



2012
Sapporo Group Business Results Presentation
for the Nine Months ended September 30, 2012

November 7, 2012

Sapporo Holdings Ltd.

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

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- 1. Progress of Implementation of 2012 Basic Strategies**
 - 2. Overview of Results for the First Nine Months of 2012**
 - 3. 2012 Full-Year Earnings Forecasts**

**Reference: Supplementary Information to Results for the
First Nine Months of 2012**



1. Progress of Implementation of 2012 Basic Strategies



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Progress of Implementation of 2012 Basic Strategies

We promoted three basic strategies for achieving dramatic growth

Accept challenges leading to growth in all businesses

We will leverage the strengths of our various businesses' brands and management resources to accept new challenges to beat the competition

Create new growth opportunities

We will continue to aggressively pursue M&As and alliances both in Japan and overseas

Steadfastly implement growth measures

To realize the fruits of the various initiatives undertaken in recent years, we will continue to make forward investments and take steps to strengthen the business foundation

Accepting challenges leading to growth in all businesses

- See the segment pages under Supplementary Information to Results for the First Nine Months of 2012

Create new growth opportunities

- On January 31, we acquired a 15% stake in M's Beverage Co., Ltd., a wholly owned alcoholic beverage distribution subsidiary of Maeil Dairies Co., Ltd. for approx. ¥51 mn to boost Sapporo's brand value and strengthen our product distribution network in South Korea. *A non-equity method affiliate
- On January 31, we acquired 51% of outstanding shares in Silver Springs Citrus, the largest U.S. maker of private-brand chilled drinks, from the Toyota Tsusho Group for approx. ¥1.8 bn to make a full-scale entry into the U.S. beverage business. *Started consolidating the profit/loss items from April



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Progress of Implementation of 2012 Basic Strategies

Steadfastly implement growth measures

➤ Steps for boosting the value of Yebisu Garden Place

- Increased the stake in Yebisu Garden Place to 100% in March 2012; started implementing measures to boost its value towards its 20th anniversary in 2014.
- Taking into account the anticipated recovery in rent levels from 2013 onwards when excess supply in the real estate rental market caused by the boom in new office building construction is eliminated, we have embarked on renovation of properties to boost their value starting this year.
- In addition to improving the convenience of the offices, we will refurbish them with a focus on features including disaster prevention measures, safety and security and a power supply structure to ensure business continuity during disasters.
- Refurbish commercial and restaurant facilities to boost the attractiveness of the entire Ebisu region in addition to that of Yebisu Garden Place.

➤ Progress in integration towards start-up of POKKA SAPPORO FOOD & BEVERAGE LTD. in January 2013

- Currently developing business plan for 2013 onwards including anticipated synergies from integration, to be announced in February next year.
- Announced the new structure and new organization on October 3 in addition to the logo.

Logo of POKKA SAPPORO FOOD & BEVERAGE LTD.



Yebisu Garden Place
(opened in 1994)

➤ Strengthening of the alcoholic beverages and soft drinks business in Southeast Asia

- Alcoholic beverages business: Position Vietnam as the bridgehead and gradually expand into neighboring countries.
- Soft drinks business: With Pokka Singapore at the center, take measures to gradually boost the presence in surrounding countries.



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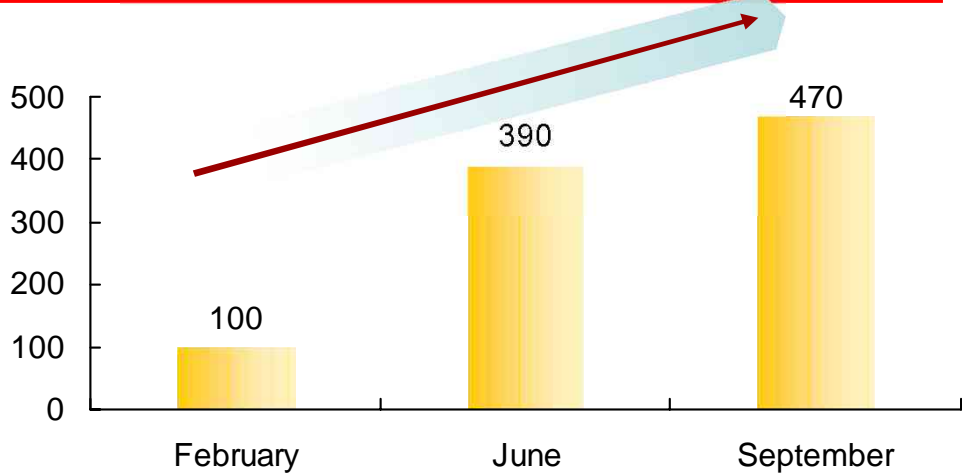
Progress of Implementation of 2012 Basic Strategies

