



Six Months ended June 30, 2016

Consolidated First Half Earnings Report - Supplementary Information

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August 2016

SAPPORO HOLDINGS LTD.

Securities Code: 2501

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

Financial Highlights (2012- 2016)

Consolidated Financial Highlights

(billions of yen, except percentages, ratios, per-share data, and exchange rates)

		Six months ended June 30, 2012	Six months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2015	Six months ended June 30, 2016
Net sales	Including liquor tax	223.0	231.2	239.8	245.8	248.9
	Excluding liquor tax	172.6	179.6	187.5	194.6	195.7
Overseas net sales to total	Excluding liquor tax	13.6%	19.2%	19.8%	24.3%	21.9%
Operating income	Before goodwill amortization	0.1	2.4	2.8	0.7	4.9
	After goodwill amortization	(1.7)	0.4	1.0	(1.2)	3.0
Operating margin	Including liquor tax / after goodwill amortization	-	0.2%	0.4%	-	1.2%
	Excluding liquor tax /before goodwill amortization	0.1%	1.4%	1.5%	0.4%	2.6%
	Excluding liquor tax /after goodwill amortization	-	0.3%	0.5%	-	1.6%
Ordinary income		(2.4)	0.3	0.2	(1.4)	2.6
Net income		(2.9)	0.1	(10.9)	1.1	0.4
Total assets		591.8	601.1	603.2	621.1	594.8
Net assets		122.8	140.0	142.3	161.9	151.3
Balance of debt	Gross	263.7	259.9	261.1	243.3	238.7
	Net	255.8	249.8	250.2	232.8	226.3
Debt-to-equity ratio (times)	Gross	2.1	1.9	1.8	1.5	1.6
	Net	2.1	1.8	1.8	1.4	1.5
Capital expenditure	Cash basis	46.3	6.6	9.7	13.5	10.0
Depreciation and amortization		12.7	12.5	12.0	11.8	10.9
Amortization of goodwill		1.9	2.0	1.8	2.0	1.9
E B I T D A	Operating income + Depreciation and amortization	12.9	15.0	14.9	12.5	15.9
Exchange rates (Yen)	US\$	79.78	95.73	102.46	120.31	111.74
	CAN\$	79.31	94.17	93.40	97.33	83.90

		Year ended December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2014	Year ended December 31, 2015	Year ending December 31, 2016 (forecast)
Net sales	Including liquor tax	492.4	509.8	518.7	533.7	565.4
	Excluding liquor tax	379.7	395.3	401.8	418.3	445.2
Overseas net sales to total	Excluding liquor tax	14.1%	18.3%	19.2%	22.6%	23.5%
Operating income	Before goodwill amortization	18.2	19.3	18.4	18.1	25.0
	After goodwill amortization	14.4	15.3	14.7	13.9	21.1
Operating margin	Including liquor tax / after goodwill amortization	2.9%	3.0%	2.8%	2.6%	3.7%
	Excluding liquor tax /before goodwill amortization	4.8%	4.9%	4.6%	4.3%	5.6%
	Excluding liquor tax /after goodwill amortization	3.8%	3.9%	3.7%	3.3%	4.7%
Ordinary income		13.6	15.1	14.5	13.2	20.2
Net income		5.3	9.4	0.3	6.1	10.5
Total assets		597.6	616.7	625.4	620.3	
Net assets		134.9	155.3	160.0	163.8	
Balance of debt	Gross	257.6	247.8	247.5	234.7	227.1
	Net	247.8	236.2	237.7	224.3	217.5
Debt-to-equity ratio (times)	Gross	1.9	1.6	1.5	1.4	1.3
	Net	1.8	1.5	1.5	1.4	1.3
Capital expenditure	Cash basis	53.8	13.7	19.1	20.3	19.5
Depreciation and amortization		25.8	25.0	24.4	24.2	24.0
Amortization of goodwill		3.8	3.9	3.7	4.1	3.9
E B I T D A	Operating income + Depreciation and amortization	44.0	44.3	42.9	42.3	49.0
ROE (%)	Before goodwill amortization	7.3%	9.5%	2.7%	6.5%	8.9%
	After goodwill amortization	4.2%	6.7%	0.2%	3.9%	6.5%
EPS (yen sen)	Before goodwill amortization	23.68	34.40	10.53	26.34	36.96
	After goodwill amortization	13.77	24.20	0.87	15.68	26.95
Exchange rates (Yen)	US\$	79.81	97.73	105.79	121.11	126.00
	CAN\$	79.83	94.81	95.74	94.82	96.00

*1: The balance of debt includes commercial paper but excludes the balance of lease obligations.

