



**Fiscal Year Ended December 31, 2009**  
**Consolidated Earnings Report—Supplementary Information**

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**February 2010**

**SAPPORO HOLDINGS LTD.**

**Securities code: 2501**

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

## Consolidated Results (Year Ended December 31, 2009)

### 1. Condensed Consolidated Statements of Income

(billions of yen)

	Year ended December 31, 2008	Year ended December 31, 2009	Change	Change (%)
Alcoholic Beverages	324.7	305.4	(19.2)	(5.9)
<i>Japan</i>	299.6	282.9	(16.7)	(5.6)
<i>International</i>	25.0	22.5	(2.4)	(9.7)
Soft Drinks	36.8	30.7	(6.1)	(16.6)
Restaurants	29.5	28.0	(1.5)	(5.1)
Real Estate	23.4	23.2	(0.1)	(0.8)
Net sales	414.5	387.5	(27.0)	(6.5)
Alcoholic Beverages	8.6	8.1	(0.4)	(5.0)
<i>Japan</i>	7.7	7.4	(0.2)	(2.9)
<i>International</i>	0.9	0.6	(0.2)	(23.1)
Soft Drinks	0.2	0.3	0.0	36.5
Restaurants	0.5	(0.1)	(0.7)	-
Real Estate	7.6	7.5	(0.0)	(1.2)
General corporate and intercompany eliminations	(2.3)	(2.9)	(0.6)	-
Operating income	14.6	12.8	(1.7)	(12.2)
Non-operating income	1.7	2.2	0.4	28.7
Non-operating expenses	5.8	4.3	(1.4)	(25.3)
Ordinary income	10.5	10.7	0.1	1.9
Extraordinary gains	26.0	0.9	(25.0)	(96.3)
Extraordinary losses	18.5	2.8	(15.7)	(84.8)
Income before income taxes and minority interests	17.9	8.8	(9.0)	(50.6)
Income taxes	10.3	4.3	(6.0)	(58.0)
Minority interests (loss)	(0.0)	(0.0)	0.0	-
Net income	7.6	4.5	(3.1)	(40.6)

Consolidated	Year ended December 31, 2008	Year ended December 31, 2009	Change	Change (%)
Financial liabilities *1	189.2	197.5	8.2	4.4
Capital expenditures (cash basis)	27.3	21.8	(5.5)	(20.2)
Depreciation and amortization	21.6	22.5	0.9	4.4

Operating income to net sales (excluding liquor tax) (%)	5.2	4.9	(0.3)	
Debt-to-equity ratio (times)	1.6	1.7	0.0	
Return on equity (%)	6.3	3.9	(2.4)	

\*1: Financial liabilities include the balance of lease obligations.

Consolidated Results (Year Ended December 31, 2009)

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

(billions of yen)

