



2010
**Sapporo Group Business Results Presentation
for the Nine Months Ended September 30, 2010**

October 29, 2010

Sapporo Holdings Ltd.

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



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*These materials contain forward-looking statements that are based on information available when the materials were prepared and subject to risks and uncertainties. Actual performance may differ materially from the future outlook described for various reasons.



1. Overview of Business Results for the Nine Months Ended September 30, 2010



Overview of Business Results for the Nine Months Ended September 30, 2010 - Consolidated

Sales growth at our Japanese Alcoholic Beverages and Soft Drinks businesses during July–September pushed companywide consolidated sales for the first three quarters to ¥284.0 billion, up ¥0.9 billion year over year (sales were down ¥5.2 billion through the first half).

Operating income, ordinary income, and net income were all up sharply on a year-over-year basis.

	2008/3Q	2009/3Q	2010/3Q	Year-on-year changes	
				Amount	%
Consolidated net sales	306.5	283.1	284.0	0.9	0.3%
Consolidated operating income	9.0	7.8	9.4	1.6	21.1%
Consolidated ordinary income	6.5	6.2	8.5	2.3	36.8%
Consolidated net income	14.2	2.3	3.3	1.0	44.6%



Overview of Third Quarter 2010 Business Results by Segment

The Japanese Alcoholic Beverages business posted a large increase in operating income despite a ¥1.4 billion increase in depreciation charges stemming from the launch of a new sales and logistics system. The Soft Drinks business also achieved profit growth.

	Operating income				Year-on-year changes (billions of yen)	
	2008/3Q	2009/3Q	2010/3Q		Amount	%
Alcoholic Beverages (Japan)	4.2	3.8 *1	5.0 *2		1.1	30.8%
Alcoholic Beverages (International) - Existing Alcoholic Beverages (International) - Business in Vietnam	0.3 0.3 -	0.5 0.5 -	0.5 0.7 (0.1)		0.0 0.1 (0.1)	0.1% 19.6% -
Soft Drinks, Food - Soft drinks - Food	0.0 0.0 (0.0)	0.3 0.8 (0.4)	0.6 1.3 (0.6)		0.3 0.5 (0.2)	95.7% 62.3% -
Restaurants	0.4	(0.1)	(0.0)		0.1	-
Real Estate	5.7 *3	5.4	5.5		0.0	1.5%
General corporate and intercompany eliminations	(1.7)	(2.2)	(2.3)		(0.1)	-

*1: ¥1.6 billion increase in cost burden owing to accounting change

*2: ¥1.4 billion increase in costs owing to new sales and logistics system

*3: 15% co-ownership stake in Yebisu Garden Place sold in April 2008



2. Operating Results by Segment

*Please refer to the following document for our February projections and targets for each business segment: http://www.sapporoholdings.jp/ir/report/pdf/management_plan.pdf

*Please refer to the Appendix for further details of each business segment's profit performance



Alcoholic Beverages (Japan) (1)

Business results highlights

Sales were down year over year but combined sales volume for all beer types increased year over year and outpaced industry-wide demand growth

Key points in business plan: progress on priority issues

1. Improved marketing of alcoholic beverages

- Strengthening of brand power through focused deployment of resources
 - Yebisu, Sapporo Draft Beer Black Label and *Mugi to Hop*
- Development of highly differentiated products worthy of the Sapporo Beer label
 - Sales of new-genre beer product Creamy White surpassed 500,000 cases in just one week after its September 22 launch (large bottle basis)

*Features creamy foam head and smooth taste
- Greater diversification of product lineup, launch of new ready-to-drink cocktails, sales targets achieved
 - May: Sapporo Nectar Sour Sparkling Peach
 - September: Sapporo Nectar Cocktail Torotoro Peach

		Year-on-year changes		(billions of yen)	
		2009	2010	Amount	%
Net sales		204.4	200.8	(3.5)	(1.7) %
Operating income		3.8	5.0 *1	1.1	30.8%

