



**Six Months ended June 30, 2012**  
**Consolidated First Half Earnings Report - Supplementary Information**

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**August 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 rates)

		Six months ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2010	Six months ended June 30, 2011 (*1)	Six months ended June 30, 2012
Net sales	Including liquor tax	193.4	182.4	177.1	192.2	223.0
	Excluding liquor tax	133.4	125.0	124.4	142.2	172.6
Overseas net sales to total	Excluding liquor tax	9.3%	8.3%	10.0%	11.3%	13.6%
Operating income	Before goodwill amortization	1.5	1.8	1.7	4.1	0.1
	After goodwill amortization	1.1	1.3	1.2	3.0	(1.7)
Operating margin	Including liquor tax / after goodwill amortization	0.6%	0.7%	0.7%	1.6%	-
	Excluding liquor tax /before goodwill amortization	1.2%	1.5%	1.4%	3.0%	0.1%
	Excluding liquor tax /after goodwill amortization	0.9%	1.1%	1.0%	2.1%	-
Ordinary income		(0.7)	0.5	0.4	2.0	(2.4)
Net income		9.5	(0.7)	(0.6)	(2.9)	(2.9)
Total assets		521.1	497.7	509.5	557.0	591.8
Net assets		128.0	113.5	115.6	120.9	122.8
Balance of debt (*2)	Gross	184.0	188.7	212.2	232.3	263.7
	Net	174.9	179.2	201.5	219.3	255.8
Debt-to-equity ratio (times)	Gross	1.4	1.7	1.8	1.9	2.1
	Net	1.4	1.6	1.7	1.8	2.1
Capital expenditure	Cash basis	13.8	8.7	13.6	7.3	46.3
Depreciation and amortization		11.0	11.3	11.4	11.4	12.7
Amortization of goodwill		0.4	0.5	0.5	1.1	1.9
E B I T D A	Operating income + Depreciation and amortization +Amortization of goodwill	12.6	13.1	13.1	15.6	12.9
Exchange rates (Yen)	US\$	104.90	95.60	91.36	82.02	79.78
	CAN\$	104.15	79.42	88.34	83.95	79.31

		Year ended December 31, 2008	Years ended December 31, 2009	Year ended December 31, 2010	Year ended December 31, 2011 (*1)	Year ending December 31, 2012 (forecast)
Net sales	Including liquor tax	414.5	387.5	389.2	449.4	493.0
	Excluding liquor tax	284.4	264.6	269.8	336.8	387.7
Overseas net sales to total	Excluding liquor tax	8.8%	8.5%	9.4%	11.0%	13.9%
Operating income	Before goodwill amortization	15.5	13.9	16.5	21.9	19.9
	After goodwill amortization	14.6	12.8	15.4	18.8	16.0
Operating margin	Including liquor tax / after goodwill amortization	3.5%	3.3%	4.0%	4.2%	3.2%
	Excluding liquor tax /before goodwill amortization	5.5%	5.3%	6.1%	6.5%	5.1%
	Excluding liquor tax /after goodwill amortization	5.2%	4.9%	5.7%	5.6%	4.1%
Ordinary income		10.5	10.7	14.3	16.8	13.0
Net income		7.6	4.5	10.7	3.1	3.6
Total assets		527.2	506.8	494.7	550.7	
Net assets		116.8	118.5	126.6	124.7	
Balance of debt (*2)	Gross	189.2	196.7	181.3	219.1	249.0
	Net	166.7	190.4	167.9	209.9	239.8
Debt-to-equity ratio (times)	Gross	1.6	1.7	1.4	1.8	2.0
	Net	1.4	1.6	1.3	1.7	1.9
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 amortization +Amortization of goodwill	37.0	36.4	39.0	46.4	45.6
R O E ( % )	Before goodwill amortization	7.0%	4.7%	9.8%	5.1%	6.1%
	After goodwill amortization	6.3%	3.9%	8.9%	2.5%	2.9%
E P S ( yen sen )	Before goodwill amortization	21.70	14.19	30.49	16.03	19.15
	After goodwill amortization	19.50	11.57	27.50	8.08	9.19
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.

