



SAPPORO

Sapporo Group Business Results Presentation for the Six Months Ended June 30, 2023

*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 10th 2023

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

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Business results: increased revenue and improving core operating profit

(billions of yen)	2022 Q2 Result	2023 Q2 Result	YoY changes (amount)	YoY changes (%)
Revenue	213.8	238.5	24.7	11.6%
Core operating profit	(2.2)	3.5	5.7	—
Operating profit	(0.2)	(2.8)	(2.6)	—
Profit attributable to owners of parent	(0.4)	(5.1)	(4.7)	—

- Revenue and core operating profit **increased**
- Operating profit and profit for the period decreased
(impact of one-off costs for the dissolution of Anchor)
- Price revisions are steadily absorbing higher costs such as surging raw material costs, etc.
- **Progressing steadily** according to forecasts

Main topics

- Alcoholic Beverages recover in sales volume of commercial-use products, while Restaurants posted steady same-store sales
- Canned Black Label performed better than last year (Market total demand for canned beer down 6%)
RTD was a growth driver, with strong sales for the new product “Shin Lemon Sour,” in addition to core brands
- Sapporo brand continues to see strong sales overseas
- The effect of structural reforms in the Restaurants and Food & Soft Drinks businesses implemented since the pandemic are contributing steadily to bottom line

We updated the Sapporo Group Environmental Vision 2050

The Sapporo Group Environmental Vision 2050 was updated with a view to “Realizing a decarbonized society,” which is one of our priority sustainability issues. With the aim of achieving this updated objective, we have also updated our 2030 target for reducing greenhouse gas emissions, and newly set FLAG targets.

[Environmental Vision 2050]

- Aim for net zero greenhouse gas emissions for Scope 1, 2, and 3
- Use electricity derived from renewable energy for 100% of power used

[2030 Target]

- Reduce Scope 1 and 2 greenhouse gas emissions by 42% compared to 2022 levels
- Reduce Scope 3 greenhouse gas emissions by 25% compared to 2022 levels
- (Addition)
Reduce FLAG Scope 1, 2, and 3 greenhouse gas emissions by 31% compared to 2022 levels

Canadian company SLEEMAN selected for Canada’s Greenest Employers

The company was selected for [Canada’s Greenest Employers \(2023\)](#), which is held by the Canada’s Top 100 Employers project. This was the result of promoting [employee participation](#) initiatives.

Saved
approx. **300,000**
liters of water per day

Improved its
waste landfill
conversion ratio
from 60% to **97%**

Processes **100%**
of wastewater
from its Guelph
factory



Sustainability Management Initiatives ~Sustainability Targets~



Black text indicates results and blue text indicates targets

Classification	Material Issues	Specific Initiatives	Targets Setting Companies	Target Year	Targets	2021	2022	2026	2030	2050
Harmony with the Environment	Realization of a decarbonized society	Reducing CO2 emissions at company sites and supply chains	Scope1,2 Common to all operating companies	2050	Scope 1, 2, 3 Net Zero greenhouse gas emissions	(Scope1,2)				
						184.1	189.3	149.5	109.8	0
			Scope 3 Common to all operating companies (SB,PS,SBL※) ※Accounts for more than two-thirds of the emissions of the entire Sapporo Group	2030	Scope 1, 2 greenhouse gas emissions by 42% compared to 2022 levels	(Scope3)				
						903.3	1,082.6	947.3	812.0	0
					(FLAG Scope1,2,3)					
					FLAG Scope 1, 2, 3 greenhouse gas emissions by 31% compared to 2022 levels	-	101.8	86.0	70.2	
Co-prosperity with Society	Mutual prosperity with local communities	<ul style="list-style-type: none"> Improvement of regional value Resolution of local issues using company resources 	SRE		Progress in sustainable urban development that contributes to improving area brand value	-	-			
			SB		Progress of our “regional revitalization business”	-	-			
			PS		Progress in building an environment for lemon production in Japan	-	-			
			PS, SGF	2030	Number of regional learning programs (food education, on-site classes, factory tours, etc.) related to the food and beverage business	-	131		140	
Activation of Human Resources and Potentials	Active participation of diverse human resources	Promotion of Diversity & Inclusion (D&I)	SH, SB, PS, SRE, SLN	2026	Work engagement (*1) 54 or higher	53.9	53.6	54		
			SH, SB, PS, SRE, SLN	2026	At least 12% female executives and at least 20% female executives	-	8.3%	12%	20%	
			SH, SB, PS, SRE, SLN	2030	At least 12% female managers and at least 20% female managers	4.2%	5.4%	12%	20%	
		Investing in human capital for growth and productivity	SH, SB, PS, SRE, SLN	2026	Integrated survey “Challenges for future value creation” (*2) 3.0 or higher	2.6	2.7	3.0		
			SH, SB, PS, SRE, SLN	2026	Presenteeism loss rate (*3) 33.4% or less	36.3	34.4	33.4		

*1 Indicators in Stress Check and Employee Awareness Survey <Deviation>

*2 Sapporo Group’s proprietary survey indicators in Stress Check and Employee Awareness Survey <quantified using 1.0 to 4.0>

*3 Indicators in Stress Check and Employee Awareness Survey: average for SH and four operating companies

Business Results

Financial Highlights



(billions of yen)

	2022 Q2 Result	2023 Q2 Result	YoY changes (amount)	YoY changes (%)
Revenue	213.8	238.5	24.7	11.6%
Revenue (Excluding liquor tax)	162.4	184.6	22.1	13.6%
Overseas revenue	43.1	57.4	14.2	33.0%
EBITDA	7.9	13.5	5.6	71.1%
Core operating profit	(2.2)	3.5	5.7	—
Core operating profit margin	(1.0%)	1.5%	—	—
Other operating income (expense)	1.9	(6.3)	(8.2)	—
Operating profit	(0.2)	(2.8)	(2.6)	—
Profit attributable to owners of parent	(0.4)	(5.1)	(4.7)	—

Sales volume of commercial-use products for Japan alcoholic beverages and sales of Restaurants business both in recovery mode

Alcoholic beverages in Japan

Bar graph: Commercial-use (bottles and kegs) Sales Volume Results(vs. 2019)

Line graph: Total Demand for Commercial-use Products (vs. 2019) (estimated by Sapporo HD)



We outweighed total demand thanks to strong performance of bottled lager beer, in addition to two main products, Black Label and Yebisu

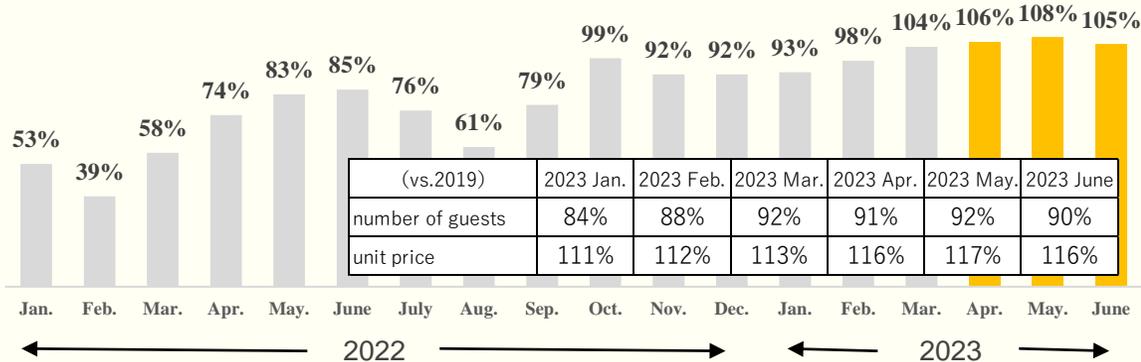


Approx. **2.4x** over 10 years (comparing performance from 2013-2022)

The period of Jan.-Jun. 2023 also improved year-on-year, and we will aim for a year-on-year improvement for the entire year.

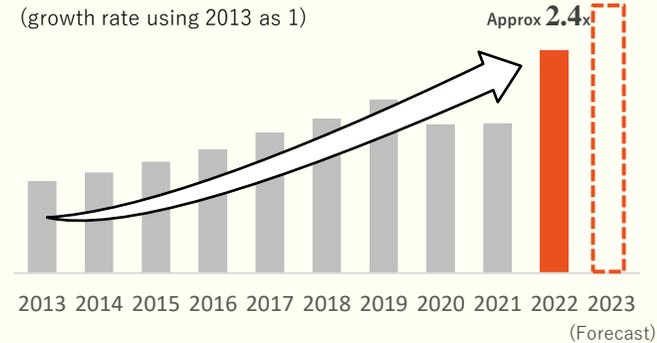
Alcoholic beverages in resutaurants

Bar graph : Sapporo Lion restaurants existing store Sales Results(vs. 2019)



Growth rate - Bottled lager beer

(growth rate using 2013 as 1)



