



2014

Sapporo Group Business Results Presentation for the Three Months Ended March 31, 2014

May 9, 2014

Sapporo Holdings Ltd.

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

1. First-Quarter 2014 Topics

2. Overview of First-Quarter 2014 Results

Reference

- 1 Sapporo Group's Medium-Term Management Plan 2014 - 2016
- 2 Supplementary Information to First-Quarter 2014 Results (Business Summary)

1. First-Quarter 2014 Topics

First-Quarter 2014 Topics (1)

Japanese Alcoholic Beverages

➤ **Jan-Mar cumulative: Sales volume of beer and beer-type beverages (beer, happoshu and new genre) up 21% yoy (total demand up 9% yoy)**

<Status of core brands> Sales exceeded the previous year's level from the beginning of the year, with the last-minute surge in demand in March before the consumption tax increase also contributing.

Beer

➤ **Total sales of Yebisu brand increased 13% yoy with canned Yebisu Beer expanding (26% yoy)**

➤ **Sales of canned Sapporo Draft Beer Black Label also rose 9% yoy**

New Genre

➤ **Sales of Mugi to Hop, which have been rising from the beginning of the year, continued to grow steadily after its renewal in February (up 25% yoy)**

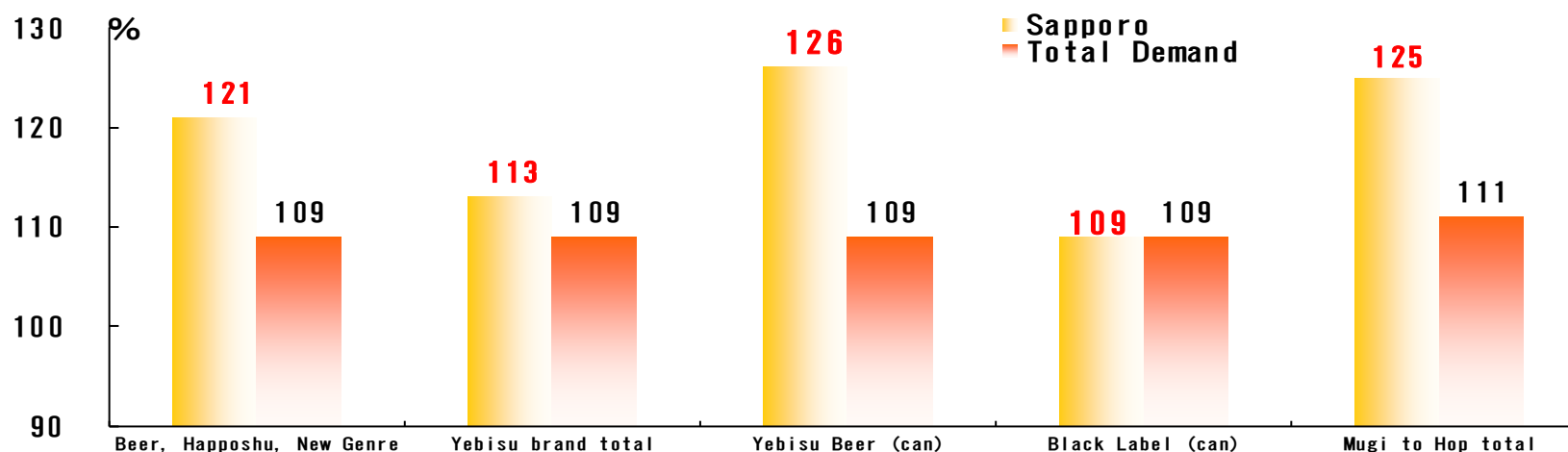
➤ **Sales of Goku Zero* also continued to outperform the plan**

*The world's first beer-type beverage with no carbohydrates or purine bodies, launched in June 2013

FY2014 plan: 5.5 million cases (up 54% yoy)



Jan – Mar Cumulative Sales Volume YoY Comparison



*Total demand *Yebisu and Black Label vs. total demand; Mugi to Hop vs. total demand for new genre





