



Three Months ended March 31, 2018

Consolidated First Quarter Earnings Report - Supplementary Information

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May 2018

SAPPORO HOLDINGS LTD.

Securities Code: 2501

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

Financial Highlights (2014-2018)

Consolidated Financial Highlights

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

		Three months ended March 31, 2014	Three months ended March 31, 2015	Three months ended March 31, 2016	Three months ended March 31, 2017	Three months ended March 31, 2017	Three months ended March 31, 2018
		J GAAP	J GAAP	J GAAP	J GAAP	IFRS	IFRS
Revenue	Including liquor tax	112.1	108.5	111.4	117.8	114.6	111.3
	Excluding liquor tax	88.1	86.8	88.9	94.9	89.4	86.2
Overseas revenue to total	Excluding liquor tax	22.0%	25.1%	23.4%	23.5%	24.8%	24.3%
Operating profit	Before goodwill amortization	(0.8)	(3.3)	(0.5)	(0.5)	(3.7)	(5.5)
	After goodwill amortization	(1.7)	(4.3)	(1.4)	(1.5)	(3.7)	(5.5)
Operating margin	Including liquor tax / after goodwill amortization	-	-	-	-	-	-
	Excluding liquor tax /before goodwill amortization	-	-	-	-	-	-
	Excluding liquor tax /after goodwill amortization	-	-	-	-	-	-
Ordinary income		(2.3)	(4.6)	(2.3)	(1.9)	-	-
Profit attributable to owners of parent		(3.8)	0.9	(2.0)	(2.3)	(3.4)	(4.3)
Total assets		590.0	606.7	589.6	590.8	622.1	630.3
Total equity		146.5	158.6	154.7	159.6	154.5	159.7
Balance of debt (*2)	Gross	247.0	249.2	239.7	233.3	233.6	231.1
	Net	236.3	239.9	227.6	223.9	224.3	221.8
Debt-to-equity ratio (times)	Gross	1.7	1.6	1.5	1.5	1.5	1.4
	Net	1.6	1.5	1.5	1.4	1.5	1.4
<For reference> Profit from operations before non-recurring items (*3)		(1.7)	(4.3)	(1.4)	(1.5)	(3.2)	(5.0)
Profit from operations before non-recurring items (after subtracting levies)(*4)		(1.7)	(4.3)	(1.4)	(1.5)	(1.3)	(3.1)
Depreciation and amortization		6.0	5.9	5.5	5.8	7.2	7.1
Amortization of goodwill		0.9	1.0	1.0	1.0	-	-
EBITDA(*5)		5.3	2.5	5.0	5.3	4.0	2.1
Exchange rates (Yen) (*6)	US\$	102.78	119.17	115.33	113.60	113.60	108.23
	CAN\$	93.10	96.00	83.97	85.83	85.83	85.62

		2014	2015	2016	2017	2017	2018 (Forecast)
		J GAAP	J GAAP	J GAAP	J GAAP	IFRS	IFRS
Revenue	Including liquor tax	518.7	533.7	541.8	551.5	536.6	555.8
	Excluding liquor tax	401.8	418.3	424.1	433.3	406.8	425.3
Overseas revenue to total	Excluding liquor tax	19.2%	22.6%	20.5%	21.2%	22.4%	21.6%
Operating profit	Before goodwill amortization	18.5	18.1	24.2	21.0	12.8	18.7
	After goodwill amortization	14.7	14.0	20.3	17.0	12.8	18.7
Operating margin	Including liquor tax / after goodwill amortization	2.8%	2.6%	3.7%	3.1%	2.4%	3.4%
	Excluding liquor tax /before goodwill amortization	4.6%	4.3%	5.7%	4.8%	3.1%	4.4%
	Excluding liquor tax /after goodwill amortization	3.7%	3.3%	4.8%	3.9%	3.1%	4.4%
Ordinary income		14.6	13.2	19.2	16.4	-	-
Profit attributable to owners of parent		0.3	6.1	9.5	11.0	7.2	11.1
Total assets		625.4	620.4	626.4	630.6	664.7	664.7
Total equity		160.0	163.8	166.4	177.7	175.7	175.7
Balance of debt (*2)	Gross	247.6	234.7	238.1	233.6	233.9	235.0
	Net	237.8	224.3	227.6	220.9	221.4	222.3
Debt-to-equity ratio (times)	Gross	1.5	1.4	1.4	1.3	1.3	1.3
	Net	1.5	1.4	1.4	1.2	1.3	1.2
<For reference> Profit from operations before non-recurring items (*3)		14.7	14.0	20.3	17.0	17.4	21.2
Depreciation and amortization		24.5	24.2	22.3	23.6	25.4	24.4
Amortization of goodwill		3.8	4.2	3.9	4.0	-	-
EBITDA(*4)		43.0	42.3	46.5	44.6	42.8	45.6
Capital expenditure	Cash basis	19.1	20.3	21.8	15.3	15.3	31.8
ROE (%)	Before goodwill amortization	2.7%	6.5%	8.4%	8.9%	4.2%	6.3%
	After goodwill amortization	0.2%	3.9%	5.9%	6.6%	4.2%	6.3%
EPS (yen sen) (*6)	Before goodwill amortization	10.53	131.71	171.89	191.70	92.26	142.50
	After goodwill amortization	0.87	78.40	121.56	140.93	92.26	142.50
Exchange rates (Yen) (*7)	US\$	105.79	121.11	108.81	112.17	112.17	110.00
	CAN\$	95.74	94.82	82.07	86.47	86.47	88.00

*1: The Company has voluntarily applied International Financial Reporting Standard (IFRS) from the first quarter of fiscal 2018. The data of the fiscal 2017 is also presented based on IFRS for comparison.

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

*3: Profit from operations before non-recurring items is calculated as Revenue – Cost of sales – SG&A expenses.

*4: Profit from operations before non-recurring items (after subtracting levies) represents profit from operations after subtracting of levies which are adjusted based on the time of recognition. Under IFRS, levies including real-estate tax are expensed in full (excluding inventories) on January 1.

*5: EBITDA (JGAAP) = Profit from operations before non-recurring items + Depreciation and amortization + Amortization of goodwill
EBITDA (IFRS)=Profit from operations before non-recurring items+ Depreciation and amortization (excluding depreciation expense on leased assets which is charged on the rent of restaurants)

*6:On July 1, 2016, the Company carried out a share consolidation at a ratio of 1 share for 5 shares of the Company's common stock. Accordingly, values for EPS have been recalculated on the assumption that the share consolidation took place at the beginning of fiscal year 2015 .

