Financial Results
for the Nine Months Ended September 30, 2009—Consolidated

October 30, 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
Contact	Yoichi Kato, Director and General Manager of the Corporate Planning Department
Telephone	+81 3-5423-7407

Scheduled dates:

Filing of quarterly financial statements	November 12, 2009
Commencement of dividend payments	—

1. Consolidated Financial Results for the Nine Months Ended September 30, 2009 (January 1 – September 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	%
Nine months ended September 30, 2009	283,109	-	7,843	-	6,269	-	2,319	-
Nine months ended September 30, 2008	306,572	(7.6)	9,066	44.5	6,534	72.0	14,286	-

	Net income per share	Diluted net income per share
	yen	yen
Nine months ended September 30, 2009	5.92	5.41
Nine months ended September 30, 2008	36.44	34.93

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
September 30, 2009	511,904	116,209	22.7	296.03
December 31, 2008	527,286	116,862	22.1	297.60

Note: Shareholders' equity
September 30, 2009: 115,990 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 nine months ended September 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: No changes were made to earnings forecasts in the nine months ended September 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 "4. Other" on page 10 in 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 "4. Other" on page 10 in 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):
September 30, 2009: 393,971,493 shares
December 31, 2008: 393,971,493 shares

2) Number of shares held in treasury at end of period:
September 30, 2009: 2,156,731 shares
December 31, 2008: 2,045,360 shares

3) Average number of outstanding shares during the period:
Nine months ended September 30, 2009: 391,886,745 shares
Nine months ended September 30, 2008: 392,094,338 shares

<u>Appropriate Use of Earnings Forecasts and Other Important Information</u>

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 "3. Consolidated Earnings Forecasts" on page 9 in 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 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 nine months ended September 30, 2009 (January 1 – September 30, 2009)

Consolidated net sales for the nine months ended September 30, 2009 were down ¥23.4 billion versus the first nine months of 2008 (8%) to ¥283.1 billion. This mainly reflects 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, on top of which we were adversely impacted by unseasonable summer weather. Although we have been implementing rigorous cost controls since the beginning of the year, we booked increased depreciation expenses due to changes in accounting standards as well as operating costs associated with the disposal of obsolete inventories.

These and other one-time factors resulted in operating profit of ¥7.8 billion (down ¥1.2 billion, or 13%, versus the first nine months of 2008) and ordinary profit of ¥6.2 billion (down ¥0.2 billion, or 4%). The Group's net profit for the nine months ended September 30, 2009, was ¥2.3 billion (down ¥11.9 billion, or 84%, from the first nine months of 2008). The year-over-year decline in net profit was mainly due to non-recurrence of gains on fixed asset sales posted last year.

Segment information

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

Alcoholic Beverages (Japan)

During the nine months ended September 30, 2009, the domestic labor market continued to deteriorate while consumer spending remained sluggish. On top of this, beer consumption was heavily impacted by unseasonable summer weather in Japan. As a result, total demand for beer and beer-type beverages appears to have contracted by 2% versus the first nine months of 2008. Continuing fiscal-first-quarter trends, demand for conventional beer and *happoshu* (low-malt beer) declined, and total sales of new-genre products were up a significant 21% from a year earlier.

Our Japanese Alcoholic Beverages business saw a 10% drop in total sales volume for beer and beer-type beverages relative to the first nine months of

2008, due to a preference for low-price beverages. However, year-over-year growth in demand for Yebisu beer exceeded year-on-year growth in demand for beer on the back of limited-edition releases such as Silk Yebisu and Yebisu Jukusei 2009, which used Yebisu's identity as an expensive beer brand to target consumers seeking a little taste of luxury.

In the new-genre product category, the renewal of our *Mugi to Hop* brands was well received, with sales increasing by a striking 157% versus the first nine months of 2008. As a result, total new-genre unit sales were 28% higher year over year, outpacing the new-genre market's overall growth rate. However, the higher proportion of sales accounted for by (relatively low-price) new-genre products, meant that our total sales revenue for beer and beer-type beverages was down 6% versus the first nine months of 2008.

With respect to wines, we pushed ahead with our ongoing brand development efforts, and we continued efforts to raise the profitability of our wines, as exemplified by last year's price hikes for our lower-priced products.

