

# **FACT BOOK**

**Updated on September 30, 2018**

## **Sapporo Holdings Ltd.**

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



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## ① Sapporo Group International Expansion

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## Long-Term Management Vision

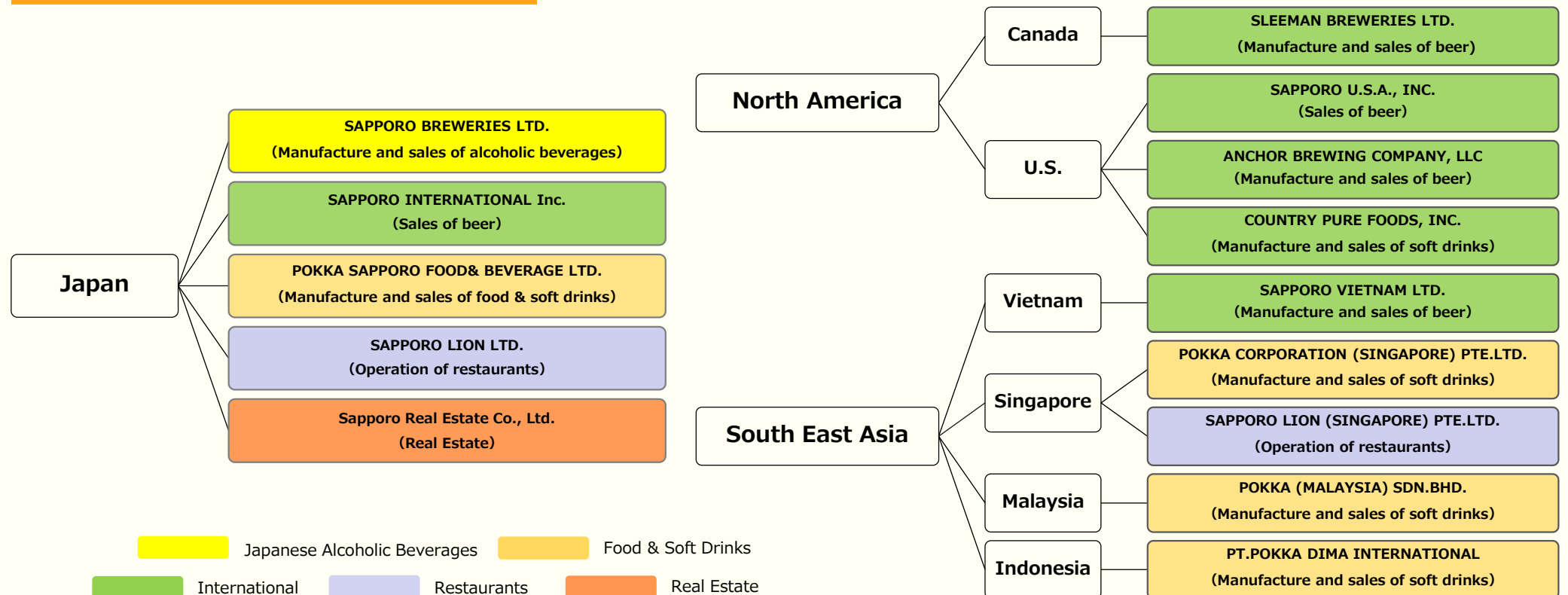
### [2026 Group Vision]

The Sapporo Group will be a company with highly unique brands in the fields of "Alcoholic Beverages", "Food", and "Soft Drinks" around the world.

The Company stands out among the numerous food companies in Japan for conducting business in all three fields of "Alcoholic Beverages", "Food" and "Soft Drinks". Leveraging this unique strength, the Company will work to nurture the Group's brands and create distinctive value through its five businesses: Japanese Alcoholic Beverages, International, Food & Soft Drinks, Restaurants, and Real Estate.

By supplying products and services that enhance dining experiences worldwide, the Sapporo Group will continue helping to provide creative, enriching and rewarding lifestyles to customers around the world.

## Sapporo Group Companies by Geographic Area



Sapporo Group

Long-Term Management Vision  
Group Companies by Geographic Area



SAPPORO

Domestic Businesses

Sapporo Breweries Ltd.



Alcoholic Beverages

Pokka Sapporo Food & Beverages Ltd.



Shinsyu-ichi Miso Ltd.



Soft Drinks

Pokka Sapporo Food & Beverages Ltd.



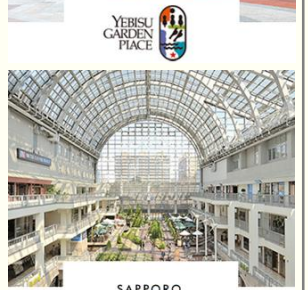
Foods

Sapporo Lion Ltd.



Restaurants

Sapporo Real Estate Co., Ltd.



Real Estate

Sapporo Group

Main products

Overseas Businesses

Sleeman Breweries Ltd.



Sapporo Vietnam Ltd.



Alcoholic Beverages

Anchor Brewing Co., LLC



Sapporo U.S.A., Inc.



Country Pure Foods, Inc.



Pokka Corporation (Singapore) Pte. Ltd.



Soft Drinks

Sapporo Lion (Singapore) Pte. Ltd.



Restaurants

# Trend of Overseas Net Sales

## Sales Breakdown by Geographic Area

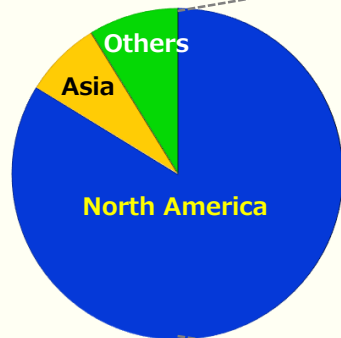
### Sales Breakdown by category

North America : Canada, U.S.  
 Asia : Southeast Asia, South Korea, Hong Kong, Taiwan, Etc.  
 Other: Oceania, Europe, Middle east, Etc.

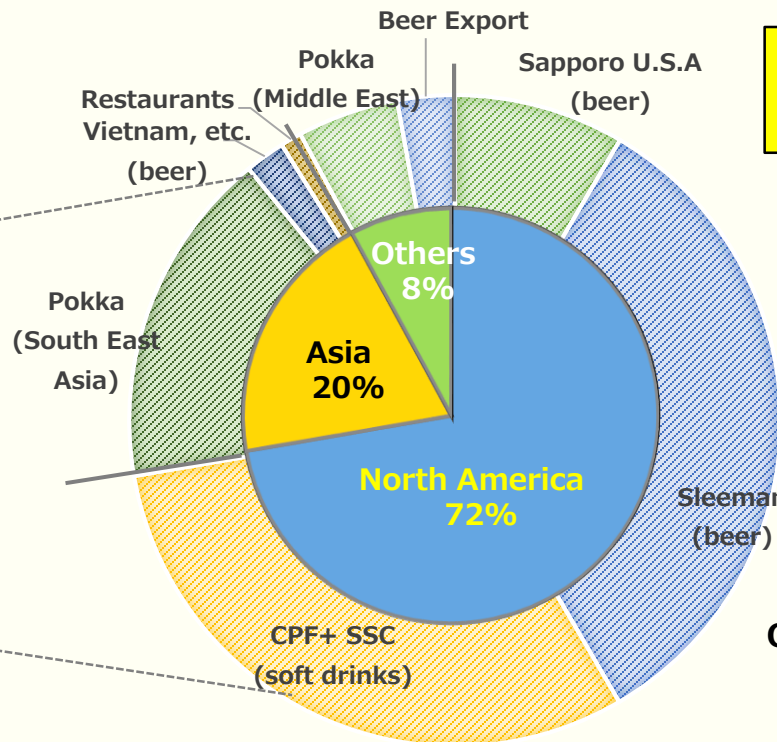


**FY2017 Net sales Breakdown by Geographic Area**

※Sales volume base



**2010 year Overseas net sales**  
**¥25.4 billion**  
 (Beer only)



**2017 year Overseas net sales**  
**¥91.9 billion**

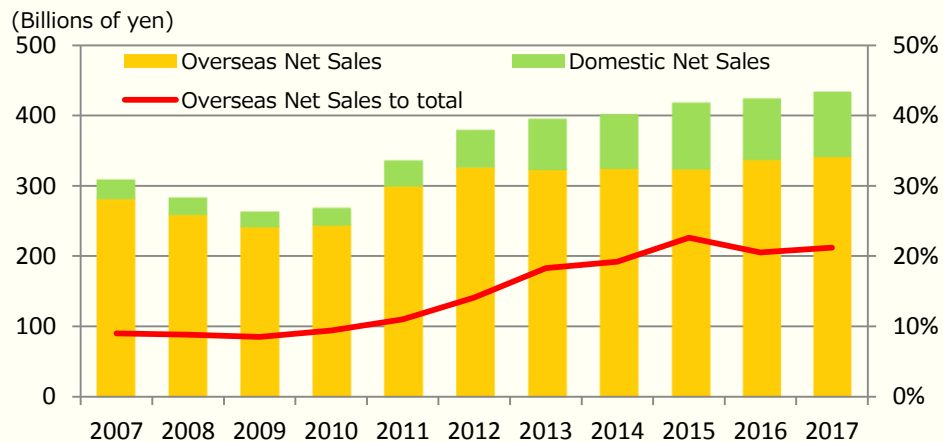
Sapporo Group

Trend of Overseas Net Sales

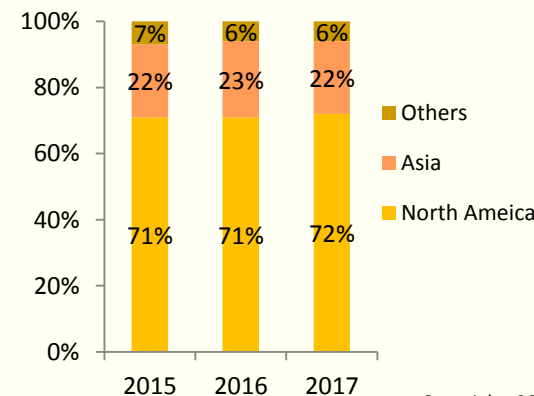
Sales Breakdown by Geographic Area

Sales Breakdown by category

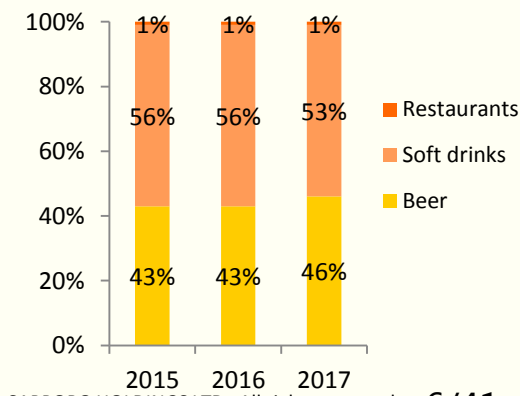
#### ★ Overseas net sales (excluding liquor tax) ratio



#### ★ Sales Breakdown by geographic area



#### ★ Sales Breakdown by category



Sapporo Group  
International  
Expansion



**<Soft drinks business>** POKKA

1977: entered into Singapore  
FY2017 Pokka Singapore group net sales  
SG\$ 256 millions (before elimination of intra-company transactions)

**<Enhancement of soft drinks production structure>**

Singapore: 1977 Start operation  
Malaysia: 1993 Joint venture Pokka Ace (Malaysia) Sdn. Bhd. Started operation  
2014 Pokka (Malaysia) Sdn. Bhd. Started operation  
Indonesia: 2017 Joint venture PT. POKKA DIMA INTERNATIONAL started operation  
Myanmar: License-based production agreement 2017 started operation

**②Market Data by country & Sapporo Group Activities**

- **Canada : Beer Market Data and Sapporo Group Activities ..... 9**
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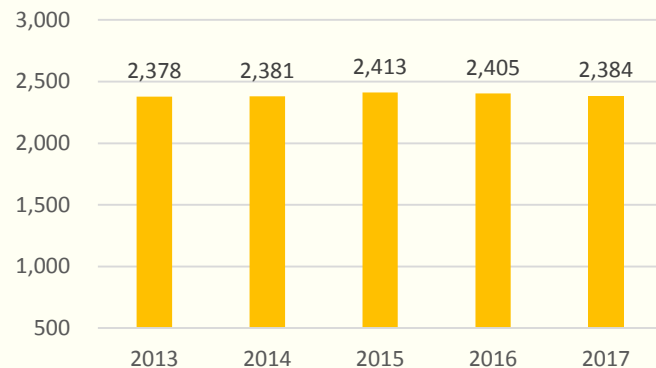




## Canada Beer Market Data

### ★ Canada- Market sizes (million litres)

Source: Euromonitor (Calculated by Sales Volume)



### SLEEMAN BREWERIES LTD.

**The third-largest beer manufacturer in Canada**

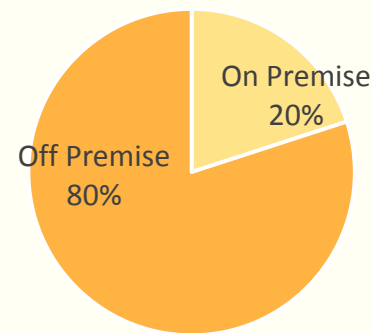
In 2006, The Sapporo Group made SLEEMAN BREWERIES LTD. into a consolidated subsidiary. SLEEMAN BREWERIES LTD. is the third-largest beer manufacturer in Canada with a strong reputation in premium beer. Since the acquisition, SLEEMAN has achieved a 11-year streak of sales increases.

