



Nine Months ended September 30, 2015

Consolidated Third Quarter Earnings Report - Supplementary Information

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November 2015

SAPPORO HOLDINGS LTD.

Securities Code: 2501

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

Financial Highlights (2011- 2015)

Consolidated Financial Highlights

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

		Nine months ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2014	Nine months ended September 30, 2015
Net sales	Including liquor tax	320.7	354.7	369.5	379.3	388.1
	Excluding liquor tax	240.1	274.7	287.8	294.9	336.8
Overseas net sales to total	Excluding liquor tax	11.2%	13.7%	18.7%	19.5%	21.4%
Operating income	Before goodwill amortization	14.4	8.4	12.4	11.1	9.0
	After goodwill amortization	12.2	5.5	9.4	8.2	5.9
Operating margin	Including liquor tax / after goodwill amortization	3.8%	1.6%	2.6%	2.2%	1.5%
	Excluding liquor tax /before goodwill amortization	6.0%	3.1%	4.3%	3.8%	2.7%
	Excluding liquor tax /after goodwill amortization	5.1%	2.0%	3.3%	2.8%	1.8%
Ordinary income		10.5	4.4	8.8	7.6	4.9
Net income		0.5	0.5	5.4	(6.6)	1.9
Total assets		543.1	585.0	597.7	607.4	606.0
Net assets		122.4	126.1	149.4	149.2	156.8
Balance of debt	Gross	218.0	255.2	244.7	252.0	232.5
	Net	209.0	245.3	234.9	240.5	222.3
Debt-to-equity ratio (times)	Gross	1.8	2.0	1.6	1.7	1.5
	Net	1.7	1.9	1.6	1.6	1.4
Depreciation and amortization		17.8	19.2	18.8	18.2	17.8
Amortization of goodwill		2.1	2.8	3.0	2.8	3.0
E B I T D A	Operating income + Depreciation and amortization	32.2	27.7	31.2	29.3	26.9
Exchange rates (Yen)	US\$	80.59	79.40	96.84	102.94	120.99
	CAN\$	82.45	79.18	94.52	94.11	96.08

		Years ended December 31, 2011	Year ended December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2014	Year ending December 31, 2015 (forecast)
Net sales	Including liquor tax	449.4	492.4	509.8	518.7	534.7
	Excluding liquor tax	336.8	379.7	395.3	401.8	427.4
Overseas net sales to total	Excluding liquor tax	11.0%	14.1%	18.3%	19.2%	22.1%
Operating income	Before goodwill amortization	21.9	18.2	19.3	18.4	18.7
	After goodwill amortization	18.8	14.4	15.3	14.7	14.3
Operating margin	Including liquor tax / after goodwill amortization	4.2%	2.9%	3.0%	2.8%	2.7%
	Excluding liquor tax /before goodwill amortization	6.5%	4.8%	4.9%	4.6%	4.4%
	Excluding liquor tax /after goodwill amortization	5.6%	3.8%	3.9%	3.7%	3.3%
Ordinary income		16.8	13.6	15.1	14.5	13.2
Net income		3.1	5.3	9.4	0.3	6.0
Total assets		550.7	597.6	616.7	625.4	
Net assets		124.7	134.9	155.3	160.0	
Balance of debt	Gross	219.1	257.6	247.8	247.5	230.0
	Net	209.9	247.8	236.2	237.7	220.3
Debt-to-equity ratio (times)	Gross	1.8	1.9	1.6	1.5	1.4
	Net	1.7	1.8	1.5	1.5	1.3
Capital expenditure	Cash basis	13.4	53.8	13.7	19.1	19.5
Depreciation and amortization		24.4	25.8	25.0	24.4	22.5
Amortization of goodwill		3.1	3.8	3.9	3.7	4.4
E B I T D A	Operating income + Depreciation and amortization	46.4	44.0	44.3	42.9	41.2
ROE (%)	Before goodwill amortization	5.1%	7.3%	9.5%	2.7%	6.6%
	After goodwill amortization	2.5%	4.2%	6.7%	0.2%	3.8%
EPS (yen sen)	Before goodwill amortization	16.02	23.68	34.40	10.53	26.69
	After goodwill amortization	8.08	13.77	24.20	0.87	15.40
Exchange rates (Yen)	US\$	79.79	79.81	97.73	105.79	113.00
	CAN\$	80.74	79.83	94.81	95.74	99.00

