



Sapporo Group Business Results Presentation for the Nine Months Ended September 30, 2024

*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

November 12th 2024

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

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Business results: While there was an increase in revenue and a decrease in profit, the annual outlook is expected to be on target with the plan

(billions of yen)	2023 Q3 Result	2024 Q3 Result	YoY changes (amount)	YoY changes (%)
Revenue	377.7	385.6	7.8	2.1%
Core operating profit (Revenue - Cost of sales - SG&A expenses)	14.4	14.0	(0.4)	(2.9%)
Operating profit	9.6	17.7	8.1	84.6%
Profit attributable to owners of parent	3.1	11.5	8.4	276.2%

- Revenue increased (excluding Japanese Food & Soft Drinks and Other segment)
- While core operating profit decreased, overall progress was in line with the annual plan as the delayed progress in Overseas Alcoholic Beverages was offset by other businesses. Profit increased significantly due to the sale of assets and the impact of the reversal of last year's impairment loss
- Revision of earnings forecast based on the progress of the annual plan
 - No revision of the profit plan on a consolidated basis

Main topics

- In Japanese Alcoholic Beverages, the Black Label brand progressed smoothly (+13% year on year) and the overall beer segment surpassed the market
- In Overseas Alcoholic Beverages, results fell short of the plan due to worsening market conditions in Canada and the stagnation of the craft beer market and delays in production transfers in the U.S. More specifically, in the U.S., losses increased due to lower sales of the Stone brand and delayed synergies, despite the good performance of the Sapporo brand
- The Real Estate business surpassed the plan due to increased revenue of YGP, cost management, etc
- Core operating profit forecast revised upward for the Real Estate business, but downward for Overseas Alcoholic Beverages (total unchanged)

Earnings Forecast Revision

Earnings Forecast Revision

Revenue forecast revised upward and core operating profit by segment revised based on the progress of the annual plan

- No revision of the profit plan on a consolidated basis

(billions of yen)	2024 Initial Plan	2024 Revised Plan	Revised Amount	2023 Result	Change Amount
Revenue	523.5	526.0	2.5	518.6	7.4
Core operating profit	19.0	19.0	-	15.6	3.4
Operating profit	17.6	17.6	-	11.8	5.8
Profit attributable to owners of parent	10.0	10.0	-	8.7	1.3
ROE	5.5%	5.5%	-	5.0%	-



Earnings Forecast Revision (Revenue)

Revenue (billions of yen)	2024 Initial Plan	2024 Revised Plan	Revised Amount	Main revisions	2023 Result	Change Amount
Revenue	523.5	526.0	2.5		518.6	7.4
Japan Alcoholic Beverages	270.0	270.0	-		268.3	1.7
Overseas Alcoholic Beverages	90.0	92.0	2.0	Revision of foreign exchange forecast, etc	88.6	3.4
Restaurants	20.0	20.0	-		20.0	0.0
Japan Food & Soft Drinks	92.0	92.0	-		93.5	(1.5)
Overseas Food & Soft Drinks	28.0	28.0	-		26.4	1.6
Real Estate	23.5	24.0	0.5	Revenue of YGP increases, etc	21.7	2.3
Other	0.0	0.0	-		0.1	(0.1)

Earnings Forecast Revision (Core operating profit)

Core operating profit (billions of yen)	2024 Initial Plan	2024 Revised Plan	Revised Amount	Main revisions	2023 Result	Change Amount
Revenue	19.0	19.0	-		15.6	3.4
Japan Alcoholic Beverages	15.5	15.5	-		14.2	1.3
Overseas Alcoholic Beverages	1.0	0.0	(1.0)	U.S. (0.9), Canada (0.6), Vietnam +0.5	(0.3)	0.3
Restaurants	1.8	1.8	-		2.1	(0.3)
Japan Food & Soft Drinks	2.2	2.2	-		2.2	0.0
Overseas Food & Soft Drinks	1.3	1.3	-		(0.6)	1.9
Real Estate	5.8	6.8	1.0	Revenue of YGP increases, cost management, etc	5.8	1.0
Other	(8.5)	(8.5)	-		(7.8)	(0.7)

Revision of Earnings Forecasts for Overseas Alcoholic Beverages

- For Overseas Alcoholic Beverages, earnings forecast has been revised downward, resulting in an annual core operating profit of 0 billion yen. The main factor was the deterioration in the profitability of the U.S. business and increased losses due to deviation from the initial plan, offsetting surpluses in other regions
- We are currently considering drastic improvement measures for the U.S. business

Main factors behind worsening of profits in the U.S. business



- (1) Long-term slowdown of the craft beer market:
 - ✓ As stagnation lasted longer than initially anticipated, revenue for the Stone brand decreased significantly.
 - ✓ This trend is expected to continue for several years.
- (2) Cost inflation:
 - ✓ The high impact of soaring raw materials and labor costs was not fully absorbed by price revisions, leading to suppressed profitability.
- (3) Integrated costs higher than predicted:
 - ✓ As manufacturing started in the U.S., more personnel than initially expected were required for manufacturing and logistics to manufacture both the Sapporo brand and Stone brand, which resulted in a decline in production efficiency.
 - ✓ Manufacturing transfers were delayed a few months, which caused additional imports from Vietnam.
(⇒ Manufacturing structure related to the transfer of production of Vietnamese-manufactured products, which caused delays, was mostly completed in September.)



Our response going forward

- ✓ Resource shift adapted to market environment
 - Expansion of the sales coverage for the well-performing Sapporo brand, focused investments in Stone's core brands
- ✓ Advancement of initiatives to improve production efficiency and operations associated with manufacturing transfers
 - ⇒ Drastic improvement measures, including the aforementioned, are under consideration, and outlook for the next fiscal year and beyond will be closely examined.



Business Results

Financial Highlights



(billions of yen)	2023 Q3 Result	2024 Q3 Result	YoY changes (amount)	YoY changes (%)
Revenue	377.7	385.6	7.8	2.1%
Revenue (Excluding liquor tax)	291.6	300.9	9.3	3.2%
Overseas revenue	90.0	96.5	6.5	7.2%
EBITDA	29.3	30.4	1.0	3.5%
Core operating profit <small>(Revenue - Cost of sales - SG&A expenses)</small>	14.4	14.0	0.0	(2.9%)
Core operating profit margin	3.8%	3.6%	-	-
Other operating income (expense)	(4.8)	3.7	8.5	-
Operating profit	(9.6)	17.7	8.1	84.6%
Profit attributable to owners of parent	(3.1)	11.5	8.4	276.2%

Financial Highlights



(billions of yen)	2023 Q3 Result	2024 Q3 Result	YoY changes (amount)	YoY changes (%)
Revenue by Segment	377.7	385.6	7.8	2.1%
Alcoholic Beverages	274.3	281.7	7.4	2.7%
Japanese	192.5	194.9	2.4	1.3%
Overseas	66.9	71.1	4.2	6.3%
Restaurants	14.9	15.7	0.8	5.1%
Food & Soft Drinks	87.4	86.2	(1.2)	(1.4%)
Japanese	67.6	65.9	(1.7)	(2.5%)
Overseas	19.8	20.2	0.5	2.3%
Real Estate	16.0	17.6	1.7	10.5%
Other	0.1	0.1	(0.0)	(38.5%)