*7:Revenues and expenses are translated into Japanese yen at the average exchange rate for the fiscal year.

Major Sales and Sales Volume

Alcoholic Beverage (Japan)

(10,000 cases)

	Jan. 1 - Mar.31, 2017	Jan. 1 - Mar.31, 2018	YoY	Fiscal 2017 Actual	Full-year estimate for fiscal 2018	YoY
Sapporo Draft Beer Black Label (total)	-	-	110%	1,701	1,750	103%
YEBISU (total)	-	-	84%	961	970	101%
1 Beer (total)	-	-	101%	3,102	3,150	102%
2 Happoshu (total)	-	-	87%	335	200	60%
3 New genre beer products (total)	-	-	93%	1,422	1,600	113%
Beer, happoshu, and new genre (total 1+2+3)	-	-	98%	4,859	4,950	102%
Non-alcoholic beer taste beverage	15	18	126%	70	150	213%

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 for the first quarter. 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 - Mar.31, 2017	Jan. 1 - Mar.31, 2018	YoY	Fiscal 2017 Actual	Full-year estimate for fiscal 2018	YoY
Domestic wines	1.1	1.1	95%	5.1	5.4	106%
Imported wines	1.7	1.6	95%	8.5	9.6	113%
Wine (total)	2.9	2.8	95%	13.6	15.0	111%
RTD, Spirits and Shochu (total)	6.8	7.4	108%	31.2	33.4	107%
Subtotal	9.9	10.3	105%	44.9	48.4	108%
Rebate subtracted from sales	(1.6)	(1.6)	-	(7.2)	-	-
Total	8.3	8.7	105%	37.7	-	-

*Full year estimate for rebate subtracted from sales is not disclosed.

Beer (International)

(10,000 cases)

	Jan. 1 - Mar.31, 2017	Jan. 1 - Mar.31, 2018	YoY	Fiscal 2017 Actual	Full-year estimate for fiscal 2018	YoY
Overseas brand (SLEEMAN, Anchor, etc.)	268	289	108%	1,300	1,410	108%
Sapporo brand	146	149	102%	643	680	106%

Soft Drinks (POKKA SAPPORO FOOD & BEVERAGE)

(10,000 cases)

	Jan. 1 - Mar.31, 2017	Jan. 1 - Mar.31, 2018	YoY	Fiscal 2017 Actual	Full-year estimate for fiscal 2018	YoY
Soft Drinks (*1)	962	874	91%	4,551	4,700	103%

*1 : Excludes sales other than Japan and soy milk drinks sales in Japan

Consolidated Results (Three Months ended March 31, 2018)

Condensed Consolidated Statements of Income

(billions of yen)

	Three months ended March 31, 2017 IFRS	Three months ended March 31, 2018 IFRS	Change	Change (%)
Japanese Alcoholic Beverages (*2)	50.8	50.8	(0.0)	(0.0)%
International Business (*2)	18.4	17.8	(0.6)	(3.3)%
Food & Soft Drinks	30.4	27.8	(2.5)	(8.4)%
Restaurants	6.3	6.1	(0.2)	(3.7)%
Real Estate	5.9	6.0	0.2	2.7%
Other	2.8	2.8	0.0	0.8%
Revenue	114.6	111.3	(3.2)	(2.8)%
Japanese Alcoholic Beverages (*2)	(2.3)	(3.1)	(0.8)	-
International Business (*2)	(0.0)	(0.4)	(0.4)	-
Food & Soft Drinks	(0.3)	(1.0)	(0.7)	-
Restaurants	(0.5)	(0.5)	(0.0)	-
Real Estate	1.0	1.1	0.1	13.3%
Other	(0.1)	(0.1)	0.0	-
General corporate and intercompany eliminations	(1.3)	(1.5)	(0.1)	-
Operating profit	(3.7)	(5.5)	(1.9)	-
Financial income (expense) / Foreign exchange gains (losses)	(0.6)	(0.6)	0.0	-
Equity in net income (loss) of affiliates	0.0	0.0	(0.0)	(22.3)%
Profit before tax	(4.2)	(6.1)	(1.8)	-
Income taxes	(0.9)	(1.6)	(0.7)	-
Profit (loss) attributable to non-controlling interests	(0.0)	(0.2)	(0.1)	-
Profit attributable to owners of parent	(3.4)	(4.3)	(0.9)	-
<For reference> Profit from operations before non-recurring items(*3)	(3.2)	(5.0)	(1.8)	-
Profit from operations before non-recurring items (after subtracting levies)(*4)	(1.3)	(3.1)	(1.8)	-
EBITDA (*5)	4.0	2.1	(1.9)	(47.4)%

*1: The Company has voluntarily applied International Financial Reporting Standard (IFRS) from the first quarter of fiscal 2018. The data of the fiscal 2017 is also presented based on IFRS for comparison.

*2: The export business of Sapporo International Inc. has been transferred to Sapporo Breweries Ltd. effective January 1, 2018. Accordingly, the business was previously included in the International Business segment, but has been included in the Japanese Alcoholic Beverages segment.
The consolidated financial statements for the first quarter of fiscal 2017 have been adjusted retroactively to reflect these changes. (Revenue: 0.5 billion yen, Operating profit: 0.1 billion yen)

*3: Profit from operations before non-recurring items is calculated as Revenue – Cost of sales – SG&A expenses.

*4: Profit from operations before non-recurring items (after subtracting levies) represents profit from operations after subtracting of levies which are adjusted based on the time of recognition.
Under IFRS, levies including real-estate tax are expensed in full (excluding inventories) on January 1.

