

**Financial Results**  
**for the three months ended March 31, 2024 — Consolidated**  
**(Based on IFRS)**

May 14, 2024

|   |   |
|---|---|
| Company name  | <b>Sapporo Holdings Limited</b>   |
| Security code   | 2501  |
| Listed on   | Tokyo Stock Exchange (Prime Market); Sapporo Securities Exchange                    |
| URL   | <a href="https://www.sapporoholdings.jp/en/">https://www.sapporoholdings.jp/en/</a> |
| Representative  | Masaki Oga, President and Representative Director                                   |
| Contact   | Yosuke Nakamura, Director of the Corporate Planning Department                      |
| Telephone   | +81-3-5423-7407   |
| Scheduled dates:  |   |
| Filing of quarterly financial report                        | May 15, 2024  |
| Commencement of dividend payments                           | -   |
| Supplementary information to the quarterly earnings results | Available   |
| Quarterly earnings results briefing held                    | Yes<br>(mainly targeted at institutional investors and analysts)                    |

**1. Consolidated Financial Results for the three months Ended March 31, 2024**  
**(January 1 – March 31, 2024)**

(Amounts in million yen rounded to the nearest million yen)

**(1) Operating Results**

(Percentage figures represent year-over-year changes)

|                                   | Revenue     |      | Core Operating profit |   | Operating profit |   | Profit      |   |
|-----------------------------------|-------------|------|-----------------------|---|------------------|---|-------------|---|
|                                   | million yen | %    | million yen           | % | million yen      | % | million yen | % |
| Three months ended March 31, 2024 | 112,761     | 3.7  | (3,795)               | — | (1,936)          | — | (1,970)     | — |
| Three months ended March 31, 2023 | 108,768     | 16.6 | (2,935)               | — | (3,282)          | — | (3,589)     | — |

|                                   | Profit attributable to owners of parent |   | Total comprehensive income |   | Basic earnings per share | Diluted earnings per share |
|-----------------------------------|---|---|----------------------------|---|--------------------------|----------------------------|
|                                   | million yen                             | % | million yen                | % | Yen                      | Yen                        |
| Three months ended March 31, 2024 | (1,977)                                 | — | 8,597                      | — | (25.38)                  | (25.38)                    |
| Three months ended March 31, 2023 | (3,596)                                 | — | (913)                      | — | (46.16)                  | (46.16)                    |

Note: Profit before tax

Three months ended March 31, 2024 (1,507) million yen

Three months ended March 31, 2023 (3,826) million yen

\*Core operating profit is a proprietary profit indicator that measures the performance consistency of our business. Core operating profit is calculated as Revenue – Cost of sales – SG&A expenses.

## (2) Financial Position

|                                   | Total assets | Total equity | Equity attributable to owners of parent | Ratio of equity attributable to owners of parent to total assets |
|-----------------------------------|--------------|--------------|---|--|
|                                   | million yen  | million yen  | million yen                             | %  |
| Three months ended March 31, 2024 | 667,550      | 188,177      | 187,202                                 | 28.0   |
| Three months ended March 31, 2023 | 663,573      | 183,248      | 182,315                                 | 27.5   |

## 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, 2023             | —                  | 0.00   | —      | 47.00    | 47.00     |
| Year ended December 31, 2024             | —                  |        |        |          |           |
| Year ending December 31, 2024 (forecast) |                    | 0.00   | —      | 52.00    | 52.00     |

Note: Changes to the latest dividend forecast announced: None

## 3. Forecast of Consolidated Earnings for the Year Ending December 31, 2024 (January 1 – December 31, 2024)

(Percentage figures represent year-over-year changes)

|                               | Revenue     |     | Core operating profit |      | Operating profit |      | Profit      |      | Profit attributable to owners of parent |      | Basic earnings per share |
|-------------------------------|-------------|-----|-----------------------|------|------------------|------|-------------|------|---|------|--------------------------|
|                               | million yen | %   | million yen           | %    | million yen      | %    | million yen | %    | million yen                             | %    | yen                      |
| Year ending December 31, 2024 | 523,500     | 0.9 | 19,000                | 21.5 | 17,600           | 48.9 | 10,030      | 14.5 | 10,000                                  | 14.6 | 128.37                   |

Note: Changes to the latest consolidated results forecast announced: None

\*Earnings forecasts for the six months ending June 30, 2024 are omitted because the company manages performance targets on a yearly basis.

