Financial Results
for the Nine Months Ended September 30, 2012 — Consolidated
(Based on Japanese GAAP)

November 7, 2012

Company name **Sapporo Holdings Limited**

Security code	2501
Listings	Tokyo Stock Exchange (First Section); Sapporo Securities Exchange
URL	http://www.sapporoholdings.jp/english/
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Scheduled dates:

Filing of quarterly financial report	November 13, 2012
Commencement of dividend payments	-
Supplementary information to the quarterly earnings results	Available
Quarterly earnings results briefing held	Yes (mainly targeted at institutional investors and analysts)

1. Consolidated Financial Results for the Nine Months Ended September 30, 2012 (January 1 – September 30, 2012)

(Amounts in million yen rounded down to the nearest million yen)

(1) Operating Results

(Percentage figures represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended September 30, 2012	354,780	10.6	5,590	(54.4)	4,431	(58.1)	596	4.1
Nine months ended September 30, 2011	320,791	12.9	12,268	29.2	10,567	23.2	573	(82.9)

Note: Accumulated other comprehensive income

Nine months ended September 30, 2012 2,723 million yen

Nine months ended September 30, 2011 (1,467) million yen

	Net income per share	Diluted net income per share
	Yen	yen
Nine months ended September 30, 2012	1.52	-
Nine months ended September 30, 2011	1.46	-

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
September 30, 2012	585,006	126,147	21.1	315.44
December 31, 2011	550,784	124,775	22.4	314.87

Note: Shareholders' equity
September 30, 2012: 123,513 million yen
December 31, 2011: 123,293 million yen

2. Dividends

Record date or period	Dividend per share				
	End Q1	End Q2	End Q3	Year-end	Full year
	yen	yen	yen	yen	yen
Year ended December 31, 2011	—	0.00	—	7.00	7.00
Year ending December 31, 2012	—	0.00	—		
Year ending December 31, 2012 (forecast)				7.00	7.00

Note: No changes were made to dividend forecasts in the nine months ended September 30, 2012.

3. Forecast of Consolidated Earnings for the Year Ending December 31, 2012 (January 1 – December 31, 2012)

(Percentage figures represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending December 31, 2012	493,000	9.7	16,000	(15.3)	13,000	(22.7)	3,600	13.8	9.19

Note: No Changes have been made to earnings forecasts since the latest release.

4. Other

*For details, see "2. Other" on page 11.

(1) Changes to scope of consolidation: None
*Changes affecting the status of significant subsidiaries (scope of consolidation)
(2) Simplified accounting: Yes

*Use of simplified accounting methods and/or accounting methods specific to quarterly consolidated financial statements

(3) Changes in accounting policy, changes in accounting estimates, and retrospective restatement

1) Changes in accordance with amendments to accounting standards etc.: Yes
2) Changes other than 1) above: Yes
3) Changes in accounting estimates: Yes
4) Retrospective restatement: None

Note: For details, see (2) Changes in accounting policy, changes in accounting estimates, and retrospective restatement, in section “2. Other” on page 11 in the accompanying material.

(4) Number of shares issued and outstanding (common stock)

1) Number of shares issued at end of period (treasury stock included):
September 30, 2012: 393,971,493 shares
December 31, 2011: 393,971,493 shares

2) Number of shares held in treasury at end of period:
September 30, 2012: 2,413,623 shares
December 31, 2011: 2,400,991 shares

3) Average number of outstanding shares during the period:
Nine months ended September 30, 2012: 391,562,666 shares
Nine months ended September 30, 2011: 391,582,338 shares

*Quarterly review status

The quarterly financial results are not subject to quarterly reviews pursuant to the Financial Instruments and Exchange Act. The quarterly review of the quarterly financial results herein had not been completed as of the date of this document.

Appropriate Use of Earnings Forecasts and Other Important Information

This document contains projections and other forward-looking statements based on information available to the Company as of the date of this document. Actual results may differ from those expressed or implied by forward-looking statements due to various factors.

1. Analysis of Operating Results

(1) Consolidated Financial Results for the Nine Months ended September 30, 2012

During the first nine months of 2012 (January–September), the Japanese economy remained on a moderate recovery trajectory as consumer spending rebounded in line with earthquake-recovery efforts. The outlook for the Japanese economy, however, remains clouded by several lingering concerns, most notably the protracted appreciation of the yen and a global economic slowdown centering on Europe.