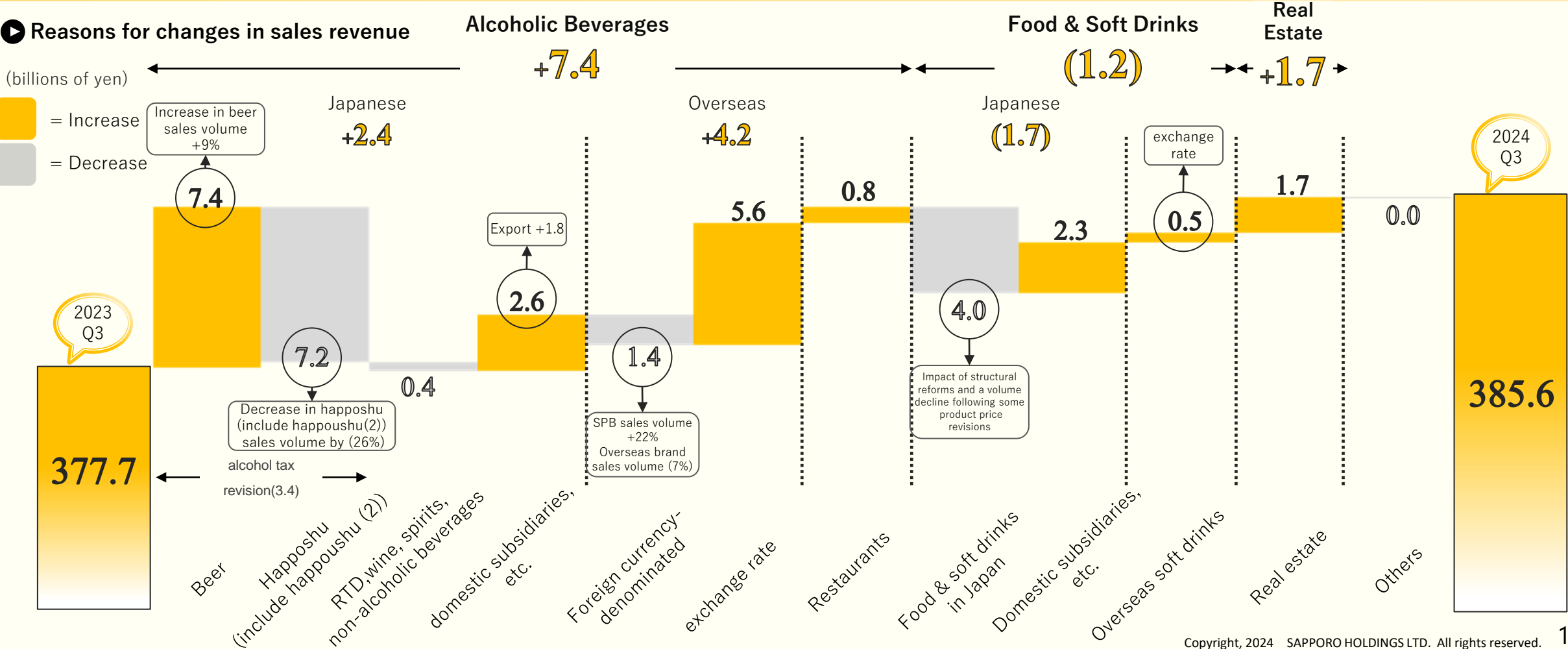
(billions of yen)	2023 Q3 Result	2024 Q3 Result	YoY changes (amount)	YoY changes (%)
Core Operating Profit by Segment	14.4	14.0	(0.4)	(2.9%)
Alcoholic Beverages	12.8	12.9	0.2	1.2%
Japanese	10.2	11.0	0.8	7.9%
Overseas	0.8	0.3	(0.6)	(68.7%)
Restaurants	1.7	1.6	(0.1)	(4.6%)
Food & Soft Drinks	3.0	2.1	(0.9)	(29.3%)
Japanese	1.9	1.4	(0.5)	(26.5%)
Overseas	1.1	0.8	(0.4)	(32.4%)
Real Estate	4.2	5.1	0.9	21.8%
Other • General corporate and intercompany eliminations	(5.6)	(6.2)	(0.6)	-

Financial Highlights



While Japanese Food & Soft Drinks sales decreased due to structural reforms and a volume decline following some product price revisions, total sales increased driven by Alcoholic Beverages and Real Estate businesses.

- Foreign exchange effects overseas also a factor in revenue growth

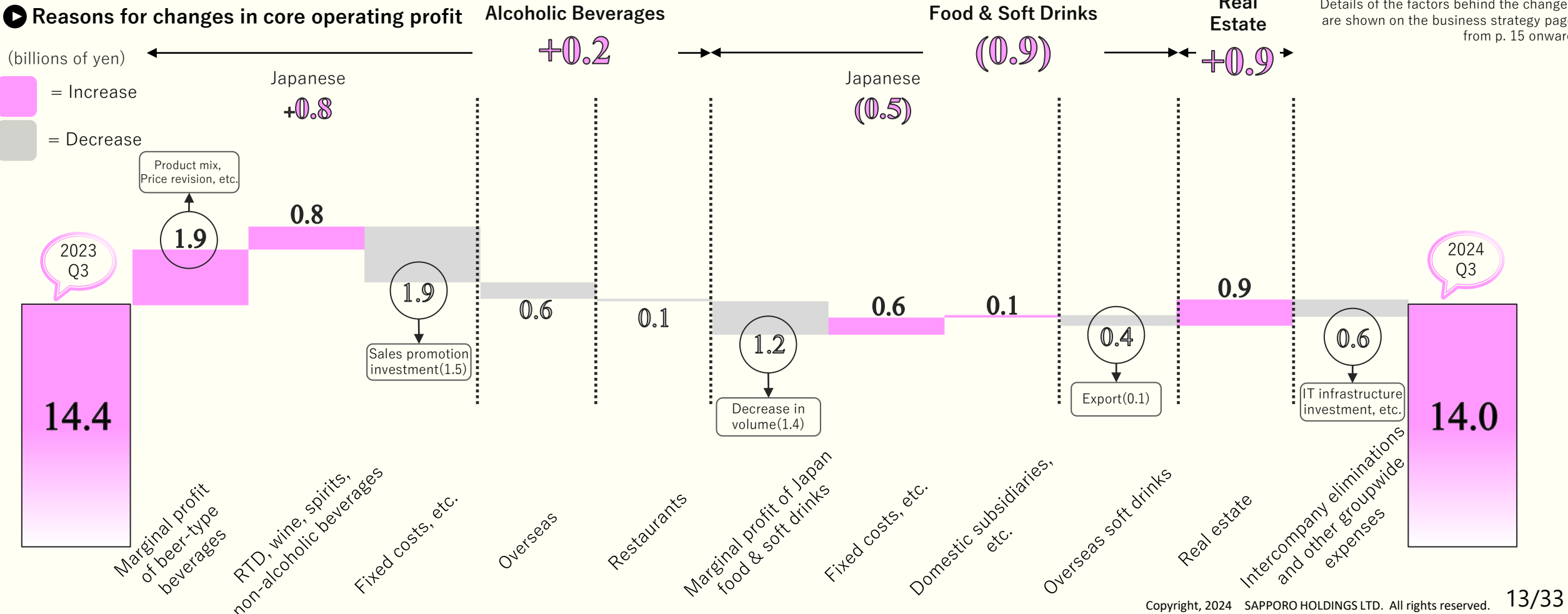


Financial Highlights



While core operating profit in the Food & Soft Drinks business and Overseas Alcoholic Beverages decreased, it was offset by gains in the Japanese Alcoholic Beverages and Real Estate businesses.

- Overall progress was in line with the annual plan as delays in Overseas Alcoholic Beverages were offset by other businesses.

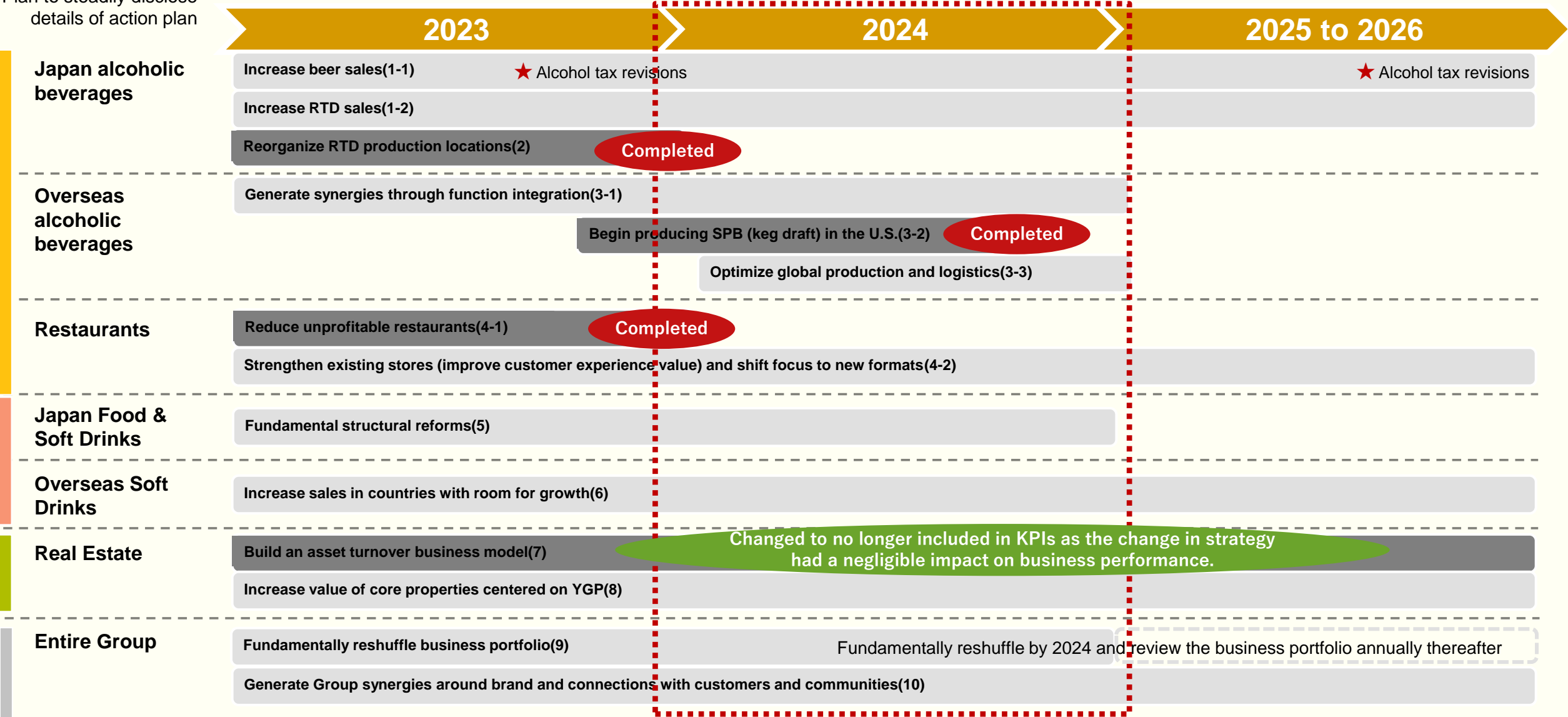


Business Strategies : Action Plan



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)

