



SAPPORO

Sapporo Group Business Results for 2021 Management Plan for 2022

*In this document, the following company name abbreviations are used:

SH: Sapporo Holdings Limited SB: Sapporo Breweries Ltd. SLN: Sapporo Lion, Inc.

PS: Pokka Sapporo Food & Beverage Ltd. SRE: Sapporo Real Estate Co., Ltd.

February 10th 2022

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

| | |
|-------------------------------|---------------|
| 1 . Executive Summary | • • • P3 ~P6 |
| 2 . Management Plan for 2022 | • • • P7~P19 |
| 3 . Business Results for 2021 | • • • P20~P38 |
| 4 . Appendix | • • • P39~P52 |

Executive Summary

▶ Business Results for 2021

Revenue: ¥437.2 billion (up ¥2.4 billion YoY), Core operating profit: ¥8.1 billion (up ¥3.9 billion YoY)

In Japan, revenue and profit rose on lower expenses from cost structure reforms and increased sales of RTD and alcoholic beverages in North America, despite impacts from COVID-19 which were greater than the previous year

Profit attributable to owners of parent: ¥12.3 billion (up ¥28.4 billion YoY)

Profit soared due to sale of investment property

Financial condition continues to improve on bolstered capital from the emergence of latent gains

▶ Management Plan for 2022

Significantly boost revenue from the recovery in restaurant demand and growth of alcoholic beverages overseas

Rising costs due to higher raw materials costs from supply shortages and exchange rates as well as the restart of economic activities

Despite uncertainty persisting, accelerate growth strategy and structural reforms to boost core operating profit

< 2022 Management Plan >

| (billions of yen) | 2021 Result | 2022 Plan | YoY changes |
|-----------------------|-------------|-----------|-------------|
| Revenue | 437.2 | 478.7 | +41.5 |
| Core operating profit | 8.1 | 10.0 | +1.9 |

▶ The management environment has been transformed due to COVID-19, but under the fundamental policy of the Medium-Term Management Plan, we steadily implemented growth strategy and structural reforms to address these changes with a sense of urgency → Work on **priorities aimed** at further strengthening earnings power

◆ Basic policy of Sapporo Group Management Plan 2024



Initiatives and results

Growth strategies

- Grew the RTD business in addition to complement the continuous growth of domestic canned beer
- In Canada, acquired prominent brand aimed at strengthening presence in RTD
In the United States, achieved record sales volume for Sapporo brands on sales growth in home-use products and the recovery in commercial-use products
- Continued to increase sales of lemon-based products aimed at growth of “food” domain
Formed a business alliance with Yakult

Structural reforms

- Implement structural reforms of restaurant business based on weaker restaurant demand (Closed 57 unprofitable stores and opened low-cost format stores over the past two years)
- Made latent gains and boosted capital through sale of owned properties
- Implemented an early retirement incentive program (SB, PS, SLN)



Priorities for the coming years

Following market changes in a with- and post-COVID-19 world

- Increase beer sales ahead of alcohol tax revisions
- Further expand business and enhance earnings power in the North America market
Acquire manufacturing sites to accelerate growth
- Strategically reorganize portfolio of Food & Soft Drinks business
- Increase value of existing properties of the real estate business and grow earnings in new business domains
- Promote DX to create new value

Policy for 2022 Initiatives

▶ Accelerate initiatives for growth strategy and structural reforms aimed at resolving priorities

◆ Key growth strategies and efforts to reform corporate structure

| Growth strategies | |
|-------------------------------|--|
| Japanese | <ul style="list-style-type: none"> • Continue to increase canned beer sales • Achieve growth in RTD, non-alcoholic and low-alcoholic products |
| Overseas | <ul style="list-style-type: none"> • Canada: Promote premium beers and strengthen RTD business • United States: Strengthen home-use products and revitalize/increase sales of Anchor |
| Food & Soft Drinks | <ul style="list-style-type: none"> • Grow sales of lemon-based products and plant-based milk |
| Real Estate | <ul style="list-style-type: none"> • Promote initiatives aimed at improving value of YGP* properties • Grow profits of new businesses using equity investments, etc. |

| Structural reforms |
|---|
| <p>Japanese</p> <ul style="list-style-type: none"> • Institute in-house production of RTD at Sendai Brewery and increase productivity at breweries |
| <p>Overseas</p> <ul style="list-style-type: none"> • Optimize SPB* manufacturing locations |
| <p>Restaurants</p> <ul style="list-style-type: none"> • Expand and develop “small, small investment, suburban” business model • Implement further structural reforms to achieve profitability |
| <p>Food & Soft Drinks</p> <ul style="list-style-type: none"> • Undertake structural reforms for optimization of business portfolio (Reorganization of vending machine operator subsidiaries, transfer of cafe business, reorganization of Shinsyu-ichi Miso production sites) |
| <p>Company-wide shared initiatives</p> <ul style="list-style-type: none"> • Promote DX in earnest |

*YGP:Yebisu garden place

* SPB : SAPPORO PREMIUM BEER

Management Plan for 2022

Policy for 2022 Initiatives: Japan Alcoholic Beverages



● Pursuit of Premium Value and Reasonable Value

◆ Premium value: Various beer brands

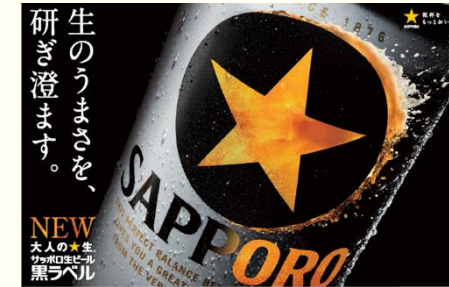
| | | 2022 sales plan (cases) | | | Total demand outlook | |
|--|-----------|-------------------------|-------|---------|----------------------|---------|
| | | Plan | YoY | vs 2019 | YoY | vs 2019 |
| (10,000 cases) | | | | | | |
| Japanese beer and beer-type beverages total | | 4,209 | +10% | (3%) | +5% | (10%) |
| Genre | Beer | 2,853 | +17% | (5%) | +15% | (11%) |
| | Happoshu | 149 | (10%) | (29%) | (4%) | (3%) |
| | New genre | 1,208 | (0%) | +7% | (2%) | (10%) |
| Container | Bottles | - | +42% | (22%) | +53% | (32%) |
| | Cans | - | (2%) | +8% | (4%) | (4%) |
| | Kegs | - | +75% | (25%) | +71% | (25%) |
| RTD | | 1,497 | +26% | +66% | +6% | - |
| Non-alcoholic beer and low alcohol beer taste beverage | | 92 | +28% | +30% | +2% | - |

633ml x 20 bottles for beer, non-alcoholic beer and low alcohol beer taste beverage

250ml x 24 bottles for RTD



<Black Label> Product renewal



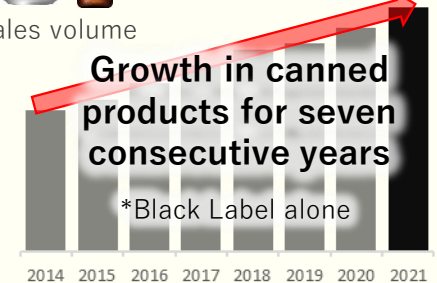
Design evolution



Flavor Innovation



Sales volume



Growth in canned products for seven consecutive years

*Black Label alone

→ The 45th anniversary of the launch



<YEBISU>



[Various beers]

→ Use uniqueness and story of brands as a strength



→ Further evolve [Color Your Time]

Policy for 2022 Initiatives: Japan Alcoholic Beverages



► Pursuit of Premium Value and Reasonable Value

◆ Reasonable value: Segment concentration and core brand development

[New genre]

< GOLD STAR > Product renewal



[RTD]

(1) Pursue specialization by strengthening "Izakaya feeling at home"



→ Further growth of RTD

(2) Transition Sendai Brewery to manufacturing site for RTD

(Scheduled to operate in October 2023)



- ◆ CAPEX: **¥3.6 billion**
- ◆ Self-production for RTD: **Approx. 2 times**
- ◆ Cost reduction: **¥1 billion** or more per year after 2023
(Using in-house production and increased production efficiency)

- Cease beer production in 2022
- ▶ Effects of increased productivity: approx. **¥1 billion/year** (from 2023)
- Operate RTD facilities in 2023
- ▶ Effects of in-house production: **several hundred million yen/year** (from 2024)

[Expansion of new domains] 「Low alcohol beer taste beverage」

< The DRAFTY >



Non-alcoholic RTD < LEMON'S FREE >

(To be released on March 15)



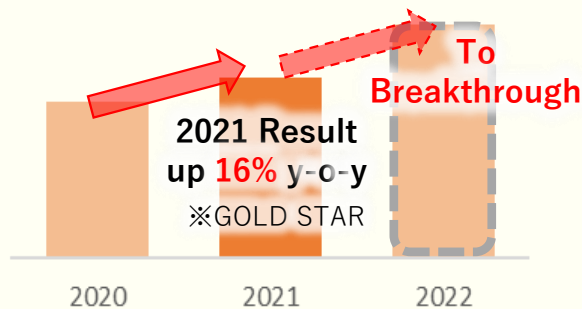
- Functional Claims
- ALC 0.00%
- Just like lemon sour
- Fatigue reduction expectations

Low alcohol wine Yellowtail Pure Bright

(To be released on April 5)



- ◆ Alcohol 20-25% off
*Comparison with conventional products
- ◆ Gluten-free
Vegan-friendly



Policy for 2022 Initiatives: International Alcoholic Beverages



- ▶ In Canada, increase RTD sales and improve unit price/product mix of beers
- In the United States, increase sales of home-use products and revitalize Anchor

| | 2022 sales plan (cases) | |
|---|-------------------------|-------------|
| | Plan | YoY |
| (10,000 cases) | | |
| International beer and beer-type beverages total | 2,052 | +8% |
| North America | 1,806 | +6% |
| Overseas brands | 1,380 | +4% |
| Sapporo brand | 426 | +13% |
| Other regions | 247 | +29% |
| Sapporo brand | 247 | +29% |

Calculated by 633ml × 20 bottles

◆ Canada

< Beer >



→ Increase share of mid- to high-priced products centered around growth of Sleeman Clear and SAPPORO

< RTD >



Expanding SoCIAL LITE

→ Make RTD a second pillar of business

◆ U.S.



< USA >



Aiming to achieve record sales for second consecutive year

→ Accelerate growth by increasing sales of home-use products



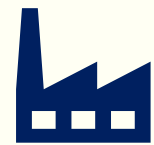
New products to be launched

→ Expand RTD products in the United States

< Anchor >



New product launch



Stabilize quality and increase productivity by investing in new bottle and can lines

Policy for 2022 Initiatives: Restaurants

▶ Promote further structural enhancement aimed at disseminating the Group’s brands and achieving profitability

◆ Expansion and development of “small, small investment, suburban” business model

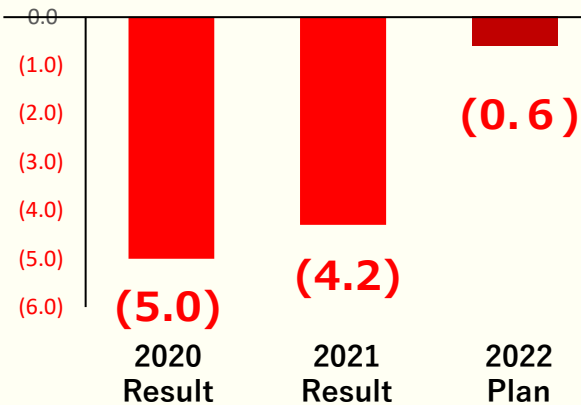
| (billion yen) | 2022 sales plan (value) | | |
|---------------|-------------------------|-------|---------|
| | Plan | YoY | vs 2019 |
| Restaurants | 15.5 | +103% | (43%) |



→ Research new markets and accelerate expansion/development of high margin business formats
FY2022: Scheduled to open about 10 stores

< Core operating profit plan >

Up 3.6 billion yen y-o-y



Substantially reduce losses driven by recovery in restaurant demand and effects of structural reforms implemented since 2020

◆ Further structural reforms to achieve profitability

- Reduce store rents
- Control labor costs through more efficient work styles and staffing assignments
- Review and reduce sales promotion costs of stores

→ Consider and execute additional closures of stores with poor profit outlooks

◆ Cooperation with SB to boost brand communication



Provide “Perfect Black Label” at Lion restaurants

Policy for 2022 Initiatives: Food & Soft Drinks

▶ Pursue structural reforms aimed at optimization of business portfolio, concentrating on plant-based ingredients centered on lemons

| *PS alone (billion yen) | 2022 sales plan (value) | |
|----------------------------|-------------------------|-----|
| | Plan | YoY |
| Soft drinks | 63.5 | +1% |
| Food* | 35.9 | +8% |

*Lemon, soup, plant-based milk products



Pokka Lemon 100 and Kireto Lemon
Record high shipments for three consecutive years in 2021

→ Implement aggressive marketing strategy aimed at growing total demand for lemon-based products

“Appeal of health value” “Expand applications”



→ Grow core products and expand “plant-based ingredients + fermentation” domain

◆ Structural reforms aimed at “shifting management resources to growth areas” (to be implemented by 2022)

- Continuously implement structural reforms of vending machine business
- Streamline operations and reduce cost of waste by optimizing SKUs
- Streamline and reduce using selection and concentration of sales costs



Reorganize vending machine operator subsidiaries*

- Performance weakened due to COVID-19 Decision to liquidate vending machine operator subsidiary Public Vending Service** (Liquidation planned for June 30, 2022)
- Expect to increase core operating profit by **approx. ¥700 million/year** (From 2023 onwards)

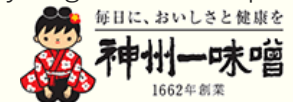
Share transfer of Pokka Create

- Concentrate management resources on growth areas focused on the growing lemon business aimed at “expansion of food domain”



Reorganize business locations of Shinsyu-ichi Miso

- Sell the former sites of the Tokyo head office and Higashikurume Factory (Scheduled)
- Concentrate on “miso” and “instant miso soup” businesses
- Create synergies with PS’ processed foods business

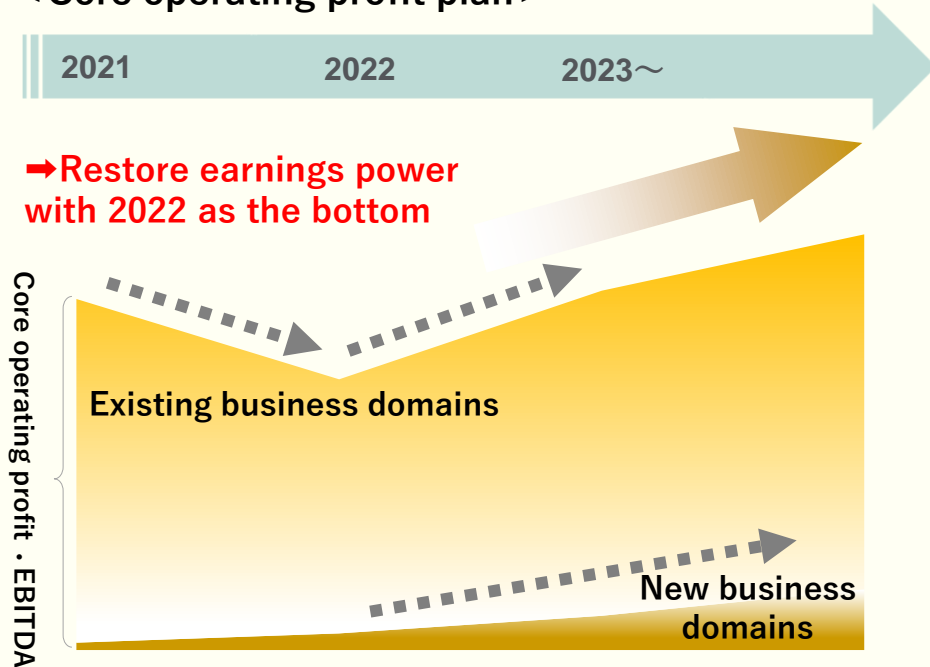


*PS Group currently has four companies (including Public Vending Service)

**Public Vending Service has specialty channels deeply impacted by COVID-19, such as expressways and entertainment facilities

▶ Promote initiatives to improve the value of existing properties, boosting profits of new businesses

< Core operating profit plan >



< Points >

▼ 2022年

- In addition to **lower revenue from the sale of properties** implemented in 2021, there were increased one-off costs involving value enhancement and **opening costs of the commercial building**

▲ 2023年

- Profit after commercial building remodel **will contribute throughout the year**
- **Increase revenue driven by the investment effect of new business domains** from equity investments, etc.