#### **4. Other**

- (1) Changes to scope of consolidation: None
- (2) Changes in accounting policy, changes in accounting estimates, and retrospective restatement
  - 1) Changes in accounting policies required by IFRS: None
  - 2) Changes other than 1) above: None
  - 3) Changes in accounting estimates: None
- (3) Number of shares issued and outstanding (common stock)
  - 1) Number of shares issued at end of period (treasury stock included):
    - March 31, 2024: 78,794,298 shares
    - December 31, 2023: 78,794,298 shares
  - 2) Number of shares held in treasury at end of period:
    - March 31, 2024: 895,935 shares
    - December 31, 2023: 895,451 shares
  - 3) Average number of outstanding shares during the period:
    - March 31, 2024: 77,898,566 shares
    - March 31, 2023: 77,897,356 shares

#### **Audit Status**

The quarterly financial results are outside the scope of audit procedures based on the Financial Instruments and Exchange Act.

#### **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. For the assumptions underlying the forecasts herein and other information on the use of earnings forecasts, refer to “1. Analysis of Operating Results and Financial Condition (4) Consolidated Earnings Forecast” on page 8.

#### **Seasonal factors**

The Group’s operating results are affected by substantial seasonal variations in demand in the Alcoholic Beverages and Food & Soft Drinks businesses. Revenues consequently tend to be lower in the first quarter than in the other three quarters.

# 1. Analysis of Operating Results and Financial Condition

## (1) Operating Results

In this quarterly consolidated accounting period (January 1 - March 31, 2024), the uncertain outlook continues, with consumers becoming more cautious with their spending due to the impact of rising geopolitical risks, the depreciation of the yen, inflation from surging prices of raw materials and energy, and Japan's "2024 logistics problem" (an issue arising from strengthened regulations on driver overtime work).

Under these circumstances, the Sapporo Group is decisively implementing structural reforms and accelerating growth to realize our growth strategy in the second year of our "Medium-Term Management Plan (2023-2026)."

Consolidated revenue increased compared to the previous first quarter. This was because of strong beer sales in the Japan alcoholic beverages sector due to the effect of the alcohol tax revisions and strong sales of Sapporo Premium Beer in the US market.

While there was an increase in revenue due to the impact of the Alcoholic Beverages business, consolidated core operating profit decreased year-on-year due to an increase in IT investment, among other factors.

### Summary in key figures

Millions of yen, except percentages

|                                   | Revenue | Core operating profit | Operating profit | Profit attributable to owners of parent |
|-----------------------------------|---------|-----------------------|------------------|---|
| Three months ended March 31, 2024 | 112,761 | (3,795)               | (1,936)          | (1,977)                                 |
| Three months ended March 31, 2023 | 108,768 | (2,935)               | (3,282)          | (3,596)                                 |
| Change (%)                        | 3.7     | —                     | —                | —                                       |

\*Core operating profit is the Sapporo Group's unique profit benchmark for measuring the performance of its regular business and is calculated by deducting cost of sales, and selling, general and administrative expenses, from revenue.

Results by segment are outlined below.

### Alcoholic Beverages

Revenue increased year-on-year due to strong beer sales due to the alcohol tax revisions, strong sales of Sapporo Premium Beer in the US and Asia, and the effect of a weak yen.

Core operating profit and operating profit both increased year-on-year due to the increase in revenue in the Japan Alcoholic Beverages business, despite the impact of surging raw materials and personnel costs.

- Revenue: ¥80.6 billion (up ¥4.1 billion, or 5.3% year on year)
- Core operating profit: ¥(0.2) billion (compared with a loss of ¥0.5 billion a year earlier)
- Operating profit: ¥(0.3) billion (compared with a loss of ¥0.8 billion a year earlier)

Details of Alcoholic Beverages (Japan and Overseas) and Restaurants in the Alcoholic Beverages business were as follows.

