



SAPPORO

Sapporo Group Business Results Presentation for the Nine Months Ended September 30, 2023

*In this document, the name abbreviations are used:

SH: Sapporo Holdings Limited SB: Sapporo Breweries Ltd. SLN: Sapporo Lion Limited.

PS: Pokka Sapporo Food & Beverage Ltd. SRE: Sapporo Real Estate Co., Ltd.

SPB : SAPPORO PREMIUM BEER YGP : Yebisu Garden Place PVS : Public Vending Service company

November 10th 2023

URL <https://www.sapporoholdings.jp/en/>

1 . Summary	• • • P.3
2 . Earnings Forecast Revision	• • • P.4~P.7
3 . Business Results	• • • P.8~P.22
4 . Promotion of management that is aware of cost of capital and stock price	• • • P.23~P.25
5 . Appendix	• • • P.26~P.38

Business results: increased revenue and core operating profit

(billions of yen)	2022 Q3 Result	2023 Q3 Result	YoY changes (amount)	YoY changes (%)
Revenue	345.8	377.7	31.9	9.2%
Core operating profit	5.8	14.4	8.6	149.8%
Operating profit	7.5	9.6	2.0	27.1%
Profit attributable to owners of parent	5.3	3.1	(2.2)	(42.2)%

- In addition to strong sales in the alcoholic beverages business, structural reforms are steadily contributing to profitability, resulting in **increased revenue and profit**
- **Profit declined** due to the impact of one-off costs for the dissolution of Anchor and decreased foreign exchange profit
- **Upwardly revise the full-year earnings forecast** based on steady progress against the plan

Main topics

- The continuing recovery trend for sales volume of commercial-use products in Alcoholic Beverages and sales at existing restaurants exceeded expectations at the beginning of the year
- Canned Black Label was down 3% due to the impact of the downturn following last year's rush demand prior to price revisions, but this was still higher than the change in overall demand for canned beer, which was down 8% (Black Label was up 1% compared to the previous year for the cumulative period from Jan.-Oct.)
- In addition to core brands, there were steady sales for the new RTD products "Shin Lemon Sour" and "Craft Spice Soda"
- Sapporo brand continues to see strong sales overseas
- The effect of structural reforms in the Restaurants and Food & Soft Drinks businesses implemented since the pandemic are contributing steadily to bottom line

Earnings Forecast Revision

Earnings Forecast Revision

We will upwardly revise the full-year earnings forecast for FY2023. We will implement appropriate measures to promote structural reforms and growth strategy.

(billions of yen)	Initial Plan	Revised Plan	Revised Amount	2022 Result	Change Amount
Revenue	490.0	510.0	20.0	478.4	31.5
Core operating profit	13.5	16.5	3.0	9.3	7.2
Operating profit	9.5	12.0	2.5	10.1	1.9
Profit attributable to owners of parent	5.5	7.0	1.5	5.4	1.5
ROE	3.3%	4.1%	—	3.3%	—

Earnings Forecast Revision_Revenue

Revenue (billions of yen)	Initial Plan	Revised Plan	Revised Amount	Main revisions	2022 Result	Change Amount
Revenue	490.0	510.0	20.0		478.4	31.5
Alcoholic Beverages Japanese	250.0	265.0	15.0	- Increased sales of commercial-use products, price revisions for commercial-use products	245.4	19.6
Alcoholic Beverages Overseas	80.0	86.0	6.0	- Revision of foreign exchange forecast	74.0	12.0
Restaurants	17.0	19.5	2.5	- Increased sales at existing restaurants	15.3	4.2
Food & Soft Drinks Japanese	95.0	92.0	(3.0)	- Volume decrease associated with structural reforms such as SKU reduction	98.3	(6.3)
Food & Soft Drinks Overseas	26.0	26.0	0.0		24.6	1.4
Real Estate	22.0	21.5	(0.5)	- Decline in equity investments Because investments are being made after scrutinizing market conditions and deals	20.7	0.7
Other	0.0	0.0	0.0		0.1	(0.1)

Earnings Forecast Revision_Core operating profit

Core operating profit (billions of yen)	Initial Plan	Revised Plan	Revised Amount	Main revisions	2022 Result	Change Amount
Revenue	13.5	16.5	3.0		9.3	7.2
Alcoholic Beverages Japanese	12.5	14.5	2.0	- Effect of increased revenue - Cost management	8.5	6.0
Alcoholic Beverages Overseas	0.5	0.1	(0.4)	- One-off integration costs	(0.3)	0.3
Restaurants	0.4	1.9	1.6	- Effect of increased revenue	(0.5)	2.4
Food & Soft Drinks Japanese	1.3	2.3	1.0	- Structural reforms - Cost management	0.9	1.4
Food & Soft Drinks Overseas	1.1	1.1	0.0		0.9	0.2
Real Estate	5.9	5.2	(0.7)	- Decline in equity investments Because investments are being made after scrutinizing market conditions and deals	6.5	(1.3)
Other	(8.1)	(8.6)	(0.5)		(6.6)	(1.9)

Business Results

Financial Highlights



(billions of yen)

	2022 Q3 Result	2023 Q3 Result	YoY changes (amount)	YoY changes (%)
Revenue	345.8	377.7	31.9	9.2%
Revenue (Excluding liquor tax)	261.6	291.6	30.0	11.4%
Overseas revenue	72.5	90.0	17.4	24.0%
EBITDA	20.9	29.3	8.5	40.5%
Core operating profit	5.8	14.4	8.6	149.8%
Core operating profit margin	1.7%	3.8%	—	—
Other operating income (expense)	1.8	(4.8)	(6.6)	—
Operating profit	7.5	9.6	2.0	27.1%
Profit attributable to owners of parent	5.3	3.1	(2.2)	(42.2)%

Situation of External Environment Affecting Business Results

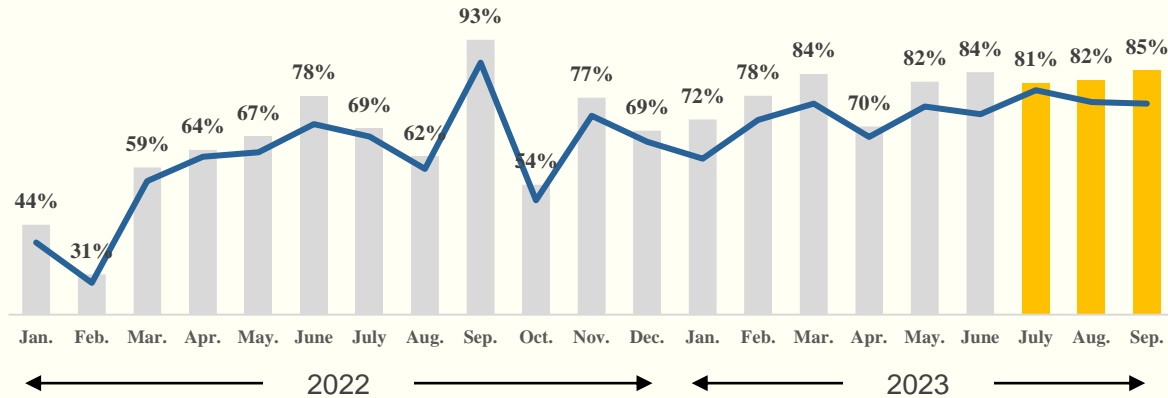
Impacts of the COVID-19 pandemic

- ▶ Sales volume of commercial-use products for Japan alcoholic beverages and sales of Restaurants business continue to recover, exceeding expectations at the beginning of the year.

Alcoholic beverages in Japan

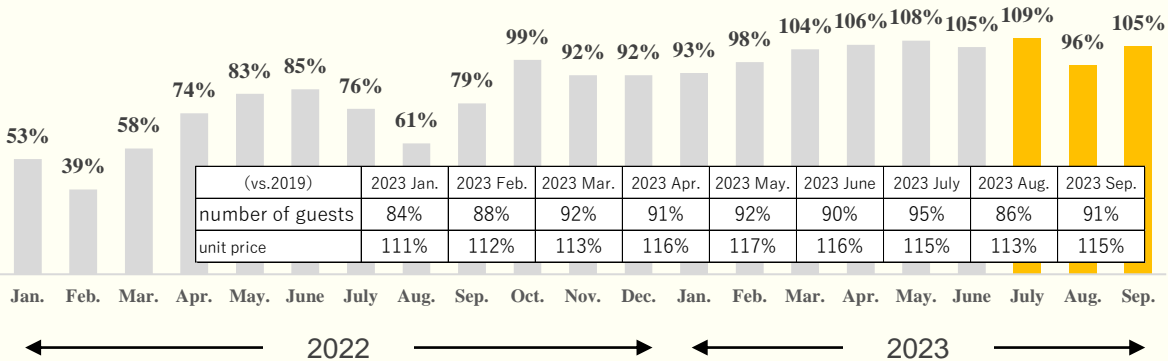
Bar graph: Commercial-use (bottles and kegs) Sales Volume Results(vs. 2019)

Line graph: Total Demand for Commercial-use Products (vs. 2019) (estimated by Sapporo HD)



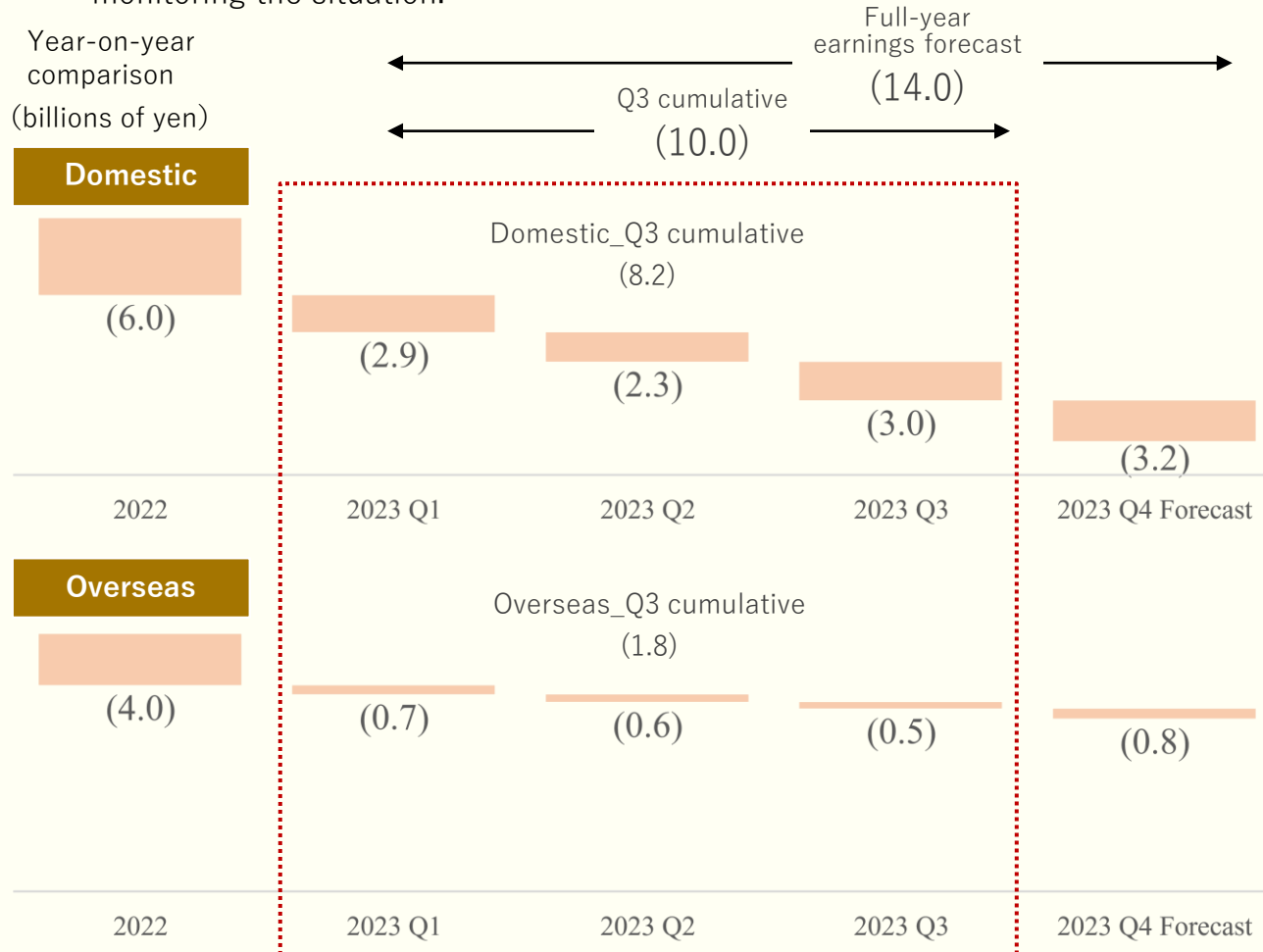
Alcoholic beverages in resutaurants

Bar graph : Sapporo Lion restaurants existing store Sales Results(vs. 2019)



Higher costs such as surging raw material costs

- ▶ Costs are expected to increase by ¥14.0 billion vs. 2022 and ¥1.5 billion vs. the initial forecast,(No change from Q2 financial results) but price revisions will address the situation.
We will respond appropriately to the risk of additional cost increases by closely monitoring the situation.