*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

Alcoholic Beverage (Japan)

(10,000 cases)

	Jan. 1 - Sep.30, 2015	Jan. 1 - Sep.30, 2014	YoY	Full-year estimate for fiscal 2015	Fiscal 2014 Actual	YoY
Sapporo Draft Beer Black Label	-	-	99%	1,600	1,615	99%
YEBISU (total)	-	-	97%	970	964	101%
1 Beer (total)	-	-	100%	2,930	2,896	101%
2 Happoshu (total)	-	-	157%	490	387	127%
3 New genre beer products (total)	-	-	76%	1,610	1,956	82%
Beer, happoshu, and new genre (total 1+2+3)	-	-	93%	5,030	5,238	96%
Non-alcoholic beer taste beverage	75	69	108%	80	91	88%
RTD(*1)	169	163	104%	236	213	111%

*1 : RTD 1Case=250ml*24

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

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

(billions of yen)

	Jan. 1 - Sep.30, 2015	Jan. 1 - Sep.30, 2014	YoY	Full-year estimate for fiscal 2015	Fiscal 2014 Actual	YoY
Domestic wines	3.7	3.9	94%	6.0	5.6	106%
Imported wines	5.1	5.3	98%	9.5	8.3	115%
Wine (total)	8.9	9.3	96%	15.5	13.9	111%
Spirits (total)	4.2	4.2	101%	6.9	5.7	120%
Shochu (total)	10.3	10.4	100%	15.0	14.7	103%

Beer (International)

(10,000 cases)

	Jan. 1 - Sep.30, 2015	Jan. 1 - Sep.30, 2014	YoY	Full-year estimate for fiscal 2015	Fiscal 2014 Actual	YoY
SLEEMAN BREWERIES LTD. (*2)	957	938	102%	1,267	1,237	103%
Sapporo brand	394	365	108%	534	488	109%

*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 - Sep.30, 2015	Jan. 1 - Sep.30, 2014	YoY	Full-year estimate for fiscal 2015	Fiscal 2014 Actual	YoY
Soft Drinks (*3)	3,377	3,297	102%	4,503	4,464	101%

*3 : Excludes sales other than Japan

Consolidated Results (Nine Months ended September 30, 2015)

Condensed Consolidated Statements of Income

(billions of yen)

	Nine Months ended September 30, 2014	Nine Months ended September 30, 2015	Change	Change (%)
Japanese Alcoholic Beverages (*1)	203.4	195.2	(8.1)	(4.0)%
International Business	37.0	53.2	16.2	43.8%
Food & Soft Drinks	97.6	99.3	1.7	1.7%
Restaurants (*1)	20.5	20.5	(0.0)	(0.0)%
Real Estate	16.2	15.2	(1.0)	(6.3)%
Other	4.4	4.4	0.0	0.8%
Net sales	379.3	388.1	8.7	2.3%
Japanese Alcoholic Beverages (*1)	5.9	3.0	(2.9)	(49.5)%
International Business	(0.0)	(0.0)	0.0	-
Food & Soft Drinks	(1.2)	(0.5)	0.7	-
Restaurants (*1)	0.1	0.3	0.2	188.0%
Real Estate	6.2	6.1	(0.1)	(1.8)%
Other	0.2	0.0	(0.1)	(64.5)%
General corporate and intercompany eliminations	(2.9)	(3.0)	(0.1)	-
Operating income	8.2	5.9	(2.2)	(27.7)%
Operating income before goodwill amortization	11.1	9.0	(2.0)	(18.8)%
Non-operating income	1.7	1.8	0.1	7.8%
Non-operating expenses	2.3	2.8	0.5	24.1%
Ordinary income	7.6	4.9	(2.7)	(35.6)%
Extraordinary gains	0.2	7.8	7.5	2670.4%
Extraordinary losses	15.0	6.0	(8.9)	(59.6)%
Income before income taxes and minority interests	(7.0)	6.6	13.7	-
Income taxes	(0.2)	4.9	5.1	-
Minority interests (loss)	(0.2)	(0.1)	0.0	-
Net Income	(6.6)	1.9	8.5	-

*1 : Effective the fiscal year ending December 31, 2015, New Sanko Inc., previously included under the Japanese Alcoholic Beverages segment, has been reclassified to the Restaurants segment. Accordingly, the consolidated financial statements for the fiscal year ended December 31, 2014 have been retroactively adjusted to reflect these changes.

