



Six Months ended June 30, 2011

Consolidated 1st Half Earnings Report - Supplementary Information

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July 2011

SAPPORO HOLDINGS LTD.

Securities Code 2501

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

Financial highlights (2007~2011)

1st Half Consolidated Financial Highlights

(billions of yen, except percentages, ratios, per-share data, and exchange rates)

		Six months ended June 30, 2007	Six months ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2010	Six months ended June 30, 2011
Net sales	Including liquor tax	211.4	193.4	182.4	177.1	194.4
	Excluding liquor tax	146.4	133.4	125	124.4	144.4
Overseas net sales to total	Excluding liquor tax	9.3%	9.3%	8.3%	10.0%	11.1%
Operating income	Before goodwill amortization	(0.7)	1.5	1.8	1.7	4.1
	After goodwill amortization	(1.2)	1.1	1.3	1.2	3.0
Operating margin	Including liquor tax / after goodwill amortization	-	0.6%	0.7%	0.7%	1.5%
	Excluding liquor tax /before goodwill amortization	-	1.2%	1.5%	1.4%	2.9%
	Excluding liquor tax /after goodwill amortization	-	0.9%	1.1%	1.0%	2.1%
Ordinary income		(2.8)	(0.7)	0.5	0.4	2.0
Net income		(5.5)	9.5	(0.7)	(0.6)	(2.9)
Total assets		582.1	521.1	497.7	509.5	557.0
Net assets		117.2	128.0	113.5	115.6	120.9
Balance of debt (*1)	Gross	229.7	184.0	188.7	212.2	232.3
	Net	222.3	174.9	179.2	201.5	219.3
Debt-to-equity ratio (times)	Gross	2.0	1.4	1.7	1.8	1.9
	Net	1.9	1.4	1.6	1.7	1.8
Capital expenditure	Cash basis	11.3	13.8	8.7	13.6	7.3
Depreciation and amortization		12.5	11.0	11.3	11.4	11.4
Amortization of goodwill		0.4	0.4	0.5	0.5	1.1
EBITDA	Operating income + Depreciation and amortization +Amortization of goodwill	11.3	12.6	13.1	13.1	15.6
Exchange rates (yen) (*2)	US\$	123.27	104.90	95.60	91.36	82.02
	CAN\$	116.23	104.15	79.42	88.34	83.95

Consolidated Financial Results

		Year ended Dec. 31, 2007	Year ended Dec. 31, 2008	Year ended Dec. 31, 2009	Year ended Dec. 31, 2010	Year ending ending Dec. 31, 2011 (forecast)
Net sales	Including liquor tax	449.0	414.5	387.5	389.2	462.0
	Excluding liquor tax	309.7	284.4	264.6	269.8	349.1
Overseas net sales to total	Excluding liquor tax	9.0%	8.8%	8.5%	9.4%	11.4%
Operating income	Before goodwill amortization	13.2	15.5	13.9	16.5	21.0
	After goodwill amortization	12.3	14.6	12.8	15.4	18.0
Operating margin	Including liquor tax / after goodwill amortization	2.8%	3.5%	3.3%	4.0%	3.9%
	Excluding liquor tax /before goodwill amortization	4.3%	5.5%	5.3%	6.1%	6.0%
	Excluding liquor tax /after goodwill amortization	4.0%	5.2%	4.9%	5.7%	5.2%
Ordinary income		8.1	10.5	10.7	14.3	15.5
Net income		5.5	7.6	4.5	10.7	2.7
Total assets		561.8	527.2	506.8	494.7	
Net assets		125.1	116.8	118.5	126.6	
Balance of debt (*1)	Gross	212.4	189.2	196.7	181.3	213
	Net	205.9	166.7	190.4	167.9	204.1
Debt-to-equity ratio (times)	Gross	1.7	1.6	1.7	1.4	1.7
	Net	1.6	1.4	1.6	1.3	1.6
Capital expenditure	Cash basis	19.8	27.3	21.8	19.8	18.0
Depreciation and amortization		24.5	21.6	22.5	22.5	25.2
Amortization of goodwill		0.8	0.8	1.0	1.1	3.0
EBITDA	Operating income + Depreciation and amortization	37.6	37.0	36.4	39.0	46.2
ROE (%)		4.6%	6.3%	3.9%	8.9%	2.2%
EPS (yen sen)	Before goodwill amortization	16.32	21.70	14.19	30.50	14.56
	After goodwill amortization	14.10	19.49	11.57	27.50	6.89
Exchange rates (yen) (*2)	US\$	114.15	103.49	93.65	87.79	88.00
	CAN\$	116.34	97.97	82.30	85.18	87.00

* 1 : The balance of debt includes commercial paper but excludes the balance of lease obligations.

* 2 : Exchange rates for fiscal 2007 and before are year-end rates; for fiscal 2008 and after are annual average rates.

