



Three Months ended March 31, 2014

Consolidated first Quarter Earnings Report - Supplementary Information

Consolidated Results (Three months ended March 31, 2014)

1. Consolidated Financial Highlights
2. Major Sales and Sales Volume Data
3. Condensed Consolidated Statements of Income
Sales Breakdown for Japanese Alcoholic Beverages
4. Consolidated Statements of Income : Breakdown of Key Changes
5. Segment information
6. Condensed Consolidated Balance Sheets
7. Overview of Segmentation Changes

Reference Materials: Consolidated Forecasts

* Forecasts are unchanged from the figures announced on February 12, 2014.

8. Full-Year Consolidated Business Results estimate
Full-Year Consolidated Statements of Cash Flows
Sales Breakdown for Japanese Alcoholic Beverages
9. Full-Year Consolidated Statement of Income: Breakdown of Key Changes
10. Full-Year Segment information

May 2014

SAPPORO HOLDINGS LTD.

Securities Code: 2501

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

Financial Highlights (2010- 2014)

Consolidated Financial Highlights

(billions of yen, except percentages, ratios, per-share data, and exchange rates)

		Three months ended March 31, 2010	Three months ended March 31, 2011	Three months ended March 31, 2012	Three months ended March 31, 2013	Three months ended March 31, 2014
Net sales	Including liquor tax	77.1	72.0	97.3	100.4	112.0
	Excluding liquor tax	54.9	51.7	76.3	79.4	88.0
Overseas net sales to total	Excluding liquor tax	9.6%	10.6%	12.7%	19.4%	22.0%
Operating income	Before goodwill amortization	(3.3)	(3.0)	(4.6)	(3.7)	(0.7)
	After goodwill amortization	(3.5)	(3.3)	(5.5)	(4.7)	(1.7)
Operating margin	Including liquor tax / after goodwill amortization	-	-	-	-	-
	Excluding liquor tax /before goodwill amortization	-	-	-	-	-
	Excluding liquor tax /after goodwill amortization	-	-	-	-	-
Ordinary income		(4.1)	(4.0)	(5.8)	(5.1)	(2.3)
Net income		(2.9)	(6.2)	(4.1)	(3.0)	(3.8)
Total assets		498.8	532.9	581.9	584.5	589.9
Net assets		115.6	119.7	122.5	134.8	146.5
Balance of debt	Gross	210.9	221.3	266.3	261.9	247.0
	Net	196.4	206.8	256.6	251.9	236.3
Debt-to-equity ratio (times)	Gross	1.8	1.8	2.2	1.9	1.7
	Net	1.7	1.7	2.1	1.9	1.6
Depreciation and amortization		5.6	4.9	6.3	6.3	6.0
Amortization of goodwill		0.2	0.3	0.9	1.0	0.9
EBITDA	Operating income + Depreciation and amortization	2.3	1.9	1.6	2.5	5.2
Exchange rates (Yen)	US\$	90.70	82.32	79.36	92.47	102.78
	CAN\$	87.18	83.52	79.30	91.66	93.10

		Years ended December 31, 2010	Year ended December 31, 2011	Year ended December 31, 2012	Year ended December 31, 2013	Year ending December 31, 2014 (forecast)
Net sales	Including liquor tax	389.2	449.4	492.4	509.8	537.7
	Excluding liquor tax	269.8	336.8	379.7	395.3	430.1
Overseas net sales to total	Excluding liquor tax	9.4%	11.0%	14.1%	18.3%	19.7%
Operating income	Before goodwill amortization	16.5	21.9	18.2	19.3	19.0
	After goodwill amortization	15.4	18.8	14.4	15.3	15.0
Operating margin	Including liquor tax / after goodwill amortization	4.0%	4.2%	2.9%	3.0%	2.8%
	Excluding liquor tax /before goodwill amortization	6.1%	6.5%	4.8%	4.9%	4.4%
	Excluding liquor tax /after goodwill amortization	5.7%	5.6%	3.8%	3.9%	3.5%
Ordinary income		14.3	16.8	13.6	15.1	13.6
Net income		10.7	3.1	5.3	9.4	5.0
Total assets		494.7	550.7	597.6	616.7	
Net assets		126.6	124.7	134.9	155.3	
Balance of debt	Gross	181.3	219.1	257.6	247.8	247.8
	Net	167.9	209.9	247.8	236.2	237.8
Debt-to-equity ratio (times)	Gross	1.4	1.8	1.9	1.6	1.6
	Net	1.3	1.7	1.8	1.5	1.5
Capital expenditure	Cash basis	19.8	13.4	53.8	13.7	23.2
Depreciation and amortization		22.5	24.4	25.8	25.0	24.2
Amortization of goodwill		1.1	3.1	3.8	3.9	4.0
EBITDA	Operating income + Depreciation and amortization	39.0	46.4	44.0	44.3	43.2
ROE (%)	Before goodwill amortization	9.8%	5.1%	7.3%	9.5%	5.9%
	After goodwill amortization	8.9%	2.5%	4.2%	6.7%	3.3%
EPS (yen sen)	Before goodwill amortization	30.49	16.03	23.68	34.40	23.04
	After goodwill amortization	27.50	8.08	13.77	24.20	12.80
Exchange rates (Yen)	US\$	87.79	79.79	79.81	97.73	105.00
	CAN\$	85.18	80.74	79.83	94.81	101.00

