Financial Results
for the three Months Ended March 31, 2013 — Consolidated
(Based on Japanese GAAP)

May 8, 2013

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	May 14, 2013
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, 2013 (January 1 – March 31, 2013)

(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, 2013	100,498	3.2	(4,755)	-	(5,191)	-	(3,068)	-
Three months ended March 31, 2012	97,388	35.1	(5,581)	-	(5,864)	-	(4,126)	-

Note: Accumulated other comprehensive income

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

Three months ended March 31, 2012 (891) million yen

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended March 31, 2013	(7.84)	-
Three months ended March 31, 2012	(10.54)	-

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
March 31, 2013	584,583	134,860	22.5	337.22
December 31, 2012	597,636	134,946	22.1	336.60

Note: Shareholders' equity
March 31, 2013: 131,640 million yen
December 31, 2012: 131,795 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, 2012	—	0.00	—	7.00	7.00
Year ending December 31, 2013	—				
Year ending December 31, 2013 (forecast)		0.00	—	7.00	7.00

Note: No changes were made to dividend forecasts in the three months ended March 31, 2013.

3. Forecast of Consolidated Earnin gs for the Year Ending December 31, 2013 (January 1 – December 31, 2013)

(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, 2013	512,000	4.0	15,300	6.1	14,000	2.3	5,500	2.0	14.05

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

4. Other

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

(1) Changes in significant subsidiaries during the three months ended March 31, 2013: Yes

*Changes affecting the status of significant subsidiaries (scope of consolidation)

Newly consolidated: - Newly excluded: Sapporo Beverage Co., Ltd.

(Note) Sapporo Beverage Co., Ltd. was absorbed by Pokka Sapporo Food & Beverage Ltd. via a merger conducted on January 1, 2013. Sapporo Beverage Co., Ltd. was dissolved and ceased to be a subsidiary of the Company; while Pokka Sapporo Food & Beverage Ltd. became a subsidiary.

(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 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, 2013: 393,971,493 shares
December 31, 2012: 393,971,493 shares

2) Number of shares held in treasury at end of period:
March 31, 2013: 3,596,273 shares
December 31, 2012: 2,418,030 shares

3) Average number of outstanding shares during the period:
Three months ended March 31, 2013: 391,378,116 shares
Three months ended March 31, 2012: 391,568,096 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 thequarterly 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, 2013

In the first quarter of 2013 (January 1 – March 31, 2013), the domestic economy showed some positive signs of improvement, including a stock market rally fueled by growing expectations for monetary easing. However, the consumption environment remained uncertain.

Amid this environment, the Sapporo Group was able to increase group sales thanks to strong contributions from the International Business and the Real Estate business. International Business results benefited from the April 2012 consolidation of Silver Springs Citrus, Inc., the largest US maker of private-brand chilled drinks, and rising sales in Vietnam, where we continued efforts to build our market presence. Real Estate business revenues were higher thanks to larger contributions from the Yebisu Garden Place complex since March 2012, when we reacquired trust beneficiary rights amounting to a 15% equity interest in the property from the former joint holder in the complex.

Group operating income increased year over year thanks to profitability improvements stemming from reductions in marketing expense at the Japanese Alcoholic Beverage Business and increased sales from the International Business' Vietnam operations.

As a result of the above factors, the Sapporo Group posted consolidated sales of ¥100.4 billion (up ¥3.1 billion or 3% year over year), an operating loss of ¥4.7 billion (compared with a ¥5.5 billion loss a year earlier), an ordinary loss of ¥5.1 billion (compared with a ¥5.8 billion loss a year earlier), and extraordinary income on gains on sales of investment securities of ¥3.4 billion. As a result, the first quarter of fiscal 2013 produced a net loss of ¥3.0 billion (compared with a ¥4.1 billion loss a year earlier).

The first quarter of 2013 marked the startup of operations at Pokka Sapporo Food & Beverage Ltd., a new Group company established to oversee the integration of Pokka Corporation and Sapporo Beverage Co., Ltd.

