Financial Results
for the Nine Months Ended September 30, 2014 — Consolidated
(Based on Japanese GAAP)

November 5, 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	November 13, 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 Nine Months Ended September 30, 2014 (January 1 – September 30, 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	%
Nine months ended September 30, 2014	379,380	2.7	8,291	(12.2)	7,667	(13.5)%	(6,608)	-
Nine months ended September 30, 2013	369,531	4.2	9,440	68.9	8,868	100.1	5,474	817.1

Note: Accumulated other comprehensive income

Nine months ended September 30, 2014 (3,059) million yen (－%)

Nine months ended September 30, 2013 18,668 million yen (585.4%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended September 30, 2014	(16.95)	-
Nine months ended September 30, 2013	14.01	-

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
September 30, 2014	607,407	149,254	24.0	373.93
December 31, 2013	616,752	155,366	24.6	388.77

Note: Shareholders' equity
September 30, 2014: 145,720 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	—	0.00	—		
Year ending December 31, 2014 (forecast)				7.00	7.00

Note: No changes were made to dividend forecasts in the nine months ended September 30, 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)	(2,000)	-	(5.13)

Note: No Changes were made to earnings forecasts in the nine months ended September 30, 2014.

4. Other

*For details, see "2. Other Information" on page 10.

(1) Changes in significant subsidiaries during the nine months ended September 30, 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 (2) Changes in accounting policy, changes in accounting estimates, and retrospective restatement, in section “2. Other Information” on page 10 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, 2014: 393,971,493 shares
December 31, 2013: 393,971,493 shares

2) Number of shares held in treasury at end of period:
September 30, 2014: 4,271,022 shares
December 31, 2013: 3,805,058 shares

3) Average number of outstanding shares during the period:
Nine months ended September 30, 2014: 389,924,923 shares
Nine months ended September 30, 2013: 390,695,181 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, 2014

During the first nine months of 2014 (January 1 – September 30), the Japanese economy displayed signs of a moderate recovery track, supported by the government's economic stimulus measures. However, the trend in personal consumption remains hard to discern with demand affected by unseasonable summer weather and the reactionary decline following the surge in demand ahead of the April consumption tax hike.

Amid this environment, the SAPPORO Group achieved a sizable year-on-year increase in sales. The strong result was led by the Japanese Alcoholic Beverages business, which posted a big year-over-year increase in shipments of beer and beer-type beverages. In addition, the Food & Soft Drinks business' overseas operations achieved a gain in sales volumes, and the International Business fared well with steady sales volume growth in Vietnam supplemented by the positive benefits of yen depreciation. As a result, the SAPPORO Group as a whole posted a large increase in cumulative sales over the first three quarters of 2014.

Despite higher sales at the Japanese Alcoholic Beverages and Food & Soft Drinks businesses, cumulative group operating income for the first three quarters declined, mainly owing to higher sales promotion expenses by the International Business and lower rents received by the Real Estate business, which had several properties undergoing redevelopment.

As a result of the above factors, in the first nine months of 2014, the SAPPORO Group posted consolidated sales of ¥379.3 billion (up ¥9.8 billion, or 3%, year over year), operating income of ¥8.2 billion (down ¥1.1 billion, or 12%), and ordinary income of ¥7.6 billion (down ¥1.2 billion, or 14%). The Group posted a cumulative net loss of ¥6.6 billion for the first three quarters of the year (compared with net income of ¥5.4 billion a year earlier), owing to extraordinary expenses. The Real Estate business' decision to redevelop the Sapporo Ginza Building at the Ginza 4-chome intersection led to the posting of ¥2.3 billion in costs related to demolition and removal of the building. In addition, the Japanese Alcoholic Beverage business' voluntary decision to file a revised liquor tax return related to the inclusion of Goku Zero in a different tax rate category caused an ¥11.6 billion upward adjustment to our liquor tax burden (including overdue tax).

Segment information is outlined below.

