



SAPPORO

Sapporo Group Business Results for 2023 Management Plan for 2024

*In this document, the name abbreviations are used:

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

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

SPB : SAPPORO PREMIUM BEER YGP : Yebisu Garden Place PVS : Public Vending Service company

February 14th 2024

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

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2023 financial results: Off to a good start in the first year of the Medium-Term Management Plan

- Steady implementation of beer strengthening and structural reforms, increased revenue and profit, and achievement of the plan for the year
- With regard to capital efficiency, promotion of balance sheet reform, including the sale of assets held and cross-shareholdings
- Decision based on profit growth to increase dividend by 2 yen (from 45 yen to 47 yen) from the most recent dividend forecast

2024 plan: A year to set a structural reform goals and solidify the foundation

- Plan to increase sales and profit, while focusing on structural reforms and investing in brands and human resources for future growth
- Annual expected dividend is set at 52 yen, an increase of 5 yen and the second consecutive increase

Financial results for fiscal year 2023

(billions of yen)

	2022 Result	2023 Result	YoY changes (amount)	YoY changes (%)
Revenue	478.4	518.6	40.2	8.4%
Core operating profit	9.3	15.6	6.3	67.9%
Operating profit	10.1	11.8	1.7	17.0%
Profit attributable to owners of parent	5.4	8.7	3.3	60.1%
ROE	3.3%	5.0%	-	-

Management plan for fiscal year 2024

(billions of yen)

	2023 Result	2024 Plan	YoY changes (amount)	YoY changes (%)
Revenue	518.6	523.5	4.9	0.9%
Core operating profit	15.6	19.0	3.4	21.5%
Operating profit	11.8	17.6	5.8	48.9%
Profit attributable to owners of parent	8.7	10.0	1.3	14.6%
ROE	5.0%	5.5%	-	-

Formulation of medium- to long-term management policies

- Formulation of medium- to long-term management policies to enhance Group value based on discussions within the Group Strategy Review Committee and the Board of Directors

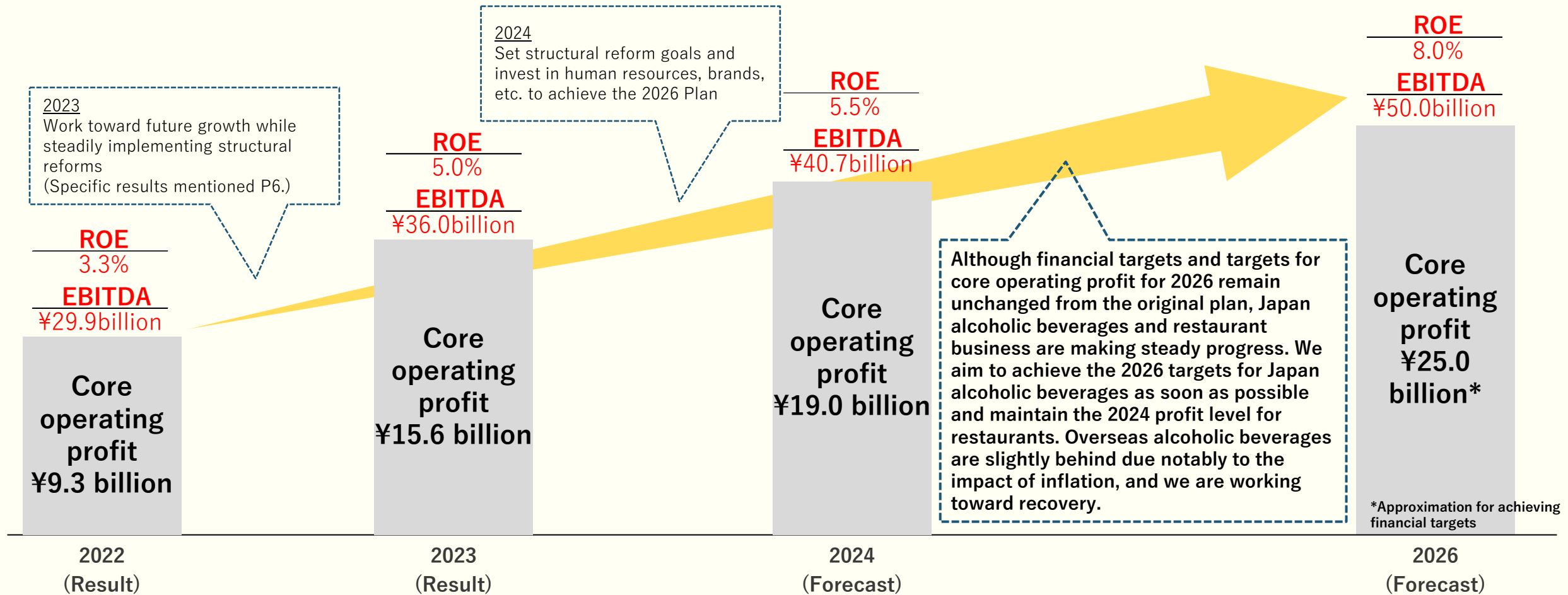
Progress of the Medium-Term Management Plan

Progress of the Medium-Term Management Plan -Achieving the Plan by 2026-



Steady start to achieve ROE of 8% by 2026

To transform the business structure and achieve new growth, 2024 is the year to set structural reform goals and solidify the foundation



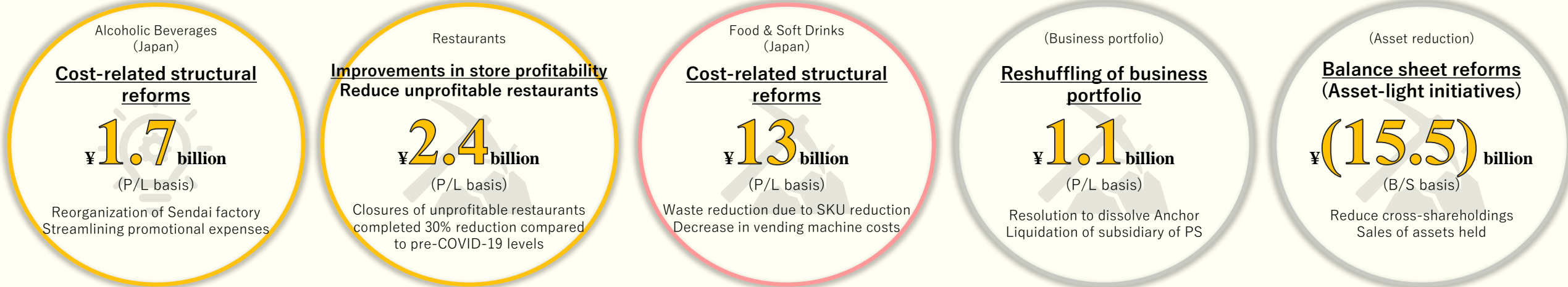
Core operating profit trend

Progress of the Medium-Term Management Plan -2023 Results-



In 2023, we worked toward future growth while steadily implementing initiatives for structural reforms

▶ Main results of structural reforms



▶ Initiatives for future growth



Medium- and Long- Term Management Policies for Increasing Group-wide Corporate Value

Challenges

Low capital profitability

- The diversified business portfolio has caused scattered resources and issues of intra-group competition relating to growth investments.

Lack of strong commitment to the performance

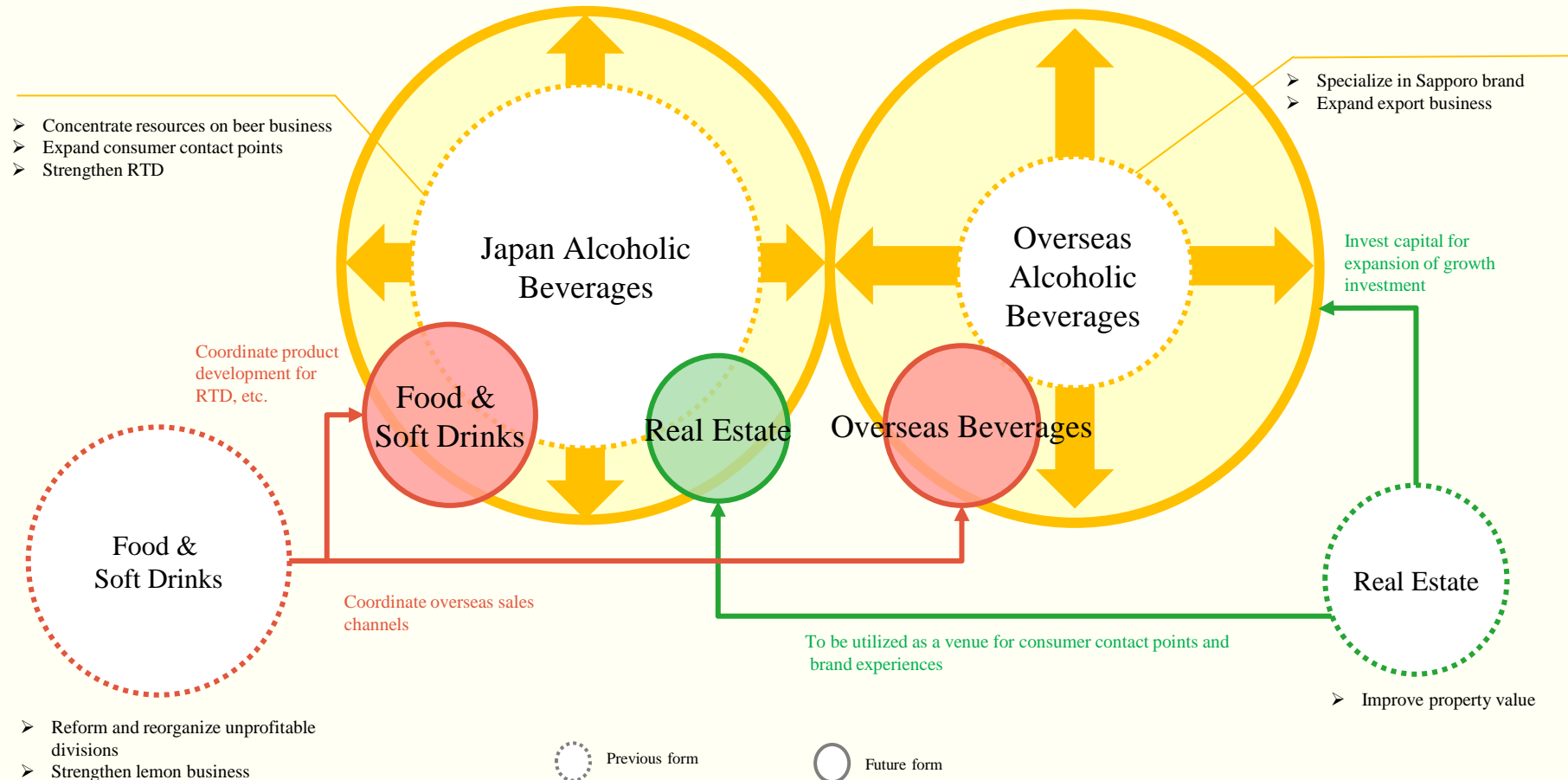
- organizational culture
- human resource diversity
- thoroughness of performance-based evaluations

Strengths

- ✓ High quality and brand power of beer
- ✓ Product development and production technology
- ✓ Consumer contact points and brand experience venues that are created by restaurants business and real estate business

Based on the above-mentioned intrinsic challenges and strengths, the Company has formulated its vision for the future and management policies over the medium to long term.

The Company will further concentrate its management resources to focus on beer businesses with competitive advantages and businesses in which synergies with those competitive businesses can be created.



The Company develops its market-creation capabilities in alcoholic beverages, which has been the Company's DNA since its foundation and grows our beer business.

Alcoholic beverages business



Japanese beer business

- Investment in our core brands such as “Sapporo Beer called Black Label” and “Yebisu Beer”
- Expanding direct consumer contact points



Overseas beer business

- Investment in Sapporo brand
- M&A execution
- Form a special task team



New markets

- Strengthening cooperation with other business units within the group
- Create new markets in RTD and non-alcoholic fields
- Co-creation with external partners

The company that pursues the creation of products loved by true beer fans and cherishes the history and culture of beer

The company that tries making new value creation

Redesign group's organizational structure and organizational operation to accelerate capability of transformation.

Organization

- The Company will consider the new organizational structure as a business group centered on alcoholic beverages business (i.e. a business holding company).

Human resources

- Review management requirements
- Supplement talents from outside
- Redesign our human resources development system

Capital efficiency

- The Company will thoroughly implement business management and financial management policies based on capital costs.

The Sapporo Group recognizes increasing capital efficiency as one of our key challenge and aims to achieve an ROE of 10% or higher.

- ✓ **The Company will also adopt ROIC as an internal indicator to thoroughly conduct strict criteria of business continuity based on business-specific WACC and business monitoring using an ROIC tree**
- ✓ **In addition, while elevating its financial stability by utilizing external equity, the Company will accelerate efforts to reduce cross-shareholdings to improve the flexibility of growth investments in the alcoholic beverages business.**

Points that remain unchanged

- ✓ Creation of high-quality products that are loved by beer fans
- Strengthening of business foundation through product development and production technology
- ✓ Investment in our core brands and structural reforms to strengthen profitability
- ✓ Overseas business growth
- ✓ Management with a sense of capital efficiency and capital costs

Points to be changed (ahead of the current Medium-Term Management Plan)

- ✓ Change from the collection of alcoholic beverages / food & non-alcoholic beverages / real estate businesses to a corporate entity that realizes value enhancement through growth of the alcoholic beverage business, which is to be achieved by the total strength of the group
- ✓ Introduction of external capital to real estate business and significant expansion of growth investment in beer business
- ✓ Group's organizational structure and governance system
- ✓ Management requirements in respect of senior management to realize improvement in capital profitability and overseas business growth, and formulation of personnel and other systems to increase commitment to performance

Business Results for 2023

Financial Highlights



(billions of yen)

	2022 Result	2023 Result	YoY changes (amount)	YoY changes (%)
Revenue	478.4	518.6	40.2	8.4%
Revenue (Excluding liquor tax)	364.2	400.8	36.5	10.0%
Overseas revenue	102.2	119.6	17.4	17.0%
EBITDA	29.9	36.0	6.1	20.6%
Core operating profit	9.3	15.6	6.3	67.9%
Core operating profit margin	1.9%	3.0%	-	-
Other operating income (expense)	0.8	(3.8)	(4.6)	-
Operating profit	10.1	11.8	1.7	17.0%
Profit attributable to owners of parent	5.4	8.7	3.3	60.1%
ROE	3.3%	5.0%	-	-

Financial Highlights



SAPPORO

(billions of yen)	2022 Result	2023 Result	YoY changes (amount)	YoY changes (%)
Revenue by Segment	478.4	518.6	40.2	8.4%
Alcoholic Beverages	334.6	376.9	42.2	12.6%
Japanese	245.4	268.3	22.9	9.3%
Overseas	74.0	88.6	14.6	19.8%
Restaurants	15.3	20.0	4.7	30.4%
Food & Soft Drinks	122.9	119.9	(3.0)	(2.4)%
Japanese	98.3	93.5	(4.8)	(4.9)%
Overseas	24.6	26.4	1.9	7.5%
Real Estate	20.7	21.7	1.0	4.7%
Other	0.1	0.1	0.0	4.3%

(billions of yen)	2022 Result	2023 Result	YoY changes (amount)	YoY changes (%)
Core Operating Profit by Segment	9.3	15.6	6.3	67.9%
Alcoholic Beverages	7.7	16.0	8.3	107.2%
Japanese	8.5	14.2	5.7	67.5%
Overseas	(0.3)	(0.3)	(0.0)	-
Restaurants	(0.5)	2.1	2.6	-
Food & Soft Drinks	1.8	1.6	(0.1)	(7.5)%
Japanese	0.8	2.2	1.4	174.3%
Overseas	0.9	(0.6)	(1.5)	-
Real Estate	6.5	5.8	(0.7)	(10.5)%
Other • General corporate and intercompany eliminations	(6.6)	(7.8)	(1.2)	-

