Financial Results
for the three months ended March 31, 2019 — Consolidated
(Based on IFRS)

May 9, 2019

Company name	**Sapporo Holdings Limited**
Security code	2501
Listed on	Tokyo Stock Exchange (First Section); Sapporo Securities Exchange
URL	http://www.sapporoholdings.jp/english/
Representative	Masaki Oga, President and Representative Director
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Scheduled dates:

Filing of quarterly financial report	May 14, 2019
Commencement of dividend payments	-
Supplementary information to the quarterly earnings results	Available
Quarterly earnings results briefing held	Yes (mainly targeted at institutional investors and analysts)

1. Consolidated Financial Results for three months ended March 31, 2019 (January 1 – March 31, 2019)

(Amounts in million yen rounded to the nearest million yen)

(1) Operating Results

(Percentage figures represent year-over-year changes)

	Revenue		Operating profit		Profit before tax		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended March 31, 2019	108,806	(2.3)	(4,244)	_	(4,684)	_	(3,782)	_
Three months ended March 31, 2018	111,342	(2.8)	(5,505)	_	(6,053)	_	(4,449)	_

	Profit attribute to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	million yen	%	million yen	%	Yen	Yen
Three months ended March 31, 2019	(3,590)	_	5,167	_	(46.09)	(46.09)
Three months ended March 31, 2018	(4,286)	_	(12,877)	_	(55.03)	(55.01)

(2) Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	million yen	million yen	million yen	%
Three months ended March 31, 2019	625,530	166,303	163,484	26.1
December 31, 2018	639,692	164,735	161,501	25.2

2. Dividends

	Dividend per share				
Record date or period	End Q1	End Q2	End Q3	Year-end	Full year
	yen	yen	yen	yen	yen
Year ended December 31, 2018	—	0.00	—	42.00	42.00
Year ended December 31, 2019	—				
Year ending December 31, 2019 (forecast)		0.00	—	42.00	42.00

Note: Changes were made to dividends forecasts in the three months ended March 31, 2019: None

3. Forecast of Consolidated Earnings for the Year Ending December 31, 2019 (January 1 – December 31, 2019)

(Percentage figures represent year-over-year changes)

	Revenue		Operating profit		Profit before tax		Profit attribute to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	Yen
Year ending December 31, 2019	548,800	5.2	12,600	16.4	11,300	19.0	8,700	2.1	111.70

Note: Changes were made to earnings forecasts in the three months ended March 31, 2019: None

Earnings forecasts for the six months ending June 30, 2019 are omitted because the company manages performance targets on a yearly basis.

4. Other

(1) Changes to scope of consolidation: Yes

*Changes affecting the status of significant subsidiaries (scope of consolidation)

Newly consolidated: - Newly excluded: Sapporo International Inc.

(Note)

Sapporo International Inc. was dissolved in an absorption-type merger with Sapporo Breweries LTD. on January 1, 2019.

(2) Changes in accounting policy, changes in accounting estimates, and retrospective restatement

1) Changes in accounting policies required by IFRS: None
2) Changes other than 1) above: None
3) Changes in accounting estimates: None

(3) Number of shares issued and outstanding (common stock)

1) Number of shares issued at end of period (treasury stock included):
March 31, 2019: 78,794,298 shares
December 31, 2018: 78,794,298 shares

2) Number of shares held in treasury at end of period:
March 31, 2019: 908,507 shares
December 31, 2018: 907,931 shares

3) Average number of outstanding share during the period:
Three months ended March 31, 2019: 77,885,982 shares
Three months ended March 31, 2018: 77,891,842 shares

*Quarterly review status

The quarterly financial results are not subject to quarterly reviews pursuant to the Financial Instruments and Exchange Act.

Appropriate Use of Earnings Forecasts and Other Important Information

This document contains projections and other forward-looking statements based on information available to the Company as of the date of this document. Actual results may differ from those expressed or implied by forward-looking statements due to various factors.

1. Analysis of Operating Results and Financial Condition

(1) Operating Results

In the first quarter of 2019 (January 1 – March 31, 2019), the Japanese economy lacked vigor due to the pause in the ongoing recovery trend as well as weakness in overseas economies.

In this environment, the Sapporo Group recorded a year-on-year decline in first-quarter consolidated sales, as favorable sales performances by the Alcoholic Beverages segment's Sapporo Draft Beer Black Label, RTD offerings, and the Sapporo brand in North America were offset by a year-on-year decline in shipments of happoshu and new-genre beers, as well as weak sales in Japan in the Food & Soft Drinks segment.