*1: Includes ¥1.4bn in costs related to new sales and logistics system



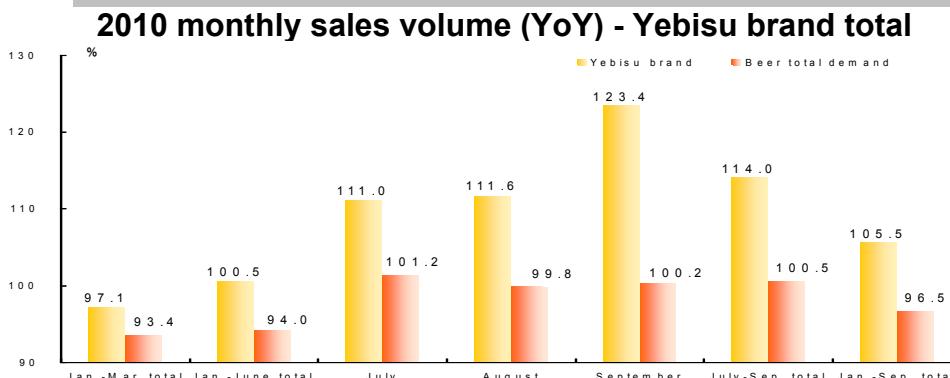


Alcoholic Beverages (Japan) (2)

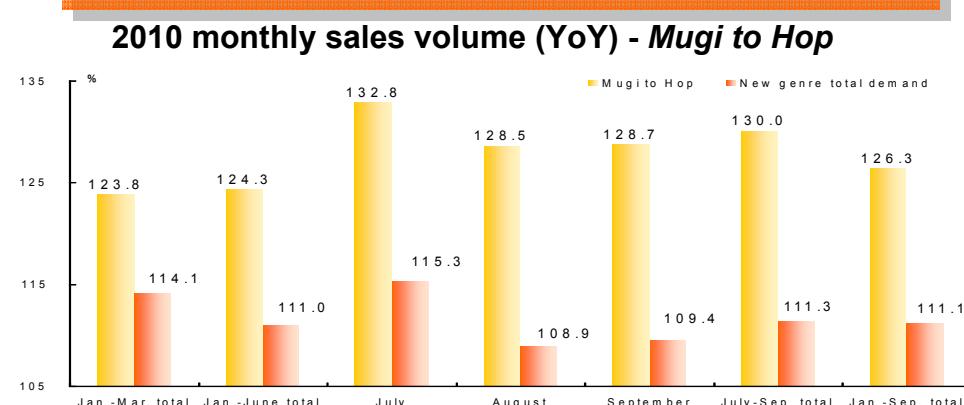
Mainstay Yebisu brand and *Mugi to Hop* both achieved year-over-year sales gains sharply above industry-wide demand growth.

Combined sales volume for our beer, *happoshu* (low-malt beer), and new-genre products also achieved higher growth than the industry-wide average during the January–September period.

