



# **Sapporo Group Business Results Presentation for the Three Months Ended March 31, 2017**

**May 11, 2017**

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

# Contents

**1. 2017 1Q Results**

**2. Overview of each business**

Appendix : Collection of Data by business

## First-Quarter 2017 Highlight

	(billions of yen)			
	2016 1 Q	2017 1 Q	YoY changes (amount, %)	
<b>Net sales (incl. liquor tax)</b>	111.3	<b>117.7</b>	<b>6.3</b>	5.7%
Net sales (excl. liquor tax)	88.8	94.9	6.0	6.8%
Overseas net sales to total (excl. liquor tax)	23.4 %	23.5 %	0.2	-
<b>Operating income</b>	(1.4)	<b>(1.4)</b>	<b>(0.0)</b>	-
<b>Operating income before goodwill amortization</b>	(0.4)	(0.4)	(0.0)	-
<b>Ordinary income</b>	(2.2)	(1.9)	0.3	-
<b>Loss attributable to owners of parent</b>	(2.0)	<b>(2.3)</b>	<b>(0.3)</b>	-
<b>Balance of Net debt</b>	227.5	223.9	(3.6)	(1.6)%
<b>D / E ratio</b> ※Net	1.5 times	1.4 times	(0.1)	-
<b>EBITDA</b>	5.0	5.3	0.3	6.1%



**Sales increased ¥6.3 billion;  
operating income remained unchanged y-o-y**



(billions of yen)

**Net Sales**

**117.7**

YoY change

**+6.3**

- ✓ Steadfast growth in strong business fields (Yebisu, Black Label, North America, lemon, Ginza Lion, YGP, etc.)

\*YGP: Yebisu Garden Place

**Operating income**

**-1.4**

YoY change

**-0.0**

- ✓ Sales grew and product mix improved
- ✓ Made upfront investment for strengthening brands

**Loss attributable to owners of parent**

**-2.3**

YoY change






**-0.3**

- ✓ No significant factors affecting income levels after operating income; ¥300 million of profit decline y-o-y

**Net Sales at all businesses increased;  
Profit declined at 3 segments incl. Japanese Alcoholic  
Beverages due to upfront investment**



(billions of yen)

	Japanese Alcoholic Beverages 	International 	Food & Soft Drinks 	Restaurants 	Real Estate 
Net Sales	+1.3	+1.2	+1.3	+0.6	+0.5
Operating income	-0.1	+0.1	-0.0	-0.1	+0.3

**First-Quarter  
2017  
Overview by  
Business  
Segment**

\*Figures are changes from a year earlier

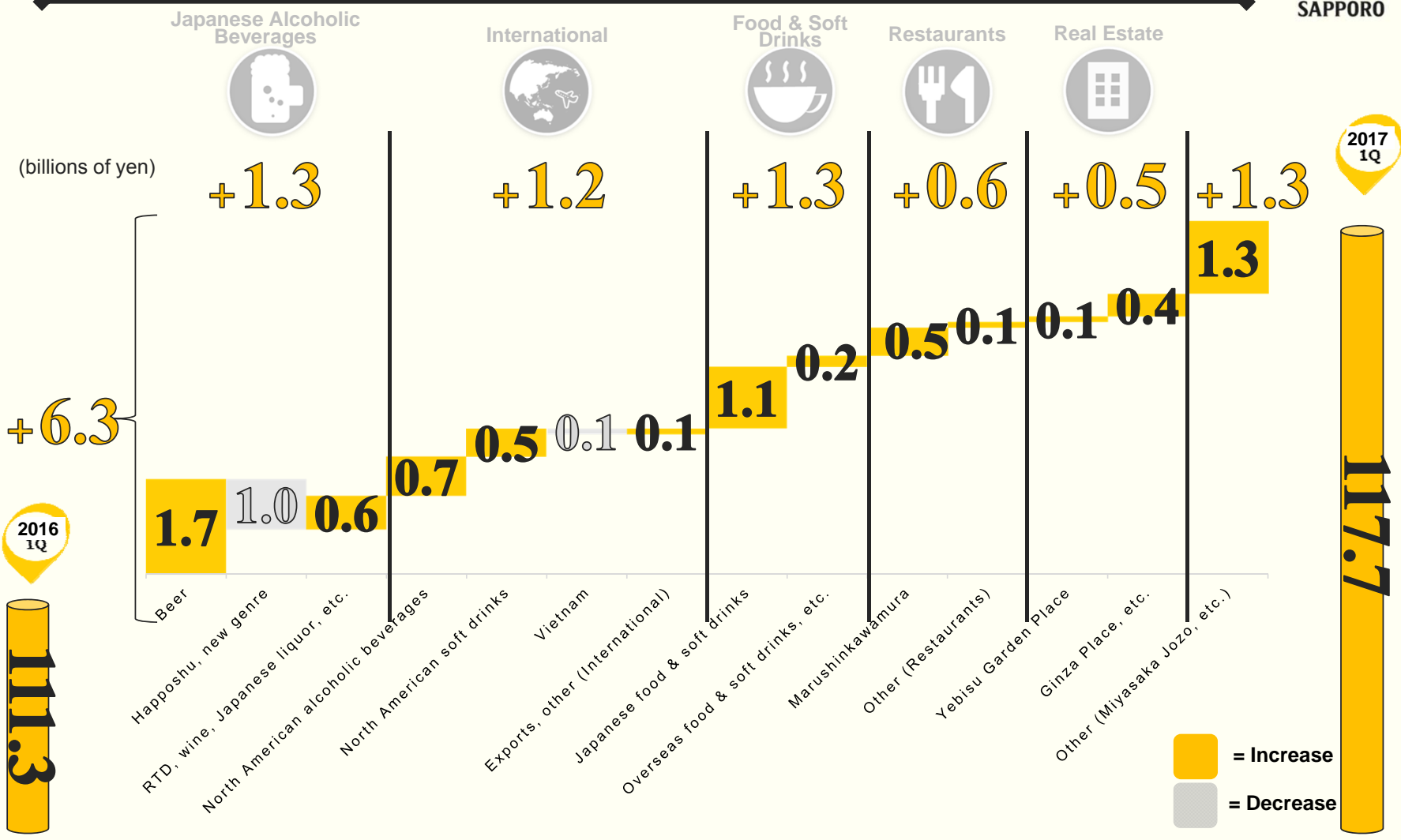
## Net Sales by Segment

(billions of yen)

	2016.1Q	2017.1Q	YoY changes (amount, %)	
<b>Consolidated Net sales</b>	111.3	<b>117.7</b>	<b>6.3</b>	5.7%
Japanese Alcoholic Beverages	53.1	<b>54.4</b>	<b>1.3</b>	2.5%
International	15.4	<b>16.6</b>	<b>1.2</b>	7.8%
Food & Soft Drinks	30.2	<b>31.5</b>	<b>1.3</b>	4.4%
Restaurants	5.7	<b>6.4</b>	<b>0.6</b>	11.4%
Real Estate	5.3	<b>5.9</b>	<b>0.5</b>	9.7%
Other	1.4	<b>2.7</b>	<b>1.3</b>	94.8%



# Net sales grew in mainstay products and services of each business



Main Factors Contributing to Changes in Net Sales

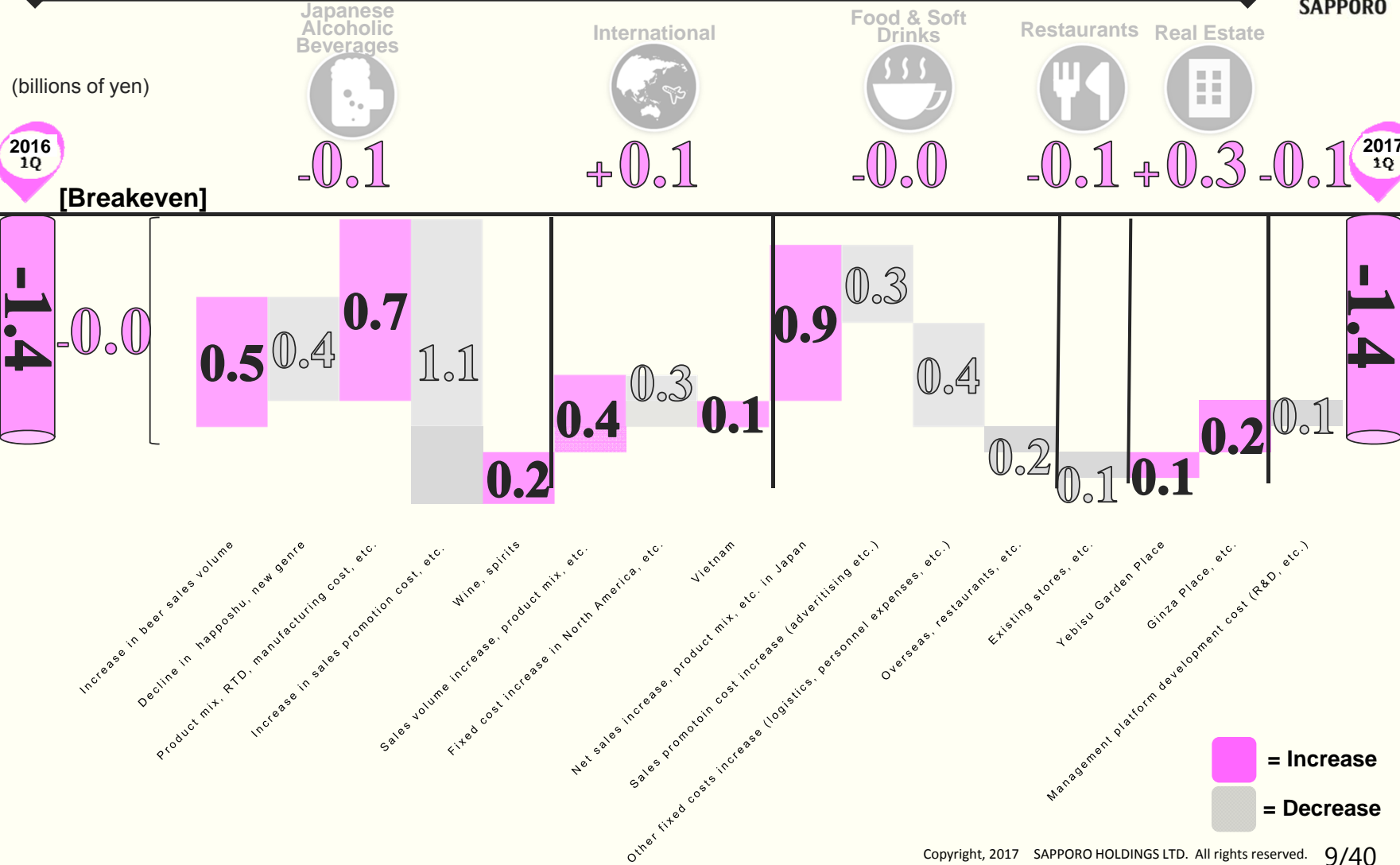
# Operating Income by Segment

	(billions of yen)		
	2016 1Q	2017 1Q	YoY changes
<b>Consolidated operating income</b>	(1.4)	<b>(1.4)</b>	<b>((0.0))</b>
Japanese Alcoholic Beverages	(1.8)	<b>(1.9)</b>	<b>((0.1))</b>
International	(0.3)	<b>(0.2)</b>	0.1
Food & Soft Drinks	(0.6)	<b>(0.6)</b>	<b>((0.0))</b>
Restaurants	(0.1)	<b>(0.2)</b>	<b>((0.1))</b>
Real Estate	2.6	<b>2.9</b>	0.3
Other	(0.0)	<b>(0.0)</b>	0.0
General corporate and intercompany eliminations	(0.9)	<b>(1.1)</b>	<b>((0.1))</b>
<b>Amortization of goodwill</b>	0.9	<b>0.9</b>	0.0
International	0.4	<b>0.4</b>	0.0
Food & Soft Drinks	0.5	<b>0.5</b>	0.0
<b>Operating income before goodwill amortization</b>	(0.4)	<b>(0.4)</b>	<b>((0.0))</b>