The Group's operating loss contracted in the first quarter, due to expense controls in alcoholic beverages in Japan and Asia, the posting of gains on the sale of real estate, and other factors.

As a result, in the first quarter of 2019, consolidated revenues totaled ¥108.8 billion (down ¥2.5 billion, or 2% year on year), the operating loss was ¥4.2 billion (compared with an operating loss of ¥5.5 billion in the first quarter of the previous fiscal year), and the net loss attributable to owners of the parent came to ¥3.6 billion (compared with a net loss of ¥4.3 billion a year earlier).

Results by segment are outlined below. From this year, in order to further strengthen management oversight of each business, the five reportable segments used up until now have been reorganized into three reportable segments. To enable year-on-year comparisons, figures for the previous fiscal year have been adjusted to reflect the new reportable segments.

Seasonal Factors

The Group's operating results are affected by substantial seasonal variation in demand for the Alcoholic Beverages and the Food & Soft Drinks businesses. Revenues consequently tend to be lower in the first quarter than in the other three quarters.

Alcoholic Beverages

(Japan & Asia)

We estimate that total domestic demand for beer and beer-type beverages in the first quarter of 2019 was slightly lower than the level seen in the first quarter of 2018.

In this environment, Sapporo Breweries continued its efforts to realize our corporate vision—"Seek to be No.1 by accumulating one-of-a-kind products"—as it strived to achieve further growth by constantly providing customers with a unique value proposal.

Among beer products, based on the of the "beer revival declaration" business policy, Sapporo Draft Beer Black Label canned products continued to enjoy strong sales, while for the Yebisu brand, the new Yebisu Premium Ale was well received, and shipments of canned beer products increased. However, due to the impact of last April's price revisions for products in returnable containers in the commercial market, as well as the increasingly intense competition in the new-genre market and other factors, overall shipments of our beer and beer-type beverages were 9% lower than in the first quarter of 2018.

In the RTD*1 category, revenue increased significantly over the previous year's level, as Sapporo Chuhai 99.99 (Four Nines) has continued to be well received since its launch in August 2018, and has become a core RTD product along the likes of Otoko Ume Sour, Ai no Skal White Sour, and Kireto Lemon Sour.

In the wine category, we continued to strengthen marketing of our fine wines*2, including the imported wine Penfolds, Tattinger champagne, and our domestic Grande Polaire wines. However, weak sales of our everyday wines*2 led to a year-on-year decline in revenue for the wine category as a whole.

Our spirits business achieved year-on-year growth in revenue, led by strong sales of products from major overseas brands, such as Bacardi and Dewar's.

Our Japanese liquor business posted a year-on-year decline in revenue, despite the strong performance by Imo Shochu Kokuimo, Japan's best-selling*3 blended imo shochu.

In Asia, in the Vietnam market we continued our efforts to establish sales channels that will enable us to sustain profit growth.

(North America)

We estimate that total demand in the North American beer market in the first quarter of 2019 was below the previous-year levels in both the U.S. and Canada, partially due to the impact of the record cold snap. In this environment, our North American business worked to strengthen the mainstay brands, primarily the premium beer brands, and enhance the portfolio for each brand.

In Canada, our subsidiary SLEEMAN BREWERIES continued to invest in the marketing of its core premium brands, but the dip in total demand due to the inclement weather resulted in overall beer sales volume (excluding Sapporo brand beer) falling slightly on a year-over-year basis.

In the U.S. beer market, Sapporo USA's shipments of Sapporo brand beers increased significantly year on year due to the company's sales promotion activities for Sapporo brands targeting the general population as well as Asian Americans. Meanwhile, Anchor Brewing Company worked to bolster sales synergies with Sapporo USA amid the challenging business environment created by the continued decline in demand for craft beer in its home market in the San Francisco area.

(Restaurants)

Japan's restaurant industry continued to see year-on-year growth in revenue as a whole in the first quarter of 2019, supported by relatively calm weather conditions. However, the operating environment remained challenging, highlighted by rising labor costs due to the shortage of labor and increasing food material procurement prices.

In this environment, based on the philosophy of "Enhancing the Joy of Living," Sapporo Lion worked to deliver safe and sound food and service to customers while also striving to create restaurants that "deliver 100% satisfaction to customers."