Steadfastly implement growth measures

➤ Progress in the business in Vietnam, where we made a full-scale entry

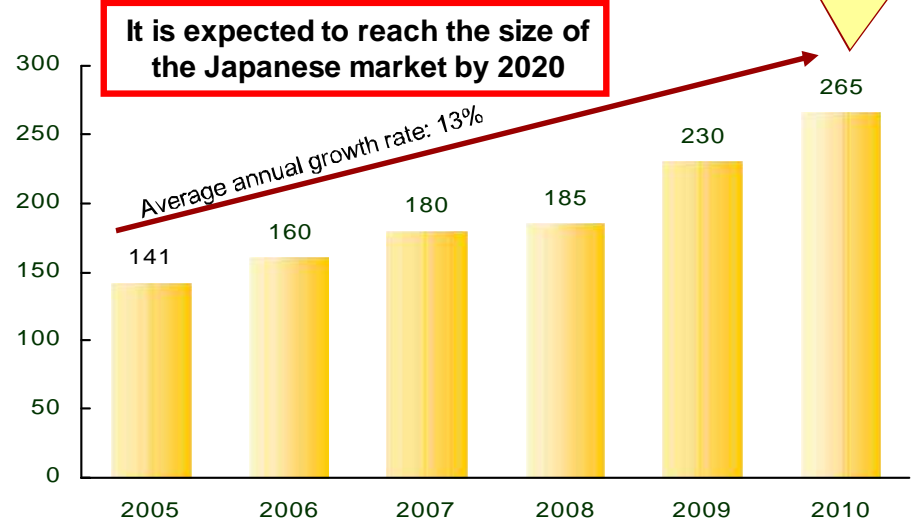
- We entered the Vietnamese market at the end of February 2012 and launched full-scale marketing from April. Sales volume and exports to surrounding countries have been making good progress.
- In Vietnam, our products are being delivered to about 1,400 restaurants primarily in Ho Chi Minh as of the end of September and about 1,400 retail outlets such as CVS and major supermarkets.
- We started exporting to surrounding countries earlier this year. As of the end of September, we were exporting to Malaysia, Singapore, Thailand, Australia, New Zealand and South Korea.
- We plan to start exporting to the Philippines, Indonesia, Cambodia and Myanmar.
- With the addition of the above four countries, the Sapporo brand will have a presence in eight out of the 10 ASEAN countries

June and September single month index when February single month sales volume (excl. exports) is set as 100



Changes in beer consumption in Vietnam (unit: 10,000 kiloliters)

The 3rd largest market in Asia after China and Japan





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Progress of Implementation of 2012 Strategic Investments

Implementation Status of Strategic Investments (incl. ordinary capex)

<Acquisition of stake in Silver Springs Citrus>

- Acquired 51% of outstanding shares in Silver Springs Citrus and made it a consolidated subsidiary
- Started consolidating the balance sheet from the end of March and profit/loss items from April
- The cost of the share acquisition is approx. ¥1.8 bn
- Net financial liabilities were approx. ¥0.7 bn

Total investment is approx. ¥2.5 bn

<Acquisition of shares in M's Beverage>

- Acquired a 15% stake at the end of January (non-equity method affiliate)

Total investment is approx. ¥50 mn

<Acquisition of 15% of trust beneficiary rights in Yebisu Garden Place>

- Acquired from the joint holder on March 1 and started to reflect profit/loss items from March

Total investment is approx. ¥40.5 bn

<Capex (on a cash basis)/lease payments>

Consolidated total of approx. ¥10.4 bn

- Breakdown: Japanese Alcoholic Beverages: ¥2.4 bn; International: ¥0.9 bn; Soft Drinks: ¥0.1 bn; POKKA Group: ¥4.0 bn; Restaurants: ¥0.5 bn; Real Estate: ¥1.2 bn; General corporate: ¥1.3 bn, etc.

<Other investments> **Consolidated total of approx. ¥2.9 bn**

- Breakdown: Japanese Alcoholic Beverages, POKKA Group, etc.

<Implementation status of strategic investment from Jan to Sep 2012 (incl. ordinary capex)>

- **Approx. ¥56.4 bn**

Credit Ratings

<Announcement of the acquisition of 15% of trust beneficiary rights for Yebisu Garden Place>

- On December 26, 2011, issued a press release that we acquired the rights from the joint holder for ¥40.5 bn

<Credit rating by JCR>

- On February 16, 2012, JCR issued a press release saying that it kept the A- (stable) rating on Sapporo Holdings unchanged.

<Credit rating by R&I>

- On March 15, 2012, R&I issued a press release saying that it kept the BBB+ (stable) rating unchanged.

<Achievement of low-cost finance>

- In March, issued five-year straight bonds worth ¥10 bn at a low cost.

Direction of Long-term Strategic Investments

- **We will continue to actively carry out strategic investments for growth.**
- **We expect to make ¥150 bn to ¥200 bn worth of strategic investments from 2012 to 2016 (basically accumulation of cash flows from operations).**
 - **Including ordinary capex (worth about half of the strategic investments)**
- **Strategic investment for 2012 is planned to be approx. ¥64 bn (incl. ordinary capex)**



2. Overview of Results for the First Nine Months of 2012



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Overview of Results for the First Nine Months of 2012: Special Factors

Breakdown of special factors that do not allow meaningful comparisons between net sales and operating income for the first nine months of 2012 and the same period a year earlier
See the Supplementary Information to our Earnings Report for factors behind changes resulting from other business activities

Net Sales

<International>

- We started consolidating the profit/loss items of Silver Springs Citrus from April approx. +¥4.6 bn

<Food & Soft Drinks: POKKA Group>

- We started adding the profit/loss items from April 2011 and this meant net increase for the Jan-Mar period approx. +¥22.3 bn