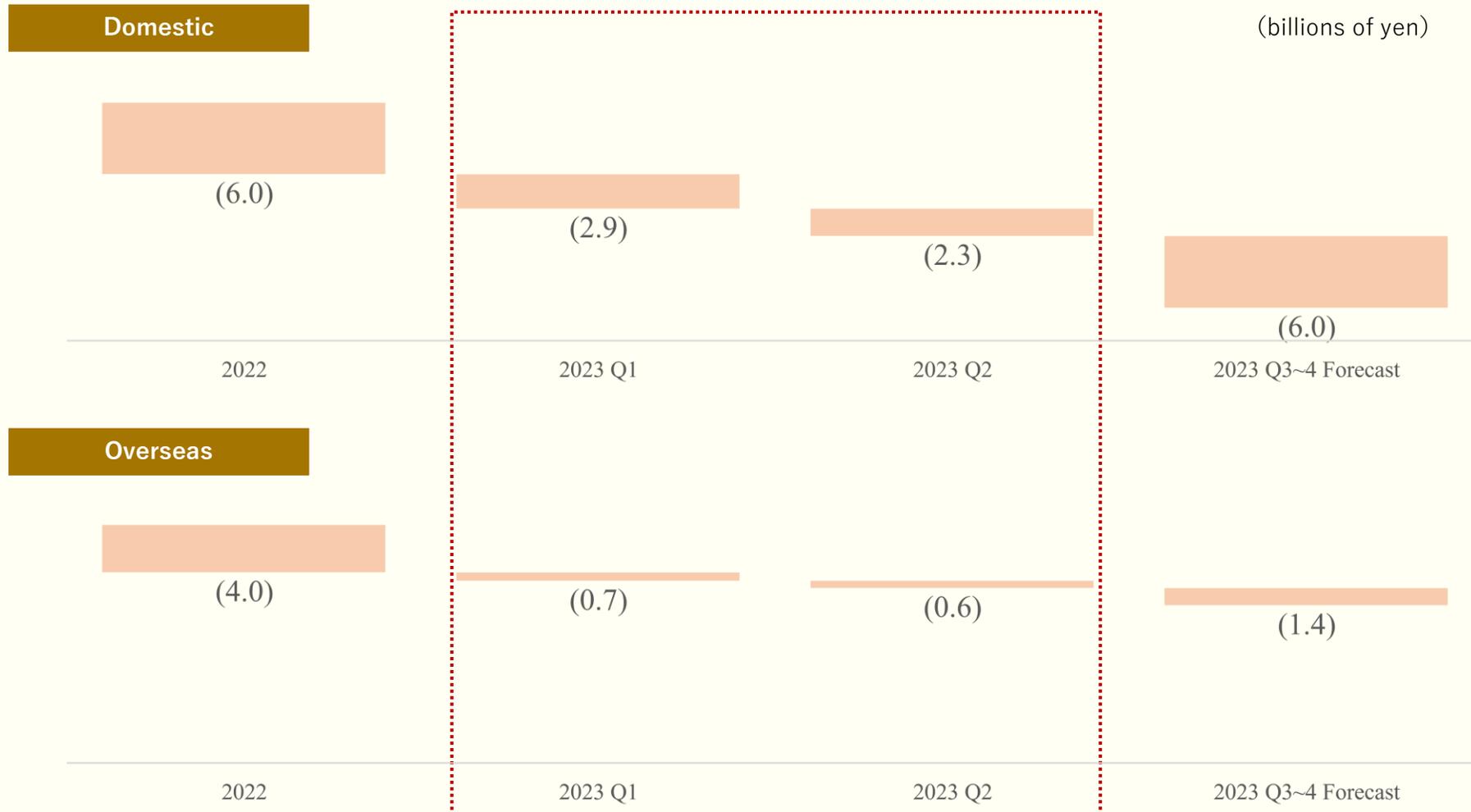
Jan.-Jun. performance (year-on-year)



Situation of External Environment Affecting Business Results ~Higher costs such as surging raw material costs~

Costs are expected to **increase by ¥14.0 billion** vs. 2022 and **¥1.5 billion** vs. the initial forecast, but price revisions will address the situation.

We will respond appropriately to the risk of additional cost increases by closely monitoring the situation.



Financial Highlights



(billions of yen)	2022 Q2 Result	2023 Q2 Result	YoY changes (amount)	YoY changes (%)
Revenue by Segment	213.8	238.5	24.7	11.6%
Alcoholic Beverages	146.1	172.5	26.3	18.0%
Japanese	109.7	121.1	11.4	10.4%
Overseas	30.0	42.2	12.2	40.6%
Restaurants	6.4	9.2	2.8	42.7%
Food & Soft Drinks	57.5	55.4	(2.1)	(3.6%)
Japanese	46.3	42.4	(3.9)	(8.4%)
Overseas	11.2	13.0	1.8	15.9%
Real Estate	10.1	10.6	0.5	4.9%
Other	0.1	0.1	0.0	8.3%

(billions of yen)	2022 Q2 Result	2023 Q2 Result	YoY changes (amount)	YoY changes (%)
Core Operating Profit by Segment	(2.2)	3.5	5.7	—
Alcoholic Beverages	(0.5)	5.0	5.5	—
Japanese	0.1	4.5	4.4	3159.9%
Overseas	0.2	(0.3)	(0.5)	—
Restaurants	(0.9)	0.8	1.7	—
Food & Soft Drinks	(0.8)	0.5	1.3	—
Japanese	(1.5)	(0.2)	1.3	—
Overseas	0.7	0.7	0.0	1.1%
Real Estate	2.6	1.9	(0.6)	—
Other • General corporate and intercompany eliminations	(3.5)	(3.9)	(0.4)	—

Financial Highlights



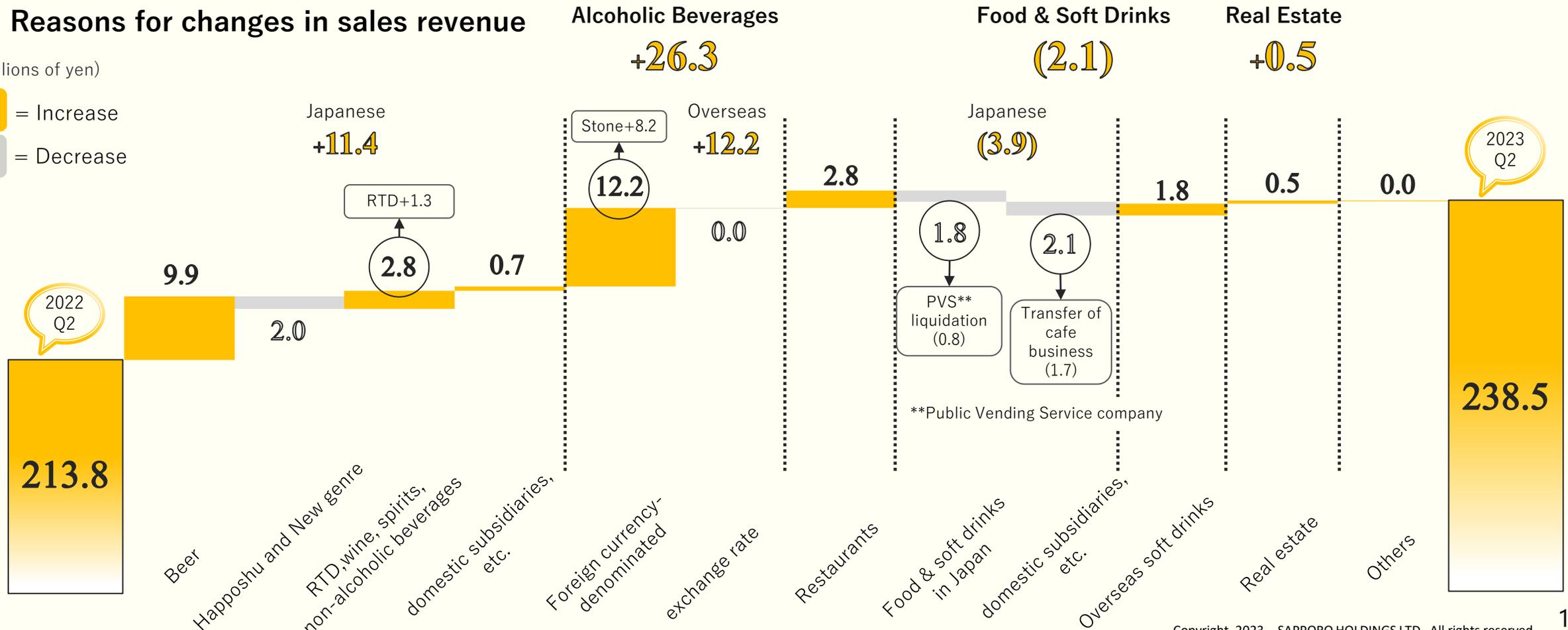
Food & Soft Drinks saw revenue fall following the transfer of the cafe business last year and the liquidation of a vending machine operator subsidiary, but revenue overall rose due to the contributing effects of price revisions and inclusion of Stone in the scope of consolidation, not to mention higher sales volume of beer and RTD in Japan, the recovery in demand for beer halls and other restaurants, and strong sales of SPB* overseas

*SPB: SAPPORO PREMIUM BEER

Reasons for changes in sales revenue

(billions of yen)

- = Increase
- = Decrease



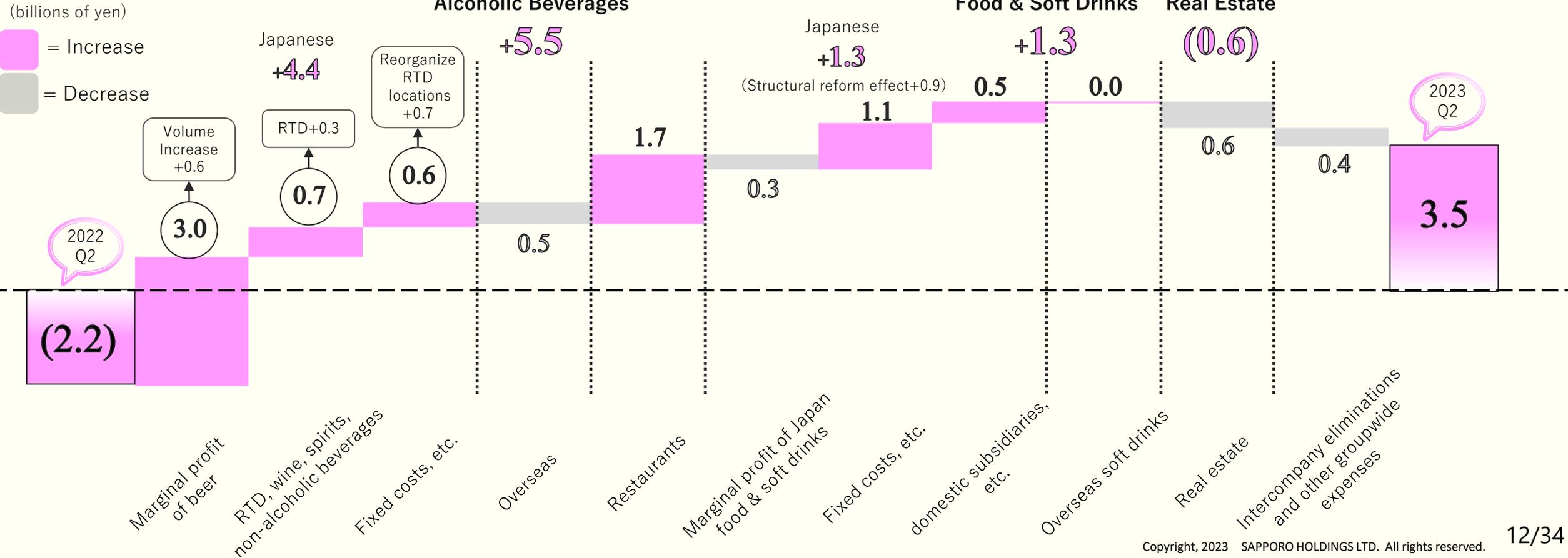
Financial Highlights



In real estate, there was a drop in profit due to HVAC work on the YGP* office space, but profit increased due to the **increased** revenue effect of Alcoholic Beverages and the effect of structural reforms in the Restaurants and Food & Soft Drinks businesses.