*5: EBITDA=Profit from operations before non-recurring items+ Depreciation and amortization (excluding depreciation expense on lease which is charged on the rent of restaurants)

Sales Breakdown for Japanese Alcoholic Beverages

Sales (including liquor tax)

(billions of yen)

	Three months ended March 31, 2017	Three months ended March 31, 2018	Change	Change (%)
Beer	31.1	30.9	(0.2)	(0.7)%
Happoshu	2.7	2.4	(0.3)	(12.1)%
New genre	10.0	9.3	(0.8)	(7.6)%
Subtotal	43.9	42.6	(1.3)	(3.0)%
Rebate subtracted from sales	(2.7)	(2.4)	0.3	-
Total	41.2	40.2	(1.0)	(2.4)%

Sales (excluding liquor tax)

(billions of yen)

	Three months ended March 31, 2017	Three months ended March 31, 2018	Change	Change (%)
Beer	15.2	14.8	(0.4)	(2.9)%
Happoshu	1.5	1.3	(0.2)	(11.2)%
New genre	7.0	6.4	(0.5)	(7.8)%
Subtotal	23.7	22.6	(1.2)	(4.9)%
Rebate subtracted from sales	(2.7)	(2.4)	0.3	-
Total	21.0	20.2	(0.8)	(3.9)%

Consolidated Results (Three Months ended March 31, 2018)
Breakdown of key income Changes

(billions of yen)

	Change factor	Three months ended March 31, 2017 IFRS	Three months ended March 31, 2018 IFRS	Change	Details
Beer and related products		(3.1)	(3.6)	(0.5)	
Marginal profit	Subtotal			(0.5)	
	Increase (decrease) in volume / Product mix			(0.6)	Beer +0.1 Happoshu -0.1 New genre -0.3 Product mix -0.3
	Other			0.1	Non-Alcoholic Beer, RTD, Production costs, other factors
Fixed costs and other	Subtotal			(0.1)	
	Sales promotion costs			0.0	Sales commissions
	Facility cost			0.0	Depreciation and amortization, other factors
	Other			(0.1)	Personnel expenses, General and administrative expenses
Wine and spirits		0.7	0.6	(0.1)	
Other		0.3	0.1	(0.1)	
Adjustment of difference between J GAAP and IFRS		0.0	(0.2)	(0.2)	Non-recurring items
Japanese Alcoholic Beverages (*2)		(2.3)	(3.1)	(0.8)	
North America and other		0.3	(0.5)	(0.8)	
	Increase (decrease) in volume / Product mix			(0.7)	Decrease in soft drinks sales volume, Production costs
	Marketing costs			0.1	SLEEMAN BREWERIES LTD., SAPPORO USA, INC.
	Other			(0.3)	Personnel expenses, General and administrative expenses, ANCHOR BREWING COMPANY, LLC
Vietnam		(0.4)	0.0	0.4	
	Increase (decrease) in volume / Product mix			0.2	
	Marketing costs			0.2	
	Other			0.0	
Adjustment of difference between J GAAP and IFRS		0.0	0.1	0.1	Non-recurring items
International (*2)		(0.0)	(0.4)	(0.4)	
Japanese Food & Soft Drinks		(0.2)	(0.8)	(0.6)	
	Increase (decrease) in volume / Product mix			(0.9)	Decrease in volume
	Production costs			0.1	
	Marketing costs			0.1	Vending machine costs, other factors
	Fixed costs and other			0.2	Personnel expenses, Logistics costs, General and administrative expenses etc.
Other		0.1	(0.0)	(0.1)	Vending machine operators, and other
Adjustment of difference between J GAAP and IFRS		(0.2)	(0.2)	(0.0)	Overseas Soft Drinks/ Domestic coffee shop chain
Food & Soft Drinks		(0.3)	(1.0)	(0.7)	
	Existing stores			(0.1)	
	New stores / Refurbished stores			0.1	
Adjustment of difference between J GAAP and IFRS		(0.1)	(0.1)	(0.0)	Non-recurring items
Restaurants		(0.5)	(0.5)	(0.0)	
	Rent			0.0	
	Sales/ Other factors			(0.0)	
Adjustment of difference between J GAAP and IFRS		(0.2)	(0.1)	0.1	Non-recurring items
Real Estate		1.0	1.1	0.1	
	Logistics business			(0.0)	
	Other			0.0	
Adjustment of difference between J GAAP and IFRS		(0.0)	0.0	0.0	Non-recurring items
Other		(0.1)	(0.1)	0.0	
	General corporate			(0.1)	
Adjustment of difference between J GAAP and IFRS		(0.0)	0.0	0.0	Non-recurring items
General corporate and intercompany eliminations		(1.3)	(1.5)	(0.1)	
Operating profit		(3.7)	(5.5)	(1.9)	
	Financial income (expense) / Foreign exchange gains (losses)	(0.6)	(0.6)	0.0	
	Equity in income (losses) of affiliates	0.0	0.0	(0.0)	
Profit before tax		(4.2)	(6.1)	(1.8)	
Corporate tax, etc. / Profit (loss) attributable to non-controlling interests		0.9	1.8	0.9	
Profit attributable to owners of parent		(3.4)	(4.3)	(0.9)	

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*2: The export business of Sapporo International Inc. has been transferred to Sapporo Breweries Ltd. effective January 1, 2018.

Accordingly, the business was previously included in the International Business segment, but has been included in the Japanese Alcoholic Beverages segment. The consolidated financial statements for the first quarter of fiscal 2017 have been adjusted retroactively to reflect these changes. (Revenue: 0.5 billion yen, Operating profit: 0.1 billion yen)

	Three months ended March 31, 2017	Three months ended March 31, 2018
Yen/US\$	113.60	108.23
Yen/CAN\$	85.83	85.62
Yen/EUR	121.05	133.15

Consolidated Results (Three Months ended March 31, 2018)

Segment Information

(billions of yen)

Three months ended March 31, 2017 IFRS	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Revenue	50.8	18.4	30.4	6.3	5.9	2.8	-	114.6
Operating profit	(2.3)	(0.0)	(0.3)	(0.5)	1.0	(0.1)	(1.3)	(3.7)
Sales promotion costs								
Sales incentives and commissions	1.1	0.0	2.5	0.0	0.0	0.0	(0.0)	3.6
Advertising and promotion expenses	3.9	0.1	0.8	0.2	0.1	0.0	(0.0)	5.0
Promotion items	1.3	1.0	0.0	0.0	0.0	0.0	(0.0)	2.3
<For reference> Profit from operations before non-recurring items (*3)	(2.3)	(0.1)	(0.1)	(0.5)	1.2	(0.1)	(1.3)	(3.2)
Depreciation and amortization	2.3	0.9	1.7	0.6	1.3	0.0	0.4	7.2
EBITDA (*4)	0.0	0.9	1.6	0.1	2.4	(0.1)	(0.9)	4.0