<Real Estate>

- Started reflecting the profit/loss items from March for the acquisition of 15% of trust beneficiary rights for Yebisu Garden Place from the joint holder in the complex approx. +¥1.4 bn

<Total>

- **Approx. +¥28.3 bn**

Operating Income

<International>

- We started consolidating the profit/loss items of Silver Springs Citrus in April approx. +¥0.1 bn

<Food & Soft Drinks: Sapporo Beverage>

- In April 2011 we started goodwill amortization for the acquisition of shares from Crescent Partners after it converted CB holdings, and goodwill amortization was a net increase in the Jan-Mar period of 2012 approx. -¥0.2 bn

<Food & Soft Drinks: POKKA Group>

- Started reflecting the profit/loss items from April 2011, resulting in an operating loss for the Jan-Mar period of 2012 approx. -¥0.5 bn
- Started reflecting the profit/loss items from April 2011 and goodwill amortization resulting from the integration of the POKKA Group was a net increase in the Jan-Mar period of 2012 approx. -¥0.4 bn

<Real Estate>

- Acquired 15% of trust beneficiary rights for Yebisu Garden Place from the joint holder in the complex and have been reflecting the profit/loss items from March approx. +¥0.8 bn

<Total>

- **Approx. -¥0.2 bn**



Overview of Results for the First Nine Months of 2012

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➤ Net sales: up YoY

Sales increased on recovery of Japanese Alcoholic Beverages and Restaurants, which were directly affected by the 2011 earthquake, as well as the special factors discussed in the previous slide.

➤ Operating income: down YoY

Despite profit increase at Restaurants and Real Estate on increased sales, overall operating income decreased by ¥6.6 bn YoY due to increased marketing costs compared with the previous year in Japanese Alcoholic Beverages and Food & Soft Drinks, reversion to the norm after the surge in demand in Food & Soft Drinks following the earthquake last year, and increased investment by International Business for development of the Vietnam market in addition to the special factors described in the previous slide.
(Operating income before GW amortization decreased by ¥5.9 bn YoY)

➤ Net income: roughly unchanged

Net income remained roughly unchanged from the previous year as extraordinary losses declined ¥6.4 bn YoY (mainly a ¥1.0 bn loss due to asset retirement obligations and a ¥4.7 bn loss stemming from the disaster in the previous year.).

*The 2011 first quarter consolidated net sales figure lacks continuity with the figure announced last year due to retrospective adjustment of past years from the first quarter of fiscal 2012.

* POKKA Group's profit/loss items have been consolidated since the second quarter of fiscal 2011.

(billions of yen)	2011 3Q results	2012 3Q results	YoY changes (amount, %)	
Japanese Alcoholic Beverages	191.5	195.5	4.0	2.1%
International	19.4	26.3	6.9	35.5%
Food & Soft Drinks	74.7	95.6	20.8	27.9%
Sapporo Beverage	24.8	23.2	(1.5)	(6.4)%
POKKA Group	49.9	72.3	22.4	44.9%
Restaurants	17.8	19.3	1.4	7.9%
Real Estate	16.6	17.3	0.7	4.4%
Other	0.5	0.6	0.0	4.1%
Consolidated net sales	320.7	354.7	33.9	10.6%
Operating income before GW amortization	14.4	8.4	(5.9)	(41.4)%
Japanese Alcoholic Beverages	5.0	0.8	(4.1)	(82.8)%
International	0.5	0.1	(0.4)	(74.9)%
North America	1.2	1.4	0.2	19.2%
Vietnam	(0.6)	(1.3)	(0.7)	—
Food & Soft Drinks	2.8	(0.1)	(2.9)	—
Sapporo Beverage	1.0	0.2	(0.7)	(74.4)%
POKKA Group	1.7	(0.4)	(2.1)	—
Before GW amortization	4.1	1.8	(2.2)	(54.6)%
Restaurants	(0.0)	0.2	0.3	—
Real Estate	6.4	7.1	0.7	11.6%
Other	(0.5)	(0.3)	0.2	—
General corporate	(1.9)	(2.4)	(0.4)	—
Consolidated operating income	12.2	5.5	(6.6)	(54.4)%
Consolidated ordinary income	10.5	4.4	(6.1)	(58.1)%
Consolidated net income	0.5	0.5	0.0	4.1%



3. 2012 Full-year Forecast

*** 2012 full-year earnings forecasts announced on August 7 remain unchanged**



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2012 Full-year Forecasts

Full-year forecast is unchanged

The Group is implementing measures to achieve a consolidated operating income of ¥16.0 bn (¥19.9 bn before GW amortization).