Financial Highlights



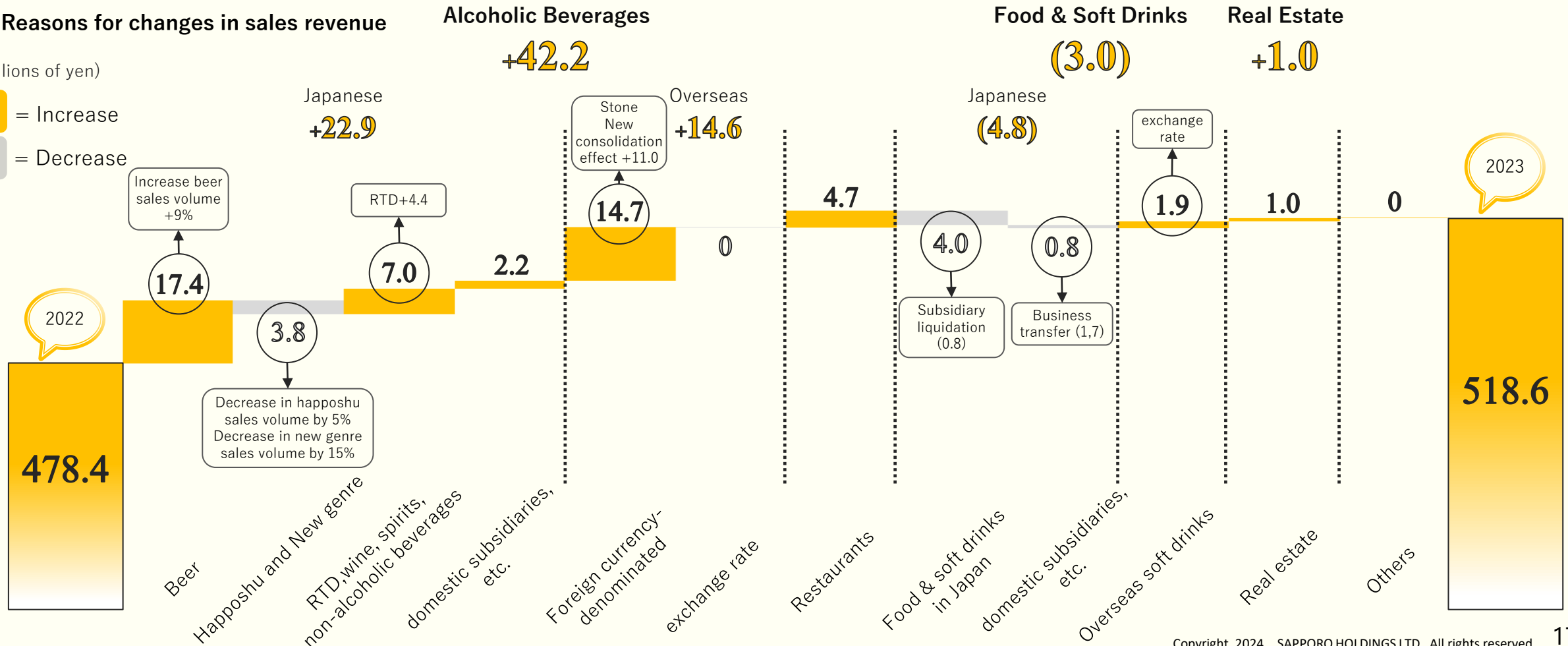
Revenue increased by 40.2 billion yen (+8.4%) driven by the alcoholic beverages business

For Japan alcoholic beverages, in addition to the strong performance of beer and RTD, the price revision effect contributed to increased sales
 The primary factors for increased revenue were, in the overseas alcoholic beverage business, the continued strong performance of SPB and the effect of newly consolidating Stone, and, in the restaurants business, the recovery in demand for dining out at beer halls and other establishments
 Revenue decreased for Japan food & soft drinks due to structural reforms in the previous year, including the transfer of the cafe business, the liquidation of a vending machine operator subsidiary, and SKU reduction.

Reasons for changes in sales revenue

(billions of yen)

- = Increase
- = Decrease



Financial Highlights



Profit increased by 6.3 billion yen (+67.9%) due to increased revenue and the effect of structural reforms

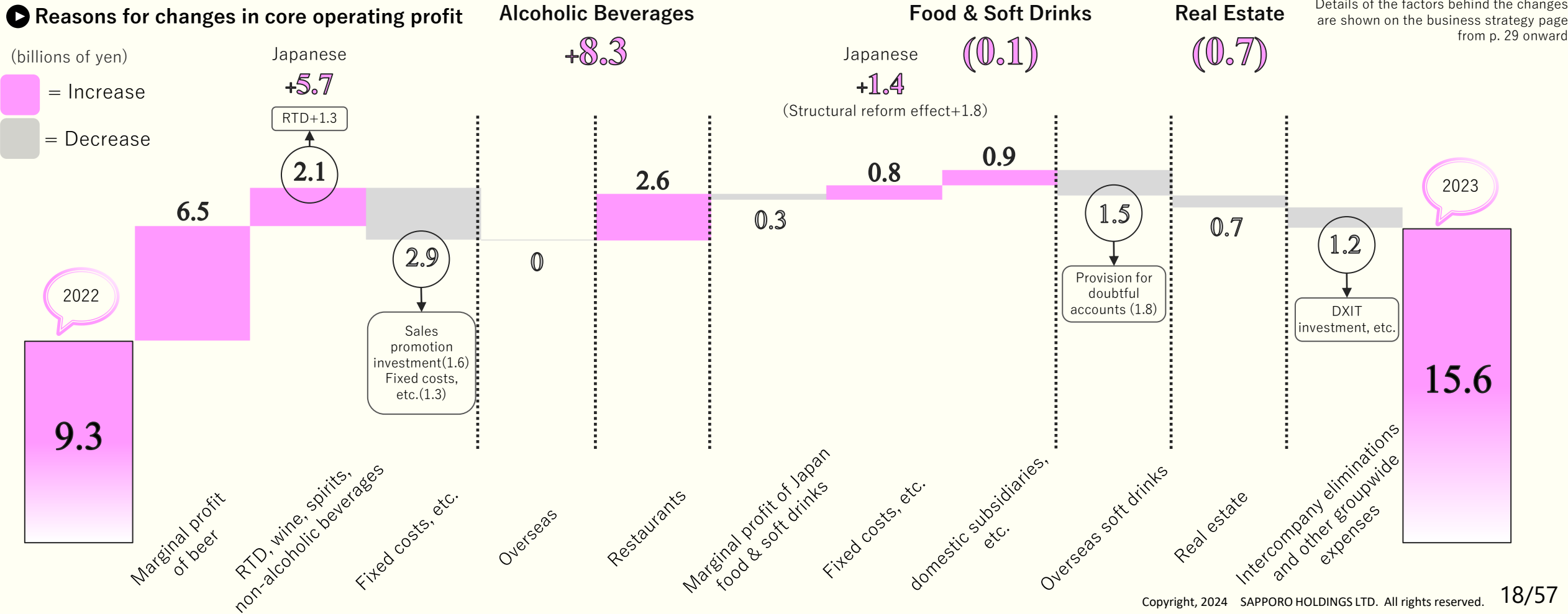
Increased revenue in the Japan alcoholic beverages business and the effect of structural reforms on the restaurant business and Japan food & soft drinks business steadily contributed to profitability, resulting in increased profit

Profit decrease in overseas soft drinks affected by provisions for doubtful accounts for past-due receivables

Profit decrease in real estate due to lower occupancy rates resulting from HVAC work at the YGP offices

Reasons for changes in core operating profit

(billions of yen)
 = Increase
 = Decrease



Financial Highlights

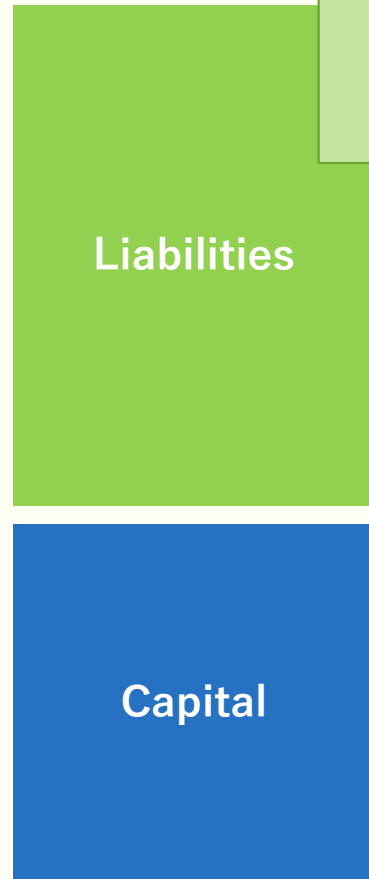
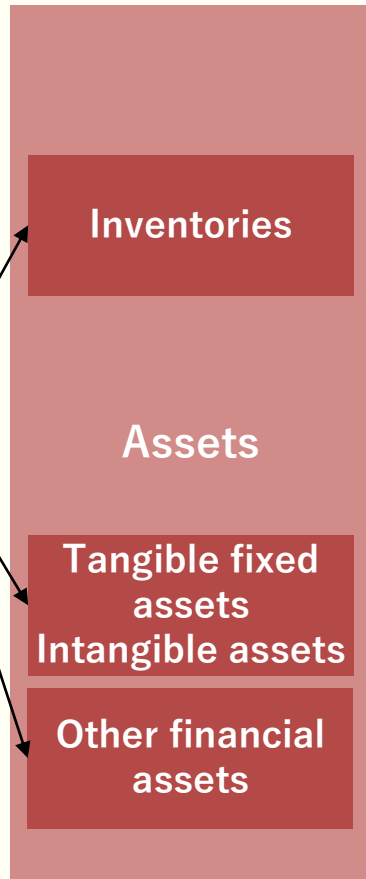


Although assets were reduced by 15.5 billion yen through asset-light initiatives, including the sale of assets held and cross-shareholdings, total assets increased by 24.5 billion yen from the end of the previous fiscal year due to overseas growth investments.

★Contents of asset-light initiatives

Total assets +24.5 billion yen
 639.1 billion yen at the end of the previous term
 → 663.6 billion yen at the end of the term under review

- ★ Reduction of wine inventory (0.8) billion yen
- ★ Review of assets held, etc. (10.1) billion yen
- ★ Cross-shareholdings (4.8) billion yen
 (reduced holdings of 22 stocks)



Liabilities +8.4 billion yen
 471.9 billion yen at the end of the previous term
 → 480.3 billion yen at the end of the term under review

- Decrease in financial liabilities: (19.3) billion yen
- Others +22.7 billion yen
 (Income taxes payable, consumption taxes payable, etc.)

Capital +16.0 billion yen
 167.2 billion yen at the end of the previous term
 → 183.2 billion yen at the end of the term under review

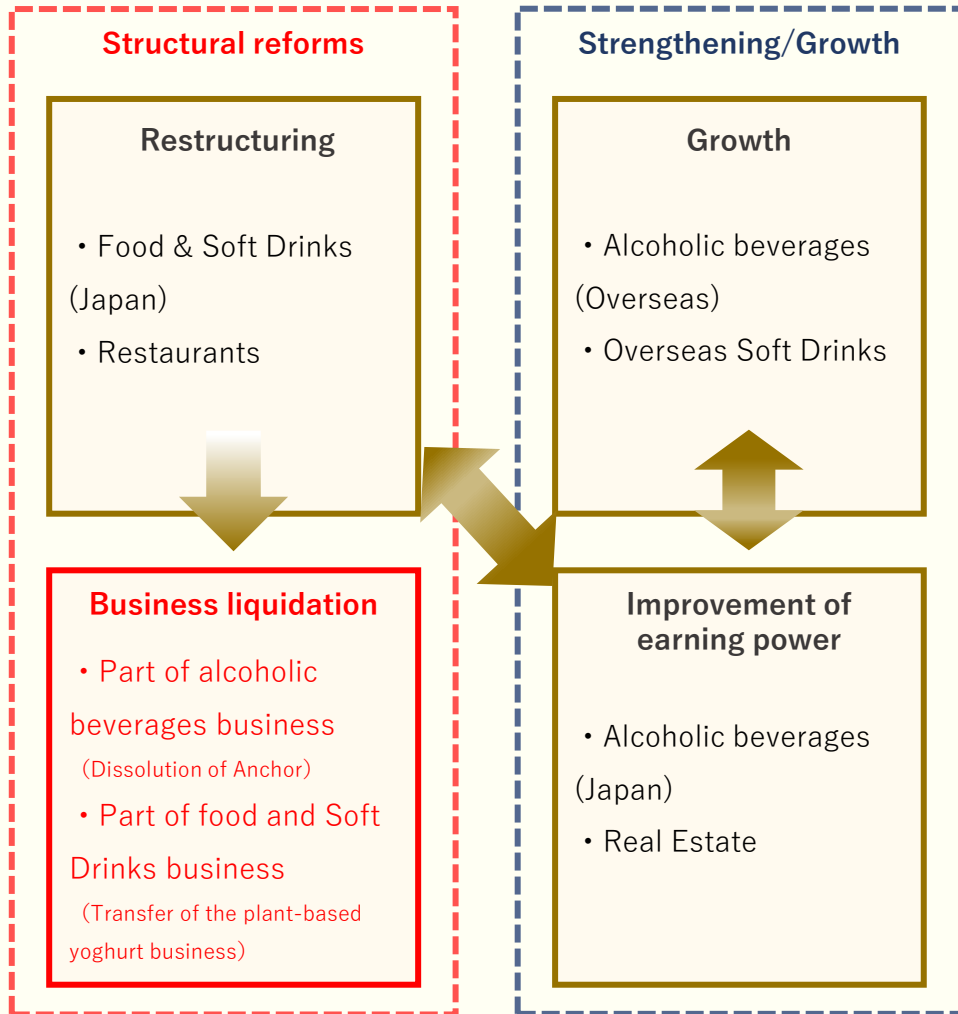
- Increase of retained earnings
 +7.4 billion yen
- Foreign currency translation adjustments
 +4.1 billion yen
- Valuation difference on available-for-sale securities
 +4.3 billion yen

Management Plan for 2024

Main progress toward business portfolio transformation and business strategy update



● Business portfolio presented in the Medium-Term Management Plan



● Main progress toward business portfolio transformation

- (1) Business liquidation
Resolution to dissolve Anchor and transfer the plant-based yogurt business with respect to certain alcoholic beverages and food and Soft Drinks
- (2) Restructuring
Repositioning of Restaurants business from "restructuring" to "strengthening earning power" after completion of structural reforms

● Business strategy update

- (1) Alcoholic beverages business (Japan)
Strengthening of beer: further enhancement of the appeal of the Black Label and Yebisu brands, which have been strengthened in anticipation of alcohol tax revisions

Strengthening of RTD: strengthening of key brands and new product proposals

Promotion of cost-related structural reforms to further improve profitability

- (2) Alcoholic Beverages business (overseas)
Strengthening of SPB in the U.S., creation of synergies*, and **enhancement of earning power of the Stone brand**

* Improvement of manufacturing efficiency and reduction of logistics costs through the launch of SPB manufacturing in the U.S.