Three months ended March 31, 2018 IFRS	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Revenue	50.8	17.8	27.8	6.1	6.0	2.8	-	111.3
Operating profit	(3.1)	(0.4)	(1.0)	(0.5)	1.1	(0.1)	(1.5)	(5.5)
Sales promotion costs								
Sales incentives and commissions	1.1	0.0	2.2	0.0	0.0	0.0	(0.0)	3.4
Advertising and promotion expenses	3.9	0.1	0.8	0.2	0.1	0.0	0.0	5.2
Promotion items	1.2	0.7	0.0	0.0	0.0	0.0	(0.0)	1.9
<For reference> Profit from operations before non-recurring items (*3)	(2.9)	(0.6)	(0.8)	(0.4)	1.2	(0.1)	(1.5)	(5.0)
Depreciation and amortization	2.2	0.9	1.7	0.6	1.3	0.0	0.4	7.1
EBITDA (*4)	(0.7)	0.4	0.9	0.2	2.5	(0.1)	(1.1)	2.1

Change	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Revenue	(0.0)	(0.6)	(2.5)	(0.2)	0.2	0.0	-	(3.2)
Operating profit	(0.8)	(0.4)	(0.7)	(0.0)	0.1	(0.0)	(0.1)	(1.9)
Sales promotion costs								
Sales incentives and commissions	0.1	0.0	(0.3)	0.0	0.0	0.0	(0.0)	(0.2)
Advertising and promotion expenses	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Promotion items	(0.1)	(0.3)	0.0	0.0	0.0	0.0	0.0	(0.3)
<For reference> Profit from operations before non-recurring items (*3)	(0.6)	(0.5)	(0.7)	0.0	0.1	0.0	(0.2)	(1.8)
Depreciation and amortization	(0.1)	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(0.1)
EBITDA (*4)	(0.7)	(0.5)	(0.7)	0.1	0.1	0.0	(0.2)	(1.9)

*1: The Company has voluntarily applied International Financial Reporting Standard (IFRS) from the first quarter of fiscal 2018. The data of the fiscal 2017 is also presented based on IFRS for comparison.

*2: The export business of Sapporo International Inc. has been transferred to Sapporo Breweries Ltd. effective January 1, 2018. Accordingly, the business was previously included in the International Business segment, but has been included in the Japanese Alcoholic Beverages segment. The consolidated financial statements for fiscal 2017 have been adjusted retroactively to reflect these changes. (Revenue: 0.5 billion yen, Operating profit: 0.1 billion yen)

*3: Profit from operations before non-recurring items is calculated as Revenue – Cost of sales – SG&A expenses.

*4: EBITDA=Profit from operations before non-recurring items+ Depreciation and amortization (excluding depreciation expense on leased assets which is charged on the rent of restaurants)

Condensed Consolidated Statements of Financial Position

(billions of yen)

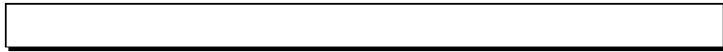
	December 31, 2017 IFRS	March 31, 2018 IFRS	Change	Primary Reasons
Current assets	164.8	140.9	(23.9)	
Cash and cash equivalents	12.5	9.3	(3.2)	
Trade and other receivables	98.3	73.6	(24.8)	Seasonal factors, Bank holiday(Dec. 31)
Inventories	37.9	39.5	1.6	
Other	16.0	18.5	2.5	
Non-current assets	500.0	489.4	(10.6)	
Fixed assets	164.7	161.8	(2.9)	
Investment property	219.7	219.0	(0.7)	
Goodwill	24.9	24.4	(0.5)	
Other	90.7	84.2	(6.5)	Decrease in investment securities
Total assets	664.7	630.3	(34.5)	
Current liabilities	228.8	225.7	(3.1)	
Trade and other payables	36.5	34.4	(2.1)	
Short-term financial liabilities	80.7	91.1	10.4	
Other	111.6	100.2	(11.4)	Decrease in liquor taxes payable
Non-current liabilities	260.2	244.8	(15.4)	
Long-term financial liabilities	153.2	140.0	(13.2)	Transfer current portion of debt to short-term financial liabilities
Net defined benefit liability	6.3	7.8	1.5	
Other	100.7	97.0	(3.7)	
Total liabilities	489.0	470.6	(18.5)	
Equity attributable to owners of parent	172.1	156.5	(15.6)	Net loss in 1Q, Distribution of dividends
Equity attributable to non-controlling interests	3.7	3.3	(0.4)	
Total equity	175.7	159.7	(16.0)	
Total liabilities and equity	664.7	630.3	(34.5)	

Financial Liabilities by segment

(billions of yen)

	December 31, 2017 IFRS	March 31, 2018 IFRS	Change	Primary Reasons
Japanese Alcoholic Beverages	30.2	34.6	4.4	
International	29.3	27.9	(1.4)	
Food & Soft Drinks	5.9	4.4	(1.6)	
Restaurants	0.3	0.2	(0.1)	
Real Estate	130.0	133.4	3.4	
Other	3.0	3.0	(0.0)	
Corporate and eliminations	35.1	27.6	(7.6)	
Total	233.9	231.1	(2.8)	

*1: The Company has voluntarily applied International Financial Reporting Standard (IFRS) from the first quarter of fiscal 2018. The data of the fiscal 2017 is also presented based on IFRS for comparison.



No change has been made to segmentation in the fiscal year ending December 31, 2018.

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

2017 Segmentation	
Segment	Consolidated subsidiaries
Japanese Alcoholic Beverages	SAPPORO BREWERIES LTD.
	YEBISU WINEMART CO., LTD.
	TANOSHIMARU SHUZO CO., LTD.
	STARNET CO., LTD.
	SHINSEIEN CO.,LTD.
International	SAPPORO INTERNATIONAL INC.
	SAPPORO U.S.A., INC.
	SAPPORO CANADA INC.
	SLEEMAN BREWERIES LTD.
	SAPPORO ASIA PRIVATE LIMITED
	SAPPORO VIETNAM LIMITED
	SILVER SPRINGS CITRUS, INC.
	COUNTRY PURE FOODS, INC.
	SAPPORO NORTH AMERICA INC.
	ANCHOR BREWING COMPANY, LLC
And another 12 companies	
Food & Soft Drinks	POKKA SAPPORO FOOD & BEVERAGE LTD.
	POKKA CREATE CO., LTD.
	PS BEVERAGE LTD
	STAR BEVERAGE SERVICE CO., LTD.
	POKKA SAPPORO HOKKAIDO LTD.
	NIH BEANS CO.,LTD.
	POKKA CORPORATION (SINGAPORE) PTE. LTD.
	POKKA INTERNATIONAL PTE. LTD.
	PT. POKKKA DIMA INTERNATIONAL
And another 8 companies	
Restaurants	SAPPORO LION LIMITED
	NEW SANKO INC.
	MARUSHINKAWAMURA INC.
	GINRIN SUISAN INC.
Real Estate	SAPPORO LION (SINGAPORE) PTE.LTD.
	SAPPORO REAL ESTATE CO.,LTD.
	YGP REAL ESTATE CO., LTD.
	TOKYO ENERGY SERVICE CO., LTD.
Other	YOKOHAMA KEIWA BUILDING CO., LTD.
	SAPPORO GROUP MANAGEMENT LTD.
	SAPPORO GROUP LOGISTICS CO., LTD.
	SAPPORO LOGISTICS SYSTEMS CO., LTD.
Corporate and eliminations	SHINSYU-ICHI MISO CO., LTD.
	SAPPORO HOLDINGS LTD. SAPPORO GROUP MANAGEMENT LTD.

