



SAPPORO

Sapporo Group Business Results Presentation for the Three Months Ended March 31, 2018

May 10, 2018

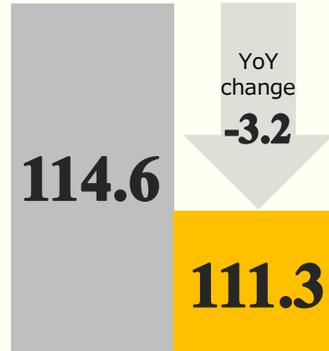
URL <http://www.sapporoholdings.jp/english>



**Main beer brands and structure reform in Vietnam have been smooth, while soft drinks were sluggish both in Japan and abroad.
 We aim to revamp the North American soft drinks business in the first half and produce results in the second half.**

Revenue

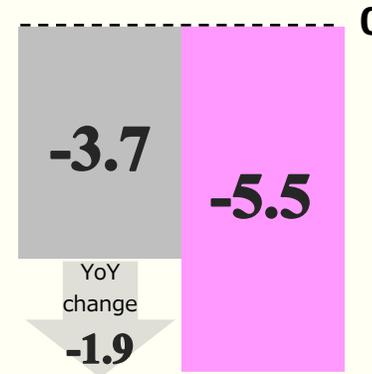
■ 2017 1Q (IFRS)
 ■ 2018 1Q (IFRS)



*See p.4, 5 for details

Operating profit

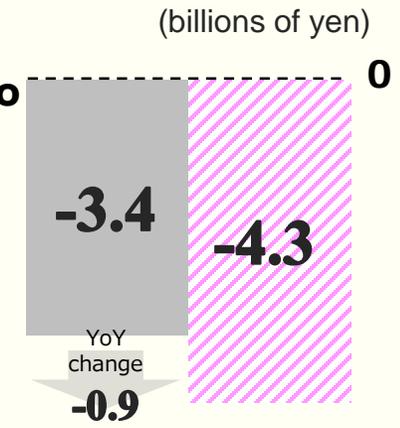
■ 2017 1Q (IFRS)
 ■ 2018 1Q (IFRS)



*See p.6, 7 for details

Profit attributable to owners of parent

■ 2017 1Q (IFRS)
 ■ 2018 1Q (IFRS)



➤ Revenue declined ¥3.2 billion year on year due to the slump in the food and soft drink business (-¥2.5 billion) and the decline in revenue at the North American soft drinks business, which we are rebuilding.

➤ Operating profit declined ¥1.9 billion year on year due to the impact of inventory adjustment ahead of the relaunch of Mugi to Hop in March and the sluggish performance of the North American and Japanese soft drinks businesses.

➤ A decline of ¥900 million reflecting the decline in operating profit

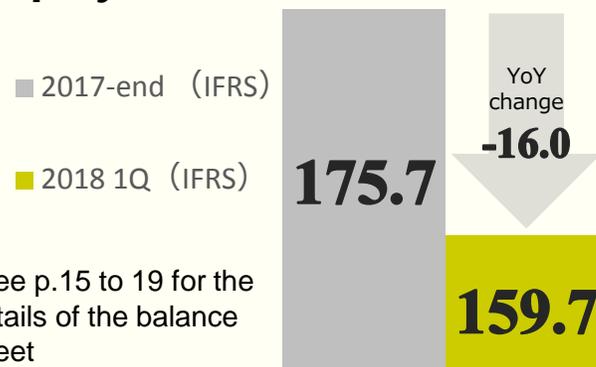


Balance of Net debt



D/E ratio **1.4** times

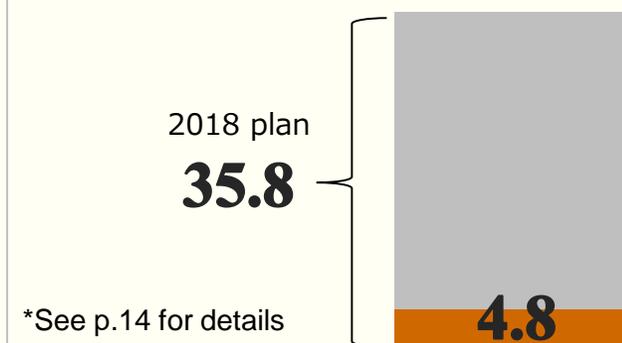
Equity



*See p.15 to 19 for the details of the balance sheet

Cash basis investment

(billions of yen)



*See p.14 for details

Group Management Platform



- Received the 2018 JSBBA Award for Achievement in Technological Research from Japan Society for Bioscience, Biotechnology, and Agrochemistry
- Began test cultivation of lemons leveraging ICT in Osakikamijima-cho in Hiroshima Prefecture
- Certified as “2018 Excellent Enterprise of Health and Productivity Management-White 500”
- Selected as Telework Declaration Company by the Ministry of Health, Labour and Welfare

*See p.20 for details

Others

- Began optional application of IFRS
- Won the Agriculture, Forestry and Fisheries Minister’s Award in the 27th Global Environment Award

*See Appendix p.39 for details

Revenue by Segment

2018
1Q



(billions of yen)	① : 2017 1Q (J GAAP)	② : 2017 1Q (IFRS)	Differences arising from transfer to IFRS②-①	③ : 2018 1Q (IFRS)	YoY changes amount (③-②)	YoY changes % (③-②)
Consolidated Revenue	117.8	114.6	(3.2)	111.3	(3.2)	(2.8) %
Japanese Alcoholic Beverages*	55.0	50.8	(4.2) <small>(Rebate deduction▲4.3)</small>	50.8	(0.0)	(0.0)%
International*	16.1	18.4	2.4 <small>(Change in price to include liquor tax + 2.4)</small>	17.8	(0.6)	(3.3)%
Food & Soft Drinks	31.6	30.4	(1.2) <small>(Rebate deduction▲1.2)</small>	27.8	(2.5)	(8.4)%
Restaurants	6.5	6.3	(0.1)	6.1	(0.2)	(3.7)%
Real Estate	5.9	5.9	(0.0)	6.0	0.2	2.7%
Other	2.8	2.8	0	2.8	0.0	0.8%

※ : The export business of Sapporo International Inc. has been transferred to Sapporo Breweries Ltd. effective January 1, 2018. The consolidated financial statements for 2017 1Q have been adjusted retroactively to reflect these changes.
(Net sales: 0.5 billions of yen, Operating income: 0.1 billions of yen)



See P.5 for more details

Main Factors Contributing to Changes in Revenue

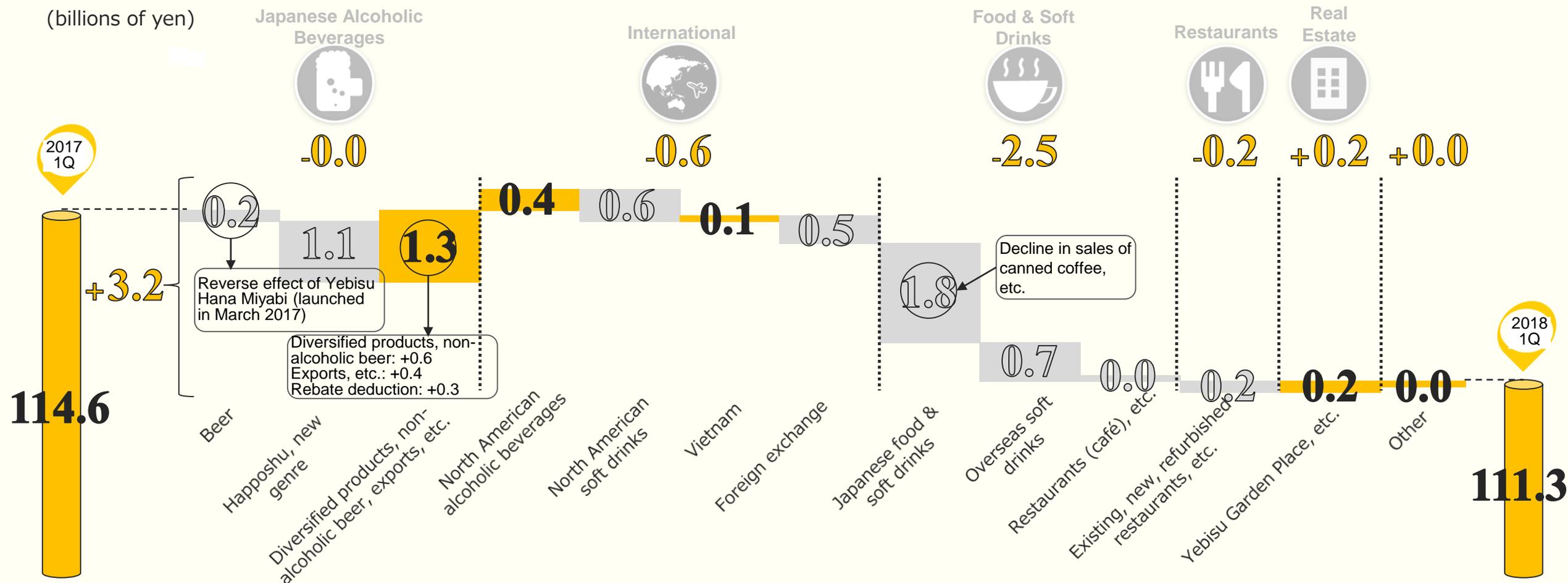
2018
1Q



The main factors behind revenue decline are new genre and soft drinks business in Japan and abroad

■ = Increase
■ = Decrease

(billions of yen)



*From 2018, the export business of Sapporo International Inc. was transferred to Sapporo Breweries Ltd.

Operating Profit by Segment

2018
1Q



(billions of yen)	① : 2017 1Q (J GAAP)	② : 2017 1Q (IFRS)	Differences arising from transfer to IFRS②-①	③ : 2018 1Q (IFRS)	YoY changes amount (③-②)
Consolidated Operating Profit	(1.5)	(3.7)	(2.2) <small>(Real-estate tax▲2.0)</small>	(5.5)	(1.9)
Japanese Alcoholic Beverages*	(1.8)	(2.3)	(0.4)	(3.1)	(0.8)
International*	(0.4)	(0.0)	0.4	(0.4)	(0.4)
Food & Soft Drinks	(0.6)	(0.3)	0.3	(1.0)	(0.7)
Restaurants	(0.3)	(0.5)	(0.3)	(0.5)	(0.0)
Real Estate	2.9	1.0	(2.0) <small>(Real-estate tax▲1.6)</small>	1.1	0.1
Other	(0.1)	(0.1)	(0.0)	(0.1)	0.0
Corporate	(1.1)	(1.3)	(0.2)	(1.5)	(0.1)

※ : The export business of Sapporo International Inc. has been transferred to Sapporo Breweries Ltd. effective January 1, 2018. The consolidated financial statements for 2017 1Q have been adjusted retroactively to reflect these changes.

(Net sales: 0.5 billions of yen, Operating income: 0.1 billions of yen)

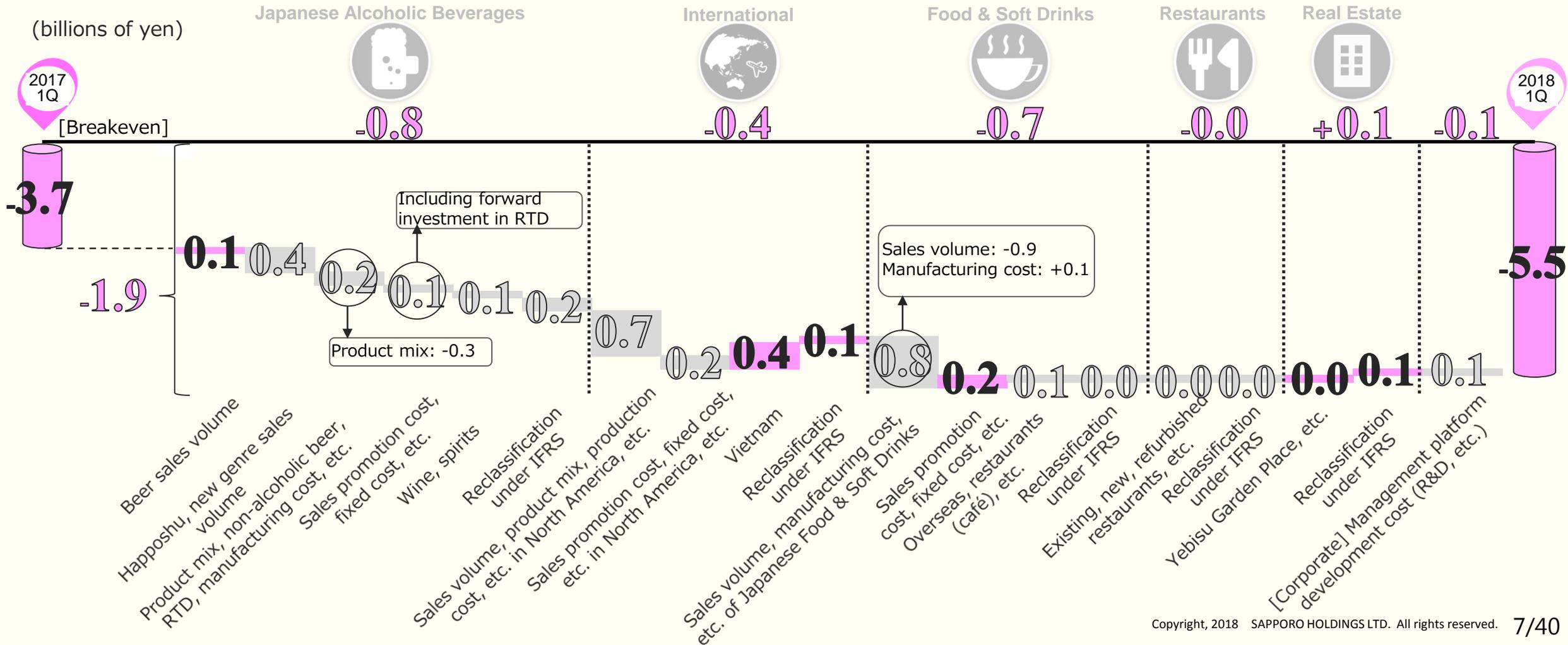
See P.7 for more details

Main Factors Contributing to Changes in Operating Profit



: Declined due to forward investment in RTD and sales decline in the soft drink business (Japan, abroad)
Smooth progress in the structure reforms in Vietnam

