



SAPPORO

Sapporo Group Business Results Presentation for the Six Months Ended June 30, 2020

August 7th 2020

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

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Management Plan

Full-Year Earnings Forecast 2020 and Response to the Novel Coronavirus Outbreak

▶ Revision of consolidated earnings forecast 2020 (refer to page 7)

< Earnings forecast > (billion of yen)

	2020 Revised Plan	2019	YoY changes (amount)	2020 First Plan	Revised Amount
Revenue	444.5	491.9	(47.4)	504.4	(59.9)
Core Operating Profit	1.0	11.7	(10.7)	14.0	(13.0)
Profit attributable to owners of parent	(6.5)	4.4	(10.9)	5.0	(11.5)

▶ Response to the novel coronavirus outbreak <https://www.sapporoholdings.jp/announce/dit/?id=8643>

Continue production and logistics operations at our business bases inside and outside Japan so as to fulfill our responsibility as a company that engages in production of alcoholic beverages, food, and soft drinks, and is involved in the restaurants business.

The Real Estate business is working to **maintain the safety and security** of the facilities we own.

Shift to a framework based on **new work rules** formulated in accordance with government guidelines and the realities of the “new normal”, such as limiting the number of employees commuting to in-house workplaces to prevent the spread of infection among employees and to reduce risks.

Coordinate and cooperate with local communities through offering high-concentration ethanol products, food, and drinking water, as well as donation activities

● No change in Medium-term management plan 2024(Basic Policy, Financial goals, Financial policy)

• Basic Policy

- Focus on core business and build resilience
- Accelerate global expansion
- Establish simple and compact business structure
- Promote sustainability management



大地と、ともに、原点から、笑顔づくりを。



• Financial goals
Achieve ¥30 billion core operating profit in 2024

<Key indicators>

Revenue growth rate	2% or more (annual average)
Core operating profit to revenue ratio	5% or more
Overseas revenue growth rate	1.6 times (compared to 2019)

• Financial policy

Place emphasis on profitability versus invested capital, while maintaining current financial composition and stability
Pursue continuation of stable dividend payment as the policy for shareholder returns

<Key indicators>

EBITDA interest-bearing debt ratio	* 2019 results 5.9 times
Net D/E ratio	1.2 times

Medium-term Management Plan: Group Management Plan 2024

- Clarify “initiatives for businesses whose earnings will significantly decline”, “initiatives for further accelerating growth”, and “direction for new initiatives”, and work on them with increased speed

-Initiatives for businesses whose earnings will significantly decline

POKKA SAPPORO Food & Beverages	Boldly implement structural reform and restore profitability in 2021 - Promote structural reform of overall supply chains in the vending machine business and other businesses
Sapporo Lion	Boldly implement measures to restore profitability at all restaurants -Decision made to close unprofitable restaurants, which account for almost 10% of total (190 outlets as of the end of 2019) -Review the restaurant framework with an eye to closing more outlets in the future

-Initiatives for further accelerating growth

Sapporo Breweries (Japan)	Strengthen implementation of initiatives and accelerate strengthening of the beer business -Keeping in mind the Liquor Tax Act revision, further accelerate sales of Black Label, whose sales have been strong -Continue to grow new genre products, which have been strong thanks to stay-at-home demand -Reform sales style to adapt to non-contact society
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-Direction for new initiatives

Overall	Increase corporate value with “beer” + “restaurants” + “real estate” -Approach the changing restaurant market through new value creation and provision centered on beer -Leverage Sapporo Beer Garden and Yebisu Garden Place etc. to boost beer’s value
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Revision of Consolidated Earnings Forecasts

Revenue target



(billions of yen)	2019	2020 Revised Plan	YoY changes (amount)	YoY changes (%)
Revenue by Segment	491.9	444.5	(47.4)	(9.6%)
Alcoholic Beverages	330.2	286.9	(43.3)	(13.1%)
Japan & Asia	254.7	229.4	(25.3)	(9.9%)
North America	48.3	44.9	(3.4)	(7.0%)
Restaurants	27.3	12.7	(14.6)	(53.4%)
Food & Soft Drinks	136.9	134.0	(2.9)	(2.1%)
Real Estate	24.7	23.4	(1.3)	(5.2%)
Other	0.2	0.2	+0.0	+31.3%

Core Operating Profit target



(billions of yen)	2019	2020 Revised Plan	YoY changes (amount)	YoY changes (%)
Core Operating Profit by Segment	11.7	1.0	(10.7)	(91.5%)
Alcoholic Beverages	8.5	(0.4)	(8.9)	—
Japan & Asia	8.0	4.5	(3.5)	(43.8%)
North America	0.2	0.0	(0.2)	(100.0%)
Restaurants	0.4	(4.9)	(5.3)	—
Food & Soft Drinks	(0.5)	(2.7)	(2.2)	—
Real Estate	10.7	10.5	(0.2)	(2.2%)
Other • General corporate and intercompany eliminations	(7.1)	(6.4)	+0.7	—

Profit attributable to owners of parent target



(billions of yen)	2019	Details	2020 Revised Plan	Details
Core operating Profit	11.7		1.0	
Other operating income	3.5	Proceeds from sale of Yebisu Square +1.9	3.0	
Other operating expenses	3.0		11.9	Early Retirement Incentive Program Coronavirus losses 3.4
Operating Profit	12.2		(7.9)	
Profit before tax	11.6		(9.4)	
Income taxes	4.3		(2.9)	
Profit	3.8	Loss from discontinued operations(3.5)	(6.5)	
Loss attributable to non-controlling interest	(0.5)		(0.0)	
Profit attributable to owners of parent	4.4		(6.5)	

*In the financial results for the second quarter of 2020, we recorded 3,357 million yen in novel coronavirus pandemic-related losses under other operating expenses.

Relevant expenses included fixed costs (personnel expenses, depreciation and amortization, and rent) resulting from reduced operational capacity of plants and breweries, and temporary closure of restaurants. The above figure, has therefore also been reflected in the full-year earnings forecast.

Details of sales volume & Sales



Forecast of Sales Volume & Sales (Alcoholic Beverages, Restaurant, Food & Soft Drinks) Y-o-Y

Sales have been recovering moderately, but negative effects will continue.

		Sales Volume & Sales (Y-o-Y)					Details
		2020 total Forecast	Jun-Mar	Apr-Jun	Jul-Sep Forecast	Oct-Dec Forecast	
Sapporo Breweries (Sales Volume)	Beer type beverages total	(7%)	+3%	(14%)	(11%)	(4%)	<ul style="list-style-type: none"> Commercial-use product ratio : Beer type beverages 33% Beer category 45% (2019)
	cans	+9%	+16%	+12%	+0%	+9%	Black Label brand (cans), New genre remain strong
	bottles · kegs	(37%)	(18%)	(65%)	(33%)	(28%)	<ul style="list-style-type: none"> Monthly y-o-y March (42%) April (83%) May (75%) June (36%)
Sapporo Lion (Sales)		(54%)	(25%)	(86%)	(59%)	(40%)	<ul style="list-style-type: none"> Monthly y-o-y March (62%) April (93%) May (94%) June (70%)
Pokka Sapporo (Sales)	Soft Drinks total	(6%)	+5%	(20%)	(2%)	(3%)	<ul style="list-style-type: none"> Vending machines sales ratio : 45% (2019)
	Vending machines	(17%)	(8%)	(30%)	(12%)	(12%)	<ul style="list-style-type: none"> Monthly y-o-y March (14%) April (40%) May (37%) June (13%)
	Foods total※	+12%	+7%	+9%	+15%	+14%	Strong performance due to stay-at-home demand, health consciousness

※Lemon based product · Soup · Soy beans and chilled products

Business Results

▶ [Results]

Home consumption products capturing stay-at-home demand and performing strongly
Lemon-based products also strong reflecting rising health consciousness

Black Label brand canned product sales volume



Up **5%** YoY

Yebisu brand canned product sales volume



Up **2%** YoY

(※excludes extension product)

New genre sales volume



Up **35%** YoY

Japanese liquor sales



Up **25%** YoY

Lemon-based drink sales



Up **12%** YoY

Soup sales



Up **8%** YoY

Soy beans and chilled products sales



Up **25%** YoY

Review for the Six Months Ended June 30, 2020

- ▶ **[Issues]** The COVID-19 crisis has had a significant impact on the restaurant business, commercial-use product businesses, and the soft drink vending machine business
While the RTD market has grown overall, our 99.99 products are growing slowly and struggling

Beer (bottles · kegs)
sales volume



Down **44%** YoY

RTD
Sales



Down **12%** YoY

Sapporo Lion
sales



Down **59%** YoY

Overseas Sapporo
Brand sales volume



Down **34%** YoY

Beverage
sales volume



Down **10%** YoY

Café de Crié sales



Down **28%** YoY

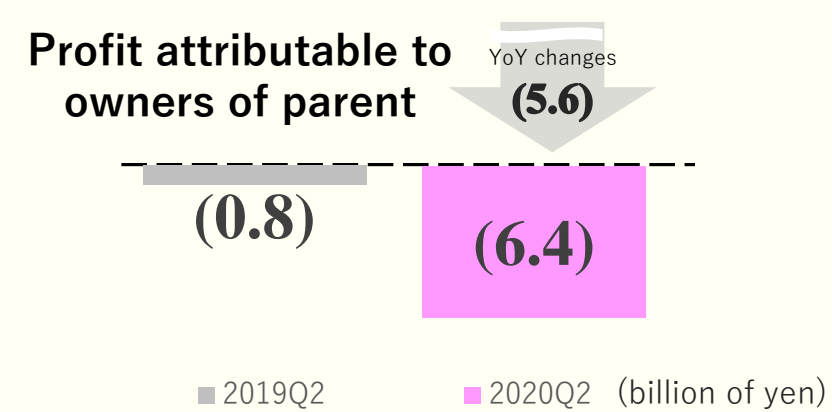
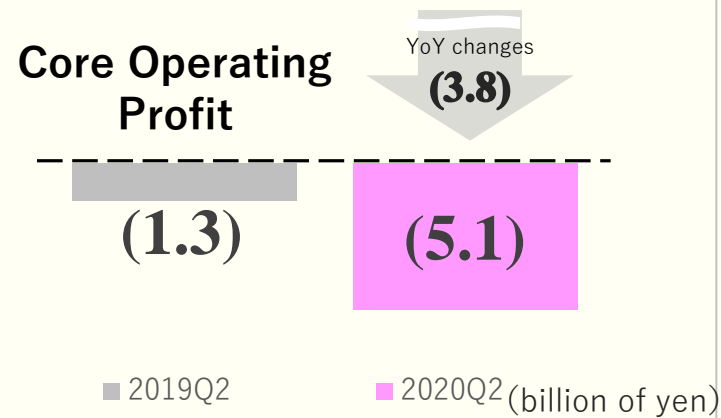
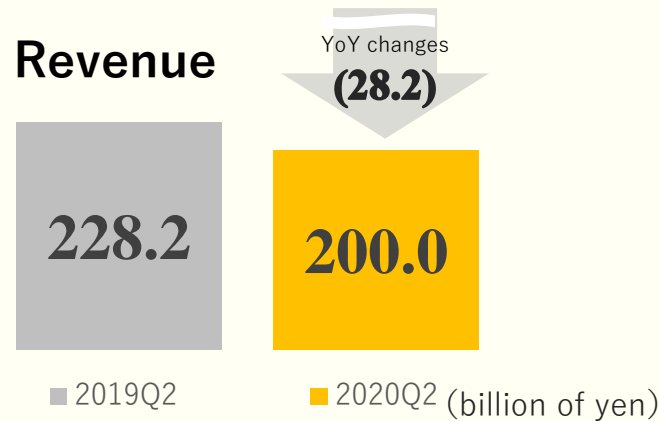
Results Highlight



(billions of yen)	2019 2Q	2020 2Q	YoY changes (amount)	YoY changes (%)
Revenue	228.2	200.0	(28.2)	(12.4%)
Revenue (Excluding liquor tax)	173.0	151.6	(21.4)	(12.4%)
Overseas revenue	35.2	30.7	(4.5)	(12.9%)
EBITDA	10.7	6.4	(4.3)	(40.6%)
Core operating profit	(1.3)	(5.1)	(3.8)	-
Core operating profit margin	(0.6%)	(2.5%)	-	-
Operating profit	0.1	(9.4)	(9.5)	-
Profit attributable to owners of parent	(0.8)	(6.4)	(5.6)	-
D/E ratio (times) ※Net	1.4	1.4	+0.1	-

The balance of debt excludes the balance of lease obligations.

- ▶ The impact of the novel coronavirus outbreak became full blown in the second quarter; overall revenue and profit declined significantly



- Alcoholic beverages: While new genre grew, revenue fell significantly due to slumps in commercial-use beer and restaurant businesses.
- Food & Soft Drinks: Food products were strong and new consolidation of Yasuma contributed. However, revenue declined reflecting poor performance of restaurant business and soft drinks sold from vending machines.
- Real Estate: While some commercial areas were negatively affected, office income was firm.

