



## **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)

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

### 1st Half Consolidated Financial Highlights

		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 minority interests	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.	(0.6)	(1.4)	(0.8)	
	Marginal profit			(4.2)	
	(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			3.4	
	(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	0.4	1.2	0.8	Sapporo Premium Alcohol Free, etc.
	<b>Japanese alcoholic business</b>	<b>(0.1)</b>	<b>0.0</b>	<b>0.2</b>	
	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
	Marketing expense, etc.			0.1	
	Vietnam	(0.1)	(0.4)	(0.3)	
	<b>International alcoholic business</b>	<b>(0.1)</b>	<b>(0.2)</b>	<b>(0.1)</b>	
	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)	
	<b>Soft drinks business</b>	<b>0.4</b>	<b>0.5</b>	<b>0.1</b>	
	Newly consolidated subsidiary			1.0	Consolidated PL from the current second quarter
	Amortization of goodwill			(0.3)	
	<b>POKKA Group</b>	<b>-</b>	<b>0.7</b>	<b>0.7</b>	
	Existing stores			(0.3)	
	New stores / Renovated stores, etc.			0.0	
	<b>Restaurants</b>	<b>(0.4)</b>	<b>(0.6)</b>	<b>(0.2)</b>	
	Rent			0.5	
	Sales, etc.			0.2	Sales of real estate for sale , etc.
	<b>Real Estate Business</b>	<b>3.5</b>	<b>4.2</b>	<b>0.7</b>	
	Food business			0.0	
	Other			0.0	
	<b>Other</b>	<b>(0.4)</b>	<b>(0.3)</b>	<b>0.0</b>	
	<b>Corporate and eliminations</b>	<b>(1.6)</b>	<b>(1.3)</b>	<b>0.2</b>	
	<b>Change in operating income</b>	<b>1.2</b>	<b>3.0</b>	<b>1.7</b>	
	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)	
	<b>Non-operating income and expenditure</b>	<b>(0.8)</b>	<b>(0.9)</b>	<b>(0.2)</b>	
	<b>Change in ordinary income</b>	<b>0.4</b>	<b>2.0</b>	<b>1.5</b>	
	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.
	<b>Extraordinary income and loss</b>	<b>(0.2)</b>	<b>(7.1)</b>	<b>(6.9)</b>	
	<b>Pre-tax income</b>	<b>0.1</b>	<b>(5.1)</b>	<b>(5.3)</b>	
	<b>Corporate tax, etc. / income and loss of minority shareholders</b>	<b>(0.8)</b>	<b>2.2</b>	<b>3.0</b>	
	<b>Net income</b>	<b>(0.6)</b>	<b>(2.9)</b>	<b>(2.2)</b>	

	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	International Alcoholic Beverages	Soft Drinks	Pokka Group	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
<b>Net sales</b>	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
<b>Sales promotion costs</b>									
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
<b>Depreciation and amortization</b>									
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
<b>EBITDA (*2)</b>	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	International Alcoholic Beverages	Soft Drinks	Pokka Group	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
<b>Net sales</b>	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
<b>Sales promotion costs</b>									
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
<b>Depreciation and amortization</b>									
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
<b>EBITDA (*2)</b>	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	International Alcoholic Beverages	Soft Drinks	Pokka Group	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
<b>Net sales</b>	(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
<b>Sales promotion costs</b>									
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)
<b>Depreciation and amortization</b>									
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
<b>EBITDA (*2)</b>	(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
<b>Current assets</b>	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	
<b>Fixed assets</b>	385.0	431.9	46.9	
Fixed assets	306.9	331.7	24.8	Increase due to consolidation of the POKKA Group increase due to consolidation of the POKKA Group + 20.7
Goodwill	14.1	41.9	27.8	( Goodwill arising at acquisition of POKKA shares + 16.6 (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)	
<b>Total assets</b>	494.7	557.0	62.2	
<b>Current liabilities</b>	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)	
<b>Long-term liabilities</b>	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	
<b>Total liabilities</b>	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	
<b>Total net assets</b>	126.6	120.9	(5.6)	
<b>Total liabilities and net assets</b>	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
<b>Current assets</b>	25.7	<b>Current liabilities</b>	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
<b>Fixed assets</b>	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	<b>Total liabilities</b>	41.9
		<b>Total net assets</b>	15.9
<b>Total assets</b>	57.8	<b>Total liabilities and net assets</b>	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 and 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		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		0.8	1.6	0.8	Sapporo Premium Alcohol Free, other factors
<b>Japanese Alcoholic Beverages</b>		<b>9.2</b>	<b>9.8</b>	<b>0.5</b>	
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%
	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
<b>International Alcoholic Beverages</b>		<b>0.5</b>	<b>0.1</b>	<b>(0.4)</b>	
	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)	
<b>Soft Drinks</b>		<b>1.2</b>	<b>1.0</b>	<b>(0.2)</b>	
	New consolidated subsidiary			3.5	Results included in consolidated P/L from Q2 2011
	Amortization of goodwill			(1.0)	
<b>POKKA Group</b>		<b>—</b>	<b>2.5</b>	<b>2.5</b>	
	Existing stores			(0.1)	
	New stores / Refurbished stores			(0.0)	
<b>Restaurants</b>		<b>0.1</b>	<b>0.0</b>	<b>(0.1)</b>	
	Rent			0.3	
	Sales			(0.3)	
<b>Real Estate</b>		<b>8.0</b>	<b>8.0</b>	<b>0.0</b>	
	Food business			0.3	
	Other			0.0	Insurance Business
<b>Other</b>		<b>(0.7)</b>	<b>(0.4)</b>	<b>0.3</b>	
<b>General corporate and intercompany eliminations</b>		<b>(3.0)</b>	<b>(3.0)</b>	<b>0.0</b>	
<b>Change in operating income</b>		<b>15.4</b>	<b>18.0</b>	<b>2.5</b>	
	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)	
<b>Non-operating income and expenses</b>		<b>(1.1)</b>	<b>(2.5)</b>	<b>(1.4)</b>	
<b>Change in ordinary income</b>		<b>14.3</b>	<b>15.5</b>	<b>1.1</b>	
	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
	Disaster losses	—	(5.0)	(5.0)	Loss resulting from the Great East Japan Earthquake
	Other extraordinary losses	(1.3)	(1.5)	(0.2)	
<b>Extraordinary gains and losses</b>		<b>3.4</b>	<b>(8.1)</b>	<b>(11.5)</b>	
<b>Change in income before income taxes and minority interests</b>		<b>17.7</b>	<b>7.4</b>	<b>(10.3)</b>	
<b>Change in income taxes and minority interests (loss)</b>		<b>(6.9)</b>	<b>(4.7)</b>	<b>2.2</b>	
<b>Change in net income</b>		<b>10.7</b>	<b>2.7</b>	<b>(8.0)</b>	

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

\* No change from initial outlook