# Operating income remained unchanged y-o-y as fixed costs increased due to brand enhancement, etc.

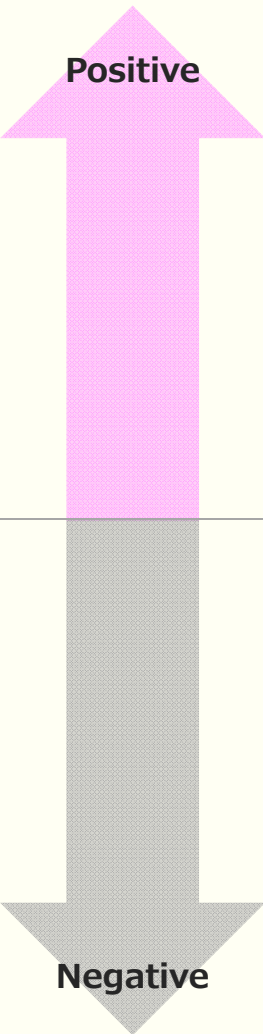


## Main Factors Contributing to Changes in Operating Income

# Overview of Each Business



# Japanese Alcoholic Beverages



## Made investment in beer brands from 1Q



- ✓ **Active brand investment primarily in Black Label and Yebisu (Hanamiyabi launched)**  
**Beer maintained growth momentum**  
 (Black Label sales volume **up 1%** y-o-y, Yebisu **up 11%**, beer total **up 5%**)
  
- ✓ **Beer's component ratio increased, product mix improved**  
 (Beer's component ratio among beer and beer-type beverages increased from **57%** in FY2016 1Q to **60%** in FY2017 1Q; up **¥0.3 billion** reflecting improved product mix)
  
- ✓ **Diversification, including fine wine and RTD, progressed smoothly**  
 (Sales of wine business **up 4%**, spirits business **up 15%**)

- ✓ **Sales of happoshu, new genre declined y-o-y**  
 (Mugi to Hop brand **down 1%**, Goku Zero brand **down 30%**)

⇒To shore up the business towards the high season with campaign featuring Mugi to Hop and Goku Kin! Can launched in May

[http://www.sapporobeer.jp/news\\_release/0000021576/index.html](http://www.sapporobeer.jp/news_release/0000021576/index.html)  
[http://www.sapporobeer.jp/news\\_release/0000021562/index.html](http://www.sapporobeer.jp/news_release/0000021562/index.html)



**\*See Appendix in slides 26 to 29.**



# Japanese Alcoholic Beverages



(billions of yen)

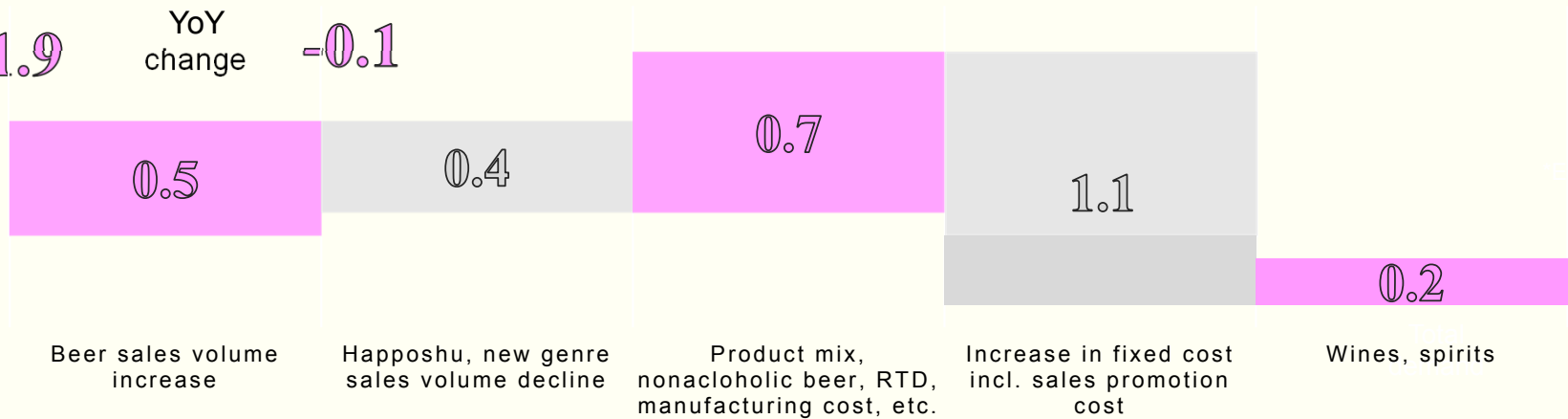
Net Sales **54.4** YoY change **+1.3**



( Reference)      \*Estimates

Total demand : Beer down **1%**  
 Happoshu down **1%**  
 New genre up **1%**

Operating income **-1.9** YoY change **-0.1**



Total demand



## International

# Beer sales in North America have been strong; soft drinks are led by CPF; uphill fight in Vietnam



SAPPORO

Positive

- ✓ **The business in North America continued to grow with brand and personnel investments**

(Sales volume at Sleeman **up 3%** y-o-y, Sapporo brand at Sapporo USA **up 10%** y-o-y)

- ✓ **At CPF, food service and co-packing have been strong**
- ✓ **Ridgefield's (the Frozen Fruit Juice Business) also contributed to earnings**

- ✓ **Exports to South Korea, etc. have been strong**

(Exports to South Korea grew almost **30%**)

Negative

- ✓ **Profit in Vietnam increased due to reduction in sales promotion cost but sales significantly fell below the previous year's level**

⇒ It is a transition period in which we are working on various structural reforms, and we are working on review of sales structure, efficient sales promotion investment and study of an optimal global supply chain for improving the operating rate

\*CPF: Country Pure Foods

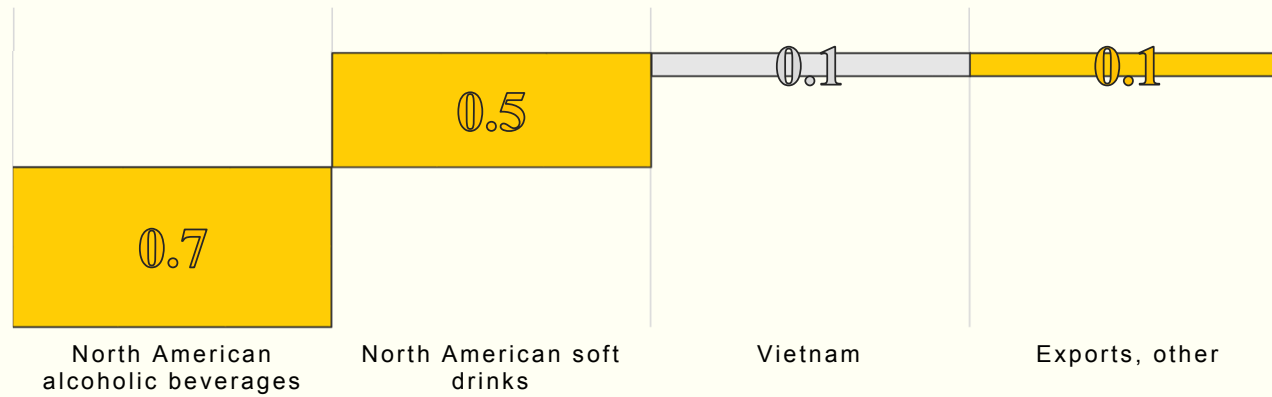


# International



(billions of yen)

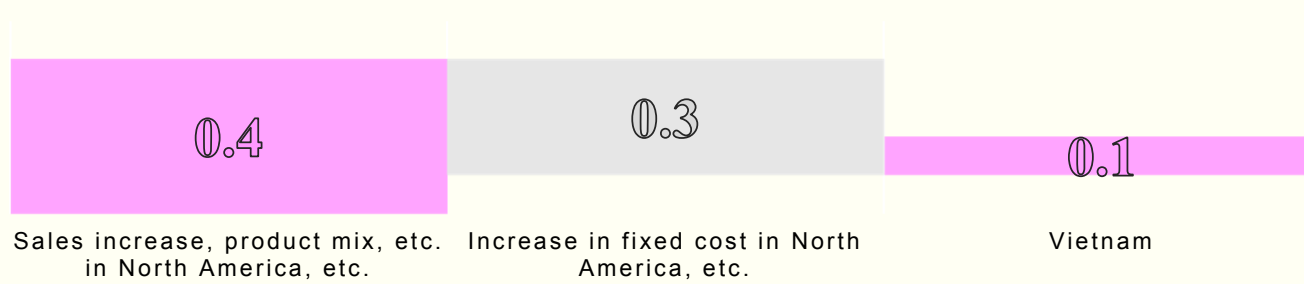
Net Sales **16.6** YoY change **+1.2**



( Reference)      \*Estimates

Total demand : Canadian beer down about **2%**  
 U.S. beer down about **2%**

Operating income **-0.2** YoY change **+0.1**



Total demand



## Sales of lemon-based products and tea drinks were strong



SAPPORO

Positive

- ✓ **Lemon-based products, where our strength lies, grew significantly in terms of both soft drinks and food products**  
(Lemon-based soft drinks sales volume up 16% y-o-y, lemon-based food products up 6%)
- ✓ **Strategy to differentiate tea drinks using domestic ingredients were successful**  
(Tea drink sales volume up 19% y-o-y)
- ✓ **Other soft drinks, soups and café format were also steady**  
(Soup sales volume up 5% y-o-y, POKKA CREATE sales up 7%)
- ✓ **The aseptic bottling line introduced in 2016 resulted in cost improvement**  
(expected to be ¥0.5 billion a year) ⇒ Carry the effect through towards the high season of soft drinks

Negative

- ✓ **Costs such as logistics, personnel and advertisement expenses increased**  
⇒ No significant gap with the advertisement and personnel expense plans.  
We will offset the soaring logistics cost with various cost reduction measures.

\* Total demand data: Source – Inryou-souken, Total for SM CVS formats by Intage SRI(nationwide retailer panel research)  
Jan–Mar 2017 y-o-y comparison of cumulative sales amount for the lemon-based products market (Sapporo's definition)  
and instant soup market

\*See Appendix in slides 32 to 35.