In Japan, existing stores performed well, posting a year-on-year increase in revenue for the third consecutive month. We opened the third Sobaemon format restaurant in March in Kawasaki, and it has won rave reviews from local customers and is performing well. In terms of renovating restaurants, we changed the format of the Shinjuku outlet in January and reopened it as Kakoiya. Meanwhile, we closed eight restaurants during the first quarter due to the expiration of contracts, unprofitability, and other factors. As a result, our domestic restaurant business had 188 outlets open for business at the end of March. Going forward, we will continue to aggressively expand our restaurant chains, opening new stores, remodeling existing stores, and changing formats when and where desirable.

In Singapore, we continue to promote the spread of beer hall culture.

As a result, revenues in the Alcoholic Beverages segment in the first quarter of 2019 were ¥65.0 billion, down ¥2.7 billion, or 4% year on year, while the segment posted an operating loss of ¥3.1 billion, compared with a loss of ¥3.9 billion a year earlier.

*1) RTD, or ready-to-drink beverages, are already-mixed, low-alcohol content cocktail-like beverages that can be consumed as is immediately after opening.

*2) Fine wines are wines priced in the mid-to-high price range of ¥1,500 or more per bottle, while everyday wines are those priced at less than ¥1,500 per bottle.

*3) Based on Intage SRI market research on combined blended imo shochu sales in the supermarket, convenience store, and direct sales channels from July 2017 to February 2019.

Food & Soft Drinks

（Japan & Asia）

We estimate that overall demand for soft drinks in Japan declined by 1% year on year in the first quarter of 2019. In this market environment, POKKA SAPPORO leveraged the strengths of each brand lineup and continued to provide customers with value unique to the Sapporo Group.

In the domestic soft drinks business, we worked to develop unique products, including unifying the strong-performing series of sugar-free teas made from domestic tea leaves into the new concept of "TOCHI & CRAFT," and launching the new product Date Oishii Mugicha. However, overall shipments of soft drinks fell year on year, reflecting a decline in sales of our coffee drinks in a weak market for canned coffees.

In the domestic food business, sales of unique products, including the Karao soup series which use Sichuan pepper, increased, but sales overall were lackluster due to the impact of the mild winter. During spring and summer seasons, an advertisement image character was used for Risorante as well as the core brand Jikkuri Kotokoto soups, and we otherwise proactively engaged in activities to increase product recognition. Shipments of lemon-based food products increased 19% year on year, with growth driven by product development using our lemon value, which is our strength, centered on our core Pokka Lemon 100, as well as the Lemon kajū o hakkō sasete tsukutta lemon no su series, a lemon vinegar made from fermented lemon juice, and Lemon no Okage Ureshio, which received Karushioh (low salt content) certification as a product that is delicious with reduced salt content. In the soy beans and chilled products category, in March we completed construction of a soymilk yogurt manufacturing facility to further expand the business.

In the domestic restaurants business, Pokka Create, the POKKA SAPPORO subsidiary that operates the Café de Crié coffee shop chain, sustained its efforts to boost sales by updating its menu with seasonal and trendy dishes, but sales fell slightly year on year.

In our overseas soft drinks business, although the export business from Singapore was a little weak, sales remained strong in Singapore where we maintained our top share* in the country's tea drinks market, including a 70% share of the green tea market.

（**North America**）

In the U.S. soft drinks market, the business environment remained challenging due to the decline in demand for juices in conjunction with rising health-consciousness among consumers. Amid this environment, a management integration of Country Pure Foods and Silver Springs Citrus was carried out in the previous fiscal year, and efforts were made to improve profitability. As a result, total revenue of the two companies increased year on year.

Overall, the Food & Soft Drinks segment's revenues came to ¥36.3 billion (the same as one year earlier), while the segment posted an operating loss of ¥2.4 billion (compared with a loss of ¥1.2 billion in the same period of the previous fiscal year).

*Based on data from Nielsen Singapore MarketTrack October 2018 (Copyright 2018, The Nielsen Company)

Real Estate

Japan's real estate industry remains concerned about a sharp increase in supply of new office space negatively affecting conditions in the Greater Tokyo office leasing market, but for now vacancy rates remain low as strong corporate earnings support demand for office space. As a result, rents remain on a moderate upward trend.

In this environment, our real estate leasing business is maintaining high occupancy rates at its properties in the Greater Tokyo Area, including Yebisu Garden Place Tower, the business's core source of earnings. In addition, the high occupancy rates provide a solid platform for more assertive efforts to increase rents of existing tenants.