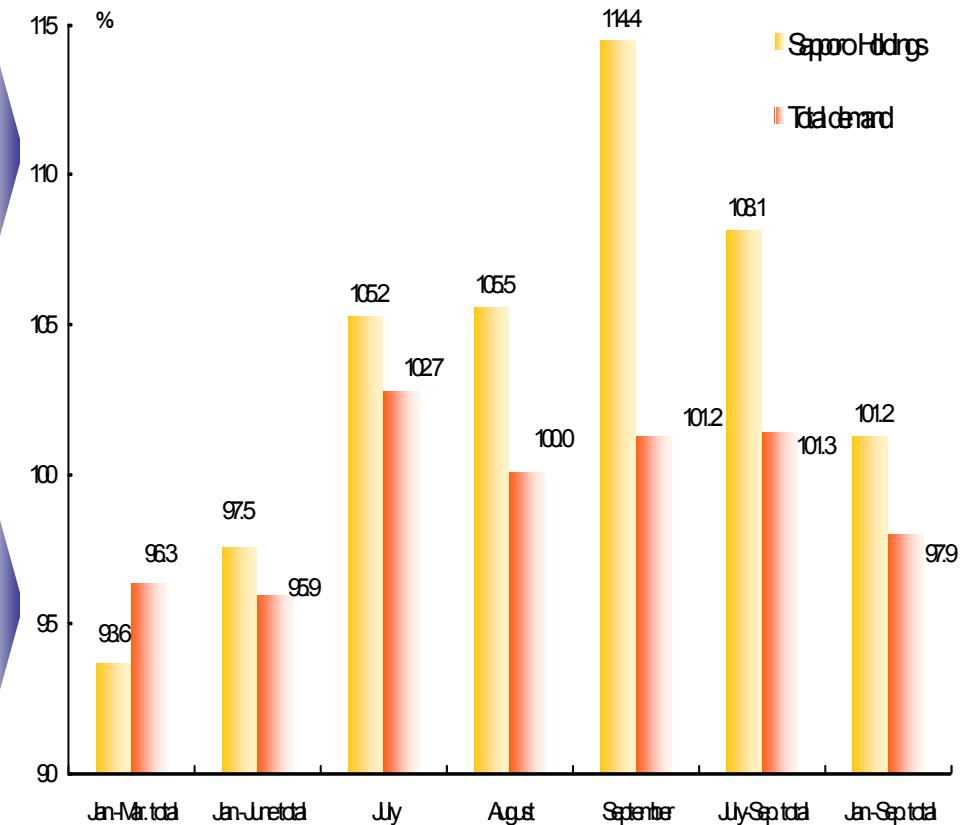
Yebisu brand



Mugi to Hop



Beer, *happoshu*, new genre total





Alcoholic Beverages (International) (1)

(billions of yen)

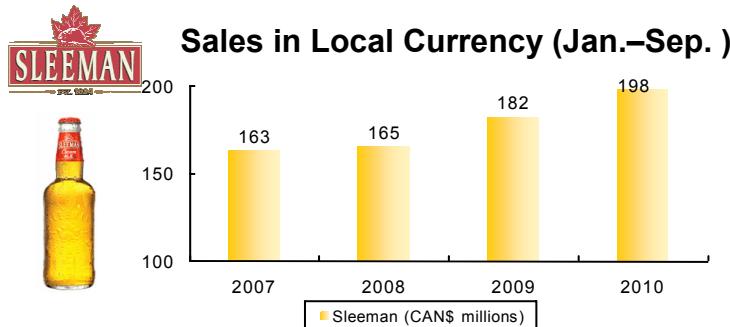
Business results highlights

Achieved 14.9% year-over-year sales growth,
led by strong gains in North American
business

Key points in business plan: progress on priority
issues

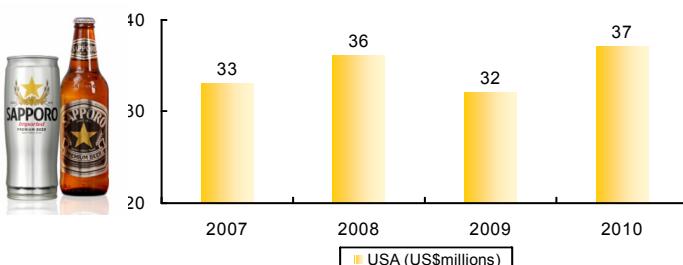
	Year-on-year changes		Amount	%
	2009	2010		
Net sales	16.9	19.5	2.5	14.9%
Operating income - Existing Alcoholic Beverages (International) - Business in Vietnam	0.5 0.5 -	0.5 0.7 (0.1)	0.0 0.1 (0.1)	0.1% 19.6% -

1. Growing our operations in the North American market



Sleeman (Canada)

- Sales boosted through marketing emphasis on premium brands
 - An aggressive marketing campaign including television commercials



Sapporo USA

- Expanding beyond the Japanese-American community into the wider US and Asian-American markets
 - Sales up more than 50% year-on-year in the Asian-American market

As in 2009, 2010 performance is
beating the industry-wide growth trend!