Sales Breakdown for Japanese Alcoholic Beverages

Sales (including liquor tax)

(billions of yen)

	Nine Months ended September 30, 2014	Nine Months ended September 30, 2015	Change	Change (%)
Beer	112.0	111.7	(0.3)	(0.3)%
Happoshu	8.7	13.7	4.9	56.5%
New genre	51.3	38.8	(12.4)	(24.3)%
Total	172.1	164.2	(7.8)	(4.6)%

Sales (excluding liquor tax)

(billions of yen)

	Nine Months ended September 30, 2014	Nine Months ended September 30, 2015	Change	Change (%)
Beer	54.6	54.5	(0.0)	(0.2)%
Happoshu	4.8	7.6	2.7	56.4%
New genre	35.5	26.9	(8.6)	(24.3)%
Total	95.0	89.0	(5.9)	(6.3)%

Consolidated Results (Nine Months ended September 30, 2015)

Breakdown of Key Changes

Numbers in parentheses mean decline in earnings.

(billions of yen)

	Change factor	Nine months ended September 30, 2014	Nine months ended September 30, 2015	Income change	Details
Beer and related products					
	(subtotal)	4.2	1.3	(2.9)	
Marginal profit				(3.4)	
	Increase (decrease) in volume/product mix			(3.9)	Beer -0.1 Happoshu+1.6 New genre-5.1 Product mix -0.3
	Other (*1)			0.5	Non-Alcoholic Beer, RTD, Production costs, other factors
Fixed costs and other	(subtotal)			0.5	
	Sales promotion costs			(1.1)	Advertising and promotion expenses
	Facility cost			1.2	Depreciation and amortization, etc.
	Other			0.3	Personnel expenses, General and administrative expenses
Wine and spirits	(*1)	1.3	1.1	(0.2)	
Other		0.5	0.7	0.2	
Japanese Alcoholic Beverages					
		5.9	3.0	(2.9)	
North America, etc.		1.6	1.5	(0.0)	
	Increase (decrease) in volume/product mix.			(0.1)	Increase in volume, Increase in the price of raw ingredients of soft drinks
	Marketing costs			(0.0)	SLEEMAN BREWERIES LTD., SAPORO USA.,INC.
	Other			0.2	Personnel expenses, General and administrative expenses, etc.
	Newly consolidated, Change in the accounting period			(0.1)	CPF(Feb. 24 to Sep. 30), SSC(Jan. 1 to Mar. 31)
Vietnam		(1.6)	(1.6)	0.1	
	Increase (decrease) in volume/product mix.			0.1	Decrease in volume, Product mix, etc.
	Marketing costs			0.1	
	Other			(0.1)	Personnel expenses, etc.
International					
		(0.0)	(0.0)	0.0	
Japanese Food & Soft Drinks		(2.1)	(1.5)	0.6	
	Increase (decrease) in volume / product mix			1.4	Increase in volume, Product mix, etc.
	Production costs			(0.8)	Increase in the price of raw ingredients, Increase in production cost
	Other costs			(0.0)	Decrease in personnel expenses, Increase in promotion expenses
	Domestic Subsidiaries			(0.0)	Vending machine operators, and other
Other		0.9	1.0	0.1	International business, Restaurant, etc.
Food & Soft Drinks					
		(1.2)	(0.5)	0.7	
	Existing stores			0.2	
	New stores / Refurbished stores			0.0	
Restaurants					
		0.1	0.3	0.2	
	Rent			0.1	
	Sales/ Other factors			(0.2)	
Real Estate					
		6.2	6.1	(0.1)	
	Logistics business			(0.1)	
	Other			0.0	
Other		0.2	0.0	(0.1)	
General corporate and intercompany eliminations					
		(2.9)	(3.0)	(0.1)	
Operating income					
		8.2	5.9	(2.2)	
Operating income before goodwill amortization					
		11.1	9.0	(2.0)	
	Financial income (expense)	(1.2)	(0.8)	0.4	Reduction of Interest payments
	Equity in income (losses) of affiliates	0.2	0.0	(0.2)	
	Other	0.4	(0.3)	(0.7)	Foreign exchange losses
Non-operating income and expenses					
		(0.6)	(1.1)	(0.4)	
Ordinary income					
		7.6	4.9	(2.7)	
	Gain on sales of property, plant and equipment	0.1	7.4	7.3	
	Other extraordinary gains	0.2	0.4	0.2	
	Loss on sales/disposal of property, plant and equipment	(1.7)	(0.9)	0.8	
	Loss on impairment of property, plant and equipment	(0.0)	(3.3)	(3.3)	
	Additional liquor tax paid and other	(11.6)	-	11.6	
	Other extraordinary losses	(1.6)	(1.9)	(0.3)	
Extraordinary gains and losses					
		(14.7)	1.7	16.5	
Income before income taxes and minority interests					
		(7.0)	6.6	13.7	
Corporate tax, etc. / income and loss of minority shareholders					
		0.4	(4.8)	(5.2)	
Net Income					
		(6.6)	1.9	8.5	

