



Three Months ended March 31, 2012

Consolidated First Quarter Earnings Report - Supplementary Information

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May 2012

SAPPORO HOLDINGS LTD.

Securities Code: 2501

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

Financial Highlights (2008 - 2012)

Consolidated Financial Highlights

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

		Three months ended March 31, 2008	Three months ended March 31, 2009	Three months ended March 31, 2010	Three months ended March 31, 2011	Three months ended March 31, 2012
Net sales	Including liquor tax	91.6	81.6	77.1	72.0	97.3
	Excluding liquor tax	62.5	56.8	54.9	51.7	76.3
Overseas net sales to total	Excluding liquor tax	7.9%	7.5%	9.6%	10.6%	12.7%
Operating income	Before goodwill amortization	(1.0)	(3.1)	(3.3)	(3.0)	(4.6)
	After goodwill amortization	(1.3)	(3.3)	(3.5)	(3.3)	(5.5)
Operating margin	Including liquor tax / after goodwill amortization	-	-	-	-	-
	Excluding liquor tax /before goodwill amortization	-	-	-	-	-
	Excluding liquor tax /after goodwill amortization	-	-	-	-	-
Ordinary income		(2.5)	(3.8)	(4.1)	(4.0)	(5.8)
Net income		(3.3)	(3.2)	(2.9)	(6.2)	(4.1)
Total assets		545.2	501.1	498.8	532.9	581.9
Net assets		113.6	108.5	115.6	119.7	122.5
Balance of debt	Gross	227.8	193.7	210.9	221.3	266.3
	Net	219.3	174.9	196.4	206.8	256.6
Debt-to-equity ratio (times)	Gross	2.0	1.8	1.8	1.8	2.2
	Net	1.9	1.6	1.7	1.7	2.1
Depreciation and amortization		5.6	5.6	5.6	4.9	6.3
Amortization of goodwill		0.2	0.2	0.2	0.3	0.9
E B I T D A	Operating income + Depreciation and	4.5	2.4	2.3	1.9	1.6
Exchange rates (Yen)	US\$	100.20	93.77	90.70	82.32	79.36
	CAN\$	97.88	75.26	87.18	83.52	79.30

		Year ended December 31, 2008	Years ended December 31, 2009	Year ended December 31, 2010	Year ended December 31, 2011	Year ending December 31, 2012 (forecast)
Net sales	Including liquor tax	414.5	387.5	389.2	449.4	510.0
	Excluding liquor tax	284.4	264.6	269.8	336.8	396.0
Overseas net sales to total	Excluding liquor tax	8.8%	8.5%	9.4%	11.0%	13.7%
Operating income	Before goodwill amortization	15.5	13.9	16.5	21.9	23.9
	After goodwill amortization	14.6	12.8	15.4	18.8	20.0
Operating margin	Including liquor tax / after goodwill amortization	3.5%	3.3%	4.0%	4.2%	3.9%
	Excluding liquor tax /before goodwill amortization	5.5%	5.3%	6.1%	6.5%	6.0%
	Excluding liquor tax /after goodwill amortization	5.2%	4.9%	5.7%	5.6%	5.1%
Ordinary income		10.5	10.7	14.3	16.8	17.0
Net income		7.6	4.5	10.7	3.1	6.3
Total assets		527.2	506.8	494.7	550.7	
Net assets		116.8	118.5	126.6	124.7	
Balance of debt	Gross	189.2	196.7	181.3	219.1	245.0
	Net	166.7	190.4	167.9	209.9	235.8
Debt-to-equity ratio (times)	Gross	1.6	1.7	1.4	1.8	1.9
	Net	1.4	1.6	1.3	1.7	1.8
Capital expenditure	Cash basis	27.3	21.8	19.8	13.4	58.4
Depreciation and amortization		21.6	22.5	22.5	24.4	25.7
Amortization of goodwill		0.8	1.0	1.1	3.1	3.9
E B I T D A	Operating income + Depreciation and	37.0	36.4	39.0	46.4	49.6
R O E (%)	Before goodwill amortization	7.0%	4.7%	9.8%	5.1%	8.2%
	After goodwill amortization	6.3%	3.9%	8.9%	2.5%	5.0%
E P S (yen sen)	Before goodwill amortization	21.70	14.19	30.49	16.03	26.05
	After goodwill amortization	19.50	11.57	27.50	8.08	16.09
Exchange rates (Yen)	US\$	103.49	93.65	87.79	79.79	81.00
	CAN\$	97.97	82.30	85.18	80.74	80.00

*1: After application of accounting standard for accounting changes and error corrections.