Sales volume (YoY)	2009	2010
Sleeman brand	111%	106%
Total Canadian demand	97%	100%

2010 sales growth far surpasses
average for imported beers!

Sales volume (YoY)	2009	2010
Sapporo USA Inc.	87%	115%
Total US demand for imported beer	90%	98%



Alcoholic Beverages (International) (2)

Business results highlights

2. Entering Asian markets

Expanding into the Vietnamese market

- Establishment Sapporo Vietnam Limited in partnership with state-owned Vietnam National Tobacco Corp (March 2010)
- Brewery construction began in July in preparation for local production and sales
(Production scheduled to commence in autumn 2011)



Vietnamese market

	Numerical data	Details
Population	86 million	
Average age	28	
Total demand for beer in 2008	2 million kiloliters	<ul style="list-style-type: none">➤ Third biggest market in Asia 13% average annual growth over the past 5 years➤ The market is expected to reach Japan's level of 6 million kiloliters by 2025
Sales target in 2019 (quantitative)	0.15 million kiloliters	<ul style="list-style-type: none">➤ 11% share of the HoChi Minh City market➤ 3% share of the Vietnamese market



Expanding into the Singapore market

- We are working to boost our sales in the Singapore household market through our alliance with Pokka Corporation
(Pokka's tea-based beverages share: 70%; will begin selling Sapporo beer from July 1.)
- We are also considering expanding our market into peripheral economies



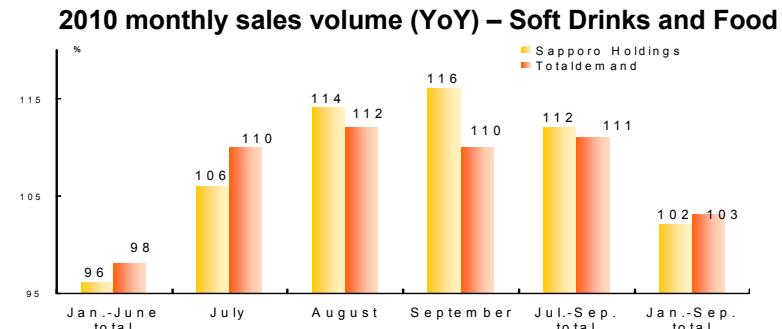


SAPPORO

Soft Drinks and Food

Business results highlights

Sales holding steady despite contraction of domestic market



Key points in business plan: progress on priority issues

1. Soft drinks: success in implementing cost structure reforms

Cost savings (billions of yen)	2008 Results	2009 Results	2010 Plan
1. Improvement of existing operations	0.2	0.2	-
2. Organizational consolidation and headcount adjustments	0.3	0.3	-
3. Cost minimization throughout all value chains	0.4	1.2	0.8
Fiscal-year total	1.0	1.8	0.8

Total 3.6 billion yen

- Cost cuts exceeding ¥3.5 billion within three years



(billions of yen)

Year-on-year changes

	2009	2010	Amount	%
Net sales	23.5	25.7	2.2	9.5%
Operating income - Soft Drinks - Food	0.3 0.8 (0.4)	0.6 1.3 (0.6)	0.3 0.5 (0.2)	95.7% 62.3% -

2. Soft drinks: Derive synergies from strategic alliances

Pursue strategic alliance with Pokka Corporation

- Jointly procure cans, cardboard boxes, PET bottles
- Produce green tea, oolong tea for Pokka

3. Expansion of food business

Expansion of confectionery business

- New Sapporo Potekaru products launched in Tokyo
 - Expand lineup to 6 flavors
- Expansion of product lineup and sales area
 - Expand marketing area from Tokyo area to all of Honshu and Shikoku



Restaurants

(billions of yen)

Business results highlights

Total net sales for first three quarters were down year on year. Increases in comparable restaurant's net sales in August (+1.6%) and September (+0.3%) were insufficient to cover the 5.9% decline in the first half, when cutbacks on household spending led to an increasingly competitive environment. Operating income improved on cost reductions.