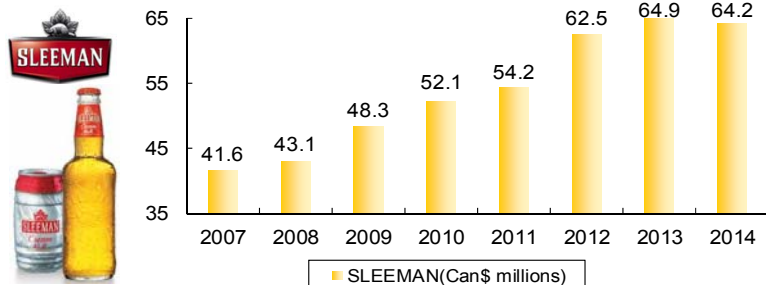
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First-Quarter 2014 Topics (2)

International Business

North America

SLEEMAN Net Sales (before elimination of inter-company transactions)
in Local Currency (Jan-Mar)



SLEEMAN (Canada)

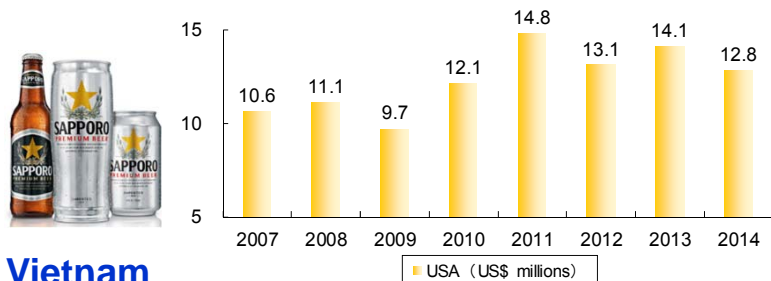
- Despite sales declining in Canada amid intensifying price competition, sales outperformed total demand year over year
- Planning to implement recovery measures for achieving annual targets

(Jan-Mar)

| Unit sales (YoY) | 2013 | 2014 |
|---------------------|-------------|-------------|
| SLEEMAN* | 104% | 98% |
| Canada total demand | Approx. 97% | Approx. 97% |

*Excluding Sapporo brand

Sapporo USA Net Sales (before elimination of inter-company transactions)
in Local Currency (Jan-Mar)



Sapporo USA (U.S.)

- Sales declined yoy in the first quarter due to shipment delays caused by the cold waves in January and February.
- Sales were also affected by the reaction to the last-minute demand in March 2013 before the price rise in April last year
- Recovery is possible by eliminating shipment delays

(Jan-Mar)

| Unit sales (YoY) | 2013 | 2014 |
|-----------------------------|-------------|-------------|
| Sapporo USA* | 110% | 87% |
| US total import beer demand | Approx. 95% | Approx. 96% |

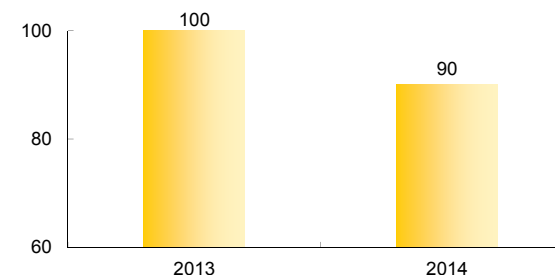
*Sapporo brand

Vietnam

- Sales in the first quarter declined year over year due to impacts that have been anticipated from the beginning of the year such as this year's shorter Tet (New Year's holiday) sales season and the reaction to the temporary demand in March last year before the liquor tax increase in April.
- In Vietnam at the end of March, we delivered to approx. 2,300 restaurants in the commercial market, mainly in Ho Chi Minh City, and to approx. 2,600 outlets in the retail market, including convenience stores and large supermarkets
- We will continue to focus on increasing the in-store share
- We have started exporting to neighboring countries step-by-step and we are exporting to 12 countries and regions as of March 31, 2014
- Sapporo brand has a presence in 8 of 10 ASEAN countries



Jan-Mar 2014 sales volume in Vietnam(excluding exports) , taking Jan-Mar 2013 volume as 100



First-Quarter 2014 Topics (3)