= Increase
 = Decrease





Japanese Alcoholic Beverages

Revenue **50.8** YoY change **-0.0**

IFRS Operating profit

-3.1 YoY change **-0.8**

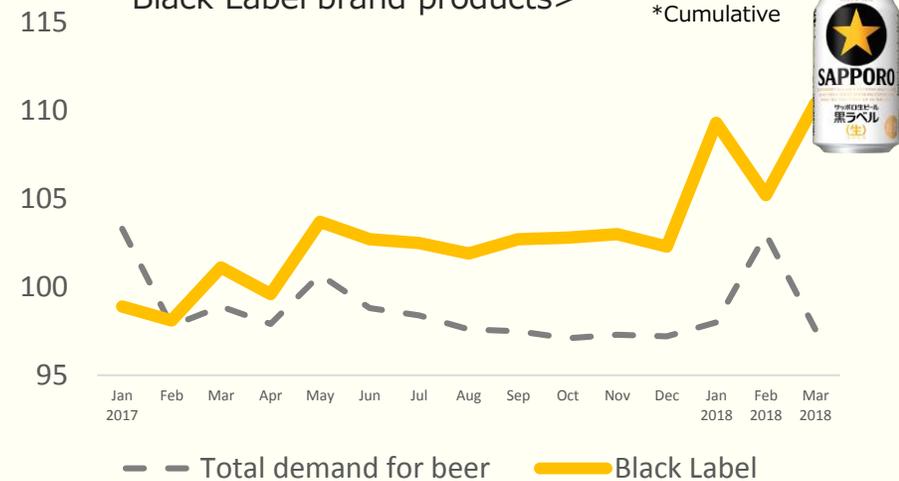
*YoY change is on an IFRS basis

2018 1Q

Positive

- **Conspicuous impact of the “Continuation of strengthening beer business”**
→ Sales volume of Black Label brand products were up **10%** year on year
- RTD continued to be strong, up **26%** year on year
*Sales value-based
- To expand and strengthen sales of Japanese wine Grande Polaire, we plan to open a new vineyard in Hokuto, Hokkaido (June)
*See Appendix p.29 for details

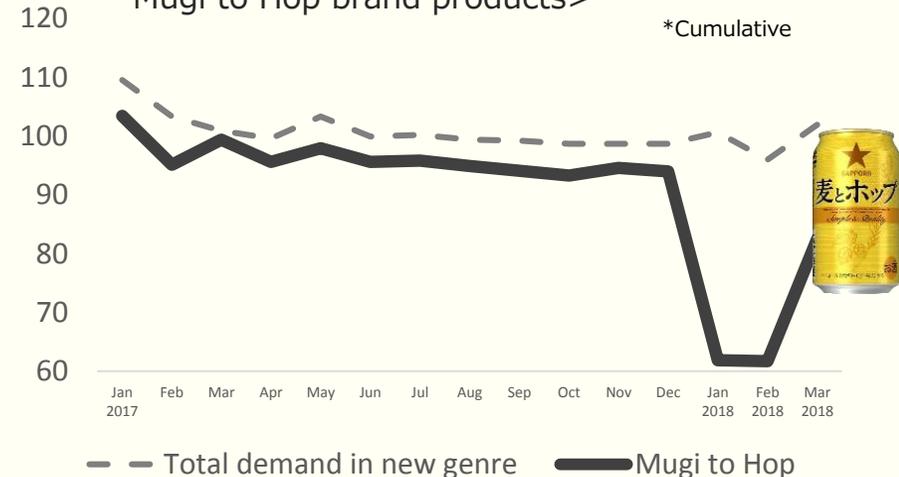
<YoY changes in sales volume of Black Label brand products>



Negative

- Sales volume of new genre products were down **7%** year on year
→ Relunched Mugi to Hop on March 6
Though there was some impact from the product inventory reduction before the relaunch,
March sales volume was up **14%** year on year

<YoY changes in sales volume of Mugi to Hop brand products>





International

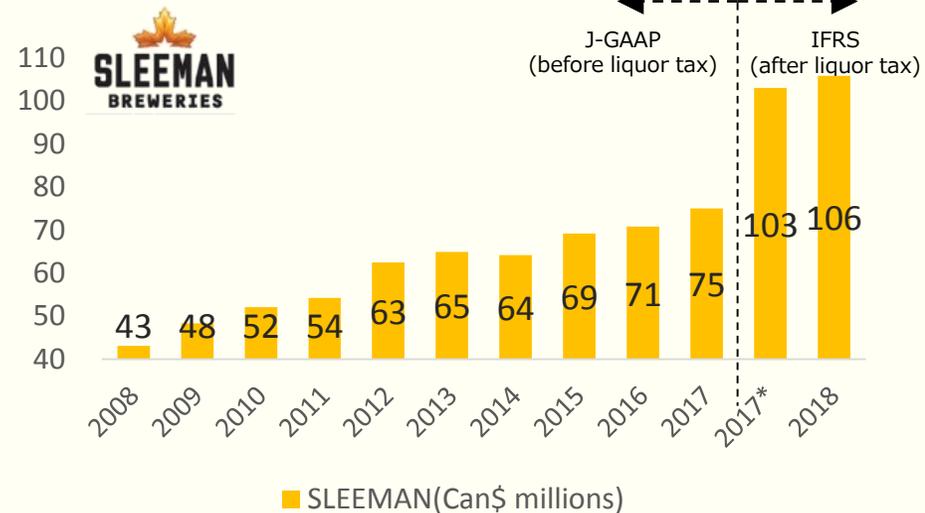
Revenue **17.8** YoY change **-0.6**

IFRS Operating profit **-0.4** YoY change **-0.4**

2018 1Q

*YoY change is on an IFRS basis

<Sleeman: Changes in sales in local currency (before elimination of inter-company transactions)>



Positive

- Sleeman's brand was further strengthened and sales continued to increase
- Sales volume in Vietnam increased **11%** year on year
- Earnings improved **¥0.4** billion as the structure reforms progressed

Negative

- Sluggish earnings at the North American soft drinks business
 - Business integration of the two soft drinks companies in North America was completed in April
 - CPF is taking initiatives in SSC's management improvement. While sales volume of private label products are showing signs of recovery, it has been struggling in the co-packing business

<North American soft drinks: Changes in sales in local currency>





Food & Soft Drinks

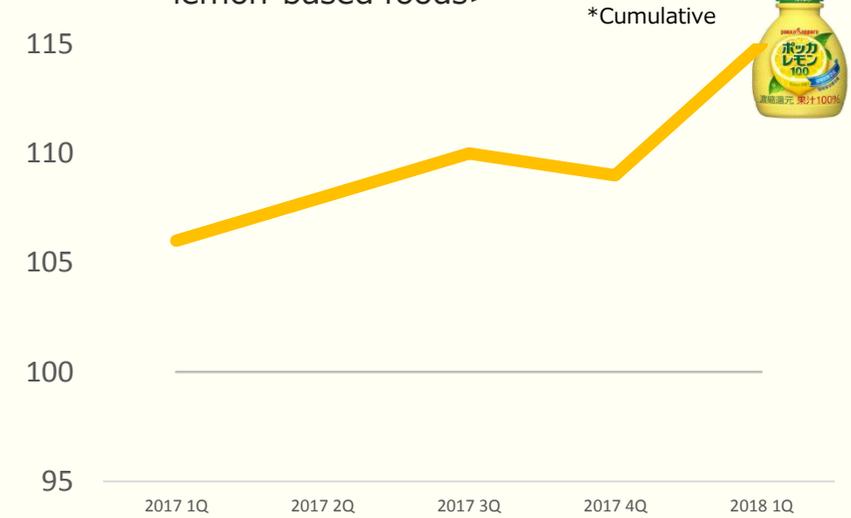
Revenue **27.8** YoY change **-2.5**

IFRS Operating profit **-1.0** YoY change **-0.7**

2018 1Q

*YoY change is on an IFRS basis

<YoY change in sales volume of lemon-based foods>



Positive

- Sales of lemon-based food products and tea drinks remained strong, continuing from last year
 - Sales volume of lemon-based food products were up **15%** year on year



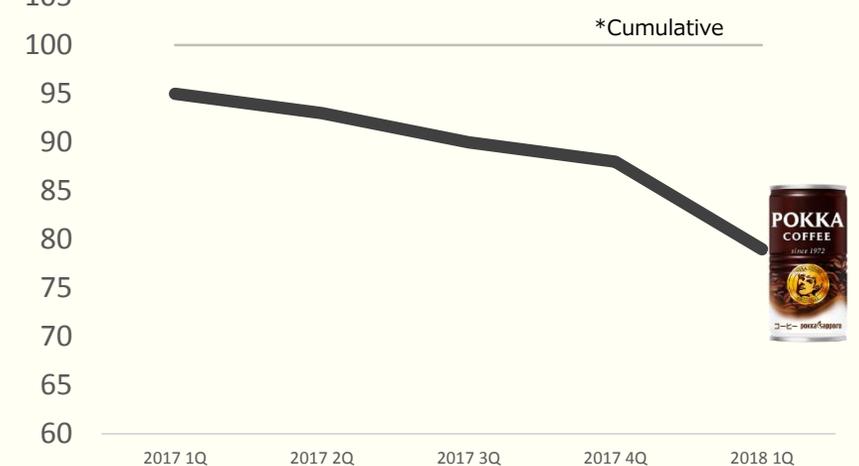
- Began manufacturing and distribution of Almond Breeze

- Sales in Singapore on a recovery track

Negative

- Sales of coffee drinks were sluggish
 - Aim to recover sales with strong products such as tea drinks
- Export sales from Singapore declined
 - Hurrying to build a flexible product development structure

<YoY change in sales volume of coffee drinks>





Restaurants

Revenue **6.1** YoY change **-0.2**

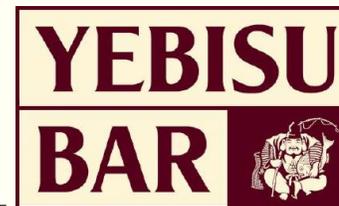
IFRS Operating profit **-0.5** YoY change **-0.0**

*YoY change is on an IFRS basis

2018 1Q

Positive

- The Yebisu Bar Hakata 1 Bangai restaurant opened (March 26)
(The first outlet in Kyushu)
→ All new restaurants have been performing strongly
- While steep rise in ingredient prices and difficulty in acquiring human resources continue, their impact has been negligible in the first quarter thanks to cost control



Negative

- Sales of existing stores were **98%** year-on-year
→ To supplement with new restaurants and formats including new Japanese restaurant format Sobaemon launched in April



*Image of the restaurant during daytime



*Image of the restaurant at night



Real Estate

Revenue **6.0** YoY change **0.2**

IFRS Operating profit **1.1** YoY change **0.1**

2018 1Q

*YoY change is on an IFRS basis

YEBISU GARDEN PLACE



GINZA PLACE



*Contract basis, rounded off to the nearest whole number

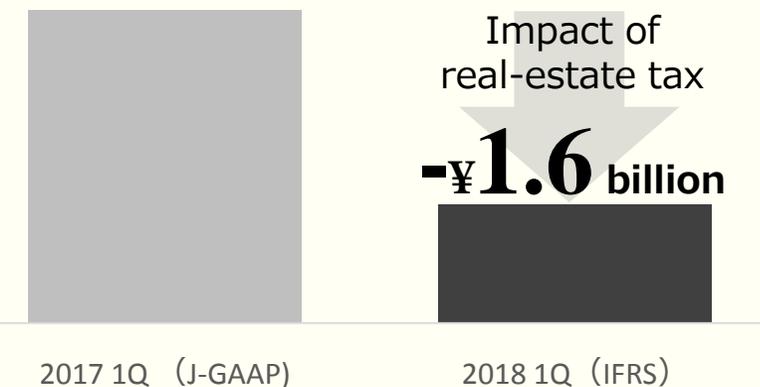
Positive

- Mainstay properties maintained stable occupancy rate

Negative

- Nothing special to mention regarding the business content
- The entire amount of real-estate tax was recorded in January due to the introduction of IFRS
 - No impact on annual profit/loss, but first quarter profit declined compared with operating profit based on J-GAAP.

