Financial Results
for the three Months Ended March 31, 2014 — Consolidated
(Based on Japanese GAAP)

May 9, 2014

Company name	**Sapporo Holdings Limited**
Security code	2501
Listings	Tokyo Stock Exchange (First Section); Sapporo Securities Exchange
URL	http://www.sapporoholdings.jp/english/
Representative	Tsutomu Kamijo, President, Representative Director and Group CEO
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Scheduled dates:

Filing of quarterly financial report	May 14, 2014
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 three Months Ended March 31, 2014 (January 1 – March 31, 2014)

(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	%
Three months ended March 31, 2014	112,084	11.5	(1,726)	-	(2,348)	-	(3,815)	-
Three months ended March 31, 2013	100,498	3.2	(4,755)	-	(5,191)	-	(3,068)	-

Note: Accumulated other comprehensive income

Three months ended March 31, 2014 (5,994) million yen

Three months ended March 31, 2013 4,050 million yen

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended March 31, 2014	(9.78)	-
Three months ended March 31, 2013	(7.84)	-

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
March 31, 2014	589,998	146,545	24.2	366.07
December 31, 2013	616,752	155,366	24.6	388.77

Note: Shareholders' equity
March 31, 2014: 142,822 million yen
December 31, 2013: 151,683 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, 2013	—	0.00	—	7.00	7.00
Year ending December 31, 2014	—				
Year ending December 31, 2014 (forecast)				7.00	7.00

Note: No changes were made to dividend forecasts in the three months ended March 31, 2014.

3. Forecast of Consolidated Earnings for the Year Ending December 31, 2014 (January 1 – December 31, 2014)

(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, 2014	537,700	5.5	15,000	(2.2)	13,600	(10.1)	5,000	(47.1)	12.82

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

4. Other

*For details, see "2. Other" on page 9.

(1) Changes in significant subsidiaries during the three months ended March 31, 2014: None

(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.: None
2) Changes other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

Note: For details, see (3) Changes in accounting policy, changes in accounting estimates, and retrospective restatement, in section “2. Other” on page 9 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):
March 31, 2014: 393,971,493 shares
December 31, 2013: 393,971,493 shares

2) Number of shares held in treasury at end of period:
March 31, 2014: 3,820,894 shares
December 31, 2013: 3,805,058 shares

3) Average number of outstanding shares during the period:
Three months ended March 31, 2014: 390,155,704 shares
Three months ended March 31, 2013: 391,378,116 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 Three Months ended March 31, 2014

In the first quarter of 2014 (January 1 – March 31, 2014), the domestic economy showed signs of a moderate recovery supported by monetary easing and economic stimulus measures. However, the consumption environment remains clouded with uncertainties as the surge in demand seen in March ahead of the consumption tax hike is expected to be followed by a decline in consumption from April caused by the higher tax rate and a reversal of the temporary demand increase before the tax hike.

Amid this environment, the SAPPORO Group saw its first-quarter sales rise sharply above the previous year's level as the March demand surge added to the year-over-year gains in shipments of beer and beer-type beverages achieved by the Japanese Alcoholic Beverage business from the start of the year. The Food & Soft Drinks business also saw sales volumes increase, with year-over-year gains from both foods and soft drink products. The International Business also did well, with support from a weaker yen, leading to a sizable increase in sales for the Group as a whole.

The strong sales performance at the Japanese Alcoholic Beverage business and the Food & Soft Drinks business contributed to a sharp year-over-year reduction in the first-quarter operating loss.

As a result of the above factors, the SAPPORO Group posted consolidated sales of ¥112.0 billion (up ¥11.5 billion or 12% year over year), an operating loss of ¥1.7 billion (compared with a ¥4.7 billion loss a year earlier), and an ordinary loss of ¥2.3 billion (compared with a ¥5.1 billion loss a year earlier). Extraordinary losses included the costs of ¥2.3 billion for demolition and removal posted by the Real Estate business in relation to the redevelopment of the Sapporo Ginza Building property located at the Ginza 4-chome intersection. As a result, the SAPPORO Group posted a net loss of ¥3.8 billion in the first quarter of 2014 (compared with a ¥3.0 billion loss a year earlier).