### Japan

While the on-trade products market is on par with the previous year as the impact of COVID-19 lessens, the off-trade market softened due to the shrinkage of the happoshu market following alcohol tax revisions. Total domestic demand for beer-type beverages (beer, happoshu (including New Genre) was 98% of the previous year's level and total domestic demand for beer was 109%.

In this fiscal year, we are focusing more on strengthening beer and RTD\* taking into account the liquor tax revision made in October 2023.

In this context, the Group's total domestic sales volume of beer-type beverages was 102% of the previous year's level. On-trade products performed at 104% year-on-year thanks to strong sales of bottled lager beer. While off-trade products were impacted by the shrinkage of the happoshu market following alcohol tax revisions, the sector continued to perform strongly, with sales volume of Black Label cans at 128% year-on-year and RTD cans at 101% year-on-year.

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

### **Overseas**

With persistent inflation and high interest rates in Canada and the United States, we expect total beer demand will be lower year-on-year. Sales volume of overseas beer brands fell year-on-year due to declining total demand for beer in Canada and the weakening of the craft beer market in the United States. In contrast, the sales volume of Sapporo-brand beer achieved remarkable growth in North America, reaching 107% year-on-year, primarily due to the expansion of the sales network in the US market.

### **Restaurants**

There is a continuing recovery trend in restaurant demand following the COVID-19 pandemic. Amid this, due to price revisions, a recovery in the number of customers, and attracting inbound tourists and senior customers, the Sapporo Group's restaurant business recorded existing store sales for the first quarter at 115% year-on-year.

### **Food & Soft Drinks**

Revenue fell year-on-year due to the impact of product lineup changes in the Japan market and a decline in export sales in Overseas Soft Drinks among other factors.

Despite the positive effect of price revisions and structural reforms, the Japan market is performing on par with last year as a result of surging raw materials and logistics costs. However, core operating profit decreased for the Food & Soft Drinks business as a whole year-on-year due to the downside impact of the decline in export sales for the overseas beverage business.

Operating profit increased year-on-year due to the impact of the reversal of impairment losses on fixed assets in the Japan Food & Soft Drinks business and the sale of land.

■ Revenue: ¥26.6 billion (down ¥0.2 billion, or 0.9% year on year)

■ Core operating profit: ¥(0.6) billion (compared with a loss of ¥0.3 billion a year earlier)

■ Operating profit: ¥1.5 billion (compared with a loss of ¥0.3 billion a year earlier)

#### **Food & Soft Drinks (Japan)**

While there were shifts in total demand for soft drinks in Japan due to weather factors, this sector performed at roughly 100% year-on-year due to the recovery of foot traffic, among other factors. Meanwhile, the sales volume of the Group's domestic beverages was 91% of the previous year's level, as overall beverage sales decreased due to product lineup changes and other factors, despite Kireto Lemon, the main brand in the lemon business, performing at 104% year-on-year, and the Tochi and Craft series tea beverages performing well at 106% year-on-year, centered on corn tea, thanks to the effect of price revisions.

#### **Overseas Beverage**

In Singapore, sales growth primarily in the off-trade channel contributed to a year-on-year performance of 104% (calculated in the local currency) in terms of sales value.

Additionally, we continue to strengthen the sales structure in Malaysia, a focus area, and sales volume was 136% year-on-year (calculated in the local currency), underpinned partly by strong domestic demand there.

Excluding the above, we are strengthening measures for each export country in the export

business. In the export business to the Middle East, despite the suspension of sales last year to customers whose financial condition had deteriorated, we are proceeding with selecting new customers with a view to a recovery in sales value.

### **Real Estate**

Revenue increased year-on-year due to an improvement in the office occupancy rate of Yebisu Garden Place.

Despite the effect of increased revenue, core operating profit and operating profit decreased due to the recording of costs associated with the opening of Hotel Sosei Sapporo MGallery, which opened in January 2024, and increased administrative expenses due to surging personnel costs.