#### ★ Corporate profile

Paid in Capital	50,634 thousand CA\$
Acquisition price	293.6mnCA\$
Location	Guelph, Ontario
Established	1834
Production base	3 places (Guelph, Vernon and Chambly)
Capacity	200,000KL per year (Guelph 120,000KL, Vernon 60,000KL, Chambly 20,000KL)
Business field	Production and sales of beer

### ★ Canada- Sales of beer by channel (2016)

Source: Euromonitor (Calculated by Sales Volume)



### ★ Canada- Beer brand by price category

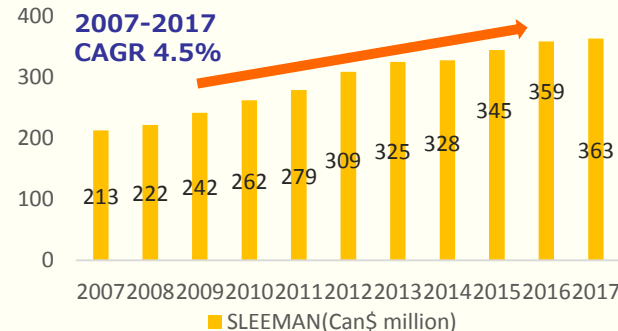


Price	Category	Brand	Difference
HIGH	Import	Heineken Corona	+15~ 25%
		Unibroue Sleeman Okanagan Spring Sapporo Premium	+10~ 20%
LOW	Value	Labatt Molson	±0
		Bush Key stone Old Milwaukee Pabst Blue Ribbon	-20%

\*Highlight in red: Our sales brand

### ★ SLEEMAN Net Sales (before elimination of inter-company transactions) in local currency

Grew for the 11<sup>th</sup> consecutive years



### ★ Brewery



CANADA

Beer Market Data

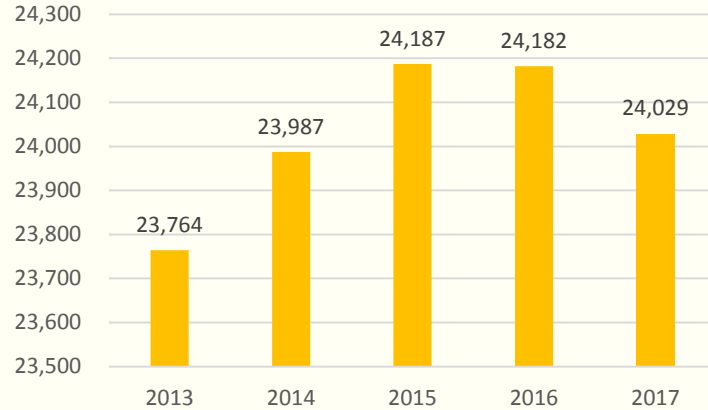
Sapporo Group Activities



## America Beer Market Data

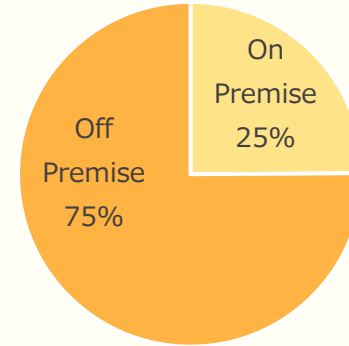
### ★ America- Market sizes (million litres)

Source: Euromonitor (Calculated by Sales Volume)



### ★ America- Sales of beer by channel (2016)

Source: Euromonitor (Calculated by Sales Volume)



### ★ America- Beer brand by price category



SAPPORO

Price Category	Brand	Difference
HIGH Non-U.S.	<b>Sapporo Premium</b>	+20~ 50%
	Corona Heineken	
Craft	<b>Anchor Steam</b> Samuel Adams Sierra Nevada	+10~ 40%
	Michelob Blue moon Shock top	
Premium	Budweiser Coors Miller	±0
LOW Popular	Busch Pabst Highlife Keystone	-10~ 40%

\*Highlight in red: Our sales brand

UNITED STATES OF AMERICA

Beer Market Data

Sapporo Group Activities

## SAPPORO U.S.A Inc.

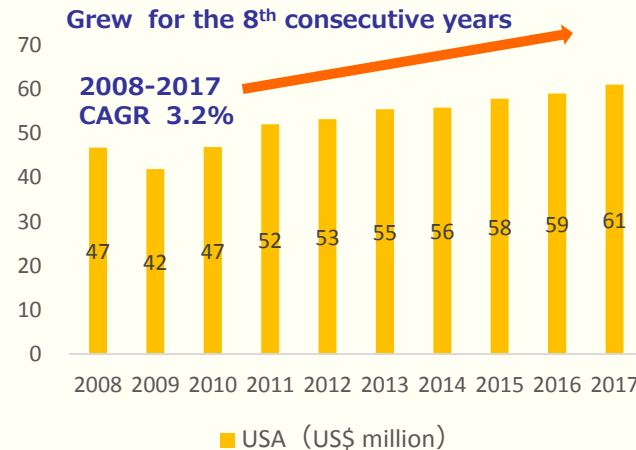
**TOP Asian beer seller for 31 consecutive years**

SAPPORO BREWERIES started exporting beer to the United States from 1964. Then, in 1984 we established Sapporo U.S.A to import Sapporo Draft Beer from Japan and strengthened the foothold for business expansion in North America and South East Asia.

### ★ Corporate profile

Local subsidiary	Sapporo U.S.A., Inc.
Paid in Capital	7.2 million\$
Established	July 1984
Business Field	Sales of beer

### ★ Sapporo U.S.A. Net Sales (before elimination of inter-company transactions) in local currency



### ★ Main Products

THE BEST-SELLING

ASIAN BEER IN AMERICA



Distinctive 650ml can product  
Nickname "Silver Cup"



## ANCHOR BREWING COMPANY, LLC

### The San Francisco's beloved 121- year-old brewery

In August 2017, The Sapporo Group acquired all of the equity interest of Anchor Brewing Company. Anchor is a prominent and historic US beer producer founded in 1896 in San Francisco. "Anchor Steam Beer," its flagship brand, is said to be an icon that ignited the current craft beer boom in the US. Armed with its strong brand power primarily in San Francisco, where it is based, as well as other areas across the US, it has been enjoyed by countless beer lovers throughout the years. The addition of Anchor's strong brand power and network to the Sapporo Group's US beer business portfolio through the conclusion of this agreement is expected to accelerate its speed of growth in the US.

#### ★ Corporate profile

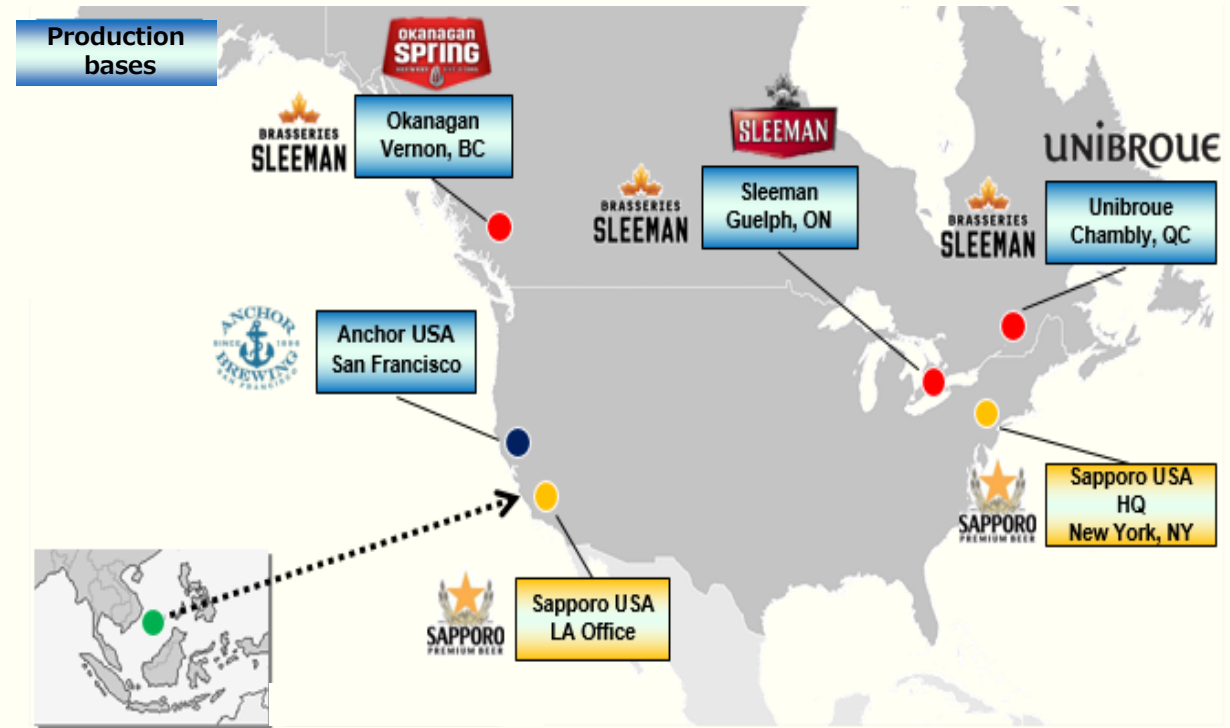
Local subsidiary	Anchor Brewing Company, LLC
Location	San Francisco, California, USA
Acquisition price	¥11.913 million
Established	1896
Production base	1 place (San Francisco, California)
Capacity	26,910KL per year
Annual Sales	Approx. 28.87 mn \$
Business field	Production and sales of beer

#### ★ Main Products



#### ★ Production bases in North America

3 Production bases in Canada  
Increasing 1 Production base by Anchor in America



UNITED STATES OF AMERICA

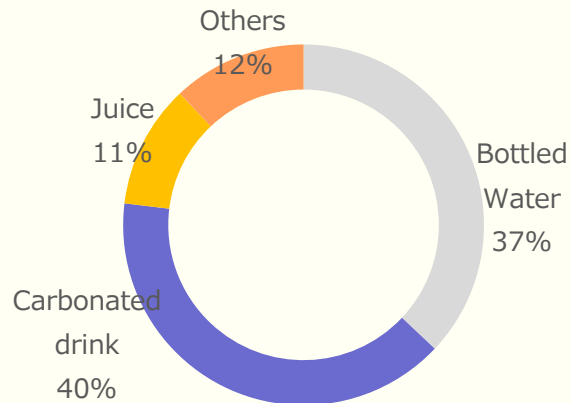
Sapporo Group Activities



## America Soft drinks Market Data

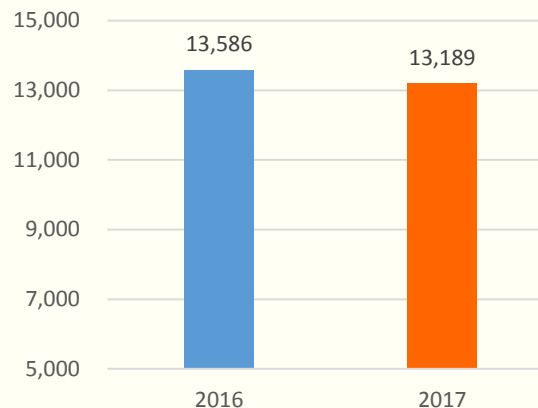
### ★ America- Soft drinks market Sales breakdown by category in 2017

Source: Euromonitor (Calculated by Sales Volume)



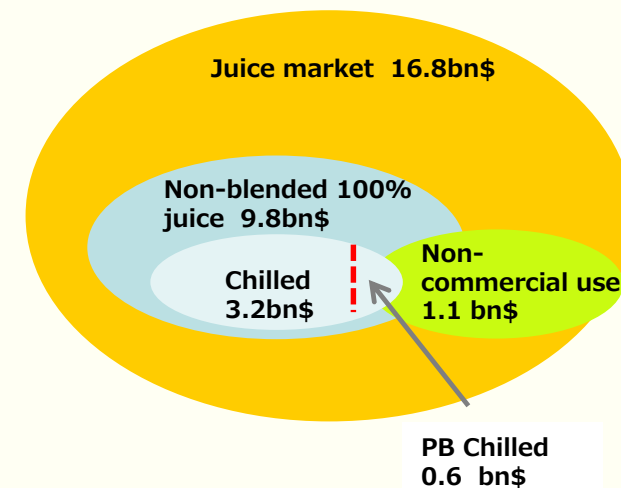
### ★ America- Juice market sizes (million litres)

Source: Euromonitor (Calculated by Sales Volume)



### ★ America- Juice market Sales breakdown of juice

Source: Sapporo estimated



SAPPORO

UNITED STATES OF AMERICA

Soft drinks Market Data

Sapporo Group Activities

## Sapporo Group's Activities

Sapporo International has launched beverage business in North America by acquiring Silver Springs Citrus, Inc. (SSC), and Country Pure Foods, Inc. (CPF) in 2012 and 2015, respectively.

Since then, it has been accumulating know-how and knowledge in that market.

In 2018, we completed the integration of two companies (SSC and CPF) in order to improve management and accelerate its growth strategy for the international business in North America, including, but not limited to, the beer business.

- Jan 2012 Acquired Silver Springs Citrus, Inc. 51% share (Joint Venture with Toyota Tsusho America Inc.)  
Acquisition price :18.35mn yen. Cost incurred directly in the acquisition: 0 mn yen.  
Acquisition cost :18.35mn yen.  
**Market Share20% Top U.S. PB Chilled fruit juice manufacturer**
- Feb 2015 Acquired Country Pure Foods, Inc. 51% share (Joint Venture with Toyota Tsusho America Inc.)  
Acquisition price :43.70mn yen. Cost incurred directly in the acquisition: 4.91mn yen.  
Acquisition cost :48.61mn yen.  
**For educational and health care sectors  
Non-commercial chilled fruit juice market share 10%**
- May 2016 Acquired the frozen fruit juice business of The Ridgefield's Brand Corporation, Inc. through Country Pure Foods, Inc. for the equivalent of approx.1.5 bn yen  
**Frozen fruit juice business for U.S school meals**

**Apr 2018 Integrated Silver Springs Citrus, Inc. (SSC) with Country Pure Foods, Inc. (CPF)**



## COUNTRY PURE FOODS, INC.

### ★ Corporate profile

Paid in Capital 37.1mn\$  
(including additional Paid in Capital)

Location Akron, Ohio

Established SSC in 1921 and CPF in 1948

Production base 5 places  
(Ohio, Florida (2), Connecticut, Texas)

Business field

- Manufacture and sales of food service juice in the healthcare and education sectors
- Manufacture and sale of retail chain PB label juice
- Manufacturing services and sales for leading juice companies
- Manufacturing and sales of PB beverages for major food supermarkets.
- Commissioned manufacturing of chilled beverages for major beverage manufactures



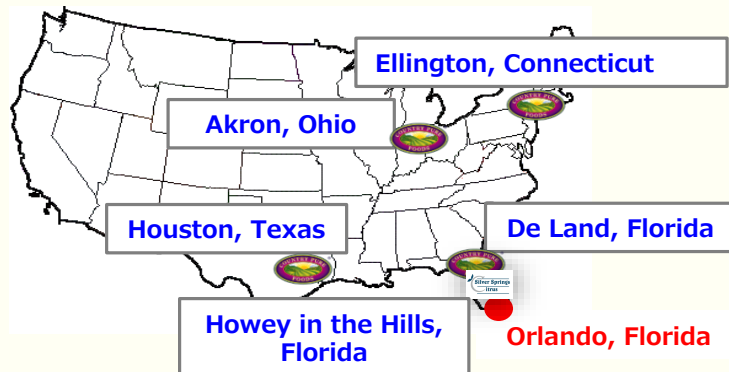
COUNTRY PURE FOODS, Inc.