Segment information is outlined below.

Effective the three months ended March 31, 2013, Sapporo Logistics Systems Co., Ltd., which was previously included in the Japanese Alcoholic Beverages segment, and Pokka Logistics Co., Ltd., which was previously included in the Food & Soft Drinks segment, were reclassified to the Other segment. Additionally, effective the three months ended March 31, 2013, Pokka Food (Singapore) Pte. Ltd. which was previously included in the Food & Soft Drinks segment was reclassified to the Restaurants segment, while on April 1, 2013, Pokka Food (Singapore) Pte. Ltd. changed its name to Sapporo Lion (Singapore) Pte. Ltd.

In accordance with the above and to enable year-over-year comparisons in this document, figures for the year-earlier period have been adjusted to reflect the new segmentation.

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 2013 declined 2% year over year. Beer and happoshu sales volumes decreased slightly, while volume sales of new-genre beer slowed but continued to show year-over-year growth.

Under these market conditions, the Japanese Alcoholic Beverage business continued to invest management resources in its core beer brands. At the same time, the business worked to build the foundations for growth of its nonalcoholic beer beverages and ready-to-drink (RTD)* cocktails and solidify its wine & western spirits business and its Japanese shochu business, and efforts to diversify product offerings are raising brand value.

In the beer and beer-type beverages category, in February we launched *Kaori Hanayagu Yebisu*, a limited-volume version of our core brand that received the endorsement of master French chef Joel Robuchon and was well-received in the market. In the new-genre beer segment, we launched renewal versions of Mugi to Hop and Mugi to Hop Black in February and both won strong support from consumers. As a result, sales of beer exceeded overall demand, while total sales volume for beer and beer-type beverages was in line with demand for the same period of the previous fiscal year.

In the nonalcoholic beer category, we launched renewal versions of Sapporo Premium Alcohol Free and Sapporo Premium Alcohol Free Black in February. A well-coordinated and sustained sales campaign, including TV commercials and in-store promotions, fueled sales of the renewal versions and helped us achieve a sharp year-over-year increase in sales volume in the nonalcoholic beer category.

In the RTD category, we continued to introduce collaborative products that help extend our brand name. Two such new offerings in the first quarter were Bacardi Mango Mojito and Sapporo Nectar Sour Cherry & Peach.

In the wine and liquor business, our core imported wine, Yellow Tail, launched Yellow Tail Pink Moscato in March, which helped boost the brand's appeal. Among domestic wines, our mainstay domestic premium brand, Grande Polaire, continued to enjoy strong customer support, helping to boost our overall wine sales above the previous year level. Meanwhile, our western spirits business saw its sales volume increase thanks to the contribution from Bacardi products.

The shochu business also posted strong year-over-year sales gains on continued brisk sales of two blended shochus introduced in 2012 –*Imo Shochu Kokuimo* and *Mugi Shochu Koimugi.*

Overall, the Japanese Alcoholic Beverage business posted sales of ¥50.2 billion, down 0.5 billion or 1% year over year in the first quarter of 2013. However, the business also reduced costs, enabling it to cut its quarterly operating loss to ¥3.3 billion, from ¥4.8 billion 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, where the timing of a full-fledged economic recovery remains unclear, we estimate that total demand in the beer market was largely flat year over year in the first quarter of 2013. 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. Canadian subsidiary SLEEMAN BREWERIES achieved a 4% year-over-year increase in unit sales (excluding outsourced production of Sapporo brand products and sales of domestic brands), extending its growth streak to a seventh year. Sapporo USA achieved a 10% year-over-year increase in sales volumes of Sapporo brand beers. Meanwhile, we continued to strengthen our position in United States' soft drinks market when we acquired a 51% equity stake in Silver Springs Citrus, Inc. in January 2012.