## Major Sales and Sales Volume

### Beer (Japan)

(10,000 cases)

	Jan. 1 - Jun. 30, 2011	Jan. 1 - Jun. 30, 2012	YoY	Full-year estimate for fiscal 2012	Fiscal 2011 Actual	YoY
Sapporo Draft Beer Black Label	800	791	99%	1,673	1,769	95%
YEBISU (total)	395	381	96%	977	989	99%
1 Beer (total)	1,262	1,266	100%	2,884	2,972	97%
2 Happoshu (total)	93	70	75%	143	184	78%
3 New genre beverages	941	995	106%	2,223	1,985	112%
Beer, happoshu, and new genre ( total 1+2+3)	2,296	2,331	102%	5,250	5,141	102%
Sapporo Premium Alcohol Free	43	57	133%	130	112	116%

### Beer (International)

(10,000 cases)

	Jan. 1 - Jun. 30, 2011	Jan. 1 - Jun. 30, 2012	YoY	Full-year estimate for fiscal 2012	Fiscal 2011 Actual	YoY
SLEEMAN BREWERIES LTD.( * 1 )	555	606	109%	1,255	1,201	104%
Sapporo brand	137	155	113%	400	276	145%

\* 1 : Excludes contracted manufacturing for the Sapporo brand.

### Wine and Spirits

(billions of yen)

	Jan. 1 - Jun. 30, 2011	Jan. 1 - Jun. 30, 2012	YoY	Full-year estimate for fiscal 2012	Fiscal 2011 Actual	YoY
Domestic wines	2.3	2.3	103%	4.9	4.8	102%
Imported wines	2.8	3.1	113%	6.6	6.4	103%
Wine (total)	5.1	5.5	108%	11.5	11.2	103%
Spirits (total)	0.7	2.1	323%	7.0	2.4	292%

### Shochu

(billions of yen)

	Jan. 1 - Jun. 30, 2011	Jan. 1 - Jun. 30, 2012	YoY	Full-year estimate for fiscal 2012	Fiscal 2011 Actual	YoY
Shochu (total)	4.2	5.1	129%	10.2	8.9	114%

### Soft Drinks (Sapporo Beverage)

(10,000 cases)

	Jan. 1 - Jun. 30, 2011	Jan. 1 - Jun. 30, 2012	YoY	Full-year estimate for fiscal 2012	Fiscal 2011 Actual	YoY
Soft Drinks	1,022	915	90%	1,950	2,109	92%

### Soft Drinks (POKKA Corp.) (\*2)

(10,000 cases)

	Jan. 1 - Jun. 30, 2011	Jan. 1 - Jun. 30, 2012	YoY	Full-year estimate for fiscal 2012	Fiscal 2011 Actual	YoY
Soft Drinks	787	1,334	-	2,790	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 - June 30) 13,800,000 cases, Fiscal 2011 Actual (January 1 - December 31) 29,330,000 cases)

## Consolidated Results (Six Months ended June 30, 2012)

### Condensed Consolidated Statements of Income

(billions of yen)