Consolidated Results (Six Months ended June 30, 2011)

Condensed Consolidated Statements of Income (billions of yen)

	Six months ended June 30, 2010	Six months ended June 30, 2011	Change	Change (%)
Japanese Alcoholic Beverages	125.9	118.2	(7.7)	▲6.2%
International Alcoholic Beverages	12.4	12.4	(0.0)	▲0.3%
Soft Drinks	14.5	17.6	3.0	21.1%
POKKA Group	-	24.0	24.0	-
Restaurants	12.4	10.5	(1.9)	▲15.3%
Real Estate	11.3	11.0	(0.2)	▲2.5%
Other	0.2	0.4	0.1	50.9%
Net sales	177.1	194.4	17.2	9.8%
Japanese Alcoholic Beverages	(0.1)	0.0	0.2	-
International Alcoholic Beverages	(0.1)	(0.2)	(0.1)	-
Soft Drinks	0.4	0.5	0.1	27.1%
POKKA Group	-	0.7	0.7	-
Restaurants	(0.4)	(0.6)	(0.2)	-
Real Estate	3.5	4.2	0.7	21.1%
Other	(0.4)	(0.3)	0.0	-
General corporate and intercompany eliminations	(1.6)	(1.3)	0.2	-
Operating income	1.2	3.0	1.7	149.2%
Non-operating income	1.3	1.1	(0.1)	▲10.0%
Non-operating expenses	2.0	2.1	0.0	3.5%
Ordinary income	0.4	2.0	1.5	375.1%
Extraordinary gains	1.2	0.6	(0.5)	▲44.3%
Extraordinary losses	1.4	7.8	6.3	441.9%
Income before income taxed and minor	0.1	(5.1)	(5.3)	-
Income taxes	0.8	(2.2)	(3.0)	-
Minority interests (loss)	0.0	0.0	0.0	303.7%
Net income	(0.6)	(2.9)	(2.2)	-

※1 : Due to the adoption of the Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information and its associated guidance from the first quarter of fiscal 2011, we switched to segmentation methods based on our management approach

2 : Consolidated statements of income that include results of the POKKA Group will be available after the second quarter of fiscal 2011.

Sales Breakdown for Japanese Alcoholic Beverages (billions of yen)

Sales (including liquor tax)

	Six months ended June 30, 2010	Six months ended June 30, 2011	Change	Change (%)
Beer	74.5	68.0	(6.4)	▲8.7%
Happoshu	4.7	3.7	(1.0)	▲22.0%
New genre	33.2	30.9	(2.2)	▲6.8%
Total	112.5	102.6	(9.8)	▲8.7%

Sales (excluding liquor tax)

	Six months ended June 30, 2010	Six months ended June 30, 2011	Change	Change (%)
Beer	36.0	32.8	(3.1)	▲8.8%
Happoshu	2.7	2.1	(0.6)	▲22.3%
New genre	22.9	21.4	(1.5)	▲6.7%
Total	61.7	56.4	(5.3)	▲8.6%

Consolidated Results (Six Months ended June 30, 2011)

Breakdown of Key Changes

(billions of yen)