Back-office consolidation, sales, and marketing synergies (e.g., distribution expansion)

- (3) Real Estate business
Increase of the value of core properties and promotion of community development

With regard to the asset turnover business, plan to invest in light of interest rate trends, real estate and construction market conditions, etc.**

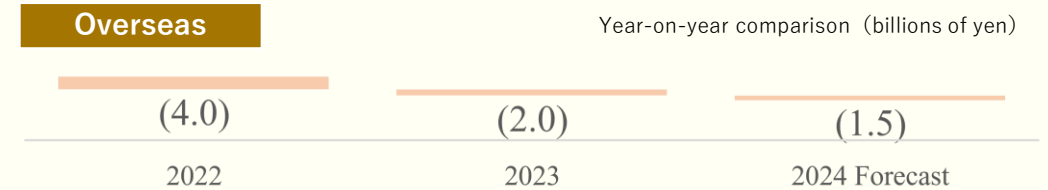
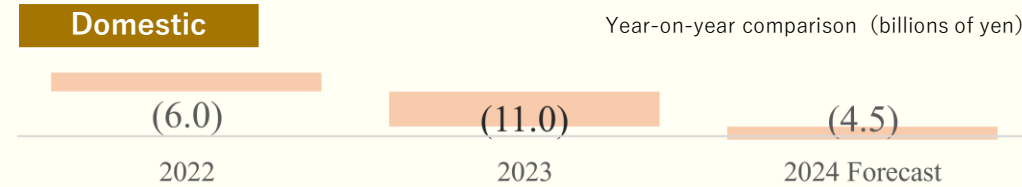
**Advancement of Value-Added (VA) & equity investment

※ Changed to not included in the action plan KPIs listed on p. 25 and beyond, as the impact on performance has become negligible due to restrained investment

Figures based on the plan's assumptions

● Higher costs, such as surging raw material costs

Costs are expected to increase by ¥6.5 billion vs. 2023, but price revisions implemented through last year will absorb this increase. Respond to the risk of additional cost increases by closely monitoring the situation



● Market trend and plan

Japan alcoholic beverages: Plan to outperform the market by continuing to strengthen mainstay beer brands and RTD amid an expected shift to beer ,RTD in light of the October 2023 alcohol tax revisions.

Overseas alcoholic beverages: Although gross demand in Canada is expected to be lower year-on-year due to inflation and other factors, and gross demand in the U.S. is expected to be at the same level as the previous year, the Sapporo brand's growth trend is expected to continue.

Food and beverages: Domestic sales of lemon products, the main focus, are expected to grow year-on-year, but sales of other food and beverage products are expected to fall below the previous year's level due to SKU reduction. Overseas sales, mainly in Malaysia, are expected to exceed the previous year's level.

※ (Only canned products, RTD 1 case = 250ml x 24 bottles)

Alcoholic Beverages Japanese (10,000case)	Sales plan	YoY	Total demand (YoY)
Beer, happoshu, and new genre	3,969	(1)%	(2)%
Beer	3,144	+8%	+4%
Happoshu(include New genre)	825	(24)%	(9)%
bottle	-	+1%	(2)%
can	-	(1)%	(3)%
keg	-	+0%	+0%
RTD※	1,564	+11%	+3%
Food & Soft Drinks Japanese (billions of yen)	当社計画	当社 (前年比)	
Soft Drinks	58.1	+2%	
Food (Lemon・Soups)	28.9	(5)%	

Alcoholic Beverages Japanese (10,000case)	当社計画	当社 (前年比)
North America	2,038	+1%
Other areas	348	+23%
Total	2,386	+4%
Sapporo brand Total	809	+13%
Food & Soft Drinks Overseas (millions of SGD)	当社計画	当社 (前年比)
Singapore	157	+2%
Malaysia	29	+17%
International	52	+7%

Group Management Plan 2024



(billions of yen)	2023 Result	2023 Plan	YoY changes (amount)	YoY changes (%)
Revenue	518.6	523.5	4.9	0.9%
Revenue (Excluding liquor tax)	400.8	407.6	6.8	1.7%
Overseas revenue	119.6	124.4	4.8	4.0%
EBITDA	36.0	40.7	4.7	13.0%
Core operating profit	15.6	19.0	3.4	21.5%
Core operating profit margin	3.0%	3.6%	-	-
Other operating income (expense)	(3.8)	(1.4)	2.4	-
Operating profit	11.8	17.6	5.8	48.9%
Profit attributable to owners of parent	8.7	10.0	1.3	14.6%
ROE	5.0%	5.5%	-	-

【Financial Targets】

Targets for 2026 have not been changed since the Medium-Term Business Plan was formulated

	2022 Result	2023 Result	2024 Plan	2026 Target
ROE	3.3%	5.0%	5.5%	8.0%
(Approximation) Core operating profit ※	9.3billion yen	15.6billion yen	19.0billion yen	25.0billion yen
EBITDA Average growth rate (CAGR)		20.6%	16.7%	About 10%
(Approximation) EBITDA ※	29.9billion yen	36.0billion yen	40.7billion yen	50.0billion yen
Overseas revenue Average growth rate (CAGR)		17.0%	10.3%	About 10%
(Approximation) Overseas revenue ※	102.2billion yen	119.6billion yen	124.4billion yen	140.0billion yen

※Approximation for achieving financial targets

Group Management Plan 2024



(billions of yen)	2023 Result	2024 Plan	YoY changes (amount)	YoY changes (%)
Revenue by Segment	518.6	523.5	4.9	0.9%
Alcoholic Beverages	376.9	380.0	3.1	0.8%
Japanese	268.3	270.0	1.7	0.6%
Overseas	88.6	90.0	1.4	1.6%
Restaurants	20.0	20.0	0	0.2%
Food & Soft Drinks	119.9	120.0	0.1	0.1%
Japanese	93.5	92.0	(1.5)	(1.6)%
Overseas	26.4	28.0	1.6	5.9%
Real Estate	21.7	23.5	1.8	8.3%
Other	0.1	0	(0.1)	(86.3)%

(billions of yen)	2023 Result	2024 Plan	YoY changes (amount)	YoY changes (%)
Core Operating Profit by Segment	15.6	19.0	3.4	21.5%
Alcoholic Beverages	16.0	18.3	2.3	14.3%
Japanese	14.2	15.5	1.3	9.3%
Overseas	(0.3)	1.0	1.3	-
Restaurants	2.1	1.8	(0.3)	(16.6)%
Food & Soft Drinks	1.6	3.5	1.9	114.2%
Japanese	2.2	2.2	0	1.7%
Overseas	(0.6)	1.3	1.9	-
Real Estate	5.8	5.8	0	0.3%
Other • General corporate and intercompany eliminations	(7.8)	(8.5)	(0.7)	-

Group Management Plan 2024 ~Target for core operating profit~



【Target for core operating profit】

Targets for 2026 have not been changed since the Medium-Term Business Plan was formulated

	2022 Result	2023 Result	2024 Plan	2026 Target
Alcoholic beverages in Japan	3.5%	5.3%	5.7%	5.7%
Alcoholic beverages in Overseas	(0.4)%	(0.3)%	1.1%	6.2%
Restaurants	(3.3)%	10.5%	8.8%	5.0% <small>(Aim to maintain 2024 profit level)</small>
Food & Soft Drinks In Japan	0.9%	2.3%	2.4%	3.8%
Food & Soft Drinks In Overseas	3.6%	(2.2)%	4.6%	5.0%
Real Estate ※	4.9%	4.7%	4.7%	5.7%

※ EBITDA-based ROA

Group Management Plan 2024

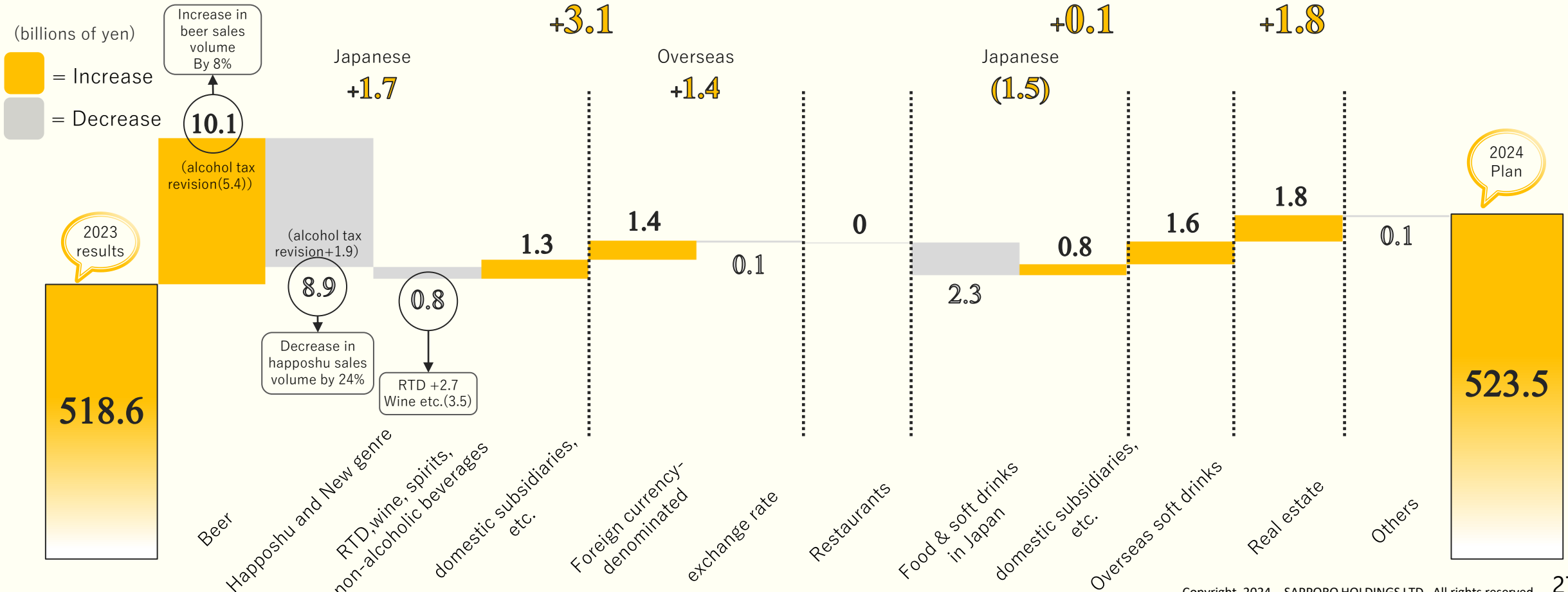


Aim for an increase in sales of 4.9 billion yen (+0.9%) by focusing on beer, our strength, and achieving growth overseas

Strengthening of beer ,RTD in Japan alcoholic beverages, growth of SPB in overseas alcoholic beverages, and sales channel expansion in Malaysia in overseas Soft Drinks will be the drivers of revenue growth

Domestic food and beverage sales decreased due to business liquidation and SKU reduction, while real estate sales increased due to the effect of hotel reopening in Sapporo, etc.

Reasons for changes in sales revenue



Group Management Plan 2024



Profit increased by 3.4 billion yen (+21.5%) due to increased revenue and the effect of synergies of overseas alcoholic beverages

Profit for Japan alcoholic beverages increased due to an increase in the marginal profit of beer, RTD, despite an increase in fixed costs due to investment in sales promotion and human resources for future growth

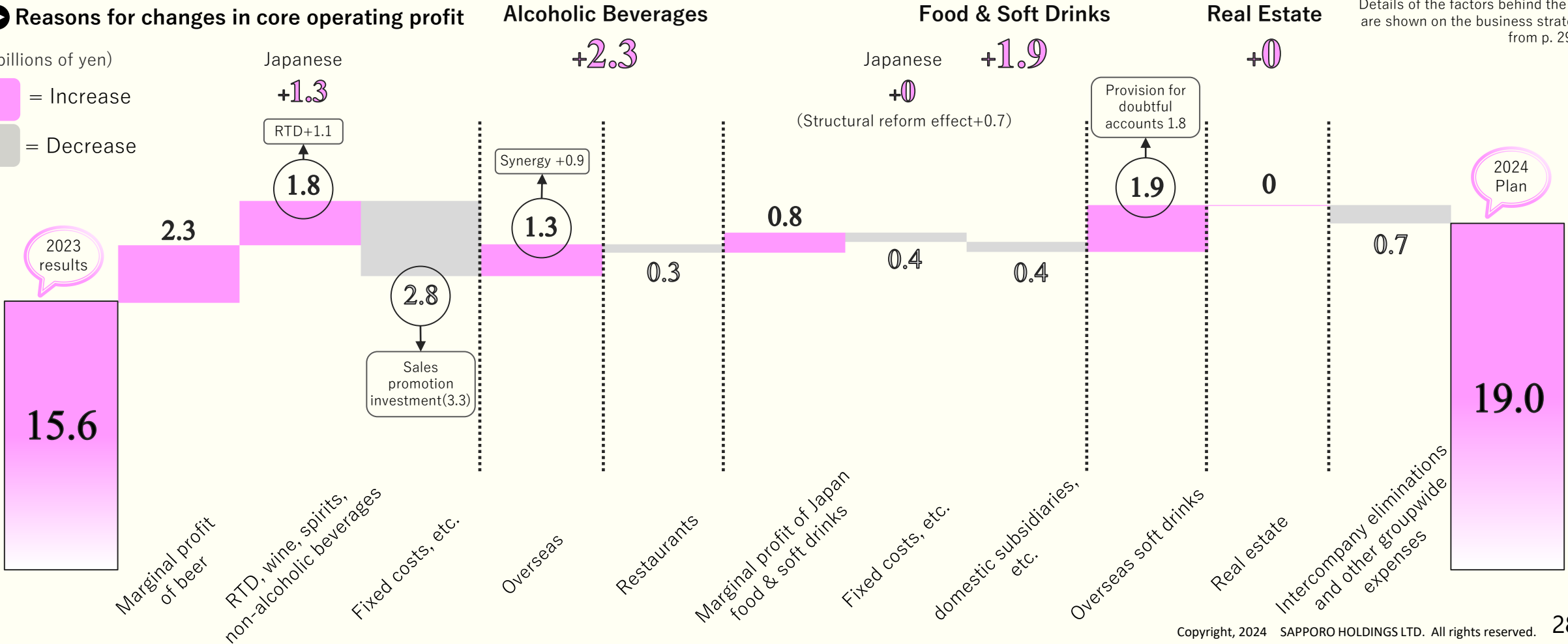
Profit for overseas alcoholic beverages increased due to SPB growth and synergies, profit for overseas beverages increased due to revenue growth and a decrease in provisions for doubtful accounts recorded in the previous year

Reasons for changes in core operating profit

(billions of yen)

= Increase

= Decrease



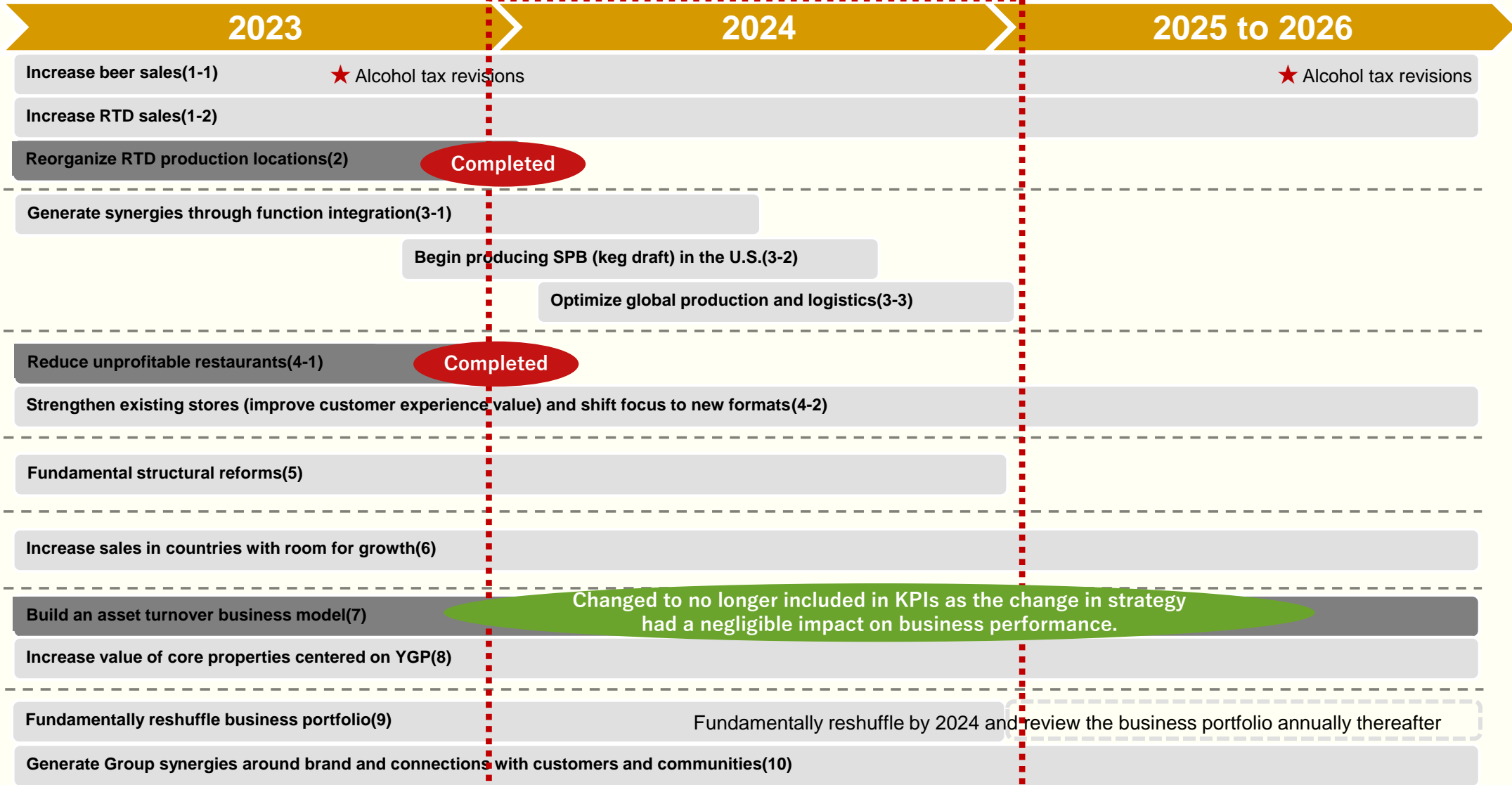
Details of the factors behind the changes are shown on the business strategy page from p. 29 onward

Business Strategies : Action Plan



On slides after page 30, we have included further explanations for action plan numbers (1-1) through (10)

Plan to steadily disclose details of action plan



Completed

※In order to formulate scenarios for enhancing the group's long-term corporate value beyond the midterm management plan, we established Group Strategy Committee this September.