2018 Segmentation	
Segment	Consolidated subsidiaries
Japanese Alcoholic Beverages	SAPPORO BREWERIES LTD.
	YEBISU WINEMART CO., LTD.
	TANOSHIMARU SHUZO CO., LTD.
	STARNET CO., LTD.
	SHINSEIEN CO.,LTD.
International	SAPPORO INTERNATIONAL INC.
	SAPPORO U.S.A., INC.
	SAPPORO CANADA INC.
	SLEEMAN BREWERIES LTD.
	SAPPORO ASIA PRIVATE LIMITED
	SAPPORO VIETNAM LIMITED
	SILVER SPRINGS CITRUS, INC.
	COUNTRY PURE FOODS, INC.
	SAPPORO NORTH AMERICA INC.
	ANCHOR BREWING COMPANY, LLC
And another 13 companies	
Food & Soft Drinks	POKKA SAPPORO FOOD & BEVERAGE LTD.
	POKKA CREATE CO., LTD.
	PS BEVERAGE LTD
	STAR BEVERAGE SERVICE CO., LTD.
	POKKA SAPPORO HOKKAIDO LTD.
	NIH BEANS CO.,LTD.
	POKKA CORPORATION (SINGAPORE) PTE. LTD.
	POKKA INTERNATIONAL PTE. LTD.
	PT. POKKKA DIMA INTERNATIONAL
And another 8 companies	
Restaurants	SAPPORO LION LIMITED
	NEW SANKO INC.
	MARUSHINKAWAMURA INC.
	GINRIN SUISAN INC.
Real Estate	SAPPORO LION (SINGAPORE) PTE.LTD.
	SAPPORO REAL ESTATE CO.,LTD.
	YGP REAL ESTATE CO., LTD.
	TOKYO ENERGY SERVICE CO., LTD.
Other	YOKOHAMA KEIWA BUILDING CO., LTD.
	SAPPORO GROUP MANAGEMENT LTD.
	SAPPORO GROUP LOGISTICS CO., LTD.
	SAPPORO LOGISTICS SYSTEMS CO., LTD.
Corporate and eliminations	SHINSYU-ICHI MISO CO., LTD.
	SAPPORO HOLDINGS LTD. SAPPORO GROUP MANAGEMENT LTD.

Consolidated Forecasts (Year ending December 31, 2018)

Condensed Consolidated Statements of Income

(billions of yen)

	Year ended December 31, 2017	Year ending December 31, 2018 (Forecast)	Change	Change (%)
	IFRS	IFRS		
Japanese Alcoholic Beverages (*2)	261.6	272.5	10.9	4.2%
International (*2)	78.5	81.9	3.4	4.4%
Food & Soft Drinks	132.1	135.6	3.5	2.7%
Restaurants	28.6	28.8	0.2	0.6%
Real Estate	23.9	24.9	1.0	4.2%
Other	11.8	12.1	0.3	2.1%
Revenue	536.6	555.8	19.2	3.6%
Japanese Alcoholic Beverages (*2)	10.1	10.5	0.4	4.2%
International (*2)	(2.8)	1.4	4.2	-
Food & Soft Drinks	2.4	3.6	1.2	48.1%
Restaurants	(0.5)	0.1	0.6	-
Real Estate	10.3	10.5	0.2	2.2%
Other	(0.1)	0.1	0.2	-
General corporate and intercompany eliminations	(6.6)	(7.5)	(0.9)	-
Operating profit	12.8	18.7	5.9	46.0%
Financial income (expense) / Foreign exchange gains (losses)	(1.3)	(1.0)	0.3	-
Equity in net income (loss) of affiliates	0.0	0.0	(0.0)	-
Profit before tax	11.5	17.7	6.2	53.4%
Income taxes	5.2	6.7	1.5	29.6%
Profit (loss) attributable to non-controlling interests	(0.8)	(0.1)	0.7	-
Profit attributable to owners of parent	7.2	11.1	3.9	54.4%
<For reference>				
Profit from operations before non-recurring items (*3)	17.4	21.2	3.8	21.5%
EBITDA (*4)	42.8	45.6	2.8	6.5%

*1: The Company has voluntarily applied International Financial Reporting Standard (IFRS) from the first quarter of fiscal 2018. The data of the fiscal 2017 is also presented based on IFRS for comparison.

*2: The export business of Sapporo International Inc. has been transferred to Sapporo Breweries Ltd. effective January 1, 2018. Accordingly, the business was previously included in the International Business segment, but has been included in the Japanese Alcoholic Beverages segment. The consolidated financial statements for fiscal 2017 have been adjusted retroactively to reflect these changes. (Revenue: 2.6 billions of yen, Operating profit: 0.4 billions of yen)

*3: Profit from operations before non-recurring items is calculated as Revenue – Cost of sales – SG&A expenses.

