



Three months ended March 31, 2023

Consolidated First Quarter Earnings Report - Supplementary Information

Consolidated Results (Three months ended March 31, 2023)

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May 2023

SAPPORO HOLDINGS LTD.

Securities Code: 2501

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

1. Financial Highlights

Consolidated Financial Highlights

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

		Three months ended March 31, 2022	Three months ended March 31, 2023	Change	Change(%)
Revenue		93.2	108.8	15.5	16.6%
	(ref.) Excluding liquor tax	72.0	85.2	13.1	18.2%
Revenue growth rate		3.7%	16.6%	—	—
	(ref.) Excluding liquor tax	5.2%	18.2%	—	—
Overseas revenue		18.3	25.9	7.6	41.7%
Overseas revenue growth rate		22.5%	41.7%	—	—
Core operating profit (*1)		(6.4)	(2.9)	3.5	—
Core operating margin		(6.9%)	(2.7%)	—	—
Operating profit		(4.5)	(3.3)	1.2	—
Profit attributable to owners of parent		(4.0)	(3.6)	0.4	—
Total assets		590.3	620.5	30.2	5.1%
Total equity		160.1	163.0	2.9	1.8%
Balance of debt :Net (*2)		187.5	218.9	31.4	16.8%
Debt-to-equity ratio (times) :Net (*3)		1.2	1.3	—	—
Depreciation and amortization		5.0	5.0	(0.0)	(0.6%)
EBITDA (*4)		(1.4)	2.0	3.4	—
Exchange rates (Yen) (*9)	US\$	116.34	132.40	—	—
	CAN\$	91.84	97.93	—	—
	SG\$	86.01	99.37	—	—

		Year ended December 31, 2022	Year ending December 31, 2023 (Forecast)	Change	Change(%)
Revenue		478.4	490.0	11.6	2.4%
	(ref.) Excluding liquor tax	364.2	374.2	9.9	2.7%
Revenue growth rate		9.4%	2.4%	—	—
	(ref.) Excluding liquor tax	10.0%	2.7%	—	—
Overseas revenue		102.2	111.8	9.6	9.4%
Overseas revenue growth rate		37.2%	9.4%	—	—
Core operating profit (*1)		9.3	13.5	4.2	45.0%
Core operating margin		1.9%	2.8%	—	—
Operating profit		10.1	9.5	(0.6)	(6.0%)
Profit attributable to owners of parent		5.4	5.5	0.1	0.9%
Total assets		639.1			
Total equity		167.2			
Balance of debt :Net (*2)		226.5	246.2	19.6	8.7%
Debt-to-equity ratio (times) :Net (*3)		1.4	1.5	—	—
Depreciation and amortization		20.6	21.2	0.7	3.2%
EBITDA (*4)		29.9	34.7	4.8	16.2%
EBITDA interest-bearing debt ratio(times) (*5)		7.6	7.1	—	—
Capital expenditure	Cash basis	22.3	43.1	20.7	92.8%
R O E (%) (*6)		3.3%	3.3%	—	—
E P S (yen sen) (*7)		69.96	70.61	—	—
D O E (%) (*8)		2.0%	2.0%	—	—
Payout ratio (%)		60.0%	59.5%	—	—
Exchange rates (Yen) (*9)	US\$	131.64	125.00	—	—
	CAN\$	101.02	95.00	—	—
	SG\$	95.40	95.00	—	—

*1: Core operating profit is calculated as Revenue – Cost of sales – SG&A expenses.