In this environment, the Sapporo Group increased sales in the first three quarters of the year. Sales in the Japanese Alcoholic Beverages and the Restaurants businesses were higher than in the first three quarters of 2011, when sales in both businesses were directly negatively affected by the impact of the earthquake and tsunami disaster. The International Business posted higher sales largely owing to the inclusion in the Group's consolidated income statement of Silver Springs Citrus, a maker of private-brand chilled drinks in the United States. The Food & Soft Drinks business also posted year-over-year sales gains as the consolidation of the POKKA Group from April 2011 boosted sales in the first-quarter of 2012.

Group operating income declined year over year. Profits were boosted by gains in the Restaurants business and the inclusion of revenues and earnings from Yebisu Garden Place in the Group's consolidated income statement from March, following the Real Estate segment's acquisition of the 15% interest in trust beneficiary rights in Yebisu Garden Place held by the former joint holder in the complex. These positive factors, however, were outweighed by a number of profit-reducing factors, including an aggressive year-over-year increase in marketing expenses by both the Japanese Alcoholic Beverage business and the Food & Soft Drinks business, expenditures by the International Business to open new markets in Vietnam, increased goodwill amortization in the Food & Soft Drinks segment, and a first-quarter operating loss at the POKKA Group.

As a result of the above factors, the Sapporo Group posted consolidated sales of ¥354.7 billion (up ¥33.9 billion, or 11%, year over year). Operating income for the first three quarters of the year came to ¥5.5 billion (down ¥6.6 billion, or 54%) while ordinary income amounted to ¥4.4 billion (down ¥6.1 billion, or 58%). Net income for the first nine months of 2012 came to ¥0.5 billion, a 4% increase from the same period a year earlier, when we posted "disaster losses". We have changed accounting methods from the first quarter ended March 31, 2012, and applied the new methods retroactively to enable period-over-period comparisons and analysis.

Segment information is outlined below.

On March 30, 2012, POKKA SAPPORO FOOD & BEVERAGE LTD. was established to oversee the integration of Sapporo Beverage Co., Ltd., and the POKKA Group. The newly established company is readying a new business strategy in preparation for the launch of integrated business operations in January 2013.

As of the first quarter of fiscal 2012, the names of reportable business segments have been changed as follows: “International Alcoholic Beverages” is now “International Business” and the Soft Drinks segment and the POKKA Group have been merged into a single segment called “Food & Soft Drinks”. To enable year-over-year comparisons in this document, figures for the year-earlier period have been adjusted to reflect the new segmentation.

Japanese Alcoholic Beverages

We estimate that total domestic demand for beer and beer-type beverages in the first nine months of 2012 declined almost 1% year over year, adversely affected by unseasonable weather in the first half of July, a peak demand season. Beer and happoshu sales volumes declined slightly, while volume sales of new-genre beer slowed but continued to show year-over-year growth.

In this market environment, our Japanese Alcoholic Beverages business launched a renewal version of its popular new-genre beer Mugi to Hop in January and in March began year-round sales of Mugi to Hop Black. Both launches were enthusiastically received by customers in Japan. In July we launched Hokkaido Premium, made from Hokkaido malt and Furano hops. The new addition helped to boost our new-genre beer lineup, providing customers with a refreshingly flavored beverage in contrast to the more robust flavored Mugi to Hop. As a result, sales of our beer and beer-flavored beverages increased year over year in the first three quarters of 2012, boosting our market share.

In the nonalcoholic beer category, we launched a renewed Sapporo Premium Alcohol Free in February, and in May we unveiled the world’s first completely nonalcoholic black canned beer, Sapporo Premium Alcohol Free Black. The new products supported 11% year-over-year growth in sales volume in this category.

In the low-alcohol or ready-to-drink (RTD) category, our tie-up with South Korea’s No.1 foods maker CJ CheilJedang led to the January launch of the jointly developed CJ Oishii Makgeolli Pink Grapefruits. In April, we launched two beverages jointly developed with Bacardi Japan Ltd.; Bacardi Mojito and Bacardi Cuba Libre both were well received by customers in Japan. In March, we launched a renewed version of Sapporo Nectar Sour Peach Sparkling. We also continued to develop and market a variety of limited-volume RTD beverages with seasonal flavors, part of Sapporo’s unceasing effort to bring new products to the market that satisfy customer demand for beverages suitable for a wide range of occasions. As a result, our RTD beverages achieved 56% year-over-year growth in unit sales over the first three quarters of 2012.