Financial Highlights



(billions of yen)	2022 Q3 Result	2023 Q3 Result	YoY changes (amount)	YoY changes (%)
Revenue by Segment	345.8	377.7	31.9	9.2%
Alcoholic Beverages	241.0	274.3	33.3	13.8%
Japanese	178.4	192.5	14.1	7.9%
Overseas	51.7	66.9	15.2	29.3%
Restaurants	10.8	14.9	4.1	37.7%
Food & Soft Drinks	89.5	87.4	(2.1)	(2.4)%
Japanese	71.5	67.6	(3.9)	(5.5)%
Overseas	18.0	19.8	1.8	9.9%
Real Estate	15.2	16.0	0.7	4.9%
Other	0.1	0.1	0.0	11.7%

(billions of yen)	2022 Q3 Result	2023 Q3 Result	YoY changes (amount)	YoY changes (%)
Core Operating Profit by Segment	5.8	14.4	8.6	149.8%
Alcoholic Beverages	4.9	12.8	7.8	159.9%
Japanese	4.7	10.2	5.5	118.4%
Overseas	1.0	0.8	(0.2)	(19.2)%
Restaurants	(0.8)	1.7	2.5	—
Food & Soft Drinks	0.8	3.0	2.2	263.1%
Japanese	(0.3)	1.9	2.2	—
Overseas	1.1	1.1	0.1	5.0%
Real Estate	4.8	4.2	(0.7)	(13.7)%
Other · General corporate and intercompany eliminations	(4.8)	(5.6)	(0.7)	—

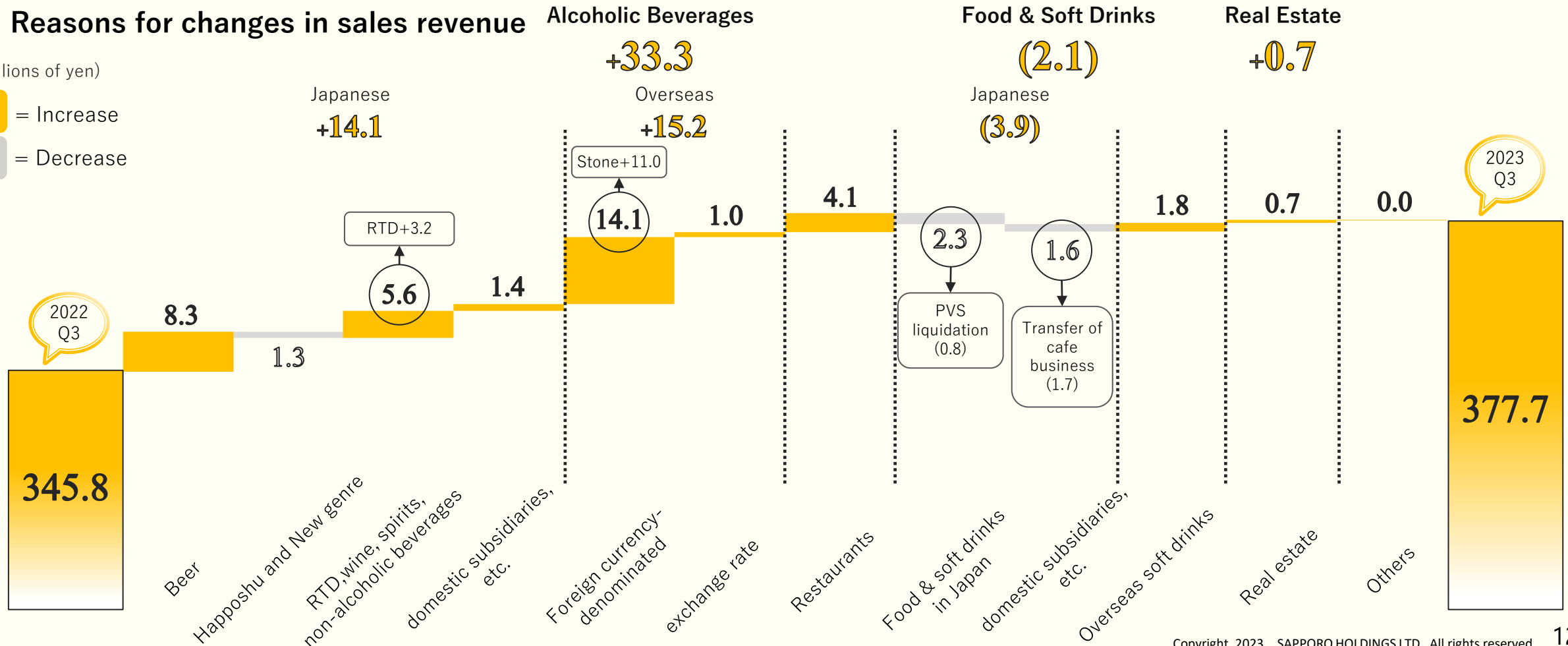
Revenue increased 31.9 billion yen <+9.2%> driven by the alcoholic beverages business

For Japan alcoholic beverages, in addition to the recovery in commercial-use beer products and strong performance of RTD, the price revision effect also contributed to increased sales. The primary factors for increased revenue were, in the overseas alcoholic beverage business, the continued strong performance of SPB and the effect of newly consolidating Stone, and, in the restaurants business, the recovery in demand for dining out at beer halls and other establishments. Revenue decreased for Japan food & soft drinks due to structural reforms in the previous year, including the transfer of the cafe business, the liquidation of a vending machine operator subsidiary, and SKU reduction.

Reasons for changes in sales revenue

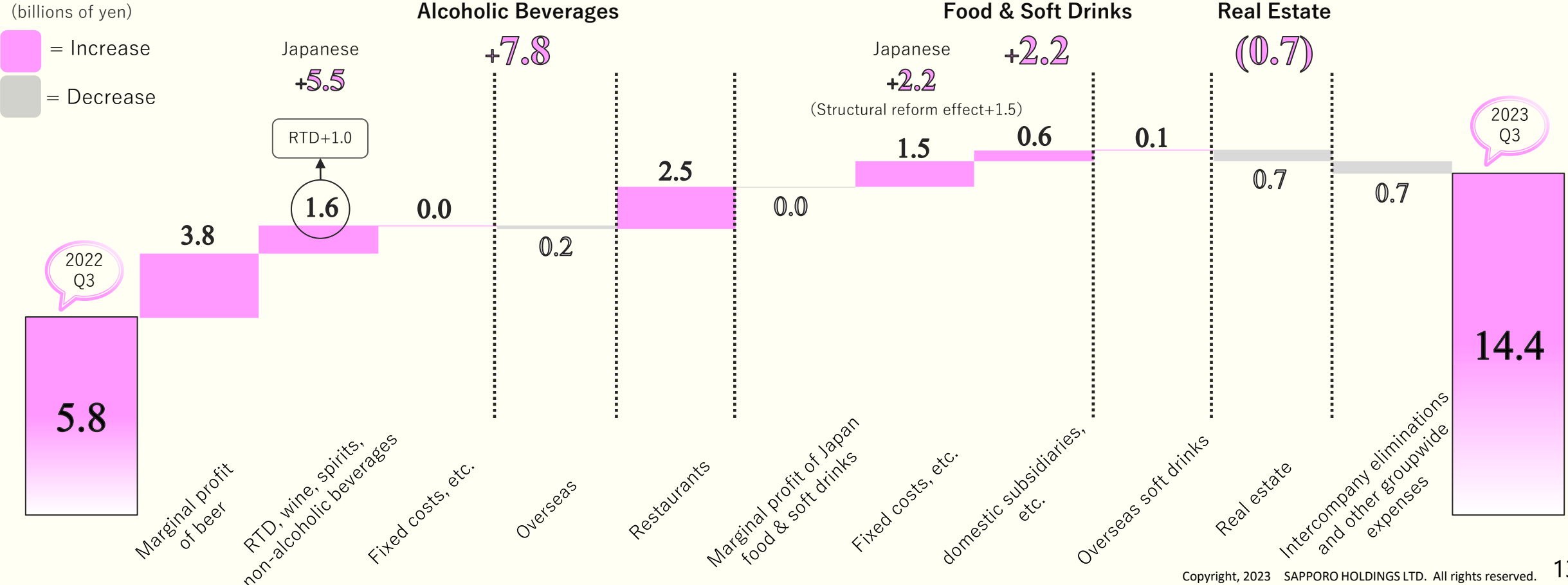
(billions of yen)

- = Increase
- = Decrease



Profit increased by 8.6 billion yen $\langle +149.8\% \rangle$ due to increased revenue and the effect of structural reforms
 Increased revenue in the alcoholic beverages business and the effect of structural reforms on the restaurant business and Japan food & soft drinks business steadily contributed to profitability, resulting in increased profit
 Profit decreased for real estate due to factors such as HVAC work at the YGP offices

Reasons for changes in core operating profit

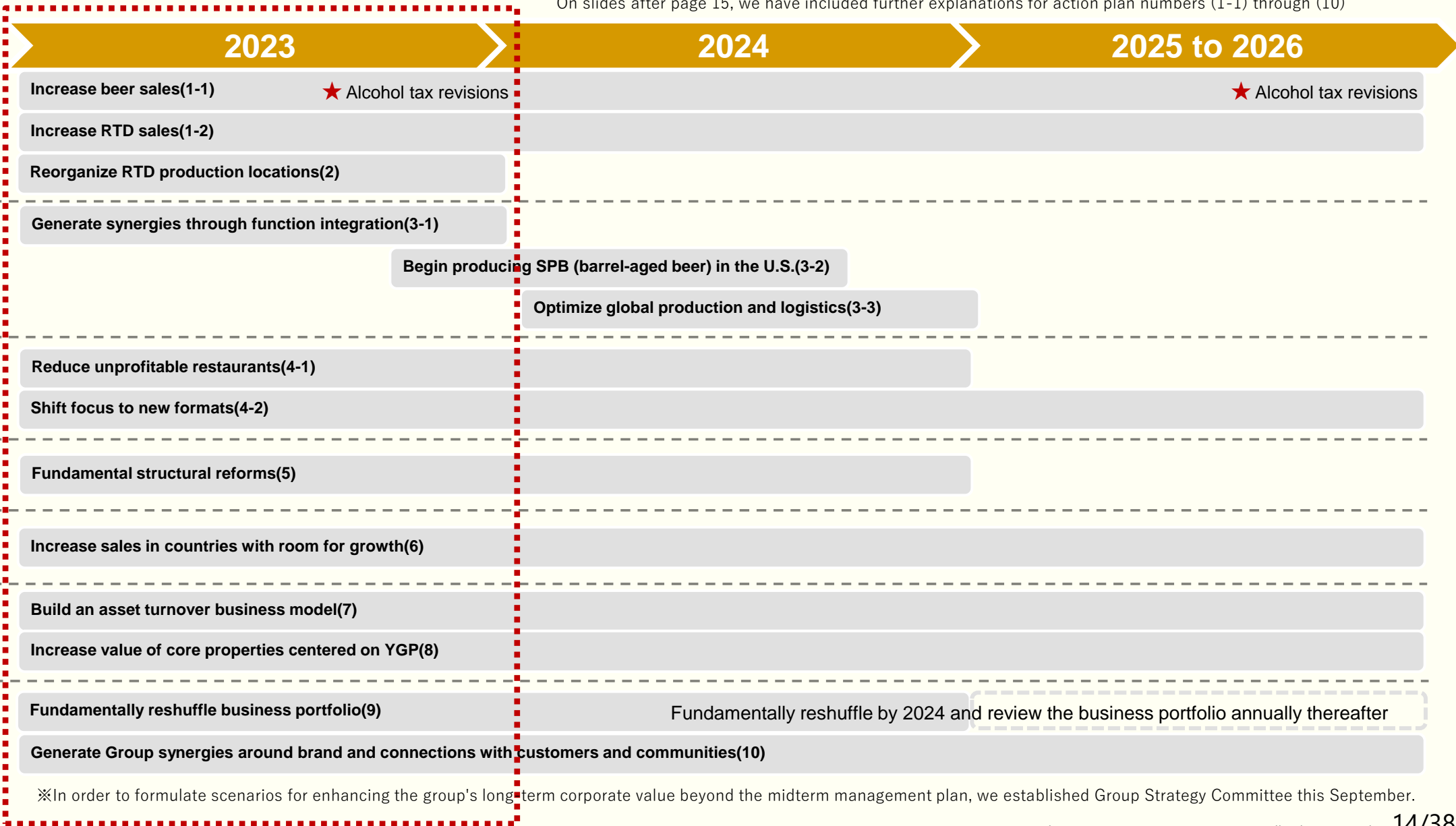


Action Plan



Plan to steadily disclose details of action plan

On slides after page 15, we have included further explanations for action plan numbers (1-1) through (10)



※In order to formulate scenarios for enhancing the group's long-term corporate value beyond the midterm management plan, we established Group Strategy Committee this September.