*1: The balance of debt includes commercial paper but excludes the balance of lease obligations.

*2: Exchange rates are annual average rates.

Major Sales and Sales Volume

Beer (Japan)

(10,000 cases)

	Jan. 1 - Mar.31, 2013	Jan. 1 - Mar.31, 2014	YoY	Full-year estimate for fiscal 2014	Fiscal 2013 Actual	YoY
Sapporo Draft Beer Black Label	323	334	104%	1,662	1,662	100%
YEBISU (total)	147	167	113%	1,000	961	104%
1 Beer (total)	530	557	105%	2,957	2,942	101%
2 Happoshu (total)	25	24	96%	90	119	76%
3 New genre beer products (total)	390	557	143%	2,232	2,147	104%
Beer, happoshu, and new genre (total 1+2+3)	944	1,139	121%	5,280	5,208	101%
Sapporo Premium Alcohol Free	24	16	66%	122	122	100%
RTD(*1)	24	41	171%	137	143	96%

*1 : RTD 1Case=250ml*24

(billions of yen)

	Jan. 1 - Mar.31, 2013	Jan. 1 - Mar.31, 2014	YoY	Full-year estimate for fiscal 2014	Fiscal 2013 Actual	YoY
Domestic wines	1.1	1.4	124%	5.9	5.1	116%
Imported wines	1.5	1.7	111%	8.5	7.7	111%
Wine (total)	2.7	3.1	116%	14.5	12.8	113%
Spirits (total)	1.0	1.2	117%	6.9	5.7	122%
Shochu (total)	2.9	3.5	124%	13.3	13.3	100%

Beer (International)

(10,000 cases)

	Jan. 1 - Mar.31, 2013	Jan. 1 - Mar.31, 2014	YoY	Full-year estimate for fiscal 2014	Fiscal 2013 Actual	YoY
SLEEMAN BREWERIES LTD. (*2)	256	250	98%	1,330	1,246	107%
Sapporo brand	111	103	93%	530	447	119%

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

Soft Drinks (POKKA SAPPORO FOOD & BEVERAGE)

(10,000 cases)

	Jan. 1 - Mar.31, 2013	Jan. 1 - Mar.31, 2014	YoY	Full-year estimate for fiscal 2014	Fiscal 2013 Actual	YoY
Soft Drinks (*3)	872	921	106%	4,755	4,574	104%

Consolidated Results (Three Months ended March 31, 2014)

Condensed Consolidated Statements of Income

(billions of yen)

	Three months ended March 31, 2013	Three months ended March 31, 2014	Change	Change (%)
Japanese Alcoholic Beverages	50.2	59.2	9.0	17.9%
International Business	9.9	10.4	0.4	4.9%
Food & Soft Drinks	27.6	29.8	2.1	7.8%
Restaurants	5.7	5.6	(0.0)	(1.2)%
Real Estate	5.3	5.6	0.2	4.0%
Other	1.5	1.3	(0.2)	(14.3)%
Net sales	100.4	112.0	11.5	11.5%
Japanese Alcoholic Beverages	(3.3)	(1.1)	2.2	-
International Business	(0.1)	(0.8)	(0.7)	-
Food & Soft Drinks	(1.8)	(0.7)	1.1	-
Restaurants	(0.3)	(0.3)	(0.0)	-
Real Estate	2.1	2.2	0.1	6.0%
Other	(0.1)	0.0	0.1	-
General corporate and intercompany eliminations	(1.0)	(0.8)	0.1	-
Operating income	(4.7)	(1.7)	3.0	-
Operating income before goodwill amortization	(3.7)	(0.7)	2.9	-
Non-operating income	0.7	0.3	(0.4)	(55.0)%
Non-operating expenses	1.1	0.9	(0.2)	(18.7)%
Ordinary income	(5.1)	(2.3)	2.8	-
Extraordinary gains	3.4	0.0	(3.4)	(98.8)%
Extraordinary losses	0.5	2.7	2.1	404.1%
Income before income taxes and minority interests	(2.2)	(5.0)	(2.7)	-
Income taxes	0.8	(1.1)	(1.9)	-
Minority interests (loss)	0.0	(0.0)	(0.1)	-
Net Income	(3.0)	(3.8)	(0.7)	-