Business Strategies : Alcoholic Beverages ~Japanese~



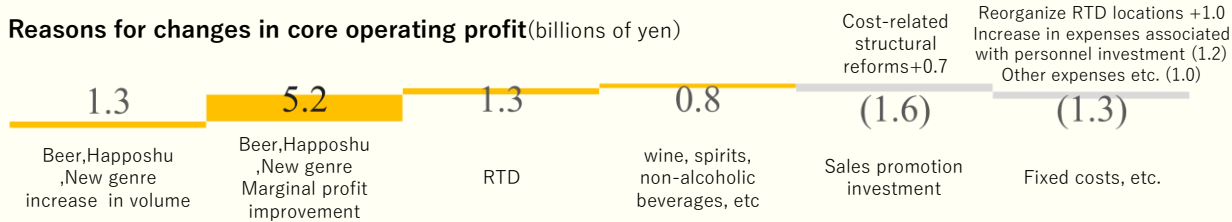
2023

2024

Revenue : 268.3billions of yen (YoY+22.9billions of yen、 +9.3%)

Core operating profit : 14.2billions of yen (YoY+5.7billions of yen、 +67.5%)

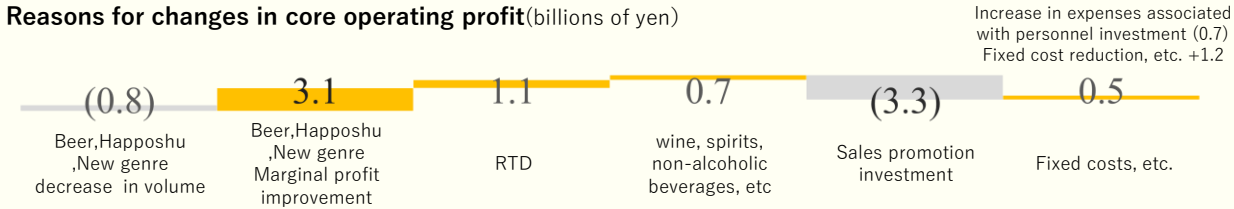
Reasons for changes in core operating profit(billions of yen)



Revenue : 270.0billions of yen (YoY+1.7billions of yen、 +0.6%)

Core operating profit : 15.5billions of yen (YoY+1.3billions of yen、 +9.3%)

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



“Break away from low profitability” and achieve “business growth” with the strengthening of beer RTD and cost-related structural reforms

● Increase beer sales (1-1)

Steadily increase beer sales, with Black Label driving the growth

Beer: +9% YoY, Black Label brand: +11% YoY (sales volume basis)

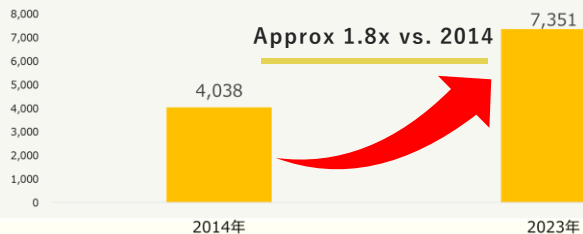
✓ Share of beer **73%** (+5% YoY)

✓ Beer selling price before alcohol tax **+9%** YoY

Increase on share of high-margin beers
Improvement of the product mix/Improvement due to price revisions

Result of medium- to long-term initiatives in the Black Label brand

Successfully increased the number of purchasers of Black Label through marketing that cultivates individuality and strengthens customer contact



Source: Intage SCI, Number of purchasers of Black Label
Cumulative total for January to November of each year

Strengthen marketing with a focus on mainstay brands

✓ Share of beer **79%** (+6% YoY)

✓ Beer selling price before alcohol tax **+11%** (VS2022)

Expansion of customer contact points and promotion of the creation of enthusiastic fans

Black Label brand



Black Label Extra Brew:
Planned launch on March 5, 2024

THE PERFECT Black Label EXPERIENCE 2024



Yebisu brand



CREATIVE BREW 3rd edition Yebisu Citrus Blanc:
Planned launch on February 20, 2024



First renewal in 8 years
“Yebisu, perfected time and time again”



Business Strategies : Alcoholic Beverages ~Japanese~



2023

2024

▶ Increase RTD sales (1-2)

RTD achieved record high sales due to growth of key brands

✓ RTD (cans) total **+19%** YoY (sales amount basis)

Growth significantly outperforming the market due to strong performance of key brands and new products

+20% YoY

(sales volume basis)



+6% YoY

(sales volume basis)



+2% against the Forecast

(sales volume basis)



+25% against the Forecast

(sales volume basis)



▶ Cost-related structural reforms (2)

Reorganize RTD production locations

The RTD production line at the Sendai factory began operating from October 11
RTD in-house manufacturing capacity doubled, contributing to greater flexibility in supply and demand

✓ Share of in-house manufacturing **63%**

Increase of in-house manufacturing share to 88% by 2026



Aiming for further growth by strengthening key brands and proposing new products

✓ RTD (cans) total **+31%** vs. 2022 (sales amount basis)

Product renewal and expansion of product lineup



New 3rd edition of standard alcohol to drink during a meal "Non-alcoholic dark squeezed lemon sour"

Non-alcoholic lemon sour with the authenticity of an izakaya's hand-pressed sour

Initiatives for cost-related structural reforms

Promoting cost-related structural reforms to break away from low-earning power

- SKU optimization
- Streamlining of selling costs
- Further improvements of productivity

- "Use of DX" "Efficient organizational management"

Details to be disclosed along with results

Business Strategies : Alcoholic Beverages ~Overseas~



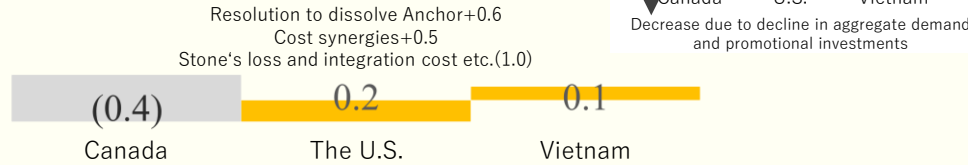
2023

2024

Revenue : 88.6billions of yen (YoY+14.6billions of yen, +19.8%)

Core operating profit : (0.3)billions of yen (YoY(0.0)billions of yen)

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



Revenue : 90.0billions of yen (YoY+1.4billions of yen, +1.6%)

Core operating profit : 1.0billions of yen (YoY+1.3billions of yen)

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



Launch of SPB manufacturing in the U.S. to improve earning power and expand business

► Growth of the Sapporo brand

Continuous growth of the Sapporo brand volume

Sales volume in the U.S. above total demand and reaching a record high

✓ Sapporo sales volume +8% YoY (sales volume basis)



Further growth achieved, especially in the U.S.

Expansion into the U.S. market and growth achieved through appropriate brand investment

✓ Sapporo sales volume +13% YoY (sales volume basis)

► Status of synergies with Stone (3/1-3)

Smooth progress of PMI, creating functional integration synergies and sales synergies

Start of SPB manufacturing at Richmond plant in December 2023

In terms of sales, successful collaboration with Stone's sales team to expand the number of stores that carry the product

✓ Cost synergies \$4M

Completion of PMI to improve profitability and expand business

Launch of manufacturing at Escondido factory in 2024 Q1

Planned completion of transfer of SPB production to the U.S. by the end of the year

✓ Cost synergies \$11M

► Status of Canada

Soft markets due to inflation and other factors. Company performance above total demand but below the previous year's level
Achievement of core operating profit plan through control of cost increase and early realization of price revisions, etc.

Improvement of product mix while maintaining volume

Business Strategies : Alcoholic Beverages ~Restaurant~



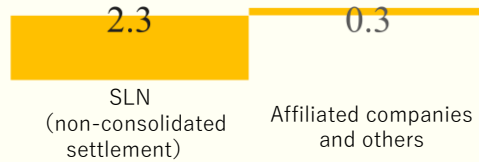
2023

2024

Revenue : 20.0billions of yen (YoY+4.7billions of yen、 + 30.4%)

Core operating profit : 2.1billions of yen (YoY+2.6billions of yen)

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



Revenue : 20.0billions of yen (YoY+0.0billions of yen、 + 0.2%)

Core operating profit : 1.8billions of yen (YoY(0.3)billions of yen、 (16.6)%)

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

Decrease in core operating profit due to surging personnel and energy costs
Aim to maintain the profit level of 2024 during the Medium-Term Management Plan period (2023-2026)

Strengthening of contacts with alcohol brands while reinforcing existing stores

Strengthen of existing stores (improvement of customer experience value) and shift to focus business categories (4-2)

Steady contribution to profit from structural reforms, achieving profitability in all quarters

Recovery of existing store base to levels exceeding 2019, thanks to improvement of sales per customer
Success to attract inbound and senior citizens

Sales results for existing SLN stores (vs. 2019)

(Vs2019)	Jan.	Feb.	Mar.	Apr.	May.	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
revenue	93%	98%	104%	106%	108%	105%	109%	96%	105%	114%	109%	113%
number of customer	84%	88%	92%	91%	92%	90%	95%	86%	91%	98%	95%	98%
sales per customer	111%	112%	113%	116%	117%	116%	115%	113%	115%	117%	115%	115%

Strengthening of existing stores and shift to focus business categories while maintaining profit levels

Improvement of customer experience value and acquisition of repeat customers and fans
Focus on development of Yebisu bar and LEO business with high investment efficiency

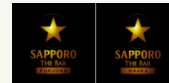
Toward improving customer experience value

Value proposition through analysis of customer survey and app membership data
Promotion of productivity improvement and customer satisfaction improvement by utilizing DX,IT

Stronger contacts with alcohol brands (10)

Brand communication of Japan alcoholic beverages

Operation of Black Label THE BAR FUKUOKA/OSAKA
Sale of Limited edition Yebisu Orange <Keg Draft> at YEBISU BAR



Provision of brand contact points and brand experience opportunities

Strengthening of the partnership with SB, provision of opportunities for brand contact and brand experience, and contribution to improving the brand value of alcoholic beverage brands

Business Strategies : Food & Soft Drinks ~Japanese~

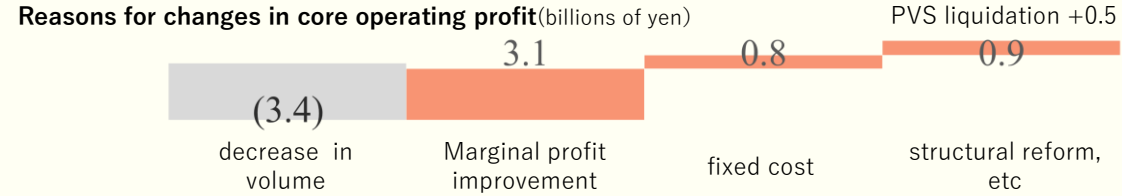


2023

2024

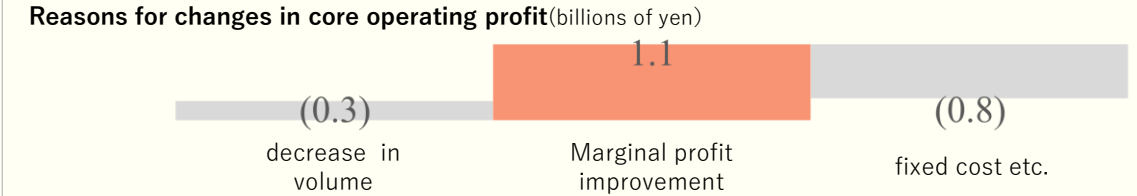
Revenue : 93.5billions of yen (YoY(4.8)billions of yen、(4.9)%)

Core operating profit : 2.2billions of yen (YoY+1.4)billions of yen、+174.3%)



Revenue : 92.0billions of yen (YoY(1.5)billions of yen、(1.6)%)

Core operating profit : 2.2billions of yen (YoY+0.0billions of yen、+1.7%)



Set structural reform goals and shift resources to focus businesses

► Fundamental structural reforms (5)

Structural reforms progressing ahead of schedule, contributing to improved business profit

Steady progress in cost reduction and restructuring at PS

- Improvement of marginal profit ratio

Decrease in disposal value due to SKU reduction +300 million yen

Improvement of variable selling cost per unit +300 million yen

Product mix improvement by reducing unprofitable SKU +500 million yen

- Reduction of fixed costs

Reduction of unprofitable vending machine columns +700 million yen

- Structural reforms, etc. (Review of business portfolio)

Liquidation of vending machine operator subsidiary PVS +500 million yen

Transfer of the plant-based yoghurt business

— KPI cost structural reforms

Fundamental structural reforms

Focus on lemon business with a view to implement structural reforms by 2024

• Cost-related structural reforms

Continuous efforts to reduce unprofitable vending machines, improve sales cost efficiency, etc.

• Review of business portfolio

Sale or withdrawal from unprofitable and non-core businesses (specific details to be disclosed in due course)



• Efforts concentrated on the lemon products business

The lemon products market continues to expand due to its highly regarded functionality, in addition to its delicious taste

Focus on expanding the demand for lemon products as No.1 lemon products manufacturer (lemon's growth strategy will be disclosed after restructuring)

Business Strategies : Food & Soft Drinks ~Overseas~

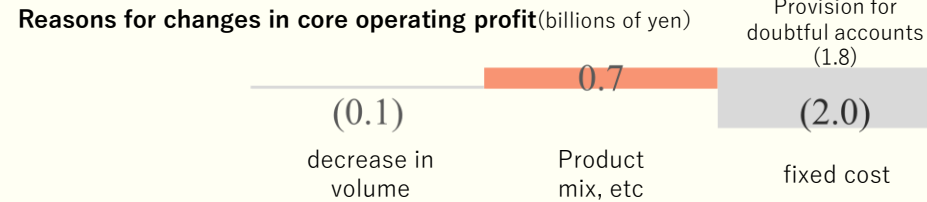


2023

2024

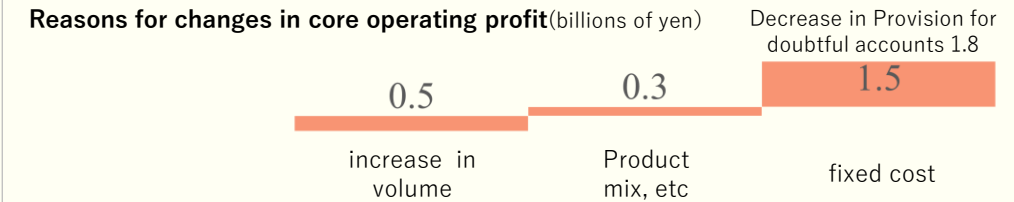
Revenue : 26.4billions of yen (YoY+1.9billions of yen、 +7.5%)

Core operating profit : (0.6)billions of yen (YoY+1.5billions of yen)



Revenue : 28.0billions of yen (YoY+1.6billions of yen、 +5.9%)

Core operating profit : 1.3billions of yen (YoY+1.9billions of yen)



Establishment of a foundation for growth in Malaysia, our most important focus market, while maintaining a high market share in Singapore

▶ Singapore

No. 1* share of tea beverage market (57%) *Market share is the Company's estimate based on data reported by NielsenIQ (Copyright © 2023, NielsenIQ)

Maintenance of strong sales, especially of tea beverages (sales through EC and CVS channels are strong)

- ✓ Singapore sales amount +6% YoY (sales amount on a local currency basis)

▶ Malaysia

Increase of sales through strengthening of sales structure

- ✓ Malaysia sales amount +7% YoY (sales amount on a local currency basis)

▶ Export

Sales decrease YoY (due to the impact of the suspension of sales to customers at some export destinations, etc.)

