



SAPPORO

Nine Months ended September 30, 2011

Consolidated Third Quarter Earnings Report - Supplementary Information

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October 2011

Financial Highlight (2007 ~2011)

Third Quarter Consolidated Financial Highlights

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

		Nine months ended September 30, 2007	Nine months ended September 30, 2008	Nine months ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2011
Net sales	Including liquor tax	331.8	306.5	283.1	284.0	324.4
	Excluding liquor tax	230.0	211.4	194.8	198.3	243.7
Overseas net sales to total	Excluding liquor tax	9.1%	9.3%	8.7%	9.8%	11.0%
Operating income	Before goodwill amortization	6.9	9.7	8.6	10.3	14.4
	After goodwill amortization	6.2	9.0	7.8	9.4	12.2
Operating margin	Including liquor tax / after goodwill amortization	1.9%	3.0%	2.8%	3.3%	3.8%
	Excluding liquor tax /before goodwill amortization	3.0%	4.6%	4.4%	5.2%	5.9%
	Excluding liquor tax /after goodwill amortization	2.7%	4.3%	4.0%	4.8%	5.0%
Ordinary income		3.7	6.5	6.2	8.5	10.5
Net income		(1.1)	14.2	2.3	3.3	0.5
Total assets		562.8	512.9	511.9	499.1	543.1
Net assets		121.6	129.3	116.2	119.2	122.4
Balance of debt (*1)	Gross	212.6	172.1	200.5	199.9	218.0
	Net	206.8	156.0	178.9	190.0	209.0
Debt-to-equity ratio (times)	Gross	1.7	1.3	1.7	1.7	1.8
	Net	1.7	1.2	1.5	1.6	1.7
Capital expenditure	Cash basis	16.6	18.2	19.5	17.1	10.4
Depreciation and amortization		18.5	16.2	16.8	17.0	17.8
Amortization of goodwill		0.6	0.6	0.7	0.8	2.1
EBITDA	Operating income + Depreciation and amortization	25.5	26.0	25.4	27.4	32.2
Exchange rates (yen) (*2)	US\$	115.43	105.85	94.97	89.49	80.59
	CAN\$	115.25	103.92	81.40	86.38	82.45

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 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	213.0
	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 +Amortization of goodwill	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 (Nine Months ended September 30, 2011)

Condensed Consolidated Statements of Income

(billions of yen)

	Nine months ended September 30, 2010	Nine months ended September 30, 2011	Change	Change (%)
Japanese Alcoholic Beverages	201.2	191.5	(9.7)	(4.9)%
International Alcoholic Beverages	19.5	19.4	(0.0)	(0.5)%
Soft Drinks	25.4	28.4	3.0	11.9%
POKKA Group	—	49.9	49.9	-
Restaurants	20.1	17.8	(2.2)	(11.1)%
Real Estate	17.2	16.6	(0.6)	(3.9)%
Other	0.4	0.5	0.1	33.3%
Net sales	284.0	324.4	40.3	14.2%
Japanese Alcoholic Beverages	5.0	5.0	(0.0)	(0.3)%
International Alcoholic Beverages	0.5	0.5	0.0	1.4%
Soft Drinks	1.3	1.0	(0.2)	(19.8)%
POKKA Group	—	1.7	1.7	—
Restaurants	0.0	(0.0)	(0.1)	—
Real Estate	5.5	6.4	0.8	16.3%
Other	(0.6)	(0.5)	0.0	—
General corporate and intercompany eliminations	(2.3)	(1.9)	0.3	—
Operating income	9.4	12.2	2.7	29.2%
Non-operating income	2.0	1.5	(0.4)	(24.4)%
Non-operating expenses	2.9	3.2	0.2	9.6%
Ordinary income	8.5	10.5	1.9	23.2%
Extraordinary gains	1.2	0.6	(0.6)	(49.3)%
Extraordinary losses	3.0	8.5	5.5	184.1%
Income before income taxed and minority interests	6.8	2.6	(4.2)	(61.6)%
Income taxes	3.4	2.0	(1.4)	(41.9)%
Minority interests (loss)	0.0	0.0	0.0	54.0%
Net income	3.3	0.5	(2.7)	(82.9)%

*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: Results of the POKKA Group were consolidated into the statements of income since the second quarter of fiscal 2011 .