COUNTRY PURE FOODS, Inc.

Integrated in Apr 2018

### ★ Production bases

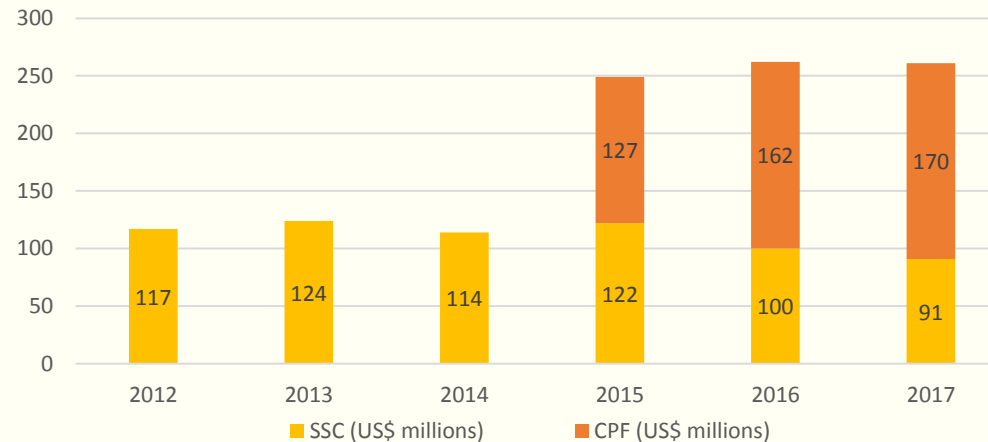


### ★ SSC+CPF Net Sales

(before elimination of inter-company transactions)

\*SSC: Acquired in January 2012, Started PL consolidation from 2nd quarter of 2012

\*SSC: Irregular earnings of 15 months following acquisition of CPF in 2015



### ★ Main Products



Healthy menu options for student in the cafeteria



SAPPORO

UNITED STATES OF AMERICA

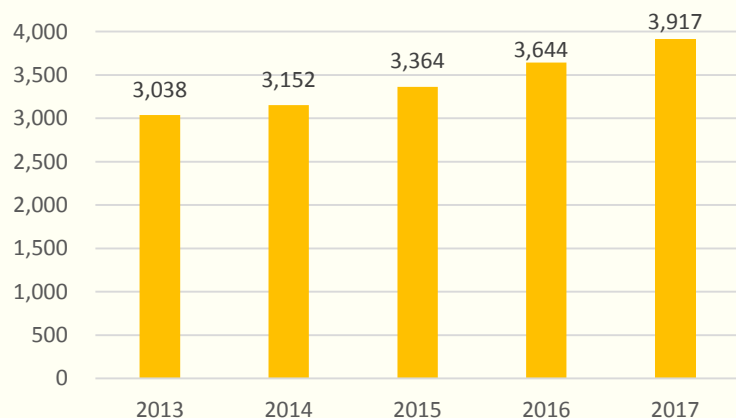
Sapporo Group Activities



## Vietnam Beer Market Data

### ★ Vietnam- Beer Market sizes (million litres)

Source: Euromonitor (Calculated by Sales Volume)



### SAPPORO VIETNAM LTD. (SVL)

In 2011 Construction of Sapporo Vietnam Limited Long An Brewery is completed. This is the first brewery in Vietnam belonging to a Japanese brewery, and for the Sapporo Group.

In our strategy for Southeast Asia, we position Vietnam as the bridgehead to expand sales of "Sapporo Premium", and by utilizing geographical advantages; we are exporting beer to 7 countries among 10 Southeast Asia countries.

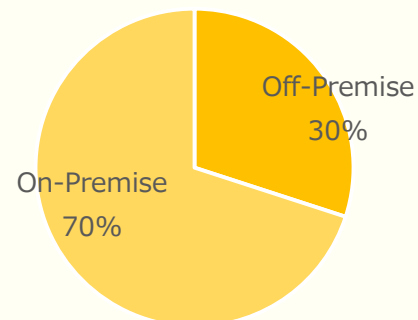
In 2017, aiming to optimize the group global supplychain network, we transferred the manufacturing of Silver can 650ml from Sleeman breweries (Canada) to Vietnam.

### ★ Corporate profile

Local subsidiary	Sapporo Vietnam LTD.
Paid in Capital	708,595mn VND (≒39mn\$)
Established	2010
Entry into business	Nov.2011
	Completed construction of Sapporo Long An Brewery
Capacity	60,000KL per year
Business field	Production and sales of beer

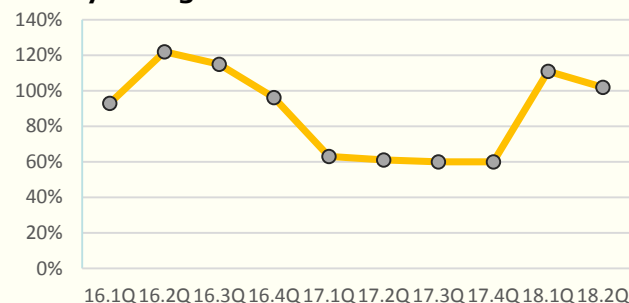
### ★ Vietnam- Sales of beer by channel (2016)

Source: Euromonitor (Calculated by Sales Volume)



### ★ Sapporo Vietnam-

#### Y-o-y change in domestic sales volume



### ★ Vietnam- Beer brand by price category



Price Category	Brand	Difference
HIGH Premium	<b>Sapporo Premium</b>	100円~
	Heineken	
	Budweiser Corona	
Mainstream	<b>Blue cap</b>	70円~
	Tiger Saigon Special	
LOW Economy	Saigon beer Hanoi beer Huda Larue	40円~

\*Highlight in red: Our sales brand





SINGAPORE

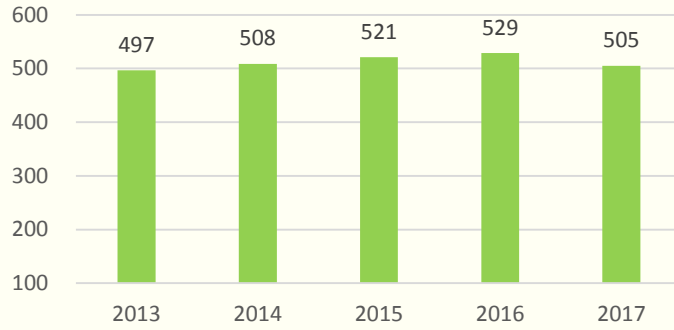
Soft drinks market Data

Sapporo Group Activities

**Singapore Soft drinks Market data**

★ **Singapore Soft drinks market sizes (million litres)**

Source: Euromonitor (Calculated by Sales Volume)



**POKKA CORPORATION (SINGAPORE) PTE. LTD.**

In 1977, we established Pokka Corporation (Singapore) Pte. Ltd. to become the first Japanese beverage manufacturer to found a base overseas. Since then, we have continued to develop POKKA brand beverages over 40 years.

In Singapore, lead by our JASMINE GREEN TEA products, we boast an overwhelming share of the tea beverages market. We are also increasing the presence of the POKKA brand through fruit juice beverages and coffee beverages.

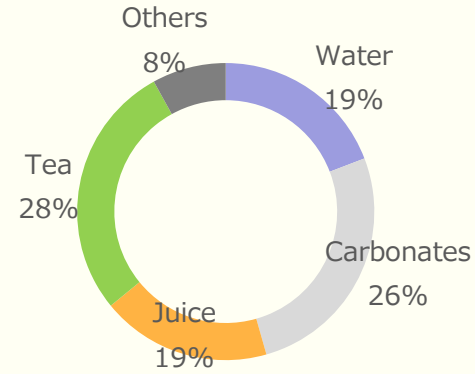
The POKKA brand is exported from Singapore to approximately 60 countries worldwide, including South East Asia and the Middle East, and we intend to achieve further growth based on our policy of **“Right Products to Right Market.”**

★ **Corporate profile**

Local subsidiary	POKKA CORPORATION (SINGAPORE) PTE.LTD.
Paid in capital	26mn SG\$
Entry into business	Jan.1977
	Established POKKA CORPORATION (SINGAPORE) PTE.LTD
Production Capacity	Approx. 8mn cases
Business field	Production and sales of Soft Drinks

★ **Singapore Sales of soft drinks by category (2017)**

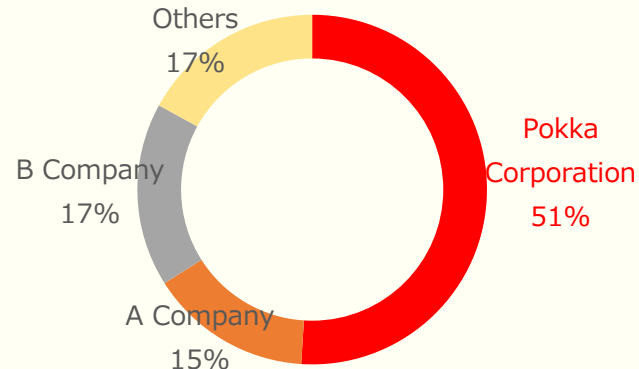
Source: Euromonitor (Calculated by Sales Volume)



★ **Pokka Corporation Market share of TEA category in Singapore in 2017**

**Off Premise share 51% No.1**

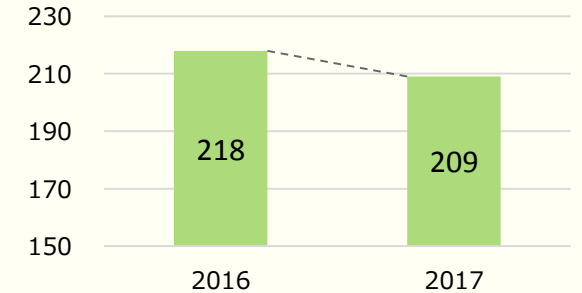
Source: Euromonitor  
%Share- Off-trade Volume-2017



★ **Pokka Corporation Main Products**

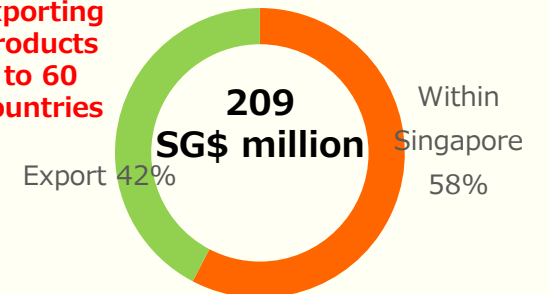


★ **Pokka Corporation Net Sales (SG\$ Million)**



★ **Pokka Corporation Sales composition in 2017**

**Exporting Products to 60 Countries**





SINGAPORE  
MALAYSIA  
INDONESIA  
MYANMAR

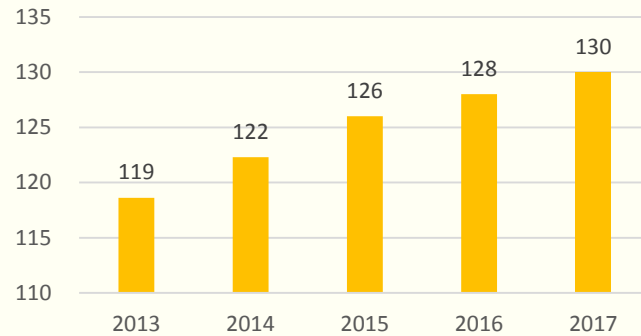
Sapporo Group  
Activities  
(Beer and  
Soft drinks)

## Singapore Beer Market data

### ★ Singapore

#### Beer Market data (million litres)

Source: Euromonitor (Calculated by Sales Volume)



### ★ Sapporo group

#### Beer business in Singapore of Sapporo

- Expanding sales channel to off premise market with POKKA CORPORATION (SINGAPORE) from 2010
- Sales volume in 2017
  - Up 20% in comparison with 2016
  - 2.9 times in comparison with 2010

## SAPPORO LION (SINGAPORE) PTE. LTD.

### ★ Corporate profile

Local subsidiary	SAPPORO LION (SINGAPORE) PTE. LTD.
Paid in capital	4mn SG\$
Entry into business	Aug. 1991
	Established POKKA FOOD(SINGAPORE) PTE .LTD.
	Operating Restaurants business
	Jan. 2013
	Made POKKA FOOD (SINGAPORE) into Sapporo Lion Subsidiary
	Operating「GINZA LION BEER HALL」
Business field	Operating beer halls and restaurants, Production and sales of cake



Ginza Lion Beer Hall in Singapore

### Malaysia

#### POKKA (MALAYSIA) Sdn. Bhd.

Local subsidiary	POKKA (MALAYSIA) Sdn. Bhd
Paid in capital	34mn SG\$
Established	Aug, 2014
Capacity	Approx. 6mn cases per year
Business field	Production and sales of Soft Drinks
	<b>Obtained Malaysian Halal certification, which is trusted word-wide</b>

### Indonesia

#### PT.POKKA DIMA INTERNATIONAL

Local subsidiary	PT.POKKA DIMA INTERNATIONAL
	<b>(Joint venture with PT DIMA INDONESIA)</b>
Established	Mar, 2015
Plant	Start operation in 2017
Construction cost	200bnRp (≈1.8bn yen)
Capacity	Approx. 5mn cases per year
Business field	Production and sales of Soft Drinks
	<b>Obtained Indonesian Halal certification</b>