Shochu sales revenue was up 7% versus the first nine months 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.

Changes to accounting standards resulted in cost increases, but we continued working to cut expenses.

Overall, our Japanese Alcoholic Beverages business booked sales of ¥204.4 billion (down ¥13.8 billion, or 6%, versus the first nine months of 2008) and operating profit of ¥3.8 billion (down ¥0.3 billion, or 9%).

Alcoholic Beverages (International)

Our estimates indicate that total demand in the North American beer market has contracted by some 2～3%, as the severe US economic downturn since autumn 2008 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 dropped 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 13% year over year, reflecting the fact 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's sales were up year over year in local currency terms, but this was negated in yen terms by adverse exchange rate movements. Consequently, we booked sales of ¥16.9 billion (down ¥2.6 billion, or 14%, versus the first nine months of 2008) and operating income of ¥0.5 billion (up ¥0.2 billion, or 64%).

Soft Drinks

Our estimates indicate that total domestic demand for soft drinks declined some 3% year over year for the first nine months of 2009, impacted by the prolonged rainy season and cool temperatures on top of continued weakness in consumer spending.

Against this backdrop, we continue to pursue our strategy of achieving sustained profitability and building brands with a meaningful market presence. Through these efforts, we aim to realize our corporate vision: "For everyone's smile, we will provide unforgettable taste with infinite passion."

We have been implementing marketing strategies focused mainly on strengthening existing brands and proactively working to expand the number of stores that stock them. Specific initiatives include television commercials and a consumer 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 product's market presence. We also ran a special sales campaign to commemorate our Ribbon Citron brand's 100th year on the market, and to promote our Gabunomi series of drinks, we ran a tie-up promotion with bottle labeling featuring the popular animation series *One Piece*. Nevertheless, the Soft Drinks business's unit sales ended down 19% year over year, partly due to the effects of reviewing unprofitable sales accounts.

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.

As a result, the Soft Drinks business's sales revenue dropped ¥5.1 billion (18%) versus the first nine months of 2008 to ¥23.5 billion. However, our ongoing program to boost earnings power via a select-and-focus approach (selectively focusing resources on key areas) resulted in operating profit of ¥0.3 billion, an increase of ¥0.2 billion (518%) versus the first nine months of 2008.

Restaurants

The restaurant industry has come upon difficult times. Full-service restaurants and pubs with high average spending-per-customer continue to perform poorly, and even low-priced fast food chains, which had been performing relatively well through the first half of 2009, saw comparable-store sales fall year over year.

Amid this environment, our Restaurants business worked to bring about a recovery in customer numbers by lowering price points on pre-booked group events and recommended menu items. The Restaurants business also endeavored to improve revenues by such means as commemorating our 110th anniversary with a Beer Hall Day campaign to draw in customers and deploying personnel Group-wide to attract corporate events to our restaurants. Cost-wise, we have been reducing personnel costs, by freezing mid-career hiring and reducing overtime, for instance, and we have been curbing other expenses through such measures as putting restaurant renovation plans on hold.

Seasonal restaurants, such as rooftop beer gardens featuring Genghis Khan barbeques (a popular lamb and vegetable dish), which have seen a rapid increase in female customers, and beer gardens at the Sapporo Summer Festival performed well. Despite this, comparable-store sales again declined year over year, mainly for restaurants that are highly dependent on pre-booked group events.

During the three months ended September 30, 2009, we opened four new restaurants, including the Kakoiya restaurant in Meieki 3-chome (Nagoya city) and the Tomoru restaurant in Tsuruyacho (Yokohama city), bringing the total number of newly opened restaurants since the beginning of the year to 10. We have closed two restaurants since the beginning of the year. So we had a total of 212 restaurant locations as of September 30.

All told, our Restaurants business's total sales revenue declined some ¥1.1

billion (5%) versus the first nine months of 2008 to ¥21.2 billion, while it posted an operating loss of ¥0.1 billion (versus operating profit of ¥0.4 billion for the first nine months of 2008).

Real Estate

The rise in vacancy rates and decline in rents are easing in the Greater Tokyo office leasing market, but a recovery has yet to materialize. Meanwhile, real estate values remain in decline.