*YGP: Yebisu Garden Place

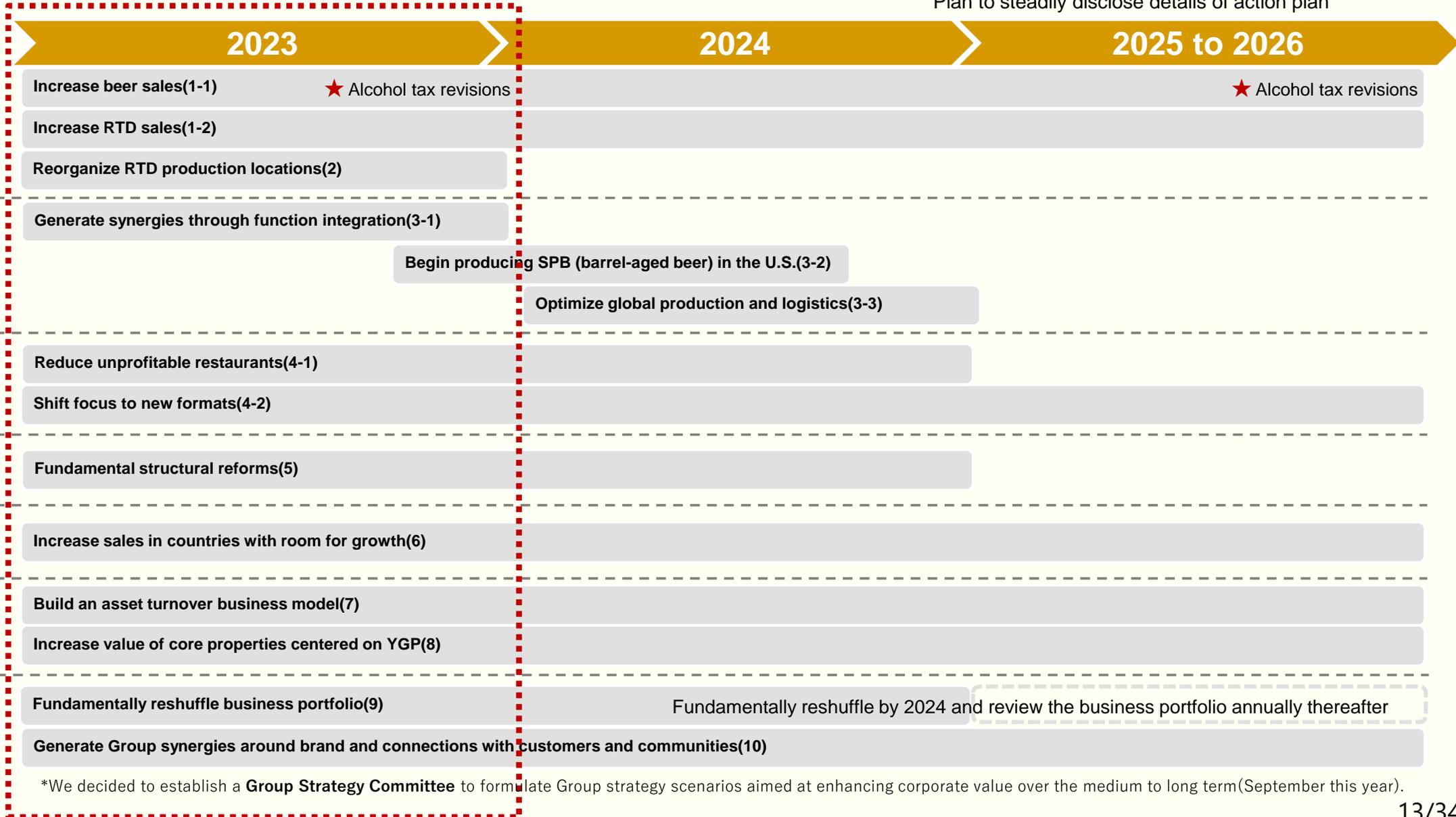
Reasons for changes in core operating profit



Action Plan



Plan to steadily disclose details of action plan



*We decided to establish a **Group Strategy Committee** to formulate Group strategy scenarios aimed at enhancing corporate value over the medium to long term(September this year).

Alcoholic Beverages ~Japanese~



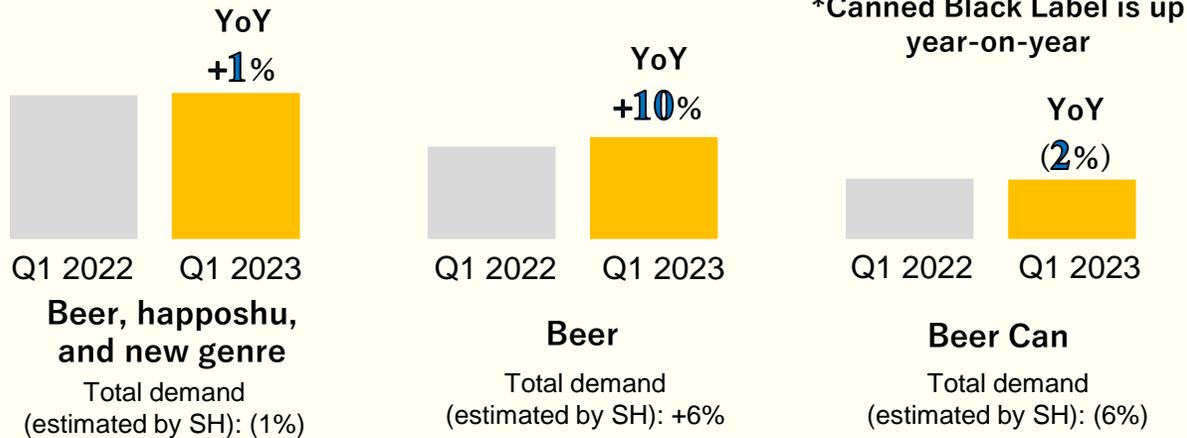
Revenue : 121.1billions of yen (YoY+11.4billions of yen、 +10.4%)

Core operating profit : 4.5billions of yen (YoY+4.4billions of yen)



Increasing beer sales (1-1) is proceeding steadily with a focus on Black Label, and efforts will continue with a view to the alcohol tax revisions in October

✓ Situation of beer and beer-type beverage sales volume



◎ Efforts to strengthen the Black Label brand

Creating spaces for real experiences
Open stands at music festivals
THE BAR FUKUOKA/OSAKA

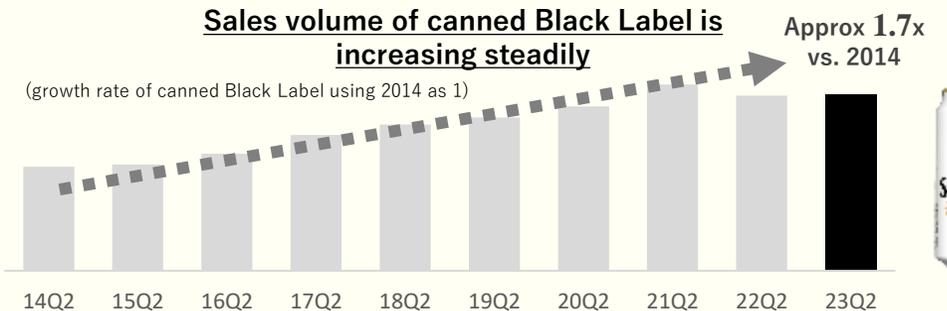
More digital communication
Deploy web content on CLUB Black Label

Strengthen marketing promotions

✓ share of beer sales **64%** (2022 Q2) **70%** (2023 Q2)

Total demand (estimated by SH): share of beer sales **49%**

✓ selling price excluding alcohol tax **+12% y-o-y**



Koime no Lemon Sour and Shin Lemon Sour are key drivers for increasing RTD sales (1-2)
Aim to achieve the initial forecast with focused investment in core brands and the second release of beverages that go with meals, planned for autumn
Reorganization of production locations (2) is also on track to begin manufacturing in October

✓ **Total for RTD (cans) +9% y-o-y**
 (Sales amount basis)



✓ **Efforts to strengthen manufacturing and development**

◎ **Reorganize RTD production locations**

Making steady progress toward start of production in October

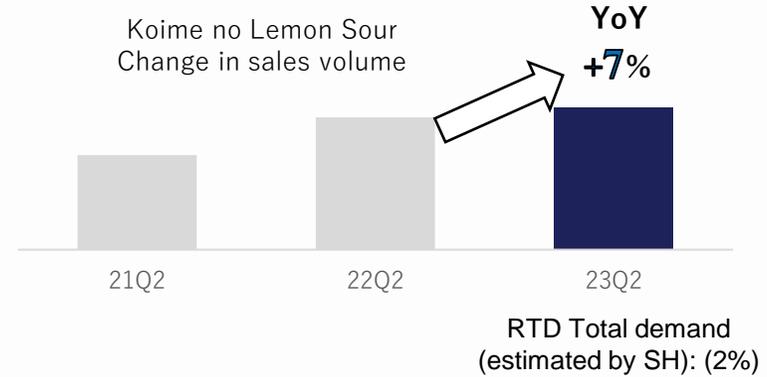
◎ **Utilization of the product development AI system “N-Wing★”**