### Myanmar

#### Others (Production base of Soft drinks)

	License agreement with Kah Hock Pte. Ltd.
Plant:	Start operation of licensee's plant in 2017
Capacity:	Approx. 5mn cases per year

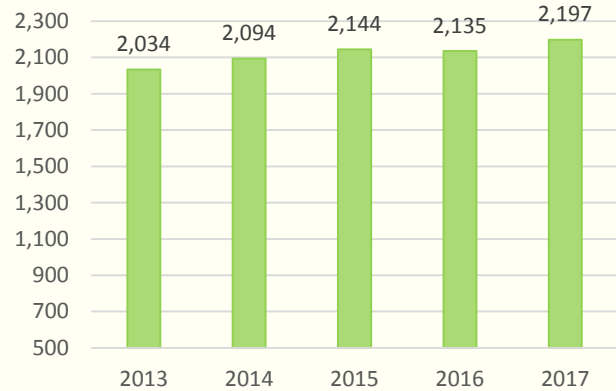




## Korea Beer Market Data

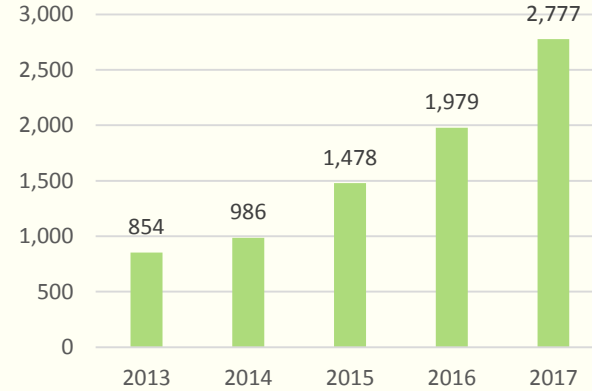
### ★ Korea- Beer market sizes (million litres)

Source: Euromonitor  
(Calculated by Sales Volume)



### ★ Korea- Import beer market sizes (KWR billions)

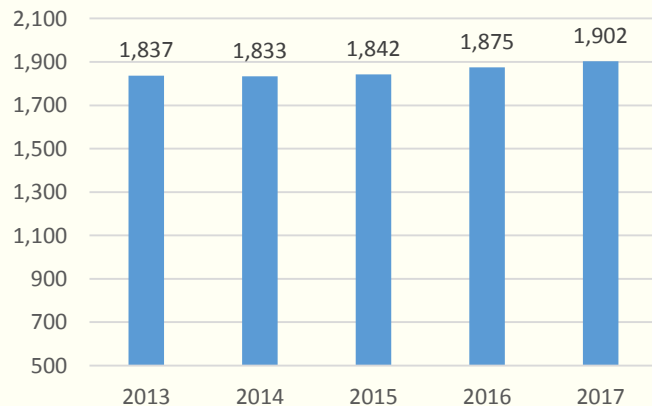
Source: Euromonitor  
(Calculated by Sales Volume)



## Australia Beer Market Data

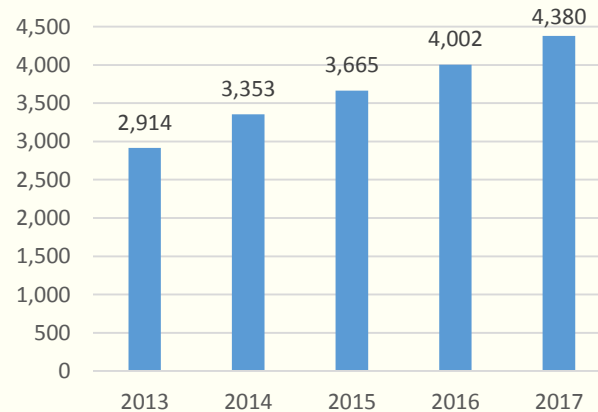
### ★ Australia- Beer market sizes (million litres)

Source: Euromonitor  
(Calculated by Sales Volume)



### ★ Australia- Import beer market sizes (AUD billions)

Source: Euromonitor  
(Calculated by Sales Volume)



SAPPORO

### ★ Sapporo Group Activities



- Nov. 2010 Formed an alliance with Maeil Dairies Co.,Ltd.
- Jan. 2012 Acquired 15% of the share of M's Beverage Co., Ltd., a wholly owned subsidiary of Maeil Dairies [Driving forward sales expansion efforts](#)
- Sales volume in 2017 **Up 96%** in comparison with 2016 **10 times** in comparison with 2011
- Sep. 2017 Launched Yebisu Beer



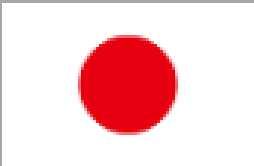
Aiming to enhance the value of Sapporo Brand

### ★ Sapporo Group Activities



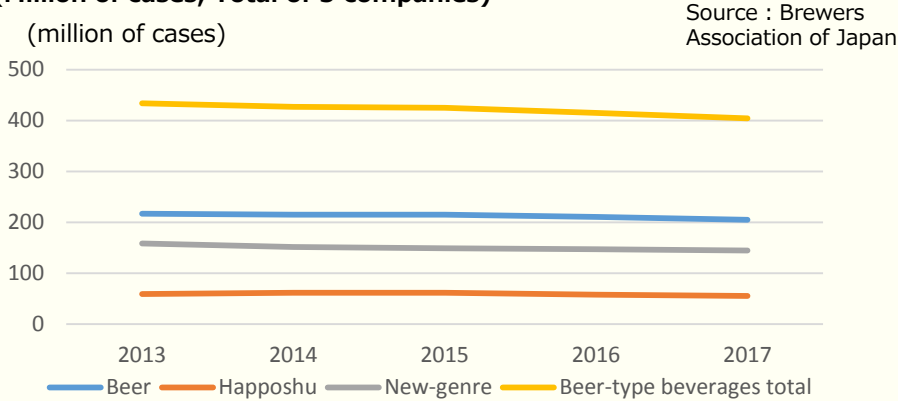
- Jul. 2011 License agreement with Australian No.3 beer manufacturer, Coopers Brewery
- Start local Production and sales by Coopers
- Sales volume in 2017 **3.2 times** in comparison with 2012



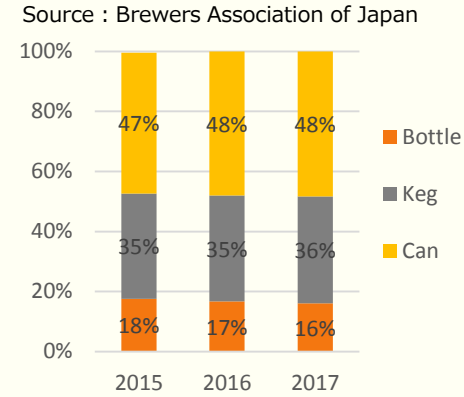


# Japan Beer Market Data

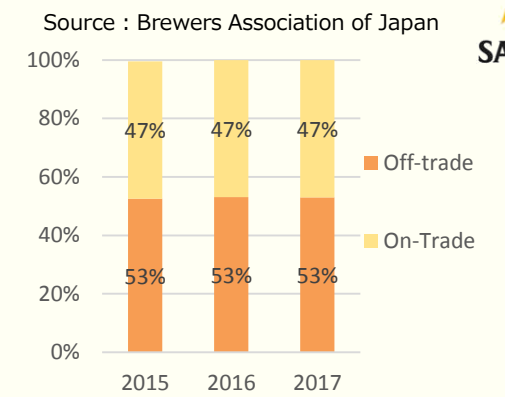
## ★ Japan-Total taxed shipments volume of beer-type beverages (Million of cases, Total of 5 companies)



## ★ Japan-Composition of taxed shipments of beer by container type (Total of 5 companies)



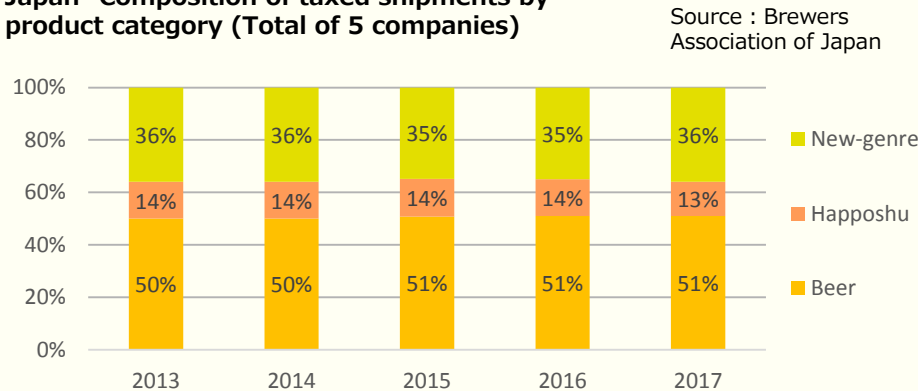
## ★ Japan: Composition of taxed shipments of beer by sales channels (Total of 5 companies)



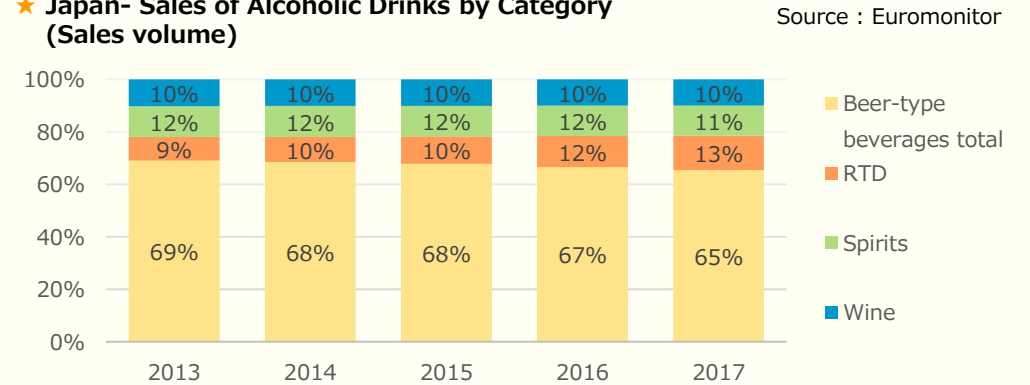
JAPAN

Beer Market Data

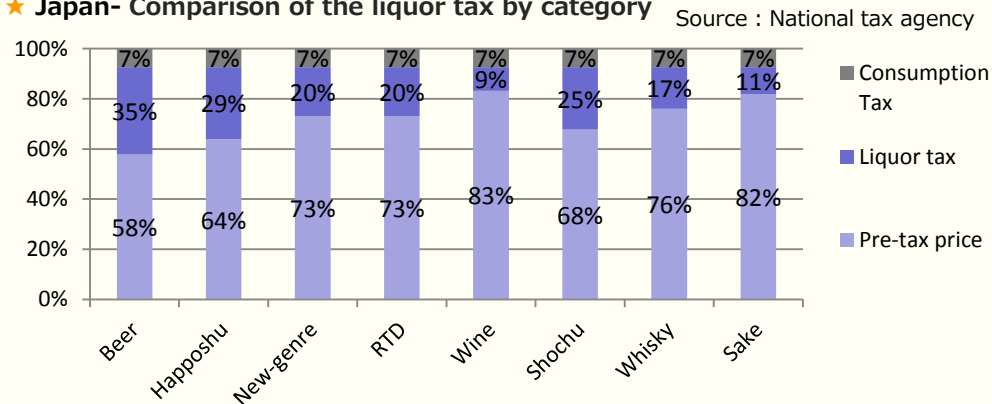
## ★ Japan- Composition of taxed shipments by product category (Total of 5 companies)



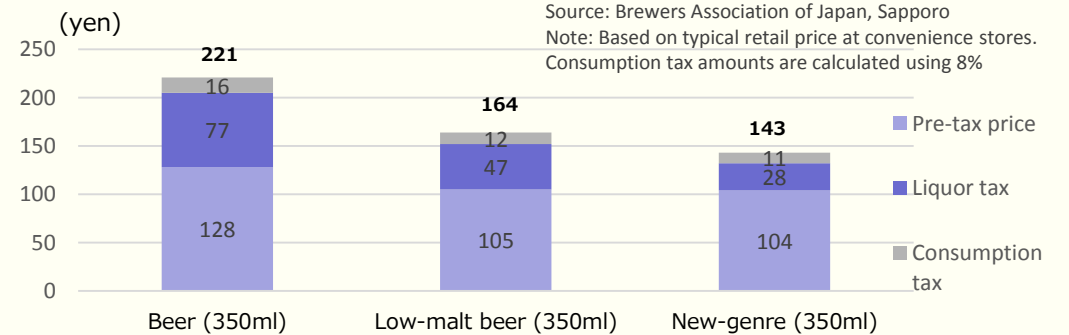
## ★ Japan- Sales of Alcoholic Drinks by Category (Sales volume)

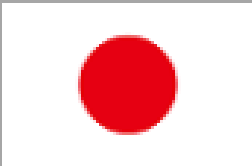


## ★ Japan- Comparison of the liquor tax by category



## ★ Japan- Retail Price Breakdown





## SAPPORO BREWERIES LTD.

Founded in 1876, Sapporo Breweries, Ltd. has always been known for its focus on the finest ingredients, and its insistence on delivering quality products while continuing to delight its customers with new and exciting possibilities. In our beer division, this focus on great taste, and on product quality and safety, is the foundation on which we will continue to grow the value of our Sapporo and Yebisu brands. With the development of completely new products, we maintain our tradition of being the pioneer in the industry, constantly offering our customers value and taste. Moreover, the quality of the products coming out of our wine and liquor division has been recognized in contests, and we are now seeking to enter into the shochu segment, with "manufacturing that insists on the finest ingredients" as our guiding principle, as well as the growing low-alcohol product segments. Sapporo Breweries remains committed to responding to the changing expectations of its customers, with originality and creativity.

### ★ Corporate profile

Paid in capital 10.0bn yen

Entry into business

Sep. 1876 Established the Kaitakushi Brewery

Sep. 1949 Established Nippon Breweries, Ltd.

Jan. 1964 Nippon Breweries, Ltd., renamed Sapporo Breweries Ltd.

