
Accumulated depreciation	(136,905)	(134,476)
Machinery and vehicles, net	46,022	46,296
(3) Land	79,111	78,893
(4) Construction in progress	9,178	9,145
(5) Other	20,225	20,045
Accumulated depreciation	(16,055)	(16,047)
Other, net	4,169	3,998
Total property, plant and equipment	317,159	319,207
2 Intangible assets		
(1) Goodwill	15,262	17,018
(2) Other	4,250	3,948
Total intangible assets	19,512	20,966
3 Investments and other assets		
(1) Investment securities	29,155	26,460
(2) Long-term loans receivable	11,270	10,480
(3) Deferred tax assets	4,951	5,039
(4) Other	16,037	17,523
(5) Allowance for doubtful receivables	(1,721)	(1,809)
Total investments and other assets	59,693	57,693
Total fixed assets	396,365	397,868
Total assets	497,738	527,286
Liabilities		
I Current liabilities		
1 Notes and accounts payable	22,129	23,829
2 Short-term bank loans	33,836	43,806
3 Current portion of long-term debt	19,710	19,710
4 Liquor taxes payable	23,220	35,585
5 Income taxes payable	859	724
6 Reserve for bonuses	933	1,350
7 Deposits received	34,577	46,835
8 Other	44,496	41,361
Total current liabilities	179,762	213,203
II Long-term liabilities		
1 Bonds	53,843	53,843
2 Long-term bank loans	81,406	71,892
3 Deferred tax liabilities	12,320	12,303
4 Employees' retirement benefits	7,494	7,531
5 Reserve for directors' retirement benefits	47	52
6 Dealers' deposits for guarantees	32,515	32,023
7 Other	16,752	19,573
Total long-term liabilities	204,378	197,220
Total liabilities	384,141	410,424
Net Assets		
I Shareholders' equity		
1 Common stock	53,886	53,886
2 Capital surplus	46,320	46,325
3 Retained earnings	15,013	19,972
4 Treasury stock, at cost	(1,070)	(1,058)
Total shareholders' equity	114,150	119,126
II Valuation and translation adjustments		
1 Unrealized holding gain on securities	3,505	3,046
2 Foreign currency translation adjustments	(4,287)	(5,536)
Total valuation and translation adjustments	(781)	(2,490)
III Minority Interests	228	226
Total net assets	113,597	116,862
Total liabilities and net assets	497,738	527,286

Consolidated Statements of Income

(in millions of yen)

	Six months ended June 30, 2009
	Amount
I Net sales	182,413
II Cost of sales	127,631
Gross profit	54,781
III Selling, general and administrative expenses	
1 Sales incentives and commissions	8,866
2 Advertising and promotion expenses	9,814
3 Salaries	9,363
4 Provision for accrued bonuses	502
5 Retirement benefit expenses	1,534
6 Other	23,356
Total selling, general and administrative expenses	53,437
Operating income	1,344
IV Non-operating income	
1 Interest income	199
2 Dividend income	368
3 Foreign exchange gain	86
4 Gain on gift voucher redemptions	229
5 Other	248
Total non-operating income	1,132
V Non-operating expenses	
1 Interest expense	1,764
2 Equity in loss of affiliates	11
3 Other	182
Total non-operating expenses	1,958
Ordinary income	518
VI Extraordinary gains	
1 Gain on sales of property, plant and equipment	19
Total extraordinary gains	19
VII Extraordinary losses	
1 Loss on disposal of property, plant and equipment	529
2 Loss on devaluation of investment securities	87
3 Loss on devaluation of inventories	125
Total extraordinary losses	742
Loss before income taxes and minority interests	(204)
Income taxes	530
Minority loss	2
Net loss	(738)

Consolidated Statements of Cash Flows

(in millions of yen)