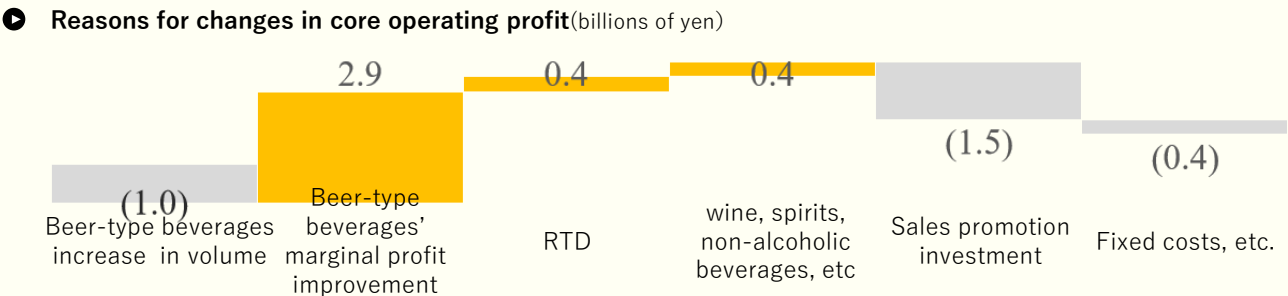


Business Strategies : Alcoholic Beverages



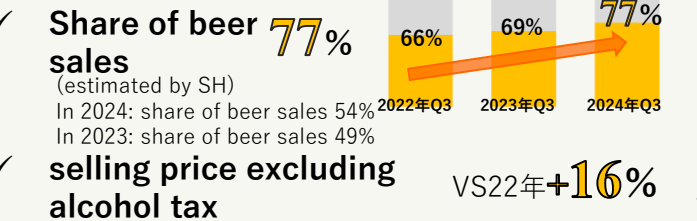
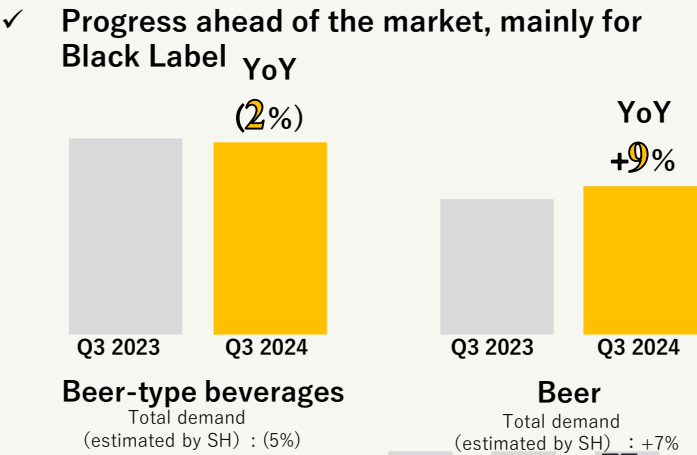
Japanese

Revenue : 194.9billions of yen (YoY+2.4billions of yen, + 1.3%)
Core operating profit : 11.0billions of yen (YoY+0.8billions of yen, + 7.9%)



Volume of beer-type beverages declined due to the impact of last year's alcohol tax revisions, but beer, especially canned Black Label, continued to do well.
Increase in profit due to improvement in profit margin ratio despite increased investment in beer promotions.

Increase beer sales (1-1)



Continued increase in highly profitable beer mix

Improvement of the product mix /Improvement due to price revisions

Status of YEBISU BREWERY TOKYO



- YEBISU BREWERY TOKYO (YBT), which opened in Ebisu in April this year as a base for experiencing the new Yebisu brand, has welcomed more than 170,000 visitors (as of October)
- The "CREATIVE BREW (CB)" series of Yebisu brand beverages with unique and distinctive flavors will launch its fifth product, "Ibushi," on September 10th for a limited time, based on the product offered exclusively at YBT.
- Continuous expansion of opportunities to purchase Yebisu by increasing points of contact with customers and local communities for the Yebisu brand as a whole, such as through real experiences at YBT and the launch of the CB series

Increase RTD sales (1-2)

- Total for RTD (cans) VS2022+11% (Sales amount basis) Reference information) YoY+1%
- Although the previous year's result was exceeded, results still behind the plan
- Aim for recovery mainly thorough the Koime brand
⇒ "Koime Grapefruit Sour" to go on sale year-round from September 25th due to popular demand



Business Strategies : Alcoholic Beverages



Overseas

Revenue : 71.1billions of yen (YoY+4.2billions of yen、 + 6.3%)
Core operating profit : 0.3billions of yen (YoY(0.6)billions of yen、 (68.7%))



Strong sales of Sapporo brand continue mainly in the U.S. and APAC, but soft market condition in Canada and U.S. markets resulted in a profit decline.

Market overview and status of our company

Market overview

- The beer market has been soft since last summer due to inflation. A shift to low-cost products is also being seen.
- The craft beer market has been soft due to inflation.
- Beer market on track to recover in line with economic recovery
Future tax increases is a risk

Status of our company

While overseas brands struggled, the Sapporo brand continued to grow.

- ✓ Overseas brand sales volume $\Delta 7\%$ YoY
- ✓ Sapporo sales volume $+22\%$ YoY
 - North America + 7%
 - Other areas + 46%

*Based on sales volume



Status of synergies with Stone (3-1~3)

Status of manufacturing & logistics synergies

- As of Q2, there is a slight delay in the production transfer schedule, and there are issues with production efficiency and operations.
- Start of all SKU lines and production launch
- Continue efforts to improve production efficiency and operational issues

*Regarding U.S. business, see p.8.

Restaurants

Revenue : 15.7billions of yen (YoY+0.8billions of yen、 + 5.1%)
Core operating profit : 1.6billions of yen (YoY(0.1)billions of yen 、 (4.6%))

Revenue increased and core operating profit decreased year on year due to an increase in SG&A expenses, but steady progress was made against the plan.

Strengthen existing stores (improve customer experience value) and shift focus to new formats(4-2)

The number of stores remains flat, but the number of customers and average sales per customer at existing stores are increasing and this trend continues

Sales results for existing SLN stores (YoY)

	(YoY)	Jan.-Sep.
revenue		108%
number of customer		103%
sales per customer		104%

Business Strategies : Food & Soft Drinks



Japanese

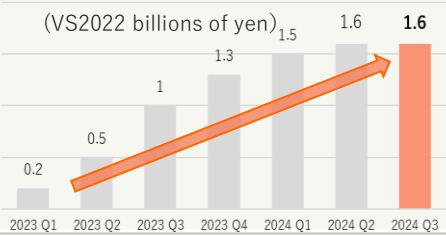
Revenue : 65.9billions of yen (YoY(1.7)billions of yen、 (2.5%))
Core operating profit : (1.4)billions of yen (YoY(0.5) billions of yen、 (26.5%))

Despite efforts to limit sales promotion investments and fixed costs through cost management, core operating profit decreased significantly due to revenue decline caused by structural reforms and a decrease in sales volumes following price revisions for some products.