In the wine and liquor business, demand for our every day imported and domestic wines continued to grow, as did sales of our premium domestic wine Grand Polaire. As a result, the wine and liquor business posted year -over-year growth in sales over the first three quarters of the year. Meanwhile, our western sp irits business saw its sales volume increase thanks to strong contributions from Bacardi products.

The shochu business posted a 23% year-over-year gain in sales during the first three quarters of the year. Sales were supported by the favorable market rec eption for two new offerings: *Imo Shochu Kokuimo,* a blended shochu introduced in March, and *Mugi Shochu Koimugi,* a barley-based shochu launched in September.

Overall, the Japanese Alcoholic Beverages business posted sales of ¥195.5 billion (up ¥4.0 billion, or 2%, year over year) in the first three quarters of 2012. Aggressive spending on marketing during the period, however, held the business' operating income to ¥0.8 billion (down ¥4.1 billion, or 83%).

＊ Denotes Ready to drink, a term used to refer to low-alcohol beverages which can be consumed immediately after opening

International Business

In North America, where the timing of a full -fledged economic recovery remains unclear, we believe that total demand in the beer market increased only slightly in the first nine months of 2012. The Asian beer market, meanwhile, continues to grow steadily, supported by the region's fast-growing economies.

In this environment, our International Business segment continued marketing activities targeting the premium beer market, where it has core strengths. Canadian subsidiary SLEEMAN BREWERIES posted a 7% year -over-year increase in unit sales (excluding outsourced production of Sapporo brand products) during the first three quarters of the year, keeping its six-year growth streak intact. Sapporo USA boosted sales volumes for its Sapporo brand beers by 3% year over year. At the end of January, we strengthened our foothold in the United States' soft drinks market when we acquired a 51% equity stake in Silver Springs Citrus, Inc., the United States' largest maker of private -brand drinks. The new subsidiary's results since April are included in our consolidated accounts.

In Vietnam, from April we began a full -fledged marketing offensive, including TV commercials, as we seek to build brand recognition for the Sapporo Premium brand. In Korea, at the end of January we took a 15% equity stake in a company established by our local partner, Maeil Dairies Co., Ltd., establishing the structure needed to accelerate sales of Sapporo brand beers to the household and commercial markets in South Korea. In Oceania, we worked to strengthen sales via a brewing and sales licensing agreement entered into in

October 2011 with Australia's Coopers Brewery. In Singapore, we continued to work with the POKKA Group to expand sales channels in the local household market. The efforts outlined above helped us to achieve 70% growth in beer sales volumes in Asia and other markets in outside North America over the first three quarters of 2012.

Overall, the International Business segment saw its existing local operations achieve expansion on local-currency bases. These gains, combined with the addition of Silver Springs Citrus to the Sapporo Group, helped us overcome the dilutive impact of yen appreciation and post sales of ¥26.3 billion (up ¥6.9 billion, or 36%, year over year) in the first three quarters of the year. Segment operating income for the same period was ¥0.1 billion (down about ¥0.4 billion, or 75%), partially owing to our investments to establish a presence in Vietnam.

Food & Soft Drinks

Sapporo Beverage Co., Ltd.

We estimate that domestic demand for soft drinks increased 3% year over year in the first nine months of 2012, bolstered by hot summer weather in August and lingering heat through mid-September, as well as sales growth in the carbonated beverage category.

In this environment, Sapporo Beverage concentrated on growing and strengthening its core brands. Specific measures included a TV ad campaign since April in cooperation with a children's TV program to raise brand recognition for our Ribbon brand. We began selling our popular Ribbon Citron beverage in a 500ml can, and in August we expanded our Ribbon lineup with the introduction of Ribbon *Junsui Saratto Shiro Budo,* a white grape–flavored juice beverage. For our *Gabunomi* series, we tied up with a popular animation character to help further expand our sales channels and build an even stronger market presence. Sales of Gerolsteiner (naturally carbonated water from Germany) surpassed the previous year's level on the success of in-store trial offers and repeat purchase promotions. Sales of the *Oishii Tansansui* lineup of bottled soda waters also exceeded the previous-year level. However, overall sales volumes at Sapporo Beverage in the first three quarters of 2012 were down 8% year over year, reflecting a reversion to the norm after last year's surge in demand for bottled water in the aftermath of the earthquake and tsunami disaster.