Sales Breakdown for Japanese Alcoholic Beverages

Sales (including liquor tax)

(billions of yen)

	Nine months ended September 30, 2010	Nine months ended September 30, 2011	Change	Change (%)
Beer	121.5	113.2	(8.2)	(6.8)%
Happoshu	7.0	5.5	(1.5)	(21.4)%
New genre	52.3	49.0	(3.3)	(6.4)%
Total	180.9	167.8	(13.1)	(7.2)%

Sales (excluding liquor tax)

(billions of yen)

	Nine months ended September 30, 2010	Nine months ended September 30, 2011	Change	Change (%)
Beer	59.0	55.0	(4.0)	(6.9)%
Happoshu	4.0	3.1	(0.8)	(21.6)%
New genre	36.2	33.9	(2.2)	(6.3)%
Total	99.3	92.1	(7.2)	(7.3)%

Consolidated Results (Nine Months ended September 30, 2011)

Breakdown of Key Changes

(billions of yen)

	Change factor	Nine months ended September 30, 2010	Nine months ended September 30, 2011	Income change	Details
Beer, etc.		4.2	2.5	(1.7)	
Marginal profit	(subtotal)			(5.5)	
	Increase (decrease) in volume/product mix.			(4.7)	Beer -2.8 Happoshu -0.5 New genre -1.5 Product mix, etc. +0.1
	Other			(0.7)	Increase of transport cost, etc.
Fixed costs and other	(subtotal)			3.8	
	Advertising and promotional costs			1.6	
	Facility cost			1.2	Decrease in depreciation and amortization +0.6,
	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	0.4	0.3	
Other		0.6	2.0	1.4	Sapporo Premium Alcohol Free, etc.
Japanese Alcoholic Beverages		5.0	5.0	(0.0)	
North America, etc.		0.7	1.2	0.5	
	Increase (decrease) in volume/product mix.			0.3	Increase in volume +0.5, product mix, etc. -0.2
	Marketing expense, etc.			0.2	
Vietnam		(0.1)	(0.6)	(0.5)	
International Alcoholic Beverages		0.5	0.5	0.0	
	Increase (decrease) in volume/product mix.			(0.1)	Increase in volume +0.4, product mix, etc. -0.5
	Manufacturing cost			0.0	
	Other costs			0.2	Vending machine cost decrease, etc.
	Amortization of goodwill			(0.4)	
Soft Drinks		1.3	1.0	(0.2)	
	Newly consolidated subsidiary			2.4	Consolidated PL since the second quarter of fiscal 2011
	Amortization of goodwill			(0.7)	
POKKA Group		—	1.7	1.7	
	Existing stores			(0.3)	
	New stores / Renovated stores, etc.			0.2	
Restaurants		0.0	(0.0)	(0.1)	
	Rent			0.7	
	Sales, etc.			0.1	Sales of real estate for sale, etc.
Real Estate Business		5.5	6.4	0.8	
	Food business			0.0	
	Other			0.0	
Other		(0.6)	(0.5)	0.0	
Corporate and eliminations		(2.3)	(1.9)	0.3	
Change in operating income		9.4	12.2	2.7	
	Financial account balance	(2.0)	(2.0)	(0.0)	
	Equity in income (losses) of affiliates	0.3	(0.0)	(0.3)	
	Other	0.7	0.3	(0.4)	
Non-operating income and expenditure		(0.9)	(1.7)	(0.8)	
Change in ordinary income		8.5	10.5	1.9	
	Gain on sale of investment securities	0.7	0.0	(0.6)	
	Gain from changes in equity in affiliated companies	—	0.3	0.3	
	Other extraordinary income	0.6	0.3	(0.3)	
	Loss on sales/disposal of fixed assets	(0.9)	(0.3)	0.6	
	Impairment loss	(0.1)	(0.4)	(0.3)	
	Asset retirement obligation	—	(1.0)	(1.0)	
	Loss on phased acquisition	—	(0.5)	(0.5)	POKKA CORPORATION
	Disaster losses	—	(4.7)	(4.7)	Loss due to the Great East Japan Earthquake
	Other extraordinary loss	(2.0)	(1.6)	0.3	Loss on valuation of investment securities, etc.
Extraordinary income and loss		(1.7)	(7.9)	(6.2)	
Change in pre-tax income		6.8	2.6	(4.2)	
Corporate tax, etc. / income and loss of minority shareholders		(3.4)	(2.0)	1.4	
Change in net income		3.3	0.5	(2.7)	

