



SAPPORO

Sapporo Group Business Results Presentation for the Six Months Ended June 30, 2022

*In this document, the following company name abbreviations are used:

SH: Sapporo Holdings Limited SB: Sapporo Breweries Ltd. SLN: Sapporo Lion Limited.

PS: Pokka Sapporo Food & Beverage Ltd. SRE: Sapporo Real Estate Co., Ltd.

August 12th 2022

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

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Summary

Financial Summary

▶ Business Results for 2022 Q2

Revenue: 213.8 billion yen (up 14.1 billion yen YoY)

In addition to the growth in overseas alcoholic beverages mainly in North America, demand in the restaurant market recovered on relaxation of restrictions and increase in RTD also contributed to the **increased revenue**.

Core operating profit: (2.2) billion yen (up 1.3 billion yen YoY)

Despite the impact of rising input costs, **core operating profit showed improvement** thanks to revenue increase and cost structure reforms in the restaurant business and in food and soft drinks.

* Although sales revenue has not progressed as planned in the Q1 due to the spread of COVID-19, core operating profit progressed largely as planned.

Operating profit: (0.2) billion yen (down 19.3 billion yen YoY)

Due to the sale of real estate last year, real estate business **revenue was down** from the previous quarter year (Gain on sales of non-current assets came to 23.2 billion yen in 2021, 1.5 billion yen in 2022)

Annual revenue forecast: remain as planned at the start

Revenue : Slight shortfall in the first half. The spread of COVID-19 may be a downside risk, but we expect to achieve the initial plan as price revisions for some products could bring increased revenue and revenue in the overseas business is likely to rise (including acquisition of Stone Brewing Co., LLC, depreciation of Japanese yen).

Core operating profit : Progressed as planned in the first half. Although we need to address the rising input costs, price revisions and cost control (and risk response costs) should offset the situation, so we expect to achieve our plan at this stage.



Alcoholic Beverages

Japan alcoholic beverages

Continue to increase canned beer sales

Beer sales **increased by 11%** in total
Canned beer decreased by 4% due to drop in consumer spending (decrease from previous high demand for home-drinking)



Japan alcoholic beverages

Achieve growth in RTD, non-alcoholic and low-alcoholic products

RTD achieved growth by 2% (sales volume)
Koime no Lemon Sour gained **40% increase** (sales volume)
Good sales record for the new product Mitsuboshi Grape Fruit Sour
Non-alcohol and low-alcoholic beer increased 20% (sales volume)



Overseas alcoholic beverages

Canada: Promote premium beers and strengthen RTD business

Compared to the previous fiscal year, promotion for the premium beers has increased and more growth in RTD business



Overseas alcoholic beverages

United States: Strengthening SAPPORO brand

Driving sales of SAPPORO brand significantly higher year-over-year (recovery of commercial-use products and expansion of retail stores for home-use products)
Secured manufacturing facilities through acquisition of Stone Brewing Co. LLC to promptly generate synergy



Food & Soft Drinks

Japan

Expansion of sales for all lemon-based products (lemon beverages + lemon food)

Strong sales of lemon beverages led to **1% increase** (sales volume) from the previous fiscal year



Overseas

Accelerated growth in overseas business

Contribution made by sales in Singapore and more than 60 nations worldwide
Increase by 5 % in Singapore, **36%** growth for export (sales amount)



Real Estate

Promote initiatives aimed at improving value of YGP* properties

"Foodies Garden" opened in April
YGP commercial complex* is being renovated for grand opening in fall

Grow profits of new businesses using equity investments, etc.

One equity investment (Q1), two equity investments (Q2)

*YGP: Yebisu Garden Place, commercial complex: center plaza

Alcoholic Beverages

Japan alcoholic beverages

Institute in-house production of RTD at Sendai Brewery and increase productivity at breweries

Preparation to start RTD manufacturing facility operation in 2023 is currently underway
From 2023: Improvement in productivity is expected to increase core operating profit of 1.0 billion yen
From 2024: In-house production could generate core operating profit of several hundred million yen

Overseas alcoholic beverages

Optimize SPB* manufacturing locations

Acquisition of manufacturing facility in the North America from Stone Brewing Co. LLC in 2022
Accelerate business growth in the United States

*SPB: SAPPORO PREMIUM BEER

Restaurants

Develop “small, small investment, suburban” business model Implement further structural reforms to achieve profitability

Closing of stores with low profit margin as necessary and shift to developing stores that generate high profit
Achieve profitability by May and June and return to profitability throughout the year in 2023

Food & Soft Drinks

Reorganization of vending machine operator subsidiaries

Planning liquidation by 2022
From 2023: Likely to generate operating profit of 700 million yen (comparison to FY2020)

Transfer of cafe business

Business sold in April, 2022
From 2022: Likely to generate core operating profit of 800 million yen (comparison to FY2020)

Reorganize business locations of Shinsyu-ichi Miso

Business sold in February, 2022
From 2022: Likely to generate an core operating profit of 300 million yen (comparison to FY2020)

Acquisition of Stone Brewing Co., LLC. ~Growth strategy for North America~



Sapporo U.S.A., Inc., a consolidated subsidiary of Sapporo Holdings Ltd., has acquired membership interest(Consolidation) in Stone Brewing Co., LLC.

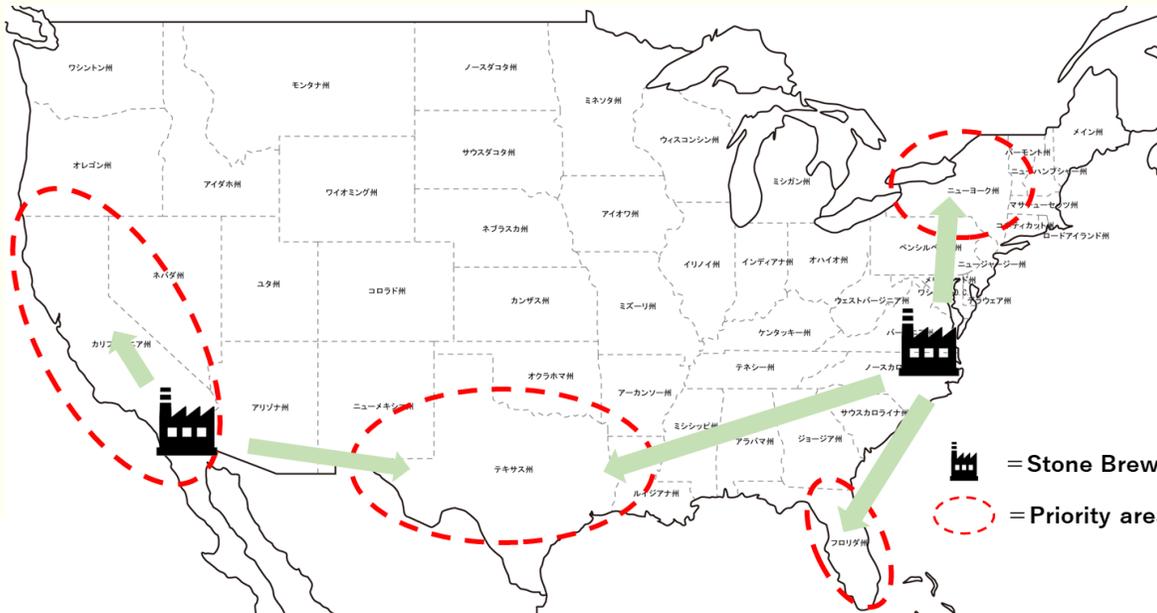
<Purpose of this Acquisition>

(1) Acquire manufacturing base for the Sapporo brand

(Acquire Stone's two breweries located on the West Coast and East Coast to strengthen growth of the Sapporo brand)

(2) Expand beer business through acquisition of prominent brands, such as Stone IPA

- **Significantly lower logistics costs** by promoting local production for local consumption
- **Stabilize and streamline operations** by connecting the entire value chain from production to sales inside the United States
- Expect to roughly double the current utilization rate of the two breweries to be acquired.



= Stone Brewing Co 2 breweries location

= Priority area for sales expansion



Review of Medium-Term Management Plan



We are proceeding with Group Management Plan 2024 (2020 - 2024) under the “Sapporo Group Long-Term Management Vision ‘SPEED150’” that outlines the goals for the years up to 2026, the 150th anniversary of the Group’s founding.

Group Management Plan 2024	Concentrate on core business for resilience	Accelerate global business expansion	Establish a simple and compact corporate structure	Promote sustainability management
Results	<ul style="list-style-type: none"> ➤ Promotion of beer business operation in anticipation of change in alcohol tax and further growth in Black Label ➤ Acceleration of global operations (growth of alcoholic beverages in North America, M&A, expanded sales of international soft drinks) ➤ Selection and concentration for food and soft drinks, revision of business structure, reorganizing non-priority businesses 			
Issues	<ul style="list-style-type: none"> ➤ Major task is to address the shortfall of plan ➤ The speed and rigor of initiatives were weaker than expected, due in part to COVID-19 and other factors. 			

Able to initiate operations to bring renewed growth to our businesses
Considerable impact on our business environment, including the rapid spread of COVID-19

[Review of Medium-Term Management Plan]

The Sapporo Group has been drawing up new management plans for the coming 4 years (2023 to 2026) to address the highly uncertain business environment and ensure our global growth strategy further emphasizes capital efficiency. The plan is due to be released by the end of this year.

Business Results

Financial Highlights

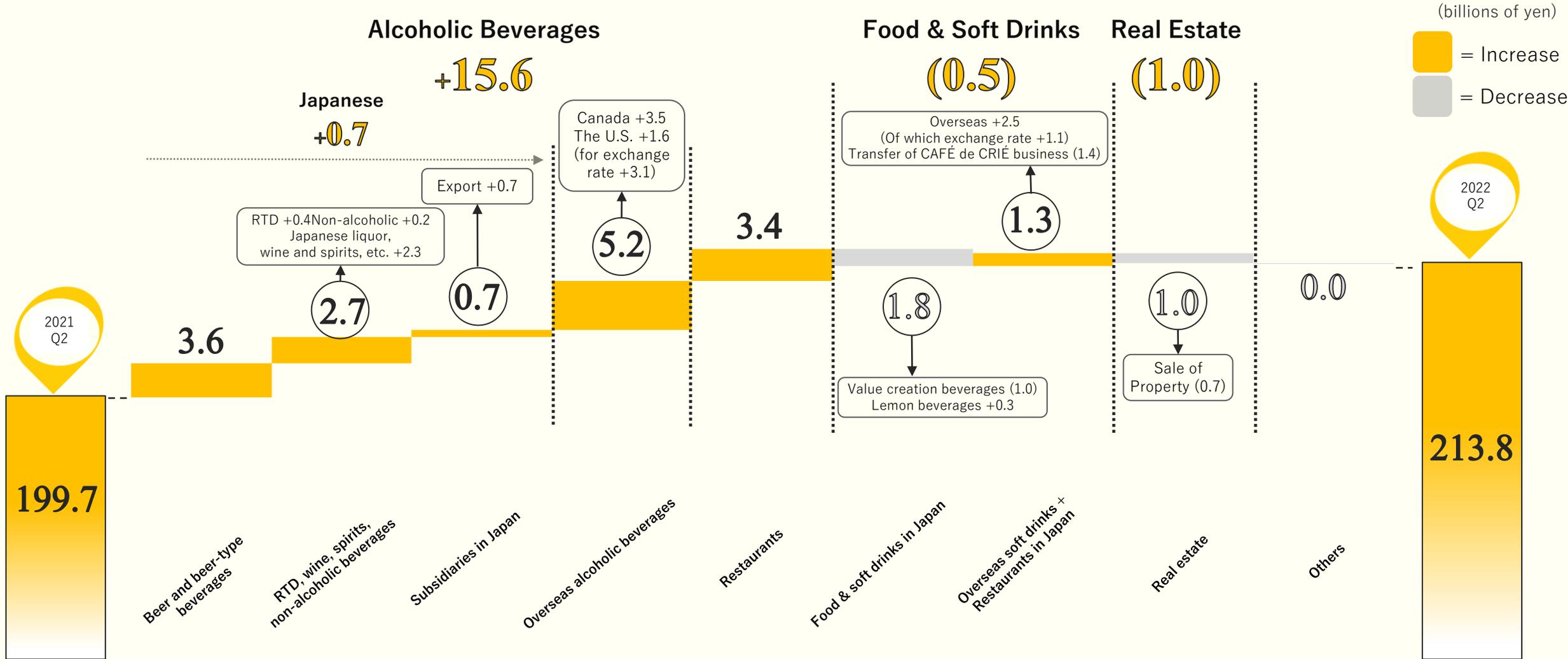


(billions of yen)	2021 Q2 Result	2022 Q2 Result	YoY changes (amount)	YoY changes (%)
Revenue	199.7	213.8	14.1	7.1%
Revenue (Excluding liquor tax)	151.1	162.4	11.3	7.5%
Overseas revenue	34.7	43.1	8.4	24.3%
EBITDA	6.9	7.9	0.9	13.4%
Core operating profit	(3.5)	(2.2)	1.3	—
Core operating profit margin	(1.7%)	(1.0%)	—	—
Operating profit	19.1	(0.2)	(19.3)	—
Profit attributable to owners of parent	12.3	(0.4)	(12.7)	—
D/E ratio (times) ※Net	1.2	1.1	(0.0)	—

The balance of debt excludes the balance of lease obligations.

