



Sapporo Group Business Results Presentation for the Nine Months Ended September 30, 2017

November 2, 2017

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

Contents

1. 2017 3Q Results

P3~21

Appendix : Collection of Data by business P22~42

Third Quarter 2017 Highlight

	2016 3Q	2017 3Q	(billions of yen)	
			YoY changes (amount, %)	
Net sales (incl. liquor tax)	392.2	400.8	8.5	2.2%
Net sales (excl. liquor tax)	307.7	315.9	8.2	2.7%
Overseas net sales to total (excl. liquor tax)	21.0%	21.3%	0.3%	-
Operating income	12.8	10.7	(2.1)	(16.7)%
Operating income before goodwill amortization	15.8	13.6	(2.1)	(13.8)%
Ordinary income	11.5	10.2	(1.3)	(11.4)%
Profit attributable to owners of parent	5.2	5.4	0.1	2.9%
Balance of Net debt	215.1	225.4	10.2	4.8%
D / E ratio ※Net	1.4 times	1.3 times	(0.1)	-
EBITDA	32.3	31.0	1.2	(3.8)%



Third Quarter 2017 Highlight

Third-Quarter 2017 Group Results Overview



(billions of yen)

Net sales

400.8

YoY Change

+8.5

Operating income

10.7

YoY Change

-2.1

Profit attributable to
owners of parent

5.4

YoY Change

+0.1

- ✓ Businesses on which we've been focusing such as beer, North American alcoholic beverages, lemon-based products and soups continue to produce results. Real estate is also maintaining steady earnings.
- ✓ On the other hand, both sales and profits at SSC in the North American soft drinks business and Singaporean soft drinks business have been declining
- ✓ Also, given the impact of unseasonal weather in summer, results of some businesses fell short of the plan, but we will continue to aim to achieve the targets and give priority to what each business should be preparing in the first fiscal year of the Medium-Term Management Plan, and to necessary investments and reinforcement of the group's management platform.

*SSC: Silver Springs Citrus

Net Sales by Segment

(billions of yen)

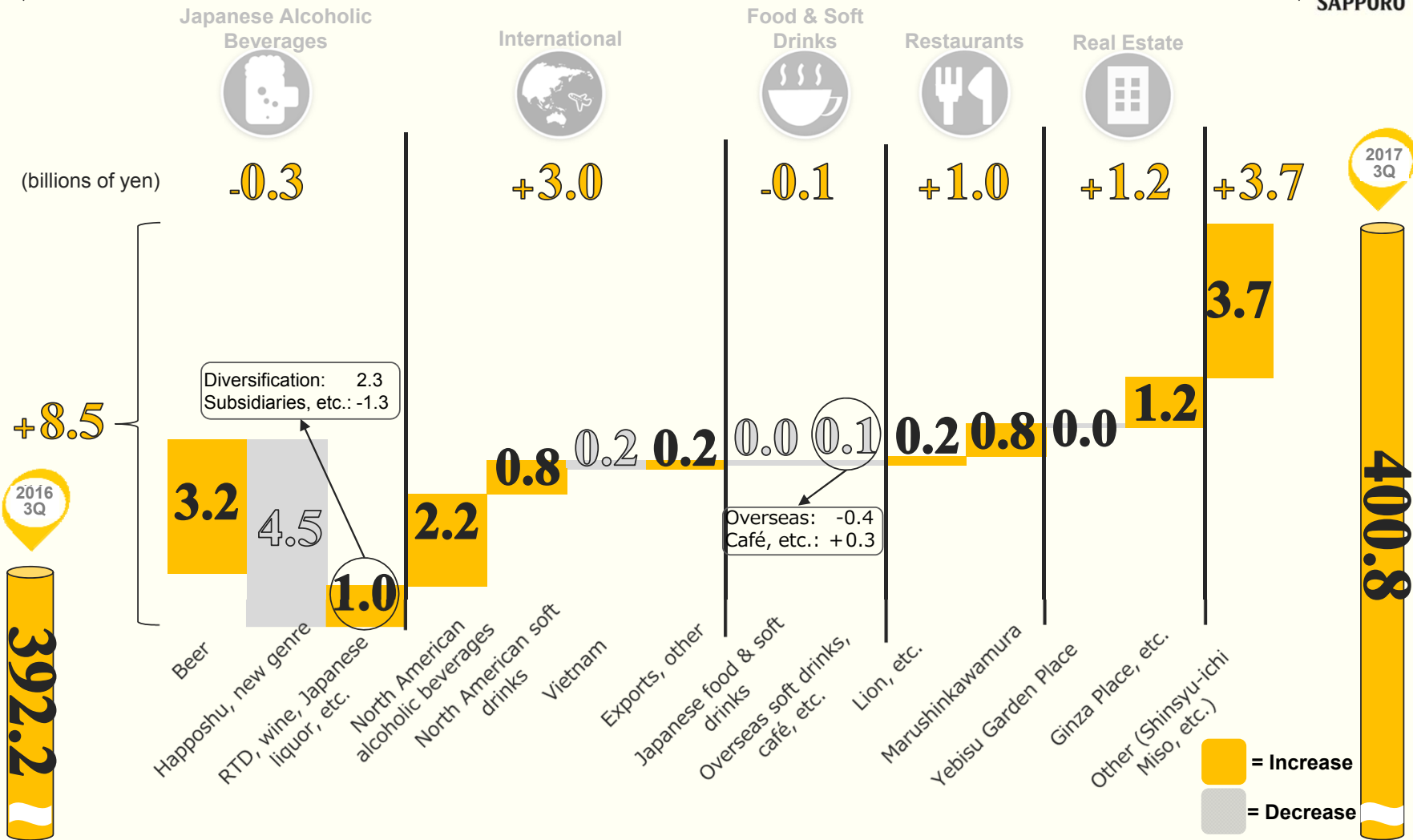
	2016.3Q	2017.3Q	YoY changes (amount, %)	
Consolidated Net sales	392.2	400.8	8.5	2.2%
Japanese Alcoholic Beverages	200.0	199.7	(0.3)	(0.2)%
International	48.0	51.0	3.0	6.3%
Food & Soft Drinks	101.5	101.4	(0.1)	(0.1)%
Restaurants	21.0	22.1	1.0	5.2%
Real Estate	16.7	17.9	1.2	7.3%
Other	4.7	8.4	3.7	77.9%



- Sales increase in beer in Japan, diversification and North American alcoholic beverages contributed
- Net increase in Ginza Place (from last September) and new consolidated business*



Main Factors Contributing to Changes in Net Sales



*Marushinkawamura, Shinsyu-ichi Miso

Operating Income by Segment

	(billions of yen)		
	2016 3Q	2017 3Q	YoY changes
Consolidated operating income	12.8	10.7	(2.1)
Japanese Alcoholic Beverages	6.3	5.9	(0.3)
International	0.7	0.1	(0.6)
Food & Soft Drinks	0.6	(0.1)	(0.8)
Restaurants	0.5	0.2	(0.2)
Real Estate	8.0	8.8	0.7
Other	(0.1)	(0.1)	(0.0)
General corporate and intercompany eliminations	(3.4)	(4.1)	(0.7)
Amortization of goodwill	2.9	2.8	(0.0)
International	1.2	1.2	(0.0)
Food & Soft Drinks	1.6	1.5	(0.0)
Operating income before goodwill amortization	15.8	13.6	(2.1)



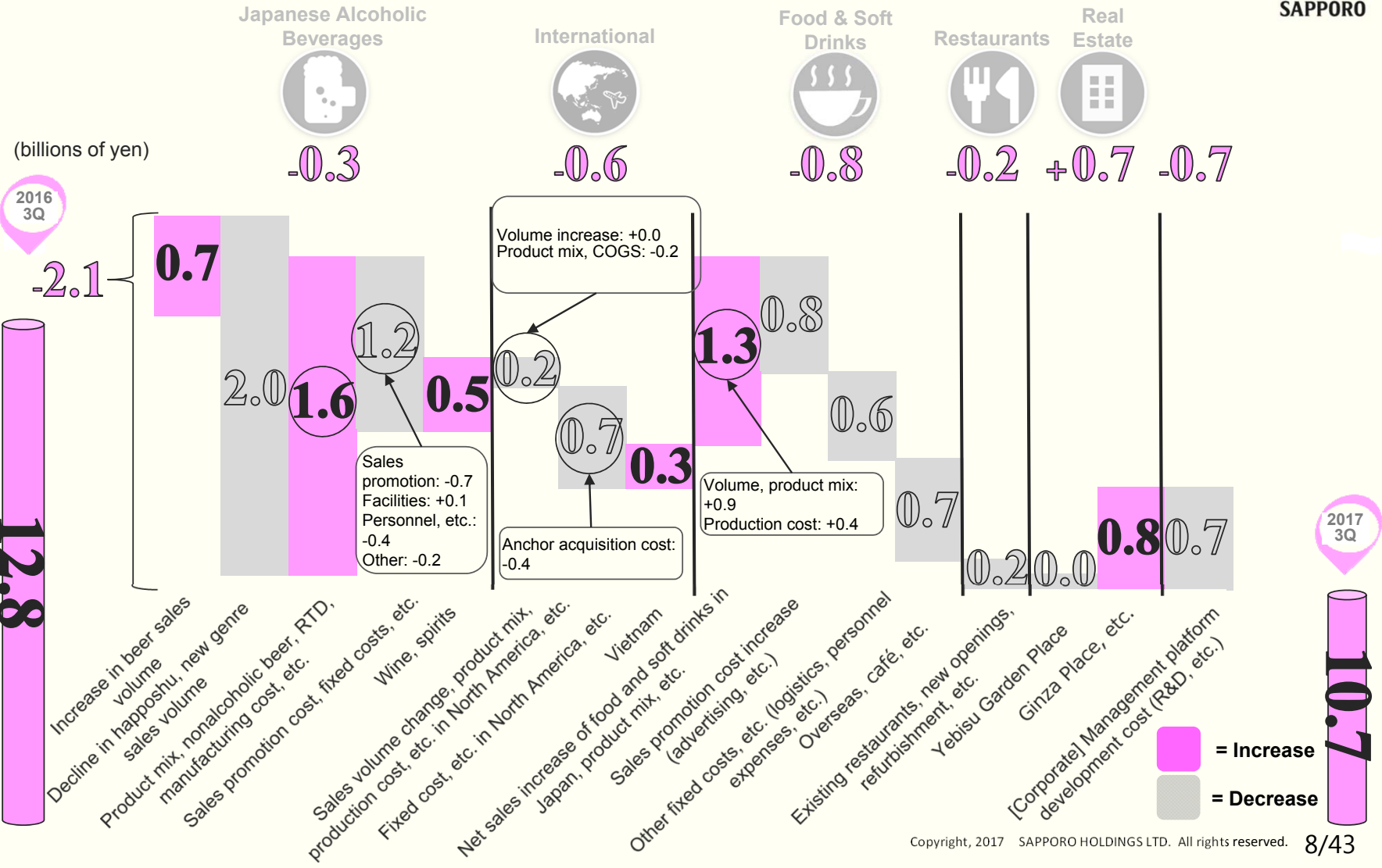
SAPPORO

- Decline in profit widens at happoshu, new genre and overseas soft drinks
- Operating income declined due to temporary M&A cost in addition to investment in management platform