Key initiatives for 2022

1. Approach to improving the value of Yebisu Garden Place

Seek to improve convenience tailored to changing needs and provide **new functions/added value** to maintain/improve profitability and aim to improve brand value of the entire community



Remodel commercial building and open stores with new formats

- Prepare functions in demand, such as small-scale offices, etc. Commercial building slated to open in autumn 2022 (Open food and lifestyle product floor first in April)
- Blue Note Japan plans to open new format dining restaurant and bar

Improve environmental performance with renewable energy

- Reduce CO2 emissions by switching to renewable energy, including electricity used by tenants

Approach to improving function of office tower

Continue with investments to improve function to create comfortable spaces for office workers

Installation of seismic damping mechanism to be completed in 2022

Elevator upgrades scheduled to be completed in 2024

HVAC updates will take approx. 10 years from 2022

*Keep 2 to 4 floors vacant every year to facilitate updates

2. Achieve earnings in new business domains

Turnover property portfolio and **pursue profit growth in new business domains** aiming to disperse risk and increase profits

- Expand equity investments in private-placement funds
- Expand securitization business* value added properties

*New property and capital gains acquisition assuming sale after adding value

2022: Group Management Plan




| (billions of yen) | 2021 Result | 2022 Plan | YoY changes (amount) | YoY changes (%) |
|--|----------------|--------------|-------------------------|--------------------|
| Revenue | 437.2 | 478.7 | 41.5 | 9.5% |
| Revenue (Excluding liquor tax) | 331.2 | 357.9 | 26.7 | 8.1% |
| Overseas revenue | 74.5 | 83.4 | 9.0 | 12.0% |
| EBITDA | 28.6 | 31.6 | 2.9 | 10.3% |
| Core operating profit | 8.1 | 10.0 | 1.9 | 23.2% |
| Core operating profit margin | 1.9% | 2.1% | 0.2% | — |
| Operating profit | 22.0 | 7.3 | (14.7) | (66.9%) |
| Profit attributable to owners of parent | 12.3 | 5.0 | (7.3) | (59.1%) |
| EBITDA interest-bearing debt ratio (times) ※Net | 6.3 | 6.1 | (0.2) | — |
| D/E ratio (times) ※Net | 1.1 | 1.2 | 0.1 | — |

The balance of debt excludes the balance of lease obligations.

Revenue by Segment



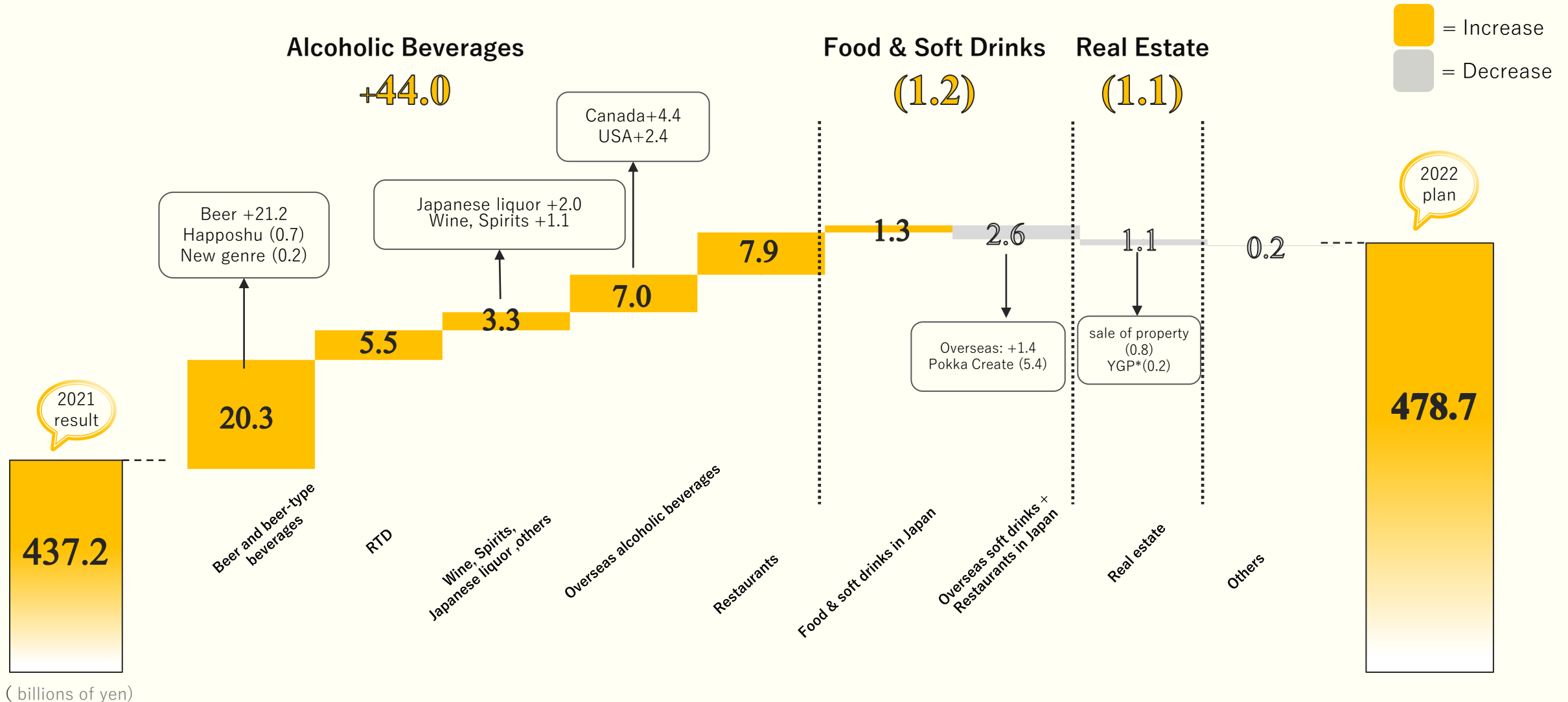
| (billions of yen) | 2021 Result | 2022 Plan | YoY changes (amount) | YoY changes (%) |
|-------------------------------|-------------|--------------|----------------------|-----------------|
| Revenue by Segment | 437.2 | 478.7 | 41.5 | 9.5% |
| Alcoholic Beverages | 289.7 | 333.7 | 44.0 | 15.2% |
| Japanese | 228.6 | 257.8 | 29.2 | 12.8% |
| Overseas | 53.4 | 60.4 | 7.0 | 13.1% |
| Restaurants | 7.6 | 15.5 | 7.9 | 103.2% |
| Food & Soft Drinks | 125.5 | 124.2 | (1.2) | (1.0%) |
| Real Estate | 21.9 | 20.7 | (1.1) | (5.2%) |
| Other | 0.2 | 0.0 | (0.2) | (100.0%) |


 Factors are explained in the next slide

Main Contributors to Changes in Revenue for 2022



Increased revenue mainly from recovery in beer/restaurant businesses and growth overseas



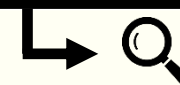
(billions of yen)

*YGP:Yebisu garden place

Core Operating Profit by Segment



| (billions of yen) | 2021 Result | 2022 Plan | YoY changes (amount) | YoY changes (%) |
|---|-------------|--------------|----------------------|-----------------|
| Core Operating Profit by Segment | 8.1 | 10.0 | 1.9 | 23.2% |
| Alcoholic Beverages | 5.4 | 9.5 | 4.1 | 74.4% |
| Japanese | 7.9 | 7.5 | (0.4) | (5.3%) |
| Overseas | 1.7 | 2.6 | 0.9 | 50.5% |
| Restaurants | (4.2) | (0.6) | 3.6 | — |
| Food & Soft Drinks | 0.7 | 1.7 | 1.0 | 133.7% |
| Real Estate | 8.2 | 6.3 | (2.0) | (24.0%) |
| Other • General corporate and intercompany eliminations | (6.2) | (7.4) | (1.1) | — |



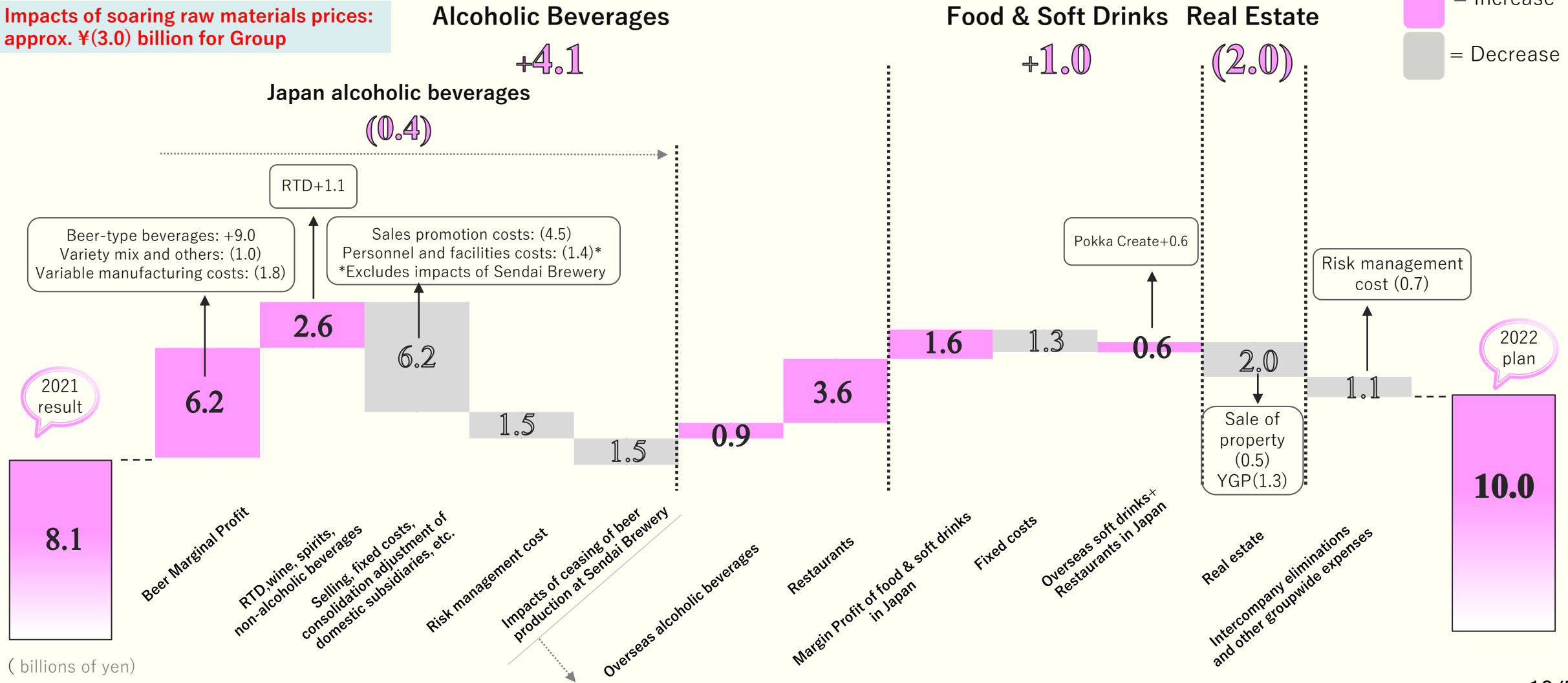
Factors are explained in the next slide

Main Contributors to Changes in Core Operating Profit for 2022

Real estate experienced a temporary downturn in profits, but this was offset by the increase in profits of the Alcoholic Beverages/Food & Soft Drinks businesses
 Each business is impacted by soaring raw materials prices

* Impacts of soaring raw materials prices: approx. ¥(3.0) billion for Group

■ = Increase
 ■ = Decrease



Depreciation of book value of facilities planned for removal by reducing useful life

Profit attributable to owners of parent



| (billions of yen) | 2021 Result | (Details) | 2022 Plan | (Details) |
|--|----------------|---|--------------|-----------|
| Core operating Profit | 8.1 | | 10.0 | |
| Other operating income · expenses | 13.9 | Gain on sales of fixed assets, impairment, etc. | (2.7) | |
| Operating Profit | 22.0 | | 7.3 | |
| Profit before tax | 21.2 | | 6.9 | |
| Income taxes | 8.9 | | 1.8 | |
| Profit | 12.3 | | 5.0 | |
| Loss attributable to non-controlling interest | (0.1) | | 0.0 | |
| Profit attributable to owners of parent | 12.3 | | 5.0 | |

Business Results

▶ Strong sales of canned beers, lemon-based products, and plant-based milk Record high sales and shipment volume of RTDs and Sapporo brand in the United States

Black Label canned product sales volume



Up **10** % YoY

YEBISU brand canned product sales volume



Up **2** % YoY

RTD product sales volume



Up **46** % YoY

All-time high sales

North America Sapporo Brand sales volume



Up **28** % YoY

All-time high sales

Lemon-based products sales



Up **9** % YoY

Plant milk sales



Up **11** % YoY

Review of 2021: Results

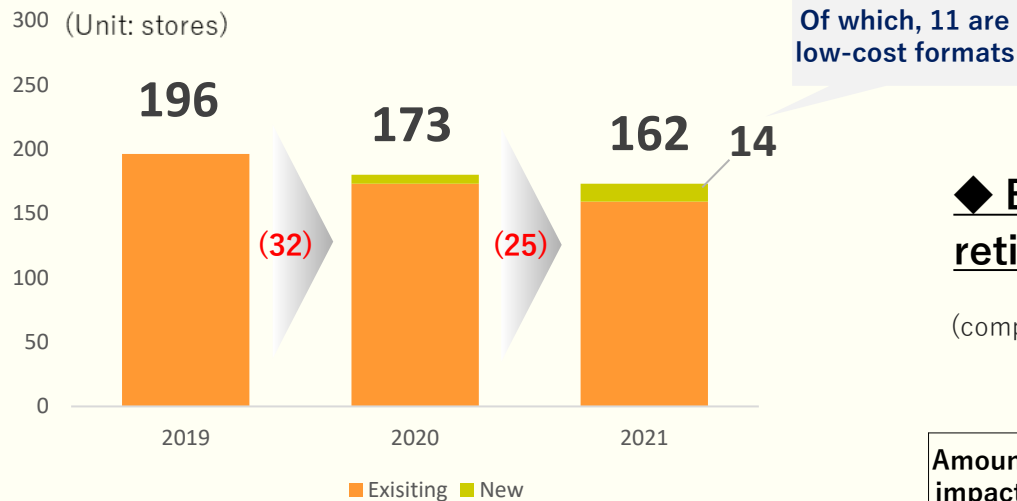
Progress of structural reforms

Restaurant business progress in break-even point efforts

Carried out reshuffling of store portfolio by closing stores and opening new stores in low-cost format at the same time

→ Establish earnings structure profitable at around 70% of 2019 sales

<Change in number of stores in restaurant business>



Figures in parentheses show number of unprofitable stores closed

Sales of real estate in 2021



Due to sale of investment property (multiple properties)

Approx. ¥41.9 billion converted to cash

Approx. ¥23.2 billion of unrealized gains

*The above amount includes the sale of real estate other than investment properties

Effect of implementing early retirement incentive program

(compared to 2020)

| | (billions of yen) | | | |
|---|-------------------|------|------|-------|
| | SB社 | PS社 | SLN社 | total |
| Amount of impact on core operating profit | | | | |
| 2021年 (result) | +0.9 | +0.8 | +0.6 | +2.3 |
| 2022onward (forecast) | +1.2 | +1.1 | +0.7 | +3.0 |

Sale of investment securities (2021 results)

16 stocks sold

Approx. ¥3.0 billion converted to cash

Review of 2021: Issues

Commercial-use beer sales and the restaurant business struggled due to reduced business hours and restrictions on alcohol service

Office occupancy rates declined due to deteriorating market conditions

Beer (bottles · kegs)
sales volume



Down **22%** YoY

Restaurants sales



Down **32%** YoY

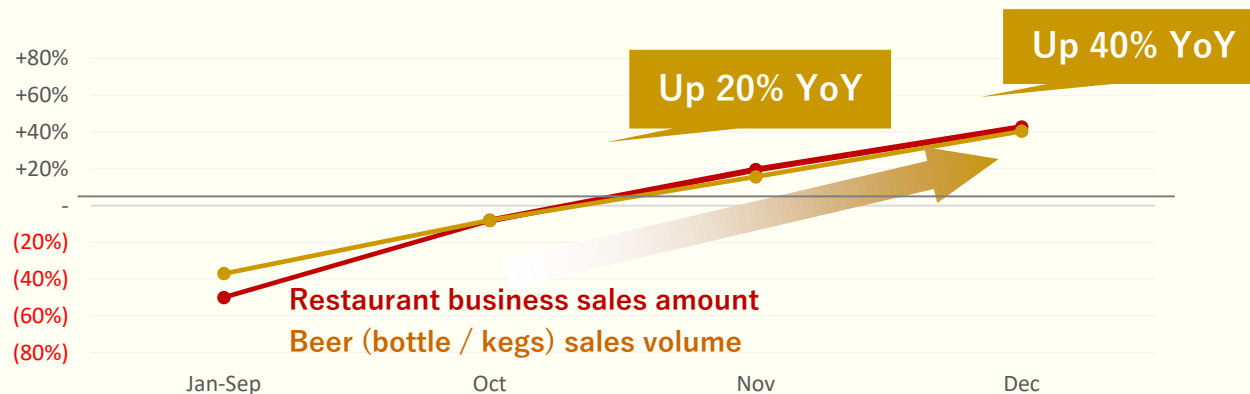
Yebisu Garden Place
office occupancy rate



Office occupancy rate **92%**
(average occupancy during the fiscal year under review)

Reference: Beer sales volume (bottle and kegs) and sales amount for restaurant business: YoY change, October-December

→ Restaurant market **trending toward recovery** following the removal of Japan's state of emergency in October



2021: Highlights



| (billions of yen) | 2020 Result | 2021 Result | YoY changes (amount) | YoY changes (%) |
|--|----------------|----------------|-------------------------|--------------------|
| Revenue | 434.7 | 437.2 | 2.4 | 0.6% |
| Revenue (Excluding liquor tax) | 328.6 | 331.2 | 2.6 | 0.8% |
| Overseas revenue | 65.5 | 74.5 | 9.0 | 13.7% |
| EBITDA | 27.4 | 28.6 | 1.3 | 4.7% |
| Core operating profit | 4.3 | 8.1 | 3.9 | 91.1% |
| Core operating profit margin | 1.0% | 1.9% | 0.9% | — |
| Operating profit | (15.9) | 22.0 | 38.0 | — |
| Profit attributable to owners of parent | (16.1) | 12.3 | 28.4 | — |
| EBITDA interest-bearing debt ratio (times) ※Net | 8.1 | 6.3 | (1.8) | — |
| D/E ratio (times) ※Net | 1.5 | 1.1 | (0.4) | — |

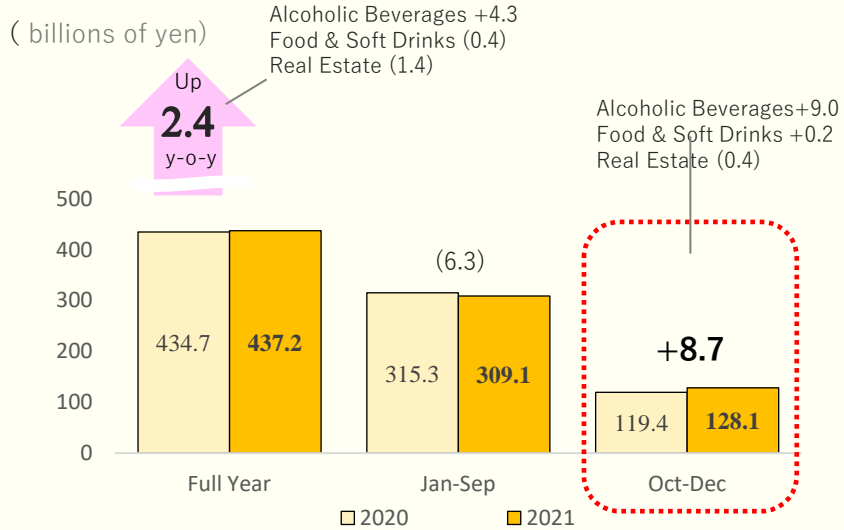
The balance of debt excludes the balance of lease obligations.