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 Greater Tokyo. Despite these efforts, upscale rental apartment occupancy rates have slipped in the face of deteriorating economic conditions and a downturn in market prices. In real estate development, we opened the MLB Cafe Tokyo commercial property in Ebisu and began selling condominiums in the Chikusa Garden Terrace complex in central Nagoya, both in September. Concurrently, we continued to work on the Shinjuku office building. We also acquired the Yebisu Square office building as a new income-generating property in August.

Last year's (April 2008) sale of a 15% co-ownership stake in Yebisu Garden Place meant that both revenues and profits were down year over year. The Real Estate business booked a ¥5.4 billion operating profit (down ¥0.2 billion, or 5%, versus the first nine months of 2008) on total revenues of ¥16.9 billion (down ¥0.6 billion, or 4%).

2. Review of Consolidated Financial Condition

Consolidated Financial Condition

Consolidated assets totaled ¥511.9 billion as of September 30, 2009, down ¥15.3 billion from the end of the previous fiscal year (December 31, 2008) due mainly to 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 liabilities totaled ¥395.6 billion, down ¥14.7 billion from December 31, 2008, due mainly to a decrease in short-term bank loans, a decrease in liquor taxes payable, and a decrease in deposits received stemming from the termination of beer gift voucher sales in February 2009, which more than offset an increase in long-term bank loans.

The balance of consolidated net assets declined ¥0.6 billion to ¥116.2 billion in the nine months to September 30, 2009, despite positive net income for the period. The decrease mainly reflects the amortization of foreign subsidiaries' goodwill for previous fiscal years and a decrease in retained earnings due to the payment of a year-end dividend.

Consolidated Cash Flows

Consolidated cash flows for the nine months ended September 30, 2009 were as follows.

Operating activities provided net cash of ¥14.3 billion. Inflows mainly comprised positive income before taxes and minority interests of ¥4.9 billion, depreciation and amortization of ¥16.8 billion, a ¥17.1 billion decrease in trade notes and accounts receivable, and a ¥7.3 billion decrease in other current assets. Outflows mainly comprised a ¥15.3 billion decrease in liquor taxes payable and a ¥17.3 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 ¥23.2 billion, reflecting outlays of ¥2.1 billion for the purchase of investment securities, ¥16.7 billion for the acquisition of property, plant and equipment, and ¥2.8 billion for purchases intangibles.

Financing activities used net cash of ¥7.9 billion. Proceeds of ¥39.0 billion from long-term bank loans were offset by a ¥12.7 billion net decrease in short-term bank loans and ¥15.5 billion in repayments of long-term bank loans.

As of a result of the above, the consolidated balance of cash and cash equivalents was ¥21.2 billion as of September 30, 2009.

3. Consolidated Earnings Forecasts

Based on our results for the first nine months of 2009—including the 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 (3.5%) versus 2008.

Our full-year profit forecasts are unchanged from those announced on July 31, 2009. On a consolidated basis we forecast operating income of ¥12.0 billion (down ¥2.6 billion, or 18.3%, from 2008), ordinary income of ¥8.5 billion (down ¥2.0 billion, or 19.3%), and net income of ¥3.0 billion (down ¥4.6 billion, or 60.7%).

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 income before taxes and minority interests for the fiscal year under review, which encompasses the nine-month period under review, and then multiplying income (loss) 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 nine months ended September 30, 2009 was ¥747 million lower; operating income, ¥747 million lower; and ordinary income, ¥35 million lower, resulting in income before income taxes and minority interests that was ¥161 million lower 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, ordinary income and income before income taxes and minority interests for the nine months ended September 30, 2009 were each ¥279 million lower than they would have been under the previous accounting 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 nine months ended September 30, 2009 was ¥1,107 million lower and operating income, ordinary income and income before income taxes and minority interests were each ¥1,113 million lower than if based on the previous method.