Segment information is outlined below.

Seasonal Factors

The Group's operating results exhibit substantial seasonal variation because demand for the products and services offered by the Japanese Alcoholic Beverages, International Business, Food & Soft Drinks, and Restaurant businesses tends to be concentrated in the summer months. Sales and profits consequently tend to be lower in the first quarter than in the other three quarters.

Japanese Alcoholic Beverages

We estimate that total domestic demand for beer and beer-type beverages in the first quarter of 2014 expanded 9% year over year. Fueled by the surge in demand in March ahead of the consumption tax hike, demand rose sharply in all product categories, including beer, happoshu, and new-genre.

Under these market conditions, the Japanese Alcoholic Beverage business continued its efforts to realize further growth by implementing its new vision of “seek No.1 by accumulating one-of-a-kind products” while adhering to its campaign slogan “Bringing more cheer to your ‘Cheers’!” as its constantly provides the customers with a unique value proposal.

In the beer and beer-type beverages category, we achieved a solid year-on-year increase in sale of our core Yebisu brand, with increased sales of Yebisu Beer supplemented by the release again this year of a limited volume of Kaori Hanayagu Yebisu in January. In the new-genre beer segment, in February we launched Mugi to Hop The gold, a flavorful derivative of our popular Mugi to Hop, to the evident delight of many customers. In addition, Goku Zero continued to beat our sales targets for the product, a new-genre beer and the world’s first beer-type beverage with zero purine bodies. As a result, sales of our beer and beer-type beverages expanded sharply over the first quarter of 2013, as did total demand, and we increased our market share.

In the RTD* category, a renewed version of Sapporo Nectar Sour Peach, launched in February, posted solid sales, while the Sapporo Otoko Ume Sour, first introduced last year, continued to post strong sales. As a result, the RTD category as a whole achieved a sizable increase in sales over the previous year’s level.

At our wine and liquor business, sales of our mainstay domestic premium brand, Grande Polaire, remained on a steady pace. In March, we launched Polaire Sangria Rico, a new line of Sangria beverages that are enjoying increasing popularity, especially with young women. Sales to date have exceeded plan. Sales of our imported wines also expanded, contributing to year-over-year sales growth for our wine products as a whole.

Our western spirits business also achieved sales growth, with a strong contribution from our Bacardi brand products.

The shochu business achieved strong year-over-year sales growth, driven by the continued popularity of our two blended shochus – Imo Shochu Kokuimo and Mugi Shochu Koimugi.

Overall, the Japanese Alcoholic Beverage business posted first-quarter sales of ¥59.2 billion, up ¥9.0 billion or 18% year over year. In addition, continued cost-control efforts enabled the business to reduce its first-quarter operating loss to ¥1.1 billion, compared with a ¥3.3 billion loss a year ago.

* RTD, or ready-to-drink, beverages are already-mixed, low-alcohol content cocktail-like beverages that can be consumed as is immediately after opening.

International Business

In North America, we estimate that total demand in the beer market was largely flat year over year in the first quarter of 2014, despite some positive developments, including improving employment conditions. The Asian beer market, however, 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. However, our Canadian subsidiary SLEEMAN BREWERIES was challenged by intensifying price competition while Sapporo USA saw shipments delayed by severe winter weather in the United States. As a result, the two companies' first-quarter sales volumes of Sapporo brand products were sluggish. Meanwhile, Silver Springs Citrus, our North American soft drinks subsidiary, continued to post solid results.

In Vietnam, we continued to our full-fledged marketing activities aimed at establishing the Sapporo brand in the local market. We launched a TV ad campaign during the prime Tet (New Year's holiday) sales season and received a favorable customer response. In South Korea, we continued our efforts to expand sales of beers to the household and commercial markets through cooperation with our local partner, Maeil Dairies' group companies. In Oceania, we continued efforts to expand sales via our brewing licensing agreement with Australia's Coopers Brewery, and in Singapore we worked with our local subsidiary to expand sales channels in the local household market. The efforts outlined above led to year-over-year sales volume gains for beers in each market mentioned except for North America.