<Operating profit of the real estate business>





➤ Impact of exchange rates on operating profit is negligible

<Special factors in business results (YoY)>

Business segment	Details	Impact on revenue
International	ANCHOR BREWING COMPANY, LLC Consolidation began in October 2017	Approx. ¥0.7 billion

<Impact of foreign exchange rates>

	2017 1Q	2018 1Q
US \$	¥113.60	¥108.23
EUR	¥121.05	¥133.15
CAN \$	¥85.83	¥85.62
SG\$	¥80.23	¥82.10

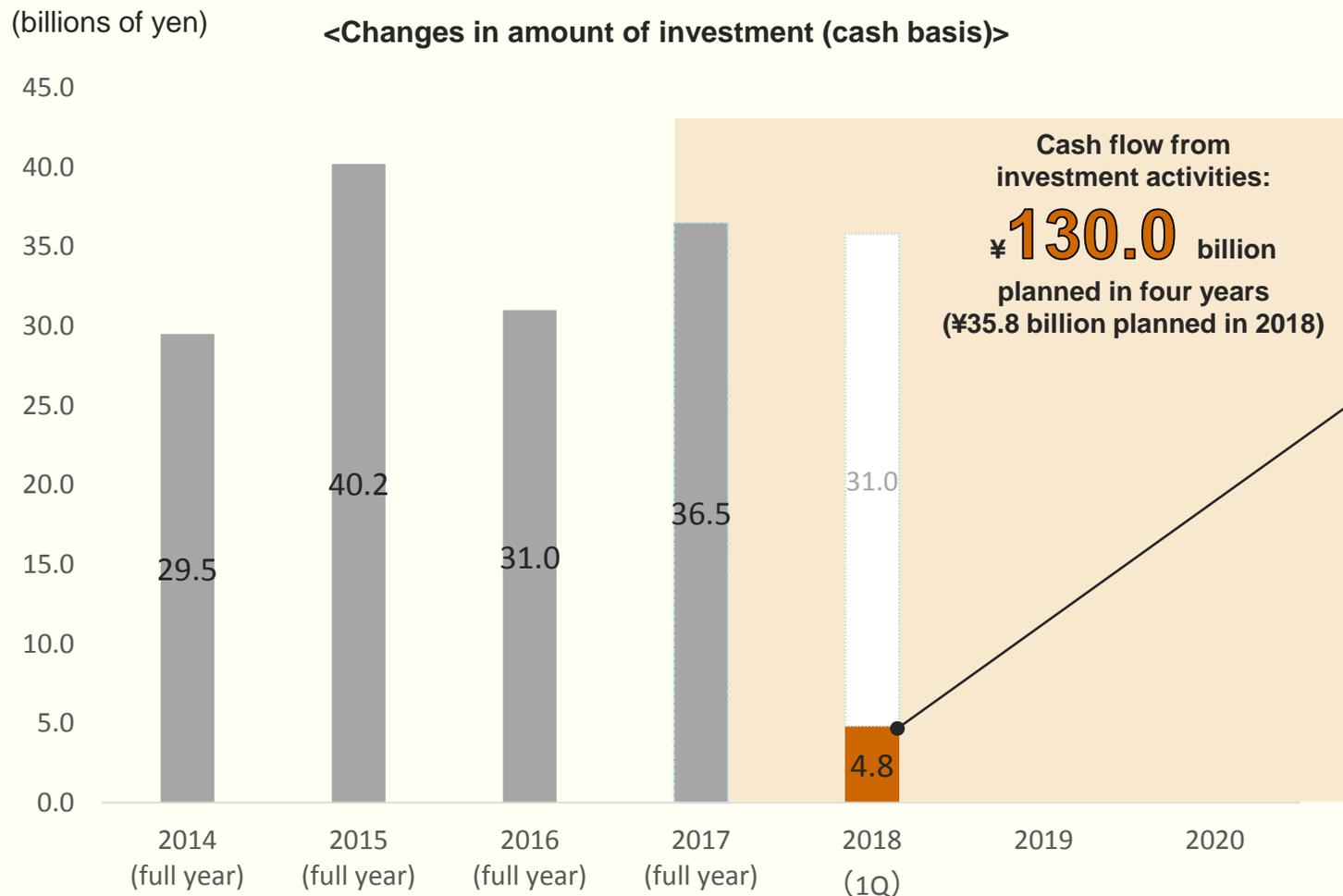


	Impact on revenue
Japanese Alcoholic Beverages	-
International	Approx. -¥0.5 billion
Food & Soft Drinks	-

-: negligible impact



➤ Investment on a cash basis was ¥4.8 billion



① <Capital expenditure>

about **¥2.7 billion** in consolidated total
 (tangibles, intangibles)

<Major items>

- “Alcoholic Beverages,” “Food” and “Soft Drinks” -related: about ¥2.1 billion
 - SGM Group infrastructure streamlining, etc.: about ¥0.4 billion
- *SGM: Sapporo Group Management Ltd.

② <Investment properties> about **¥0.8 billion** in consolidated total

③ <Lease fees> about **¥0.8 billion** in consolidated total

④ <Other investment> about **¥0.5 billion** in consolidated total
 (Long-term prepaid expense, investment securities, etc.)

① + ② + ③ + ④ <2018 1Q investment total>
 (cash basis; including current capital expenditure, lease fees)

about **¥4.8 billion**

Impact of Voluntary IFRS Application on Balance Sheets

➤ Balance sheet as of the end of the previous year changed due to shift to IFRS

Balance sheet as of the end of 2017
(J-GAAP)

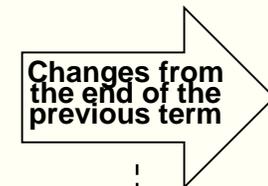
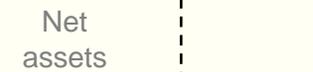
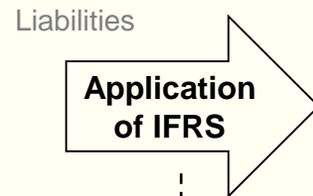
Assets	630.6	453.0
		177.7

Balance sheet as of the end of 2017
(IFRS)

Assets	664.7	489.0
		175.7

Balance sheet as of the end of 2018 1Q
(IFRAS)

Assets	630.3	470.6
		159.7



Changes due to accounting standards

+34.1	+36.1
	-2.0

To be explained in p.16, 17

Changes compared to the end of the previous year

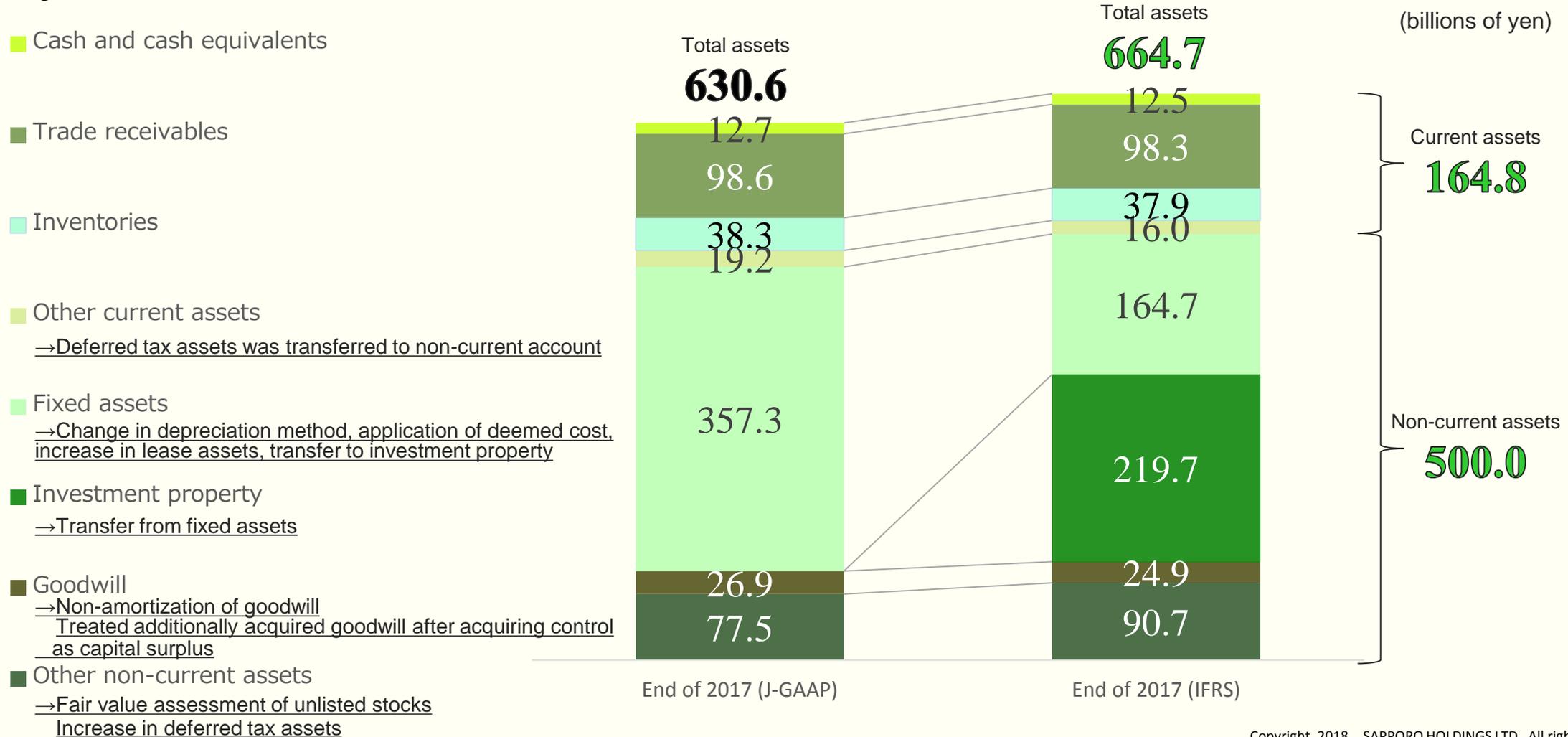
-34.5	-18.5
	-16.0

To be explained in p.18, 19

(billions of yen)