	Six months ended June 30, 2011	Six months ended June 30, 2012	Change	Change (%)
Japanese Alcoholic Beverages	118.2	122.6	4.4	3.7%
International Business (*1)	12.4	16.0	3.5	28.6%
Food & Soft Drinks (*2)	39.4	60.8	21.3	54.2%
Soft Drinks (old)	15.3	14.3	(1.0)	(7.0)%
POKKA Group (old)	24.0	46.5	22.4	93.3%
Restaurants	10.5	11.8	1.2	11.7%
Real Estate	11.0	11.2	0.2	1.9%
Other	0.4	0.4	0.0	5.7%
Net sales	192.2	223.0	30.8	16.0%
Japanese Alcoholic Beverages	0.0	(2.6)	(2.7)	-
International Business (*1)	(0.2)	(0.3)	(0.1)	-
Food & Soft Drinks (*2)	1.2	(1.1)	(2.4)	-
Soft Drinks (old)	0.5	(0.1)	(0.7)	-
POKKA Group (old)	0.7	(1.0)	(1.7)	-
Restaurants	(0.6)	(0.3)	0.3	-
Real Estate	4.2	4.4	0.1	4.1%
Other	(0.3)	(0.1)	0.1	-
General corporate and intercompany eliminations	(1.3)	(1.4)	(0.1)	-
Operating income	3.0	(1.7)	(4.7)	-
Operating income before goodwill amortization	4.1	0.1	(4.0)	(95.8)%
Non-operating income	1.1	1.4	0.2	20.0%
Non-operating expenses	2.1	2.1	(0.0)	(0.8)%
Ordinary income	2.0	(2.4)	(4.4)	-
Extraordinary gains	0.6	0.0	(0.6)	(96.6)%
Extraordinary losses	7.8	1.4	(6.3)	(81.0)%
Income before income taxed and minority interests	(5.1)	(3.9)	1.2	-
Income taxes	(2.2)	(0.8)	1.3	-
Minority interests (loss)	0.0	(0.1)	(0.2)	-
Net loss	(2.9)	(2.9)	0.0	-

\*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)

	Six months ended June 30, 2011	Six months ended June 30, 2012	Change	Change (%)
Beer	68.0	68.0	0.0	0.1%
Happoshu	3.7	2.6	(1.0)	(28.2)%
New genre	30.9	32.7	1.8	5.8%
Total	102.6	103.4	0.7	0.8%

Sales (excluding liquor tax) (billions of yen)

	Six months ended June 30, 2011	Six months ended June 30, 2012	Change	Change (%)
Beer	32.8	32.8	(0.0)	(0.2)%
Happoshu	2.1	1.4	(0.6)	(30.5)%
New genre	21.4	22.6	1.2	5.8%
Total	56.4	56.9	0.5	1.0%

**Consolidated Results (Six Months ended June 30, 2012)**

Numbers in parentheses mean decline in earnings.  
(billions of yen)