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

*3: Balance of debt/Net(excluding lease liabilities) / Equity attributable to owners of parent

*4: EBITDA (IFRS)=Core operating profit + Depreciation and amortization
(excluding depreciation expense on leased assets which is charged on the rent of restaurants)

*5: Balance of debt/Net (excluding lease liabilities)/EBITDA

*6: Profit attributable to owners of parent/Equity attributable to owners of parent

*7: Profit attributable to owners of parent/Average number of shares during the period

*8: Dividend/Equity attributable to owners of parent(Average)

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

2. Major Sales and Sales Volume

Sales Volume:Beer (Japan)

(10,000 cases)

	Jan. 1 - Mar.31, 2022	Jan. 1 - Mar.31, 2023	YoY Change	YoY Change(%)
Sapporo Draft Beer Black Label (total)	—	—	—	25.2%
YEBISU (total)	—	—	—	2.5%
1 Beer (total)	—	—	—	21.7%
2 Happoshu (total)	—	—	—	(8.4%)
3 New genre beer products (total)	—	—	—	(17.1%)
Beer, happoshu, and new genre (total 1+2+3)	—	—	—	6.1%
RTD(*2)	295	305	10	3.4%
Non-alcoholic beer and low alcohol beer taste beverage	14	14	0	1.3%

*1:Following the agreement of the Brewers Association of Japan, there is no disclosure of the sales volume for the first quarter.

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

*2:Only canned products

Sales Volume:Beer (International)

(10,000 cases)

	Jan. 1 - Mar.31, 2022	Jan. 1 - Mar.31, 2023	YoY Change	YoY Change(%)
Overseas brand (SLEEMAN, Anchor, Stone, etc.)	265	349	84	31.8%
Sapporo brand	91	100	9	10.5%
North America	355	449	94	26.4%
Sapporo brand	54	69	15	27.2%
Other areas	54	69	15	27.2%
Total	410	518	109	26.5%

Sales:Beer (Japan) *including liquor tax

(billions of yen)

	Jan. 1 - Mar.31, 2022	Jan. 1 - Mar.31, 2023	YoY Change	YoY Change(%)
Beer	23.5	30.1	6.7	28.4%
Happoshu	1.3	1.2	(0.0)	(2.1%)
New genre	10.2	9.0	(1.2)	(11.4%)
Subtotal	34.9	40.4	5.5	15.7%
Rebate subtracted from sales(*2)	(1.9)	(2.2)	(0.3)	—
Total	33.0	38.1	5.1	15.6%

Sales:Alcoholic Beverage (Japan)

(billions of yen)

	Jan. 1 - Mar.31, 2022	Jan. 1 - Mar.31, 2023	YoY Change	YoY Change(%)
Domestic wines	0.8	0.8	0.1	7.5%
Imported wines	1.3	1.4	0.1	8.2%
Wine (total)	2.1	2.2	0.2	7.9%
Spirits and Shochu (total)	5.5	7.0	1.5	26.8%
RTD	5.2	5.8	0.6	12.3%
Subtotal	12.8	15.1	2.3	17.9%
Rebate subtracted from sales(*3)	(2.4)	(2.6)	(0.2)	—
Total	10.5	12.5	2.1	19.7%

Sales:Food & Soft Drinks (Japan) *3

(billions of yen)

	Jan. 1 - Mar.31, 2022	Jan. 1 - Mar.31, 2023	YoY Change	YoY Change(%)
Soft Drinks	12.4	12.1	(0.3)	(2.2%)
Food (Lemon · Soups · Plant milk)	7.4	7.4	(0.0)	(0.6%)

*3:Only domestic sales(Before Rebate subtracted from sales)

Sales:Food & Soft Drinks (Overseas) *4

	Jan. 1 - Mar.31, 2022	Jan. 1 - Mar.31, 2023	YoY Change	YoY Change(%)
Singapore(billions of SGD)	3.7	3.8	0.1	2.7%
Malaysia(billions of MYR)	1.8	2.0	0.3	14.4%
International(billions of SGD)	1.3	1.4	0.1	7.0%