*1. Effective the fiscal year ending December 31, 2015, some products for the commercial markets were reclassified from "Beer and related products" to "Wine and spirits". The adjustments were 0.6billion yen for the nine months ended September 30, 2014.

	Nine months ended September 30, 2014	Nine months ended September 30, 2015
Yen/US\$	102.94	120.99
Yen/CAN\$	94.11	96.08
Yen/EUR	139.50	134.75

Consolidated Results (Nine Months ended September 30, 2015)

Segment Information

(billions of yen)

Nine months ended September 30, 2014	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	203.4	37.0	97.6	20.5	16.2	4.4	-	379.3
Operating income	5.9	(0.0)	(1.2)	0.1	6.2	0.2	(2.9)	8.2
(Operating income before goodwill amortization)	5.9	0.8	0.6	0.1	6.2	0.2	(2.9)	11.1
Sales promotion costs								
Sales incentives and commissions	14.5	0.1	9.9	0.0	0.0	0.0	(0.0)	24.5
Advertising and promotion expenses	12.1	1.4	3.1	0.7	0.3	0.0	(0.1)	17.8
Promotion items	2.9	2.4	0.0	0.0	0.0	0.0	(0.0)	5.3
Depreciation and amortization	7.4	1.5	5.0	0.4	3.1	0.0	0.4	18.2
Amortization of goodwill	0.0	0.9	1.8	0.0	0.0	0.0	0.0	2.8
EBITDA (*1)	13.4	2.4	5.7	0.6	9.3	0.2	(2.4)	29.3

Nine months ended September 30, 2015	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales (*1)	195.2	53.2	99.3	20.5	15.2	4.4	-	388.1
Operating income	3.0	(0.0)	(0.5)	0.3	6.1	0.0	(3.0)	5.9
(Operating income before goodwill amortization)	3.0	1.2	1.2	0.3	6.1	0.0	(3.0)	9.0
Sales promotion costs								
Sales incentives and commissions	14.6	0.1	10.7	0.0	0.0	0.0	(0.0)	25.5
Advertising and promotion expenses	12.6	1.2	2.8	0.7	0.3	0.0	(0.0)	17.8
Promotion items	3.1	2.5	0.0	0.0	0.0	0.0	(0.0)	5.6
Depreciation and amortization	5.9	2.4	4.6	0.4	3.1	0.0	1.2	17.8
Amortization of goodwill	0.0	1.2	1.7	0.0	0.0	0.0	0.0	3.0
EBITDA (*2)	8.9	3.6	5.8	0.8	9.3	0.1	(1.8)	26.9