Reasons for changes in sales revenue

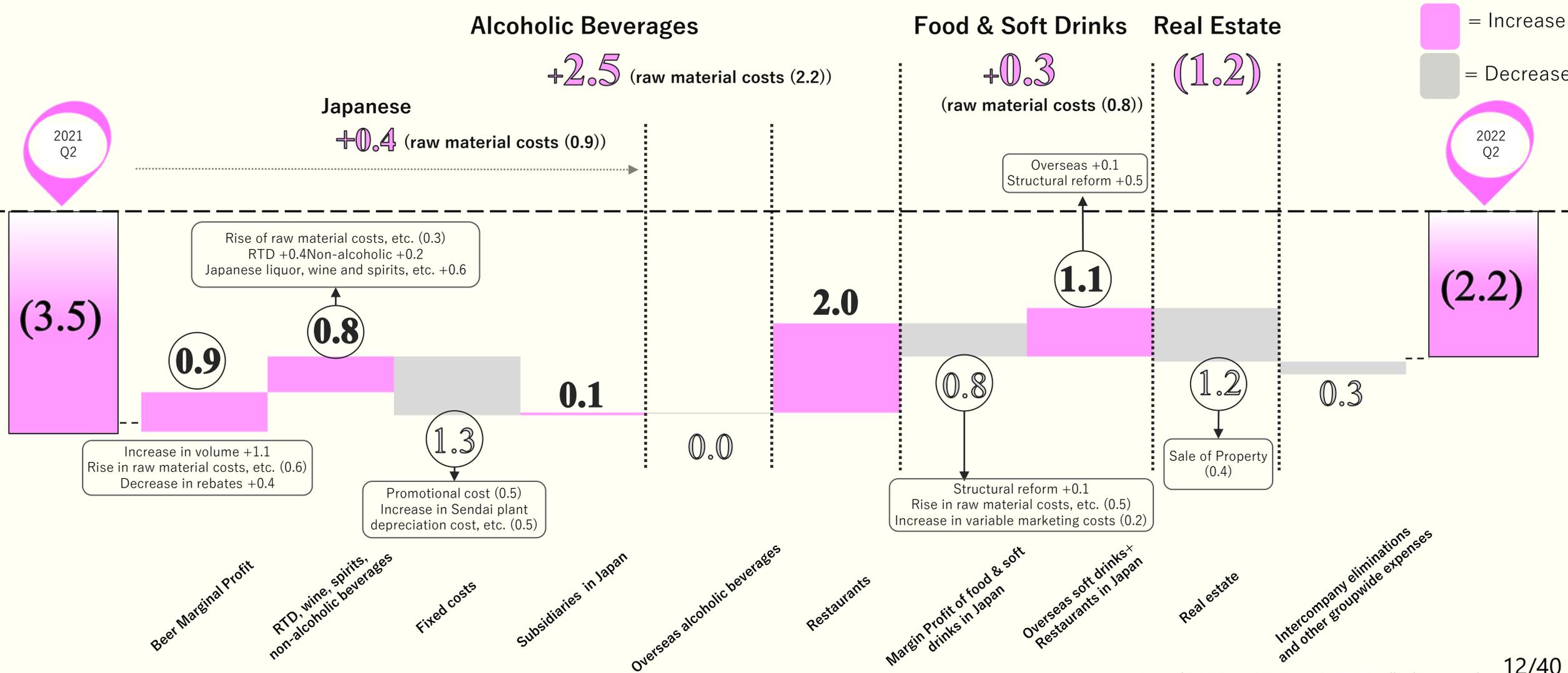
In addition to the growing sales of alcoholic beverages in North America, we saw strong sales for RTD and recovery in restaurant business demand after the easing of restrictions which resulted in increased earnings by **14.1** billion yen



Reasons for changes in core operating profit

Despite experiencing a decrease by 3 billion from the rising raw material costs, etc., revenue increased and structural reforms for the restaurant, and food and soft drink businesses had an effect, resulting in increase of core operating profit by 1.3 billion yen

(billions of yen)

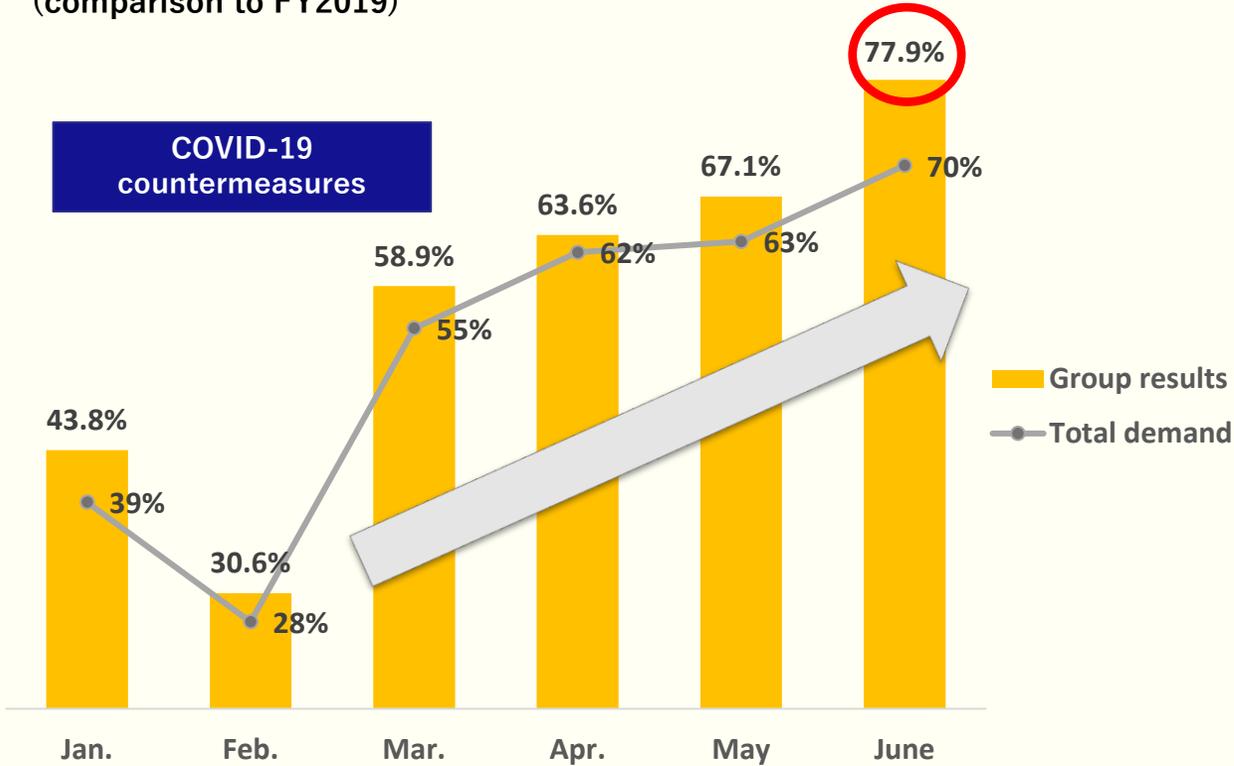


Recovery from COVID-19

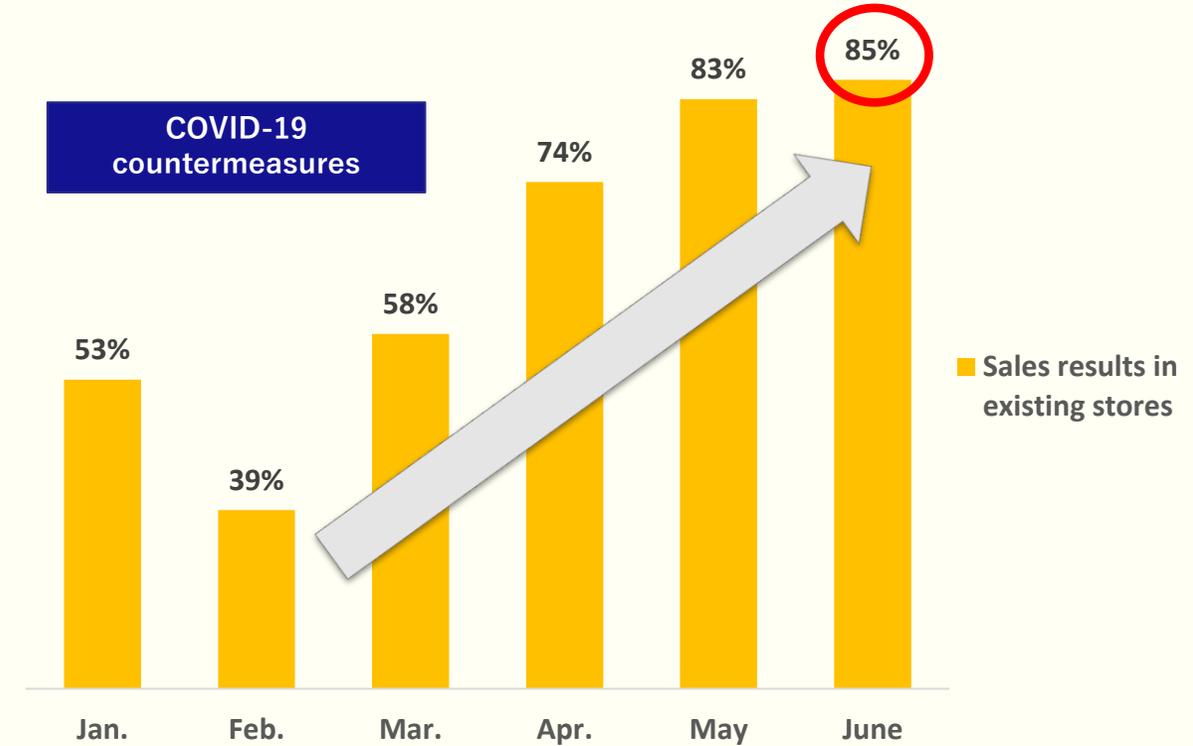


Relaxation of restrictions has led to recovery in commercial-use product sales volume for alcoholic beverages in Japan and revenue in restaurant business

Alcoholic beverages (Japan): change in commercial-use product sales (comparison to FY2019)



Restaurant business: change in sales at current stores of Sapporo Lion Limited (comparison to FY2019)



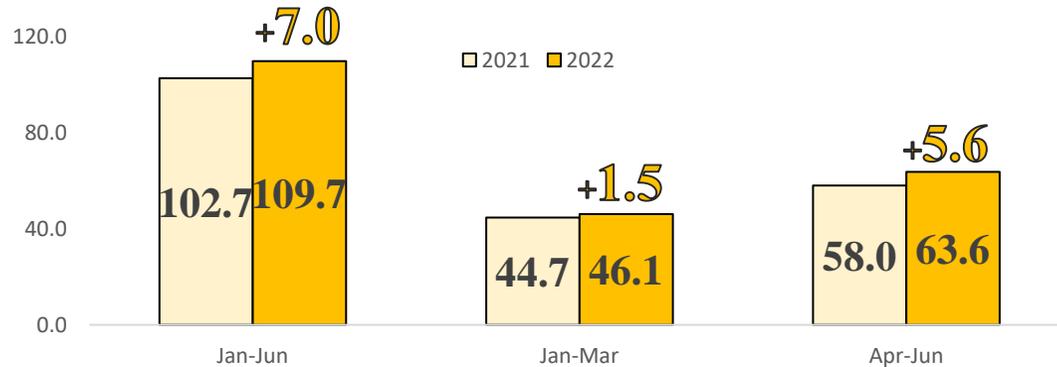
Headed toward recovery after February when the impact from the restrictions was most acute
Recovered up to 77.9% in June compared to FY2019

Headed toward recovery after February when the impact from the restrictions was most acute
Recovered up to 85% in June compared to FY2019

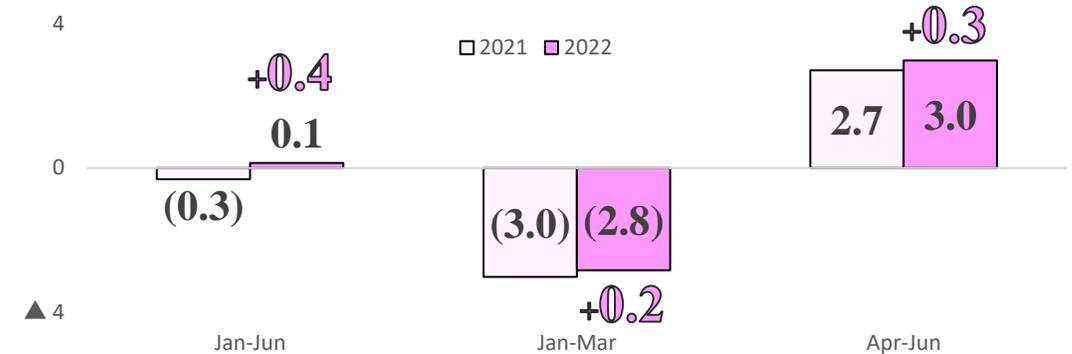
Alcoholic beverages in Japan

Increase in revenue and profit attributed to the recovery in demand for restaurant business and strong sales for RTD despite upfront brand investment and more variable costs due to soaring raw material prices and fixed costs from Sendai Brewery depreciation, etc. This has led to the return to profitability in the first half.