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

*3: Exchange rates for fiscal 2008 and before are year-end rates; for fiscal 2009 and after are annual average rates.

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

Major Sales and Sales Volume

Beer (Japan)

(10,000 cases)

	Jan. 1 - Mar. 31, 2011	Jan. 1 - Mar. 31, 2012	YoY	Full-year estimate for fiscal 2012	Fiscal 2011 Actual	YoY
Sapporo Draft Beer Black Label	331	346	105%	1,667	1,769	94%
Yebisu (total)	149	146	98%	1,000	989	101%
1 Beer (total)	512	528	103%	2,884	2,972	97%
2 Happoshu (total)	41	31	76%	150	184	82%
3 New genre beverages	397	419	106%	2,306	1,985	116%
Beer, happoshu, and new genre (total 1+2+3)	950	978	103%	5,340	5,141	104%
Sapporo Premium Alcohol Free	15	19	125%	200	112	178%

Beer (International)

(10,000 cases)

	Jan. 1 - Mar. 31, 2011	Jan. 1 - Mar. 31, 2012	YoY	Full-year estimate for fiscal 2012	Fiscal 2011 Actual	YoY
SLEEMAN BREWERIES LTD.(* 1)	234	258	110%	1,255	1,201	104%
Sapporo brand	69	68	100%	400	276	145%

* 1 : Excludes contracted manufacturing for the Sapporo brand.

Wine and Spirits

(billions of yen)

	Jan. 1 - Mar. 31, 2011	Jan. 1 - Mar. 31, 2012	YoY	Full-year estimate for fiscal 2012	Fiscal 2011 Actual	YoY
Domestic wines	1.0	1.1	109%	4.9	4.8	102%
Imported wines	1.2	1.4	116%	6.6	6.4	103%
Wine (total)	2.3	2.6	113%	11.5	11.2	103%
Spirits (total)	0.2	0.9	321%	7.0	2.4	292%

Shochu

(billions of yen)

	Jan. 1 - Mar. 31, 2011	Jan. 1 - Mar. 31, 2012	YoY	Full-year estimate for fiscal 2012	Fiscal 2011 Actual	YoY
Shochu (total)	1.7	2.2	129%	10.2	8.9	114%

Soft Drinks (Sapporo Beverage)

(10,000 cases)

	Jan. 1 - Mar. 31, 2011	Jan. 1 - Mar. 31, 2012	YoY	Full-year estimate for fiscal 2012	Fiscal 2011 Actual	YoY
Soft Drinks	427	390	91%	2,150	2,109	102%

Soft Drinks (POKKA Corp.) (*2)

(10,000 cases)

	Jan. 1 - Mar. 31, 2011	Jan. 1 - Mar. 31, 2012	YoY	Full-year estimate for fiscal 2012	Fiscal 2011 Actual	YoY
Soft Drinks	-	589	-	2,927	2,338	-

*2: 「-」 is indicated for fiscal 2011 actual of POKKA Corp. due to consolidated PL from the second quarter of 2011.

(Reference Fiscal 2011 Actual (January 1 - March 31) 5,940,000 cases, Fiscal 2011 Actual (January 1 - December 31) 29,330,000 cases)

Consolidated Results(Three Months ended March 31, 2012)

Condensed Consolidated Statements of Income

(billions of yen)

	Three months ended March 31, 2011	Three months ended March 31, 2012	Change	Change (%)
Japanese Alcoholic Beverages	49.2	51.7	2.5	5.2%
International Business *1	5.4	5.8	0.4	7.5%
Food & Soft Drinks *2	6.6	28.7	22.0	329.9%
Soft Drinks (old)	6.6	6.3	(0.3)	(5.0)%
POKKA Group (old)	-	22.3	22.3	-
Restaurants	4.7	5.4	0.6	13.9%
Real Estate	5.7	5.3	(0.3)	(6.0)%
Other	0.2	0.2	0.0	11.1%
Net sales	72.0	97.3	25.3	35.1%
Japanese Alcoholic Beverages	(4.0)	(4.8)	(0.8)	-
International Business *1	(0.1)	(0.4)	(0.2)	-
Food & Soft Drinks *2	0.0	(1.2)	(1.3)	-
Soft Drinks (old)	0.0	(0.3)	(0.4)	-
POKKA Group (old)	-	(0.9)	(0.9)	-
Restaurants	(0.7)	(0.2)	0.4	-
Real Estate	2.2	2.0	(0.2)	(10.5)%
Other	(0.1)	(0.0)	0.0	-
General corporate and intercompany eliminations	(0.6)	(0.6)	(0.0)	-
Operating income	(3.3)	(5.5)	(2.2)	-
Operating income before goodwill amortization	(3.0)	(4.6)	(1.6)	-
Non-operating income	0.4	0.8	0.4	103.0%
Non-operating expenses	1.1	1.1	(0.0)	(3.3)%
Ordinary income	(4.0)	(5.8)	(1.7)	-
Extraordinary gains	0.2	0.0	(0.2)	(98.5)%
Extraordinary losses	4.1	0.4	(3.7)	(89.8)%
Income before income taxed and minority interests	(7.9)	(6.2)	1.6	-
Income taxes	(1.6)	(2.1)	(0.4)	-
Minority interests (loss)	(0.0)	(0.0)	(0.0)	-
Net income	(6.2)	(4.1)	2.1	-