Japanese Alcoholic Beverages

We estimate that total domestic demand for beer and beer-type beverages in the first three quarters of 2014 declined almost 2% year over year, with unseasonable weather nationwide in August sharply reducing sales volumes during the peak summer month.

Under such market conditions, our Japanese Alcoholic Beverage business continued its efforts to realize further growth by constantly providing customers with a unique value proposal. In the first nine months of 2014, these efforts centered on implementing a new vision of “seek No.1 by accumulating one-of-a-kind products” while also adhering to the campaign slogan, “Bringing more cheer to your ‘Cheers’!”.

In the beer and beer-type beverages category, sales volumes of our Yebisu brand rose 4% year over year, supported by sales of Yebisu Natsu no Koku, available only in summer season gift packs, and the September release of Kohaku Yebisu, a limited edition seasonal amber-colored beer.

Sales of our happoshu and new-genre beer offerings were supported by continued strong customer support for Mugi to Hop The Gold, a richer flavored version of our popular Mugi to Hop brand that was released in February. In addition, we again released a limited-time release of Mugi to Hop Red in September.

Meanwhile, we discontinued the new-genre beer Goku Zero, the world’s first beer-type beverage with zero purine bodies, following the shipment of May output. After some revisions to the brewing process, we relaunched Goku Zero in July as a happoshu (beer-type beverage with malt content less than 25%). The new Goku Zero achieved even higher initial sales than its predecessor new-genre version a year earlier and continues to sell well, supported by the many customers demanding more functionality from beer-type beverages. As a result, sales volume of our happoshu and new-genre beer offerings increased 8% year over year.

Supported by strong sales of the core products noted above, overall sales volume of our beer and beer-type beverages in the first three quarters of 2014 increased 3% year over year, beating the industrywide growth rate and therefore expanding our market share.

In the RTD* category, Sapporo Otoko Ume Sour, launched in April 2013, continued to post solid sales. In April 2014, we added to our RTD offerings with the nationwide launch of Sapporo Kireto Lemon Sour, the first collaboration RTD using the Food & Soft Drinks business’ long-time core brand Kireto Lemon. The favorable market response to this new offering and our other RTD products led to a 74% year-over-year increase in RTD product shipments in the first nine months of the year.

At our wine and liquor business, our mainstay domestic premium brand, Grande Polaire, continued to post steady sales. We strengthened our product lineup of domestic wines with the March launch of Polaire Sangria Rico, a new line of Sangria beverages that are enjoying increasing popularity, especially with young women. As a result, sales of our domestic wine offerings exceeded plan, with shipments during the first three quarters up 2% year over year. Meanwhile, shipments of our imported wines increased by 4%, lifting our total wine shipment volume 3% higher than in the first three quarters of 2013.

Our western spirits business achieved 3% growth in sales volume for its various Bacardi brand products, which include a Mojito RTS** cocktail made from the world’s No.1 selling Bacardi rum as well as a number of other Bacardi-owned global power brands, such as Bombay Sapphire, Martini, Dewar’s and Cutty Sark.

The shochu business posted 10% growth in sales volume, led by continued strong sales of Imo Shochu Kokuimo, the No. 1 selling blended *imo* shochu.

Overall, our Japanese Alcoholic Beverage business posted sales of ¥204.0 billion (up ¥8.7 billion, or 4%, year over year) in the first three quarters of 2014. Segment operating income totaled to ¥5.9 billion (up ¥0.4 billion, or 8%, year over year).

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

** RTS refers to ready-to-serve liquors used to make cocktails by mixing with soda and other mixers.

International Business

In the North American beer market in the first three quarters of 2014, we estimate that total demand in Canada fell about 2% year over year while demand in the United States was largely flat, despite some positive macro developments, including improving employment conditions. The Asian beer market, however, continues to expand steadily, supported by the region's fast-growing economies.