Results Highlights

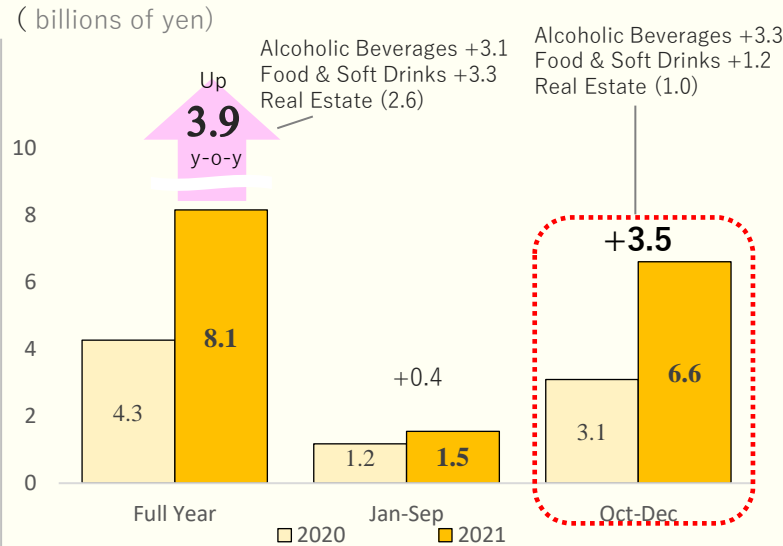


Greatly impacted by COVID-19, but revenue and profit both increased on the growth in home-use sales in Japan and the overseas business along with the effects of structural reforms

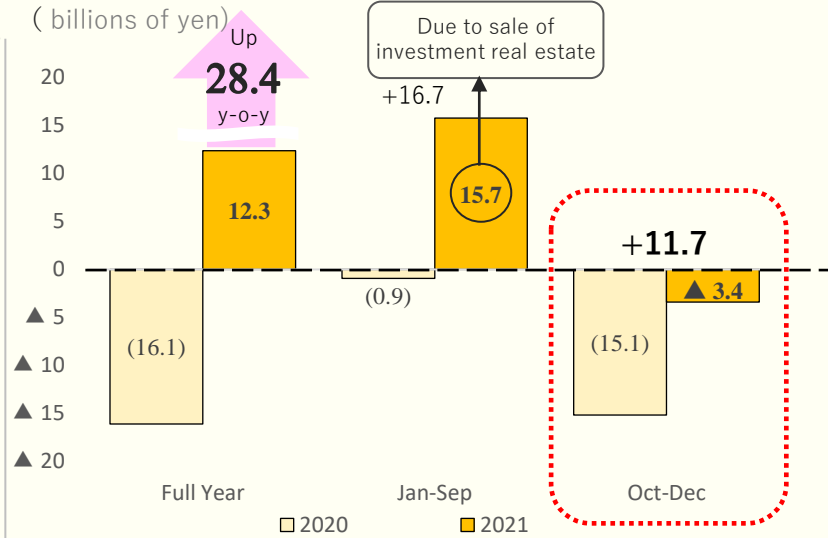
Revenue



Core operating profit



Profit attributable to owners of parent



- **Alcoholic Beverages:** Growth in home-use sales in Japan and overseas business
 Meanwhile, commercial-use beer sales and restaurant business recovered in 4Q Impacts from COVID-19 spread throughout the year
- **Food & Soft Drinks:** Sales of lemon-based food and plant-based milk products remained steady Overseas soft drink sales also recovered from last year
 Domestic soft drink sales struggled due to COVID-19 and bad weather
- **Real Estate:** Office occupancy rate declined due to deteriorating market conditions and departure of some tenants in the previous fiscal year

- Increased profits on effect of higher revenue and cost structure reforms and cost controls underway

- In addition to reversal of loss from impairment in the previous year, profit soared due to sale of investment real estate during the current fiscal year
- 【2020】**
 Impairment losses on PS (11.0), COVID-19 loss (3.5)
 Lump-sum benefit for early retirement (4.9)
- 【2021】**
 Gain on sales of fixed assets +23.2
 Impairment losses (7.5)
 (Of which alcoholic beverages (3.3), food and beverages (4.2)),
 COVID-19 loss (1.6), Demolition of SB Sendai Brewery (1.4)

Results Highlight: Impact on Restaurant-Related Companies

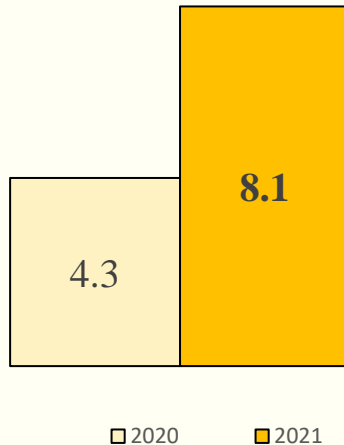
- Struggles of restaurant related companies continue to dampen overall profits
- Meanwhile, the restaurant business improved YoY on the effect of structural reforms, despite a sharp drop in revenue

Breakdown showing core operating profit for **restaurants-related business** and **other businesses**

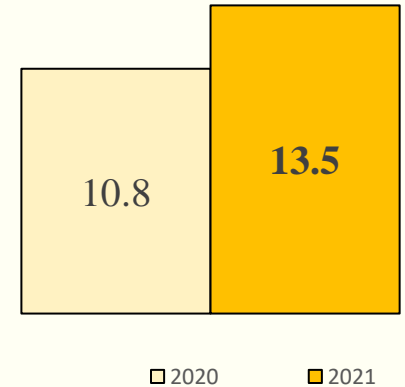
Consolidated: (1) + (2)

Persistent **difficulties in restaurant-related business**

(billions of yen)



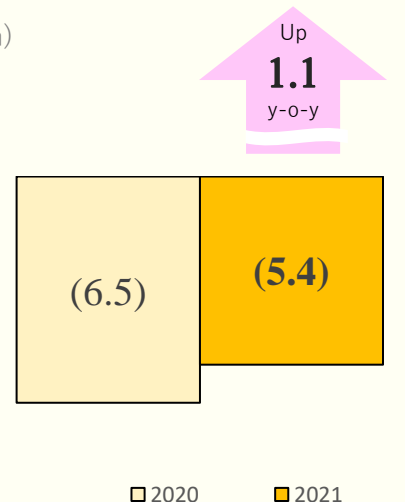
Excl. restaurant-related companies*: (1)



Restaurant-related companies* only: (2)

Despite the effects of structure reform and the recovery of the coffee shop market, **losses in the restaurant-related business** continue.

(billions of yen)

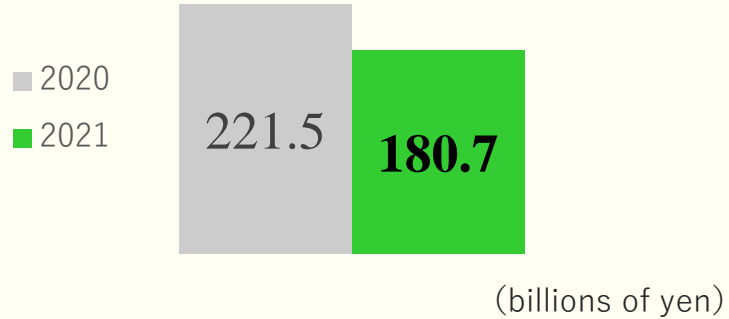


*Restaurant-related companies
 Restaurant business (Sapporo Lion Group)
 Shinseien, Pokka Create

Results Highlight

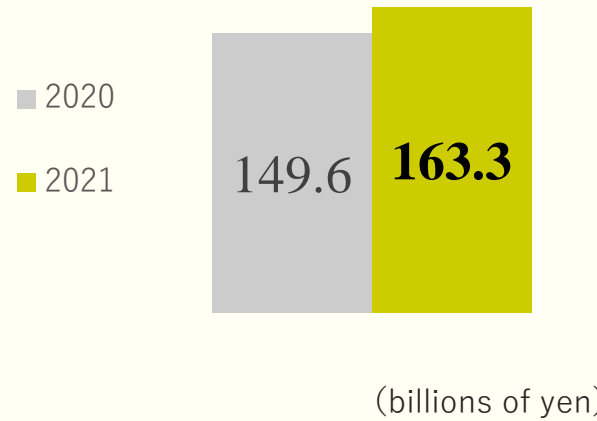


Balance of net debt

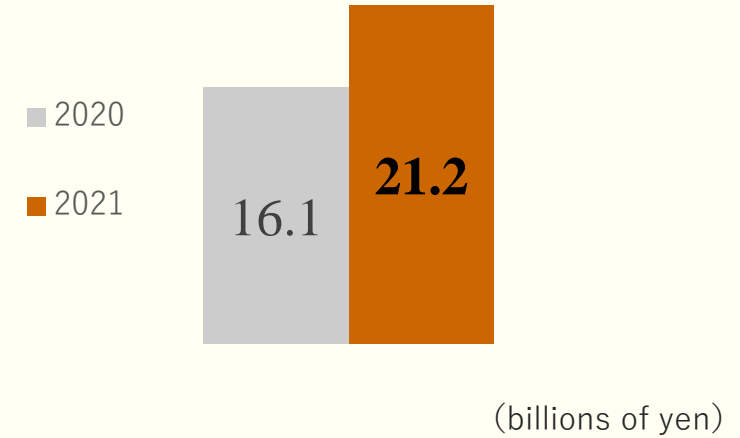


D/E ratio (net) **1.1 X** Down 40% YoY

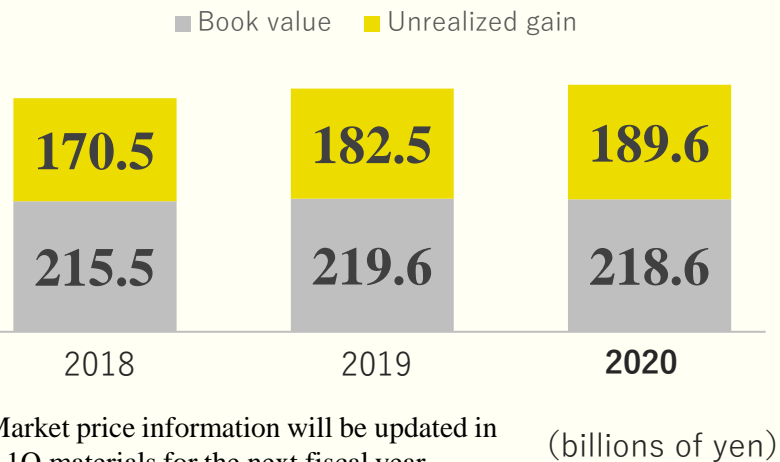
Equity



Capital expenditure (cash basis)



Market value info on investment properties



* Market price information will be updated in the 1Q materials for the next fiscal year.

Reforms of Group management foundation and Group topics

< October–December >

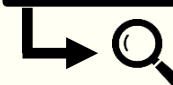
- Established “Promote Responsible Drinking” as our global slogan for encouraging responsible drinking <https://www.sapporoholdings.jp/news/dit/?id=8874> * Japanese
- Jointly received the Green Logistics Partnership Conference Assistant Vice-Minister for Public Transport and Logistics Policy Award <https://www.sapporoholdings.jp/news/dit/?id=8875> * Japanese
- Decided to develop and release official app version of recipe proposal app "Uchi-Repi" in 2022 <https://www.sapporoholdings.jp/news/dit/?id=8850> * Japanese
- Establishment of Sapporo Group Plastics Policy <https://www.sapporoholdings.jp/news/dit/?id=8849> * Japanese



Revenue by Segment





| (billions of yen) | 2020 Result | 2021 Result | YoY changes (amount) | YoY changes (%) |
|-------------------------------|-------------|--------------|----------------------|-----------------|
| Revenue by Segment | 434.7 | 437.2 | 2.4 | 0.6% |
| Alcoholic Beverages | 285.4 | 289.7 | 4.3 | 1.5% |
| Japanese | 227.9 | 228.6 | 0.7 | 0.3% |
| Overseas | 46.2 | 53.4 | 7.2 | 15.7% |
| Restaurants | 11.3 | 7.6 | (3.7) | (32.5%) |
| Food & Soft Drinks | 125.9 | 125.5 | (0.4) | (0.3%) |
| Real Estate | 23.3 | 21.9 | (1.4) | (6.0%) |
| Other | 0.2 | 0.2 | (0.0) | (3.5%) |



Factors are explained in the next slide

Main Contributors to Changes in Revenue

Commercial-use beer, restaurant business and domestic soft drinks struggled, but higher revenue from RTD and overseas alcoholic beverages helped push overall revenue higher (up ¥ 2.4 billion)

 = Increase
 = Decrease

Alcoholic Beverages

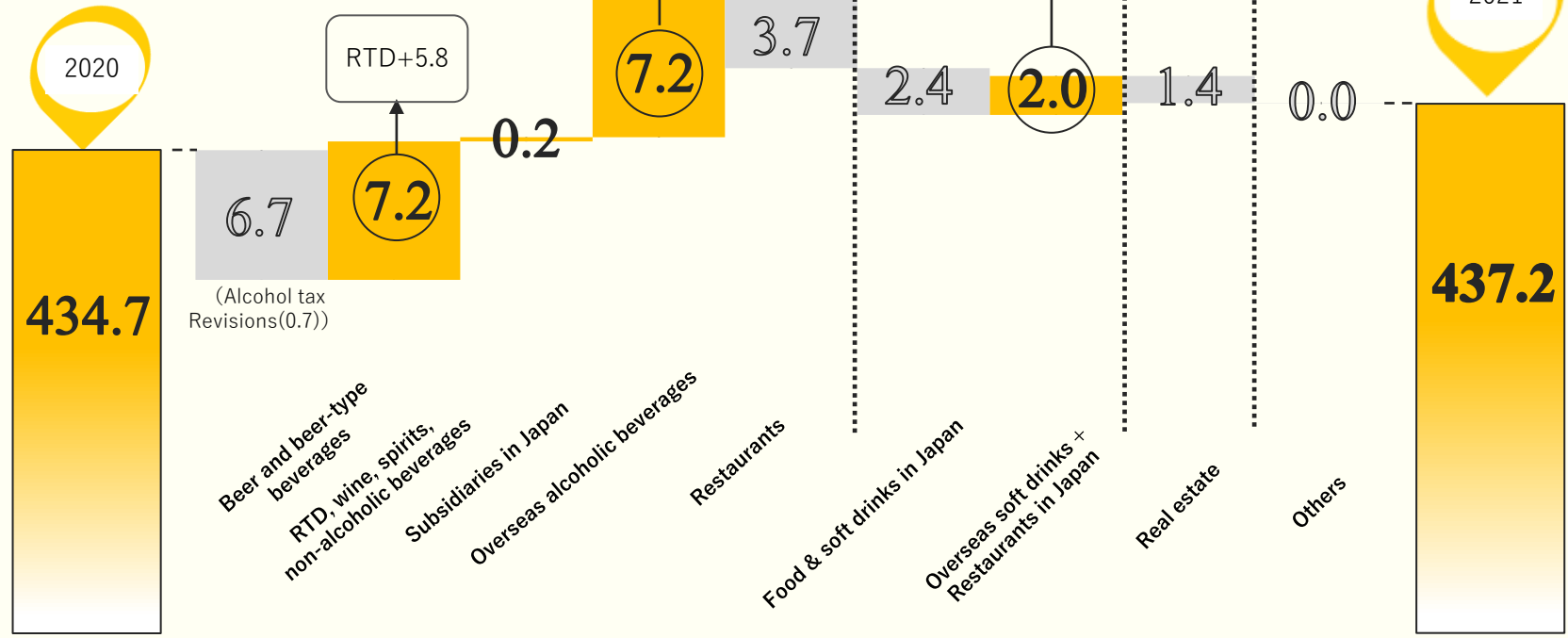
+4.3

Food & Soft Drinks

(0.4)