The Vietnam business sharply expanded sales during its first *Tet* (New Year's holiday) sales campaign since our full-scale entry into the local market in April 2012, as we continued our efforts to build market recognition for the Sapporo brand. In South Korea, our local partner, Maeil Dairies Co., Ltd. continued its efforts to expand sales of Sapporo brand beers to the household and commercial markets in that country. In Oceania, we continued to bolster sales via our brewing and sales 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. Thanks to the efforts outlined above, we achieved 155% growth in beer volume sales in the Asian and other overseas markets outside North America.

As a result of the above activities, the International Business posted first-quarter sales of ¥9.9 billion, up ¥4.0 billion, or 70%, year over year, thanks to increased sales on local-currency bases at continuing operations supplemented by sales from Silver Springs Citrus, Inc., which was not a consolidated subsidiary a year earlier, and the impact of yen depreciation. The segment's operating loss shrunk from ¥0.4 billion in the first quarter of 2012 to just ¥0.1 billion in the first quarter of 2013.

Food & Soft Drinks

Domestic demand for soft drinks in the first quarter of 2013 was affected by cold winter weather in January and February, which fueled demand for hot beverages in PET bottles, in contrast to other categories. More favorable weather in March bolstered sales of cold drinks and, as a result, we estimate that overall demand for soft drinks in the first quarter was up about 1% year over year. Demand for lemon-based products (flavorings) held steady with the previous-year level, while that for instant soup (including soup s in a cup) declined an estimated 4%.

In this overall demand environment, the Sapporo Group's Food & Soft Drinks busine ss began integrated operations in January as Pokka Sapporo Food & Beverage Ltd. , and investments were concentrated on core brands to strengthen and nurture various brands.

The business prepared for the peak demand spring and summer seasons by introducing new products across its core domestic beverage brands, including the Aromax canned coffee series, the *Gabunomi* series, and the Ribbon series. In the lemon and natural foods category, the business sought to further penetrate the consumer market by announcin g renewal versions of Pokka's Hiroshima Lemon, made 100% from pure domestic lemons, as well as products in the Kireto Lemon series and the Oceanspray Cranberry lineup. The business also continued to steadily expand sales of the Gerolsteiner naturally carbo nated water from Germany, its core overseas brand. In the soup category, efforts were made to strengthen product lineups in the *Jikkuri Kotokoto* series, the *Kongari Pan* series of instant cups of soup, and the *Kantanbimi* Korean soup series. The commercial-use products category saw the release of a renewed version of the commercial pudding mix *Gyōmu-yō Torokeru Purin no Moto* and the launch of a one-liter commercial-use version of Pokka Lemon Warizai Syrup.

In the domestic restaurants business, the Café de Crié coffee shop chain continued to post favorable results in an increasingly competitive market segment by introducing new menu items on a regular basis and through efforts to remodel existing outlets and open new ones.

The overseas soft drinks business steadily lowered costs as it dealt with a decline in exports caused by stiffening price competition in Singapore and the economic crisis in Europe. Pokka Ace (M) SDN. BHD., included in the Group's consolidated income statement from this fiscal quarter, contributed to earnings as it steadily expanded its business.

Meanwhile, the overseas restaurant business continued to feel the effects of a marketwide slowdown in Hong Kong caused by a decline in the numbers of customers from mainland China.

Reflecting the results of the various business segments outlined above, the Food & Soft Drinks segment recorded first-quarter sales of ¥27. 6 billion, down ¥0.4 billion, or 2%, year over year, with an operating loss of ¥1.8 billion (compared with a ¥1.2 billion loss a year earlier).

Restaurants

In the first quarter of 2013, Japan's restaurant industry continued to face a difficult operating environment characterized by stiff competition among restaurant operators seeking to attract customers that are increasingly opting to eat and drink at home as they cut back on spending.

In this environment, the Sapporo Group's Restaurants business continued to satisfy its customers by developing high-value-added menus featuring regional specialties, thoroughly monitoring the quality of its draft beer offerings, and otherwise heightening service levels. The business also endeavored to increase customer traffic through various campaigns and stepped up marketing of group parties to corporations.