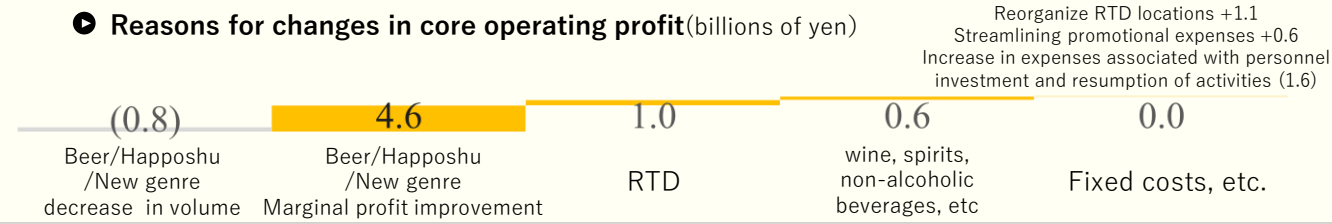
Alcoholic Beverages ~Japanese~



Revenue : 192.5billions of yen (YoY+14.1billions of yen、 + 7.9%)

Core operating profit : 10.2billions of yen
(YoY+5.5billions of yen、 + 118.4%)

Reasons for changes in core operating profit(billions of yen)

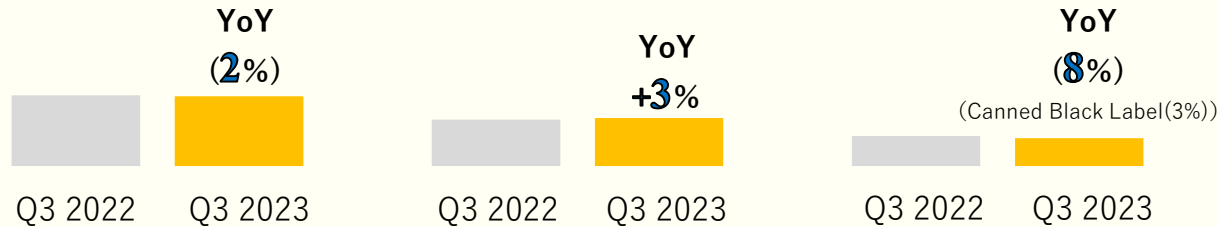


Volume of beer-type beverages is declining due to the impact of the downturn following last year's rush demand prior to price revisions, but beer strengthening (1-1) is progressing well and contributing to improved profitability

RTD strengthening (1-2) is progressing well
In addition to existing brands, there were strong sales for new products
The RTD production line at the Sendai factory began operating from October

✓ Situation of beer and beer-type beverage sales volume

Decrease due to impact of the downturn following last year's rush demand prior to price revisions



✓ Total for RTD (cans) +18% y-o-y

(Sales amount basis)



Koime no Lemon Sour +10% y-o-y (Sales volume basis)
Otoko Ume Sour +13% y-o-y (Sales volume basis)

< New products >

Shin Lemon Sour (3/22 release)

Craft Spice Soda (9/12 release)



✓ Efforts to strengthen manufacturing and development

◎ Reorganize RTD production locations

The RTD production line at the Sendai factory began operating from October 11
In 2026 we will aim to produce 88% of RTD in house



✓ share of beer sales

The share of highly profitable beer products increased, improving the mix



✓ selling price excluding alcohol tax

There has been progress in improving unit price due to mix improvement and the effect of price revisions

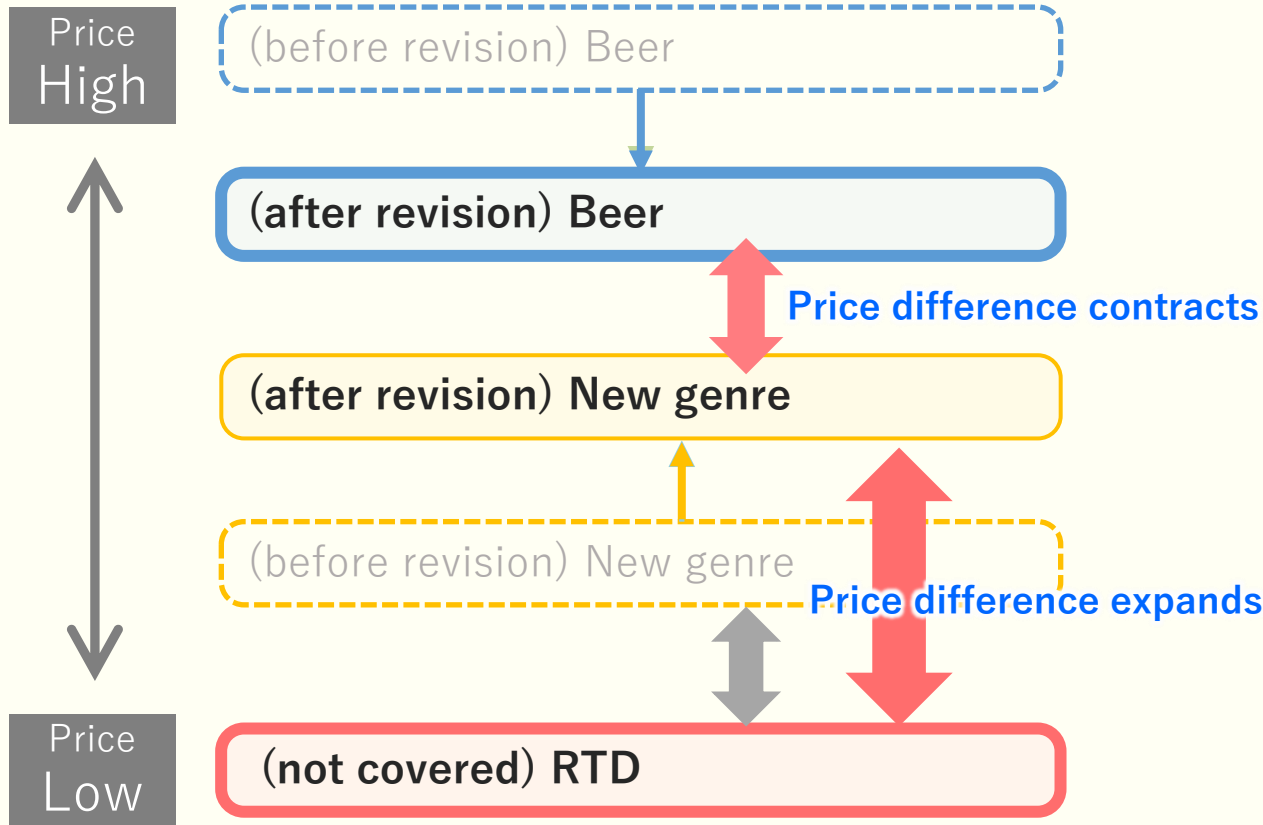
+11% y-o-y

Alcohol tax revisions: Efforts from October

Market trends: A shift to beer/RTD is expected

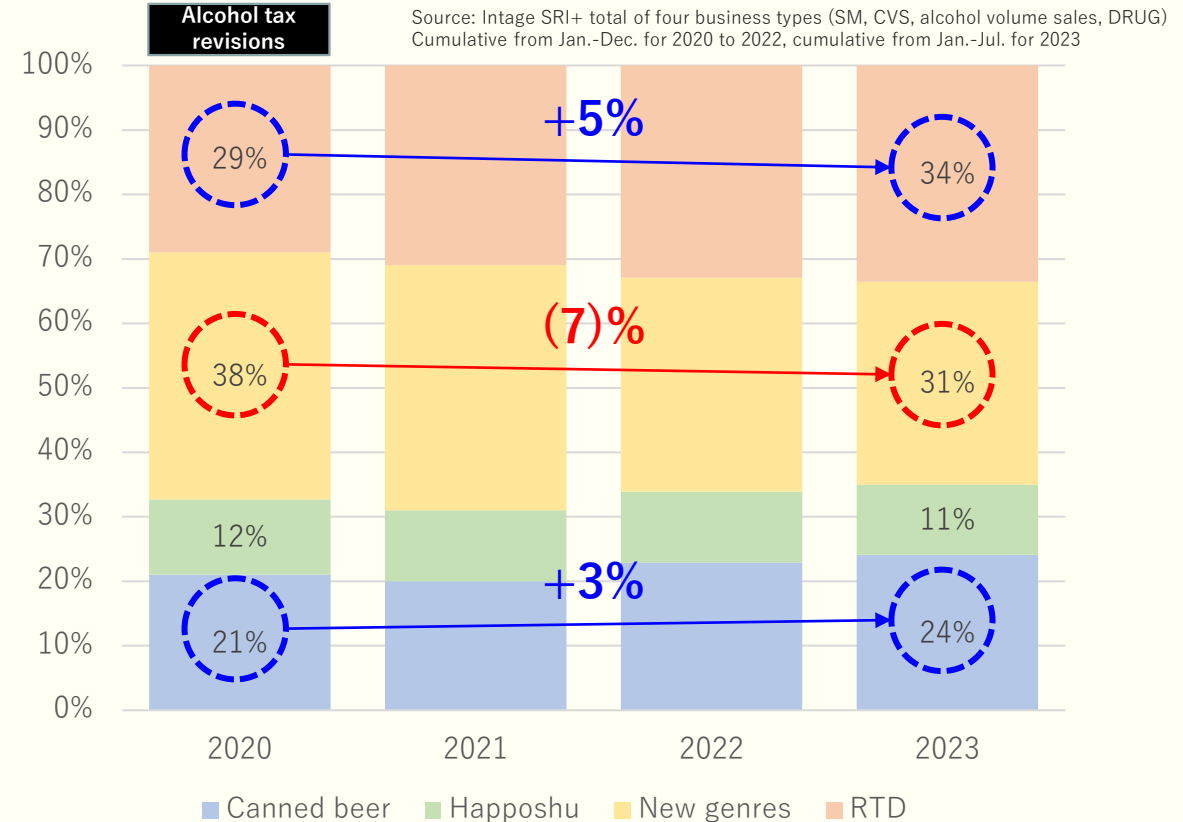
Image of pricing before/after Oct. 2023 alcohol tax revisions

The price gap between beer and new genre has narrowed, and the price gap between new genre and RTD has widened



Change in volume share of canned beer-type beverages/RTD (%)

After the 2020 alcohol tax revision, there was an influx from new genre to beer/RTD