< Revenue > (billions of yen)



< Core operating profit > (billions of yen)



Overall Results for 1H 2022

- Increase in sales for beer products from the previous fiscal year
- Canned beer showed lower results compared to the previous fiscal year due to decrease from previous high demand for home-drinking
- RTD remained steady
- GOLD STAR achieved growth year-over-year
- Increased variable and fixed costs

Policy for 2H 2022 Initiatives

Execute real and digital media fusion to expand the fan base for the standard brands.
Propose range of limited-edition and other derivative products.

Strengthen the brand of Sapporo Koime no Lemon Sour
Expand recognition of Mitsubishi Grape Fruit Sour and establish its status on the market.

Foster nurturing of brand as a core new genre brand.

Continue working on cost control measures
Consider revision of pricing for each product to offset soaring costs.

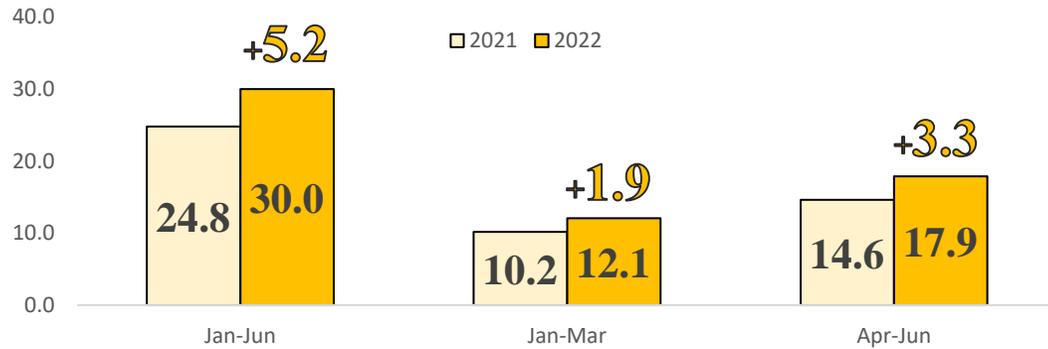
Alcoholic beverages in overseas



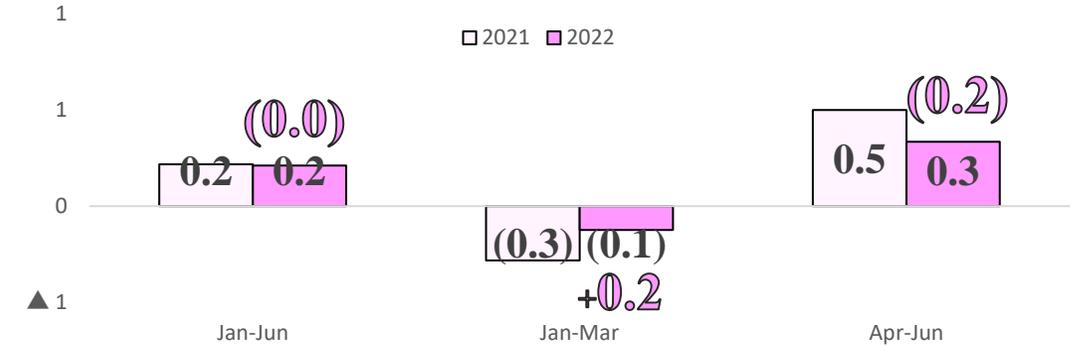
The demand recovery for restaurant business and steady sales with the expansion of SPB* home-use products led to an increase in revenue. Due to rising raw material costs, cost for acquiring of Stone Brewing Co. LLC, core operating profit remained flat year-on-year

*SPB: SAPPORO PREMIUM BEER

< Revenue > (billions of yen)



< Core operating profit > (billions of yen)



Overall Results for 1H 2022

- Canada: Improvement in variety mix
- United States: SAPPORO brand remained steady
- Vietnam: Increased delivery of beer keg (delivery amount in June increased over the period before the spread of COVID-19)
- Rising raw material costs and shipping costs

Policy for 2H 2022 Initiatives

Continue with the promotion of premium beers.

Strengthen home-use products (more revenue for canned beers through expansion of retail stores)
Strive to create synergy as early as possible with the acquisition of Stone Brewing Co. LLC

Continue measures for expanding retail stores.

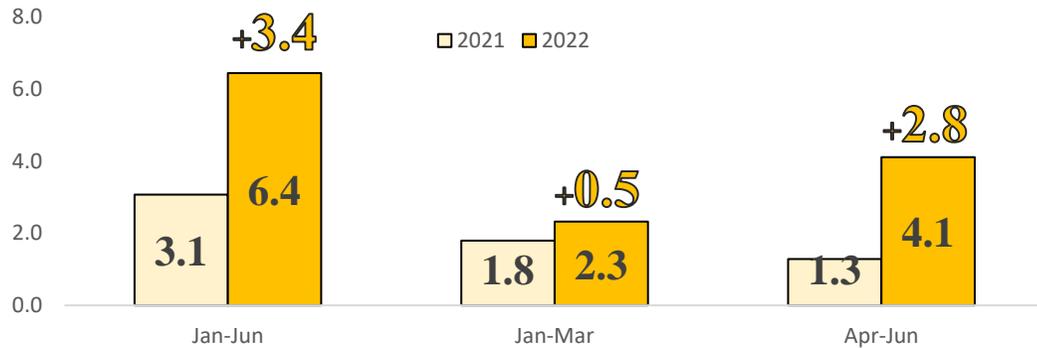
Be attentive to the market situation, etc. and work on price revision as necessary.

Alcoholic beverages in restaurants

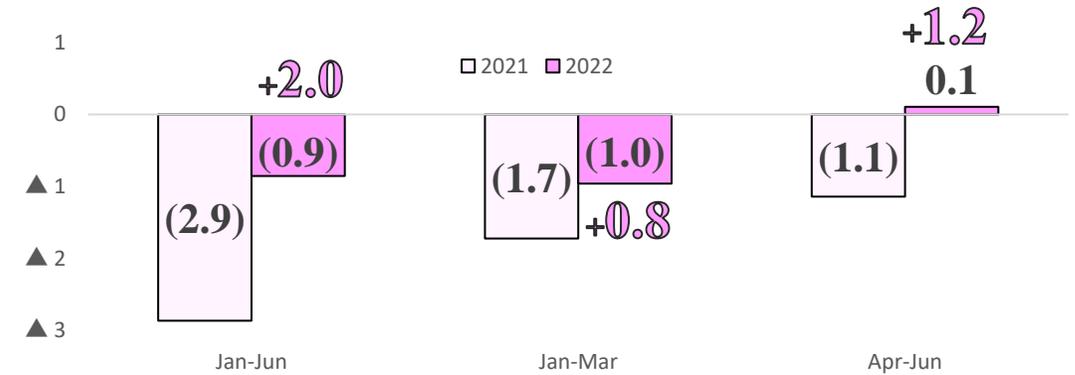


The demand recovery for restaurant business and decrease in fixed costs from structural reforms led to an increase in core operating profit.

< Revenue > (billions of yen)



< Core operating profit > (billions of yen)



Overall Results for 1H 2022

- Improvement of break-even sales (achieve profitability by Q2)

Policy for 2H 2022 Initiatives

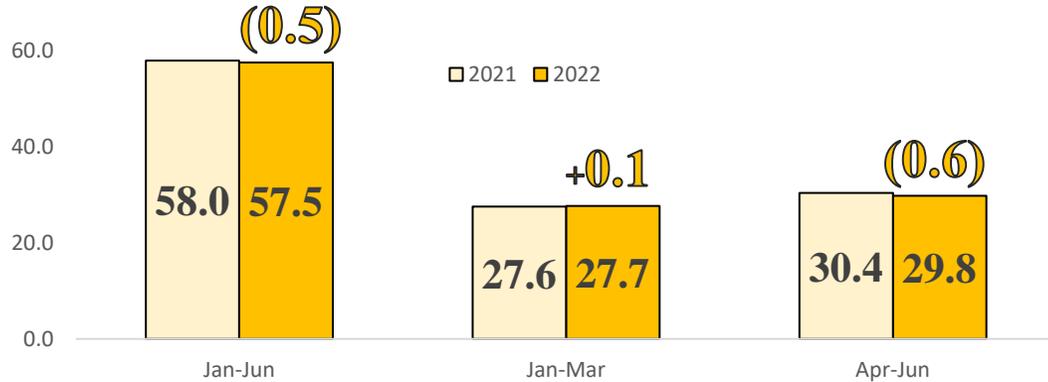
Focus on promotion of existing businesses to turn the Group sales to positive by 2023.

Food & Soft Drinks

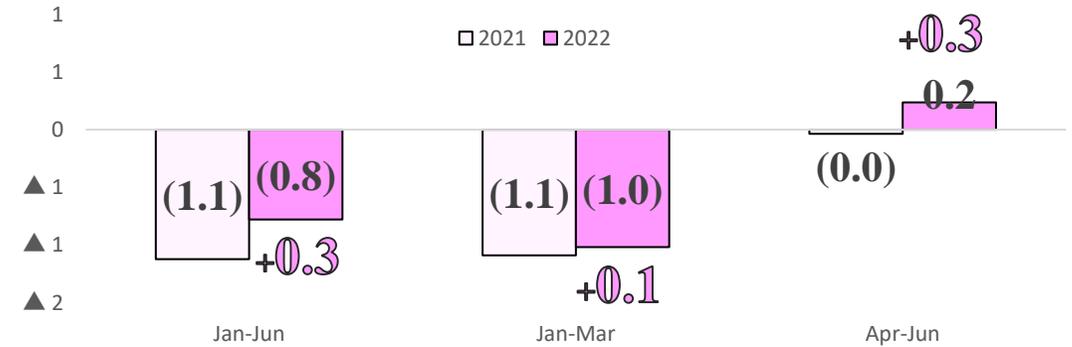


Revenue was down due to sale of café business and reorganization of vending machine operator subsidiaries while revenue increased the overseas
Core operating profit showed improvement thanks to the structural reforms implemented last year

< Revenue > (billions of yen)



< Core operating profit > (billions of yen)



Overall Results for 1H 2022

- Lemon beverages remained on course in Japan
- Cutback on unprofitable column vending machine business
- Achieved 5% growth in Singapore (marked increase in e-commerce and convenience stores)
- Export +36%
- Increase in variable costs mainly from soaring raw material costs

Policy for 2H 2022 Initiatives

Propose new lemon beverages for expansion of sales by proposing health conscious products. Target new customers through introduction of seasonal products and engage in promotion to enhance brand recognition.

Cut back on unprofitable and inefficient vending machine and seek other newly promising location.

E-commerce will continue to grow, so we will continue to implement initiatives. We need to implement a range of strategies by area for exports.

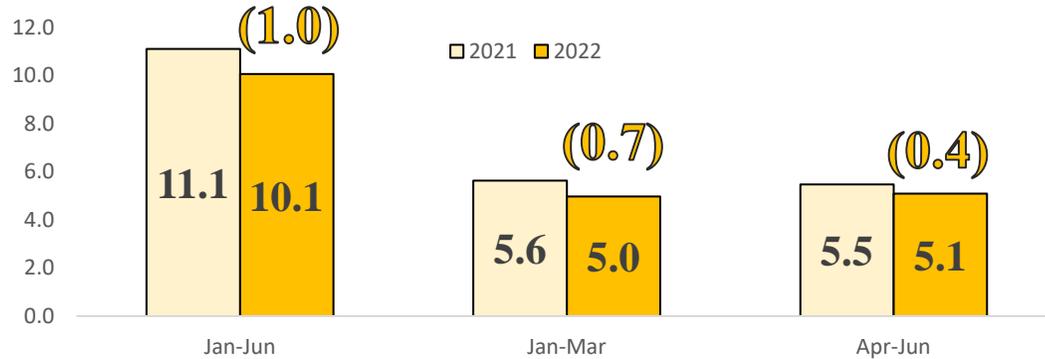
Continue working on cost control measures
Consider revision of pricing for each product to offset soaring costs.