*4: EBITDA=Profit from operations before non-recurring items+ Depreciation and amortization (excluding depreciation expense on leased assets which is charged on the rent of restaurants)

Condensed Consolidated Statements of Cash Flows

	Year ended December 31, 2017	Year ending December 31, 2018 (Forecast)	Change	Change (%)
	IFRS	IFRS		
Cash flows from operating activities	33.8	37.5	3.7	11.0%
Cash flows from investing activities	(17.8)	(35.8)	(18.0)	-
Free Cash flows	16.0	1.7	(14.3)	(89.3)%

Sales Breakdown for Japanese Alcoholic Beverages

Sales (including liquor tax)

(billions of yen)

	Year ended December 31, 2017	Year ending December 31, 2018 (Forecast)	Change	Change (%)
	IFRS	IFRS		
Beer	171.0	174.7	3.7	2.2%
Happoshu	12.8	7.7	(5.1)	(39.5)%
New genre	46.7	52.6	5.9	12.7%
Subtotal	230.5	235.1	4.6	2.0%
Rebate subtracted from sales	(12.7)	-	-	-
Total	217.8	-	-	-

Sales (excluding liquor tax)

(billions of yen)

	Year ended December 31, 2017	Year ending December 31, 2018 (Forecast)	Change	Change (%)
	IFRS	IFRS		
Beer	84.6	86.8	2.2	2.6%
Happoshu	7.1	4.3	(2.8)	(39.5)%
New genre	32.3	36.4	4.1	12.7%
Subtotal	124.0	127.5	3.5	2.8%
Rebate subtracted from sales	(12.7)	-	-	-
Total	111.3	-	-	-

* Full year estimate for rebate subtracted from sales is not disclosed.

Consolidated Forecasts (Year ending December 31, 2018)

Breakdown of key income Changes

(billions of yen)

	Change factor	Year ended	Year ending	Change	Details
		December 31, 2017	December 31, 2018 (Forecast)		
		IFRS	IFRS		
Beer and related products		6.1	7.3	1.2	
Marginal profit	Subtotal			6.6	
	Increase (decrease) in volume / Product mix			3.7	Beer +1.3 Happoshu -1.6 New genre +3.1 Product mix +0.9
	Other			2.9	Non-Alcoholic Beer, RTD, Production costs, other factors
Fixed costs and other	Subtotal			(5.9)	
	Sales promotion costs			(3.3)	Sales commissions
	Facility cost			(0.5)	Depreciation and amortization, other factors
	Other			(2.1)	Personnel expenses, General and administrative expenses
Wine and spirits		3.1	2.7	(0.4)	
Other		1.2	1.1	(0.1)	
Adjustment of difference between J GAAP and IFRS		(0.3)	(0.7)	(0.3)	Non-recurring items
Japanese Alcoholic Beverages (*2)		10.1	10.5	0.4	
North America and other		1.3	2.7	1.4	
	Increase (decrease) in volume / Product mix			1.4	Increase in volume, Product mix
	Marketing costs			(0.2)	SLEEMAN BREWERIES LTD., SAPPORO USA.,INC.
	Other			0.1	
Vietnam		(1.3)	(0.5)	0.8	
	Increase (decrease) in volume / Product mix			0.5	
	Marketing costs			0.5	
	Other			(0.2)	
Adjustment of difference between J GAAP and IFRS		(2.6)	(0.9)	1.7	Non-recurring items
International (*2)		(2.8)	1.4	4.2	
Japanese Food & Soft Drinks		2.4	2.9	0.5	
	Increase (decrease) in volume / Product mix			1.2	Increase in volume, Product mix
	Production costs			(0.2)	Increase in cost of raw ingredients
	Marketing costs			(0.3)	
	Fixed costs and other			(0.6)	Personnel expenses, Logistics costs, General and administrative expenses etc.
Other		0.3	0.7	0.3	Vending machine operators, and other
Adjustment of difference between J GAAP and IFRS		(0.4)	0.1	0.4	Overseas Soft Drinks/ Domestic coffee shop chain
Food & Soft Drinks		2.4	3.6	1.2	
	Existing stores			0.1	
	New stores / Refurbished stores			0.1	
Adjustment of difference between J GAAP and IFRS		(0.7)	(0.2)	0.5	Non-recurring items
Restaurants		(0.5)	0.1	0.6	
	Rent			0.0	
	Sales/ Other factors			0.0	
Adjustment of difference between J GAAP and IFRS		(0.4)	(0.3)	0.1	Non-recurring items
Real Estate		10.3	10.5	0.2	
	Logistics business			0.0	
	Other			0.0	
Adjustment of difference between J GAAP and IFRS		(0.2)	0.0	0.2	
Other		(0.1)	0.1	0.2	
	General corporate			(0.5)	
Adjustment of difference between J GAAP and IFRS		(0.1)	(0.5)	(0.4)	Non-recurring items
General corporate and intercompany eliminations		(6.6)	(7.5)	(0.9)	
Operating profit		12.8	18.7	5.9	
	Financial income (expense) / Foreign exchange gains (losses)	(1.3)	(1.0)	0.3	
	Equity in income (losses) of affiliates	0.0	0.0	0.0	
Profit before tax		11.5	17.7	6.2	
Corporate tax, etc. / Profit (loss) attributable to non-controlling interests		(4.4)	(6.6)	(2.2)	
Profit attributable to owners of parent		7.2	11.1	3.9	

*1: The Company has voluntarily applied International Financial Reporting Standard (IFRS) from the first quarter of fiscal 2018. The data of the fiscal 2017 is also presented based on IFRS for comparison.

*2: The export business of Sapporo International Inc. has been transferred to Sapporo Breweries Ltd. effective January 1, 2018. Accordingly, the business was previously included in the International Business segment, but has been included in the Japanese Alcoholic Beverages segment. The consolidated financial statements for fiscal 2017 have been adjusted retroactively to reflect these changes. (Revenue: 2.6 billions of yen, Operating profit: 0.4 billions of yen)

	Year ended December 31, 2017	Year ending December 31, 2018 (Forecast)
Yen/US\$	112.17	110.00
Yen/CAN\$	86.47	88.00
Yen/EUR	126.70	128.00

Consolidated Forecasts (Year ending December 31, 2018)

Segment Information

(billions of yen)

Year ended December 31, 2017 IFRS	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Revenue	261.6	78.5	132.1	28.6	23.9	11.8	-	536.6
Operating profit	10.1	(2.8)	2.4	(0.5)	10.3	(0.1)	(6.6)	12.8
Sales promotion costs (*3)								
Sales incentives and commissions	4.8	0.2	10.4	0.0	0.0	0.1	(0.0)	15.5
Advertising and promotion expenses	13.5	1.1	3.9	1.1	0.6	0.0	(0.0)	20.2
Promotion items	4.4	3.3	0.1	0.0	0.0	0.0	(0.1)	7.6
<For reference> Profit from operations before non-recurring items (*4)	10.4	(0.2)	2.9	0.2	10.7	0.0	(6.5)	17.4
Depreciation and amortization	8.8	3.2	5.7	0.7	4.9	0.1	2.0	25.4
EBITDA (*5)	19.1	3.0	8.6	0.9	15.6	0.1	(4.4)	42.8
Capital expenditures (cash basis)	2.7	3.7	2.7	1.0	2.7	0.2	2.2	15.3
Payment of lease obligations	0.0	0.1	2.8	0.0	0.0	0.0	0.0	3.0