With regard to costs, we overcame rising material costs by optimizing our production structure and carrying out cost-structure reforms throughout the value chain via a rigorous select-and-focus approach.

POKKA Group

Our estimate of domestic demand trends for soft drinks in the first nine months of 2012 is as stated at the beginning of the previous section. In addition, we estimate that total demand for lemon-based products (flavorings) increased 2% year over year while demand for instant soups appears to have declined 5%.

In this environment, the POKKA Group's Domestic Food & Soft Drinks business endeavored to strengthen and cultivate brand power by focusing investments on core brands and newer growth brands.

POKKA's domestic soft drinks business announced a renewal of the Kireto Lemon lineup and launched a new TV commercial in support of the product. POKKA bolstered its Pokka Coffee lineup and developed some promotional canned drinks. In August, POKKA launched a renewed version of its Aromax canned coffee series began and introduced Aromax Kyokugen no Kaori Black, a limited edition product sold only in the Tokai region (centered on Nagoya City). In May, POKKA introduced *Yasuragi Kibun no Corn-Cha,* a new unsweetened tea offering made from roasted corn.

POKKA's domestic foods business continued promoting sales of its POKKA Lemon 100 by proposing recipes linked to its nutrition education activities and conducting cross-merchandising.It strengthened the lineups for its *Jikkuri Kotokoto* soup series and the *Kongari Pan* series of instant cups of soup. To stimulate demand for its canned soups during the summer, POKKA introduced *Tsumetai Potage,* a canned cold soup. The Kantanbimi Korean soup lineup was bolstered by the addition of two new flavors —*Dashi no Moto* and *Namuru no Moto*.

At POKKA's Domestic Restaurants business, the core Café de Crié coffee shop chain continued to post favorable results by introducing seasonal menu items that reflected this summer's trends, such as salty vanilla ice cream and tomato jelly. The chain also continued to remodel existing stores and open new outlets. In July it opened a new concept shop called "DEN", a new style coffee shop modeled after a private space for mature people .

The Overseas Food & Soft Drinks business posted solid results overall, with operations in Singapore developing ahead of plan. The business also made steady progress in improving its COGS ratio and lowering distribution costs.

POKKA's Overseas Restaurants business saw a slight slowdown at Hong Kong operations from February amid a general tepid market as the number of customers from mainland China declined. Results were more favorable in Singapore, however, as sales were stimulated by revised menus that better suited customer preferences at individual store locations and by increased sales of pastries.

The Sapporo Group's Food & Soft Drinks segment sales in the first three quarters of 2012 totaled ¥95.6 billion, a year-over-year increase of ¥20.8 billion or 28%, stemming from the above business activities and an increase in sales in the first quarter of 2012 following the inclusion of sales at the POKKA Group, which was consolidated in April 2011. However, the segment posted an operating loss of ¥0.1 billion (compared with a profit of ¥2.8 billion a year earlier), owing to aggressive spending to expand sales, an increase in goodwill amortization, and a first-quarter operating loss at the POKKA Group.

Restaurants

Japan's restaurant industry continued on a mild recovery path during the first nine months of 2012, as the negative impact of the deterioration in consumer sentiment that took hold following the 2011 disaster continued to wear off. The competitive environment remained quite severe, however, as competition with the take-out food industry added to already tough price competition among restaurants. In such an environment, our Restaurants business sought to stimulate demand during the peak summer demand season and increase customer traffic by holding a variety of drink and food fairs, including Sapporo Lion's Beer Hall Day on August 4. We also strengthened activities aiming to raise service levels and enhance customer satisfaction.

Our Restaurants business opened 12 new outlets during the first nine months of 2012. We opened five stores in the first quarter, including YEBISU Bar outlets. In the second quarter, we opened six outlets, including a Suruga Maru seafood and tempura rice bowl shop in the Shizuoka Service Area of the New Tomei Expressway, which is representative of our efforts to venture into new types of locations. In the third quarter, we opened a Ginza Lion beer hall in the Ueno Saigo Hall. All the new outlets have fared better than we anticipated. Meanwhile, we closed nine outlets during the first nine months of the year, bringing the total number of outlets operating at the end of the period to 194.