► Fundamental structural reforms (5)

✓ Status of structural reforms

Improvement of variable selling cost per unit
YoY +0.4billions of yen
*Continuation of initiatives toward Q4



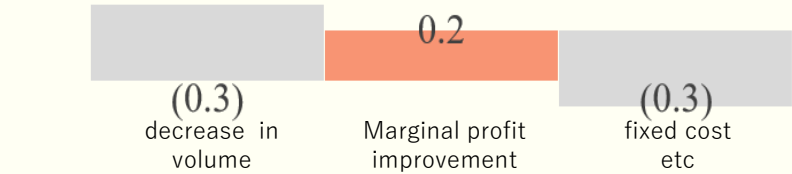
► Lemon initiative

✓ Relaunch of three “Pokka Lemon 100” products

- Long-selling brand with a 50+ year history was renewed and relaunched in September as functional food with a claim to “lower high blood pressure (systolic blood pressure)”



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



Strong performance in Malaysia, a focused area, but profits fell due to decrease of exports
(Impact of Middle East Exports, progressive resumption of exports to the Middle East from Q3)

► Singapore

- Sales through CVS and EC channels have been performing well but slightly fell due to the impact of inflation
- ✓ Singapore sales amount (4%) YoY
(sales amount of local currency basis)

► Malaysia

- Increase of sales through strengthening of sales structure
- ✓ Malaysia sales amount +23% YoY
(sales amount of local currency basis)

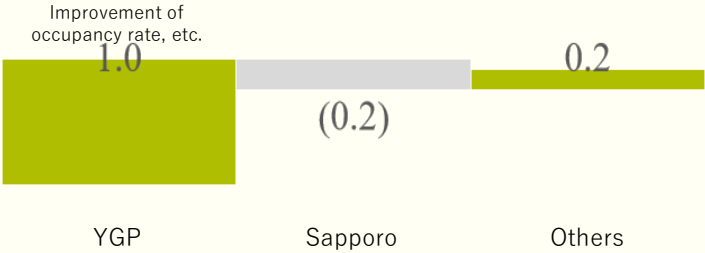
► Export

- Revenue fell due to the impact of the suspension of sales to some customers which occurred last year
- Progressive resumption of exports to the Middle East from Q3
- ✓ Export sales amount (31%) YoY
(sales amount of local currency basis)

Real Estate

Revenue : 17.6billions of yen (YoY+1.7billions of yen、 +10.5%)
Core operating profit : 5.1billions of yen (YoY+0.9billions of yen 、 +21.8%)
EBITDA : 9.7billions of yen (YoY+1.4billions of yen、 +16.9%)

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

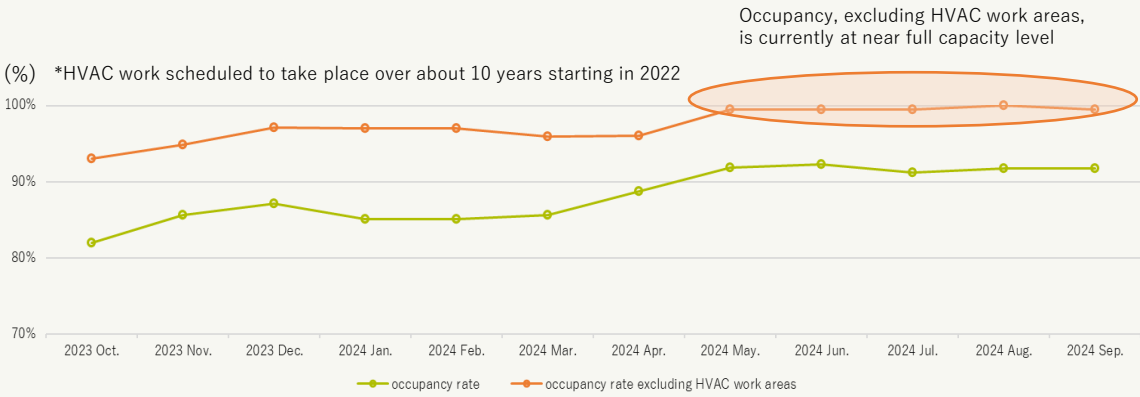


Despite there were impacts from one-time costs associated with the opening of the Sapporo hotel, profits increased due to the improved occupancy rate at YGP.

Initiatives to enhance property value (Ebisu area)

YGP office space occupancy rate

- While the occupancy rate was down due to HVAC work,* it improved from last year and is on track to surpass the target in the second half of the fiscal year.



Commemorative initiatives for YGP's 30th anniversary

- In the “Beer Created by Everyone Project to Brew Beer Together,” project members working at YGP took the lead in developing a beer to commemorate YGP's 30th anniversary through participatory workshops. Designs were voted on by the people of Ebisu and brewing took place at YEBISU BREWERY TOKYO, making this a project unique to YGP.



- In addition, various other measures have been implemented throughout the year to commemorate the 30th anniversary of the opening on October 8th. These measures not only contribute to the sales effect by increasing the number of visitors, but also improving the appeal of the office
- The series of measures was praised for embodying the brand concept “Work, Play, Inspire” and received the “10th Retail Promotion Award” (Company: business-sha, Inc.)

Action Plan KPI



※1 Forex assumption: ¥130
※2 Local currency basis (Singapore dollar)

		Q3results			Full year			medium-term plan Target
		2022 Q3	2023 Q3	2024 Q3	2022	2023	2024 plan	
Japan alcoholic beverages	Reinforcement of Beer / Improving Profitability of Beer-type Bev.							
	Increase beer sales: share of beer sales (1-1)	66%	69%	77%	68%	73%	79%	79%
	Improve profit margin: selling price excluding alcohol tax (1-1)	-	+11% (VS2022)	+16% (VS2022)	-	+9% (VS2022)	+11% (VS2022)	+11% (VS2022)
	RTD Business Growth and Production Streamlining, Etc.							
	RTD growth: RTD(cans) sales amount (1-2)	-	+18% (VS2022)	+19% (VS2022)	-	+19% (VS2022)	+31% (VS2022)	+74% (VS2022)
Overseas alcoholic beverages	Increase production efficiency: ratio of in-house production (2)	-	-	-	73%	63%	88%	88%
	Stone Acquisition Synergy / SPB Growth							
	Sapporo brand volume (3-1~3)	4.99 million cases	5.31 million cases	6.47 million cases (YoY+22%)	6.61 million cases	7.16 million cases	8.09 million cases (YoY+13%)	10.0 million cases
Japan food & soft drinks	Cost synergy (3-1~3) ※1	-	-	-	-	\$4M	\$11M	\$23M (VS2022)
	Cost Structure Reforms (5)							
	Expanding Sales and Increasing Logistics Efficiency	-	1.0billion	1.6billion (YoY 0,3 billion)	-	1.3billion	2.0billion (YoY 0,7 billion)	2.0billion (VS2022)
Overseas soft drinks	Overseas sales amount (6) ※2 exclude OEM sales	-	+0.7% (VS2022)	(3%) (VS2022)	-	+2.8% (VS2022)	+7.6% (VS2022)	+30% (VS2022)
	Increase value of YGP							
Real Estate	Rate of increase in average rental price (8)	-	-	-	-	+0.5% (VS2022)	+2.8% (VS2022)	+2.5% (VS2022)
	Fundamentally reshuffle business portfolio (9)							
Entire Group		-	-	-	-	1.1billion (VS2022)	-	-

Appendix

	Financial Targets						
	Q3 result			Full year			medium-term plan Target
	2022 Q3	2023 Q3	2024 Q3	2022	2023	2024 plan	2026 Target
ROE	-	-	-	3.3%	5.0%	5.5%	8.0%
(Approximation) Core operating profit ※	5.8 billion yen	14.4 billion yen	14.0 billion yen	9.3 billion yen	15.6 billion yen	19.0 billion yen	25.0 billion yen
EBITDA Average growth rate (CAGR)			20.6%			16.7%	About 10%
(Approximation) EBITDA ※	20.9 billion yen	29.3 billion yen	30.4 billion yen	29.9 billion yen	36.0 billion yen	40.7 billion yen	50.0 billion yen
Overseas revenue Average growth rate (CAGR)			15.3%			10.3%	About 10%
(Approximation) Overseas revenue ※	72.5 billion yen	90.0 billion yen	96.5 billion yen	102.2 billion yen	119.6 billion yen	124.4 billion yen	140.0 billion yen

※Approximation for achieving financial targets



	Target for core operating profit margin						
	Q3 result			Full year			medium-term plan Target
	2022 Q3	2023 Q3	2024 Q3	2022	2023	2024 plan	2026 Target
Japan Alcoholic Beverages	2.6%	5.3%	5.6%	3.5%	5.3%	5.7%	5.7%
Overseas Alcoholic Beverages	2.0%	1.2%	0.4%	(0.4)%	(0.3)%	1.1%	6.2%
Restaurants	(7.2)%	11.6%	10.5%	(3.3)%	10.5%	8.8%	5.0% (Aim to maintain 2024 profit level)
Japan Food & Soft Drinks	(0.5)%	2.8%	2.1%	0.9%	2.3%	2.4%	3.8%
Overseas Food & Soft Drinks	5.9%	5.7%	3.7%	3.6%	(2.2)%	4.6%	5.0%
Real Estate	3.5%	3.5%	3.8%	4.9%	4.7%	4.7%	5.7%

※ EBITDA-based ROA

Balance Sheets

(billions of yen)