Real Estate

(1.4)



| | (billions of yen) | | | | |
|--|-------------------|--------------|--------------|--------------|--------------|
| | Total | YoY Changes | | | |
| | | 1 Q | 2 Q | 3 Q | 4 Q |
| Total | 2.4 | (9.9) | 9.7 | (6.0) | 8.7 |
| Alcoholic Beverages | 4.3 | (6.7) | 6.9 | (4.9) | 9.0 |
| Japanese | 0.7 | (3.9) | 3.4 | (4.9) | 6.0 |
| Beer and beer-type beverages | (6.7) | (4.3) | 1.0 | (7.0) | 3.6 |
| Beer | (5.5) | (4.1) | 1.4 | (5.0) | 2.3 |
| Happoshu | (0.4) | (0.1) | (0.2) | (0.1) | (0.0) |
| New genre products | (0.9) | (0.1) | (0.2) | (1.9) | 1.3 |
| RTD, wine, spirits, non-alcoholic beverages | 7.2 | 1.0 | 2.5 | 1.8 | 1.8 |
| RTD | 5.8 | 1.3 | 1.8 | 2.0 | 0.8 |
| wine, spirits, non-alcoholic beverages | 1.3 | (0.2) | 0.7 | (0.2) | 1.0 |
| Subsidiaries in Japan | 0.2 | (0.7) | (0.1) | 0.4 | 0.6 |
| Overseas | 7.2 | (0.1) | 3.2 | 1.6 | 2.5 |
| Restaurants | (3.7) | (2.7) | 0.3 | (1.7) | 0.5 |
| Food & Soft Drinks | (0.4) | (2.8) | 2.7 | (0.5) | 0.2 |
| Food & soft drinks in Japan | (2.4) | (1.9) | 0.9 | (0.9) | (0.6) |
| Overseas soft drinks + Subsidiaries in Japan | 2.0 | (0.9) | 1.7 | 0.5 | 0.7 |
| Real Estate | (1.4) | (0.4) | 0.1 | (0.6) | (0.4) |
| Others | (0.0) | 0.0 | (0.0) | (0.0) | (0.0) |

(billions of yen)

Core Operating Profit by Segment



| (billions of yen) | 2020 Result | 2021 Result | YoY changes (amount) | YoY changes (%) |
|--|-------------|--------------|----------------------|-----------------|
| Core Operating Profit by Segment | 4.3 | 8.1 | 3.9 | 91.1% |
| Alcoholic Beverages | 2.4 | 5.4 | 3.1 | 129.7% |
| Japanese | 6.7 | 7.9 | 1.3 | 18.9% |
| Overseas | 0.5 | 1.7 | 1.3 | 270.2% |
| Restaurants | (5.0) | (4.2) | 0.8 | — |
| Food & Soft Drinks | (2.6) | 0.7 | 3.3 | — |
| Real Estate | 10.9 | 8.2 | (2.6) | (24.2%) |
| Other · General corporate and intercompany eliminations | (6.3) | (6.2) | 0.1 | — |



Factors are explained in the next slide

Main Contributors to Changes in Core Operating Profit

While profit declined in commercial-use beer, new-genre beer, and the Real Estate business, growth in RTD, recovery overseas, and cost control resulted in an increase of ¥3.9 billion.

→ Covered reversal of ¥(1.7) billion COVID-19 loss transfer*

Alcoholic Beverages Food & Soft Drinks Real Estate

■ = Increase
■ = Decrease

+3.1

+3.3

(2.6)

*Total (0.9) (Japan alcoholic beverages (0.7), overseas alcoholic beverages (0.3), restaurants +0.1)

*Total (0.4)

*Total (0.3)

Japanese alcoholic beverages
+1.3

Sales promotion costs: +0.8
Personnel and facilities costs: +3.4
(Of which, impacts from impairment loss: +2.0)

2021

8.1

2020

4.3

Beer Marginal Profit
RTD, wine, spirits, non-alcoholic beverages
Fixed costs
Subsidiaries in Japan
Overseas alcoholic beverages
Restaurants
Margin Profit of food & soft drinks in Japan
Fixed costs
Overseas soft drinks+ Restaurants in Japan
Real estate
Intercompany eliminations and other groupwide expenses

(billions of yen)

| | Total | YoY Changes | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | | 1Q | 2Q | 3Q | 4Q |
| Total | 3.9 | (0.7) | 2.3 | (1.2) | 3.5 |
| Alcoholic Beverages | 3.1 | (0.4) | 1.3 | (1.1) | 3.3 |
| Japanese | 1.3 | (0.1) | 0.7 | (2.0) | 2.7 |
| Beer Marginal Profit | (1.9) | (1.8) | 0.4 | (2.2) | 1.7 |
| Sales of beer and beer-type beverages | (0.9) | (1.2) | 0.9 | (1.4) | 0.8 |
| Sales of happoshu | (0.2) | (0.0) | (0.1) | (0.1) | 0.0 |
| Sales of genre products | (2.1) | (0.6) | (0.6) | (1.5) | 0.7 |
| Difference in beer sales composition by container type + manufacturing costs | 1.3 | 0.1 | 0.2 | 0.7 | 0.3 |
| RTD, wine, western spirits, non-alcoholic beverages | 1.8 | 0.1 | 0.7 | 0.9 | 0.1 |
| Fixed costs | 0.5 | 1.3 | (0.6) | (0.4) | 0.2 |
| Subsidiaries in Japan | 0.9 | 0.2 | 0.3 | (0.2) | 0.6 |
| Overseas | 1.3 | 0.3 | 0.4 | 0.4 | 0.1 |
| Restaurants | 0.8 | (0.5) | 0.2 | 0.5 | 0.7 |
| Food & Soft Drinks | 3.3 | 0.3 | 1.2 | 0.6 | 1.2 |
| Marginal Profit of food & soft drinks in Japan | (1.5) | (0.8) | 0.3 | (0.6) | (0.4) |
| Sales of food & soft drinks in Japan | 0.2 | (0.6) | 0.6 | 0.0 | 0.1 |
| Manufacturing costs | (1.7) | (0.2) | (0.4) | (0.6) | (0.6) |
| Fixed costs | 4.2 | 1.2 | 0.5 | 1.0 | 1.4 |
| Overseas soft drinks + Subsidiaries in Japan | 0.7 | (0.1) | 0.4 | 0.2 | 0.3 |
| Real Estate | (2.6) | (0.5) | (0.3) | (0.8) | (1.0) |
| Intercompany eliminations and other groupwide expenses | 0.1 | (0.1) | 0.2 | 0.1 | (0.1) |

(billions of yen)

Profit attributable to owners of parent



| (billions of yen) | 2020 Result | (Details) | 2021 Result | (Details) |
|--|---------------|---|-------------|---|
| Core operating Profit | 4.3 | | 8.1 | |
| Other operating income | 3.7 | Gain on sales of non-current assets: +1.6 | 28.5 | Gain on sales of non-current assets: +23.2 COVID-19 related subsidies: +4.5 |
| Other operating expenses | 23.9 | Impairment losses on PS: (11.0) COVID-19 loss: (3.5) Lump-sum benefit for early retirement: (4.9) | 14.6 | Impairment losses: (7.5) (Of which; alcoholic beverages: (3.3), food and beverages: (4.2)) COVID-19 loss: (1.6), Demolition of SB Sendai Brewery: (1.4) |
| Operating Profit | (15.9) | | 22.0 | |
| Profit before tax | (19.4) | | 21.2 | |
| Income taxes | (2.8) | | 8.9 | |
| Profit | (16.6) | | 12.3 | |
| Loss attributable to non-controlling interest | (0.5) | | (0.1) | |
| Profit attributable to owners of parent | (16.1) | | 12.3 | |

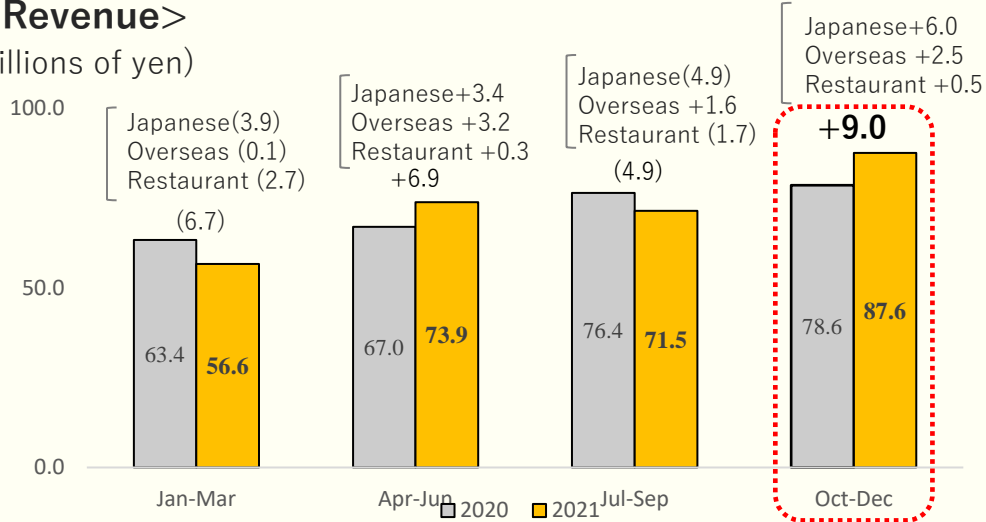
Alcoholic Beverages



Commercial-use beer and the restaurant business, which both struggled due to COVID-19, are recovering
 Increased revenue and profit on the effect of higher revenue from home-use beer, RTD and overseas alcoholic beverages along with the effect of cost structure reforms

<Revenue>

(billions of yen)



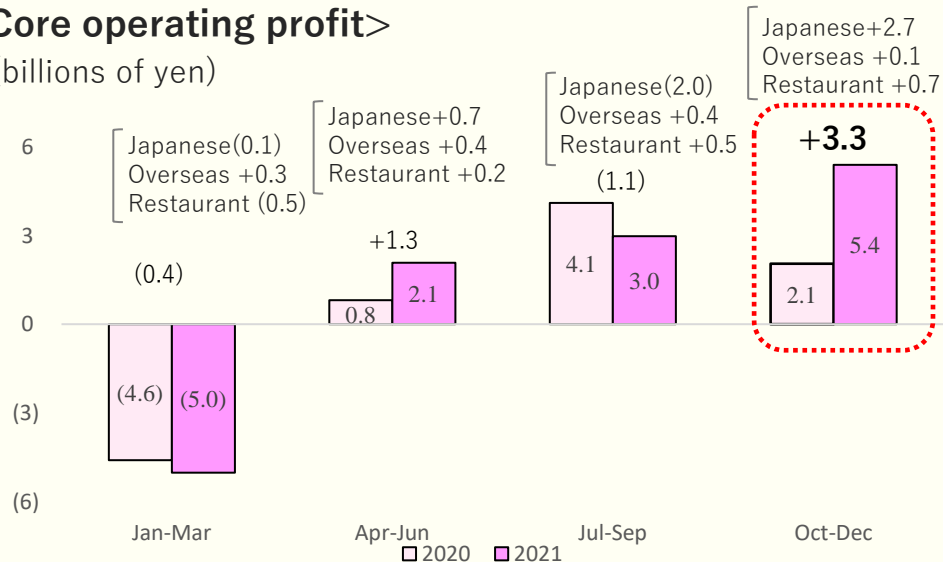
Positive

- Home-use sales of canned beer, RTD and RTS, etc., were strong
- Domestic Alcoholic Beverages business expected to post higher revenue and profit
- In the United States, in addition to strong sales of home-use products, there was a recovery in commercial-use sales (SPB* posted record high sales)
- Sales of Sleeman Clear at Sleeman in Canada were strong (up 22% YoY) Acquired prominent brand "SoCIAL LITE," growing RTD (volume approx. 4 times previous year)
- Restaurant business saw weaker revenue, but core operating profit improved on the effects of cost structure reforms

* SPB : SAPPORO PREMIUM BEER

<Core operating profit>

(billions of yen)



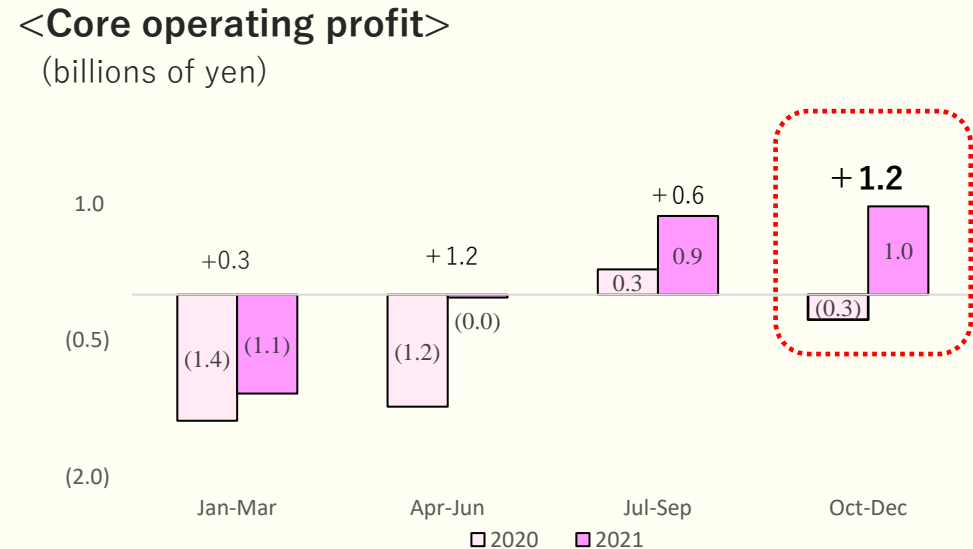
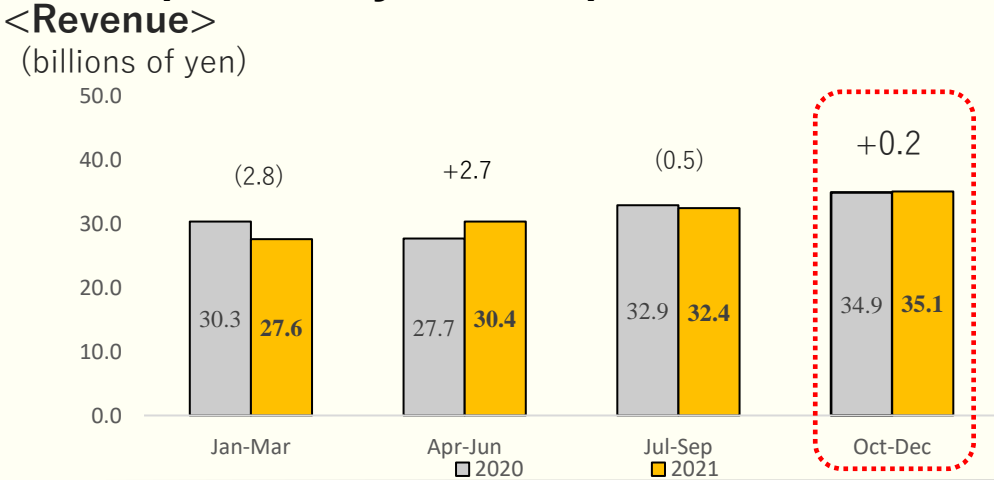
Negative

- Commercial-use beer and restaurants struggled due to the impacts of restrictions on alcoholic beverage serving
 ➔ 4Q saw recovery on the lifting of these restrictions
- The new-genre beer market overall struggled despite strong sales of GOLD STAR (up 16% YoY)
- Higher marine shipping costs pressuring earnings in the United States
- Anchor products saw strong sales of canned products, but weaker sales for bottled products

Food & Soft Drinks



● Soft drink sales and certain vending machine locations struggled due to COVID-19 and bad weather, despite strong sales of lemon-based products and a recovery overseas
 Heading toward core operating profit buoyed by cost controls and a reduction in depreciation due to the previous year's impairment



Positive

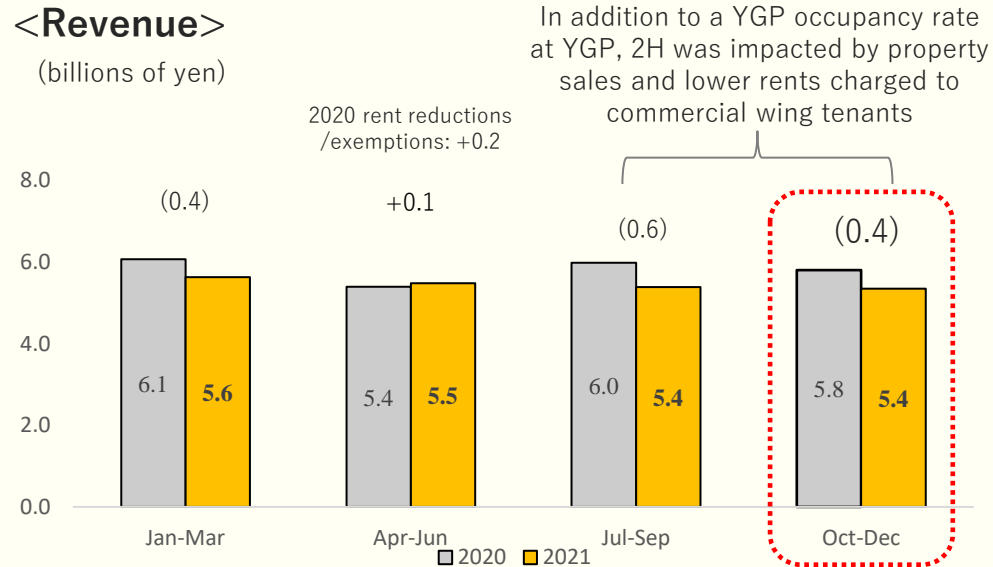
- Record high shipments of Pokka Lemon 100 and Kireto Lemon for third consecutive year
- Sales of plant-based milk products also continue to grow
- Concluded business tie-up agreement with Yakult, working toward joint research and product development
- Overseas, revenue and profits were both up on the recovery in commercial-use markets, growth of the e-commerce channel and cost reductions

- Soft drink sales struggled in the summer due to bad weather and the extension of Japan's state of emergency
- Sales of restaurants (Pokka Create and Blue Seal) were up YoY, but failed to recover to the level before COVID-19

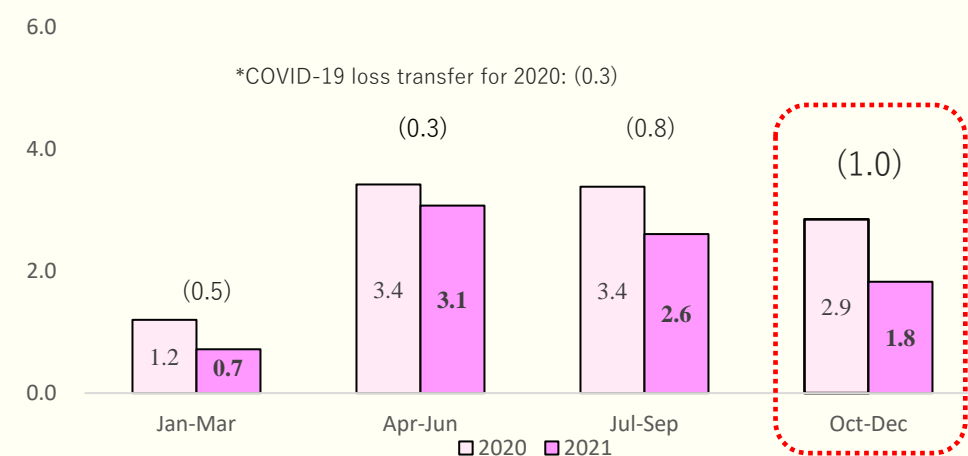
Negative

Revenue and profits were down on weaker office market conditions and impacts from the departure of some tenants

<Revenue> (billions of yen)



<Core operating profit> (billions of yen)



Positive

- Ahead of the remodel of Yebisu Garden Place (commercial wing*), leasing progress at 70-80% of all lots was made (over 90% of commercial wing tenants finalized)
- Realized latent gains through sale of owned real estate
- Promoted initiatives to enhance value of owned real estate
*The remodeled commercial building will have an office zone
- Grow new business domains using equity investments, etc.