- ✓ Export sales amount -7% YoY (sales amount on a local currency basis)

Aim to expand health and wellness products while focusing on key brands

- ✓ Singapore sales amount +2% YoY (sales amount on a local currency basis)

Establishment of a foundation for growth by continuing to enhance recognition and sales structure

- Expansion of brand awareness and distribution network through marketing
- ✓ Malaysia sales amount +17% YoY (sales amount on a local currency basis)

Aim to re-establish sales channels and achieve growth of profitability in other areas

- ✓ Export sales amount +7% YoY (sales amount on a local currency basis)

2023

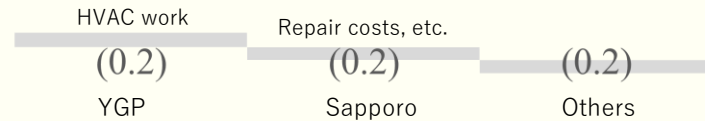
2024

Revenue : 21.7billions of yen (YoY+1.0billions of yen、+4.7%)

Core operating profit : 5.8billions of yen (YoY(0.7)billions of yen、(10.5)%)

EBITDA : 11.3billions of yen (YoY(0.2)billions of yen、(2.0)%)

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

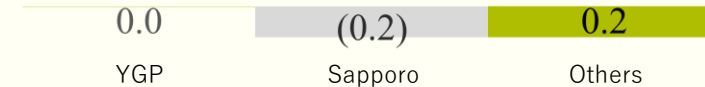


Revenue : 23.5billions of yen (YoY+1.8billions of yen、+8.3%)

Core operating profit : 5.8billions of yen (YoY+0.0billions of yen、+0.3%)

EBITDA : 11.9billions of yen (YoY+0.6billions of yen、+5.6%)

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



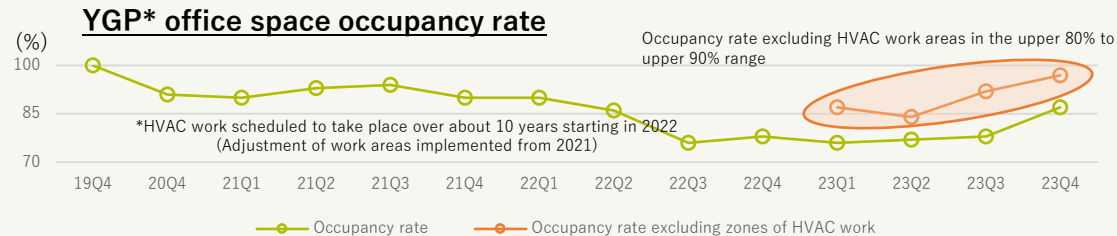
Enhancement of the value of properties owned in the Ebisu and Sapporo areas to promote community development

Initiatives to enhance property value (Ebisu area)

Status of YGP value enhancement initiatives

The number of visitors of YGP Center Plaza increased by 1.8 to 2 times after the renovation in November 2022
Decline in occupancy rate of office space due to HVAC work*, but occupancy rate on track to meet the plan

✓ **Rate of increase in average unit rents +0.5% YoY** Unit rents increase in line with property value improvement



Further value enhancement of YGP as it celebrates its 30th anniversary

Promotion of property value enhancement and community development

✓ **Rate of increase in average unit rent +2.8% vs. 2022**



Initiatives for YGP's 30th anniversary

- Development of measures to once again communicate the attractiveness of YGP to visitors and office workers
- Partnership with YEBISU BREWERY TOKYO to create beer brewing experiences for YGP 30th Anniversary
- Organization of music festivals in collaboration with Blue Note Place

Initiatives to enhance property value (Sapporo area)

Closure of Hotel Clubby (April 2023), preparations for reopening

Opening of Hotel Sosei Sapporo MGallery (January 30, 2024)
Sosei Cross scheduled to open on the site of the former Sapporo Factory parking lot (scheduled for August 2024)

Action Plan KPI



※1 Forex assumption: ¥130

※2 Local currency basis (Singapore dollar)

		2022 results	2023 results	2024 Plan	medium-term plan Target
Japan alcoholic beverages	Reinforcement of Beer / Improving Profitability of Beer-type Bev.				
	Increase beer sales: share of beer sales (1-1)	68%	73%	79%	79%
	Improve profit margin: selling price excluding alcohol tax (1-1)	-	+9% (VS 2022)	+11% (VS 2022)	+11% (VS 2022)
	RTD Business Growth and Production Streamlining, Etc.				
	RTD growth: RTD sales amount (1-2)	-	+19% (VS 2022)	+31% (VS 2022)	+74% (VS 2022)
	Increase production efficiency: ratio of in-house production (2)	73%	63%	88%	88%
Overseas alcoholic beverages	Stone Acquisition Synergy / SPB Growth				
	Sapporo brand volume (3-1~3)	6.61million cases	7.16million cases	8.09million cases	10.0million cases
	Cost synergy (3-1~3) ※1	-	\$4M	\$11M	\$23M
Japan food & soft drinks	Cost Structure Reforms (5)	-	1.3billion	2.0billion	2.0billion
Overseas soft drinks	Expanding Sales and Increasing Logistics Efficiency				
	Overseas sales amount (6) ※2	-	+2.8% (VS 2022)	+7.6% (VS 2022)	+30% (VS 2022)
Real Estate	Increase value of YGP				
	Rate of increase in average rental price (8)	-	+0.5% (VS 2022)	+2.8% (VS 2022)	+2.5% (VS 2022)
Entire Group	Fundamentally reshuffle business portfolio (9)				
		1.0billion (VS 2021)	1.1billion (VS 2022)	-	-
		PVS liquidation effect +500 million yen Anchor dissolution effect +600 million yen			

Financial strategy: progress in cash allocation

Securement of financial flexibility to prepare for growth investment opportunities by reviewing investment policy and strengthening balance sheet management in the Real Estate business

■ 4-year cash allocation (planned for 2023-2026)

Cash inflow

Cash outflow

At the time of announcement of the
Medium-Term Management Plan
(2023-2026)

Investing CF
(Investment - sale of assets)
¥130.0 billion
(of which, about 50% of growth investments)

Investing CF
(Investment - sale of assets)
¥80.0 billion
(of which, about 60% of growth investments)

Operating CF
¥150.0 billion

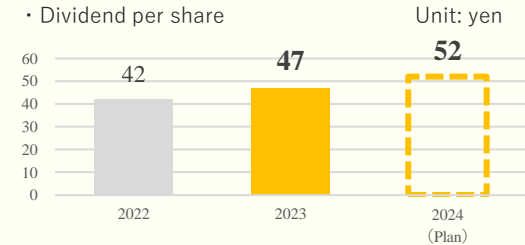
Shareholder return

Shareholder return

Repayment of financial liabilities
(additional investment capabilities)
¥50.0 billion

Progress of shareholder return policy

- Based on the current dividend policy, we have decided to increase dividends in 2023 in line with profit growth
- **Planned dividend increase in 2024 for the second consecutive year**



Review of the investment policy

- **Control of investment in the Real Estate business in light of the impact of changes in the market environment**

Asset reduction policy (accelerated reduction of cross-shareholdings)

- **Clarification of immediate policy for further reduction and setting of new quantitative targets**
 - ◆ Target until 2024: less than 20% of capital
 - ◆ Target until 2026: less than 10% of capital

Securement of financial flexibility

- Strengthening of financial security through reduction of financial liabilities
- Flexible response to profitable growth investment opportunities by leveraging additional investment capabilities

Fundraising as needed

Flexible growth investments

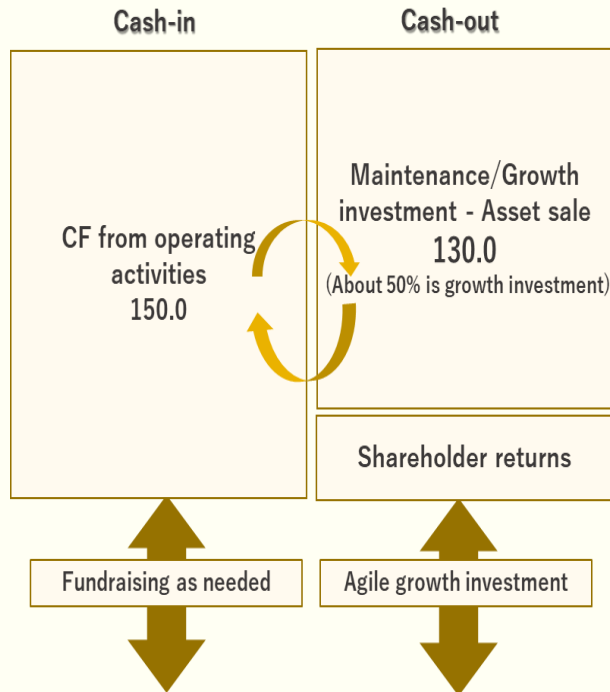
Flexible growth investments

Use of leverage to the extent possible to ensure maintenance of credit ratings

Reference) Financial Strategy: progress in cash allocation_changes from the Medium-Term Management Plan

▶ Cash allocation policy as indicated in the Medium-Term Management Plan (2023-26)

■ 4-year cash allocation (planned for 2023-2026)



Use of leverage to the extent possible to ensure maintenance of credit ratings

Policy on investment

- Actively promote growth investment to accelerate the speed of business growth
- Priority targets for growth investments are the overseas Alcoholic Beverages and overseas Soft Drinks businesses
- Sustainability-related investment will be promoted while considering the return on investment from a long-term perspective
- Agile growth investment(e.g., M&A)
 - Respond flexibly to profitable growth investment opportunities

Asset reduction policy

- Real Estate
 - Promote securitization through the advancement of the Value-Added Real Estate Securitization business and reconfiguration of the property portfolio
- Cross-shareholdings
 - Achieve a ratio of less than 20% of capital to capital ratio and continuously improve the ratio

Policy on shareholder returns

- We will aim to increase the dividend level in line with profit growth over the medium to long term while maintaining stable dividend with the current dividend level as the lower limit.
 - (Consolidated dividend payout ratio of at least 30% as a basic policy*)
- *Excludes temporary special factors such as the reorganization of the business portfolio and the sale of real estate holdings

Review of the investment policy

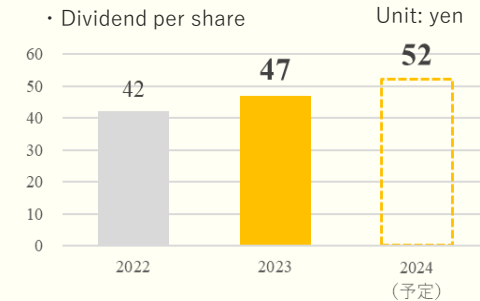
- **Control of investment in the Real Estate business** in light of the impact of changes in the market environment

Review of asset reduction policy (accelerated reduction of cross-shareholdings)

- Clarification of immediate policy for **further reduction** and **setting of new quantitative targets**
 - ◆ Target until 2024: **less than 20%** of capital
 - ◆ Target until 2026: **less than 10%** of capital

Progress of shareholder return policy

- Based on the current dividend policy, we have decided to **increase dividends in 2023 in line with profit growth**
- **Planned dividend increase in 2024 for the second consecutive year**



Sustainability management initiatives

Implementation of specific actions in line with priority issues set from the perspective of relevance to each business, degree of impact on society and the environment, and degree of impact on the Company's finances.

Contributing to the wellbeing of people and communities through the time and spaces all of our businesses offer



Harmony with the environment

- ① Realization of a decarbonized society ★
- ② Realization of a recycling-oriented society
- ③ Realization of a society in harmony with nature



Co-prosperity with society

- ④ Co-prosperity with local communities ★
- ⑤ Provision of health value
- ⑥ Establishment of a sustainable supply chain



Active participation of human resources

- ⑦ Active participation of diverse human resources ★

★ Top priority issues

⑧ Promotion of responsible alcohol consumption

⑨ Provision of safe products and facilities

Governance

Sustainability management initiatives

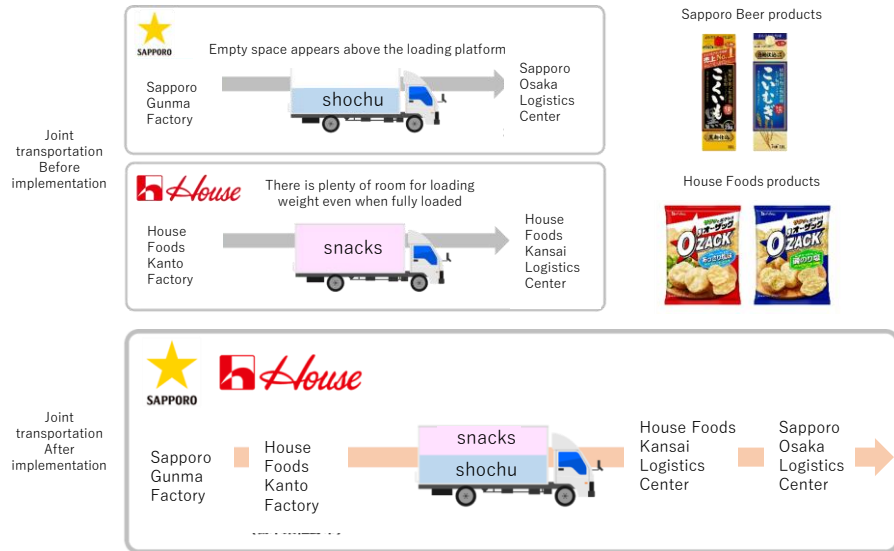


[Click here](#) to learn more about our sustainability-related priorities, goals, and progress

Harmony with the environment

Sapporo Group and House Foods begin joint transportation between Kita-Kanto and Osaka

By combining the transportation of shochu (heavy cargo) and snacks (light cargo), a weight loading ratio of approximately 98% was achieved, significantly improving transportation efficiency. The volume loading ratio has been improved by approximately 13%, and CO2 emissions are expected to be reduced by approximately 18 tons per year compared to before the partnership.



Update of the Sapporo Group Environmental Vision 2050 to “realize a decarbonized society”
Update of our 2030 target for reducing greenhouse gas emissions and setting a new FLAG targets

Signing of first virtual PPA in the real estate industry (according to our research)

First step toward generating 100% of own electricity consumption by 2040
Estimated CO2 emissions reduction is about 2,000 tons, equivalent to about 15% of the company's electricity consumption

Co-prosperity with society

Expansion of regional development projects

As part of the Sapporo Group's regional development activities, Sapporo Lion held cooking fairs that make the best use of local ingredients

- "Lucky Japan Food Tour in Fukushima"
- "Fukuoka Umakomon Fair"

Support everyday health through lemon nutrition education activities

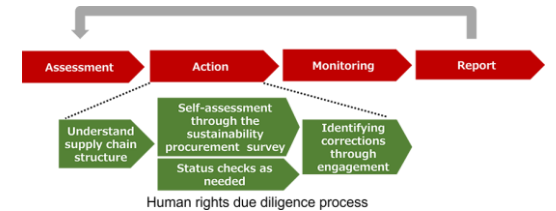
First certification as a "Nutrition Education Promoting Company/Organization"



Human rights due diligence

We respect the human rights of Group partners and ensure a work environment free from unfair discrimination. To confirm our stance, we promote establishing and implementing a human rights due diligence process.