*2: Exchange rates are annual average rates.

Major Sales and Sales Volume

Alcoholic Beverage (Japan)

(10,000 cases)

	Jan. 1 - Jun.30, 2016	Jan. 1 - Jun.30, 2015	YoY	Full-year estimate for fiscal 2016	Fiscal 2015 Actual	YoY
Sapporo Draft Beer Black Label	764	730	105%	1,670	1,618	103%
YEBISU (total)	401	382	105%	1,000	952	105%
1 Beer (total)	1,323	1,253	106%	3,070	2,919	105%
2 Happoshu (total)	203	229	89%	473	479	99%
3 New genre beer products (total)	730	744	98%	1,597	1,583	101%
Beer, happoshu, and new genre (total 1+2+3)	2,256	2,225	101%	5,140	4,982	103%
Non-alcoholic beer taste beverage	37	56	66%	100	93	108%
RTD(*1)	130	105	125%	240	218	110%

*1 : RTD 1Case=250ml*24

(billions of yen)

	Jan. 1 - Jun.30, 2016	Jan. 1 - Jun.30, 2015	YoY	Full-year estimate for fiscal 2016	Fiscal 2015 Actual	YoY
Domestic wines	2.4	2.5	94%	5.9	5.3	112%
Imported wines	3.6	3.4	105%	10.9	8.2	133%
Wine (total)	6.0	6.0	100%	16.9	13.5	125%
Spirits (total)	3.0	2.6	117%	7.9	5.9	134%
Shochu (total)	7.6	6.9	110%	15.3	14.6	105%

Beer (International)

(10,000 cases)

	Jan. 1 - Jun.30, 2016	Jan. 1 - Jun.30, 2015	YoY	Full-year estimate for fiscal 2016	Fiscal 2015 Actual	YoY
SLEEMAN BREWERIES LTD. (*2)	606	604	100%	1,310	1,262	104%
Sapporo brand	272	265	103%	595	550	108%

*2 : Excludes contracted manufacturing for the Sapporo brand and sales of the Sapporo brand in Canada .

Soft Drinks (POKKA SAPPORO FOOD & BEVERAGE)

(10,000 cases)

	Jan. 1 - Jun.30, 2016	Jan. 1 - Jun.30, 2015	YoY	Full-year estimate for fiscal 2016	Fiscal 2015 Actual	YoY
Soft Drinks (*3)	2,138	2,148	100%	4,579	4,535	101%

*3 : Excludes sales other than Japan and soy milk drinks sales in Japan

Consolidated Results (Six Months ended June 30, 2016)

Condensed Consolidated Statements of Income

(billions of yen)

	Six Months ended June 30, 2015	Six Months ended June 30, 2016	Change	Change (%)
Japanese Alcoholic Beverages (*1)	121.6	125.7	4.0	3.4%
International Business	34.7	31.6	(3.1)	(9.1)%
Food & Soft Drinks	63.9	64.9	1.0	1.7%
Restaurants (*1)	12.8	12.6	(0.1)	(1.4)%
Real Estate	9.8	10.9	1.0	11.0%
Other	2.8	3.0	0.1	6.2%
Net sales	245.8	248.9	3.0	1.3%
Japanese Alcoholic Beverages (*1)	(0.6)	1.4	2.0	-
International Business	(0.7)	(0.3)	0.3	-
Food & Soft Drinks	(1.4)	(0.8)	0.6	-
Restaurants (*1)	(0.2)	(0.0)	0.1	-
Real Estate	3.7	5.1	1.4	38.2%
Other	(0.0)	(0.0)	(0.0)	-
General corporate and intercompany eliminations	(2.0)	(2.2)	(0.2)	-
Operating income	(1.2)	3.0	4.3	-
Operating income before goodwill amortization	0.7	4.9	4.2	591.1%
Non-operating income	1.5	1.2	(0.2)	(17.9)%
Non-operating expenses	1.7	1.7	(0.0)	(1.7)%
Ordinary income	(1.4)	2.6	4.0	-
Extraordinary gains	7.8	0.0	(7.7)	(99.6)%
Extraordinary losses	2.4	0.9	(1.5)	(62.2)%
Income before income taxes	3.8	1.7	(2.1)	(55.6)%
Income taxes	2.8	1.2	(1.5)	(55.1)%
Loss attributable to non-controlling interest	(0.1)	(0.0)	0.0	-
Net income attributable to owners of the paren	1.1	0.4	(0.6)	(60.0)%