Change	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales (*1)	(8.1)	16.2	1.7	(0.0)	(1.0)	0.0	-	8.7
Operating income	(2.9)	0.0	0.7	0.2	(0.1)	(0.1)	(0.1)	(2.2)
(Operating income before goodwill amortization)	(2.9)	0.3	0.5	0.2	(0.1)	(0.1)	(0.1)	(2.0)
Sales promotion costs								
Sales incentives and commissions	0.0	0.0	0.8	0.0	0.0	0.0	(0.0)	0.9
Advertising and promotion expenses	0.4	(0.1)	(0.3)	(0.0)	(0.0)	0.0	0.0	(0.0)
Promotion items	0.2	0.1	(0.0)	0.0	0.0	0.0	(0.0)	0.3
Depreciation and amortization	(1.5)	0.8	(0.4)	0.0	0.0	(0.0)	0.7	(0.3)
Amortization of goodwill	0.0	0.3	(0.1)	0.0	0.0	0.0	0.0	0.2
EBITDA (*2)	(4.4)	1.2	0.1	0.2	(0.0)	(0.1)	0.6	(2.4)

*1 : Effective the fiscal year ending December 31, 2015, New Sanko Inc., previously included under the Japanese Alcoholic Beverages segment, has been reclassified to the Restaurants segment. Accordingly, the consolidated financial statements for the fiscal year ended December 31, 2014 have been retroactively adjusted to reflect these changes.

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

Consolidated Results (Nine Months ended September 30, 2015)

Condensed Consolidated Balance Sheets

(billions of yen)

	December 31, 2014	September 30, 2015	Change	Primary Reasons
Current assets	156.3	138.1	(18.1)	
Cash and cash equivalents	9.7	10.2	0.4	
Notes and accounts receivable - trade	89.2	69.1	(20.1)	Seasonal factors, Bank holiday(Sep. 30)
Inventories	36.5	43.7	7.1	
Other	20.8	15.0	(5.7)	
Fixed assets	469.0	467.8	(1.1)	
Fixed assets	356.6	352.8	(3.8)	
Goodwill	29.9	33.1	3.1	Acquired the share of Country Pure Foods, Inc.
Investments and other assets	82.4	81.9	(0.5)	
Total assets	625.4	606.0	(19.3)	
Current liabilities	211.7	211.8	0.1	
Notes and accounts payable - trade	35.5	38.3	2.8	
Short-term debt	73.4	78.6	5.2	
Deposits received	9.6	8.2	(1.4)	
Other	93.1	86.6	(6.5)	Decrease in liquor taxes payable
Long-term liabilities	253.6	237.3	(16.3)	
Long-term debt	174.1	153.8	(20.2)	
Net defined benefit liability	4.5	8.5	3.9	The effect of the change in calculation method for retirement benefit obligations and service costs
Other	75.0	74.9	(0.0)	
Total liabilities	465.4	449.2	(16.2)	
Shareholders' equity	133.1	129.2	(3.9)	Distribution of dividends(-2.7), The effect of the change in calculation method for retirement benefit obligations and service costs(-3.1)
Accumulated other comprehensive income	23.1	21.9	(1.2)	
Minority interests	3.7	5.6	1.9	
Total net assets	160.0	156.8	(3.1)	
Total liabilities and net assets	625.4	606.0	(19.3)	

Financial Liabilities by segment

(billions of yen)

	December 31, 2014	September 30, 2015	Change	Primary Reasons
Japanese Alcoholic Beverages	43.6	36.8	(6.7)	
International	18.7	32.2	13.5	
Food & Soft Drinks	11.7	5.6	(6.1)	
Restaurants	0.0	0.0	0.0	
Real Estate	135.5	124.8	(10.6)	
Other	0.3	0.0	(0.3)	
Corporate and eliminations	37.6	32.9	(4.7)	
Total	247.5	232.5	(15.0)	

Overview of Segmentation Changes 2015

No change has been made to segmentation in the fiscal year ending December 31, 2015.