SAPPORO

Main Factors Contributing to Changes in Operating Income



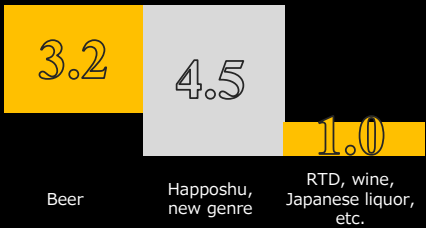
Overview of Each Business



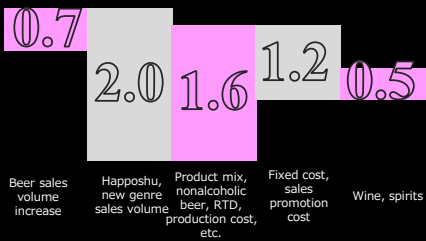
Japanese Alcoholic Beverages

(billions of yen)

Sales **199.7** YoY change **-0.3**



Operating income **5.9** YoY Change **-0.3**

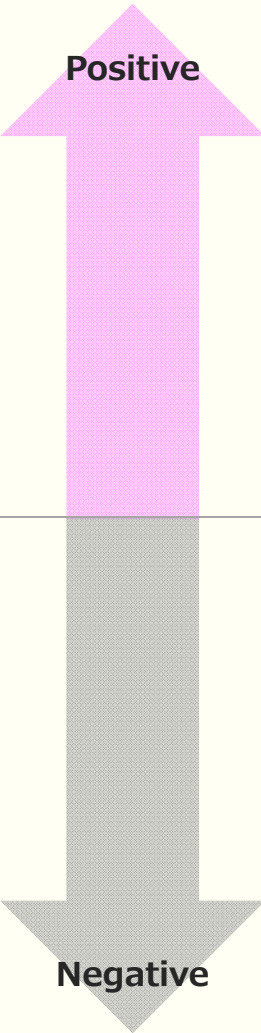


(Reference) *Estimates

Total demand	:	Beer	down 2%
		Happoshu	down 4%
		New genre	down 1%

• Beer and diversification have been strong amid declining total demand due to unseasonal weather and store price rise

• Promoting change in sales composition



- ✓ **Beer continued to be firm**
(Black Label sales volume **up 3%** y-o-y, Yebisu **up 1%** y-o-y, beer total **up 2%** y-o-y)
- ✓ **Product mix improvement progressed**
(Beer's component ratio among beer and beer-type beverages increased from 60% in FY2016 3Q ⇒ **63%** in FY2017 3Q)
- ✓ **Sales of Wine, Spirits, Japanese liquors and RTD continue to be strong**
(Sales of wine business **up 1%** y-o-y, those of spirits business **up 13%** y-o-y)
- ✓ **Sales during the peak season was significantly affected by unseasonal weather and increase in store price**
(Jan-June beer and beer-type beverages **down 1%** y-o-y → slowed to **down 4%** y-o-y in July-September)
- ✓ **Sales decline in happoshu, new genre**
(Mugi to Hop brand **down 6%** y-o-y, Goku Zero brand **down 26%** y-o-y)

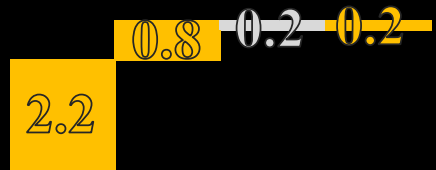
*See Appendix in slides 23 to 29.



International

(billions of yen)

Sales **51.0** YoY change **+3.0**



North American alcoholic beverages
 North American soft drinks
 Vietnam
 Exports, other

Operating income **0.1** YoY change **-0.6**



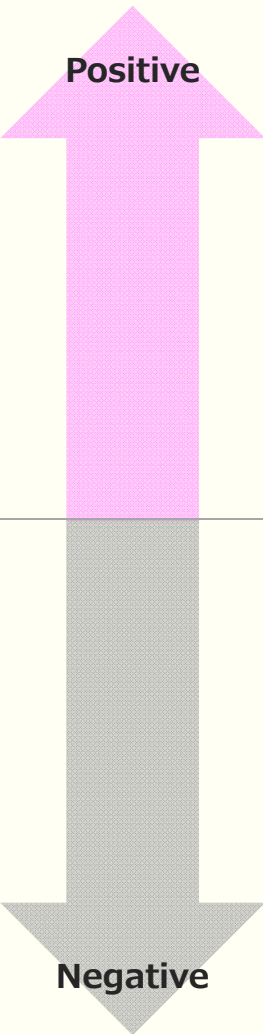
Volume change, product mix, production cost, etc. in North America, etc.
 Fixed cost, etc. in North America, etc.
 Vietnam

(Reference) *Estimates
 Canadian beer
 Total demand : U.S. beer down about 2%
 U.S. beer down about 2%

• North American alcoholic beverages, CPF are strong; Work on issues regarding Vietnam, SSC



SAPPORO



- ✓ Despite stagnation in the market, both Sleeman and Sapporo USA showed growth trend
 (Sales volume at Sleeman **unchanged** y-o-y, Sapporo brand at Sapporo USA **up 7%**)
- ✓ CPF continued to be strong with Side Kicks (sherbet) also contributing
- ✓ Exports to South Korea and Taiwan grew significantly with sales nearly doubling y-o-y
- ✓ While sales declined in Vietnam, we prioritized and pursued structural reform such as review of sales promotion investment and production transfer
 To implement measures for Tet (lunar New Year) selling season
- ✓ Sales of SSC stagnated and its production efficiency worsened amid adverse environment reflecting decline in demand for orange juice in the U.S. and high COGS.
 → To work on issues as it advanced preparation for integration with CPF

* CPF: Country Pure Foods
 SSC: Silver Springs Citrus

*See Appendix in slides 30 and 32.
 Copyright, 2017 SAPPORO HOLDINGS LTD. All rights reserved. 11/43



SAPPORO

• While sales of Japanese mainstay brands increased, overseas risks were exposed

Positive

- ✓ **Lemon-based products led the performance; tea drinks with rare ingredients also maintained strong sales**
(Lemon-based soft drinks sales volume **up 15%** y-o-y, lemon-based food products **up 10%**, tea drinks **up 11%**)
- ✓ **Soups steadily increased sales and their profitability also improved thanks to measures ensuring appropriate selling price in 2016**
(Soups sales volume **up 8%** y-o-y)
- ✓ **Cost improvement of aseptic bottling lines generated **0.5** billion yen**

Negative

- ✓ **Sales of coffee drinks continued to decline y-o-y as canned coffee market shrinks**
- ✓ **Business performance in Singapore continued to be slow**
Export sales slowed due to sugar tax in some countries
Overseas performance is weighing on overall revenue; trying to take quick action

*Total demand data:
Source
- Inryou-souken and Intage SRI Lemon-based products market (Sapporo's definition)
Total for SM CVS formats in the instant soup market:
Jan-Sep 2017 y-o-y comparison of cumulative sales amount

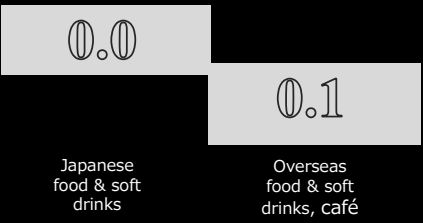
*See Appendix in slides 33 to 37.



Food & Soft Drinks

(billions of yen)

Sales **101.4** YoY change **-0.1**



Operating income **-0.1** YoY change **-0.8**



(Reference)*Estimates

Total demand	Domestic soft drinks	up 1%
	Lemon-based products	up 2%
	Instant soups	up 4%



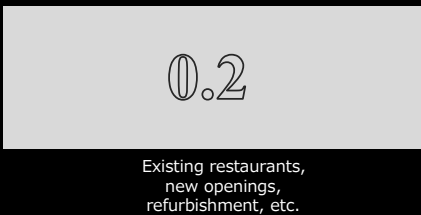
Restaurants

(billions of yen)

Sales **22.1** YoY change **+1.0**



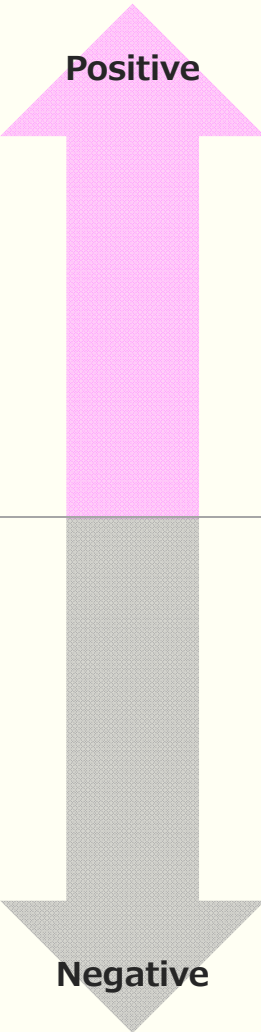
Operating income **0.2** YoY change **-0.2**



• Sales expanded but personnel cost weighed on earnings



SAPPORO



- ✓ Existing store sales of parent Sapporo Lion were strong despite unseasonal weather in summer
(Comparable-store sales **unchanged** y-o-y)
- ✓ Marushinkawamura contributed to sales. **Aburiya format has been strong**
(As consolidation started in June 2016, Jan-May sales were net increase)
- ✓ Yebisu Bar Hiroshima, Shin Yokohama outlets opened in 1Q are thriving, contributing to earnings
→ Contribution to Yebisu brand
- ✓ COGS ratio in control with menu measures despite foodstuff price increase
- ✓ Personnel costs of part-timers have increased
- ✓ Situation in Singapore continues to be difficult



*See Appendix in slide 39.



Real Estate

(billions of yen)

Sales **17.9** YoY change **+1.2**

1.2



Yebisu Garden Place

Ginza Place, etc.

Operating income **8.8** YoY change **+0.7**

0.8



Yebisu Garden Place

Ginza Place, etc.

- **Stable operation of mainstay properties;
Progress in line with plan**



SAPPORO

Positive

- ✓ **Yebisu Garden Place (YGP) maintained stable occupancy rate**
(Jan-Sep office occupancy rate **98%**)
- ✓ **GINZA PLACE contributed to earnings (started operation in September 2016)**
(Jan-Sep occupancy rate **99%**)
- ✓ **Sapporo Factory and other properties in Sapporo also have been strong**

Negative

- ✓ **Nothing to mention in particular**

*See Appendix in slide 40.