- Revenue: ¥5.5 billion (up ¥0.2 billion, or 3.2% year on year)
- Core operating profit: ¥(0.2) billion (compared with a loss of ¥0 billion a year earlier)
- Operating profit: ¥(0.3) billion (compared with a loss of ¥0.1 billion a year earlier)

## (2) Consolidated Financial Condition

As of the end of this Q1 consolidated accounting period, the following were the operative factors in the condition of assets, liabilities and equity.

|                              | (Millions of yen)          |                      |          |
|------------------------------|----------------------------|----------------------|----------|
|                              | As of December 31,<br>2023 | As of March 31, 2024 | Change   |
| Current assets               | 176,353                    | 156,444              | (19,909) |
| Non-current assets           | 487,220                    | 511,106              | 23,886   |
| Total assets                 | 663,573                    | 667,550              | 3,977    |
| Current Liabilities          | 191,204                    | 187,647              | (3,557)  |
| Non-current liabilities      | 289,121                    | 291,726              | 2,605    |
| Total liabilities            | 480,325                    | 479,373              | (952)    |
| Total equity                 | 183,248                    | 188,177              | 4,929    |
| Total liabilities and equity | 663,573                    | 667,550              | 3,977    |

In end-Q1, assets had increased by ¥4.0 billion to ¥667.5 billion relative to the previous fiscal year end due to an increase in investment property and property, plant and equipment, and other factors which offset the decline in trade and other receivables resulting from seasonal factors.

Consolidated total liabilities came to ¥479.4 billion, which was a decrease of ¥1.0 billion as compared to the end of the previous fiscal year, mainly due to the decrease in other current liabilities resulting from seasonal factors and a decrease in income tax payable, despite an increase in bonds and short-term borrowings.

On the same comparative basis, equity increased by ¥4.9 billion to ¥188.2 billion. Although there was a decrease in retained earnings stemming from the payment of end-period dividends, there were increases in other capital components due to increased exchange differences on translation of foreign operations and financial assets measured at fair value through other comprehensive income.

### (3) Consolidated Cash Flows

At the end-Q1, cash and cash equivalents (collectively “cash”) declined by ¥24 million (0.1%) to ¥17.2 billion, relative to the previous consolidated fiscal year-end.

The components of Q1’s cash flow categories were as follows.

(Millions of yen)

| Category  | As of March 31,<br>2023 | As of March 31,<br>2024 | Change   |
|---|-------------------------|-------------------------|----------|
| Cash flows from operating activities  | 13,499                  | 1,658                   | (11,840) |
| Cash flows from investing activities  | (2,812)                 | (10,778)                | (7,966)  |
| Free cash flow  | 10,687                  | (9,119)                 | (19,806) |
| Cash flows from financial activities  | (13,335)                | 8,486                   | 21,820   |
| Effect of exchange rate change on cash and cash equivalents                                     | 1,377                   | 724                     | (652)    |
| Net increase (decrease) in cash and cash equivalents  | (1,271)                 | 91                      | 1,362    |
| Cash and cash equivalents at beginning of period  | 15,380                  | 17,204                  | 1,824    |
| Cash and cash equivalents included in assets of disposal groups classified as holdings for sale | —                       | (114)                   | (114)    |
| Cash and cash equivalents at end of period  | 14,109                  | 17,180                  | 3,071    |

#### (Cash flows from operating activities)

Cash provided by operating activities was ¥1.7 billion (compared to ¥13.5 billion provided in the previous fiscal year). This was mainly due to increased factors, which was a decrease in trade and other receivables of ¥20.6 billion, which offset decreased factors, which were a decrease in accrued alcohol tax of ¥6.8 billion, income tax paid of ¥5.0 billion, and a decrease in trade and other payables of ¥3.7 billion.

#### (Cash flows from investing activities)

Cash used in investing activities was ¥10.8 billion (compared to ¥2.8 billion used in the previous fiscal year). Although there was income of ¥4.1 billion from the sale of investment securities and ¥1.9 billion from the sale of property, plant and equipment, expenses related to the purchase of investment property of ¥10.8 billion, the purchase of investment property of ¥5.0 billion contributed to this result.