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

2014 Segmentation		2015 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. (*1)		SHINSEIEN CO.,LTD.
	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.
			COUNTRY PURE FOODS, INC. (Newly Consolidated)
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		PS BEVERAGE LTD
	STAR BEVERAGE SERVICE CO., LTD.		STAR BEVERAGE SERVICE CO., LTD.
	POKKA SAPPORO HOKKAIDO LTD. (Newly Consolidated)		POKKA SAPPORO HOKKAIDO LTD.
	POKKA CORPORATION (SINGAPORE) PTE. LTD.		Nihon Beans Co.,LTD. (Newly Consolidated)
	POKKA INTERNATIONAL PTE. LTD.		POKKA CORPORATION (SINGAPORE) PTE. LTD.
	And another 8 companies		POKKA INTERNATIONAL PTE. LTD.
			PT. POKKA DIMA INTERNATIONAL (Newly Consolidated)
			And another 8 companies
Restaurants	SAPPORO LION LIMITED	Restaurants	SAPPORO LION LIMITED
	SAPPORO LION (SINGAPORE) PTE.LTD.		NEW SANKO INC. (*1)
Real Estate	SAPPORO REAL ESTATE CO.,LTD.	Real Estate	SAPPORO REAL ESTATE CO.,LTD.
	YGP REAL ESTATE CO., LTD.		YGP REAL ESTATE CO., LTD.
	TOKYO ENERGY SERVICE CO., LTD.		TOKYO ENERGY SERVICE 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 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.	Corporate and eliminations	SAPPORO HOLDINGS LTD.
	SAPPORO GROUP MANAGEMENT LTD.		SAPPORO GROUP MANAGEMENT LTD.

*1. Effective the fiscal year ending December 31, 2015, New Sanko Inc., previously included under the Japanese Alcoholic Beverages segment, has been reclassified to the Restaurants segment.

Consolidated Forecasts (Year ending December 31, 2015)

Condensed Consolidated Statements of Income

(billions of yen)

	Year ended December 31, 2014	Year ending December 31, 2015 (Forecast)	Change	Change (%)
Japanese Alcoholic Beverages (*1)	281.8	277.0	(4.8)	(1.7)%
International	49.6	70.0	20.3	40.9%
Food & Soft Drinks	133.4	133.7	0.2	0.2%
Restaurants (*1)	26.3	27.2	0.8	3.2%
Real Estate	21.5	20.8	(0.7)	(3.3)%
Other	5.9	6.0	0.0	0.9%
Net sales	518.7	534.7	15.9	3.1%
Japanese Alcoholic Beverages (*1)	10.2	8.0	(2.2)	(21.6)%
International	0.1	0.5	0.3	189.1%
Food & Soft Drinks	0.1	0.7	0.5	477.7%
Restaurants (*1)	0.2	0.9	0.6	208.2%
Real Estate	7.6	7.9	0.2	2.7%
Other	0.1	0.2	0.0	8.7%
General corporate and intercompany eliminations	(3.9)	(3.9)	0.0	-
Operating income	14.7	14.3	(0.4)	(2.9)%
Operating income before goodwill amortization	18.4	18.7	0.2	1.1%
Non-operating income	2.8	2.3	(0.5)	(18.2)%
Non-operating expenses	2.9	3.4	0.4	14.3%
Ordinary income	14.5	13.2	(1.3)	(9.4)%
Extraordinary gains	4.7	7.8	3.0	65.1%
Extraordinary losses	16.5	9.4	(7.1)	(43.4)%
Income before income taxes and minority interests	2.6	11.6	8.9	330.5%
Income taxes	2.5	5.6	3.0	115.4%
Minority interests (loss)	(0.2)	0.0	0.2	-
Net Income	0.3	6.0	5.6	1664.6%

*1 : Effective the fiscal year ending December 31, 2015, New Sanko Inc., previously included under the Japanese Alcoholic Beverages segment, has been reclassified to the Restaurants segment. Accordingly, the consolidated financial statements for the fiscal year ended December 31, 2014 have been retroactively adjusted to reflect these changes.