Condensed Consolidated Statements of Cash Flows

	Six Months ended June 30, 2015	Six Months ended June 30, 2016	Change	Change (%)
Cash flows from operating activities	14.6	14.8	0.1	(0.9)%
Cash flows from investing activities	1.1	(14.0)	(15.1)	-
Free Cash flows	15.8	0.7	(15.0)	(95.2)%
Cash flows from financial activities	(14.9)	1.3	16.2	-

Sales Breakdown for Japanese Alcoholic Beverages

Sales (including liquor tax)

(billions of yen)

	Six Months ended June 30, 2015	Six Months ended June 30, 2016	Change	Change (%)
Beer	67.8	72.1	4.2	6.2%
Happoshu	8.7	7.7	(1.0)	(11.5)%
New genre	24.5	24.1	(0.4)	(1.7)%
Total	101.1	103.9	2.8	2.8%

Sales (excluding liquor tax)

(billions of yen)

	Six Months ended June 30, 2015	Six Months ended June 30, 2016	Change	Change (%)
Beer	32.9	35.2	2.2	6.9%
Happoshu	4.8	4.3	(0.5)	(11.5)%
New genre	17.0	16.7	(0.2)	(1.7)%
Total	54.8	56.3	1.4	2.6%

Consolidated Results (Six Months ended June 30, 2016)

Breakdown of Key Changes

Numbers in parentheses mean decline in earnings.

(billions of yen)

	Change factor	Six months ended June 30, 2015	Six months ended June 30, 2016	Income change	Details
	Beer and related products	(2.1)	(0.3)	1.8	
	Marginal profit (subtotal)			1.4	
	Increase (decrease) in volume/product mix			1.4	Beer +1.3 Happoshu-0.3 New genre-0.2 Product mix +0.7
	Other			0.2	Non-alcoholic beer, Production costs, other factors
	Fixed costs and other (subtotal)			0.4	
	Sales promotion costs			(0.6)	Sales incentives and commissions
	Facility cost			0.3	Depreciation and amortization, etc.
	Other			0.7	Personnel expenses, General and administrative expenses
	Wine and spirits	1.2	1.4	0.2	
	Other	0.3	0.3	0.1	
	Japanese Alcoholic Beverages	(0.6)	1.4	2.0	
	North America, etc.	0.3	0.7	0.3	
	Increase (decrease) in volume/product mix.			0.4	Increase in volume
	Marketing costs			(0.1)	SLEEMAN BREWERIES LTD., SAPPORO USA, INC.
	Other			(0.0)	
	Vietnam	(1.1)	(1.0)	0.0	
	Increase (decrease) in volume/product mix.			0.0	
	Marketing costs			(0.1)	
	Other			0.1	Personnel expenses, etc.
	International	(0.7)	(0.3)	0.3	
	Japanese Food & Soft Drinks	(2.1)	(1.3)	0.8	
	Increase (decrease) in volume / product mix			0.2	Product mix, etc.
	Production costs			0.4	
	Marketing costs			0.4	
	Other costs			(0.3)	Logistics cost, personnel expenses, General and administrative expenses, etc.
	Domestic Subsidiaries			0.0	Vending machine operators, and other
	Other	0.7	0.5	(0.2)	International business, coffee shop chain, etc.
	Food & Soft Drinks	(1.4)	(0.8)	0.6	
	Existing stores			(0.0)	
	New stores / Refurbished stores			0.2	
	Restaurants	(0.2)	(0.0)	0.1	
	Rent			1.3	
	Sales			0.1	
	Real Estate	3.7	5.1	1.4	
	Logistics business			(0.0)	
	Other			(0.0)	
	Other	(0.0)	(0.0)	(0.0)	
	General corporate and intercompany eliminations	(2.0)	(2.2)	(0.2)	
	Operating income	(1.2)	3.0	4.3	
	Operating income before goodwill amortization	0.7	4.9	4.2	
	Financial income (expense)	(0.3)	(0.2)	0.1	
	Equity in income (losses) of affiliates	0.0	0.0	(0.0)	
	Other	0.1	(0.2)	(0.3)	Foreign exchange losses
	Non-operating income and expenses	(0.2)	(0.4)	(0.2)	
	Ordinary income	(1.4)	2.6	4.0	
	Gain on sales of property, plant and equipment	7.4	0.0	(7.4)	
	Other extraordinary gains	0.4	0.0	(0.4)	
	Loss on sales/disposal of property, plant and equipment	(0.6)	(0.6)	(0.0)	
	Loss on impairment of property, plant and equipment	(1.6)	(0.1)	1.5	
	Other extraordinary losses	(0.3)	(0.2)	0.1	
	Extraordinary gains and losses	5.4	(0.9)	(6.2)	
	Income before income taxes	3.8	1.7	(2.1)	
	Corporate tax, etc. / Loss attributable to Non-controlling interests	(2.7)	(1.2)	1.5	
	Net income attributable to owners of the parent	1.1	0.4	(0.6)	