Released the first product developed utilizing N-Wing★, “Otoko Ume Sour Tsuno Shoppa Ume”



Koime no Lemon Sour

Trending strongly in the third year after release



Shin Lemon Sour

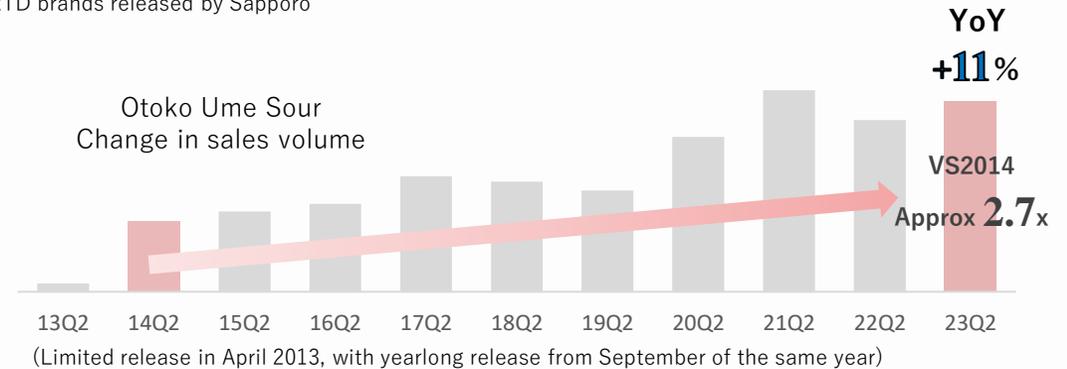
Strong performance continues after 3/22 release
 (Highest sales volume ever for three months post release*)

*Based on the average sales volume per 1 brand product for three months after release, for nationwide year-round RTD brands released by Sapporo



Otoko Ume Sour

Celebrating 10 years since its release, but sales volume continues to steadily grow



Alcoholic Beverages ~Overseas~

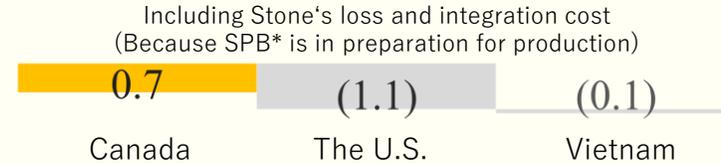


Revenue : 42.2billions of yen (YoY+12.2billions of yen、 +40.6%)

Core operating profit : (0.3)billions of yen (YoY(0.5)billions of yen)

Reasons for changes in core operating profit(billions of yen)

*SPB: SAPPORO PREMIUM BEER



**Increased revenue and profit in Canada due to increased volume and improved unit prices
In the US, while SPB* remained strong and function integration is progressing steadily,
profit declined due to SPB* manufacturing preparations (3-2)
Preparations underway to begin manufacturing in 2nd half**

◎ Sales in each country

▶ Canada

+6% y-o-y

- The market recovered for commercial-use and other products due to relaxed restrictions
- Increase in total demand year-on-year
- **Company performance exceeded total demand with a strong performance of +6%**

▶ The U.S. (SPB*)

+2% y-o-y

- The market was weak due to impacts such as inclement weather and inflation
- Decrease in total demand year-on-year
- **SPB* remained strong, at +2% year-on-year**

▶ Vietnam

- Strong performance for beer kegs
- Both the market and group results were sluggish for canned beverages due to stagnancy of the Vietnamese economy and the impact of inflation

✓ Status of synergies with Stone

◎ Cost synergy

Steady progress has been made on function integration, with **\$1.5M** in **cost synergies** generated
Preparations continue to start SPB* manufacturing within the year

◎ Sales synergies

The USA and Stone sales teams have been integrated
Working with the Stone team, which is adept at organized retailing, **secured the sale of SPB* at a major US chain with around 1,600 locations**
(A large expansion compared to the previous scale of only a few hundred locations)



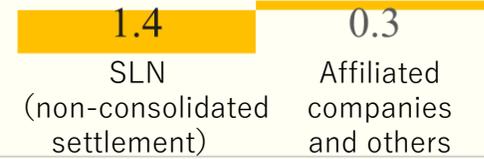
Alcoholic Beverages ~Restaurant~



Revenue : 9.2billions of yen (YoY+2.8billions of yen、 +42.7%)

Core operating profit : 0.8billions of yen (YoY+1.7billions of yen)

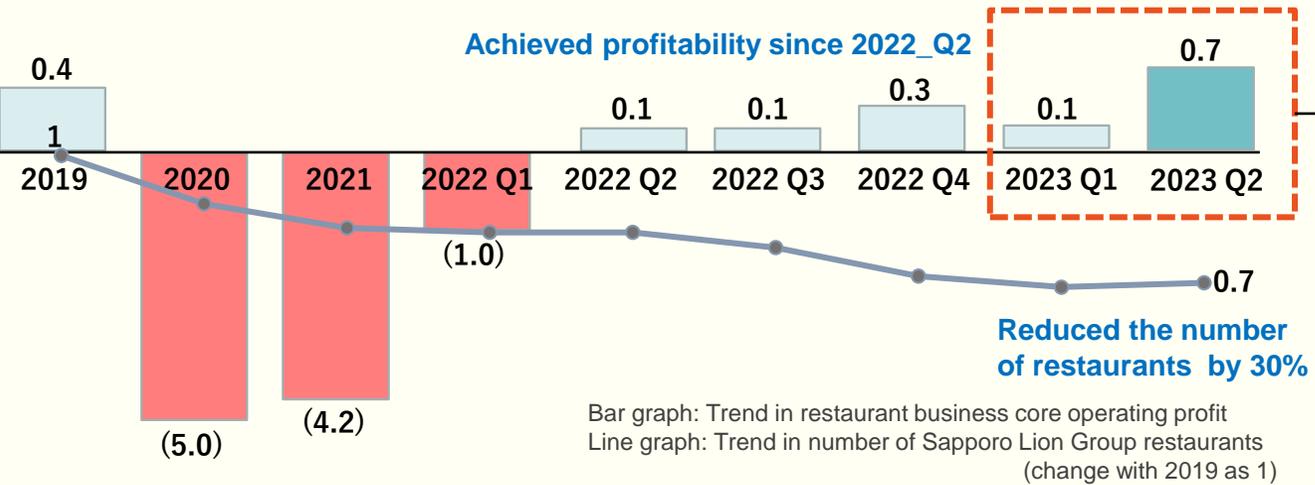
Reasons for changes in core operating profit(billions of yen)



The effect of structural reforms (4-1) implemented during the pandemic steadily contributed to profit, and the company continued to be profitable

✓ Trends in Core operating Profit and Number of Stores

◎ Digital efforts to enhance customer experience value and productivity



Efforts to enhance customer experience value using membership apps

- In addition to managing customers' reward points, these apps also send coupons and event notifications
- Surveys are collected and analyzed to enhance customer experience value

Efforts to enhance productivity

- (1) Introduction of the table-top ordering system (implementation rate of over 80% as of Q2 2023)**
 - Realizes optimization by reducing restaurant operation time and preventing errors
 - Enables customers to order at their preferred time, and reduces order-related work
- (2) Introduction of an AI telephone response system (started use of AI for responding to phone calls, and taking reservations and orders)**
 - Reduced waiting time and workload for inquiries
 - Contributes to the customer service environment during working hours and further enhances sales quality

Cumulative sales results for existing locations by time slot for SLN Jan.-Jun. (compared to 2019)

Opening~14:59	15:00~16:59	17:00~19:59	20:00~Closed
111%	120%	109%	92%

Sales were strong for the after-lunch to evening time slot due to capturing the inbound tourist and senior customer groups

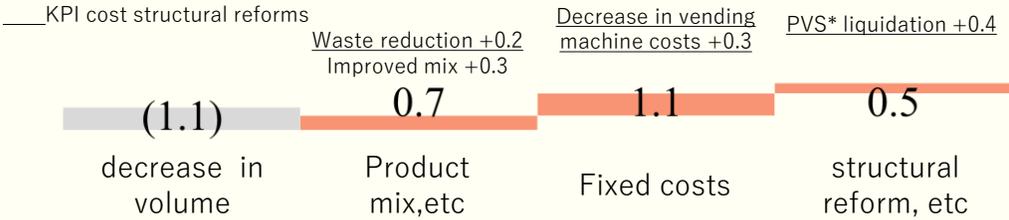
~Japanese~

*Public Vending Service company

Revenue : 42.4 billions of yen (YoY(3.9) billions of yen、 (8.4%))

Core operating profit : (0.2) billions of yen (YoY+1.3 billions of yen)

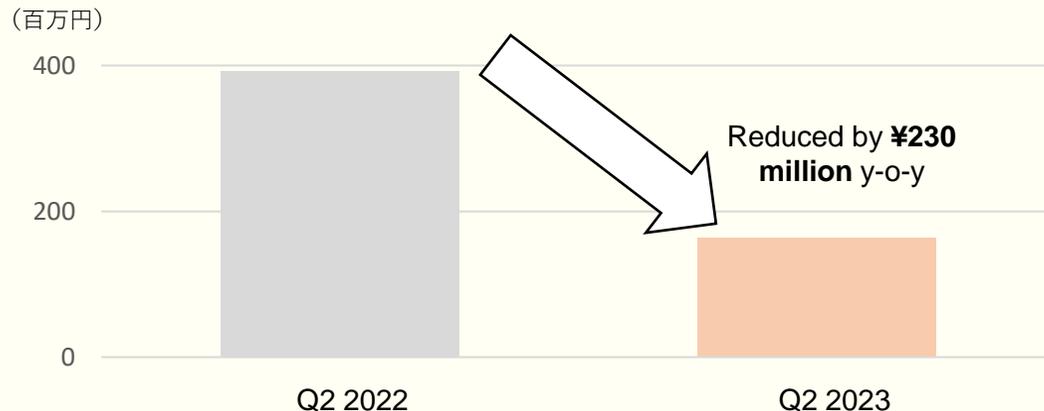
Reasons for changes in core operating profit (billions of yen)



Effects of structural reforms contributed steadily to the bottom line
Take actions outlined in the medium-term management plan, and proceed to fundamental structural reforms (5)

✓ Situation of waste reduction

Steadily lowering disposal costs with initiatives such as SKU reduction, etc.