Impact of Voluntary IFRS Application on Balance Sheets

🔍 : Total assets increased ¥34.1 billion due to the application of IFRS

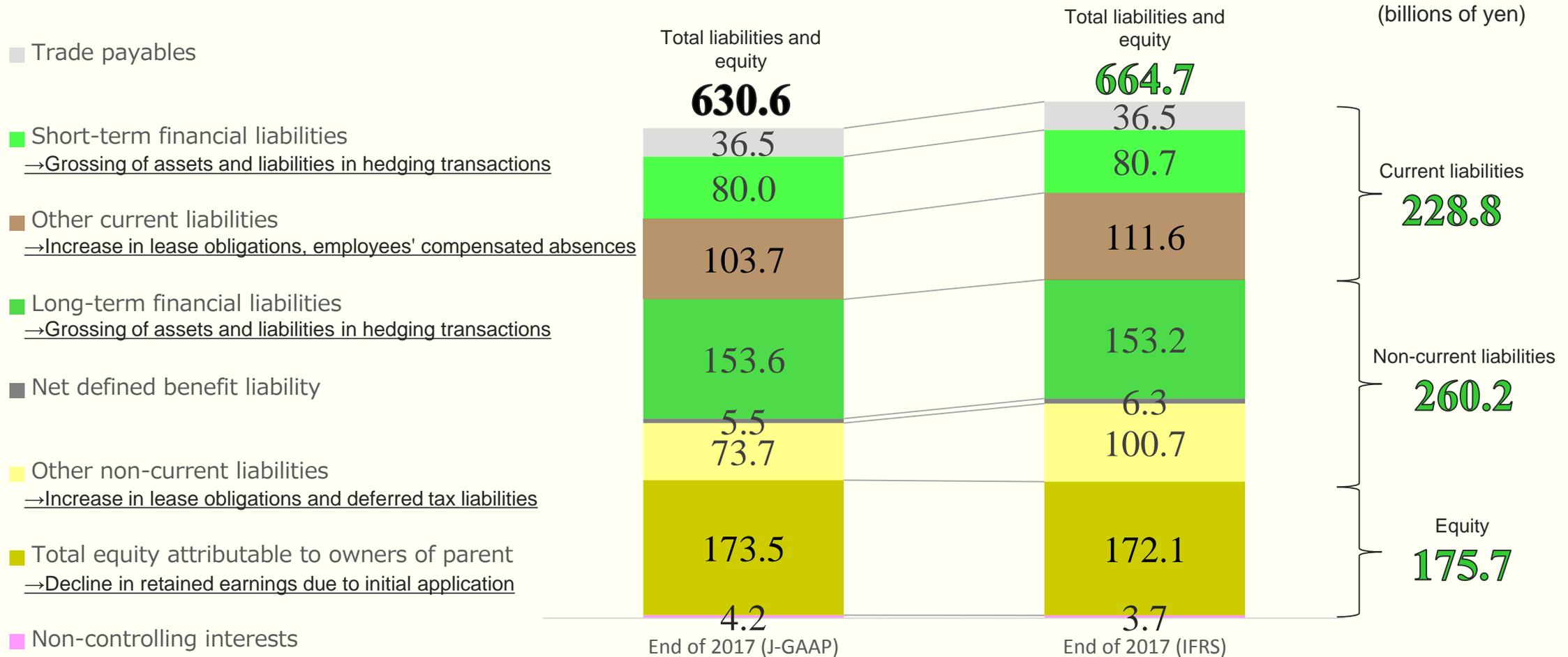




Impact of Voluntary IFRS Application on Balance Sheets



: Total liabilities increased ¥36.1 billion due to the application of IFRS and total equity decreased ¥2.0 billion



Changes in Balance Sheets

2018
1Q



: Total assets declined ¥34.5 billion compared with the end of the previous year

Cash and cash equivalents

Trade receivables
→ Impact of seasonal factors and bank holidays

Inventories

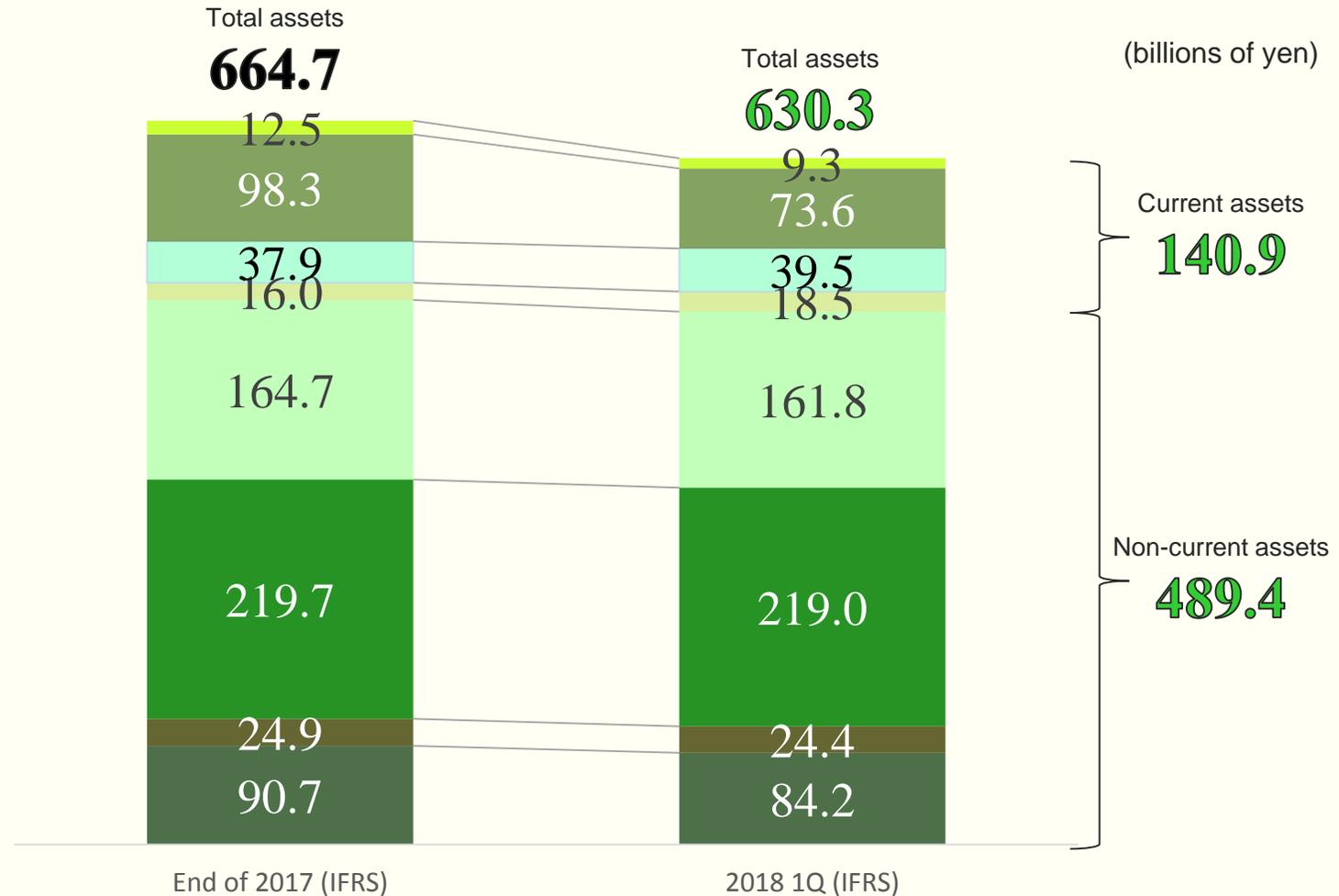
Other current assets

Fixed assets

Investment property

Goodwill

Other non-current assets
→ Decline in investment securities

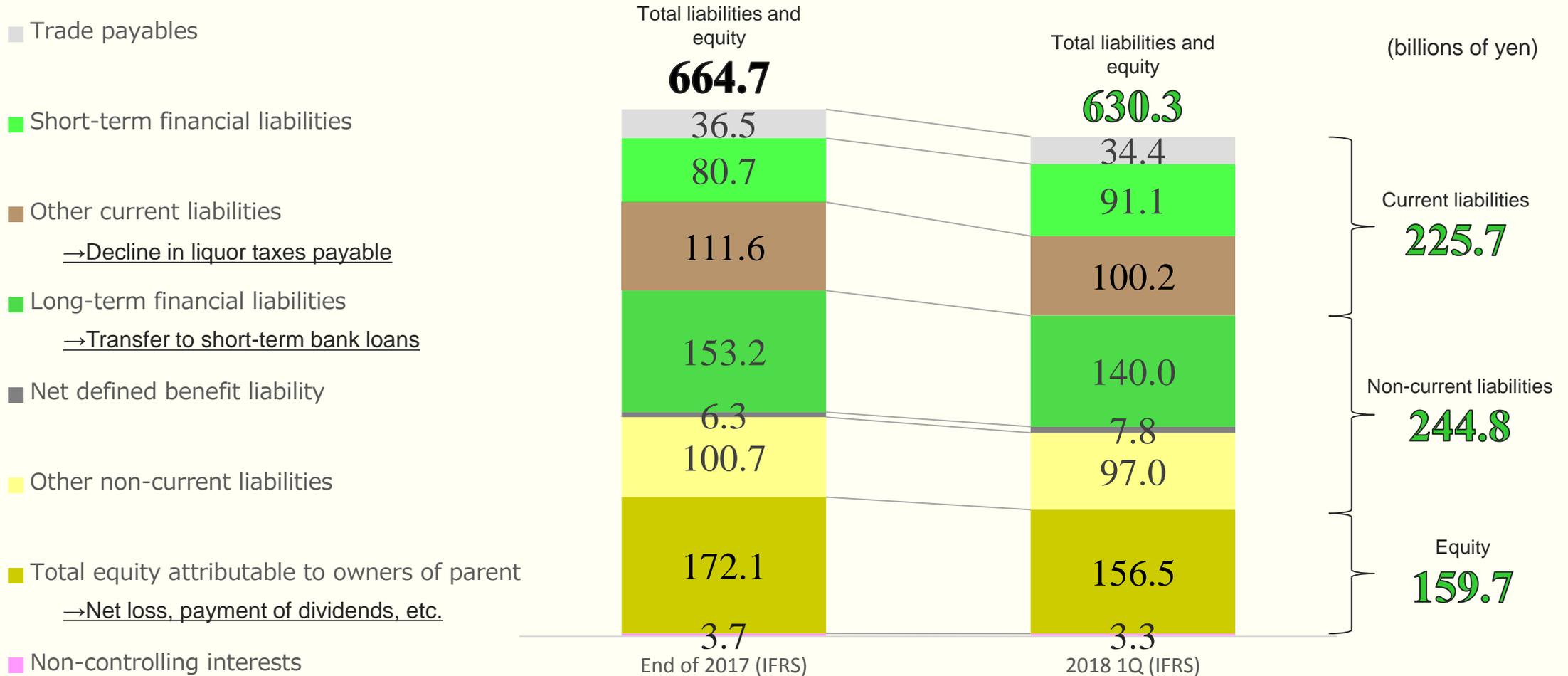


Changes in Balance Sheets

2018
1Q



: Total liabilities declined ¥18.5 billion compared with the end of the previous year, total equity declined ¥16.0 billion





Research of hop

- Received the 2018 JSBBA Award for Achievement in Technological Research*1 from Japan Society for Bioscience, Biotechnology, and Agrochemistry (JSBBA).
- Sapporo's diverse analysis of hop quality over a long period of time and initiatives regarding its application were highly rated, and the company's track record in the "global contribution to stable hop cultivation," "continuous development of superior hop varieties" and "diversified analysis of components particular to hops" was the deciding factor for the award.
- This is the third time for the company to receive the award on a beer brewing technology theme at the Society, following its successes in 2000 and 2015.

http://www.sapporobeer.jp/news_release/0000021863/index.html

*1 A historic award established in 1968. It is an extremely authoritative award given to a member who made remarkable technological achievement in the field of agricultural chemistry.
JSBBA website: <http://www.jsbba.or.jp/>



Research of lemon

- Began full scale test cultivation of lemons, leveraging ICT, in Osakikamijima-cho in Hiroshima Prefecture from this spring to ensure stable production of lemon grown in Japan.
- Aim to improve efficiency of lemon cultivation and boost quality of lemon fruits by utilizing ICT and quantifying agricultural activities.

http://www.sapporoholdings.jp/news_release/0000020427/index.html



Health creation management Work Style Improvement

- Certified as "2018 Excellent Enterprise of Health and Productivity Management-White 500" for the second consecutive year, following FY2017. Of the 1,239 companies that responded, Sapporo scored in the top 20% and won the five-star rating.



- Appointed as Telework Declaration Company by the Ministry of Health, Labour and Welfare
<https://www.sengen7.com/>

Appendix: Reference Materials

Major Sales and Sales Volume

Alcoholic Beverage (Japan)

(10,000 cases)

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

Effective from July, 2014, the company has changed the reporting method of its sales volume of beer-type beverages, following the agreement of the Brewers Association of Japan, and therefore no disclosure of the sales volume for the first quarter.