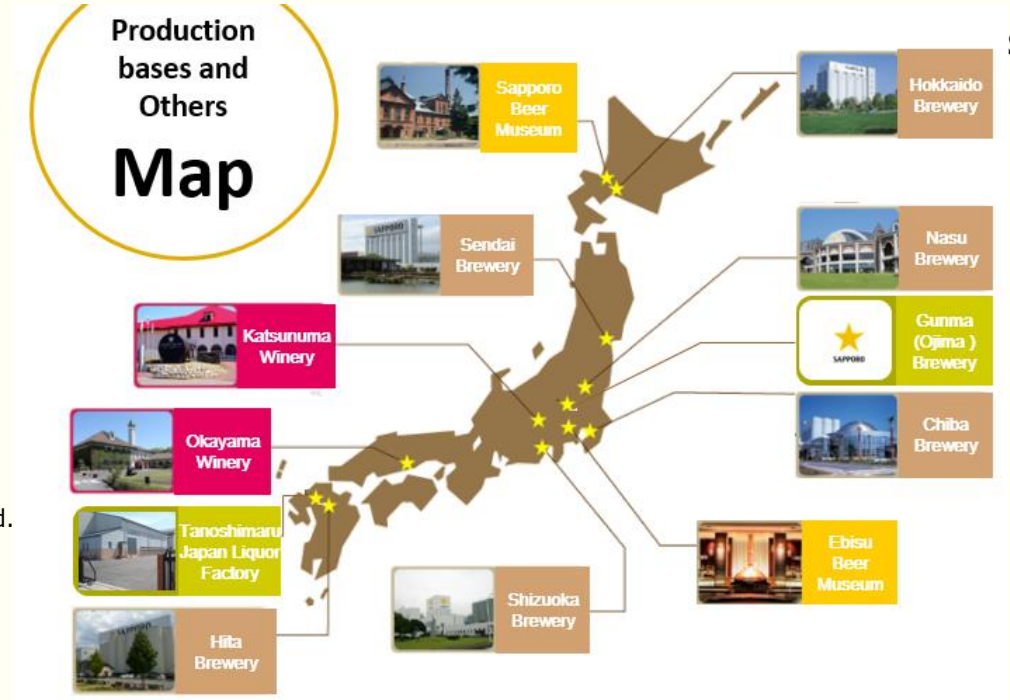
Jul. 2003 Started operation under a holding company framework, with Sapporo Holdings Limited as a pure holding company

Newly established Sapporo Breweries Ltd.

Production Base Brewery 6 (Hokkaido, Sendai, Nasu, Chiba, Shizuoka, Hita), Japanese liquor plant 2, Winery2

Business field Production and sales of beer and beer-type beverages, wine, Japanese liquor, etc.

### ★ Production bases and Others



SAPPORO

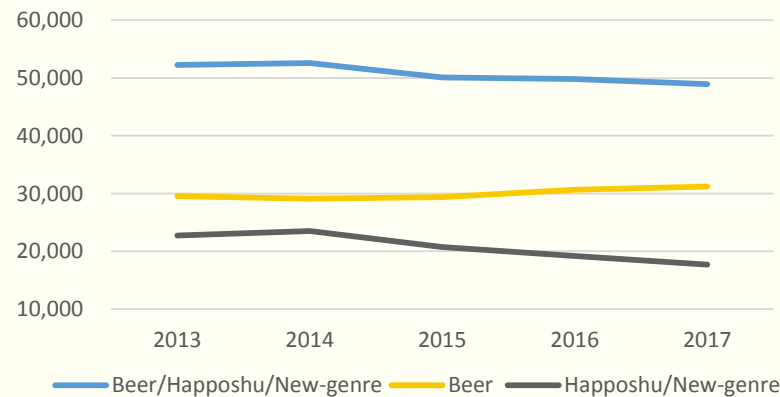
JAPAN

Beer Market Data

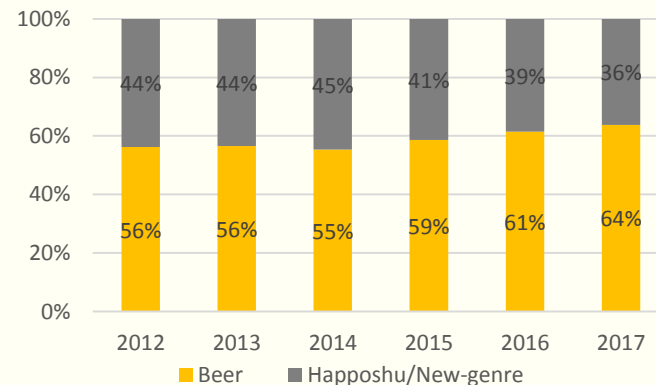
Sapporo Group Activities

### ★ Sapporo- Total taxed shipments volume of beer-type beverages

(thousand of cases)



### ★ Sapporo- Composition of taxed shipments by product category

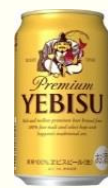


### ★ Sapporo- Core brands



Sapporo Draft Beer  
Black Label  
Beer

Launched  
in 1977



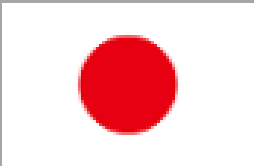
YEBISU  
Beer

Launched  
in 1890



Mugi to Hop  
New-genre

Launched  
in 2008



★ Sapporo- Sales trend by year on year (y-o-y)

[Beer] (sales volume)

- Jan-Dec **up 2%** y-o-y (total demand down 3%)
- ✓ Black Label Brand total **up 2%** y-o-y (Sales of the canned version : **up 13%** y-o-y)
- ✓ Yebisu Brand total down 1% y-o-y

[Happoshu+new genre] (sales volume)

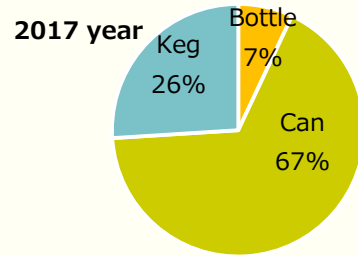
- ✓ Jan- Dec down 8% (total demand down 2%)
- ✓ Mugu to Hop Brand total down 6% y-o-y
- ✓ Goku Zero Brand total down 25% y-o-y

[Wine , Spirits and other]

- ✓ Wine : **up 1%** y-o-y
- ✓ RTD : **up 37%** y-o-y
- ✓ Spirits : **up 13%** y-o-y
- ✓ Japanese liquor : **up 4%** y-o-y

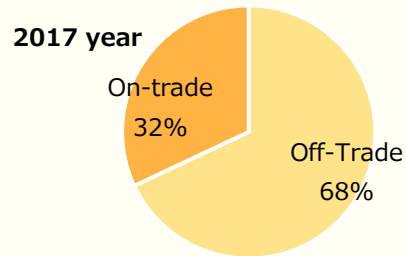
★ Sapporo- Beer-type beverages category

Composition of taxed shipments by container type (Sales volume)



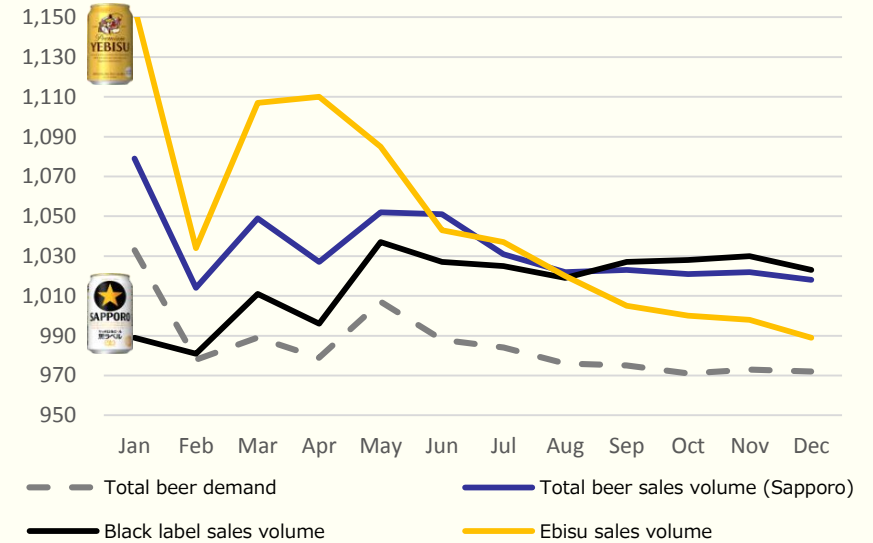
★ Sapporo: Beer-type beverages category

Composition of taxed shipments by sales channel (Sales volume)

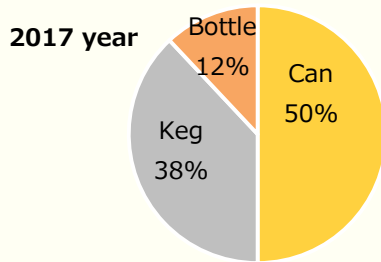


★ Sapporo- Y-o-y change in sales volume of 3 core brands Ebisu, Black label and Mugu to Hop

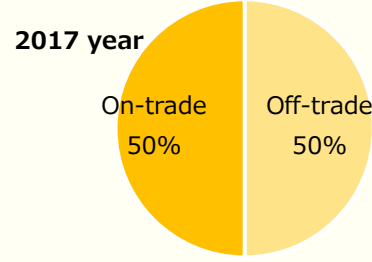
(thousand of cases)



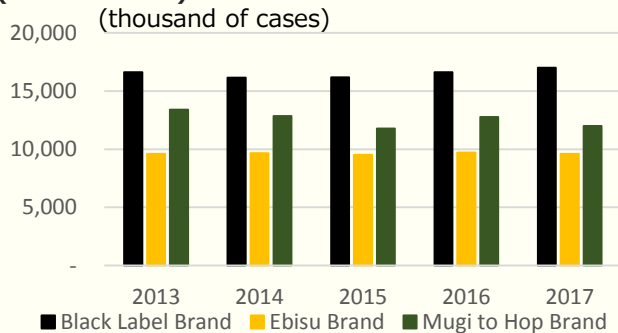
★ Sapporo- Beer category Composition of taxed shipments by container type (Sales volume)



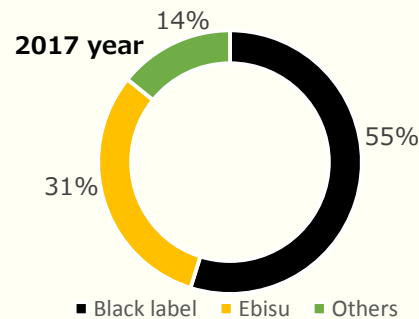
★ Sapporo: Beer category Composition of taxed shipments by sales channel (Sales volume)



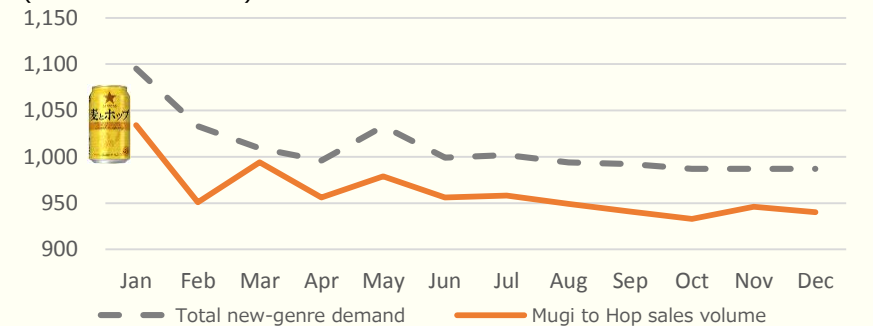
★ Sapporo: Sales trend of 3 core brands (Sales volume)



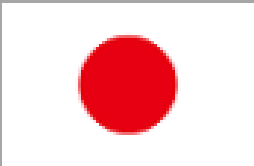
★ Beer lineup (Jan – Dec breakdown)



(thousand of cases)

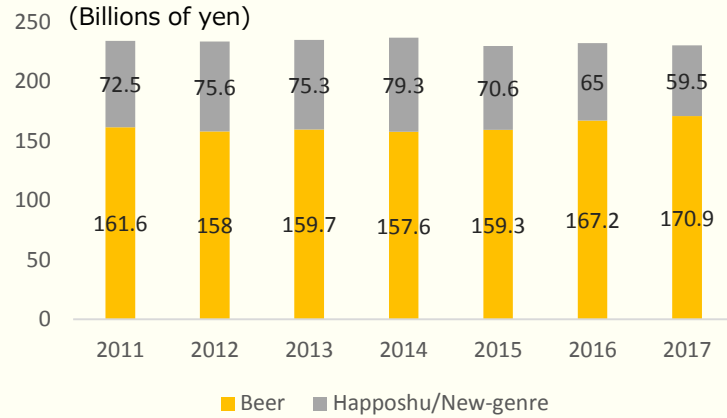


Japan  
Sapporo Group  
Activities  
(Beer)

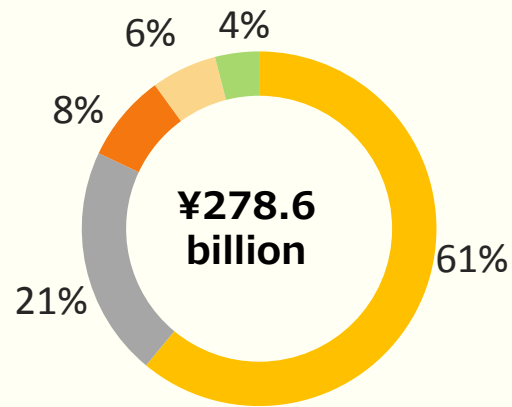


Japan  
Sapporo Group  
Activities  
(Beer)

★Sapporo- Net Sales of Beer and Beer type beverages (incl. liquor tax)