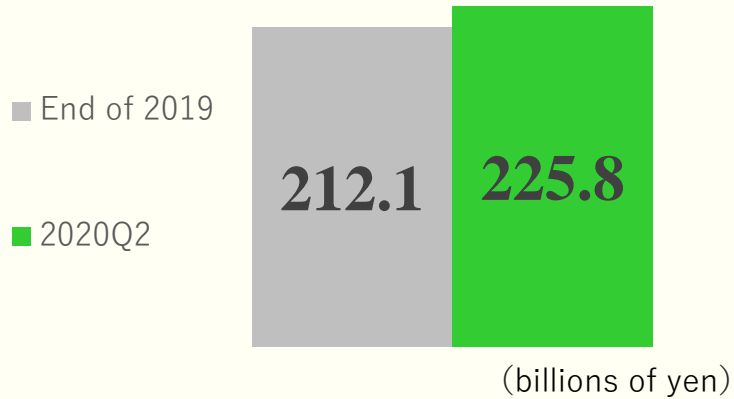
- Home consumption products grew thanks to stay-at-home demand, but this was not enough to offset the impact of COVID-crisis on revenue, and profits declined.

- FY2019: Sale of real estate (+¥1.9 billion)
FY2020: Novel coronavirus pandemic-related losses (▲¥3.4 billion)
Early retirement lump sum payments

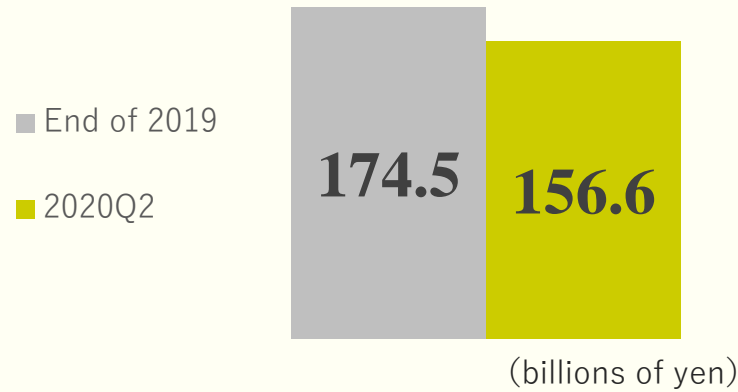
Results Highlight



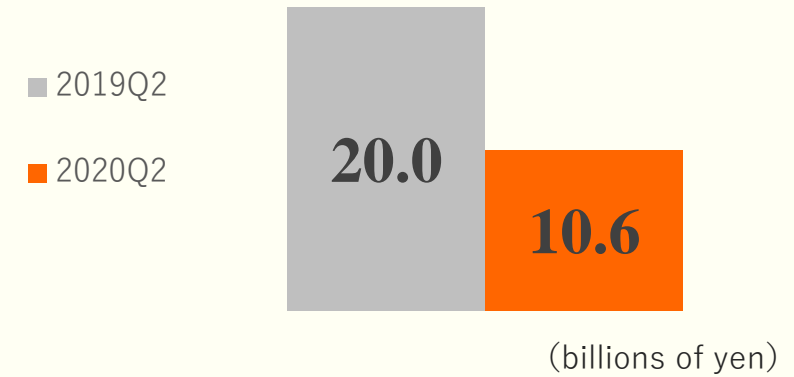
Balance of net debt



Equity



Capital expenditure (cash basis)



Transformation of the Group management platform



<April-June>

- Formulated the Sapporo Group Human Rights Policy <https://www.sapporoholdings.jp/news/dit/?id=8655>

Group Topics


<April-June>

- Revised upwards the 2020 sales plan of Sapporo Gold Star https://www.sapporobeer.jp/news_release/0000012037/
- Opened the Toranomom Branch of the La Vinée French wine shop https://www.sapporobeer.jp/news_release/0000012039/

Revenue by Segment



(billions of yen)	2019 2Q	2020 2Q	YoY changes (amount)	YoY changes (%)
Revenue by Segment	228.2	200.0	(28.2)	(12.4%)
Alcoholic Beverages	152.6	130.4	(22.3)	(14.6%)
Japan & Asia	116.4	103.4	(13.0)	(11.2%)
North America	23.3	21.5	(1.8)	(7.9%)
Restaurants	12.9	5.5	(7.4)	(57.3%)
Food & Soft Drinks	63.5	58.1	(5.4)	(8.5%)
Real Estate	12.0	11.5	(0.6)	(4.7%)
Other	0.1	0.1	+0.0	+11.7%

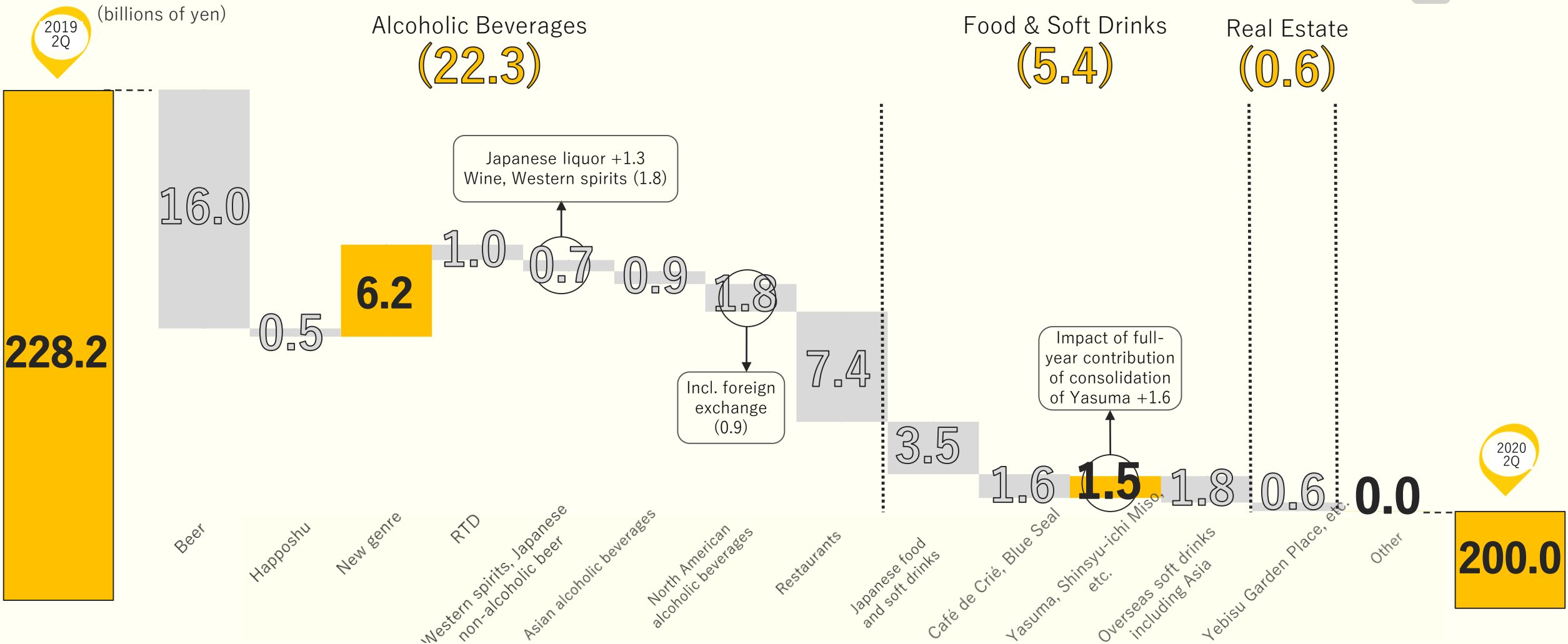

 Factors are explained
in the next slide

Main Factors Contributing to Changes in Revenue



Revenue declined ¥28.2 billion YoY as revenue from beer, restaurants, and soft drinks fell, despite growth of new genre sales and contribution from Yasuma consolidation

= Increase
 = Decrease



Core Operating Profit by Segment



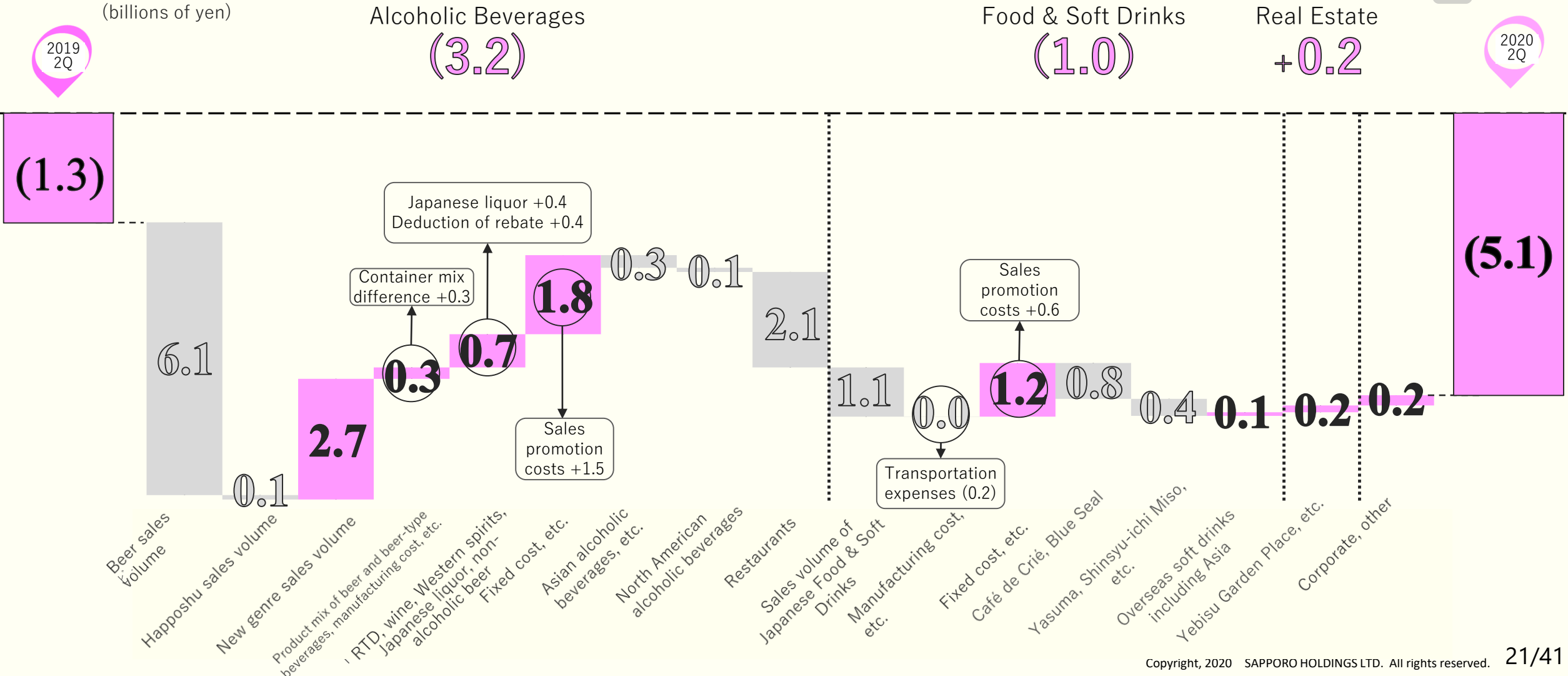
(billions of yen)	2019 2Q	2020 2Q	YoY changes (amount)	YoY changes (%)
Core Operating Profit by Segment	(1.3)	(5.1)	(3.8)	-
Alcoholic Beverages	(0.6)	(3.8)	(3.2)	-
Japan & Asia	0.3	(0.8)	(1.1)	-
North America	(0.5)	(0.6)	(0.1)	-
Restaurants	(0.4)	(2.5)	(2.1)	-
Food & Soft Drinks	(1.6)	(2.6)	(1.0)	-
Real Estate	4.5	4.6	+0.2	+3.4%
Other • General corporate and intercompany eliminations	(3.5)	(3.3)	+0.2	-

Factors are explained in the next slide

Main Factors Contributing to Changes in Core Operating Profit

Core operating profit declined ¥3.8 billion YoY, as strong performance of Real Estate and efforts to reduce fixed costs at Alcoholic Beverages and Food & Soft Drinks were insufficient to offset the decline in revenue