(billions of yen)	2011 Results	2012 Targets	YoY change (amount,%)	
Japanese Alcoholic Beverages	268.1	277.5	9.3	3.5%
International	25.8	37.3	11.4	44.1%
Food & Soft Drinks	108.0	128.1	20.0	18.5%
Sapporo Beverage	32.2	30.1	(2.1)	(6.6)%
POKKA Group	75.8	98.0	22.1	29.2%
Restaurants	24.0	24.9	0.8	3.4%
Real Estate	22.4	24.4	1.9	8.6%
Other	0.7	0.8	0.0	5.9%
Consolidated net sales	449.4	493.0	43.5	9.7%
Operating income before GW amortization	21.9	19.9	(2.0)	(9.5)%
Japanese Alcoholic Beverages	9.3	9.0	(0.3)	(3.3)%
International	0.3	0.0	(0.3)	—
North America	1.4	1.8	0.4	28.9%
Vietnam	(1.0)	(1.8)	(0.8)	—
Food & Soft Drinks	3.6	0.2	(3.4)	(94.6)%
Sapporo Beverage	0.7	(0.2)	(0.9)	—
POKKA Group	2.9	0.4	(2.5)	(86.4)%
Before GW amortization	5.7	2.9	(2.8)	(49.5)%
Restaurants	0.2	0.6	0.3	173.8%
Real Estate	8.5	9.3	0.7	8.7%
Other	(0.6)	(0.4)	0.2	—
General corporate	(2.6)	(2.7)	(0.0)	—
Consolidated operating income	18.8	16.0	(2.8)	(15.3)%
Consolidated ordinary income	16.8	13.0	(3.8)	(22.7)%
Consolidated net income	3.1	3.6	0.4	13.8%

*The 2011 first quarter consolidated net sales figure lacks continuity with the figure announced last year due to retrospective adjustment of past years from the first quarter of fiscal 2012.

* POKKA Group's profit/loss items have been consolidated since the second quarter of fiscal 2011.



**Reference: Supplementary Information to Results for
the First Nine Months of 2012**

***For information on each business's profitability, please also see the
supplementary information to our earnings report**



Japanese Alcoholic Beverages (1)

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Results highlights

Net sales increased reflecting the July launch of Hokkaido PREMIUM in the new-genre beer product category and the rebound from the direct impact of the earthquake as well as strong sales of the three core brands. Operating income declined due to the cost incurred from aggressive marketing and increased burden of fixed cost during the down period for the loss caused by the 2011 disaster.

Key points in business plan: implementation status

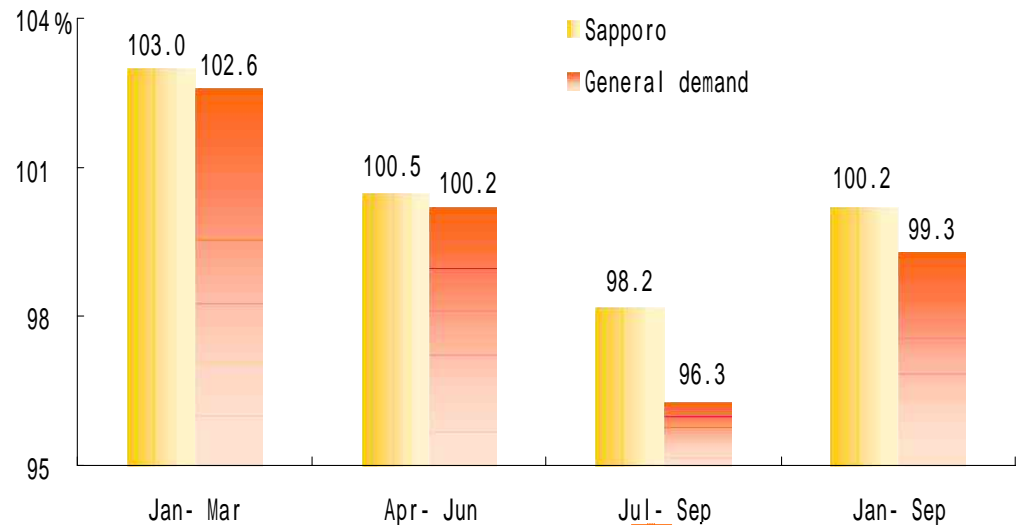
1. Bolster brand strengths of core products

- Further bolster brand strength of the three core brands of Sapporo Draft Beer Black Label, Yebisu Beer and Mugi to Hop and of Premium Alcohol Free, a non-alcoholic beer-taste beverage.
- While the rebound from the direct impact of the earthquake also contributed, we focused on the three core brands as Jan-Sep total shipments of Sapporo beer, happoshu, and new-genre beer products were **100.2%** compared with the same period a year earlier, outperforming the 99.3% for general demand, and increasing the market share.
- With the contribution from Premium Alcohol Free Black, the **world's first** non-alcoholic canned dark beer introduced on May 23, sales of Premium Alcohol Free increased **11.6%** year over year in the Jan-Sep period. However, the brand fell short of achieving the target partly due to new products launched by competitors.
- With the contribution from Mugi to Hop Black introduced on March 28, sales of Mugi to Hop rose **3.1%** YoY in the Jan-Sep period, outperforming the 101% for general demand, and increasing the market share.
- We introduced new-genre beer product Hokkaido PREMIUM on **July 11** as a refreshingly-flavored product to enhance the lineup.