Sales Breakdown for Japanese Alcoholic Beverages

Sales (including liquor tax)

(billions of yen)

	Three months ended March 31, 2013	Three months ended March 31, 2014	Change	Change (%)
Beer	28.2	29.9	1.6	5.8%
Happoshu	0.9	0.9	(0.0)	(3.8)%
New genre	12.7	18.3	5.6	43.8%
Total	42.0	49.2	7.2	17.2%

Sales (excluding liquor tax)

(billions of yen)

	Three months ended March 31, 2013	Three months ended March 31, 2014	Change	Change (%)
Beer	13.5	14.3	0.8	6.4%
Happoshu	0.5	0.5	(0.0)	(3.7)%
New genre	8.8	12.7	3.9	44.1%
Total	22.9	27.6	4.7	20.8%

Consolidated Results (Three Months ended March 31, 2014)

Breakdown of Key Changes		Numbers in parentheses mean decline in earnings			(billions of yen)	
	Change factor	Three months ended March 31, 2013	Three months ended March 31, 2014	Income change	Details	
	Beer, etc.	(3.5)	(1.1)	2.4		
	Marginal profit	(subtotal)		2.6		
		Increase (decrease) in volume/product mix		3.0	Beer +0.5 Happoshu -0.0 New genre+2.4 Product mix +0.1	
		Other		(0.4)	Sapporo Premium Alcohol Free, RTD, Production costs, other factors	
	Fixed costs and other	(subtotal)		(0.2)		
		Sales promotion costs		(0.4)	Promotional expenses	
		Facility cost		0.2	Depreciation and amortization, etc.	
		Other		0.1	General and administrative expenses	
	Wine and spirits	0.2	(0.0)	(0.2)		
	Other	0.0	(0.0)	(0.1)		
	Japanese Alcoholic Beverages	(3.3)	(1.1)	2.2		
	North America, etc.	0.2	(0.3)	(0.5)		
		Increase (decrease) in volume/product mix.		(0.3)	Decrease in volume SLEEMAN (-2%)	
		Marketing costs		(0.3)	Mainly SLEEMAN	
		Other		(0.0)	Personnel expenses, Silver Springs Citrus, Inc., etc.	
	Vietnam	(0.4)	(0.6)	(0.2)		
		Increase (decrease) in volume/product mix.		0.0	Decrease in volume, Product mix, etc.	
		Marketing costs		(0.2)		
		Other		(0.0)	Personnel expenses, etc.	
	International	(0.1)	(0.8)	(0.7)		
	Japanese Food & Soft Drinks	(2.1)	(1.0)	1.0		
		Increase (decrease) in volume / product mix		0.7	Increase in volume	
		Production costs		(0.1)	Decrease in the price of raw ingredients, Increase in production cost	
		Other costs		0.4	Decrease in personnel expenses and sales promotion expenses	
		Domestic Subsidiaries		0.0	Vending machine operators, and other	
	Other	0.2	0.3	0.1	International business, Restaurant, etc.	
	Food & Soft Drinks	(1.8)	(0.7)	1.1		
		Existing stores		(0.1)		
		New stores / Refurbished stores		0.1		
	Restaurants	(0.3)	(0.3)	(0.0)		
		Rent		0.2		
		Sales		(0.1)		
	Real Estate	2.1	2.2	0.1		
		Food business		0.0		
		Other		0.0	Insurance business, Logistics business	
	Other	(0.1)	0.0	0.1		
	General corporate and intercompany eliminations	(1.0)	(0.8)	0.1		
	Operating income	(4.7)	(1.7)	3.0		
	Operating income before goodwill amortization	(3.7)	(0.7)	2.9		
		Financial income (expense)	(0.6)	(0.5)	0.1	Reduction of Interest payments
		Equity in income (losses) of affiliates	(0.1)	(0.0)	0.1	
		Other	0.2	(0.1)	(0.4)	
	Non-operating income and expenses	(0.4)	(0.6)	(0.2)		
	Ordinary income	(5.1)	(2.3)	2.8		
		Gain on sales of investment securities	3.5	0.0	(3.5)	
		Other extraordinary gains	0.0	0.0	0.0	
		Loss on sales/disposal of property, plant and equipment	(0.1)	(1.2)	(1.0)	
		Impairment losses	(0.2)	-	0.2	
		Other extraordinary losses	(0.2)	(1.6)	(1.4)	
	Extraordinary gains and losses	3.0	(2.7)	(5.6)		
	Income before income taxes and minority interests	(2.2)	(5.0)	(2.7)		
	Corporate tax, etc. / income and loss of minority shareholders	(0.8)	1.1	1.9		
	Net Income	(3.0)	(3.8)	(0.7)		