Meanwhile, we continue to enhance the asset value of our Yebisu Garden Place commercial complex—a landmark in the stylish and sophisticated Ebisu district of Tokyo—through constant efforts to provide tenants and visitors with enjoyable experiences in comfortable and pleasant surroundings that raise convenience levels and strengthen the property's brand appeal.

At the GINZA PLACE commercial complex, we continue to enhance the facility's information dissemination capability in line with its original concept as a "base for information dissemination and exchange." In addition to enhancing the property's brand value, this effort is increasing the property's drawing power and making the Ginza district an even more dynamic and bustling urban center.

The real estate development business is proceeding with the renovation of the Sapporo Factory commercial complex as part of the Sapporo City's urban redevelopment program focused on the area on the east side of the Sosei River.

To further enhance the value of our real estate business as a whole, we will continue to carry out a strategic restructuring of our property portfolio and pursue urban redevelopment based on a long-term perspective.

As a result of the efforts outlined above, our Real Estate business revenues in the first quarter of 2019 totaled ¥6.1 billion, up ¥0.1 billion, or 1% year on year, while operating profit was ¥3.0 billion, up ¥1.9 billion, or 174% year on year.

(2) Consolidated Financial Condition

Consolidated assets as of March 31, 2019, totaled ¥625.5 billion, ¥14.2 billion less than at the end of the previous fiscal year (December 31, 2018). The decline was mainly due to the decrease in trade and other receivables, which more than offset an increase in other financial assets (non-current).

Consolidated total liabilities totaled ¥459.2 billion, which was ¥15.7 billion less than on December 31, 2018, primarily owing to the decrease in other current liabilities, which helped to offset the increase in bonds and borrowings (current).

Consolidated total equity totaled ¥166.3billion, up ¥1.6 billion from December 31, 2018. This increase was due to the rise in other components of equity, despite the posting of a net loss attributable to owners of parent, the payment of year-end dividends, and other factors.

(3) Consolidated Earnings Forecast

The consolidated earnings forecast for the full fiscal year ending December 31, 2019, is unchanged from the forecast announced by Sapporo Holdings on February 13, 2019.

3. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

(millions of yen)

	December 31, 2018	March 31, 2019
	Amount	Amount
Assets		
I Current assets		
1 Cash and cash equivalents	9,989	12,277
2 Trade and other receivables	93,340	72,165
3 Inventories	37,109	42,498
4 Other financial assets	4,790	3,877
5 Other current assets	8,316	10,555
Total current assets	153,544	141,372
II Non-current assets		
1 Property, plant and equipment	152,676	153,486
2 Investment property	215,522	209,451
3 Goodwill	21,229	21,246
4 Intangible assets	12,056	11,919
5 Investments accounted for using equity method	410	413
6 Other financial assets	70,205	77,115
7 Other non-current assets	8,526	7,648
8 Deferred tax assets	5,523	2,881
Total non-current assets	486,148	484,158
Total assets	639,692	625,530

	December 31, 2018	March 31, 2019
	Amount	Amount
Liabilities and equity		
Liabilities		
I Current liabilities		
1 Trade and other payables	35,292	34,536
2 Bonds and borrowings	73,863	83,777
3 Lease liabilities	6,743	6,165
4 Income tax payable	1,527	591
5 Other financial liabilities	33,905	36,250
6 Other current liabilities	63,260	51,763
Total current liabilities	214,591	213,082
II Non-current liabilities		
1 Bonds and borrowings	154,483	146,013
2 Lease liabilities	24,495	24,153
3 Other financial liabilities	45,733	45,958
4 Net defined benefit liabilities	11,715	6,175
5 Other non-current liabilities	2,991	2,936
6 Deferred tax liabilities	20,950	20,910
Total non-current liabilities	260,367	246,145
Total liabilities	474,957	459,227
Equity		
1 Share capital	53,887	53,887
2 Capital surplus	40,998	40,998
3 Treasury shares	(1,822)	(1,823)
4 Retained earnings	46,065	43,293
5 Other components of equity	22,373	27,129
Total equity attributable to owners of parent	161,501	163,484
Non-controlling interests	3,234	2,819
Total equity	164,735	166,303
Total liabilities and equity	639,692	625,530

(2) Consolidated Statement of Profit or Loss and Comprehensive Income

Consolidated Statement of Profit or Loss (millions of yen)