**Breakdown of Key Changes**

	Change factor	Six months ended June 30, 2011	Six months ended June 30, 2012	Income change	Details
Beer, etc.		(1.4)	(3.9)	(2.5)	
Marginal profit	(subtotal)			0.3	
	Increase (decrease) in volume/product mix			0.4	Beer +0.0 Happoshu -0.3 New genre +0.8 Product mix, etc.-0.1
	Other			(0.1)	Freight expenses etc.
Fixed costs and other	(subtotal)			(2.8)	
	Advertising and promotional costs			(1.2)	
	Facility cost			0.1	
	Transfer to extraordinary losses due to disaster			(1.4)	Fixed cost during production /marketing suspension due to disaster, etc.
	Other			(0.3)	
Wine and spirits		0.3	0.3	0.0	
Other		1.2	1.0	(0.2)	Sapporo Premium Alcohol Free, etc.
<b>Japanese Alcoholic Beverages</b>		<b>0.0</b>	<b>(2.6)</b>	<b>(2.7)</b>	
North America, etc.		0.2	0.5	0.3	
	Increase (decrease) in volume/product mix.			0.7	Increase in volume: Sleeman: 109%, Sapporo: 113%
	Marketing expense, etc.			(0.1)	SLEEMAN BREWERIES LTD., SAPPORO U.S.A., INC.
	Other			(0.3)	
Vietnam		(0.4)	(0.8)	(0.4)	
<b>International Business</b>		<b>(0.2)</b>	<b>(0.3)</b>	<b>(0.1)</b>	
Sapporo Beverage Co.,Ltd.		0.5	(0.1)	(0.7)	
	Increase (decrease) in volume/product mix.			(0.6)	Decrease in volume
	Manufacturing cost			0.1	Increase in cost of raw ingredients , decrease in production cost
	Other costs			0.0	
	Amortization of goodwill for Jan. to Mar.			(0.2)	
POKKA Group		0.7	(1.0)	(1.7)	
	Japanese Food & Soft Drinks			(0.6)	
	Increase (decrease) in volume/product mix.			(0.2)	Decrease in volume
	Manufacturing cost			(0.0)	Increase in production cost, etc.
	Other costs			(0.4)	Increase in vending machine costs, other factors
	Other			(0.1)	International business, Restaurant business, other factors
	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)	
<b>Food &amp; Soft Drinks</b>		<b>1.2</b>	<b>(1.1)</b>	<b>(2.4)</b>	
	Existing stores			0.2	
	New stores / Renovated stores, etc.			0.1	
<b>Restaurants</b>		<b>(0.6)</b>	<b>(0.3)</b>	<b>0.3</b>	
	Rent			0.7	Acquired 15% share of Yebisu Garden Place
	Sales, etc.			(0.5)	
<b>Real Estate Business</b>		<b>4.2</b>	<b>4.4</b>	<b>0.1</b>	
	Food business			0.1	
	Other			(0.0)	Insurance Business
<b>Other</b>		<b>(0.3)</b>	<b>(0.1)</b>	<b>0.1</b>	
<b>Corporate and eliminations</b>		<b>(1.3)</b>	<b>(1.4)</b>	<b>(0.1)</b>	
<b>Change in operating income</b>		<b>3.0</b>	<b>(1.7)</b>	<b>(4.7)</b>	
<b>Change in operating income before goodwill amortization</b>		<b>4.1</b>	<b>0.1</b>	<b>(4.0)</b>	
	Financial account balance	(1.2)	(1.2)	0.0	lowering of interest rate
	Equity in income (losses) of affiliates	(0.2)	0.1	0.3	
	Other	0.5	0.5	(0.0)	
<b>Non-operating income and expenditure</b>		<b>(0.9)</b>	<b>(0.7)</b>	<b>0.2</b>	
<b>Change in ordinary income</b>		<b>2.0</b>	<b>(2.4)</b>	<b>(4.4)</b>	
	Other extraordinary income	0.6	0.0	(0.6)	
	Loss on sales/disposal of fixed assets	(0.2)	(0.3)	(0.0)	
	Impairment loss	(0.0)	(0.0)	0.0	
	Asset retirement obligation	(1.0)	-	1.0	
	Loss on phased acquisition	(0.5)	-	0.5	
	Disaster losses	(4.6)	-	4.6	
	Other extraordinary loss	(1.1)	(1.2)	(0.1)	
<b>Extraordinary income and losses</b>		<b>(7.1)</b>	<b>(1.5)</b>	<b>5.6</b>	
<b>Change in pre-tax income</b>		<b>(5.1)</b>	<b>(3.9)</b>	<b>1.2</b>	
<b>Corporate tax, etc. / income and loss of minority shareholders</b>		<b>2.2</b>	<b>1.0</b>	<b>(1.1)</b>	
<b>Change in net income</b>		<b>(2.9)</b>	<b>(2.9)</b>	<b>0.0</b>	

	Six Months ended June 30, 2011	Six Months ended June 30, 2012
Yen/US\$	82.02	79.78
Yen/CAN\$	83.95	79.31

**Consolidated Results (Six Months ended June 30, 2012)**

**Segment Information**

(billions of yen)

Six months ended June 30, 2011(*1)	Japanese Alcoholic Beverages	International Business(*2)	Food & Soft Drinks(*3)	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	118.2	12.4	39.4	10.5	11.0	0.4	-	192.2
Operating income	0.0	(0.2)	1.2	(0.6)	4.2	(0.3)	(1.3)	3.0
(Operating income before goodwill amortization)	0.0	0.3	1.9	(0.6)	4.2	(0.3)	(1.3)	4.1
Sales promotion costs								
Sales incentives and commissions	6.5	0.0	3.6	0.0	0.0	0.0	(0.0)	10.2
Advertising and promotion expenses	7.0	0.5	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	3.2
Depreciation and amortization	6.6	0.5	1.7	0.2	2.1	0.0	0.0	11.4
Amortization of goodwill	0.0	0.5	0.6	0.0	0.0	0.0	0.0	1.1
EBITDA (*4)	6.6	0.8	3.6	(0.3)	6.4	(0.2)	(1.3)	15.6
Capital expenditures (cash basis)	1.5	2.1	0.5	0.1	2.9	0.0	0.0	7.3
Payment of lease obligations	0.0	0.0	0.9	0.0	0.0	0.0	0.0	1.0