*4:; Before sales deduction, exclude OEM sales

3. Consolidated Results (Three months ended March 31, 2023)

Consolidated Statements of Income

(billions of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023	Change	Change(%)
Alcoholic Beverages	60.6	76.6	16.0	26.5%
Japanese	46.1	54.0	7.9	17.2%
Overseas	12.1	18.3	6.2	51.1%
Restaurants	2.3	4.3	1.9	83.4%
Food & Soft Drinks	27.7	26.8	(0.9)	(3.1%)
Japanese	22.3	20.2	(2.1)	(9.4%)
Overseas	5.4	6.6	1.2	22.8%
Real Estate	5.0	5.3	0.4	7.1%
Other	0.0	0.0	0.0	7.0%
Revenue	93.2	108.8	15.5	16.6%
Alcoholic Beverages	(3.9)	(0.5)	3.4	—
Japanese	(2.8)	(0.2)	2.6	—
Overseas	(0.1)	(0.4)	(0.3)	—
Restaurants	(1.0)	0.1	1.1	—
Food & Soft Drinks	(1.0)	(0.3)	0.7	—
Japanese	(1.3)	(0.7)	0.6	—
Overseas	0.3	0.4	0.1	26.6%
Real Estate	0.1	(0.0)	(0.1)	—
Other · General corporate and intercompany eliminations	(1.6)	(2.1)	(0.5)	—
Core operating profit (*1)	(6.4)	(2.9)	3.5	—
Other operating income	2.5	0.2	(2.3)	(93.3%)
Other operating expense	0.6	0.5	(0.1)	(17.3%)
Operating profit	(4.5)	(3.3)	1.2	—
Financial income (expense)	0.2	(0.6)	(0.7)	—
Equity in net income of affiliates	0.0	0.0	(0.0)	(38.7%)
Profit before tax	(4.3)	(3.8)	0.5	—
Income taxes	(0.3)	(0.2)	0.1	—
Profit	(4.0)	(3.6)	0.4	—
Profit (loss) attributable to non-controlling interest	0.0	0.0	0.0	97.9%
Profit attributable to owners of parent	(4.0)	(3.6)	0.4	—

(ref.)

EBITDA (*2)	(1.4)	2.0	3.4	—
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*1: Core operating profit is calculated as Revenue – Cost of sales – SG&A expenses.

*2: EBITDA (IFRS)=Core operating profit + Depreciation and amortization

(excluding depreciation expense on leased assets which is charged on the rent of restaurants)

Consolidated Statements of Cash Flows

(billions of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023	Change	Change(%)
Increase (decrease) in cash and cash equivalents	8.7	(1.3)	(10.0)	—
Cash flows from operating activities	(0.8)	13.5	14.3	—
Profit before tax	(4.3)	(3.8)	0.5	—
Depreciation and amortization	5.2	5.1	(0.1)	(1.6%)
Income tax payment (refundment)	(5.0)	(0.5)	4.5	—
Cash flows from investing activities	(3.6)	(2.8)	0.8	—
Purchase(Proceeds from sales) of property, plant and equipment	1.3	(2.1)	(3.4)	—
Purchase(Proceeds from sales) of Investment property	(3.5)	(2.7)	0.9	—
Free Cash flows	(4.4)	10.7	15.1	—
Cash flows from financial activities	11.6	(13.3)	(24.9)	—
Change in financial liabilities	16.2	(9.0)	(25.2)	—
Dividend paid	(3.1)	(3.1)	(0.0)	—
Repayments of lease liabilities	(1.5)	(1.2)	0.3	—
Cash and cash equivalents (beginning of the period)	17.4	15.4	(2.0)	(11.4%)
Cash and cash equivalents (end of the period)	25.7	14.1	(11.6)	(45.1%)

4. Consolidated Results (Three months ended March 31, 2023)

Breakdown of key income Changes (Year-on-year)

(1) Alcoholic Beverages

(billions of yen)