	Three months ended March 31, 2013	Three months ended March 31, 2014
Yen/US\$	92.47	102.78
Yen/CAN\$	91.66	93.10
Yen/EUR	122.06	140.80

Consolidated Results (Three Months ended March 31, 2014)

Segment Information

(billions of yen)

Three months ended March 31, 2013	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	50.2	9.9	27.6	5.7	5.3	1.5	-	100.4
Operating income	(3.3)	(0.1)	(1.8)	(0.3)	2.1	(0.1)	(1.0)	(4.7)
(Operating income before goodwill amortization)	(3.3)	0.1	(1.1)	(0.3)	2.1	(0.1)	(1.0)	(3.7)
Sales promotion costs								
Sales incentives and commissions	3.9	0.0	2.7	0.0	0.0	0.0	0.0	6.7
Advertising and promotion expenses	4.3	0.2	1.1	0.2	0.0	0.0	0.0	6.0
Promotion items	0.9	0.5	0.0	0.0	0.0	0.0	(0.0)	1.5
Depreciation and amortization	2.9	0.4	1.6	0.1	1.0	0.0	0.0	6.3
Amortization of goodwill	0.0	0.3	0.6	0.0	0.0	0.0	0.0	1.0
EBITDA (*1)	(0.4)	0.5	0.4	(0.1)	3.2	(0.1)	(1.0)	2.5

Three months ended March 31, 2014	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	59.2	10.4	29.8	5.6	5.6	1.3	-	112.0
Operating income	(1.1)	(0.8)	(0.7)	(0.3)	2.2	0.0	(0.8)	(1.7)
(Operating income before goodwill amortization)	(1.1)	(0.5)	(0.1)	(0.3)	2.2	0.0	(0.8)	(0.7)
Sales promotion costs								
Sales incentives and commissions	4.4	0.0	3.0	0.0	0.0	0.0	(0.0)	7.5
Advertising and promotion expenses	4.3	0.3	0.9	0.2	0.0	0.0	(0.0)	5.8
Promotion items	0.9	0.8	0.0	0.0	0.0	0.0	(0.0)	1.7
Depreciation and amortization	2.4	0.5	1.7	0.1	1.0	0.0	0.1	6.0
Amortization of goodwill	0.0	0.3	0.6	0.0	0.0	0.0	0.0	0.9
EBITDA (*1)	1.3	(0.0)	1.5	(0.1)	3.3	0.0	(0.7)	5.2

Change	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	9.0	0.4	2.1	(0.0)	0.2	(0.2)	-	11.5
Operating income	2.2	(0.7)	1.1	(0.0)	0.1	0.1	0.1	3.0
(Operating income before goodwill amortization)	2.2	(0.6)	1.0	(0.0)	0.1	0.1	0.1	2.9
Sales promotion costs								
Sales incentives and commissions	0.5	0.0	0.3	0.0	0.0	(0.0)	(0.0)	0.8
Advertising and promotion expenses	0.0	0.1	(0.2)	(0.0)	0.0	(0.0)	(0.0)	(0.1)
Promotion items	(0.0)	0.2	(0.0)	0.0	0.0	(0.0)	(0.0)	0.1
Depreciation and amortization	(0.4)	0.0	0.0	(0.0)	(0.0)	(0.0)	0.1	(0.2)
Amortization of goodwill	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	(0.0)
EBITDA (*1)	1.7	(0.6)	1.1	(0.0)	0.0	0.1	0.2	2.6

*1 : EBITDA= Operating income + Depreciation and amortization + Amortization of goodwill

Effective from the fiscal year ended December 31, 2012, in conjunction with the transfer of IT assets held by the Sapporo Group to Sapporo Group Management Ltd..