We continued efforts to reform the Restaurants business' profit structure. These included strengthening the business' purchasing strategy through use of a distribution system with a single center for serving the Tokyo metropolitan area, reducing outlet operating costs by switching to LED lighting, and closing unprofitable outlets.

New outlet openings in the first quarter included a YEBISU BAR outlet in Kyoto and two outlets opened via a contract to operate restaurants in sports facilities. Meanwhile, nine outlets were closed, bringing the number of outlets operating at period-end to 186.

In addition, from the first quarter of 2013, our 10 outlets in the Singapore restaurants business will be operated under the supervision of Sapporo Lion Limited. Going forward, we will make optimum use of the knowhow accumulated at Sapporo Lion Limited to spread the Japanese beer hall culture to the world.

Overall, the Sapporo Group's Restaurants business recorded sales of ¥5.7 billion in the first quarter, up 2% year over year, and an operating loss of ¥0.3 billion, compared with a ¥0.2 billion loss a year earlier.

Real Estate

In Japan's real estate industry, vacancy rates in the Greater Tokyo office leasing market are beginning to come down after having been pushed up by recent large increases in the supply of new office buildings. Rents, however, are lingering at low levels.

Amid such market conditions, the Sapporo Group's Real Estate business maintained high occupancy rates at its properties in the Tokyo Metropolitan area, including the Yebisu Garden Place complex. The complex contributed more to segment revenues and profits in the first quarter of the year after we reacquired trust beneficiary rights amounting to a 15% equity interest in the property from the former joint holder in March 2012.

With Yebisu Garden Place set to mark 20 years of operation in 2014, a number of projects got under way in 2012 that are designed to raise the property's value and enhance its branding and overall convenience. In addition to installing additional emergency power-generating systems (to be completed in spring 2014), we are strengthening the facility's service and commercial functions for the benefit of office workers and local residents. In January, we completed work on the Chez via Yebisu shared-housing apartment building. Since opening its doors in February, the facility has enjoyed higher occupancy rates.

The real estate development business began redevelopment in March of the Seiwa Yebisu Building. Work on the building, expected to become a new base for the company in the Ebisu district, is scheduled for completion in autumn 2014. We are also seriously considering the redevelopment of the Sapporo Ginza Building located at the Ginza 4-chome intersection.

As a result of the above noted activities, the Real Estate business' posted sales in the first quarter of ¥5.3 billion, largely unchanged year over year, and an operating loss of ¥2.1 billion, compared with a ¥0.1 billion, or 6%, loss in the same period of the previous year.

(2) Review of Consolidated Financial Condition

Consolidated assets as of the end of the first quarter on March 31, 2013, totaled ¥584.5 billion, a ¥13.0 billion decrease from the end of the previous fiscal year (December 31, 2012). The decline is attributable to a decrease in notes and accounts receivable, which more than offset increases in investment securities , etc.
Consolidated liabilities totaled ¥449.7 billion, a ¥12.9 billion decrease from December 31, 2012, primarily reflecting a decrease in short-term bank loans and liquor taxes payable, which more than offset increases in long-term bank loans and corporate bonds.

Consolidated net assets as of March 31, 2013 were ¥134.8 billion, almost unchanged from December 31, 2012, as Increases in unrealized gains on securities and in the foreign currency translation adjustment account were offset by the distribution of year-end dividends for the previous fiscal year 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, 2013, is unchanged from the forecast announced by the Company on February 8, 2013.

2. Other information

(1) Changes in significant subsidiaries during the three months ended March 31, 2013

Sapporo Beverage Co., Ltd. was absorbed by Pokka Sapporo Food & Beverage Ltd. via a merger conducted on January 1, 2013. Sapporo Beverage Co., Ltd. was dissolved and ceased to be a subsidiary of the Company; while Pokka Sapporo Food & Beverage Ltd. became a subsidiary.