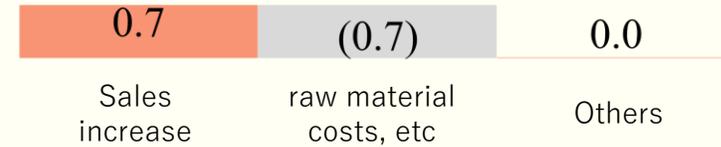


~Overseas~

Revenue : 13.0 billions of yen (YoY+1.8 billions of yen、 + 15.9%)

Core operating profit : 0.7 billions of yen (YoY+0 billions of yen)

Reasons for changes in core operating profit (billions of yen)



Sales grew steadily primarily in Singapore and Malaysia (6)
Continue with initiatives to expand sales channels

✓ Situation of sales expansion

Singapore +4% y-o-y (Sales amount on a local currency basis)

Top market share in tea soft drinks **(56%)**

Market share is our estimate based on data reported by NielsenIQ

Copyright © 2023, NielsenIQ

Malaysia +10% y-o-y (Sales amount on a local currency basis)

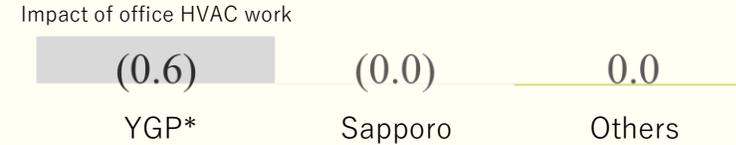
Export +13% y-o-y (Sales amount on a local currency basis)

Revenue : 10.6billions of yen (YoY+0.5billions of yen、 + 4.9%)

Core operating profit : 1.9billions of yen (YoY+(0.6)billions of yen)

Reasons for changes in core operating profit(billions of yen)

*YGP: Yebisu Garden Place



While there was increased revenue from YGP* Center Plaza, there was a decline in revenue due to HVAC work at the YGP* office space and a decrease in profit due to one-off costs
Proceeding with efforts to build an asset turnover business model (7) and increase value of core properties centered on YGP* (8)

✓ Status of YGP*

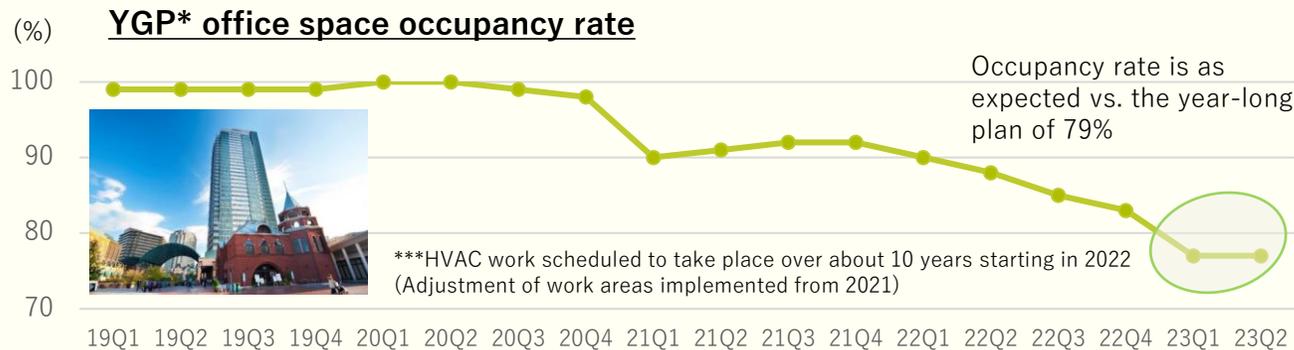
◎ YGP* Center Plaza

Number of visitors increased 1.5 to 2.0x since remodel**
 (**Remodeld in November 2022)



◎ YGP* office wing

Occupancy rate is as expected with decline due to HVAC work***
 Seeking to maintain rent levels by increasing property value



✓ Working to improve value of core properties

YGP* received the highest rank of S under the “CASBEE-Wellness Office” certification****



Note: This is the first such case for a rental office property in the Tokyo metropolitan area having been built at least 20 years ago

An initiative in which a third party organization certified by the Institute for Built Environment and Carbon Neutral for SDGs evaluates both “hard” and “soft” initiatives to support the maintenance and promotion of office workers’ health and comfort.

✓ Status of building an asset turnover business model

- Equity investments

Investments are being made after scrutinizing market conditions and deals

- The REIT Preparatory Office was newly established in March and we plan to establish an investment advisory company around autumn

Proceeding with the review of the business portfolio (9), with the decision to dissolve Anchor Brewing
 Sold off strategic holdings of shares for nine stocks, and demonstrated Group synergies for
 alcoholic beverages and real estate in the Ebisu area (10)

✓ Review of the business portfolio - Dissolution of Anchor Brewing

Changes in the business environment have an adverse effect on business

With the significant impact of the pandemic, sales declined significantly especially in the San Francisco area where impact was prolonged

Efforts for improvement

Implemented various measures including launching new products, product renewals, and brand investment

Determined it would be difficult to improve profitability even from a medium- to long-term perspective

Quickly decided to proceed with liquidation, and decidedly implemented structural reforms

*SPB: SAPPORO PREMIUM BEER

Resolved to dissolve Anchor Brewing
 Generating synergies with Stone, focused resources on SPB* and other growth areas

✓ Balance sheet reforms

Sold off strategic holdings of shares of 9 stocks

(reduced holdings of 4 stocks)

Sold amount: 929 million yen

*The divested amount and number of stocks include SH and SB.

✓ Utilizing real estate for brand communication of Japan alcoholic beverages

▶ 「YEBISU BREWERY TOKYO」

Yebisu Brewery Tokyo will be opened in April 2024
 This will restart beer brewing in the Ebisu area for the first time in 35 years

▶ 「YEBISU BEER HOLIDAY」

Provide a new Yebisu experience that can only be provided in Ebisu, the birthplace of Yebisu beer

YEBISU BREWERY TOKYO



Action Plan KPI



※1Forex assumption: ¥130

※2 Local currency basis (Singapore dollar)

* to be disclosed in Q2 or fiscal year end financial results

		Q2results		Full year		medium-term plan Target
		2022 Q2	2023 Q2	2022	2023Plan	
Japan alcoholic beverages	Reinforcement of Beer / Improving Profitability of Beer-type Bev.					
	Increase beer sales: share of beer sales (1-1)	64%	70%	68%	71%	79%
	Improve profit margin: selling price excluding alcohol tax (1-1)	-	+12% (y-o-y)	-	+9% (y-o-y)	+11% (VS 2022)
	RTD Business Growth and Production Streamlining, Etc.					
	RTD growth: RTD sales amount (1-2)	-	+9% (y-o-y)	-	+23% (y-o-y)	+74% (VS 2022)
	Increase production efficiency: ratio of in-house production (2)	69%	62%	73%	64%	88%
Overseas alcoholic beverages	Stone Acquisition Synergy / SPB Growth					
	Sapporo brand volume (3-1~3)	3.23million cases	3.49million cases (y-o-y +8%)	6.61million cases	7.47million cases	10.0million cases
	Cost synergy (3-1~3) ※1	-	\$1.5M	-	\$4M	\$23M
Japan food & soft drinks	Cost Structure Reforms (5)	-	¥0.5billion	-	¥1.0billion	¥2.0billion
Overseas soft drinks	Expanding Sales and Increasing Logistics Efficiency					
	Overseas sales amount (6) ※2	-	+5.1% (y-o-y)	-	+3% (y-o-y)	+30% (VS 2022)
Real Estate	Revenue Structure Diversification					
	Asset share of securitization business (7)	-	*	3.7%	7.2%	19.2%
	Increase value of YGP** **YGP: Yebisu Garden Place	-	*	-	+0.4% (y-o-y)	+2.5% (VS 2022)
	Rate of increase in average rent price (8)					
Entire Group	Drastic Reorganization of Unprofitable Businesses, Etc. (9)	-	¥0.4billion	¥1.0billion (y-o-y)	¥0.5billion (y-o-y)	-

PVS*** liquidation effect +400 million yen
The effect from Anchor is expected to be felt from Q3

***Public Vending Service company

Appendix

Financial Indicator



	Financial Targets				medium-term plan Target
	Q2 results		Full year		
	2022 Q2	2023 Q2	2022	2023 plan	2026 Target
ROE	-	-	3.3%	3.3%	8.0%
Core operating profit (Approximation) *	(2.2) billions of yen	3.5 billions of yen	9.3 billions of yen	13.5 billions of yen	25.0 * billions of yen
EBITDA Average growth rate (CAGR)		71.1%		16.2%	About 10%
EBITDA (Approximation) *	7.9 billions of yen	13.5 billions of yen	29.9 billions of yen	34.7 billions of yen	50.0 * billions of yen
Overseas revenue Average growth rate (CAGR)		33.0%		9.4%	About 10%
Overseas revenue (Approximation) *	43.1 billions of yen	57.4 billions of yen	102.2 billions of yen	111.8 billions of yen	140.0 * billions of yen

*Approximation for achieving financial targets

Financial Indicator



	Target for core operating profit margin				medium-term plan Target
	Q2results		Full year		
	2022 Q2	2023 Q2	2022	2023 plan	2026 Target
Alcoholic beverages in Japan	0.1%	3.7%	3.5%	5.0%	5.7%
Alcoholic beverages in Overseas	0.7%	(0.8%)	(0.4%)	0.6%	6.2%
Alcoholic beverages in Restaurants	(13.3%)	8.8%	(3.3%)	2.1%	5.0%
Food & Soft Drinks In Japan	(3.2%)	(0.5%)	0.9%	1.3%	3.8%
Food & Soft Drinks In Overseas	5.9%	5.1%	3.6%	4.2%	5.0%
Real Estate ※	2.2%	1.9%	4.9%	4.6%	5.7%