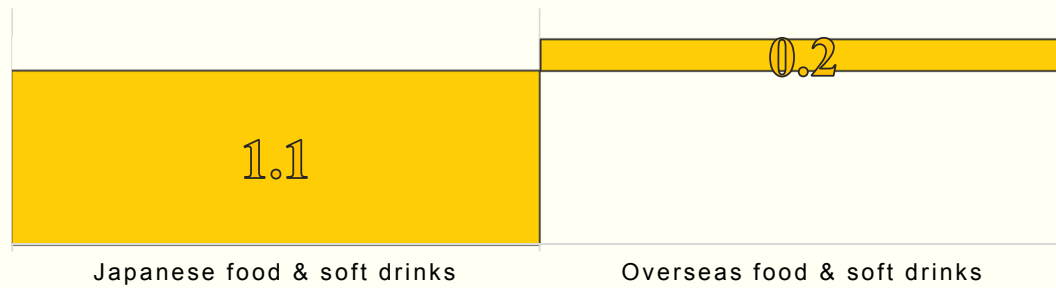


# Food & Soft Drinks



(billions of yen)

Net Sales **31.5** YoY change **+1.3**



( Reference)	*Estimates
Total demand	Domestic soft drinks up <b>1%</b> Lemon-based products up <b>1%</b> Instant soups up <b>4%</b>

Operating income **-0.6** YoY change **-0.0**



Total demand

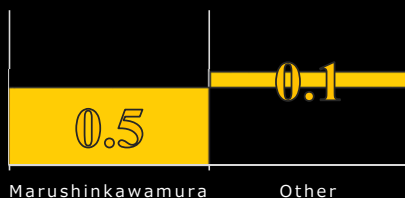




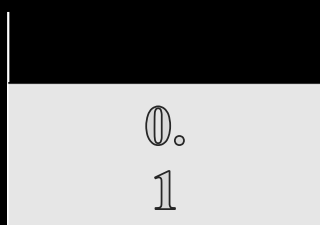
## Restaurants

(billions of yen)

Sales **6.4** YoY change **+0.6**



Operating income **-0.2** YoY change **-0.1**



Existing restaurants, new openings, refurbishment, etc.

# Sales were strong; profit declined due to increase in fixed cost such as personnel expenses



SAPPORO

Positive

- ✓ **Nonconsolidated sales of Sapporo Lion were steady**  
(Comparable-store sales **unchanged** y-o-y)
- ✓ **Marushinkawamura, acquired in 2016, also performing well**  
(Net increase of about ¥**0.5** billion in sales as it was consolidated in June 2016)
- ✓ **New restaurants had good starts**  
(Yebisu Bar Hiroshima and Shin Yokohama outlets → See slide 37)

Negative

- ✓ **Trend of increase in personnel expenses due to the impact of difficulty in hiring**  
⇒ To ensure profitability through measures such as reduction of utility costs and improvement and closure of outlets
- ✓ **LION GINZA 7-Chome restaurant was closed for refurbishment**  
(Sales decline caused by the closure from January 10 to February 28)

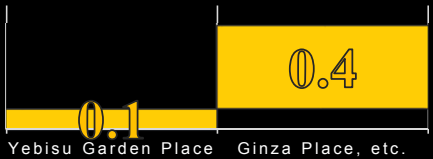
\*See Appendix in slides 36, 37.



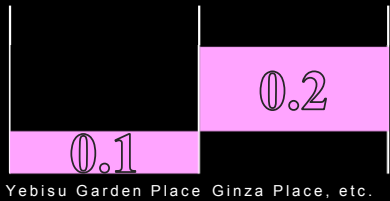
## Real Estate

(billions of yen)

Sales **5.9** YoY change **+0.5**



Operating income **2.9** YoY change **+0.3**



# Stable operation of mainstay properties contributed to sales and profits



Positive

- ✓ **Yebisu Garden Place (YGP) maintained stable occupancy rate**  
(Jan-Mar total occupancy rate **99%**)
- ✓ **Ginza Place, inaugurated in September 2016, contributed to sales and profits**
- ✓ **Profits increased also at properties in Sapporo led by Sapporo Factory**

Negative

- ✓ **Some of YGP tenants left but the impact is negligible**  
⇒ New tenants have been already lined up and has been progressing in line with the initial plan

\*See Appendix in slides 38, 39.

## Difference in consolidated period of 2 group companies Impact of exchange rates negligible



### <Special factors>

Business segment	Details	Impact on sales	Impact on operating income
Restaurants	Marushinkawamura Inc.: consolidation began in June 2016	Approx. ¥0.5 billion	-
Other	Miyasaka Jozo Co., Ltd.: consolidation began in October 2016	Approx. ¥1.4 billion	-

### <Impact of foreign exchange rates>

(- = negligible)

	FY2016 1Q	FY2017 1Q
US \$	¥115.33	¥113.60
EUR	¥127.11	¥121.05
CAN \$	¥83.97	¥85.83
SG\$	¥82.18	¥80.23

	Impact on sales	Impact on operating income
Japanese Alcoholic Beverages	-	-
International	-	-
Food & Soft Drinks	-	-

**Special Factors  
in the Business  
Results**

## Changes in Other Income and Expenses

### No significant factors affecting Other Income and Expenses



(billions of yen)	2016 1Q	2017 1Q	Change	Primary Reasons
<b>Operating income</b>	(1.4)	<b>(1.4)</b>	(0.0)	-
Financial account balance	(0.3)	<b>(0.3)</b>	0.0	-
Other non-operating expenses	(0.5)	<b>(0.2)</b>	0.3	Foreign exchange gains and losses
<b>Ordinary income</b>	(2.2)	<b>(1.9)</b>	0.3	-
Gain on sales of property, plant and equipment	0.0	<b>0.0</b>	(0.0)	-
Other extra ordinary gains	0.0	<b>0.0</b>	(0.0)	-
Loss on sales/ disposal of property, plant and equipment	(0.2)	<b>(0.2)</b>	(0.0)	-
Impairment loss	(0.0)	<b>(0.1)</b>	(0.1)	-
Other extra ordinary losses	(0.2)	<b>(0.2)</b>	0.1	-
<b>Loss before income taxes</b>	(2.6)	<b>(2.3)</b>	0.3	-
Corporate tax, non-controlling interests	0.5	<b>0.0</b>	(0.4)	2016 : Special factor resulting from the subsidiary company's liquidation
<b>Loss attributable to owners of parent</b>	(2.0)	<b>(2.3)</b>	(0.3)	-

# 35.5 billion yen decline in total assets

<Comparison with End of FY2016>

■ Cash and cash equivalents

■ Trade receivables

→ Impact of seasonal factors, bank holidays, etc.

■ Inventory

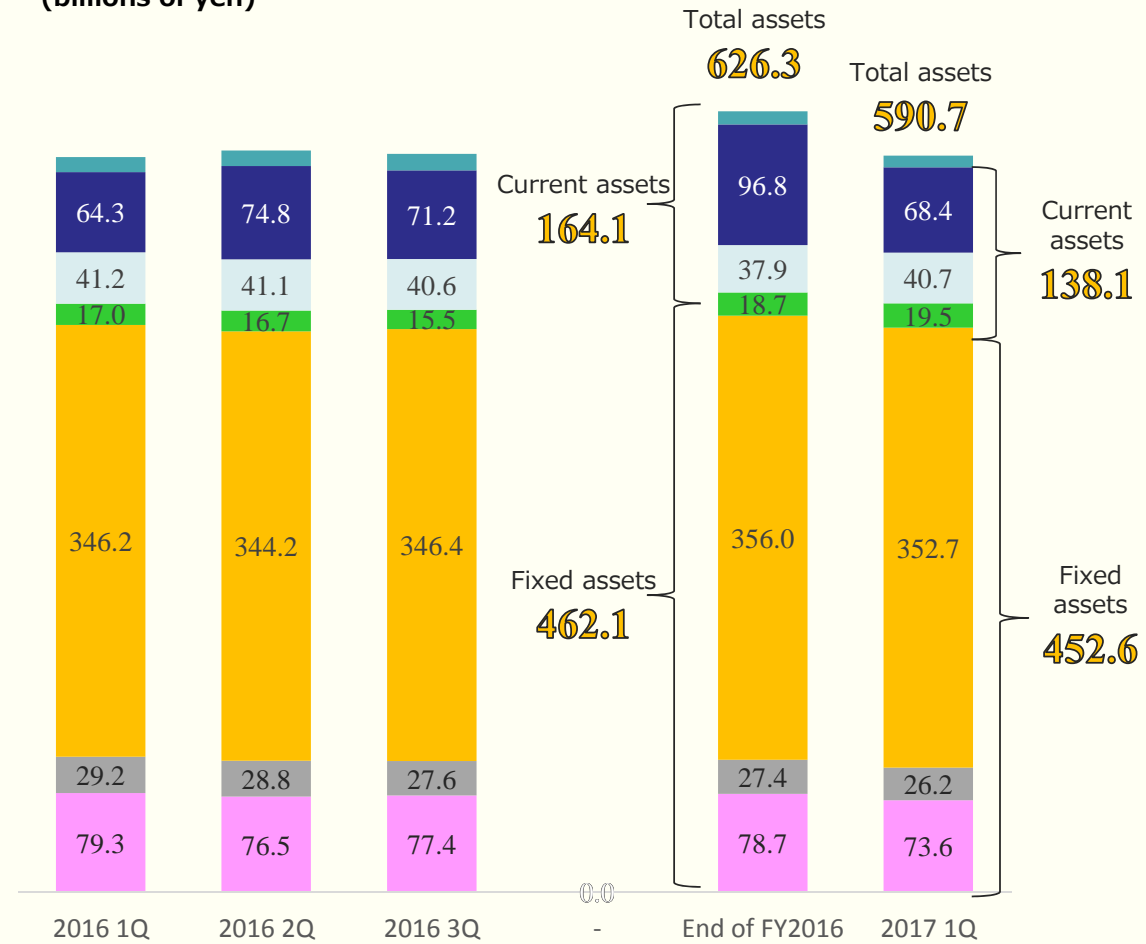
■ Current assets, etc.

■ Fixed assets

■ Goodwill

■ Investments, etc.