Six months ended June 30, 2012	Japanese Alcoholic Beverages	International Business(*2)	Food & Soft Drinks(*3)	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	122.6	16.0	60.8	11.8	11.2	0.4	-	223.0
Operating income	(2.6)	(0.3)	(1.1)	(0.3)	4.4	(0.1)	(1.4)	(1.7)
(Operating income before goodwill amortization)	(2.6)	0.1	0.1	(0.3)	4.4	(0.1)	(1.4)	0.1
Sales promotion costs								
Sales incentives and commissions	8.2	0.1	6.6	0.0	0.0	0.0	0.0	15.1
Advertising and promotion expenses	8.7	0.5	1.9	0.4	0.1	0.0	0.0	11.7
Promotion items	2.7	0.8	0.0	0.0	0.0	0.0	0.0	3.6
Depreciation and amortization	6.2	0.7	3.2	0.2	2.3	0.0	0.0	12.7
Amortization of goodwill	0.0	0.5	1.3	0.0	0.0	0.0	0.0	1.9
EBITDA (*4)	3.5	0.9	3.4	0.0	6.7	(0.1)	(1.4)	12.9
Capital expenditures (cash basis)	1.9	0.7	1.4	0.2	41.5	0.0	0.7	46.8
Payment of lease obligations	0.0	0.0	1.8	0.0	0.0	0.0	0.0	1.9

Change	Japanese Alcoholic Beverages	International Business(*2)	Food & Soft Drinks(*3)	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	4.4	3.5	21.3	1.2	0.2	0.0	-	30.8
Operating income	(2.7)	(0.1)	(2.4)	0.3	0.1	0.1	(0.1)	(4.7)
(Operating income before goodwill amortization)	(2.7)	(0.1)	(1.7)	0.3	0.1	0.1	(0.1)	(4.0)
Sales promotion costs								
Sales incentives and commissions	1.7	0.1	2.9	0.0	0.0	0.0	0.0	4.8
Advertising and promotion expenses	1.6	0.0	1.0	0.0	0.0	(0.0)	0.0	2.7
Promotion items	0.1	0.2	0.0	0.0	0.0	(0.0)	(0.0)	0.4
Depreciation and amortization	(0.4)	0.1	1.5	(0.0)	0.1	(0.0)	0.0	1.3
Amortization of goodwill	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0.7
EBITDA (*4)	(3.1)	0.0	(0.2)	0.3	0.3	0.0	(0.1)	(2.6)
Capital expenditures (cash basis)	0.4	(1.3)	0.9	0.0	38.6	0.0	0.7	39.5
Payment of lease obligations	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.9

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

\*2: "International Alcoholic Beverages" is renamed "International Business" in fiscal 2012.

\*3: "Soft Drinks" and "POKKA Group" segments are integrated into "Food & Soft Drinks" in 2012.