*1. Effective the fiscal year ending December 31, 2012, "International Alcoholic Beverages" was renamed to "International Business".

*2. Effective the fiscal year ending December 31, 2012, previous "Soft Drinks" business and "POKKA Group" business were integrated and renamed to "Food & Soft Drinks".

Sales Breakdown for Japanese Alcoholic Beverages

Sales (including liquor tax)

(billions of yen)

	Three months ended March 31, 2011	Three months ended March 31, 2012	Change	Change (%)
Beer	27.2	28.1	0.8	3.1%
Happoshu	1.7	1.2	(0.5)	(31.5)%
New genre	13.0	13.7	0.7	5.7%
Total	42.0	43.0	1.0	2.5%

Sales (excluding liquor tax)

(billions of yen)

	Three months ended March 31, 2011	Three months ended March 31, 2012	Change	Change (%)
Beer	13.0	13.4	0.3	3.0%
Happoshu	1.0	0.6	(0.3)	(36.2)%
New genre	9.0	9.5	0.5	5.8%
Total	23.0	23.6	0.5	2.3%

Consolidated Results (Three Months ended March 31, 2012)

Breakdown of Key Changes

Numbers in parentheses mean decline in earnings.

(billions of yen)

	Change factor	Three months ended March 31, 2011	Three months ended March 31, 2012	Income change	Details
	Beer, etc.	(4.5)	(5.2)	(0.7)	
	Marginal profit (subtotal)			0.5	
	Increase (decrease) in volume/product mix			0.5	Beer +0.3 Happoshu -0.2 New genre +0.3 Product mix, etc. 0.0
	Other			0.0	Freight expenses etc.
	Fixed costs and other (subtotal)			(1.2)	
	Advertising and promotional costs			(0.8)	
	Facility cost			0.1	
	Transfer to extraordinary losses due to disaster			(0.8)	Fixed cost during production /marketing suspension due to disaster, etc.
	Other			0.2	
	Wine and spirits	0.1	0.2	0.1	
	Other	0.4	0.2	(0.3)	Sapporo Premium Alcohol Free, etc.
	Japanese Alcoholic Beverages	(4.0)	(4.8)	(0.8)	
	North America, etc.	0.0	(0.0)	(0.1)	
	Increase (decrease) in volume/product mix.			0.2	Increase in volume: Sleeman: 11%, Sapporo: 100%
	Marketing expense, etc.			(0.2)	SLEEMAN BREWERIES LTD., SAPPORO U.S.A., INC.
	Other			(0.1)	
	Vietnam	(0.2)	(0.4)	(0.2)	
	International Business	(0.1)	(0.4)	(0.2)	
	Sapporo Beverage	0.0	(0.3)	(0.4)	
	Increase (decrease) in volume/product mix.			(0.3)	Decrease in volume -0.3
	Manufacturing cost			0.0	Increase in cost of raw ingredients -0.0, decrease in production cost +0.0
	Other costs			0.1	
	Amortization of goodwill for Jan. to Mar.			(0.2)	
	POKKA Group	-	(0.9)	(0.9)	
	Operating income for Jan. to Mar.			(0.5)	Results included in consolidated P/L from April 2011
	Amortization of goodwill for Jan. to Mar.			(0.4)	
	Food & Soft Drinks	0.0	(1.2)	(1.3)	
	Existing stores			0.3	
	New stores / Renovated stores, etc.			0.1	
	Restaurants	(0.7)	(0.2)	0.4	
	Rent			0.3	Acquired 15% share of Ebisu Garden Place
	Sales, etc.			(0.5)	
	Real Estate Business	2.2	2.0	(0.2)	
	Food business			0.1	
	Other			(0.0)	Insurance Business
	Other	(0.1)	(0.0)	0.0	
	Corporate and eliminations	(0.6)	(0.6)	(0.0)	
	Change in operating income	(3.3)	(5.5)	(2.2)	
	Financial account balance	(0.7)	(0.8)	(0.1)	Increase in financial liabilities
	Equity in income (losses) of affiliates	(0.3)	(0.0)	0.3	
	Other	0.2	0.5	0.3	
	Non-operating income and expenditure	(0.8)	(0.3)	0.5	
	Change in ordinary income	(4.0)	(5.8)	(1.7)	
	Other extraordinary income	0.3	0.0	(0.3)	
	Loss on sales/disposal of fixed assets	(0.1)	(0.1)	(0.0)	
	Impairment loss	-	(0.0)	(0.0)	
	Asset retirement obligation	(1.0)	-	1.0	
	Loss on phased acquisition	(0.6)	-	0.6	
	Disaster losses	(1.9)	-	1.9	
	Other extraordinary loss	(0.5)	(0.3)	0.2	
	Extraordinary income and losses	(3.8)	(0.4)	3.4	
	Change in pre-tax income	(7.9)	(6.2)	1.6	
	Corporate tax, etc. / income and loss of minority shareholders	1.6	2.1	0.5	
	Change in net income	(6.2)	(4.1)	2.1	