#### (Cash flows from financing activities)

Cash provided by financing activities was ¥8.5 billion (compared to ¥13.3 billion used in the previous fiscal year). Although there was an outflow of ¥4.5 billion in repayment of long-term borrowings and ¥3.5 billion in dividends paid, there were inflows from a net increase in commercial papers of ¥14.0 billion and a net increase in short-term borrowings of ¥3.5 billion.

### (4) Consolidated Earnings Forecast

The consolidated earnings forecast for the full fiscal year to December 31, 2024, is unchanged from the forecast announced by the Company on February 14, 2024.



## 2. Consolidated Financial Statements

### (1) Consolidated Statement of Financial Position

(Millions of yen)

|   | As of December 31, 2023 | As of March 31, 2024  |
|---|-------------------------|-----------------------|
| Assets  |                         |                       |
| Current assets                                |                         |                       |
| Cash and cash equivalents                     | 17,204                  | 17,180                |
| Trade and other receivables                   | 98,023                  | 77,478                |
| Inventories                                   | 47,575                  | 49,186                |
| Other financial assets                        | 4,393                   | 4,559                 |
| Other current assets                          | 7,589                   | 7,482                 |
| Subtotal                                      | <u>174,785</u>          | <u>155,886</u>        |
| Assets held for sale                          | <u>1,568</u>            | <u>558</u>            |
| Total current assets                          | <u>176,353</u>          | <u>156,444</u>        |
| Non-current assets                            |                         |                       |
| Property, plant and equipment                 | 145,687                 | 152,922               |
| Investment property                           | 211,164                 | 219,721               |
| Goodwill                                      | 35,124                  | 36,221                |
| Intangible assets                             | 6,993                   | 7,269                 |
| Investments accounted for using equity method | 1,359                   | 1,359                 |
| Other financial assets                        | 79,400                  | 83,910                |
| Retirement benefit Asset                      | 1,266                   | 3,715                 |
| Other non-current assets                      | 3,366                   | 3,284                 |
| Deferred tax assets                           | 2,863                   | 2,705                 |
| Total non-current assets                      | <u>487,220</u>          | <u>511,106</u>        |
| Total assets                                  | <u><u>663,573</u></u>   | <u><u>667,550</u></u> |

(Millions of yen)

|   | As of December 31, 2023 | As of March 31, 2024 |
|---|-------------------------|----------------------|
| Liabilities and equity                                    |                         |                      |
| Liabilities   |                         |                      |
| Current liabilities                                       |                         |                      |
| Trade and other payables                                  | 38,717                  | 35,515               |
| Bonds and borrowings                                      | 39,672                  | 56,173               |
| Lease liabilities   | 3,645                   | 3,324                |
| Income taxes payable                                      | 5,919                   | 1,008                |
| Other financial liabilities                               | 37,158                  | 34,781               |
| Provisions  | 8,504                   | 10,158               |
| Other current liabilities                                 | 57,589                  | 46,311               |
| (Sub-total)   | 191,204                 | 187,269              |
| Liabilities directly associated with assets held for sale | —                       | 378                  |
| Total current liabilities                                 | 191,204                 | 187,647              |
| Non-current liabilities                                   |                         |                      |
| Bonds and borrowings                                      | 182,930                 | 179,529              |
| Lease liabilities   | 19,377                  | 19,568               |
| Other financial liabilities                               | 58,252                  | 61,551               |
| Retirement benefit liability                              | 3,412                   | 3,363                |
| Provisions  | 2,422                   | 2,329                |
| Other non-current liabilities                             | 897                     | 878                  |
| Deferred tax liabilities                                  | 21,831                  | 24,508               |
| Total non-current liabilities                             | 289,121                 | 291,726              |
| Total liabilities   | 480,325                 | 479,373              |
| Equity  |                         |                      |
| Share capital   | 53,887                  | 53,887               |
| Capital surplus   | 40,754                  | 40,756               |
| Treasury shares   | (1,783)                 | (1,786)              |
| Retained earnings   | 50,828                  | 49,300               |
| Other components of equity                                | 38,630                  | 45,045               |
| Total equity attributable to owners of parent             | 182,315                 | 187,202              |
| Non-controlling interests                                 | 933                     | 975                  |
| Total equity  | 183,248                 | 188,177              |
| Total liabilities and equity                              | 663,573                 | 667,550              |