Negative

- Declining occupancy rate of offices at Yebisu Garden Place Tower (average occupancy during the current fiscal year: 92%)
- Temporary drop in rental income from the department of commercial wing tenants

Changes in Balance Sheets



▶ Total assets decreased ¥21.8 billion from year end

■ Cash and cash equivalents

■ Trade receivables

➢ Impact of seasonal factors and bank holidays

■ Inventories

■ Other current assets

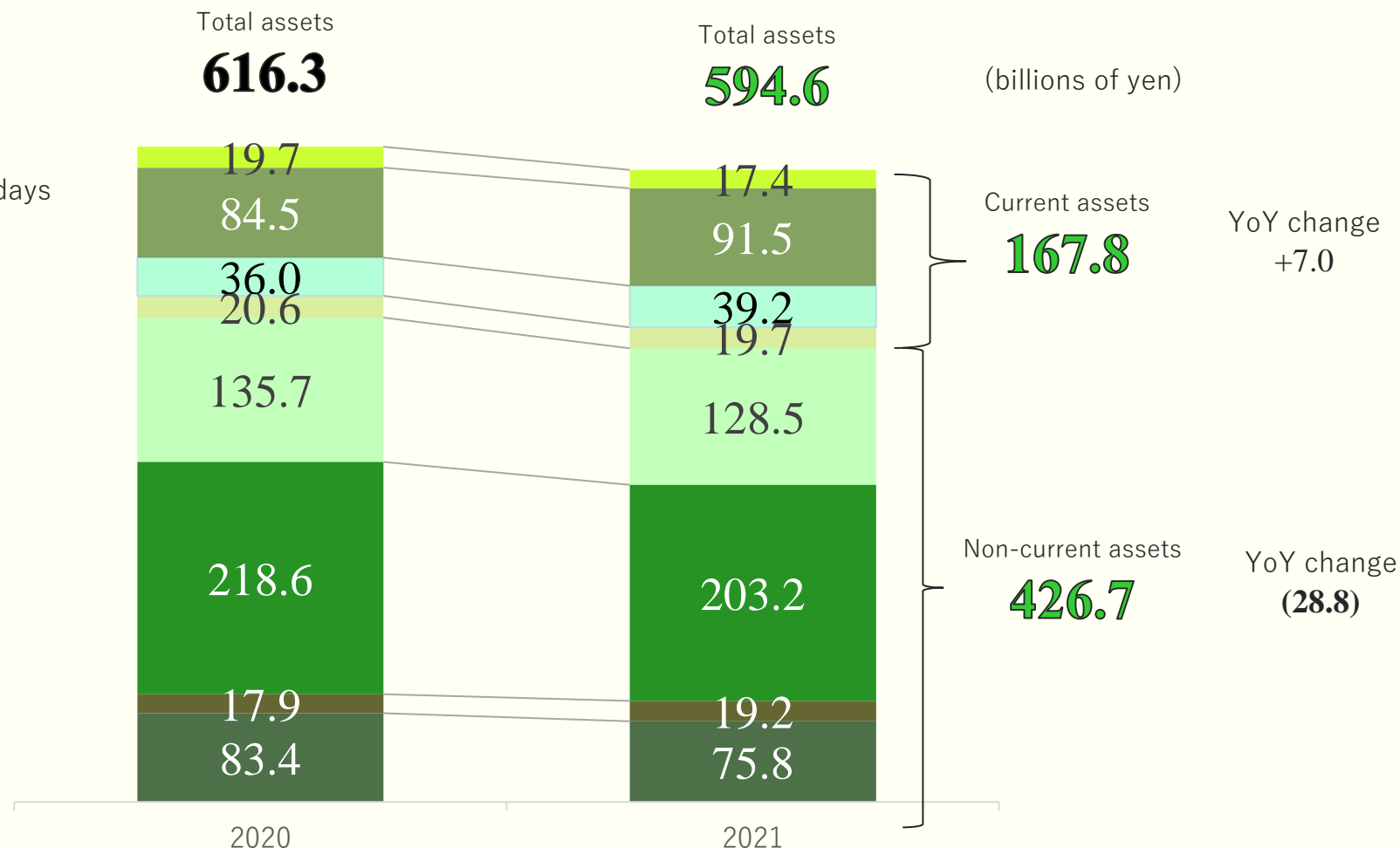
■ Fixed assets

■ Investment property

➢ Sale of investment property

■ Goodwill

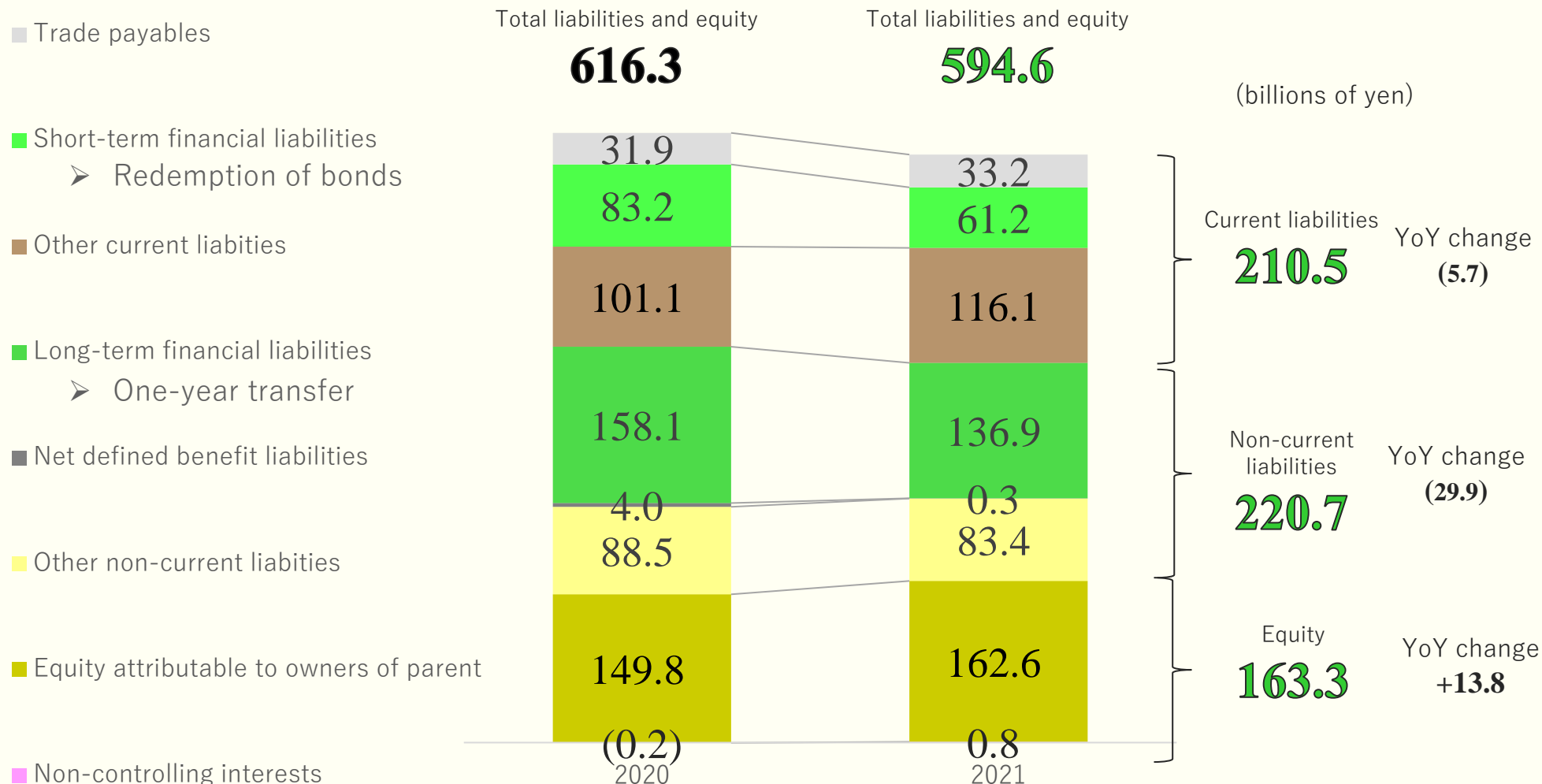
■ Other non-current assets



Changes in Balance Sheets



▶ Total liabilities declined ¥35.6 billion from year end, total equity increased ¥13.8 billion

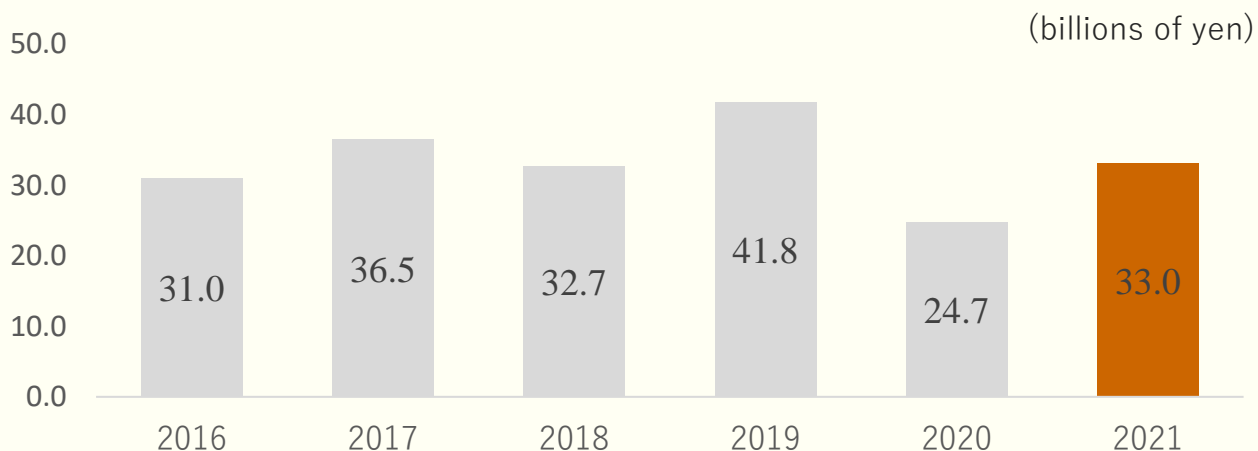


Investment on a cash basis was **¥33.0 billion**

<Consolidated cash flow (CF) statement>

| (billions of yen) | 2020 Results | 2021 Results | Change | Change (%) |
|------------------------------|--------------|--------------|--------|------------|
| CF from operating activities | 16.5 | 30.3 | 13.8 | 84.1% |
| CF from investing activities | (16.0) | 20.7 | 36.7 | — |
| Free CF | 0.5 | 51.0 | 50.6 | 10,851.6% |
| CF from financing activities | 4.1 | (53.1) | (57.2) | — |

<Changes in amount of investment (cash basis)>



<Investment total (①+②+③)> **¥33.0 billion**

① Capital expenditure (cash basis) : **¥21.2 billion**

(Property, plant and equipment, intangible assets, investment property)

<Major items>

- Alcoholic Beverages: **¥7.1 billion**

SB: ¥4.0billion

Sleeman ¥2.1 billion

- Food & Soft Drinks: ¥5.1 billion

PS : ¥2.3 billion

POKKA PTE. LTD. : ¥1.4 billion

Shinsyu-ichi Miso Co., Ltd. ¥0.6 billion

- Real Estate: ¥8.2 billion

Acquisition of investment property

- Group-wide: ¥0.8 billion

② Lease fees: **¥3.4billion**

(excluding lease fees for renting restaurant premises)

③ Other investments: **¥8.4billion**

(Acquisition of Aware Beverages Inc., Invest in property's equity etc..)

Appendix

Appendix: Initiatives for Sustainability Management



Sapporo Group Environmental Vision 2050

Toward a “carbon-free society, recycling-oriented society and society in harmony with nature”



Carbon-free society

- Toward zero CO2 emissions (carbon neutrality) by 2050
- Work toward reducing CO2 emissions in the value chain beyond our own business sites

Recycling-oriented society

- Strive toward 3Rs of all resources related to operations across the entire Group
- <Containers and packaging> Seek to use materials that meet the requirements of a recycling-oriented society for 100% of our containers & packaging
- <Water resources> Continue our efforts to reduce the amount of water used at our factories so as to use water resources sustainably

Society in harmony with nature

- Contribute to sustainable procurement through R&D on barley and hops (support TCFD recommendations and work toward resolving climate change issues)
- Community development with vibrant time and spaces in harmony with nature



Specific initiatives

- Reduce CO2 of our own business sites by 20% (by 2030 vs. 2013) **SB PS**
 - Reduce emissions mainly of production sites
 - Introduce solar power generation systems at business sites (PPA)
- Yebisu Garden Place to be 100% renewable energy (April 2022) **SRE**

Specific initiatives

- Reduce plastics usage, etc.
 - Use 50% recycled materials for wine PET bottles made in Japan and eliminate waste of plastic advertising in Japan (2030) **SB**
 - Use 50% recycled materials for PET bottled products (2030) **PS**
 - Switch to paper straws **SLN**
- Reduce water usage of production sites by 10% (by 2030 vs. 2013) **SB PS**
- Achieve 100% recycling rate of waste at main factories **SB PS**



Specific initiatives

- Initiatives for breeding, environmental education, and protection of endangered species,
 - Commercialize barley and hops in Japan that are compatible with climate change (2035) **SB**
- Community development using urban farming (YEBISU GARDEN FARM), etc. **SRE**

Appendix: Initiatives for Sustainability Management



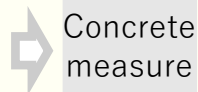
Business Highlights for 2021

| Release Date | Topic | Related Priority Issues |
|--------------|---|---|
| Dec. 27 | Formulation of a global slogan “Promote Responsible Drinking” https://www.sapporoholdings.jp/csr/news/dit/?id=8874 * Japanese | Promises 1 Contribute to Creative, Enriching and Rewarding Lifestyles Through Alcoholic Beverages, Food, and Soft drinks <ul style="list-style-type: none"> ● Safety, reliability and quality ● Creating new value ● Providing education on responsible drinking and perpetuating the culture of beer |
| Oct. 5 | Formulation of Sapporo Group Plastics Policy https://www.sapporoholdings.jp/csr/news/dit/?id=8849 * Japanese | Promises 3 Environmental Conservation <ul style="list-style-type: none"> ● Preventing global warming ● Promoting the 3Rs ● Harmonizing with nature |
| Jul. 28 | Tohoku Reconstruction Support through Shareholder Benefit Plan https://www.sapporoholdings.jp/csr/news/dit/?id=8815 * Japanese | Promises 2 Promote Coexistence with Society <ul style="list-style-type: none"> ● Supporting local communities ● Sustainable procurement |
| Jun. 30 | Selected as index component of SOMPO Sustainability Index for 10 years in a row https://www.sapporoholdings.jp/csr/news/dit/?id=8807 * Japanese | Promises 2 Promote Coexistence with Society <ul style="list-style-type: none"> ● Supporting local communities ● Sustainable procurement Promises 3 Environmental Conservation <ul style="list-style-type: none"> ● Preventing global warming ● Promoting the 3Rs ● Harmonizing with nature Promises 4 Cultivate Highly Unique Employees <ul style="list-style-type: none"> ● Health and productivity management ● Diversity & Inclusion and human rights ● Human resource development and training |
| Mar. 23 | Sapporo Holdings selected as Semi-Nadeshiko Brand stock https://www.sapporoholdings.jp/csr/news/dit/?id=8758 * Japanese | Promises 4 Cultivate Highly Unique Employees <ul style="list-style-type: none"> ● Health and productivity management ● Diversity & Inclusion and human rights ● Human resource development and training |
| Mar. 4 | Five Sapporo Group companies certified as Excellent Enterprises of Health and Productivity Management 2021 https://www.sapporoholdings.jp/csr/news/dit/?id=8750 * Japanese | Promises 4 Cultivate Highly Unique Employees <ul style="list-style-type: none"> ● Health and productivity management ● Diversity & Inclusion and human rights ● Human resource development and training |