Alcohol tax revisions: Efforts from October

Our efforts: These changes present a possible opportunity for our company, which has a high proportion of beer products
Break away from low profitability and realize **business growth** by strengthening main brands and proposing new products

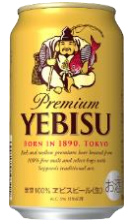
Strengthening main brands

New product proposals



▶ Black Label

Capture new customers & enhance brand loyalty



▶ Yebisu

Existing brand+ & roll-out of CREATIVE BREW



▶ Nanamaru

A “draft” beer with 70% less purine bodies and carbs



▶ Craft Spice Soda

Our 2nd RTD product promoted as going great with a meal, following the New Lemon Sour

Advertising

Strengthen unique worldview



Experiences

Brand experience



- Stimulate purchase of high-priced beer during the year-end and New Years period when demand is at its peak



- Roll-out of new CREATIVE BREW line

About 90% of light/zero beer-type beverages are happoshu or new genre
 ⇒ **There is room for growth for beer**

The light/zero market is expanding against a backdrop of growing health consciousness

There is a growing need for new alcoholic drinks that go great with a meal and can be drunk as a first drink

Home-use

Launch of limited release products



Commercial-use

Black Label TheBar



Perfect Black Label



Part 1: **New Origin**
(2/21 launch)



Part 2: **Orange**
(10/11 launch)

New proposal for beer that is both delicious and low in purine bodies and carbs amid growing awareness of the need to take care of one's body

Realize a deliciousness that is not sweet by utilizing spices
We propose a drink that goes great with and complements a meal

Alcoholic Beverages ~Overseas~



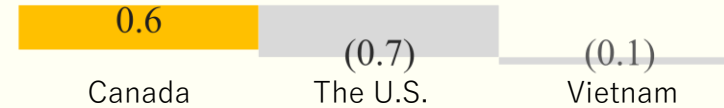
Revenue : 66.9billions of yen (YoY+15.2billions of yen、 +29.3%)

Core operating profit : 0.8billions of yen

(YoY+(0.2)billions of yen、 (19.2)%)

Reasons for changes in core operating profit(billions of yen)

Including Stone's loss and integration cost
(Because SPB* is in preparation for production)



In Canada we increased both revenue and profit mainly due to the effect of improved unit price, despite the impact of inflation and other factors

In the US, while SPB continues to perform well and the function integration and improvements in logistics costs are taking effect, profit declined due to deteriorating market conditions caused by bad weather in Southern CA*, which is Stone's main battleground, and inflation, as well as the fact that SPB production is in preparation (3-2)

✓ Sales in each country

▶ Canada

+0% y-o-y

- The home-use market declined year-on-year, partly due to inflation
- **Company performance exceeded total demand and was on par with last year**

▶ The U.S.(SPB)

+2% y-o-y

- Total demand declined year-on-year, due to bad weather and inflation, among other factors
- **SPB remained strong, at +2% year-on-year**

▶ Vietnam

- Strong performance for beer kegs
- Both the market and group results were sluggish for canned beverages due to stagnancy of the Vietnamese economy and the impact of inflation

✓ Status of synergies with Stone

Steadily generate synergies through function integration

Preparations continue to start SPB manufacturing within the year

● Intensification of collaboration with agents in APAC

Distributorship agreement signed with Carlsberg for SPB in Hong Kong, Singapore and Malaysia

Aiming to sell 1.5 million cases** in the ASEAN + Hong Kong market* in 2026

- Hong Kong, Singapore
Signed agreement prior to distributorship contract (Aim to launch from Jan. 1, 2024)
- Malaysia
Signed agreement prior to distributorship contract and production outsourcing contract



*Includes Vietnam, Singapore, Malaysia, Thailand, Indonesia, the Philippines, and Cambodia within ASEAN

**Equivalent to 20 large bottles of 633 ml each

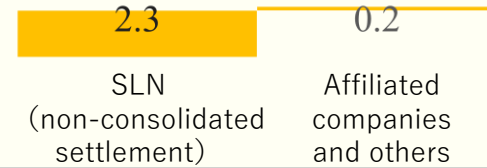
Alcoholic Beverages ~Restaurant~



Revenue : 14.9billions of yen (YoY+4.1billions of yen、 + 37.7%)

Core operating profit : 1.7billions of yen (YoY+2.5billions of yen)

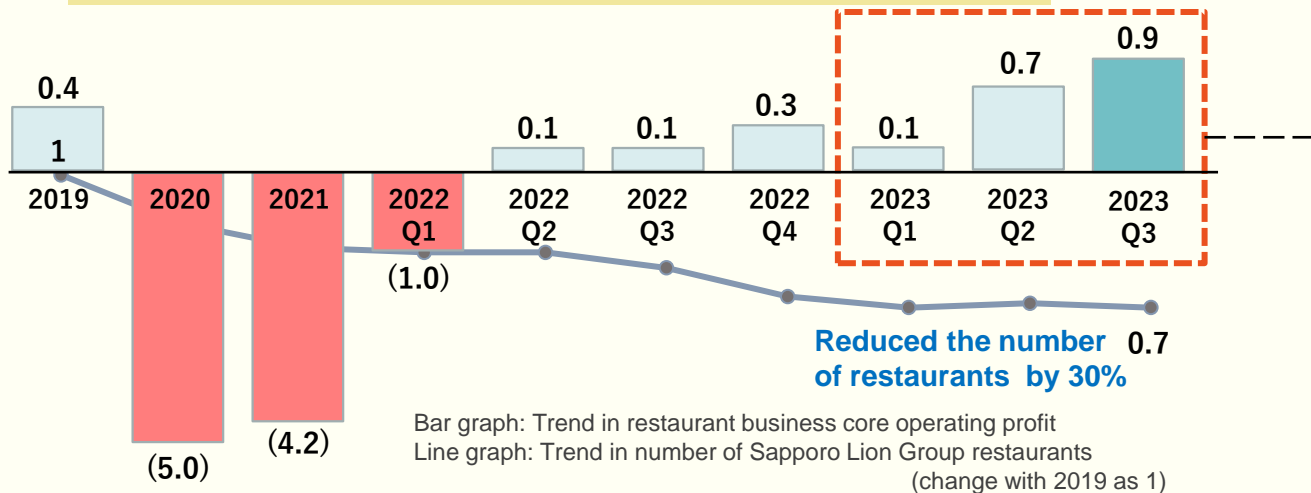
Reasons for changes in core operating profit(billions of yen)



The effect of structural reforms (4-1) implemented during the pandemic steadily contributed to profit, and the company continued to be profitable

✓ Trends in Core operating Profit and Number of Stores

Continued profitability from Q2 FY2022 onward due to the effects of structural reforms, including reduction of unprofitable locations



- Brand communication of Japan alcoholic beverages
 - Limited Sale of Yebisu Orange <Keg Beer> at YEBISU BAR



- Beer hall celebrates 124th anniversary

Ebisu Beer Hall, Japan's first beer hall, opened 124 years ago on August 4, 1899 **as a promotional location for Yebisu beer.** On the occasion of the 100th anniversary of Sapporo Lion's founding, the company designated August 4, the day of its founding, as "Beer Hall Day" to commemorate the birth of the first beer hall in Japan. It was also recognized by the Japan Anniversary Association.

Cumulative sales results for existing locations by time slot for SLN Jan.-Sep. (compared to 2019)

Opening~14:59	15:00~16:59	17:00~19:59	20:00~Closed
112%	124%	109%	92%

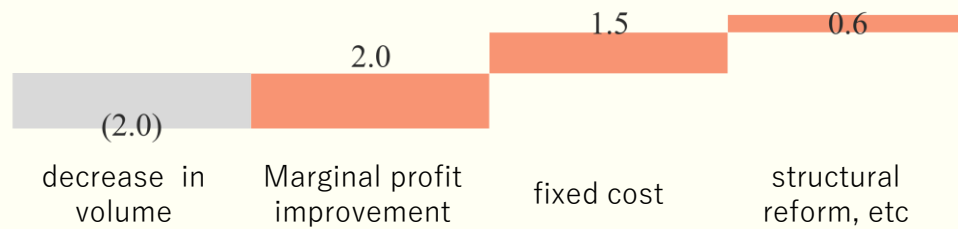
Sales were strong for the after-lunch to evening time slot due to capturing the inbound tourist and senior customer groups

~Japanese~

Revenue : 67.6billions of yen (YoY(3.9)billions of yen、(5.5)%)

Core operating profit : 1.9billions of yen (YoY+2.2billions of yen)

Reasons for changes in core operating profit(billions of yen)



Effects of structural reforms contributed steadily to the bottom line
Take actions outlined in the medium-term management plan, and proceed to fundamental structural reforms (5)

✓ - Status of structural reforms — KPI cost structural reforms

Steady progress in cost structure, contributing to improved business profit

- Improve marginal profit ratio

Decrease in disposal value due to SKU reduction +200 million yen

Variable selling cost unit price improvement +200 million yen

Product mix improvement by reducing unprofitable SKU +500 million yen

- Reduction of fixed costs

Reduction of unprofitable vending machine columns +600 million yen

- Structural reforms, etc. (Review of business portfolio)

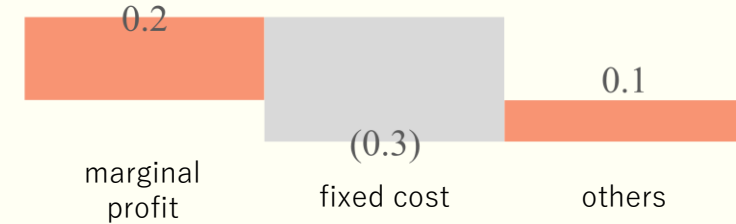
Liquidation of vending machine operator subsidiary PVS +500 million yen

~Overseas~

Revenue : 19.8billions of yen (YoY+1.8billions of yen、+9.9%)

Core operating profit : 1.1billions of yen (YoY+0.1billions of yen、+5.0%)

Reasons for changes in core operating profit(billions of yen)



Sales grew steadily primarily in Singapore and Malaysia (6)
Continue with initiatives to expand sales channels

✓ Situation of sales expansion

Singapore **+5% y-o-y** Strong primarily for home-use channel
(Sales amount on a local currency basis)

Malaysia **+9% y-o-y** Demand is sluggish, but growth is being achieved by strengthening the sales structure
(Sales amount on a local currency basis)

Export **+0% y-o-y** Selection of export destinations based on profitability
(Sales amount on a singapore currency basis)

Revenue : 16.0billions of yen (YoY+0.7billions of yen、 +4.9%)

Core operating profit : 4.2billions of yen

(YoY+(0.7)billions of yen、 (13.7%))

Reasons for changes in core operating profit(billions of yen)



While there was increased revenue from YGP Center Plaza, there was a decline in revenue due to HVAC work at the YGP office space and a decrease in profit due to one-off costs

Proceeding with efforts to build an asset turnover business model (7) and increase value of core properties centered on YGP (8)

✓ Status of YGP

⊙ YGP Center Plaza

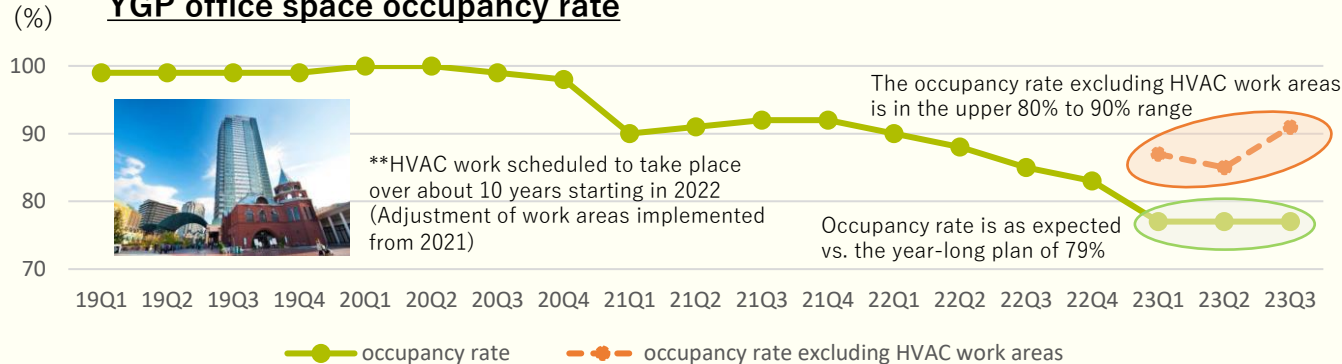
Number of visitors increased 1.5 to 2.0x since remodel* (*Remodeled in November 2022)