Overall, the International Business posted first-quarter sales of ¥10.4 billion, up ¥0.4 billion or 5% year over year, as the efforts noted above plus benefits from a weaker yen overcame the lower sales in North America. Nonetheless, the segment posted an operating loss of ¥0.8 billion (compared with a ¥0.1 billion loss a year earlier).

Food & Soft Drinks

Domestic demand for soft drinks in the first quarter of 2014 was initially adversely affected by heavy snowfall and then buoyed by the demand surge ahead of the consumption tax hike. We estimate overall domestic demand increased 6% year on year in the first quarter. Demand for lemon-based products (flavorings) held steady with the previous-year level, while that for instant soup (including soups in a cup) increased an estimated 6%.

In this overall demand environment, Food & Soft Drinks business started its second year of integrated operations as POKKA SAPPORO Food & Beverage Ltd. The subsidiary is concentrating investments on core brands as it endeavors to strengthen and nurture its various brands.

The domestic food and soft drinks business saw sales of its domestic brand drinks raise steadily in the first quarter, supported by launches of Pokka Coffee Teito, a low sugar version of the popular canned coffee drink, and Pokka Coffee Fighters Can, a limited edition sold only in Hokkaido. The Gabunomi series continued to enjoy steady sales, with a good contribution from the series' newest member, Gabunomi Ichigo Cream Soda. In the lemon and natural foods category, we launched a renewed version of Kireto Lemon Sparkling in a 410ml PET bottle in March as a first step in preparing our summer product lineup. The new offering has been favorably received. We renewed packaging design for our core Pokka Lemon 100 brand, sales of which remained on a steady pace. Pokka Lemon Lemotte, a 10% lemon juice–based seasoning says that can be stored at normal temperatures, enabling its use in a variety of indoor and outdoor venues. We added to our lineup of overseas brands sold in Japan. In addition to Gerolsteiner naturally carbonated water from Germany, we began sales in January of the imported bottled water brands Vittel and Contrex, as we seek to build a more robust market for hard drinking water. In the soup and related foods category, the Jikkuri Kotokoto Kongari Pan series enjoyed steady sales, supported by expanded product lineups. In the commercial-use products category, sales of our core lemon and syrup product lineups fared well, as did our soup and dessert offerings. Overall, sales rose above year-earlier levels. In new product categories, we began sales of Shoshurei-cha, a tea with roasted rice developed with the needs of people receiving nursing care in mind.

In the domestic restaurants business, the Café de Crié coffee shop chain was adversely affected by the unusually heavy snowfall this winter, but timely menu revisions helped keep comparable-store sales on a steady growth pace.

The overseas soft drinks business fared well overall, as a continued increase in exports helped offset some slight weakness in sales in Singapore.

The overseas restaurant business had a somewhat weak amid economic slowdown in Hong Kong and a decline in tourist traffic from mainland China.

As a result of above, the Food & Soft Drinks segment recorded first-quarter sales of ¥29.8 billion, up ¥2.1 billion or 8% year over year. The segment's operating loss contracted to ¥0.7 billion (compared with a ¥1.8 billion loss a year earlier).

Restaurants

Japan's restaurant industry continued to see some signs of improvement in consumer sentiment, but the overall operating environment remained difficult, with the costs burden growing heavier as yen weakness pushes up ingredient costs and energy costs.

In this environment, our Restaurants business pursued the fulfillment of its corporate philosophy of "Enhancing the Joy of Living" by continuing its efforts to raise the quality of its service as well as its food and beverages, including draft beer, and by endeavoring to create restaurants that "deliver 100% satisfaction to customers."

New outlet openings in the first quarter included a new outlet in Tokyo's Shinjuku district for the Yebisu Bar chain, one of our core restaurant brands, and six other shops, including outlets operated on a contract basis.