Initiatives for human rights

- (1) Disclosure of human rights policy
- (2) Promotion of human rights due diligence (raw materials procurement and labor of employees)



- (1) Formulation of Sapporo Group Human Rights Policy (<https://www.sapporoholdings.jp/csr/employee/diversity/respect/>) * Japanese
- (2) Survey of raw materials supply chain (palm oil and main raw materials, etc.)
Confirmation of labor situation of Group employees

Appendix : Major sales volume & sale



Sales Volume:Beer (Japan) ※1 (10,000 cases)

| | Fiscal 2020 | Fiscal 2021 | YoY Change(%) |
|--|-------------|-------------|---------------|
| Sapporo Draft Beer Black Label (total) | 1,335 | 1,249 | (6.5%) |
| YEBISU (total) | 705 | 685 | (2.8%) |
| 1 Beer (total) | 2,473 | 2,441 | (1.3%) |
| 2 Happoshu (total) | 176 | 165 | (5.8%) |
| 3 New genre beer products (total) | 1,346 | 1,214 | (9.8%) |
| Beer, happoshu, and new genre (total 1+2+3) | 3,995 | 3,820 | (4.4%) |
| RTD (※2) | 811 | 1,186 | 46.2% |
| Non-alcoholic beer and low alcohol beer taste beverage | 57 | 72 | 25.4% |

Sales Volume:Beer (International) (10,000 cases)

| | Fiscal 2020 | Fiscal 2021 | YoY Change(%) |
|--|-------------|-------------|---------------|
| Overseas brand (SLEEMAN, Anchor, etc.) | 1,359 | 1,330 | (2.1%) |
| Sapporo brand | 296 | 378 | 27.7% |
| North America | 1,656 | 1,709 | 3.2% |
| Sapporo brand | 168 | 190 | 13.6% |
| Other areas | 168 | 190 | 13.6% |
| Total | 1,823 | 1,899 | 4.2% |

Sales:Beer (Japan) *including liquor tax (billions of yen)

| | Fiscal 2020 | Fiscal 2021 | YoY Change(%) |
|------------------------------|-------------|-------------|---------------|
| Beer | 137.2 | 131.8 | (4.0%) |
| Happoshu | 6.8 | 6.4 | (5.9%) |
| New genre | 45.5 | 44.6 | (1.9%) |
| Subtotal | 189.5 | 182.8 | (3.5%) |
| Rebate subtracted from sales | (11.0) | (10.5) | — |
| Total | 178.5 | 172.3 | (3.5%) |

Sales:Alcoholic Beverage (Japan) (billions of yen)

| | Fiscal 2020 | Fiscal 2021 | YoY Change(%) |
|------------------------------|-------------|-------------|---------------|
| Domestic wines | 3.6 | 3.3 | (9.2%) |
| Imported wines | 6.8 | 6.5 | (4.6%) |
| Wine (total) | 10.4 | 9.8 | (6.2%) |
| Spirits and Shochu (total) | 22.8 | 24.2 | 6.1% |
| Subtotal | 33.2 | 34.0 | 2.3% |
| Rebate subtracted from sales | (6.2) | (6.1) | — |
| Total | 27.0 | 27.9 | 3.2% |

Sales:Food & Soft Drinks (Japan) ※3 (billions of yen)

| | Fiscal 2020 | Fiscal 2021 | YoY Change(%) |
|-----------------------------------|-------------|-------------|---------------|
| Soft Drinks | 62.5 | 62.7 | 0.2% |
| Food (Lemon · Soups · Plant milk) | 32.8 | 33.1 | 1.1% |

※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 : RTD 1 case = 250ml × 24 bottles ※3 : Pokka Sapporo is only domestic sales.

Appendix : Alcoholic Beverages (Japan)

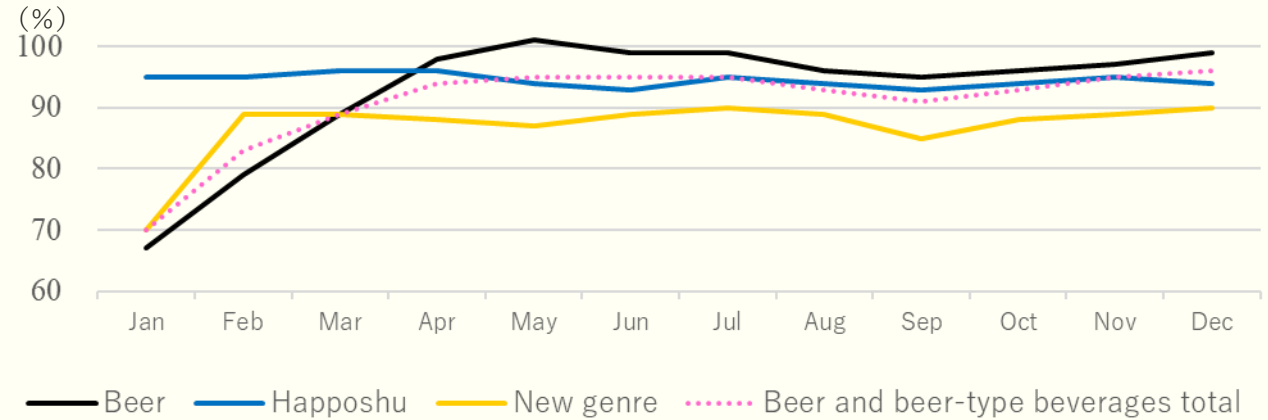


<Domestic beer and beer-type beverages:
YoY change in sales volume by genre> (Jan – Dec)

[Beer and beer-type beverages total] down **4%** y-o-y

- ✓ Beer : down **1%** y-o-y
- ✓ Happoshu : down **6%** y-o-y
- ✓ New genre : down **10%** y-o-y

<YoY changes in sales volume of beer and beer-type beverages by genre> (cumulative for each month)



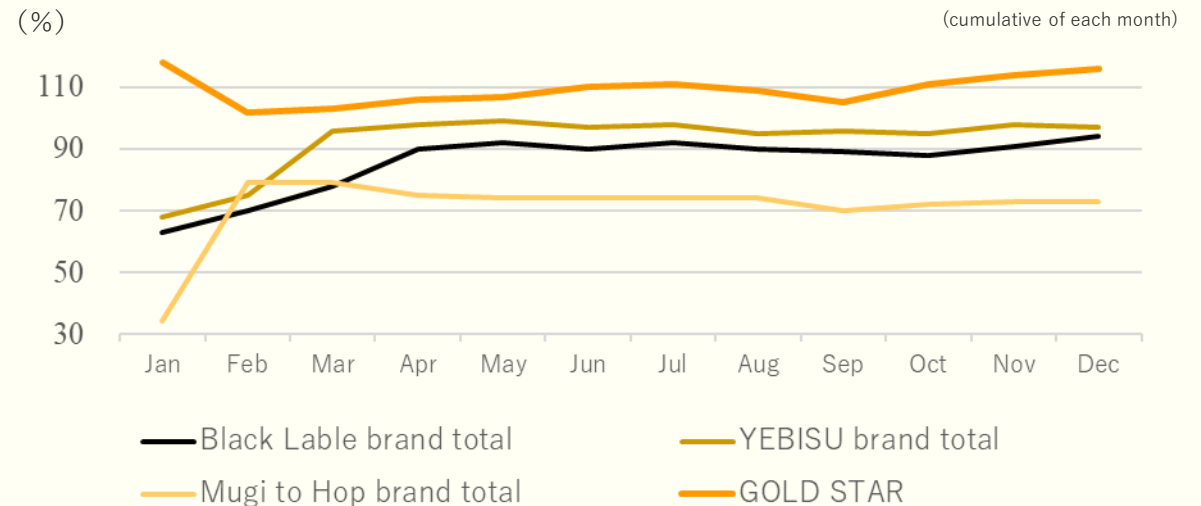
<Major domestic brands: YoY change in sales volume>

(Jan – Dec)

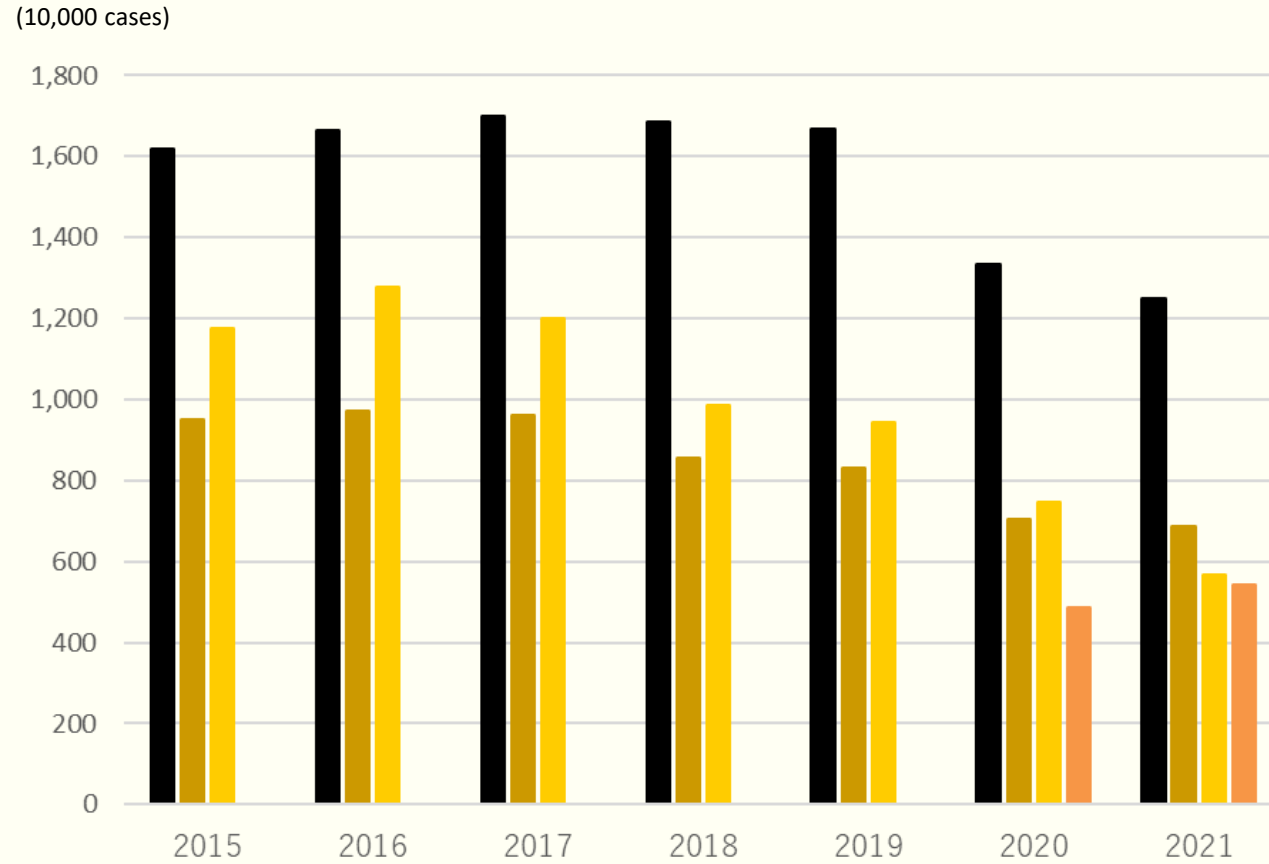
- ✓ **Black Label** down **5%** y-o-y
(cans: up **10%** y-o-y) 
- ✓ **YEBISU brand** down **3%** y-o-y
(cans: up **2%** y-o-y) 
- ✓ **Mugi to Hop brand** down **27%** y-o-y 
- ✓ **GOLD STAR** up **16%** y-o-y 

<YoY changes in sales volume of main brands>

(cumulative of each month)

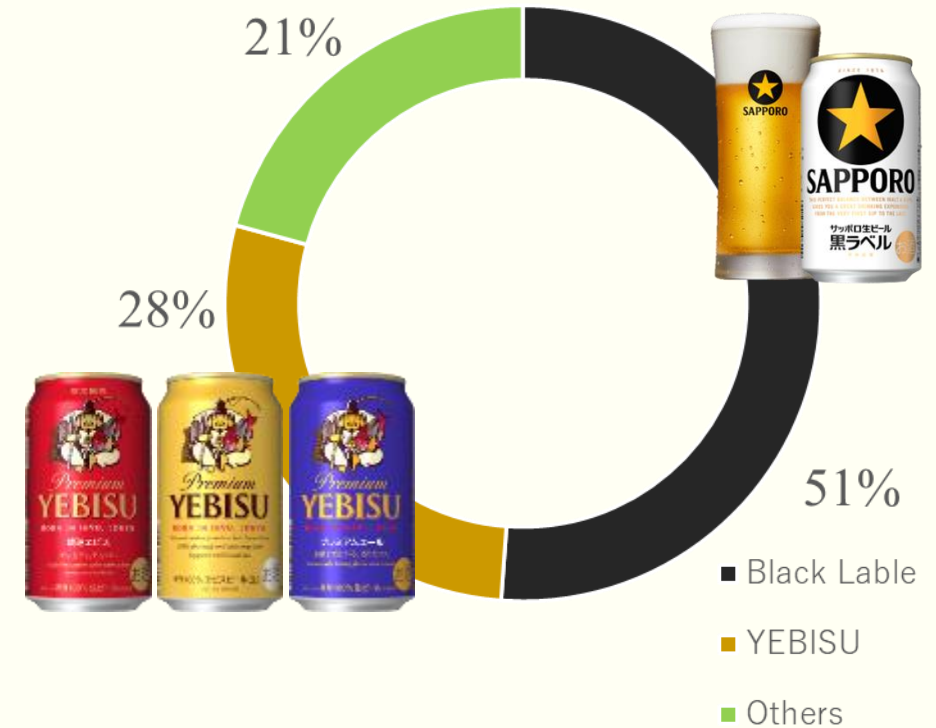


< Main brand Jan- Dec Sales volume change >



■ Black Lable brand total
 ■ YEBISU brand total
■ Mugu to Hop brand total
 ■ GOLD STAR

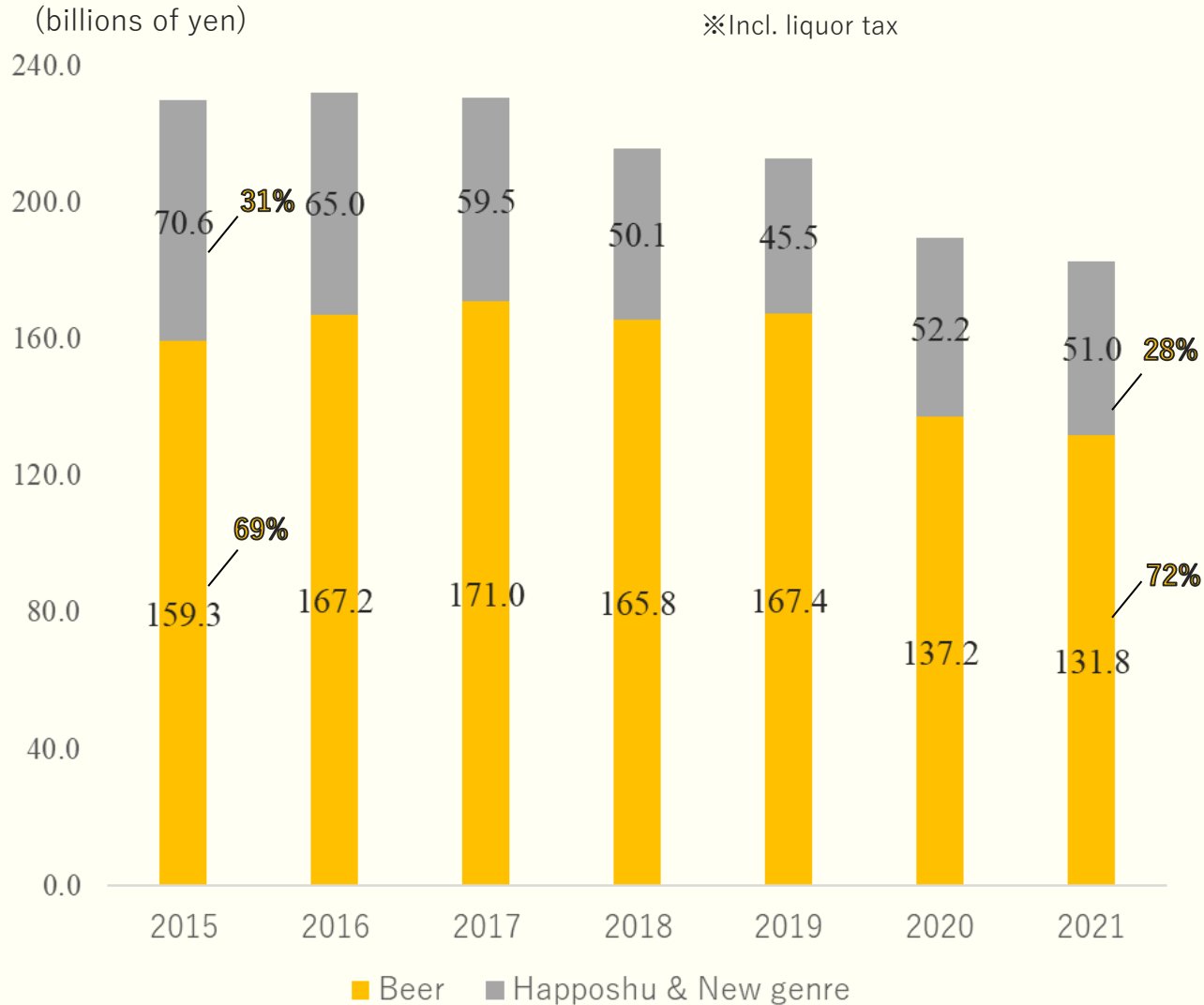
< Beer lineup sales volume (Jan- Dec break down) >