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

(billions of yen)

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

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

Beer (International)

(10,000 cases)

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

Soft Drinks (POKKA SAPPORO FOOD & BEVERAGE)

(10,000 cases)

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

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

Sales (including liquor tax)

(billions of yen)

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

Sales (excluding liquor tax)

(billions of yen)

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

Appendix Japanese Alcoholic Beverages



【Beer】 (sales volume)

Jan-Mar **up 1%** y-o-y (total demand down 2%)

- ✓ **Black Label Brand total up 10%** y-o-y
(Sales of the canned version : **up 13%** y-o-y)
- ✓ **Yebisu Brand total down 16%** y-o-y
(Reverse effect of Yebisu Hana Miyabi, launched in March 2017.
Yebisu canned version improved than last year)

【Happoshu+ New genre】 (sales volume)

- ✓ **Jan- Mar down 8%**
(total demand unchanged)
- ✓ **Mugi to Hop Brand total down 17%** y-o-y
(Impact from the product inventory reduction before the relaunch)
- ✓ **Goku Zero Brand total down 25%** y-o-y

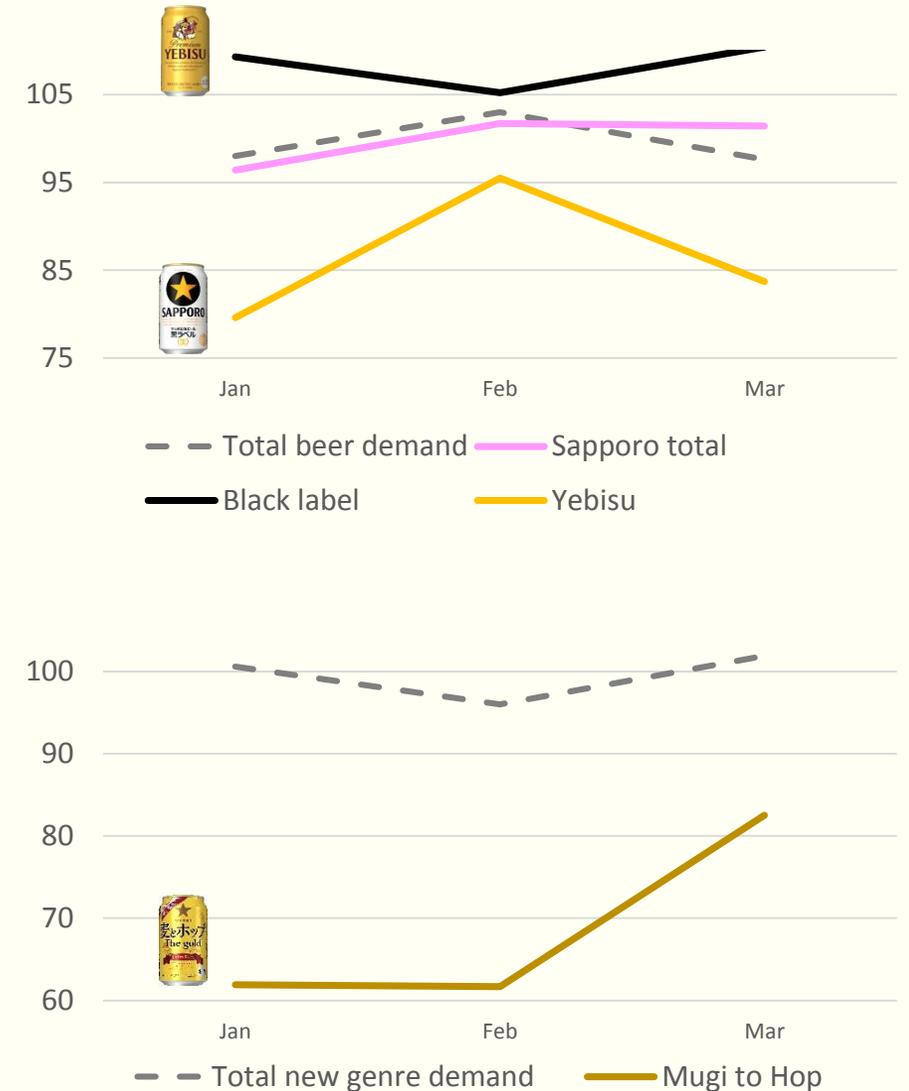
【Wine , Spirits and others】 (sales value)

- ✓ **Wine : down 5%** y-o-y
- ✓ **RTD : up 26%** y-o-y
- ✓ **Spirits : up 15%** y-o-y
- ✓ **Japanese liquor : down 1%** y-o-y

Appendix
Japanese Alcoholic
Beverages



<Y-o-y change in sales volume of
3 core brands>

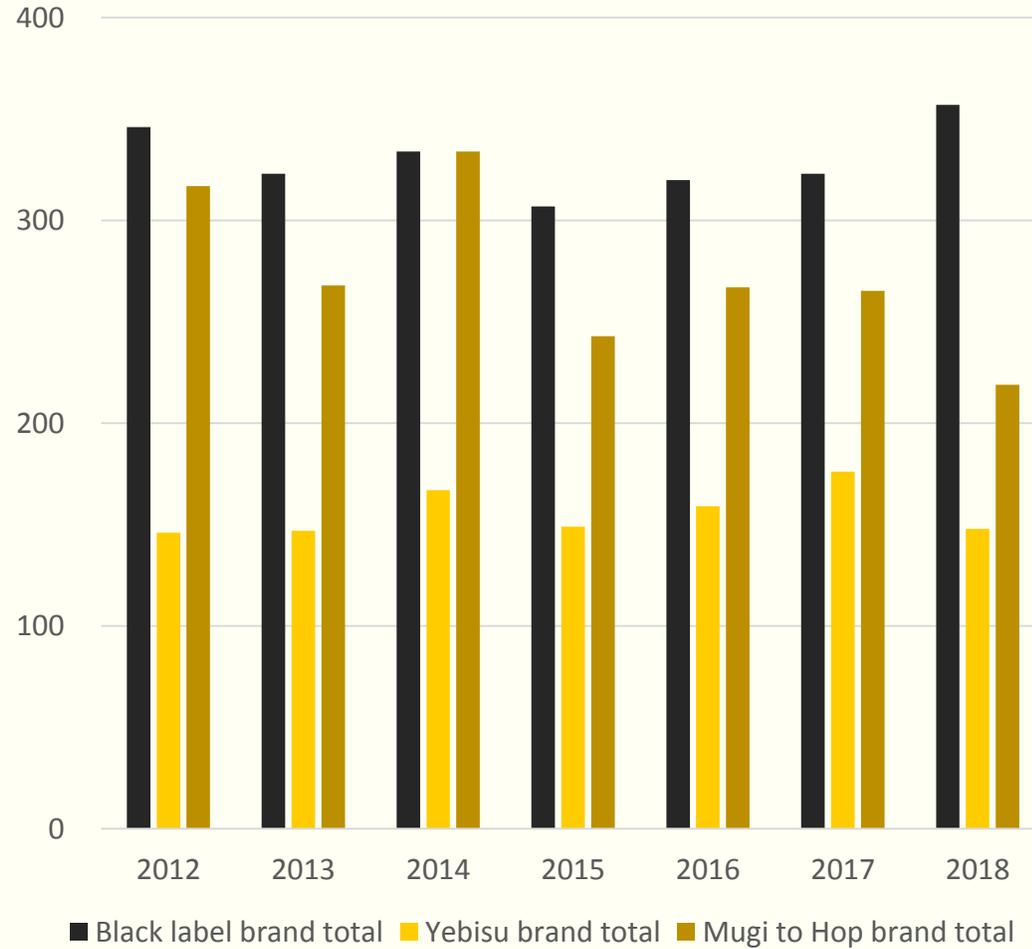


Appendix Japanese Alcoholic Beverages

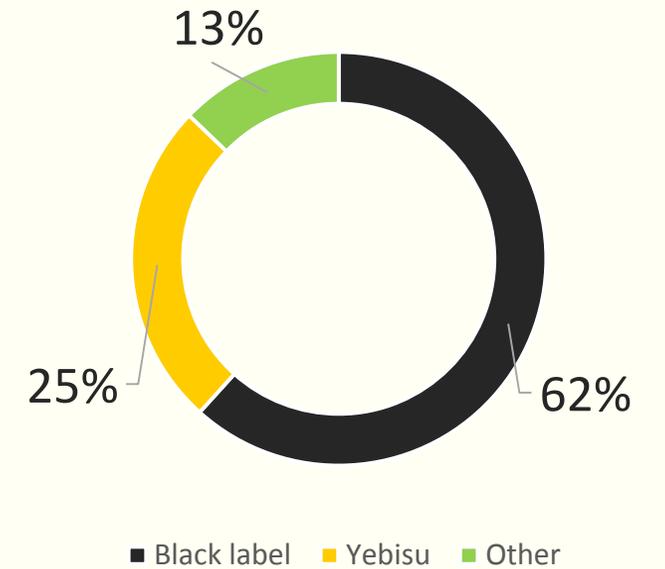


<3 core brand Jan- Mar Sales volume change> *Sales base

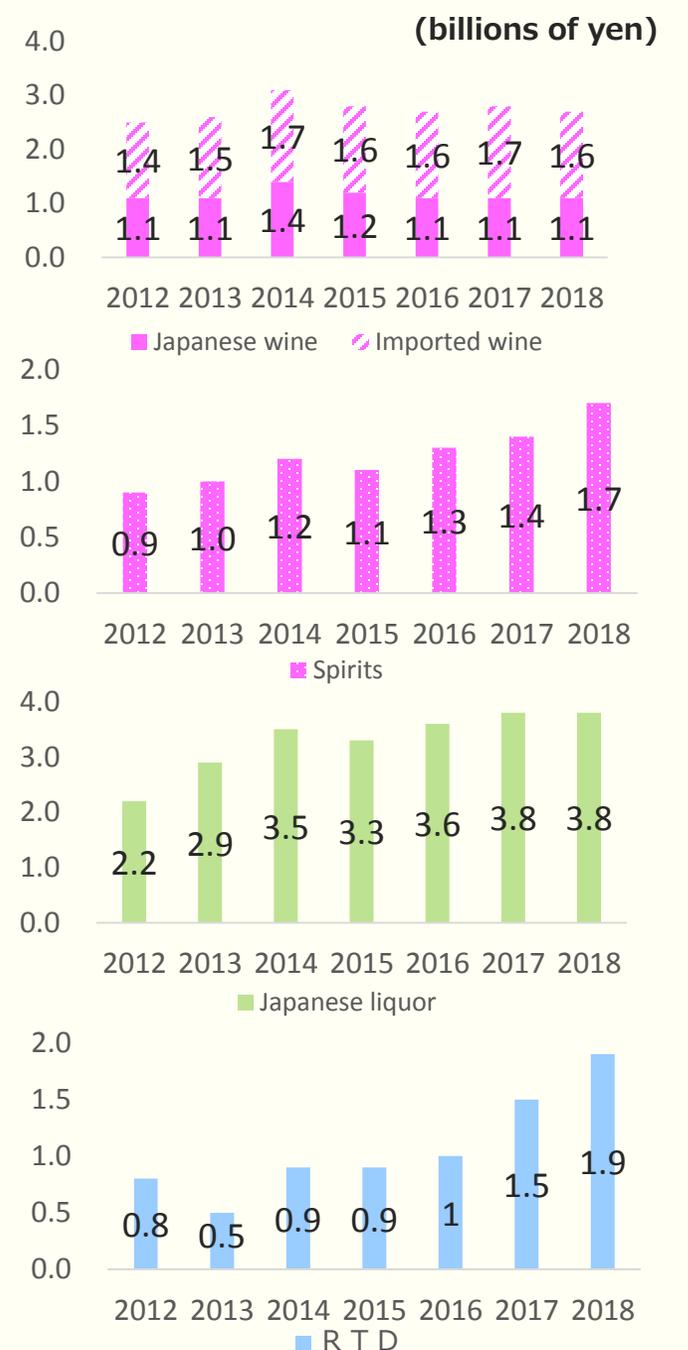
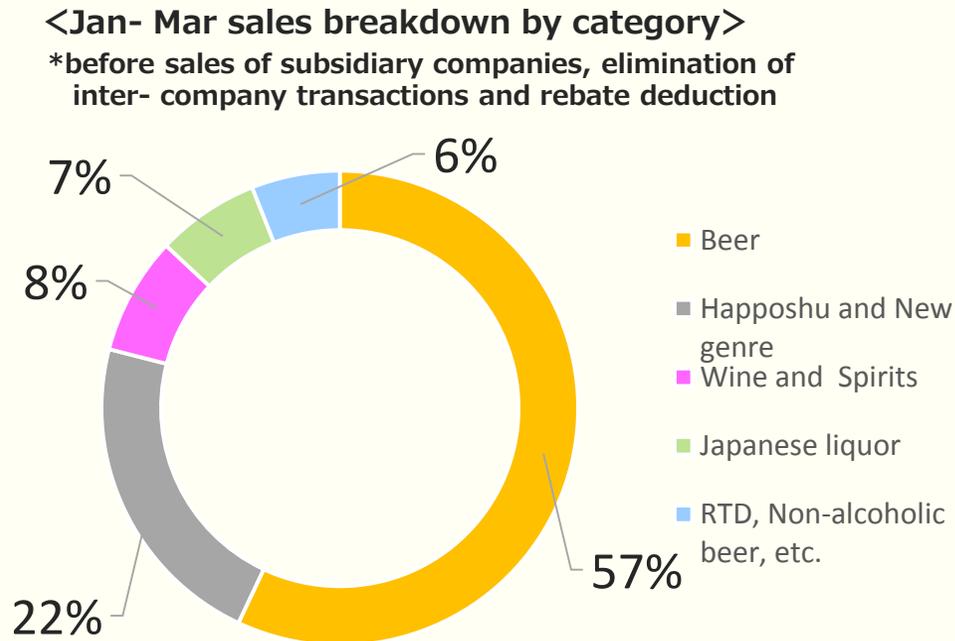
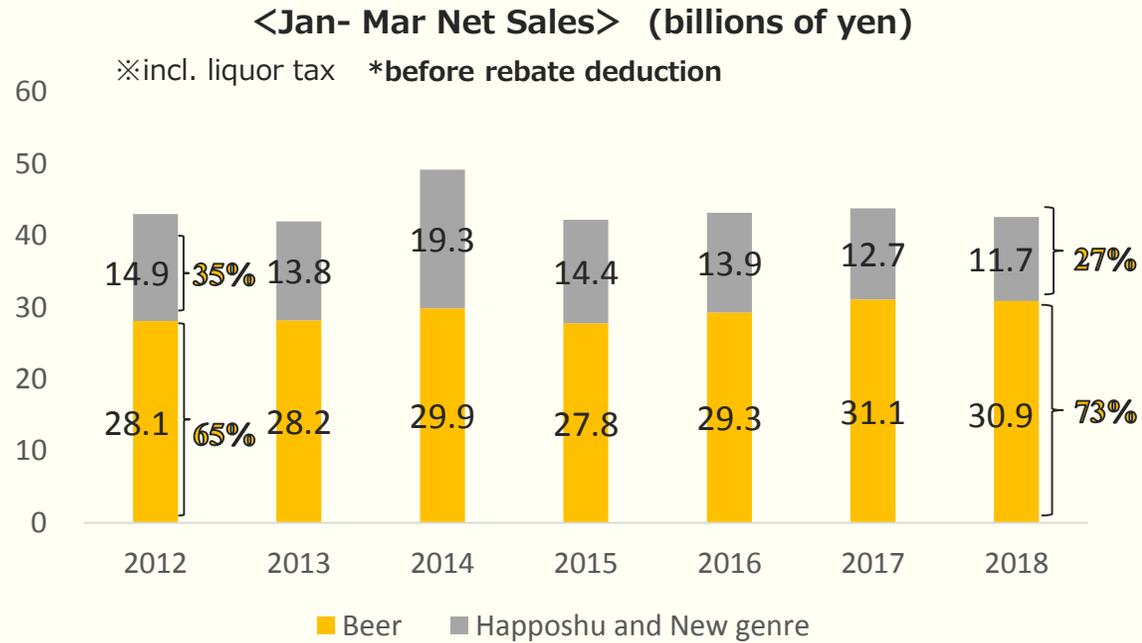
(10,000 cases)