= Increase
 = Decrease



Profit attributable to owners of parent



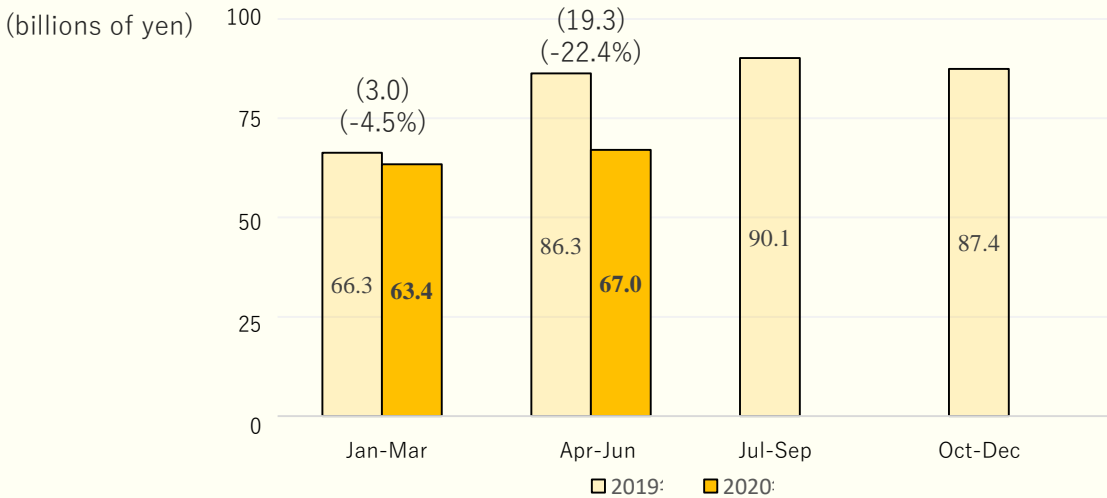
(billions of yen)	2019 2Q	(Details)	2020 2Q	(Details)
Core operating Profit	(1.3)		(5.1)	
Other operating income	2.9	Proceeds from sale of Yebisu Square +1.9	0.6	
Other operating expenses	1.4		5.0	Coronavirus losses 3.4
Operating Profit	0.1		(9.4)	
Profit before tax	(0.3)		(9.9)	
Income taxes	0.4		(3.4)	
Profit	(1.1)	Loss from discontinued operations(0.8)	(6.6)	
Loss attributable to non-controlling interest	(0.3)		(0.1)	
Profit attributable to owners of parent	(0.8)		(6.4)	

Alcoholic Beverages

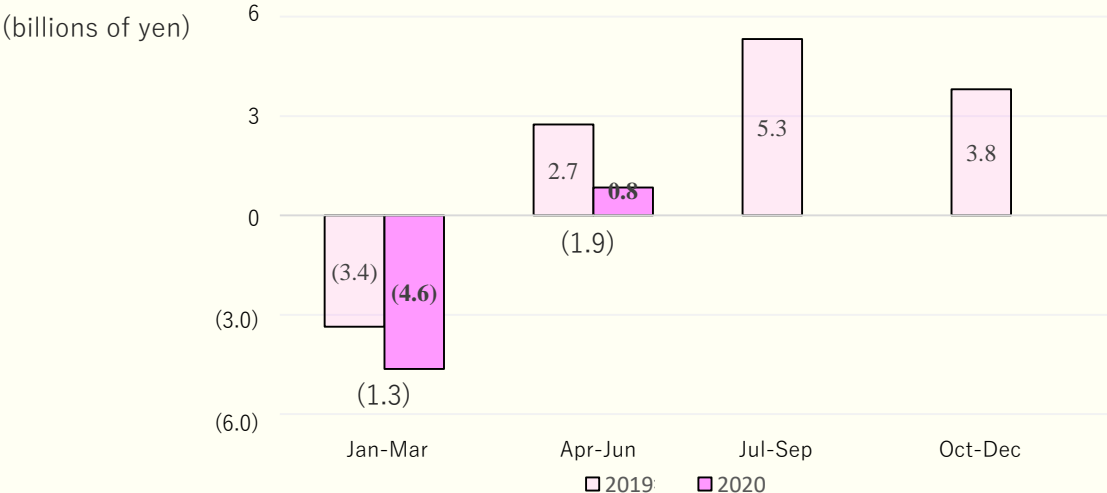


▶ Revenue and profit declined due to slump in commercial-use products and restaurant business, despite strength of products for home consumption thanks to stay-at-home demand

<Revenue>



<Core operating profit>



Positive

- ▶ Black Label brand canned products continued to perform strongly
- ▶ GOLD STAR led growth in new genre
- ▶ Koime no Lemon Sour no Moto has been strong
- ▶ Sales volume at Sleeman in Canada increased YoY
- ▶ Sales of commercial-use products declined significantly
- ▶ Sales volume of RTDs fell reflecting sluggish sales of 99.99

Negative

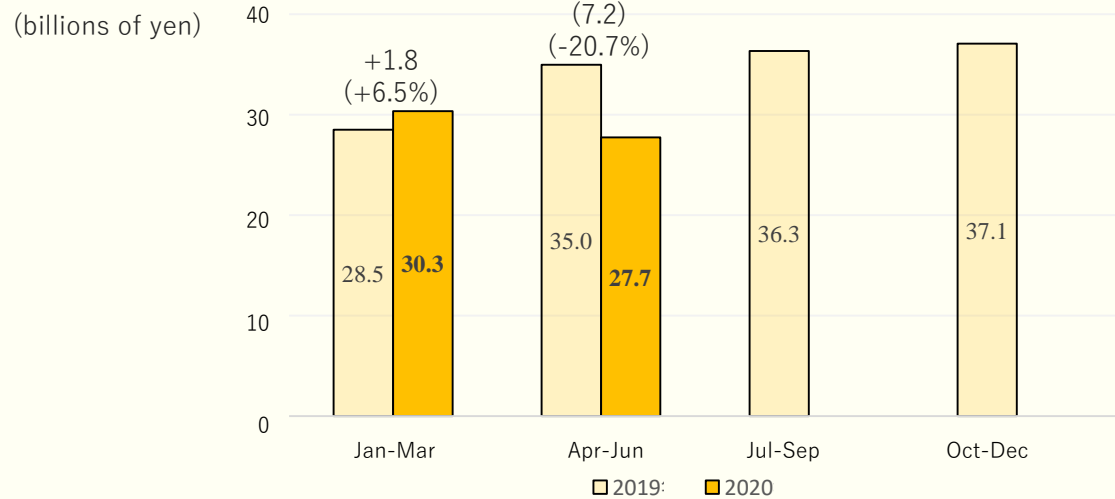
- ▶ Ginza Lion and other restaurants struggled
- ▶ Sales volume in South Korea declined

<Future initiatives>

- ▶ Continue with the two-pillar strategy of new genre and “strengthening beer”
- ▶ Strengthen noteworthy brands such as Anchor and 99.99
- ▶ Earnings structure reform in the restaurant business
- ▶ Improve profitability of commercial-use products, further strengthen home consumption products

▶ Revenue and core operating profit declined reflecting sluggish vending machine soft drink sales and slump in restaurants, despite strong performance of lemon-based products and food products

<Revenue>



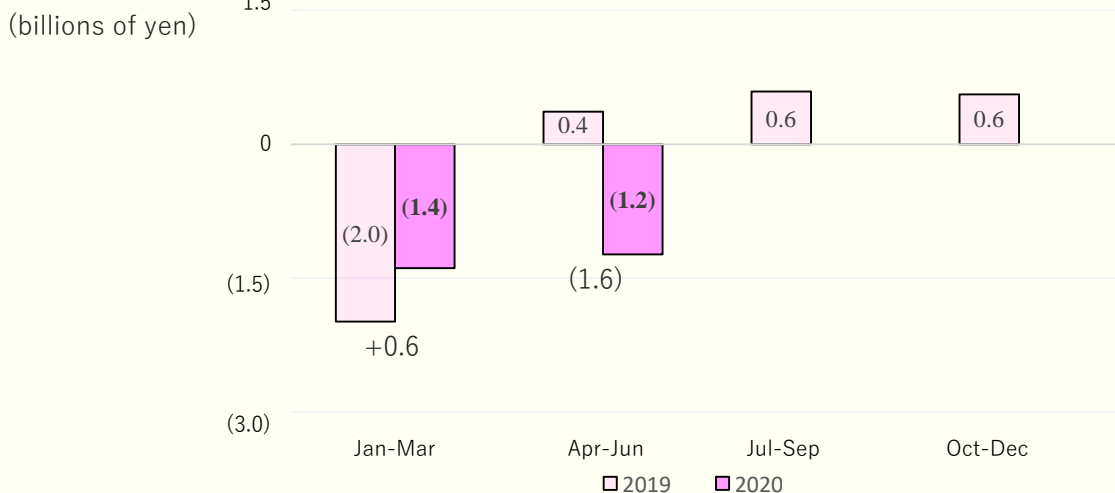
Positive

- Lemon-based products were strong
- Soup, soy beans and chilled products exceeded the previous year's levels

Negative

- Vending machine soft drink sales struggled
- Restaurants such as Café de Crié also struggled

<Core operating profit>



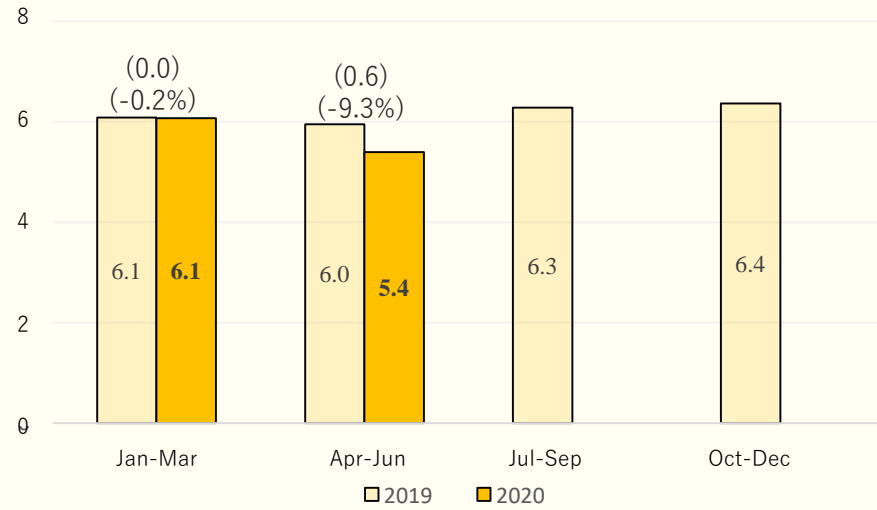
<Future initiatives>

- Strengthen over-the-counter sales of soft drinks
- Improve profitability by withdrawing from unprofitable vending machine locations
- Shift resources from soft drinks to food

While Sapporo Factory struggled, Yebisu Garden Place remained solid

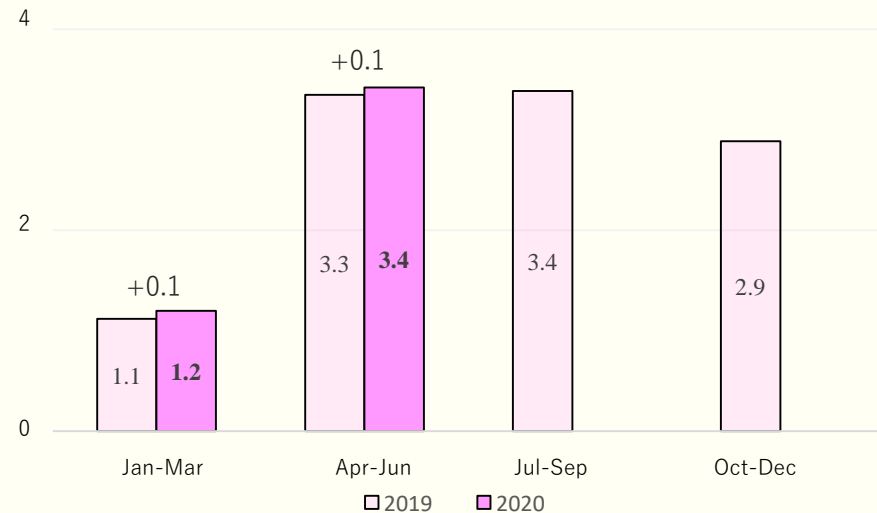
<Revenue>

(billions of yen)



<Revenue>

(billions of yen)



Positive

- Offices and rental housing maintained high occupancy rates

Negative

- Impact of COVID-19 crisis on some commercial facilities including Sapporo Factory