		Change factor	Six months ended June 30, 2010	Six months ended June 30, 2011	Income change	Details
Beer, etc.	Beer, etc.		(0.6)	(1.4)	(0.8)	
	Marginal profit	(subtotal)			(4.2)	
		Increase (decrease) in volume/product mix.			(3.6)	Beer -2.2 Happoshu -0.4 New genre -1.0 product mix, etc.+0
		Other			(0.6)	Increase of transport cost, etc.
	Fixed costs and other	(subtotal)			3.4	
		Advertising and promotional costs			1.6	
		Facility cost			0.8	Depreciation and amortization decrease +0.4, Repair cost decrease +0.4
		Transfer to extraordinary losses due to disaster			1.4	Fixed cost during production /marketing suspension due to disaster, etc.
		Other			(0.4)	
	Wine and spirits		0.1	0.3	0.2	
Other	Other		0.4	1.2	0.8	Sapporo Premium Alcohol Free, etc.
	Japanese alcoholic business		(0.1)	0.0	0.2	
	North America, etc.		(0.0)	0.2	0.2	
		Increase (decrease) in volume/product mix.			0.1	Increase in volume +0.3, product mix, etc. -0.2
International alcoholic business	Vietnam		(0.1)	(0.4)	(0.3)	
		Marketing expense, etc.			0.1	
Soft drinks business		Increase (decrease) in volume/product mix.			0.0	Increase in volume +0.4, product mix, etc. -0.4
		Manufacturing cost			0.0	
		other costs			0.2	Vending machine cost decrease, etc.
		Amortization of goodwill			(0.1)	
POKKA Group	Soft drinks business		0.4	0.5	0.1	
		Newly consolidated subsidiary			1.0	Consolidated PL from the current second quarter
		Amortization of goodwill			(0.3)	
Real Estate Business	POKKA Group		-	0.7	0.7	
		Existing stores			(0.3)	
		New stores / Renovated stores, etc.			0.0	
Restaurants	Real Estate Business		(0.4)	(0.6)	(0.2)	
		Rent			0.5	
		Sales, etc.			0.2	Sales of real estate for sale, etc.
Other	Restaurants		3.5	4.2	0.7	
		Food business			0.0	
		Other			0.0	
Corporate and eliminations	Other		(0.4)	(0.3)	0.0	
	Corporate and eliminations		(1.6)	(1.3)	0.2	
Change in operating income			1.2	3.0	1.7	
Non-operating income and expenditure		Financial account balance	(1.2)	(1.2)	(0.0)	
		Equity in income (losses) of affiliates	(0.1)	(0.2)	(0.0)	
		Other	0.5	0.5	(0.0)	
Non-operating income and expenditure			(0.8)	(0.9)	(0.2)	
Change in ordinary income			0.4	2.0	1.5	
Extraordinary income and loss		Gain on sale of investment securities	0.6	0.0	(0.5)	
		Gain from changes in equity in affiliated companies	-	0.3	0.3	
		Other extraordinary income	0.6	0.3	(0.3)	
		Loss on retirement of fixed assets	(0.6)	(0.2)	0.3	
		Impairment loss	(0.1)	(0.0)	0.0	
		Asset retirement obligation	-	(1.0)	(1.0)	
		Loss due to gradual acquisition	-	(0.5)	(0.5)	Pokka Corporation
		Loss due to disaster	-	(4.6)	(4.6)	Loss due to the Great East Japan Earthquake
		Other extraordinary loss	(0.7)	(1.1)	(0.3)	Loss on valuation of investment securities, etc.
Extraordinary income and loss			(0.2)	(7.1)	(6.9)	
Pre-tax income			0.1	(5.1)	(5.3)	
Corporate tax, etc. / income and loss of minority shareholders			(0.8)	2.2	3.0	
Net income			(0.6)	(2.9)	(2.2)	

	Six months ended June 30, 2010	Six months ended June 30, 2011
Yen / US\$	91.36	82.02
Yen / CAN\$	88.34	83.95

Consolidated Results (Six Months ended June 30, 2011)
(Segment Information)

(billions of yen)

Six months ended June 30, 2010 (*1)	Japanese Alcoholic Beverages	Internationa l Alcoholic Beverages	Soft Drinks	Pokka Group	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	125.9	12.4	14.5	—	12.4	11.3	0.2	—	177.1
Operating income	(0.1)	(0.1)	0.4	—	(0.4)	3.5	(0.4)	(1.6)	1.2
(Operating income before goodwill amortization)	(0.1)	0.4	0.4	—	(0.4)	3.5	(0.4)	(1.6)	1.7
Sales promotion costs									
Sales incentives and commissions	6.7	0.0	2.2	—	0.0	0.0	0.0	(0.0)	9.1
Advertising and promotion expenses	7.7	0.5	0.1	—	0.5	0.0	0.1	(0.0)	9.1
Promotion items	2.8	0.6	0.0	—	0.0	0.0	0.0	0.0	3.4
Depreciation and amortization	7.1	0.5	0.1	—	0.3	3.0	0.0	0.0	11.4
Amortization of goodwill	0.0	0.5	0.0	—	0.0	0.0	0.0	0.0	0.5
EBITDA (*2)	7.0	1.0	0.6	—	(0.0)	6.6	(0.3)	(1.6)	13.1
Capital expenditures (cash basis)	2.5	0.2	0.0	—	0.4	10.2	0.2	0.0	13.6
Payment of lease obligations	0.0	0.0	0.0	—	0.0	0.0	0.0	0.0	0.0

Six months ended June 30, 2011 (*1)	Japanese Alcoholic Beverages	Internationa l Alcoholic Beverages	Soft Drinks	Pokka Group	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	118.2	12.4	17.6	24.0	10.5	11.0	0.4	—	194.4
Operating income	0.0	(0.2)	0.5	0.7	(0.6)	4.2	(0.3)	(1.3)	3.0
(Operating income before goodwill amortization)	0.0	0.3	0.7	1.1	(0.6)	4.2	(0.3)	(1.3)	4.1
Sales promotion costs									
Sales incentives and commissions	6.5	0.0	3.5	2.3	0.0	0.0	0.0	(0.0)	12.4
Advertising and promotion expenses	7.0	0.5	0.0	0.8	0.4	0.0	0.0	(0.0)	9.0
Promotion items	2.5	0.6	0.0	0.0	0.0	0.0	0.0	0.0	3.2
Depreciation and amortization	6.6	0.5	0.3	1.3	0.2	2.1	0.0	0.0	11.4
Amortization of goodwill	0.0	0.5	0.2	0.3	0.0	0.0	0.0	0.0	1.1
EBITDA (*2)	6.6	0.8	1.1	2.5	(0.3)	6.4	(0.2)	(1.3)	15.6
Capital expenditures (cash basis)	1.5	2.1	0.2	0.3	0.1	2.9	0.0	0.0	7.3
Payment of lease obligations	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.0	1.0