Food & Soft Drinks

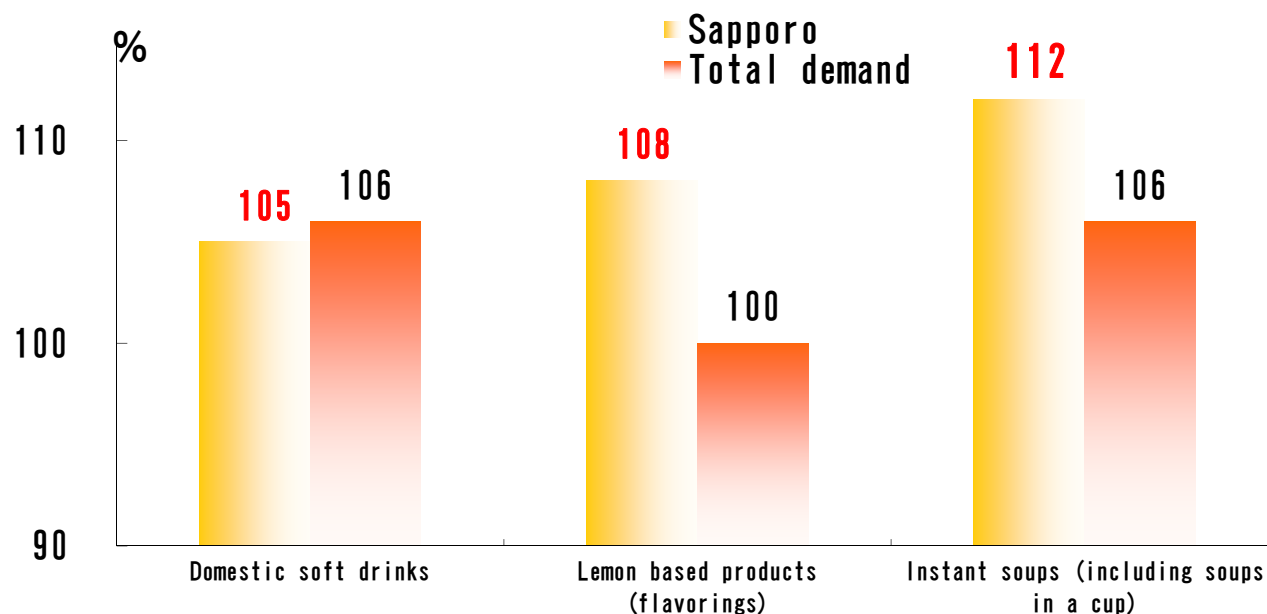
➤ POKKA SAPPORO Food & Beverages Ltd., which entered its second year of operations

Sales exceeded compared to the same period a year earlier from the beginning of the year. While food product sales enjoyed the benefit of the last-minute surge in demand in March before the consumption tax increase, no meaningful impact was felt in domestic beverage sales.

• Domestic soft drinks sales volume, whose normal sales activities were affected early the previous by the integration preparations as well as by the decrease in the number of product items, increased year over year. In addition, sales volumes of domestic food products' lemon based products and instant soups also increased year over year.

Operating loss narrowed significantly on the back of increased sales and cost control.

Jan - Mar Cumulative Sales Volume YoY



Food & Soft Drinks* Operating Income YoY

| (billions of yen) | Jan - Mar |
|-----------------------|-----------|
| Operating income 2014 | (0.7) |
| Operating income 2013 | (1.8) |
| Change | 1.1 |

*Operating income shown is after goodwill amortization



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First-Quarter 2014 Topics (4)

Real Estate

➤ Activities to enhance the value of existing properties

- In consideration of the future recovery in rent levels, enhance the value of existing properties through renovation.

Yebisu Garden Place

- Efforts to enhance the property's value in view of its 20th anniversary this year
 - Office renovation focused on business continuity, including augmentation of emergency power supply facilities in times of disaster as well as enhancement of office convenience. Refurbishing commercial and restaurant facilities to enhance the appeal of the entire Ebisu district
 - Augmentation of emergency power supply completed in March
 - Renovation of communal space in the second basement restaurant floor also completed in March
 - **Yebisu Garden Place had an average occupancy rate of 93% for Jan-Mar period** compared to the 93% average occupancy rate for office buildings in Tokyo's 5 central wards in March on a single-month basis
 - **Steady progress in leasing agreement with a new tenant with a large tenant scheduled to end the lease contract in May**



Yebisu Garden Place

Redevelopment of the Ginza and Ebisu Areas

➤ Redevelopment of Seiwa Yebisu Building

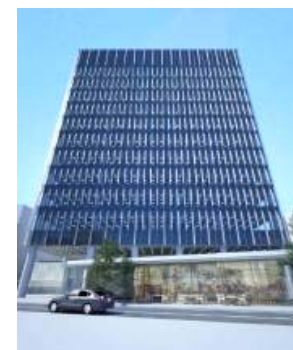
- Redevelopment including expansion of total floor space
- 6 floors above ground, 1 below ⇒ 12 floors above ground, 1 below
(total floor area 10,400m²⇒15,178m²)
- Making smooth progress towards completion in the autumn of 2014 (tentative name: Sapporo Ebisu Building)