*EBITDA-based ROA

Balance Sheets

(billions of yen)

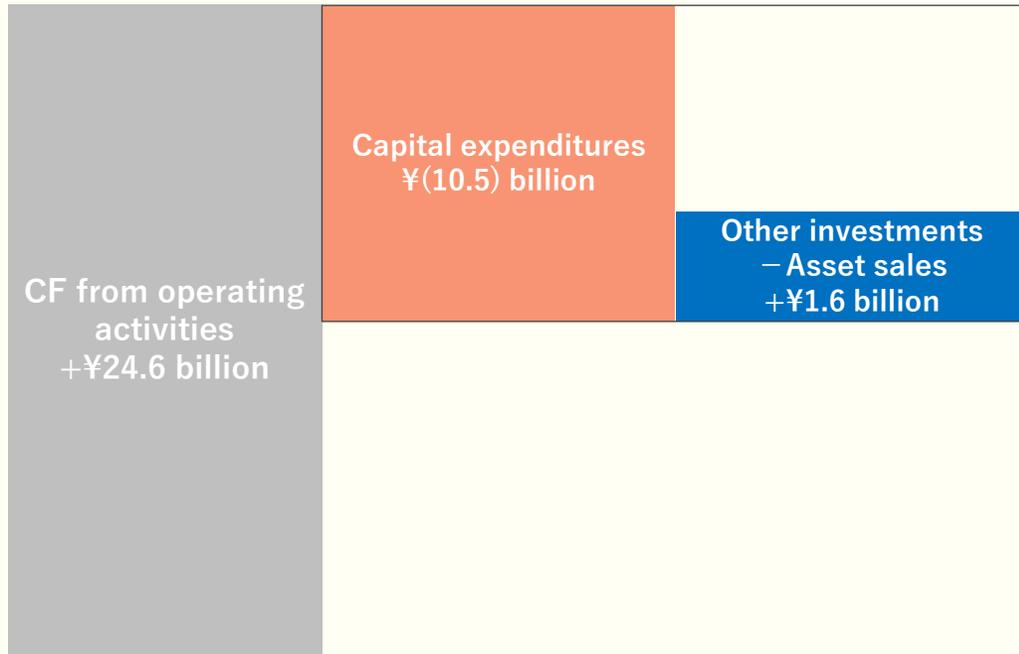


Total assets	End of 2022	2023 Q2	Change
Cash and cash equivalents	15.4	17.4	2.0
Trade receivables	96.6	82.6	(14.0)
Inventories	47.5	50.8	3.3
Other current assets	19.9	11.5	(8.4)
Fixed assets and intangible assets	138.4	145.5	7.1
Investment property	209.6	211.0	1.3
Goodwill	33.8	35.5	1.8
Other non-current assets	77.8	90.1	12.3
Total assets	639.1	644.5	5.4

Total liabilities and equity	End of 2022	2023 Q2	Change
Trade payables	35.7	35.7	0.0
Short-term financial liabilities	86.5	49.2	(37.3)
Other current liabilities	97.3	98.2	1.0
Long-term financial liabilities	155.4	183.8	28.4
Net defined benefit liabilities	3.5	3.4	(0.1)
Other non-current liabilities	93.6	102.6	9.0
Total liabilities	471.9	473.0	1.1
Equity attributable to owners of parent	166.3	170.7	4.4
Non-controlling interests	0.9	0.9	0.0
Total equity	167.2	171.6	4.4
Total liabilities and equity	639.1	644.5	5.4
Debt-to-equity ratio (times) :Net	1.4	1.3	—
Balance of financial liabilities	241.9	233.0	(8.9)

Status of Each Cash Flow

(billions of yen)	2022 Q2	2023 Q2	Change	Change (%)
CF from operating activities	5.5	24.6	19.1	346.7%
CF from investing activities	(10.5)	(8.9)	1.6	—
Free CF	(5.0)	15.6	20.6	—
CF from financing activities	3.5	(15.7)	(19.1)	—



Cash in
¥24.6
billion

Cash out
¥(8.9)
billion

< Investment total (① + ②) > **¥(8.9) billion**

① **Capital expenditure** (cash basis) : **¥(10.5) billion**
(Property, plant and equipment, intangible assets, investment property)

< Major items >

- Alcoholic Beverages : **¥(4.6) billion**
Japan : ¥(1.8) billion overseas : ¥(2.4) billion
- Food & Soft Drinks : **¥(1.1) billion**
Japan : ¥(1.0) billion
- Real Estate : **¥(4.1) billion**
Yebisu Garden Place and others
- Group-wide : **¥(0.7) billion**

② **Other investments – Asset sale** : **¥1.6 billion**
(Stock sales, etc.)

Alcoholic Beverages Data

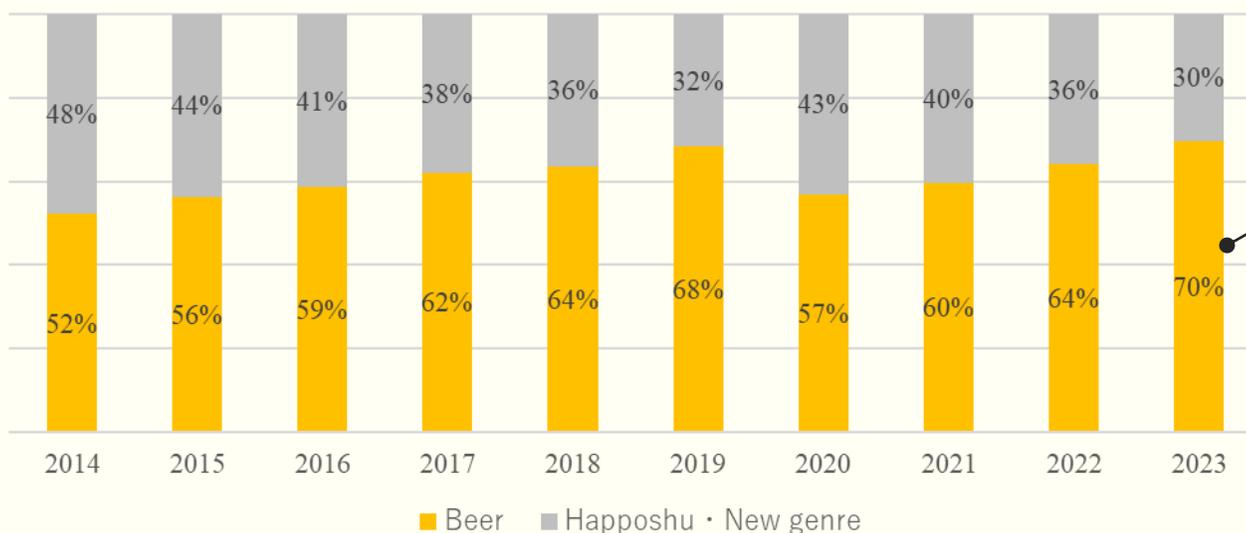


Japanese

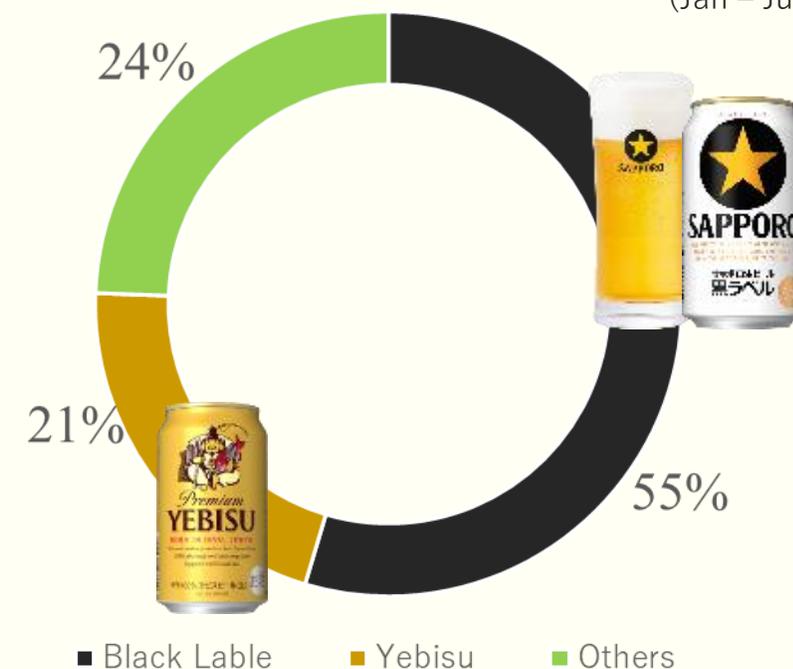
※1 : Following the agreement of the Brewers Association of Japan, there is no disclosure of the sales volume for the first quarter. The sales volume for the first half and end of the fiscal year shall be disclosed. (10,000 cases)

Sales Volume:Beer (Japan) (※1)	2022Q2	2023Q2	YoY Change(%)
①Beer (total)	1,144	1,262	10.3%
Sapporo Draft Beer Black Label (total)	607	689	13.4%
YEBISU (total)	263	265	1.0%
②Happoshu (total)	72	66	(8.1%)
③New genre beer products (total)	569	483	(15.1%)
Beer, happoshu, and new genre (total ①+②+③)	1,785	1,811	1.4%