Change factor	Jan. 1 - Mar.31, 2022	Jan. 1 - Mar.31, 2023	Change	Details
Beer increase (decrease) in volume			0.9	
Product mix, Price revision, Manufacturing cost			0.5	
RTD · Wine · Spirits · Shochu, other			0.5	Including Non-alcoholic
Advertising and promotion expenses (*1)			0.8	
Personnel expenses, Facilities costs ,other			(0.1)	
Domestic subsidiary,consolidation adjusting, other			(0.0)	
Alcoholic Beverages in Japanese	(2.8)	(0.2)	2.6	
Alcoholic Beverages in Overseas	(0.1)	(0.4)	(0.3)	
Restaurants	(1.0)	0.1	1.1	
Segment adjustment	0.0	(0.0)	0.0	
Alcoholic Beverages(Core operating profit)	(3.9)	(0.5)	3.4	

(*1) Advertising and promotion expenses(2023) 5.7billions of yen

(2) Food & Soft Drinks

(billions of yen)

Change factor	Jan. 1 - Mar.31, 2022	Jan. 1 - Mar.31, 2023	Change	Details
Increase (decrease) in volume			(0.1)	
Product mix, Price revision, Manufacturing cost			0.1	
Advertising and promotion expenses			0.3	
Personnel expenses, Facilities costs ,other			0.1	
Domestic subsidiary,consolidation adjusting, other			0.3	Including structural reforms
Japanese Food & Soft Drinks			0.6	
Overseas Soft Drinks			0.1	
Food & Soft Drinks(Core operating profit)	(1.0)	(0.3)	0.7	

5. Consolidated Results (Three months ended March 31, 2023)

Segment Information

(billions of yen)

		Alcoholic Beverages	Food & Soft Drinks	Real Estate	Other	Corporate and eliminations	Consolidated total
Revenue	Jan. 1 - Mar.31, 2023	76.6	26.8	5.3	0.0	—	108.8
	Jan. 1 - Mar.31, 2022	60.6	27.7	5.0	0.0	—	93.2
	Change	16.0	(0.9)	0.4	0.0	—	15.5
Core operating profit (*1)	Jan. 1 - Mar.31, 2023	(0.5)	(0.3)	(0.0)	0.0	(2.1)	(2.9)
	Jan. 1 - Mar.31, 2022	(3.9)	(1.0)	0.1	0.0	(1.6)	(6.4)
	Change	3.4	0.7	(0.1)	(0.0)	(0.5)	3.5
Operating profit	Jan. 1 - Mar.31, 2023	(0.8)	(0.3)	(0.1)	0.0	(2.1)	(3.3)
	Jan. 1 - Mar.31, 2022	(2.4)	(0.4)	(0.2)	0.0	(1.5)	(4.5)
	Change	1.6	0.1	0.1	(0.0)	(0.5)	1.2
Depreciation and amortization	Jan. 1 - Mar.31, 2023	2.6	0.7	1.3	—	0.4	5.0
	Jan. 1 - Mar.31, 2022	2.7	0.6	1.3	—	0.5	5.0
	Change	(0.1)	0.1	0.1	—	(0.1)	(0.0)
E B I T D A (*2)	Jan. 1 - Mar.31, 2023	2.1	0.4	1.3	0.0	(1.7)	2.0
	Jan. 1 - Mar.31, 2022	(1.3)	(0.4)	1.4	0.0	(1.1)	(1.4)
	Change	3.3	0.8	(0.0)	(0.0)	(0.6)	3.4
Capital expenditures (cash basis)	Jan. 1 - Mar.31, 2023	1.7	0.4	2.7	—	0.6	5.4
	Jan. 1 - Mar.31, 2022	1.0	0.5	3.6	—	0.3	5.4
	Change	0.7	(0.1)	(0.8)	—	0.3	0.0

*1: Core operating profit is calculated as Revenue – Cost of sales – SG&A expenses.