	Nine months ended September 30, 2010	Nine months ended September 30, 2011
Yen / US\$	89.49	80.59
Yen / CAN\$	86.38	82.45

**Consolidated Results (Nine Months ended September 30, 2011)
(Segment Information)**

(billions of yen)

Nine months ended September 30, 2010 (*1)	Japanese Alcoholic Beverages	International Alcoholic Beverages	Soft Drinks	POKKA Group	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	201.2	19.5	25.4	-	20.1	17.2	0.4	-	284.0
Operating income	5.0	0.5	1.3	-	0.0	5.5	(0.6)	(2.3)	9.4
(Operating income before goodwill amortization)	5.0	1.4	1.3	-	0.0	5.5	(0.6)	(2.3)	10.3
Sales promotion costs									
Sales incentives and commissions	10.5	0.0	4.2	-	0.0	0.0	0.1	(0.0)	14.9
Advertising and promotion expenses	10.3	0.8	0.1	-	0.8	0.1	0.1	(0.0)	12.5
Promotion items	4.1	0.9	0.0	-	0.0	0.0	0.0	0.0	5.1
Depreciation and amortization	10.7	0.7	0.3	-	0.5	4.5	0.0	0.0	17.0
Amortization of goodwill	0.0	0.8	0.0	-	0.0	0.0	0.0	0.0	0.8
EBITDA (*2)	15.8	2.2	1.7	-	0.5	10.0	(0.5)	(2.3)	27.4
Capital expenditures (cash basis)	3.9	1.0	0.0	-	0.5	11.2	0.2	0.0	17.1
Payment of lease obligations	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0	0.1

Nine months ended September 30, 2011 (*1)	Japanese Alcoholic Beverages	International Alcoholic Beverages	Soft Drinks	POKKA Group	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	191.5	19.4	28.4	49.9	17.8	16.6	0.5	-	324.4
Operating income	5.0	0.5	1.0	1.7	(0.0)	6.4	(0.5)	(1.9)	12.2
(Operating income before goodwill amortization)	5.0	1.3	1.5	2.6	(0.0)	6.4	(0.5)	(1.9)	14.4
Sales promotion costs									
Sales incentives and commissions	10.6	0.1	5.9	4.8	0.0	0.0	0.0	(0.0)	21.5
Advertising and promotion expenses	9.9	0.7	0.0	1.5	0.7	0.1	0.0	(0.0)	13.3
Promotion items	3.9	0.9	0.0	0.0	0.0	0.0	0.0	0.0	4.9
Depreciation and amortization	9.9	0.6	0.5	2.8	0.4	3.2	0.0	0.0	17.8
Amortization of goodwill	0.0	0.7	0.5	0.8	0.0	0.0	0.0	0.0	2.1
EBITDA (*2)	14.9	2.0	2.1	5.4	0.3	9.7	(0.4)	(1.9)	32.2
Capital expenditures (cash basis)	2.1	2.5	0.2	1.2	0.2	4.0	0.0	0.0	10.4
Payment of lease obligations	0.0	0.0	0.1	1.7	0.0	0.0	0.0	0.0	1.9