(billions of yen)

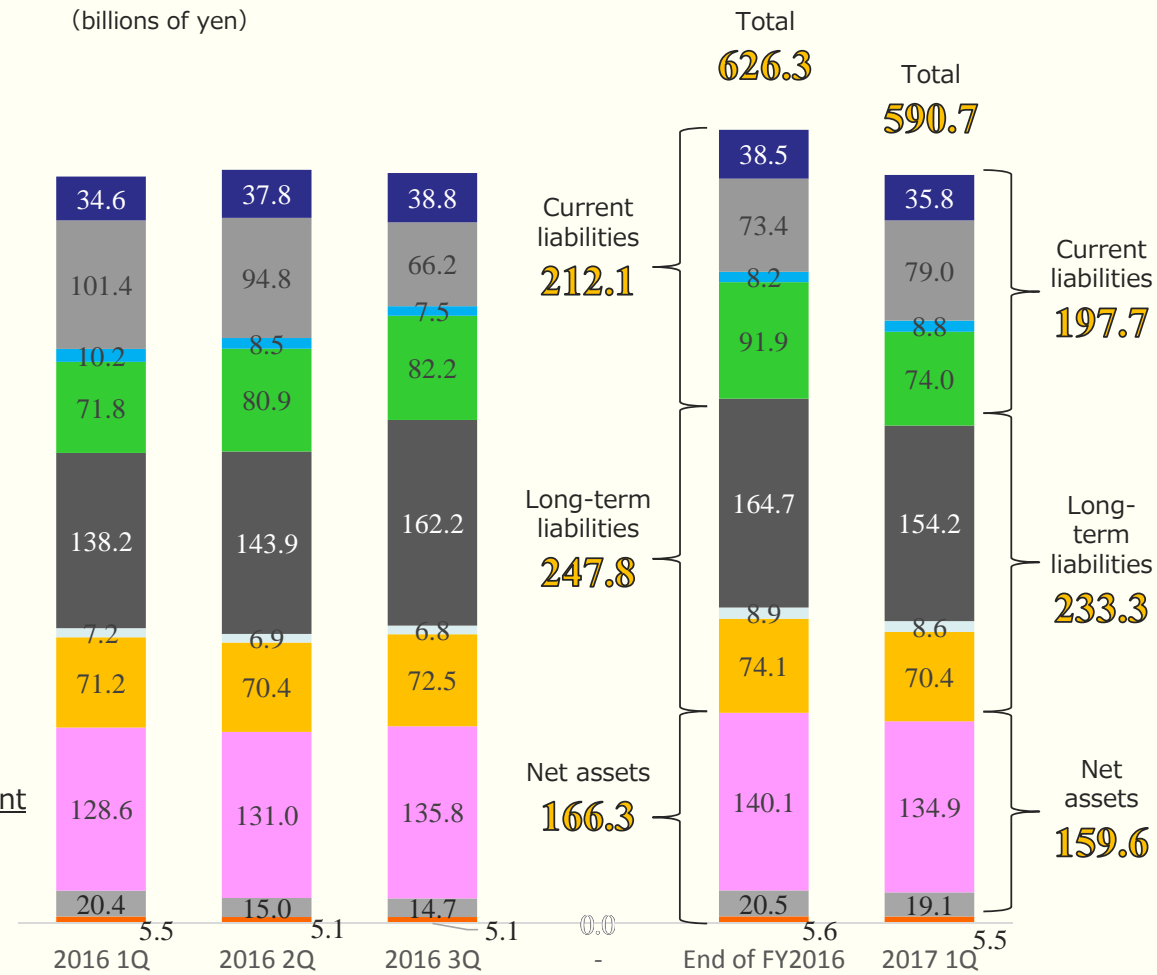


Changes in Balance sheets

# Total liabilities down by 28.7 billion yen, total net assets down by 6.7 billion yen

<Comparison with End of FY2016>

- Accounts payable
- Short-term bank liabilities
- Deposits received
- Current liabilities  
→Reduction in liquor taxes payable
- Long-term bank liabilities  
→Transfer of current portion of bonds
- Net defined benefit liability
- Long-term liabilities, etc.
- Shareholder's equity  
→2017 1Q Net loss and dividend payment
- Accumulated other comprehensive income
- Non-controlling interests



## Changes in Balance sheets

(billions of yen)

Balance of Net debt **223.9**

(comparison with end of FY2016) **-3.6**

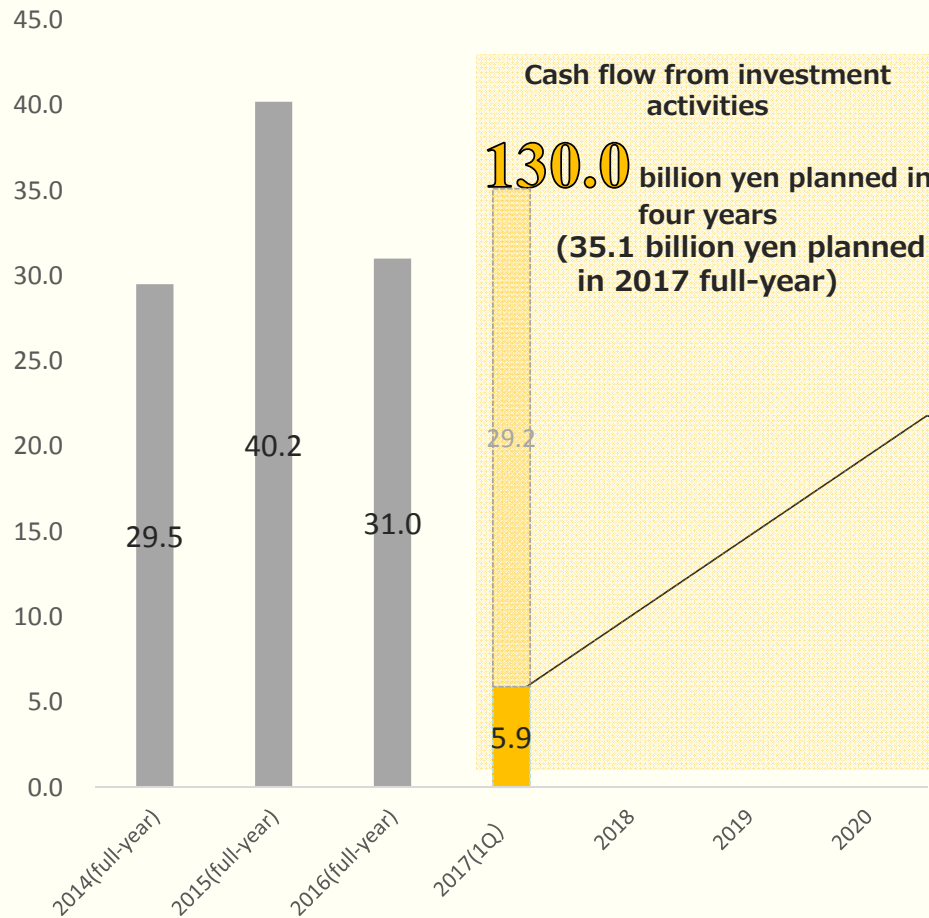
(Comparison with 2016 1Q) **-3.6**

D/E ratio (Net) **1.4 times**

# Cash basis investment totaled 5.9 billion yen

(billions of yen)

<Trend in investment>



① <Capital expenditure; lease fees> about ¥5.0 billion yen in consolidated total  
(tangibles, intangibles, lease fees, etc.)

<Major items>

- "Liquor," "Food," "Drinks" -related: about ¥2 billion (Nasu Plant one-way bottle-related work, etc.)
  - Real Estate-related: about ¥1.2 billion (Boosting value of YGP, etc.)
  - SGM Group infrastructure streamlining, etc.: about ¥0.7 billion
- \*SGM: Sapporo Group Management Co., Ltd.

② <Other investment> about ¥0.8 billion in consolidated total  
(Long-term prepaid expense, subsidiaries' shares, investment securities, etc.)

<Major items>

- Long-term prepaid expense (Japanese Alcoholic Beverages/Food & Beverages) about 0.5 billion yen

①+② <FY2017 1Q investment total>  
(Incl. cash basis, current capital expenditure, lease fees)  
about ¥5.9 billion



## Embarked on “Strengthening of Platform Functions” stipulated in Medium-Term Management Plan



### R&D

#### Establishment of Delicious Taste Technology Research Center

- Established under Group R&D headquarters (Kohoku-ku, Yokohama)
- Strengthened food processing technology, material technology development, delicious taste development research

### Personnel, human resources

#### Active implementation of work style improvement

- Studies aimed at introducing the new system
- (1) Interval system, (2) Team (pair) system, (3) Telework, (4) Hourly paid leave, (5) Super flex

### Finance

#### Asset review for asset efficiency improvement

- Formulate concrete measures for reviewing the strategic cross-shareholding

### Communications

#### Integration of Corporate Communications and Group CSR departments

- Strategic organizational restructuring for Corporate Communications Strengthening stated in Long-Term Management Vision SPEED150



- ✓ Feb 27: Confirmed moisture retention improvement function of “SBL88 lactic acid bacteria”  
 ~ delightful function of Sapporo’s lactic acid bacteria ~
- ✓ Mar 21: Determined the calcium absorption promotion properties of citric acid from small intestine and its mechanism  
 ~ Further research on lemon’s functional ingredient “citric acid’s chelate effect”~
- ✓ Mar 21: Verified the relationship of deliciousness with the characteristics of taste and flavor in lemon drinks  
 ~ Quantify feelings such as delicious taste in numbers and use them for new product development ~ (①)
- ✓ Mar 27: Verified the aging control properties of long-term consumption of lemon polyphenol  
 ~ Fresh confirmation of lemon’s health function ~

\*The dates are the date of announcement

\*See following news releases for details

<http://www.sapporoholdings.jp/csr/news/index.html>



(①)



Personnel,  
human  
resources

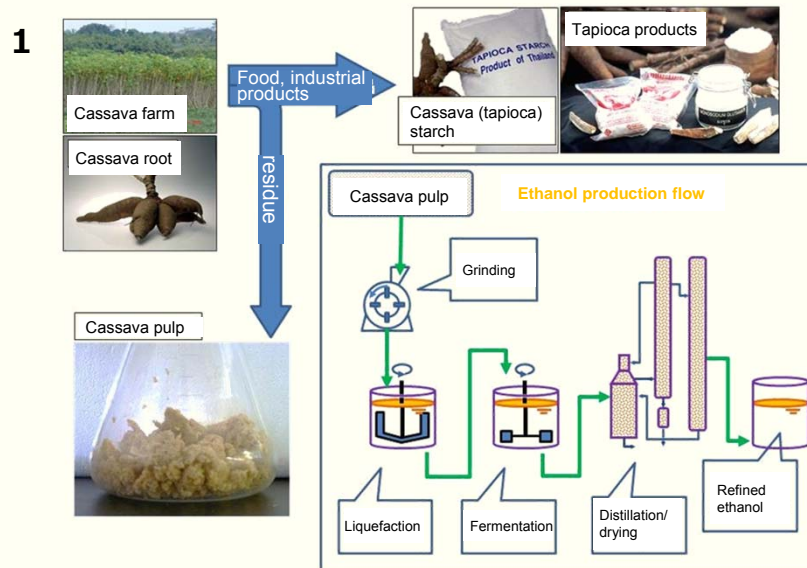
Communications

## Environmental protection initiatives and promotion of work style improvement



- ✓ Jan 10: Provided production technology for commercialization of the world's first (Sapporo study) bio-ethanol plant that uses cassava pulp and concluded consulting contract for plant design →aim for about 120,000 ton/year\* reduction of greenhouse gases (Photo 1)  
(\* equivalent to about 50 Tokyo Dome-sized stadia or the annual CO2 output of Sapporo's Japanese Alcohols Beverages business)
- ✓ Feb 23: Certified as an "Excellent Enterprise of Health and Productivity Management-White 500"  
~ Among 500 companies that take care of employee health ~ (Photo 2)

## Various Initiatives by the Sapporo Group



2



\*The dates are the date of announcement

\*See following news releases for details

<http://www.sapporoholdings.jp/csr/news/index.html>

# Appendix

## Major sales & sales volume



### Beer (Japan)

(10,000 cases)