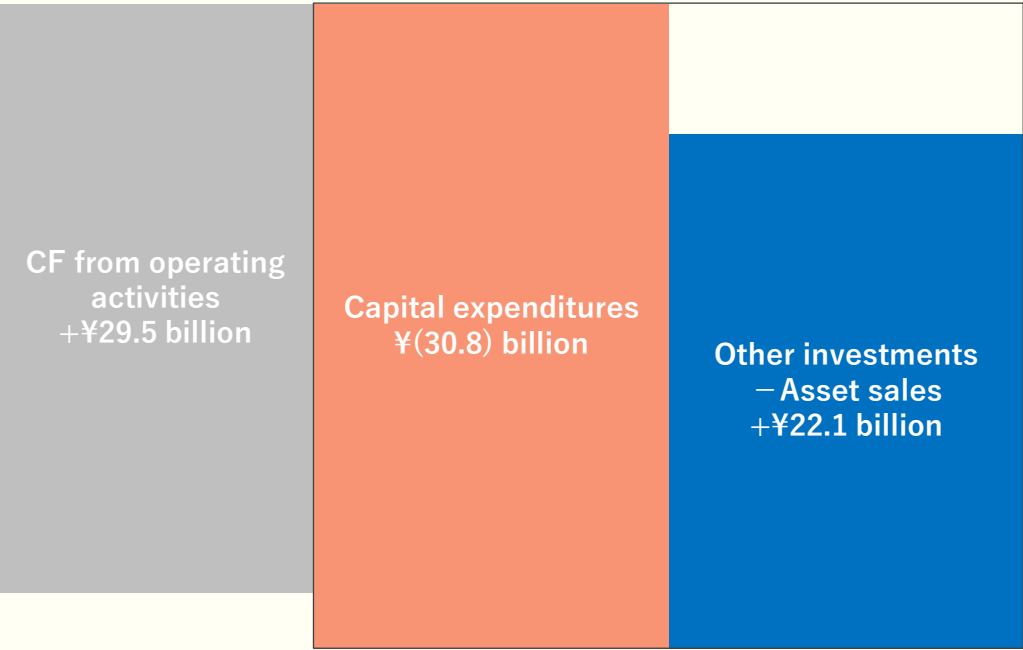
Total assets	End of 2023	2024 Q3	Change
Cash and cash equivalents	17.2	23.4	6.2
Trade receivables	98.0	77.1	(20.9)
Inventories	47.6	51.4	3.9
Other current assets	13.6	10.4	(3.1)
Fixed assets and intangible assets	152.7	162.7	10.0
Investment property	211.2	222.2	11.0
Goodwill	35.1	35.1	(0.1)
Other non-current assets	88.3	85.3	(3.0)
Total assets	663.6	667.5	3.9

Total liabilities and equity	End of 2023	2024 Q3	Change
Trade payables	38.7	37.6	(1.1)
Short-term financial liabilities	39.7	66.7	27.1
Other current liabilities	112.8	97.4	(15.4)
Long-term financial liabilities	182.9	147.6	(35.3)
Retirement benefit liability	3.4	3.2	(0.2)
Other non-current liabilities	102.8	114.3	11.5
Total liabilities	480.3	466.9	(13.5)
Equity attributable to owners of parent	182.3	199.5	17.2
Non-controlling interests	0.9	1.1	0.1
Total equity	183.2	200.6	17.4
Total liabilities and equity	663.6	667.5	3.9
Debt-to-equity ratio (times) :Net	1.1	1.0	—
Balance of financial liabilities	222.6	214.3	(8.3)

Status of Each Cash Flow



(billions of yen)	2023 Q3	2024 Q3	Change	Change (%)
CF from operating activities	38.2	29.5	(8.7)	(22.8)
CF from investing activities	(15.2)	(8.7)	6.5	—
Free CF	23.0	20.7	(2.2)	(9.6)
CF from financing activities	(19.9)	(14.8)	5.1	—



Cash in
¥29.5billion

Cash out
¥(8.7)billion

< Investment total (① + ②) > ~~¥(8.7) billion~~

① **Capital expenditure** (cash basis) : **¥(30.8) billion**
(Property, plant and equipment, intangible assets, investment property)

< Major items >

- Alcoholic Beverages : **¥(11.8)billion**
Japan : ¥(7.1)billion Overseas : ¥(4.7)billion
- Food & Soft Drinks : **¥(2)billion**
Japan : ¥(1.4)billion Overseas : ¥(0.6)billion
- Real Estate : **¥(15.8)billion**
Yebisu square and others
- Group-wide : **¥(1.2)billion**

② **Other investments – Asset sale** : **¥22.1 billion**
(Sale of fixed assets、Stock sales, etc.)

Sold nine cross-shareholdings
(amount sold: 13.5 billion yen)

Alcoholic Beverages Data

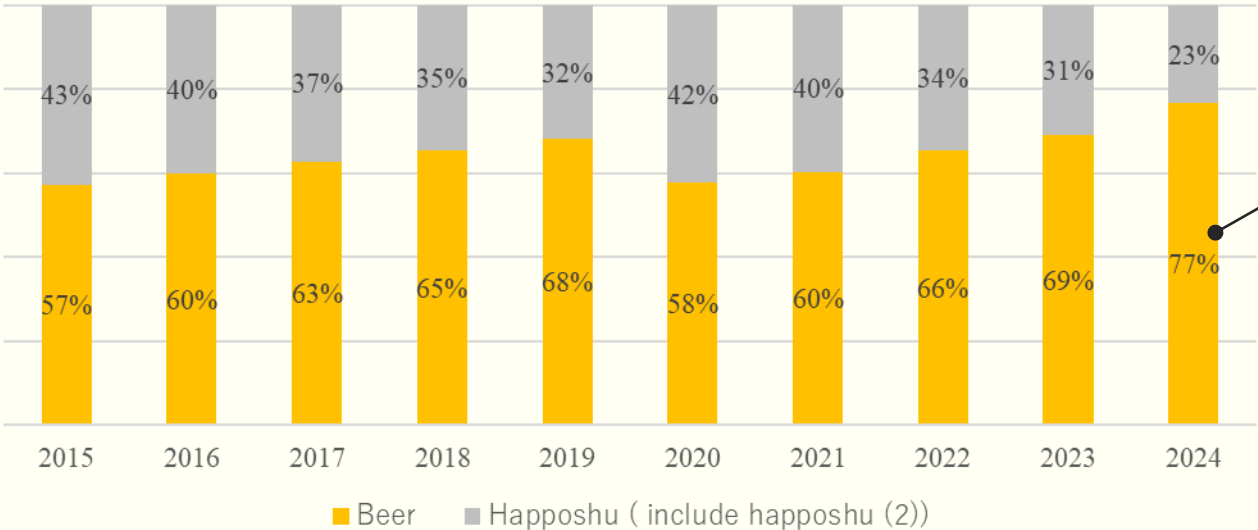


Japanese

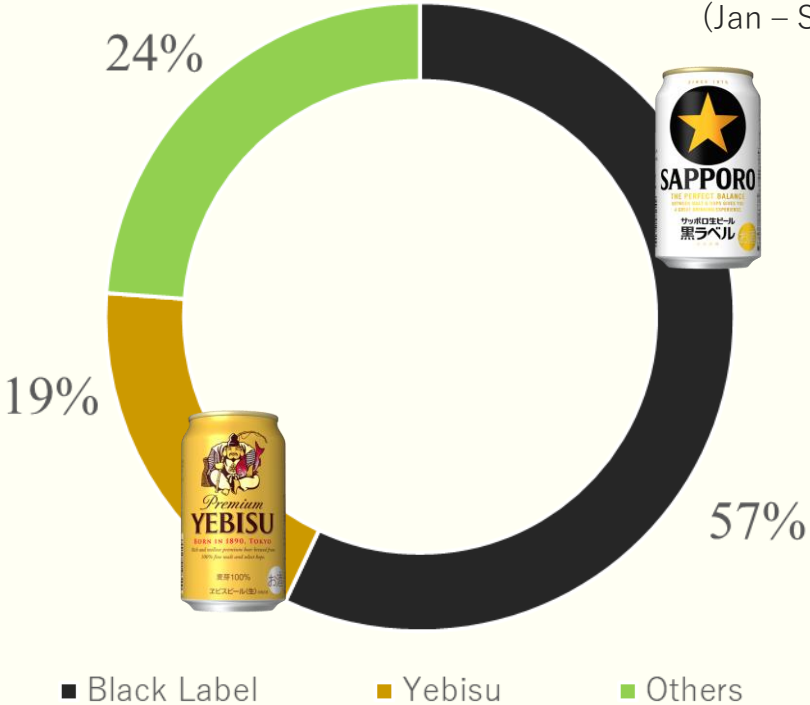
※1 : :Following the agreement of the Brewers Association of Japan, there is no disclosure of the sales volume for the third quarter.
The sales volume for the first half and end of the fiscal year shall be disclosed. (10,000 cases)

Sales Volume:Beer (Japan) (※1)	2023Q3	2024Q3	YoY Change(%)
①Beer (total)	-	-	9.2%
Sapporo Draft Beer Black Label (total)	-	-	13.0%
YEBISU (total)	-	-	0.8%
②Happoshu (include happoshu (2))	-	-	(26.1%)
Beer-type beverages (total ①+②)	-	-	(1.7%)

< 10-year change in composition ratio of beer and happoshu(include happoshu (2)) > (Jan – Sep)