		Year ended December 31, 2008	Year ended December 31, 2009	Change
	Total	<b>6.5</b>	<b>5.8</b>	<b>(0.6)</b>
Beer and related products	Sub total			(0.5)
Marginal profit	Increase (decrease) in volume / Product mix (Beer -5.5, Happoshu -2.9, New genre +5.5, Product mix +1.5)			(1.4)
	Decrease in production costs			0.8
	Loss on disposal of inventories			(0.6)
	Transportation expenses			0.4
	Other			0.3
Fixed and other costs	Sub total			(0.1)
	Revisions to depreciation rules			(1.5)
	Increase in retirement benefit expenses			(0.5)
	Sales promotion costs			0.1
	Personnel expenses			0.5
	Other			1.3
Wine and spirits		0.5	0.6	0.1
Other		0.7	1.0	0.3
<b>Alcoholic Beverages (Japan)</b>		<b>7.7</b>	<b>7.4</b>	<b>(0.2)</b>
	Increase in volume / Product mix / Raw ingredients and materials			0.5
	Exchange rates			(0.3)
	Other			(0.4)
<b>Alcoholic Beverages (International)</b>		<b>0.9</b>	<b>0.6</b>	<b>(0.2)</b>
	Decrease in volume / Product mix			(1.4)
	Decrease in production costs			0.4
	Loss on disposal of inventories			(0.2)
	Other cost reductions			1.2
<b>Soft Drinks</b>		<b>0.2</b>	<b>0.3</b>	<b>0.0</b>
	Existing stores			(0.8)
	New stores / Refurbished stores			0.1
<b>Restaurants</b>		<b>0.5</b>	<b>(0.1)</b>	<b>(0.7)</b>
	Rent			0.0
	Sales			0.2
	Effect of sale of co-ownership stake in Yebisu Garden Palace			(0.2)
<b>Real Estate</b>		<b>7.6</b>	<b>7.5</b>	<b>(0.0)</b>
<b>General corporate and intercompany eliminations</b>		<b>(2.3)</b>	<b>(2.9)</b>	<b>(0.6)</b>
<b>Change in operating income</b>		<b>14.6</b>	<b>12.8</b>	<b>(1.7)</b>
	Financial income (expense)	(2.7)	(2.7)	0.0
	Equity in income (losses) of affiliates	(0.0)	0.3	0.3
	Other	(1.4)	0.3	1.7
<b>Non-operating income and expenses</b>		<b>(4.1)</b>	<b>(2.1)</b>	<b>2.0</b>
<b>Change in ordinary income</b>		<b>10.5</b>	<b>10.7</b>	<b>0.1</b>
	Gain on sales of property, plant and equipment	25.8	0.9	(24.9)
	Other extraordinary gains	0.1	0.0	(0.1)
	Loss on disposal of property, plant and equipment	(5.8)	(1.5)	4.3
	Impairment loss on property, plant and equipment	(8.2)	(0.9)	7.3
	Provision for gift voucher redemptions	(0.7)	-	0.7
	Loss on revision of retirement benefit plan	(1.3)	-	1.3
	Early retirement benefits	(0.3)	-	0.3
	Business reorganization expenses	(1.5)	-	1.5
	Loss on devaluation of investment securities	(0.7)	(0.2)	0.5
	Loss on devaluation of inventories	-	(0.1)	(0.1)
<b>Extraordinary gains and losses</b>		<b>7.4</b>	<b>(1.9)</b>	<b>(9.1)</b>
<b>Change in income before income taxes and minority interests</b>		<b>17.9</b>	<b>8.8</b>	<b>(9.0)</b>
<b>Change in income taxes and minority interests (loss)</b>		<b>(10.3)</b>	<b>(4.3)</b>	<b>6.0</b>
<b>Change in net income</b>		<b>7.6</b>	<b>4.5</b>	<b>(3.1)</b>

**Consolidated Results (Year Ended December 31, 2009)**

**3. Condensed Consolidated Balance Sheets**

(billions of yen)

	As of December 31, 2008	As of December 31, 2009	Change	
<b>Current assets</b>	129.4	102.2	(27.1)	
Cash and cash equivalents	22.4	6.3	(16.1)	
Notes and accounts receivable - trade	62.2	60.1	(2.1)	
Inventories	21.4	22.9	1.5	
Other	23.2	12.8	(10.4)	Other accounts receivable (beer gift vouchers) - 5.9
<b>Fixed assets</b>	397.8	404.5	6.7	
Property, plant and equipment	340.1	339.7	(0.4)	
Investments and other assets	57.6	64.8	7.1	Mainly increase in investment securities
<b>Total assets</b>	527.2	506.8	(20.4)	
<b>Current liabilities</b>	213.2	169.2	(43.9)	
Notes and accounts payable - trade	23.8	20.1	(3.6)	
Short-term bank loans	63.5	46.8	(16.6)	
Other	125.8	102.2	(23.6)	Deposits received (beer gift vouchers) -19.6
<b>Long-term liabilities</b>	197.2	219.0	21.8	
Long-term debt	125.7	150.7	24.9	
Employees' retirement benefits	7.5	7.4	0.0	
Other	63.9	60.8	(3.0)	
<b>Total liabilities</b>	410.4	388.2	(22.1)	
<b>Total net assets</b>	116.8	118.5	1.7	
<b>Total liabilities and net assets</b>	527.2	506.8	(20.4)	

**Condensed Balance Sheets by Operating Company**

(billions of yen)

As of December 31, 2009	Sapporo Breweries Ltd.	Sapporo International Inc.	Sapporo Beverage Co. Ltd.	Sapporo Lion Ltd.	Yebisu Garden Place Co., Ltd.
Current assets	73.9	0.4	13.0	1.7	3.4
Fixed assets	170.3	32.1	2.2	11.6	158.1
<b>Total assets</b>	244.2	32.5	15.3	13.3	161.5
Current liabilities	171.7	0.9	7.0	2.4	17.4
Long-term liabilities	47.1	1.9	6.3	1.7	95.4
(Of which, financial liabilities) *1	82.5	2.6	4.2	—	87.9
<b>Total net assets</b>	25.3	29.5	1.8	9.1	48.6
<b>Total liabilities and net assets</b>	244.2	32.5	15.3	13.3	161.5

\*1: Financial liabilities include the balance in lease obligation.