➤ Redevelopment of Sapporo Ginza Building situated on Ginza 4-chome intersection

- 10 floors above ground, 4 below ⇒ 12 floors above ground, 2 below **(total floor area 4,232m²⇒7,082m²)**
- Demolition started in April 2014 towards completion by the end of June 2016



Sapporo Ginza Building
(completed in 1970)



Sapporo Ebisu Building
(Tentative name; artist's rendering)



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First-Quarter 2014 Topics (5)

Implementation Status of Strategic Investments (Including Ordinary Capex, on a cash basis)

<Capital expenditure and lease fees>

Consolidated total: Approx. ¥5.4bn

- Property, plant and equipment, intangible assets, lease fees, etc.

Major items:

- Nagoya plant (Food & Soft Drinks): approx. ¥0.3 billion, Malaysian plant (Food & Soft Drinks): approx. ¥0.6 billion, construction of Sapporo Ebisu Building (tentative name; Real Estate): approx. ¥1.6 billion, value enhancement of Yebisu Garden Place (Real Estate): approx. ¥0.4 billion, lease fees (Food & Soft Drinks, Other): approx. ¥0.9 billion, etc.

<Other investments> **Consolidated total: Approx. ¥0.9 billion**

- Long-term prepaid expenses, investment securities, etc.

Major items:

- Long-term prepaid expenses (Japanese Alcoholic Beverages, Food & Soft Drinks) : approx. ¥0.5 billion, investment securities, etc.: approx. ¥0.4 billion

<Jan-Mar 2014 strategic investment total (incl. ordinary capex, on a cash basis)>

- **Approx. ¥6.3 billion**

Credit Ratings

<Credit rating by JCR>

- As of May 9, 2014: A- (stable)

<Credit rating by R&I>

- As of May 9, 2014: BBB+ (stable)

<Achievement of low-cost financing>

- In March 2013, issued ¥10 bn in five-year straight bonds at a low cost of 0.39%
- In December 2013, issued ¥10 bn in seven-year straight bonds at a low cost of 0.614%

Direction of Long-Term Strategic Investments

- We will continue to actively carry out strategic investments for growth.
- The scale of strategic investment from 2012 to 2016 is anticipated to be from ¥150 billion to ¥200 billion (in principle, funded from accumulated operating cash flow).
 - Including ordinary capex (approx. half of strategic investments)
 - 2012 strategic investment total: Approx. ¥65.7 bn
 - 2013 strategic investment total: Approx. ¥ 23.5 bn
 - **2014 strategic investment plan: Approx. ¥33.9 bn**

2. Overview of First-Quarter 2014 Results



Overview of First-Quarter 2014 Results

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➤ Net sales: **up** YoY

- Japanese Alcoholic Beverages: sales increased, as sales volume of beer and beer-type beverages rose from the beginning of the year compared with the first quarter of 2013 and also as the last-minute demand increased in March ahead of the rise in consumption tax in April.
- Food & Soft Drinks: sales increased, as sales of both food and soft drinks rose and the last-minute demand in March also contributed.

➤ Operating income: **up** YoY

- Japanese Alcoholic Beverages: profit increased significantly as sales rose
- International: profit decreased due to sales volume decline in North America and Vietnam
- Food & Soft Drinks: the amount of loss decreased, as sales increased and cost-control measures contributed

➤ Net income: **down** YoY

Extraordinary income: negative factor includes reduction in the 3.5 billion yen of gain on sales of investment securities recorded in the previous year.

Extraordinary loss: negative factor includes the recording of 2.3 billion yen as cost for demolition, removal, etc. in the Sapporo Ginza Building redevelopment project this year.

