Financial Results
for the Three Months Ended March 31, 2010—Consolidated

April 30, 2010

Company name **Sapporo Holdings Limited**

Security code	2501
Listings	Tokyo Stock Exchange (First Section); Sapporo Securities Exchange
URL	http://www.sapporoholdings.jp/english/
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Scheduled dates:

Filing of financial reports	May 13, 2010
Commencement of dividend payments	—

1. Consolidated Financial Results for the Three Months Ended March 31, 2010 (January 1 – March 31, 2010)

(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	%
Three months ended March 31, 2010	77,130	(5.5)	(3,583)	-	(4,143)	-	(2,978)	-
Three months ended March 31, 2009	81,622	-	(3,370)	-	(3,839)	-	(3,284)	-

	Net income per share	Diluted net income per share
	yen	yen
Three months ended March 31, 2010	(7.60)	-
Three months ended March 31, 2009	(8.38)	-

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
March 31, 2010	498,879	115,676	22.9	291.65
December 31, 2009	506,874	118,590	23.4	302.16

Note: Shareholders' equity
March 31, 2010: 114,246 million yen
December 31, 2009: 118,371 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, 2009	-	0.00	-	7.00	7.00
Year ending December 31, 2010	-				
Year ending December 31, 2010 (forecast)		0.00	-	7.00	7.00

Note: No changes were made to dividend forecasts in the three months ended March 31, 2010.

3. Forecast of Consolidated Earnings for the Year Ending December 31, 2010 (January 1 – December 31, 2010)

(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, 2010	184,000	0.9	(500)	-	(2,000)	-	(2,000)	-	-
Full year	394,500	1.8	13,500	4.7	11,000	2.6	4,800	5.8	12.30

Note: No changes were made to earnings forecasts in the three months ended March 31, 2010.

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 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):
March 31, 2010: 393,971,493 shares
December 31, 2009: 393,971,493 shares

2) Number of shares held in treasury at end of period:
March 31, 2010: 2,245,943 shares
December 31, 2009: 2,218,784 shares

3) Average number of outstanding shares during the period:
Three months ended March 31, 2010: 391,732,438 shares
Three months ended March 31, 2009: 391,915,082 shares

Appropriate Use of Earnings Forecasts and Other Important Information

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.

1. Analysis of Operating Results

a) Consolidated Financial Results for the Three Months ended March 31, 2010

In the first quarter (January 1 – March 31, 2010), consolidated net sales fell to ¥77.1 billion, down ¥4.4 billion or 6% from the year-earlier quarter, as domestic alcoholic beverage sales, soft drink sales, and restaurant sales declined amid adverse conditions posed by the economic downturn and unseasonable weather. In response, the Group implemented cost controls, particularly to reduce production and sales promotion expenses. Despite these efforts, the Group's first-quarter consolidated operating and ordinary losses respectively widened to ¥3.5 billion and ¥4.1 billion (from year-earlier levels of ¥3.3 billion and ¥3.8 billion, respectively), but its net loss narrowed to ¥2.9 billion (from ¥3.2 billion in the year-earlier quarter).

Segment Information

Seasonal Factors

The Group's operating results exhibit substantial seasonal variation because demand for the Alcoholic Beverages, Soft Drinks, and Restaurant businesses' products tend to be disproportionately concentrated in the summer months. Sales and profits consequently tend to be lower in the first quarter than in the other three quarters.

Year-over-year comparisons are included below for reference.

Alcoholic Beverages

Alcoholic Beverages (Japan)

In the Japanese beer and beer-type beverages market, aggregate demand contracted an estimated 4% year over year in the first quarter amid unseasonable weather and continued belt-tightening among consumers.

Demand continued to shift to low-priced new genre beers, unit sales of which were up 14% year over year, while unit sales of conventional beer and *happoshu* (low-malt beer) fell short of their year-earlier levels.

Amid such an environment, the Japanese Alcoholic Beverages business is pursuing its 2010 priorities under the slogan of “Bringing more cheer to your ‘Cheers!’” (translated from the Japanese). Specifically, it is endeavoring to create and cultivate growth brands while strengthening its core Sapporo Draft Beer Black Label, Yebisu, and *Mugi to Hop* brands through concentrated allocation of resources.