Condensed Consolidated Statements of Cash Flows

	Year ended December 31, 2014	Year ending December 31, 2015 (Forecast)	Change	Change (%)
Cash flows from operating activities	22.2	37.5	15.2	68.3%
Cash flows from investing activities	(17.2)	(17.3)	(0.0)	-
Free Cash flows	5.0	20.2	15.1	299.6%

Sales Breakdown for Japanese Alcoholic

Sales (including liquor tax)

(billions of yen)

	Year ended December 31, 2014	Year ending December 31, 2015	Change	Change (%)
Beer	157.6	158.8	1.1	0.7%
Happoshu	14.8	18.7	3.9	26.5%
New genre	64.5	53.0	(11.4)	(17.8)%
Total	236.9	230.5	(6.3)	(2.7)%

Sales (excluding liquor tax)

(billions of yen)

	Year ended December 31, 2014	Year ending December 31, 2015	Change	Change (%)
Beer	77.0	77.1	0.1	0.2%
Happoshu	8.2	10.4	2.1	26.4%
New genre	44.7	36.7	(7.9)	(17.8)%
Total	129.9	124.3	(5.6)	(4.3)%

Consolidated Forecasts (Year ending December 31, 2015)

Breakdown of key income Changes

(billions of yen)

	Change factor	Year ended December 31, 2014	Year ending December 31, 2015 (Forecast)	Change	Details
Beer and related products		7.6	4.8	(2.8)	
Marginal profit	Subtotal			(2.9)	
	Increase (decrease) in volume / Product mix			(3.3)	Beer +0.6 Happoshu +1.2 New genre -4.7 Product mix +0.4
	Other (*1)			0.5	Non-Alcoholic Beer, RTD, Production costs, other factors
Fixed and other costs	Subtotal			0.1	
	Sales promotion costs			(1.3)	
	Facility cost			1.2	Depreciation and amortization, Cost of repair, other factors
	Other			0.3	
Wine and spirits	(*1)	2.2	2.6	0.4	
Other		0.5	0.6	0.1	
Japanese Alcoholic Beverages		10.2	8.0	(2.2)	
North America and other		2.3	2.7	0.4	
	Increase (decrease) in volume / Product mix			1.5	Increase in volume (SLEEMAN+3%), Product mix
	Marketing costs			(0.7)	SLEEMAN, Sapporo U.S.A.
	Other			(0.3)	Personnel expenses, Country pure foods
Vietnam		(2.1)	(2.2)	(0.1)	
	Increase (decrease) in volume / Product mix			0.0	
	Marketing costs			0.0	
	Other			(0.1)	Increase in cost of logistics and warehouse
International		0.1	0.5	0.3	
Japanese Food & Soft Drinks		(1.2)	(0.8)	0.4	
	Increase (decrease) in volume / Product mix			1.4	Increase in volume, Product mix
	Production costs			(0.6)	Increase in cost of raw ingredients, Decrease in production costs
	Other costs			(0.6)	Increase in personnel expenses, Decrease in sales promotion costs
	Domestic Subsidiaries			0.2	
Other		1.3	1.5	0.2	International business, Restaurants, other factors
Food & Soft Drinks		0.1	0.7	0.5	
	Existing stores			0.3	
	New stores / Refurbished stores			0.4	
Restaurants		0.2	0.9	0.6	
	Rent			0.5	
	Sales/ Other factors			(0.3)	
Real Estate		7.6	7.9	0.2	
	Logistics business			0.0	
	Other			0.0	
Other		0.1	0.2	0.0	
General corporate and intercompany eliminations		(3.9)	(3.9)	0.0	
Operating income		14.7	14.3	(0.4)	
Operating income before goodwill amortization		18.4	18.7	0.2	
	Financial income (expense)	(1.4)	(1.7)	(0.3)	
	Equity in income (losses) of affiliates	0.2	0.2	0.0	
	Other	1.0	0.6	(0.4)	
Non-operating income and expenses		(0.2)	(1.2)	(1.0)	
Ordinary income		14.5	13.2	(1.3)	
	Gain on sales of property, plant and equipment	3.5	7.4	3.9	
	Other extraordinary gains	1.2	0.4	(0.8)	
	Loss on sales/disposal of property, plant and equipment	(2.3)	(1.5)	0.8	
	Loss on impairment of property, plant and equipment	(0.9)	(3.3)	(2.4)	
	Additional liquor tax paid and other	(11.6)	—	11.6	
	Other extraordinary losses	(1.8)	(4.6)	(2.8)	
Extraordinary gains and losses		(11.9)	(1.6)	10.3	
Income before income taxes and minority interests		2.6	11.6	8.9	
Change in income taxes and minority interests (loss)		(2.3)	(5.6)	(3.2)	
Net income		0.3	6.0	5.6	