In the supply chain, we will strengthen our efforts to respect human rights by prioritizing the status of key raw materials* in our business and raw materials that are deemed to pose a high risk to human rights**.



*Malt, hops, grapes/grape juice, lemon, plum

**Palm oil, tea leaves, coffee beans, soybeans, cocoa beans, liquid sugar, crude distillate alcohol

Active participation of human resources

Consecutive “Cancer Ally Awards 2023” for SB and PS

SB received the newly established "Diamond" award and PS received the "Silver" award for the fifth consecutive year

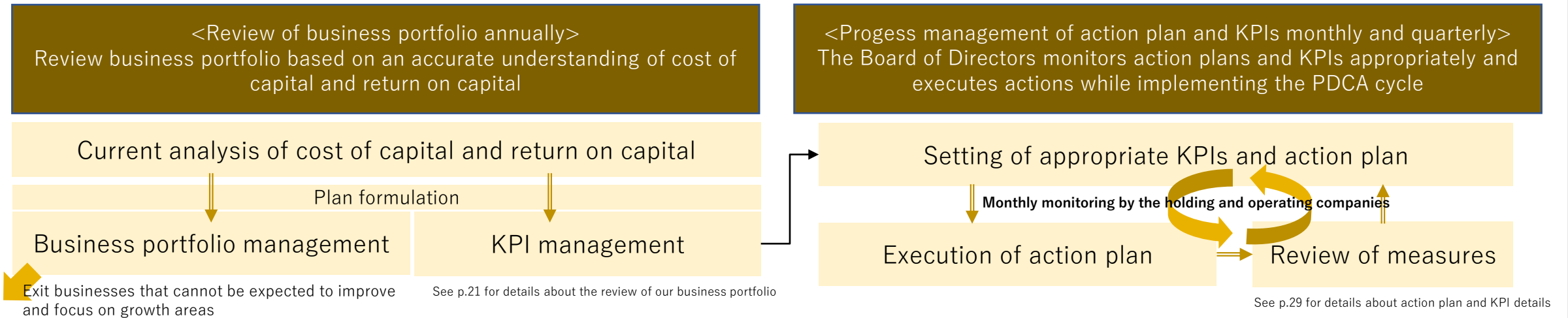


Governance

Enhanced monitoring: through appropriate monitoring, we have enhanced our ability to execute on our plans

Monitoring by the Board of Directors

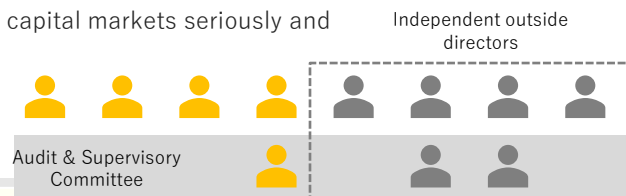
Decision making and business execution by execution side



- **Majority of outside directors (as of December 31, 2023)**

Since 2023, outside directors comprise the majority of the Board, strengthening the supervisory function

The Board of Directors takes the opinions of capital markets seriously and applies them to management



- **Review of the skill matrix**

- Review of the skill matrix to achieve the Medium-Term Management Plan
- Addition of "sustainability," and classification of the required knowledge, experience, and abilities into eight categories

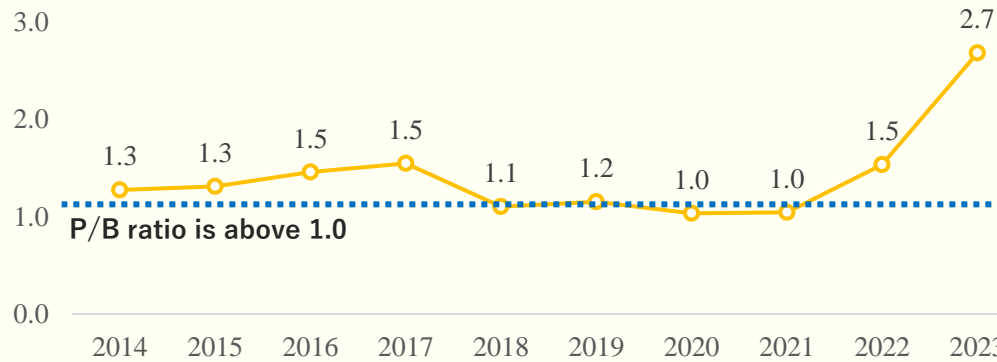
Appendix

Promotion of management that is conscious of cost of capital and stock price

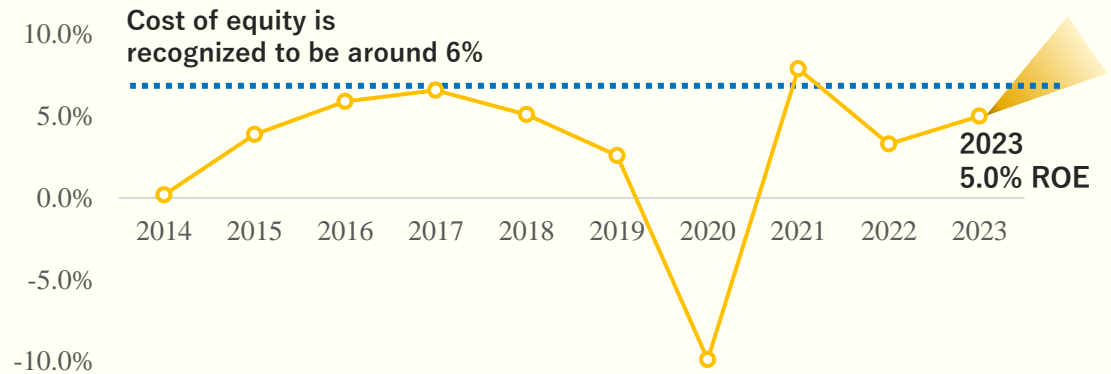


While the P/B ratio is above 1.0, we recognize that the current ROE level does not sufficiently exceed the cost of shareholders' equity as required by the market

Change in P/B ratio - Past 10 years

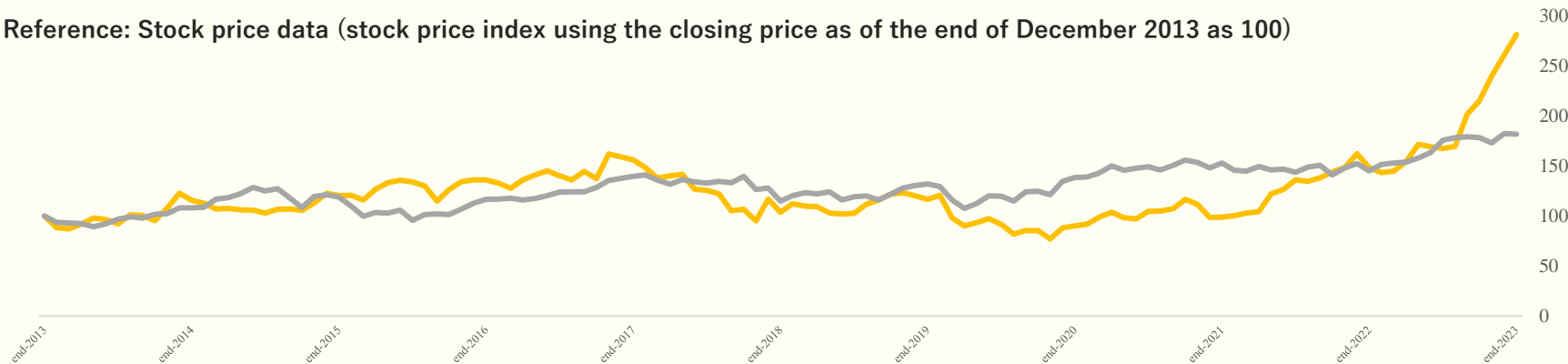


Change in ROE - Past 10 years



- Target of 8% ROE set in the Medium-Term Management Plan announced in November 2022
- ROE of 5.0% in 2023 was on an improving trend, but we recognize that the low ROE relative to the industry average is an issue that must be resolved as soon as possible

Reference: Stock price data (stock price index using the closing price as of the end of December 2013 as 100)



Awareness of status quo

Policy

To promote a financial strategy that emphasizes "sustainable growth" and "capital efficiency," which we have been working on for some time, and to achieve an increase in corporate value

- Aim to achieve Medium-Term Management Plan financial targets (ROE of at least 8% in 2026, overseas sales revenue and EBITDA growth of 10%/year)
- Promote both growth investment and shareholder returns based on cash allocation policy

For the realization of sustainable growth

- **Enhance the earning capacity of each business**

- **Realization of business growth**

Proactively develop areas of strength

- **Cost-related structural reforms**

Create business structures that can respond to changes in the environment

- **Growth investment**

- **Investment in overseas businesses with growth potential**

- **Investment in domestic business to strengthen the earnings base**

Respond flexibly to growth investment opportunities by utilizing financial leverage to the extent that our current credit rating can still be guaranteed

For the enhancement of capital efficiency

- **Thorough monitoring using ROIC as an indicator**

- **Company-wide management ess using ROE, business segment management using ROIC**

Execution of improvement initiatives in a streamlined fashion using the ROIC tree

- **Review of business portfolio**

- **Fundamental review of businesses positioned for restructuring/reorganization**

Exit businesses that cannot be expected to improve and focus on growth areas

- **Balance sheet reforms**

- **Review of assets**

Improve or sell underutilized assets and assets with low turnover

- **Reduce cross-shareholdings**

Reduction of the ratio of book value of shareholdings to total equity attributable to owners of the parent to less than 20% by 2024 and less than 10% by 2026

- **Shareholder returns**

- **Increase the level of dividends in accordance with profit growth**

Aim to increase the amount of dividends while maintaining dividend stability
(Dividend increase in 2023 (from 42 yen to 47 yen) and planned dividend increase again in 2024 (52 yen))

Efforts to enhance ROE

Promotion of initiatives to improve capital profitability as well as initiatives to reduce the cost of capital

Main initiatives

Reshuffling of business portfolio

Exit businesses that cannot be expected to improve and focus on growth areas

Structural reforms

Create business structures that can respond to changes in the environment

Profit growth

Proactively develop areas of strength

Balance sheet reforms

Improve or sell underutilized assets and assets with low turnover
Reduce cross-shareholdings

Capital policy and shareholder return

Achievement of optimal capital structure
Aim to increase the amount of dividends while maintaining dividend stability

Strengthening of ESG

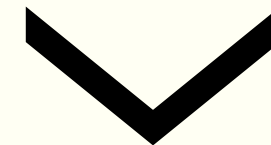
Reduce long-term risks by promoting sustainability management
Strengthening of governance

Strengthening of SR and IR activities

Eliminate information asymmetry by expanding information disclosure (Results and details of dialogue with capital markets will be disclosed in the Integrated Report)

Improvement of capital profitability
(ROE of 8% by 2026)

Aim to expand the equity spread



Reduction of capital cost
(Cost of equity is recognized to be around 6%)

Improvement of corporate value

Status of the income statement



- Revenue and all profit categories achieved the plan announced at the beginning of the year
- Core operating profit and operating profit did not meet the revised forecast, but revenue and net profit did

(billions of yen)	2023 Result	2023 Initial Plan	Changes (vs Initial Plan)	2023 Revised Plan	Changes (vs Revised Plan)
Revenue	518.6	490.0	28.6	510.0	8.6
Core operating profit	15.6	13.5	2.1	16.5	(0.9)
Operating profit	11.8	9.5	2.3	12.0	(0.2)
Profit attributable to owners of parent	8.7	5.5	3.2	7.0	1.7

(billions of yen)	2023 Result	2023 Initial Plan	Changes (vs Initial Plan)	2023 Revised Plan	Changes (vs Revised Plan)
Revenue by Segment	518.6	490.0	28.6	510.0	8.6
Alcoholic Beverages	376.9	347.0	29.9	370.5	6.4
Japanese	268.3	250.0	18.3	265.0	3.3
Overseas	88.6	80.0	8.6	86.0	2.6
Restaurants	20.0	17.0	3.0	19.5	0.5
Food & Soft Drinks	119.9	121.0	(1.1)	118.0	1.9
Japanese	93.5	95.0	(1.5)	92.0	1.5
Overseas	26.4	26.0	0.4	26.0	0.4
Real Estate	21.7	22.0	(0.3)	21.5	0.2
Other	0.1	0	0.1	0	0.1

(billions of yen)	2023 Result	2023 Initial Plan	Changes (vs Initial Plan)	2023 Revised Plan	Changes (vs Revised Plan)
Core Operating Profit by Segment	15.6	13.5	2.1	16.5	(0.9)
Alcoholic Beverages	16.0	13.4	2.6	16.5	(0.5)
Japanese	14.2	12.5	1.7	14.5	(0.3)
Overseas	(0.3)	0.5	(0.8)	0.1	(0.4)
Restaurants	2.1	0.4	1.7	1.9	0.2
Food & Soft Drinks	1.6	2.4	(0.8)	3.4	(1.8)
Japanese	2.2	1.3	0.9	2.3	(0.1)
Overseas	(0.6)	1.1	(1.7)	1.1	(1.7)
Real Estate	5.8	5.9	(0.1)	5.2	0.6
Other • General corporate and intercompany eliminations	(7.8)	(8.1)	0.3	(8.6)	0.8

Balance Sheets

(billions of yen)

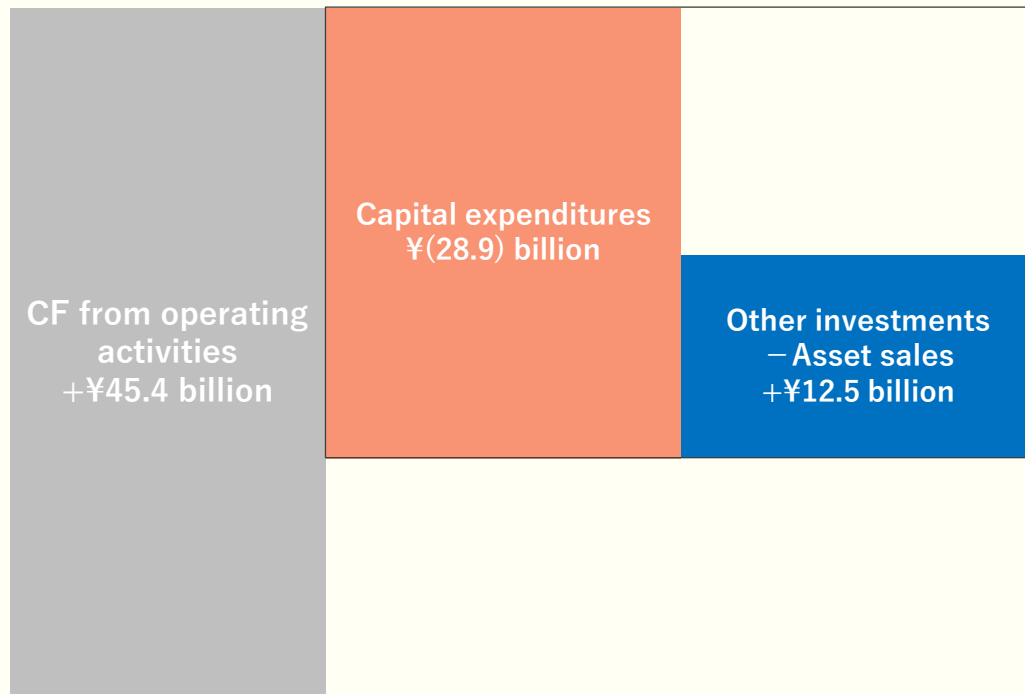


Total assets	End of 2022	End of 2023	Change
Cash and cash equivalents	15.4	17.2	1.8
Trade receivables	96.6	98.0	1.4
Inventories	47.5	47.6	0.1
Other current assets	19.9	13.6	(6.4)
Fixed assets and intangible assets	138.4	152.7	14.2
Investment property	209.6	211.2	1.5
Goodwill	33.8	35.1	1.3
Other non-current assets	77.8	88.3	10.4
Total assets	639.1	663.6	24.5

Total liabilities and equity	End of 2022	End of 2023	Change
Trade payables	35.7	38.7	3.0
Short-term financial liabilities	86.5	39.7	(46.9)
Other current liabilities	97.3	112.8	15.6
Long-term financial liabilities	155.4	182.9	27.6
Net defined benefit liabilities	3.5	3.4	(0.1)
Other non-current liabilities	93.6	102.8	9.2
Total liabilities	471.9	480.3	8.4
Equity attributable to owners of parent	166.3	182.3	16.0
Non-controlling interests	0.9	0.9	0.0
Total equity	167.2	183.2	16.0
Total liabilities and equity	639.1	663.6	24.5
Debt-to-equity ratio (times) :Net	1.4	1.1	—
Balance of financial liabilities	241.9	222.6	(19.3)

Status of Each Cash Flow

(billions of yen)	2022	2023	Change	Change (%)
CF from operating activities	7.8	45.4	37.6	481.6%
CF from investing activities	(46.1)	(16.4)	29.7	—
Free CF	(38.3)	29.0	67.3	—
CF from financing activities	36.5	(27.1)	(63.6)	—



Cash in
¥45.4billion

Cash out
¥(16.4)billion

< Investment total (① + ②) > **¥(16.4) billion**

① **Capital expenditure** (cash basis) : **¥(28.9) billion**
(Property, plant and equipment, intangible assets, investment property)

< Major items >

- Alcoholic Beverages : **¥(12.2)billion**
Japan : ¥(4.3)billion overseas : ¥(8.0)billion

- Food & Soft Drinks : **¥(3.4)billion**
Japan : ¥(2.8)billion

- Real Estate : **¥(11.9)billion**
Yebisu Garden Place and others

- Group-wide : **¥(1.4)billion**

② **Other investments – Asset sale** : **¥12.5 billion**
(Stock sales, etc.)