< 10-year change in composition ratio of beer, happoshu, and new genre >



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



Alcoholic Beverages Data

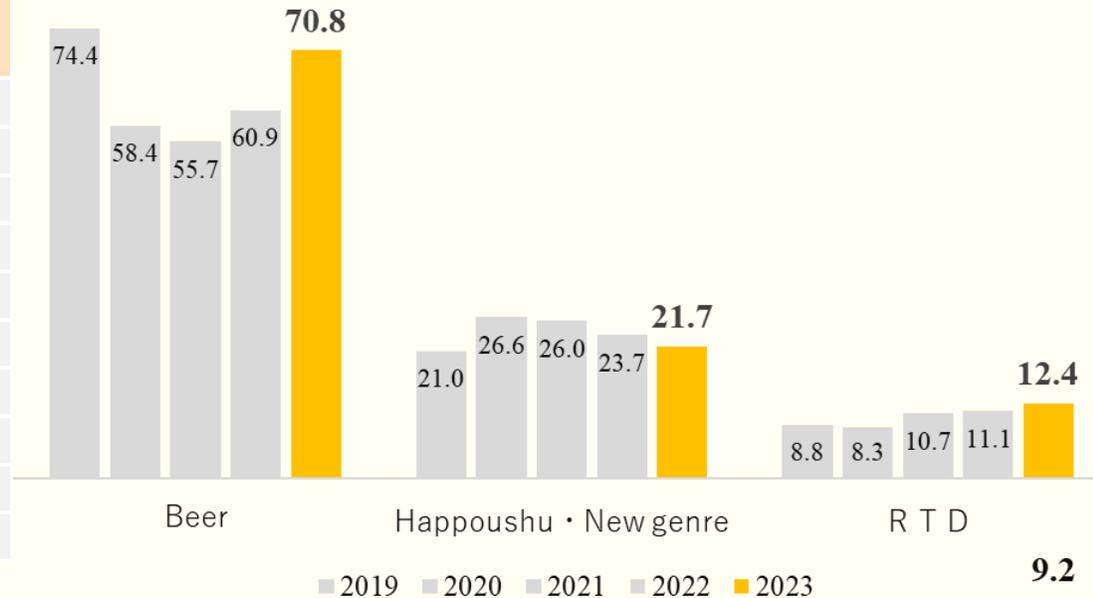


Japanese

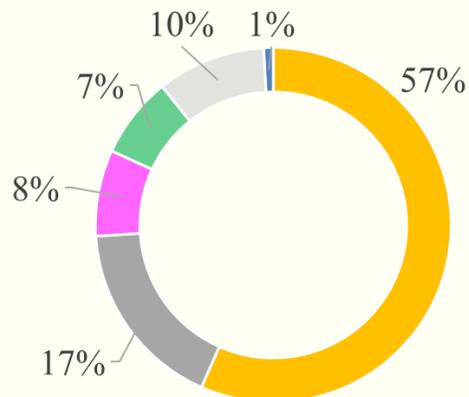
(billions of yen)

Sales:Beer (Japan)	2022Q2	2023Q2	YoY Change(%)
Beer	60.9	70.8	16.2%
Happoshu	2.7	2.7	(1.9%)
New genre	20.9	19.0	(9.2%)
Beer, happoshu, and new genre	84.6	92.5	9.3%
RTD	11.1	12.4	11.3%
Domestic wines	1.6	1.6	(1.3%)
Imported wines	3.2	3.0	(6.2%)
Wine (total)	4.8	4.6	(4.5%)
Spirits and Shochu (total)	12.8	14.5	13.5%
Total	113.2	123.9	9.4%

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



< Jan- Jun sales breakdown by category >



- Beer
- Happoshu & New genre
- Wine & Spirits
- Japanese Liquor
- RTD
- Non-alcoholic beer

*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.

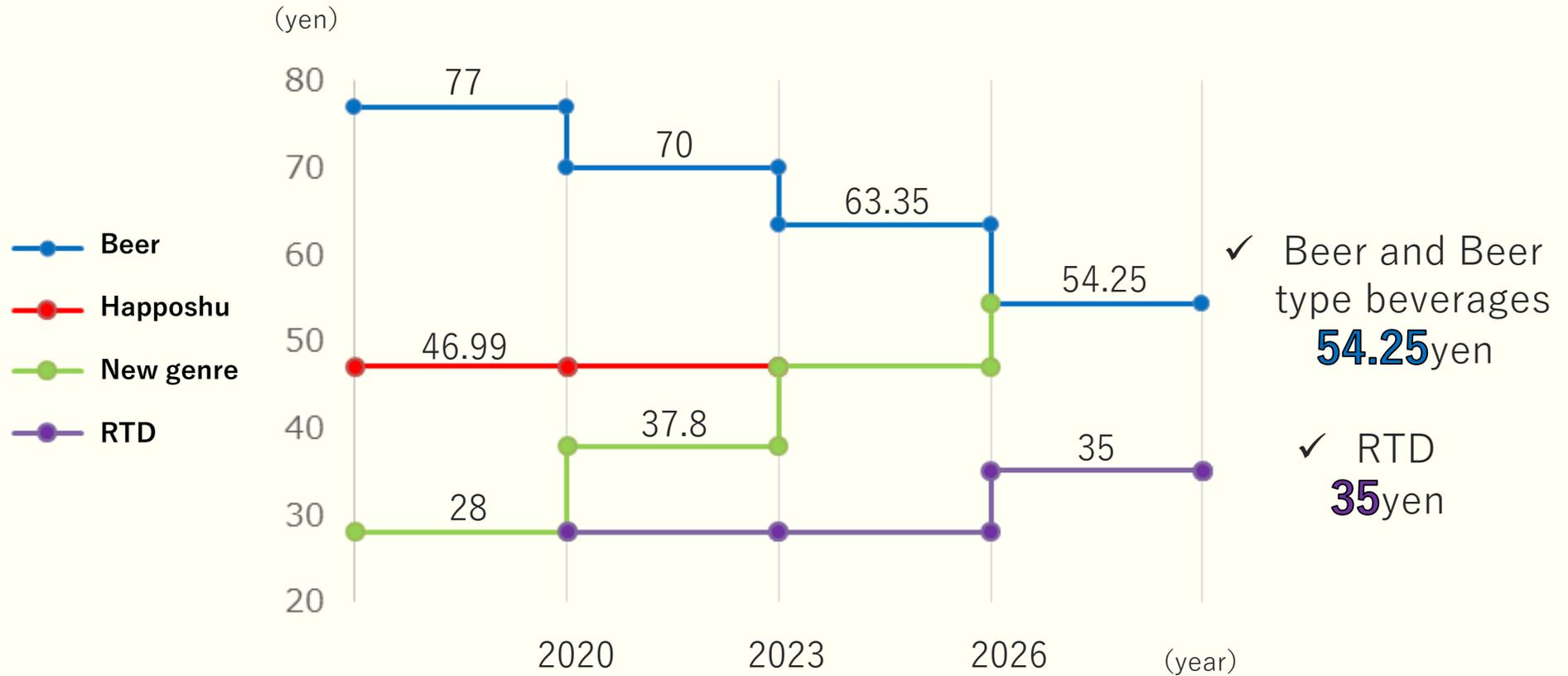


Alcoholic Beverages Data



Japanese

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



Alcoholic Beverages Data



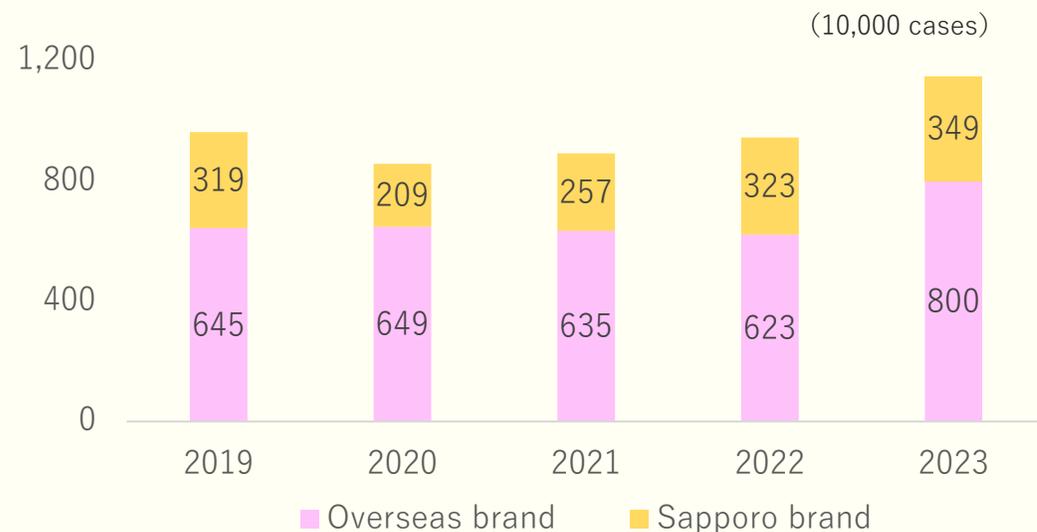
Overseas

(10,000 cases)

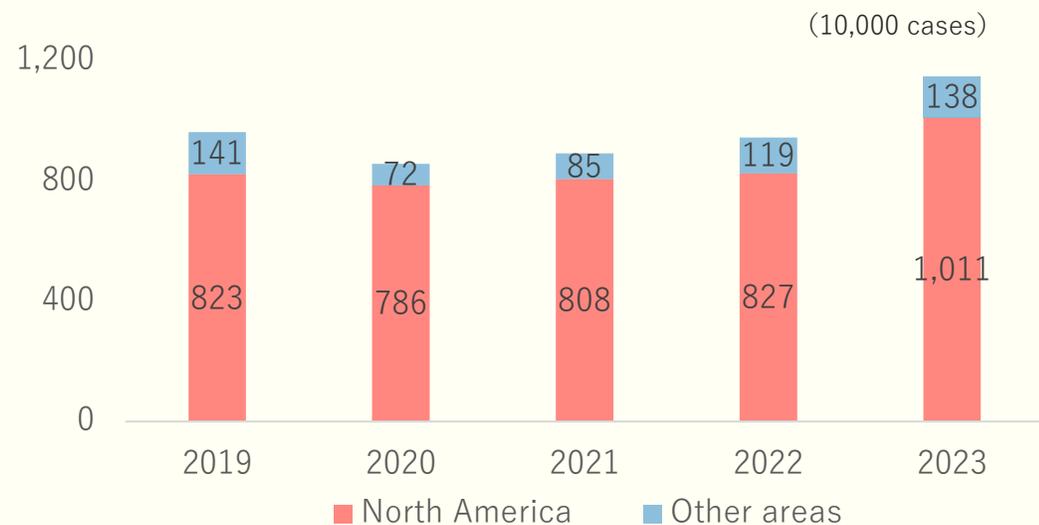
Sales Volume:Beer (International)	2022Q2	2023Q2	YoY Change(%)
Overseas brand (※1)	623	800	28.4%
Sapporo brand	204	211	3.5%
①North America	827	1,011	22.3%
Sapporo brand	119	138	15.4%
②Other areas	119	138	15.4%
Total (①+②)	946	1,148	21.4%
Sapporo brand Total	323	349	7.9%

※1 : SLEEMAN, Anchor, Stone, etc.