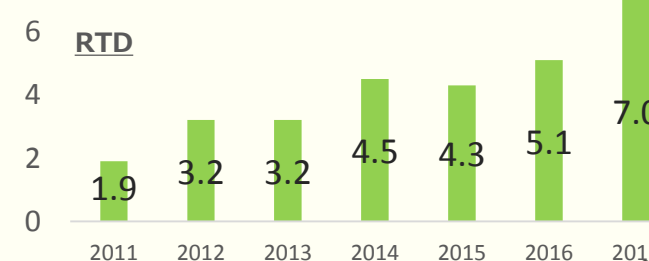
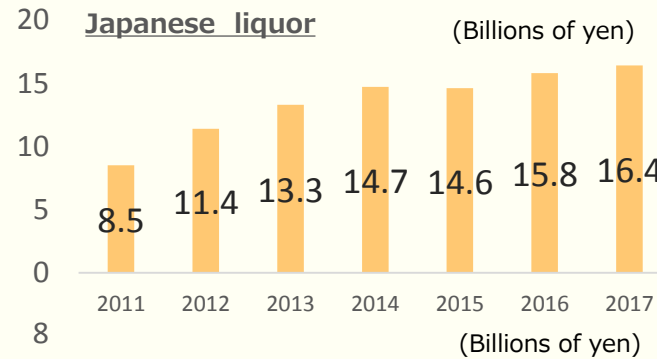
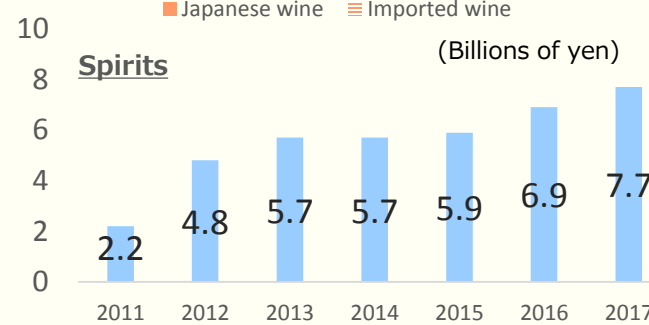
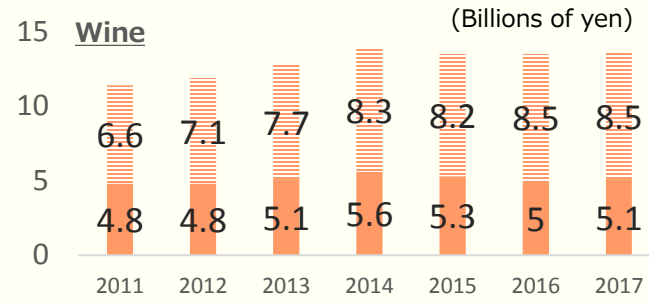


★Sapporo- Sales Breakdown by category in 2017

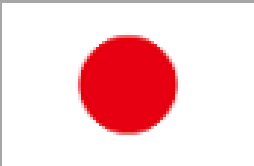


- Beer
- Happoshu/New-genre
- Wine and Spirits
- Japanese liquor
- RTD/Non-alcoholic drink

★Sapporo- Sales trend by category



SAPPORO



Japan

Sapporo Group Activities (Beer)

### ★ Sapporo- Beer trends

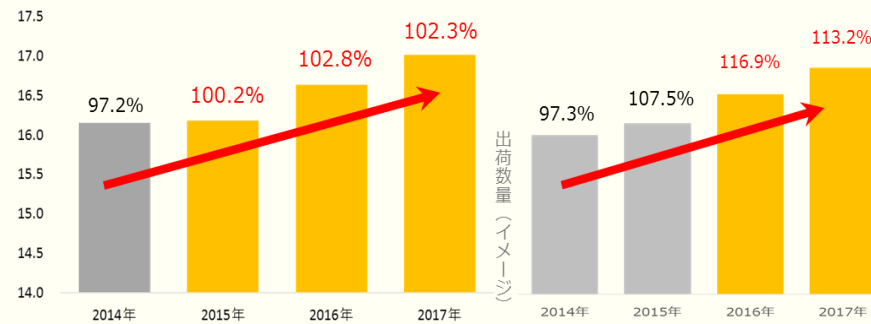
## Sales of Sapporo Draft Beer Black Label grew for the 3rd consecutive year!

### Sapporo draft Beer Black Label

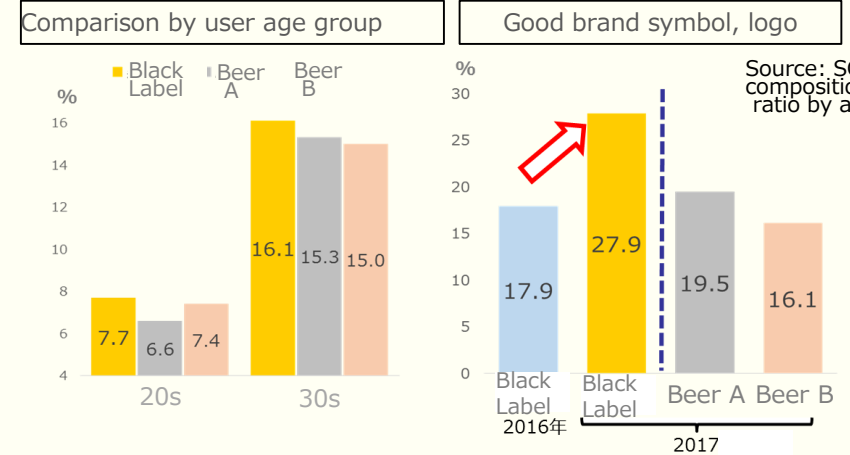


<Strong trend led by cans>

YoY changes in Black Label brand total (cans, bottles, kegs) since 2014



<Supported by young generation; high marks for the key visual>



SAPPORO

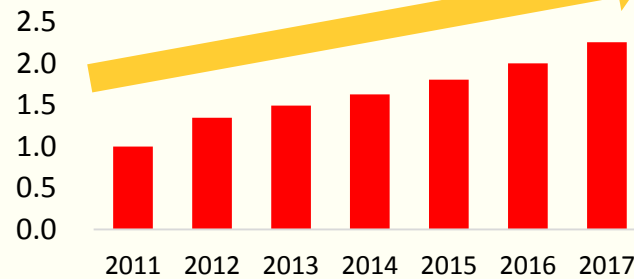
## Each brand saw sales increase thanks to strengthening of beer!

### Sapporo Lager Beer



Ratio when 2011 is set as 1.0

6 consecutive years of sales increase of bottled products!



- The oldest existing beer brand in Japan
- Nickname of Red Star
- Website Akaboshi★Tanteidan
- Retro-inspired store sales promotion tools

### Edelpils

15 consecutive years of sales increase!



### Fuumisokainishite (Niigata)

3 consecutive years of sales increase!



### Sapporo Classic (Hokkaido)

17 consecutive years of sales increase!



### Premium White Shirohonoka

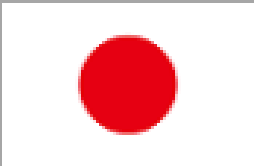
Since launch, 10 consecutive years of sales increase!



### Shizuoka Bakushu (Shizuoka)

Since launch, 4 consecutive years of sales increase!

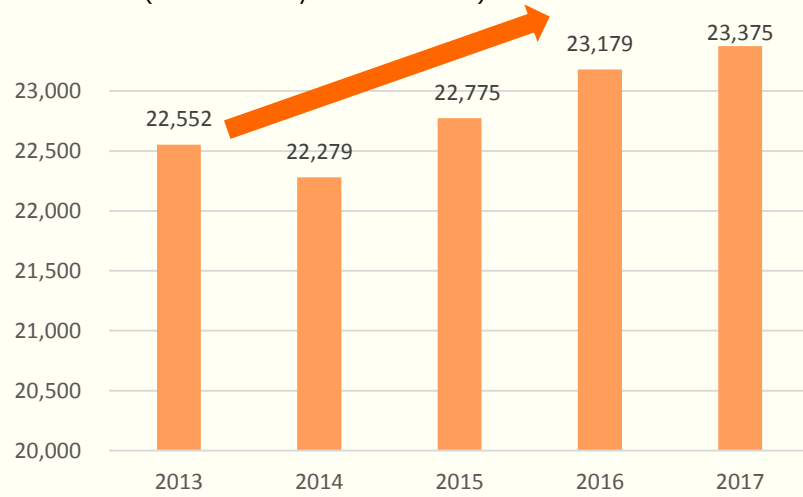




## Japan Soft Drinks Market Data

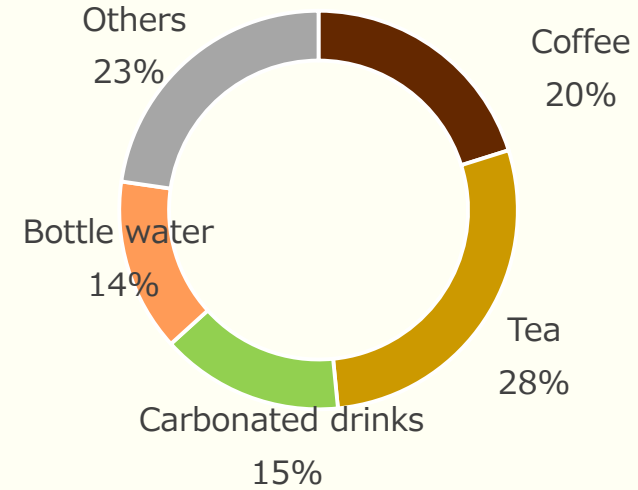
### ★ Japan Soft drinks market sizes (million litres)

Source: Euromonitor  
(Calculated by Sales Volume)



### ★ Japan Composition of Soft Drinks Market by category (2017)

Source: Inryoshoken- Soft drinks market data  
(Calculated by Sales Volume)



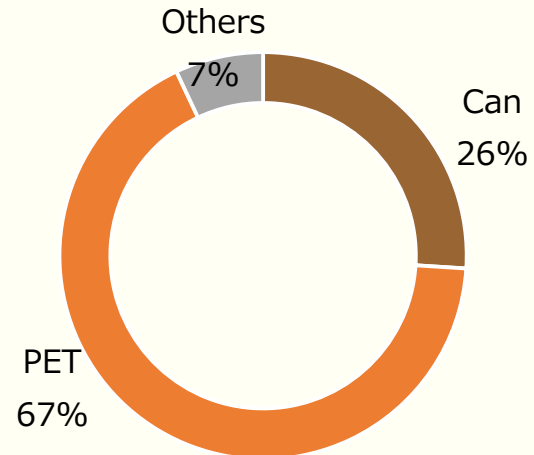
Japan

Soft Drink  
Market Data

Sapporo Group  
Activities

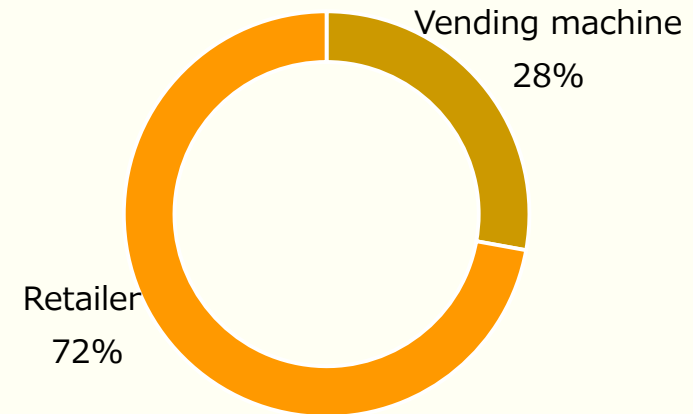
### ★ Japan Composition of Soft Drinks Market by container (2017)

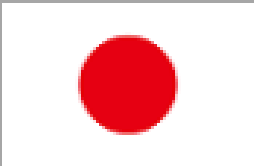
Source: Inryoshoken- Soft drinks market data  
(Calculated by Sales Volume)



### ★ Japan Composition of Soft Drinks Market by sales channel (2017)

Source: Inryoshoken- Soft drinks market data  
(Calculated by Sales Volume)





Japan

Sapporo Group Activities (Soft drinks)

## POKKA SAPPORO FOOD & BEVERAGE LTD.

In the food business, we aim to reinforce brands whose products include soups and also use lemon, and create new categories that include foods for health care needs and natural foods. In the beverage business, we concentrated management resources on brands that can be differentiated, and we aim to develop new brands leveraging technologies and ingredients. Moreover, in overseas business, we will establish next-generation manufacturing and sales bases in Singapore, whose consumers value great brand recognition. We are anticipating vigorous growth by undertaking an aggressive marketing approach.

### ★Corporate profile

Paid in capital : 5.43 bn yen

Entry into business :

Jun. 1909 Entered in to the soft drink business as the first Japanese brewery to do so

Launched Citron (Soda)

Jan.1957 Established Kokusai inryo Co., Ltd., later Sapporo Beverage Co., Ltd.

Feb.1957 Established Nikka Lemon Co., Ltd. to make and sell lemon beverages, later POKKA CORPORATION

Sep. 2009 Acquired 21.41% of the share of POKKA CORPORATION

Made POKKA into affiliated company accounted by the equity method

Mar. 2011 Acquired 86.76% of the share of POKKA CORPORATION

Made POKKA into consolidated subsidiary

As of Dec.31,2011 Acquired 98.59% of the share of POKKA CORPORATION

•Acquisition cost 34.80 bn yen

\*Goodwill : 18.41 bn yen 15 years with the straight-line method

Mar. 2012 Integrated Sapporo Beverage Co., Ltd. with POKKA CORPORATION

to establish Pokka Sapporo Food & Beverage Ltd.

Dec.2012 Made POKKA CORPORATION into a wholly owned subsidiary

Jan. 2013 Absorption-type merger between Sapporo Beverage Co., Ltd and POKKA CORPORATION

Commenced operation of Pokka Sapporo Food & Beverage Ltd.

Production base Foods & Soft drinks plant: 2 (Nagoya, Gunma),

Foods plant (Iwata), Soft drinks plant (Okinawa)

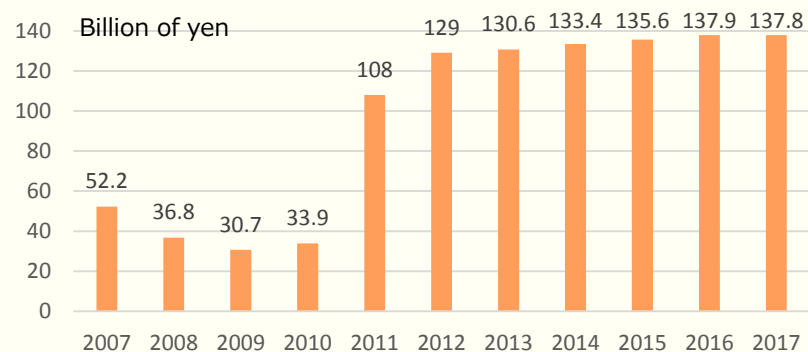
Business field Manufacture and sales of food& soft drinks, Operating coffee shop and others.