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

5.Consolidated Financial Statement
(1)Consolidated Balance Sheeets

(millions of yen)

	September 30, 2009	December 31, 2008
Assets		
I Current assets		
1 Cash and cash equivalents	21,661	22,494
2 Notes and accounts receivable - trade	45,457	62,258
3 Marketable securities	46	39
4 Merchandize and finished products	13,881	12,560
5 Raw materials and supplies	9,733	8,848
6 Other	13,662	23,384
7 Allowance for doubtful receivables	(166)	(167)
Total current assets	104,275	129,418
II Fixed assets		
1 Property, plant and equipment		
(1) Buildings and structures	362,597	358,590
Accumulated depreciation	(183,892)	(177,716)
Buildings and structures, net	178,705	180,873
(2) Machinery and vehicles	183,381	180,772
Accumulated depreciation	(138,706)	(134,476)
Machinery and vehicles, net	44,675	46,296
(3) Land	84,571	78,893
(4) Construction in progress	10,333	9,145
(5) Other	20,210	20,045
Accumulated depreciation	(16,164)	(16,047)
Other, net	4,046	3,998
Total property, plant and equipment	322,331	319,207
2 Intangible assets		
(1) Goodwill	14,997	17,018
(2) Other	3,963	3,948
Total intangible assets	18,960	20,966
3 Investments and other assets		
(1) Investment securities	36,021	26,460
(2) Long-term loans receivable	11,163	10,480
(3) Deferred tax assets	5,082	5,039
(4) Other	15,797	17,523
(5) Allowance for doubtful receivables	(1,728)	(1,809)
Total investments and other assets	66,337	57,693
Total fixed assets	407,628	397,868
Total assets	511,904	527,286
Liabilities		
I Current liabilities		
1 Notes and accounts payable	20,681	23,829
2 Short-term bank loans	27,301	43,806
3 Current portion of long-term debt	19,710	19,710
4 Liquor taxes payable	20,267	35,585
5 Income taxes payable	1,242	724
6 Reserve for bonuses	2,409	1,350
7 Deposits received	29,515	46,835
8 Other	51,718	41,361
Total current liabilities	172,847	213,203
II Long-term liabilities		
1 Bonds	53,843	53,843
2 Long-term bank loans	99,712	71,892
3 Deferred tax liabilities	12,484	12,303
4 Employees' retirement benefits	7,541	7,531
5 Reserve for directors' retirement benefits	44	52
6 Dealers' deposits for guarantees	32,246	32,023
7 Other	16,974	19,573
Total long-term liabilities	222,847	197,220
Total liabilities	395,695	410,424
Net Assets		
I Shareholders' equity		
1 Common stock	53,886	53,886
2 Capital surplus	46,320	46,325
3 Retained earnings	18,070	19,972
4 Treasury stock, at cost	(1,104)	(1,058)
Total shareholders' equity	117,172	119,126
II Valuation and translation adjustments		
1 Unrealized holding gain on securities	3,162	3,046
2 Foreign currency translation adjustments	(4,344)	(5,536)
Total valuation and translation adjustments	(1,182)	(2,490)
III Minority Interests	219	226
Total net assets	116,209	116,862
Total liabilities and net assets	511,904	527,286

(2)Consolidated Statements of Income

(millions of yen)

	Nine months ended September 30, 2009
	Amount
I Net sales	283,109
II Cost of sales	196,117
Gross profit	86,992
III Selling, general and administrative expenses	
1 Sales incentives and commissions	13,668
2 Advertising and promotion expenses	13,085
3 Salaries	13,348
4 Provision for accrued bonuses	1,376
5 Retirement benefit expenses	2,329
6 Other	35,339
Total selling, general and administrative expenses	79,148
Operating income	7,843
IV Non-operating income	
1 Interest income	299
2 Dividend income	386
3 Equity in income of affiliates	69
4 Foreign exchange gain	21
5 Gain (loss) on gift voucher redemptions	375
6 Other	358
Total non-operating income	1,510
V Non-operating expenses	
1 Interest expense	2,650
2 Other	433
Total non-operating expenses	3,084
Ordinary income	6,269
VI Extraordinary gains	
1 Gain on sales of property, plant and equipment	19
2 Gain on sales of investment securities	18
Total extraordinary gains	38
VII Extraordinary losses	
1 Loss on disposal of property, plant and equipment	1,001
2 Loss on devaluation of investment securities	196
3 Loss on devaluation of inventories	125
Total extraordinary losses	1,323
Income before income taxes and minority interests	4,984
Income taxes	2,672
Minority loss	(7)
Net Income	2,319