Key points in business plan: progress on priority issues

1. Business reorganization

Cost reductions

- Tighter personnel expense controls
- Reduced rental outlays
 - Lower rental outlays
- Closure of unprofitable locations
 - 13 locations closed through end-3Q

	Year-on-year changes			
	2009	2010	Amount	%
Net sales	21.2	20.6	(0.6)	(2.8)%
Operating income	(0.1)	(0.0)	0.1	—

2. Growth initiatives

Strategy for launching new locations

- Synergies with Japanese Alcoholic Beverages:
development of Yebisu Bar format
 - Second and third Yebisu Bar locations opened
(latter summer-only)
 - Expansion of Ginza Lion beer hall network
 - Opening of small-scale Brasserie Ginza Lion
beer hall



Real Estate (1)

Business results highlights

Maintained stable earnings structure despite negative trend of rising vacancies and falling rents in Tokyo office building market

Key points in business plan: progress on priority issues

1. Boost value of existing properties

- Rents have been kept at appropriate levels
- Occupancy rates remain high
 - Occupancy rates at our Tokyo properties are well above the 90% average, for metropolitan Tokyo office buildings, as shown at right.

2. Growth initiatives

- Develop properties
 - Shinjuku Square office building completed in June
- Acquire new properties
 - Shibuya Sakuragaoka Square office building purchased in April

			Year-on-year changes	
	2009	2010	Amount	%
Net sales	16.9	17.2	0.3	2.2%
Operating income	5.4	5.5	0.0	1.5%

(As of September 30, 2010)

Major rental properties in Tokyo's 23 wards	Site area (m ²)	Floor area (m ²)	Occupancy rates (%)	Number of stories
Yebisu Garden Place *1	56,943	298,007	98%	40 floors above ground, 5 below ground
Seiwa Ebisu Building	2,617	10,400	100%	6 floors above ground, 1 below ground
Eebisu Square	1,561	9,126	100%	7 floors above ground, 1 below ground
Shibuya Sakuragaoka Square	1,200	9,268	100%	10 floors above ground, 1 below ground
Sapporo Ginza Building	530	4,232	98%	10 floors above ground, 4 below ground
Strata Ginza *2	1,117	11,411	100%	13 floors above ground, 1 below ground

Site areas are taken from the land registry. Floor areas are as per building certification.

Occupancy rates are averages for January–September.

*1. Figures are for entire property. Sapporo holds an 85% stake (jointly managed). Floor numbers are for office buildings only. Occupancy rates are for office areas only.

*2: Figures are for entire property. Sapporo owns 922m² of the site (sectional ownership) and 89.72% of the building (joint management).



Real Estate (2)

Overview of our Real Estate business

Real Estate business operating income is primarily from real estate leasing.

Our real estate leasing assets are concentrated in Tokyo's 23 wards (see previous page)

Operating income		(billions of yen)				
	Jan.-Sep. 2009	Jan.-Sep. 2010	Change	2009 full-year	2010 full-year (forecast)	Change
Real-estate leasing						
Tokyo's 23 wards	4.8	4.7	(0.0)	6.5	7.0	0.4
Other areas	0.7	0.6	(0.0)	0.9	0.9	(0.0)
Real-estate leasing total	5.5	5.4	(0.0)	7.5	7.9	0.4
Real-estate sales	0.0	0.1	0.1	0.2	0.2	0.0
Other operations	(0.1)	(0.0)	0.0	(0.2)	(0.1)	0.0
Total	5.4	5.5	0.0	7.5	8.0	0.5
EBITDA		(billions of yen)				
	Jan.-Sep. 2009	Jan.-Sep. 2010	Change	2009 full-year	2010 full-year (forecast)	Change
Real-estate leasing						
Tokyo's 23 wards	8.6	8.5	(0.0)	11.6	11.7	0.1
Other areas	1.2	1.1	(0.0)	1.6	1.6	(0.0)
Real-estate leasing total	9.9	9.7	(0.0)	13.3	13.3	0.1
Real-estate sales	0.0	0.1	0.1	0.2	0.2	0.0
Other operations	0.1	0.1	0.0	0.1	0.1	(0.0)
Total	10.0	10.0	0.0	13.6	13.8	0.2