	Three Months ended March 31, 2011	Three Months ended March 31, 2012
Yen/US\$	82.32	79.36
Yen/CAN\$	83.52	79.30

Consolidated Results (Three Months ended March 31, 2012)

Segment Information

(billions of yen)

Three months ended March 31, 2011	Japanese Alcoholic Beverages	International Business	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	49.2	5.4	6.6	4.7	5.7	0.2	-	72.0
Operating income	(4.0)	(0.1)	0.0	(0.7)	2.2	(0.1)	(0.6)	(3.3)
(Operating income before goodwill amortization)	(4.0)	0.1	0.1	(0.7)	2.2	(0.1)	(0.6)	(3.0)
Sales promotion costs								
Sales incentives and commissions	2.8	0.0	0.6	0.0	0.0	0.0	(0.0)	3.5
Advertising and promotion expenses	4.3	0.0	0.0	0.2	0.0	0.0	(0.0)	4.7
Promotion items	1.2	0.2	0.0	0.0	0.0	0.0	0.0	1.4
Depreciation and amortization	3.2	0.2	0.1	0.1	1.0	0.0	0.0	4.9
Amortization of goodwill	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.3
EBITDA	(0.7)	0.3	0.3	(0.5)	3.3	(0.1)	(0.6)	1.9

Three months ended March 31, 2012	Japanese Alcoholic Beverages	International Business	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	51.7	5.8	28.7	5.4	5.3	0.2	-	97.3
Operating income	(4.8)	(0.4)	(1.2)	(0.2)	2.0	(0.0)	(0.6)	(5.5)
(Operating income before goodwill amortization)	(4.8)	(0.1)	(0.6)	(0.2)	2.0	(0.0)	(0.6)	(4.6)
Sales promotion costs								
Sales incentives and commissions	3.5	0.0	3.3	0.0	0.0	0.0	(0.0)	6.9
Advertising and promotion expenses	5.3	0.1	0.9	0.2	0.0	0.0	(0.0)	6.6
Promotion items	1.3	0.3	0.0	0.0	0.0	0.0	0.0	1.7
Depreciation and amortization	2.5	0.3	1.6	0.1	1.1	0.0	0.5	6.3
Amortization of goodwill	0.0	0.2	0.6	0.0	0.0	0.0	0.0	0.9
EBITDA	(2.3)	0.1	1.0	(0.1)	3.1	0.0	0.0	1.6

Change	Japanese Alcoholic Beverages	International Business	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	2.5	0.4	22.0	0.6	(0.3)	0.0	-	25.3
Operating income	(0.8)	(0.2)	(1.3)	0.4	(0.2)	0.0	(0.0)	(2.2)
(Operating income before goodwill amortization)	(0.8)	(0.2)	(0.7)	0.4	(0.2)	0.0	(0.0)	(1.6)
Sales promotion costs								
Sales incentives and commissions	0.6	0.0	2.6	0.0	0.0	0.0	(0.0)	3.3
Advertising and promotion expenses	0.9	0.0	0.8	(0.0)	0.0	(0.0)	0.0	1.9
Promotion items	0.1	0.1	0.0	0.0	0.0	(0.0)	0.0	0.2
Depreciation and amortization	(0.7)	0.0	1.4	(0.0)	0.0	(0.0)	0.5	1.3
Amortization of goodwill	0.0	(0.0)	0.6	0.0	0.0	0.0	0.0	0.6
EBITDA	1.5	0.1	0.7	0.4	(0.1)	0.0	0.5	(0.2)

*1: "International Alcoholic Beverages" is renamed "International Business" in fiscal 2012.