	Jan. 1 - Mar.31, 2017	Jan. 1 - Mar.31, 2016	YoY	Full-year estimate for fiscal 2017	Fiscal 2016 Actual	YoY
Sapporo Draft Beer Black Label	-	-	101%	1,680	1,663	101%
YEBISU (total)	-	-	111%	1,070	972	110%
1 Beer (total)	-	-	105%	3,140	3,048	103%
2 Happoshu (total)	-	-	77%	360	411	88%
3 New genre beer products (total)	-	-	98%	1,560	1,495	104%
Beer, happoshu, and new genre (total 1+2+3)	-	-	100%	5,060	4,955	102%
Non-alcoholic beer taste beverage	15	15	96%	86	83	104%

### Beer (International)

(10,000 cases)

	Jan. 1 - Mar.31, 2017	Jan. 1 - Mar.31, 2016	YoY	Full-year estimate for fiscal 2017	Fiscal 2016 Actual	YoY
SLEEMAN BREWERIES LTD.	268	259	103%	1,300	1,291	101%
Sapporo brand	146	131	111%	630	580	109%

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

### Soft Drinks (POKKA SAPPORO FOOD & BEVERAGE)

(10,000 cases)

	Jan. 1 - Mar.31, 2017	Jan. 1 - Mar.31, 2016	YoY	Full-year estimate for fiscal 2017	Fiscal 2016 Actual	YoY
Soft Drinks (	962	922	104%	4,700	4,688	100%

Excludes sales other than Japan

(billions of yen)

	Jan. 1 - Mar.31, 2017	Jan. 1 - Mar.31, 2016	YoY	Full-year estimate for fiscal 2017	Fiscal 2016 Actual	YoY
Domestic wines	1.1	1.1	102%	5.0	5.0	101%
Imported wines	1.7	1.6	106%	9.2	8.5	109%
Wine (total)	2.9	2.8	104%	14.3	13.5	106%
RTD, Spirits and Shochu (total)	6.8	5.9	115%	29.4	27.8	106%

## Appendix

### Sales (including liquor tax)

(billions of yen)

	Three months ended March 31, 2016	Three months ended March 31, 2017	Change	Change (%)
Beer	29.3	31.1	1.7	6.0%
Happoshu	3.5	2.7	(0.8)	(23.2)%
New genre	10.2	10.0	(0.2)	(2.4)%
Total	43.2	43.9	0.7	1.6%

### Sales (excluding liquor tax)

(billions of yen)

	Three months ended March 31, 2016	Three months ended March 31, 2017	Change	Change (%)
Beer	14.2	15.2	1.0	7.3%
Happoshu	1.9	1.5	(0.4)	(23.3)%
New genre	7.1	6.9	(0.1)	(2.4)%
Total	23.3	23.7	0.4	1.8%

Appendix  
Japanese Alcoholic  
Beverages



**【Beer】** (sales volume)

Jan-Mar **up 5%** y-o-y (total demand down 1%)

- ✓ Black Label Brand total **up 1%** y-o-y  
(Sales of the canned version : **up 12%** y-o-y)
- ✓ Yebisu Brand total **up 11%** y-o-y

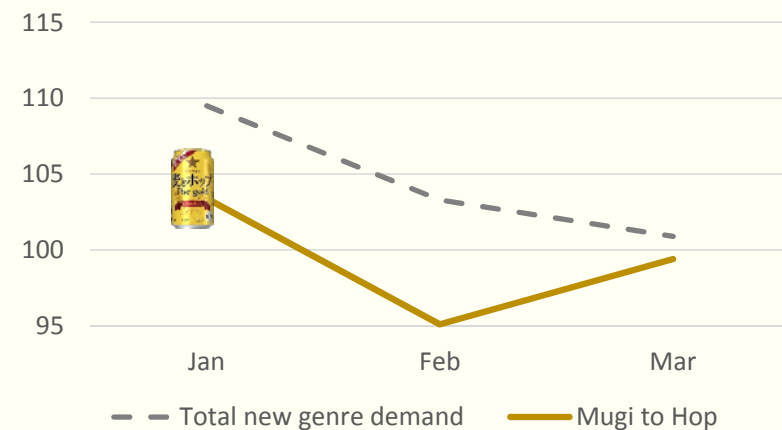
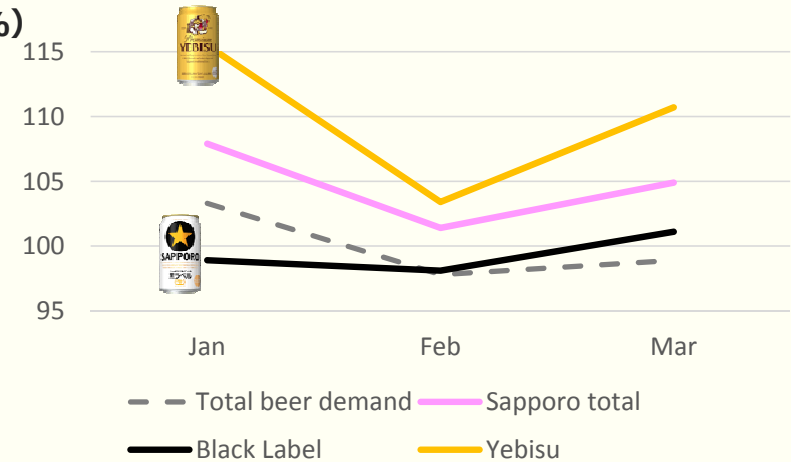
**【Happoshu+new genre】** (sales volume)

- ✓ Jan- Mar down **7%**  
(total demand unchanged y-o-y)
- ✓ Mugi to Hop Brand total down **1%** y-o-y
- ✓ Goku Zero Brand total down **30%** y-o-y

**【Wine , Spirits and other】** (sales volume)

- ✓ Wine : **up 4%** y-o-y
- ✓ RTD : **up 54%** y-o-y
- ✓ Spirits : **up 15%** y-o-y
- ✓ Japanese liquor : **up 4%** y-o-y

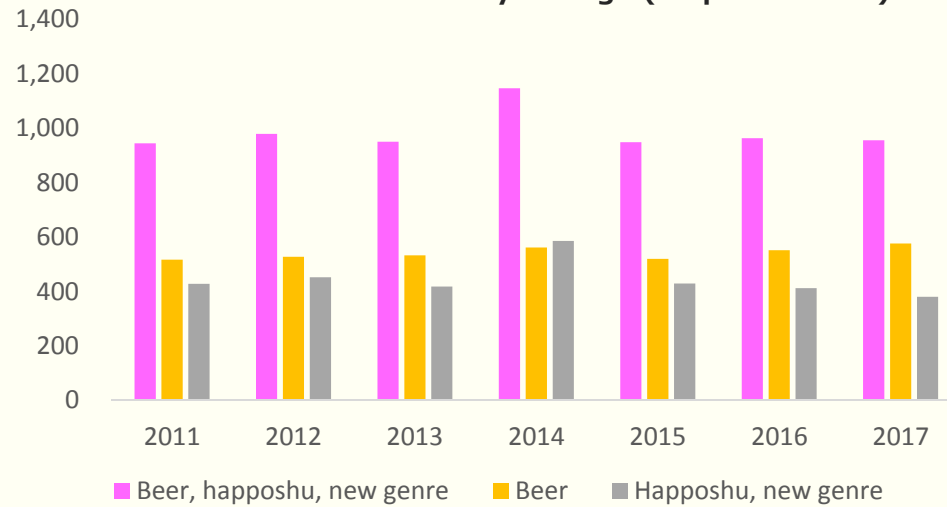
<Y-o-y change in sales volume of  
3 core brands>



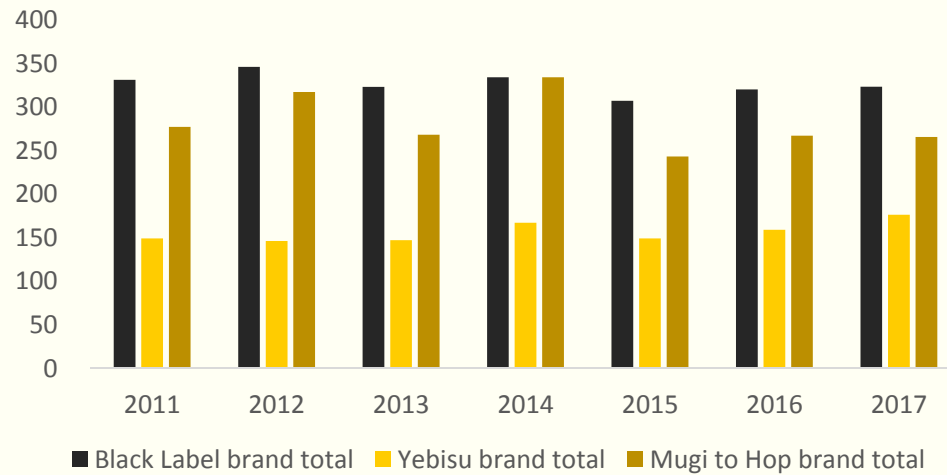
# Appendix Japanese Alcoholic Beverages



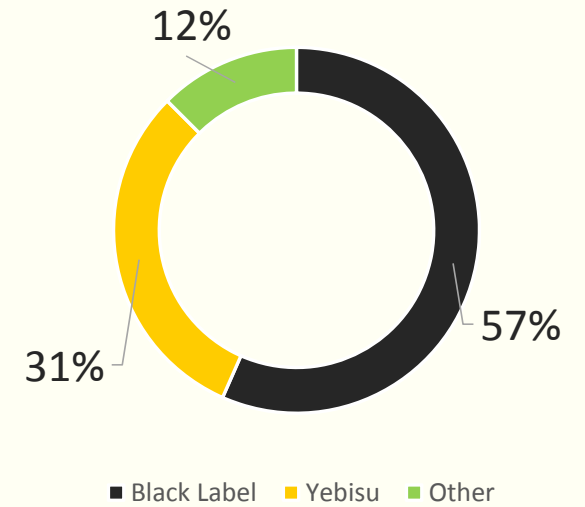
(10,000 cases) <Beer and beer-type beverages category  
Jan- Mar sales volume Y-o-y Change (Shipment base)>