In this environment, our International Business continued aggressive marketing activities targeting the premium beer markets in North America and Southeast Asia, the two regions where the business is concentrating its resources and efforts. Our Canadian subsidiary SLEEMAN BREWERIES achieved a sharp year-over-year increase in its sales of premium brands. However, its overall sales volume (excluding Sapporo brand beer) slipped 1% year on year owing to intensifying price competition in the value-brand market segment. In the United States, Sapporo USA saw shipments of Sapporo brands decline year over year despite the end in April of delayed deliveries caused by the severe winter weather. Meanwhile, Silver Springs Citrus' profits slumped owing to the impact of rising prices of oranges used in its products.

In Vietnam, we succeeded in raising Sapporo brand awareness in the Ho Chi Minh area thanks to continued strong marketing activities, including a TV ad campaign during the important Tet (New Year's holiday) sales season. In South Korea, we steadily expanded sales volumes in both the household and commercial markets by making good use of the sales channels of our local partners. In Oceania, we continued efforts to bolster sales primarily through our brewing licensing agreements, and in Singapore we worked with our local subsidiary to expand sales channels in the local household market. The efforts outlined above enabled the International Business to achieve an overall increase in shipments of Sapporo brand products in its core markets, despite weak volumes in North America, compared with the same period of the previous year.

As a result, the International Business posted sales of ¥37.0 billion (up ¥0.7 billion, or 2%, year over year) in the first three quarters of the year, as the benefits of a weaker yen overcame a decline in shipment volume in North America. However, the segment posted an operating loss of ¥0.0 billion (compared with operating income of ¥1.0 billion a year earlier).

Food & Soft Drinks

We estimate that overall domestic demand for soft drinks in the first nine months of 2014 slipped 1% year over year owing in part to the negative impact of unseasonable weather. We estimate that overall demand for lemon-based products (flavorings) was largely flat (*1) while that for instant soup (including soups in a cup) increased 5% (*2).

In this environment, the SAPPORO Group's 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 strengthened its lineup of domestic soft drink brands with the April launch of Green Shower, a nonsweetened carbonated water drink with the aroma of hops. Vending machine sales of our coffee drinks, however, weakened amid a marketwide shift to lower-priced offerings and convenience store over-the-counter sales of fresh brewed coffee. Meanwhile, we strengthened our product lineup in the lemon & natural foods category by launching new and improved versions of Kireto Lemon and Kireto Lemon Sparkling in September. We also strengthened our Pokka Lemon 100 brand with the launch of Marugoto Lemon Syrup, the latest expression of our goal of expanding applications for the use of our lemon-based products. Among our foreign brands, Gerolsteiner naturally carbonated water from Germany entered its 10th year on the Japanese market. We also continued our efforts to stimulate the market for hard drinking waters in Japan through Contrex and Vittel bottled natural mineral waters. In the soup and related foods category, we achieved steady sales gains as we expanded the product lineup of our Jikkuri Kotokoto Kongari Pan series. We also launched a new line of powdered soups, Medish Soup, to support the nutritional needs of people requiring nursing care. The commercial-use products category also posted solid sales increases, led by our lemon and beverage products as well as our soup, dessert, and powdered tea offerings. In new product categories, in July we added to our Delicious Japan series with the introduction of Uwajima Blood Orange, a carbonated juice beverage using blood orange juice from Uwajima, Ehime Prefecture.

In the segment's domestic restaurants business, the Café de Crié coffee shop chain overcame the adverse effect of unseasonable weather in August and achieved steady sales supported by timely menu revisions responding to customer needs and local preferences.

The segment's overseas soft drinks business also turned in a solid performance, increasing sales in its home base in Singapore despite intensifying price competition while also steadily expanding exports. In July, we paved the way for expansion of the Pokka brand into Myanmar when we signed an agreement licensing production of Pokka brand products to a local company. In addition, we plan to begin production in October at a plant in Malaysia for products that have received Halal certification.

The segment's overseas restaurant business struggled somewhat in the first nine months of 2014 amid the economic slowdown in Hong Kong.