Change	Japanese Alcoholic Beverages	International Alcoholic Beverages	Soft Drinks	POKKA Group	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	(9.7)	(0.0)	3.0	49.9	(2.2)	(0.6)	0.1	-	40.3
Operating income	(0.0)	0.0	(0.2)	1.7	(0.1)	0.8	0.0	0.3	2.7
(Operating income before goodwill amortization)	(0.0)	(0.0)	0.2	2.6	(0.1)	0.8	0.0	0.3	4.0
Sales promotion costs									
Sales incentives and commissions	0.0	0.1	1.6	4.8	0.0	0.0	(0.0)	(0.0)	6.5
Advertising and promotion expenses	(0.3)	(0.1)	(0.0)	1.5	(0.1)	(0.0)	(0.0)	0.0	0.7
Promotion items	(0.1)	(0.0)	0.0	0.0	0.0	0.0	(0.0)	0.0	(0.2)
Depreciation and amortization	(0.8)	(0.0)	0.2	2.8	(0.0)	(1.2)	0.0	0.0	0.7
Amortization of goodwill	0.0	(0.0)	0.4	0.8	0.0	0.0	0.0	0.0	1.3
EBITDA (*2)	(0.8)	(0.1)	0.4	5.4	(0.1)	(0.3)	0.1	0.3	4.8
Capital expenditures (cash basis)	(1.7)	1.4	0.1	1.2	(0.3)	(7.1)	(0.2)	(0.0)	(6.6)
Payment of lease obligations	0.0	0.0	0.0	1.7	0.0	0.0	0.0	0.0	1.8

*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: Results of the POKKA Group were consolidated into the statements of income since the second quarter of fiscal 2011.

Consolidated Results (Nine Months ended September 30, 2011)

Condensed Consolidated Balance Sheets

(billions of yen)

	As of December 31, 2010	As of September 30, 2011	Change	Primary Reasons
Current assets	109.7	114.3	4.6	
Cash and cash equivalents	13.3	8.9	(4.4)	
Notes and accounts receivable - trade	61.3	63.7	2.4	
Inventories	22.1	29.3	7.1	
Other	12.8	12.3	(0.4)	
Fixed assets	385.0	428.7	43.7	
Fixed assets	306.9	327.7	20.8	Increase due to consolidation of the POKKA Group
Goodwill	14.1	41.0	26.9	Increase due to consolidation of the POKKA Group +20.6 Goodwill arising at acquisition of POKKA shares +16.6 (1Q) Goodwill held by POKKA Corp. +1.8 (1Q) Goodwill arising at additional acquisition of shares +2.9 (2Q - 3Q) Accumulated depreciation for period -0.8
Investments and other assets	63.9	59.9	(4.0)	Increase due to acquisition of Sapporo Beverages. Co., Ltd. shares from YK, Crescent Partners +7.3 (Accumulated depreciation for period -0.4) Decrease due to new addition of POKKA Corp to consolidated accounts.
Total assets	494.7	543.1	48.3	
Current liabilities	167.0	187.7	20.7	
Notes and accounts payable - trade	24.3	31.7	7.3	
Short-term debt	48.0	61.9	13.8	Issuance of Commercial Paper
Deposits received	19.2	15.2	(3.9)	Increase due to issuance of bonds, long-term debt
Other	75.3	78.8	3.4	
Long-term liabilities	201.1	232.8	31.7	
Long-term debt	133.2	156.0	22.8	
Employees' retirement benefits	7.1	7.5	0.3	
Other	60.6	69.3	8.6	
Total liabilities	368.1	420.6	52.4	
Shareholders' equity	127.3	125.1	(2.1)	
Valuation and translation adjustments	(2.2)	(4.3)	(2.0)	
Minority interests	1.5	1.6	0.0	
Total net assets	126.6	122.4	(4.1)	
Total liabilities and net assets	494.7	543.1	48.3	