## (2) Consolidated Statement of Profit or Loss

(Millions of yen)

|   | Three months ended<br>March 31, 2023 | Three months ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Revenue   | 108,768                              | 112,761                              |
| Cost of sales   | <u>78,803</u>                        | <u>81,193</u>                        |
| Gross profit  | 29,965                               | 31,568                               |
| Selling, general and administrative expenses                        | 32,900                               | 35,363                               |
| Other operating income  | 168                                  | 2,290                                |
| Other operating expenses  | <u>516</u>                           | <u>432</u>                           |
| Operating profit (loss)   | (3,282)                              | (1,936)                              |
| Finance income  | 214                                  | 1,033                                |
| Finance costs   | 768                                  | 619                                  |
| Share of profit of investments accounted for<br>using equity method | 11                                   | 16                                   |
| Profit (loss) before tax  | <u>(3,826)</u>                       | <u>(1,507)</u>                       |
| Income tax expense  | <u>(236)</u>                         | <u>463</u>                           |
| Profit (loss)   | <u><u>(3,589)</u></u>                | <u><u>(1,970)</u></u>                |
| Profit attributable to  |                                      |                                      |
| Owners of parent  | (3,596)                              | (1,977)                              |
| Non-controlling interests   | <u>6</u>                             | <u>7</u>                             |
| Profit (loss)   | <u><u>(3,589)</u></u>                | <u><u>(1,970)</u></u>                |
| Basic earnings (loss) per share                                     | (46.16)                              | (25.38)                              |
| Diluted earnings (loss) per share                                   | (46.16)                              | (25.38)                              |

### (3) Consolidated Statement of Comprehensive Income

(Millions of yen)

|  | Three months ended<br>March 31, 2023 | Three months ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Profit (loss)  | (3,589)                              | (1,970)                              |
| Other comprehensive income   |                                      |                                      |
| Items that will not be reclassified to profit or loss  |                                      |                                      |
| Net change in fair value of equity instruments designated<br>as measured at fair value through other comprehensive<br>income | 1,287                                | 5,996                                |
| Remeasurements of defined benefit plans  | 808                                  | 1,727                                |
| Total of items that will not be reclassified to profit or loss   | 2,095                                | 7,723                                |
| Items that may be reclassified to profit or loss   |                                      |                                      |
| Exchange differences on translation of foreign operations  | 571                                  | 2,847                                |
| Effective portion of cash flow hedges  | 11                                   | (3)                                  |
| Total of items that may be reclassified to profit or loss  | 582                                  | 2,844                                |
| Total other comprehensive income, net of tax   | 2,677                                | 10,567                               |
| Comprehensive income   | (913)                                | 8,597                                |
| Comprehensive income attributable to   |                                      |                                      |
| Owners of parent   | (924)                                | 8,555                                |
| Non-controlling interests  | 12                                   | 42                                   |
| Comprehensive income   | (913)                                | 8,597                                |

#### (4) Consolidated Statement of Changes in Equity

(Millions of yen)

|                                | Share capital | Capital surplus | Treasury shares | Retained earnings | Other components of equity                                |                                       |
|--------------------------------|---------------|-----------------|-----------------|-------------------|---|---------------------------------------|
|                                |               |                 |                 |                   | Exchange differences on translation of foreign operations | Effective portion of cash flow hedges |
| Balance as of January 1, 2023  | 53,887        | 40,645          | (1,785)         | 43,392            | 4,714   | 10                                    |
| Loss                           |               |                 |                 | (3,596)           |   |                                       |
| Other comprehensive income     |               |                 |                 |                   | 565   | 11                                    |
| Comprehensive income           | -             | -               | -               | (3,596)           | 565   | 11                                    |
| Purchase of treasury shares    |               |                 | (1)             |                   |   |                                       |
| Dividends                      |               |                 |                 | (3,277)           |   |                                       |
| Transfer to retained earnings  |               |                 |                 | 973               |   |                                       |
| Total transactions with owners | -             | -               | (1)             | (2,304)           | -   | -                                     |
| Balance as of March 31, 2023   | 53,887        | 40,645          | (1,786)         | 37,493            | 5,280   | 21                                    |