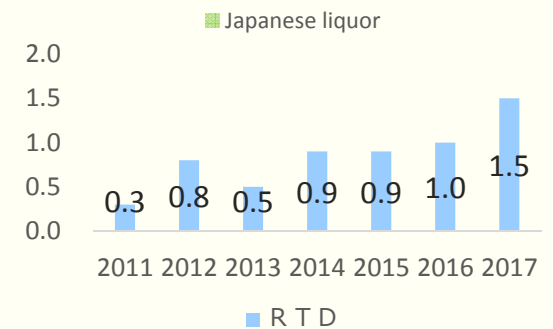
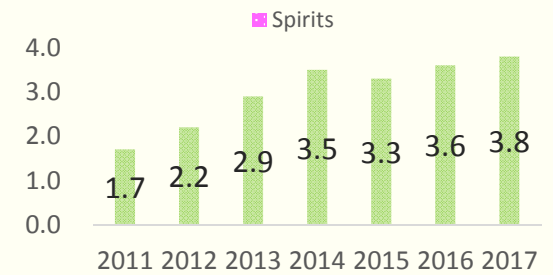
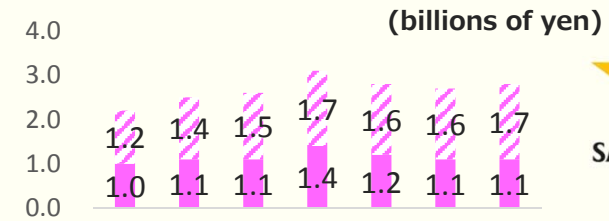
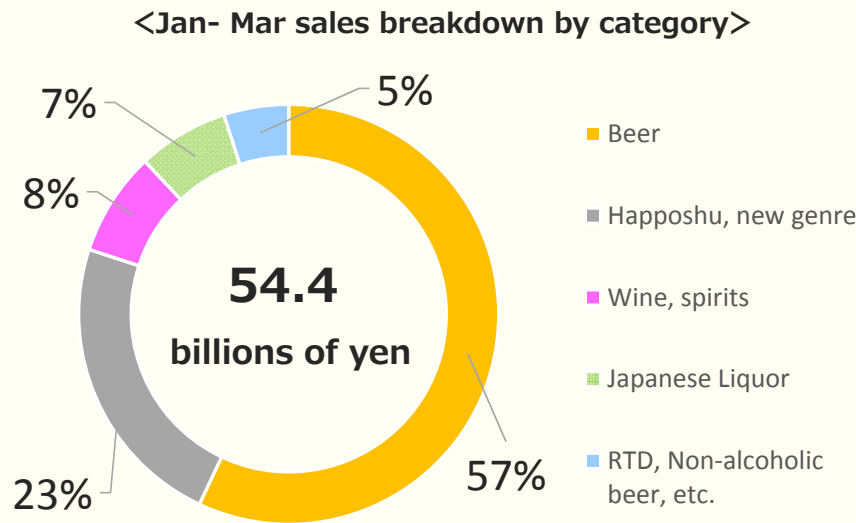
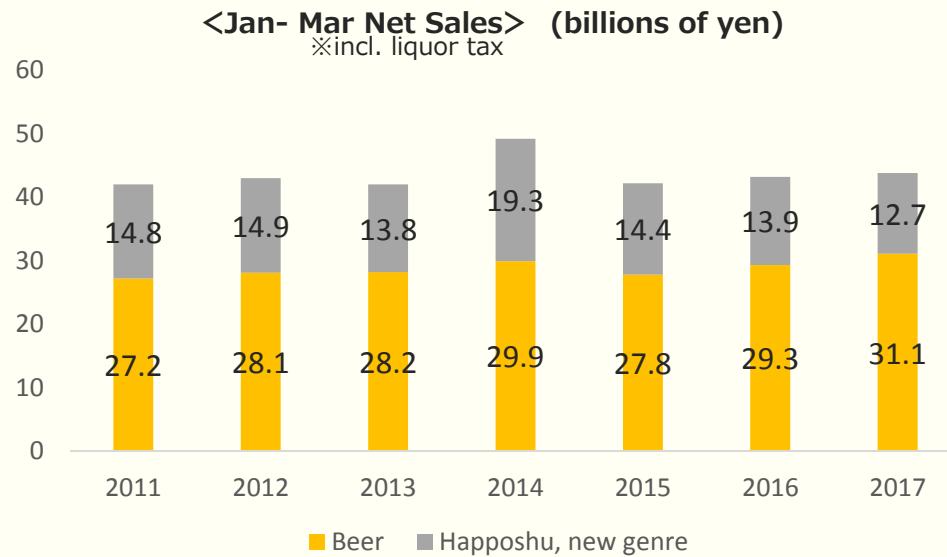
(10,000 cases) <3 core brand Jan- Mar Sales volume change>



<Beer lineup (Jan - Mar breakdown)>



# Appendix Japanese Alcoholic Beverages





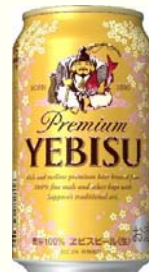
<Jan- Mar Major new products>



YEBISU Hanamiyabi



YEBISU Meister improved



YEBISU Special edition can



Kireto Lemon sour Collagen 1000



Ai no Skal White sour



SAPPORO



Classic Harunokaori



Mugi to Hop The gold Special edition can



Mugi to Hop Platinum Clear improved



Perrito Carmenera

Zuccardi series



Special edition cans



Shochu Triangle improved

Appendix Japanese Alcoholic Beverages





# Appendix International



## 【SLEEMAN】

- ✓ Jan- Mar **up 3%** y-o-y \*sales volume (total demand down 2%)

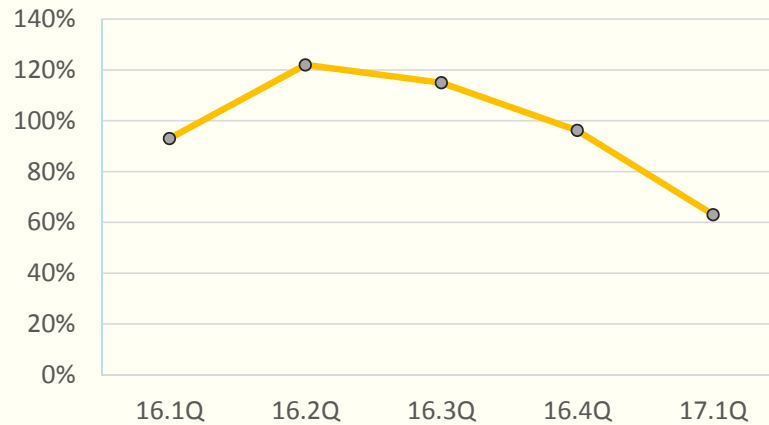
## 【Sapporo U.S.A.】

- ✓ Jan- Mar **up 10%** y-o-y \*sales volume (total demand down 2%)

## 【Vietnam】

- ✓ Jan- Mar **down 37%** y-o-y \*sales volume

<Y-o-y change in domestic sales volume in Vietnam>



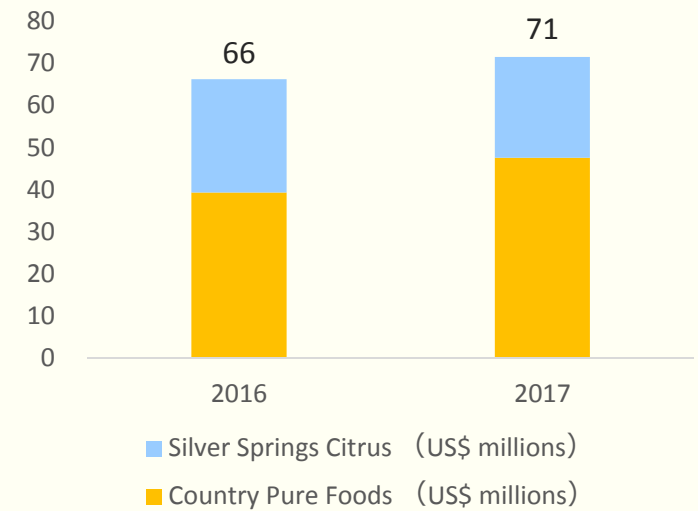
## 【U.S. soft drinks business】



- ✓ Jan- Mar **up 10%** y-o-y \*sales revenue

<U.S. soft drinks business Net Sales in Local Currency (Jan-Mar)>

\* before elimination of inter- company transactions

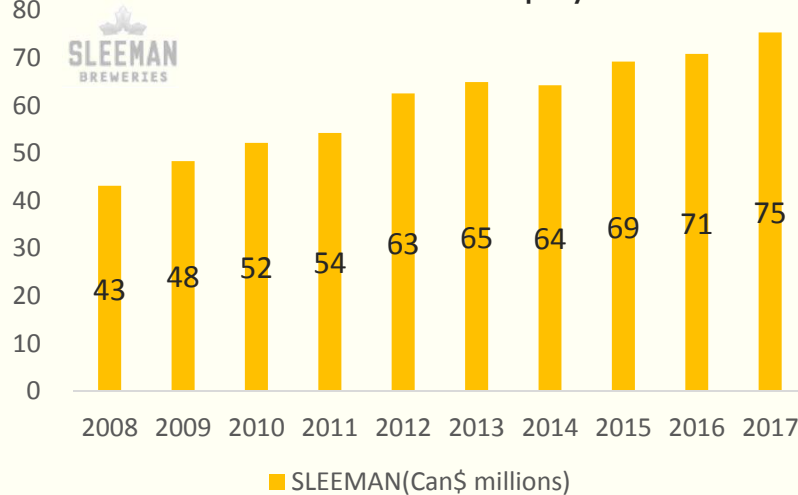


# Appendix International



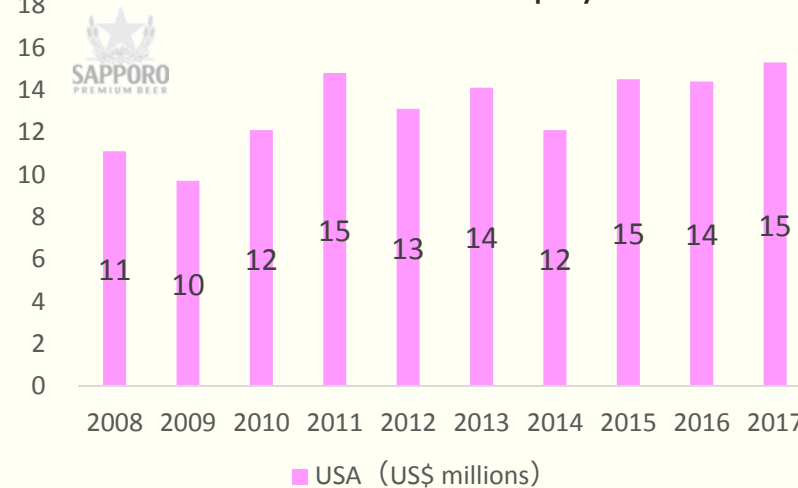
## <SLEEMAN : Net Sales in Local Currency (Jan- Mar)>