(billions of yen)

			Year-over-year changes	
	2011 3Q	2012 3Q	Amount	%
*Incl. liquor taxes				
Net sales*	191.5	195.5	4.0	2.1%
Operating income	5.0	0.8	(4.1)	(82.8)%

YoY sales volume for Jan-Sep (beer, happoshu, new-genre beer products)





Japanese Alcoholic Beverages (2)

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Key points in business plan: implementation status

2. Laying the groundwork for growth in expanding areas RTD-related actions <Sapporo's first year of promoting Ready To Drink products: Triple the sales>

- While sales for Jan-Sep period significantly **exceeded the level for the same period a year earlier by 56%**, this did not meet our target as competition intensified with the introduction of new products by competitors.
- Going forward, we will re-launch existing products and carry out line extension while expanding offering of trial drinks and ensuring market penetration in addition to developing products that can bring about collaborative synergies and arouse public interest.
- As shown below, we actively introduced new products in Jul-Sep just as we did in the Jan-Jun period:
 - Jul 18: Launched Triangle Ginger Highball Lemon
 - Jul 18: Launched CJ Oishii Makgoli Mango
 - Sep 19: Launched TEA'S HI Earl Grey & Orange
 - Sep 19: Launched TEA'S HI Jasmine & Lychee
- We introduced following non-alcoholic RTD products:
 - Jul 4: Sukkiri Kaju no ZERO Lemon
 - Jul 4: Sukkiri Kaju no ZERO grapefruit



3. Expand sales of wine, western spirits and shochu Wine

- Sales of both imported and Japanese wines achieved year-over-year growth
- Imported wine: Growth in Yellow Tail and Garcia Carrion
- Japanese wine: Growth in Grande Polaire and additive-free wines

Western Spirits

- Signed sales agreement with No.1 Korean foods maker CJ (Cheil Jedang) Group. Launched CJ Bonga Makgeolli in July 2011 in the industrial-use market. Sales are growing at a faster-than-expected pace
- Entered into alliance with Bacardi Japan, supplier of world No. 1 rum brand. Started sales of 90 items across 29 brands in October 2011.
 - Launched Bacardi Classic Cocktails Mojito, Japan's first Mojito base that can be served with soda, on April 13 and achieved full-year target in three months. The target was revised to 60,000 cases, three times the initial figure.
- Various products under the above two brands contributed to sales growth.

Shochu

- Achieved year-over-year sales growth
- Strong sales in singly-distilled Waramugi, Karariimo and Kokuimo
- Kuroumesyu also contributed to rise in sales





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International Business (1)

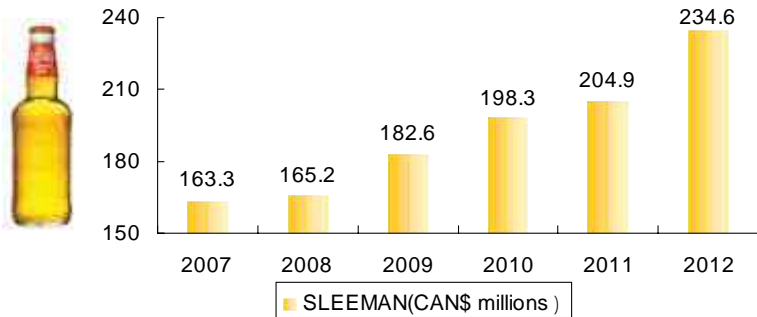
Results highlights

While yen appreciation erased gains primarily in North America, sales increased 35.5% YoY on the back of gains in local currency terms and the addition of Silver Springs Citrus's results. Operating income declined due to the impact of expenses related to cultivating the Vietnamese market.

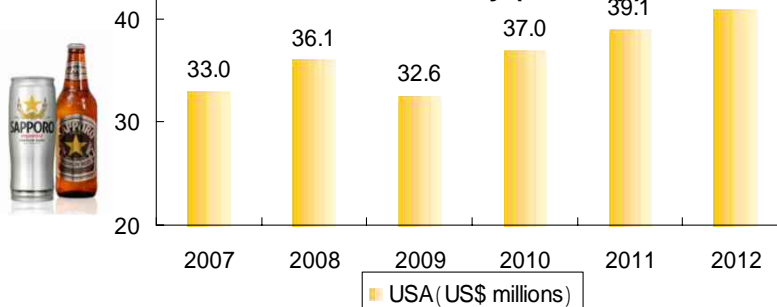
Key points in business plan: implementation status

1. North American business growth

Sales in local currency (Jan-Sep)



Sales in local currency (Jan-Sep)



SLEEMAN (Canada)

- Sales expanded on increased investment in marketing of premium brands
- Sales growth higher than that for total demand in Canada

(Jan-Sep) 6th straight year of year-on-year volume growth!

Unit sales (YoY)	2011	2012
SLEEMAN brand	107%	107%
Canada total demand	approx. 98%	approx. 103%

Sapporo USA (U.S.)

- Expanding from the Japanese-American market into wider U.S. and Asian-American markets

(Jan-Sep) YoY growth exceeding U.S. general demand for imported beer!

Unit sales (YoY)	2011	2012
Sapporo USA	105%	103%
U.S. general demand for imported beer	approx. 102%	approx. 98%

Silver Springs Citrus (U.S.)