<Beer lineup (Jan – Mar breakdown)>



Appendix Japanese Alcoholic Beverages



<2018 Jan-Mar Major new products>

*incl. improved products

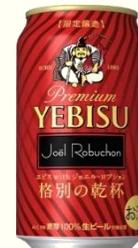
Beer, Happoshu, New genre and RTD



"YEBISU Hanamiyabi"



YEBISU
Sakura designed can



"YEBISU with
Joel Robuchon"



"Mugu to Hop"
(improved product)



"Goku zero
Sokai zero"



"PEACH BELG"



"CLASSIC
Harunokaori"



Special Edition can



Special Edition can



Special Edition can



Special Edition can



"Ai no Skal
Mango sour"



Left: "Umekaku- Pink Grape"
Right: "Umekaku- Peach" (improved products)



"Napolin Classic sour"



Left: "Kireto lemon sour- Hyaluronic plus"
Middle : "Kireto lemon sour" (improved product)
Right: "Kireto lemon sour- Strong"

Appendix
Japanese Alcoholic
Beverages



Appendix Japanese Alcoholic Beverages



<2018 Jan-Mar Major new products>

*incl. improved products

Wine, Spirits and Japanese liquor



Champagne
"TAITTINGER Brut Reserve
FIFA bottle 2018"



France wine
Emma MYTHIQUE



GRANDE POLAIRE



Italian wine
Tenuta Carretta series



Plum flavor liquor
"Otokoume no sake"
(Improved product)



Plum liquor
Umeshu series



Shochu Kokuimo series

Penfolds Bin 8 Shiraz Cabernet 2016 wins the Diamond Trophy! “SAKURA” Japan Women’s Wine Awards 2018



- ✓ Penfolds Bin 8 Shiraz Cabernet 2016, a fine wine marketed by Sapporo Breweries Ltd., won the Diamond Trophy at the “SAKURA” Japan Women’s Wine Awards 2018.
- ✓ The trophy is given to the wine that is especially superior among the products that won Double Gold, approved as the best quality wines.
- ✓ It is an extremely prestigious award, which was given only to 47 items, or about 1% of the entire 4,342 entries in 2018.

http://www.sapporobeer.jp/news_release/0000021860/index.html

Appendix



Grande Polaire Dry Koshu 2016 and Yamanashi Koshu Barrel Fermentation 2016 win Gold Asian Wine Review 2018



- ✓ At the Asian Wine Review 2018, both Grande Polaire Dry Koshu 2016 and Yamanashi Koshu Barrel Fermentation 2016 won Gold.
- ✓ The two products have been selected as TOP12 and Dry Koshu 2016 in particular won the top most award for white wine. At the same time, it won Bronze in four items.
- ✓ Sapporo’s products were the only ones with multiple Gold prizes among Japanese wines, and the wins, in each of the four production areas of Hokkaido, Nagano, Yamanashi and Okayama, which is one of the strengths of Grande Polaire, could be attributed to Grande Polaire’s high quality, unique wine production.

http://www.sapporobeer.jp/news_release/0000021836/index.html

Opening of Grande Polaire Hokkaido Hokuto Vineyard



Appendix



- ✓ We will open Grande Polaire Hokkaido Hokuto Vineyard (tentative name) in June 2018 to secure high-quality grapes and improve brand power of Japanese wine Grande Polaire.
- ✓ We will prepare the soil of the vast 25.4 ha land within 2018, start planting the first nursery stocks of grapevine in 2019 and harvest the first grapes in 2021.
- ✓ We aim to sell the wine brewed using the grapes harvested as the first vintage in 2022. http://www.sapporobeer.jp/news_release/0000021899/index.html

<Profile of Grande Polaire Hokkaido Hokuto Vineyard (tentative name)>

Address	Mitsuishi, Hokuto, Hokkaido
Area	25.4 ha
Schedule	Apr 2019 Planting of first nursery stocks of grapevine Oct 2021 First harvesting, brewing 2022 Sale of first vintage (plan) *The expected yield of grapes once the grapevines mature is equivalent to 10,000 cases of wine
Types of grapes	Merlot, Chardonnay, Sauvignon blanc, Syrah, etc.

Appendix International



【Overseas Brand】

(Products of Sleeman and Anchor)

✓ Jan- Mar **up 8%** y-o-y *sales volume

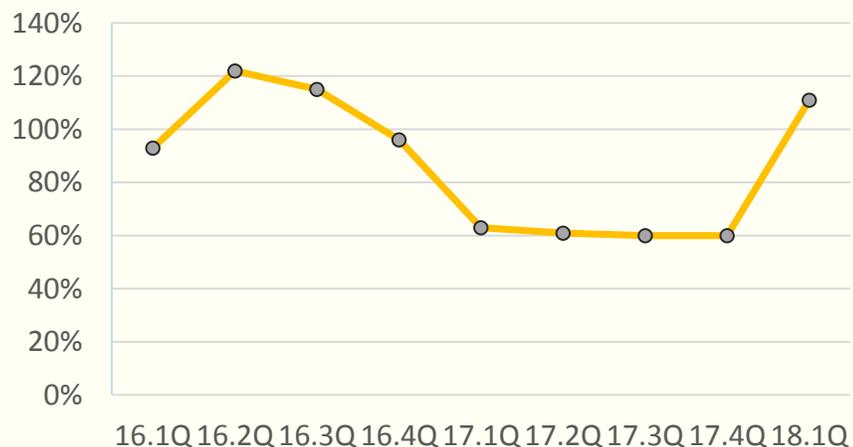
【Sapporo Brand】

✓ Jan- Mar **up 2%** y-o-y *sales volume

【Vietnam】

✓ Jan- Mar **up 11%** y-o-y *sales volume

<Y-o-y change in domestic sales volume in Vietnam>

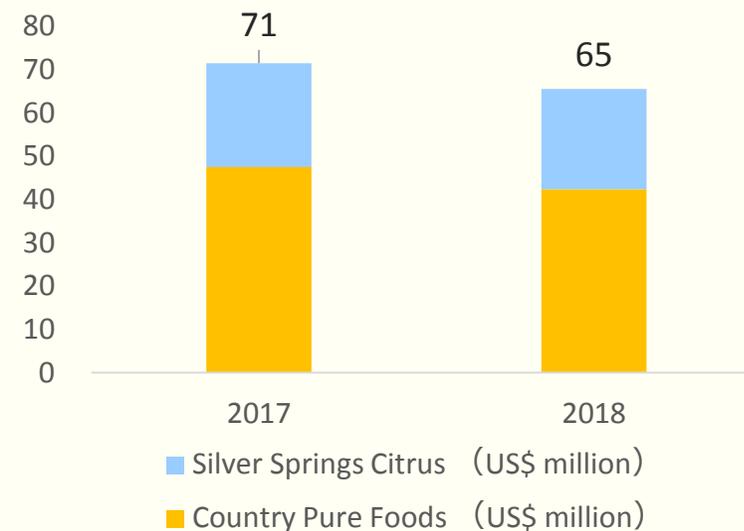


【U.S. soft drinks business】

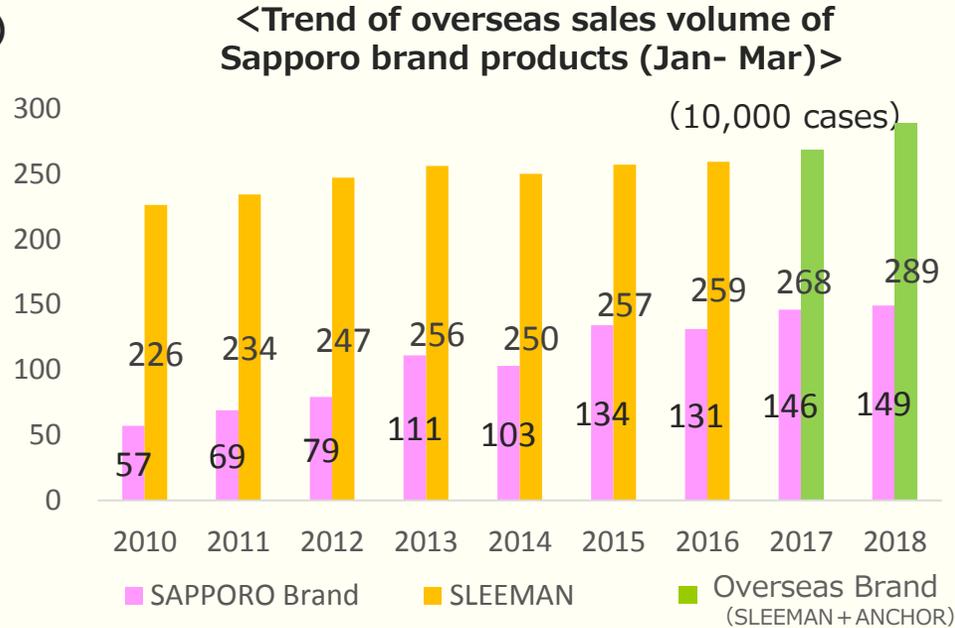
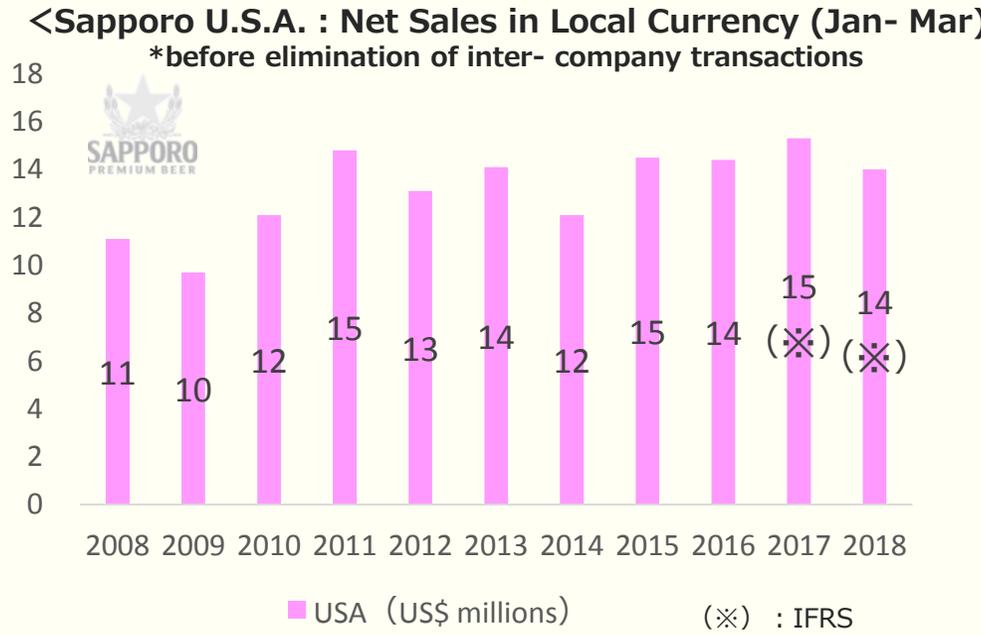
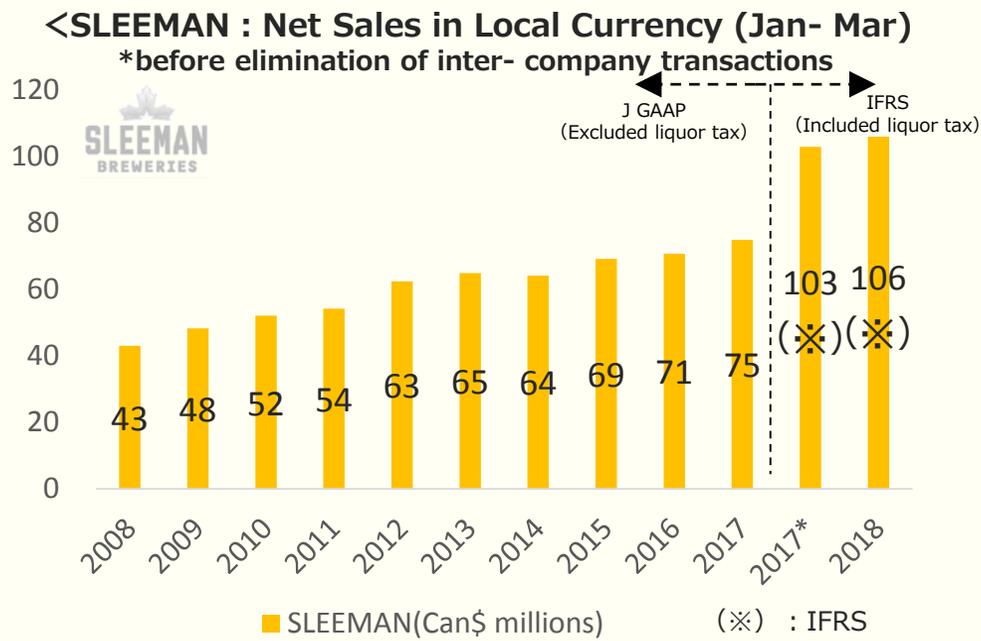
✓ Jan- Mar **down 8%** y-o-y * sales revenue