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

<Special factors in business results> (YoY)

(- = negligible)

Business segment	Details	Impact on sales	Impact on operating income
Restaurants	Marushinkawamura Inc.: consolidation began in June 2016	Approx. ¥0.8 billion	-
Other	Shinsyu-ichi Miso Co., Ltd.: consolidation began in October 2016	Approx. ¥4.0 billion	-

<Impact of foreign exchange rates>

(- = negligible)

	FY2016 3Q	FY2017 3Q
US \$	¥108.59	¥111.89
EUR	¥121.10	¥124.58
CAN \$	¥82.09	¥85.66
SG\$	¥79.15	¥80.53

	Impact on sales	Impact on operating income
Japanese Alcoholic Beverages	-	-
International	¥1.7 billion	-
Food & Soft Drinks	-	-

Changes in Extraordinary Gains and Losses

Promoted asset efficiency



(billions of yen)	2016 3Q	2017 3Q	Change	Factors contributing changes
Operating income	12.8	10.7	(2.1)	-
Financial account balance	(0.7)	(0.5)	0.2	-
Other non-operating income/expenses	(0.6)	0.0	0.6	-
Ordinary income	11.5	10.2	(1.3)	-
Gains on sales of property, plant and equipment	0.0	0.2	0.2	-
Other extraordinary gains	0.0	0.7	0.7	Sale of shares held in cross-shareholdings
Loss on sale/disposal of property, plant and equipment	(1.2)	(0.7)	0.5	-
Impairment loss	(0.5)	(0.3)	0.2	-
Other extraordinary losses	(0.3)	(0.3)	0.0	-
Profit before income taxes	9.6	9.9	0.3	-
Corporate tax, loss attributable to non-controlling interests	(4.3)	(4.6)	(0.2)	-
Profit attributable to owners of parent	5.2	5.4	0.1	-

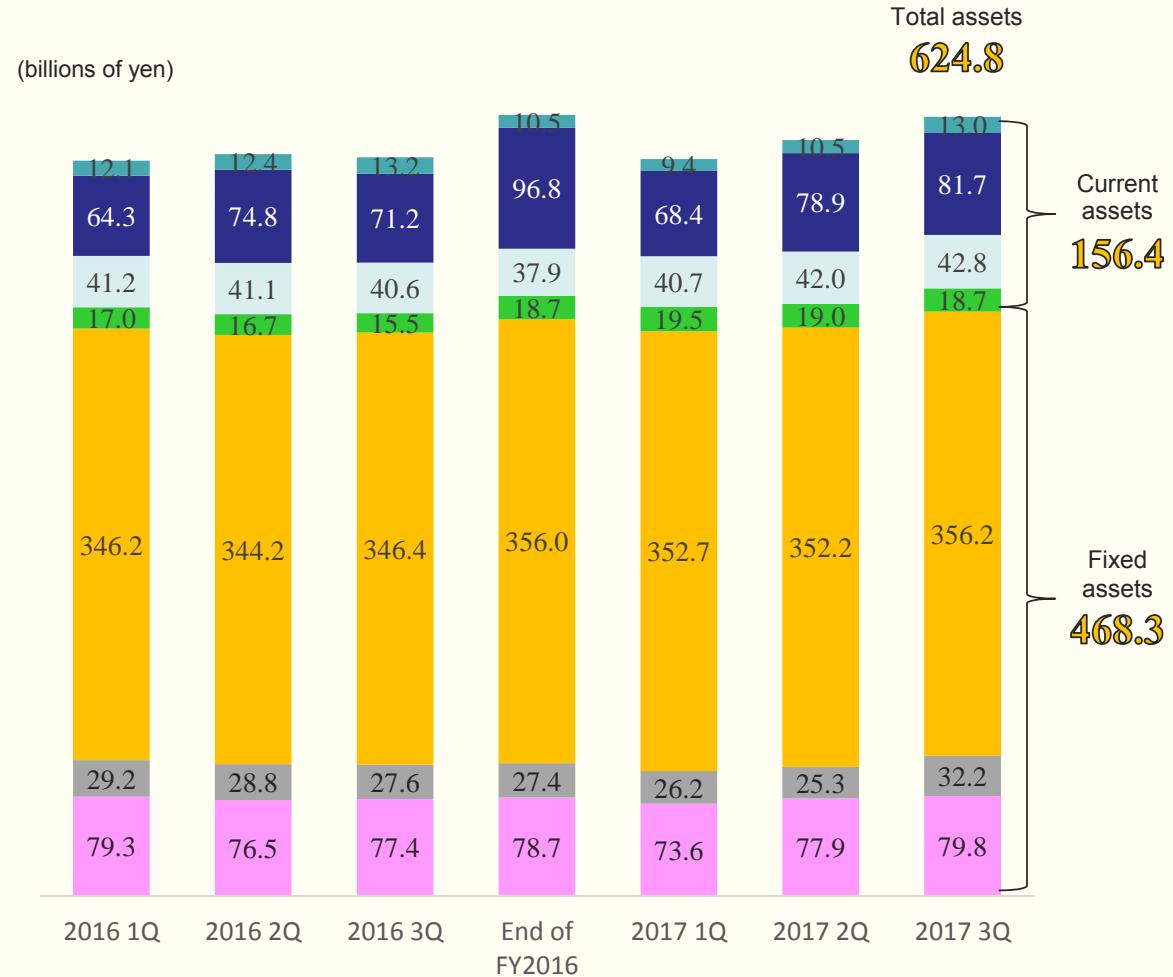


SAPPORO

1.5 billion yen decline y-o-y in total assets

<Comparison with the end of FY2016>

- Cash and cash equivalents
- Trade receivables
- Impact of seasonal factors, etc.
- Inventory
- Current assets, etc.
- Fixed assets
- Goodwill
- Acquisition of Anchor (7.8 billion yen)
- * Its goodwill is tentative amount
- Investments, etc.



Changes in Balance Sheets



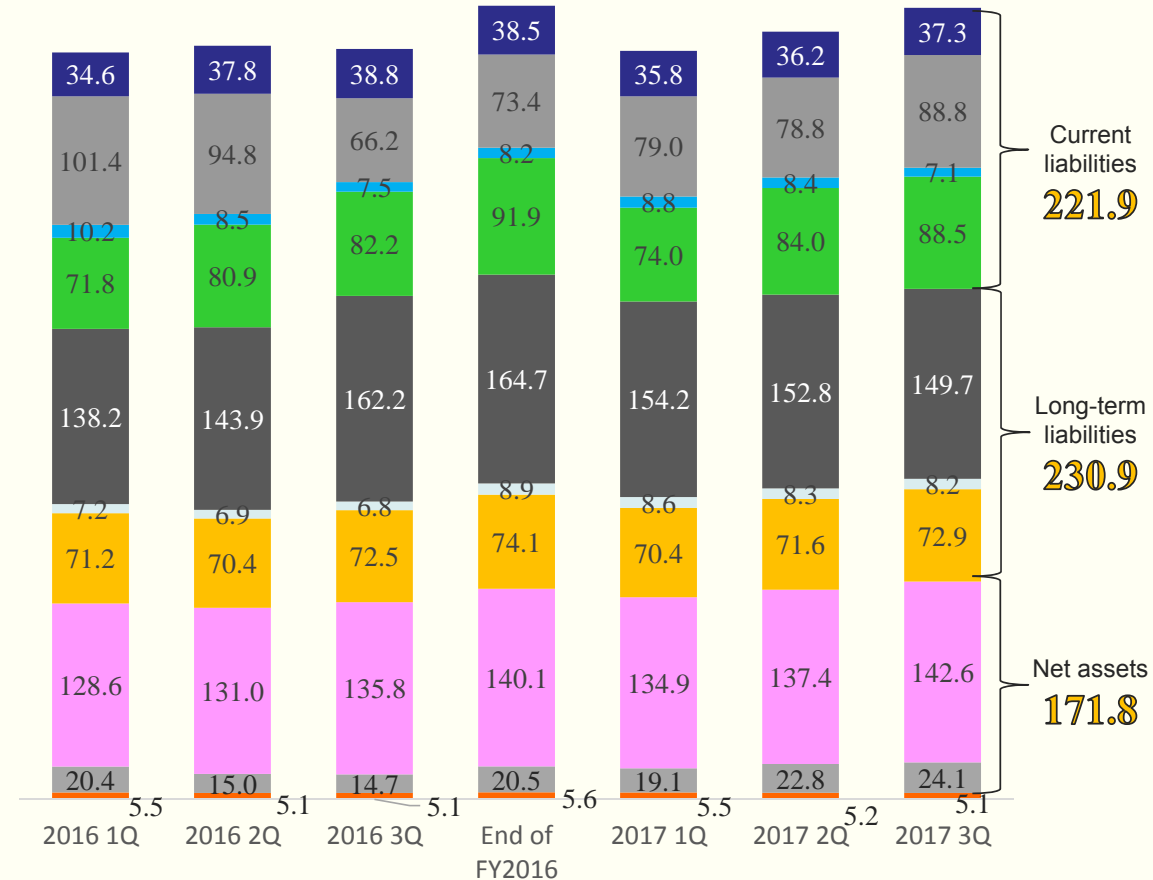
SAPPORO

Total liabilities down by 7.0 billion yen, total net assets down by 5.5 billion yen

<Comparison with the end of FY2016>

- Accounts payable
- Short-term bank liabilities
→ Increase in short-term borrowings
- Deposits received
- Current liabilities, etc.
- Long-term bank liabilities
→ Decrease in long-term borrowings
- Net defined benefit liability
- Long-term liabilities, etc.
- Shareholders' equity
- Accumulated other comprehensive income
- Non-controlling interests

(billions of yen)



Total liabilities,
total net assets
624.8

Current liabilities
221.9

Long-term liabilities
230.9

Net assets
171.8

Changes in Balance Sheets

(billions of yen)