As a result of the above, the Food & Soft Drinks segment recorded sales of ¥97.6 billion in the first three quarters of the year (up ¥1.6 billion or 2% year over year). The segment's operating loss came to ¥1.2 billion (compared with a ¥1.5 billion loss a year earlier).

(*1)(*2) data sources: Year-over-year total sales value comparisons for January–September 2014 for the lemon foods market (Sapporo definition) and the instant soup market based on Intage SRI research on the supermarket and convenience store industries.

Restaurants

Japan's restaurant industry has been faring relatively well, with the expected decline in consumer spending after the consumption tax having a rather limited impact on customer traffic. However, the operating environment has remained challenging, with the adverse impact of unseasonable summer weather exacerbated by material costs inflated by the weak yen and rising labor 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 deliver safe and sound food and service while endeavoring to create restaurants that "deliver 100% satisfaction to customers."

During the first nine months of 2014, we opened 15 new outlets, including the first outlet in our new Bier Keller Tokyo chain of casual beer halls in Shinbashi, new shops in our core Ginza Lion beer hall chain, and food & beverage stalls and restaurants operated on a contract basis in sports facilities. The new openings bring to 188 the number of outlets operating as of the end of September 2014. In addition, we continued efforts to renovate existing outlets, including shifting some to new formats, as we seek to provide customers with more comfortable and enjoyable spaces to eat and drink.

Overseas, we will celebrate the first anniversary of the October 2013 opening of our first Ginza Lion Beer Hall in Singapore by opening our second hall in the city-state this October.

Overall, the Restaurants business posted sales of ¥19.9 billion in the first nine months of 2014 (down ¥0.3 billion or 2% decline year over year). Segment operating income was ¥0.0 billion (down ¥0.1 billion or 58% decline year over year).

Real Estate

Japan's real estate industry moved into a recovery trend, with vacancy rates in the Greater Tokyo office leasing market continuing to improve and rents rising, albeit moderately.

Amid such market conditions, our real estate leasing business saw a temporary drop in the occupancy rate at its core property, Yebisu Garden Place, owing to the exit of a large tenant at the expiration of the lease contract in May. However, the business is steadily progressing with its efforts to find replacement tenants, and occupancy rates at other properties remain at high levels.

We continued efforts to enhance the appeal and value of Yebisu Garden Place, which this year is celebrating the 20th anniversary of its opening. These efforts are focused on providing tenants and visitors with enjoyable experiences in comfortable and pleasant surroundings. In April, we welcomed a large upscale restaurant as a new tenant on the commercial-use floor and also undertook a major renovation of public-use floors. We also decided to open a movie theater based on a new concept in spring 2015. 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 supply electricity to tenant spaces during disasters or other emergency situations, helping to ensure the continuity of tenants' business operations. We also are continuing work to ensure power supply to public-use areas of the building during a disaster, with completion of this work scheduled for spring 2015.

The real estate development business opened the doors to Ebisu First Square as scheduled on 30 September, overcoming concerns about a possible delay caused by rising construction costs and labor shortages. Expected to be a new center of activity in Tokyo's Ebisu district, the building opened with full occupancy, and the new tenants have praised the building's safety and environmental features as well as the comfort of its office spaces. In February, we made a final decision to redevelop the Sapporo Ginza Building at the Ginza 4-chome intersection, and in April demolition work on the old building began, targeting completion in May 2016. We are now moving forward with project planning that will keep costs under control while creating a new building with an exterior design in harmony with the Ginza landscape and suitable for a new landmark in the area.

As result of the efforts outlined above, the Real Estate business posted sales of ¥16.2 billion during the first nine months of 2014 (down ¥0.5 billion or 3% year over year). Operating income totaled ¥6.2 billion (down ¥0.5 billion or 8%).

(2) Review of Consolidated Financial Condition

Consolidated Financial Condition

Consolidated assets as of the end of the third quarter on September 30, 2014, totaled ¥607.4 billion, a ¥9.3 billion decrease from the end of the previous fiscal year (December 31, 2013), as a decrease in notes and accounts receivable - trade offset increases in merchandize and finished products, buildings and structures, and investment securities.