Real Estate business

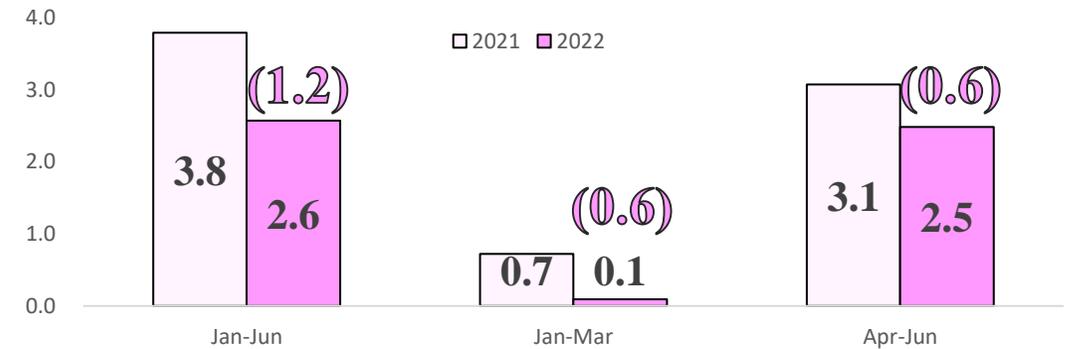


The sales of Yebisu First Square last year and decrease of rent over the renovation for YGP commercial complex* led to decrease in revenue and profit.

< Revenue > (billions of yen)



< Core operating profit > (billions of yen)



Overall Results for 1H 2022

- Yebisu YGP commercial complex* : leasing arrangement is underway
- Yebisu YGP* office : slight delay in leasing
- Sapporo: closing of no. 4 parking lot at Sapporo factory*

Policy for 2H 2022 Initiatives

Grand opening to be held in November

Due to deteriorating market conditions, occupancy rate may be slightly lower than expected. Continue to offer service and added value that ensure security and safety and adapt to the demand in new work style so as to strengthen leasing activities (install seismic damping mechanism, update air conditioning features, etc.)

Launch of the renewal project for an eight-story commercial complex and office building
To be opened in August, 2024



*YGP: Yebisu Garden Place, commercial complex: center plaza

*Closing of no. 4 parking lot at the Sapporo factory: one of the parking lots at the factory (commercial complex)

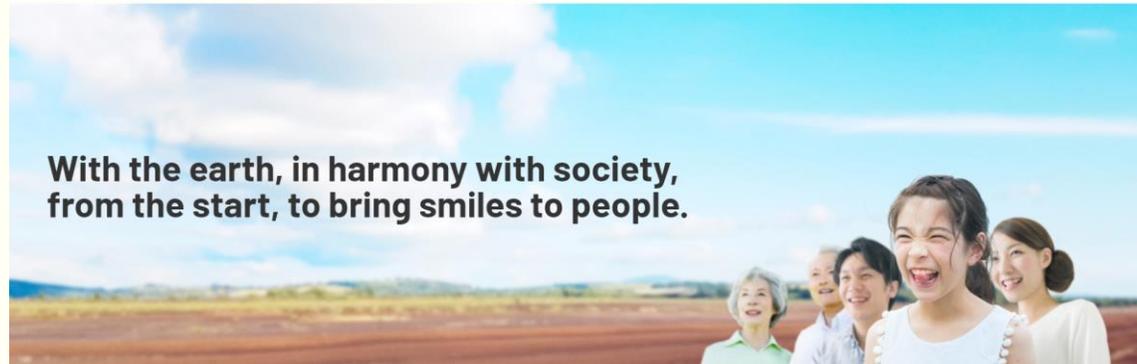
Profit attributable to owners of parent



(billions of yen)	2021 Q2 Result	Details	2022 Q2 Result	Details
Core operating Profit	(3.5)		(2.2)	
Other operating income	24.5	Gain on sales of fixed assets, etc.	3.1	Gain on sales of fixed assets, etc.
Other operating expenses	1.9		1.2	
Operating Profit	19.1		(0.2)	
Profit before tax	19.1		0.8	
Income taxes	6.8		1.1	
Profit	12.3		(0.4)	
Loss attributable to non-controlling interest	(0.1)		0.0	
Profit attributable to owners of parent	12.3		(0.4)	

Group topics: discovery of barley that combines flavor and tolerance for climate change (global warming, increased precipitation)

In line with the Sustainable Policy, “With the earth, in harmony with society, from the start, to bring smiles to people,” the Sapporo Group identified and established sustainability priority issues as “4 Key Promises” to bring bright smiles to everyone.



- In May 2019, the Group announced its support for the TCFD recommendations. It has carried out analysis to understand the impact of climate change on agricultural crops. Addressed risks and opportunities for business operations and countermeasures.
- Under the assumed conditions, depending on the region, medium-long term analysis showed a reduction in agricultural crop yields.
- We found that besides mitigation measures such as reducing CO2 emissions to cope with climate change, selective breeding and cooperative contract farming systems could also be effective solutions for adapting to the changes.
- **The Group will develop and commercialize barley and hops that are adapted to climate change in Japan by 2035 and overseas by 2050.**

Discovery of barley variety that can adapt to climate changes (global warming, increased precipitation) and has properties that control malt balance. (CO2 emissions could be reduced by shortening the time for malting process)

The Group will advance the development and testing of new barley varieties that are resistant to climate changes and commercialize them.



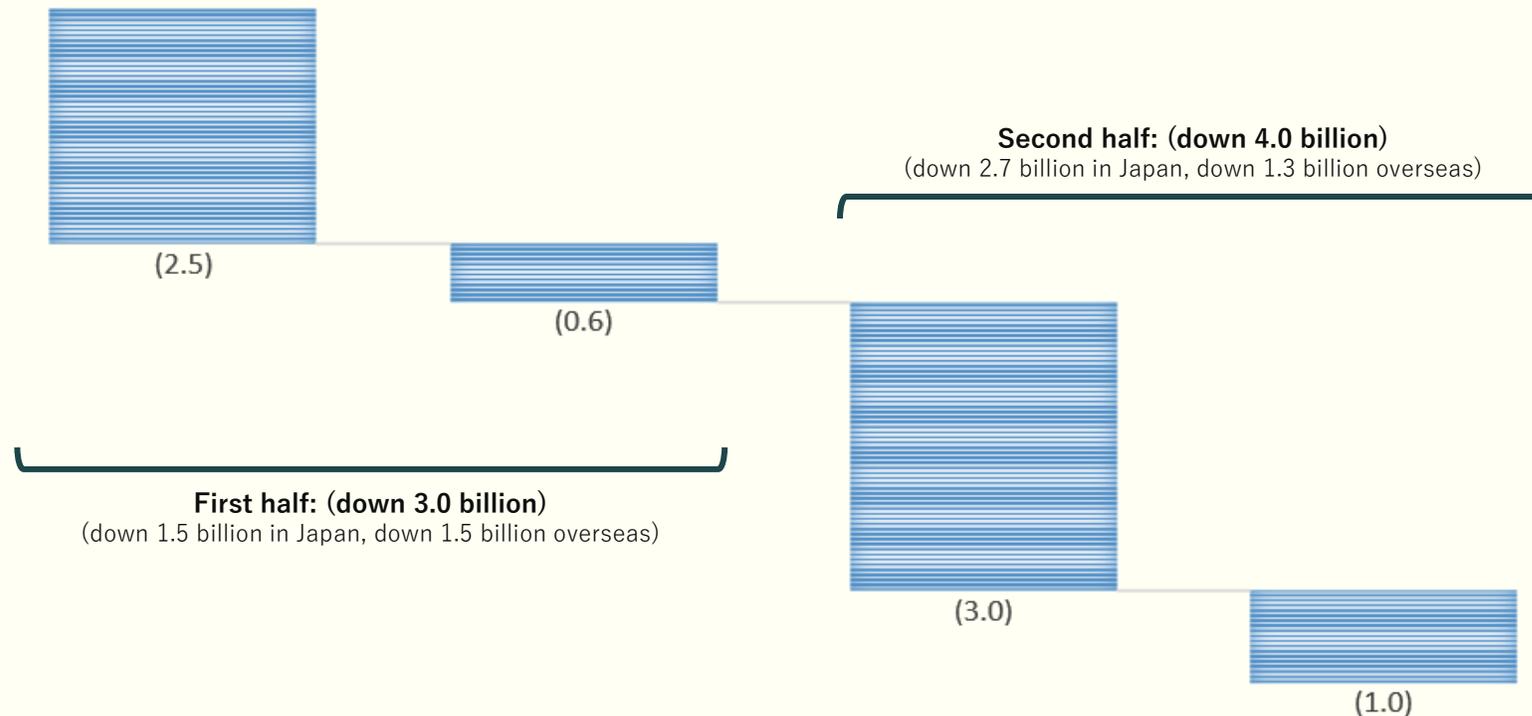
Decrease in core operating profit caused by surge in raw material costs (full-year forecast)

Results for the first half: down by 3.0 billion (1.5 billion in Japan, 1.5 billion in overseas) ⇒ implemented cost control measures

Forecast for the second half: down by 4.0 billion (2.7 billion in Japan, 1.3 billion overseas) ⇒ handle with price revisions* and risk response costs

*Results include effect of exchange rate changes

(billions of yen)



Schedule for implementing price revisions*

Japan alcoholic beverages

- Beer and other beer type beverages, RTD: from October
- Wines and Shochu: from July

Overseas alcoholic beverages

- As necessary

Food & Soft Drinks

- Soft drinks: from October
- Lemon-based food products: from August

1H: Surge in raw material costs

1H: Other price hikes

2H: Surge in raw material costs
(forecast)

2H: Other price hikes
(forecast)

Appendix

Appendix: Quarterly results for FY2022



(billions of yen)	2021 Q1 Result	2022 Q1 Result	YoY changes (amount)	YoY changes (%)	2021 Q2 Result	2022 Q2 Result	YoY changes (amount)	YoY changes (%)
Revenue by Segment	89.9	93.2	3.4	3.7%	109.8	120.5	10.7	9.8%
Alcoholic Beverages	56.6	60.6	3.9	6.9%	73.9	85.6	11.7	15.8%
Japanese	44.7	46.1	1.5	3.3%	58.0	63.6	5.6	9.6%
Overseas	10.2	12.1	1.9	18.8%	14.6	17.9	3.3	22.4%
Restaurants	1.8	2.3	0.5	29.9%	1.3	4.1	2.8	221.2%
Food & Soft Drinks	27.6	27.7	0.1	0.4%	30.4	29.8	▲ 0.6	▲ 1.9%
Real Estate	5.6	5.0	▲ 0.7	▲ 11.8%	5.5	5.1	▲ 0.4	▲ 7.0%
Other	0.0	0.0	▲ 0.0	▲ 27.0%	0.0	0.0	▲ 0.0	▲ 15.4%
Core Operating Profit by Segment	▲ 6.9	▲ 6.4	0.5	—	3.4	4.2	0.9	25.2%
Alcoholic Beverages	▲ 5.0	▲ 3.9	1.1	—	2.1	3.4	1.3	64.8%
Japanese	▲ 3.0	▲ 2.8	0.2	—	2.7	3.0	0.3	9.9%
Overseas	▲ 0.3	▲ 0.1	0.2	—	0.5	0.3	▲ 0.2	▲ 33.0%
Restaurants	▲ 1.7	▲ 1.0	0.8	—	▲ 1.1	0.1	1.2	—
Food & Soft Drinks	▲ 1.1	▲ 1.0	0.1	—	▲ 0.0	0.2	0.3	—
Real Estate	0.7	0.1	▲ 0.6	▲ 87.4%	3.1	2.5	▲ 0.6	▲ 19.2%
Other · General corporate and intercompany eliminations	▲ 1.5	▲ 1.6	▲ 0.1	—	▲ 1.7	▲ 1.9	▲ 0.2	—

Appendix : Changes in Balance Sheets



Total assets declined 3.1 billions yen from the previous year end

Total liabilities declined 6.1 billions yen from the previous year end and total capital increased 3.1 billions yen from the previous year end

Total assets	End of 2021	2022Q2	change	Total liabilities and equity	End of 2021	2022Q2	change
Cash and cash equivalents	17.4	18.2	0.9	Trade payables	33.2	37.6	4.4
Trade receivables	91.5	77.4	(14.2)	Short-term financial liabilities	61.2	68.4	7.2
Inventories	39.2	44.6	5.4	Other current liabilities	116.1	90.1	(26.1)
Other current assets	19.7	15.3	(4.5)	Long-tern financial liabilities	136.9	138.4	1.5
Fixed assets and intangible assets	128.5	130.2	1.7	Net defined benefit liabilities	0.3	4.2	3.9
Investment property	203.2	204.3	1.1	Other non-current liabilities	83.4	86.4	3.0
Goodwill	19.2	19.8	0.6	Total liabilities	431.2	425.1	(6.1)
Other non-current assets	75.8	81.8	5.9	Equity attributable to owners of parent	162.6	165.5	3.0
Total assets	594.6	591.5	(3.1)	Non-controlling interests	0.8	0.9	0.1
				Total equity	163.3	166.4	3.1
				Total liabilities and equity	594.6	591.5	(3.1)

Investment on a cash basis was **¥15.8 billion**

< Consolidated cash flow (CF) statement >

(billions of yen)	2021 Q2 Result	2022 Q2 Result	Change	Change (%)
CF from operating activities	12.8	5.5	(7.3)	(57.1)
CF from investing activities	22.6	(10.5)	(33.1)	—
Free CF	35.5	(5.0)	(40.5)	—
CF from financing activities	(43.8)	3.5	47.3	—

< Changes in amount of investment (cash basis) >



< Investment total (① + ② + ③) > **¥15.8 billion**

① **Capital expenditure** (cash basis): **¥11.8 billion**
 (Property, plant and equipment, intangible assets, investment property)

< Major items >

- Alcoholic Beverages: **¥3.2 billion**
 SB: ¥1.8 billion Sleeman ¥1.0 billion
- Food & Soft Drinks: **¥1.5 billion**
 PS : ¥0.8 billion POKKA PTE. LTD. : ¥1.0 billion
- Real Estate: **¥6.6 billion**
 Acquisition of investment property
- Group-wide: **¥0.5 billion**

② **Lease fees: ¥0.9 billion**
 (excluding lease fees for renting restaurant premises)

③ **Other investments: ¥3.1 billion**
 (Invest in property's equity etc.)