⊙ YGP office wing

Occupancy rate is as expected with decline due to HVAC work** Seeking to maintain rent levels by increasing property value

YGP office space occupancy rate



✓ Initiatives promoting reusable energy

- Signing of first virtual PPA in the real estate industry (according to our research)

First step toward generating 100% of own electricity consumption by 2040 Estimated CO₂ emissions reduction is about 2,000 tons, equivalent to about 15% of the company's electricity consumption

Virtual PPA

PPA is a form of contract for the direct sale of renewable energy power. A virtual PPA is an arrangement separating electrical power and its environmental value to distribute these separately. (this enables power generating companies to supply environmental value from remote locations without physical restrictions, and consumers are able to obtain certificates of environmental value for the amount of electricity generated by the facilities subject to the contract while entering into electricity supply and demand contracts with electricity retail providers as usual)

✓ Status of building an asset turnover business model

- Equity investments

Investments are being made after scrutinizing market conditions and deals

- **The REIT Preparatory Office was newly established in March and we established an investment advisory company in August**

Action Plan KPI



※1Forex assumption: ¥130

※2 Local currency basis (Singapore dollar)

* to be disclosed in Q2 or fiscal year end financial results

		Q3results		Full year		medium-term plan Target
		2022 Q3	2023 Q3	2022	2023Plan	
Japan alcoholic beverages	Reinforcement of Beer / Improving Profitability of Beer-type Bev.					
	Increase beer sales: share of beer sales (1-1)	66%	69%	68%	71%	79%
	Improve profit margin: selling price excluding alcohol tax (1-1)	-	+11% (y-o-y)	-	+9% (y-o-y)	+11% (VS 2022)
	RTD Business Growth and Production Streamlining, Etc.					
	RTD growth: RTD sales amount (1-2)	-	+18% (y-o-y)	-	+23% (y-o-y)	+74% (VS 2022)
	Increase production efficiency: ratio of in-house production (2)	-	*	73%	64%	88%
Overseas alcoholic beverages	Stone Acquisition Synergy / SPB Growth	4.99million cases	5.31million cases (y-o-y +6%)	6.61million cases	7.47million cases	10.0million cases
	Sapporo brand volume (3-1~3)					
	Cost synergy (3-1~3) ※1	-	*	-	\$4M	\$23M
Japan food & soft drinks	Cost Structure Reforms (5)	-	¥1.0billion	-	¥1.0billion	¥2.0billion
Overseas soft drinks	Expanding Sales and Increasing Logistics Efficiency					
	Overseas sales amount (6) ※2	-	+0.7% (y-o-y)	-	+3% (y-o-y)	+30% (VS 2022)
Real Estate	Revenue Structure Diversification					
	Asset share of securitization business (7)	-	*	3.7%	7.2%	19.2%
	Increase value of YGP** **YGP: Yebisu Garden Place	-	*	-	+0.4% (y-o-y)	+2.5% (VS 2022)
	Rate of increase in average rent price (8)					
Entire Group	Drastic Reorganization of Unprofitable Businesses, Etc. (9)	-	¥0.8billion	¥1.0billion (y-o-y)	¥0.5billion (y-o-y)	-
	PVS liquidation effect +500 million yen Anchor dissolution effect +300 million yen					

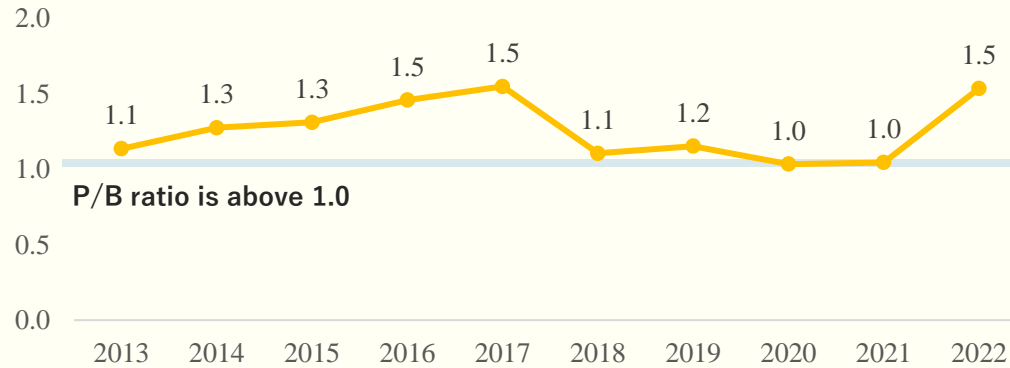
Promotion of management that is aware of cost of capital and stock price

Promotion of management that is aware of cost of capital and stock price

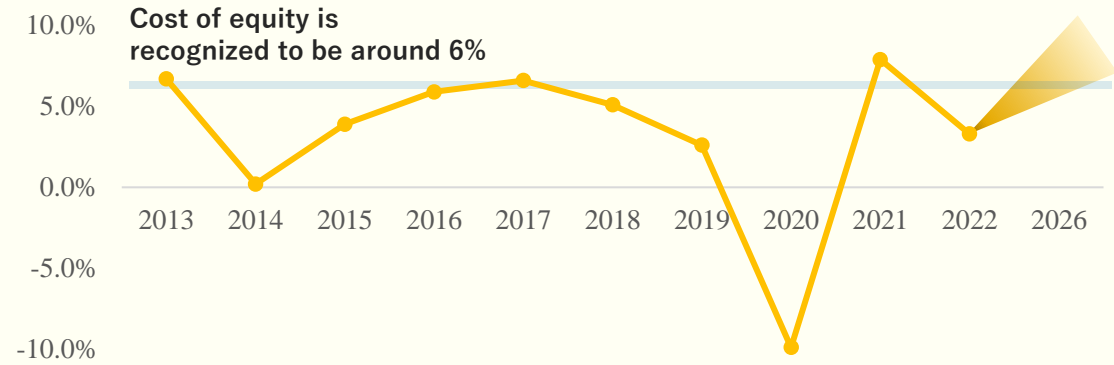


While the P/B ratio is above 1.0, we recognize that the current ROE level does not sufficiently exceed the cost of shareholders' equity as required by the market

Change in P/B ratio - Past 10 years

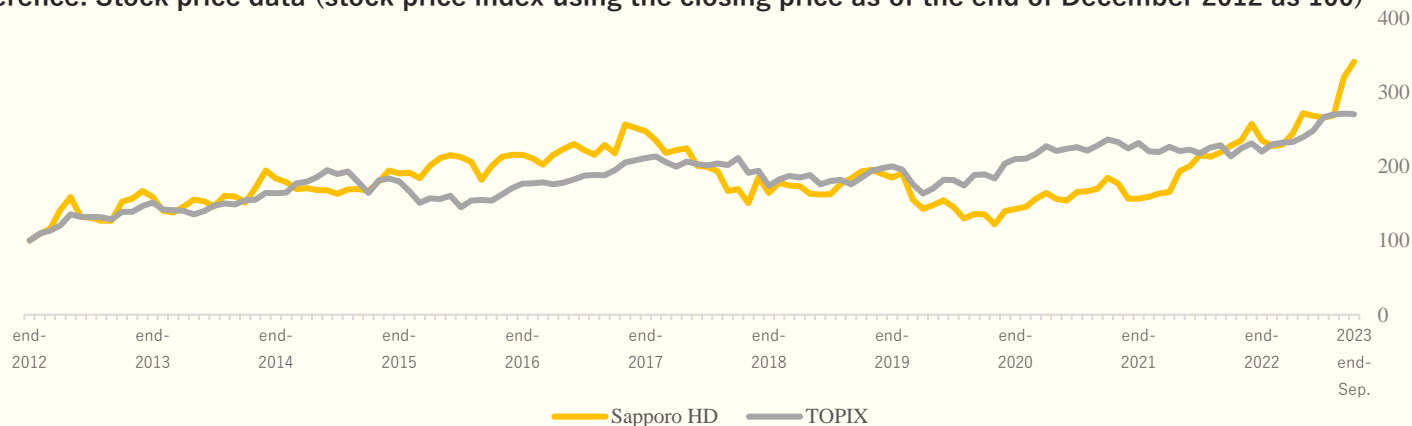


Change in ROE - Past 10 years



- Target of 8% ROE set in the Medium-Term Management Plan announced in November 2022
- ROE improvement in 2023 is expected to be limited at a forecasted 4.1% due to the implementation of structural reforms, and the low ROE compared to the industry average is a challenge that needs to be resolved as soon as possible

Reference: Stock price data (stock price index using the closing price as of the end of December 2012 as 100)



Awareness of status quo

Policy

To promote a financial strategy that emphasizes "sustainable growth" and "capital efficiency," which we have been working on for some time, and to achieve an increase in corporate value

- Aim to achieve Medium-Term Management Plan financial targets (ROE of at least 8% in 2026, overseas sales revenue and EBITDA growth of 10%/year)
- Promote both growth investment and shareholder returns based on cash allocation policy

For the realization of sustainable growth

- **Enhance the earning capacity of each business**
 - **Realization of business growth**

Proactively develop areas of strength
 - **Cost-related structural reforms**

Create business structures that can respond to changes in the environment
- **Growth investment**
 - **Investment in overseas businesses with growth potential**
 - **Investment in domestic business to strengthen the earnings base**

Respond flexibly to growth investment opportunities by utilizing financial leverage to the extent that our current credit rating can still be guaranteed

Efforts to enhance ROE

For the enhancement of capital efficiency

- **Review of business portfolio**
 - **Fundamental review of businesses positioned for restructuring/reorganization**

Exit businesses that cannot be expected to improve and focus on growth areas
- **Balance sheet reforms**
 - **Review of assets held**

Improve or sell underutilized assets and assets with low turnover
 - **Reduce cross-shareholdings**

Aim to reduce the ratio of book value of cross-shareholdings to total equity attributable to owners of parent to less than 20% at an early stage during the period of the Medium-Term Management Plan
- **Shareholder returns**
 - **Increase the level of dividends in accordance with profit growth**

Aim to increase the amount of dividends while maintaining dividend stability

Appendix

Financial Indicator



	Financial Targets				medium-term plan Target
	Q3 results		Full year		
	2022 Q3	2023 Q3	2022	2023 plan <Initial plan>	2026 Target
ROE	-	-	3.3%	4.1% <3.3%>	8.0%
Core operating profit (Approximation) *	5.8 billions of yen	14.4 billions of yen	9.3 billions of yen	16.5 <13.5> billions of yen	25.0 * billions of yen
EBITDA Average growth rate (CAGR)		40.5%		24.8% <16.2%>	About 10%
EBITDA (Approximation) *	20.9 billions of yen	29.3 billions of yen	29.9 billions of yen	37.3 <34.7> billions of yen	50.0 * billions of yen
Overseas revenue Average growth rate (CAGR)		24.0%		14.1% <9.4%>	About 10%
Overseas revenue (Approximation) *	72.5 billions of yen	90.0 billions of yen	102.2 billions of yen	116.7 <111.8> billions of yen	140.0 * billions of yen

*Approximation for achieving financial targets

Financial Indicator



	Target for core operating profit margin				medium-term plan Target
	Q3 results		Full year		
	2022 Q3	2023 Q3	2022	2023 plan (Initial plan)	2026 Target
Alcoholic beverages in Japan	2.6%	5.3%	3.5%	5.5% <5.0%>	5.7%
Alcoholic beverages in Overseas	2.0%	1.2%	(0.4)%	0.1% <0.6%>	6.2%
Alcoholic beverages in Restaurants	(7.2)%	11.6%	(3.3)%	9.9% <2.1%>	5.0%
Food & Soft Drinks In Japan	(0.5)%	2.8%	0.9%	2.5% <1.3%>	3.8%
Food & Soft Drinks In Overseas	5.9%	5.7%	3.6%	4.2% <4.2%>	5.0%
Real Estate ※	3.5%	3.5%	4.9%	4.5% <4.6%>	5.7%