**Consolidated Forecasts (Year Ending December 31, 2010)**

**4. Condensed Consolidated Statements of Income**

(billions of yen)

	Year ended December 31, 2009	Year ending December 31, 2010	Change	Change (%)
Alcoholic Beverages	305.4	311.0	5.5	1.8
<i>Japan</i>	282.9	285.0	2.1	0.7
<i>International</i>	22.5	26.0	3.4	15.1
Soft Drinks	30.7	32.0	1.3	4.1
Restaurants	28.0	27.0	(1.0)	(3.7)
Real Estate	23.2	24.5	1.2	5.3
Net sales	387.5	394.5	6.9	1.8
Alcoholic Beverages	8.1	8.3	0.1	1.5
<i>Japan</i>	7.4	7.5	0.0	0.2
<i>International</i>	0.6	0.8	0.1	15.4
Soft Drinks	0.3	0.7	0.4	132.5
Restaurants	(0.1)	0.2	0.4	-
Real Estate	7.5	8.0	0.5	6.3
General corporate and intercompany eliminations	(2.9)	(3.7)	(0.8)	-
Operating income	12.8	13.5	0.6	4.7
Non-operating income	2.2	2.1	(0.1)	(5.7)
Non-operating expenses	4.3	4.6	0.2	4.6
Ordinary income	10.7	11.0	0.2	2.6
Extraordinary gains	0.9	0.0	(0.9)	(100.0)
Extraordinary losses	2.8	2.3	(0.5)	(18.4)
Income before income taxes and minority interests	8.8	8.7	(0.2)	(2.0)
Income taxes	4.3	4.0	(0.3)	(8.1)
Minority interests (loss)	(0.0)	(0.1)	(0.1)	-
Net income	4.5	4.8	0.2	5.8

Consolidated	Year ended December 31, 2009	Year ending December 31, 2010	Change	Change (%)
Financial liabilities *1	197.5	210.0	12.5	6.3
Capital expenditures (cash basis)	21.8	33.2	11.4	52.0
Depreciation and amortization	22.5	22.8	0.3	1.3

Operating income to net sales (excluding liquor tax) (%)	4.9	5.0	0.1	
Debt-to-equity ratio (times)	1.7	1.7	0.1	
Return on equity (%)	3.9	4.0	0.1	

\*1: Financial liabilities include the balance of lease obligations.

Consolidated Forecasts (Year Ending December 31, 2010)

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

(billions of yen)

	Details	Year ended December 31, 2009	Year ending December 31, 2010	Change
Beer and related products	Total	5.8	5.9	0.1
Marginal profit	Sub total			4.5
	Increase (decrease) in volume / Product mix (Beer +0.3, Happoshu -1.5, New genre +5.3, Product mix +0.1)			4.2
	Decrease in production costs			0.3
Fixed and other costs	Sub total			(4.4)
	Depreciation of new sales and logistics system			(1.6)
	Sales promotion costs			(1.5)
	Other			(1.3)
Wine and spirits		0.6	0.6	0.0
Other		1.0	1.0	0.0
<b>Alcoholic Beverages (Japan)</b>		<b>7.4</b>	<b>7.5</b>	<b>0.0</b>
	Increase in volume / Product mix			1.4
	Increase in marketing expenses			(0.6)
	Other			(0.5)
	Business in Vietnam			(0.2)
<b>Alcoholic Beverages (International)</b>		<b>0.6</b>	<b>0.8</b>	<b>0.1</b>
	Decrease in volume / Product mix			0.0
	Decrease in production costs			0.4
	Other costs			(0.3)
	Food business			0.3
<b>Soft Drinks</b>		<b>0.3</b>	<b>0.7</b>	<b>0.4</b>
	Existing stores			0.3
	New stores / Refurbished stores			0.1
<b>Restaurants</b>		<b>(0.1)</b>	<b>0.2</b>	<b>0.4</b>
	Sales			0.0
	Rent			0.5
<b>Real Estate</b>		<b>7.5</b>	<b>8.0</b>	<b>0.5</b>
<b>General corporate and intercompany eliminations</b>		<b>(2.9)</b>	<b>(3.7)</b>	<b>(0.8)</b>
<b>Change in operating income</b>		<b>12.8</b>	<b>13.5</b>	<b>0.6</b>
	Financial income (expense)	(2.7)	(3.1)	(0.4)
	Equity in income (losses) of affiliates	0.3	0.3	0.0
	Other	0.3	0.3	0.0
<b>Non-operating income and expenses</b>		<b>(2.1)</b>	<b>(2.5)</b>	<b>(0.4)</b>
<b>Change in ordinary income</b>		<b>10.7</b>	<b>11.0</b>	<b>0.2</b>
	Gain on sales of property, plant and equipment	0.9	-	(0.9)
	Other extraordinary gains	0.0	-	(0.0)
	Loss on disposal of property, plant and equipment	(1.5)	(1.0)	0.5
	Impairment loss on property, plant and equipment	(0.9)	-	0.9
	Loss on devaluation of investment securities	(0.2)	-	0.2
	Loss on devaluation of inventories	(0.1)	-	0.1
	Other extraordinary losses	-	(1.3)	(1.3)
<b>Extraordinary gains and losses</b>		<b>(1.9)</b>	<b>(2.3)</b>	<b>(0.4)</b>
<b>Change in income before income taxes and minority interests</b>		<b>8.8</b>	<b>8.7</b>	<b>(0.2)</b>
<b>Change in income taxes and minority interests (loss)</b>		<b>(4.3)</b>	<b>(3.9)</b>	<b>0.4</b>
<b>Change in net income</b>		<b>4.5</b>	<b>4.8</b>	<b>0.2</b>