Reference: POKKA Group Condensed Balance Sheet
(As of September 30, 2011)

(billions of yen)

Assets		Liabilities/Net Assets	
Account Titles	Amount	Account Titles	Amount
Current assets	26.2	Current liabilities	31.9
Cash and cash equivalents	2.4	Notes and accounts payable	10.1
Notes and accounts receivable	15.8	Short-term debts	9.4
Inventories	5.4	Other	12.4
Other	2.4	Long-term liabilities	10.0
Fixed assets	32.3	Long-term debts	1.6
Property, plant and equipment	24.5	Employees' retirement benefits	0.4
Goodwill	1.7	Other	7.9
Investments and other assets	6.0	Total liabilities	42.0
		Total net assets	16.5
Total assets	58.5	Total liabilities and net assets	58.5

Major Sales and Sales Volume

Beer (Japan)

(10,000 cases)

	Jan. 1 - Sep. 30, 2010	Jan. 1 - Sep. 30, 2011	YoY	Full-year estimate for fiscal 2011	Fiscal 2010 Actual	YoY
Sapporo Draft Beer Black Label	1,350	1,292	96%	1,742	1,842	95%
Yebisu (total)	760	668	88%	1,006	1,091	92%
1 Beer (total)	2,242	2,092	93%	2,943	3,144	94%
2 Happoshu (total)	178	141	79%	180	234	77%
3 New genre beverages (total)	1,597	1,491	93%	2,157	2,131	101%
Beer, happoshu, and new genre (total 1+2+3)	4,018	3,723	93%	5,280	5,510	96%
Sapporo Premium Alcohol Free	—	85	—	120	—	—

Beer (International)

(10,000 cases)

	Jan. 1 - Sep. 30, 2010	Jan. 1 - Sep. 30, 2011	YoY	Full-year estimate for fiscal 2011	Fiscal 2010 Actual	YoY
SLEEMAN BREWERIES LTD. (*1)	833	892	107%	1,175	1,099	107%
Sapporo brand	184	201	110%	275	237	116%

*1: Excludes contracted manufacturing for the Sapporo brand.

Wine and Spirits

(billions of yen)

	Jan. 1 - Sep. 30, 2010	Jan. 1 - Sep. 30, 2011	YoY	Full-year estimate for fiscal 2011	Fiscal 2010 Actual	YoY
Domestic wines	2.9	3.3	115%	4.6	4.3	107%
Imported wines	4.3	4.1	95%	6.3	6.5	96%
Wine (total)	7.2	7.4	103%	10.9	10.8	100%
Wine and spirits (total)	1.0	1.1	107%	1.4	1.4	98%

Shochu

(billions of yen)

	Jan. 1 - Sep. 30, 2010	Jan. 1 - Sep. 30, 2011	YoY	Full-year estimate for fiscal 2011	Fiscal 2010 Actual	YoY
Shochu (total)	6.2	6.3	102%	8.7	8.6	101%

Soft Drinks (Sapporo Beverages Co., Ltd.)

(10,000 cases)

	Jan. 1 - Sep. 30, 2010	Jan. 1 - Sep. 30, 2011	YoY	Full-year estimate for fiscal 2011	Fiscal 2010 Actual	YoY
Soft Drinks	1,553	1,639	106%	2,120	2,037	104%

Soft Drinks (POKKA CORPORATION) (*2)

(10,000 cases)

	Apr. 1 - Sep. 30, 2010	Apr. 1 - Sep. 30, 2011	YoY	Full-year estimate for fiscal 2011	Fiscal 2010 Actual	YoY
Soft Drinks	—	1,600	—	2,327	—	—

*2: POKKA's results for fiscal 2010 are indicated with "—" because Sapporo HD started consolidating POKKA's statement of income in the second quarter of fiscal 2011.