|                                | Other components of equity   |   |                                  | Total equity attributable to owners of parent | Non-controlling interests | Total equity |
|--------------------------------|--|---|----------------------------------|---|---------------------------|--------------|
|                                | Financial assets measured at fair value through other comprehensive income | Remeasurements of defined benefit plans | Total other components of equity |   |                           |              |
| Balance as of January 1, 2023  | 25,446   | -                                       | 30,171                           | 166,310                                       | 891                       | 167,201      |
| Loss                           |  |   | -                                | (3,596)                                       | 6                         | (3,589)      |
| Other comprehensive income     | 1,287  | 808                                     | 2,671                            | 2,671   | 5                         | 2,677        |
| Comprehensive income           | 1,287  | 808                                     | 2,671                            | (924)   | 12                        | (913)        |
| Purchase of treasury shares    |  |   | -                                | (1)   | -                         | (1)          |
| Dividends                      |  |   | -                                | (3,277)                                       | -                         | (3,277)      |
| Transfer to retained earnings  | (166)  | (808)                                   | (973)                            | -   | -                         | -            |
| Total transactions with owners | (166)  | (808)                                   | (973)                            | (3,278)                                       | -                         | (3,278)      |
| Balance as of March 31, 2023   | 26,568   | -                                       | 31,869                           | 162,108                                       | 903                       | 163,011      |

(Millions of yen)

|                                  | Share capital | Capital surplus | Treasury shares | Retained earnings | Other components of equity                                |                                       |
|----------------------------------|---------------|-----------------|-----------------|-------------------|---|---------------------------------------|
|                                  |               |                 |                 |                   | Exchange differences on translation of foreign operations | Effective portion of cash flow hedges |
| Balance as of January 1, 2024    | 53,887        | 40,754          | (1,783)         | 50,828            | 8,886   | 3                                     |
| Profit (loss)                    |               |                 |                 | (1,977)           |   |                                       |
| Other comprehensive income       |               |                 |                 |                   | 2,812   | (3)                                   |
| Comprehensive income             | -             | -               | -               | (1,977)           | 2,812   | (3)                                   |
| Purchase of treasury shares      |               |                 | (3)             |                   |   |                                       |
| Dividends                        |               |                 |                 | (3,667)           |   |                                       |
| Share-based payment transactions |               | 2               |                 |                   |   |                                       |
| Transfer to retained earnings    |               |                 |                 | 4,117             |   |                                       |
| Total transactions with owners   | -             | 2               | (3)             | 450               | -   | -                                     |
| Balance as of March 31, 2024     | 53,887        | 40,756          | (1,786)         | 49,300            | 11,699  | -                                     |

|                                  | Other components of equity   |   |                                  | Total equity attributable to owners of parent | Non-controlling interests | Total equity |
|----------------------------------|--|---|----------------------------------|---|---------------------------|--------------|
|                                  | Financial assets measured at fair value through other comprehensive income | Remeasurements of defined benefit plans | Total other components of equity |   |                           |              |
| Balance as of January 1, 2024    | 29,740   | -                                       | 38,630                           | 182,315                                       | 933                       | 183,248      |
| Profit (loss)                    |  |   | -                                | (1,977)                                       | 7                         | (1,970)      |
| Other comprehensive income       | 5,996  | 1,727                                   | 10,533                           | 10,533  | 34                        | 10,567       |
| Comprehensive income             | 5,996  | 1,727                                   | 10,533                           | 8,555   | 42                        | 8,597        |
| Purchase of treasury shares      |  |   | -                                | (3)   | -                         | (3)          |
| Dividends                        |  |   | -                                | (3,667)                                       | -                         | (3,667)      |
| Share-based payment transactions |  |   | -                                | 2   | -                         | 2            |
| Transfer to retained earnings    | (2,390)  | (1,727)                                 | (4,117)                          | -   | -                         | -            |
| Total transactions with owners   | (2,390)  | (1,727)                                 | (4,117)                          | (3,668)                                       | -                         | (3,668)      |
| Balance as of March 31, 2024     | 33,346   | -                                       | 45,045                           | 187,202                                       | 975                       | 188,177      |