The Yebisu brand outperformed the overall beer market, with unit sales down only 3% year over year. Its unit sales were bolstered by Yebisu Silk, which was relaunched this year as a year-round product after achieving popularity even amid an adverse market environment. Sapporo Draft Beer Black Label’s unit sales fell 9% year over year under the weight of consumers’ growing preference for low-priced products and a demand slump in the commercial market. Overall, conventional beer sales decreased 8% year over year in unit terms, roughly in line with aggregate demand’s rate of decline.

In the new genre category, unit sales grew a robust 24% year over year, buoyed by strong sales of *Mugi to Hop*, which was rebranded in January with the slogan “So tasty you’ll think it’s real beer” (translated from the Japanese). Sapporo Creamy White, a new product developed by our new product development team and test-marketed in a limited geographic area, was well received by consumers. Total new genre unit sales declined 1% year over year, partly because the year-over-year comparison base was elevated by a new product launch in March 2009. Overall, the domestic beer business’s unit sales were down 6% year over year in the first quarter.

In the wine and liquor business, sales were down year over year, but profits were roughly flat year over year, bolstered by cost-cutting and improvement in the sales mix. The *shochu* business likewise achieved profit growth through cost cutting despite a year-over-year decline in sales.

In terms of costs, the Japanese Alcoholic Beverages business continued to strengthen cost controls while focusing its cost-cutting efforts on reducing production and sales promotion expenses.

Overall, the Japanese Alcoholic Beverage business incurred an operating loss of ¥3.8 billion (versus a ¥3.3 billion loss in the year-earlier quarter) on sales of ¥53.7 billion (down ¥5.2 billion or 9% year over year).

Alcoholic Beverages (International)

North American beer demand remained sluggish despite signs of partial recovery in consumer spending, with aggregate demand estimated to have contracted several percent. While beer consumption has held relatively firm in the household market, it is still depressed in the commercial market. Outside of North America, beer demand is in a recovery trend, spearheaded by Asia with its strong economic growth momentum.

Amid such an environment, the International Alcoholic Beverages business proactively conducted sales activities targeted at the premium market segment that is its forte. Canadian subsidiary SLEEMAN BREWERIES' unit sales (excluding outsourced production of Sapporo brand products) increased 7% year over year while Sapporo USA's Sapporo brand unit-sales grew 26% year over year. Elsewhere, Sapporo USA's overseas unit sales grew 59% year over year, with most of this growth derived from Asia.

In December 2009, we reached a decision to enter Vietnam. We are currently preparing to build a brewery, formulating a marketing strategy, and building a distribution network in preparation for locally producing and selling beer in partnership with the state-owned Vietnam National Tobacco Corp.

The International Alcoholic Beverages business incurred an operating loss of ¥300 million (versus a ¥400 million loss in the year-earlier quarter) on sales of ¥5.2 billion (up ¥900 million or 23% year over year).

Soft Drinks

The domestic soft drink market environment remained inclement due to sluggish economic conditions compounded by continued erratic weather, resulting in an estimated 2% decrease in aggregate demand.

Against such a backdrop, the Soft Drinks business focused its marketing strategy on cultivating and strengthening existing brands and intensively allocated marketing expenditures and sales-force resources to core brand products.

This spring, we did a complete brand renewal of Gabunomi for the first time in three years. We endeavored to expand sales channels for the Ribbon brand, particularly Ribbon Citron, now in its 101st year on the market. For Gerolsteiner naturally carbonated water from Germany, we introduced new products for the vending machine channel, aggressively conducted consumer trials, and expanded points of contact with consumers. However, the Soft Drinks business's overall unit sales fell 7% year over year, mainly as a result of a falloff in unit sales of ready-to-drink green tea.

In terms of costs, we implemented cost-structure reforms throughout the value chain, including production, purchasing, and logistics operations, partly by tapping into synergies derived from our alliance with Pokka Corporation, in the aim of building a stable earnings foundation.

The food business is experiencing brisk sales growth as it continues to scale up to meet customers' needs. It expanded production capacity for Sapporo Potekaru non-fried potato chips, a popular new product launched in 2009, and also unveiled product improvements and redesigned packaging in March.

Overall, the Soft Drinks business incurred an operating loss of ¥200 million (unchanged from the year-earlier quarter) on net sales of ¥6.2 billion (down ¥300 million or 5% year over year).

Restaurants

The Japanese restaurant industry is beset by intensifying price competition as increasingly frugal consumers dine out less frequently. Although some fast food chains have seen a rebound in customer traffic in response to price cuts, most pubs' sales have continued to decline despite any price reductions, which have generally failed to stimulate enough growth in customer traffic to offset the price reductions.