Appendix : Initiatives for Sustainability Management



The Sapporo Group will address global environmental and social issues to make people happy.

The earth, the source of nature's bounty, is our most important partner.

We will strive to collaborate and prosper together with our stakeholders who share our value to provide products sustainable in the entire lifecycle from the development of products and services to the delivery to customers.

We will value our founding philosophy and think hard about creating sustainable value, and bring a smile to the face of people.

We will try to bring smiles to people all over the world, with our commitment to professional manufacturing, development of regionally oriented communities, and with our vows "Be a pioneer of people's smiles in the world."

Sustainability management strategy Sustainable Smile Plan



Main topics for Q2 in FY 2022

リリース日	内容
4/5	Discovery of barley that combines flavor and tolerance for climate change (global warming, increased precipitation) https://www.sapporobeer.jp/news_release/0000014784/ * Japanese
6/17	Won the award for excellence in the Fourth Platinum Career Award https://www.sapporoholdings.jp/news/dit/?id=8939 * Japanese
6/30	Listed as a constituent of the SOMPO Sustainability Index for the eleventh straight year https://www.sapporoholdings.jp/news/dit/?id=8950 * Japanese



Appendix: Initiatives for Sustainability Management

Sapporo Group Environmental Vision 2050

Toward a “carbon-free society, recycling-oriented society and society in harmony with nature”

Carbon-free society

- Toward zero CO2 emissions (carbon neutrality) by 2050
- Work toward reducing CO2 emissions in the value chain beyond our own business sites

Recycling-oriented society

- Strive toward 3Rs of all resources related to operations across the entire Group
- <Containers and packaging> Seek to use materials that meet the requirements of a recycling-oriented society for 100% of our containers & packaging
- <Water resources> Continue our efforts to reduce the amount of water used at our factories so as to use water resources sustainably

Society in harmony with nature

- Contribute to sustainable procurement through R&D on barley and hops (support TCFD recommendations and work toward resolving climate change issues)
- Community development with vibrant time and spaces in harmony with nature



Specific initiatives

- Reduce CO2 of our own business sites by 20% (by 2030 vs. 2013) **SB PS**
 - Reduce emissions mainly of production sites
 - Introduce solar power generation systems at business sites (PPA)
- Yebisu Garden Place to be 100% renewable energy (April 2022) **SRE**

Specific initiatives

- Reduce plastics usage, etc.
 - Use 50% recycled materials for wine PET bottles made in Japan and eliminate waste of plastic advertising in Japan (2030) **SB**
 - Use 50% recycled materials for PET bottled products (2030) **PS**
 - Switch to paper straws **SLN**
- Reduce water usage of production sites by 10% (by 2030 vs. 2013) **SB PS**
- Achieve 100% recycling rate of waste at main factories **SB PS**



Specific initiatives

- Initiatives for breeding, environmental education, and protection of endangered species,
 - Commercialize barley and hops in Japan that are compatible with climate change (2035) **SB**
- Community development using urban farming (YEBISU GARDEN FARM), etc. **SRE**

Appendix (Group topics): launch of official mobile app “Uchi-repi”

This unique app enriches communication with your family **to help households and create joy and happiness in cooking.**

- Jointly developed with Fuller, Inc., this app is compatible with iOS/Android and was officially released on July 4th.
- Contains wide range of recipes provided by various enterprises (more than 20,000 recipes from approx. 30 companies)

Meal talk using the chat feature

Our survey showed that many were dissatisfied with their family’s lack of interest in cooking. We decided to design a function that enables sharing of the menu for the day and feedback among family members to facilitate communication within a family and discover the fun and appreciation for cooking.

Uchi-repi diary

Those who prepared or enjoyed a day’s meal can leave a note of how they felt about their dishes as a memento.



New function for the app

Proposal of recipes based on inventory information and contribution to reducing food loss

We are planning to add new features so that cooking ingredients can be automatically stored as inventory data. Through inventory management, users can cut back on food loss, including reducing food waste from out-of-date products and making use of scraps of food to propose new menus.



うちれびが 二次元バーコード



Appendix : Major sales volume & sale



(Beer and beer-type beverages and non-alcoholic beer calculations based on large bottles, RTDs are calculated by 250 ml × 24 bottles.)

Sales Volume: Beer (Japan) ※1

(10,000 cases)

	Jan 1 - Jun 30 2021	Jan 1 - Jun 30 2022	YoY Change(%)
Sapporo Draft Beer Black Label (total)	541	607	12.4%
YEBISU (total)	273	263	(4.0%)
1 Beer (total)	1,036	1,144	10.5%
2 Happoshu (total)	79	72	(9.8%)
3 New genre beer products (total)	625	569	(8.9%)
Beer, happoshu, and new genre (total 1+2+3)	1,740	1,785	2.6%
RTD	606	620	2.3%
Non-alcoholic beer and low alcohol beer taste beverage	27	32	20.1%

Sales Volume: Beer (International)

(10,000 cases)

	Jan 1 - Jun 30 2021	Jan 1 - Jun 30 2022	YoY Change(%)
Overseas brand (SLEEMAN, Anchor, etc.)	635	623	(2.0%)
Sapporo brand	172	204	18.4%
North America	808	827	2.3%
Sapporo brand	85	119	40.3%
Other areas	85	119	40.3%
Total	893	946	6.0%

Sales: Beer (Japan) *including liquor tax

(billions of yen)

	Jan 1 - Jun 30 2021	Jan 1 - Jun 30 2022	YoY Change(%)
Beer	55.7	60.9	9.3%
Happoshu	3.0	2.7	(9.4%)
New genre	23.0	20.9	(8.8%)
Subtotal	81.7	84.6	3.5%
Rebate subtracted from sales	(5.0)	(4.3)	—
Total	76.7	80.3	4.7%

Sales: Alcoholic Beverage (Japan)

(billions of yen)

	Jan 1 - Jun 30 2021	Jan 1 - Jun 30 2022	YoY Change(%)
Domestic wines	1.6	1.6	3.7%
Imported wines	2.7	3.2	17.6%
Wine (total)	4.3	4.8	12.5%
Spirits and Shochu (total)	11.2	12.8	13.6%
RTD	10.7	11.1	4.0%
Subtotal	26.2	28.6	9.5%
Rebate subtracted from sales	(5.1)	(5.0)	(0.6%)
Total	21.1	23.6	11.9%

Sales: Food & Soft Drinks (Japan) ※2

(billions of yen)

	Jan 1 - Jun 30 2021	Jan 1 - Jun 30 2022	YoY Change(%)
Soft Drinks	29.0	28.3	(2.3%)
Food (Lemon · Soups · Plant milk)	14.5	14.4	(0.9%)

※1 : Following the agreement of the Brewers Association of Japan, the sales volume for the first half and end of the fiscal year shall be disclosed.

※2 : Pokka Sapporo is only domestic sales.

Appendix : Alcoholic Beverages (Japan)



<Domestic beer and beer-type beverages:
YoY change in sales volume by genre> (Jan – Jun)

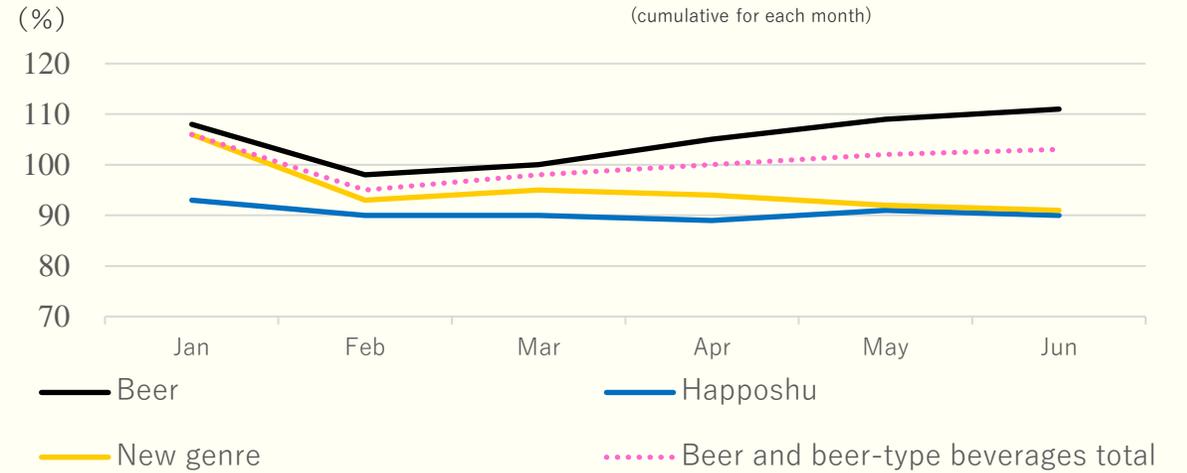
[Beer and beer-type beverages total] up **3** % YoY

- ✓ Beer: up **11**% y-o-y
- ✓ Happoshu: down **10**% y-o-y
- ✓ New genre: down **9**% y-o-y

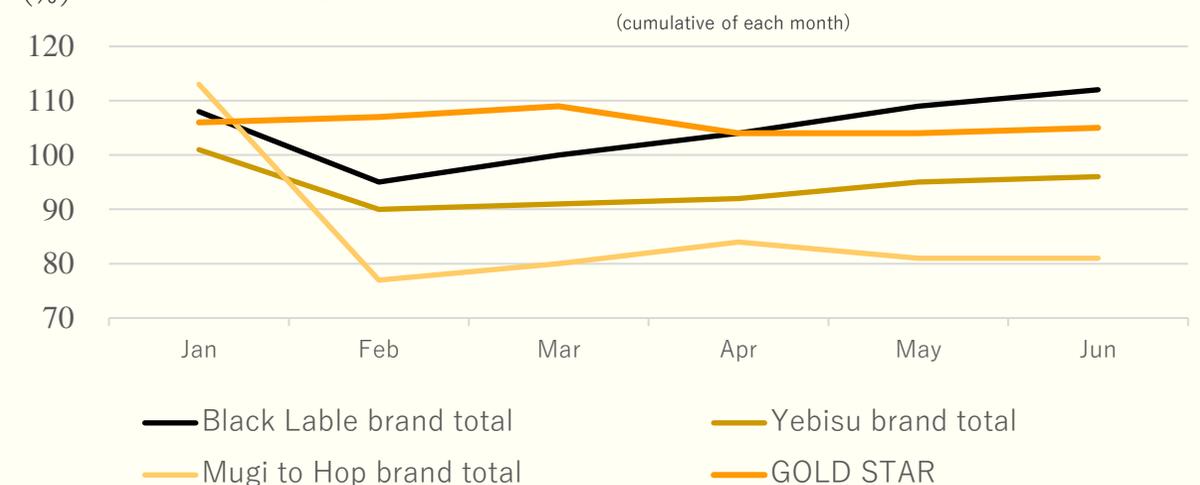
<Major domestic brands: YoY change in sales volume> (Jan – Mar)