IT asset depreciation and amortization has been adjusted between the Japanese Alcoholic Beverages segment and Corporate and eliminations. The adjustments were 0.5 billion yen for the three months ended March 31, 2014 and 0.6 billion yen for the three months ended March 31, 2013.

Consolidated Results (Three Months ended March 31, 2014)

Condensed Consolidated Balance Sheets

(billions of yen)

	December 31, 2013	March 31, 2014	Change	Primary Reasons
Current assets	147.3	124.8	(22.4)	
Cash and cash equivalents	11.5	10.7	(0.8)	
Notes and accounts receivable - trade	87.1	62.9	(24.1)	Seasonal factors
Inventories	34.3	35.7	1.3	
Other	14.2	15.4	1.2	
Fixed assets	469.4	465.1	(4.2)	
Fixed assets	360.4	359.4	(0.9)	
Goodwill	34.4	33.3	(1.0)	
Investments and other assets	74.5	72.3	(2.1)	
Total assets	616.7	589.9	(26.7)	
Current liabilities	227.3	209.1	(18.1)	
Notes and accounts payable - trade	35.9	31.7	(4.1)	
Short-term debt	88.6	86.0	(2.5)	
Deposits received	10.8	10.8	0.0	
Other	91.9	80.5	(11.3)	Decrease in liquor taxes payable
Long-term liabilities	234.0	234.2	0.1	
Long-term debt	159.1	160.9	1.7	
Employees' retirement benefits	5.9	5.5	(0.3)	
Other	68.9	67.7	(1.2)	
Total liabilities	461.3	443.4	(17.9)	
Shareholders' equity	135.8	129.2	(6.6)	Distribution of dividends, Booking of a net loss during the first quarter
Accumulated other comprehensive income	15.7	13.5	(2.2)	
Minority interests	3.6	3.7	0.0	
Total net assets	155.3	146.5	(8.8)	
Total liabilities and net assets	616.7	589.9	(26.7)	

Financial Liabilities by segment

(billions of yen)

	December 31, 2013	March 31, 2014	Change	Primary Reasons
Japanese Alcoholic Beverages	38.4	42.5	4.1	
International	17.1	17.3	0.2	
Food & Soft Drinks	9.3	7.2	(2.0)	
Restaurants	0.0	0.4	0.4	
Real Estate	137.6	140.4	2.8	
Other	2.9	2.4	(0.4)	
Corporate and eliminations	42.3	36.4	(5.8)	
Total	247.8	247.0	(0.8)	

Overview of Segmentation Changes 2014

No change has been made to segmentation in the fiscal year ending December 31, 2014.

Reportable segment income refers to operating income. Equity-method affiliates are therefore omitted below