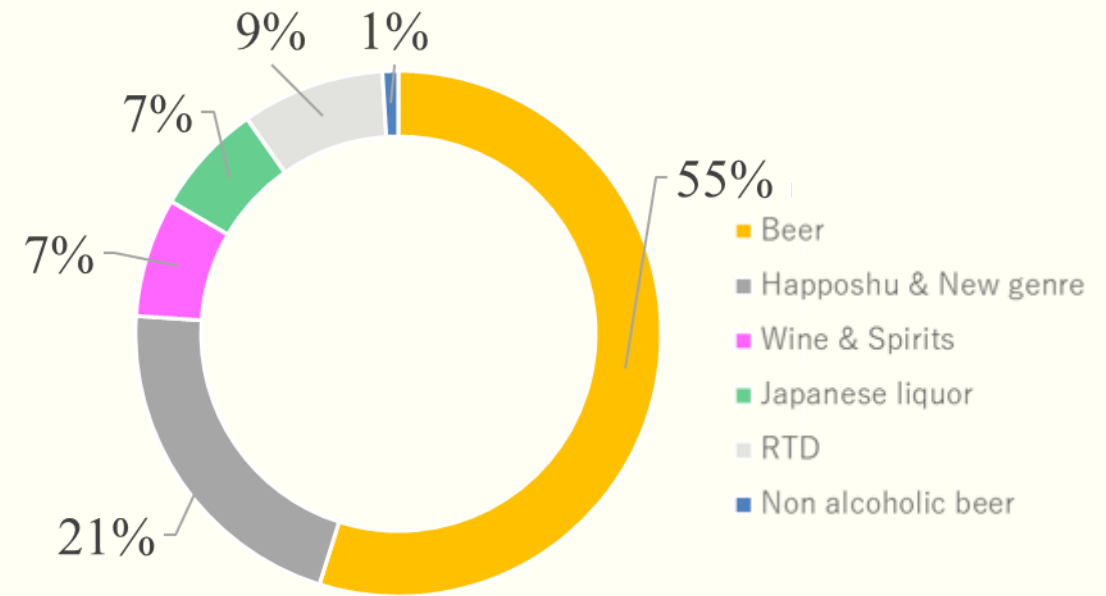
Appendix : Alcoholic Beverages (Japan)



< Jan- Dec sales revenue >



< Jan- Dec sales breakdown by category >



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

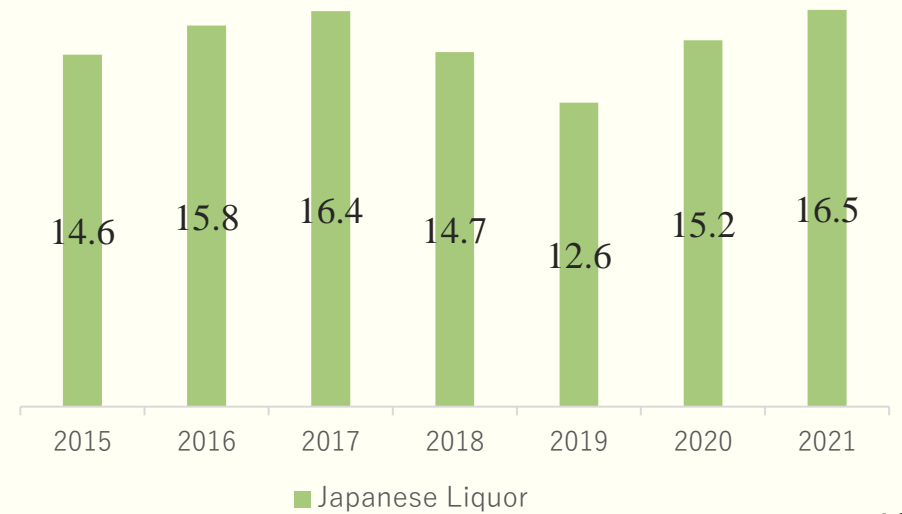
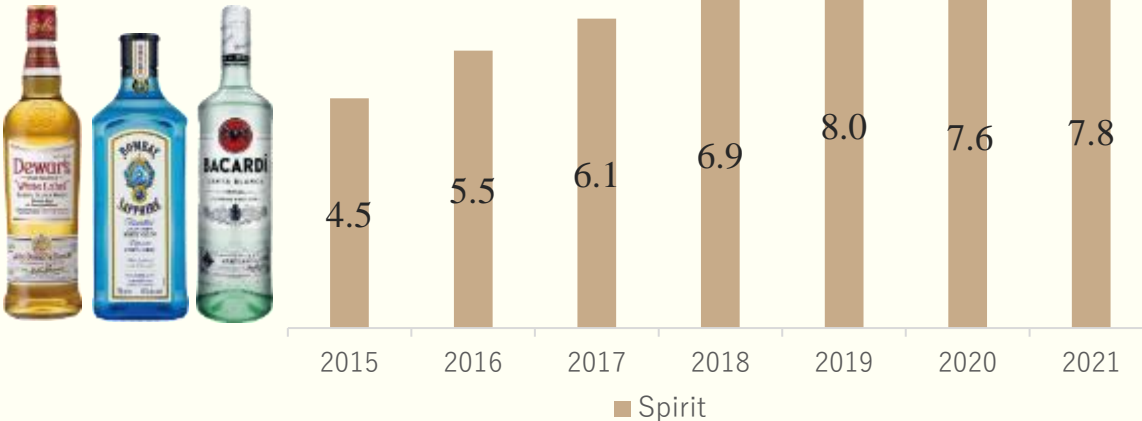
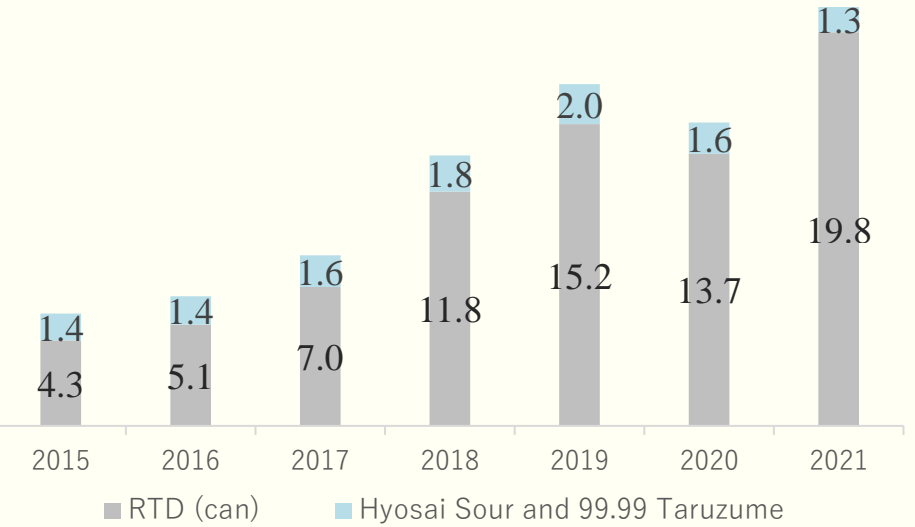
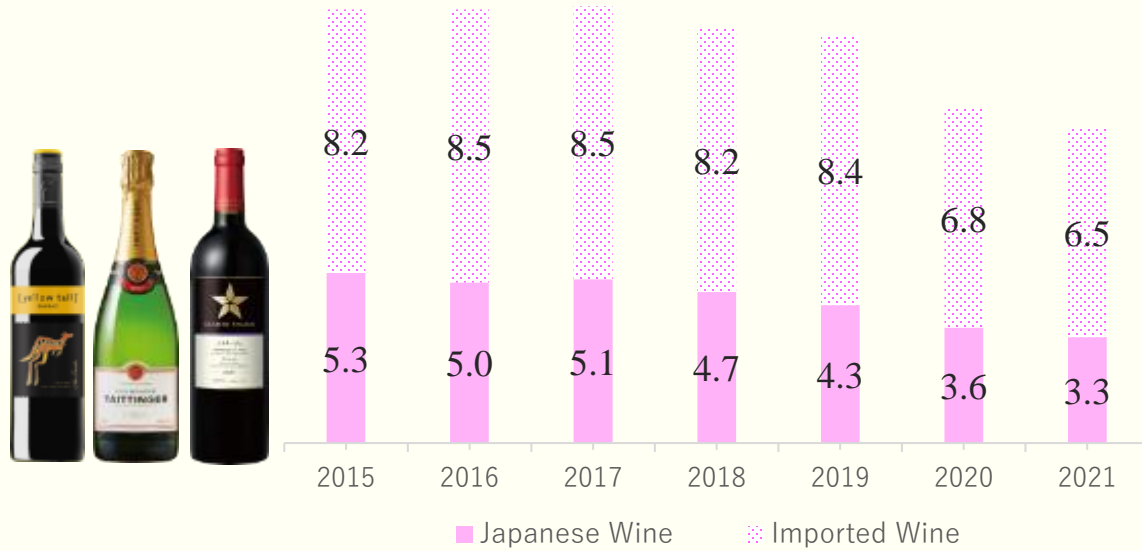
*From 2021, Hyosai Sour and 99.99 keg are reclassified from Spirits to RTD.

Appendix : Alcoholic Beverages (Japan)



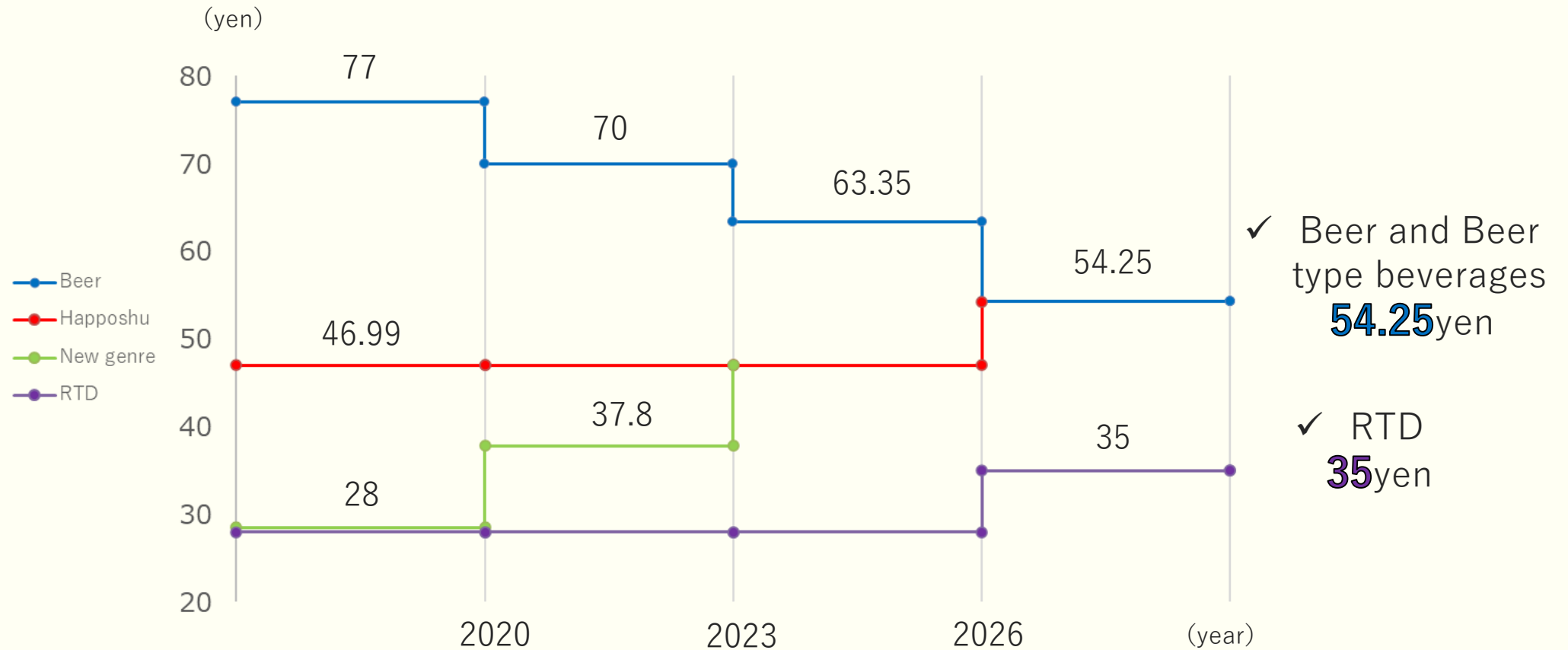
< Jan- Dec sales revenue > (billions of yen)

*From 2021, Hyosai Sour and 99.99 keg are reclassified from Spirits to RTD.



Japanese Liquor

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



Appendix : Alcoholic Beverages (Overseas)



< Overseas beer : YoY change in sales volume >

[North America Total] up 3% y-o-y (Jan - Dec)

✓ Overseas brand
down 2% y-o-y



✓ Sapporo brand
up 28% y-o-y



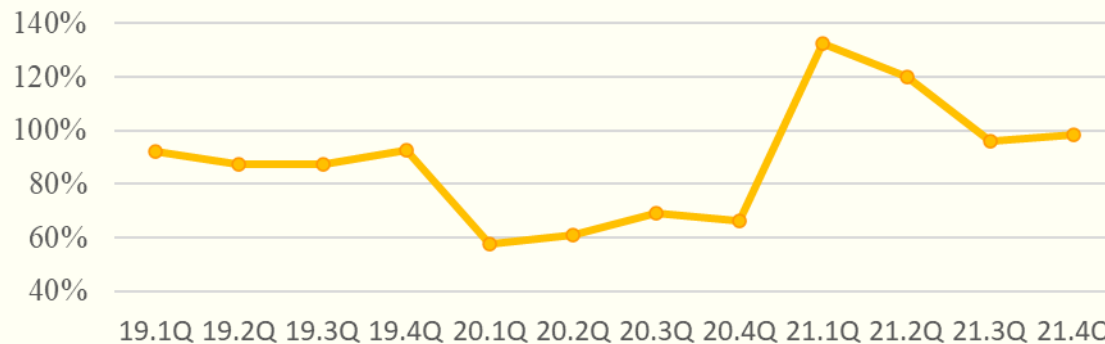
[Other Areas Total] up 14% y-o-y

(Jan - Dec)

(Main area : Asia pacific , Europe , Oceania)

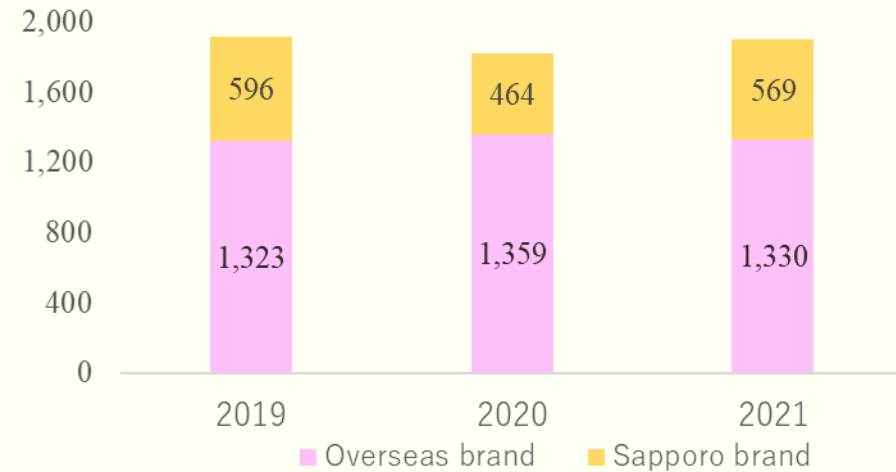
✓ Sapporo brand : up 14% y-o-y

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



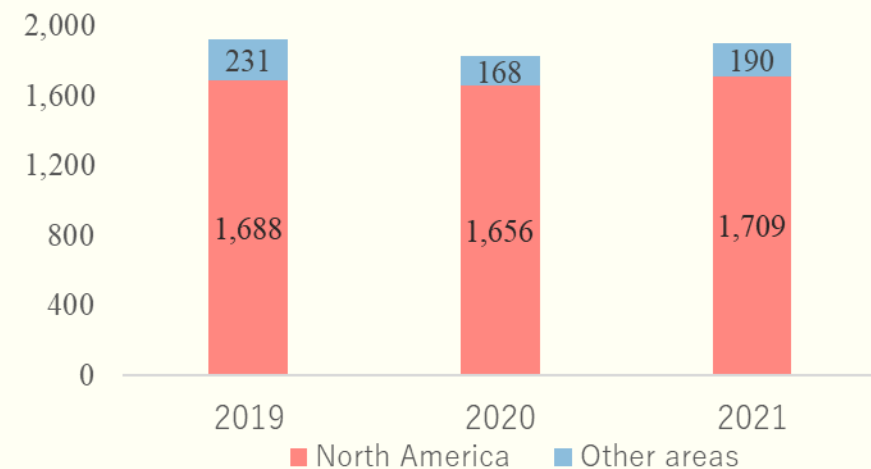
< Overseas sales volume by brand (Jan-Dec) >