Change	Japanese Alcoholic Beverages	Internationa l Alcoholic Beverages	Soft Drinks	Pokka Group	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	(7.7)	(0.0)	3.0	24.0	(1.9)	(0.2)	0.1	—	17.2
Operating income	0.2	(0.1)	0.1	0.7	(0.2)	0.7	0.0	0.2	1.7
(Operating income before goodwill amortization)	0.2	(0.1)	0.3	1.1	(0.2)	0.7	0.0	0.2	2.4
Sales promotion costs									
Sales incentives and commissions	(0.2)	0.0	1.2	2.3	0.0	0.0	(0.0)	(0.0)	3.3
Advertising and promotion expenses	(0.6)	(0.0)	(0.0)	0.8	(0.0)	0.0	(0.0)	0.0	(0.0)
Promotion items	(0.2)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	(0.2)
Depreciation and amortization	(0.5)	(0.0)	0.1	1.3	(0.0)	(0.9)	0.0	(0.0)	0.0
Amortization of goodwill	0.0	(0.0)	0.2	0.3	0.0	0.0	0.0	0.0	0.6
EBITDA (*2)	(0.3)	(0.1)	0.5	2.5	(0.2)	(0.1)	0.0	0.2	2.4
Capital expenditures (cash basis)	(0.9)	1.9	0.1	0.3	(0.2)	(7.2)	(0.2)	0.0	(6.3)
Payment of lease obligations	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.9

*1 : Due to the adoption of the Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information and its associated guidance from the first quarter of fiscal 2011, we switched to segmentation methods based on our management approach.

*2 : EBITDA = Operating income + Depreciation and amortization + Amortization of goodwill

*3 : Consolidated statements of income that include results of the POKKA Group will be available after the second quarter of fiscal 2011.

Consolidated Results (Six Months ended June 30, 2011)

Condensed Consolidated Balance Sheets

(billions of yen)

	As of December 31, 2010	As of June 30, 2011	Change	Primary Reasons
Current assets	109.7	125.0	15.3	
Cash and cash equivalents	13.3	13.0	(0.3)	
Notes and accounts receivable - trade	61.3	66.4	5.0	
Inventories	22.1	30.2	8.0	
Other	12.8	15.3	2.5	
Fixed assets	385.0	431.9	46.9	
Fixed assets	306.9	331.7	24.8	Increase due to consolidation of the POKKA Group
Goodwill	14.1	41.9	27.8	Increase due to consolidation of the POKKA Group + 20.7 Goodwill arising at acquisition of POKKA shares + 46.6(1Q) Goodwill held by POKKA Corp. + 1.8 Goodwill arising at additional acquisition of shares + 2.5(2Q) Accumulated depreciation for period -0.3 Increase due to acquisition of Sapporo Beverages Co.,Ltd. shares from YK, Crescent Partners+7.5 (Accumulated depreciation for period-0.1)
Investments and other assets	63.9	58.2	(5.7)	
Total assets	494.7	557.0	62.2	
Current liabilities	167.0	214.3	47.2	
Notes and accounts payable - trade	24.3	33.5	9.2	
Short-term debt	48.0	87.9	39.8	Issuance of Commercial Paper
Deposits received	19.2	17.4	(1.7)	
Other	75.3	75.3	(0.0)	
Long-term liabilities	201.1	221.7	20.6	
Long-term debt	133.2	144.4	11.1	
Employees' retirement benefits	7.1	7.5	0.3	
Other	60.6	69.8	9.1	
Total liabilities	368.1	436.0	67.9	
Shareholders' equity	127.3	121.6	(5.7)	
Valuation and translation adjustments	(2.2)	(2.6)	(0.3)	
Minority interests	1.5	2.0	0.4	
Total net assets	126.6	120.9	(5.6)	
Total liabilities and net assets	494.7	557.0	62.2	

Reference: POKKA Group Condensed Balance Sheet

(As of June 30, 2011)

(billions of yen)

Assets		Liabilities/Net Assets	
Account Titles	Amount	Account Titles	Amount
Current assets	25.7	Current liabilities	31.3
Cash and cash equivalents	3.0	Notes and accounts payable	10.3
Notes and accounts receivable	14.5	Short-term debts	9.3
Inventories	5.4	Other	11.5
Other	2.6	Long-term liabilities	10.6
Fixed assets	32.1	Long-term debts	2.0
Property, plant and equipment	24.5	Employees' retirement benefits	0.4
Goodwill	1.7	Other	8.1
Investments and other assets	5.7	Total liabilities	41.9
		Total net assets	15.9
Total assets	57.8	Total liabilities and net assets	57.8