2013 Segmentation		2014 Segmentation	
Segment	Consolidated subsidiaries	Segment	Consolidated subsidiaries
Japanese Alcoholic Beverages	SAPPORO BREWERIES LTD.	Japanese Alcoholic Beverages	SAPPORO BREWERIES LTD.
	SAPPORO WINES LIMITED		SAPPORO WINES LIMITED
	YEBISU WINEMART CO., LTD.		YEBISU WINEMART CO., LTD.
	TANOSHIMARU SHUZO CO., LTD.		TANOSHIMARU SHUZO CO., LTD.
	SAPPORO ENGINEERING LIMITED		SAPPORO ENGINEERING LIMITED
	STARNET CO., LTD.		STARNET CO., LTD.
	NEW SANKO INC.		NEW SANKO INC.
	SHINSEIEN CO.,LTD. (newly consolidated)		SHINSEIEN CO.,LTD.
International	SAPPORO INTERNATIONAL INC.	International	SAPPORO INTERNATIONAL INC.
	SAPPORO U.S.A., INC.		SAPPORO U.S.A., INC.
	SAPPORO CANADA INC.		SAPPORO CANADA INC.
	SLEEMAN BREWERIES LTD.		SLEEMAN BREWERIES LTD.
	SAPPORO ASIA PRIVATE LIMITED		SAPPORO ASIA PRIVATE LIMITED
	SAPPORO VIETNAM LIMITED		SAPPORO VIETNAM LIMITED
	SILVER SPRINGS CITRUS, INC.		SILVER SPRINGS CITRUS, INC.
Food & Soft Drinks	POKKA SAPPORO FOOD & BEVERAGE LTD.	Food & Soft Drinks	POKKA SAPPORO FOOD & BEVERAGE LTD.
	POKKA CREATE CO., LTD.		POKKA CREATE CO., LTD.
	PS BEVERAGE LTD. (newly consolidated)		PS BEVERAGE LTD. *1
	STELLA BEVERAGE SERVICES CO., LTD.		STAR BEVERAGE SERVICE CO., LTD.
	SUNPOKKA CO., LTD		Pokka Corporation (Singapore) Pte. Ltd.
	SUNPOKKA EAST CO., LTD *1		Pokka International Pte. Ltd. (※ 2)
	TOKYO SUNPOKKA CO., LTD		And another 10 companies
	KINKI SUNPOKKA CO., LTD		
	STAR BEVERAGE SERVICE CO., LTD.		
	POKKA CORPORATION (SINGAPORE) PTE. LTD.		
	Pokka Sales & Marketing Pte. Ltd. (※ 2)		
And another 10 companies			
Restaurants	SAPPORO LION LIMITED	Restaurants	SAPPORO LION LIMITED
	SAPPORO LION (SINGAPORE) PTE.LTD.		SAPPORO LION (SINGAPORE) PTE.LTD.
Real Estate	SAPPORO REAL ESTATE CO.,LTD.	Real Estate	SAPPORO REAL ESTATE CO.,LTD.
	YGP REAL ESTATE CO., LTD.		YGP REAL ESTATE CO., LTD.
	SAPPORO URBAN DEVELOPMENT CO., LTD.		SAPPORO URBAN DEVELOPMENT CO., LTD.
	TOKYO ENERGY SERVICE CO., LTD.		TOKYO ENERGY SERVICE CO., LTD.
	SAPPORO SPORTS PLAZA CO., LTD.		SAPPORO SPORTS PLAZA CO., LTD.
	YOKOHAMA KEIWA BUILDING CO., LTD.		YOKOHAMA KEIWA BUILDING CO., LTD.
Other	SAPPORO FOODS NET CO., LTD.	Other	SAPPORO FOODS NET CO., LTD.
	SAPPORO FINE FOODS CO., LTD.		SAPPORO FINE FOODS CO., LTD.
	SAPPORO GROUP MANAGEMENT LTD.		SAPPORO GROUP MANAGEMENT LTD.
	SAPPORO GROUP LOGISTICS CO., LTD.		SAPPORO GROUP LOGISTICS CO., LTD.
	SAPPORO LOGISTICS SYSTEMS CO., LTD.		SAPPORO LOGISTICS SYSTEMS CO., LTD.
Corporate and eliminations	SAPPORO HOLDINGS LTD. SAPPORO GROUP MANAGEMENT LTD.	Corporate and eliminations	SAPPORO HOLDINGS LTD. SAPPORO GROUP MANAGEMENT LTD.

*1. STELLA BEVERAGE SERVICES CO., LTD, SUNPOKKA CO., LTD, SUNPOKKA EAST CO., LTD, TOKYO SUNPOKKA CO., LTD, and KINKI SUNPOKKA CO., LTD were dissolved in an absorption-type merger with PS BEVERAGE LTD. on January 1, 2014.

*2. Pokka Sales & Marketing Pte. Ltd. was renamed Pokka International Pte. Ltd. on January 1, 2014.

Consolidated Forecasts (Year ending December 31, 2014)

* Forecasts are unchanged from the figures announced on February 12, 2014.

Condensed Consolidated Statements of Income

(billions of yen)

	Year ended December 31, 2013	Year ending December 31, 2014 (Forecast)	Change	Change (%)
Japanese Alcoholic Beverages	274.9	284.3	9.3	3.4%
International	48.2	57.2	8.9	18.6%
Food & Soft Drinks	130.6	140.0	9.3	7.1%
Restaurants	26.8	28.1	1.2	4.7%
Real Estate	22.7	22.3	(0.4)	(2.1)%
Other	6.4	5.8	(0.6)	(10.0)%
Net sales	509.8	537.7	27.8	5.5%
Japanese Alcoholic Beverages	9.9	9.0	(0.9)	(9.1)%
International	1.2	1.1	(0.1)	(9.0)%
Food & Soft Drinks	(1.4)	0.1	1.5	-
Restaurants	0.4	1.0	0.5	140.7%
Real Estate	8.6	7.2	(1.4)	(17.1)%
Other	0.2	0.2	(0.0)	(13.5)%
General corporate and intercompany eliminations	(3.6)	(3.6)	0.0	-
Operating income	15.3	15.0	(0.3)	(2.2)%
Operating income before goodwill amortization	19.3	19.0	(0.3)	(1.7)%
Non-operating income	3.2	2.3	(0.9)	(28.5)%
Non-operating expenses	3.4	3.7	0.2	7.8%
Ordinary income	15.1	13.6	(1.5)	(10.1)%
Extraordinary gains	3.5	0.0	(3.5)	(100.0)%
Extraordinary losses	2.1	3.3	1.1	55.6%
Income before income taxes and minority interests	16.5	10.3	(6.2)	(37.8)%
Income taxes	7.1	5.4	(1.7)	(24.4)%
Minority interests (loss)	(0.0)	(0.1)	(0.0)	-
Net Income	9.4	5.0	(4.4)	(47.1)%