*2: "Soft Drinks" and "POKKA Group" segments are integrated into "Food & Soft Drinks" in 2012.

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

*4: After application of accounting standard for accounting changes and error corrections.

Consolidated Results (Three Months ended March 31, 2012)

Condensed Consolidated Balance Sheets

(billions of yen)

	December 31, 2011	March 31, 2012	Change	Primary Reasons
Current assets	129.0	118.3	(10.7)	
Cash and cash equivalents	9.2	9.7	0.5	
Notes and accounts receivable - trade	79.3	60.7	(18.6)	
Inventories	28.0	32.1	4.0	
Other	12.4	15.6	3.2	
Fixed assets	421.7	463.6	41.8	
Fixed assets	323.2	364.5	41.3	Increase resulting from acquisition of 15% share of Yebisu Garden Place +40.5
Goodwill	40.1	39.9	(0.2)	
Investments and other assets	58.3	59.1	0.7	
Total assets	550.7	581.9	31.1	
Current liabilities	212.5	229.2	16.6	
Notes and accounts payable - trade	32.3	30.1	(2.1)	
Short-term debt	80.3	111.6	31.2	Increase resulting from issuance of Commercial Paper
Deposits received	15.3	14.5	(0.7)	
Other	84.5	72.8	(11.6)	
Long-term liabilities	213.4	230.1	16.6	
Long-term debt	138.7	154.6	15.8	Issuance of bonds, increase in long-term debt
Employees' retirement benefits	7.4	7.3	(0.0)	
Other	67.1	68.0	0.8	
Total liabilities	426.0	459.3	33.3	
Shareholders' equity	127.7	120.9	(6.8)	
Accumulated other comprehensive income	(4.4)	(1.2)	3.2	
Minority interests	1.4	2.8	1.3	
Total net assets	124.7	122.5	(2.2)	
Total liabilities and net assets	550.7	581.9	31.1	

Overview of Segmentation Changes 2012

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

2011 Segmentation		2012 Segmentation		
Segment	Consolidated subsidiaries	Segment	Consolidated subsidiaries	
Japanese Alcoholic Beverages	SAPPORO BREWERIES LTD.	Japanese Alcoholic Beverages	SAPPORO BREWERIES LTD.	
	SAPPORO WINES LIMITED		SAPPORO WINES LIMITED	
	YEBISU WINEMART CO., LTD.		YEBISU WINEMART CO., LTD.	
	SAPPORO LOGISTICS SYSTEMS CO., LTD.		SAPPORO LOGISTICS SYSTEMS CO., LTD.	
	TANOSHIMARU SHUZO CO., LTD.		TANOSHIMARU SHUZO CO., LTD.	
	SAPPORO ENGINEERING LIMITED		SAPPORO ENGINEERING LIMITED	
	STARNET CO., LTD.		STARNET CO., LTD.	
	NEW SANKO INC.		NEW SANKO INC.	
International Alcoholic Beverages	SAPPORO INTERNATIONAL INC.	International	SAPPORO INTERNATIONAL INC.	
	SAPPORO U.S.A., INC.		SAPPORO U.S.A., INC.	
	SAPPORO CANADA INC.		SAPPORO CANADA INC.	
	SLEEMAN BREWERIES LTD.		SLEEMAN BREWERIES LTD.	
	SAPPORO ASIA PRIVATE LIMITED		SAPPORO ASIA PRIVATE LIMITED	
	SAPPORO VIETNAM LIMITED		SAPPORO VIETNAM LIMITED	
Soft Drinks	SAPPORO BEVERAGE CO., LTD.	Food & Soft Drinks	POKKA SAPPORO FOOD & BEVERAGE LTD. (newly established)	
	STELLA BEVERAGE SERVICES CO., LTD.		SAPPORO BEVERAGE CO., LTD.	
	STAR BEVERAGE SERVICE CO., LTD.		STELLA BEVERAGE SERVICES CO., LTD.	
	POKKA Group		POKKA CORPORATION	STAR BEVERAGE SERVICE CO., LTD.
			SUNPOKKA CO., LTD	POKKA CORPORATION
POKKA CREATE CO., LTD.			SUNPOKKA CO., LTD	
Pokka Corporation (Singapore) Pte. Ltd.			POKKA CREATE CO., LTD.	
And another 21 companies			Pokka Corporation (Singapore) Pte. Ltd.	
And another 22 companies				
Restaurants	SAPPORO LION LIMITED		Restaurants	SAPPORO LION LIMITED
Real Estate	YEBISU GARDEN PLACE CO., LTD.	Real Estate	SAPPORO REAL ESTATE CO.,LTD.	
	YGP REAL ESTATE CO., LTD.		YGP REAL ESTATE CO., LTD.	
	SAPPORO URBAN DEVELOPMENT CO., LTD.		SAPPORO URBAN DEVELOPMENT CO., LTD.	
	TOKYO ENERGY SERVICE CO., LTD.		TOKYO ENERGY SERVICE CO., LTD.	
	SAPPORO SPORTS PLAZA CO., LTD.		SAPPORO SPORTS PLAZA CO., LTD.	
Other	SAPPORO FOODS NET CO., LTD.	Other	YOKOHAMA KEIWA BUILDING CO., LTD.	
	SAPPORO FINE FOODS CO., LTD.		SAPPORO FOODS NET CO., LTD.	
	SAPPORO GROUP MANAGEMENT CO.,LTD.		SAPPORO FINE FOODS CO., LTD.	
Corporate and eliminations	SAPPORO HOLDINGS LTD.	Corporate and eliminations	SAPPORO GROUP MANAGEMENT CO.,LTD.	
			SAPPORO HOLDINGS LTD.	