Balance of net debt **225.4**

(comparison with end of FY2016) **-2.0**

(comparison with 2016 3Q) **+10.2**

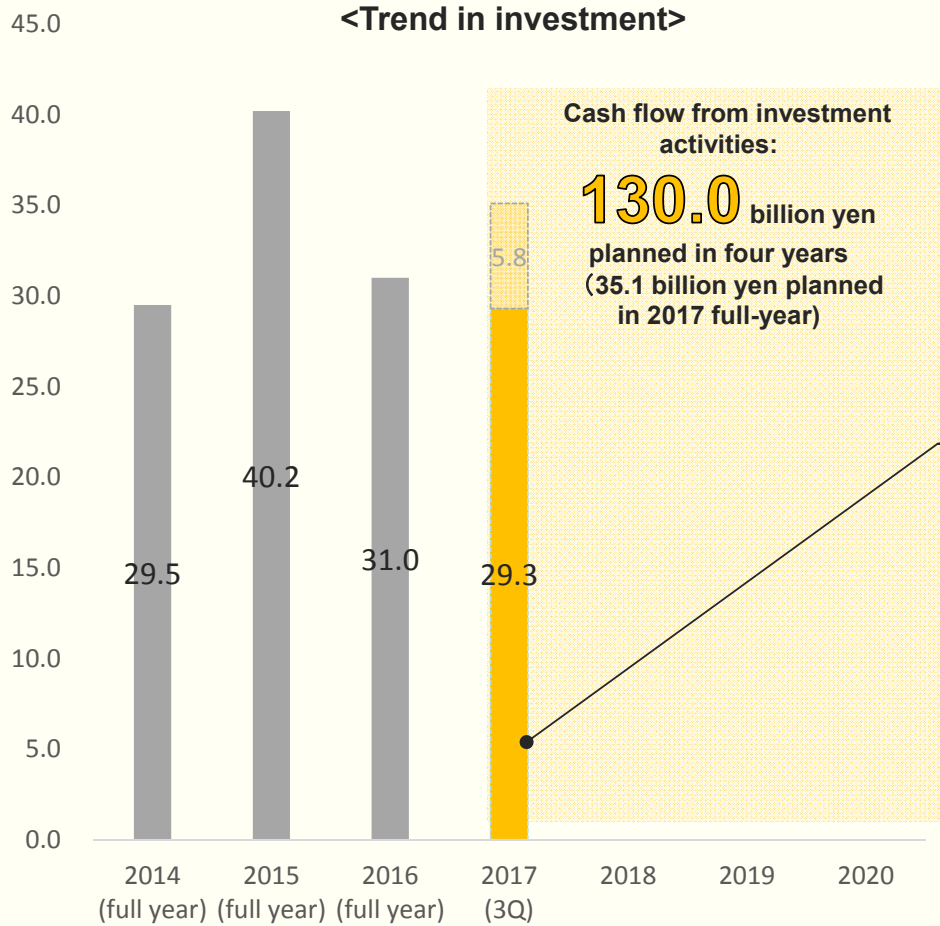
D/E ratio **1.3 times**

*Net



Cash basis investment totaled 29.3 billion yen

(billions of yen)



①<Capital expenditure> about ¥11.5 billion in consolidated total
(tangibles, intangibles)

<Major items>

- “Alcoholic Beverages,” “Food” and “Soft Drinks” –related: about ¥7.2 billion

- (Nasu Brewery one-way bottle-related work, etc.)

- Real Estate-related: about ¥2.3 billion

- (Boosting value of YGP, etc.)

- SGM Group infrastructure streamlining, etc.: about ¥1.5 billion

- *SGM: Sapporo Group Management Ltd.

②<Lease fees> about ¥2.2 billion in consolidated total

③<Other investment> about ¥15.4 billion in consolidated total

(Long-term prepaid expense, subsidiaries’ shares, investment securities, etc.)

<Major items>

- Long-term prepaid expense (Japanese Alcoholic Beverages/Food & Soft Drinks) about ¥2.7 billion

- Acquisition of Anchor: about ¥11.5 billion

①+②+③ <FY2017 3Q investment total>

(cash basis, including current capital expenditure and lease fees)

about ¥29.3 billion

Promote initiatives for transformation of the Group management platform



R&D

- Established Delicious Taste Technology Research Center in first quarter
- Pursue measures for creating values in food
- Started health survey research related to lemon in Osakikamijima-cho in Hiroshima Prefecture



Personnel, human resources

- Started trial run of new system for work style improvement
- Promoted hiring and nurturing of diverse human resources including global human resources
- Drafting of the Health Creation Declaration

Finance

- Concrete measures for reviewing the strategic cross-shareholding formulated in the first quarter
- Started implementation according to the contents of the drawn up measures from the second quarter
- Started selling part of the cross-shareholding in 3Q (proceedings from the sale: ¥0.7 billion was recorded)

Others

- Promote utilization of AI (artificial intelligence) technology
 - *Utilization in handling of internal inquiries
 - *Utilization in grape cultivation at own winery
 - *Utilization in document-based selection in new graduate hiring process

Personnel,
human
resources

Sapporo Group Health Creation Declaration

-Strengthening initiatives to maintain and enhance the health of all group employees-



[Sapporo Group Health Creation Declaration]

1. People are the bearers of a business

You can take on challenges in a new field and cross the finishing line with a cheerful and positive attitude only because you are healthy both physically and mentally. The business grows because its employees are healthy and this in turn leads to the company's growth.

2. Sapporo Group's business and health are directly related

The business of "Alcoholic Beverages," "Food" and "Soft Drinks" contributes to customers' physical and mental health and happiness.

We believe that employees, who create and offer the products, being physically and mentally healthy is a proof that our products and services can offer happiness to our customers.

3. Being an attractive place of work leads to sustainability as a company

Employees spend lots of time at the workplace. A workplace that works proactively to enhance and maintain employees' health will be attractive to existing and future employees and this leads to sustainability as a company.

We hereby make the Health Creation Declaration based on the conviction that the physical and mental health of the Group's human resources leads to creation of happiness for our employees, their family and the company.

[Key initiatives]

- ✓ Allocate public health nurses to each area to enhance healthcare structure
- ✓ Further enhance measures to promote and support employees taking medical checkup so as to achieve 100% rate in employees aged 40 years and above taking medical checkup for lifestyle-related diseases and those who were identified as requiring emergency treatment in regular health checkups are seeing doctors
- ✓ Introduce healthcare app for employees, promote health enhancement events utilizing group products such as Pokka Lemon 100
- ✓ Utilize various health-related data

Appendix

Major sales & sales volume



SAPPORO

Beer (Japan)

(10,000 cases)

	Jan. 1 - Sep.30, 2016	Jan. 1 - Sep.30, 2017	YoY	Fiscal 2016 Actual	Full-year estimate for fiscal 2017	YoY
Sapporo Draft Beer Black Label	-	-	103%	1,663	1,680	101%
YEBISU (total)	-	-	101%	972	1,070	110%
1 Beer (total)	-	-	102%	3,048	3,140	103%
2 Happoshu (total)	-	-	79%	411	360	88%
3 New genre beer products (total)	-	-	95%	1,495	1,560	104%
Beer, happoshu, and new genre (total 1+2+3)	-	-	98%	4,955	5,060	102%
Non-alcoholic beer taste beverage	62	54	88%	83	86	104%

Effective from July, 2014, the company has changed the reporting method of its sales volume of beer-type beverages, following the agreement of the Brewers Association of Japan, and therefore no disclosure of the sales volume is made for third quarter of the current fiscal year ending December 31, 2017.

The sales volume for the first half and end of the fiscal year shall be disclosed as in the past.

(billions of yen)

	Jan. 1 - Sep.30, 2016	Jan. 1 - Sep.30, 2017	YoY	Fiscal 2016 Actual	Full-year estimate for fiscal 2017	YoY
Domestic wines	3.5	3.5	101%	5.0	5.0	101%
Imported wines	5.4	54.0	101%	8.5	9.2	109%
Wine (total)	8.9	9.0	101%	13.5	14.3	106%
RTD, Spirits and Shochu (total)	20.0	22.6	113%	27.8	29.4	106%

Beer (International)

(10,000 cases)

	Jan. 1 - Sep.30, 2016	Jan. 1 - Sep.30, 2017	YoY	Fiscal 2016 Actual	Full-year estimate for fiscal 2017	YoY
SLEEMAN BREWERIES LTD. (*1)	963	965	100%	1,291	1,300	101%
Sapporo brand	417	462	111%	580	630	109%

*1 : 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 - Sep.30, 2016	Jan. 1 - Sep.30, 2017	YoY	Fiscal 2016 Actual	Full-year estimate for fiscal 2017	YoY
Soft Drinks(*2)	3,463	3,393	98%	4,688	4,700	100%

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

Sales (including liquor tax)

(billions of yen)

	Nine Months ended September 30, 2016	Nine Months ended September 30, 2017	Change	Change (%)
Beer	117.8	121.0	3.2	2.7%
Happoshu	12.0	9.4	(2.5)	(21.3)%
New genre	36.8	34.8	(2.0)	(5.4)%
Total	166.7	165.4	(1.3)	(0.8)%

Sales (excluding liquor tax)

(billions of yen)

	Nine Months ended September 30, 2016	Nine Months ended September 30, 2017	Change	Change (%)
Beer	57.8	59.9	2.1	3.7%
Happoshu	6.6	5.2	(1.4)	(21.3)%
New genre	25.5	24.4	(1.1)	(4.5)%
Total	90.1	89.6	(0.4)	(0.5)%

Appendix

【Beer】 (sales volume)

Jan-Sep **up 2%** y-o-y (total demand down 2%)

- ✓ **Black Label Brand total up 3%** y-o-y
(Sales of the canned version : **up 14%** y-o-y)
- ✓ **Yebisu Brand total up 1%** y-o-y

【Happoshu+new genre】 (sales volume)

- ✓ **Jan- Sep down 8%**
(total demand down 2%)
- ✓ **Mugi to Hop Brand total down 6%** y-o-y
- ✓ **Goku Zero Brand total down 26%** y-o-y

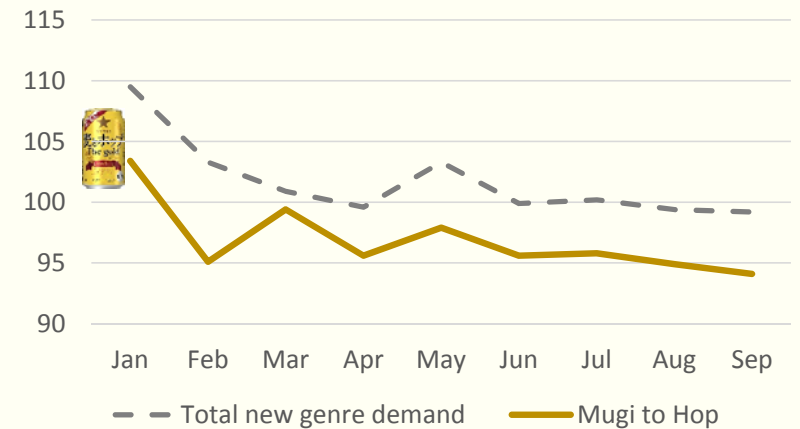
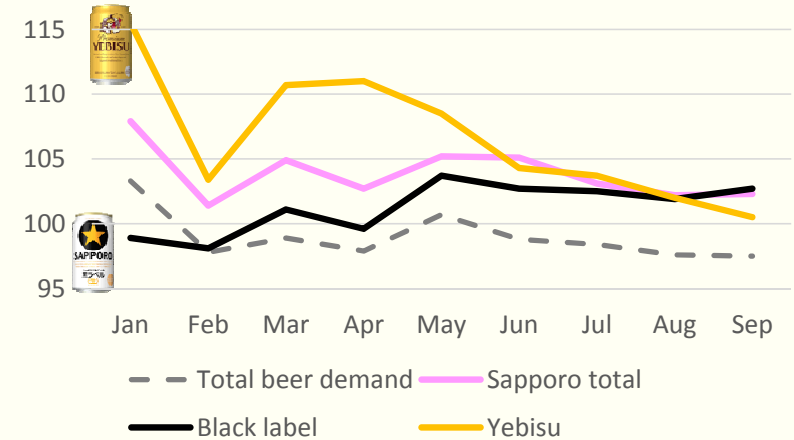
【Wine , Spirits and other】 (sales value)