<U.S. soft drinks business Net Sales in Local Currency (Jan- Mar)>

* before elimination of inter- company transactions



Appendix International



Appendix Food & Soft Drinks



【Lemon-based drinks】

✓ Jan- Mar down **2%** y-o-y ^{*sales volume}



【Lemon-based food products】

✓ Jan- Mar **up 15%** y-o-y ^{*sales volume}

【Unsweetened tea drinks】

✓ Jan- Mar **up 5%** y-o-y ^{*sales volume}

【Soups】 ^{*sales volume}

✓ Jan- Mar down **10%** y-o-y

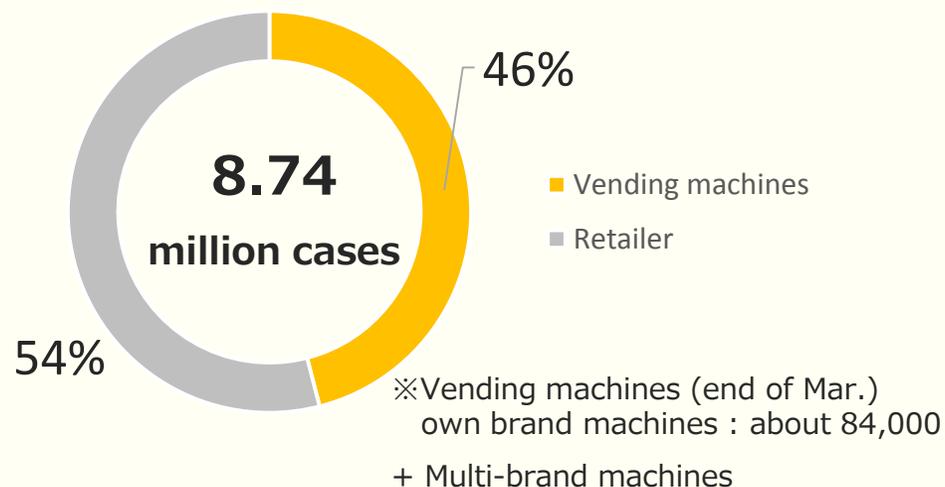
【Coffee drinks】 ^{*sales volume}

✓ Jan- Mar down **21%** y-o-y

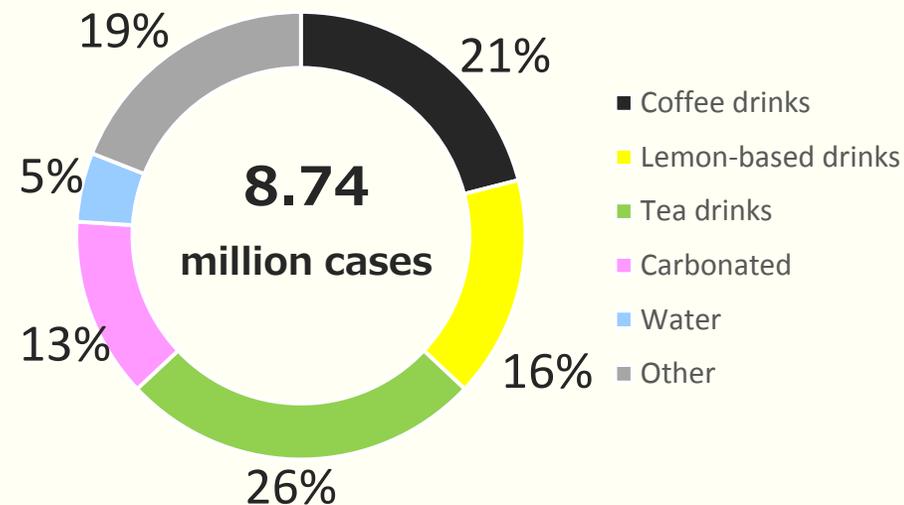
【Soy milk, chilled products】 ^{*sales volume}

✓ Jan- Mar **up 10%** y-o-y

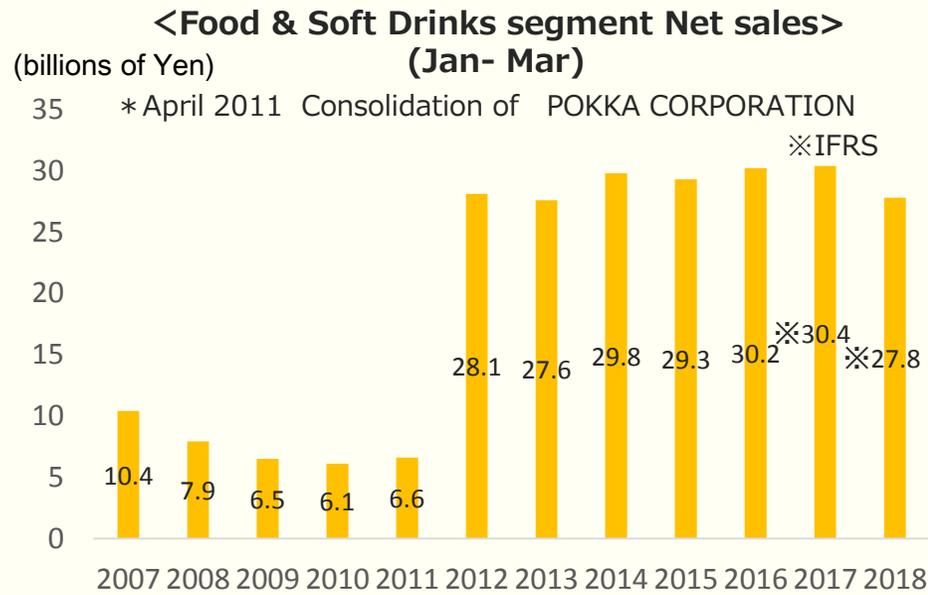
<Japanese soft drinks
POKKA SAPPORO Food & Beverage
Sales composition by sales channel
(Jan- Mar)>



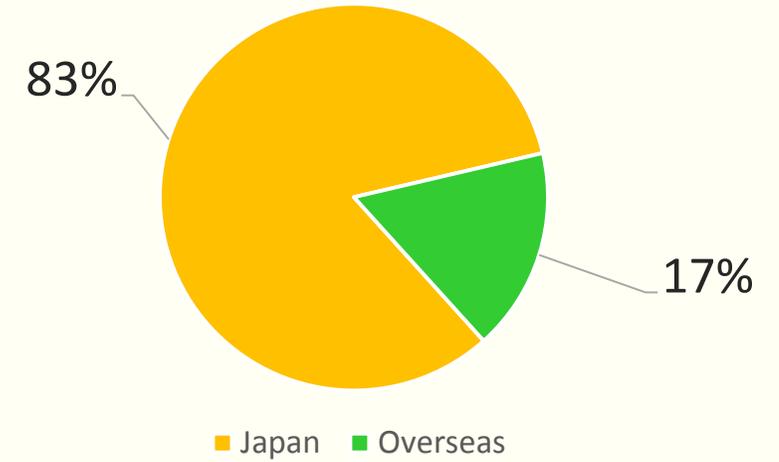
<Japanese soft drinks
Sales composition by genre
(Jan- Mar)>



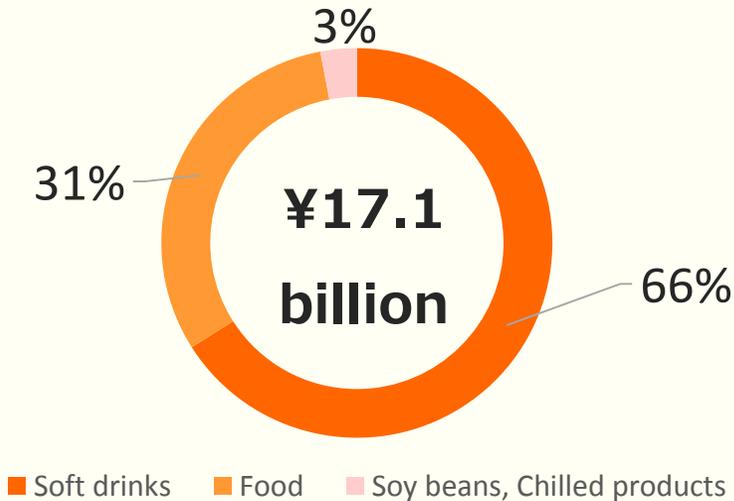
Appendix Food & Soft Drinks



<Food & Soft Drinks segment Net sales break down by geographic area> * before elimination of inter- company transactions



<Japanese soft drinks POKKA SAPPORO Food & Beverage Sales composition (Jan- Mar)>

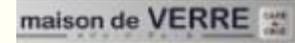


<Overseas soft drinks POKKA Corporation (Singapore) Sales composition (Jan- Mar)>