	Six months ended June 30, 2015	Six months ended June 30, 2016
Yen/US\$	120.31	111.74
Yen/CAN\$	97.33	83.90
Yen/EUR	134.10	124.58

Consolidated Results (Six Months ended June 30, 2016)

Segment Information

(billions of yen)

Six months ended June 30, 2015	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	121.6	34.7	63.9	12.8	9.8	2.8	-	245.8
Operating income	(0.6)	(0.7)	(1.4)	(0.2)	3.7	(0.0)	(2.0)	(1.2)
(Operating income before goodwill amortization)	(0.5)	0.0	(0.2)	(0.2)	3.7	0.0	(2.0)	0.7
Sales promotion costs								
Sales incentives and commissions	9.1	0.0	7.1	0.0	0.0	0.0	0.0	16.2
Advertising and promotion expenses	8.5	0.8	1.9	0.4	0.2	0.0	0.0	12.0
Promotion items	2.1	1.7	0.0	0.0	0.0	0.0	0.0	3.8
Depreciation and amortization	3.9	1.5	3.0	0.3	2.1	0.0	0.8	11.8
Amortization of goodwill	0.0	0.8	1.1	0.0	0.0	0.0	0.0	2.0
EBITDA (*1)	3.3	1.6	2.8	0.1	5.8	0.0	(1.1)	12.5
Capital expenditure (cash basis)	2.2	1.1	1.2	0.3	7.8	0.5	0.0	13.5
Payment of lease obligations	0.0	0.0	1.4	0.0	0.0	0.0	0.0	1.5

Six months ended June 30, 2016	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales (*1)	125.7	31.6	64.9	12.6	10.9	3.0	-	248.9
Operating income	1.4	(0.3)	(0.8)	(0.0)	5.1	(0.0)	(2.2)	3.0
(Operating income before goodwill amortization)	1.5	0.4	0.2	(0.0)	5.1	(0.0)	(2.2)	4.9
Sales promotion costs								
Sales incentives and commissions	10.6	0.1	6.9	0.0	0.0	0.0	(0.0)	17.6
Advertising and promotion expenses	7.6	0.5	1.7	0.4	0.2	0.0	(0.0)	10.6
Promotion items	2.2	1.9	0.0	0.0	0.0	0.0	(0.0)	4.1
Depreciation and amortization	3.5	1.5	2.7	0.2	2.0	0.0	0.8	10.9
Amortization of goodwill	0.0	0.8	1.0	0.0	0.0	0.0	0.0	1.9
EBITDA (*2)	5.0	1.9	3.0	0.1	7.2	(0.0)	(1.4)	15.9
Capital expenditure (cash basis)	2.9	1.3	2.6	0.5	1.5	0.0	1.0	10.0
Payment of lease obligations	0.0	0.0	1.3	0.0	0.0	0.0	0.0	1.4

Change	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales (*1)	4.0	(3.1)	1.0	(0.1)	1.0	0.1	-	3.0
Operating income	2.0	0.3	0.6	0.1	1.4	(0.0)	(0.2)	4.3
(Operating income before goodwill amortization)	2.0	0.3	0.5	0.1	1.4	(0.0)	(0.2)	4.2
Sales promotion costs								
Sales incentives and commissions	1.5	0.0	(0.2)	0.0	0.0	(0.0)	0.0	1.3
Advertising and promotion expenses	(0.8)	(0.2)	(0.1)	(0.0)	(0.0)	0.0	0.0	(1.3)
Promotion items	0.0	0.2	(0.0)	0.0	0.0	0.0	(0.0)	0.2
Depreciation and amortization	(0.3)	(0.0)	(0.3)	(0.0)	(0.0)	(0.0)	(0.0)	(0.8)
Amortization of goodwill	0.0	(0.0)	(0.0)	0.0	0.0	0.0	0.0	(0.0)
EBITDA (*2)	1.7	0.3	0.2	0.0	1.3	(0.0)	(0.2)	3.3
Capital expenditure (cash basis)	0.6	0.2	1.4	0.1	(6.3)	(0.5)	0.9	(3.4)
Payment of lease obligations	0.0	(0.0)	(0.0)	0.0	0.0	0.0	(0.0)	(0.0)