- ✓ **Wine : up 1%** y-o-y
- ✓ **RTD : up 41%** y-o-y
- ✓ **Spirits : up 12%** y-o-y
- ✓ **Japanese liquor : up 4%** y-o-y

Appendix
Japanese Alcoholic
Beverages



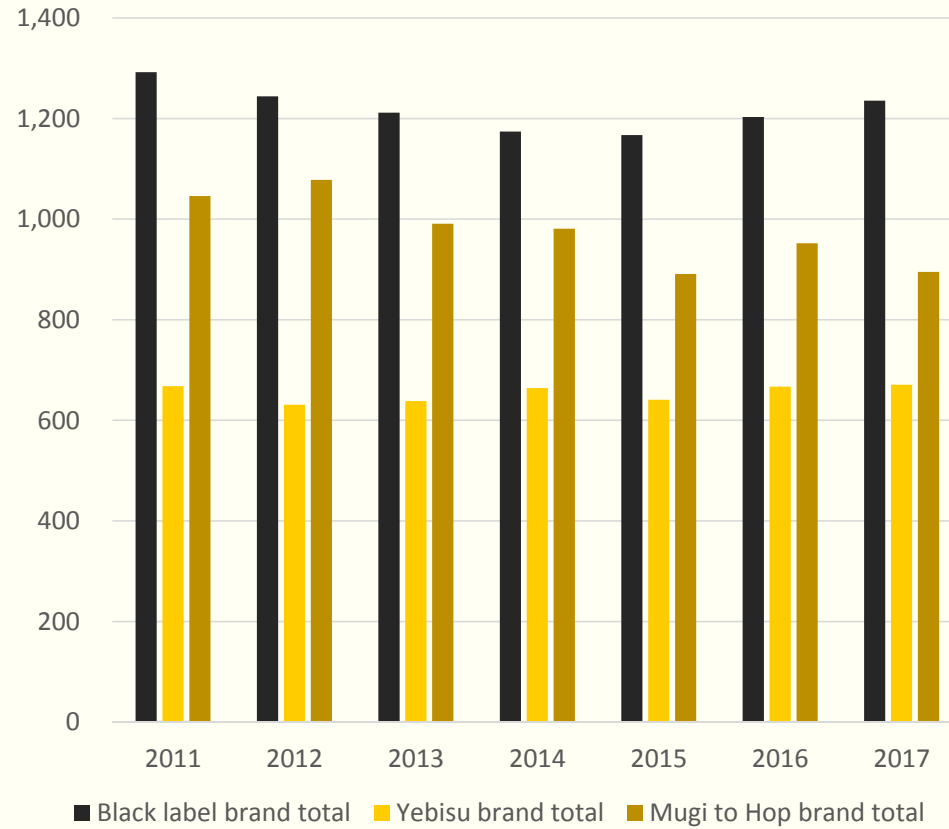
<Y-o-y change in sales volume of 3 core brands>



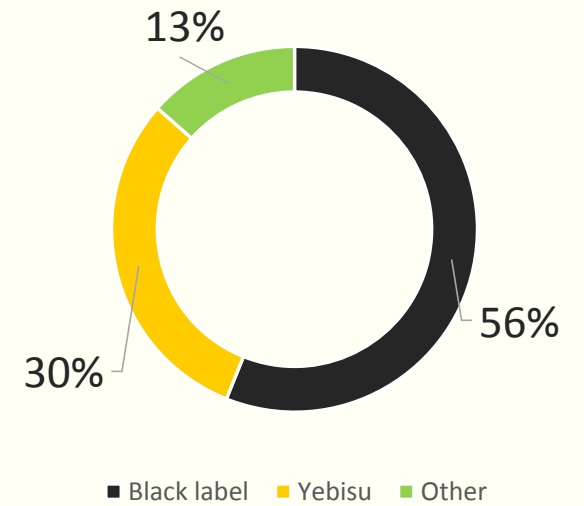
Appendix Japanese Alcoholic Beverages



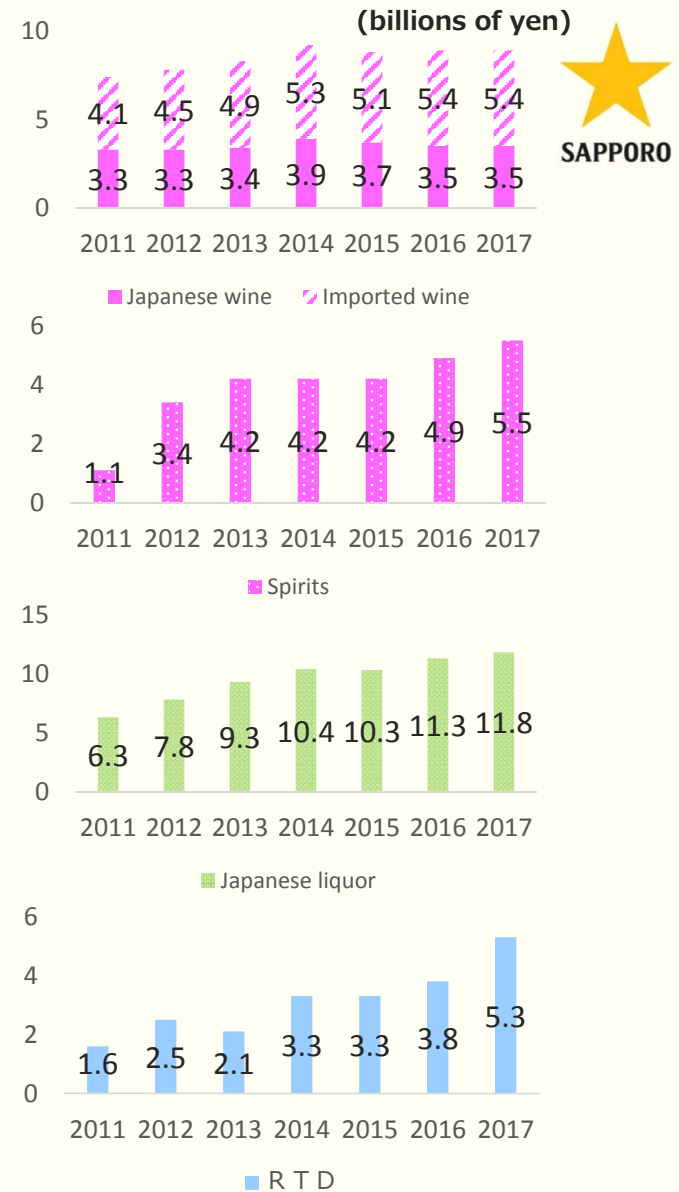
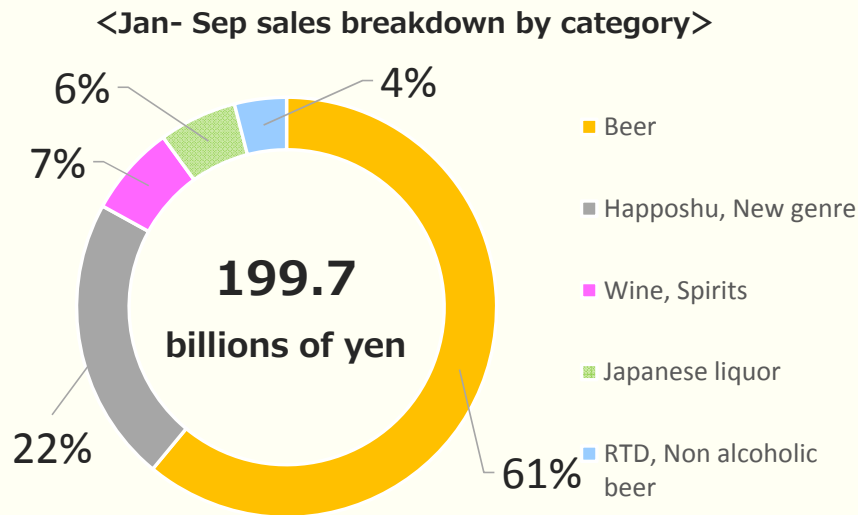
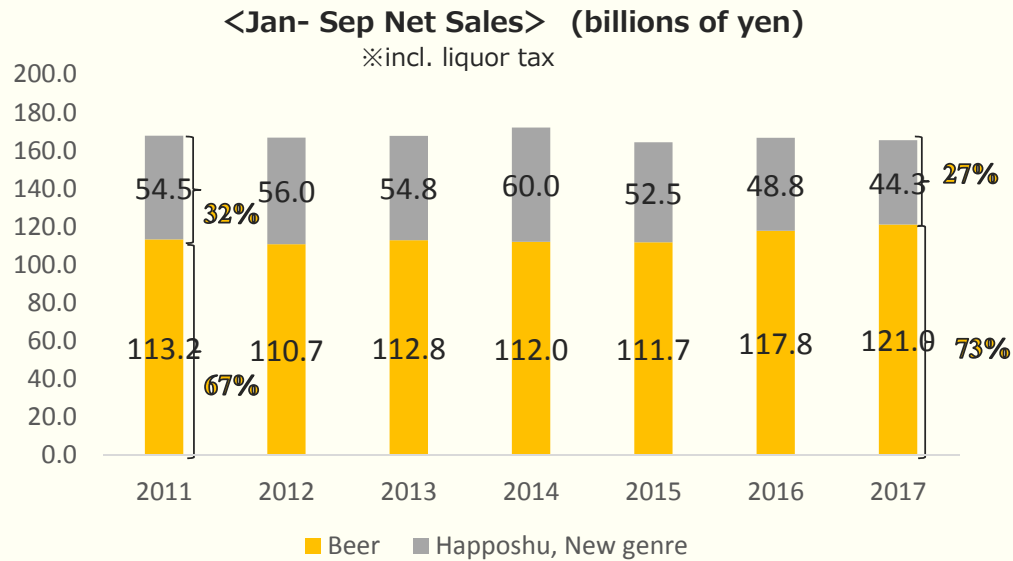
(10,000 cases) <3 core brand Jan- Sep Sales volume change>



<Beer lineup (Jan - Sep breakdown)>



Appendix Japanese Alcoholic Beverages



<Jul- Sep Major new products>



YEBISU Meister Improved



Kohaku YEBISU



YEBISU #127 (Special edition)