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



Alcoholic Beverages Data

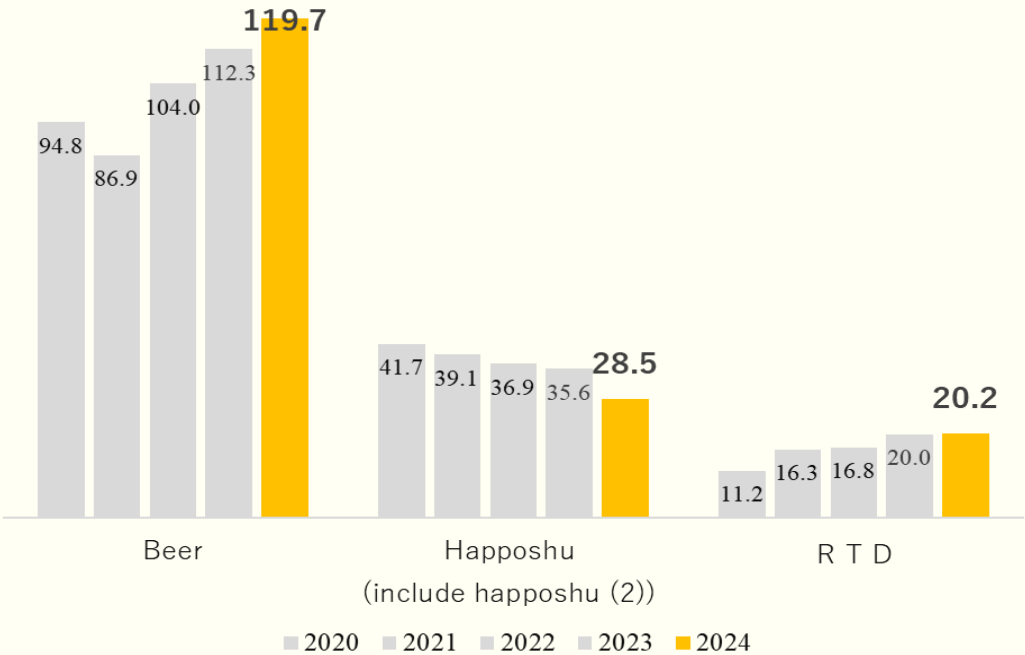


Japanese

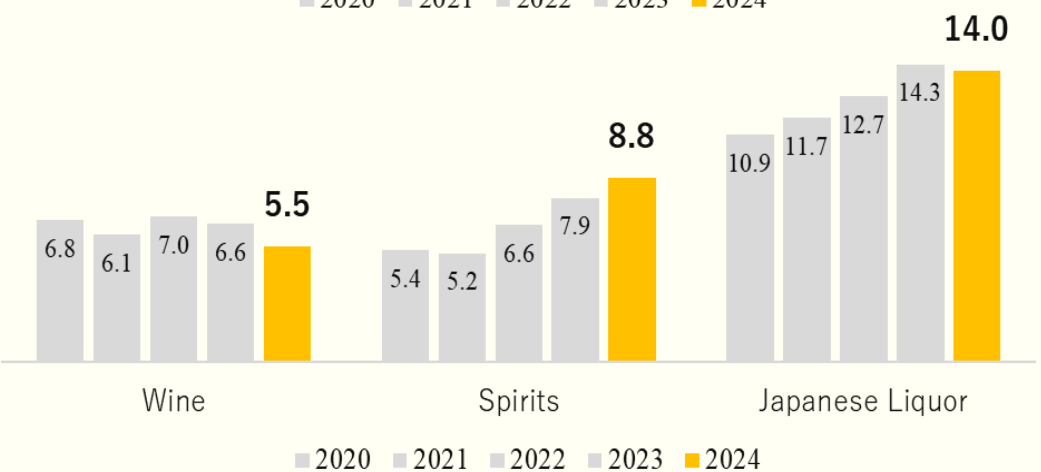
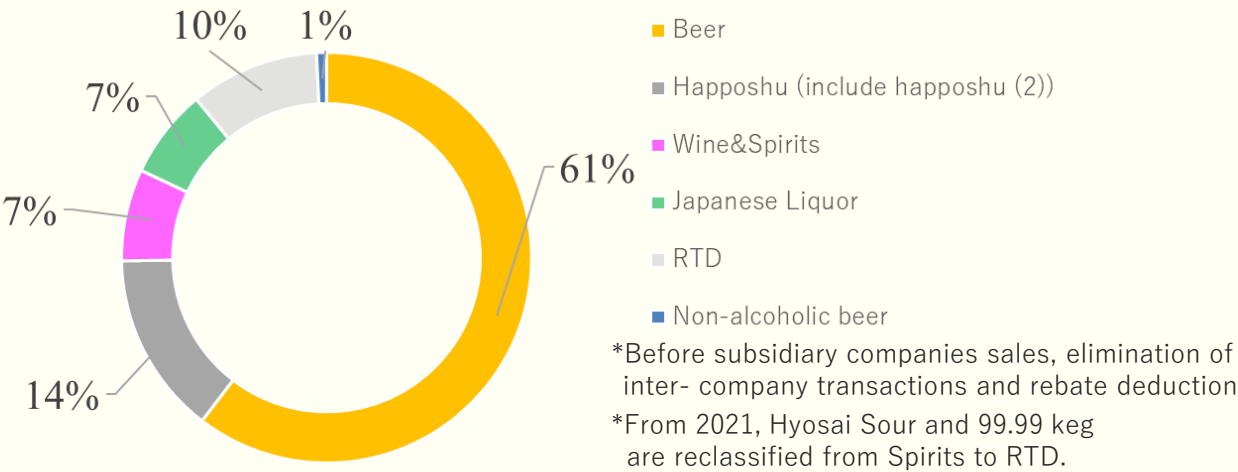
(billions of yen)

Sales:Beer (Japan)	2023Q3	2024Q3	YoY Change(%)
Beer	112.3	119.7	6.6%
Happoshu (include happoshu (2))	35.6	28.5	(20.1%)
Beer-type beverages	148.0	148.2	0.2%
RTD	20.0	20.2	0.6%
Domestic wines	2.2	1.4	(35.9%)
Imported wines	4.4	4.1	(6.2%)
Wine (total)	6.6	5.5	(16.3%)
Spirits and Shochu (total)	22.1	22.8	3.1%
Total	196.7	196.7	0.0%

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



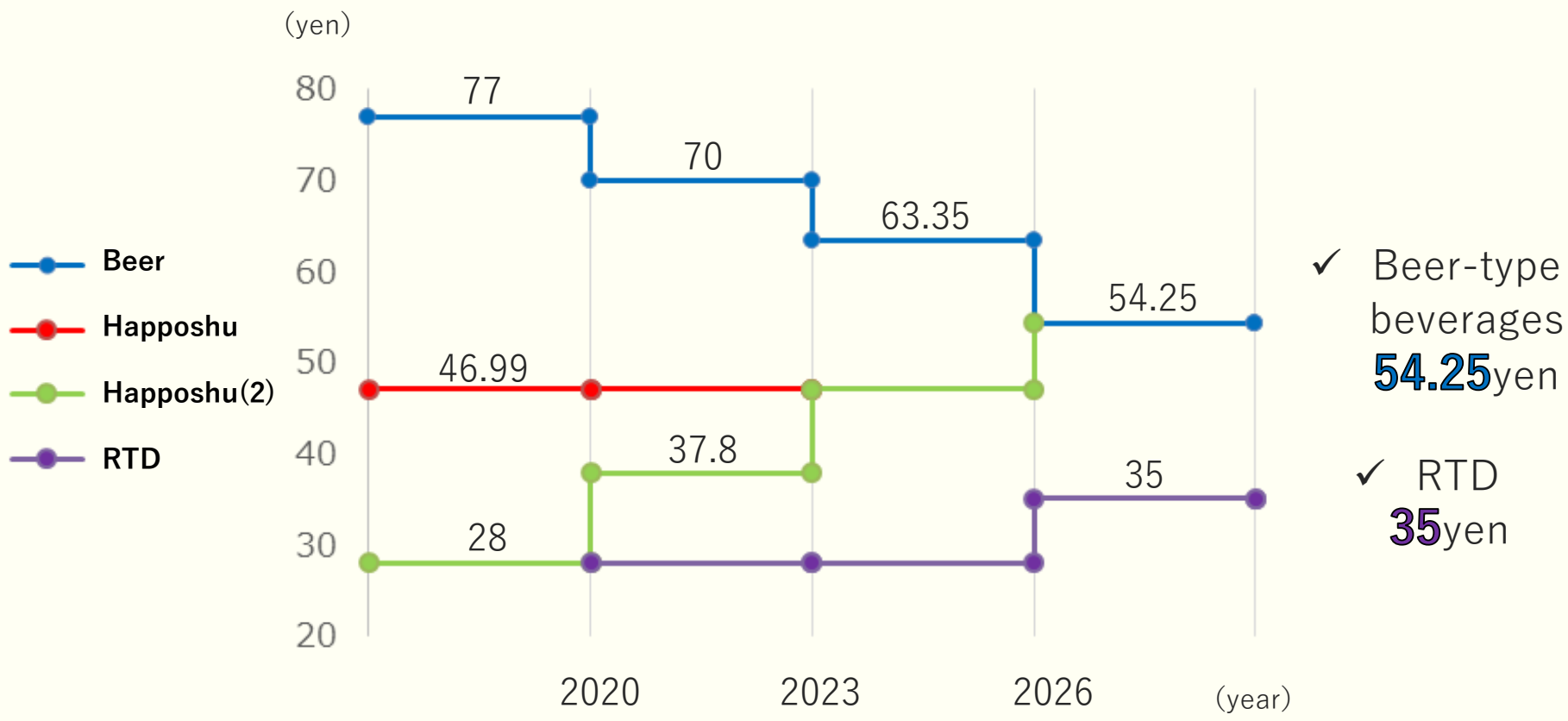
< Jan- Jun sales breakdown by category >