*2: EBITDA = Operating income + Depreciation and amortization + Amortization of goodwill

Consolidated Results (Six Months ended June 30, 2016)

Condensed Consolidated Balance Sheets

(billions of yen)

	December 31, 2015	June 30, 2016	Change	Primary Reasons
Current assets	156.3	145.1	(11.1)	
Cash and cash equivalents	10.4	12.4	2.0	
Notes and accounts receivable - trade	92.3	74.8	(17.5)	Seasonal factors, Bank holiday(Dec. 31)
Inventories	38.6	41.1	2.4	
Other	14.9	16.7	1.8	
Fixed assets	464.0	449.7	(14.3)	
Fixed assets	347.7	344.2	(3.5)	
Goodwill	30.2	28.8	(1.3)	
Investments and other assets	86.0	76.5	(9.4)	Decline in investment securities resulting from decline in unrealized holding gain on securities
Total assets	620.3	594.8	(25.5)	
Current liabilities	233.6	222.1	(11.4)	
Notes and accounts payable - trade	36.7	37.8	1.1	
Short-term debt	92.8	94.8	2.0	
Deposits received	8.8	8.5	(0.2)	
Other	95.2	80.9	(14.2)	Decrease in liquor taxes payable
Long-term liabilities	222.9	221.3	(1.5)	
Long-term debt	141.9	143.9	2.0	
Net defined benefit liability	7.6	6.9	(0.6)	
Other	73.3	70.4	(2.9)	
Total liabilities	456.5	443.5	(13.0)	
Shareholders' equity	133.3	131.0	(2.2)	Distribution of dividends-2.7
Accumulated other comprehensive income	24.5	15.0	(9.4)	Decline in unrealized holding gain on securities
Non-controlling interests	5.8	5.1	(0.7)	
Total net assets	163.8	151.3	(12.5)	
Total liabilities and net assets	620.3	594.8	(25.5)	

Financial Liabilities by segment

(billions of yen)

	December 31, 2015	June 30, 2016	Change	Primary Reasons
Japanese Alcoholic Beverages	40.9	38.4	(2.5)	
International	30.9	30.7	(0.2)	
Food & Soft Drinks	8.6	5.0	(3.5)	
Restaurants	0.0	0.5	0.5	
Real Estate	121.1	133.0	11.9	
Other	0.0	0.0	0.0	
Corporate and eliminations	33.0	30.9	(2.1)	
Total	234.7	238.7	4.0	

Overview of Segmentation Changes 2016

No change has been made to segmentation in the fiscal year ending December 31, 2016.

Reportable segment income refers to operating income. Equity-method affiliates are therefore omitted below