Major Sales and Sales Volume

Beer (Japan)

(10,000 cases)

	Jan. 1 - Jun.30, 2010	Jan. 1 - Jun.30, 2011	YoY	Full-year estimate for fiscal 2011	Fiscal 2010 Actual	YoY
Sapporo Draft Beer Black Label	842	800	95%	1,742	1,842	95%
Yebisu (total)	457	395	87%	1,006	1,091	92%
1 Beer (total)	1,382	1,262	91%	2,943	3,144	94%
2 Happoshu (total)	118	93	78%	180	234	77%
3 New genre beverages	1,012	941	93%	2,157	2,131	101%
Beer, hippos, and new genre (total 1+2+3)	2,512	2,296	91%	5,280	5,510	96%
Sapporo Premium Alcohol Free	—	43	—	120	—	—

Beer (International)

(10,000 cases)

	Jan. 1 - Jun.30, 2010	Jan. 1 - Jun.30, 2011	YoY	Full-year estimate for fiscal 2011	Fiscal 2010 Actual	YoY
SLEEMAN BREWERIES Ltd. (*1)	527	555	105%	1,175	1,099	107%
Sapporo brand	120	137	114%	275	237	116%

*1 : Excludes contracted manufacturing for the Sapporo brand.

Wine and Spirits

(billions of yen)

	Jan. 1 - Jun.30, 2010	Jan. 1 - Jun.30, 2011	YoY	Full-year estimate for fiscal 2011	Fiscal 2010 Actual	YoY
Domestic wines	2.1	2.3	112%	4.6	4.3	107%
Imported wines	3	2.8	94%	6.3	6.5	96%
Wine (total)	5	5.1	101%	10.9	10.8	100%
Wine and spirits (total)	0.6	0.7	101%	1.4	1.4	98%

Shochu

(billions of yen)

	Jan. 1 - Jun.30, 2010	Jan. 1 - Jun.30, 2011	YoY	Full-year estimate for fiscal 2011	Fiscal 2010 Actual	YoY
Shochu (total)	4.2	4.2	100%	8.7	8.6	101%

Soft Drinks Sapporo Beverages

(10,000 cases)

	Jan. 1 - Jun.30, 2010	Jan. 1 - Jun.30, 2011	YoY	Full-year estimate for fiscal 2011	Fiscal 2010 Actual	YoY
Soft Drinks	922	1,022	111%	2,120	2,037	104%

Soft Drinks POKKA Corp.) (*2)

(10,000 cases)

	Apr. 1 - Jun. 30, 2010	Apr. 1 - Jun. 30, 2011	YoY	Full-year estimate for fiscal 2011	Fiscal 2010 Actual	YoY
Soft Drinks	—	787	—	2,327	—	—

*2 : 「-」 is indicated for fiscal 2010 actual of Pokka Corp. due to consolidated PL from the current second quarter.

(Reference Fiscal 2010 Actual (April 1 - June 30) 7,570,000 cases, (April 1 - December 31 2,3390,000 cases)

**Consolidated Forecasts (Year ending December 31, 2011 vs.
Year ended December 31, 2010)**

Condensed Consolidated Statements of Income (billions of yen)

	Year ended December 31, 2010	Revised forecasts for Year ending December, 31, 2011	Change	Change (%)
Japanese Alcoholic Beverages	279.3	271.7	(7.6)	(2.7)%
International Alcoholic Beverages	25.3	29.2	3.8	15.0%
Soft Drinks	33.9	37.8	3.8	11.4%
POKKA Group	—	75.9	75.9	—
Restaurants	26.4	23.7	(2.7)	(10.3)%
Real Estate	23.5	22.4	(1.1)	(4.8)%
Other	0.6	1.3	0.6	104.8%
Net sales	389.2	462.0	72.7	18.7%
Japanese Alcoholic Beverages	9.2	9.8	0.5	6.1%
International Alcoholic Beverages	0.5	0.1	(0.4)	(80.1)%
Soft Drinks	1.2	1.0	(0.2)	(22.3)%
POKKA Group	—	2.5	2.5	—
Restaurants	0.1	0.0	(0.1)	(100.0)%
Real Estate	8.0	8.0	0.0	0.0%
Other	(0.7)	(0.4)	0.3	—
General corporate and intercompany eliminations	(3.0)	(3.0)	0.0	—
Operating income	15.4	18.0	2.5	16.9%
Non-operating income	2.9	2.0	(0.9)	(32.0)%
Non-operating expenses	4.0	4.5	0.4	12.1%
Ordinary income	14.3	15.5	1.1	8.2%
Extraordinary gains	17.8	1.0	(16.8)	(94.4)%
Extraordinary losses	14.4	9.1	(5.3)	(36.9)%
Income before income taxes and minority interests	17.7	7.4	(10.3)	(58.3)%
Income taxes	6.9	4.9	(2.0)	(29.9)%
Minority interests	(0.0)	(0.2)	(0.1)	—
Net income	10.7	2.7	(8.0)	(74.9)%

* In accordance with the adoption of the *Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information* and its associated guidance from the first quarter of fiscal 2011, financial results for fiscal 2010 were also presented with segmentation based on the management approach.