Japanese

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



✓ Beer-type beverages
54.25yen

✓ RTD
35yen

Alcoholic Beverages Data



Overseas

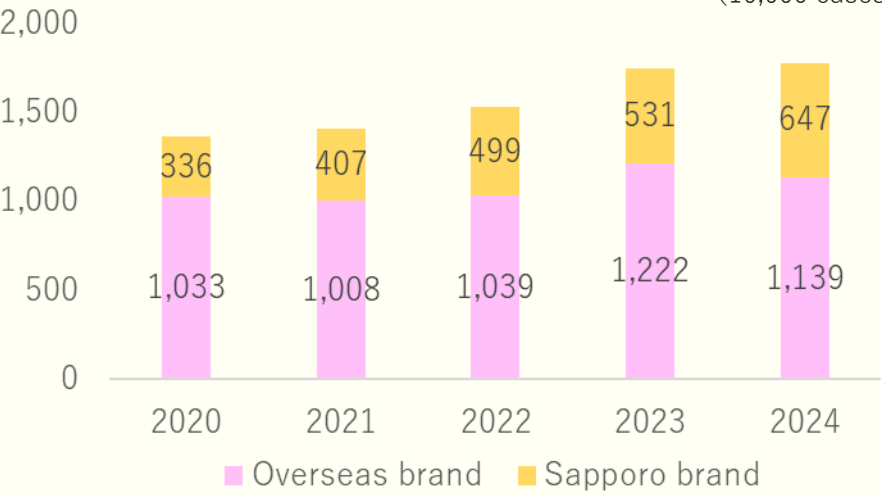
(10,000 cases)

Sales Volume:Beer (International)	2023Q3	2024Q3	YoY Change(%)
Overseas brand (※1)	1,222	1,139	(6.8%)
Sapporo brand	325	347	6.5%
①North America	1,547	1,486	(4.0%)
Sapporo brand	206	300	45.7%
②Other areas	206	300	45.7%
Total (①+②)	1,753	1,785	1.8%
Sapporo brand Total	531	647	21.7%

※1 : SLEEMAN, Anchor, Stone, etc.

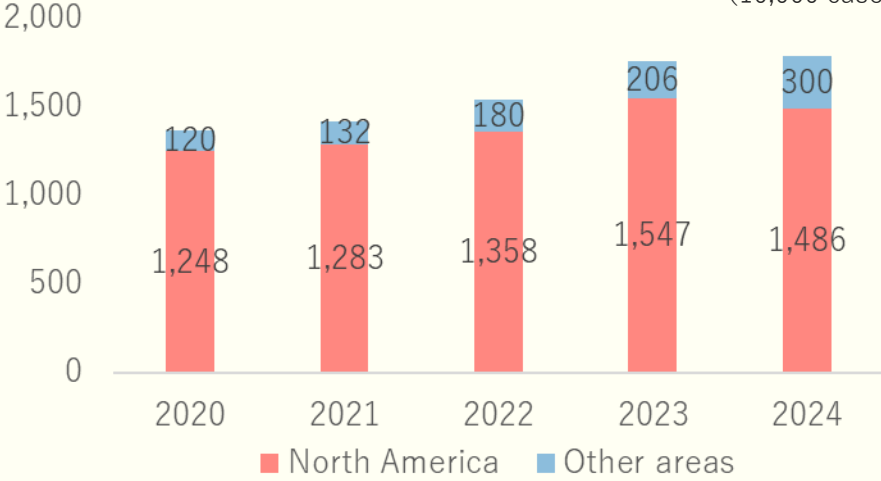
< Overseas sales volume by brand (Jan-Sep) >

(10,000 cases)



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

(10,000 cases)



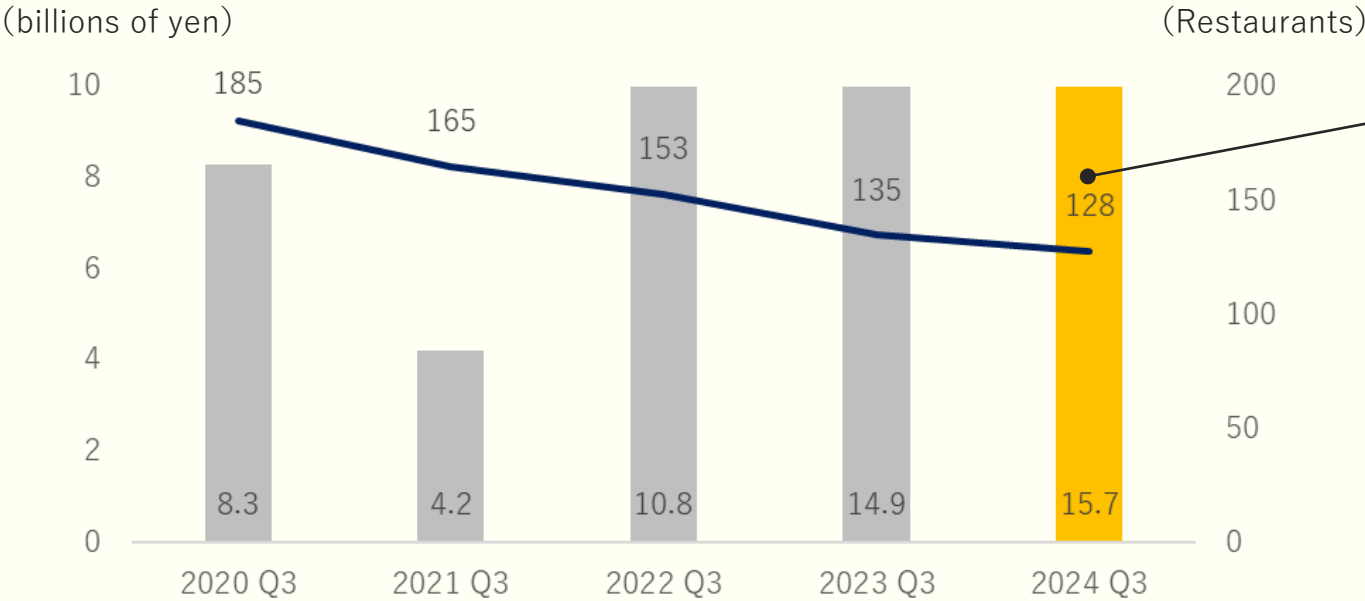
Alcoholic Beverages Data



Restaurants

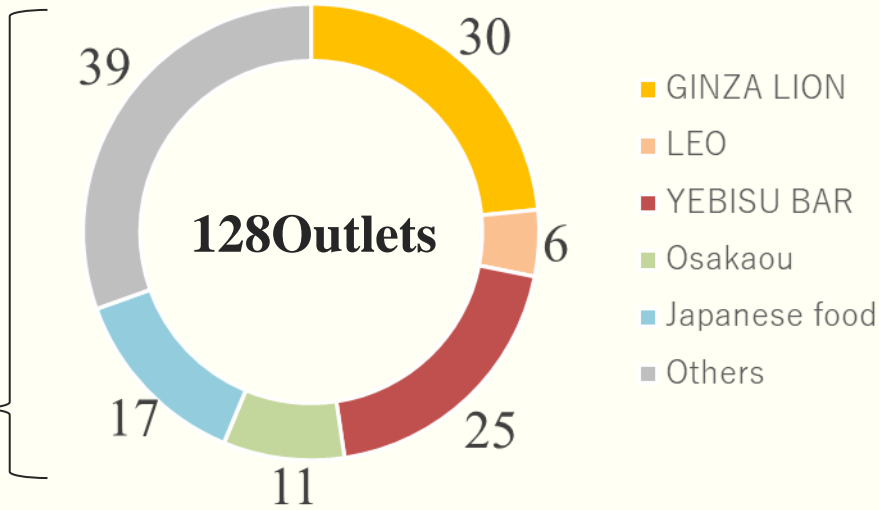
Restaurants	2023Q3	2024Q3	YoY Change(%)
Revenue (billions on yen)	14.9	15.7	5.1%
Number of Restaurants	135	128	(5.2%)