(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, 2013, and then multiplying income (loss) before taxes and minority interests by this estimated effective tax rate.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(millions of yen)

	December 31, 2012	March 31, 2013
	Amount	Amount
Assets		
I Current assets		
1 Cash and cash equivalents	9,755	9,973
2 Notes and accounts receivable - trade	83,581	61,550
3 Merchandize and finished products	20,372	23,353
4 Raw materials and supplies	12,072	12,325
5 Other	12,763	13,507
6 Allowance for doubtful receivables	(287)	(180)
Total current assets	138,258	120,530
II Fixed assets		
1 Property, plant and equipment		
(1) Buildings and structures	384,995	386,024
Accumulated depreciation	(205,155)	(206,899)
Buildings and structures, net	179,839	179,125
(2) Machinery and vehicles	210,465	212,792
Accumulated depreciation	(170,803)	(172,849)
Machinery and vehicles, net	39,661	39,943
(3) Land	115,413	114,990
(4) Construction in progress	4,425	2,976
(5) Other	39,242	38,952
Accumulated depreciation	(25,520)	(25,500)
Other, net	13,722	13,451
Total property, plant and equipment	353,061	350,488
2 Intangible assets		
(1) Goodwill	37,541	37,113
(2) Other	7,444	9,080
Total intangible assets	44,985	46,194
3 Investments and other assets		
(1) Investment securities	35,670	42,971
(2) Long-term loans receivable	9,783	9,528
(3) Other	17,263	16,329
(4) Allowance for doubtful receivables	(1,386)	(1,458)
Total investments and other assets	61,330	67,370
Total fixed assets	459,377	464,053
Total assets	597,636	584,583

	December 31, 2012	March 31, 2013
	Amount	Amount
Liabilities		
I Current liabilities		
1 Notes and accounts payable - trade	32,985	29,595
2 Short-term bank loans	55,270	39,892
3 Commercial Paper	47,000	48,000
4 Current portion of long-term debt	10,000	10,000
5 Liquor taxes payable	33,397	21,995
6 Income taxes payable	3,830	1,143
7 Accrued bonuses	1,860	3,796
8 Deposits received	12,358	12,542
9 Other	46,443	42,426
Total current liabilities	243,146	209,392
II Long-term liabilities		
1 Bonds	32,000	42,000
2 Long-term bank loans	113,376	122,052
3 Employees' retirement benefits	7,385	7,094
4 Directors' and audit & supervisory board members' severance benefits	26	20
5 Dealers' deposits for guarantees	32,914	33,134
6 Other	33,840	36,027
Total long-term liabilities	219,543	240,330
Total liabilities	462,689	449,722
Net Assets		
I Shareholders' equity		
1 Common stock	53,886	53,886
2 Capital surplus	46,308	45,910
3 Retained earnings	31,393	24,820
4 Treasury stock, at cost	(1,199)	(1,222)
Total shareholders' equity	130,389	123,394
II Accumulated other comprehensive income		
1 Unrealized holding gain on securities	5,122	10,023
2 Deferred hedge gains (losses)	9	20
3 Foreign currency translation adjustments	(3,725)	(1,798)
Total accumulated other comprehensive income	1,406	8,245
III Minority Interests	3,151	3,220
Total net assets	134,946	134,860
Total liabilities and net assets	597,636	584,583

(2) Consolidated Statements of Income

(millions of yen)