*EBITDA-based ROA

Balance Sheets

(billions of yen)

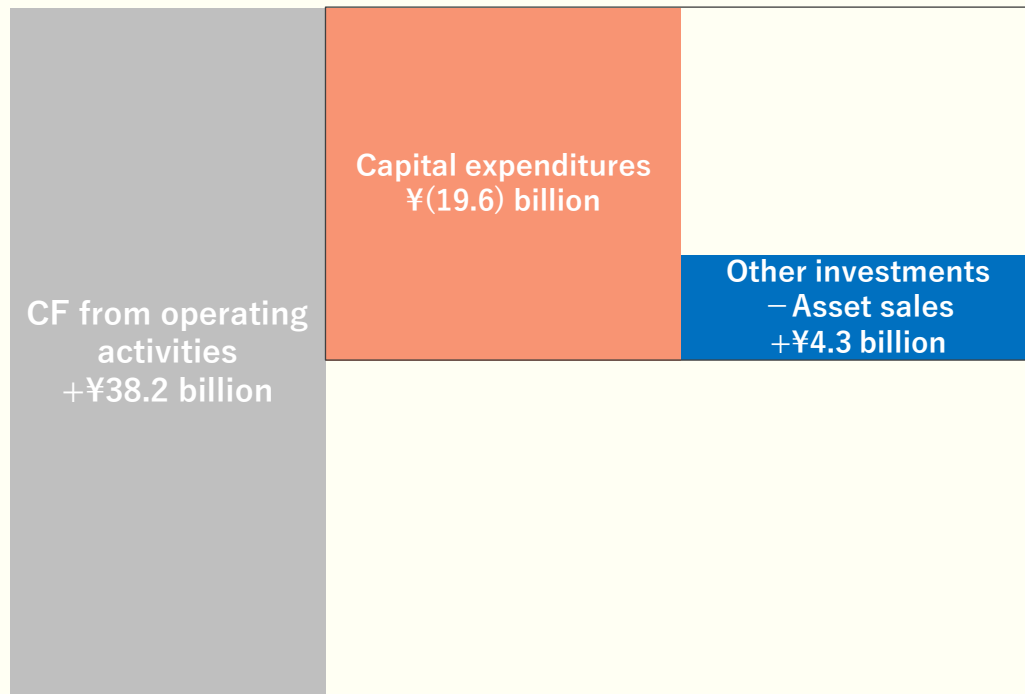


Total assets	End of 2022	2023 Q3	Change
Cash and cash equivalents	15.4	18.6	3.2
Trade receivables	96.6	91.0	(5.6)
Inventories	47.5	51.0	3.5
Other current assets	19.9	11.2	(8.7)
Fixed assets and intangible assets	138.4	149.3	10.9
Investment property	209.6	210.1	0.5
Goodwill	33.8	36.1	2.3
Other non-current assets	77.8	89.9	12.0
Total assets	639.1	657.2	18.1

Total liabilities and equity	End of 2022	2023 Q3	Change
Trade payables	35.7	37.1	1.4
Short-term financial liabilities	86.5	53.4	(33.2)
Other current liabilities	97.3	101.0	3.7
Long-term financial liabilities	155.4	175.9	20.6
Net defined benefit liabilities	3.5	3.4	(0.1)
Other non-current liabilities	93.6	105.4	11.9
Total liabilities	471.9	476.2	4.3
Equity attributable to owners of parent	166.3	180.1	13.8
Non-controlling interests	0.9	0.9	0.0
Total equity	167.2	181.0	13.8
Total liabilities and equity	639.1	657.2	18.1
Debt-to-equity ratio (times) :Net	1.4	1.2	—
Balance of financial liabilities	241.9	229.3	(12.6)

Status of Each Cash Flow

(billions of yen)	2022 Q3	2023 Q3	Change	Change (%)
CF from operating activities	13.6	38.2	24.6	180.0%
CF from investing activities	(42.0)	(15.2)	26.8	—
Free CF	(28.4)	23.0	51.4	—
CF from financing activities	30.7	(19.9)	(50.7)	—



Cash in
¥38.2billion

Cash out
¥(15.2)billion

< **Investment total (① + ②)** > **¥(15.2) billion**

① **Capital expenditure** (cash basis) : **¥(19.6) billion**
(Property, plant and equipment, intangible assets, investment property)

< **Major items** >

- Alcoholic Beverages : **¥(7.3)billion**
Japan : ¥(2.7)billion overseas : ¥(4.5)billion

- Food & Soft Drinks : **¥(2.3)billion**
Japan : ¥(1.9)billion

- Real Estate : **¥(8.9)billion**
Yebisu Garden Place and others

- Group-wide : **¥(1.2)billion**

② **Other investments – Asset sale** : **¥4.3 billion**
(Stock sales, etc.)

Alcoholic Beverages Data

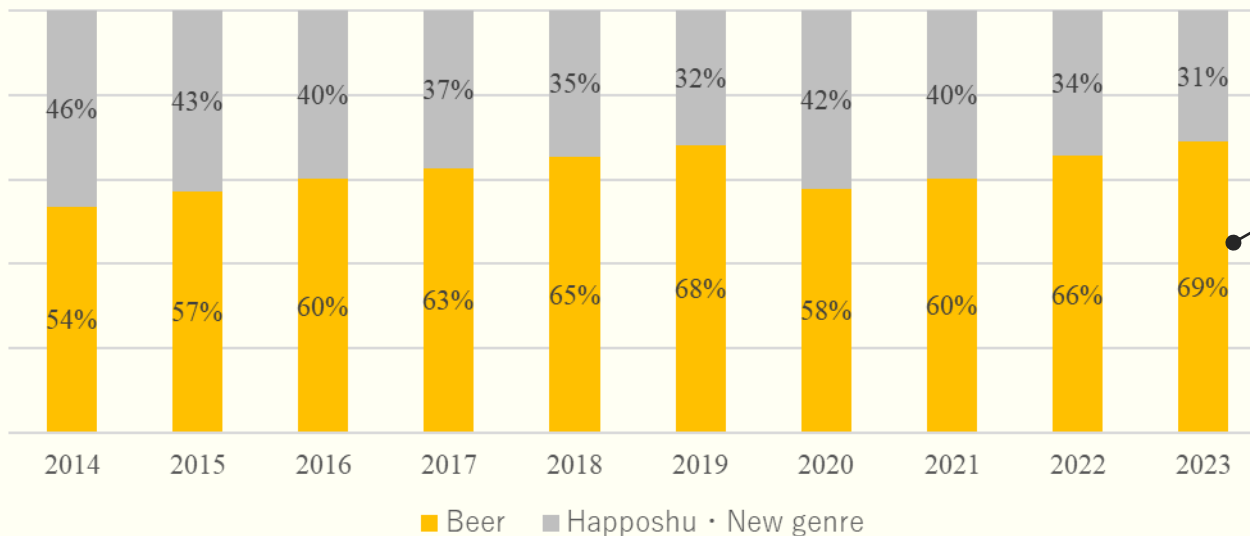


Japanese

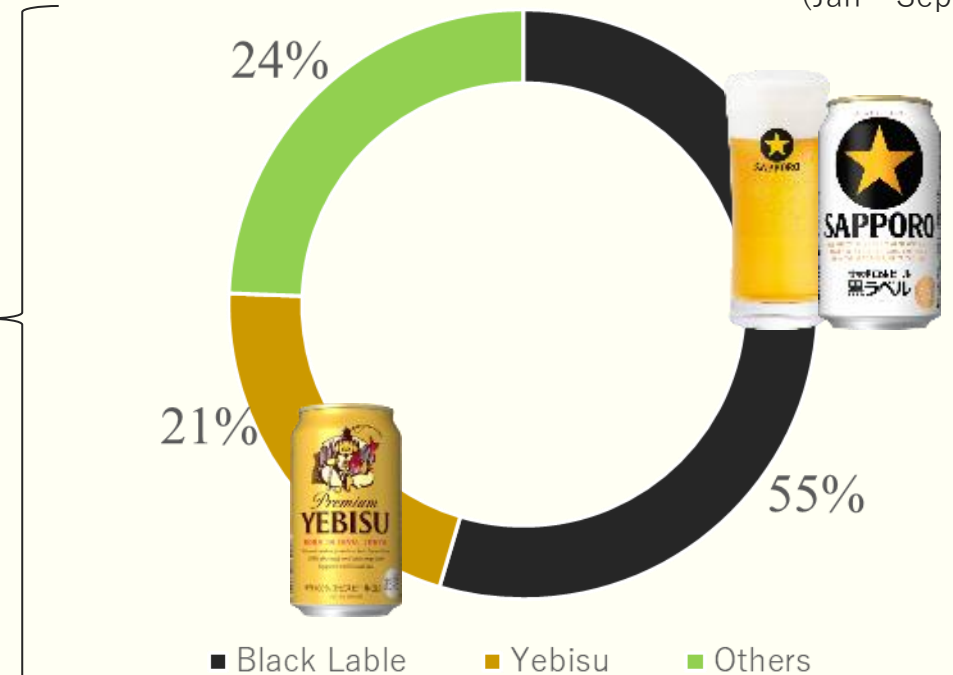
※1 : Following the agreement of the Brewers Association of Japan, there is no disclosure of the sales volume for the first quarter. The sales volume for the first half and end of the fiscal year shall be disclosed. (10,000 cases)

Sales Volume:Beer (Japan) (※1)	2022Q3	2023Q3	YoY Change(%)
①Beer (total)	—	—	3.5%
Sapporo Draft Beer Black Label (total)	—	—	5.9%
YEBISU (total)	—	—	(7.8%)
②Happoshu (total)	—	—	(6.9%)
③New genre beer products (total)	—	—	(12.2%)
Beer, happoshu, and new genre (total ①+②+③)	—	—	(1.7%)

< 10-year change in composition ratio of beer, happoshu, and new genre >



< Beer lineup sales volume (break down) >
(Jan – Sep)



Alcoholic Beverages Data

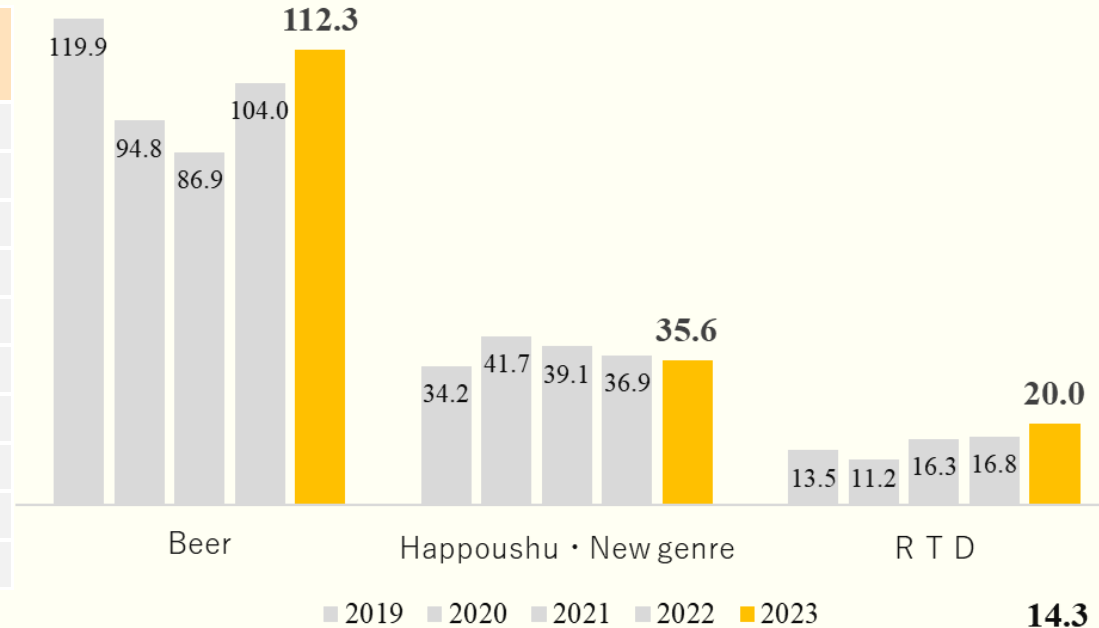


Japanese

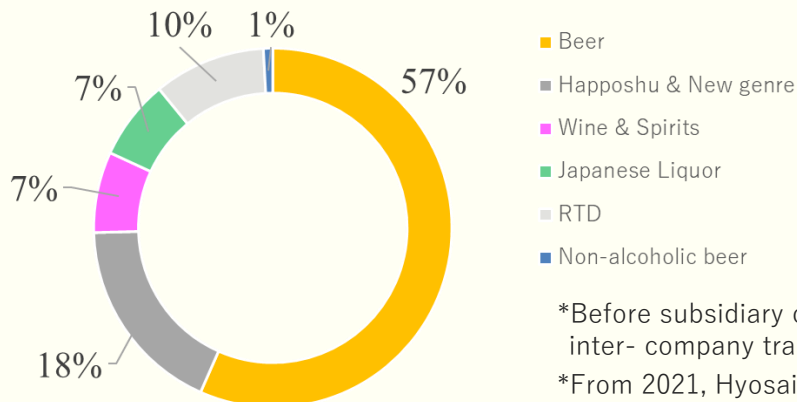
(billions of yen)