	Three months ended March 31, 2018	Three months ended March 31, 2019
	Amount	Amount
Revenue	111,342	108,806
Cost of sales	80,496	79,326
Gross profit	30,846	29,480
Selling, general and administrative expenses	35,882	35,348
Other operating income	307	2,731
Other operating expenses	777	1,105
Operating profit (loss)	(5,505)	(4,244)
Financial income	201	194
Financial costs	752	637
Share of profit of investments accounted for using equity method	3	3
Profit (loss) before tax	(6,053)	(4,684)
Income tax expense	(1,604)	(902)
Profit (loss)	(4,449)	(3,782)
Profit (loss) attributable to		
Owners of parent	(4,286)	(3,590)
Non-controlling interests	(162)	(193)
Total	(4,449)	(3,782)
Basic earnings per share (JPY)	(55.03)	(46.09)
Diluted earnings per share(JPY)	(55.01)	(46.09)

Consolidated Statement of Comprehensive Income

	Three months ended March 31, 2018	Three months ended March 31, 2019
	Amount	Amount
Profit (loss)	(4,449)	(3,782)
Other comprehensive income		
Items that will not be reclassified to profit		
Financial assets measured at fair value through other comprehensive income	(4,263)	4,216
Remeasurements of defined benefit plans	(1,083)	4,087
Total of items that will not be reclassified to profit	(5,346)	8,304
Items that might be reclassified to profit		
Exchange differences on translation of foreign operations	(3,171)	641
Effective portion of gains and losses on fair value of cash flow hedges	88	5
Total of items that might be reclassified to profit	(3,083)	645
Other comprehensive income, net of taxes	(8,429)	8,949
Comprehensive income	(12,877)	5,167
Comprehensive income attributable to		
Owners of parent	(12,472)	5,262
Non-controlling interests	(405)	(95)
Comprehensive income	(12,877)	5,167

(3) Consolidated Statements of Changes in Equity

(millions of yen)

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Exchange differences on translation of foreign operations	Effective portion of gains and losses on fair value of cash flow hedges
Balance as of January 1, 2018	53,887	40,825	(1,807)	44,491	1,137	(191)
Profit				(4,286)		
Other comprehensive income, net of taxes				-	(2,916)	76
Total comprehensive income	-	-	-	(4,286)	(2,916)	76
Purchase of treasury shares			(3)			
Disposal of treasury shares						
Dividends				(3,122)		
Transfer from other components of equity to retained earnings				(1,071)		
Total transactions with owners	-	-	(3)	(4,193)	-	-
Balance as of March 31, 2018	53,887	40,825	(1,809)	36,012	(1,778)	(115)

	Other components of equity			Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total other components of equity			
Balance as of January 1, 2018	33,712	-	34,659	172,055	3,655	175,710
Profit			-	(4,286)	(162)	(4,449)
Other comprehensive income, net of taxes	(4,263)	(1,083)	(8,185)	(8,185)	(243)	(8,429)
Total comprehensive income	(4,263)	(1,083)	(8,185)	(12,472)	(405)	(12,877)
Purchase of treasury shares			-	(3)	-	(3)
Disposal of treasury shares			-	-	-	-
Dividends			-	(3,122)	-	(3,122)
Transfer from other components of equity to retained earnings	(12)	1,083	1,071	-	-	-
Total transactions with owners	(12)	1,083	1,071	(3,125)	-	(3,125)
Balance as of March 31, 2018	29,437	-	27,545	156,458	3,250	159,709

(millions of yen)

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity: Exchange differences on translation of foreign operations	Other components of equity: Effective portion of gains and losses on fair value of cash flow hedges
Balance as of January 1, 2019	53,887	40,998	(1,822)	46,065	(1,485)	(188)
Profit				(3,590)		
Other comprehensive income, net of taxes	-	-	-	-	545	3
Total comprehensive income	-	-	-	(3,590)	545	3
Purchase of treasury shares			(2)			
Disposal of treasury shares		0	0			
Dividends				(3,277)		
Disposal of subsidiaries						
Transfer from other components of equity to retained earnings				4,095	-	-
Total transactions with owners	-	0	(1)	818	-	-
Balance as of March 31, 2019	53,887	40,998	(1,823)	43,293	(940)	(185)