- Acquired a 51% stake in Silver Springs Citrus, the largest U.S. market of private-brand chilled drinks
- Full-fledged entry into beverages business in the North American market
- Started consolidation of profit/loss items from April

	2011 3Q	2012 3Q	Year-over-year changes	
			Amount	%
Net sales	19.4	26.3	6.9	35.5%
Operating income	0.5	0.1	(0.4)	(74.9)%
North America, others	1.2	1.4	0.2	19.2%
Vietnam	(0.6)	(1.3)	(0.7)	-



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International Business (2)

Key points in business plan: implementation status

2. Expansion in Asian market (incl. Oceania)

Developments in Vietnam

- Full-fledged entry of locally-produced beer in the market from end of February 2012
- Started full-scale marketing in the country including through billboards and TV commercials from April 2012
- Position Vietnam as the bridgehead and gradually expand into ASEAN countries



Developments in Singapore

- Expanding imported beer sales channels in local household market in cooperation with POKKA Corporation
- 2011 sales: approx. 80,000 cases (1 case = 355ml × 24 bottles) YoY 121.4%
- Sales target: 150,000 cases in 2014 (1 case = 355ml × 24 bottles) *100,000 cases (large bottles).
- Aim to be the top Japanese beer brand.



<Local outlet>

Developments in South Korea

- We strengthened Sapporo brand value and sales structure in South Korea by acquiring 15% stake in M's Beverage Co., Ltd., a wholly owned liquor sales subsidiary of Maeil Dairies Co., Ltd. (which has top share in cheese, low-fat milk, and chilled coffee drinks market), signing the agreement on Jan 31. [A non-equity method affiliate](#)
- 2011 sales: 230,000 cases (1 case = 350ml × 24 bottles) *Initial target: 300,000 cases (Though sales were affected for about two and a half months due to the disaster, we achieved about 2/3 of the target.)
- Sales targets: 380,000 cases in 2012, 1.5 million cases in 2015 (1 case = 350ml × 24 bottles)
- Aim to become the No.1 imported brand

Development in Oceania

- In October 2011, we entered the Australian/New Zealand premium beer market via a licensing agreement with Coopers Brewery Ltd. (No. 3 in Australia's beer market, No. 2 in premium beer market with a 17.3% share)
- Full-fledged entry from 2012: aim to be the top Japanese beer brand
- Sales targets: 160,000 cases in 2012, 500,000 in 2016 (1 case = 355ml × 24 bottles)





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Food & Soft Drinks – Sapporo Beverage

Results highlights

Sales volume declined to 92% of the previous year against a general demand rise to 103%, partly due to the reversal of the surge in demand for Japanese drinking water following the disaster last year. The decline in sales volume was accompanied by a decline in operating income. Operating income margin (before goodwill amortization) was 4.3%.

Key points in business plan: implementation status

Strengthening/cultivation of competitive brands

- Concentrating investment on important categories and brands
 - Ribbon: **-11%** YoY growth
 - [Raised brand recognition by airing a short animation of Ribbon-chan on TV from April.](#)
 - [New launch of Yubari Melon Soda under the Ribbon brand in June.](#)
 - [New launch of Junsui Saratto Shiro budo under the Ribbon brand in August.](#)
 - Gabunomi: **-13%** YoY growth
 - [Re-launched the product and carried out a promotion campaign with free gifts and a tie-up with a popular cartoon film to broaden sales channels and enhance market penetration](#)
 - Gerolsteiner: **+13%** YoY growth
 - [Further promoting trials and building repeat customers](#)
- Other brands
 - Oishii Tansansui: **+74%**

Growth on the back of higher demand for alcohol consumption at home. [Continued focus](#)



(billions of yen)

	2011 3Q	2012 3Q	Year-over-year changes	
			Amount	%
After retroactive adjustment				
Net sales	*24.8	23.2	(1.5)	(6.4)%
Operating income	1.0	0.2	(0.7)	(74.4)%
Before GW amortization	1.5	0.9	(0.5)	(36.0)%

Collaboration with other companies to bolster core brands

- In April, re-launched Chosyoku Fruits, a product in collaboration with Kyodo Milk Industry Co., Ltd.
- In March, launched Ribbon Napolin Ice, a product in collaboration with Akagi Nyugyo Co., Ltd., in Hokkaido
- Presented to mass retailers a collaboration campaign of Gabunomi and other products with Kyodo Milk's Homerun Bar



Synergies with POKKA Corporation

- Synergies led to cost saving of ¥257 mn in Jan-Sep
 - Synergies from joint procurement and consigned production



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Food & Soft Drinks – POKKA Group (1)

Results highlights

New consolidation from April 2011 makes YoY comparisons meaningless, but comparisons based on reference figures below show that despite growth in Domestic Restaurants, overall sales declined reflecting the significant impact of lower Domestic Bev/Foods sales.

Operating income for the overall group declined due to the cost associated with the switch to common Sapporo Group palettes and increased sales promotion costs in addition to the decline in sales of Domestic Bev/Food.

Ref: Jan-Sep segment sales and operating income and YoY comparisons

(billions of yen)

Year-over-year changes

	Apr-Sep 2011*	Jan-Sep 2012	Year-over-year changes	
			Amount	%
Net sales	49.9	72.3	22.4	44.9%
Operating income	1.7	(0.4)	(2.1)	—
Before GW amortization	2.6	0.9	(1.7)	(65.7)%

*Started consolidating POKKA's profit/loss items from 2011 2Q.