Sales Breakdown for Japanese Alcoholic Beverages

Sales (including liquor tax)	(billions of yen)			
	Year ended December 31, 2010	Revised forecasts for Year ending December, 31, 2011	Change	Change (%)
Beer	170.9	159.0	(11.8)	(6.9)%
Happoshu	9.2	7.0	(2.1)	(23.4)%
New genre	69.8	71.1	1.2	1.8%
Total	250.0	237.2	(12.7)	(5.1)%

Sales (excluding liquor tax) (billions of yen)

	Year ended December 31, 2010	Revised forecasts for Year ending December, 31, 2011	Change	Change (%)
Beer	83.3	77.0	(6.2)	(7.5)%
Happoshu	5.2	4.0	(1.2)	(23.6)%
New genre	48.2	49.3	1.0	2.1%
Total	136.9	130.4	(6.4)	(4.7)%

Consolidated Forecasts (Year ending December 31, 2011 vs. Year ended December 31, 2010)

Consolidated Statements of Income Breakdown of key Changes					(billions of yen)
	Details	Year ended December 31, 2010	Revised forecasts for Year ending December, 31, 2011	Change	
Beer and related products	Beer and related products	7.6	7.3	(0.3)	
	Marginal profit	Subtotal		(4.8)	
	Increase (decrease) in volume / Product mix			(3.9)	Beer -3.4 Happoshu -0.9 New genre +0.4 Product mix +0.0
	Other			(0.9)	Increase in transport costs, other factors
	Fixed and other costs	Subtotal		4.5	
	Sales promotion costs			1.6	
	Equipment costs			0.9	Decrease in depreciation and repair costs
	Transfer to disaster losses under extraordinary losses			1.2	Fixed costs incurred during suspension of operation/business due to disaster, other factors
	Other			0.8	
	Wine and spirits	0.8	0.9	0.1	
Other	Other	0.8	1.6	0.8	Sapporo Premium Alcohol Free, other factors
	Japanese Alcoholic Beverages	9.2	9.8	0.5	
	North America and other	0.8	1.4	0.6	
	Increase (decrease) in volume / Product mix			0.9	Increase in volume SLEEMAN 107% Sapporo 116%
International Alcoholic Beverages	Marketing costs			(0.3)	Increase at SLEEMAN and elsewhere
	Other			0.0	
	Business in Vietnam	(0.3)	(1.3)	(1.0)	Development of production/sales systems
	Subtotal	0.5	0.1	(0.4)	
Soft Drinks	Increase (decrease) in volume / Product mix			0.2	Increase in volume +0.3, product mix -0.1
	Production costs			(0.2)	Increase in cost of raw ingredients, other factors
	Other costs			0.4	Decrease in vending machine expenses, other factors
	Amortization of goodwill			(0.6)	
POKKA Group	New consolidated subsidiary			3.5	Results included in consolidated P/L from Q2 2011
	Amortization of goodwill			(1.0)	
	Existing stores			(0.1)	
	New stores / Refurbished stores			(0.0)	
Restaurants	Subtotal	0.1	0.0	(0.1)	
	Rent			0.3	
	Sales			(0.3)	
	Subtotal	8.0	8.0	0.0	
Real Estate	Food business			0.3	
	Other			0.0	Insurance Business
	Subtotal	(0.7)	(0.4)	0.3	
	General corporate and intercompany eliminations	(3.0)	(3.0)	0.0	
Change in operating income		15.4	18.0	2.5	
Non-operating income and expenses	Financial income (expense)	(2.6)	(2.9)	(0.3)	
	Equity in income (losses) of affiliates	0.6	0.0	(0.6)	
	Other	0.9	0.4	(0.5)	
	Subtotal	(1.1)	(2.5)	(1.4)	
Change in ordinary income		14.3	15.5	1.1	
Extraordinary gains and losses	Gain on sales of property, plant and equipment	16.6	—	(16.6)	
	Gain on sales of investment securities	0.7	—	(0.7)	
	Reversal of removal costs	0.6	—	(0.6)	
	Gain on change in equity	—	0.7	0.7	
	Other extraordinary gains	0.1	0.3	0.2	
	Loss on sales/disposal of property, plant and equipment	(10.1)	(1.0)	9.1	
	Impairment losses	(2.4)	—	2.4	
	Business structure improvement expenses	(0.7)	—	0.7	
	Loss on phased acquisition	—	(0.6)	(0.6)	POKKA Corporation
	Effects of asset retirement obligations	—	(1.0)	(1.0)	Adjustments booked as extraordinary loss in first year of application
Change in income before income taxes and minority interests	Disaster losses	—	(5.0)	(5.0)	Loss resulting from the Great East Japan Earthquake
	Other extraordinary losses	(1.3)	(1.5)	(0.2)	
	Subtotal	3.4	(8.1)	(11.5)	
	Subtotal	17.7	7.4	(10.3)	
Change in income taxes and minority interests (loss)		(6.9)	(4.7)	2.2	
Change in net income		10.7	2.7	(8.0)	