2015 Segmentation		2016 Segmentation	
Segment	Consolidated subsidiaries	Segment	Consolidated subsidiaries
Japanese Alcoholic Beverages	SAPPORO BREWERIES LTD. (*1)	Japanese Alcoholic Beverages	SAPPORO BREWERIES LTD. (*1)
	SAPPORO WINES LIMITED (*1)		YEBISU WINEMART CO., LTD.
	YEBISU WINEMART CO., LTD.		TANOSHIMARU SHUZO CO., LTD.
	TANOSHIMARU SHUZO CO., LTD.		SAPPORO ENGINEERING LIMITED
	SAPPORO ENGINEERING LIMITED		STARNET CO., LTD.
	STARNET CO., LTD.		SHINSEIEN CO.,LTD.
	SHINSEIEN CO.,LTD.		
International	SAPPORO INTERNATIONAL INC.	International	SAPPORO INTERNATIONAL INC.
	SAPPORO U.S.A., INC.		SAPPORO U.S.A., INC.
	SAPPORO CANADA INC.		SAPPORO CANADA INC.
	SLEEMAN BREWERIES LTD.		SLEEMAN BREWERIES LTD.
	SAPPORO ASIA PRIVATE LIMITED		SAPPORO ASIA PRIVATE LIMITED
	SAPPORO VIETNAM LIMITED		SAPPORO VIETNAM LIMITED
	SILVER SPRINGS CITRUS, INC.		SILVER SPRINGS CITRUS, INC.
	COUNTRY PURE FOODS, INC.(Newly Consolidated)		COUNTRY PURE FOODS, INC.
Food & Soft Drinks	POKKA SAPPORO FOOD & BEVERAGE LTD.	Food & Soft Drinks	POKKA SAPPORO FOOD & BEVERAGE LTD.
	POKKA CREATE CO., LTD.		POKKA CREATE CO., LTD.
	PS BEVERAGE LTD		PS BEVERAGE LTD
	STAR BEVERAGE SERVICE CO., LTD.		STAR BEVERAGE SERVICE CO., LTD.
	POKKA SAPPORO HOKKAIDO LTD.		POKKA SAPPORO HOKKAIDO LTD.
	NIHON BEANS CO.,LTD. (Newly Consolidated)		NIHON BEANS CO.,LTD.
	POKKA CORPORATION (SINGAPORE) PTE. LTD.		POKKA CORPORATION (SINGAPORE) PTE. LTD.
	POKKA INTERNATIONAL PTE. LTD.		POKKA INTERNATIONAL PTE. LTD.
PT. POKKKA DIMA INTERNATIONAL(Newly Consolidated)	PT. POKKKA DIMA INTERNATIONAL		
And another 8 companies	And another 8 companies		
Restaurants	SAPPORO LION LIMITED	Restaurants	SAPPORO LION LIMITED
	NEW SANKO INC.		NEW SANKO INC.
	SAPPORO LION (SINGAPORE) PTE.LTD.		MARUSHINKAWAMURA INC.(Newly Consolidated)
			GINRIN SUISAN INC.(Newly Consolidated)
	SAPPORO LION (SINGAPORE) PTE.LTD.		
Real Estate	SAPPORO REAL ESTATE CO.,LTD.	Real Estate	SAPPORO REAL ESTATE CO.,LTD.
	YGP REAL ESTATE CO., LTD.		YGP REAL ESTATE CO., LTD.
	TOKYO ENERGY SERVICE CO., LTD.		TOKYO ENERGY SERVICE CO., LTD.
	YOKOHAMA KEIWA BUILDING CO., LTD.		YOKOHAMA KEIWA BUILDING CO., LTD.
Other	SAPPORO FOODS NET CO., LTD.	Other	SAPPORO FOODS NET CO., LTD.
	SAPPORO GROUP MANAGEMENT LTD.		SAPPORO GROUP MANAGEMENT LTD.
	SAPPORO GROUP LOGISTICS CO., LTD.		SAPPORO GROUP LOGISTICS CO., LTD.
	SAPPORO LOGISTICS SYSTEMS CO., LTD.		SAPPORO LOGISTICS SYSTEMS CO., LTD.
Corporate and eliminations	SAPPORO HOLDINGS LTD.	Corporate and eliminations	SAPPORO HOLDINGS LTD.
	SAPPORO GROUP MANAGEMENT LTD.		SAPPORO GROUP MANAGEMENT LTD.

*1. Sapporo Wines Limited was dissolved in an absorption-type merger with Sapporo Breweries LTD. on January 1, 2016.

Consolidated Forecasts (Year ending December 31, 2016)

* Forecasts are unchanged from the figures announced on February 10, 2016.

Condensed Consolidated Statements of Income

(billions of yen)

	Year ended December 31, 2015	Year ending December 31, 2016 (Forecast)	Change	Change (%)
Japanese Alcoholic Beverages	273.6	288.0	14.3	5.2%
International	70.5	77.8	7.2	10.4%
Food & Soft Drinks	135.6	143.7	8.0	5.9%
Restaurants	27.0	27.1	0.0	0.4%
Real Estate	20.8	22.8	1.9	9.2%
Other	6.0	6.0	(0.0)	(0.8)%
Net sales	533.7	565.4	31.6	5.9%
Japanese Alcoholic Beverages	8.6	11.1	2.4	28.5%
International	0.1	0.9	0.7	483.6%
Food & Soft Drinks	0.4	1.7	1.2	291.4%
Restaurants	0.5	1.3	0.7	148.8%
Real Estate	8.2	10.0	1.7	20.7%
Other	0.0	0.2	0.1	-
General corporate and intercompany eliminations	(4.0)	(4.1)	(0.0)	-
Operating income	13.9	21.1	7.1	51.3%
Operating income before goodwill amortization	18.1	25.0	6.8	38.1%
Non-operating income	2.9	2.3	(0.6)	(21.3)%
Non-operating expenses	3.6	3.2	(0.4)	(12.6)%
Ordinary income	13.2	20.2	6.9	52.9%
Extraordinary gains	7.8	0.0	(7.8)	(100.0)%
Extraordinary losses	9.4	2.0	(7.4)	(78.8)%
Income before income taxes	11.6	18.2	6.5	55.7%
Income taxes	5.5	7.7	2.1	38.0%
Income attributable to non-controlling interest	0.0	0.0	(0.0)	-
Net income attributable to owners of the parentet Income	6.1	10.5	4.3	71.9%