- ✓ Black Label brand  up **12**% y-o-y
- ✓ YEBISU brand  down **4**% y-o-y
- ✓ Mugi to Hop brand  down **19**% y-o-y
- ✓ GOLD STAR  up **5**% y-o-y

<YoY changes in sales volume of beer and beer-type beverages by genre> (cumulative for each month)



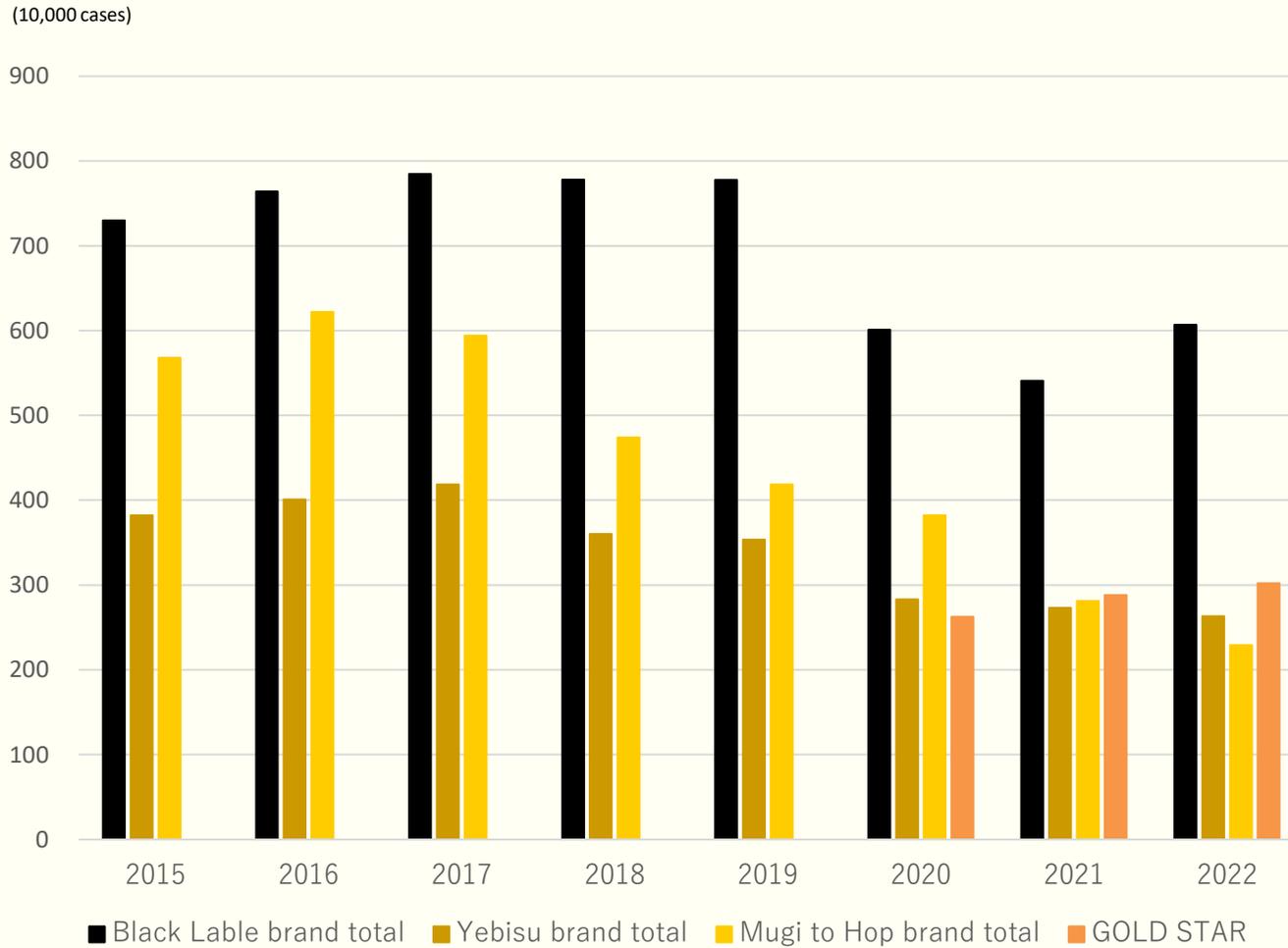
<YoY changes in sales volume of main brands> (cumulative of each month)



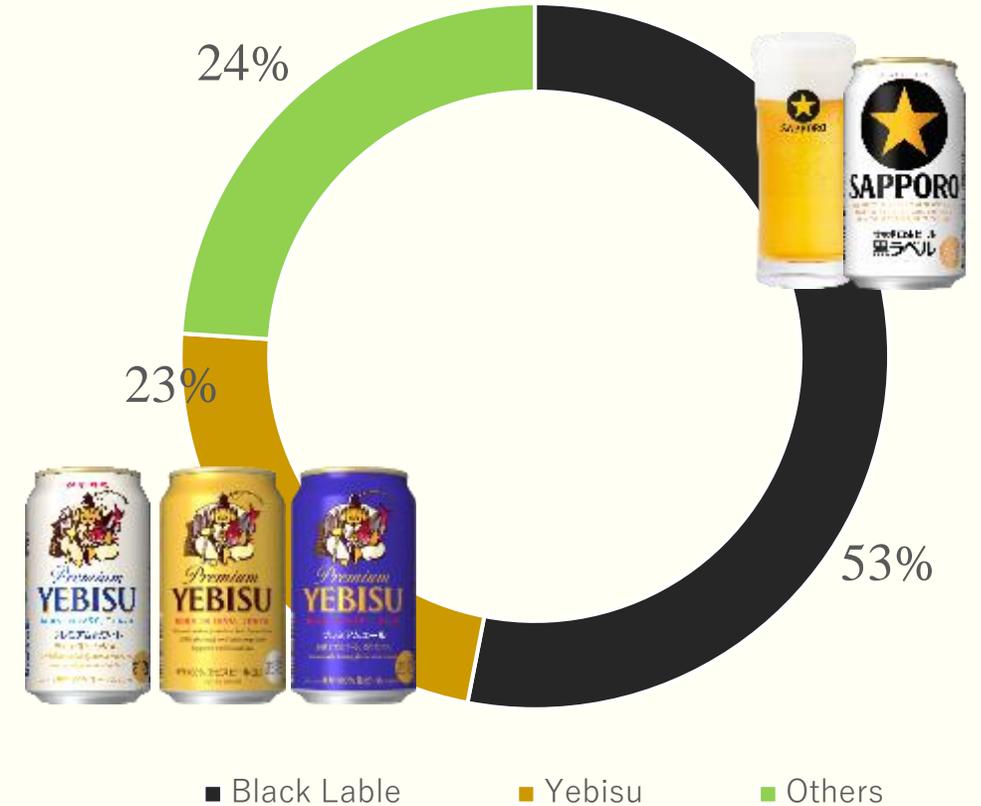
Appendix : Alcoholic Beverages (Japan)



< Main brand Jan- Jun Sales volume change >



< Beer lineup sales volume (Jan- Jun break down) >



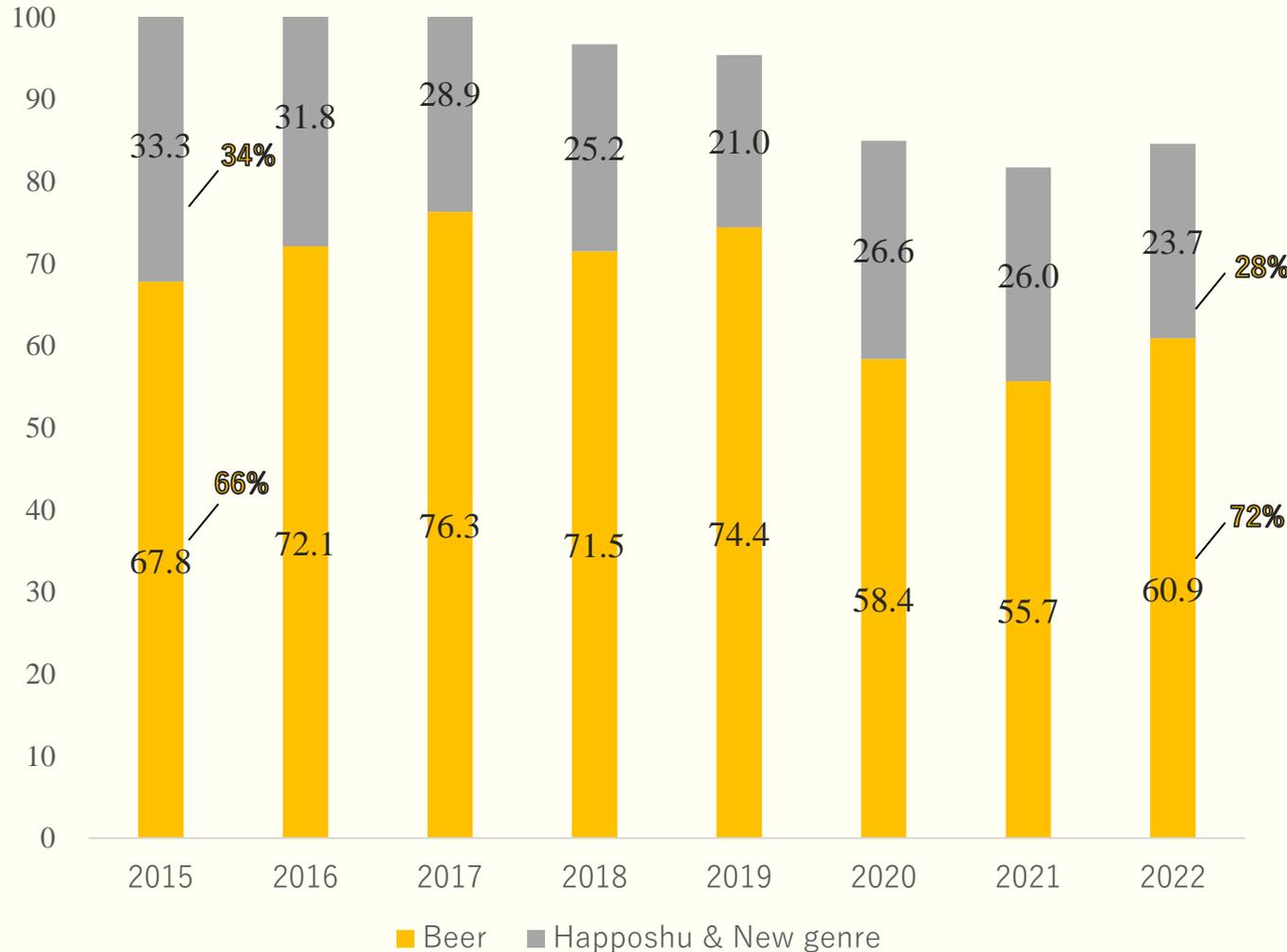
Appendix : Alcoholic Beverages (Japan)



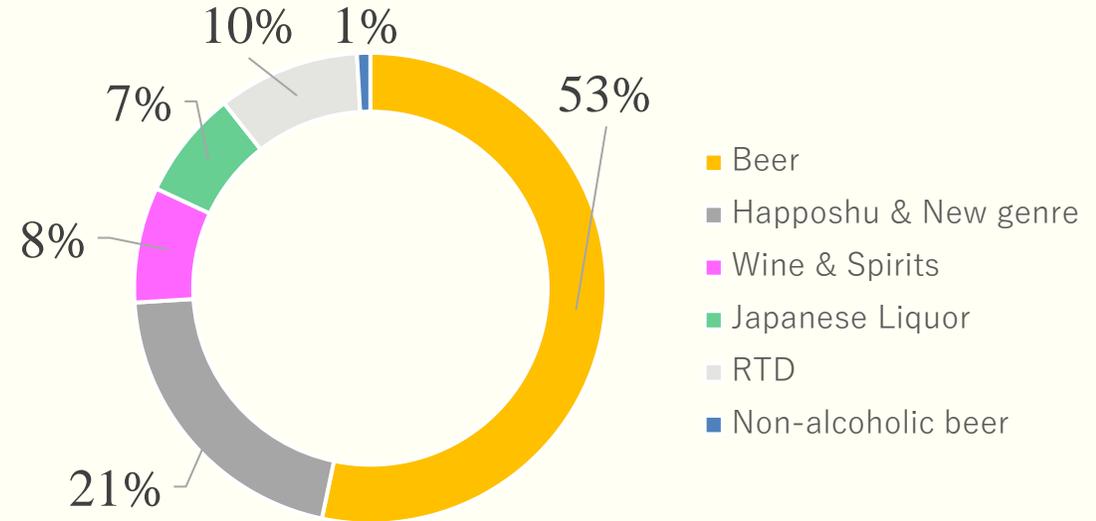
< Jan- Jun sales revenue >

(billions of yen)

※Incl. liquor tax



< Jan- Jun sales breakdown by category >



*Before subsidiary companies sales, elimination of inter- company transactions and rebate deduction

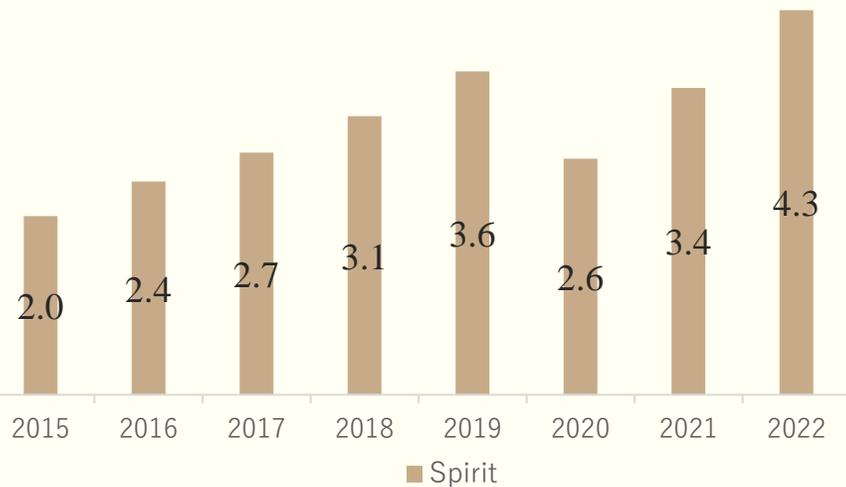
*From 2021, Hyosai Sour and 99.99 keg are reclassified from Spirits to RTD.