Launched two canned soup products in 1980

### ★Sales of Food & Soft drinks

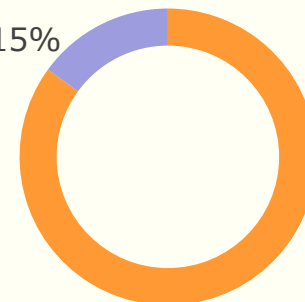
※April 2011 Consolidation of POKKA CORPORATION



### ★ Pokka Sapporo Sales composition in 2017 (Sales Volume)

Oversea

15%



Domestic

85%



SAPPORO

### ★Main Products

Lemon based favor products (Food & Soft drinks)



Soft drinks



Soups



Soybeans and Chilled Products







★ Pokka Sapporo  
Y-o-Y growth/Sales Volume  
in 2017 (Domestic)

【 Lemon-based drinks 】  
Jan-Dec **up 17%** y-o-y

【 Unsweetened tea drinks 】  
Jan- Dec **up 10%** y-o-y

【 Coffee drinks 】  
Jan- Dec **down 12%** y-o-y

【 Lemon-based food products 】  
Jan- Dec **up 9%** y-o-y

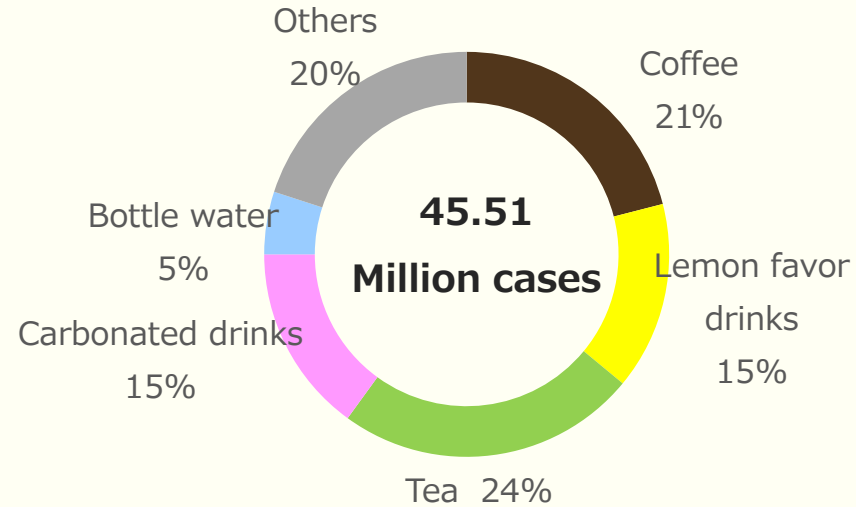
【 Soups 】  
Jan- Dec **up 5%** y-o-y

【 Soybeans/chilled products 】  
Jan -Dec Net Sales approx.  
**¥2.1 billion**

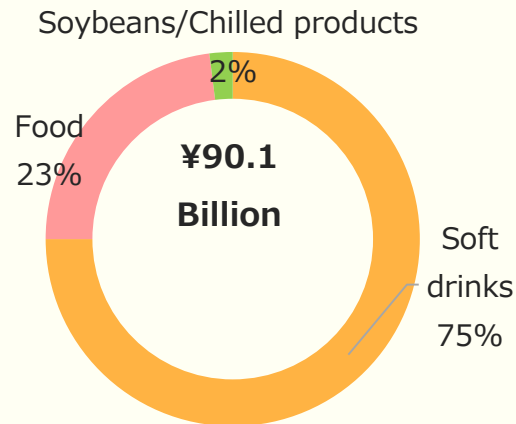
Japan

Sapporo Group  
Activities  
(Soft drinks)

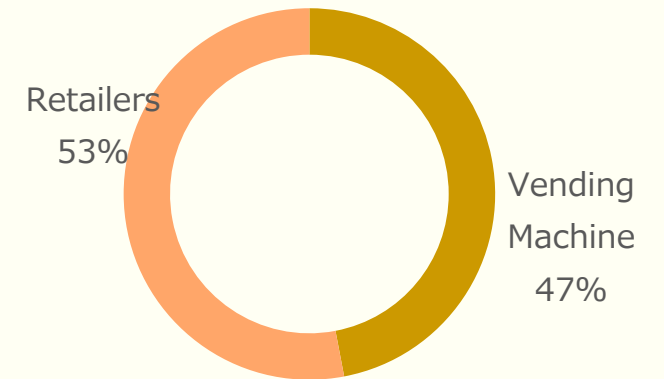
★ Pokka Sapporo- within Japan/Sales Volume  
Composition by Category in 2017

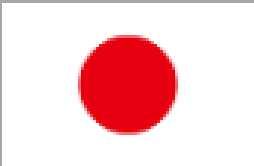


★ Pokka Sapporo (within Japan)  
Sales consumption by category



★ Pokka Sapporo- within Japan/Sales Volume  
Composition by sales channel in 2017



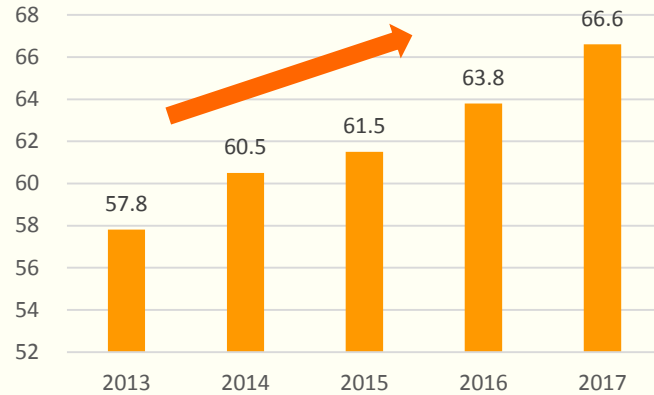


# Japan Soup/Lemon based flavoring Market Data & Pokka Sapporo activities



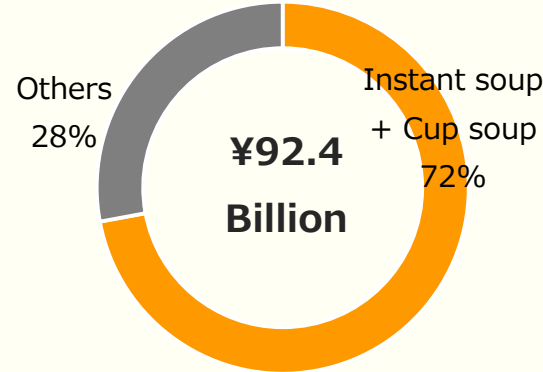
## ★ Japan- Instant soup+ Cup soup market sizes (Billion of yen)

Source : Intage SRI/Instant Soup market 2017/Sales Value



## ★ Japan- Sales breakdown by category of Soup market in 2017

Source : Intage SRI/Soup market 2017/Sales Value



## ★ Pokka Sapporo activities Soup category in 2017

Source : Intage SRI/Instant soup market, Jan-Dec.2017/ Sales trend-Sales value share

- Sales Volume of Instant soup+ Cup soup: 9.8 bn yen
- Y-o-Y growth: **Up 4.2%**
- Market share: 14.8%**
- Sales Volume of canned soup:1.2 bn yen
- Y-o-Y growth: down 5.3%
- Market share : 84.7%**
- Production base: 3 Factory (Nagoya, Gunma, Iwata)

Japan

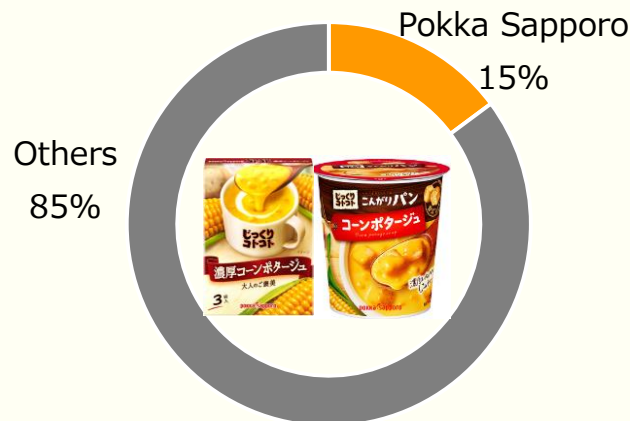
Soup Market Data

Lemon based favor Market Data

Sapporo Group Activities

## ★ Pokka Sapporo Instant soup+ Cup soup share in 2017

Source : Intage SRI/Instant Soup market 2017/ Sales Value share



## ★ Pokka Sapporo Instant canned soup share in 2017

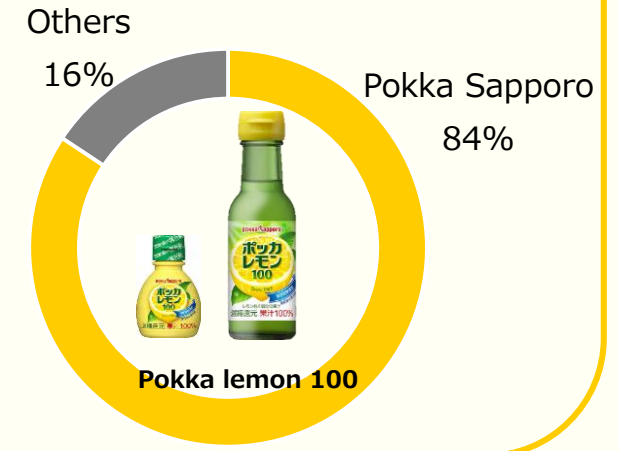
Source : Intage SRI/Instant Canned Soup market 2017/ Sales Value share

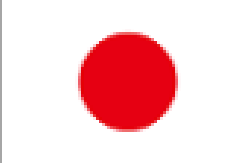


## ★ Pokka Sapporo activities 100% lemon based flavoring in 2017

Source: Intage SRI/100% lemon based flavoring market, Jan-Dec.2017/ Sales trend-Sales value share

- Sales Volume: 4 bn yen
- Y-o-Y growth: **Up 2.6%**
- Market share : 84.3%**
- Production base: Nagoya factory



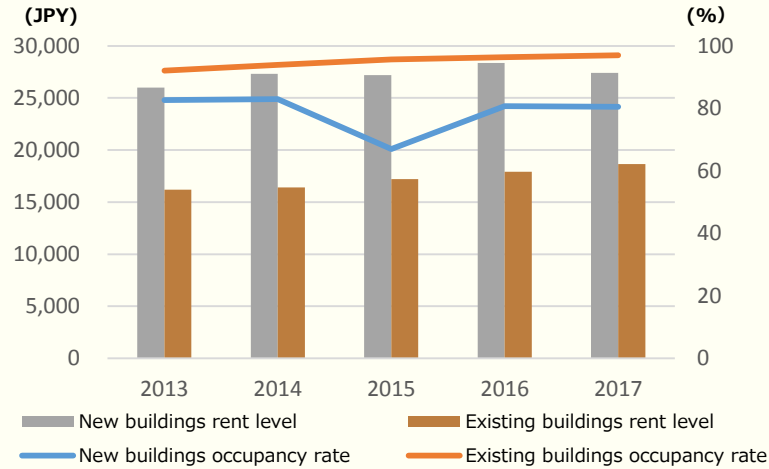


Japan  
Real Estate  
Market Data

Sapporo Group  
Activities

**Japan Real Estate Market Data**

★ **Japan- The Greater Tokyo Area Office Leasing Market**  
Annual average of occupancy rates & rent level (Source: Miki Shoji Co., Ltd.)



	2013	2014	2015	2016	2017
Occupancy rate average(%)	91.9	93.8	95.1	96.1	96.7
New buildings occupancy rate	82.6	83.0	67.0	80.7	80.5
Existing buildings occupancy rate	92.1	93.9	95.7	96.4	97.0
Rent level average (yen/ tsubo)	16,367	16,616	17,412	18,200	18,879
New buildings rent level	26,008	27,312	27,186	28,355	27,402
Existing buildings rent level	16,183	16,402	17,195	17,917	18,668



**Sapporo Real Estate Co., Ltd.**

This company owns, manages, operates and develops real estate in the Sapporo Group. The jewels in its real estate crown are "YEBISU GARDEN PLACE", "SAPPORO FACTORY" and "GINZA PLACE", which form the core of the company's urban redevelopment and real estate leasing and management operations. Sapporo Real Estate Co., Ltd. Aspires to be a unique company by taking maximum advantage of its considerable expertise in urban redevelopment.

★ **Corporate profile**

Local subsidiary	Sapporo Real Estate Co., Ltd.
Paid in capital	2.08bn yen
Entry into business	June. 1988
Business field	Real estate leasing, administration, operation and development services

★ **Sapporo Real Estate**  
**Real estate for lease**

	2013	2014	2015	2016	2017
Balance at the fiscal year end date	210,078	207,864	197,666	201,763	200,001
Fair value at the fiscal year end date	337,771	348,237	357,395	389,101	397,581

★ **Sapporo Real Estate**  
**Major rental properties & annual average of occupancy rates**

	2013	2014	2015	2016	2017
Yebisu Garden Place	93.0	82.0	92.0	99.0	98.0
Ebisu First Square (formerly Seiwa Ebisu Building)	*0.0	23.0	100.0	100.0	100.0
Ebisu Square	100.0	100.0	100.0	95.0	100.0
Ginza Place (formerly Sapporo Ginza Building)	*74.0	*14.0	*0.0	*0.0	99.0
Strata Ginza	100.0	100.0	100.0	100.0	100.0

\*Redevelopment Buildings

①Seiwa Ebisu Building reopened as Ebisu First Square in Sep.2014

②Sapporo Ginza Building reopened as Ginza Place in September, 24.2016



The real estate business mainly develops rental real estate, including Yebisu Garden Place, Sapporo Factory, and office buildings principally located in three areas where it has deep Sapporo Group links: Ebisu, Ginza and Sapporo.