The Restaurants business also achieved cost reductions and profit structure reforms by using a distribution system with a single center for serving the Tokyo metropolitan logistics network. The center began operations in 2011.

As a result of the above, the Restaurants business recorded sales of ¥19.3 billion over the first three quarters of the year (up ¥1.4 billion, or 8%, year over year). Operating income came to ¥0.2 billion, compared with a slight loss in the previous year.

Real Estate

Conditions in Japan's real estate industry remain challenging, with a large increase of new office supply in the Tokyo rental office market contributing to high vacancy rates. On a more positive note, however, office rents have begun to bottom out.

In this environment, our Real Estate business has managed to maintain high occupancy rates at its multipurpose Yebisu Garden Place complex and other properties concentrated in the Tokyo Metropolitan area.

In January we changed the name of our consolidated real estate subsidiary Yebisu Garden Place Co., Ltd., to Sapporo Real Estate Co., Ltd., as part of our plan to raise the Sapporo brand value and strengthen Group synergies while continuing efforts to raise occupancy rates and rent levels at Group properties.

The Real Estate business has been benefiting from a solid profit contribution from Yebisu Garden Place, for which we reacquired 100% ownership in March when we bought trust beneficiary rights amounting to a 15% interest in the property. We now are able to accelerate efforts to enhance the value of the property, including by raising the convenience of offices in the multipurpose complex.

Our real estate development business is focusing on developments in the Ebisu area. As such, we started the redevelopment of the Seiwa Yebisu Building. The new building, scheduled for completion in autumn 2014 will have more total floor space than its forerunner.

Overall, Real Estate segment sales in the first nine months of 2012 totaled ¥17.3 billion (up ¥0.7 billion, or 4%, year over year). Segment operating income rose to ¥7.1 billion (up ¥0.7 billion, or 12%, year over year).

(2) Review of Consolidated Financial Condition

Consolidated financial condition

Consolidated assets as of September 30, 2012, totaled ¥585.0 billion, a ¥34.2 billion increase from the end of the previous fiscal year on December 31, 2011. The increase is attributable to an increase in land and property holdings accompanying the acquisition of the additional 15% equity interest in the Yebisu Garden Place complex.

Consolidated liabilities totaled ¥458.8 billion, a ¥32.8 billion increase from December 31, 2011, reflecting increases in bank loans and other financial liabilities, which were partially offset by decreases in deposits and liquor taxes payable.

Consolidated net assets totaled ¥126.1 billion, a ¥1.3 billion increase from December 31, 2011. Asset growth was supported by increases in unrealized gains on securities and in the foreign currency translation adjustment account, as well as the cumulative net income achieved over the first three quarters of the fiscal year.

(3) Consolidated Earnings Forecast

The consolidated earnings forecast for the full fiscal year to December 31, 2012, is unchanged from the forecast announced by the company on August 7, 2012.

(millions of yen)

		Revised Forecast for Year ending December 31, 2012	Year ended December 31, 2011	Change	Change (%)
	Japanese Alcoholic Beverages	277,500	268,189	9,310	3.5%
	International	37,300	25,888	11,411	44.1%
	Food & Soft Drinks	128,100	108,060	20,039	18.5%
	Restaurants	24,900	24,091	808	3.4%
	Real Estate	24,400	22,468	1,931	8.6%
	Other	800	755	44	5.9%
Net sales		493,000	449,452	43,547	9.7%
	Japanese Alcoholic Beverages	9,000	9,304	(304)	(3.3)%
	International	0	378	(378)	—
	Food & Soft Drinks	200	3,690	(3,490)	(94.6)%
	Restaurants	600	219	380	173.8%
	Real Estate	9,300	8,552	747	8.7%
	Other	(400)	(643)	243	—
	General corporate and intercompany eliminations	(2,700)	(2,618)	(81)	—
Operating income		16,000	18,883	(2,883)	(15.3)%
Ordinary income		13,000	16,807	(3,807)	(22.7)%
Net income		3,600	3,164	435	13.8%

2. Other

(1)Use of accounting methods specific to quarterly consolidated financial statements

(Calculation of tax liabilities)

The Company calculates tax liabilities by producing a reasonable estimate of the effective tax rate after applying tax-effect accounting to income before taxes and minority interests for the fiscal year, which encompasses the nine months ended September 30, 2012, and then multiplying income (loss) before taxes and minority interests by this estimated effective tax rate.