| | 2013 1Q | 2014 1Q | YoY changes (amount, %) | |
|---|---------|---------|----------------------------|---------|
| (billions of yen) | | | | |
| Japanese Alcoholic Beverages | 50.2 | 59.2 | 9.0 | 17.9% |
| International | 9.9 | 10.4 | 0.4 | 4.9% |
| Food & Soft Drinks | 27.6 | 29.8 | 2.1 | 7.8% |
| Restaurants | 5.7 | 5.6 | (0.0) | (1.2)% |
| Real Estate | 5.3 | 5.6 | 0.2 | 4.0% |
| Other | 1.5 | 1.3 | (0.2) | (14.3)% |
| Consolidated net sales | 100.4 | 112.0 | 11.5 | 11.5% |
| Operating income before goodwill amortization | (3.7) | (0.7) | 2.9 | — |
| Japanese Alcoholic Beverages | (3.3) | (1.1) | 2.2 | — |
| International | (0.1) | (0.8) | (0.7) | — |
| North America, other | 0.2 | (0.3) | (0.5) | — |
| Vietnam | (0.4) | (0.5) | (0.1) | — |
| Food & Soft Drinks | (1.8) | (0.7) | 1.1 | — |
| Restaurants | (0.3) | (0.3) | (0.0) | — |
| Real Estate | 2.1 | 2.2 | 0.1 | 6.0% |
| Other | (0.1) | 0.0 | 0.1 | — |
| General corporate | (1.0) | (0.8) | 0.1 | — |
| Consolidated operating income | (4.7) | (1.7) | 3.0 | — |
| Consolidated ordinary income | (5.1) | (2.3) | 2.8 | — |
| Consolidated net income | (3.0) | (3.8) | (0.7) | — |

Reference 1: Sapporo Group's Medium-Term Management Plan 2014-2016

***There has been no change in the figures announced on
February 12, 2014**



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2014-2016 Targets Based on Current Businesses

| Reference | Medium-Term Management Plan | | | | | 2016 New Management Framework |
|---|-----------------------------|--------------|--------------|--------------|--------------|-------------------------------|
| | 2006 results | 2013 results | 2014 targets | 2015 targets | 2016 targets | |
| Consolidated net sales *incl. liquor tax | ¥435.0 bn | ¥509.8 bn | ¥537.7 bn | ¥563.0 bn | ¥595.0 bn | ¥600.0 bn |
| (excl. liquor tax) | ¥294.0 bn | ¥395.3 bn | ¥430.1 bn | ¥454.3 bn | ¥484.4 bn | ¥450.0 bn |
| Consolidated operating income | ¥8.6 bn | ¥15.3 bn | ¥15.0 bn | ¥19.5 bn | ¥27.5 bn | ¥40.0 bn |
| (before goodwill amortization) | ¥8.6 bn | ¥19.3 bn | ¥19.0 bn | ¥23.4 bn | ¥31.2 bn | |
| Consolidated ordinary income | ¥5.8 bn | ¥15.1 bn | ¥13.6 bn | ¥17.8 bn | ¥25.7 bn | - |
| Consolidated net income | ¥2.3 bn | ¥9.4 bn | ¥5.0 bn | ¥8.6 bn | ¥13.4 bn | - |
| Consolidated operating margin *excl. liquor tax | 2.9% | 3.9% | 3.5% | 4.2% | 5.2% | 9.0% |
| (before goodwill amortization) | 2.9% | 4.9% | 4.4% | 5.2% | 6.4% | |
| D/E ratio | 2.1 times | 1.6 times | 1.6 times | 1.5 times | 1.3 times | around 1:1 |
| ROE | 2.1% | 6.7% | 3.3% | 5.5% | 8.1% | 8% or higher |
| (before goodwill amortization) | 2.1% | 9.5% | 5.9% | 8.0% | 10.4% | |

*Assumed exchange rates: 2014-2016: US\$ = ¥105.00, CAN\$ = ¥101.00

*We aim to achieve the goals of the 2016 New Management Framework through further cost reduction, creation of group synergies and M&A s in addition to achievement of targets based on the performance of current businesses under the Medium-Term management Plan 2014-2016.



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2014-2016 Targets Based on Current Businesses by Segment