YEBISU Special edition



Black label Special edition



Black label Special edition



YEBISU Hanamiyabi Special edition



Mugu to Hop brand (Limited amount)



Mugu to Hop Special edition

Appendix
Japanese Alcoholic
Beverages

Appendix



<Jul- Sep Major new products>



Grande Polaire Wins Award

- ✓ Grande Polaire Nagano Furusato Vineyard, Kifu 2011 and Grande Polaire Yamanashi Koshu Barrel Fermentation, 2016 both won **Gold and top honors in their respective categories** at the Japan Wine Competition 2017

http://www.sapporobeer.jp/news_release/0000021689/index.html

【受賞ワイン一覧】

ワイン名	受賞 カテゴリー	容量	受賞内 容	受賞 部門	出荷 時期	参考小売 価格 (税抜)
グランボレール 長野古里ぶどう園貴腐	2011	750	金賞 (部門 最高賞)	極甘口	出荷中	30,000
グランボレール 山梨甲州樽発酵	2016	750	金賞 (部門 最高賞)	甲州	月内切 替予定	2,300
グランボレール エスプリ・ド・ヴァン・ ジャポネ 泉-SEN-	2016	720	銀賞 (部門最 高賞・コス トパフォー ーマンス 賞)	欧州・国内改 良品種等ブ レンド・白	出荷中	1,300
グランボレール 安曇野池田ヴィンヤード メリタージュ	2014	750	銅賞	欧州系品 種・赤	9月5日発 売	6,000
グランボレール 安曇野池田ヴィンヤード シラー	2014	750	銅賞	欧州系品 種・赤	9月5日発 売	5,000
グランボレール 岡山マスカットベリー A パレルセレクト	2015	750	銅賞	国内改良等 品種・赤	9月26日 発売	2,300
グランボレール 山梨勝沼自園シャルドネ 樽発酵	2016	750	銅賞	欧州系品 種・白	-	1,800
グランボレール 北海道ミュラートウルガ ウ	2016	750	銅賞	欧州系品 種・白	出荷中	1,500



Appendix



Appendix International



【SLEEMAN】

- ✓ Jan-Sep unchanged y-o-y *sales volume (total demand down 2%)

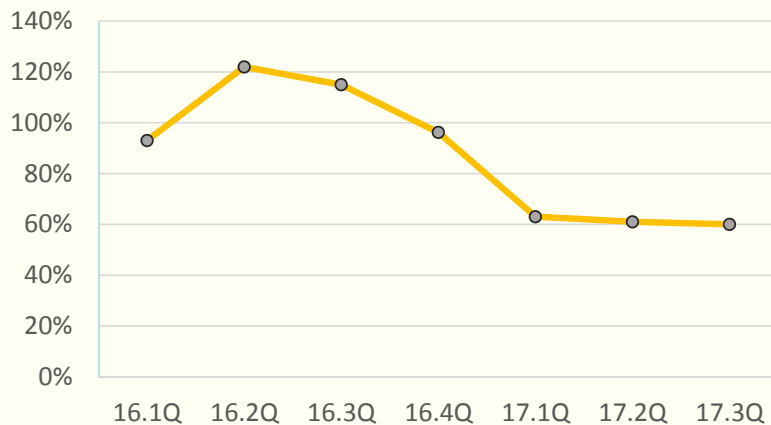
【Sapporo U.S.A.】

- ✓ Jan- Sep up 7% y-o-y *sales volume (total demand down 2%)

【Vietnam】

- ✓ Jan- Sep down 40% y-o-y *sales volume

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



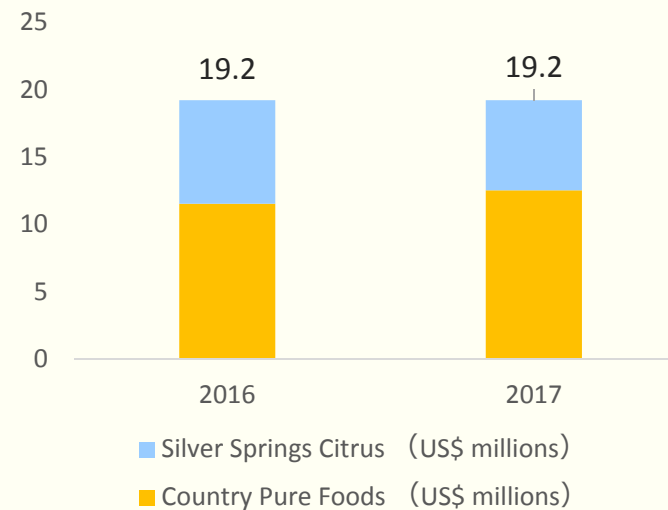
【U.S. soft drinks business】



- ✓ Jan- Sep up 1% y-o-y *sales revenue

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

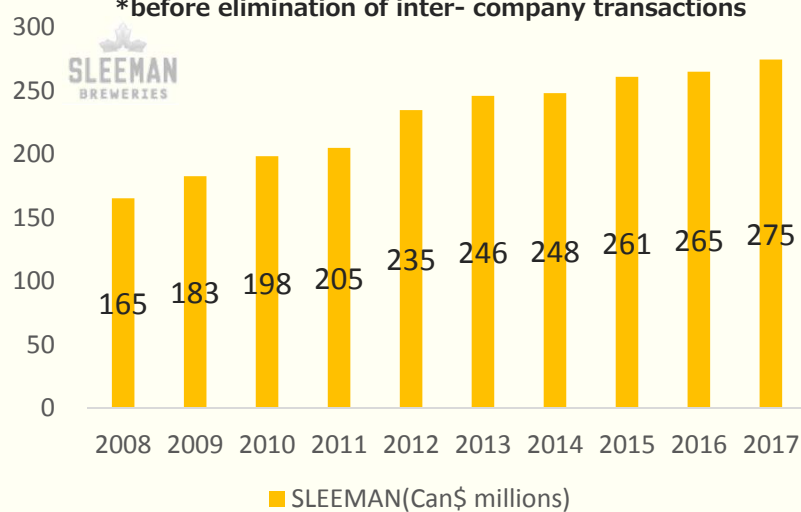
* before elimination of inter- company transactions



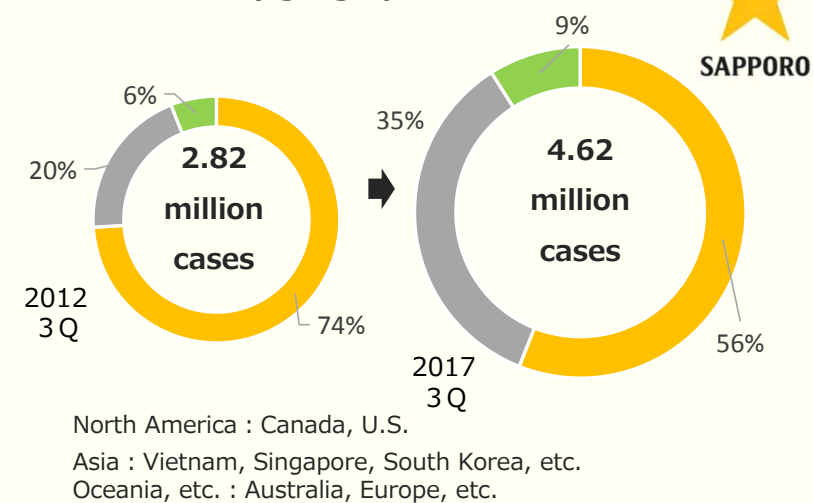
Appendix International



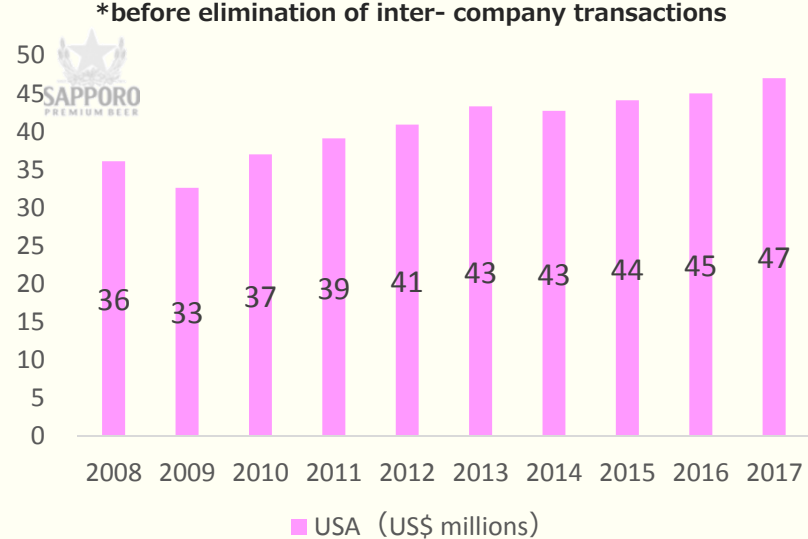
<SLEEMAN : Net Sales in Local Currency (Jan-Sep)> *before elimination of inter- company transactions



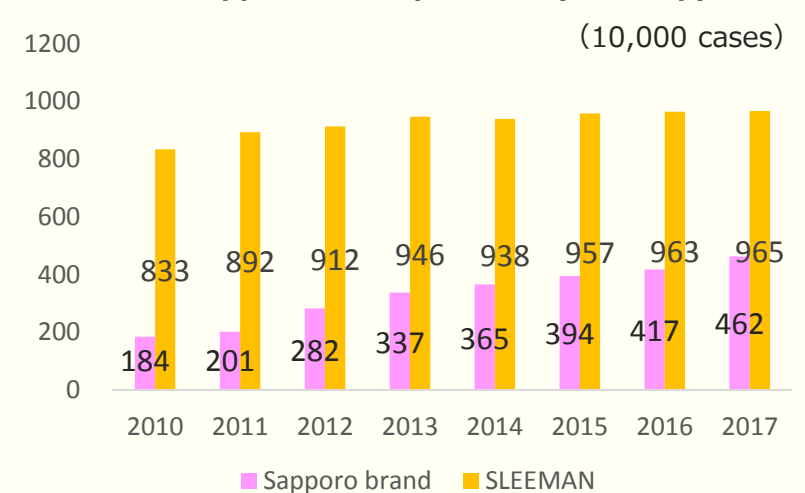
Sapporo brand sales volume breakdown by geographic area



<Sapporo U.S.A. : Net Sales in Local Currency (Jan- Sep)> *before elimination of inter- company transactions



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



Yebisu Beer launched in South Korea



- ✓ Launched Yebisu Beer in South Korea on September 7 (Thursday)
- ✓ Imported beer market is growing in South Korea and Japanese beer is growing popular
- ✓ The volume of our sales to South Korea has more than doubled compared with 2013
- ✓ Introduced Yebisu Beer with the aim of creating a super premium beer market
- ✓ We will promote sales in cooperation with M's Beverage*, a local agent