(2) Changes in accounting policy, changes in accounting estimates, and retrospective restatement

(Changes in accordance with amendments to accounting standards, etc.)

(Method of accounting for sales)

Sapporo Beverage Co., Ltd., and POKKA CORPORATION, both subsidiaries of the Company, are to be merged on January 1, 2013.

In line with this merger, the reportable segments for Soft Drinks and POKKA Group presented in the consolidated accounts for the fiscal year ending December 31, 2011, have been integrated into a single segment called “Food & Soft Drinks” from the first quarter of the fiscal year ending December 31, 2012. In addition, a portion of the sales incentives paid to business partners (wholesalers and retail outlets) on the sales price of flavored-water drinks and food products, which to date have been accounted for under selling, general and administrative expenses, are excluded from reported sales from the first quarter of the fiscal year ending December 31, 2012.

These changes to accounting methods are applied retroactively to the Company’s financial Statements for the third quarter of the fiscal year ending December 31, 2011, and the consolidated financial statements for the full year ending on the same date.

As a result, sales, gross profit, and selling, general and administrative expenses on the revised financial statements for the third quarter of the fiscal year ending on December 31, 2011, have each been reduced by ¥3,610 million from the amounts reported before the retroactive application of the new accounting method. Operating income is unaffected by the change.

(Changes in depreciation method)

In response to Japan's recent corporate tax law amendments and effective from the second quarter of the fiscal year ending December 31, 2012, the method which some Group domestic consolidated subsidiaries use for depreciation of property, plant, and equipment acquired on or after April 1, 2012 will be adjusted to reflect the revised corporate tax code. The impact of this change on the Group’s third quarter consolidated operating loss, ordinary loss, and the loss before income taxes is negligible.

(3) Additional information

(Application of accounting standard for accounting changes and error corrections)

The Company has adopted the Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No.24, December 4, 2009) and its associated Guidance on Accounting Changes and Error Corrections (ASBJ Guidance No.24, December 4, 2009) in regards to accounting changes and the revision of errors on past accounts being carried out from the start of the first quarter of the fiscal year ending December 31, 2012.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(millions of yen)

	December 31, 2011	September 30, 2012
	Amount	Amount
Assets		
I Current assets		
1 Cash and cash equivalents	9,204	9,957
2 Notes and accounts receivable - trade	79,340	69,490
3 Merchandize and finished products	17,113	23,283
4 Raw materials and supplies	10,948	12,122
5 Other	12,798	13,501
6 Allowance for doubtful receivables	(386)	(307)
Total current assets	129,018	128,048
II Fixed assets		
1 Property, plant and equipment		
(1) Buildings and structures	376,200	387,878
Accumulated depreciation	(201,765)	(206,809)
Buildings and structures, net	174,435	181,069
(2) Machinery and vehicles	203,307	209,209
Accumulated depreciation	(163,080)	(169,812)
Machinery and vehicles, net	40,226	39,396
(3) Land	83,826	115,279
(4) Construction in progress	2,058	3,447
(5) Other	39,300	39,107
Accumulated depreciation	(25,467)	(25,477)
Other, net	13,832	13,629
Total property, plant and equipment	314,379	352,823
2 Intangible assets		
(1) Goodwill	40,147	38,158
(2) Other	8,844	7,742
Total intangible assets	48,992	45,900
3 Investments and other assets		
(1) Investment securities	31,208	32,643
(2) Long-term loans receivable	10,142	9,803
(3) Other	18,454	17,175
(4) Allowance for doubtful receivables	(1,411)	(1,389)
Total investments and other assets	58,394	58,233
Total fixed assets	421,766	456,957
Total assets	550,784	585,006

(millions of yen)