Year ending December, 31, 2018 (Forecast) IFRS	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Revenue	272.5	81.9	135.6	28.8	24.9	12.1	-	555.8
Operating profit	10.5	1.4	3.6	0.1	10.5	0.1	(7.5)	18.7
<For reference> Profit from operations before non-recurring items (*4)	11.2	2.3	3.5	0.3	10.8	0.1	(7.0)	21.2
Depreciation and amortization	7.7	3.8	5.3	0.7	4.8	0.1	2.0	24.4
EBITDA (*5)	18.9	6.1	8.8	1.0	15.6	0.2	(5.0)	45.6
Capital expenditures (cash basis)	8.3	4.4	2.8	1.2	12.6	0.5	2.0	31.8
Payment of lease obligations	0.3	0.0	3.5	0.0	0.0	0.0	0.0	3.8

Change	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Revenue	10.9	3.4	3.5	0.2	1.0	0.3	-	19.2
Operating profit	0.4	4.2	1.2	0.6	0.2	0.2	(0.9)	5.9
<For reference> Profit from operations before non-recurring items (*4)	0.8	2.5	0.6	0.1	0.1	0.1	(0.5)	3.8
Depreciation and amortization	(1.1)	0.6	(0.4)	0.0	(0.1)	(0.0)	(0.0)	(1.0)
EBITDA (*5)	(0.3)	3.1	0.2	0.2	0.0	0.1	(0.5)	2.8
Capital expenditures (cash basis)	5.6	0.7	0.1	0.1	9.9	0.3	(0.2)	16.5
Payment of lease obligations	0.3	(0.1)	0.6	0.0	0.0	0.0	(0.0)	0.8

*1: The Company has voluntarily applied International Financial Reporting Standard (IFRS) from the first quarter of fiscal 2018. The data of the fiscal 2017 is also presented based on IFRS for comparison.

*2: The export business of Sapporo International Inc. has been transferred to Sapporo Breweries Ltd. effective January 1, 2018.

Accordingly, the business was previously included in the International Business segment, but has been included in the Japanese Alcoholic Beverages segment.

The consolidated financial statements for fiscal 2017 have been adjusted retroactively to reflect these changes.

(Revenue: 2.6 billions of yen, Operating profit: 0.4 billions of yen)

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

*4: Profit from operations before non-recurring items is calculated as Revenue – Cost of sales – SG&A expenses.

*5: EBITDA=Profit from operations before non-recurring items+ Depreciation and amortization (excluding depreciation expense on leased assets which is charged on the rent of restaurants)

【Reference】 Statements of Income for the First Quarter of FY2017

Condensed Consolidated Statements of Income

(billions of yen)

	Three months ended		Change	Main factor of change
	March 31, 2017 (*1)			
	(JGAAP)	(IFRS)		
Japanese Alcoholic Beverages (*2)	55.0	50.8	(4.2)	Rebate subtracted from revenue -4.3
International Business (*2)	16.1	18.4	2.4	Change in price to include liquor tax + 2.4
Food & Soft Drinks	31.6	30.4	(1.2)	Rebate subtracted from revenue -1.2
Restaurants	6.5	6.3	(0.1)	Rebate subtracted from revenue -0.1
Real Estate	5.9	5.9	(0.0)	
Other	2.8	2.8	0.0	
Revenue	117.8	114.6	(3.2)	
Japanese Alcoholic Beverages (*2)	(1.8)	(2.3)	(0.4)	Depreciation and amortization -0.3, Retirement benefit expense -0.2
International Business (*2)	(0.4)	(0.0)	0.4	Non-amortization of goodwill + 0.4 Depreciation and amortization -0.1
Food & Soft Drinks	(0.6)	(0.3)	0.3	Non-amortization of goodwill + 0.5, Presentation reclassification -0.2
Restaurants	(0.3)	(0.5)	(0.3)	Real-estate tax -0.1, Depreciation and amortization -0.0 Presentation reclassification -0.1
Real Estate	2.9	1.0	(2.0)	Real-estate tax -1.6, Depreciation and amortization -0.1 Presentation reclassification -0.2
Other	(0.1)	(0.1)	(0.0)	Presentation reclassification -0.0
General corporate and intercompany eliminations	(1.1)	(1.3)	(0.2)	Retirement benefit expense -0.2 Presentation reclassification -0.0
Operating profit	(1.5)	(3.7)	(2.2)	Real-estate tax -2.0
Financial income (expense) / Foreign exchange gains (losses)	(0.5)	(0.6)	(0.1)	
Equity in net income (loss) of affiliates	0.0	0.0	(0.0)	
Non-Operating income (expenses) Extraordinary gains (losses)	(0.4)	-	0.4	Reclassified to non-recurring items
Profit before tax	(2.4)	(4.2)	(1.9)	
Income taxes	(0.1)	(0.9)	(0.8)	
Profit (loss) attributable to non-controlling interests	0.0	(0.0)	(0.0)	
Profit attribute to owners of parent	(2.3)	(3.4)	(1.1)	

< For reference >

Profit from operations before non-recurring items (*3)	(1.5)	(3.2)	(1.8)	
Profit from operations before non-recurring items (after subtracting levies) (*4)	(1.5)	(1.3)	0.2	
EBITDA (*5)	5.3	4.0	(1.3)	

*1. The Company has voluntarily applied International Financial Reporting Standards (IFRS) from the first quarter of fiscal 2018. The data of the fiscal 2017 is also presented based on IFRS for comparison.

*2. The export business of Sapporo International Inc. has been transferred to Sapporo Breweries Ltd. effective January 1, 2018.

Accordingly, the business was previously included in the International Business segment, but has been included in the Japanese Alcoholic Beverages segment. The consolidated financial statements for fiscal 2017 have been adjusted retroactively to reflect these changes. (Revenue: 2.6 billion yen, Operating profit: 0.4 billion yen)

*3. Profit from operations before non-recurring items = Revenue - Cost of sales - SG&A expenses

*4. Profit from operations before non-recurring items (after subtracting levies) represents profit from operations after subtracting of levies which are adjusted based on the time of recognition.

Under IFRS, levies including real-estate tax are expensed in full (excluding inventories) on January 1.