*1 2012 inter-segment eliminations: ¥0.6bn

Before inter-segment eliminations

(billions of yen)

Year-over-year change

*2 2012 operating income: Income before deduction of goodwill amortization of ¥0.9 bn following integration

	2011 3Q	2012 3Q	Year-over-year change	
			Amount	%
Domestic Bev/Food	55.0	54.1	(0.8)	(1.4)%
Overseas Bev/Food	7.5	7.6	0.0	4.3%
Domestic Restaurants	4.2	4.6	0.3	8.7%
Overseas Restaurants	3.4	3.5	0.0	7.3%
Other businesses	6.9	6.9	(0.0)	3.2%
POKKA Corporate	(4.0)	(3.9)	0.1	-
Sales (total)	73.2	72.9 ¹	(0.2)	(0.0)%
Operating income	2.2	0.5 ²	(1.6)	-



Food & Soft Drinks – POKKA Group (2)

Key points in business plan: implementation status

Beverage & Food Business (Japan): POKKA Corp. and six group vending machine operators

1. Beverages Business

- Concentrating investments in core brands
 - Kireto Lemon Re-launch of spring, summer products, airing of new commercials
 - Aromax · Re-launched all products under the brand
 - Yasuragi Kibun no Corn-cha · Taking on the challenge of nurturing a new category in the tea beverages market; commercial being aired



2. Food Business

- Focused on core and growth brands
 - Jikkuri Kotokoto Kongaripan Series completely revamped
 - Pokka Lemon 100 Added new Lemonja designs
 - Kantanbimi Expanded product lineup by launching Korean seasonings



3. Started Working on Maintenance Plan for Nagoya Plant

- Construct new building on the site to manufacture Pokka Lemon
 - Correspond to the growth strategy for the core business of Pokka Lemon 100
 - The plant is to start operation in mid 2013



Synergies with Sapporo Beverage

- Synergies led to savings of about ¥190 mn in the Jan-Sep period
 - Synergies from joint procurement and commissioned manufacture



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Food & Soft Drinks – POKKA Group (3)

Key points in business plan: implementation status

Beverage & Food Business (Overseas): POKKA Singapore

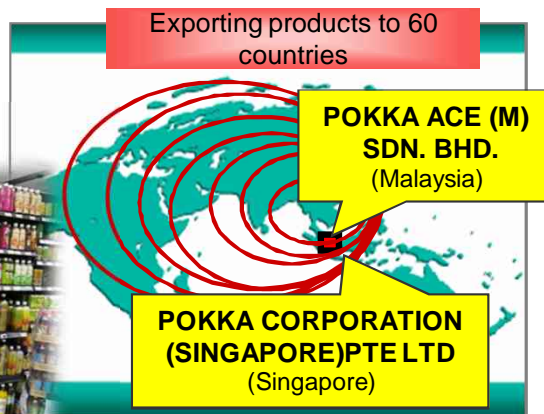
1. Expand into Singapore's neighboring countries

- Planning and implementing measures to activate markets in Indonesia and Malaysia

2. Bolster sales in existing markets

- Strengthening alliances with agencies in Middle East and Europe

Green Tea boasting the top share (about 70%) in green tea-based beverages market in Singapore



Other businesses

- Ice cream business
Foremost Bluseal brand (Okinawa)



- Opened first company-run outlet in Naha, Okinawa

Restaurants Business (Domestic): POKKA CREATE Co., Ltd.

1. Expanded sales via growth at existing stores, introduction of new seasonal products

- Outlets: 159 (99 in Kanto, 33 in Tokai, 22 in Kansai, 5 in Kyushu; as of October 31, 2012)
- Effectively using re-modeling plan to strengthen brand image

2. Profits up on successful efforts to lift profit ratio

- Improved COSG ratio
- Closed unprofitable restaurants



Restaurants Business (Overseas)* POKKA CORPORATION (Hong Kong) and POKKA Food (Singapore) Pte. Ltd.

- Outlets: 41 in total (as of September 30, 2012)
 - Kong Kong 30, Singapore 10, Macao 1
- New outlets opened in Jan-Sep 2012
 - Hong Kong: Pokka Café 1, Mikichi 1, Kurotaki (soba noodle restaurant) 1
 - Singapore: Rive Gauche 1





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Restaurants

Results highlights

Year-over-year increase in sales in the Restaurant Business, which was directly affected by the Great East Japan Earthquake last year. Sales for the Jan-Sep period increased 4.0% YoY at existing stores. In addition to this, operating income improved YoY, on closure of unprofitable outlets, cost reductions and contributions from new outlets.

Key points in business plan: implementation status

1. Positioning for growth

New restaurant opening strategy

- Synergy with the Japanese Alcoholic Beverage Business: Opening Yebisu Bar outlets
 - In addition to two new outlets in Akasaka and Tokyo Station's Kurobei Yokocho, the format of the Osaki and Ginza 2-chome outlets was changed, increasing the number of Yebisu Bar outlets to 9 as of the end of September.
- Ginza Lion chain expansion
 - Opened new mid-sized Ginza Lion
 - Opened new outlet in the Ueno Saigo Hall
- New business format
 - Opened the Kitchen Ginza Lion, a new outlet which specializes in roast beef
 - Opened Suruga Maru, a seafood and tempura rice bowl shop in a highway rest area
 - Opened Ooi Hokkaido Oshamanbe Japanese pub/restaurant serving seafood from Hokkaido



(billions of yen)

Year-over-year changes

	2011 3Q	2012 3Q	Amount	%
Net sales	17.8	19.3	1.4	7.9%
Operating income	(0.0)	0.2	0.3	-

Ginza YEBISU BAR



Ginza 3-chome, Oshamanbe pub/restaurant



- Total of 12 outlets opened from January through September 2012
 - All outlets are performing as planned
- ### 2. Earnings structure reform
- Locations closed in the Jan-Sep period: 9
 - Locations operating as of the end of September: 194



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Real Estate (1)

Results highlights

Despite decline in real estate revenues, sales and income rose from March onwards as we acquired 15% trust beneficiary rights in Yebisu Garden Place. Maintaining stable revenues despite high vacancy rates in Tokyo office leasing market.