*A liquor distribution company that handles Sapporo products in South Korea established in June 2011 with Maeil Dairies Co., Ltd., a major Korean dairy manufacturer in business alliance with Sapporo

Appendix



[Profile]

- Product name: Yebisu Beer
- Package: (new launch) 350ml and 500ml cans (full-scale launch) 10L and 20L kegs
- Sales plan: 30,000 cases in 2017; 100,000 cases in 2018 (large bottle count)
- Manufacturing plant: Kyushu Hita plant

http://www.sapporoholdings.jp/news_release/0000020400/pdf/20170907YebisuBeerKorea.pdf

【Lemon-based drinks】

✓ Jan-Sep **up 15%** y-o-y



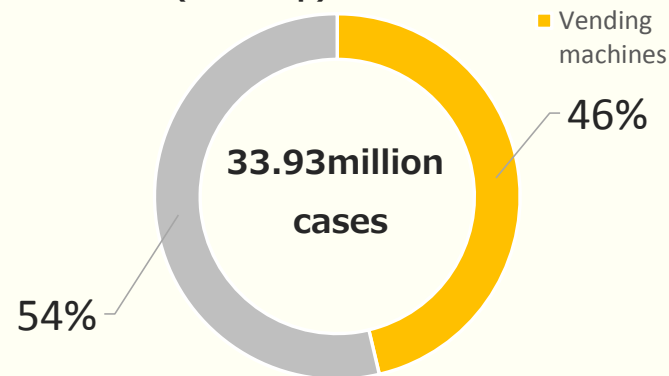
【Unsweetened tea drinks】

✓ Jan- Sep **up 11%** y-o-y

【Coffee drinks】

✓ Jan- Sep **down 10%** y-o-y

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



※Vending machines (end of Sep.)
own brand machines : about 86,000
+ Multi-brand machines

【Lemon-based food products】

✓ Jan- Sep **up 10%** y-o-y



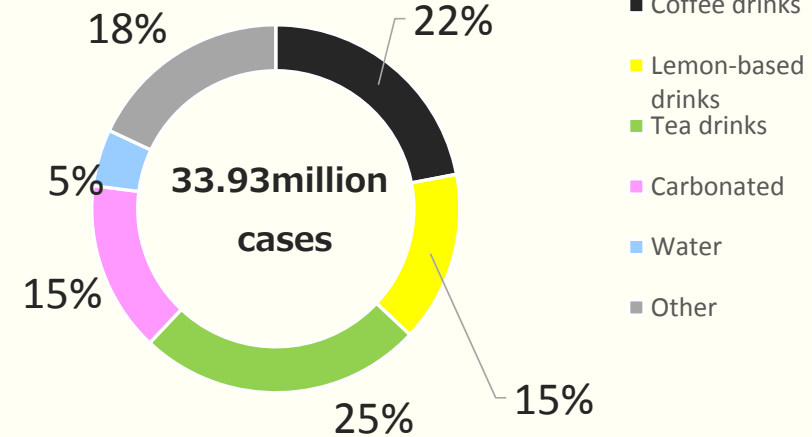
【Soups】

✓ Jan- Sep **up 8%** y-o-y

【Soy milk, chilled products】

✓ Jan -Sep Net Sales approx. **¥1.6**billion

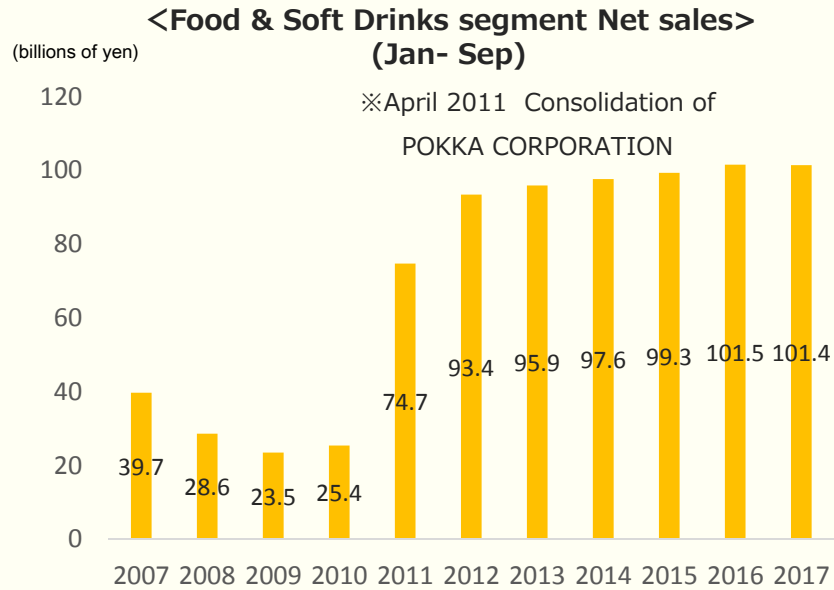
<Japanese soft drinks
Sales composition by genre
(Jan- Sep)>



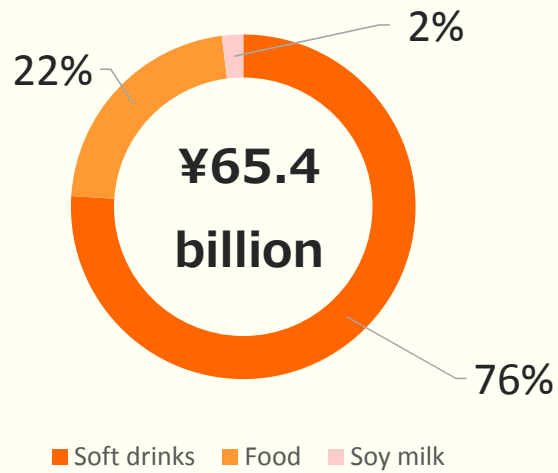
Appendix Food & Soft Drinks



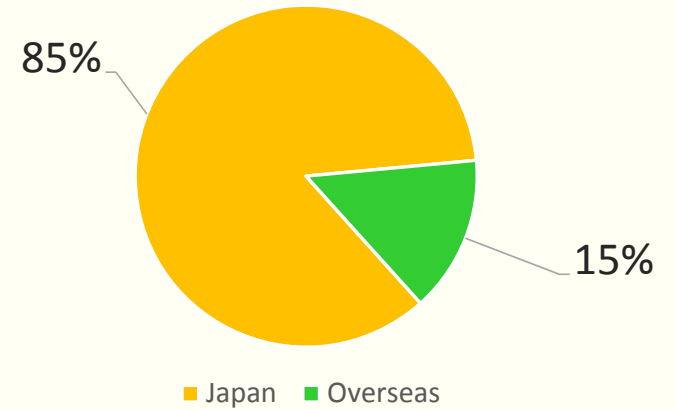
Appendix Food & Soft Drinks



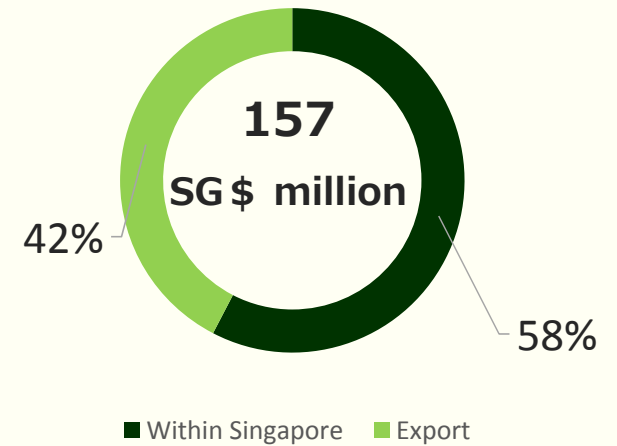
<Japanese soft drinks POKKA SAPPORO Food & Beverage Sales composition (Jan- Sep)>



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

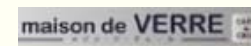


<Overseas soft drinks POKKA Corporation (Singapore) Sales composition (Jan- Sep)>

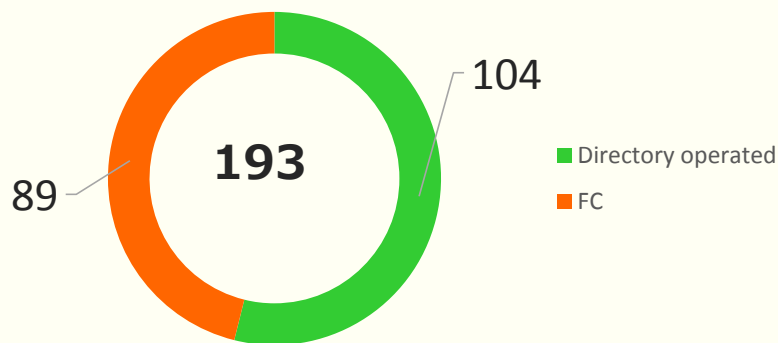
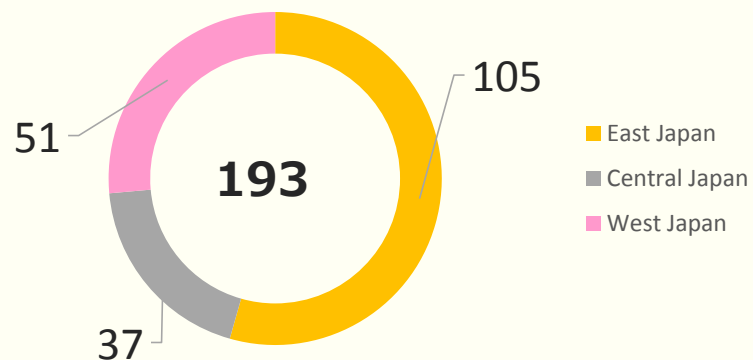


[Pokka Create CO., Ltd.]