<Future initiatives>

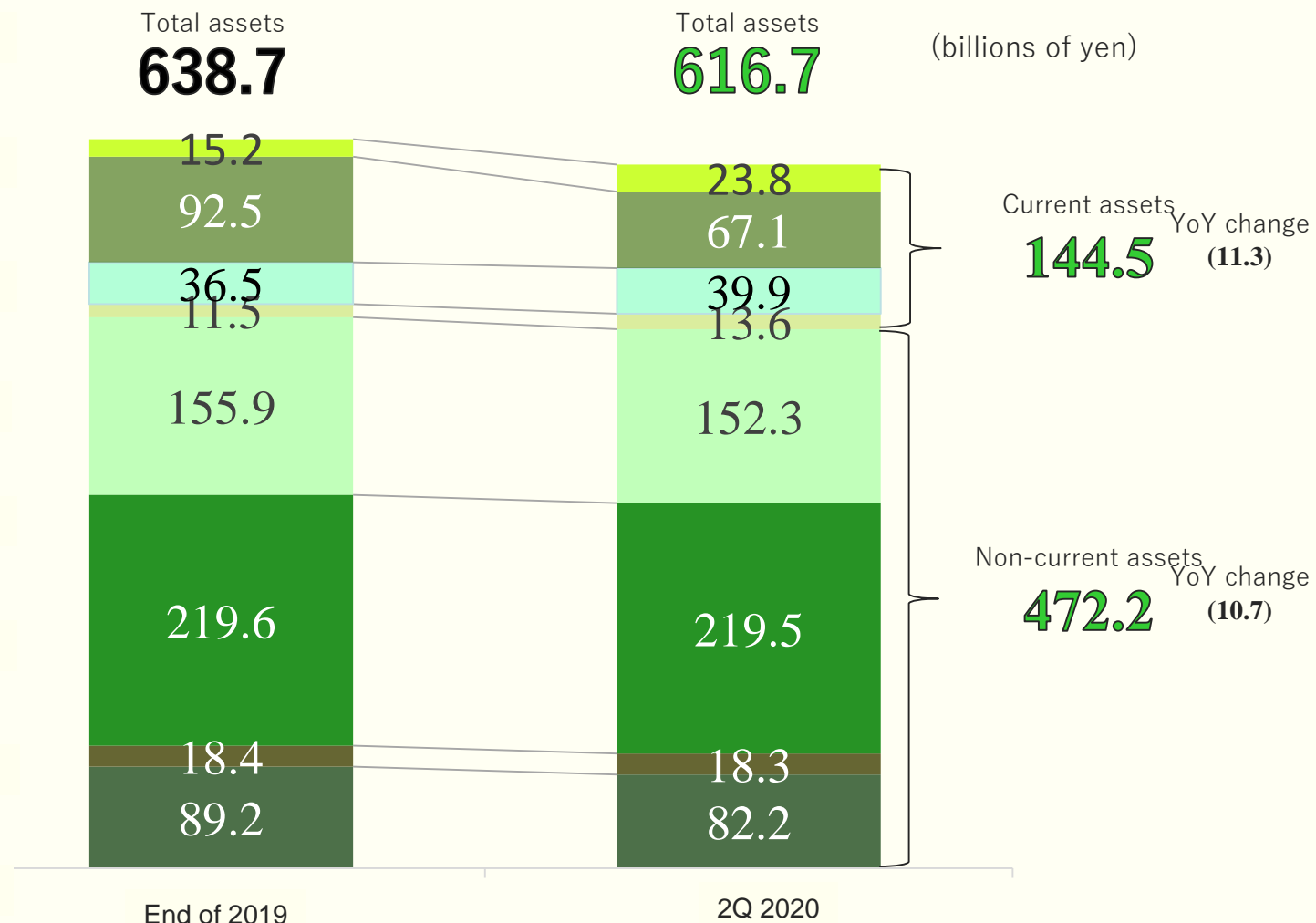
- Strengthen leasing aimed at enhancing property values and rental area renewal

Changes in Balance Sheets



▶ Total assets decreased ¥22.0 billion year on year

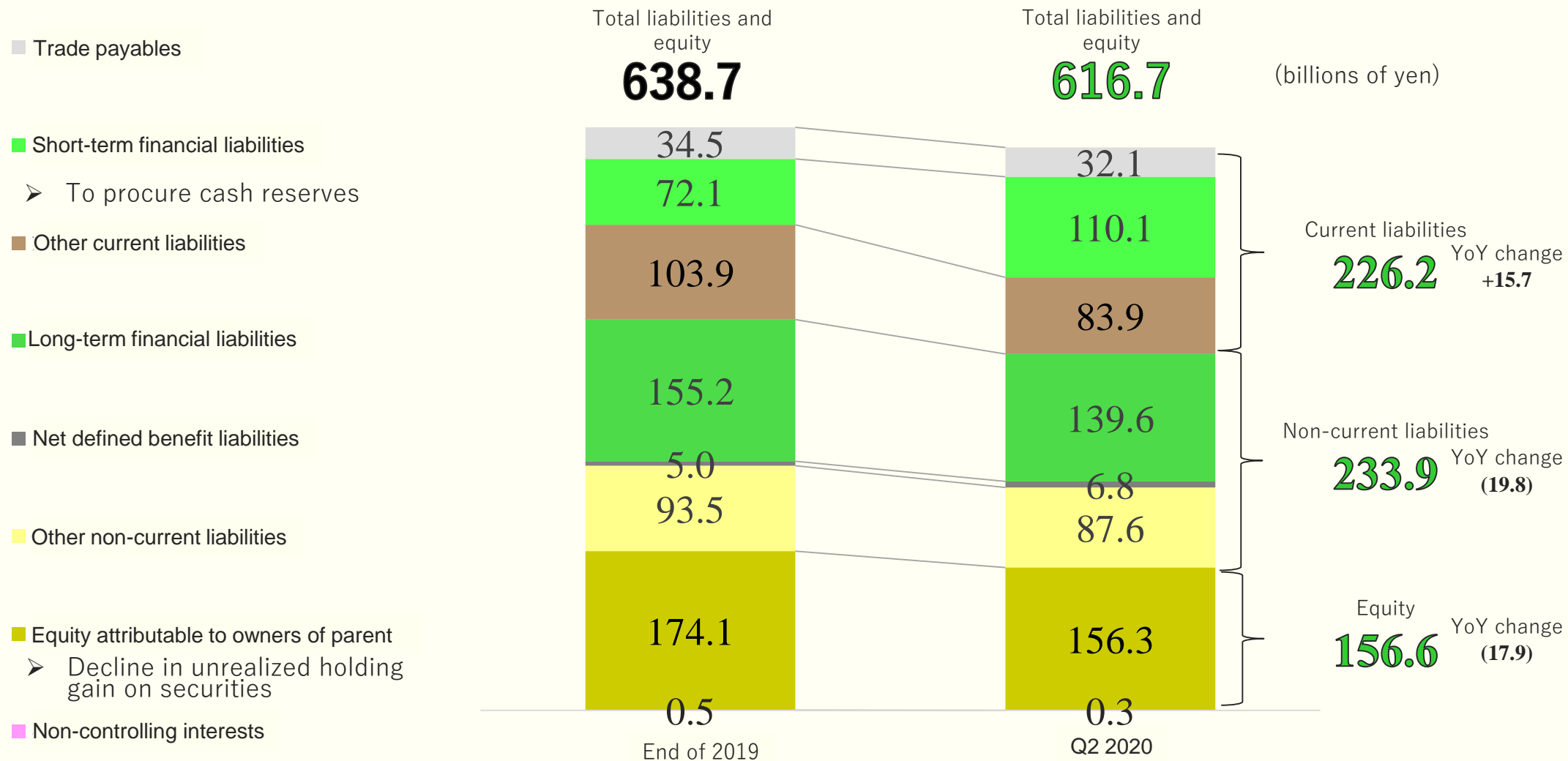
- Cash and cash equivalents
 - Increased cash reserves as novel coronavirus countermeasure
- Trade receivables
 - Seasonal factors
- Inventories
- Other current assets
- Fixed assets
- Investment property
- Goodwill
- Other non-current assets
 - Due to decline in market value of securities



Changes in Balance Sheets



▶ Total liabilities declined ¥4.1 billion from year end, total equity fell ¥17.9 billion

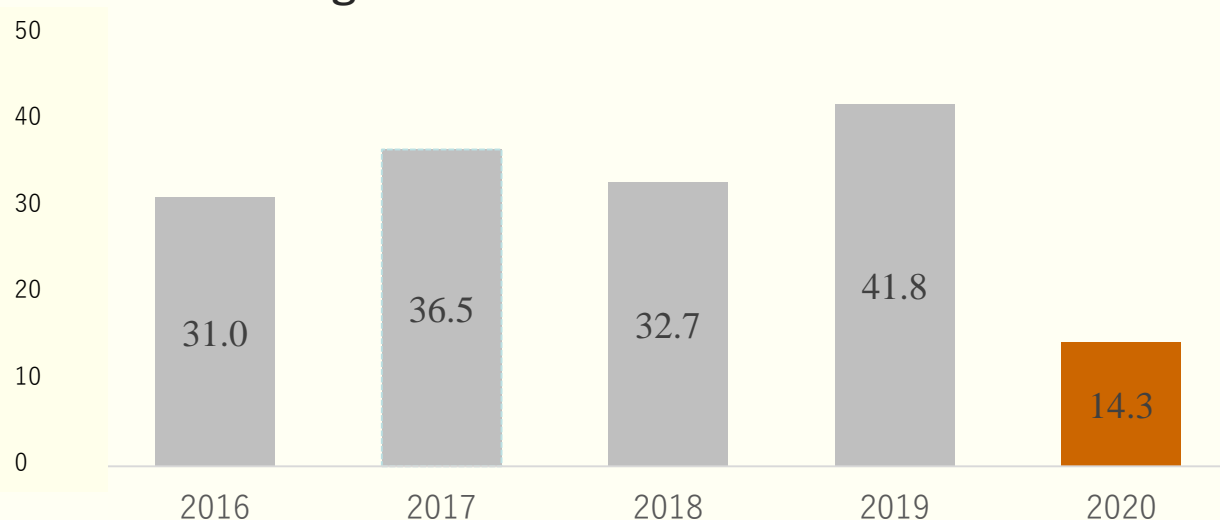


▶ Investment on a cash basis was **¥14.3 billion**

<Consolidated cash flow (CF) statement>

(billions of yen)	2019 2Q results	2020 2Q results	Change	Change (%)
CF from operating activities	13.6	4.3	(9.3)	(68.3)%
CF from investing activities	(14.9)	(11.8)	3.0	—
Free CF	(13)	(75)	(63)	—
CF from financing activities	0.1	15.5	15.4	12,175.6%

(billions of yen) <Changes in amount of investment (cash basis)>



<Investment total (①+②+③)> **¥14.3 billion**

① **Capital expenditure** (cash basis) : **¥10.6 billion**
(Property, plant and equipment, intangible assets, investment property)

<Major items>

- “Alcoholic beverages,” “Food,” and “Soft Drinks”-related: **¥5.9 billion**

- Sapporo Breweries plant-related: ¥2.6 billion

- Sleeman Breweries plant-related: ¥0.9 billion

- Pokka Sapporo plant-related: ¥0.8 billion

- Investment properties: **¥3.2 billion**

- Group-wide other: **¥1.5 billion**

② **Lease fees: ¥1.8 billion**

(excluding lease fees for renting restaurant premises)

③ **Other investments: ¥1.8 billion**

(including long-term prepaid expenses, investment securities, etc.)

Appendix

Appendix : Major sales volume & sale



Sales Volume: Beer (Japan) ※1

(10,000 cases)

	Jan. 1 - Jun.30, 2019	Jan. 1 - Jun.30, 2020	Change	Change(%)	Year ending December 31, 2020 (Forecast)	Change	Change(%)
Sapporo Draft Beer Black Label (total)	778	600	(178)	(22.9%)	1,380	(287)	(17.2%)
YEBISU (total)	353	282	(71)	(20.1%)	670	(162)	(19.5%)
1 Beer (total)	1,342	1,043	(299)	(22.3%)	2,460	(547)	(18.2%)
2 Happoshu (total)	99	85	(14)	(14.1%)	175	(35)	(16.7%)
3 New genre beer products (total)	520	704	184	35.4%	1,410	279	24.7%
Beer, happoshu, and new genre (total 1+2+3)	1,961	1,832	(129)	(6.6%)	4,045	(302)	(6.9%)
Non-alcoholic beer taste beverage	35	28	(7)	(20.0%)	71	0	0.0%

Sales Volume: Beer (International)

(10,000 cases)

	Jan. 1 - Jun.30, 2019	Jan. 1 - Jun.30, 2020	Change	Change(%)	Year ending December 31, 2020 (Forecast)	Change	Change(%)
Overseas brand (SLEEMAN, Anchor, etc.)	645	649	4	0.6%	1,329	6	0.5%
Sapporo brand	178	137	(41)	(22.9%)	274	(91)	(24.9%)
North America	823	786	(37)	(4.5%)	1,604	(85)	(5.0%)
Sapporo brand	141	72	(69)	(48.9%)	159	(72)	(31.1%)
Other areas	141	72	(69)	(48.9%)	159	(72)	(31.1%)
Total	964	858	(106)	(11.0%)	1,763	(157)	(8.2%)

Sales: Alcoholic Beverage (Japan)

(billions of yen)

	Jan. 1 - Jun.30, 2019	Jan. 1 - Jun.30, 2020	Change	Change(%)	Year ending December 31, 2020 (Forecast)	Change	Change(%)
Domestic wines	2.1	1.7	(0.4)	(18.5%)	3.7	(0.6)	(13.5%)
Imported wines	3.6	2.8	(0.8)	(22.8%)	6.7	(1.7)	(20.3%)
Wine (total)	5.7	4.5	(1.2)	(21.2%)	10.4	(2.3)	(18.0%)
RTD, Spirits and Shochu (total)	18.2	18.0	(0.2)	(1.3%)	37.7	(0.1)	(0.2%)
Subtotal	24.1	22.5	(1.6)	(6.8%)	48.2	(2.3)	(4.6%)
Rebate subtracted from sales(*2)	(4.7)	(4.5)	0.2	—	—	—	—
Total	19.3	17.9	(1.3)	(7.0%)	—	—	—

Sales: Beer (Japan) *including liquor tax

(billions of yen)

	Jan. 1 - Jun.30, 2019	Jan. 1 - Jun.30, 2020	Change	Change(%)
Beer	74.4	58.4	(16.0)	(21.5%)
Happoshu	3.8	3.3	(0.5)	(14.4%)
New genre	17.2	23.3	6.2	35.9%
Subtotal	95.3	85.0	(10.4)	(10.9%)
Rebate subtracted from sales	(5.1)	(4.7)	0.4	—
Total	90.3	80.3	(10.0)	(11.1%)

Sales: Food & Soft Drinks (Japan) ※2

(billions of yen)

	Jan. 1 - Jun.30, 2019	Jan. 1 - Jun.30, 2020	Change	Change(%)
Soft Drinks	32.1	28.9	(3.2)	(10.0%)
Food (Lemon · Soups · Soy milk, chilled products)	12.8	13.8	1.0	7.8%

※1 : Following the agreement of the Brewers Association of Japan, the sales volume for the first half and end of the fiscal year shall be disclosed.