	Other components of equity: Financial assets measured at fair value through other comprehensive income	Other components of equity: Remeasurements of defined benefit plans	Other components of equity: Total other components of equity	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as of January 1, 2019	24,046	-	22,373	161,501	3,234	164,735
Profit			-	(3,590)	(193)	(3,782)
Other comprehensive income, net of taxes	4,216	4,087	8,851	8,851	98	8,949
Total comprehensive income	4,216	4,087	8,851	5,262	(95)	5,167
Purchase of treasury shares			-	(2)	-	(2)
Disposal of treasury shares			-	0	-	0
Dividends			-	(3,277)	-	(3,277)
Disposal of subsidiaries					(320)	(320)
Transfer from other components of equity to retained earnings	(8)	(4,087)	(4,095)	-	-	-
Total transactions with owners	(8)	(4,087)	(4,095)	(3,279)	(320)	(3,599)
Balance as of March 31, 2019	28,254	-	27,129	163,484	2,819	166,303

(4)Notes on the Going-concern
Assumption Not applicable

(5)Segment Information
1. Overview of reportable segments
The Company's reportable segments are components of the Sapporo Group about which separate financial information is available. These segments are subject to periodic examinations to enable the Company's board of directors to decide how to allocate resources and assess performance.

Under the Company, which is a pure holding company, Group companies carry out business activities and formulate strategies for the products and services they offer and for the sales markets they cover.
The Group's businesses are segmented mainly based on the products, services and sales markets of Group companies and their affiliate companies. The Company's three reportable segments are Alcoholic Beverages, Food & Soft Drinks, and Real Estate.
The Alcoholic Beverages segment produces and sells alcoholic beverages and operates restaurants of various styles.
The Food & Soft Drinks segment produces and sells foods and soft drinks.
The Real Estate segment's activities include leasing and development of real estate.

Changes to Reportable Segments
Based on the revised management structure launched in January 2017 and in line with The First Medium-Term Management Plan of the Long-Term Management Vision SPEED150 announced in November 2016, the Company has determined to strategically reallocate managerial resources to promote continuous group growth, and to implement structural reforms and promote segment management in an effort to strengthen platform functions.
In the Company's efforts to maintain steady growth by growing and strengthening its brands, the five previous business segments have recently been reorganized into three new segments to better develop international operations as a core business by enhancing Company management. From the first quarter of 2019, the five previous business segments of Japanese Alcoholic Beverages, International, Food & Soft Drinks, Restaurants, and Real Estate have been reorganized into the three new segments of Alcoholic Beverages, Food & Soft Drinks, and Real Estate.
In conjunction with these changes, the former International segment was split and incorporated into the Alcoholic Beverages and Food & Soft Drinks segments, respectively. In addition, the former Restaurants segment has been incorporated into the Alcoholic Beverages segment, and the food business which was part of the former Other segment has been incorporated into the Food & Soft Drinks segment.
Segment information for the first quarter of 2019 has been prepared based on the new reportable segments following the changes.

2. Revenue, profit (or loss)

(millions of yen)

	Three months ended March 31, 2018 (January 1, 2018 – March 31, 2018)						
	Alcoholic Beverages	Food & Soft Drinks	Real Estate	Other *1	Total	Adjustment	Consolidated total
Revenue							
To outside customers	67,673	36,319	6,021	1,329	111,342	-	111,342
Inter-segment revenue	102	27	663	4,522	5,315	(5,315)	-
Total	67,776	36,346	6,683	5,852	116,657	(5,315)	111,342
Operating profit (loss)	(3,863)	(1,194)	1,101	(81)	(4,037)	(1,468)	(5,505)

(millions of yen)

	Three months ended March 31, 2019 (January 1, 2019 – March 31, 2019)						
	Alcoholic Beverages	Food & Soft Drinks	Real Estate	Other *1	Total	Adjustment	Consolidated total
Revenue							
To outside customers	65,021	36,346	6,086	1,354	108,806	-	108,806
Inter-segment revenue	104	28	664	4,527	5,323	(5,323)	-
Total	65,124	36,374	6,750	5,880	114,129	(5,323)	108,806
Operating profit (loss)	(3,139)	(2,408)	3,011	(133)	(2,670)	(1,574)	(4,244)

(1) "Other" comprises businesses, such as logistics businesses, that are not included in reportable segments.

Subsequent Events

(Borrowings)

On April 2, 2019, the Company borrowed long-term operating funds through a syndicated loan with the following terms.

(1) Contract Date	March 29, 2019	
(2) Disbursement Date	April 2, 2019	
(3) Arranger	Mizuho Bank, Ltd.	
(4) Agent	Mizuho Bank, Ltd.	
(5) Repayment Method	Lump-sum repayment at maturity	
(6) Amount Borrowed	5 billion yen	5 billion yen
(7) Repayment Date	March 31, 2026	March 30, 2029
(8) Applied Interest Rate	0.275%	0.35%
(9) Collateral	None	None