*1. Effective the fiscal year ending December 31, 2012, "International Alcoholic Beverages" was renamed to "International Business."

*2. Effective the fiscal year ending December 31, 2012, previous "Soft Drinks" business and "POKKA Group" business were integrated and renamed to "Food & Soft Drinks."

*3. YEBISU GARDEN PLACE CO., LTD. was renamed to SAPPORO REAL ESTATE CO., LTD. on January 1, 2012.

*4. SAPPORO GROUP MANAGEMENT LTD. was categorized into the "Other" segment under the new segmentation because it also conducts insurance

Consolidated Forecasts (Year ending December 31, 2012)

Condensed Consolidated Statements of Income

(billions of yen)

	Year ended December 31, 2011	Year ending December 31, 2012 (forecast)	Change	Change (%)
Japanese Alcoholic Beverages	268.1	288.0	19.8	7.4%
International Business	25.8	37.3	11.4	44.1%
Food & Soft Drinks	108.0	134.6	26.5	24.6%
Sapporo Beverage Co., Ltd.	32.2	33.0	0.7	2.5%
Pokka Group	75.8	101.6	25.7	33.9%
Restaurants	24.0	24.9	0.8	3.4%
Real Estate	22.4	24.4	1.9	8.6%
Other	0.7	0.8	0.0	5.9%
Net sales	449.4	510.0	60.5	13.5%
Japanese Alcoholic Beverages	9.3	10.5	1.1	12.8%
International Business	0.3	0.0	(0.3)	(100.0)%
Food & Soft Drinks	3.6	3.0	(0.6)	(18.7)%
Sapporo Beverage Co., Ltd.	0.7	0.8	0.0	5.7%
Pokka Group	2.9	2.2	(0.7)	(25.0)%
Restaurants	0.2	0.6	0.3	173.8%
Real Estate	8.5	9.3	0.7	(8.7)%
Other	(0.6)	(0.4)	0.2	-
General corporate and intercompany eliminations	(2.6)	(3.0)	(0.3)	-
Operating income	18.8	20.0	1.1	5.9%
Operating income before goodwill amortization	21.9	23.9	1.9	8.7%
Non-operating income	2.2	2.2	0.0	(2.4)%
Non-operating expenses	4.3	5.2	0.8	20.1%
Ordinary income	16.8	17.0	0.1	1.1%
Extraordinary gains	0.6	0.0	(0.6)	(100.0)%
Extraordinary losses	11.5	4.0	(7.5)	(65.4)%
Income before income taxes and minority interests	5.8	13.0	7.1	122.6%
Income taxes	2.7	6.9	4.1	146.6%
Minority interests (loss)	(0.1)	(0.2)	(0.0)	-
Net income	3.1	6.3	3.1	99.1%

*1: "International Alcoholic Beverages" is renamed "International Business" in fiscal 2012.