	Six months ended June 30, 2009
	Amount
I Cash flows from operating activities	
1 Loss before income taxes and minority interests	(204)
2 Depreciation and amortization	11,311
3 Amortization of goodwill	506
4 Increase (decrease) in employees' retirement benefits	(36)
5 Increase (decrease) in allowance for doubtful receivables	(71)
6 Interest and dividend income	(568)
7 Interest expense	1,764
8 (Gain) loss on sales and disposal of property, plant and equipment	470
9 (Gain) loss on devaluation of investment securities	87
10 (Increase) decrease in notes and accounts receivable - trade	9,792
11 (Increase) decrease in inventories	(3,549)
12 (Increase) decrease in other current assets	7,514
13 Increase (decrease) in notes and accounts payable	(1,884)
14 Increase (decrease) in liquor taxes payable	(12,423)
15 Increase (decrease) in deposits received	(12,258)
16 Other	1,887
Sub total	2,339
17 Interest and dividends received	730
18 Interest paid	(1,782)
19 Income taxes paid	(1,496)
20 Income taxes refundable	2,792
Net cash provided by (used in) operating activities	2,584
II Cash flows from investing activities	
1 Purchases of investment securities	(2,091)
3 Purchases of property, plant and equipment	(7,650)
4 Proceeds from sales of property, plant and equipment	368
5 Purchases of intangibles	(1,139)
6 Other	(1,658)
Net cash provided by (used in) investing activities	(12,171)
III Cash flows from financing activities	
1 Net increase (decrease) in short-term bank loans	(7,476)
2 Proceeds from long-term bank loans	19,000
3 Repayment of long-term bank loans	(12,590)
4 Cash dividends paid	(2,736)
5 Other	(17)
Net cash provided by (used in) financing activities	(3,821)
IV Effect of exchange rate changes on cash and cash equivalents	115
V Net increase (decrease) in cash and cash equivalents	(13,292)
VI Cash and cash equivalents at beginning of period	22,217
VII Cash and cash equivalents at end of period	8,924

Effective 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 also prepare quarterly consolidated financial statements in accord with Japan's *Regulations on the Terminology, Format, and Preparation of Quarterly Consolidated Financial Statements* .

(4) Notes on the going-concern assumption

Not applicable

(5) Segment Information

1. Segment Information by Business

(millions of yen)

	Six months ended June 30, 2009 (January 1, 2009 – June 30, 2009)						
	Alcoholic Beverages	Soft Drinks	Restaurants	Real Estate	Total	Corporate and eliminations	Consolidated
Net sales							
(1) Operating revenues	143,137	14,854	13,282	11,138	182,413	-	182,413
(2) Intra-group sales and transfers	2,468	108	-	1,105	3,681	(3,681)	-
Total	145,605	14,962	13,282	12,244	186,095	(3,681)	182,413
Operating income (loss)	(200)	(72)	(443)	3,561	2,845	(1,500)	1,344

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 under "(3) Changes in accounting principles, procedures, and methods of disclosure used to prepare the quarterly financial statements" in section "4. Other," effective 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 diminished profit potential.

Due to this change, compared with what they would have been under the previous accounting method, operating loss in the Alcoholic Beverages business was ¥372 million higher; and in the Soft Drinks business, ¥116 million higher in the six months ended June 30, 2009.

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

As stated under "(3) Changes in accounting principles, procedures, and methods of disclosure used to prepare the quarterly financial statements" in section "4. Other," effective the 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 ¥181 million higher in the six months ended June 30, 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 under "(3) Changes in accounting principles, procedures, and methods of disclosure used to prepare the quarterly financial statements" in section "4. Other," The Company and its subsidiaries in Japan have reviewed the useful lives of property, plant and equipment following the 2008 revision of Japan's Corporation Tax Act, and effective the fiscal year ending December 31, 2009, will use new useful lives for depreciation of machinery assets.

Due to this change, compared with what they would have been under the previous accounting method, operating loss in the Alcoholic Beverages business was ¥685 million higher; in the Soft Drinks business, lower by approximately ¥0 million; and in the Restaurants business ¥6 million higher. By the same comparison, operating income in the Real Estate business was lower by approximately ¥0 million.

2. Segment Information by Geographic Area (January 1, 2009 to June 30, 2009)

Sales 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 June 30, 2009)

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

(6) Notes on significant changes in the amount of shareholders' equity

Not applicable

<Reference Data>

(amounts in millions of yen)