*1 Effective the fiscal year ending December 31, 2015, some products for the commercial markets were reclassified from "Beer and related products" to "Wine and spirits". The adjustments of operating income for the fiscal year ended December 31, 2014 was 0.9 billion yen.

	Year ended December 31,2014	Year ending December 31,2015 (Forecast)
Yen/US\$	105.79	113.00
Yen/CAN\$	95.74	99.00
Yen/EUR	140.35	140.00

Consolidated Forecasts (Year ending December 31, 2015)

Segment Information

(billions of yen)

Year ended December 31, 2014	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	281.8	49.6	133.4	26.3	21.5	5.9	—	518.7
Operating income	10.2	0.1	0.1	0.2	7.6	0.1	(3.9)	14.7
(Operating income before goodwill amortization)	10.2	1.4	2.6	0.2	7.6	0.1	(3.9)	18.4
Sales promotion costs								
Sales incentives and commissions	20.4	0.1	13.1	0.0	0.0	0.0	(0.1)	33.5
Advertising and promotion expenses	15.3	1.6	4.1	0.9	0.6	0.0	(0.0)	22.6
Promotion items	3.7	3.1	0.0	0.0	0.0	0.0	(0.0)	6.8
Depreciation and amortization	9.9	2.1	6.7	0.6	4.2	0.0	0.6	24.4
Amortization of goodwill	0.0	1.2	2.5	0.0	0.0	0.0	0.0	3.7
EBITDA (*1)	20.1	3.5	9.4	0.9	11.9	0.2	(3.3)	42.9
Capital expenditures (cash basis)	3.3	2.0	4.4	1.3	6.3	0.0	1.5	19.1
Payment of lease obligations	0.0	0.1	3.1	0.0	0.0	0.0	0.0	3.3

Year ending December, 31, 2015 (Forecast)	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	277.0	70.0	133.7	27.2	20.8	6.0	-	534.7
Operating income	8.0	0.5	0.7	0.9	7.9	0.2	(3.9)	14.3
(Operating income before goodwill amortization)	8.0	2.6	3.0	0.9	7.9	0.2	(3.9)	18.7
Depreciation and amortization	9.4	2.0	6.1	0.7	4.2	0.1	0.0	22.5
Amortization of goodwill	0.0	2.1	2.3	0.0	0.0	0.0	0.0	4.4
EBITDA (*1)	17.4	4.6	9.1	1.6	12.1	0.3	(3.9)	41.2
Capital expenditures (cash basis)	4.8	1.8	2.2	0.8	8.9	0.0	1.0	19.5
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	(4.8)	20.3	0.2	0.8	(0.7)	0.0	0.0	15.9
Operating income	(2.2)	0.3	0.5	0.6	0.2	(0.0)	0.0	(0.4)
(Operating income before goodwill amortization)	(2.2)	1.1	0.3	0.6	0.2	(0.0)	0.0	0.2
Depreciation and amortization	(0.5)	(0.1)	(0.6)	(0.0)	(0.0)	0.0	(0.6)	(1.9)
Amortization of goodwill	(0.0)	0.8	(0.2)	0.0	0.0	0.0	0.0	0.6
EBITDA (*1)	(2.7)	1.0	(0.3)	0.6	0.1	0.0	(0.5)	(1.7)
Capital expenditures (cash basis)	1.4	(0.2)	(2.2)	(0.5)	2.5	(0.0)	(0.5)	0.3
Payment of lease obligations	0.0	(0.1)	0.1	0.0	0.0	0.0	0.0	0.0

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

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