	Year ended December 31, 2010	Year ending December 31, 2011 (forecasts)
Yen / US\$	87.79	88.00
Yen / CANS	85.18	87.00

* No change from initial outlook

Fiscal 2011 Business Results Estimates (segment information) YoY

(billions of yen)

Fiscal 2010	Japanese Alcoholic Beverages	International Alcoholic Beverages	Soft Drinks	POKKA Group	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	279.3	25.3	33.9	-	26.4	23.5	0.6	-	389.2
Operating income	9.2	0.5	1.2	-	0.1	8.0	(0.7)	(3.0)	15.4
(Operating income before goodwill amortization)	9.2	1.6	1.3	-	0.1	8.0	(0.7)	(3.0)	16.5
Sales promotion costs									
Sales incentives and commissions	14.3	0.0	5.9	-	0.0	0.0	0.1	(0.0)	20.3
Advertising and promotion expenses	14.4	0.9	0.2	-	1.1	0.3	0.1	(0.0)	17.1
Promotion items	5.8	1.1	0.0	-	0.0	0.0	0.0	0.0	7.0
Depreciation and amortization	14.3	1.0	0.5	-	0.6	5.6	0.1	0.0	22.5
Amortization of goodwill	0.0	1.1	0.0	-	0.0	0.0	0.0	0.0	1.1
EBITDA (*1)	23.5	2.7	1.8	-	0.8	13.6	(0.6)	(3.0)	39.0
Capital expenditures (cash basis)	4.6	2.3	0.3	-	0.6	11.6	0.2	0.0	19.8
Payment of lease obligations	0.0	0.0	0.1	-	0.0	0.0	0.0	0.0	0.2

Fiscal 2011 Estimate	Japanese Alcoholic Beverages	International Alcoholic Beverages	Soft Drinks	POKKA Group	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	271.7	29.2	37.8	75.9	23.7	22.4	1.3	-	462.0
Operating income	9.8	0.1	1.0	2.5	0.0	8.0	(0.4)	(3.0)	18.0
(Operating income before goodwill amortization)	9.8	1.2	1.6	3.8	0.0	8.0	(0.4)	(3.0)	21.0
Depreciation and amortization	13.5	1.2	0.8	4.5	0.6	4.5	0.1	0.0	25.2
Amortization of goodwill	0.0	1.1	0.6	1.3	0.0	0.0	0.0	0.0	3.0
EBITDA (*1)	23.3	2.4	2.4	8.3	0.6	12.5	(0.3)	(3.0)	46.2
Capital expenditures (cash basis)	3.4	3.7	0.2	2.7	0.7	4.4	0.0	0.0	15.1
Payment of lease obligations	0.0	0.0	0.2	2.6	0.0	0.0	0.0	0.0	2.8
	0.0								

Change estimate	Japanese Alcoholic Beverages	International Alcoholic Beverages	Soft Drinks	POKKA Group	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	(7.6)	3.8	3.8	75.9	(2.7)	(1.1)	0.6	-	72.7
Operating income	0.5	(0.4)	(0.2)	2.5	(0.1)	0.0	0.3	0.0	2.5
(Operating income before goodwill amortization)	0.5	(0.4)	0.2	3.8	(0.1)	0.0	0.3	0.0	4.4
Depreciation and amortization	(0.8)	0.1	0.2	4.5	(0.0)	(1.1)	(0.0)	(0.0)	2.6
Amortization of goodwill	0.0	(0.0)	0.5	1.3	0.0	0.0	0.0	0.0	1.8
EBITDA (*1)	(0.2)	(0.3)	0.5	8.3	(0.2)	(1.1)	0.3	0.0	7.1
Capital expenditures (cash basis)	(1.2)	1.3	(0.1)	2.7	0.0	(7.2)	(0.2)	(0.0)	(4.6)
Payment of lease obligations	0.0	(0.0)	0.0	2.6	0.0	0.0	0.0	0.0	2.6

Overview of Segmentation Changes

Reportable segment income refers to operating income. Equity-method affiliates are therefore omitted below.