*2: "Soft Drinks" and "POKKA Group" segments are integrated into "Food & Soft Drinks" in 2012.

*3: After application of accounting standard for accounting changes and error corrections.

Sales Breakdown for Japanese Alcoholic Beverages

Sales (including liquor tax)

(billions of yen)

	Year ended December 31, 2011	Year ending December 31, 2012	Change	Change (%)
Beer	161.6	156.2	(5.3)	(3.3)%
Happoshu	7.2	5.7	(1.4)	(20.5)%
New genre	65.2	76.0	10.7	16.4%
Total	234.1	238.0	3.8	1.7%

Sales (excluding liquor tax)

	Year ended December 31, 2011	Year ending December 31, 2012	Change	Change (%)
Beer	78.8	75.9	(2.9)	(3.7)%
Happoshu	4.1	3.2	(0.9)	(22.0)%
New genre	45.1	52.6	7.4	16.6%
Total	128.1	131.8	3.6	2.9%

Consolidated Forecasts (Year ending December 31, 2012)

Breakdown of key income Changes

(billions of yen)

		Year ended December 31, 2011	Revised forecasts for Year ending December 31,	Change	
Beer and related products		5.9	6.0	0.0	
	Subtotal			2.1	
Marginal profit				3.0	Beer -1.4 Happoshu -0.4 New genre +4.4 Product mix, etc. +0.4
	Increase (decrease) in volume / Product mix			(0.8)	Rise in the price of raw ingredients, other factors
	Production costs, other			(2.0)	
Fixed and other costs	Subtotal			(0.6)	
	Sales promotion costs			(1.4)	Fixed cost during production/marketing suspension due to disaster, etc.
	Transfer to disaster losses under extraordinary losses			0.0	
	Other			0.0	
Wine and spirits		1.3	1.3	0.0	
Other		2.1	3.2	1.1	Sapporo Premium Alcohol Free, etc.
Japanese Alcoholic Beverages		9.3	10.5	1.1	
North America and other		1.4	1.8	0.4	
	Increase (decrease) in volume / Product mix			0.7	Increase in volume SLEEMAN 104%, Sapporo 106% SLEEMAN BREWERIES LTD., SAPPORO U.S.A., INC.
	Marketing costs			(0.5)	
	Other			0.3	Silver Springs Citrus, Inc. /Cost reduction
Business in Vietnam		(1.0)	(1.8)	(0.8)	
	Increase (decrease) in volume / Product mix			0.8	Increase in volume (from zero)
	Marketing costs			(1.4)	
	Other			(0.2)	Depreciation and amortization, etc.
International Business		0.3	0.0	(0.3)	
Sapporo Beverage Co., Ltd.		0.7	0.8	0.0	
	Increase (decrease) in volume / Product mix			0.3	Increase in volume +0.2, product mix, etc. +0.1
	Production costs			(0.0)	Increase in cost of raw ingredients -0.3, decrease in production cost +0.2
	Jan-Mar Amortization of goodwill			(0.2)	
POKKA Group		2.9	2.2	(0.7)	
	Japanese Food & Soft Drinks			(0.5)	
	Increase (decrease) in volume / Product mix			0.6	Increase in volume
	Production costs			(0.4)	Increase in cost of raw ingredients, other factors
	Other costs			(0.7)	Increase in advertising and promotion expenses, other factors
	Other			0.1	International business, Restaurant business, other factors
	Jan-Mar Operating income			(0.1)	
	Jan-Mar Amortization of goodwill			(0.3)	
Food & Soft Drinks		3.6	3.0	(0.6)	
	Existing stores			0.2	
	New stores / Refurbished stores			0.1	
Restaurants		0.2	0.6	0.3	
	Rent			1.0	Acquired 15% share of Ybisu Garden Place
	Sales			(0.3)	
Real Estate		8.5	9.3	0.7	
	Food business			0.2	
	Other			0.0	Insurance Business
Other		(0.6)	(0.4)	0.2	
General corporate and intercompany eliminations		(2.6)	(3.0)	(0.3)	
Change in operating income		18.8	20.0	1.1	
	Financial income (expense)	(2.6)	(3.6)	(1.0)	Increase in Financial liabilities
	Equity in income (losses) of affiliates	0.0	0.2	0.2	
	Other	0.5	0.4	(0.1)	
Non-operating income and expenses		(2.1)	(3.0)	(0.9)	
Change in ordinary income		16.8	17.0	0.1	
	Gain on sales of property, plant and equipment	0.3	-	(0.3)	
	Other extraordinary gains	0.3	-	(0.3)	
	Loss on sales/disposal of property, plant and equipment	(1.0)	(1.5)	(0.5)	
	Impairment losses	(1.7)	-	1.7	
	Effect of asset retirement obligations	(1.0)	-	1.0	
	Loss on phased acquisition	(0.5)	-	0.5	
	Disaster losses	(5.4)	-	5.4	
	Other extraordinary losses	(2.0)	(2.5)	(0.7)	
Extraordinary gains and losses		(10.9)	(4.0)	6.9	
Change in income before income taxes and minority interests		5.8	13.0	7.1	
Change in income taxes and minority interests (loss)		(2.6)	(6.7)	(4.1)	
Change in net income		3.1	6.3	3.1	