Reference

Medium-Term Management Plan

| | | 2013 results | 2014 targets | 2015 targets | 2016 targets |
|------------------|--|------------------|------------------|------------------|------------------|
| Net sales | Japanese Alcoholic Beverages | ¥274.9 bn | ¥284.3 bn | ¥292.4 bn | ¥305.2 bn |
| | International Business | ¥48.2 bn | ¥57.2 bn | ¥61.6 bn | ¥68.0 bn |
| | Food & Soft Drinks | ¥130.6 bn | ¥140.0 bn | ¥147.8 bn | ¥154.8 bn |
| | Restaurants | ¥26.8 bn | ¥28.1 bn | ¥30.6 bn | ¥33.5 bn |
| | Real Estate | ¥22.7 bn | ¥22.3 bn | ¥24.6 bn | ¥26.9 bn |
| | Other | ¥6.4 bn | ¥5.8 bn | ¥6.0 bn | ¥6.6 bn |
| | Consolidated total | ¥509.8 bn | ¥537.7 bn | ¥563.0 bn | ¥595.0 bn |
| Operating income | Japanese Alcoholic Beverages | ¥9.9 bn | ¥9.0 bn | ¥9.0 bn | ¥12.0 bn |
| | International Business | ¥1.2 bn | ¥1.1 bn | ¥2.4 bn | ¥3.8 bn |
| | Food & Soft Drinks | (¥1.4 bn) | ¥0.1 bn | ¥1.1 bn | ¥2.4 bn |
| | Restaurants | ¥0.4 bn | ¥1.0 bn | ¥1.3 bn | ¥1.6 bn |
| | Real Estate | ¥8.6 bn | ¥7.2 bn | ¥9.4 bn | ¥11.5 bn |
| | Other | ¥0.2 bn | ¥0.2 bn | ¥0.2 bn | ¥0.2 bn |
| | Corporate and intercompany eliminations | (¥3.6 bn) | (¥3.6 bn) | (¥3.9 bn) | (¥4.0 bn) |
| | Consolidated total | ¥15.3 bn | ¥15.0 bn | ¥19.5 bn | ¥27.5 bn |
| | Consolidated total (before goodwill amortization) | ¥19.3 bn | ¥19.0 bn | ¥23.4 bn | ¥31.2 bn |

*Assumed exchange rates: 2014-2016: US\$ = ¥105.00, CAN\$ = ¥101.00

Reference 2: Supplementary Information to First-Quarter 2014 Results (Business Summary)

**For information on the profitability of each business, please see the
Supplementary Information to our Earnings Report.**



Japanese Alcoholic Beverages

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Results highlights

Net sales increased year over year, as total sales volumes for beer and beer-type beverages rose 21% and sales of wine, western spirits and shochu also exceeded the previous year's level.

Operating income rose significantly as sales grew.

Key points in business plan: implementation status

<Initiatives other than beer and beer-type beverages>

RTD

- Sales volume increased 71% thanks to success of collaborative products offered for each price range.
- Bacardi grew strongly, exceeding the previous year's level significantly.
 - Offered canned products, with focus on Bacardi Mojito, at ¥189
 - Offered bottled products, with focus on Bacardi Mojito Bottle, at ¥230
- Sapporo Otoko Ume Sour has been performing favorably. The product was made available year-round from September 2013
 - 350ml cans are offered at ¥160, and we have decided to offer 500ml cans at ¥217.
- Decided to offer group collaborative product Kireto Lemon Sour at ¥160.

*All prices are reference retail prices (excl. tax).



*Incl. liquor taxes

(billions of yen)

YoY change

| | 2013 1Q | 2014 1Q | Amount | % |
|------------------|---------|---------|--------|-------|
| Net sales* | 50.2 | 59.2 | 9.0 | 17.9% |
| Operating income | (3.3) | (1.1) | 2.2 | — |

Wine

- Total net sales of imported and domestic wine rose 16% year over year
- Imported wines: strong performance from Yellow Tail and Garcia Carrion
- Domestic wines: sales of Grande Polaire have been strong. Sales of new product Sangria Rico also have been strong, with sales exceeding the target



Western spirits

- Conclusion of an operating alliance agreement with Bacardi Japan, supplier of the world's No.1 rum brand.
 - Net sales grew 17% year over year
 - Promoting continued active business development in both the household and commercial markets.
 - Net sales of RTS* Bacardi are also significantly higher than the previous year's level
- *Ready to serve. Liqueur which can be made into cocktail just by adding soda, etc.



Shochu

- Net sales increased 24% year over year
- Net sales of blended Imo Shochu Kokuimo and Mugi Shochu Koimugi grew



International

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Results highlights

Net sales slightly increased thanks to the impact of weaker yen, though they declined on a local currency basis due to intensifying competition in Canada and the impact of the cold wave in the U.S. in January and February.

Operating income decreased due to the impact of the sales volume decline in North America .

Key points in business plan: implementation status

North American (excl. SLEEMAN, Sapporo USA)

Silver Springs Citrus (U.S.)