	Three months ended March 31, 2012	Three months ended March 31, 2013
	Amount	Amount
I Net sales	97,388	100,498
II Cost of sales	62,812	65,785
Gross profit	34,576	34,712
III Selling, general and administrative expenses		
1 Sales incentives and commissions	6,927	6,780
2 Advertising and promotion expenses	6,685	6,005
3 Salaries	6,470	7,158
4 Provision for bonuses	1,472	1,352
5 Retirement benefit expenses	882	857
6 Other	17,718	17,312
Total selling, general and administrative expenses	40,157	39,467
Operating loss	(5,581)	(4,755)
IV Non-operating income		
1 Interest income	69	62
2 Dividend income	35	66
3 Foreign exchange gain	296	339
4 Gain (loss) on gift voucher redemptions	131	-
5 Other	327	268
Total non-operating income	860	735
V Non-operating expenses		
1 Interest expense	860	734
2 Equity in loss of affiliates	14	63
3 Other	269	374
Total non-operating expenses	1,143	1,172
Ordinary loss	(5,864)	(5,191)
VI Extraordinary gains		
1 Gain on sales of property, plant and equipment	3	10
2 Gain on sales of investment securities	0	3,477
Total extraordinary gains	4	3,487
VII Extraordinary losses		
1 Loss on disposal of property, plant and equipment	135	129
2 Impairment loss	34	222
3 Loss on devaluation of investment securities	251	6
4 Loss on sale of investment securities	-	0
5 Business structure improvement expenses	-	176
Total extraordinary losses	420	536
Loss before income taxes and minority interests	(6,280)	(2,240)
Income taxes	(2,104)	806
Loss before minority interests	(4,176)	(3,047)
Minority interests in losses	(49)	21
Net loss	(4,126)	(3,068)

Loss before minority interests	(4,176)	(3,047)
Other comprehensive income*1		
Unrealized holding gain on securities	2,250	4,900
Deferred hedge gains (losses)	11	19
Foreign currency translation adjustments	1,029	2,178
Share of other comprehensive income of associates accounted for using equity method	(6)	-
Total other comprehensive income	3,284	7,098
Comprehensive income*2	(891)	4,050
(Breakdown)		
Comprehensive income attributable to owners of the parent	(884)	3,770
Comprehensive income attributable to minority interests	(7)	280

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

(4)Segment Information
Ⅰ **Three months ended March 31, 2012 (January 1, 2012 – March 31, 2012)**
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	50,754	5,868	28,120	5,641	5,368	95,753	1,634	97,388	-	97,388
(2) Intra-group sales and transfers	447	5	36	-	602	1,092	4,283	5,375	(5,375)	-
Total	51,202	5,873	28,157	5,641	5,971	96,846	5,918	102,764	(5,375)	(97,388)
Segment income (loss)	(4,877)	(412)	(1,299)	(291)	2,008	(4,872)	(88)	(4,960)	(620)	(5,581)

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	(4,872)
Total other losses	(88)
Unallocated corporate costs	(647)
Intra-segment sales	27
Operating income on the statement of income	(5,581)

3. Impairment loss on fixed assets or goodwill by reportable segment
(Significant impairment losses on fixed assets)
Not applicable

(Significant change in the amount of goodwill)
In the International Business segment, the Company acquired the shares of Silver Springs Citrus, Inc. on January 31, 2012 and made it a consolidated subsidiary. In conjunction with the acquisition, goodwill increased by 421 million yen during the three months ended March 31, 2013.

(Material Gain on negative goodwill)
Not applicable

Ⅱ **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. Changes to reportable segments

The Sapporo Group will conduct a reorganization of its logistics business on May 1, 2013. The Company's consolidated subsidiaries Sapporo Logistics System Co., Ltd. and Pokka Logistics Co., Ltd. will be reorganized under Sapporo Group Logistics Co., Ltd., which is under the control of Sapporo Group Management LTD., which will head this Group.

In line with this, effective the three months ended March 31, 2013, Sapporo Logistics Systems Co., Ltd., which was previously included in the Japanese Alcoholic Beverages segment, and Pokka Logistics Co., Ltd., which was previously included in the Food & Soft Drinks segment, were reclassified to the Other segment. Additionally, effective the three months ended March 31, 2013, Pokka Food (Singapore) Pte. Ltd. which was previously included in the Food & Soft Drinks segment was reclassified to the Restaurants segment in conjunction with changes in organizational structure through share transfers between consolidated subsidiaries.
The segment information for the three months ended March 31, 2012 has been recast to reflect the change of segmentation.

(Note) On April 1, 2013, Pokka Food (Singapore) Pte. Ltd. changed its name to Sapporo Lion (Singapore) Pte. Ltd.

4. 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

(5)Notes on Significant Changes in the Amount of Shareholder's Equity

Not applicable

(6)Subsequent Events

Not applicable