(Reference Fiscal 2010 Actual (April 1 - September 30) 15,690,000 cases, (April 1 - December 31) 23,390,000 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	Year ending Dec. 31, 2011 (forecast)	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	Year ending Dec. 31, 2011 (forecast)	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	Year ending Dec. 31, 2011 (forecast)	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	Year ending Dec. 31, 2011 (forecast)	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
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%
	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
International Alcoholic Beverages		0.5	0.1	(0.4)	
	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)	
Soft Drinks		1.2	1.0	(0.2)	
	New consolidated subsidiary			3.5	Results included in consolidated P/L from Q2 2011
	Amortization of goodwill			(1.0)	
POKKA Group		—	2.5	2.5	
	Existing stores			(0.1)	
	New stores / Refurbished stores			(0.0)	
Restaurants		0.1	0.0	(0.1)	
	Rent			0.3	
	Sales			(0.3)	
Real Estate		8.0	8.0	0.0	
	Food business			0.3	
	Other			0.0	Insurance Business
Other		(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	
	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)	
Non-operating income and expenses		(1.1)	(2.5)	(1.4)	
Change in ordinary income		14.3	15.5	1.1	
	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)	
Extraordinary gains and losses		3.4	(8.1)	(11.5)	
Change in income before income taxes and minority interests		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 / CAN\$	85.18	87.00

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

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 CANADA INC.	Supervision of Canadian subsidiaries			
	SLEEMAN BREWERIES LTD.	Beer production and sales	SAPPORO INTERNATIONAL INC.		
	SAPPORO ASIA PRIVATE LIMITED	Supervision of Asian subsidiaries	SAPPORO U.S.A., INC.		
	SAPPORO VIETNAM LIMITED	Beer production and sales	SAPPORO CANADA INC.		
Soft Drinks	SAPPORO BEVERAGE CO., LTD.	Soft drink production and sales	International Alcoholic Beverages	SLEEMAN BREWERIES LTD.	
	STELLA BEVERAGE SERVICES CO., LTD.	Soft drink sales		SAPPORO ASIA PRIVATE LIMITED	
	STAR BEVERAGE SERVICE CO., LTD.	Soft drink sales		SAPPORO VIETNAM LIMITED	
	SAPPORO FOODS NET CO., LTD.	Supervision of food companies		SAPPORO BEVERAGE CO., LTD.	
	SAPPORO FINE FOODS CO., LTD.	Production and sales of confectionary etc.		STELLA BEVERAGE SERVICES CO., LTD.	
Restaurants	SAPPORO LION LIMITED	Management of restaurants	Soft Drinks	STAR BEVERAGE SERVICE CO., LTD.	
	NEW SANKO INC.	Management of restaurants		POKKA Group	POKKA CORPORATION
Real Estate	YEBISU GARDEN PLACE CO., LTD.	Real estate leasing	Restaurants		SUNPOKKA CO., LTD
	YGP REAL ESTATE CO., LTD.	Real estate leasing			POKKA CREATE CO., LTD.
	SAPPORO URBAN DEVELOPMENT CO., LTD.	Real estate leasing		And another 22 companies	
	TOKYO ENERGY SERVICE CO., LTD.	Energy supply		SAPPORO LION LIMITED	
	SAPPORO SPORTS PLAZA CO., LTD.	Management of sports facilities		Real Estate	YEBISU GARDEN PLACE CO., LTD.
	YOKOHAMA KEIWA BUILDING CO., LTD.	Real estate leasing			YGP REAL ESTATE CO., LTD.
Corporate and elimination	SAPPORO HOLDINGS LTD.	Holding company	Other		SAPPORO URBAN DEVELOPMENT CO., LTD.
					TOKYO ENERGY SERVICE CO., LTD.
			Corporate and eliminations	SAPPORO SPORTS PLAZA CO., LTD.	
				YOKOHAMA KEIWA BUILDING CO., LTD.	
				SAPPORO FOODS NET CO., LTD.	
				SAPPORO FINE FOODS CO., LTD.	
				SAPPORO GROUP MANAGEMENT LTD. *3, 4	

*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.