Appendix : Alcoholic Beverages (Japan)



< Jan- Jun sales revenue > (billions of yen)

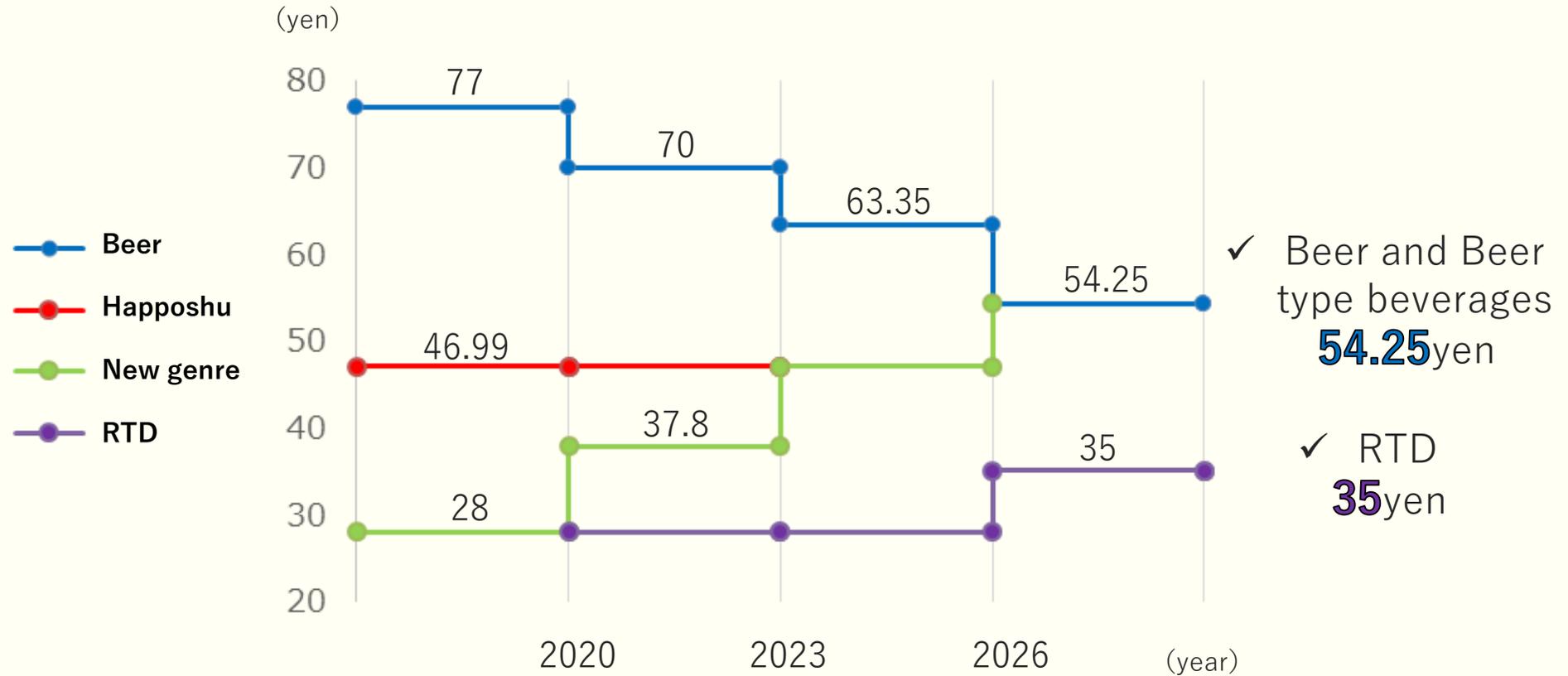
*From 2021, Hyosai Sour and 99.99 keg are reclassified from Spirits to RTD.



Appendix : Alcoholic Beverages (Japan)



< Changes in the amount of liquor tax per 350 ml >



Appendix : Alcoholic Beverages (Overseas)



< Overseas beer : YoY change in sales volume >

(Jan - Jun)

【North America Total up 2 % y-o-y

- ✓ Overseas brand
down 2% y-o-y



- ✓ Sapporo brand
up 18 % y-o-y

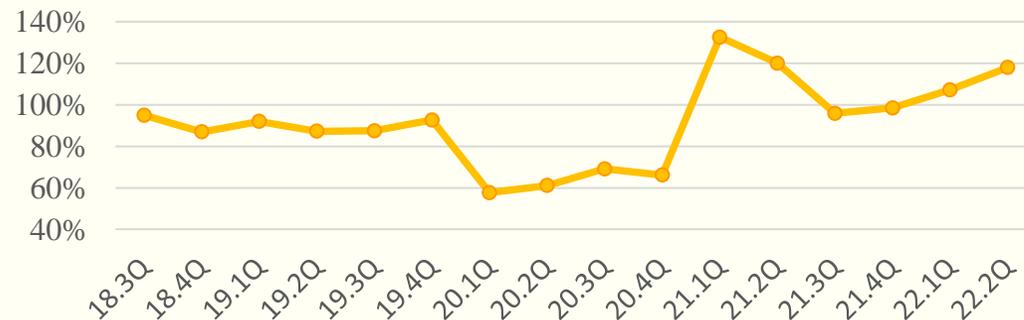


【Other Areas Total】 up 40 %y-o-y

(Main area : Asia pacific , Europe , Oceania) (Jan - Jun)

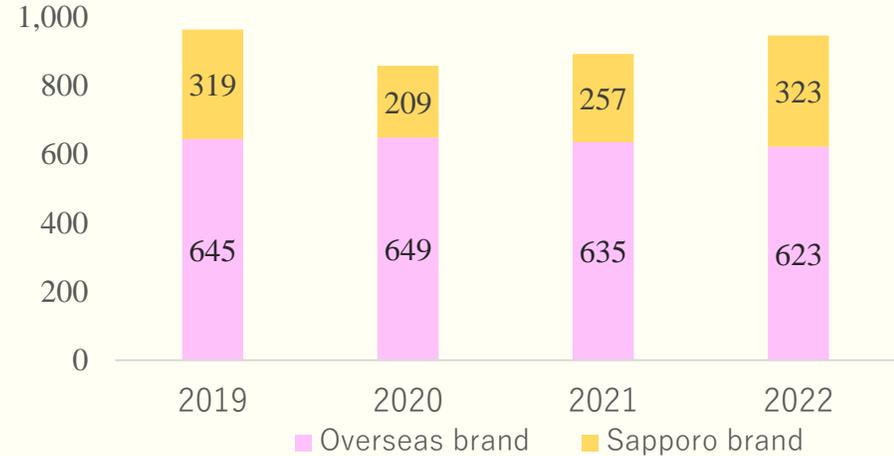
- ✓ Sapporo brand : up 40 %y-o-y

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



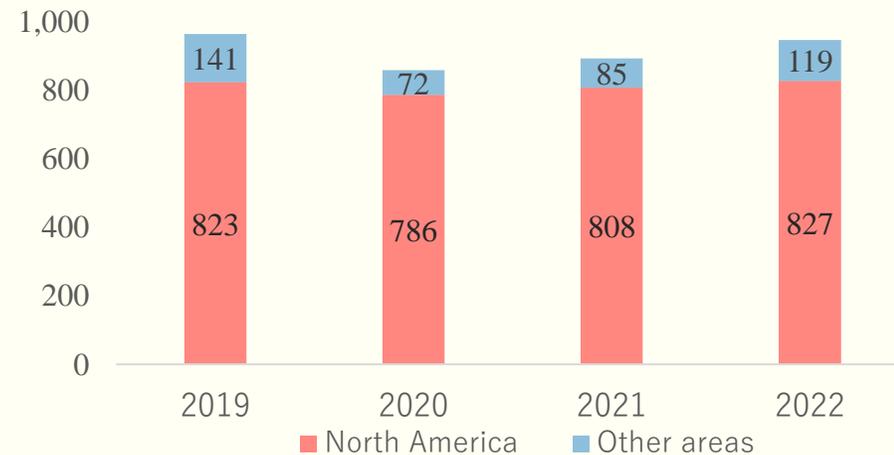
< Overseas sales volume by brand (Jan-Jun) >

(10,000 cases)



< Overseas sales volume by Area (Jan-Jun) >

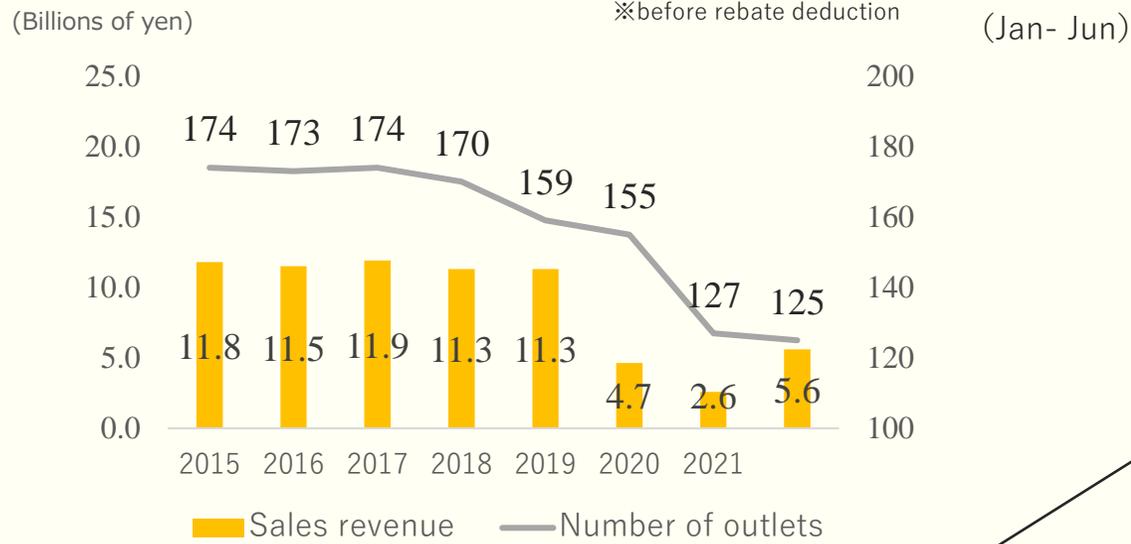
(10,000 cases)



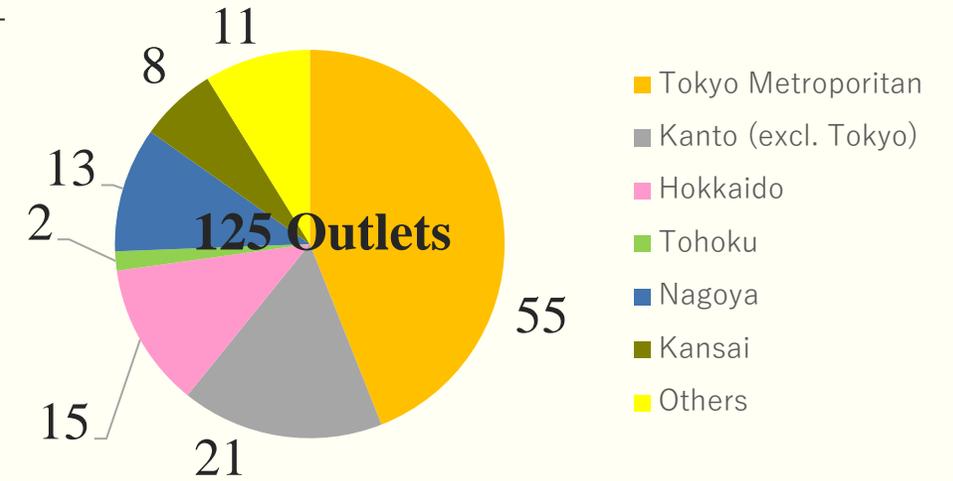
Appendix : Alcoholic Beverages (Restaurants)