*5. Under JGAAP, EBITDA = Profit from operations before non-recurring items + Depreciation and amortization + Amortization of goodwill
Under IFRS, EBITDA = Profit from operations before non-recurring items + Depreciation and amortization
(excluding depreciation expense on leased assets which is charged on the rent of restaurants)

【Reference】 Statements of Income for FY2017

Condensed Consolidated Statements of Income

(billions of yen)

	Year ended		Change	Main factor of change
	December 31, 2017 (*1)			
	(JGAAP)	(IFRS)		
Japanese Alcoholic Beverages(*2)	281.4	261.6	(19.8)	Rebate subtracted form revenue -19.8
International Business (*2)	67.1	78.5	11.3	Change in price to include liquor tax + 11.5
Food & Soft Drinks	137.9	132.1	(5.8)	Rebate subtracted form revenue -5.8
Restaurants	29.1	28.6	(0.5)	Rebate subtracted form revenue -0.5
Real Estate	24.1	23.9	(0.2)	
Other	11.8	11.8	0.0	
Revenue	551.5	536.6	(15.0)	
Japanese Alcoholic Beverages(*2)	12.2	10.1	(2.2)	Depreciation and amortization -1.1, Retirement benefit expense -0.6
International Business (*2)	(1.7)	(2.8)	(1.1)	Non-amortization of goodwill + 1.7 Presentation reclassification -2.6
Food & Soft Drinks	0.6	2.4	1.9	Non-amortization of goodwill + 2.1 Presentation reclassification -0.4
Restaurants	0.3	(0.5)	(0.8)	Depreciation and amortization -0.1 Presentation reclassification -0.7
Real Estate	11.3	10.3	(1.0)	Depreciation and amortization -0.5 Presentation reclassification -0.4
Other	0.1	(0.1)	(0.2)	Presentation reclassification -0.2
General corporate and intercompany eliminations	(5.7)	(6.6)	(0.8)	Retirement benefit expense -0.7 Presentation reclassification -0.1
Operating profit	17.0	12.8	(4.2)	
Financial income (expense) / Foreign exchange gains (losses)	(0.7)	(1.3)	(0.6)	
Equity in net income (loss) of affiliates	0.0	0.0	(0.0)	
Non-Operating income (expenses) Extraordinary gains (losses)	1.4	-	(1.4)	Reclassified to non-recurring items
Profit before tax	17.8	11.5	(6.3)	
Income tax expense	8.2	5.2	(3.0)	
Profit(loss) attributable to non-controlling interests	(1.4)	(0.8)	0.5	
Profit attribute to owners of parent	11.0	7.2	(3.8)	

< For reference >

Profit from operations before non-recurring items (*3)	17.0	17.4	0.4	
EBITDA (*4)	44.6	42.8	(1.8)	

*1. The Company has voluntarily applied International Financial Reporting Standards (IFRS) from the first quarter of fiscal 2018.

The data of the fiscal 2017 is also presented based on IFRS for comparison.

*2. The export business of Sapporo International Inc. has been transferred to Sapporo Breweries Ltd. effective January 1, 2018.

Accordingly, the business was previously included in the International Business segment, but has been included in the Japanese Alcoholic Beverages segment.

The consolidated financial statements for fiscal 2017 have been adjusted retroactively to reflect these changes. (Revenue: 2.6 billion yen, Operating profit: 0.4 billion yen)

*3. Profit from operations before non-recurring items = Revenue - Cost of sales - SG&A expenses

*4. Under JGAAP, EBITDA = Profit from operations before non-recurring items + Depreciation and amortization + Amortization of goodwill

Under IFRS, EBITDA = Profit from operations before non-recurring items + Depreciation and amortization

【Reference】 Balance Sheets as of December 31, 2017

Condensed Consolidated Statements of Financial Position

(billions of yen)

	December 31, 2017 (*)		Change	Main factor of change
	(JGAAP)	(IFRS)		
Current assets	168.9	164.8	(4.1)	
Cash and cash equivalents	12.7	12.5	(0.2)	
Trade and other receivables	98.6	98.3	(0.3)	
Inventories	38.3	37.9	(0.4)	
Other	19.2	16.0	(3.2)	Transfer of deferred tax assets to non-current category
Non-current assets	461.8	500.0	38.2	
Fixed assets	357.3	164.7	(192.7)	Revision of amortization method, application of deemed cost, increase in leased assets and transfer to investment property
Investment property	-	219.7	219.7	
Goodwill	26.9	24.9	(2.0)	Non-amortization of goodwill/ Goodwill arising from additional acquisition of non-controlling interests after obtaining control was accounted for as capital surplus.
Other	77.5	90.7	13.2	Unlisted shares measured at fair value and increase in deferred tax assets
Total assets	630.6	664.7	34.1	
Current liabilities	220.2	228.8	8.6	
Trade and other payables	36.5	36.5	(0.0)	
Short-term financial liabilities	80.0	80.7	0.8	Hedge transactions were included in the amounts of assets and liabilities
Other	103.7	111.6	7.9	Increase in lease liabilities and obligation for employees' compensated absences
Non-current liabilities	232.8	260.2	27.4	
Long-term financial liabilities	153.6	153.2	(0.5)	Hedge transactions were included in the amounts of assets and liabilities
Net defined benefit liability	5.5	6.3	0.8	
Other	73.7	100.7	27.1	Increase in lease liabilities and deferred tax liabilities
Total liabilities	453.0	489.0	36.1	
Equity attributable to owners of parent	173.5	172.1	(1.4)	Decrease in retained earnings mainly due to IFRS first time adoption
Equity attributable to non-controlling interests	4.2	3.7	(0.5)	
Total equity	177.7	175.7	(2.0)	
Total liabilities and equity	630.6	664.7	34.1	

Financial Liabilities by Segment

(billions of yen)

	December 31, 2017 (*)		Change	Main factor of change
	(JGAAP)	(IFRS)		
Japanese Alcoholic Beverages	30.2	30.2	0.0	
International Business	29.3	29.3	0.0	
Food & Soft Drinks	5.9	5.9	0.0	
Restaurants	0.3	0.3	0.0	
Real Estate	130.0	130.0	0.0	
Other	3.0	3.0	0.0	
Corporate and eliminations	34.8	35.1	0.3	Hedge transactions were included in the amounts of assets and liabilities
Total	233.6	233.9	0.3	

* The Company has voluntarily applied International Financial Reporting Standards (IFRS) from the first quarter of fiscal 2018. The data of the fiscal 2017 is also presented based on IFRS for comparison.