	December 31, 2011	September 30, 2012
	Amount	Amount
Liabilities		
I Current liabilities		
1 Notes and accounts payable - trade	32,354	35,125
2 Short-term bank loans	57,370	73,737
3 Current portion of long-term debt	10,000	20,000
4 Liquor taxes payable	32,535	30,461
5 Income taxes payable	2,985	1,263
6 Accrued bonuses	2,118	3,495
7 Deposits received	15,301	12,528
8 Other	59,923	64,069
Total current liabilities	212,589	240,681
II Long-term liabilities		
1 Bonds	32,000	32,000
2 Long-term bank loans	106,798	111,553
3 Employees' retirement benefits	7,452	7,418
4 Directors’ and corporate auditors’ severance benefits	53	30
5 Dealers' deposits for guarantees	32,623	32,981
6 Other	34,492	34,192
Total long-term liabilities	213,418	218,176
Total liabilities	426,008	458,858
Net Assets		
I Shareholders' equity		
1 Common stock	53,886	53,886
2 Capital surplus	46,310	46,308
3 Retained earnings	28,741	26,638
4 Treasury stock, at cost	(1,197)	(1,198)
Total shareholders' equity	127,741	125,634
II Accumulated other comprehensive income		
1 Unrealized holding gain on securities	1,993	3,828
2 Deferred hedge gains (losses)	(8)	(3)
3 Foreign currency translation adjustments	(6,432)	(5,946)
Total accumulated other comprehensive income	(4,447)	(2,120)
III Minority Interests	1,482	2,633
Total net assets	124,775	126,147
Total liabilities and net assets	550,784	585,006

(2) Consolidated Statements of Income

(millions of yen)

	Nine months ended September 30, 2011	Nine months ended September 30, 2012
	Amount	Amount
I Net sales	320,791	354,780
II Cost of sales	204,801	225,121
Gross profit	115,990	129,659
III Selling, general and administrative expenses		
1 Sales incentives and commissions	19,525	23,846
2 Advertising and promotion expenses	11,732	16,825
3 Salaries	19,275	21,851
4 Provision for bonuses	1,709	2,271
5 Retirement benefit expenses	2,416	2,629
6 Other	49,061	56,643
Total selling, general and administrative expenses	103,721	124,068
Operating income	12,268	5,590
IV Non-operating income		
1 Interest income	271	198
2 Dividend income	376	380
3 Equity in earnings of affiliates	-	210
4 Foreign exchange gain	-	66
5 Gain (loss) on gift voucher redemptions	379	368
6 Other	507	689
Total non-operating income	1,535	1,914
V Non-operating expenses		
1 Interest expense	2,664	2,610
2 Equity in loss of affiliates	26	-
3 Foreign exchange loss	144	-
4 Other	400	462
Total non-operating expenses	3,236	3,072
Ordinary income (loss)	10,567	4,431
VI Extraordinary gains		
1 Gain on sales of property, plant and equipment	22	15
2 Gain on sales of investment securities	21	21
3 Gain on change in equity	353	-
4 Settlement received	261	-
Total extraordinary gains	658	36
VII Extraordinary losses		
1 Loss on disposal of property, plant and equipment	310	584
2 Loss on impairment property, plant and equipment	436	46
3 Loss on devaluation of investment securities	1,160	1,398
4 Loss on sales of investment securities	23	64
5 Effect of adoption of new accounting standards for asset retirement obligations	1,084	-
6 Compensation expenses	267	-
7 Loss on phased acquisition	566	-
8 Disaster losses	4,742	-
Total extraordinary losses	8,592	2,093
Income before income taxes and minority interests	2,633	2,373
Income taxes	2,013	2,027
Income before minority interests	620	346
Minority interests in gains(losses)	46	(250)
Net Income	573	596

Net income before minority interests	620	346
Other comprehensive income		
Unrealized holding gain on securities	(526)	1,835
Deferred hedge gains	2	2
Foreign currency translation adjustments	(1,447)	563
Share of other comprehensive income of associates accounted for using equity method	(115)	(24)
Total other comprehensive income	(2,087)	2,377
Comprehensive income	(1,467)	2,723
(Breakdown)		
Comprehensive income attributable to owners of the parent	(1,447)	2,924
Comprehensive income attributable to minority interests	(20)	(200)

(3) Notes on the Going-concern Assumption
Not applicable

(4-1)Segment Information

1. Sales, income, and loss by reportable segment

Nine months ended September 30, 2011 (January 1, 2011 – September 30, 2011)

(millions of yen)

	Reportable segments						Other *1	Total	Adjustments	Amounts reported on the statements of income *2
	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Total				
Net sales										
(1) Operating revenues	191,509	19,426	74,753	17,897	16,618	320,205	586	320,791	-	320,791
(2) Intra-group sales and transfers	4,422	17	407	-	1,650	6,498	30	6,529	(6,529)	-
Total	195,932	19,443	75,161	17,897	18,269	326,704	616	327,320	(6,529)	320,791
Segment income (loss)	5,032	594	2,807	(94)	6,416	14,756	(521)	14,235	(1,966)	12,268

Notes:

(1) "Other" comprises businesses, such as food businesses, that are not included in reportable segments.