Old segmentation			New segmentation		
Segment	Consolidated subsidiaries	Business	Segment	Consolidated subsidiaries	
Alcoholic Beverages	SAPPORO BREWERIES LTD.	Beer production and sales	Japanese Alcoholic Beverages	SAPPORO BREWERIES LTD.	
	SAPPORO WINES LIMITED	Wine production and sales		SAPPORO WINES LIMITED	
	YEBISU WINEMART CO., LTD.	Sales of wine, spirits, etc.		YEBISU WINEMART CO., LTD.	
	SAPPORO LOGISTICS SYSTEMS CO., LTD.	Transport and handling of products etc.		SAPPORO LOGISTICS SYSTEMS CO., LTD.	
	TANOSHIMARU SHUZO CO., LTD.	Production and sales of shochu		TANOSHIMARU SHUZO CO., LTD.	
	SAPPORO ENGINEERING LIMITED	Facilities design and management		SAPPORO ENGINEERING LIMITED	
	STARNET CO., LTD.	Sale promotion		STARNET CO., LTD.	
	SAPPORO INTERNATIONAL INC.	Supervision of overseas subsidiaries		NEW SANKO INC.	
	SAPPORO U.S.A., INC.	Beer sales		SAPPORO INTERNATIONAL INC.	
	SAPPORO CANADA INC.	Supervision of Canadian subsidiaries		SAPPORO U.S.A., INC.	
	SLEEMAN BREWERIES LTD.	Beer production and sales		SAPPORO CANADA INC.	
	SAPPORO ASIA PRIVATE LIMITED	Supervision of Asian subsidiaries		SLEEMAN BREWERIES LTD.	
	SAPPORO VIETNAM LIMITED	Beer production and sales		SAPPORO ASIA PRIVATE LIMITED	
Soft Drinks	SAPPORO BEVERAGE CO., LTD.	Soft drink production and sales	International Alcoholic Beverages	SAPPORO VIETNAM LIMITED	
	STELLA BEVERAGE SERVICES CO., LTD.	Soft drink sales		SAPPORO BEVERAGE CO., LTD.	
	STAR BEVERAGE SERVICE CO., LTD.	Soft drink sales		STELLA BEVERAGE SERVICES CO., LTD.	
	SAPPORO FOODS NET CO., LTD.	Supervision of food companies		STAR BEVERAGE SERVICE CO., LTD.	
	SAPPORO FINE FOODS CO., LTD.	Production and sales of confectionary etc.		POKKA CORPORATION	
Restaurant s	SAPPORO LION LIMITED	Management of restaurants	POKKA Group	SUNPOKKA CO., LTD	
	NEW SANKO INC.	Management of restaurants		POKKA CREATE CO., LTD.	
Real Estate	YEBISU GARDEN PLACE CO., LTD.	Real estate leasing	Restaurants	And another 22 companies	
	YGP REAL ESTATE CO., LTD.	Real estate leasing		SAPPORO LION LIMITED	
	SAPPORO URBAN DEVELOPMENT CO., LTD.	Real estate leasing		YEBISU GARDEN PLACE CO., LTD.	
	TOKYO ENERGY SERVICE CO., LTD.	Energy supply		YGP REAL ESTATE CO., LTD.	
	SAPPORO SPORTS PLAZA CO., LTD.	Management of sports facilities		SAPPORO URBAN DEVELOPMENT CO., LTD.	
	YOKOHAMA KEIWA BUILDING CO., LTD.	Real estate leasing		TOKYO ENERGY SERVICE CO., LTD.	
Corporate and elimination	SAPPORO HOLDINGS LTD.	Holding company	Real Estate	SAPPORO SPORTS PLAZA CO., LTD.	
				YOKOHAMA KEIWA BUILDING CO., LTD.	
				SAPPORO FOODS NET CO., LTD.	
			Other	SAPPORO FINE FOODS CO., LTD.	
				SAPPORO GROUP MANAGEMENT LTD. *3, 4	
				SAPPORO HOLDINGS LTD.	

*1: Sapporo Pro Assist Ltd., a functional services company, served all segments under the old segmentation.

*2: Effective March 29, 2011, POKKA Group companies became subsidiaries of Sapporo Holdings Ltd. through the additional acquisition of shares.

*3: Sapporo Group Management Ltd. is a functional services company, which changed its name from Sapporo Pro Assist Ltd. as of March 2011. It provides group companies with some holding-company functions transferred from Sapporo Holdings Ltd. as of March 2011 and offers administrative services to affiliated companies.

*4: Sapporo Group Management Ltd. was categorized into the "Other" segment under the new segmentation because it also conducts insurance businesses.