※2 : Pokka Sapporo is only domestic sales.

Appendix : Alcoholic Beverages (Japan)



<Domestic beer and beer-type beverages:
YoY change in sales volume by genre>
(Jan - Jun)

[Beer and beer-type beverages total] down **7%** YoY

- ✓ Beer: down **22%** y-o-y
- ✓ Happoshu: down **14%** y-o-y
- ✓ New genre: up **35%** y-o-y

<Major domestic brands: YoY change in sales volume>
(Jan - Jun)

- ✓ Black Label brand
down **23%** y-o-y
(cans: up **5%** y-o-y)



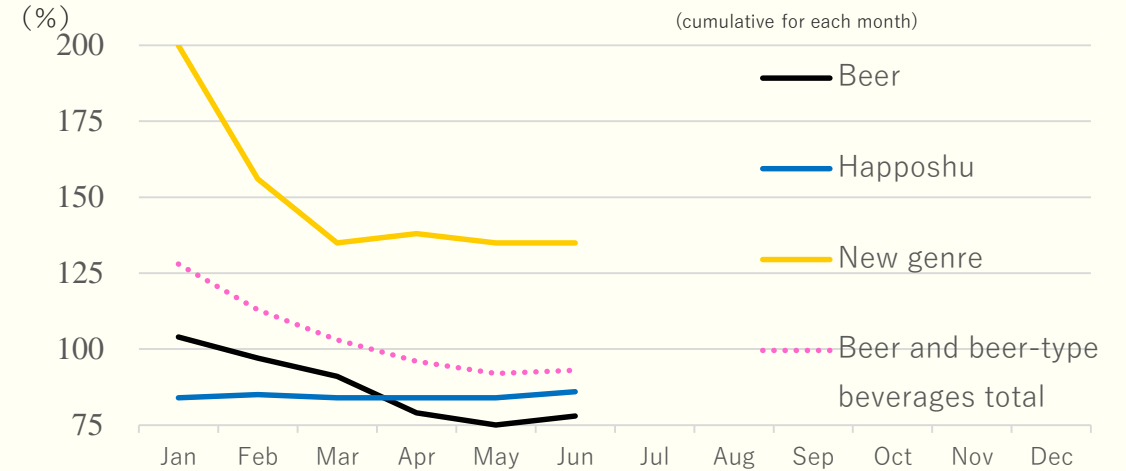
- ✓ Yebisu brand
down **20%** y-o-y



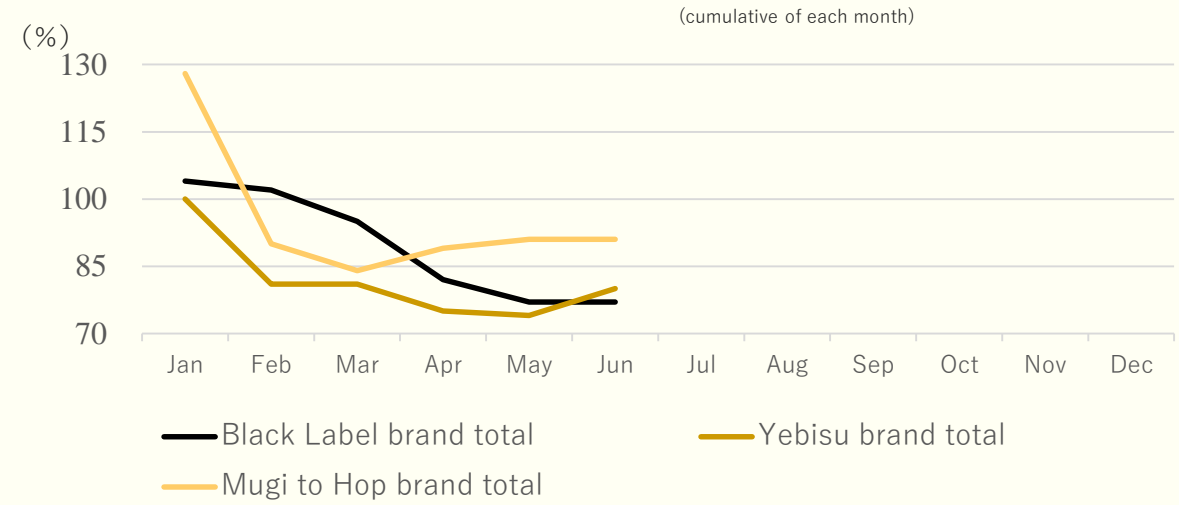
- ✓ Mugu to Hop brand
down **9%** y-o-y



<YoY changes in sales volume of beer and beer-type beverages by genre>



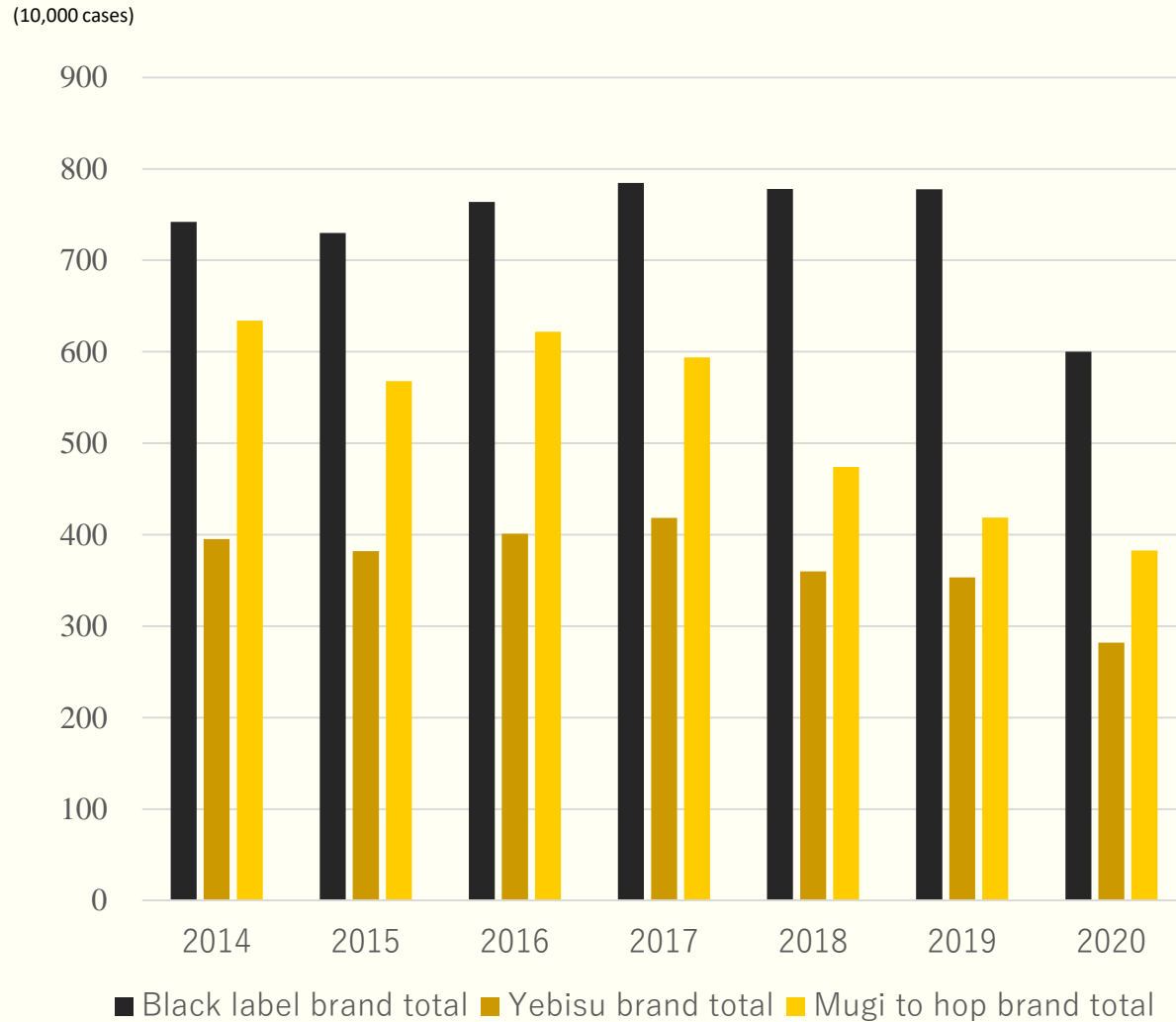
<YoY changes in sales volume of main brands>



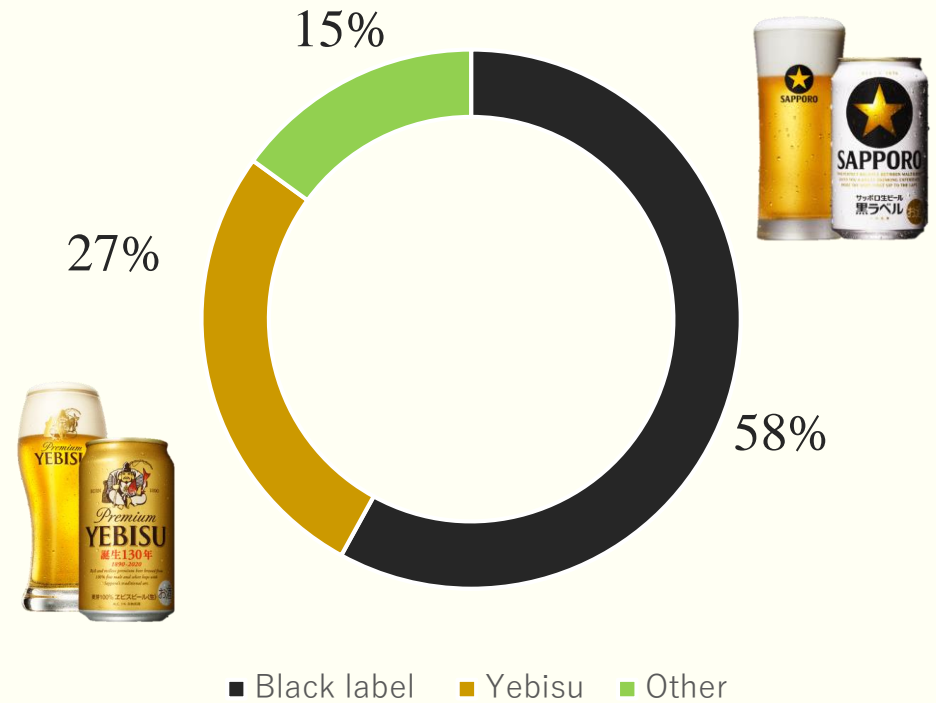
Appendix : Alcoholic Beverages (Japan)