Condensed Consolidated Statements of Cash Flows

	Year ended December 31, 2013	Year ending December 31, 2014 (Forecast)	Change	Change (%)
Cash flows from operating activities	32.8	29.7	(3.1)	(9.6)%
Cash flows from investing activities	(13.2)	(27.0)	(13.7)	-
Free Cash flows	19.5	2.7	(16.8)	(86.2)%

Sales Breakdown for Japanese Alcoholic Beverages

Sales (including liquor tax)

(billions of yen)

	Year ended December 31, 2013	Year ending December 31, 2014	Change	Change (%)
Beer	159.7	160.1	0.4	0.3%
Happoshu	4.5	3.4	(1.1)	(24.2)%
New genre	70.7	73.5	2.7	3.9%
Total	235.0	237.1	2.0	0.9%

Sales (excluding liquor tax)

(billions of yen)

	Year ended December 31, 2013	Year ending December 31, 2014	Change	Change (%)
Beer	77.8	77.9	0.0	0.1%
Happoshu	2.5	1.7	(0.8)	(31.4)%
New genre	48.9	50.9	1.9	4.1%
Total	129.3	130.6	1.2	1.0%

Consolidated Forecasts (Year ending December 31, 2014)

* Forecasts are unchanged from the figures announced on February 12, 2014.

Breakdown of key income Changes

(billions of yen)

	Change factor	Year ended December 31, 2013	Year ending December 31, 2014 (Forecast)	Change	Details
Beer and related products		8.4	6.7	(1.7)	
Marginal profit	Subtotal			1.5	
	Increase (decrease) in volume / Product mix			1.4	Beer +0.3 Happoshu -0.3 New genre+1.2 Product mix +0.2
	Other			0.1	Sapporo Premium Alcohol Free, RTD, Production costs, other factors
Fixed and other costs	Subtotal			(3.2)	
	Sales promotion costs			(3.7)	
	Facility cost			0.0	
	Other			0.5	
Wine, spirits, and shochu		1.3	1.9	0.5	
Other		0.2	0.4	0.3	
Japanese Alcoholic Beverages		9.9	9.0	(0.9)	
North America and other		3.0	3.4	0.4	
	Increase (decrease) in volume / Product mix			1.2	Increase in volume (SLEEMAN107%, Sapporo 112%)
	Marketing costs			(0.5)	SLEEMAN BREWERIES LTD., SAPORO USA., INC.
	Other			(0.3)	
Vietnam		(1.8)	(2.3)	(0.4)	
	Increase (decrease) in volume / Product mix			0.5	Increase in volume
	Marketing costs			(0.7)	
	Other			(0.2)	Depreciation and amortization, etc.
International		1.2	1.1	(0.1)	
Japanese Food & Soft Drinks		(2.3)	(0.8)	1.5	
	Increase (decrease) in volume / Product mix			1.4	Increase in volume
	Production costs			(0.4)	Increase in production costs
	Other costs			0.5	
Other		0.9	0.9	(0.0)	International business, Restaurants, other factors
Food & Soft Drinks		(1.4)	0.1	1.5	
	Existing stores			0.4	
	New stores / Refurbished stores			0.2	
Restaurants		0.4	1.0	0.5	
	Rent			(1.5)	
	Sales			0.0	
Real Estate		8.6	7.2	(1.4)	
	Logistics business			(0.0)	
	Other			0.0	Insurance business
Other		0.2	0.2	(0.0)	
General corporate and intercompany eliminations		(3.6)	(3.6)	0.0	
Operating income		15.3	15.0	(0.3)	
Operating income before goodwill amortization		19.3	19.0	(0.3)	
	Financial income (expense)	(1.7)	(1.9)	(0.1)	Reduction of interest payments
	Equity in income (losses) of affiliates	0.1	0.2	0.1	
	Other	1.4	0.4	(1.0)	
Non-operating income and expenses		(0.2)	(1.3)	(1.1)	
Ordinary income		15.1	13.6	(1.5)	
	Gain on sales of investment securities	3.5	-	(3.5)	
	Other extraordinary gains	0.1	-	(0.1)	
	Loss on sales/disposal of property, plant and equipment	(1.4)	(0.7)	0.8	
	Impairment losses	(0.4)	-	0.4	
	Other extraordinary losses	(0.3)	(2.6)	(2.3)	
Extraordinary gains and losses		1.4	(3.3)	(4.7)	
Income before income taxes and minority interests		16.5	10.3	(6.2)	
Change in income taxes and minority interests (loss)		(7.1)	(5.3)	1.8	
Net income		9.4	5.0	(4.4)	