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



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



Alcoholic Beverages Data



Restaurants

Restaurants	2022Q2	2023Q2	YoY Change(%)
Revenue (billions on yen)	6.4	9.2	42.7%
Number of Restaurants	160	137	(14.4%)

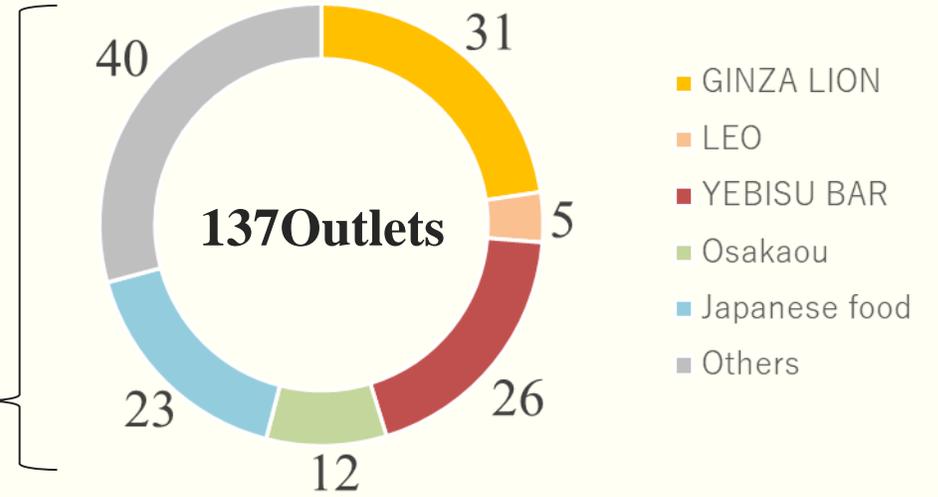
< Trend in Revenue of Restaurants Business and Number of Restaurants > (Jan-Jun)



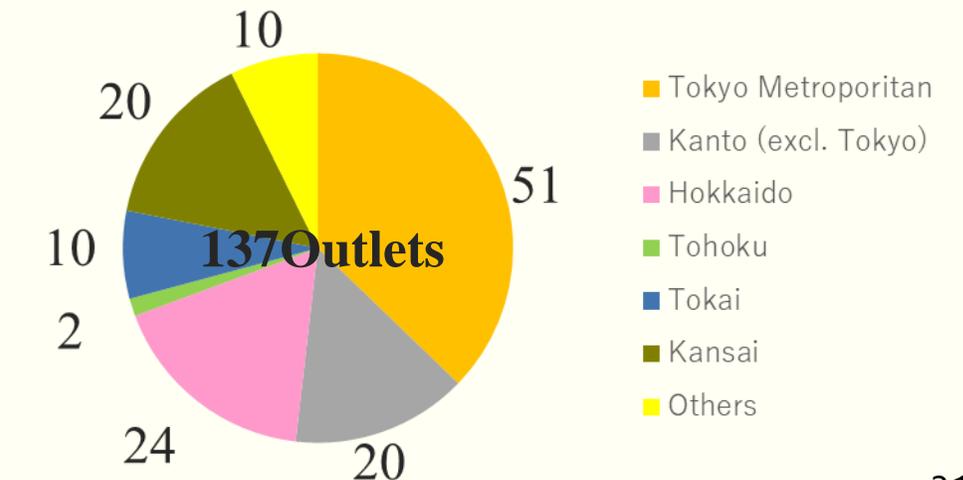
Bar graph: Trend in Restaurant business core operating profit

Line graph: Trend in number of Sapporo Lion Group restaurants

< Composition of Restaurants by Format >



< Composition of Restaurants by Region >



Food & Soft Drinks Data



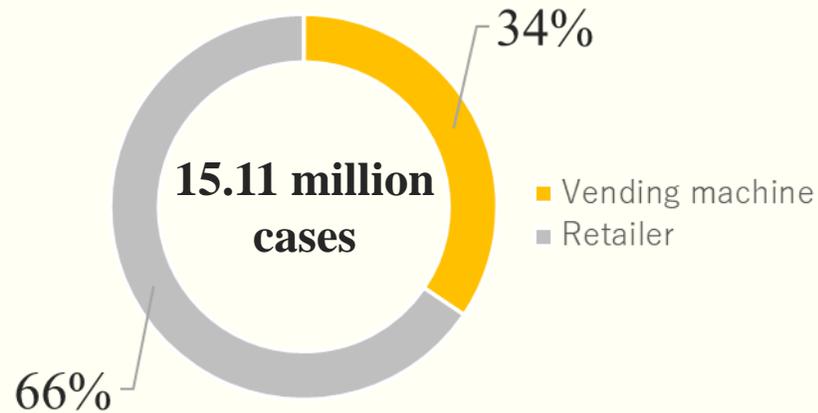
Japanese

(billions of yen)

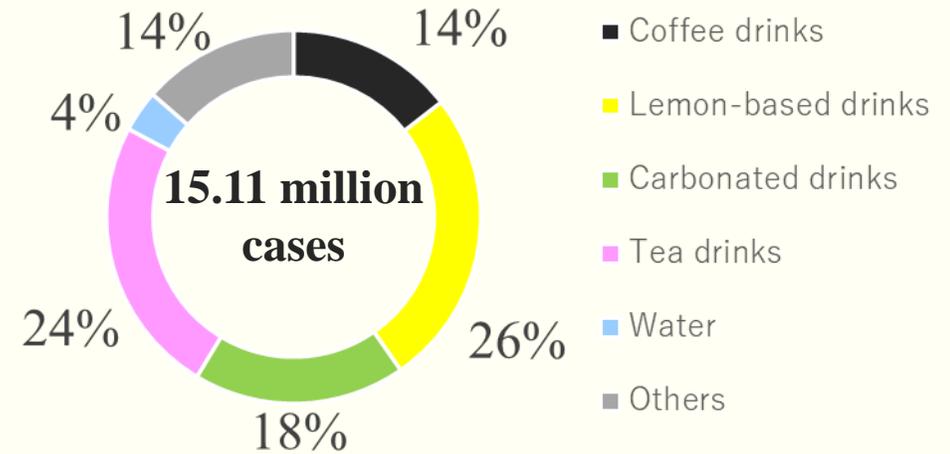
Sales:Food & Soft Drinks (Japan) (※1)	2022Q2	2023Q2	YoY Change(%)
Soft Drinks	28.3	26.5	(6.3%)
Food (Lemon・Soups・Plant milk)	14.4	13.7	(4.5%)

※1 : Only domestic sales(Before Rebate subtracted from sales)

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



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



Overseas

Sales:Food & Soft Drinks (Overseas) (※2)	2022Q2	2023Q2	YoY Change(%)
Singapore(billions of SGD)	7.4	7.6	3.8%
Malaysia(billions of MYR)	3.7	4.0	10.3%
International(billions of SGD)	2.7	3.0	13.0%

※2 : Before sales deduction, exclude OEM sales

Real Estate Data

Real Estate

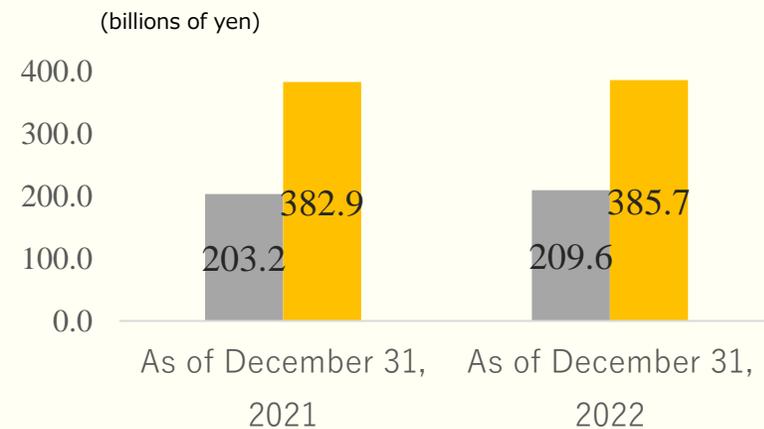
< Major rental properties & occupancy rates : (Averages for 2023 Q2)>

	Site area (㎡)	Floor area (㎡)	Occupancy rate (%)	No. of floors
Yebisu Garden Place ⁽¹⁾	56,943	298,007	77	40 floors above ground, 5 below
Ginza Place	645	7,350	90	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 >



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



(billions of yen)

< Core Operating profit >	2022 Q2	2023 Q2	Change
Yebisu Garden Place, etc.	2.1	1.5	(0.6)
Other area & other operations	0.9	0.8	(0.0)
Hokkaido	0.2	0.2	(0.0)
Equity investment, etc	(0.6)	(0.6)	0
Total	2.6	1.9	(0.6)

(billions of yen)

< EBITDA >	2022 Q2	2023 Q2	Change
Yebisu Garden Place, etc.	3.6	3.3	(0.3)
Other area & other operations	1.2	1.2	(0.0)
Hokkaido	0.5	0.5	(0.0)
Equity investment, etc	(0.4)	(0.4)	(0.0)
Total	5.0	4.6	(0.4)

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



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