(10,000cases)



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

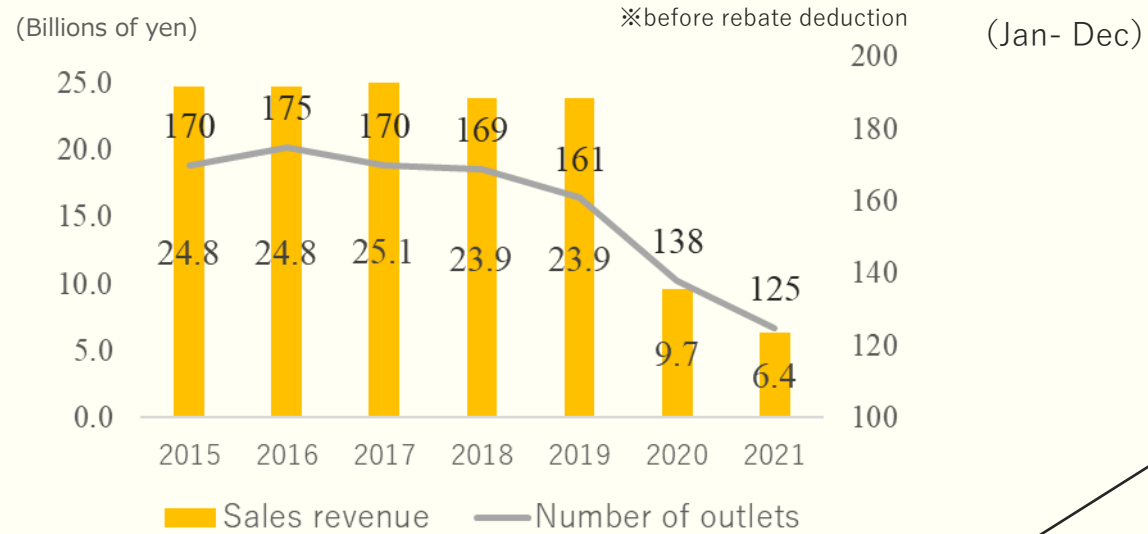
(10,000cases)



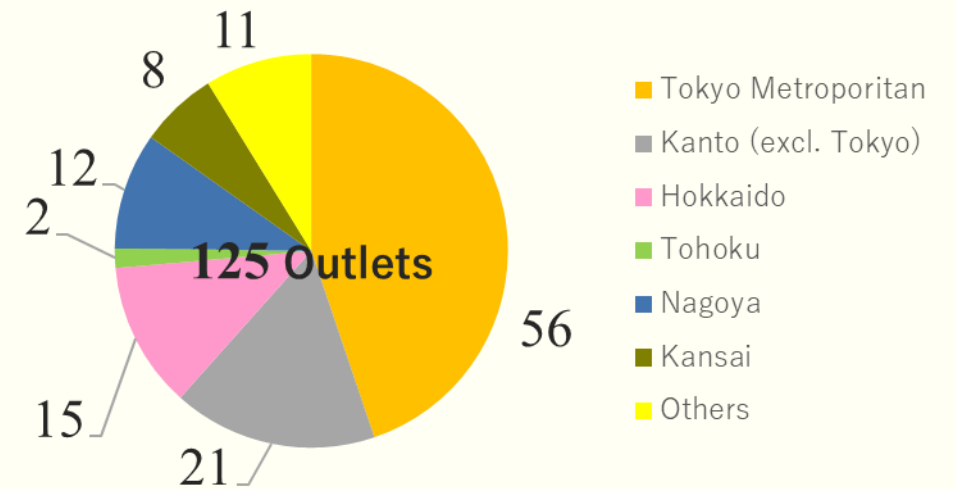
Appendix : Alcoholic Beverages (Restaurants)



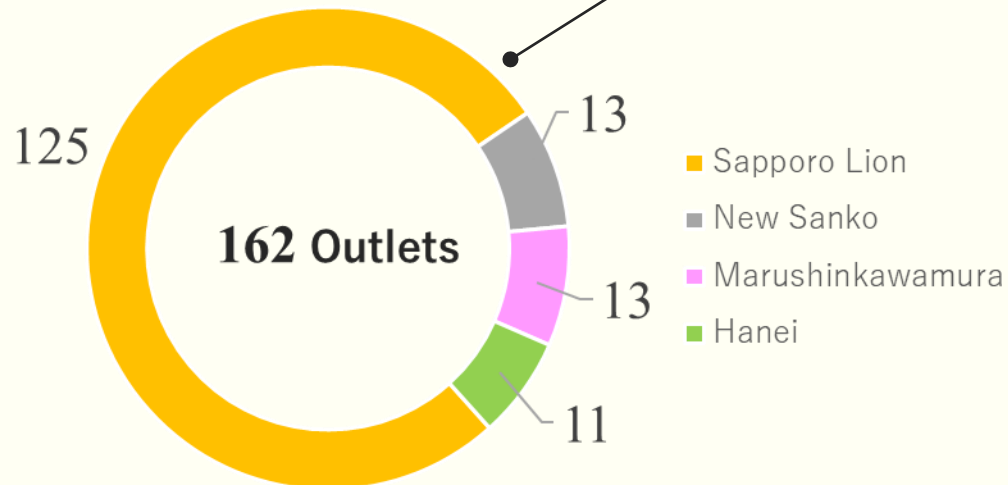
< Sales revenue and number of Sapporo Lion Outlets >



< Sapporo Lion outlets As of Dec 31, 2021 >



< Total number of outlets >



< Brands >



Appendix : Food & Soft Drinks



< Japanese soft drinks

POKKA SAPPORO Food & Beverage >
Sales volume & Sales by genre (Jan- Dec)

【Lemon based-drinks】

✓ **up 14% y-o-y**
(Sales)



【Lemon-based food products】

✓ **up 1% y-o-y**
(Sales)



【Unsweetened tea drinks】

✓ **down 5% y-o-y**
(Sales volume)



【Soups】

✓ **down 1% y-o-y**
(Sales)



【Coffee drinks】

✓ **down 10% y-o-y**
(Sales volume)

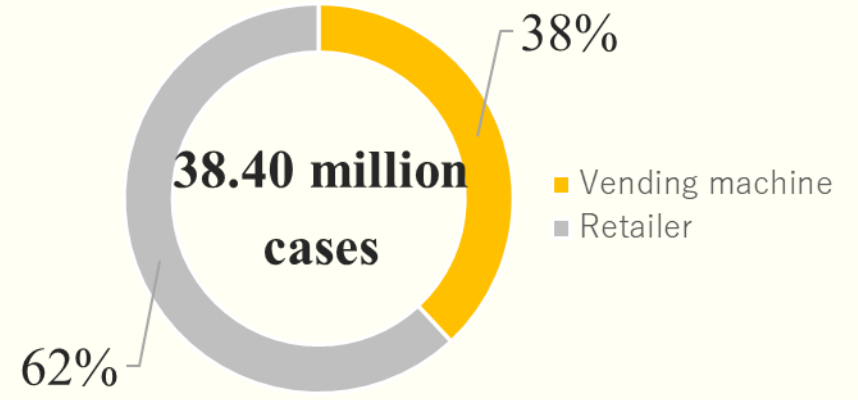


【Soy milk, chilled products】

✓ **up 11% y-o-y**
(Sales)

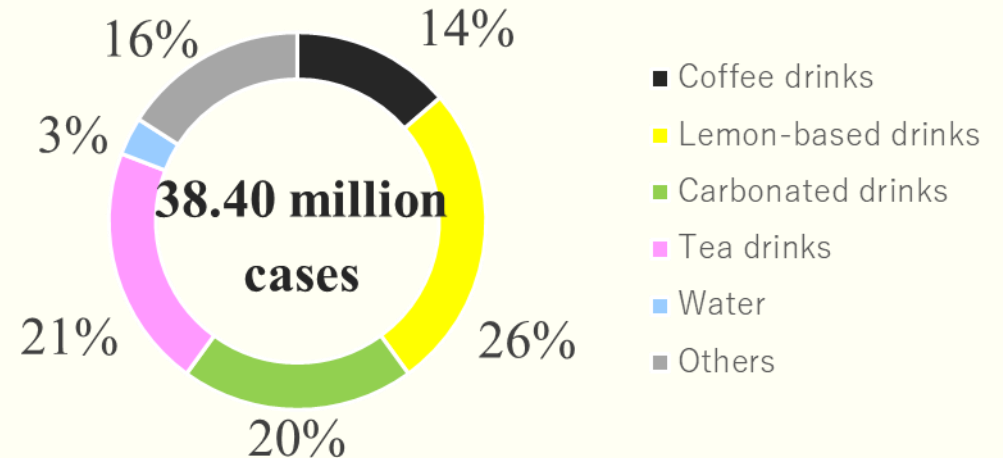


< Japanese soft drinks POKKA SAPPORO Food & Beverage >
Sales composition by sales channel (Jan- Dec)



※Vending machines (end of Dec.)
own brand machines : about 63,000 + Multi-brand machines

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

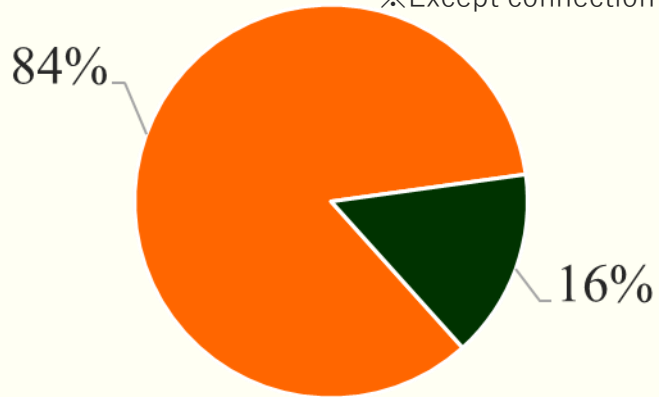


Appendix : Food & Soft Drinks



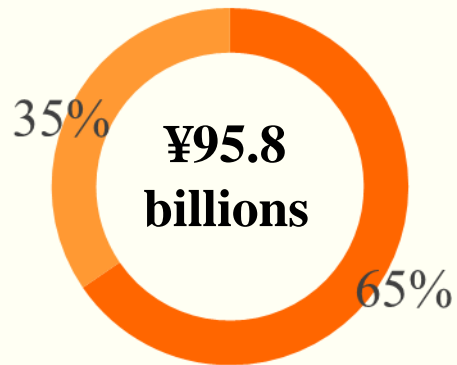
< Food & Soft Drinks segment Revenue break down by geographic area >

※Except connection adjustment



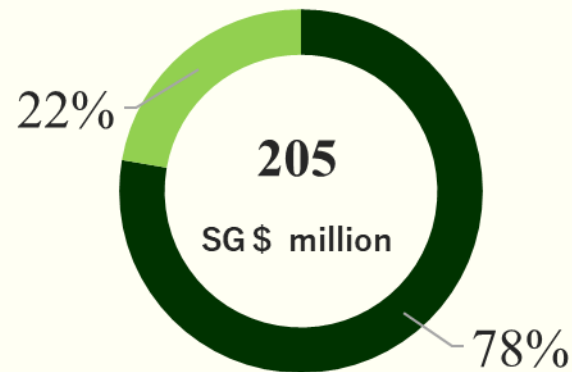
■ Japan ■ Overseas

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



■ Soft drink ■ Food

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

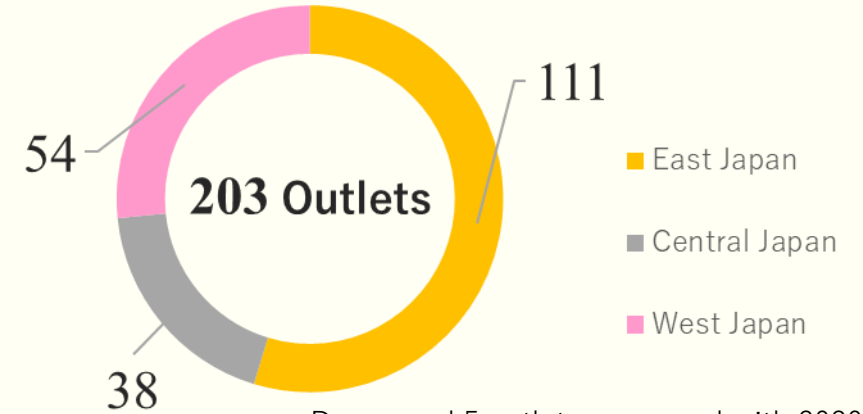


■ Singapore & Malaysia ■ Export

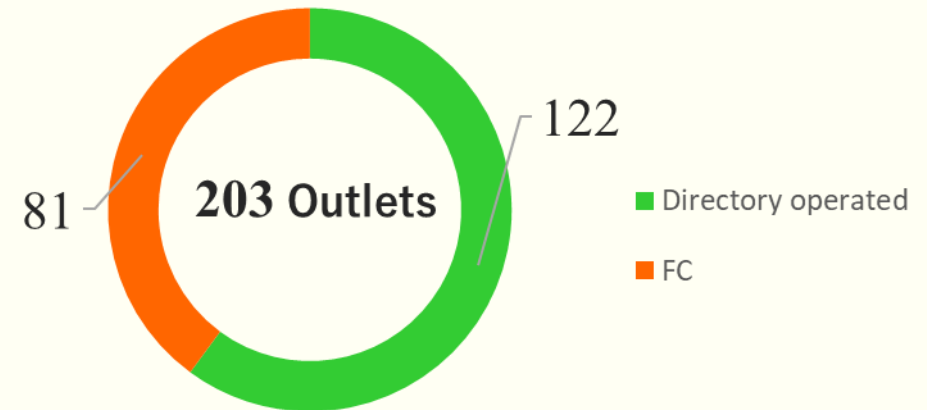
【 Pokka Create Co., Ltd .】

✓ Jan- Dec Sales revenue **¥ 6.7 billion**
up **3%** y-o-y

< Number of outlets as of December 31, 2021 >



< Number of outlets as of December 31, 2021 >



Appendix : Real Estate

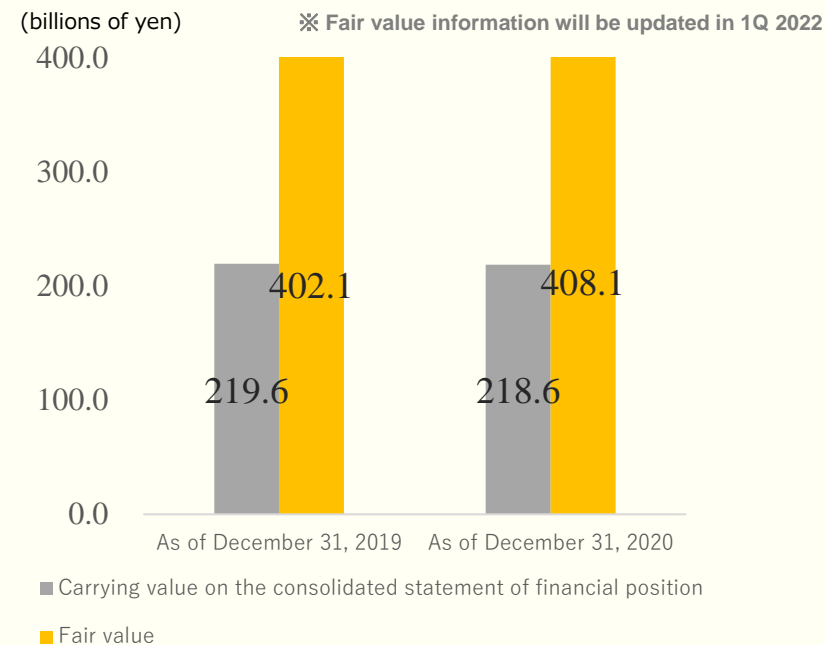
< Major rental properties & occupancy rates : (Averages for 2021)>

| | Site area (m ²) | Floor area (m ²) | Occupancy rate (%) | No. of floors |
|------------------------------------|-----------------------------|------------------------------|--------------------|---------------------------------|
| Yebisu Garden Place ⁽¹⁾ | 56,943 | 298,007 | 92 | 40 floors above ground, 5 below |
| Ginza Place | 645 | 7,350 | 94 | 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 >



< Core Operating profit >

(billions of yen)

| | 2020 | 2021 | Change |
|-------------------------------|-------|-------|--------|
| Yebisu Garden Place, etc. | 8.1 | 6.9 | (1.2) |
| Other area & other operations | 2.9 | 2.4 | (0.4) |
| Hokkaido | 1.0 | 0.7 | (0.3) |
| General corporate | (1.1) | (1.7) | (0.6) |
| Total | 10.9 | 8.2 | (2.6) |

< EBITDA >

(billions of yen)

| | 2020 | 2021 | Change |
|-------------------------------|-------|-------|--------|
| Yebisu Garden Place, etc. | 11.1 | 10.0 | (1.1) |
| Other area & other operations | 4.4 | (3.7) | (0.7) |
| Hokkaido | 1.5 | (1.3) | (0.3) |
| General corporate | (0.9) | (1.2) | (0.3) |
| Total | 16.0 | 13.7 | (2.4) |



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



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