Sales:Beer (Japan)	2022Q3	2023Q3	YoY Change(%)
Beer	104.0	112.3	8.0%
Happoshu	4.5	4.5	(0.4%)
New genre	32.4	31.1	(3.8%)
Beer, happoshu, and new genre	140.9	148.0	5.0%
RTD	16.8	20.0	19.2%
Domestic wines	2.4	2.2	(5.2%)
Imported wines	4.6	4.4	(4.9%)
Wine (total)	7.0	6.6	(5.0%)
Spirits and Shochu (total)	19.3	22.1	14.4%
Total	184.0	196.7	6.9%

< Jan- Sep sales revenue > (billions of yen)

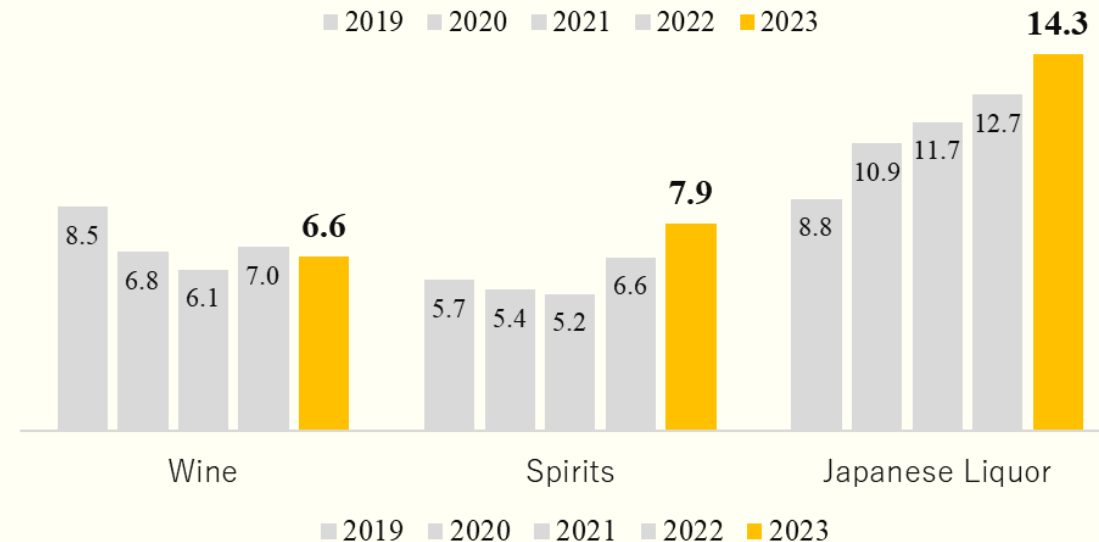


< Jan- Sep sales breakdown by category >



*Before subsidiary companies sales, elimination of inter-company transactions and rebate deduction

*From 2021, Hyosai Sour and 99.99 keg are reclassified from Spirits to RTD.

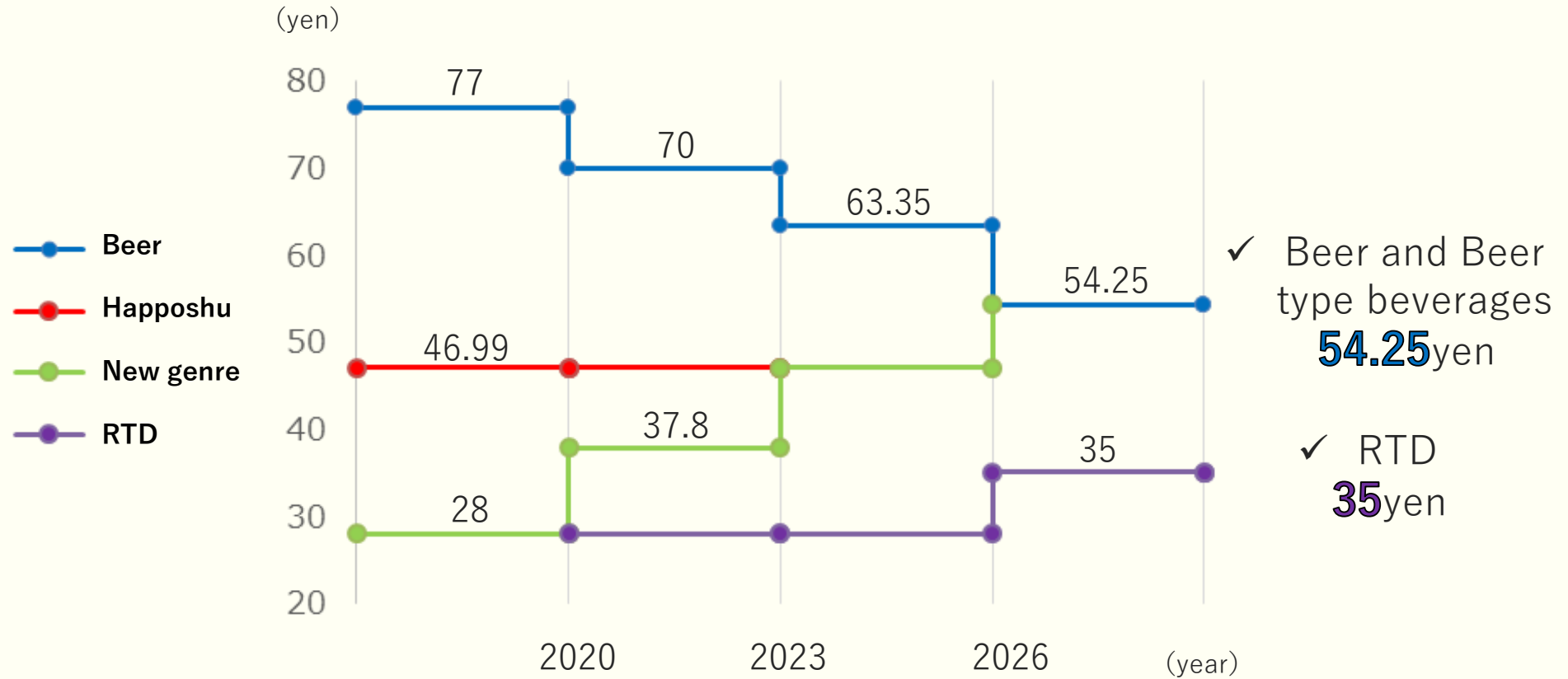


Alcoholic Beverages Data



Japanese

< Changes in the amount of liquor tax per 350 ml >



Alcoholic Beverages Data



Overseas

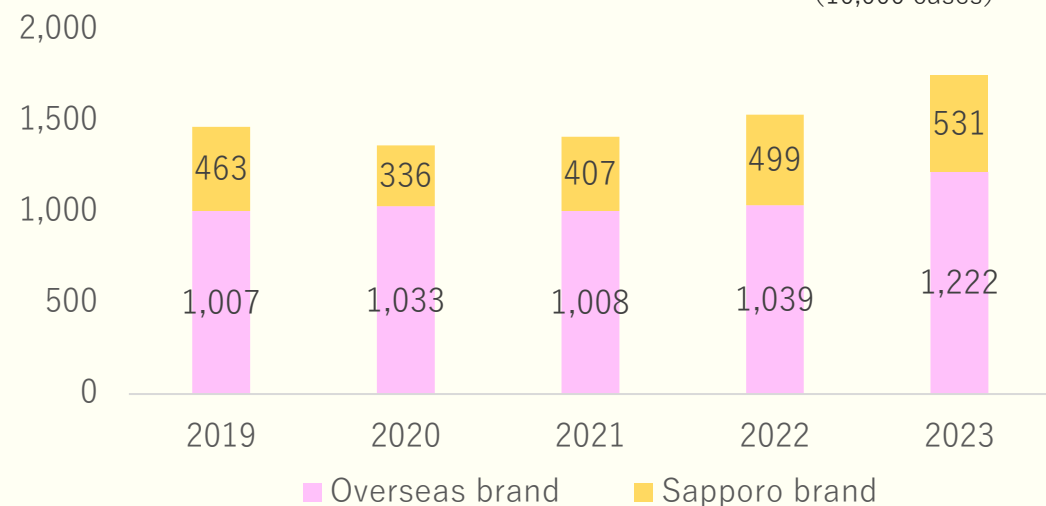
(10,000 cases)

Sales Volume:Beer (International)	2022Q3	2023Q3	YoY Change(%)
Overseas brand (※1)	1,039	1,222	17.6%
Sapporo brand	319	325	2.0%
①North America	1,358	1,547	14.0%
Sapporo brand	180	206	14.6%
②Other areas	180	206	14.6%
Total (①+②)	1,538	1,753	14.0%
Sapporo brand Total	499	531	6.5%

※1 : SLEEMAN, Anchor, Stone, etc.

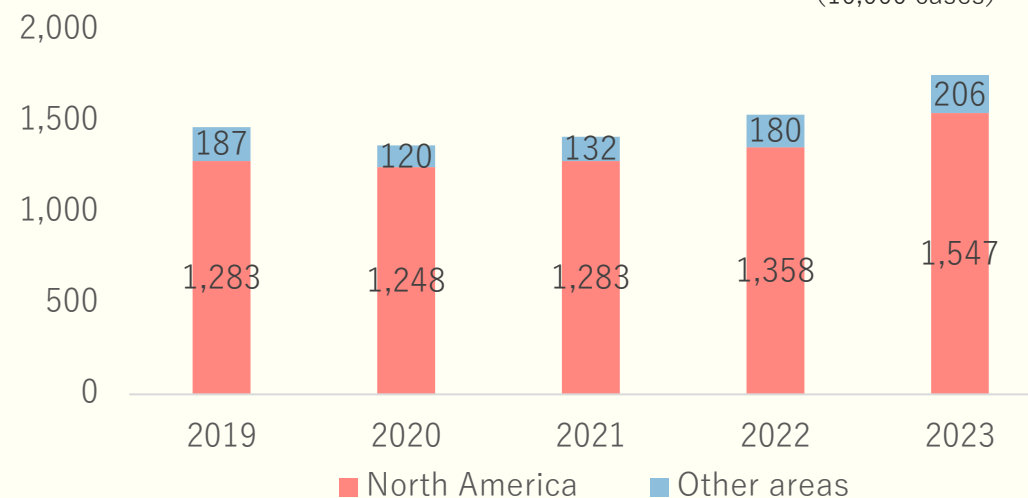
< Overseas sales volume by brand (Jan-Sep) >

(10,000 cases)



< Overseas sales volume by Area (Jan-Sep) >

(10,000 cases)