Amid such an environment, our Restaurant business's like-for-like sales have continued to track below their year-earlier level, but we endeavored to differentiate our restaurants through such means as offering menu specials made with seasonal ingredients while avoiding homogenized competition and cut-price competition. By virtue of these efforts, sales' rate of decline decreased in the first quarter.

We ended the first quarter with a total of 210 locations after opening two new restaurant locations during the quarter and closing three others in conjunction with profit-structure reform. Specifically, we opened a second Yebisu Bar location and a Brasserie Ginza Lion beer hall at Kasumigaseki Common Gate in January.

The Restaurant business incurred an operating loss of the ¥300 million (versus a ¥400 million loss in the year-earlier quarter) on sales of ¥6.1 billion (down ¥100 million or 2% year over year).

Real Estate

In the Greater Tokyo office leasing market, both vacancy rates and rents remain in deterioration trends, albeit with some signs of stabilization recently emerging.

Amid such an environment, our Real Estate business has been endeavoring to maintain or boost rents and occupancy rates and realize additional cost savings at existing properties. It has successfully maintained high occupancy rates at our office properties in Greater Tokyo. Among our development projects, sales are progressing at Chikasu Garden Terrace, a condominium development in Nagoya. Construction is proceeding on schedule at our development project in Shinjuku, Tokyo, which is slated to be ready for occupancy by mid-year. Several recently acquired properties also contributed to the Real Estate business's first-quarter earnings, including Rose City Higashi Sapporo, a rental housing complex in Sapporo acquired last year; Ebisu Square, an office building in Ebisu, Tokyo; and MLB café Tokyo, a commercial property.

The Real Estate business earned operating income of ¥1.8 billion (up ¥100 million or 7% year over year) on revenues of ¥5.7 billion (up ¥100 million or 3% year over year).

2. Review of Consolidated Financial Condition

a) Consolidated Financial Condition

Consolidated assets totaled ¥498.8 billion at March 31, 2010, a ¥7.9 billion decrease from December 31, 2009. The decrease was the net result of several factors, a decrease in notes and accounts receivable, an increase in other intangible assets, resulting from commissioning of a new sales and logistics system, and the associated decrease in construction in progress.

Consolidated liabilities totaled ¥383.2 billion, a ¥5.0 billion decrease from December 31, 2009. The decrease was chiefly attributable to decreases in liquor taxes payable and deposits received, partially offset by growth in long-term bank loans.

Consolidated net assets totaled ¥115.6 billion, a ¥2.9 billion decrease from December 31, 2009. The decrease was mainly due to a year-end dividend distribution and the first quarter's net loss.

b) Consolidated Cash Flows

Consolidated cash flows were as follows in the first quarter.

Operating activities provided net cash of ¥100 million. Major sources of operating cash flow included depreciation of ¥5.6 billion and a ¥16.3 billion decrease in trade receivables. Major uses of operating cash flow included a pretax loss of ¥3.8 billion and a ¥17.2 billion decrease in liquor taxes payable.

Investing activities used net cash of ¥3.5 billion. Major investment outflows included ¥800 million spent to acquire investment securities and ¥2.7 billion spent to acquire property, plant and equipment.

Financing activities provided net cash of ¥11.5 billion. Major financing inflows included a ¥9.8 billion increase in short-term bank loans and ¥10 billion in proceeds from long-term bank loans. Major outflows included ¥5.9 billion in repayments of long-term bank loans.

As a result of the above cash flows, cash and cash equivalents totaled ¥14.3 billion at March 31, 2010.

3. Consolidated Earnings Forecast

Our consolidated earnings forecast for the fiscal year ending December 31, 2010, remains unchanged from that announced on February 12, 2010.

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, which encompasses the three months ended March 31, 2010, 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

Change in accounting standard for recognizing revenues from and costs of completed construction

Effective the first quarter of the fiscal year ending December 31, 2010, the Company adopted the *Accounting Standard for Construction Contracts* (ASBJ Statement No. 15, December 27, 2007) and its accompanying *Guidance on Accounting Standard for Construction Contracts* (ASBJ Guidance No. 18, December 27, 2007) for recognizing revenues associated with contracted construction. All construction contracts, including those in existence at the beginning of the quarter, for which certain elements were determinable with certainty at end of the first quarter (March 31, 2010) were accounted for with the percentage-of-completion method.