Consolidated Statements of Income

	Six months ended June 30, 2008 (B)	
	Amount	
I Net sales		193,486
II Cost of sales		135,851
Gross profit		57,635
III Selling, general and administrative expenses		56,477
Operating income (loss)		1,157
IV Non-operating income		
1 Interest income	204	
2 Dividend income	336	
3 Rental income	22	
4 Foreign exchange gain	41	
5 Equity in income of affiliates	—	
6 Other	365	970
V Non-operating expenses		
1 Interest expense	1,959	
2 Loss on disposal of inventories	765	
3 Equity in loss of affiliates	46	
4 Other	147	2,919
Ordinary income (loss)		(790)
VI Extraordinary gains		
1 Gain on sales of property, plant and equipment	25,809	
2 Gain on sales of investment securities	4	
3 Reversal of provision for doubtful receivables	48	
4 Compensation income from store closures	111	
5 Subsidy for installation of vending machine	—	25,973
VII Extraordinary losses		
1 Loss on disposal of property, plant and equipment	2,687	
2 Loss on impairment of property, plant and equipment	1,325	
3 Depreciation expenses resulting from revision of residual value	—	
4 Provision for gift voucher redemptions	746	
5 Loss on revision of retirement benefits plan	1,178	
6 Early retirement benefits	247	
7 Business reorganization costs	1,441	
8 Amortization of goodwill	—	
9 Devaluation of marketable securities and investments	85	7,712
Income before income taxes and minority interests		17,469
Current income taxes	2,146	
Deferred income taxes	5,760	7,906
Minority interests		31
Net income		9,594

Consolidated Statements of Cash Flows

	Six months ended June 30, 2008
	Amount
I Cash flows from operating activities	
1 Income (loss) before income taxes and minority interests	17,469
2 Depreciation and amortization	11,055
3 Depreciation expenses resulting from revision of residual value	—
4 Loss on impairment of property, plant and equipment	1,325
5 Amortization of goodwill	434
6 Decrease in employees' retirement benefits	(7,342)
7 Decrease in allowance for doubtful receivables	(364)
8 Interest and dividend income	(541)
9 Interest expense	1,959
10 Gain on sales of property, plant and equipment	(25,809)
11 Loss on sales and disposal of property, plant and equipment	2,687
12 Gain on sales of investment securities	(4)
13 Loss on devaluation of investment securities	85
14 Decrease in notes and accounts receivable - trade	12,271
15 (Increase) decrease in inventories	(1,222)
16 Increase (decrease) in notes and accounts payable	(1,423)
17 Increase (decrease) in liquor taxes payable	(14,476)
18 Increase in other current liabilities	8,996
19 Other	(143)
Sub total	4,957
20 Interest and dividends received	709
21 Interest paid	(1,980)
22 Income taxes paid	(2,799)
Net cash provided by (used in) operating activities	887
II Cash flows from investing activities	
1 Payments for time deposits	(298)
2 Proceeds from time deposits	578
3 Purchases of investment securities	(1,135)
4 Proceeds from sales and redemption of investment securities	104
5 Purchases of property, plant and equipment	(11,505)
6 Proceeds from sales of property, plant and equipment	48,996
7 Purchases of intangibles	(2,385)
8 Increase in long-term loans receivable	(520)
9 Collection of long-term loans receivable	153
10 Other	(2,436)
Net cash provided by (used in) investing activities	31,553
III Cash flows from financing activities	
1 Increase (decrease) in short-term bank loans	(19,168)
2 Proceeds from long-term debt	10,833
3 Repayment of long-term debt	(19,122)
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	(1,957)
8 Other	160
Net cash provided by (used in) financing activities	(29,411)
IV Effect of exchange rate changes on cash and cash equivalents	(142)
V Net increase (decrease) in cash and cash equivalents	2,886
VI Cash and cash equivalents at beginning of perod	5,881
VII Cash and cash equivalents of additional consolidated subsidiaries	—
VIII Cash and cash equivalents at end of period	8,768

Segment Information

1. Segment Information by Business

(millions of yen)

	Six months ended June 30, 2008 (January 1, 2008 – June 30, 2008)						
	Alcoholic Beverages	Soft Drinks	Restaurants	Real Estate	Total	Corporate and eliminations	Consolidated
I Net sales and operating expenses							
Net sales							
(1) Operating revenues	149,593	18,112	14,043	11,736	193,486	—	193,486
(2) Intra-group sales and transfers	2,722	117	—	1,179	4,019	(4,019)	—
Total	152,316	18,230	14,043	12,916	197,505	(4,019)	193,486
Operating expenses	153,257	18,601	14,085	9,189	195,133	(2,804)	192,329
Operating income (loss)	(941)	(370)	(42)	3,726	2,372	(1,215)	1,157

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 Se	Main Products
Alcoholic be	Beer, happoshu and other beverages, wine, whiskey, shochu and other products, distribution, brewing equipment, and agribusiness
Soft drinks	Soft drinks and other non-alcoholic beverages
Restaurant	Operation of beer halls and restaurants
Real estate	Real estate leasing, real estate sales, operation of commercial facilities, utility supplies, and fitness clubs