\*4: EBITDA = Operating income + Depreciation and amortization + Amortization of goodwill

**Consolidated Results (Six Months ended June 30, 2012)**

**Condensed Consolidated Balance Sheets**

(billions of yen)

	December 31, 2011	June 30, 2012	Change	Primary Reasons
<b>Current assets</b>	129.0	132.1	3.1	
Cash and cash equivalents	9.2	7.9	(1.2)	
Notes and accounts receivable - trade	79.3	73.7	(5.6)	
Inventories	28.0	35.4	7.4	
Other	12.4	15.0	2.5	
<b>Fixed assets</b>	421.7	459.7	37.9	
Fixed assets	323.2	362.0	38.8	Increase resulting from acquisition of 15% share of Yebisu Garden Place +40.5
Goodwill	40.1	39.1	(1.0)	
Investments and other assets	58.3	58.5	0.1	
<b>Total assets</b>	550.7	591.8	41.1	
<b>Current liabilities</b>	212.5	250.0	37.4	
Notes and accounts payable - trade	32.3	35.7	3.4	
Short-term debt	80.3	119.5	39.1	Increase resulting from issuance of Commercial Paper, etc.
Deposits received	15.3	14.2	(1.0)	
Other	84.5	80.5	(4.0)	
<b>Long-term liabilities</b>	213.4	218.9	5.5	
Long-term debt	138.7	144.2	5.4	Increase in long-term debt
Employees' retirement benefits	7.4	7.4	(0.0)	
Other	67.1	67.2	0.1	
<b>Total liabilities</b>	426.0	469.0	43.0	
Shareholders' equity	127.7	122.1	(5.6)	
Accumulated other comprehensive income	(4.4)	(2.0)	2.3	
Minority interests	1.4	2.8	1.3	
<b>Total net assets</b>	124.7	122.8	(1.9)	
<b>Total liabilities and net assets</b>	550.7	591.8	41.1	

## Consolidated Forecasts (Year ending December 31, 2012)

### Condensed Consolidated Statements of Income

(billions of yen)

	Year ended December 31, 2011(*1)	Revised Forecast for Year ending December 31, 2012	Change	Change (%)
Japanese Alcoholic Beverages	268.1	277.5	9.3	3.5%
International Business(*2)	25.8	37.3	11.4	44.1%
Food & Soft Drinks (*3)	108.0	128.1	20.0	18.5%
Sapporo Beverage Co., Ltd.	32.2	30.1	(2.1)	(6.6)%
Pokka Group	75.8	98.0	22.1	29.2%
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%
<b>Net sales</b>	<b>449.4</b>	<b>493.0</b>	<b>43.5</b>	<b>9.7%</b>
Japanese Alcoholic Beverages	9.3	9.0	(0.3)	(3.3)%
International Business(*2)	0.3	0.0	(0.3)	-
Food & Soft Drinks (*3)	3.6	0.2	(3.4)	(94.6)%
Sapporo Beverage Co., Ltd.	0.7	(0.2)	(0.9)	-
Pokka Group	2.9	0.4	(2.5)	(86.4)%
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)	(2.7)	(0.0)	-
<b>Operating income</b>	<b>18.8</b>	<b>16.0</b>	<b>(2.8)</b>	<b>(15.3)%</b>
<b>Operating income before goodwill amortization</b>	<b>21.9</b>	<b>19.9</b>	<b>(2.0)</b>	<b>(9.5)%</b>
Non-operating income	2.2	1.9	(0.3)	(15.7)%
Non-operating expenses	4.3	4.9	0.5	13.2%
<b>Ordinary income</b>	<b>16.8</b>	<b>13.0</b>	<b>(3.8)</b>	<b>(22.7)%</b>
Extraordinary gains	0.6	0.0	(0.6)	(100.0)%
Extraordinary losses	11.5	4.5	(7.0)	(61.1)%
<b>Income before income taxes and minority interests</b>	<b>5.8</b>	<b>8.5</b>	<b>2.6</b>	<b>45.5%</b>
Income taxes	2.7	5.1	2.3	82.2%
Minority interests (loss)	(0.1)	(0.2)	(0.0)	-
<b>Net income</b>	<b>3.1</b>	<b>3.6</b>	<b>0.4</b>	<b>13.8%</b>

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

\*2: "International Alcoholic Beverages" is renamed "International Business" in fiscal 2012.

\*3: "Soft Drinks" and "POKKA Group" segments are integrated into "Food & Soft Drinks" in 2012.