\*before elimination of inter- company transactions

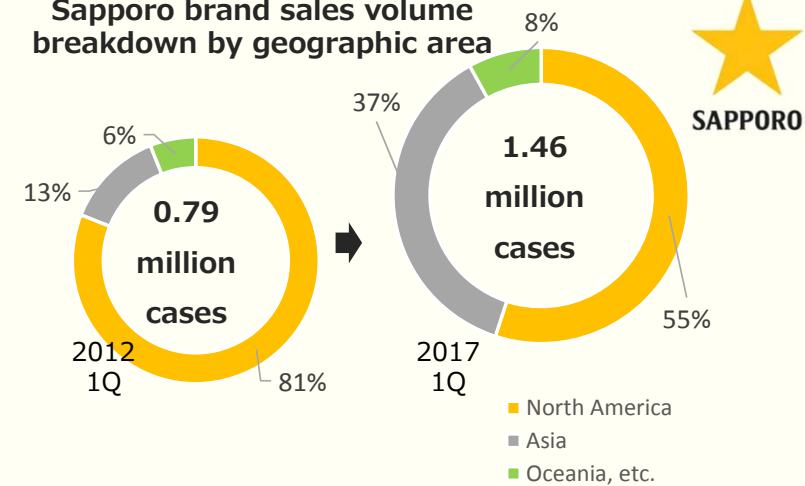


## <Sapporo U.S.A. : Net Sales in Local Currency (Jan- Mar)>

\*before elimination of inter- company transactions



## Sapporo brand sales volume breakdown by geographic area

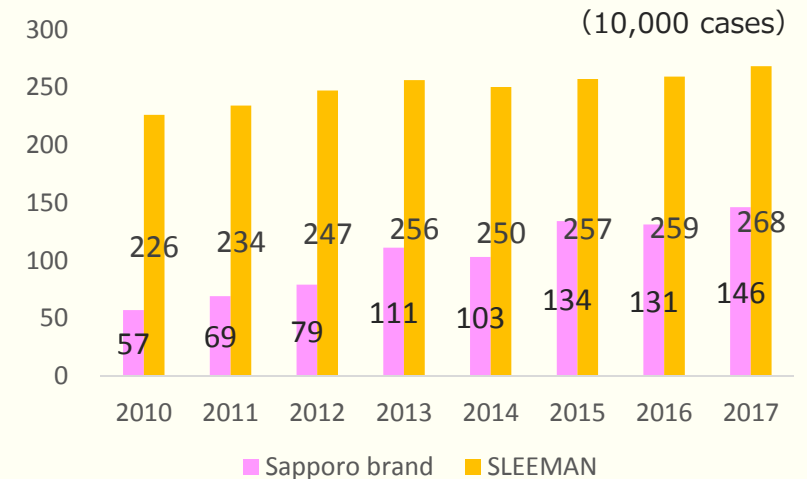


North America : Canada, U.S.

Asia : Vietnam, Singapore, South Korea, etc.

Oceania, etc. : Australia, Europe, etc.

## <Trend of overseas sales volume of Sapporo brand products (Jan- Mar)>



### 【Lemon-based drinks】

✓ Jan- Mar **up 16%** y-o-y



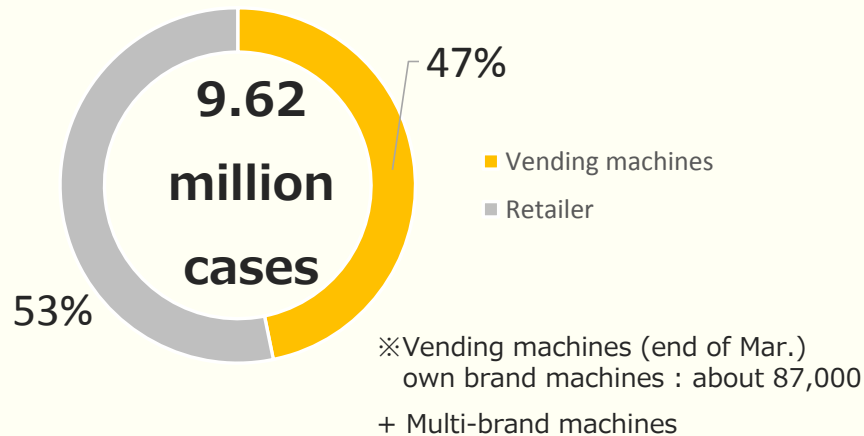
### 【Unsweetened tea drinks】

✓ Jan- Mar **up 19%** y-o-y

### 【Coffee drinks】

✓ Jan- Mar **down 5%** y-o-y

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



### 【Lemon-based food products】

✓ Jan- Mar **up 6%** y-o-y



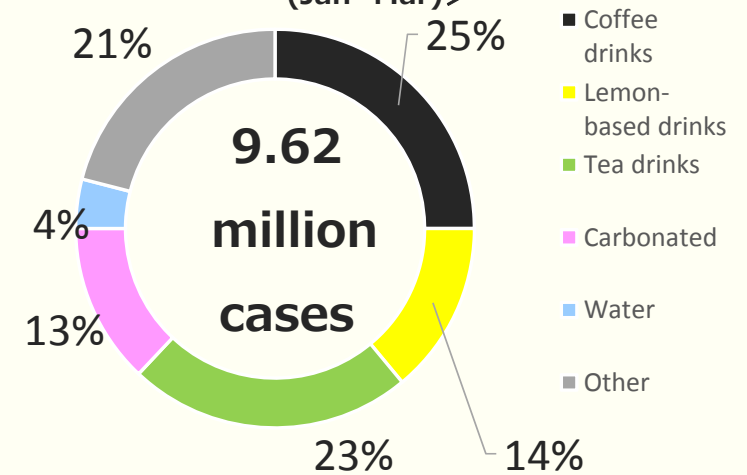
### 【Soups】

✓ Jan- Mar **up 5%** y-o-y

### 【Soy milk, chilled products】

✓ Jan -Mar Net Sales approx. **¥0.5 billion**

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



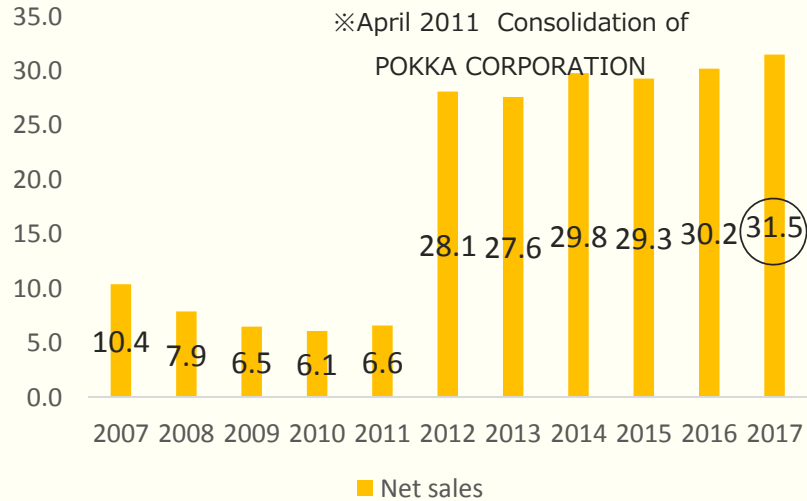
## Appendix Food & Soft Drinks



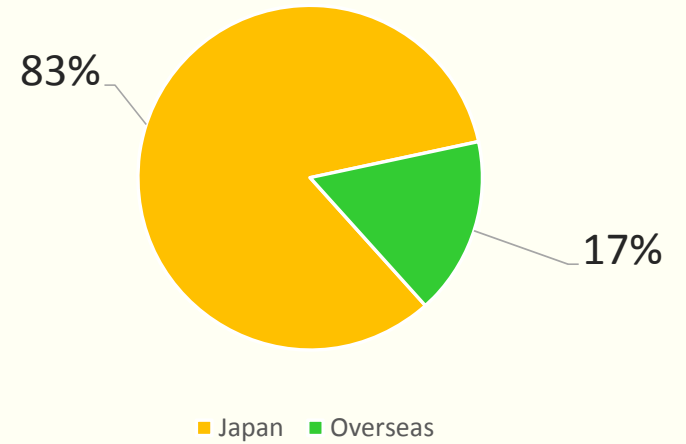
# Appendix Food & Soft Drinks



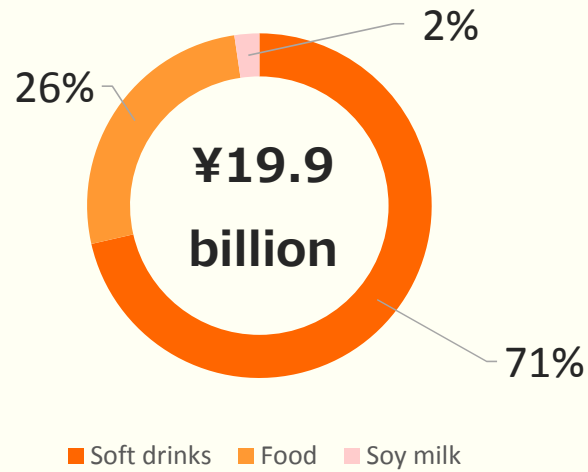
<Food & Soft Drinks segment Net sales>  
(Jan- Mar)



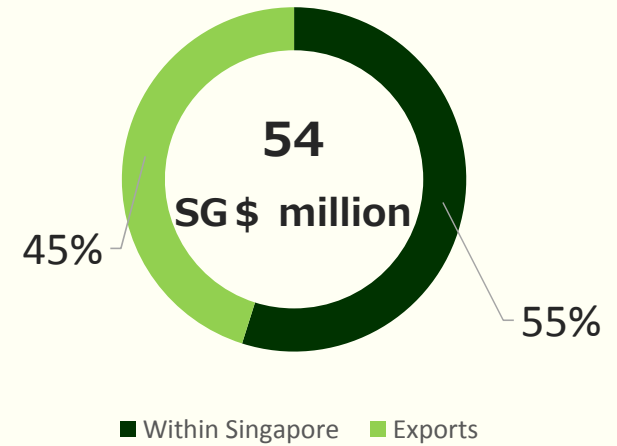
<Food & Soft Drinks segment  
Net sales break down by geographic area>



<Japanese soft drinks  
POKKA SAPPORO Food & Beverage  
Sales composition (Jan- Mar)>



<Overseas soft drinks  
POKKA Corporation (Singapore)  
Sales composition (Jan- Mar)>