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, 2010	December 31, 2009
Assets		
I Current assets		
1 Cash and cash equivalents	14,514	6,387
2 Notes and accounts receivable - trade	43,929	60,120
3 Marketable securities	12	47
4 Merchandise and finished products	13,613	13,258
5 Raw materials and supplies	9,639	9,689
6 Other	12,501	12,966
7 Allowance for doubtful receivables	(174)	(192)
Total current assets	94,035	102,277
II Fixed assets		
1 Property, plant and equipment		
(1) Buildings and structures	361,650	361,276
Accumulated depreciation	(186,840)	(184,898)
Buildings and structures, net	174,810	176,378
(2) Machinery and vehicles	183,147	182,373
Accumulated depreciation	(139,977)	(138,387)
Machinery and vehicles, net	43,169	43,986
(3) Land	84,397	84,384
(4) Construction in progress	5,573	8,487
(5) Other	20,431	19,784
Accumulated depreciation	(15,239)	(15,182)
Other, net	5,192	4,601
Total property, plant and equipment	313,142	317,838
2 Intangible assets		
(1) Goodwill	15,729	14,926
(2) Other	10,335	6,967
Total intangible assets	26,064	21,894
3 Investments and other assets		
(1) Investment securities	37,433	35,390
(2) Long-term loans receivable	10,572	11,072
(3) Deferred tax assets	4,589	4,824
(4) Other	14,813	15,339
(5) Allowance for doubtful receivables	(1,772)	(1,763)
Total investments and other assets	65,636	64,863
Total fixed assets	404,843	404,596
Total assets	498,879	506,874
Liabilities		
I Current liabilities		
1 Notes and accounts payable	18,979	20,185
2 Short-term bank loans	45,379	36,735
3 Current portion of long-term debt	10,000	10,000
4 Liquor taxes payable	17,986	35,242
5 Income taxes payable	620	843
6 Accrued bonuses	3,366	1,638
7 Deposits received	23,997	27,084
8 Other	38,061	37,523
Total current liabilities	158,393	169,252
II Long-term liabilities		
1 Bonds	43,843	43,843
2 Long-term bank loans	111,730	106,216
3 Deferred tax liabilities	12,126	12,097
4 Employees' retirement benefits	7,417	7,487
5 Directors' and corporate auditors' severance benefits	42	45
6 Dealers' deposits for guarantees	32,398	32,011
7 Other	17,251	17,330
Total long-term liabilities	224,810	219,032
Total liabilities	383,203	388,284
Net Assets		
I Shareholders' equity		
1 Common stock	53,886	53,886
2 Capital surplus	46,318	46,318
3 Retained earnings	14,565	20,286
4 Treasury stock, at cost	(1,144)	(1,131)
Total shareholders' equity	113,625	119,360
II Valuation and translation adjustments		
1 Unrealized holding gain on securities	3,759	2,637
2 Deferred hedge gains(losses)	(6)	0
3 Foreign currency translation adjustments	(3,131)	(3,627)
Total valuation and translation adjustments	620	(988)
III Minority Interests	1,429	218
Total net assets	115,676	118,590
Total liabilities and net assets	498,879	506,874

(2) Consolidated Statements of Income

(in millions of yen)

	Three months ended March 31, 2009	Three months ended March 31, 2010
	Amount	Amount
I Net sales	81,622	77,130
II Cost of sales	58,148	53,761
Gross profit	23,473	23,368
III Selling, general and administrative expenses		
1 Sales incentives and commissions	4,090	4,121
2 Advertising and promotion expenses	6,023	5,547
3 Salaries	3,750	3,909
4 Provision for bonuses	1,055	1,097
5 Retirement benefit expenses	765	716
6 Other	11,157	11,559
Total selling, general and administrative expenses	26,843	26,952
Operating loss	(3,370)	(3,583)
IV Non-operating income		
1 Interest income	95	107
2 Dividend income	121	83
3 Foreign exchange gain	47	-
4 Gain (loss) on gift voucher redemptions	-	151
5 Other	229	297
Total non-operating income	493	639
V Non-operating expenses		
1 Interest expense	860	895
2 Equity in loss of affiliates	44	275
3 Foreign exchange loss		6
4 Other	58	21
Total non-operating expenses	963	1,199
Ordinary loss	(3,839)	(4,143)
VI Extraordinary gains		
1 Gain on sales of property, plant and equipment	2	0
2 Gain on sales of investment securities	-	1
3 Reversal of provision for doubtful receivables	19	16
4 Reversal of removal costs	-	569
Total extraordinary gains	21	587
VII Extraordinary losses		
1 Loss on disposal of property, plant and equipment	264	194
2 Loss on devaluation of investment securities	137	91
3 Loss on devaluation of inventories	125	-
Total extraordinary losses	527	286
Loss before income taxes and minority interests	(4,345)	(3,842)
Income taxes	(1,063)	(863)
Minority interests	2	0
Net loss	(3,284)	(2,978)