Condensed Consolidated Statements of Cash Flows

	Year ended December 31, 2015	Year ending December 31, 2016 (Forecast)	Change	Change (%)
Cash flows from operating activities	35.2	37.1	1.8	5.2%
Cash flows from investing activities	(9.7)	(27.6)	(17.8)	-
Free Cash flows	25.5	9.5	(16.0)	(62.8)%

Sales Breakdown for Japanese Alcoholic

Sales (including liquor tax)

(billions of yen)

	Year ended December 31, 2015	Year ending December 31, 2016	Change	Change (%)
Beer	159.3	165.7	6.3	4.0%
Happoshu	18.3	18.8	0.5	2.8%
New genre	52.2	52.6	0.3	0.7%
Total	229.9	237.2	7.2	3.2%

Sales (excluding liquor tax)

(billions of yen)

	Year ended December 31, 2015	Year ending December 31, 2016	Change	Change (%)
Beer	78.0	80.7	2.6	3.4%
Happoshu	10.2	10.4	0.2	2.7%
New genre	36.2	36.4	0.2	0.7%
Total	124.4	127.7	3.2	2.6%

Consolidated Forecasts (Year ending December 31, 2016)

* Forecasts are unchanged from the figures announced on February 10, 2016.

Breakdown of key income Changes

(billions of yen)

	Change factor	Year ended December 31, 2015	Year ending December 31, 2016 (Forecast)	Change	Details
Beer and related products		5.6	7.7	2.1	
Marginal profit	Subtotal			4.1	
	Increase (decrease) in volume / Product mix			3.3	Beer +2.4 Happoshu +0.2 New genre +0.2 Product mix +0.5
	Other			0.8	Non-Alcoholic Beer, RTD, Production costs, other factors
Fixed and other costs	Subtotal			(2.0)	
	Sales promotion costs			(2.7)	
	Facility cost			0.5	Depreciation and amortization, Cost of repair, other factors
	Other			0.3	
Wine and spirits		2.2	2.7	0.5	
Other		0.8	0.7	(0.1)	
Japanese Alcoholic Beverages		8.6	11.1	2.4	
North America and other		2.4	3.2	0.8	
	Increase (decrease) in volume / Product mix			2.1	Increase in volume (SLEEMAN+4%), Product mix
	Marketing costs			(0.4)	Sapporo International, Sapporo U.S.A.
	Other			(0.9)	General and administrative expenses, CPF(Jan. 1 to Feb. 23)
Vietnam		(2.2)	(2.3)	(0.1)	
	Increase (decrease) in volume / Product mix			0.4	
	Marketing costs			(0.3)	
	Other			(0.2)	Increase in cost of logistics and warehouse
International		0.1	0.9	0.7	
Japanese Food & Soft Drinks		(1.0)	(0.1)	0.9	
	Increase (decrease) in volume / Product mix			2.9	Increase in volume, Product mix
	Production costs			(0.5)	Increase in cost of raw ingredients, Increase in production costs
	Marketing costs			(0.4)	
	Other fixed costs			(1.4)	Personnel expenses, Logistics costs, General and administrative expenses etc.
	Other			0.2	Vending machine operators, and other
Overseas Soft Drinks/ Domestic coffee shop chain		1.4	1.8	0.4	
Food & Soft Drinks		0.4	1.7	1.2	
	Existing stores			0.2	
	New stores / Refurbished stores			0.6	
Restaurants		0.5	1.3	0.7	
	Rent			1.7	
	Sales/ Other factors			0.0	
Real Estate		8.2	10.0	1.7	
	Logistics business			0.1	
	Other			0.0	
Other		0.0	0.2	0.1	
General corporate and intercompany eliminations		(4.0)	(4.1)	(0.0)	
Operating income		13.9	21.1	7.1	
Operating income before goodwill amortization		18.1	25.0	6.8	
	Financial income (expense)	(0.9)	(1.3)	(0.4)	
	Equity in income (losses) of affiliates	0.0	0.1	0.1	
	Other	0.2	0.3	0.1	
Non-operating income and expenses		(0.7)	(0.9)	(0.2)	
Ordinary income		13.2	20.2	6.9	
	Gain on sales of property, plant and equipment	7.5	-	(7.5)	
	Other extraordinary gains	0.4	-	(0.4)	
	Loss on sales/disposal of property, plant and equipment	(1.6)	(1.0)	0.6	
	Loss on impairment of property, plant and equipment	(6.0)	-	(6.0)	
	Other extraordinary losses	(1.9)	(1.0)	0.9	
Extraordinary gains and losses		(1.5)	(2.0)	(0.5)	
Income before income taxes		11.6	18.2	6.5	
Corporate tax, etc. / Income attributable to Non-controlling interests		(5.5)	(7.7)	(2.1)	
Net income attributable to owners of the parent		6.1	10.5	4.3	