Consolidated liabilities totaled ¥458.1 billion, a ¥3.2 billion decrease from December 31, 2013, primarily reflecting a decrease in short-term bank loans and in liquor taxes payable, which more than offset increases in the current portion of bonds and long-term bank loans.

Consolidated net assets totaled ¥149.2 billion, a ¥6.1 billion decline from December 31, 2013. The decline is primarily owing to the distribution of year-end dividends and the booking of a net loss for the three quarters of the current fiscal year, which combined to offset an increase in unrealized holding gain on securities.

(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 August 5, 2014.

2. Other Information

(1) Changes in significant subsidiaries during the nine months ended September 30, 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 nine months ended September 30, 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	September 30, 2014
	Amount	Amount
Assets		
I Current assets		
1 Cash and cash equivalents	11,552	11,503
2 Notes and accounts receivable - trade	87,148	67,257
3 Merchandize and finished products	20,832	25,743
4 Raw materials and supplies	13,552	13,428
5 Other	14,479	17,244
6 Allowance for doubtful receivables	(228)	(201)
Total current assets	147,336	134,975
II Fixed assets		
1 Property, plant and equipment		
(1) Buildings and structures	390,326	396,897
Accumulated depreciation	(212,741)	(215,037)
Buildings and structures, net	177,585	181,859
(2) Machinery and vehicles	218,275	222,128
Accumulated depreciation	(176,691)	(179,667)
Machinery and vehicles, net	41,583	42,461
(3) Land	115,056	115,187
(4) Construction in progress	5,668	2,556
(5) Other	37,757	36,491
Accumulated depreciation	(24,768)	(23,820)
Other, net	12,988	12,670
Total property, plant and equipment	352,882	354,734
2 Intangible assets		
(1) Goodwill	34,418	31,569
(2) Other	7,566	6,571
Total intangible assets	41,985	38,140
3 Investments and other assets		
(1) Investment securities	51,221	57,048
(2) Long-term loans receivable	9,544	9,226
(3) Other	15,109	14,599
(4) Allowance for doubtful receivables	(1,326)	(1,317)
Total investments and other assets	74,548	79,556
Total fixed assets	469,416	472,432
Total assets	616,752	607,407

	December 31, 2013	September 30, 2014
	Amount	Amount
Liabilities		
I Current liabilities		
1 Notes and accounts payable - trade	35,902	33,995
2 Short-term bank loans	63,642	39,773
3 Commercial Paper	25,000	29,000
4 Current portion of bonds	-	12,000
5 Liquor taxes payable	33,700	21,084
6 Income taxes payable	3,837	495
7 Accrued bonuses	2,090	2,918
8 Deposits received	10,824	9,136
9 Other	52,309	62,532
Total current liabilities	227,308	210,936
II Long-term liabilities		
1 Bonds	52,000	50,000
2 Long-term bank loans	107,185	121,290
3 Employees' retirement benefits	5,907	5,265
4 Dealers' deposits for guarantees	32,423	32,337
5 Other	36,561	38,323
Total long-term liabilities	234,077	247,216
Total liabilities	461,386	458,153
Net Assets		
I Shareholders' equity		
1 Common stock	53,886	53,886
2 Capital surplus	45,911	45,911
3 Retained earnings	37,409	27,959
4 Treasury stock, at cost	(1,311)	(1,508)
Total shareholders' equity	135,896	126,250
II Accumulated other comprehensive income		
1 Unrealized holding gain on securities	15,467	18,782
2 Deferred hedge gains (losses)	4	(10)
3 Foreign currency translation adjustments	314	697
Total accumulated other comprehensive income	15,786	19,469
III Minority Interests	3,683	3,534
Total net assets	155,366	149,254
Total liabilities and net assets	616,752	607,407

(2) Consolidated Statements of Income

(millions of yen)