## Sales Breakdown for Japanese Alcoholic Beverages

### Sales (including liquor tax)

(billions of yen)

	Year ended December 31, 2011	Year ending December 31, 2012 (Forecast)	Change	Change (%)
Beer	161.6	155.6	(6.0)	(3.7)%
Happoshu	7.2	5.4	(1.8)	(25.5)%
New genre	65.2	73.3	8.0	12.3%
<b>Total</b>	<b>234.1</b>	<b>234.3</b>	<b>0.1</b>	<b>0.1%</b>

### Sales (excluding liquor tax)

	Year ended December 31, 2011	Year ending December 31, 2012 (Forecast)	Change	Change (%)
Beer	78.8	75.2	(3.5)	(4.5)%
Happoshu	4.1	2.9	(1.1)	(27.9)%
New genre	45.1	50.7	5.6	12.4%
<b>Total</b>	<b>128.1</b>	<b>129.0</b>	<b>0.8</b>	<b>0.7%</b>

Consolidated Forecasts (Year ending December 31, 2012)

Breakdown of key income Changes

(billions of yen)

	Details	Year ended December 31, 2011	Revised Forecasts for Year ending December 31, 2012	Change	
Beer and related products		5.9	6.0	0.0	
Marginal profit	Subtotal			0.8	
	Increase (decrease) in volume / Product mix			1.5	Beer -1.4 Happoshu -0.4 New genre +3.2 Product mix, etc. +0.1
	Production costs, other			(0.7)	Rise in the price of raw ingredients, other factors
Fixed and other costs	Subtotal			(0.8)	
	Sales promotion costs			0.0	
	Transfer to disaster losses under extraordinary losses			(1.4)	Fixed cost during production/marketing suspension due to disaster, etc.
	Other			0.5	
Wine and spirits		1.3	1.3	0.0	
Other		2.1	1.8	(0.4)	Sapporo Premium Alcohol Free, etc.
<b>Japanese Alcoholic Beverages</b>		<b>9.3</b>	<b>9.0</b>	<b>(0.3)</b>	
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%
	Marketing costs			(0.5)	SLEEMAN BREWERIES LTD., SAPPORO U.S.A., INC.
	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.
<b>International Business</b>		<b>0.3</b>	<b>0.0</b>	<b>(0.3)</b>	
Sapporo Beverage Co., Ltd.		0.7	(0.2)	(0.9)	
	Increase (decrease) in volume / Product mix			(0.7)	Decrease in volume
	Production costs			(0.1)	Increase in cost of raw ingredients, decrease in production cost
	Jan-Mar Amortization of goodwill			(0.2)	
POKKA Group		2.9	0.4	(2.5)	
	Japanese Food & Soft Drinks			(1.5)	
	Increase (decrease) in volume / Product mix			(0.4)	Decrease in volume
	Production costs			(0.1)	Increase in cost of raw ingredients, other factors
	Other costs			(1.0)	Increase in advertising and promotion expenses, other factors
	Other			(0.0)	International business, Restaurant business, other factors
	Jan-Mar Operating income			(0.5)	
	Jan-Mar Amortization of goodwill			(0.4)	
<b>Food &amp; Soft Drinks</b>		<b>3.6</b>	<b>0.2</b>	<b>(3.3)</b>	
	Existing stores			0.2	
	New stores / Refurbished stores			0.1	
<b>Restaurants</b>		<b>0.2</b>	<b>0.6</b>	<b>0.3</b>	
	Rent			1.0	Acquired 15% share of Yebisu Garden Place
	Sales			(0.3)	
<b>Real Estate</b>		<b>8.5</b>	<b>9.3</b>	<b>0.7</b>	
	Food business			0.2	
	Other			0.0	Insurance Business
<b>Other</b>		<b>(0.6)</b>	<b>(0.4)</b>	<b>0.2</b>	
<b>General corporate and intercompany eliminations</b>		<b>(2.6)</b>	<b>(2.7)</b>	<b>(0.0)</b>	
<b>Change in operating income</b>		<b>18.8</b>	<b>16.0</b>	<b>(2.8)</b>	
<b>Change in operating income before goodwill amortization</b>		<b>21.9</b>	<b>19.9</b>	<b>(2.0)</b>	
	Financial income (expense)	(2.6)	(3.0)	(0.4)	Increase in Financial liabilities
	Equity in income (losses) of affiliates	0.0	0.2	0.2	
	Other	0.5	(0.2)	(0.7)	
<b>Non-operating income and expenses</b>		<b>(2.1)</b>	<b>(3.0)</b>	<b>(0.9)</b>	
<b>Change in ordinary income</b>		<b>16.8</b>	<b>13.0</b>	<b>(3.8)</b>	
	Gain on sales of property, plant and equipment	0.3	0.0	(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)	(0.0)	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)	(3.0)	(1.0)	
<b>Extraordinary gains and losses</b>		<b>(10.9)</b>	<b>(4.5)</b>	<b>6.4</b>	
<b>Change in income before income taxes and minority interests</b>		<b>5.8</b>	<b>8.5</b>	<b>2.6</b>	
<b>Change in income taxes and minority interests (loss)</b>		<b>(2.6)</b>	<b>(4.9)</b>	<b>(2.3)</b>	
<b>Change in net income</b>		<b>3.1</b>	<b>3.6</b>	<b>0.4</b>	