# Appendix Food & Soft Drinks



## 【Pokka Create CO., Ltd.】

✓ Jan- Mar Net sales **¥2.0** billion

**up 7%** y-o-y



SAPPORO

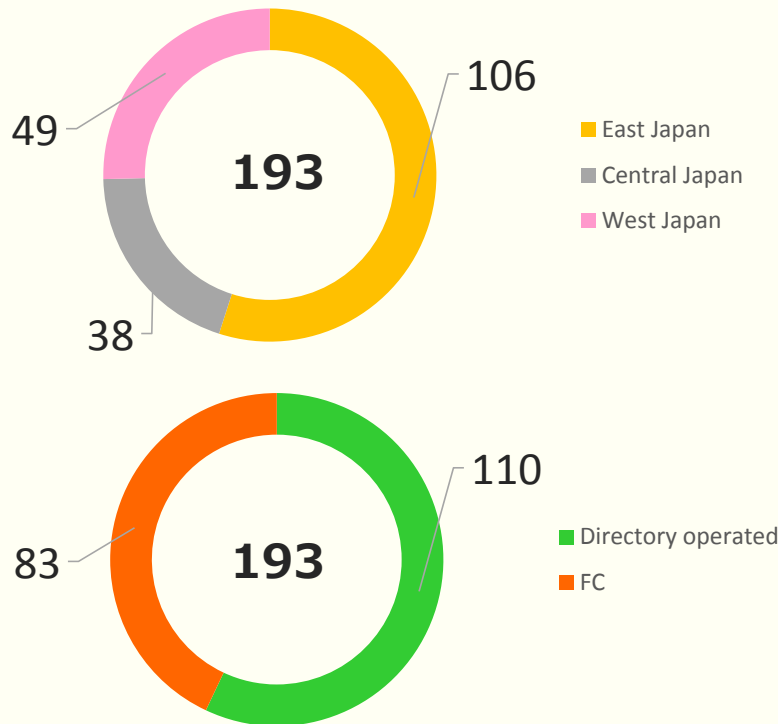


CAFÉ de CRIÉ PLUS

maison de VERRE



<Number of outlets as of Mar 31 , 2017 : 193>



<New & refurbish outlets >



<Jan- Mar Major new products>



Ribbon Series improved



Nippon Oolong improved



Tokyo Ryokucha



Hita no nashi



Canned Jikkuri kotokoto soup series



L: Kireto Lemon - C water  
R: Kireto Lemon- C Supply



World Lemonade  
Pakuchi & Lemonade



Lemon no  
shizuku



Setouchi Lemon  
Lemonade



Plus Nyusankin  
Tonyu Inryo series



Jikkuri kotokoto kongari Pan soup series



Risorante  
Cup-based risotto



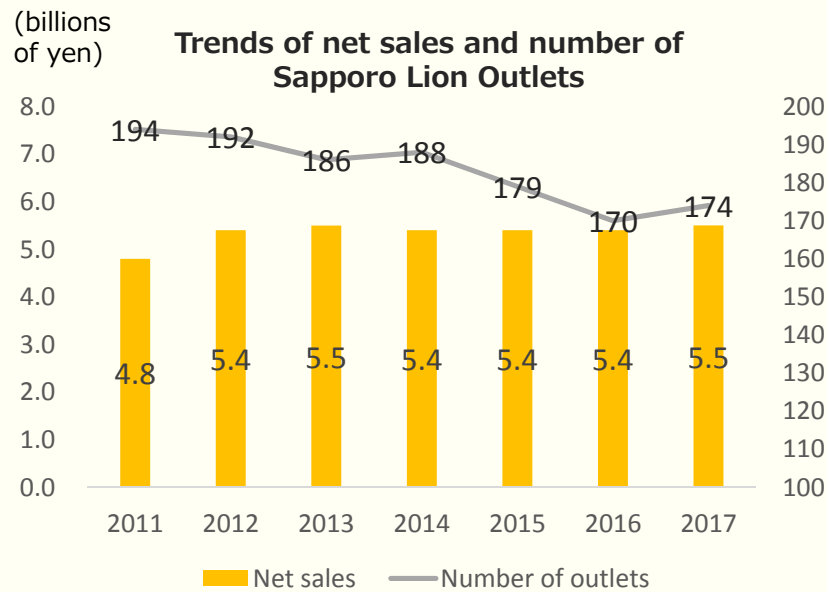
Sozaiya Soup

Appendix  
Food & Soft Drinks

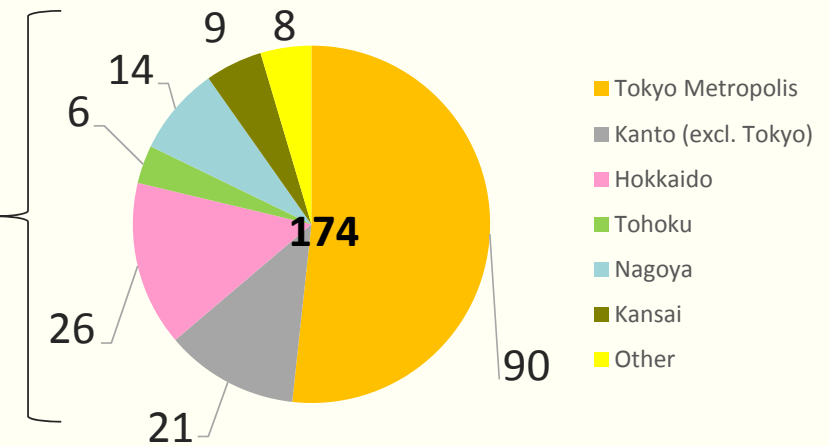




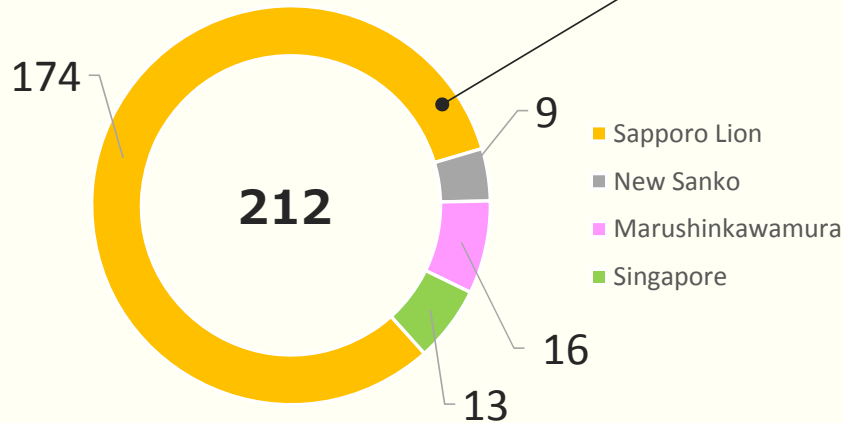
# Appendix Restaurants



### <Sapporo Lion outlets> As of March 31, 2017



### <Restaurants segment total number of outlets>



### <Brands>



## Appendix



### YEBISU BAR

opens in the Chugoku-Shikoku area and  
Yokohama  
for the first time



- ✓ YEBISU BAR at Hiroshima  
Opened on February 10, 2017  
Offers dishes made with produce from Hiroshima
- ✓ YEBISU BAR at Shin Yokohama  
Opened on March 30, 2017
- ✓ To be the Yebisu dissemination base in the western area and Yokohama area

<http://www.ginzalio.jp/company/images/pdf/170125.pdf>

### Singapore Tonkichi opens after renovation



- ✓ Renovated Isetan Scotts and Takashimaya restaurants
- ✓ Orchard Central outlet was re-launched in the new Tonkichi Hokkaido format
- ✓ Tonkichi Hokkaido was opened on March 27, 2017

<http://www.ginzalio.jp/company/images/pdf/170323.pdf>



## Appendix Real Estate



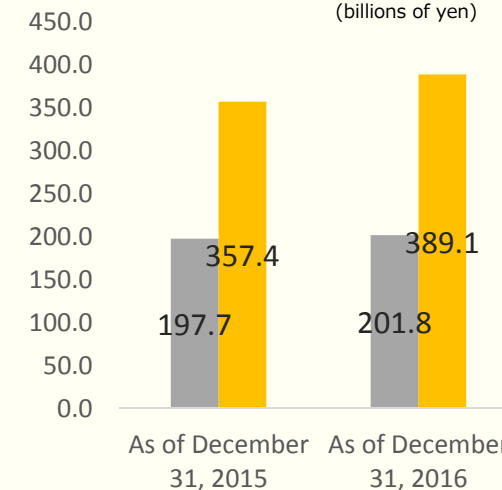
### <Major rental properties & occupancy rates : (Averages for 2017 1Q )>

	Site area (m <sup>2</sup> )	Floor area (m <sup>2</sup> )	Occupancy rate (%)	No. of floors
Yebisu Garden Place <sup>(1)</sup>	56,943	298,007	<b>99</b>	40 floors above ground, 5 below
Ebisu First Square	2,596	16,012	<b>100</b>	12 floors above ground, 1 below
Ebisu Square	1,561	8,644	<b>100</b>	7 floors above ground, 1 below
Ginza Place	645	7,350	<b>97</b>	11 floors above ground, 2 below
Strata Ginza <sup>(2)</sup>	1,117	11,411	<b>100</b>	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 922m<sup>2</sup> of the site (sectional ownership) and 89.72% of the building (joint management)

### <Information about Real Estate for lease>

(billions of yen)



SAPPORO

■ Balance sheet value ■ Fair value

(billions of yen)

<Operating income>	2016 1Q	2017 1Q	Change
Yebisu Garden Place, etc.	1.9	2.1	0.1
Hokkaido	0.2	0.3	0.0
Other area & other operations	0.4	0.7	0.2
General corporate	(0.1)	(0.2)	(0.0)
Total	2.6	2.9	0.3

### <EBITDA>

(billions of yen)

	2016 1Q	2017 1Q	Change
Yebisu Garden Place, etc.	2.7	2.8	0.1
Hokkaido	0.4	0.4	0.0
Other area & other operations	0.6	0.9	0.3
General corporate	(0.1)	(0.2)	(0.0)
Total	3.6	4.0	0.4

EBITDA= Operating income + depreciation and amortization)

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# Tokyo Energy Service Co., Ltd. wins special award at the 2016 Co-gen Awards

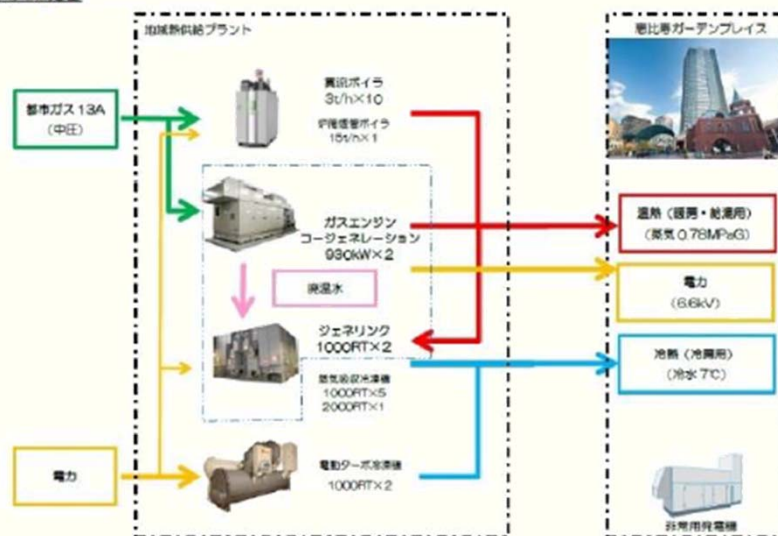


- ✓ The company has been pursuing extended use of energy through energy-saving district cooling and heating business from 1994, when we opened Yebisu Garden Place.
- ✓ Upgraded the existing cogeneration system from gas turbine to gas engine with the aim of maintaining functionality during disasters and improving environmental characteristics at the time of facility upgrading.
- ✓ By pursuing further energy savings and continuing heat supply during disasters, the company worked on strengthening the BCP measures of the community and this led to it receiving the special award in recognition of its contribution to the region.

## Appendix



システム概略図



\*Cogeneration (Co-gen)

Refers to efficient energy utilization such as using the heat generated while generating power using fuel to heat water and for air conditioning

\*BCP

Business continuity plan



[http://www.sapporo-re.jp/news\\_release/pdf/20170217/20170217.pdf](http://www.sapporo-re.jp/news_release/pdf/20170217/20170217.pdf)

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



The earnings forecasts and forward-looking statements appearing in this document were prepared by the SAPPORO Group based on currently available information and its best assessment of potential risks and uncertainties. Actual outcomes may differ materially from forecasts due to changes in various underlying factors.