*2: 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. Consolidated Results (Three months ended March 31, 2023)

Condensed Consolidated Balance Sheets

(billions of yen)

	Year ended December 31, 2022	Three months ended March 31, 2023	Change	Details
Current assets	179.4	153.6	(25.9)	
Cash and cash equivalents	15.4	14.1	(1.3)	
Trade and other receivables	96.6	73.6	(23.0)	Seasonal factors and bank holidays
Inventories	47.5	48.3	0.8	
Other	19.9	17.5	(2.4)	
Non-current assets	459.7	466.9	7.2	
Property, plant and equipment , Intangible assets	138.4	140.2	1.7	
Investment property	209.6	210.6	0.9	
Goodwill	33.8	33.9	0.1	
Other	77.8	82.3	4.4	
Total assets	639.1	620.5	(18.6)	
Current liabilities	219.5	198.2	(21.3)	
Trade and other payables	35.7	32.0	(3.8)	
Short-term financial liabilities	86.5	72.2	(14.3)	Decrease in liquor tax payable
Other	97.3	94.1	(3.2)	
Non-current liabilities	252.4	259.3	6.9	
Long-term financial liabilities	155.4	160.9	5.5	
Net defined benefit liability	3.5	3.4	(0.0)	
Other	93.6	95.0	1.4	
Total liabilities	471.9	457.5	(14.4)	
Equity attributable to owners of parent	166.3	162.1	(4.2)	
Equity attributable to non-controlling interests	0.9	0.9	0.0	
Total equity	167.2	163.0	(4.2)	
Total liabilities and equity	639.1	620.5	(18.6)	

7. Consolidated Forecasts (Year ending December 31, 2023)

Condensed Consolidated Statements of Income

(billions of yen)

	Year ended December 31, 2022	Year ending December 31, 2023 (Forecast)	Change	Change(%)
Alcoholic Beverages	334.6	347.0	12.4	3.7%
Japanese	245.4	250.0	4.6	1.9%
Overseas	74.0	80.0	6.0	8.2%
Restaurants	15.3	17.0	1.7	11.1%
Food & Soft Drinks	122.9	121.0	(1.9)	(1.6%)
Japanese	98.3	95.0	(3.3)	(3.4%)
Overseas	24.6	26.0	1.4	5.8%
Real Estate	20.7	22.0	1.2	6.0%
Other	0.1	0.0	(0.1)	(71.5%)
Revenue	478.4	490.0	11.6	2.4%
Alcoholic Beverages	7.7	13.4	5.6	72.8%
Japanese	8.5	12.5	4.0	47.6%
Overseas	(0.3)	0.5	0.8	—
Restaurants	(0.5)	0.4	0.9	—
Food & Soft Drinks	1.8	2.4	0.6	34.0%
Japanese	0.9	1.3	0.4	44.8%
Overseas	0.9	1.1	0.2	23.2%
Real Estate	6.5	5.9	(0.6)	(9.3%)
Other · General corporate and intercompany eliminations	(6.6)	(8.1)	(1.4)	—
Core operating profit (*1)	9.3	13.5	4.2	45.0%
Other operating income (expense)	0.8	(4.0)	(4.8)	—
Operating profit	10.1	9.5	(0.6)	(6.0%)
Financial income (expense)	1.2	(1.8)	(3.0)	—
Equity in net income (loss) of affiliates	0.1	0.0	(0.1)	(63.0%)
Profit before tax	11.4	7.7	(3.6)	(32.0%)
Income taxes	5.9	2.2	(3.7)	(63.2%)
Profit (loss)	5.5	5.6	0.1	1.0%
Profit (loss) attributable to non-controlling interest	0.1	0.1	0.0	7.1%
Profit (loss) attributable to owners of parent	5.4	5.5	0.1	0.9%
(ref.)				
E B I T D A (*2)	29.9	34.7	4.8	16.2%

*1: Core operating profit is calculated as Revenue – Cost of sales – SG&A expenses.