	Year ended December 31,2015	Year ending December 31,2016 (Forecast)
Yen/US\$	121.11	126.00
Yen/CAN\$	94.82	96.00
Yen/EUR	134.31	132.00

Consolidated Forecasts (Year ending December 31, 2016)

* Forecasts are unchanged from the figures announced on February 10, 2016.

Segment Information

(billions of yen)

Year ended December 31, 2015	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	273.6	70.5	135.6	27.0	20.8	6.0	—	533.7
Operating income	8.6	0.1	0.4	0.5	8.2	0.0	(4.0)	13.9
(Operating income before goodwill amortization)	8.6	1.9	2.7	0.5	8.2	0.0	(4.0)	18.1
Sales promotion costs								
Sales incentives and commissions	21.1	0.2	14.6	0.0	0.0	0.0	(0.1)	35.8
Advertising and promotion expenses	15.2	1.5	3.6	0.9	0.6	0.0	(0.0)	21.9
Promotion items	3.8	3.3	0.0	0.0	0.0	0.0	(0.1)	7.0
Depreciation and amortization	8.1	3.3	6.1	0.6	4.2	0.0	1.6	24.2
Amortization of goodwill	0.0	1.8	2.2	0.0	0.0	0.0	0.0	4.1
EBITDA (*1)	16.8	5.3	8.8	1.1	12.4	0.0	(2.4)	42.3
Capital expenditures (cash basis)	3.3	2.7	2.8	0.6	9.4	0.0	1.1	20.3
Payment of lease obligations	0.0	0.0	2.9	0.0	0.0	0.0	0.0	3.0

Year ending December, 31, 2016 (Forecast)	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	288.0	77.8	143.7	27.1	22.8	6.0	-	565.4
Operating income	11.1	0.9	1.7	1.3	10.0	0.2	(4.1)	21.1
(Operating income before goodwill amortization)	11.1	2.6	3.9	1.3	10.0	0.2	(4.1)	25.0
Depreciation and amortization	7.7	3.3	6.1	0.7	4.2	0.1	1.9	24.0
Amortization of goodwill	0.0	1.7	2.2	0.0	0.0	0.0	0.0	3.9
EBITDA (*1)	18.8	5.9	10.0	2.0	14.2	0.3	(2.2)	49.0
Capital expenditures (cash basis)	5.0	2.5	4.8	0.8	4.9	0.0	1.5	19.5
Payment of lease obligations	0.0	0.0	3.0	0.0	0.0	0.0	0.0	3.0

Change	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	14.3	7.2	8.0	0.0	1.9	0.0	0.0	31.6
Operating income	2.4	0.7	1.2	0.7	1.7	0.1	0.0	7.1
(Operating income before goodwill amortization)	2.4	0.6	1.1	0.7	1.7	0.1	0.0	6.8
Depreciation and amortization	(0.4)	(0.0)	(0.0)	0.0	(0.0)	0.0	0.2	(0.2)
Amortization of goodwill	(0.0)	(0.1)	(0.0)	0.0	0.0	0.0	0.0	(0.2)
EBITDA (*1)	1.9	0.5	1.1	0.8	1.7	0.2	0.2	6.6
Capital expenditures (cash basis)	1.6	(0.2)	1.9	0.1	(4.5)	(0.0)	0.3	(0.8)
Payment of lease obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*1 : EBITDA= Operating income + Depreciation and amortization + Amortization of goodwill

*2 : Full year estimate for sales promotion costs is not disclosed.