	Year ended December 31, 2013	Year ending December 31, 2014 (Forecast)
Yen/US\$	97.73	105.00
Yen/CAN\$	94.81	101.00
Yen/EUR	129.78	130.00

Consolidated Forecasts (Year ending December 31, 2014)

Segment Information

* Forecasts are unchanged from the figures announced on February 12, 2014. (billions of yen)

Year ended December 31, 2013	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales(*1)	274.9	48.2	130.6	26.8	22.7	6.4	-	509.8
Operating income	9.9	1.2	(1.4)	0.4	8.6	0.2	(3.6)	15.3
(Operating income before goodwill amortization)	9.9	2.4	1.2	0.4	8.7	0.2	(3.6)	19.3
Sales promotion costs								
Sales incentives and commissions	19.8	0.2	13.0	0.0	0.0	0.0	(0.1)	33.0
Advertising and promotion expenses	14.0	1.4	4.4	0.9	0.3	0.0	(0.0)	21.2
Promotion items	3.7	2.7	0.0	0.0	0.0	0.0	(0.0)	6.4
Depreciation and amortization	10.7	1.8	6.7	0.6	4.4	0.0	0.5	25.0
Amortization of goodwill	0.0	1.2	2.7	0.0	0.0	0.0	0.0	3.9
EBITDA (*2)	20.6	4.3	8.0	1.0	13.1	0.3	(3.0)	44.3
Capital expenditures (cash basis)	2.3	2.3	4.6	0.7	2.6	0.0	1.0	13.7
Payment of lease obligations	0.0	0.2	3.4	0.0	0.0	0.5	0.0	4.2

Year ending December, 31, 2014 (Forecast)	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	284.3	57.2	140.0	28.1	22.3	5.8	-	537.7
Operating income	9.0	1.1	0.1	1.0	7.2	0.2	(3.6)	15.0
(Operating income before goodwill amortization)	9.0	2.5	2.7	1.0	7.2	0.2	(3.6)	19.0
Depreciation and amortization	10.4	2.3	6.1	0.6	4.3	0.1	0.4	24.2
Amortization of goodwill	0.0	1.4	2.6	0.0	0.0	0.0	0.0	4.0
EBITDA (*2)	19.4	4.8	8.8	1.6	11.5	0.3	(3.2)	43.2
Capital expenditures (cash basis)	5.3	1.8	5.6	1.3	8.1	0.1	1.0	23.2
Payment of lease obligations	0.0	0.0	3.3	0.0	0.0	0.0	0.0	3.3

Change	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	9.3	8.9	9.3	1.2	(0.4)	(0.6)	0.0	27.8
Operating income	(0.9)	(0.1)	1.5	0.5	(1.4)	(0.0)	0.0	(0.3)
(Operating income before goodwill amortization)	(0.9)	0.0	1.4	0.5	(1.5)	(0.0)	0.0	(0.3)
Depreciation and amortization	(0.3)	0.4	(0.6)	(0.0)	(0.1)	0.0	(0.1)	(0.8)
Amortization of goodwill	0.0	0.1	(0.1)	0.0	(0.0)	0.0	0.0	0.0
EBITDA (*2)	(1.2)	0.4	0.7	0.5	(1.6)	(0.0)	(0.1)	(1.1)
Capital expenditures (cash basis)	2.9	(0.5)	0.9	0.5	5.4	0.0	(0.0)	9.4
Payment of lease obligations	0.0	(0.2)	(0.1)	0.0	0.0	(0.5)	0.0	(0.9)

*1 : EBITDA= Operating income + Depreciation and amortization + Amortization of goodwill

*2 : Full year estimate for sales promotion costs is not disclosed.