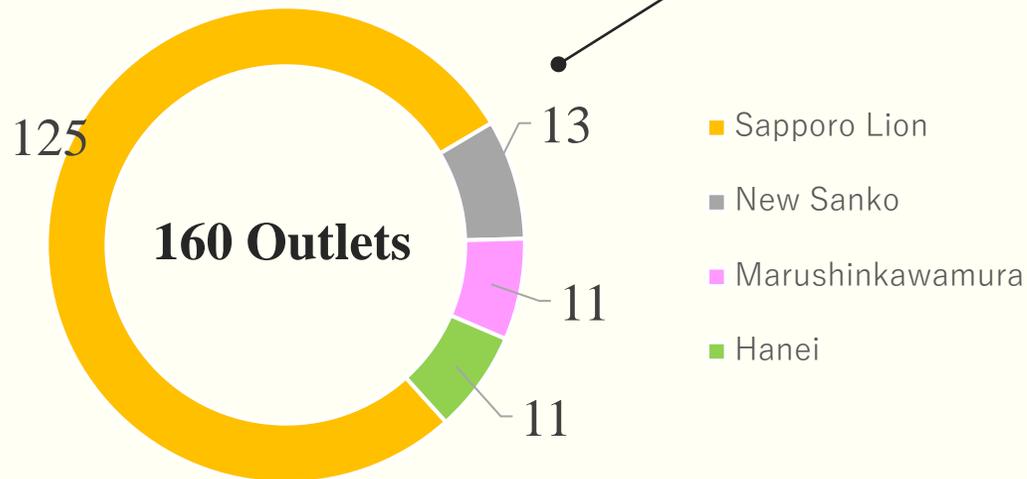
< Sales revenue and number of Sapporo Lion Outlets >



< Sapporo Lion outlets As of June 30, 2022 >



< Total number of outlets >



< Brands >



Appendix : Food & Soft Drinks



< Japanese soft drinks POKKA SAPPORO Food & Beverage >
Sales volume & Sales by genre(Jan- Jun)

【Lemon based-drinks】

✓ **up 4% y-o-y**
(Sales volume)



【Lemon-based food products】

✓ **down 4% y-o-y**
(Sales)



【Unsweetened tea drinks】

✓ **down 2% y-o-y**
(Sales volume)



【Soups】

✓ **up 0% y-o-y**
(Sales)



【Coffee drinks】

✓ **down 9% y-o-y**
(Sales volume)



【Soy milk, chilled products】

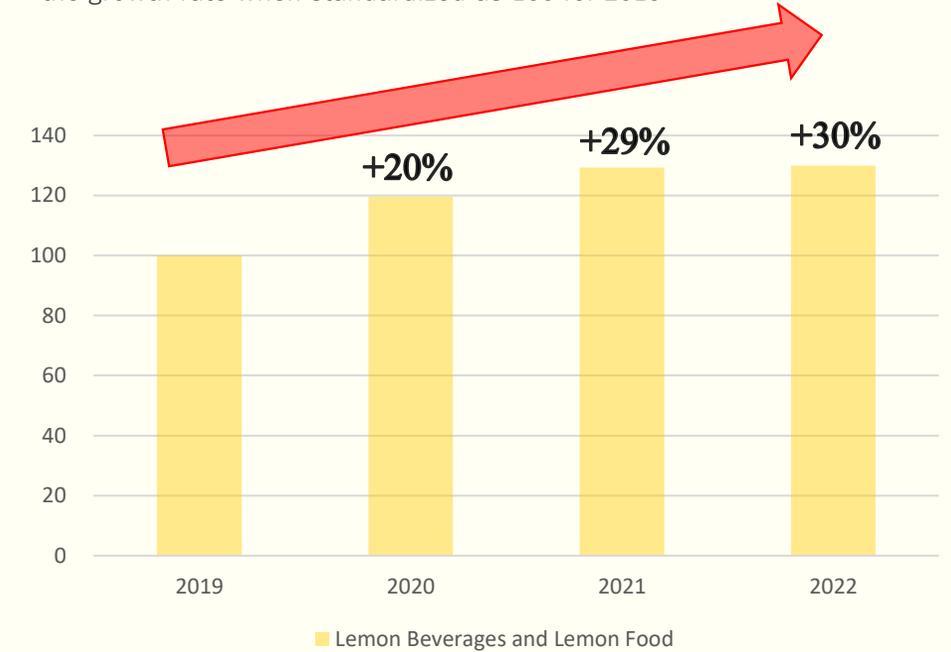
✓ **up 5% y-o-y**
(Sales)



< Japanese soft drinks POKKA SAPPORO Food & Beverage >
Changes in sales volume for lemon beverages and lemon Food

(the total volume for the period of January to June)

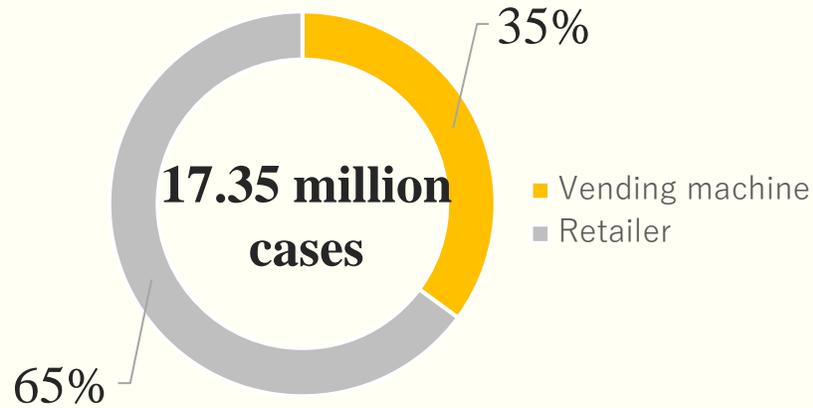
* the growth rate when standardized as 100 for 2019



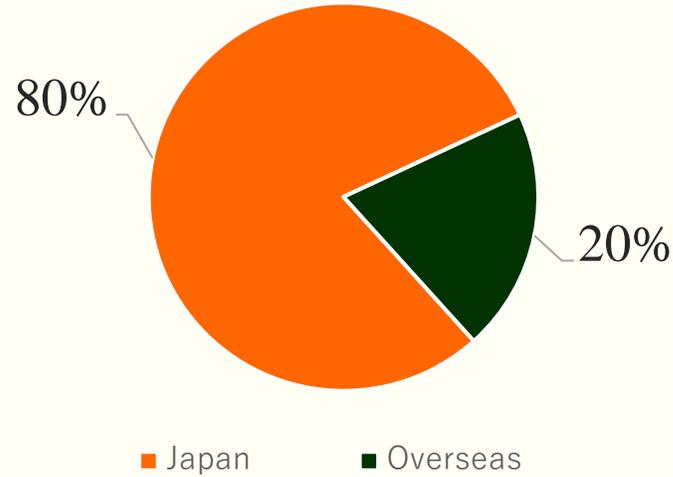
Appendix : Food & Soft Drinks



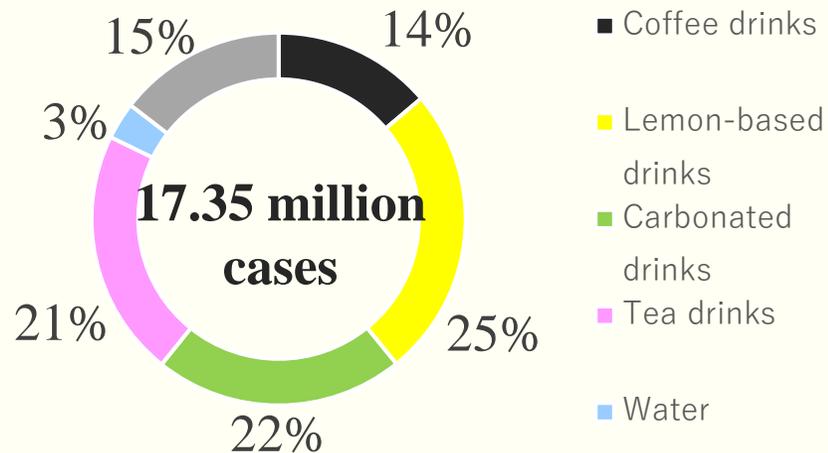
< Japanese soft drinks
POKKA SAPPORO Food & Beverage >
Sales composition by sales channel (Jan- Jun)



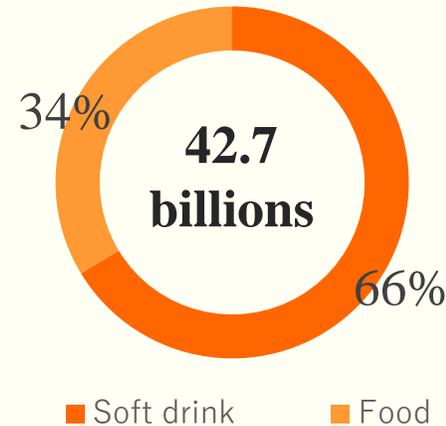
< Food & Soft Drinks segment
Revenue break down by geographic area >
※Except connection adjustment



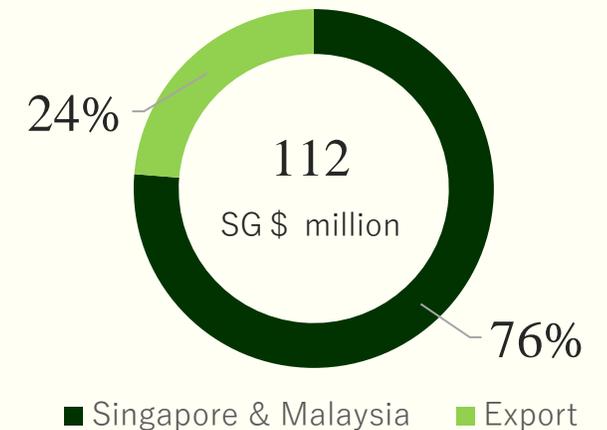
< Japanese soft drinks
Sales composition by genre (Jan- Jun) >



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



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



Appendix : Real Estate



< Major rental properties & occupancy rates : (Averages for 2022 2Q)>

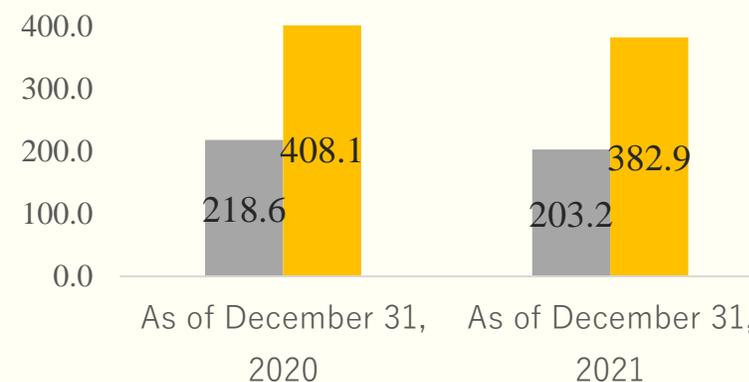
	Site area (m ²)	Floor area (m ²)	Occupancy rate (%)	No. of floors
Yebisu Garden Place ⁽¹⁾	56,943	298,007	88	40 floors above ground, 5 below
Ginza Place	645	7,350	100	11 floors above ground, 2 below
Strata Ginza ⁽²⁾	1,117	11,411	100	13 floors above ground, 1 below

*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 Investment property >

(billions of yen)



■ Carrying value on the consolidated statement of financial position
 ■ Fair value



< Core Operating profit > (billions of yen)

	2021 Q2	2022 Q2	Change
Yebisu Garden Place, etc.	2.9	2.1	(0.8)
Other area & other operations	1.3	0.9	(0.4)
Hokkaido	0.3	0.2	(0.1)
General corporate	(0.7)	(0.6)	0.1
Total	3.8	2.6	(1.2)

< EBITDA > (billions of yen)

	2021 Q2	2022 Q2	Change
Yebisu Garden Place, etc.	4.5	3.6	(0.8)
Other area & other operations	1.9	1.2	(0.7)
Hokkaido	0.6	0.5	(0.1)
General corporate	(0.4)	(0.4)	0.0
Total	6.6	5.0	(1.5)

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



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