Our ongoing effort to improve the profit structure of existing outlets included shifting older shops to smaller Ginza Lion outlets and our new Yebisu Beer Hall format, as we seek to expand the customer base.

Meanwhile, we closed nine outlets during the period, including the flagship Beer Hall LION GINZA 5-Chome outlet, which we had to close for a long term as part of the redevelopment of the Sapporo Ginza Building. The net result of store openings and closings during the first quarter brings the total number of outlets open in Japan at the end of the period to 188.

Overseas, our initial Ginza Lion Beer Hall in Singapore, which opened in October 2013, is doing well, and we are planning further expansion of this chain.

Overall, Restaurants business recorded sales of ¥5.6 billion in the first quarter, ¥0.0 billion or 1% lower than a year ago, largely owing to the impact of heavy snowfall in February. The segment posted an operating loss of ¥0.3 billion, equivalent to the previous year's first-quarter result.

Real Estate

In Japan's real estate industry, vacancy rates in the Greater Tokyo office leasing market continue to improve and rents are now also showing signs of a moderate recovery.

Amid such market conditions, our real estate leasing business maintained high occupancy rates at its properties in the Tokyo Metropolitan area. Our core property, Yebisu Garden Place, faces the exit of a large tenant at the expiration of the lease contract this May and is steadily progressing with its efforts to find replacement tenants in order to return the facility to a high occupancy rate at an early date.

Yebisu Garden Place will celebrate the 20^{th} anniversary of its opening during 2014, and we are continuing efforts to enhance the property's value and to provide tenants and visitors with enjoyable experiences in comfortable and pleasant surroundings. In preparation for the April opening of a large upscale restaurant on the commercial-use floor, we undertook a major renovation of public-use floors. At the complex's rental housing building, we carried out renovations designed to enhance the building's comfort level and amenities, including refurbishing the entrance hall, improving the building's barrier-free and universal design features, and replacing standard equipment in each apartment unit. At the complex's office tower, in March we completed the installation of emergency power-generating systems that will help ensure tenants' business continuity in the event of a disaster by providing electricity supply to tenant spaces. We also began to install equipment to ensure the operation of toilets and elevators during a disaster. Completion of this work is scheduled for spring 2015. We are also proceeding with renovations to improve the flexibility of office layouts, provide more comfortable working environments, and improve the sense and usability of common-use floors.

The real estate development business is making steady progress with the redevelopment of the Sapporo Ebisu Building (tentative name), which we expect to become a new center of activity in Tokyo's Ebisu district. The building is scheduled for completion in autumn 2014. In addition, we have decided to redevelop the Sapporo Ginza Building at the Ginza 4-chome intersection. We believe the project, scheduled for completion in the first half of 2016, will stimulate activity in the Ginza district and contribute to the district's revitalization.

As result of the efforts as outlined above, the Real Estate business posted sales of ¥5.6 billion, up ¥0.2 billion or 4% year over year, and operating income of ¥2.2 billion, up ¥0.1 billion or 6%.

(2) Review of Consolidated Financial Condition

Consolidated Financial Condition

Consolidated assets as of the end of the first quarter on March 31, 2014, totaled ¥589.9 billion, a ¥26.7 billion decrease from the end of the previous fiscal year (December 31, 2013). The decline is attributable to a decrease in notes and accounts receivable - trade, which more than offset

increases in merchandize and finished products and construction in progress.
Consolidated liabilities totaled ¥443.4 billion, a ¥17.9 billion decrease from December 31, 2013, primarily reflecting a decrease in notes and accounts payable - trade and liquor taxes payable, which more than offset increases in accrued bonuses and long-term bank loans.
Consolidated net assets as of March 31, 2014, totaled ¥146.5 billion, an ¥8.8 billion decline from December 31, 2013. The decline is attributable to decreases in unrealized holding gain on securities and foreign currency translation adjustments combined with the distribution of year-end dividends and the booking of a net loss for the first quarter.

(3) Consolidated Earnings Forecast

The consolidated earnings forecast for the full fiscal year ending December 31, 2014 is unchanged from the forecast announced by the Company on February 12, 2014.