	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(*1)	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 (*2)	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

Revised Forecasts for Year ending December, 31, 2012	Japanese Alcoholic Beverages	International Business	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	277.5	37.3	128.1	24.9	24.4	0.8	-	493.0
Operating income	9.0	0.0	0.2	0.6	9.3	(0.4)	(2.7)	16.0
(Operating income before goodwill amortization)	9.0	1.2	2.9	0.6	9.3	(0.4)	(2.7)	19.9
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 (*2)	21.8	2.6	9.2	1.2	13.9	(0.4)	(2.7)	45.6
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	9.3	11.4	20.0	0.8	1.9	0.0	-	43.5
Operating income	(0.3)	(0.3)	(3.4)	0.3	0.7	0.2	0.0	(2.8)
(Operating income before goodwill amortization)	(0.3)	(0.2)	(2.8)	0.3	0.7	0.2	0.0	(2.0)
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 (*2)	(0.7)	0.1	(1.5)	0.4	0.9	0.1	(0.0)	(0.8)
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.

## 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 (*1)	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 (*2)	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.	
Restaurants	SAPPORO LION LIMITED		And another 22 companies	
Real Estate	YEBISU GARDEN PLACE CO., LTD.		Restaurants	SAPPORO LION LIMITED
	YGP REAL ESTATE CO., LTD.	Real Estate	SAPPORO REAL ESTATE CO.,LTD. (*3)	
	SAPPORO URBAN DEVELOPMENT CO., LTD.		YGP REAL ESTATE CO., LTD.	
	TOKYO ENERGY SERVICE CO., LTD.		SAPPORO URBAN DEVELOPMENT CO., LTD.	
	SAPPORO SPORTS PLAZA CO., LTD.		TOKYO ENERGY SERVICE CO., LTD.	
YOKOHAMA KEIWA BUILDING CO., LTD.	SAPPORO SPORTS PLAZA CO., LTD.			
Other	SAPPORO FOODS NET CO., LTD.	YOKOHAMA KEIWA BUILDING CO., LTD.		
	SAPPORO FINE FOODS CO., LTD.	Other	SAPPORO FOODS NET CO., LTD.	
	SAPPORO GROUP MANAGEMENT CO.,LTD. (*4)		SAPPORO FINE FOODS CO., LTD.	
Corporate and eliminations	SAPPORO HOLDINGS LTD.		SAPPORO GROUP MANAGEMENT CO.,LTD. (*4)	
	SAPPORO GROUP MANAGEMENT CO.,LTD.	Corporate and eliminations	SAPPORO HOLDINGS LTD. SAPPORO GROUP MANAGEMENT CO.,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. Insurance businesses.