< Main brand Jan- Jun Sales volume change >



< Beer lineup (Jan- Jun break down) >



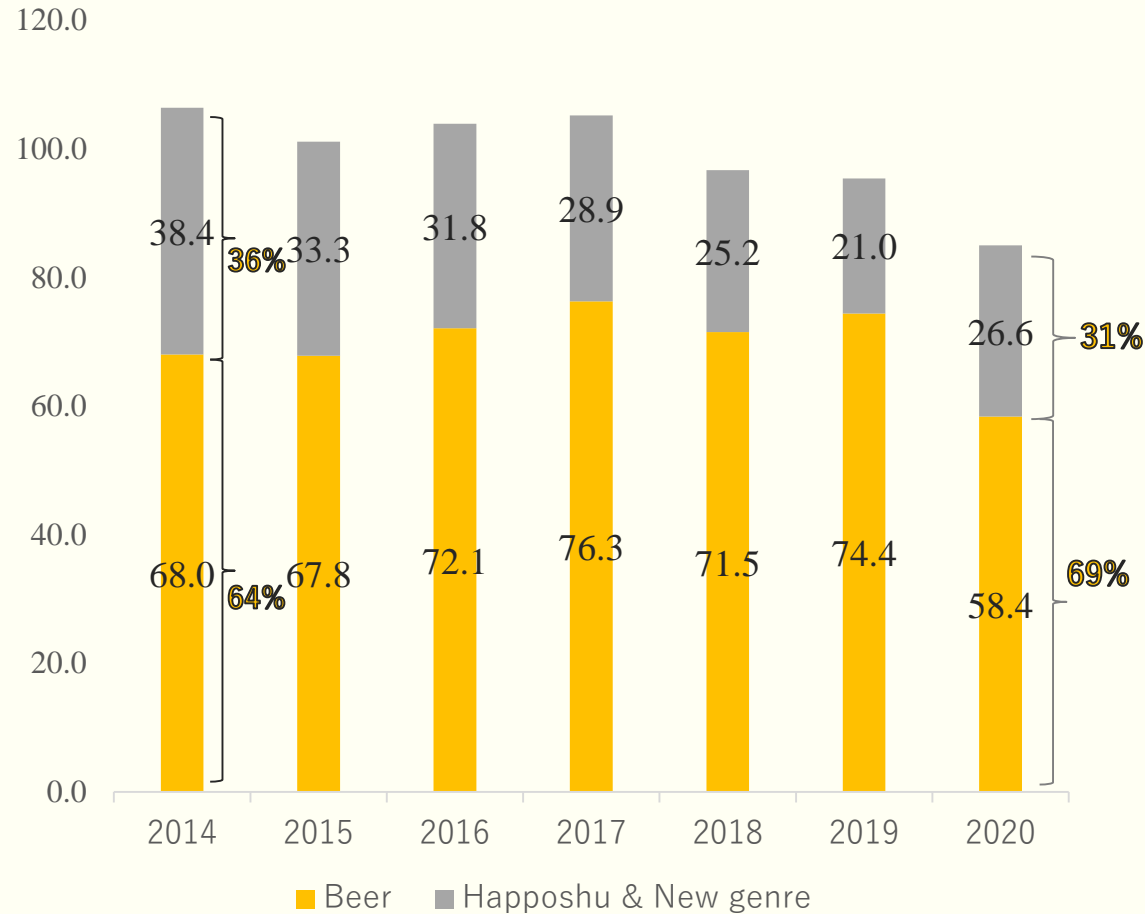
Appendix : Alcoholic Beverages (Japan)



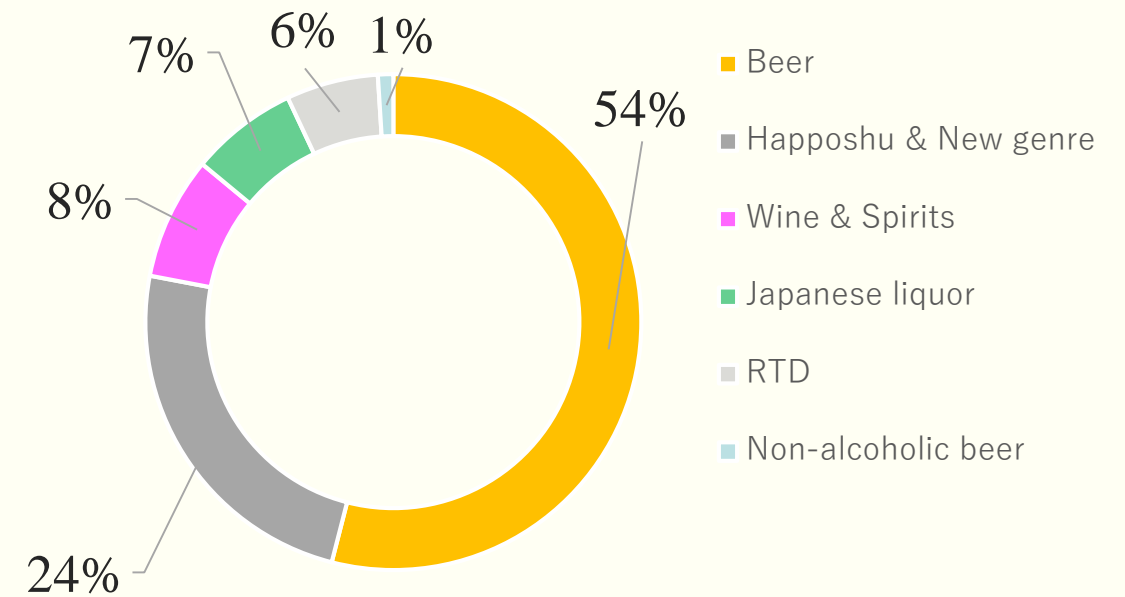
< Jan- Jun sales revenue >

(billions of yen)

※Incl. liquor tax



< Jan- Jun sales breakdown by category >

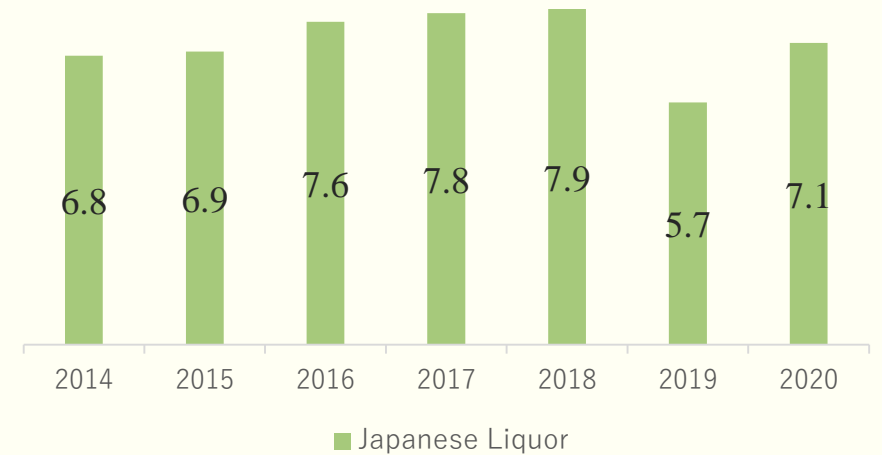
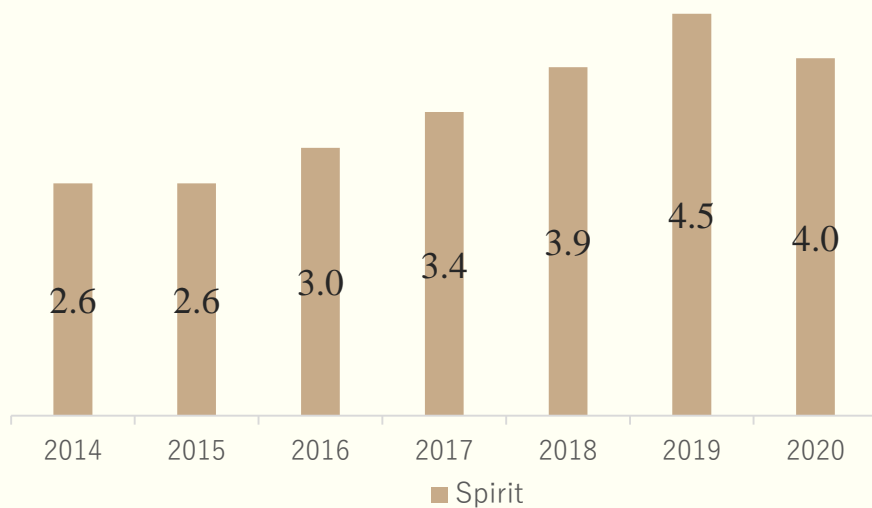
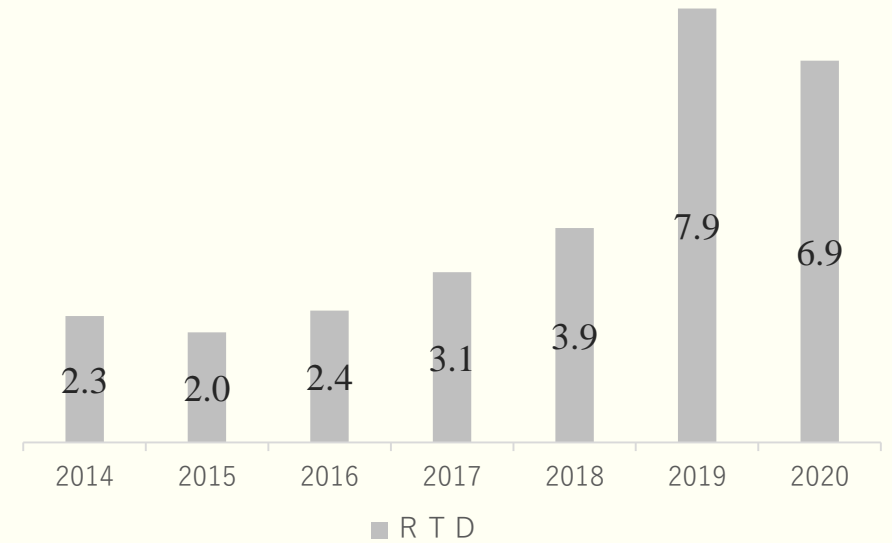
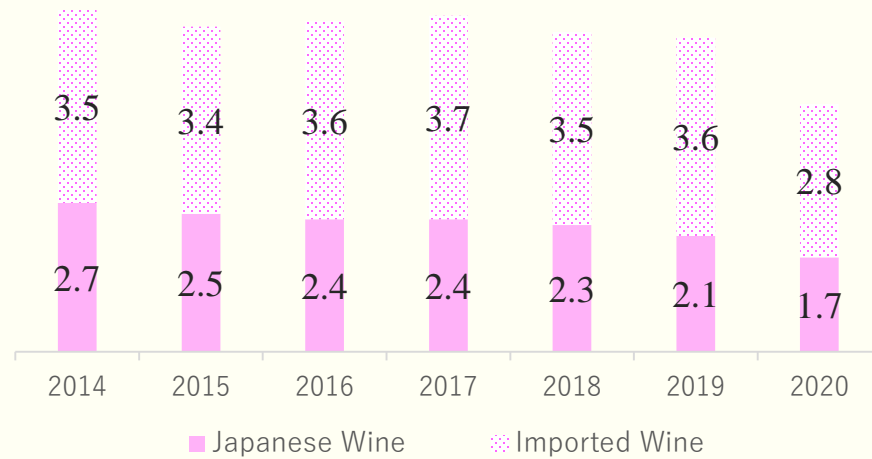


*before subsidiary companies sales, elimination of inter-company transactions and rebate deduction

Appendix : Alcoholic Beverages (Japan)



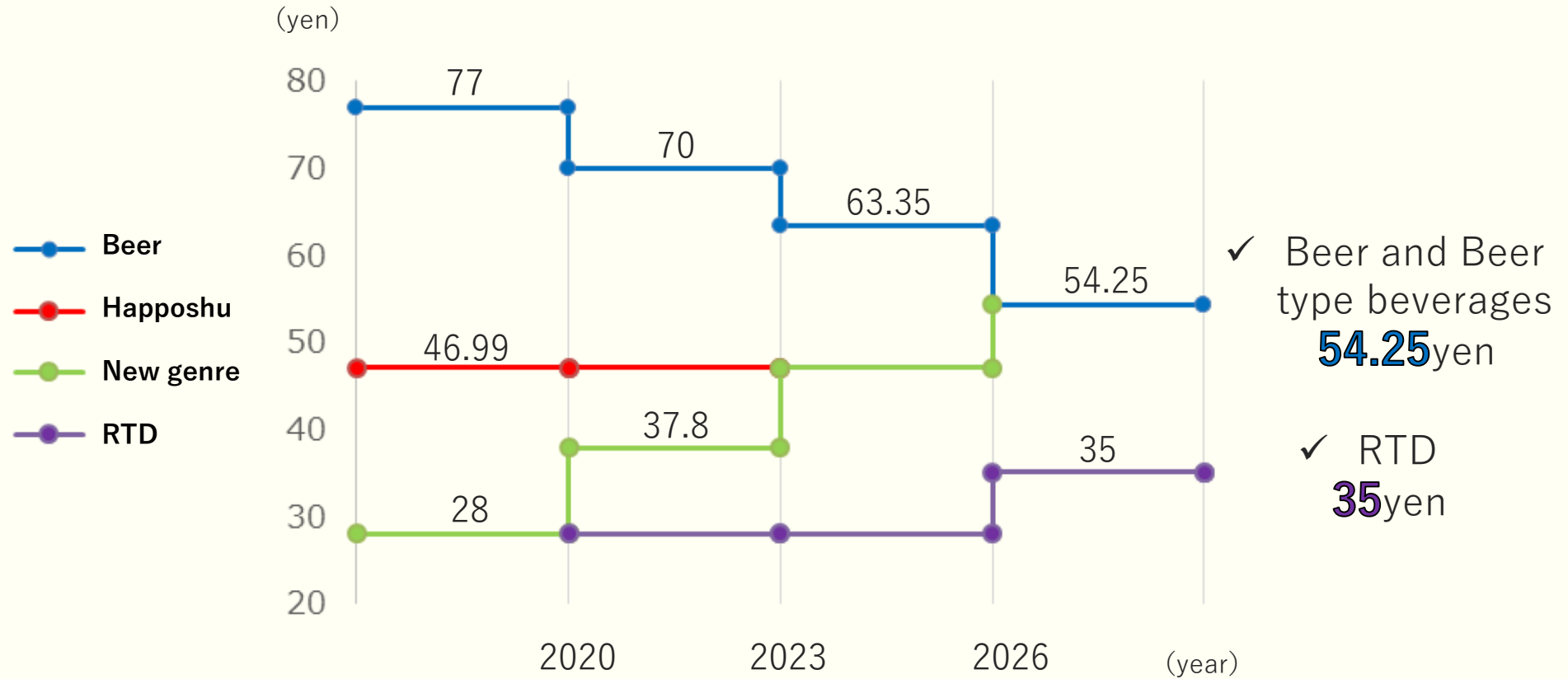
< Jan- Jun sales revenue > (billions of yen)