2. Other Information

(1) Changes in significant subsidiaries during the three months ended March 31, 2014

Not applicable

(2) Application of accounting methods specific to the preparation of 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 three months ended March 31, 2014, and then multiplying income (loss) before taxes and minority interests by this estimated effective tax rate.

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

Not applicable

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(millions of yen)

	December 31, 2013	March 31, 2014
	Amount	Amount
Assets		
I Current assets		
1 Cash and cash equivalents	11,552	10,717
2 Notes and accounts receivable - trade	87,148	62,951
3 Merchandize and finished products	20,832	22,826
4 Raw materials and supplies	13,552	12,901
5 Other	14,479	15,667
6 Allowance for doubtful receivables	(228)	(208)
Total current assets	147,336	124,855
II Fixed assets		
1 Property, plant and equipment		
(1) Buildings and structures	390,326	387,848
Accumulated depreciation	(212,741)	(211,718)
Buildings and structures, net	177,585	176,129
(2) Machinery and vehicles	218,275	218,897
Accumulated depreciation	(176,691)	(177,283)
Machinery and vehicles, net	41,583	41,614
(3) Land	115,056	115,063
(4) Construction in progress	5,668	7,054
(5) Other	37,757	37,235
Accumulated depreciation	(24,768)	(24,473)
Other, net	12,988	12,762
Total property, plant and equipment	352,882	352,623
2 Intangible assets		
(1) Goodwill	34,418	33,329
(2) Other	7,566	6,830
Total intangible assets	41,985	40,159
3 Investments and other assets		
(1) Investment securities	51,221	49,814
(2) Long-term loans receivable	9,544	9,281
(3) Other	15,109	14,587
(4) Allowance for doubtful receivables	(1,326)	(1,324)
Total investments and other assets	74,548	72,359
Total fixed assets	469,416	465,143
Total assets	616,752	589,998

	December 31, 2013	March 31, 2014
	Amount	Amount
Liabilities		
I Current liabilities		
1 Notes and accounts payable - trade	35,902	31,712
2 Short-term bank loans	63,642	64,052
3 Commercial Paper	25,000	22,000
4 Liquor taxes payable	33,700	18,343
5 Income taxes payable	3,837	507
6 Accrued bonuses	2,090	4,071
7 Deposits received	10,824	10,872
8 Other	52,309	57,616
Total current liabilities	227,308	209,176
II Long-term liabilities		
1 Bonds	52,000	52,000
2 Long-term bank loans	107,185	108,966
3 Employees' retirement benefits	5,907	5,584
4 Dealers' deposits for guarantees	32,423	32,764
5 Other	36,561	34,962
Total long-term liabilities	234,077	234,276
Total liabilities	461,386	443,453
Net Assets		
I Shareholders' equity		
1 Common stock	53,886	53,886
2 Capital surplus	45,911	45,911
3 Retained earnings	37,409	30,774
4 Treasury stock, at cost	(1,311)	(1,317)
Total shareholders' equity	135,896	129,255
II Accumulated other comprehensive income		
1 Unrealized holding gain on securities	15,467	14,290
2 Deferred hedge gains (losses)	4	(1)
3 Foreign currency translation adjustments	314	(721)
Total accumulated other comprehensive income	15,786	13,567
III Minority Interests	3,683	3,722
Total net assets	155,366	146,545
Total liabilities and net assets	616,752	589,998

(2) Consolidated Statements of Income

(millions of yen)