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

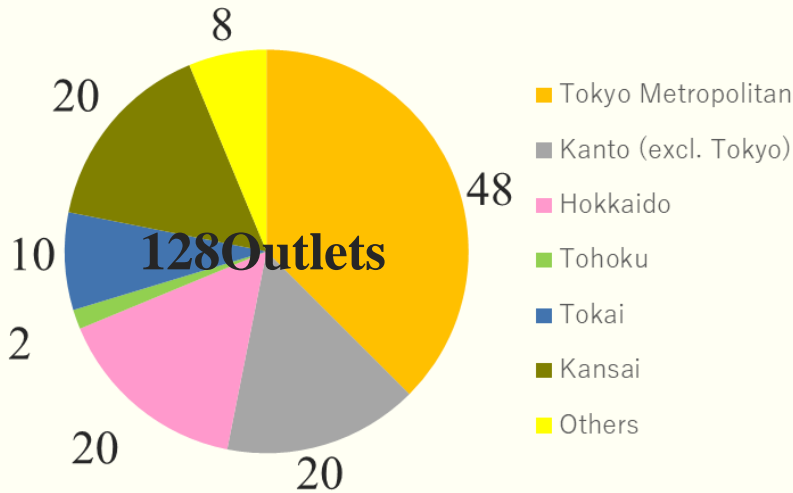


Bar graph: Trend in Restaurant business core operating profit
Line graph: Trend in number of Sapporo Lion Group restaurants

<Composition of Restaurants by Format>



<Composition of Restaurants by Region>



Food & Soft Drinks Data



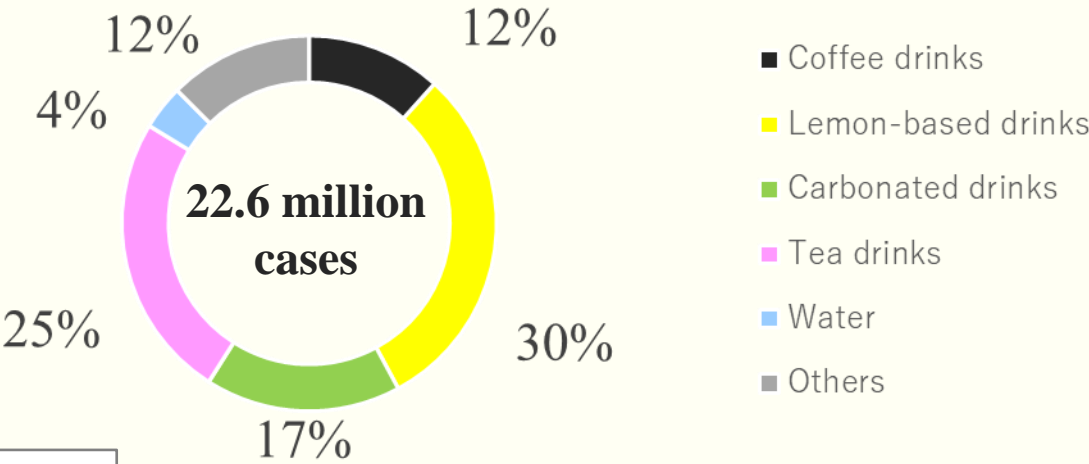
Japanese

(billions of yen)

Sales:Food & Soft Drinks (Japan) (※1)	2023Q3	2024Q3	YoY Change(%)
Soft Drinks	43.1	41.3	(4.2%)
Food (Lemon・Soups・Plant milk)	20.5	18.5	(9.8%)

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

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



Overseas

Sales:Food & Soft Drinks (Overseas) (※2)	2023Q3	2024Q3	YoY Change(%)
Singapore(millions of SGD)	117	112	(4.1%)
Malaysia(millions of SGD)	18	22	22.6%
International(millions of SGD)	40	28	(30.6%)

※2 : Before sales deduction, exclude OEM sales

【Coffee drinks】

✓ Down **15%** y-o-y
(Sales volume)



【Tea drinks】

✓ Down **5%** y-o-y
(Sales volume)



【Lemon based-drinks】

✓ Up **7%** y-o-y
(Sales volume)



【Water】

✓ Down **8%** y-o-y
(Sales volume)



【Carbonated drinks】

✓ Down **14%** y-o-y
(Sales volume)



【Others】

✓ Down **24%** y-o-y
(Sales volume)

Real Estate Data



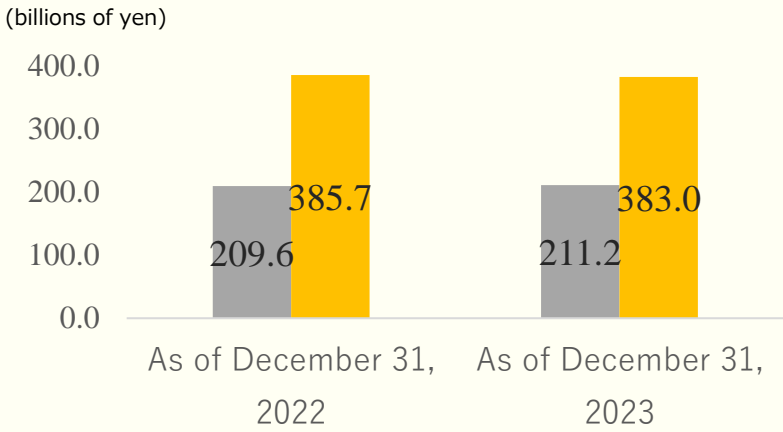
Real Estate

< Major rental properties & occupancy rates : (Averages for 2024 Q3)>

	Site area (㎡)	Floor area (㎡)	Average Occupancy rate (%)	No. of floors
Yebisu Garden Place ⁽¹⁾	56,943	298,007	89	40 floors above ground, 5 below
Ginza Place	645	7,350	100	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



< Core Operating profit > (billions of yen)

	2023 Q3	2024 Q3	Change
Yebisu Garden Place, etc.	3.1	4.1	1.0
Other area & other operations	1.4	1.4	0
Hokkaido	0.6	0.3	(0.2)
Equity investment, etc	(0.9)	(0.7)	0.1
Total	4.2	5.1	0.9

< EBITDA > (billions of yen)

	2023 Q3	2024 Q3	Change
Yebisu Garden Place, etc.	5.9	7.1	1.2
Other area & other operations	1.7	2.0	0.3
Hokkaido	1.0	0.7	(0.3)
Equity investment, etc	(0.3)	(0.1)	0.2
Total	8.3	9.7	1.4

TNFD Initiatives

Starting Integrated Disclosure of Nature-Related Financial Information Based on the TNFD*1 Disclosure Framework under Climate Change Initiatives

Aiming for 100% implementation of 'Optimal Fertilization Communication' with a focus on barley and malt, key ingredients in beer production.



Taskforce on Nature-related Financial Disclosures

Sapporo Holdings Ltd. has published nature-related information on its sustainability website based on the TNFD*1 disclosure framework. Since expressing support for the TCFD recommendations in May 2019, the Company has been disclosing information related to climate change initiatives. This time, nature-related financial information has been integrated into these initiatives and organized for disclosure as a consolidated analysis.

Key Points of Nature-Related Financial Information Based on the TNFD Disclosure Framework

■ Analysis and Selection of Evaluation Targets for All Businesses (Scoping Phase)

The Group evaluated the supply chains of the Alcoholic Beverages, Food & Soft Drinks, and Real Estate segments, identifying barley and hops production, which has a significant dependency on and impact on nature, as a target for detailed evaluation using the LEAP approach.

■ LEAP Approach-Based Analysis of Barley and Hops Production

- Identified the location information of sourcing farmland and assessed the surrounding natural conditions.
- Organized dependencies and impacts on nature, identifying water pollution as a key factor affecting nature and focusing on nitrogen fertilizer input as its cause.
- Identified nature-related risks and opportunities, evaluating their likelihood of occurrence. Organized this analysis alongside climate change initiatives, restructuring response measures and setting new targets.

New Goals Related to Natural Capital

In March this year, we became the first company in Japan to receive SBT certification for FLAG-related greenhouse gas emissions reduction targets. With newly established goals, we aim to reduce FLAG-related greenhouse gas emissions and lessen impacts on nature. To achieve this, we will advance communication with our largest barley/malt suppliers to monitor nitrogen fertilizer input and optimize fertilization practices.

*1 Taskforce on Nature-related Financial Disclosures

First in Japan to Use 'Clim Trace' Malt, a Low-Environmental-Impact Malt, for Beer Production

Promoting FLAG-Related Emission Reductions in Collaboration with Malt Suppliers for Beer Production

Sapporo Breweries Limited will use 'Clim Trace' malt, made from barley grown with reduced environmental impact, to produce beer, releasing a limited-edition product in November at YEBISU BREWERY TOKYO. 'Clim Trace' is a malt produced by France's Soufflet Malt, using barley cultivated with minimal fertilizer based on soil analysis. Its use in Velvet Twilight, set to launch at YEBISU BREWERY TOKYO on November 13, marks the first time in Japan, with plans to adopt this malt in other beer products in the future.



To deliver safe and reliable deliciousness, we are thoroughly committed to ingredient quality, working closely with producers worldwide through our field representatives to ensure safe, reliable, and high-quality ingredient sourcing. The adoption of 'Clim Trace' was made possible through longstanding collaboration with suppliers, with our field representatives visiting production sites as part of this commitment.



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



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