Alcoholic Beverages Data

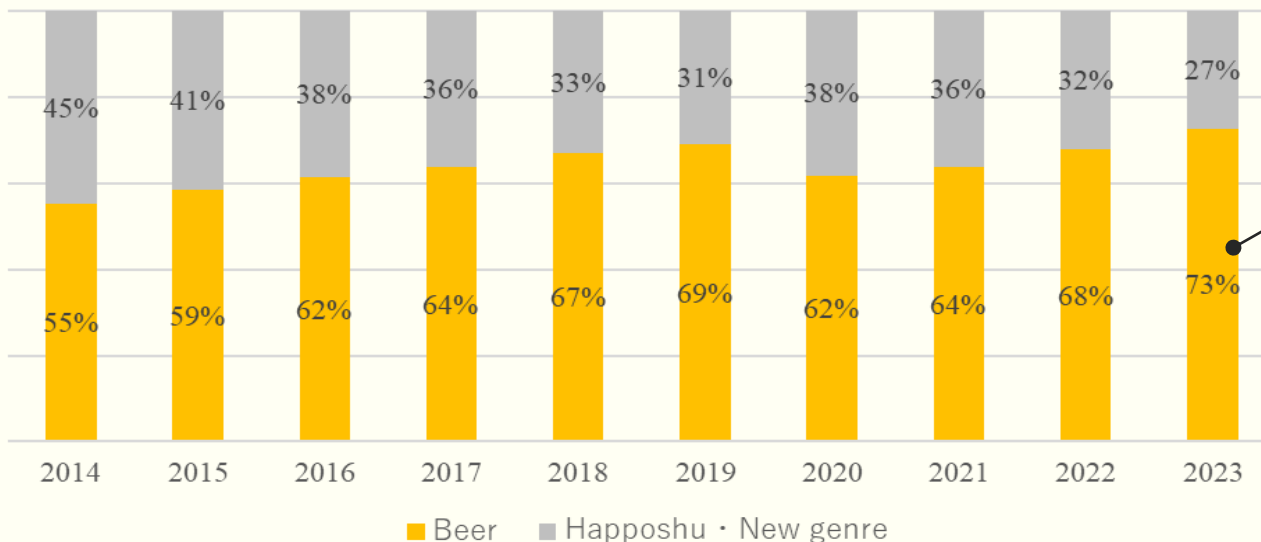


Japanese

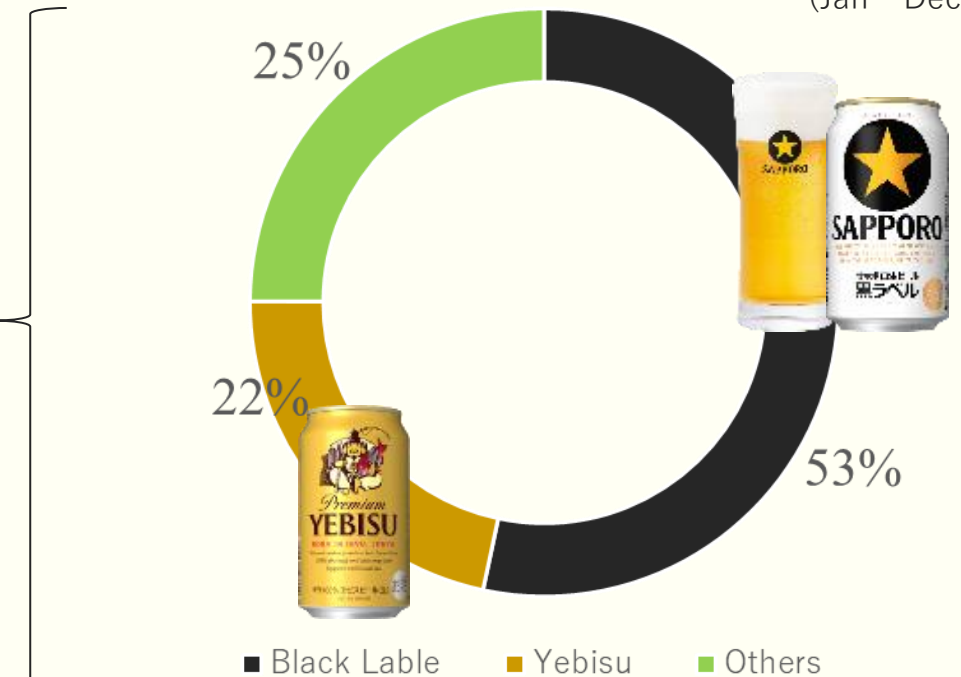
※1 : Following the agreement of the Brewers Association of Japan, there is no disclosure of the sales volume for the first quarter. The sales volume for the first half and end of the fiscal year shall be disclosed. (10,000 cases)

Sales Volume: Beer (Japan) (※1)	2022	2023	YoY Change(%)
① Beer (total)	2,677	2,917	9.0%
Sapporo Draft Beer Black Label (total)	1,399	1,556	11.2%
YEBISU (total)	666	634	(4.8%)
② Happoshu (total)	151	144	(5.0%)
③ New genre beer products (total)	1,114	944	(15.2%)
Beer, happoshu, and new genre (total ①+②+③)	3,942	4,005	1.6%

< 10-year change in composition ratio of beer, happoshu, and new genre >



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



Alcoholic Beverages Data

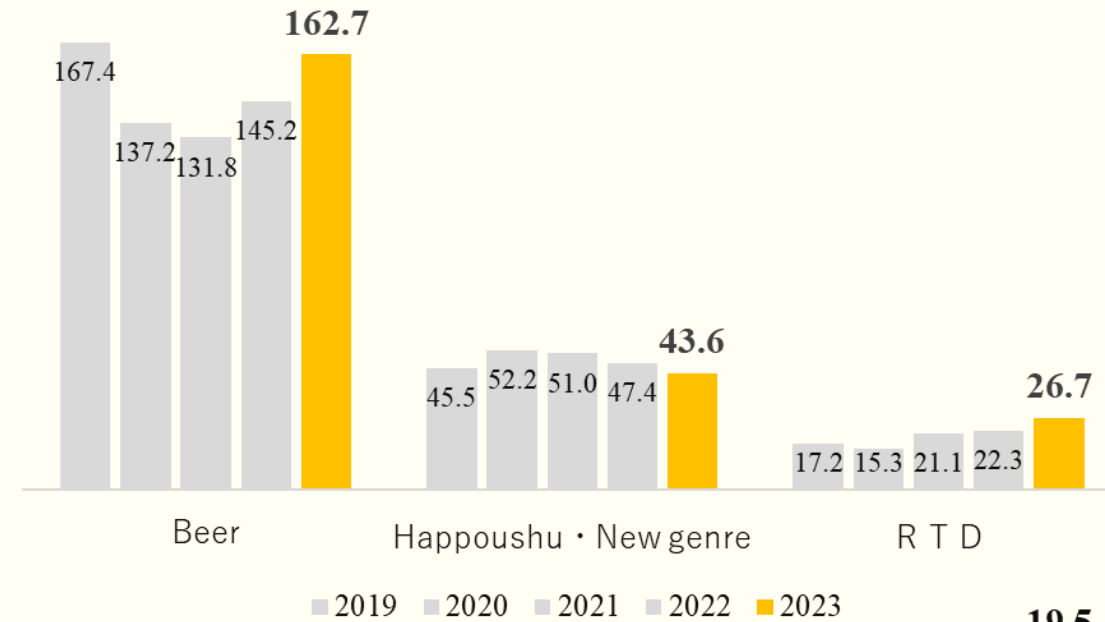


Japanese

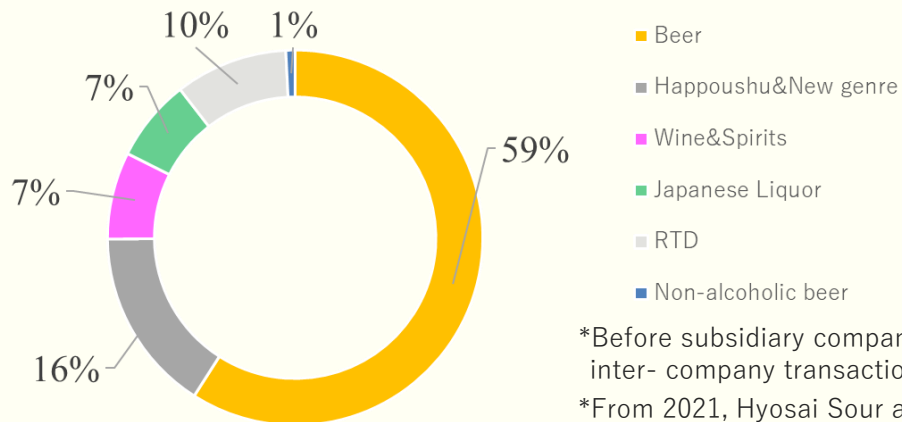
(billions of yen)

Sales:Beer (Japan)	2022	2023	YoY Change(%)
Beer	145.2	162.7	12.0%
Happoshu	5.9	5.9	1.2%
New genre	41.5	37.7	(9.2%)
Beer, happoshu, and new genre	192.6	206.3	7.1%
RTD	22.3	26.7	19.8%
Domestic wines	3.4	3.1	(8.2%)
Imported wines	7.1	6.7	(5.6%)
Wine (total)	10.5	9.8	(6.4%)
Spirits and Shochu (total)	27.2	30.5	12.1%
Total	252.6	273.3	8.2%

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

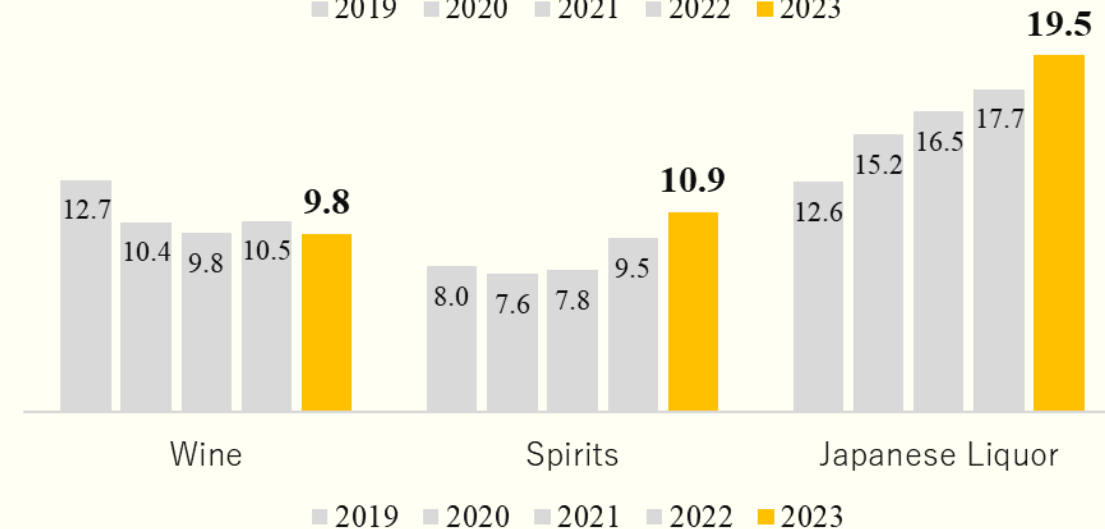


< Jan- Dec sales breakdown by category >



*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.