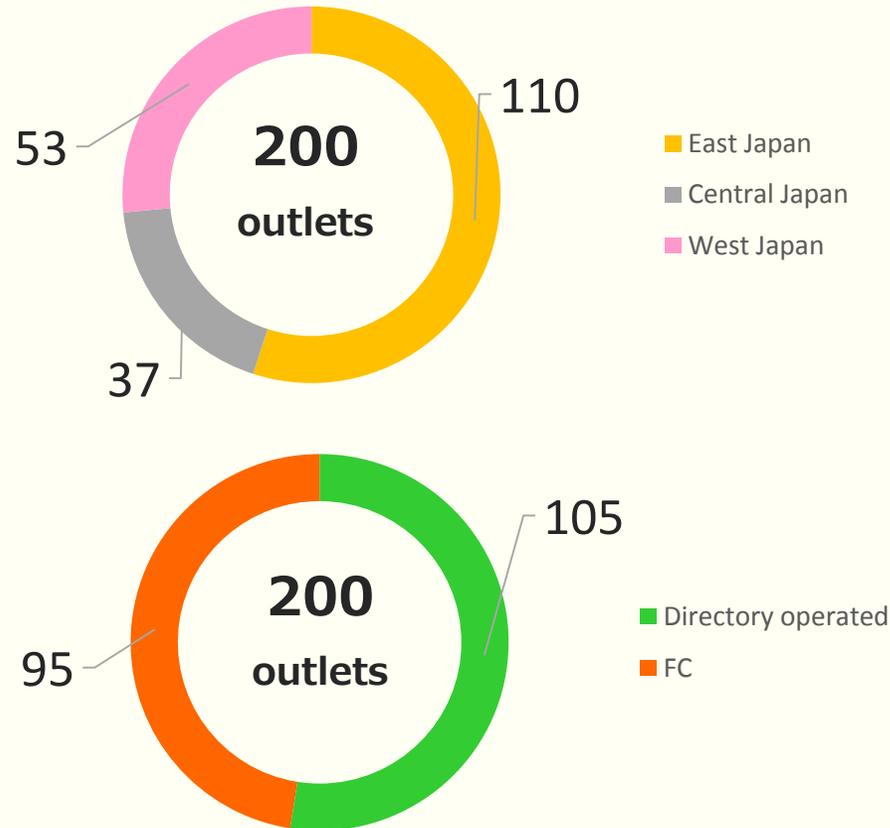


【Pokka Create CO., Ltd.】

✓ Jan- Mar Net sales **¥2.0** billion
down 2% y-o-y



<Number of outlets as of March 31, 2017 : 200>



<New & refurbish outlets >



2018.01.31
 CAFÉ de CRIÉ
 ホピタル市立東大阪
 医療センター
 グランドオープン



2018.02.08
 CAFÉ de CRIÉ
 横浜北幸タカシマヤ
 ローズホール
 グランドオープン



2018.02.23
 CAFÉ de CRIÉ
 アリオ荻西
 グランドオープン



2018.03.21
 メゾン・ド・ヴェール
 新静岡セノバ
 グランドオープン

Appendix Food & Soft Drinks



<2018 Major new products>

*incl. improved products



Left: JELEETS coffee jelly
Right: JELEETS Uji maccha jelly



Plum flavor sparking
"Kishu no ume Sparkling"



Tsugaru apple flavor juice
"Tsugaru no Ringo"



Hita pear favor juice
"Hita no nashi"



Left: Gabunomi Milk coffee
Right: Gabunomi Cola Float
(improved product)



"Kumamoto genmai tea"



"Gyokuro iri tea"
(improved product)



"Hokkaido hasukappu sparkling"



"White grape fruit & Natural water"



Almond milk
"Almond Breeze" series



"Limone Granita"



Lemon vinegar
"Lemon no su"

Appendix Food & Soft Drinks



<2018 Major new products>

*incl. improved products



Jikkuri Kotokoto Kongari Pan PREMIUM soup series



Risorante
Cup-based risotto



“Gekikara Tonkotsu soup”



Sozaiya soup



Jikkuri Kotokoto
Kongari Pan soup



Cold soups series

“Jikkuri Kotokoto Gohobi Dinning cold soup”



SOYBIO Soya Yogurt



Reduced salt Potage



Jikkuri Kotokoto
Potage can series



Reisei eraberu
Minna no soup

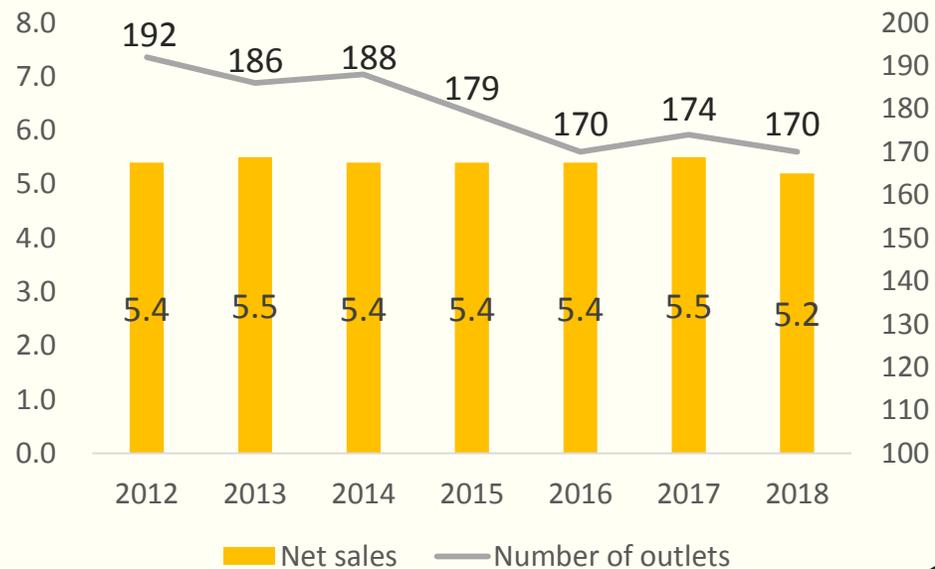
Appendix Food & Soft Drinks



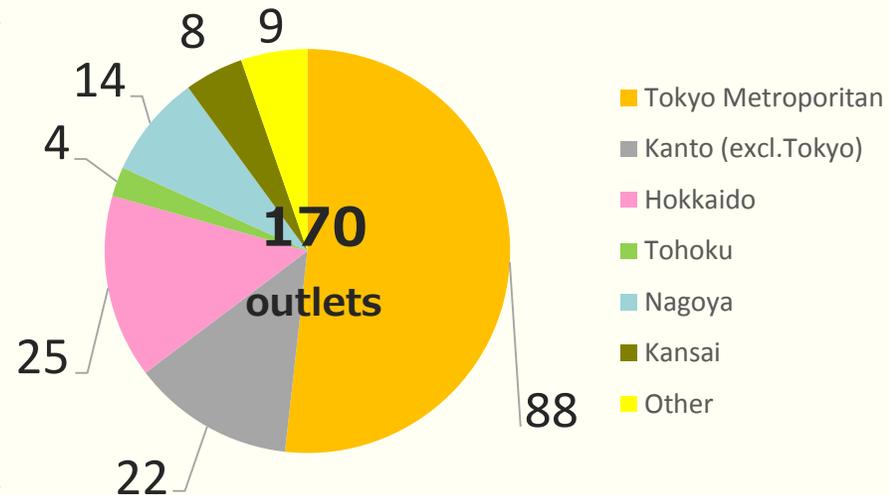
Appendix Restaurants



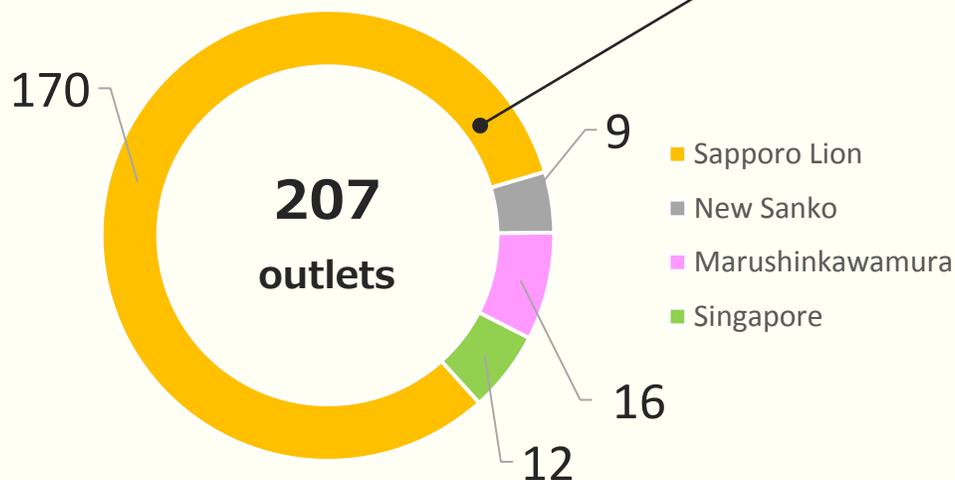
Trends of net sales and number of Sapporo Lion Outlets *before rebate deduction



<Sapporo Lion outlets> As of Mar 31, 2018



<Restaurants segment total number of outlets>



<Brands>



Appendix Real Estate



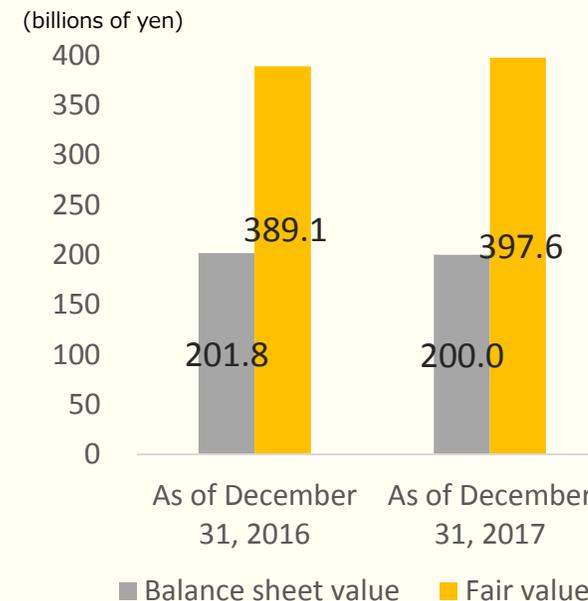
<Major rental properties & occupancy rates : (Averages of Jan-Mar, 2018)>

	Site area (㎡)	Floor area (㎡)	Occupancy rate (%)	No. of floors
Yebisu Garden Place ⁽¹⁾	56,943	298,007	100	40 floors above ground, 5 below
Ebisu First Square	2,596	16,012	100	12 floors above ground, 1 below
Ebisu Square	1,561	8,644	100	7 floors above ground, 1 below
Ginza Place	645	7,350	100	11 floors above ground, 2 below
Strata Ginza ⁽²⁾	1,117	11,411	100	13 floors above ground, 1 below

*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)

<Information about Real Estate for lease>



<Operating income> ※ (billions of yen)	20171Q	20181Q IFRS	Change
Yebisu Garden Place, etc.	—	0.9	—
Hokkaido	—	0.1	—
Other area & other operations	—	3.0	—
General corporate	—	(0.2)	—
Total	—	1.1	—

※There's no disclosure of operating income for 2017.1Q

<EBITDA> ※ (billions of yen)	20171Q	20181Q IFRS	Change
Yebisu Garden Place, etc.	—	1.7	—
Hokkaido	—	0.1	—
Other area & other operations	—	0.7	—
General corporate	—	(0.2)	—
Total	—	2.4	—

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

Various Initiatives by the Sapporo Group

<Awards (initiatives for preserving environment) >

- ✓ Agriculture, Forestry and Fisheries Minister's Award of the 27th Global Environment Award -In recognition of biomass energy technology development applying brewing technology- (Photo 1)

http://www.sapporoholdings.jp/news_release/0000020423/index.html

<Support, donation, etc. (excerpt) >

- ✓ Donated amount equivalent to the beer sales at Sapporo Beer Festival Cheering up hometown Hokkaido through support for promotion of Ainu culture (Photo 2)

http://www.sapporoholdings.jp/news_release/0000020417/index.html

- ✓ Donated earnings from charity sales at Hakone Ekiden relay race to Hakone Town Sapporo Breweries supports Hakone Town (Photo 3)

http://www.sapporobeer.jp/news_release/0000021831/index.html

- ✓ Tohoku restoration support activities through shareholder benefit plan in FY2017 Supporting a new project in which overseas high school students disseminate safety information of food grown in Fukushima

http://www.sapporoholdings.jp/news_release/0000020425/index.html

- ✓ Two years from the Kumamoto earthquake: support for the Mashikimachi Next Generation Nurturing Project by Kumamoto Prefecture Held Comedy Live in Mashikimachi for Adults and Children as the first initiative this year

http://www.sapporoholdings.jp/news_release/0000020431/index.html

Photo 1

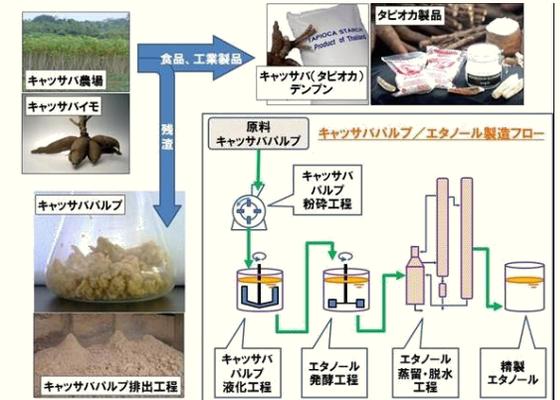


Photo 2



Photo 3





SAPPORO

As an intrinsic part of people's lives, Sapporo will contribute to the evolution of creative, enriching and rewarding lifestyles.