	Year ended December 31, 2011	Year ending December 31, 2012 (forecasts)
Yen/US\$	79.79	81.00
Yen/CAN\$	80.74	80.00

Consolidated Forecasts (Year ending December 31, 2012)

Segment Information

(billions of yen)

Year ended December 31, 2011	Japanese Alcoholic Beverages	International Business	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	268.1	25.8	108.0	24.0	22.4	0.7	-	449.4
Operating income	9.3	0.3	3.6	0.2	8.5	(0.6)	(2.6)	18.8
(Operating income before goodwill amortization)	9.3	1.4	5.7	0.2	8.5	(0.6)	(2.6)	21.9
Sales promotion costs								
Sales incentives and commissions	15.4	0.1	10.6	0.0	0.0	0.1	(0.0)	26.3
Advertising and promotion expenses	13.0	0.8	2.3	0.9	0.3	0.0	(0.0)	17.5
Promotion items	5.0	1.1	0.0	0.0	0.0	0.0	0.0	6.2
Depreciation and amortization	13.2	1.0	5.0	0.5	4.4	0.1	0.0	24.4
Amortization of goodwill	0.0	1.0	2.0	0.0	0.0	0.0	0.0	3.1
EBITDA	22.5	2.4	10.7	0.7	12.9	(0.5)	(2.6)	46.4
Capital expenditures (cash basis)	2.9	3.4	2.0	0.3	4.6	0.0	0.0	13.4
Payment of lease obligations	0.0	0.0	2.8	0.0	0.0	0.0	0.0	3.0

Year ending December 31, 2012	Japanese Alcoholic Beverages	International Business	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	288.0	37.3	134.6	24.9	24.4	0.8	-	510.0
Operating income	10.5	0.0	3.0	0.6	9.3	(0.4)	(3.0)	20.0
(Operating income before goodwill amortization)	10.5	1.2	5.7	0.6	9.3	(0.4)	(3.0)	23.9
Depreciation and amortization	12.8	1.4	6.3	0.6	4.6	0.0	0.0	25.7
Amortization of goodwill	0.0	1.2	2.7	0.0	0.0	0.0	0.0	3.9
EBITDA	23.3	2.6	12.0	1.2	13.9	(0.4)	(3.0)	49.6
Capital expenditures (cash basis)	6.0	1.2	8.1	0.8	42.1	0.1	0.1	58.4
Payment of lease obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Change	Japanese Alcoholic Beverages	International Business	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	19.8	11.4	26.5	0.8	1.9	0.0	-	60.5
Operating income	1.1	(0.3)	(0.6)	0.3	0.7	0.2	(0.3)	1.1
(Operating income before goodwill amortization)	1.1	(0.2)	(0.0)	0.3	0.7	0.2	(0.3)	1.9
Depreciation and amortization	(0.4)	0.3	1.2	0.0	0.1	(0.1)	(0.0)	1.2
Amortization of goodwill	(0.0)	0.1	0.6	0.0	0.0	0.0	0.0	0.7
EBITDA	0.7	0.1	1.2	0.4	0.9	0.1	(0.3)	3.1
Capital expenditures (cash basis)	3.0	(2.2)	6.0	0.4	37.4	0.0	0.0	44.9
Payment of lease obligations	0.0	(0.0)	(2.8)	0.0	(0.0)	(0.0)	0.0	(3.0)

*1 :After application of accounting standard for accounting changes and error corrections.

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

*3 : Full year estimate for sales promotion costs is not disclosed.