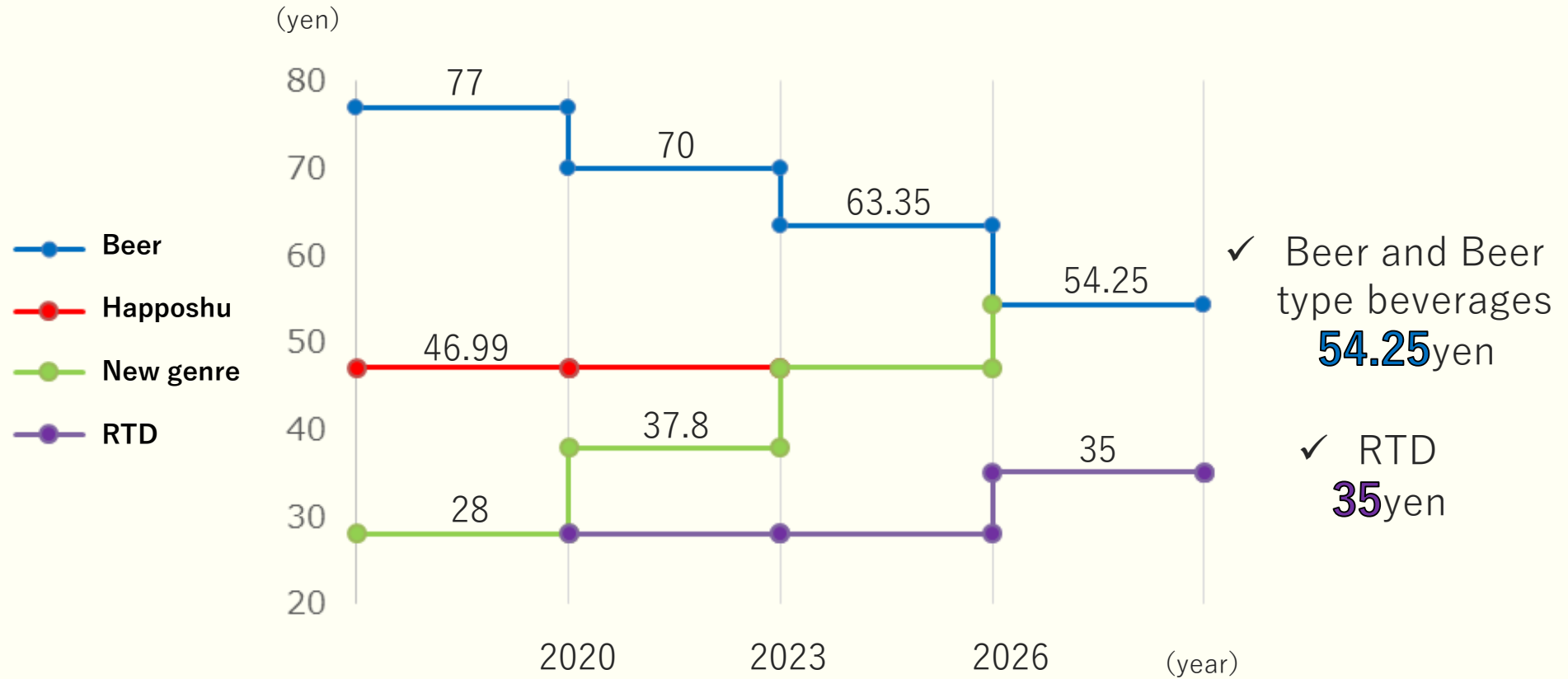


Alcoholic Beverages Data



Japanese

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



Alcoholic Beverages Data



Overseas

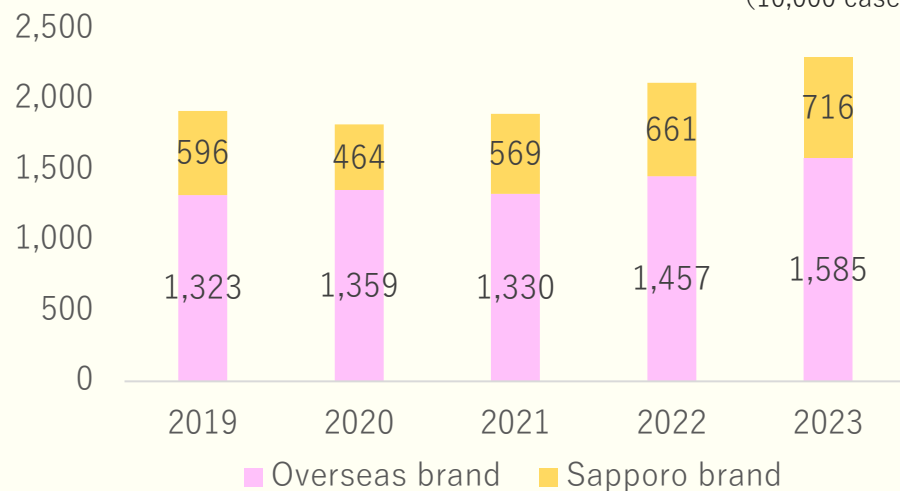
(10,000 cases)

Sales Volume:Beer (International)	2022	2023	YoY Change(%)
Overseas brand (※1)	1,457	1,585	8.8%
Sapporo brand	418	433	3.6%
①North America	1,876	2,019	7.6%
Sapporo brand	243	282	16.4%
②Other areas	243	282	16.4%
Total (①+②)	2,118	2,301	8.6%
Sapporo brand Total	661	716	8.3%

※1 : SLEEMAN, Anchor, Stone, etc.

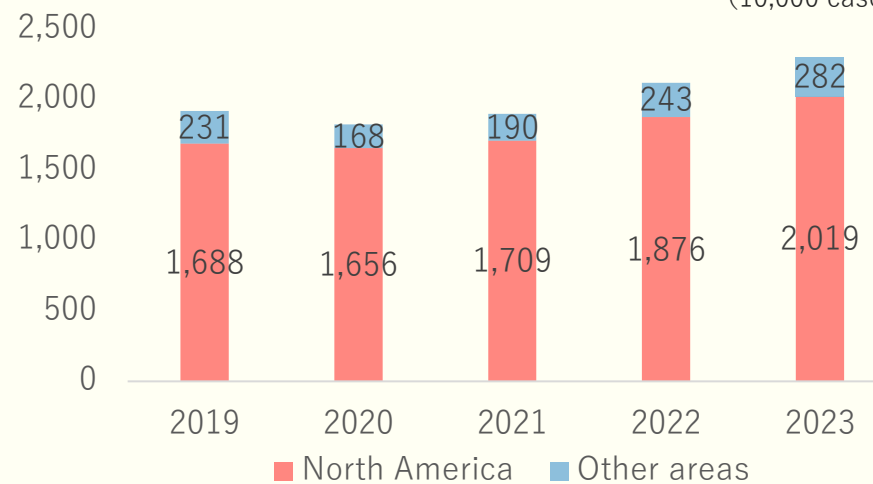
< Overseas sales volume by brand (Jan-Dec) >

(10,000 cases)



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

(10,000 cases)



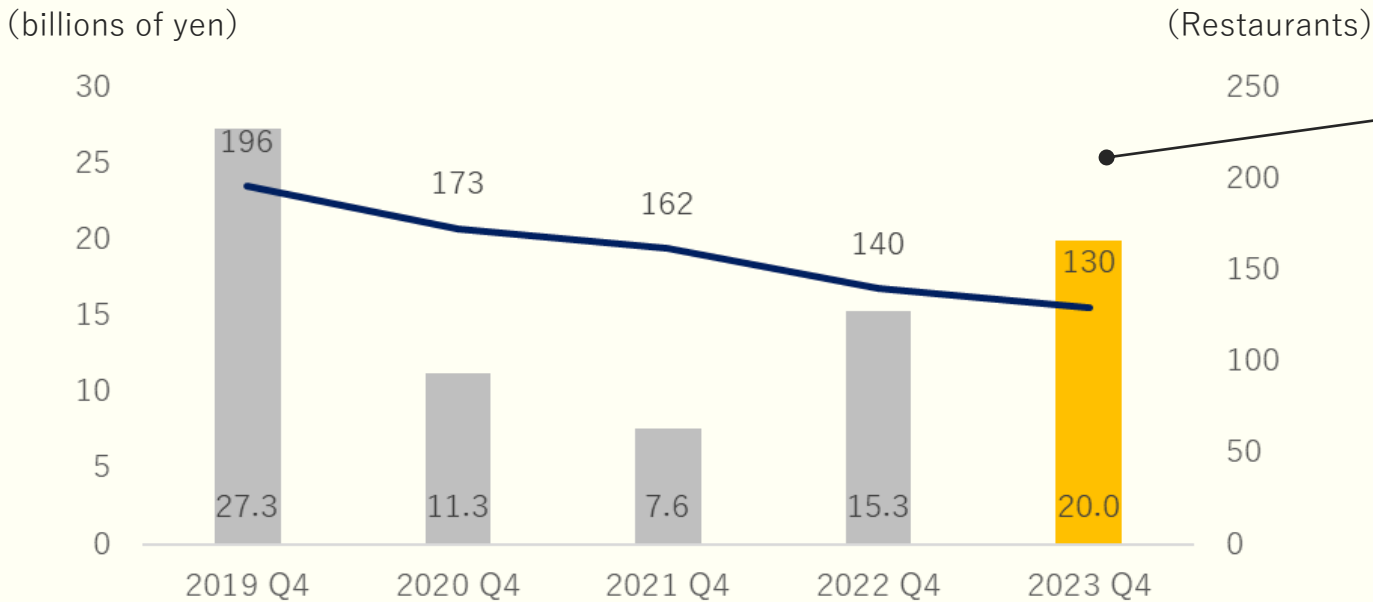
Alcoholic Beverages Data



Restaurants

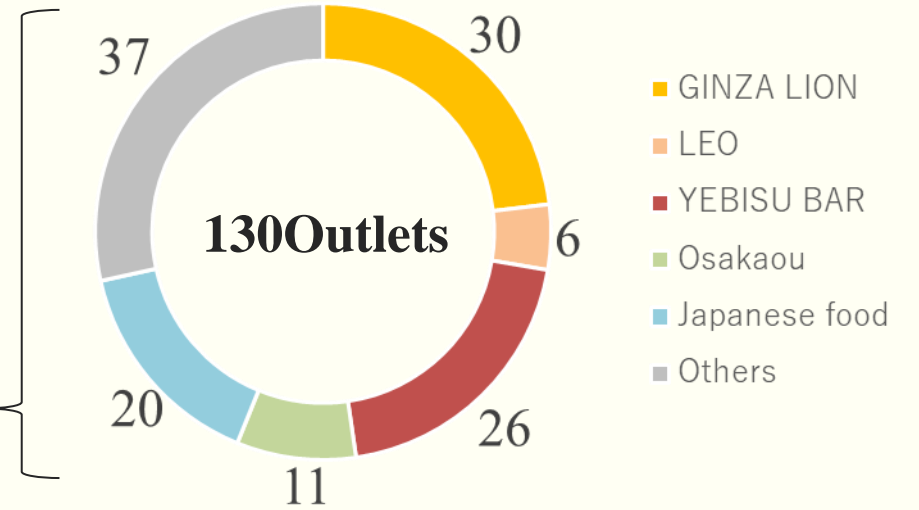
Restaurants	2022	2023	YoY Change(%)
Revenue (billions on yen)	15.3	20.0	30.4%
Number of Restaurants	140	130	(7.1%)

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

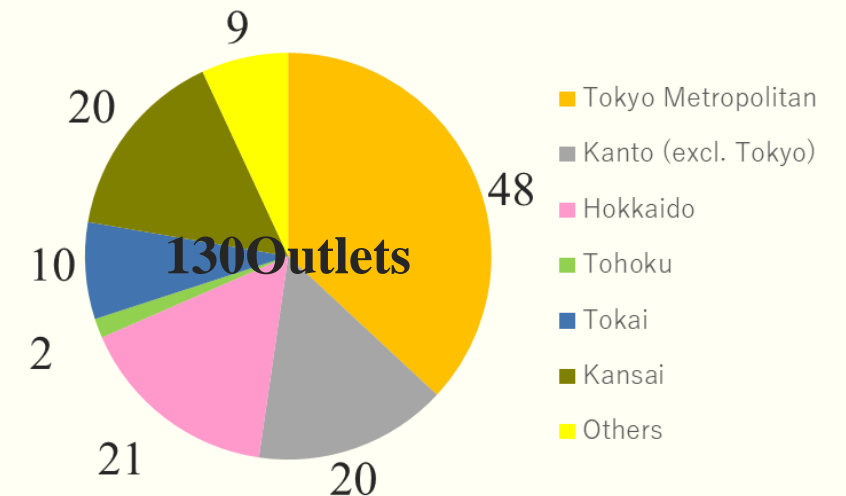


Bar graph: Trend in Restaurant business core operating profit
Line graph: Trend in number of Sapporo Lion Group restaurants

< Composition of Restaurants by Format >



< Composition of Restaurants by Region >



Food & Soft Drinks Data



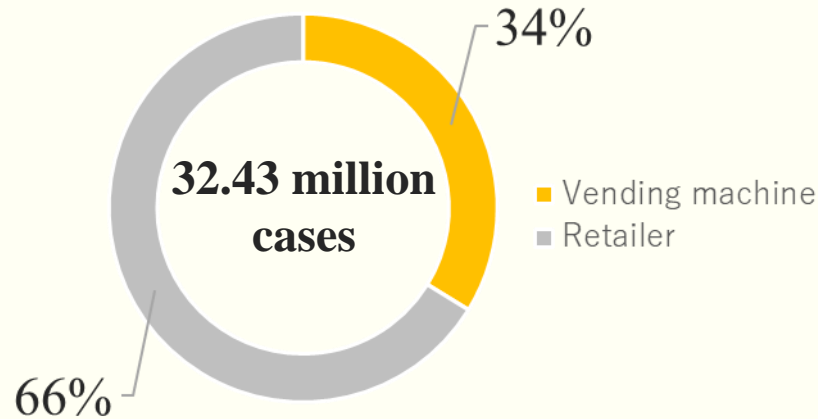
Japanese

(billions of yen)

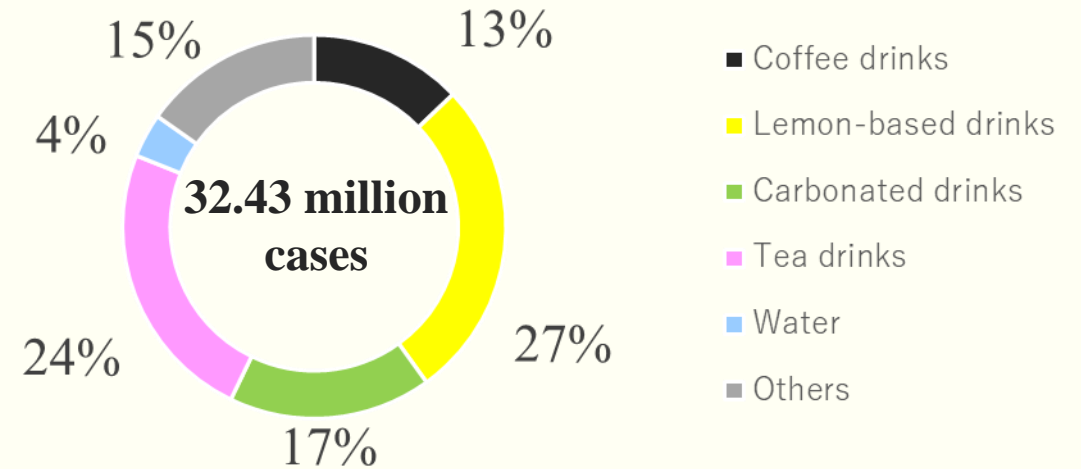
Sales:Food & Soft Drinks (Japan) (※1)	2022	2023	YoY Change(%)
Soft Drinks	61.0	56.9	(6.9%)
Food (Lemon・Soups・Plant milk)	32.9	30.3	(7.9%)

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

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



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



Overseas

Sales:Food & Soft Drinks (Overseas) (※2)	2022	2023	YoY Change(%)
Singapore(millions of SGD)	14.6	15.4	5.7%
Malaysia(millions of SGD)	2.3	2.4	6.5%
International(millions of SGD)	5.2	4.9	(7.0%)

※2 : Before sales deduction, exclude OEM sales

Real Estate Data



Real Estate

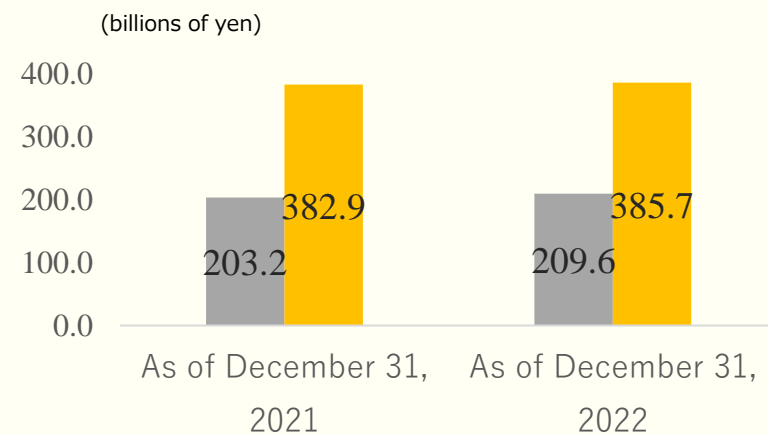
< Major rental properties & occupancy rates : (Averages for 2023)>

	Site area (㎡)	Floor area (㎡)	Occupancy rate (%)	No. of floors
Yebisu Garden Place ⁽¹⁾	56,943	298,007	79	40 floors above ground, 5 below
Ginza Place	645	7,350	93	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



(billions of yen)

< Core Operating profit >

	2022	2023	Change
Yebisu Garden Place, etc.	4.9	4.7	(0.2)
Other area & other operations	2.0	2.0	(0.0)
))Hokkaido	0.7	0.5	(0.2)
Equity investment, etc	(1.1)	(1.3)	(0.2)
Total	6.5	5.8	(0.7)

(billions of yen)

< EBITDA >

	2022	2023	Change
Yebisu Garden Place, etc.	8.2	8.5	0.3
Other area & other operations	2.7	2.7	(0.1)
Hokkaido	1.3	1.0	(0.3)
Equity investment, etc	(0.7)	(0.9)	(0.1)
Total	11.5	11.3	(0.2)



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



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