*2: EBITDA=Core operating profit + Depreciation and amortization (excluding depreciation expense on leased assets which is charged on the rent of restaurants)

Condensed Consolidated Statements of Cash Flows

(billions of yen)

	Year ended December 31, 2022	Year ending December 31, 2023 (Forecast)	Change	Change(%)
Cash flows from operating activities	7.8	29.0	21.2	271.5%
Cash flows from investing activities	(46.1)	(40.2)	5.9	—
Free Cash flows	(38.3)	(11.2)	27.2	—

8. Consolidated Forecasts (Year ending December 31, 2023)

Breakdown of key income Changes (Year-on-year)

(1) Alcoholic Beverages

(billions of yen)

Change factor	Year ended December 31, 2022	Year ending December 31, 2023 (Forecast)	Change	Details
Beer increase (decrease) in volume			0.0	
Product mix, Price revision, Manufacturing cost			5.1	
RTD · Wine · Spirits · Shochu, other			2.6	Including Non-alcoholic
Advertising and promotion expenses			(3.5)	
Personnel expenses, Facilities costs ,other			(0.2)	
Domestic subsidiary,consolidation adjusting, other			0.0	
Alcoholic Beverages in Japanese	8.5	12.5	4.0	
Alcoholic Beverages in Overseas	(0.3)	0.5	0.8	
Restaurants	(0.5)	0.4	0.9	
Segment adjustment	-	-	-	
Alcoholic Beverages(Core operating profit)	7.7	13.4	5.6	

(2) Food & Soft Drinks

(billions of yen)

Change factor	Year ended December 31, 2022	Year ending December 31, 2023 (Forecast)	Change	Details
Increase (decrease) in volume			(0.4)	
Product mix, Price revision, Manufacturing cost			1.3	
Advertising and promotion expenses			0.3	
Personnel expenses, Facilities costs ,other			(1.2)	
Domestic subsidiary,consolidation adjusting, other			0.5	Including structural reform effects
Japanese Food & Soft Drinks	0.9	1.3	0.4	
Overseas Soft Drinks	0.9	1.1	0.2	
Food & Soft Drinks(Core operating profit)	1.8	2.4	0.6	

9. Consolidated Forecasts (Year ending December 31, 2023)

Segment Information

(billions of yen)

		Alcoholic Beverages	Food & Soft Drinks	Real Estate	Other	Corporate and eliminations	Consolidated total
Revenue	Year ending December 31, 2024(Forecast)	347.0	121.0	22.0	0.0	—	490.0
	Year ended December 31, 2023	334.6	122.9	20.7	0.1	—	478.4
	Change	12.4	(1.9)	1.2	(0.1)	—	11.6
Core operating profit (*1)	Year ending December 31, 2024(Forecast)	13.4	2.4	5.9	0.0	(8.1)	13.5
	Year ended December 31, 2023	7.7	1.8	6.5	0.0	(6.7)	9.3
	Change	5.6	0.6	(0.6)	(0.0)	(1.4)	4.2
Operating profit	Year ending December 31, 2024(Forecast)	12.3	2.3	6.3	0.0	(11.4)	9.5
	Year ended December 31, 2023	8.9	2.3	5.4	0.0	(6.5)	10.1
	Change	3.4	(0.0)	0.8	(0.0)	(4.9)	(0.6)
Depreciation and amortization	Year ending December 31, 2024(Forecast)	10.2	3.3	5.5	0.0	2.2	21.2
	Year ended December 31, 2023	11.2	2.6	5.0	0.0	1.7	20.6
	Change	(1.0)	0.7	0.5	0.0	0.4	0.7
E B I T D A (*2)	Year ending December 31, 2024(Forecast)	23.6	5.7	11.4	0.0	(5.9)	34.7
	Year ended December 31, 2023	18.9	4.4	11.5	0.0	(4.9)	29.9
	Change	4.7	1.3	(0.1)	(0.0)	(1.0)	4.8
Capital expenditures (cash basis)	Year ending December 31, 2024(Forecast)	21.3	5.0	15.3	—	1.4	43.1
	Year ended December 31, 2023	6.4	2.1	12.8	—	1.0	22.3
	Change	14.9	2.8	2.5	—	0.4	20.7

*1: Core operating profit is calculated as Revenue – Cost of sales – SG&A expenses.

*2: EBITDA (IFRS)=Core operating profit + Depreciation and amortization

(excluding depreciation expense on leased assets which is charged on the rent of restaurants)