*“Other operations” includes back-office operations.

*EBITDA is calculated as: operating income + depreciation and amortization

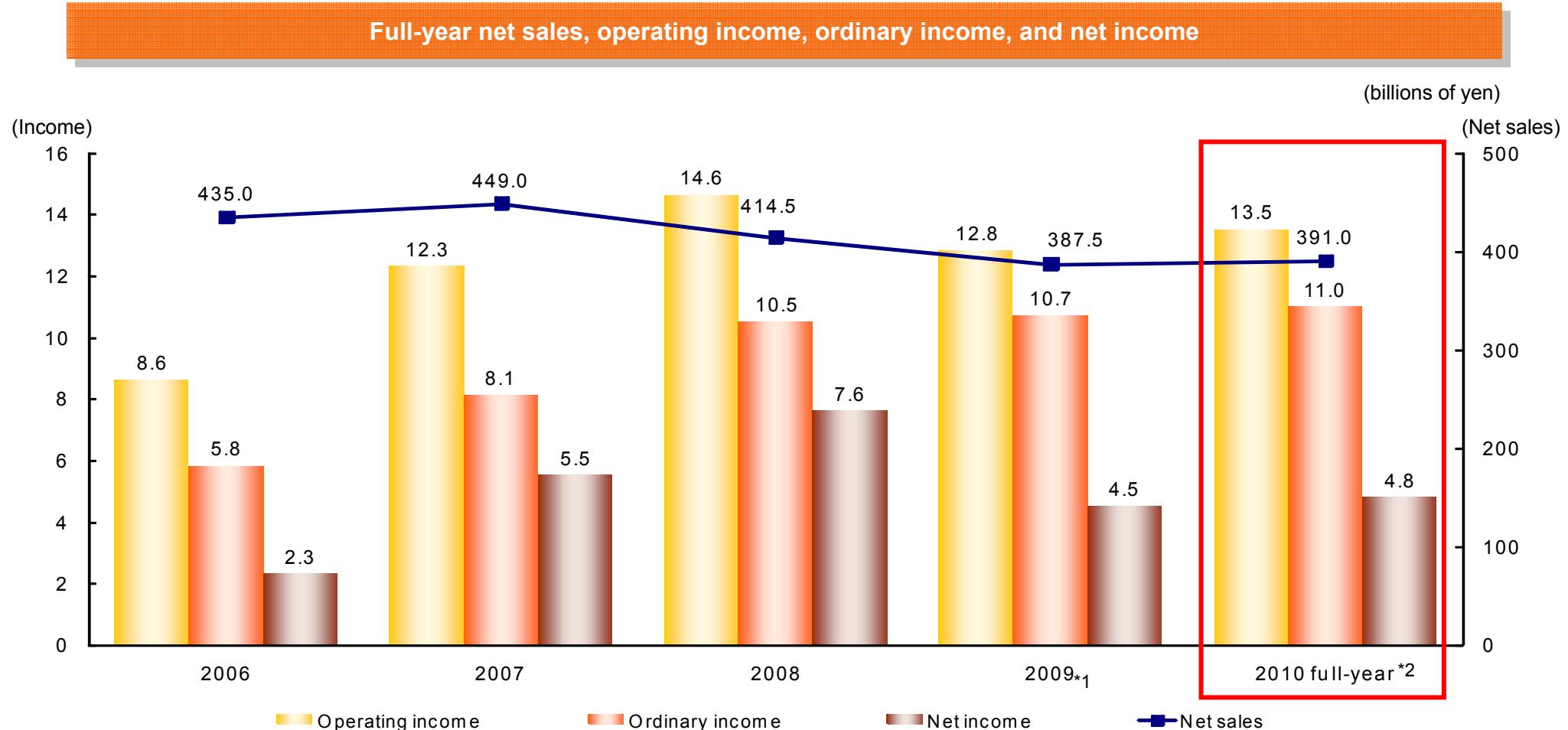


3. For Reference: 2010 Earnings Forecasts



2010 Consolidated Earnings Forecasts

Our 2010 earnings forecasts are unchanged from those announced at first half-end



*1: ¥2.4 billion increase in cost burden owing to accounting change

*2: ¥1.8 billion increase in costs owing to new sales and logistics system



2010 Consolidated Earnings Forecasts by Segment

Full-year earnings forecasts by segment (year-on-year)

(billions of yen)

	Net sales			Operating income			EBITDA		
	2009	2010	Change	2009	2010	Change	2009	2010	Change
Alcoholic Beverages (Japan)	282.9	280.0	(2.9)	7.4	7.5	-	21.6	22.5	0.9
Alcoholic Beverages (International)	22.5	26.0	3.4	0.6	0.8	0.1	2.6	2.8	0.2
Soft Drinks and Food	30.7	33.7	3.0	0.3	0.5	0.2	0.7	0.8	0.1
Restaurants	28.0	26.8	(1.2)	(0.1)	-	0.2	0.7	0.7	-
Real Estate	23.2	24.5	1.2	7.5	8.0	0.5	13.6	13.8	0.2
General corporate and intercompany eliminations	-	-	-	(2.9)	(3.3)	(0.4)	(2.9)	(3.3)	(0.4)
Consolidated total	387.5	391.0	3.4	12.8	13.5	0.6	36.3	37.3	0.9

*EBITDA is calculated as: operating income + depreciation and amortization + amortization of goodwill

Full-year forecast vs. initial plan by segment

(billions of yen)

	Net sales			Operating income		
	Initial plan	Full-year forecast	Change	Initial plan	Full-year forecast	Change
Alcoholic Beverages (Japan)	285.0	280.0	(5.0)	7.5	7.5	-