Appendix : Alcoholic Beverages (Japan)



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



Appendix : Alcoholic Beverages (Overseas)



< Overseas beer : YoY change in sales volume >

【North America Total down **4%** y-o-y
(Jan - Jun)

✓ Overseas brand
up **1%** y-o-y



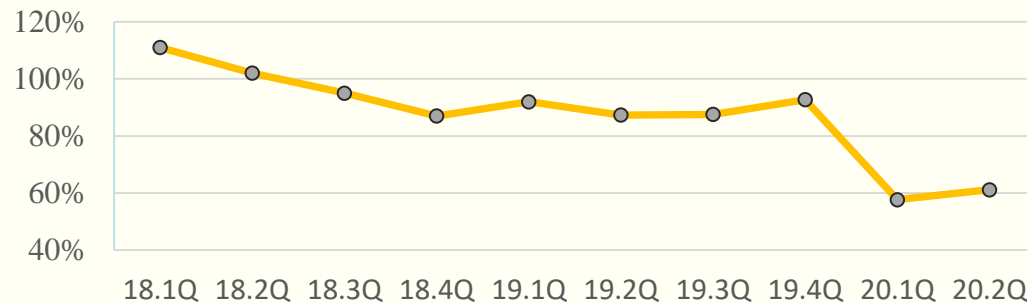
✓ Sapporo brand
down **23%** y-o-y



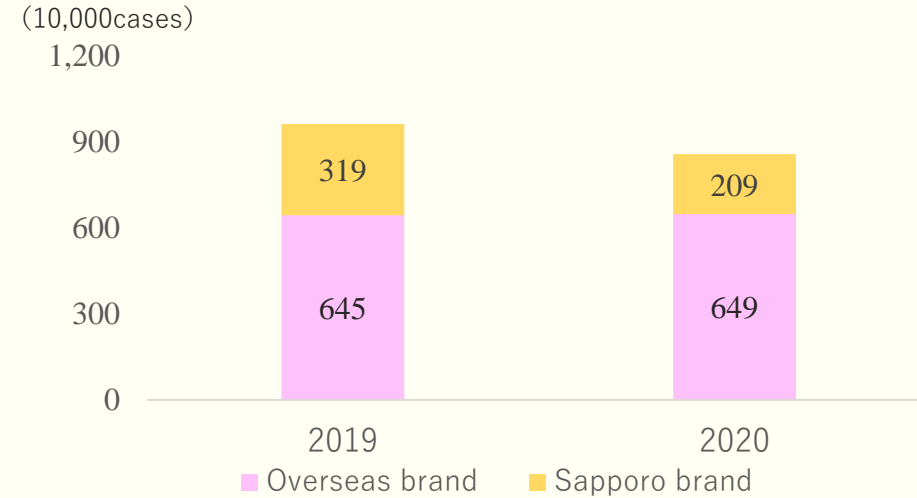
【Other Areas Total】 down **49%** y-o-y
(Main area : Asia pacific , Europe , Oceania) (Jan - Jun)

✓ Sapporo brand : down **49%** y-o-y

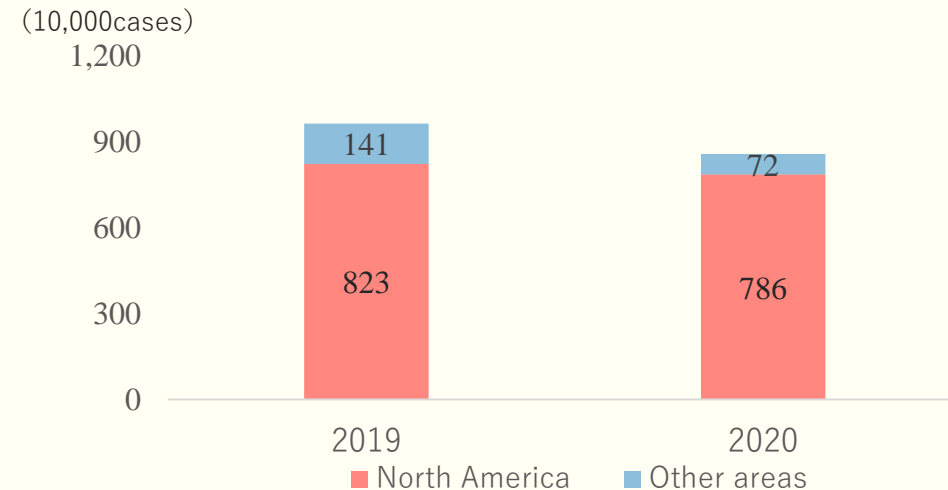
< Y-o-y change in domestic sales volume in Vietnam >



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



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



Appendix : Alcoholic Beverages (Restaurants)

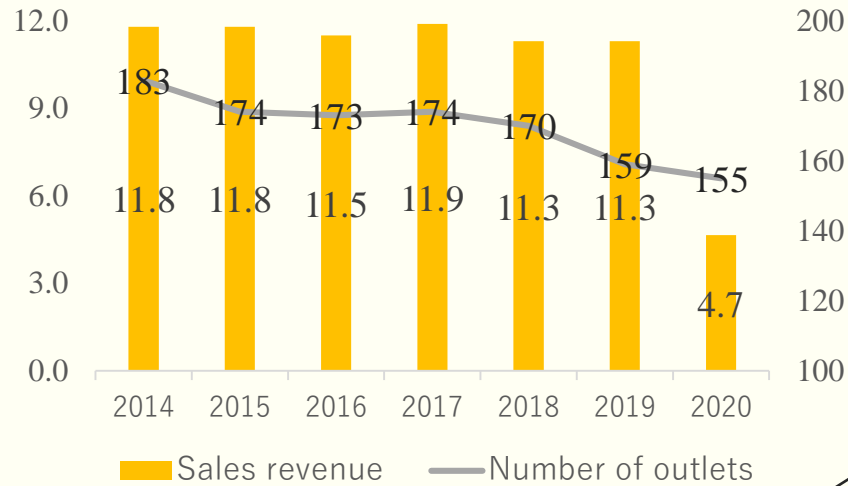


< Sales revenue and number of Sapporo Lion Outlets >

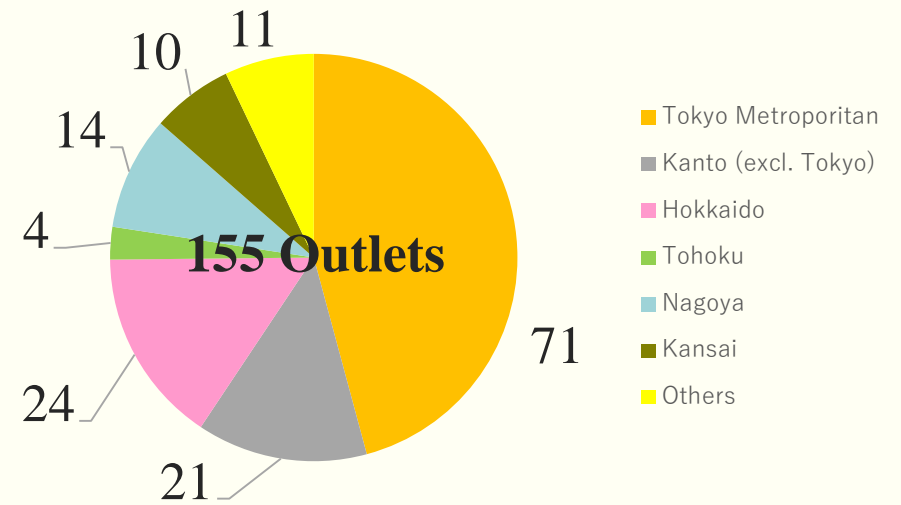
(Billions of yen)

※before rebate deduction

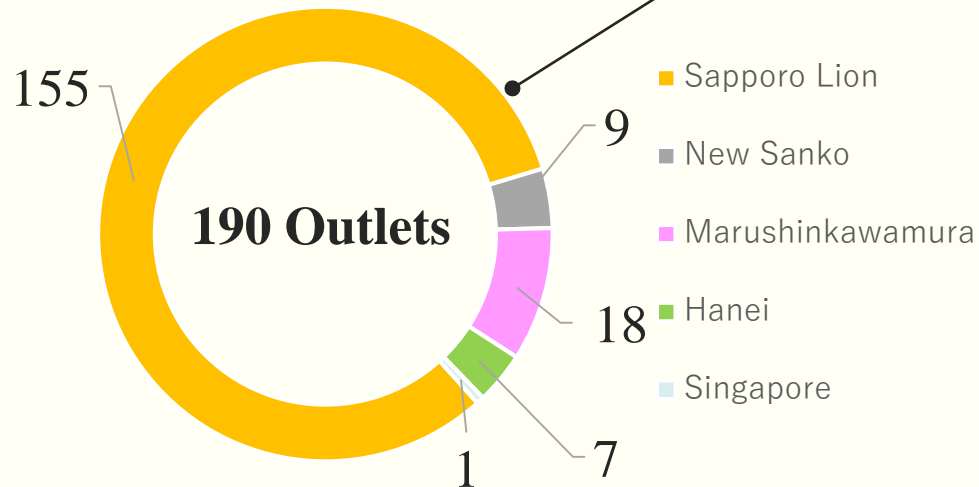
(Jan- Jun)



< Sapporo Lion outlets As of Jun 30, 2020 >



< Total number of outlets >



< Brands >



Appendix : Food & Soft Drinks



< Japanese soft drinks
 POKKA SAPPORO Food & Beverage >
 Sales volume & Sales by genre (Jan- Jun)

【Lemon based-drinks】

✓ **up 23%** y-o-y
 (Sales volume)



【Lemon-based food products】

✓ **up 3%** y-o-y
 (Sales)



【Unsweetened tea drinks】

✓ **down 25%** y-o-y
 (Sales volume)



【Soups】

✓ **up 8%** y-o-y
 (Sales)



【Coffee drinks】

✓ **down 19%** y-o-y
 (Sales volume)

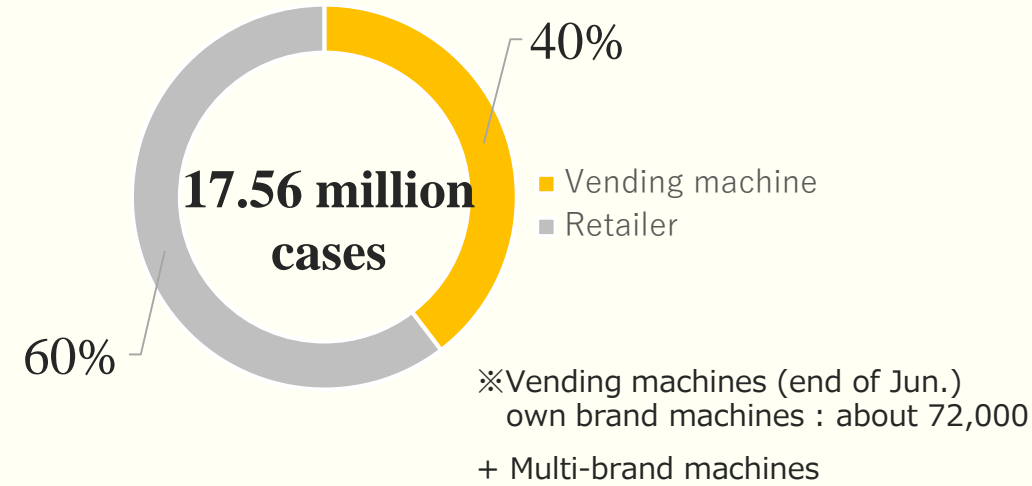


【Soy milk, chilled products】

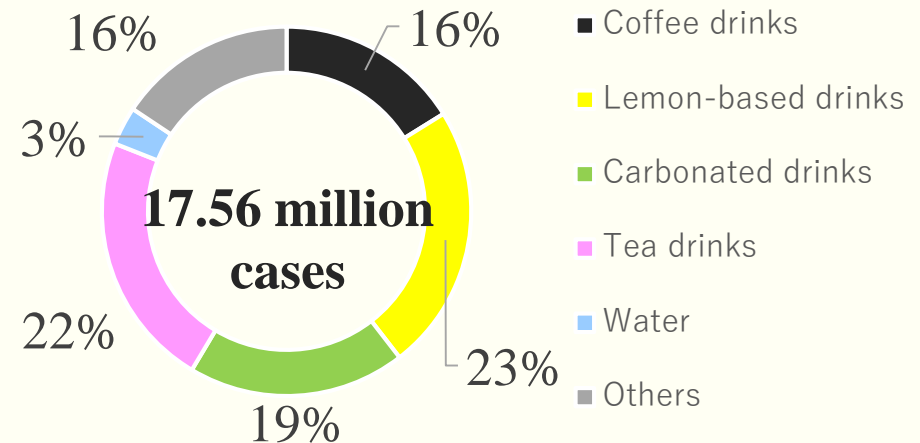
✓ **up 25%** y-o-y
 (Sales)