## (5) Consolidated Statement of Cash Flows

(Millions of yen)

|  | Three months ended<br>March 31, 2023 | Three months ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Cash flows from operating activities   |                                      |                                      |
| Profit (loss) before tax   | (3,826)                              | (1,507)                              |
| Depreciation and amortization  | 5,085                                | 5,218                                |
| Impairment losses and reversal of impairment losses  | 194                                  | (1,721)                              |
| Interest and dividend income   | (127)                                | (85)                                 |
| Interest expenses  | 689                                  | 607                                  |
| Share of loss (profit) of investments accounted for using equity method                    | (11)                                 | (16)                                 |
| Loss (gain) on sale and retirement of property, plant and equipment, and intangible assets | 173                                  | (132)                                |
| Decrease (increase) in trade and other receivables   | 23,097                               | 20,595                               |
| Decrease (increase) in inventories   | (630)                                | (905)                                |
| Increase (decrease) in trade and other payables  | (3,666)                              | (3,705)                              |
| Increase (decrease) in accrued alcohol tax   | (10,882)                             | (6,833)                              |
| Increase (decrease) in Retirement benefit Asset and liability                              | (342)                                | (309)                                |
| Other  | 4,865                                | (3,975)                              |
| Subtotal   | 14,620                               | 7,234                                |
| Interest and dividends received  | 158                                  | 152                                  |
| Interest paid  | (764)                                | (725)                                |
| Income taxes paid  | (515)                                | (5,002)                              |
| Net cash provided by (used in) operating activities  | 13,499                               | 1,658                                |
| Cash flows from investing activities   |                                      |                                      |
| Purchase of property, plant and equipment  | (2,121)                              | (5,032)                              |
| Proceeds from sale of property, plant and equipment  | 19                                   | 1,942                                |
| Purchase of investment property  | (2,676)                              | (10,770)                             |
| Purchase of intangible assets  | (600)                                | (797)                                |
| Purchase of investment securities  | (2,262)                              | (773)                                |
| Proceeds from sale of investment securities  | 475                                  | 4,146                                |
| Proceeds from redemption of investment securities  | 4,000                                | 623                                  |
| Payments for loans receivable  | (19)                                 | (25)                                 |
| Collection of loans receivable   | 6                                    | 12                                   |
| Other  | 367                                  | (105)                                |
| Net cash provided by (used in) investing activities  | (2,812)                              | (10,778)                             |

(Millions of yen)

|   | Three months ended<br>March 31, 2023 | Three months ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Cash flows from financing activities  |                                      |                                      |
| Net increase (decrease) in short-term borrowings  | 1,059                                | 3,500                                |
| Net increase (decrease) in commercial papers  | (20,000)                             | 14,000                               |
| Proceeds from long-term borrowings  | 10,000                               | 69                                   |
| Repayments of long-term borrowings  | (1)                                  | (4,501)                              |
| Dividends paid  | (3,143)                              | (3,540)                              |
| Repayments of lease liabilities   | (1,225)                              | (1,039)                              |
| Purchase of treasury shares   | (1)                                  | (3)                                  |
| Other   | (23)                                 | (0)                                  |
| Net cash provided by (used in) financing activities   | <u>(13,335)</u>                      | <u>8,486</u>                         |
| Effect of exchange rate changes on cash and cash equivalents                                | <u>1,377</u>                         | <u>724</u>                           |
| Net increase (decrease) in cash and cash equivalents  | <u>(1,271)</u>                       | <u>91</u>                            |
| Cash and cash equivalents at beginning of period  | <u>15,380</u>                        | <u>17,204</u>                        |
| Cash and cash equivalents included in assets of disposal groups classified as held for sale | <u>—</u>                             | <u>(114)</u>                         |
| Cash and cash equivalents at end of period  | <u><u>14,109</u></u>                 | <u><u>17,180</u></u>                 |



**(6) Notes on the Going-concern Assumption)**

Not applicable