(3)Consolidated Statements of Cash Flows (millions of yen)

	Nine months ended September 30, 2009
	Amount
I Cash flows from operating activities	
1 Income before income taxes and minority interests	4,984
2 Depreciation and amortization	16,855
3 Amortization of goodwill	767
4 Increase (decrease) in employees’ retirement benefits	10
5 Increase (decrease) in allowance for doubtful receivables	(83)
6 Interest and dividend income	(685)
7 Interest expense	2,650
8 (Gain) loss on sales and disposal of property, plant and equipment	982
9 (Gain) loss on sales of investment securities	(18)
10 (Gain) loss on devaluation of investment securities	196
11 (Increase) decrease in notes and accounts receivable - trade	17,137
12 (Increase) decrease in inventories	(2,364)
13 (Increase) decrease in other current assets	7,328
14 Increase (decrease) in notes and accounts payable	(3,324)
15 Increase (decrease) in liquor taxes payable	(15,376)
16 Increase (decrease) in deposits received	(17,343)
17 Other	3,149
Sub total	14,864
18 Interest and dividends received	766
19 Interest paid	(2,396)
20 Income taxes paid	(1,754)
21 Income taxes refundable	2,828
Net cash provided by (used in) operating activities	14,309
II Cash flows from investing activities	
1 Purchases of investment securities	(2,110)
2 Purchases of property, plant and equipment	(16,713)
3 Proceeds from sales of property, plant and equipment	372
4 Purchases of intangibles	(2,868)
5 Other	(1,974)
Net cash provided by (used in) investing activities	(23,295)
III Cash flows from financing activities	
1 Net increase (decrease) in short-term bank loans	(12,755)
2 Proceeds from long-term bank loans	39,000
3 Repayment of long-term bank loans	(15,511)
4 Cash dividends paid	(2,741)
5 Other	(52)
Net cash provided by (used in) financing activities	7,940
IV Effect of exchange rate changes on cash and cash equivalents	55
V Net increase (decrease) in cash and cash equivalents	(990)
VI Cash and cash equivalents at beginning of period	22,217
VII Cash and cash equivalents at end of period	21,227

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* .

(4) Notes on the going-concern assumption
Not applicable

(5) Segment Information

1. Segment Information by Business

(millions of yen)

	Nine months ended September 30, 2009 (January 1, 2009 – September 30, 2009)						
	Alcoholic Beverages	Soft Drinks	Restaurants	Real Estate	Total	Corporate and eliminations	Consolidated
Net sales							
(1) Operating revenues	221,423	23,536	21,236	16,913	283,109	-	283,109
(2) Intra-group sales and transfers	4,070	203	-	1,690	5,964	(5,964)	-
Total	225,494	23,739	21,236	18,604	289,074	(5,964)	283,109
Operating income (loss)	4,456	354	(181)	5,445	10,075	(2,232)	7,843

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 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, in the nine months ended September 30, 2009, compared with what they would have been under the previous accounting method, operating income in the Alcoholic Beverages business was ¥577 million lower, and in the Soft Drinks business, ¥169 million lower.

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 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 income in the Alcoholic Beverages business was ¥279 million lower in the nine months ended September 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 in "(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, in the nine months ended September 30, 2009, compared with what they would have been under the previous accounting method, operating income in the Alcoholic Beverages business was ¥1,102 million lower; in the Soft Drinks business, higher by approximately ¥0 million; in the Real Estate business, lower by approximately ¥0 million. By the same comparison, operating loss in the Restaurants business was higher by ¥10 million.

2. Segment Information by Geographic Area (January 1, 2009 to September 30, 2009)
Sales in Japan constituted more than 90% of consolidated sales.
Accordingly, geographical segment information has not been disclosed.