(2) Segment income and losses are adjusted based on operating income reported on the quarterly consolidated statements of income for the corresponding period.

2. Reconciliation and main components of differences between income and loss of reportable segments and figures on the statement of income (information on differences)

(millions of yen)

Segment income (loss)	Amount
Total for reportable segments	14,756
Total other losses	(521)
Unallocated corporate costs	(1,903)
Intra-segment sales	(63)
Operating income on the statement of income	12,268

3. Impairment loss on fixed assets or goodwill by reportable segment

Major impairment losses related to fixed assets

In the Japanese Alcoholic Beverage segment, a decline in market prices prompted a lowering of the book value of idle land assets to their estimated recoverable value. Impairment losses related to these assets amounts to ¥309 million in the first three quarters of 2011.

Material change to the amount of goodwill
Not applicable

Material Gain on negative goodwill
Not applicable

(4-2)Segment Information

1. Sales, income, and loss by reportable segment

Nine months ended September 30, 2012 (January 1, 2012 – September 30, 2012)

(millions of yen)

	Reportable segments									
	Japanese Alcoholic Beverages	International*1	Food & Soft Drinks	Restaurants	Real Estate	Total	Other *2	Total	Adjustments	Amounts reported on the statements of income *3
Net sales										
(1) Operating revenues	195,575	26,331	95,608	19,311	17,342	354,169	610	354,780	-	354,780
(2) Intra-group sales and transfers	4,474	26	405	-	1,873	6,780	34	6,814	(6,814)	-
Total	200,050	26,358	96,014	19,311	19,215	360,950	645	361,595	(6,814)	354,780
Segment income (loss)	864	148	(139)	273	7,160	8,308	(301)	8,007	(2,417)	5,590

Notes:

(1) "International Alcoholic Beverages" is renamed "International Business" in fiscal 2012.

(2) "Other" comprises businesses, such as food businesses, that are not included in reportable segments.

(3) Segment income and losses are adjusted based on operating income reported on the quarterly consolidated statements of income for the corresponding period.

2. Reconciliation and main components of differences between income and loss of reportable segments and figures on the statement of income (information on differences)

(millions of yen)

Segment income (loss)	Amount
Total for reportable segments	8,308
Total other losses	(301)
Unallocated corporate costs	(2,338)
Intra-segment sales	(78)
Operating loss on the statement of income	5,590

3. Change in reportable segments

Sapporo Beverage Co., Ltd. and POKKA Corporation, Pokka Sapporo Food & Beverage Ltd. were established on March 30, 2012 to promote the scheduled integration of the Company's two consolidated subsidiaries on January 1, 2013.
In conjunction with this, the Company integrated "Soft Drinks" and "POKKA Group" businesses, each of which were individual reportable segment in the fiscal year ended December 31, 2011, and renamed the resulting business the "Food & Soft Drinks" segment effective the first quarter of the fiscal year ending December 31, 2012.

Until now, sales incentives paid to business partners (wholesalers and retailers) have been recorded under sales, general and administrative expenses.
Effective the first quarter of the fiscal year ending December 31, 2012, the Company has switched to a new accounting method whereby a certain amount of these sales incentives, whose value depends on the sales price of soft drinks and other non-alcoholic beverages, is deducted from net sales.
Segment Information for the nine months ended September 30, 2011 has been adjusted to conform to the current presentation.
Net sales from the "Food & Soft Drinks" segment for the nine months ended September 30, 2011 was also recalculated to reflect the new segmentation.

4. Impairment loss on fixed assets or goodwill by reportable segment

Major impairment losses related to fixed assets
Not applicable

Material change to the amount of goodwill
Not applicable

Material Gain on negative goodwill
Not applicable

(5)Notes on Significant Changes in the Amount of Shareholder's Equity
Not applicable

(6)Subsequent Events
Not applicable