\* Assumed exchange rates: US\$1 = 90 yen, CAN\$1 = 82 yen

<b>Reference Materials</b>
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## 6. Major Sales Volume Data

### Beer (Japan)

(10,000 cases)

	Jan. 1 - Dec. 31, 2009	Year on year (%)	Year ending Dec.31, 2010	Year on year (%)
Sapporo Black Label	1,948	90	1,890	97
Yebisu (total)	1,060	98	1,200	113
1. Beer (total)	3,234	91	3,250	101
2. Happoshu (total)	319	55	200	63
Mugi to Hop	1,107	216	1,500	136
3. New genre beverages	1,912	127	2,290	120
Beer, happoshu, and new genre (total; 1 + 2 + 3)	5,465	97	5,740	105

### Beer (International)

(10,000 cases)

	Jan. 1 - Dec. 31, 2009	Year on year (%)	Year ending Dec.31, 2010	Year on year (%)
Sleeman Breweries Ltd. *1	1,045	110	1,190	114
Sapporo brand	212	85	252	119

\*1 Excludes contracted manufacturing for the Sapporo brand

### Wine and Spirits

(10,000 cases)

	Jan. 1 - Dec. 31, 2009	Year on year (%)	Year ending Dec.31, 2010	Year on year (%)
Domestic wines	103	78	103	100
Imported wines	68	92	68	100
Wine (total)	171	83	171	100
Spirits	53	102	54	102
Wine and spirits (total)	224	87	225	100

### Shochu

(billions of yen)

	Jan. 1 - Dec. 31, 2009	Year on year (%)	Year ending Dec.31, 2010	Year on year (%)
Shochu	11.4	104	9.3	82

### Soft Drinks

(10,000 cases)

	Jan. 1 - Dec. 31, 2009	Year on year (%)	Year ending Dec.31, 2010	Year on year (%)
Soft Drinks	1,996	82.0	1,950	98.0

<b>Reference Materials</b>
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## 7. Financial Highlights (Consolidated Full-year Results (Forecast) , 2001 – 2010)

### Consolidated Financial Results

(billions of yen)

	Year ended December 31, 2001	Year ended December 31, 2002	Year ended December 31, 2003	Year ended December 31, 2004	Year ended December 31, 2005
Net sales	557.2	511.7	479.5	494.9	453.6
Operating income	19.7	10.9	13.3	23.6	10.3
Ordinary income	9.4	2.3	6.7	18.0	6.6
Net income	4.3	1.1	2.4	4.6	3.6
Total assets	729.6	717.4	630.6	602.1	563.8
Total net assets	105.9	106.5	87.3	92.2	111.4
Financial liabilities	372.8	364.3	323.3	289.8	220.7
Capital expenditures	12.6	11.9	8.8	8.3	12.5
Depreciation and amortization	32.3	31.4	28.4	25.3	22.0

	Year ended December 31, 2006	Year ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2009	Year ending December 31, 2010 (Forecast)
Net sales	435.0	449.0	414.5	387.5	394.5
Operating income	8.6	12.3	14.6	12.8	13.5
Ordinary income	5.8	8.1	10.5	10.7	11.0
Net income	2.3	5.5	7.6	4.5	4.8
Total assets	589.5	561.8	527.2	506.8	
Total net assets	113.5	125.1	116.8	118.5	
Financial liabilities	236.0	212.4	189.2	197.5	210.0
Capital expenditures	21.8	19.8	27.3	21.8	33.2
Depreciation and amortization	21.9	24.5	21.6	22.5	22.8