- the largest U.S. maker of private-brand chilled drinks (a 51% stake)
 - The beverage business has been performing strongly in the North American market

Asian and Oceania Market (excl. Vietnam)

South Korea

- Strengthened Sapporo brand value and sales structure in South Korea by entering into an alliance with Maeil Dairies Co., Ltd. (**market share leader in cheese, low-fat milk, and chilled coffee drinks**) in January 2012 and acquiring a 15% stake in M's Beverage Co., Ltd., a wholly owned liquor sales subsidiary of Maeil
Non-equity method affiliate
- 2012 sales target of 380,000 cases (1 case = 350 ml × 24 bottles):
420,000 cases sold and target achieved
- 2015 sales target of 1.5 million cases (1 case = 350 ml × 24 bottles)
- Aiming to be the No. 1 imported brand.
- **2014: Double digit growth year over year**

| | (billions of yen) | | YoY change | |
|------------------|-------------------|---------|------------|------|
| | 2013 1Q | 2014 1Q | Amount | % |
| Net sales | 9.9 | 10.4 | 0.4 | 4.9% |
| Operating income | (0.1) | (0.8) | (0.7) | — |
| North America | 0.2 | (0.3) | (0.5) | — |
| others | (0.4) | (0.6) | (0.2) | — |
| Vietnam | | | | |

Singapore

- Household market sales channel expansion in collaboration with POKKA for beer produced in Vietnam
- 2014 sales target: Approx. 150,000 cases (1 case = 355 ml × 24 bottles)
- Striving to be the No. 1 Japanese beer brand. **POKKA** 
- **2014: In line with the previous fiscal year's level**

Oceania

- 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-scale start-up in 2012 Aim to be the No. 1 Japanese beer brand.
- 2012 sales target of 160,000 cases (1 case = 355 ml × 24 bottles):
160,000 cases sold and target achieved
- 2016 sales target of 500,000 cases
(1 case = 355 ml × 24 bottles)
- **2014 results: double-digit growth year over year**





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Food & Soft Drinks (1)

Results highlights

Net sales of the domestic food and soft drinks business, which entered the second year after the integration, increased year over year.

Operating loss narrowed, as sales increased and costs were controlled.

Key points in business plan: implementation status

| | (billions of yen) | | YoY change | |
|--|-------------------|---------|------------|------|
| | 2013 1Q | 2014 1Q | Amount | % |
| Net sales | 27.6 | 29.8 | 2.1 | 7.8% |
| Operating income Before GW amortization | (1.8) | (0.7) | 1.1 | — |
| | (1.1) | (0.1) | 1.0 | — |

Food and Soft Drinks (Domestic): POKKA SAPPORO Food & Beverages Ltd., vending machine operators

- Develop unique soft drinks and work on new categories
- Expand the scale of the core brands with focus on lemon and soup products

| | | | | | |
|---|---|--|---|--|--|
| Lemon, natural foods | Beverages | Soup, foods | Overseas brands | Commercial market | Vending machine channel: 100,000 machine network + Further strengthening of marketing to corporate customers |
|  |  |  |  |  |  |
| Pokka Lemon 100 Revitalized through major renewals | Gabunomi Supporting junior- high, high school students with renewal campaign | Jikkuri Kotokoto Introduced spring and summer flavors | Vittel, Contrex Launched in January 2014 | Otoko Ume Syrup Sequentially increasing the number of restaurants using the product | |

Food & Soft Drinks (2)

Key points in business plan: implementation status

■ Soft Drinks (International):

POKKA Corporation (Singapore) Pte Ltd

- Boost production capacity by bringing the new plant in Malaysia on line
- Maintain and expand the lead in the market share for tea drinks in Singapore
- Accelerate POKKA brand recognition in countries, other than Singapore, where its products are available



POKKA brand green tea-based drinks have high market share in Singapore.



The Malaysian plant to start operations in July



POKKA brand was No. 1
in non-carbonated beverage category of
INFLUENTIAL BRANDS AWARDS 2013



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

- Further improve FC support system
- Expand and enhance high-quality outlets
- Nurture human resources for FC business, enhance education and training system

Outlets: 171 (as of March 31, 2014)
(Directly operated: 84 outlets; FC: 87 outlets)

Kanto 98, Tokai 35
Kansai 28, Kyushu 7, Shikoku 3



■ Restaurants (International): POKKA CORPORATION (Hong Kong)

- Outlet: 35 in total (as of March 31, 2014)
• Hong Kong 34, Macau 1





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Restaurants

Results highlights

Net sales slightly declined, partly as comparable-store sales were 98.3% in the three months through March. This is mainly attributable to the impact of February single month comparable-store sales of 92% YoY due to heavy snow fall.