<Reference Data>

Consolidated Statements of Income

	Nine months ended September 30, 2008	
	Amount	
I Net sales		306,572
II Cost of sales		213,034
Gross profit		93,538
III Selling, general and administrative expenses		84,471
Operating income (loss)		9,066
IV Non-operating income		
1 Interest and dividend income	737	
2 Equity in income of affiliates	34	
3 Other	619	1,391
V Non-operating expenses		
1 Interest expense	2,846	
2 Loss on disposal of inventories	823	
3 Other	253	3,923
Ordinary income		6,534
VI Extraordinary gains		
1 Gain on sales of property, plant and equipment	25,811	
2 Gain on sales of investment securities	4	
3 Reversal of provision for doubtful receivables	32	
4 other	111	25,960
VII Extraordinary losses		
1 Loss on disposal of property, plant and equipment	3,068	
2 Loss on impairment of property, plant and equipment	1,325	
3 Provision for gift voucher redemptions	746	
4 Loss on revision of retirement benefit plan	1,178	
5 Early retirement benefits	247	
6 Business reorganization costs	1,441	
7 Devaluation of marketable securities and investments	85	8,093
Income before income taxes and minority interests		24,400
Current income taxes	4,128	
Deferred income taxes	6,014	10,143
Minority interests		29
Net income		14,286

Consolidated Statements of Cash Flows (amounts in millions of yen)

	Nine months ended September 30, 2008
	Amount
I Cash flows from operating activities	
1 Income (loss) before income taxes and minority interests	24,400
2 Depreciation and amortization	16,295
3 Loss on impairment of property, plant and equipment	1,325
4 Amortization of goodwill	651
5 Decrease in employees' retirement benefits	(7,756)
6 Decrease in allowance for doubtful receivables	(431)
7 Interest and dividend income	(737)
8 Interest expense	2,846
9 Gain on sales of property, plant and equipment	(25,811)
10 Loss on sales and disposal of property, plant and equipment	3,068
11 Decrease in notes and accounts receivable - trade	18,022
12 (Increase) decrease in inventories	(392)
13 Increase (decrease) in notes and accounts payable	(1,480)
14 Decrease in liquor taxes payable	(15,575)
15 Increase in other current liabilities	9,636
16 Other	7,973
Sub total	32,035
17 Interest and dividends received	829
18 Interest paid	(2,618)
19 Income taxes paid	(5,039)
Net cash provided by (used in) operating activities	25,206
II Cash flows from investing activities	
1 Purchases of investment securities	(1,164)
2 Proceeds from sales and redemption of investment securities	104
3 Purchases of property, plant and equipment	(15,904)
4 Proceeds from sales of property, plant and equipment	49,000
5 Purchases of intangibles	(2,995)
6 Increase in long-term loans receivable	(520)
7 Collection of long-term loans receivable	198
8 Other	(2,706)
Net cash provided by (used in) investing activities	26,011
III Cash flows from financing activities	
1 Decrease in short-term bank loans	(29,037)
2 Proceeds from long-term debt	17,274
3 Repayment of long-term debt	(27,161)
4 Proceeds from issuance of bonds	3,843
5 Net increase (decrease) in commercial paper	(4,000)
6 Cash dividends paid	(1,961)
7 Other	96
Net cash provided by (used in) financing activities	(40,945)
IV Effect of exchange rate changes on cash and cash equivalents	(239)
V Net increase (decrease) in cash and cash equivalents	10,032
VI Cash and cash equivalents at beginning of period	5,881
VII Cash and cash equivalents at end of period	15,914

Segment Information

1. Segment Information by Business

(millions of yen)

	Nine months ended September 30, 2008 (January 1, 2008 – September 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	237,947	28,638	22,407	17,577	306,572	−	306,572
(2) Intra-group sales and transfers	4,443	221	−	1,775	6,440	(6,440)	−
Total	242,391	28,860	22,407	19,353	313,013	(6,440)	306,572
Operating expenses	237,791	28,803	21,978	13,629	302,202	(4,696)	297,506
Operating income (loss)	4,600	57	429	5,723	10,810	(1,744)	9,066

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, wine, Western liquors, shochu, distribution, brewing equipment, and agribusiness
Soft drinks	Soft drinks and other non-alcoholic beverages
Restaurants	Operation of beer halls and restaurants
Real estate	Real estate leasing, real estate sales, operation of commercial facilities, utility supplies, and fitness clubs