	Three months ended March 31, 2013	Three months ended March 31, 2014
	Amount	Amount
I Net sales	100,498	112,084
II Cost of sales	65,785	73,215
Gross profit	34,712	38,869
III Selling, general and administrative expenses		
1 Sales incentives and commissions	6,780	7,583
2 Advertising and promotion expenses	6,005	5,846
3 Salaries	7,158	7,046
4 Provision for bonuses	1,352	1,360
5 Retirement benefit expenses	857	763
6 Other	17,312	17,994
Total selling, general and administrative expenses	39,467	40,596
Operating loss	(4,755)	(1,726)
IV Non-operating income		
1 Interest income	62	58
2 Dividend income	66	95
3 Foreign exchange gains	339	-
4 Other	268	176
Total non-operating income	735	331
V Non-operating expenses		
1 Interest expense	734	619
2 Equity in loss of affiliates	63	8
3 Foreign exchange losses	-	90
4 Other	374	234
Total non-operating expenses	1,172	953
Ordinary loss	(5,191)	(2,348)
VI Extraordinary gains		
1 Gain on sales of property, plant and equipment	10	36
2 Gain on sales of investment securities	3,477	4
Total extraordinary gains	3,487	41
VII Extraordinary losses		
1 Loss on disposal of property, plant and equipment	129	1,110
2 Loss on sales of property, plant and equipment	-	43
3 Loss on devaluation of investment securities	6	10
4 Loss on sales of investment securities	0	-
5 Impairment loss	222	-
6 Business structure improvement expenses	176	-
7 Compensation expenses	-	1,540
Total extraordinary losses	536	2,704
Loss before income taxes and minority interests	(2,240)	(5,012)
Income taxes	806	(1,103)
Loss before minority interests	(3,047)	(3,908)
Minority interests	21	(93)
Net loss	(3,068)	(3,815)

Loss before minority interests	(3,047)	(3,908)
Other comprehensive income*1		
Unrealized holding gain on securities	4,900	(1,176)
Deferred hedge gains (losses)	19	(12)
Foreign currency translation adjustments	2,178	(896)
Total other comprehensive income	7,098	(2,086)
Comprehensive income*2	4,050	(5,994)
(Breakdown)		
Comprehensive income attributable to owners of the parent	3,770	(6,034)
Comprehensive income attributable to minority interests	280	40

(3) Notes on the Going-concern Assumption

Not applicable

(4) Segment Information

Ⅰ **Three months ended March 31, 2013 (January 1, 2013 – March 31, 2013)**

1. Sales, income, and loss by reportable segment

(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	50,246	9,953	27,637	5,741	5,391	98,969	1,528	100,498	-	100,498
(2) Intra-group sales and transfers	444	15	27	0	641	1,130	3,895	5,025	(5,025)	-
Total	50,691	9,969	27,664	5,741	6,032	100,100	5,423	105,523	(5,025)	100,498
Segment income (loss)	(3,348)	(190)	(1,892)	(318)	2,135	(3,615)	(135)	(3,751)	(1,003)	(4,755)

Notes:

(1) "Other" comprises businesses, such as logystics 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	(3,615)
Total other losses	(135)
Unallocated corporate costs	(781)
Intra-segment sales	(222)
Operating income on the statement of income	(4,755)

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

(Significant impairment losses on fixed assets)

For fixed assets, such as machinery, in the International Business segment, the book value has been reduced to the recoverable amount as a result of restructuring of production facilities. Impairment loss of 222 million yen was recorded for the three months ended March 31, 2013.

(Significant changes in the amount of goodwill)

Not applicable

(Material Gain on negative goodwill)

Not applicable

Ⅱ Three months ended March 31, 2014 (January 1, 2014 – March 31, 2014)

1. Sales, income, and loss by reportable segment

(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	59,249	10,440	29,801	5,674	5,608	110,775	1,309	112,084	-	112,084
(2) Intra-group sales and transfers	497	21	28	0	647	1,195	4,281	5,477	(5,477)	-
Total	59,747	10,462	29,830	5,674	6,255	111,970	5,591	117,562	(5,477)	112,084
Segment income (loss)	(1,138)	(891)	(771)	(333)	2,264	(870)	10	(859)	(867)	(1,726)

Notes:

(1) "Other" comprises businesses, such as logystics 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	(870)
Total other losses	10
Unallocated corporate costs	(855)
Intra-segment sales	(12)
Operating income on the statement of income	(1,726)

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

(Significant impairment losses on fixed assets)

Not applicable

(Significant changes in 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