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



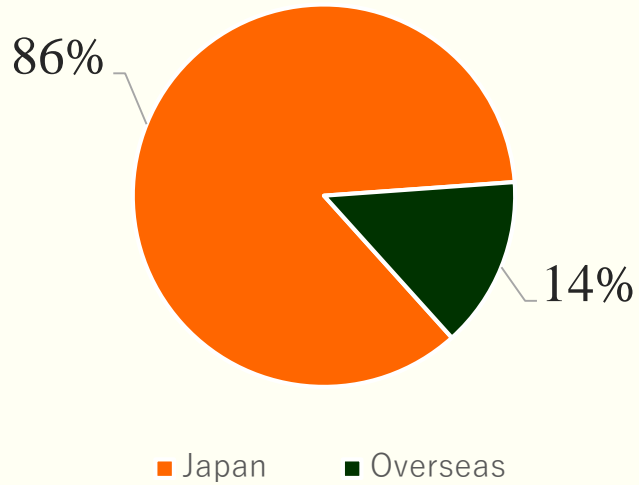
< Japanese soft drinks
 Sales composition by genre (Jan- Jun)>



Appendix : Food & Soft Drinks



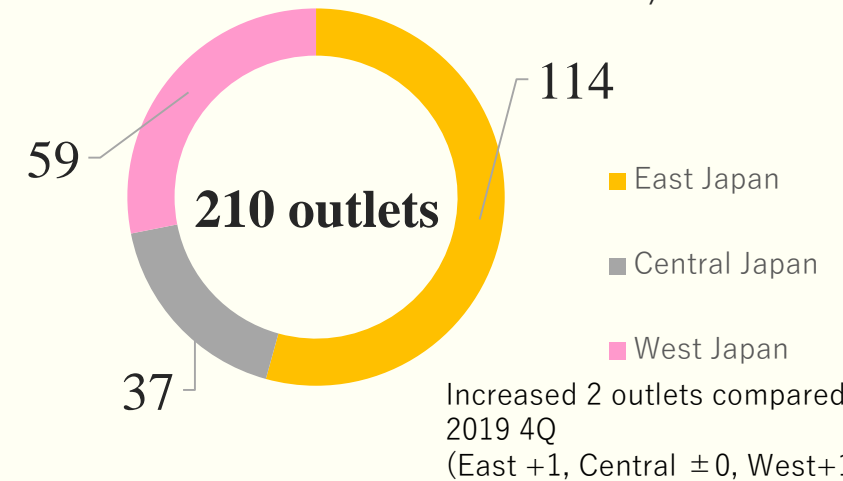
< Food & Soft Drinks segment
Revenue break down by geographic area >



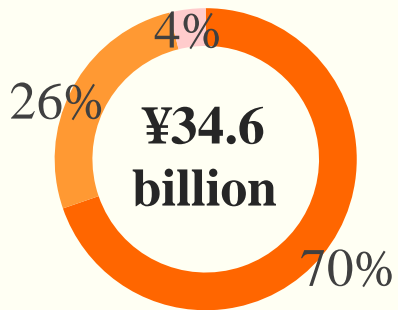
【 Pokka Create Co., Ltd .】

✓ Jan- Jun Sales revenue **¥ 3.1 billion**
down **28%** y-o-y

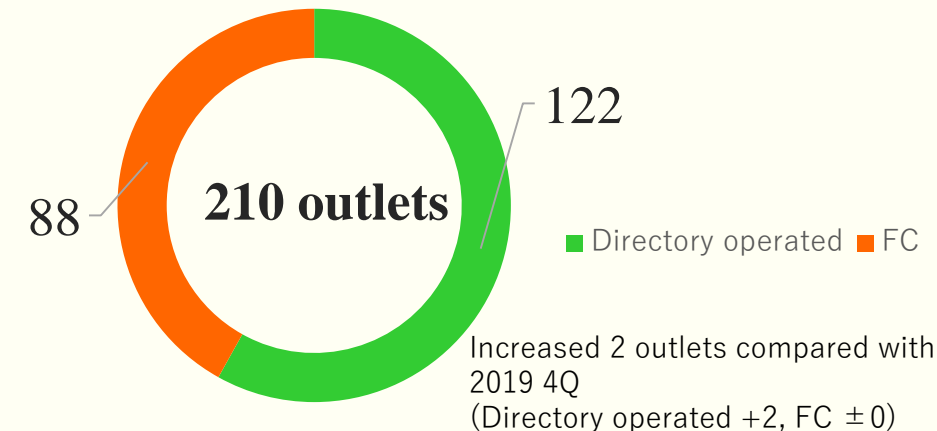
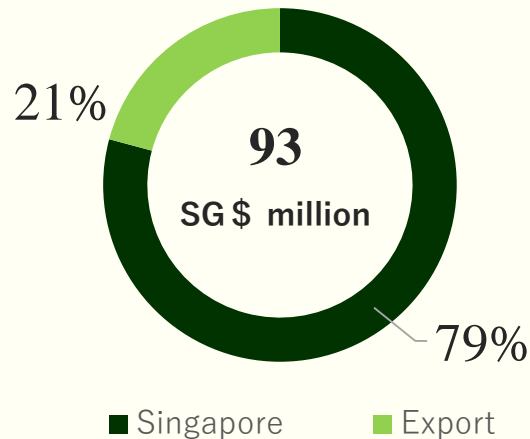
< Number of outlets as of June 30, 2020 >



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



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



■ Soft drink ■ Food ■ Soy and Chilled product

■ Singapore ■ Export

Appendix : Real Estate



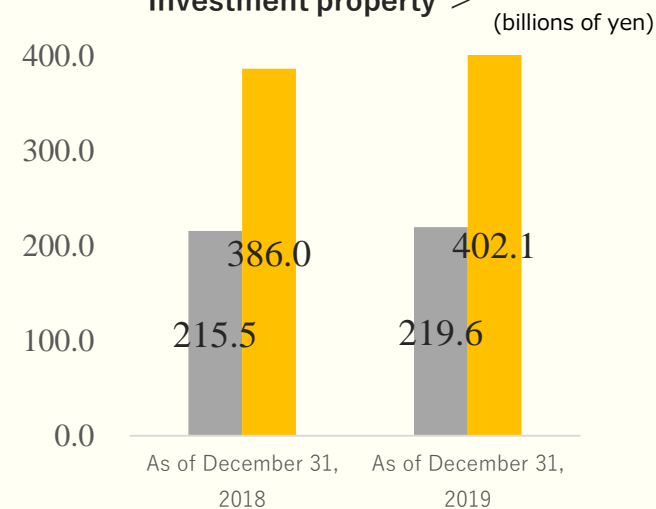
< Major rental properties & occupancy rates : (Averages for 2020 2Q) >

	Site area (m ²)	Floor area (m ²)	Occupancy rate (%)	No. of floors
Yebisu Garden Place ⁽¹⁾	56,943	298,007	100	40 floors above ground, 5 below
Ebisu First Square	2,596	16,012	100	12 floors above ground, 1 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.

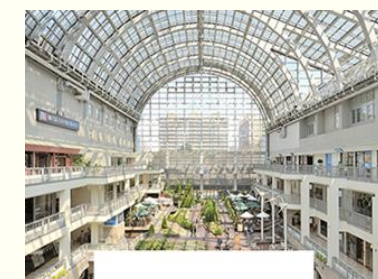
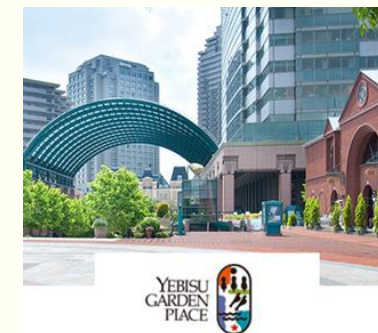
*2: Figures are for entire property. Sapporo owns 922m² of the site (sectional ownership) and 89.72% of the building (joint management)

< Information about Investment property >



■ Carrying value on the consolidated statement of financial position

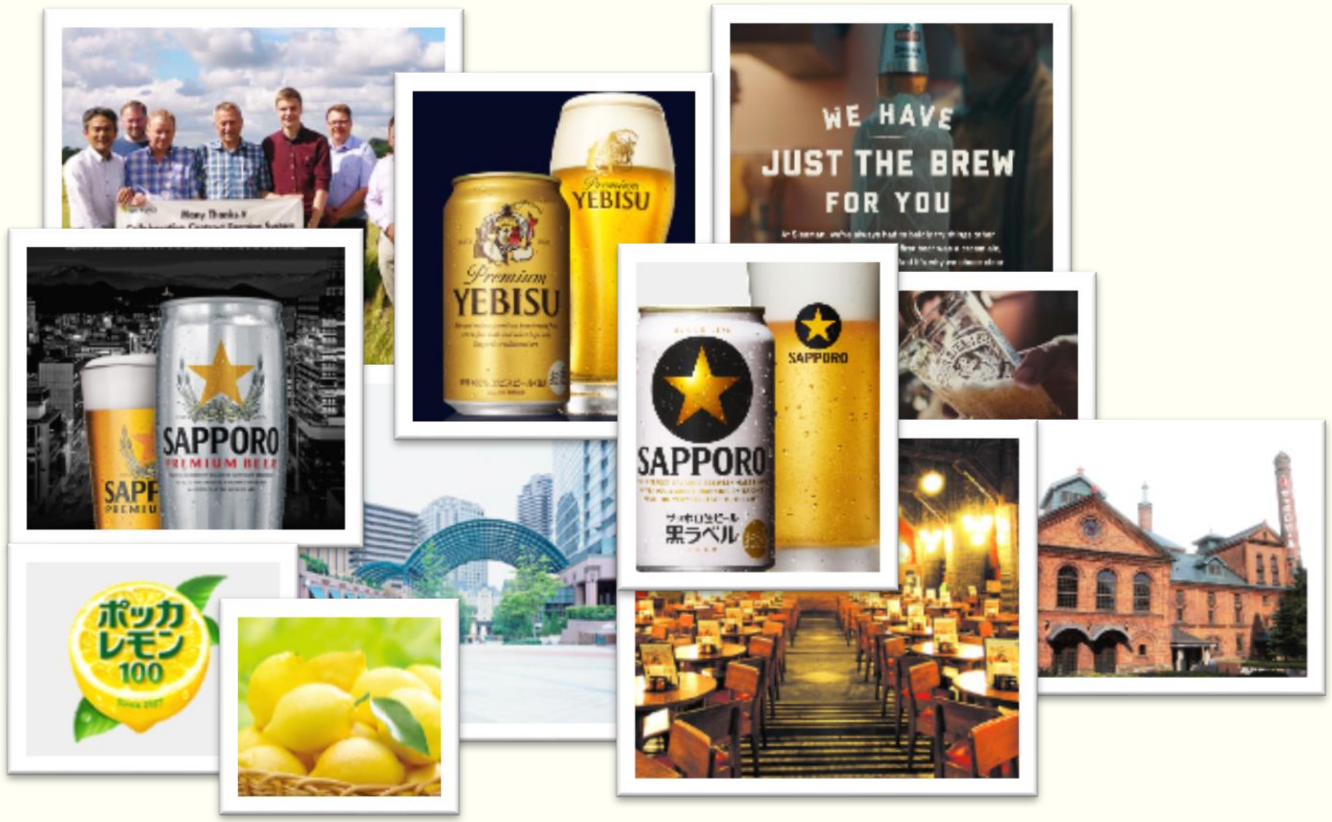
■ Fair value



< Core Operating profit >	(billions of yen)		
	2019 2Q	2020 2Q	Change
Yebisu Garden Place, etc.	3.5	3.6	0.1
Hokkaido	0.5	0.4	(0.1)
Other area & other operations	1.0	1.1	0.1
General corporate	(1.3)	(1.2)	0.1
Total	3.7	3.8	0.2

< EBITDA >

	(billions of yen)		
	2019 2Q	2020 1Q	Change
Yebisu Garden Place, etc.	4.9	5.0	0.0
Hokkaido	0.8	0.6	(0.1)
Other area & other operations	1.9	2.0	0.1
General corporate	(0.5)	(0.4)	0.1
Total	7.0	7.1	0.1



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