β) Consolidated Statements of Cash Flows

(in millions of yen)

	Three months ended March 31, 2009	Three months ended March 31, 2010
	Amount	Amount
I Cash flows from operating activities		
1 Loss before income taxes and minority interests	(4,345)	(3,842)
2 Depreciation and amortization	5,602	5,686
3 Amortization of goodwill	248	262
4 Increase (decrease) in employees' retirement benefits	(47)	(70)
5 Increase (decrease) in allowance for doubtful receivables	(22)	(10)
6 Interest and dividend income	(216)	(190)
7 Interest expense	860	895
8 (Gain) loss on sales and disposal of property, plant and equipment	262	193
9 (Gain) loss on devaluation of investment securities	137	91
10 (Increase) decrease in notes and accounts receivable - trade	17,059	16,382
11 (Increase) decrease in inventories	(2,067)	(146)
12 (Increase) decrease in other current assets	6,847	1,272
13 Increase (decrease) in notes and accounts payable	(2,509)	(1,306)
14 Increase (decrease) in liquor taxes payable	(16,602)	(17,279)
15 Increase (decrease) in deposits received	(6,226)	(3,086)
16 Other	528	2,354
Sub total	(491)	1,206
17 Interest and dividends received	460	439
18 Interest paid	(582)	(802)
19 Income taxes paid	(428)	(683)
Net cash provided by (used in) operating activities	(1,042)	159
II Cash flows from investing activities		
1 Purchases of investment securities	(1,610)	(837)
2 Purchases of property, plant and equipment	(2,398)	(2,768)
3 Proceeds from sales of property, plant and equipment	364	0
4 Purchases of intangibles	(1,010)	(135)
5 Other	(238)	179
Net cash provided by (used in) investing activities	(4,893)	(3,561)
III Cash flows from financing activities		
1 Net increase (decrease) in short-term bank loans	4,124	9,877
2 Proceeds from long-term bank loans	9,000	10,000
3 Repayment of long-term bank loans	(8,803)	(5,954)
4 Cash dividends paid	(2,326)	(2,339)
5 Other	(7)	(42)
Net cash provided by (used in) financing activities	1,986	11,540
IV Effect of exchange rate changes on cash and cash equivalents	93	(12)
V Net increase (decrease) in cash and cash equivalents	(3,854)	8,126
VI Cash and cash equivalents at beginning of period	22,217	6,267
VII Cash and cash equivalents at end of period	18,362	14,394

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

(5) 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)

(millions of yen)

	Three months ended March 31, 2010 (January 1, 2010 – March 31, 2010)						
	Alcoholic Beverages	Soft Drinks	Restaurants	Real Estate	Total	Corporate and eliminations	Consolidated
Net sales							
(1) Operating revenues	58,996	6,249	6,142	5,741	77,130	-	77,130
(2) Intra-group sales and transfers	1,145	29	-	548	1,723	(1,723)	-
Total	60,142	6,278	6,142	6,289	78,854	(1,723)	77,130
Operating income (loss)	(4,170)	(270)	(338)	1,898	(2,881)	(702)	(3,583)

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 operation of fitness clubs

(3) Changes in Accounting Policies
Change in accounting standard for recognizing revenues from and costs of completed construction
Effective the first quarter of the fiscal year ending December 31, 2010, the Company adopted the *Accounting Standard for Construction Contracts* (ASBJ Statement No.15, December 27, 2007) and its accompanying *Guidance on Accounting Standard for Construction Contracts* (ASBJ Guidance No.18, December 27, 2007) for recognizing revenues associated with contracted construction. All construction contracts, including those in existence at the beginning of the first quarter, for which certain elements were determinable with certainty at end of the first quarter were accounted for with the percentage-of-completion method.
The effect of this change on segment information was negligible.

2. Segment Information by Geographic Area
Three months ended March 31, 2010 (January 1, 2010 – March 31, 2010)

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

3. Overseas Sales
Three months ended March 31, 2010 (January 1, 2010 – March 31, 2010)

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

6. Other Information
Not applicable