Alcoholic Beverages (International)	26.0	26.0	-	0.8	0.8	-
Soft Drinks and Food	32.0	33.7	1.7	0.7	0.5	(0.2)
Restaurants	27.0	26.8	(0.2)	0.2	-	(0.2)
Real Estate	24.5	24.5	-	8.0	8.0	-
General corporate and intercompany eliminations	-	-	-	(3.7)	(3.3)	0.4
Consolidated total	394.5	391.0	(3.5)	13.5	13.5	-



2010 Key Issues

Strategic Theme

Transition from an earnings structure reform phase to a growth phase in which we will enhance enterprise value over the medium to long term

Strengthening existing businesses

Expand revenues

Intensify cost structure reform

Japanese Alcoholic Beverages Business
Strengthen brands by focusing resources on core products
Create and develop growth brands
Broadly diverse alcoholic beverages lineup

Pursue growth strategy

Grow business in North America

- Bolster production capabilities to ensure ability to handle business expansion
- Step up brand formation efforts to cement premium-brand image

Enter Asian markets

- Conduct brand awareness campaigns ahead of completion of production facilities in Vietnam
- Expand business in the Singapore household market (alliance with Pokka)

Strengthen alliances

- Step up efforts aimed at maximizing synergies with alliance partners

Develop property holdings

- Develop properties held by the Group in Ginza, Ebisu, and elsewhere

Conduct strategic investment

To fund investments, use cash flow from existing businesses and also, if necessary, use monetizable Group assets to generate additional cash flow