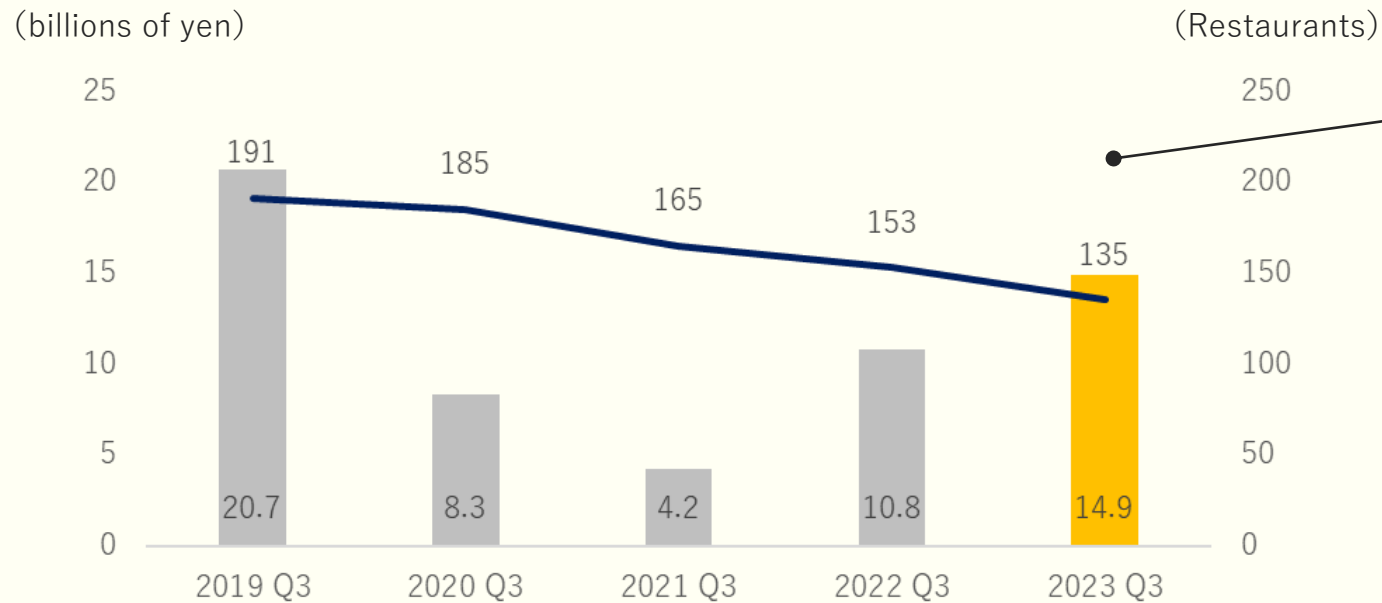
Alcoholic Beverages Data



Restaurants

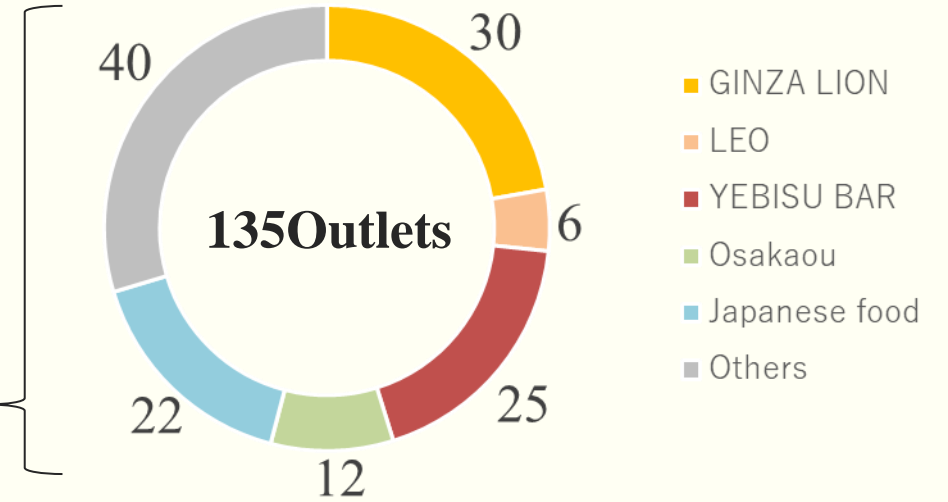
Restaurants	2022Q3	2023Q3	YoY Change(%)
Revenue (billions on yen)	10.8	14.9	37.7%
Number of Restaurants	153	135	(11.8%)

< Trend in Revenue of Restaurants Business and Number of Restaurants > (Jan-Sep)

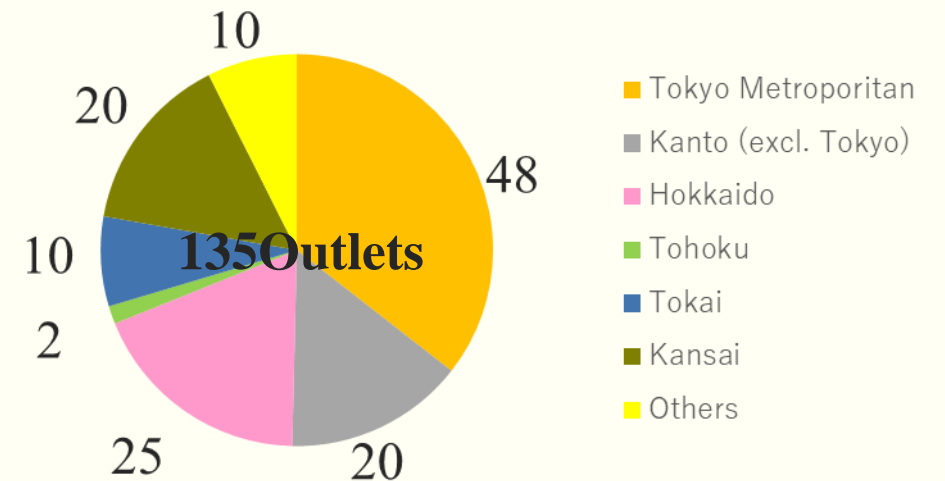


Bar graph: Trend in Restaurant business core operating profit
Line graph: Trend in number of Sapporo Lion Group restaurants

< Composition of Restaurants by Format >



< Composition of Restaurants by Region >



Food & Soft Drinks Data



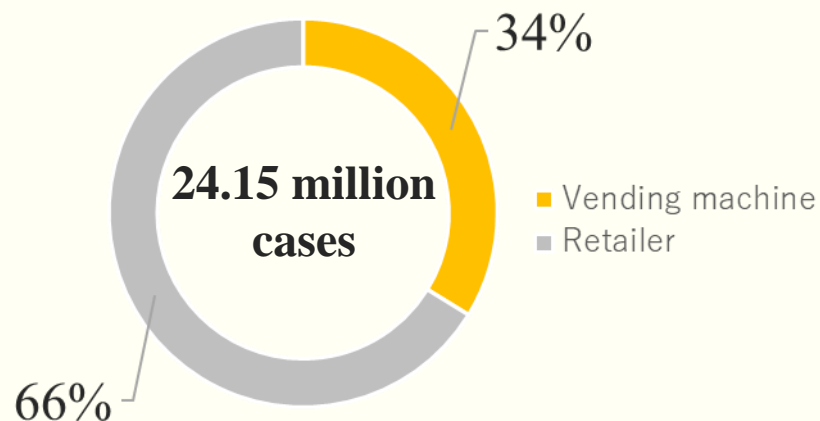
Japanese

(billions of yen)

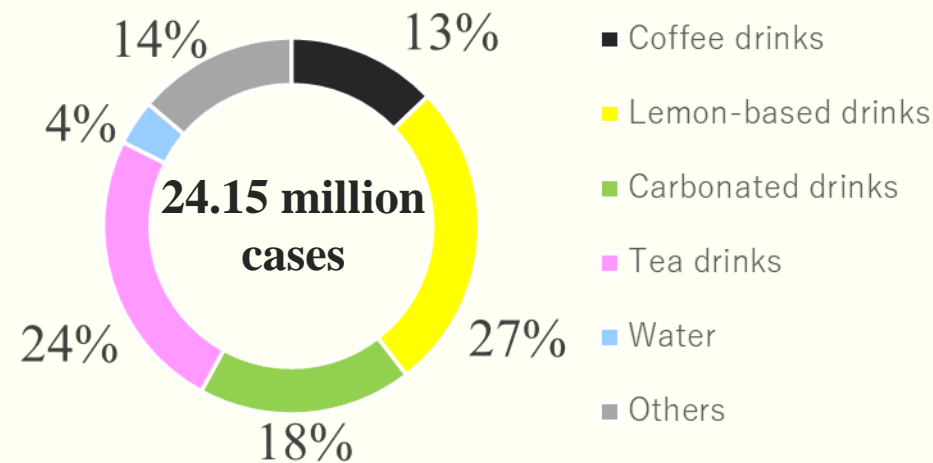
Sales:Food & Soft Drinks (Japan) (※1)	2022Q3	2023Q3	YoY Change(%)
Soft Drinks	45.7	43.1	(5.8%)
Food (Lemon・Soups・Plant milk)	21.8	20.5	(5.8%)

※1 : Only domestic sales(Before Rebate subtracted from sales)

< Japanese soft drinks POKKA SAPPORO Food & Beverage > Sales composition by sales channel (Jan- Sep)



< Japanese soft drinks Sales composition by genre (Jan- Sep)>



Overseas

Sales:Food & Soft Drinks (Overseas) (※2)	2022Q3	2023Q3	YoY Change(%)
Singapore(billions of SGD)	11.1	11.7	5.3%
Malaysia(billions of MYR)	5.6	6.1	8.5%
International(billions of SGD)	4.0	4.0	0.5%

※2 : Before sales deduction, exclude OEM sales

Real Estate Data

Real Estate

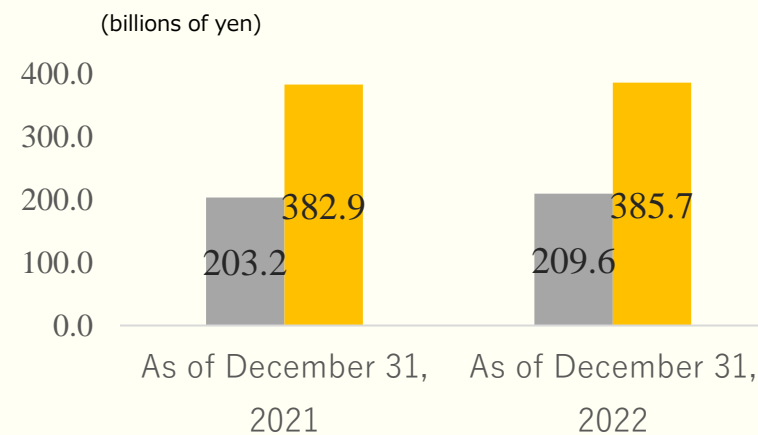
< Major rental properties & occupancy rates : (Averages for 2023 Q3)>

	Site area (㎡)	Floor area (㎡)	Occupancy rate (%)	No. of floors
Yebisu Garden Place ⁽¹⁾	56,943	298,007	77	40 floors above ground, 5 below
Ginza Place	645	7,350	91	11 floors above ground, 2 below
Strata Ginza ⁽²⁾	1,117	11,411	100	13 floors above ground, 1 below

*1: The number of floors is for the office block 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)

< Information about Investment property >



■ Carrying value on the consolidated statement of financial position
 ■ Fair value



(billions of yen)

< Core Operating profit >	2022 Q3	2023 Q3	Change
Yebisu Garden Place, etc.	3.7	3.1	(0.6)
Other area & other operations	1.5	1.4	(0.1)
Hokkaido	0.5	0.6	0.0
Equity investment, etc	(0.9)	(0.9)	(0.1)
Total	4.8	4.2	(0.7)

(billions of yen)

< EBITDA >	2022 Q3	2023 Q3	Change
Yebisu Garden Place, etc.	6.0	5.9	(0.1)
Other area & other operations	2.0	1.9	(0.1)
Hokkaido	0.9	1.0	0.0
Equity investment, etc	(0.5)	(0.5)	(0.1)
Total	8.5	8.3	(0.3)

As an intrinsic part of people's lives, Sapporo will contribute to the evolution of creative, enriching and rewarding lifestyles.



This document was prepared for the purpose of providing information to serve as a reference for investors in making investment decisions and not for the solicitation of investment or any other similar such actions.

The earnings forecasts and forward-looking statements contained in this document were prepared based on the judgment of the Company as of the date of this document and include potential risks and uncertainties.

Actual published future results may therefore differ materially from the content of this document.

The Company shall not in any way be responsible or liable for any losses or damages resulting from the use of the information in this document.