Operating income was more or less unchanged from the previous year, although net sales declined.

Key points in business plan: implementation status

Restaurant expansion

- **Locations newly opened Jan-Mar 2014: 7 outlets (Japan)**
- Synergy with Japanese Alcoholic Beverages: Opening of YEBISU BAR outlets
 - Jan: New outlet opened in Nishi-shinjuku: Increased to 13 outlets as of March 31
- Opening of a new format restaurant
 - Mar: YEBISU BEER HALL, a casual beer hall which offers draft beer and grilled dishes, in Ebisu
- Locations closed Jan-Mar 2014: 9 (Japan)
- **Locations operating as of March 31, 2014: 188 in Japan**



Singapore
Ginza Lion Beer Hall

Locations operating as of Mar 31, 2014 in Singapore: 13 outlets

- Ginza Lion (beer hall): 1 outlet
- Tonkichi (pork cutlet): 4 outlets
- Domani (Italian): 1 outlet
- Rive Gauche (patisserie): 7 outlets



(billions of yen)

| | | | YoY change | |
|------------------|---------|---------|------------|--------|
| | 2013 1Q | 2014 1Q | Amount | % |
| Net sales | 5.7 | 5.6 | (0.0) | (1.2)% |
| Operating income | (0.3) | (0.3) | (0.0) | — |



YEBISU BAR Shinjuku Island Tower



YEBISU BEER HALL

➤ Restaurant business in Singapore

- Transfer of the restaurant business in Singapore from POKKA Corporation (Singapore) Pte. Ltd. to Sapporo Lion Limited in 2013
- **Brought forward the opening by one year of the 1st Ginza Lion in Singapore to October 2013**
- Spreading the beer hall culture around the world – start of overseas operations
- Aim to expand the number of restaurants in Southeast Asia including Singapore



Real Estate

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Results highlights

- The majority of operating income from the Real Estate business is from real estate leasing.
- The property portfolio largely comprises the following properties in Tokyo (5 central wards).

Occupancy rates are averages for Jan–Mar 2014 (contract basis).

| 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 | 93% | 40 floors above ground, 5 below |
| Seiwa Yebisu Building* | 2,617 | — | *0% | — |
| Yebisu Square | 1,561 | 9,126 | 100% | 7 floors above ground, 1 below |
| Shibuya Sakuragaoka Square | 1,200 | 9,268 | 100% | 10 floors above ground, 1 below |
| Sapporo Ginza Building* | 530 | 4,232 | *58% | 10 floors above ground, 4 below |
| Strata Ginza *2 | 1,117 | 11,411 | 100% | 13 floors above ground, 1 below |

| | 2013 1Q | 2014 1Q | Amount | % |
|-------------------------|---------|------------|--------|------|
| Net sales | 5.3 | 5.6 | 0.2 | 4.0% |
| Operating income | 2.1 | 2.2 | 0.1 | 6.0% |

Unrealized gain on real estate for lease was ¥127.7 billion as of Dec. 31, 2013.

Balance sheet value at December 31, 2013: approx. 210.0 billion yen

Fair value at December 31, 2013: approx. 337.7 billion yen

Site areas are taken from the land registry. Floor areas are as per building certification. **"*"**s are redevelopment projects.

*1: The number of floors is for the office block 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)

| Operating income | | | | EBITDA | | | |
|---------------------------|---------|--------------|--------|---------------------------|---------|--------------|--------|
| | 2013 1Q | 2014 1Q | Change | | 2013 1Q | 2014 1Q | Change |
| Real estate leasing | | | | Real estate leasing | | | |
| Tokyo's 23 wards | 1.9 | 2.1 | 0.1 | Tokyo's 23 wards | 2.7 | 2.9 | 0.1 |
| Other areas | 0.3 | 0.3 | (0.0) | Other areas | 0.4 | 0.4 | (0.0) |
| Real estate leasing total | 2.2 | 2.4 | 0.1 | Real estate leasing total | 3.2 | 3.3 | 0.1 |
| Real estate total | — | — | — | Real estate total | — | — | — |
| Other operations* | (0.0) | (0.1) | (0.0) | Other operations* | (0.0) | (0.0) | (0.0) |
| Total | 2.1 | 2.2 | 0.1 | Total | 3.2 | 3.3 | 0.0 |

EBITDA = operating income + depreciation and amortization (billions of yen)

**Other operations* includes back-office operations.

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