Key points in business plan: implementation status

Boosting value of existing properties

Yebisu Garden Place

- Maintain and improve occupancy rate and achieve appropriate rent levels
 - In March, we acquired the 15% trust beneficiary rights from the joint holder needed for 100% ownership
 - Maintained high occupancy rates and rent levels as of the end of September at Yebisu Garden Place and other major Tokyo properties (table at right) compared to the 91% average for office buildings in Tokyo's 5 central wards

Redevelopment of Ginza and Ebisu Areas

- Redevelopment of Seiwa Yebisu Building
 - Redevelopment (including expansion of floor area) has started and will be completed in the fall of 2014
 - Average occupancy steadily decreasing in line with the rebuilding plan
(*Average occupancy rate down to 59% from 77% in the same period a year earlier)
- Redevelopment of Sapporo Ginza Building
 - We started planning and negotiations with involved parties for redevelopment of Ginza 5-chome.

(billions of yen)

Year-over-year changes

	2011 3Q	2012 3Q	Amount	%
Net sales	16.6	17.3	0.7	4.4%
Operating income	6.4	7.1	0.7	11.6%

Occupancy rates are averages for January–September 2012
Site areas are taken from the land registry. Floor areas are as per building certification.
As of June 30)

Major rental properties in Tokyo's 23 wards	Site area (m ²)	Floor area (m ²)	Occupancy rate (%)	No. of floors
Yebisu Garden Place ⁽¹⁾	56,943	298,007	96%	40 floors aboveground, 5 below
Seiwa Yebisu Building*	2,617	10,400	*59%	6 floors aboveground, 1 below
Yebisu Square	1,561	9,126	92%	7 floors aboveground, 1 below
Shibuya Sakuragaoka Square	1,200	9,268	100%	10 floors aboveground, 1 below
Sapporo Ginza Building	530	4,232	96%	10 floors aboveground, 4 below
Strata Ginza ⁽²⁾	1,117	11,411	99%	13 floors aboveground, 1 below

*1: Figures are for entire property. Number of floors for office wings/buildings only. Occupancy rates are for office areas only.
*2: Figures are for entire property. Sapporo owns 922m² of the site (sectional ownership) and 89.72% of the building (joint management)

For more details about our Real Estate business's properties, visit the following website: <http://www.yebisugup.jp/business/index.html>



Seiwa Yebisu Building
(completed 1975)



Sapporo Ginza Building
(Completed 1970)



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Real Estate (2)

Overview of Real Estate Business

- Majority of the business's operating income is from real estate leasing
 - Property portfolio largely comprises properties in Tokyo 5 central wards; see the previous slide
 - Unrealized gains on properties for lease as of the end of December 2011 was ¥126.5 billion.
- In January, we changed the trade name of Yebisu Garden Place Co., Ltd. to Sapporo Real Estate Co., Ltd. to raise the Sapporo brand value and strengthen Group synergies.

Operating Income

* "Other operations" includes back-office operations

(billions of yen)

	Jan-Sep 2011	Jan-Sep 2012	Change (value)	FY2011	FY2012 est.	Change (value)
Real estate leasing						
Tokyo's 23 wards	5.5	6.4	0.8	7.6	8.7	1.1
Other areas	0.6	0.8	0.1	0.8	0.8	0.0
Real estate leasing total	6.2	7.2	1.0	8.5	9.6	1.1
Sales	0.4	-	(0.4)	0.4	-	(0.4)
Other operations*	(0.2)	(0.1)	0.1	(0.3)	(0.3)	0.0
Total	6.4	7.1	0.7	8.5	9.3	0.7

EBITDA

EBITDA = operating income + depreciation and amortization

	Jan-Sep 2011	Jan-Sep 2012	Change (value)	FY2011	FY2012 est.	Change (value)
Real estate leasing						
Tokyo's 23 wards	8.0	9.1	1.0	11.0	12.3	1.2
Other areas	1.2	1.3	0.1	1.5	1.5	(0.0)
Real estate leasing total	9.2	10.4	1.1	12.6	13.8	1.2
Sales	0.4	-	(0.4)	0.4	-	(0.4)
Other operations*	(0.0)	0.1	0.1	(0.0)	0	0.1
Total	9.7	10.6	0.9	12.9	13.9	0.9



To make people's lives richer
and more enjoyable



The earnings forecasts and forward-looking statements appearing in this document were prepared by the SAPPORO Group based on currently available information and its best assessment of potential risks and uncertainties. Actual outcomes may differ materially from forecasts due to changes in various underlying factors.