✓ Jan- Sep Net sales **¥6.4** billion
up 5% y-o-y



<Number of outlets as of September 30, 2017 : 193>



<New & refurbish outlets >

<p>2017.9.15 メノン・ド・ヴェール ミウイ橋本 グランドオープン</p>	<p>2017.9.4 CAFÉ de CRIÉ 京王アレイソイ池袋 リニューアルオープン</p>	<p>2017.8.26 CAFÉ de CRIÉ PLUS 上大岡ミオカ リニューアルオープン</p>
<p>2017.8.21 CAFÉ de CRIÉ 品川グランドビル跡地 リニューアルオープン</p>	<p>2017.8.18 メノン・ド・ヴェール セシオ八王子 グランドオープン</p>	<p>2017.8.1 CAFÉ de CRIÉ 社外福山市民病院 グランドオープン</p>

おトクで便利なリチャージプリペイドカード
カフェ・ド・クリエカード
 さらに便利で使いやすい
 チャージ＆決済OK!
 5%OFF

Appendix Food & Soft Drinks



<Jul-Sep Major New products > **Soft drinks**



Unsweetened tea drink series



Kireto Lemon Moisture Improved



Soy milk series



Gabunomi series

参考資料

Appendix



<Jul-Sep Major New products > Foods



Jikkurikotokoto Soup series



参考資料

Appendix



Launch of miso leveraging group synergy



- ✓ Shinsyu-ichi Miso Co., Ltd. launched miso containing lactic acid bacterium (September 1)
- ✓ Blended plant-based lactic acid bacterium SBL88, found after years of research by Sapporo Breweries

Appendix



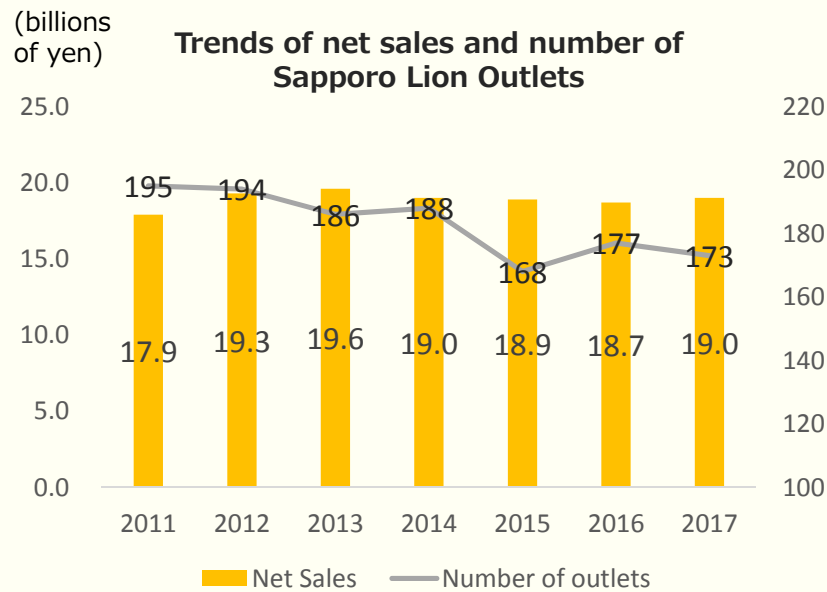
SBL88

大麦から見出されたハッピーパワー乳酸菌

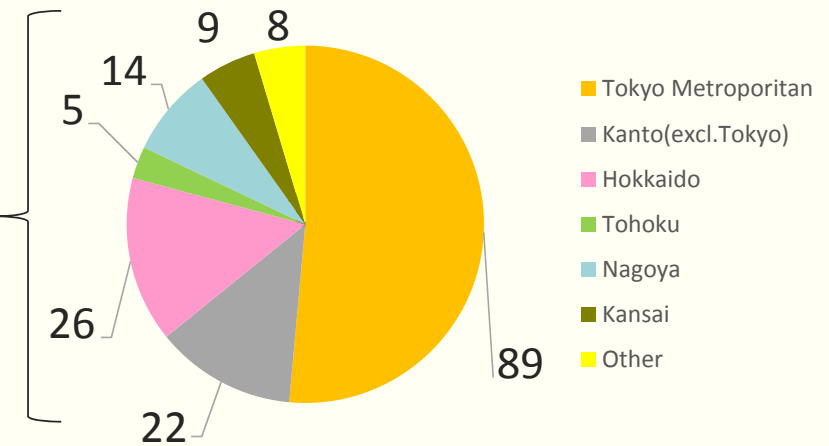
SBL88[®] 乳酸菌



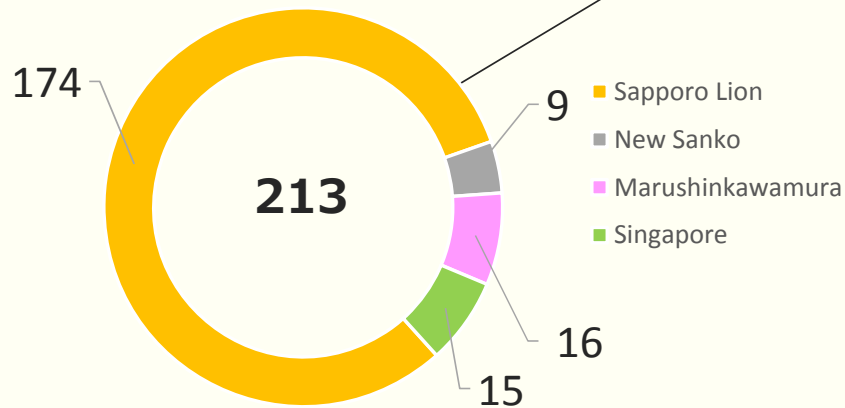
Appendix Restaurants



<Sapporo Lion outlets > As of Sep 30, 2017



<Restaurants segment total number of outlets>



<Brands>



Appendix Real Estate



<Major rental properties & occupancy rates : (Averages for 2017 3Q)>

	Site area (m ²)	Floor area (m ²)	Occupancy rate (%)	No. of floors
Yebisu Garden Place ⁽¹⁾	56,943	298,007	98	40 floors above ground, 5 below
Ebisu First Square	2,596	16,012	100	12 floors above ground, 1 below
Ebisu Square	1,561	8,644	100	7 floors above ground, 1 below
Ginza Place	645	7,350	99	11 floors above ground, 2 below
Strata Ginza ⁽²⁾	1,117	11,411	100	13 floors above ground, 1 below

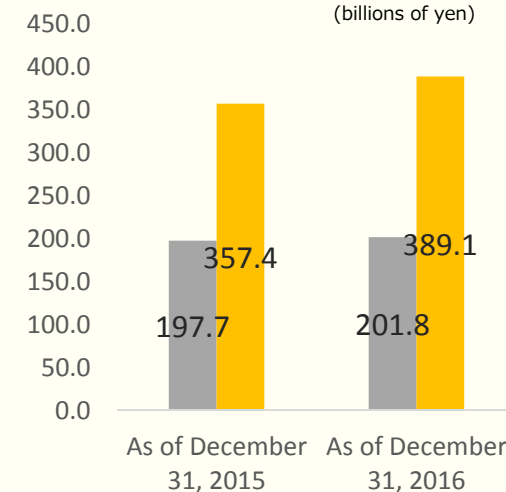
*1: The number of floors is for the office block only. Occupancy rates are for office areas only.
*2: Figures are for entire property. Sapporo owns 922m² of the site (sectional ownership) and 89.72% of the building (joint management)

(billions of yen)

<Operating income>	2016 3Q	2017 3Q	Change
Yebisu Garden Place, etc.	6.1	6.1	0.0
Hokkaido	0.8	1.1	0.2
Other area & other operations	1.5	2.3	0.7
General corporate	(0.5)	(0.7)	(0.2)
Total	8.0	8.8	0.7

<Information about Real Estate for lease>

(billions of yen)



■ Balance sheet value ■ Fair value

<EBITDA>

(billions of yen)

	2016 3Q	2017 3Q	Change
Yebisu Garden Place, etc.	8.3	8.3	0.0
Hokkaido	1.2	1.4	0.2
Other area & other operations	2.0	3.0	1.0
General corporate	(0.5)	(0.7)	(0.2)
Total	11.1	12.1	1.0

EBITDA= Operating income + depreciation and amortization)



SAPPORO



SAPPORO

Various Initiatives by the Sapporo Group

- ✓ Nagoya City Bureau of Tourism, Culture & Exchange, Sapporo Breweries Ltd. and Sapporo Holdings Limited sign a partnership agreement for promoting Reims, France (photo)

-To implement collaborative projects including community-linked cooperation starting at Shibuya, next-generation human resources development and new value creation

http://www.sapporoholdings.jp/news_release/0000020381/pdf/20170704nagoya.pdf



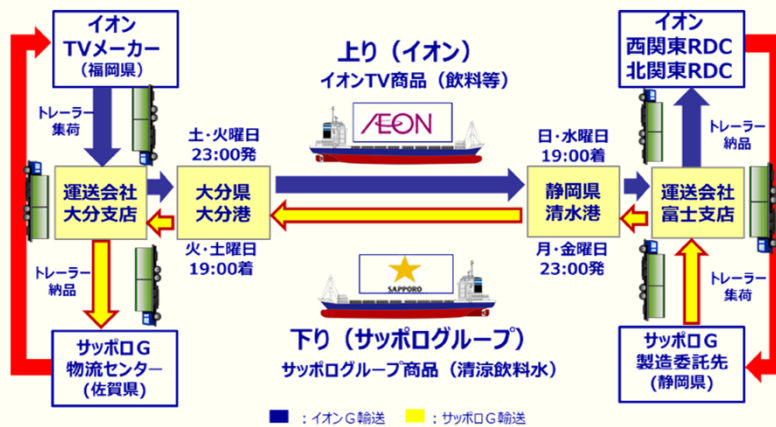
- ✓ Tokyo University of Agriculture and Sapporo Holdings Limited sign a comprehensive partnership agreement

http://www.sapporoholdings.jp/news_release/0000020393/pdf/20170803toukyounoudai.pdf



- ✓ Aeon Global SCM and Sapporo Group start joint operation utilizing RORO (roll-on/roll-off) ship (cargo ship)

http://www.sapporoholdings.jp/news_release/0000020389/pdf/20170721AEONSAPPOROHP.pdf



Appendix

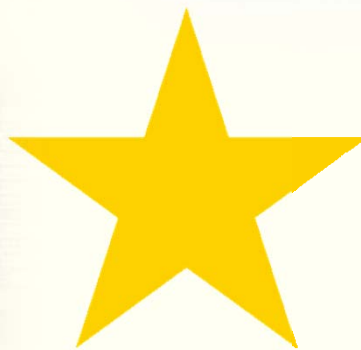
Various Initiatives by the Sapporo Group



- ✓ The 9th Yebisu Beer Festival
-Theme: The beer festival in the city for adults-
http://www.sapporoholdings.jp/news_release/0000020387/pdf/2017matsuri.pdf
- ✓ Spending part of sales at Yebisu Beer Festival for kids' baseball teams in Kesennuma City
Donated 250 sets of batting center tickets for the members of the kids' baseball team in Kesennuma City, who are facing difficulties in finding places to practice due to the impact of Great East Japan Earthquake.
- ✓ Donated total of ¥3 million to support the victims of the heavy rains in Kyushu region: ¥2 million to Hita City, Oita Prefecture, and ¥1 million to Asakura City, Fukuoka Prefecture
http://www.sapporoholdings.jp/news_release/0000020386/index.html
- ✓ Delivered relief supplies to Hita City, Oita Prefecture, which suffered damage due to the heavy rain
http://www.sapporoholdings.jp/news_release/0000020383/index.html



Sapporo Group will continue to work on the three key themes of disaster restoration assistance -- promotion of local produce consumption, information dissemination and nurturing of the next generation.



SAPPORO

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.