	Nine months ended September 30, 2013	Nine months ended September 30, 2014
	Amount	Amount
I Net sales	369,531	379,380
II Cost of sales	237,193	244,808
Gross profit	132,337	134,572
III Selling, general and administrative expenses		
1 Sales incentives and commissions	23,755	24,528
2 Advertising and promotion expenses	16,368	17,872
3 Salaries	22,627	23,361
4 Provision for accrued bonuses	1,844	1,917
5 Retirement benefit expenses	2,535	2,313
6 Other	55,765	56,287
Total selling, general and administrative expenses	122,897	126,281
Operating income	9,440	8,291
IV Non-operating income		
1 Interest income	194	171
2 Dividend income	533	494
3 Equity in earnings of affiliates	113	196
4 Foreign exchange gains	468	182
5 Other	831	663
Total non-operating income	2,142	1,706
V Non-operating expenses		
1 Interest expense	2,069	1,846
2 Other	644	484
Total non-operating expenses	2,713	2,330
Ordinary income	8,868	7,667
VI Extraordinary gains		
1 Gain on sales of property, plant and equipment	60	74
2 Gain on sales of investment securities	3,491	207
Total extraordinary gains	3,551	281
VII Extraordinary losses		
1 Loss on disposal of property, plant and equipment	413	1,561
2 Loss on sales of property, plant and equipment	-	96
3 Loss on impairment of property, plant and equipment	289	41
4 Loss on devaluation of investment securities	20	11
5 Loss on sales of investment securities	3	0
6 Additional liquor tax paid and other	-	11,685
7 Compensation expenses	-	1,618
8 Business structure improvement expenses	185	-
Total extraordinary income	912	15,015
Income (loss) before income taxes and minority interests	11,508	(7,066)
Income taxes	6,112	(245)
Income (loss) before minority interests	5,395	(6,820)
Minority interests	(79)	(211)
Net Income	5,474	(6,608)

Income (loss) before minority interests	5,395	(6,820)
Other comprehensive income		
Unrealized holding gain on securities	9,958	3,315
Deferred hedge gains (losses)	61	(29)
Foreign currency translation adjustments	3,252	475
Total other comprehensive income	13,272	3,760
Comprehensive income	18,668	(3,059)
(Breakdown)		
Comprehensive income attributable to owners of the parent	18,230	(2,925)
Comprehensive income attributable to minority interests	438	(133)

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

(4) Segment Information

Ⅰ **Nine months ended September 30, 2013 (January 1, 2013 – September 30, 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	195,331	36,236	95,980	20,277	16,857	364,683	4,847	369,531	-	369,531
(2) Intra-group sales and transfers	1,908	54	198	0	1,979	4,141	14,246	18,388	(18,388)	-
Total	197,239	36,291	96,179	20,278	18,837	368,825	19,093	387,919	(18,388)	369,531
Segment income (loss)	5,545	1,035	(1,523)	226	6,788	12,072	113	12,186	(2,746)	9,440

Notes:
(1) "Other" comprises businesses, such as logistics 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	12,072
Total other income	113
Unallocated corporate costs	(2,568)
Intra-segment sales	(177)
Operating income on the statement of income	9,440

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

Ⅱ **Nine months ended September 30, 2014 (January 1, 2014 – September 30, 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	204,057	37,021	97,640	19,932	16,282	374,934	4,446	379,380	-	379,380
(2) Intra-group sales and transfers	1,926	71	214	3	1,969	4,185	14,424	18,610	(18,610)	-
Total	205,983	37,092	97,855	19,935	18,252	379,119	18,871	397,991	(18,610)	379,380
Segment income (loss)	5,991	(77)	(1,253)	95	6,257	11,014	208	11,223	(2,932)	8,291

Notes:

(1) "Other" comprises businesses, such as logistics 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	11,014
Total other income	208
Unallocated corporate costs	(2,835)
Intra-segment sales	(96)
Operating income on the statement of income	8,291

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