★ Commercial complexes

**YEBISU GARDEN PLACE**

(The former site of Sapporo Breweries' Ebisu Brewery)

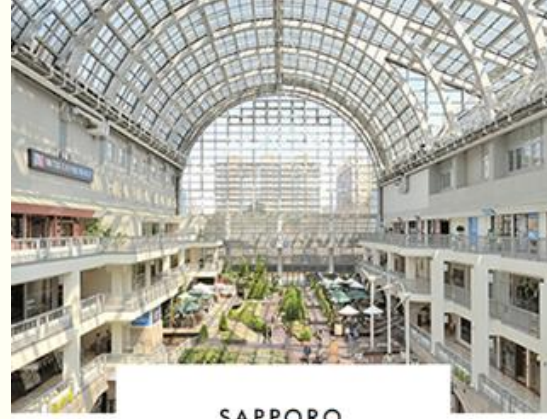


Address 20, Ebisu 4-chome, Shibuya-ku, Tokyo  
4-13, Mita 1-chome, Meguro-ku, Tokyo  
Site area Approx.83,000㎡ (25,200 tsubo)  
\*Office tower 56,943㎡  
Building area Approx.32,000㎡ (9,700 tsubo)  
Floor area Approx.478,000㎡ (144,600 tsubo)  
\*Office tower 298,007㎡  
No. of floors 40 floors above ground, 5 below  
Opened Oct. 1994

Yebisu Garden Place-related)  
EBITDA ¥10.9billion  
Up 1% Y-o-Y

**SAPPORO FACTORY**

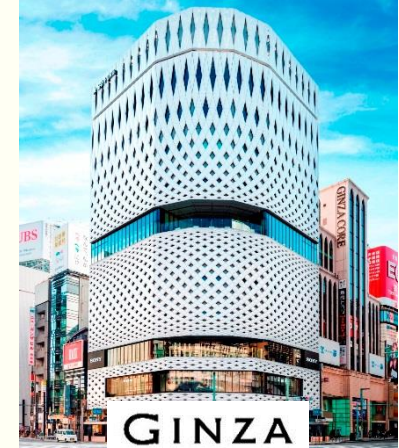
(The former site of Sapporo Breweries' Sapporo Brewery)



Address Kita 2 Jo Higashi 4-chome, Chuo-ku,  
Sapporo-shi, Hokkaido  
Site area Approx. 47,000㎡ (14,300 tsubo)  
Building area Approx. 32,400㎡ (9,800 tsubo)  
Floor area Approx. 160,000㎡(48,400 tsubo)  
Opened Apr. 1993

Hokkaido-related  
EBITDA ¥1.7billion  
Up 11% Y-o-Y

**GINZA PLACE**



Address 8-1, Ginza 5-chome, Chuo-ku,  
Tokyo  
Site area Approx.645㎡  
Floor area Approx.7,350㎡  
No. of floors 11 floors above ground, 2 below  
Use Commercial complex  
Opened Sep. 2016

Other properties, projects  
including Ginza Place  
EBITDA ¥4.0billion  
Up 45% Y-o-Y

Japan  
Sapporo Group  
Activities



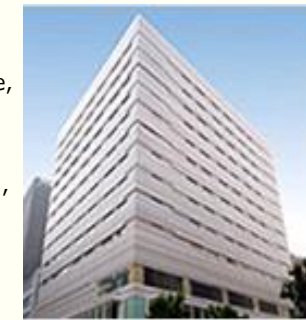
**EBISU FIRST SQUARE**

Address 18-14, Ebisu 1-chome,  
Shibuya-ku, Tokyo  
Site area 2,596㎡  
Floor area 16,012㎡  
No. of floors 12 floors above  
ground,  
1 below  
Completed Sep. 2014  
Use Office



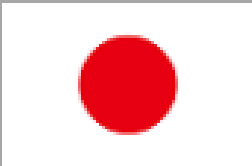
**EBISU SQUARE**

Address 23-23, Ebisu 1-chome,  
Shibuya-ku, Tokyo  
Site area 1,561㎡  
Floor area 8,644㎡  
No. of floors 7 floors above ground,  
1 below  
Completed Jun. 1994  
Use Office



**STRATA GINZA**

Address 10-1, Ginza 7-chome,  
Chuo-ku, Tokyo  
Site area 1,117㎡  
Floor area 11,411㎡  
No. of floors 13 floors above ground,  
1 below  
Completed Sep. 2006  
Use Hotel, Shops, Restaurants  
\*Sapporo owns 922㎡ of the site  
(sectional ownership) and 89.72%  
of the building



## Restaurants Market Data

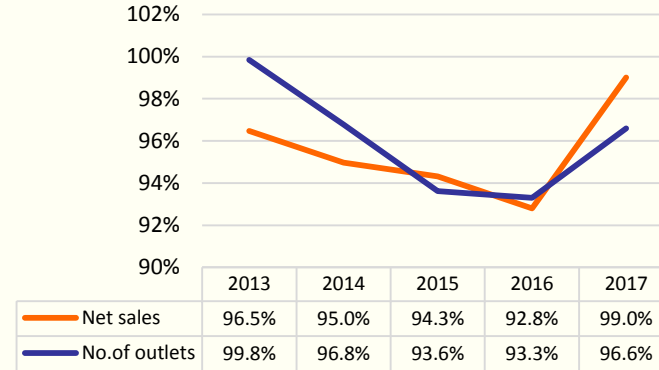
### ★Japan- Restaurants Market (2017)

Total market size : Approx.25,656.1 bn yen  
 Drinking outlets (including beer hall) market size :  
 Approx. 1,009.4 bn yen  
 Coffee shops market size: Approx. 1,135.8 bn yen

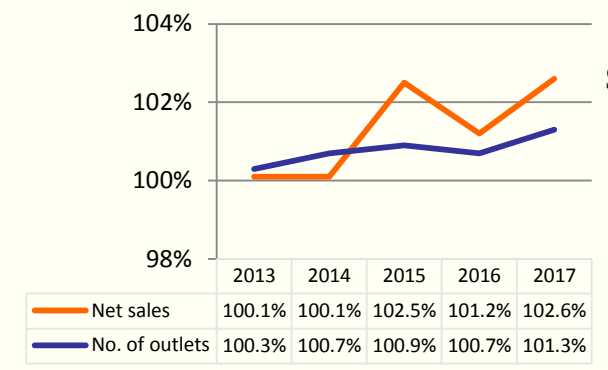
Total market growth rate : +0.8%  
 Drinking outlets (including beer hall)  
 market growth rate : -1.4%  
 Coffee shops market growth rate : +1.6%

(Source : Japan Food Service association)

### ★ Japan- Drinking outlets (including beer hall) market Net sales and number of outlets (Y-o-Y)



### ★ Japan- Coffee shops market Net sales and number of outlets (Y-o-Y)



\*Year on year data are based on the questionnaire for member of Japan Food Service association

## Japan

## Restaurants/ Coffee shops Market Data

## Sapporo Group Activities

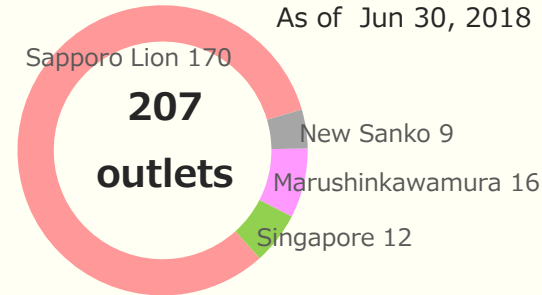
### SAPPORO LION LTD.

Since opening Japan's first beer hall in 1899 in Tokyo's Ginza district, Sapporo has been a pioneer in the restaurant industry with a range of innovative drinking venues. In addition to great-tasting draft beer, we continue to develop menus based on "safety, security and authenticity."

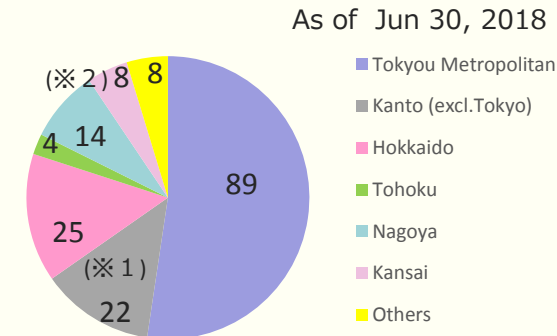
#### ★Drinking outlets (including beer hall)

Operating company	Sapporo Lion Ltd.
Paid in capital	4.87 bn yen
Entry into business	August 4,1899
	Opened YEBISU BEER HALL in Ginza, Tokyo as Japan's first beer hall
Sep. 1949	Established Nippon Kyoei Ltd., later Sapporo Lion Ltd.
Business field	Operating beer hall, drinking outlets and restaurants, mainly GINZA LION and YEBISU BAR

#### ★Sapporo- Restaurant segment Total number of outlets

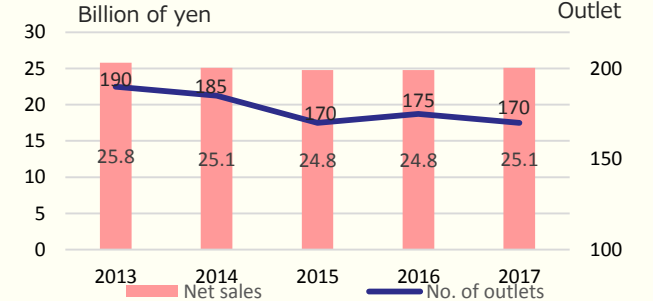


#### ★Sapporo Lion outlets

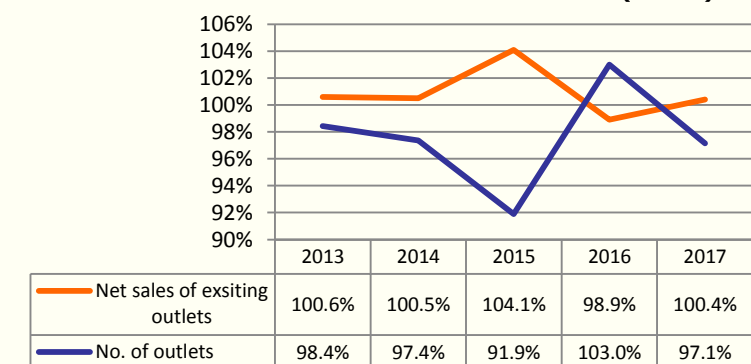


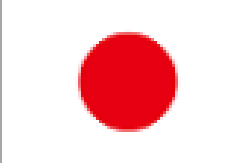
(※1) : Tochigi, Gunma, Saitama, Chiba, Kanagawa, Yamanashi  
 (※2) : Osaka, Kyoto, Hyogo

#### ★ Sapporo Lion Trend of net sales and number of outlet



#### ★ Sapporo Lion Trend of net sales and number of outlets (Y-o-Y)





Japan

Sapporo Group Activities

Main outlets

★ Beer Hall Lion Ginza 7-Chome



Opened in 1934  
Oldest existing beer hall in Japan

<Outlet interior>  
Authentic atmosphere  
with 250 colored glass mosaic wall art  
Size 27.5m×5.75m  
Made by Mr. Eizo Sugawara



★Yebisu bar



銀座二丁目店

<Yebisu bar>  
**Specializing in Yebisu beer under the concept "ALL FOR YEBISU".**

★New Sanko Otaru outlet



<New Sanko Inc.>  
\*Sapporo Lion's Subsidiary Established in Otaru, Hokkaido  
Operating beer hall  
9 outlets located in Hokkaido (Sapporo, Otaru)

★Kushiro KITTE Marunouchi outlet



<Marushinkawamura Inc.>  
\*Sapporo Lion's Subsidiary  
1955 Established in Sapporo, Hokkaido  
Newly consolidated from the first half of 2016  
16 outlets located in Hokkaido(Sapporo) and Tokyo



## POKKA CREATE CO., LTD

The first "CAFÉ de CRIÉ" coffee shop was opened in Nagoya City, Aichi Prefecture, in 1994. Since then, we have expanded our sphere of operations, and currently manage 190 stores nationwide from Hokkaido to Okinawa. We provide customers with a relaxing atmosphere in which they can enjoy an abundance of happiness from a single cup of coffee.

### ★ Corporate profile

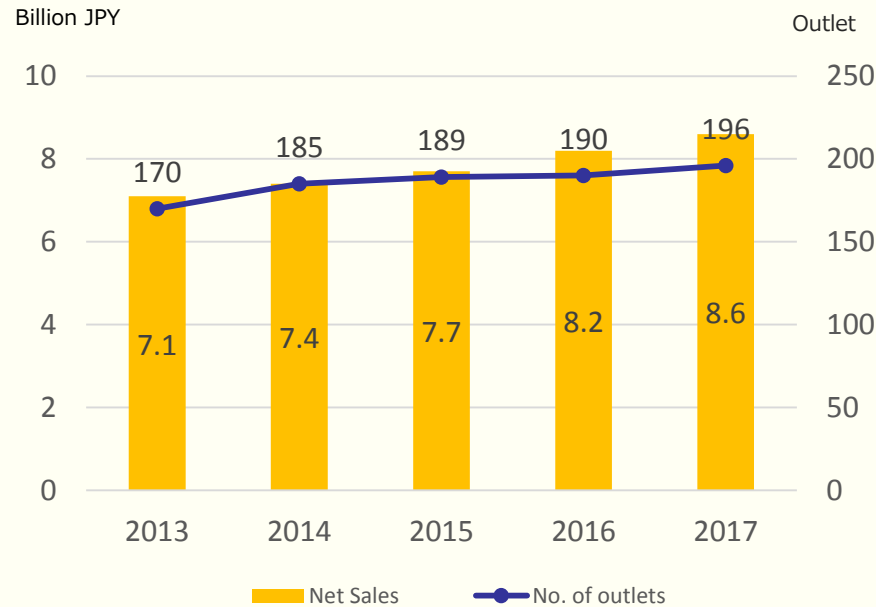
Operating company Pokka Create Co., Ltd  
\*Pokka Sapporo Food & Beverage's Subsidiary  
Paid in capital 300mn yen  
Entry into business Oct. 1994  
Business field Operating coffee shop chain "CAFÉ de CRIÉ"



Japan

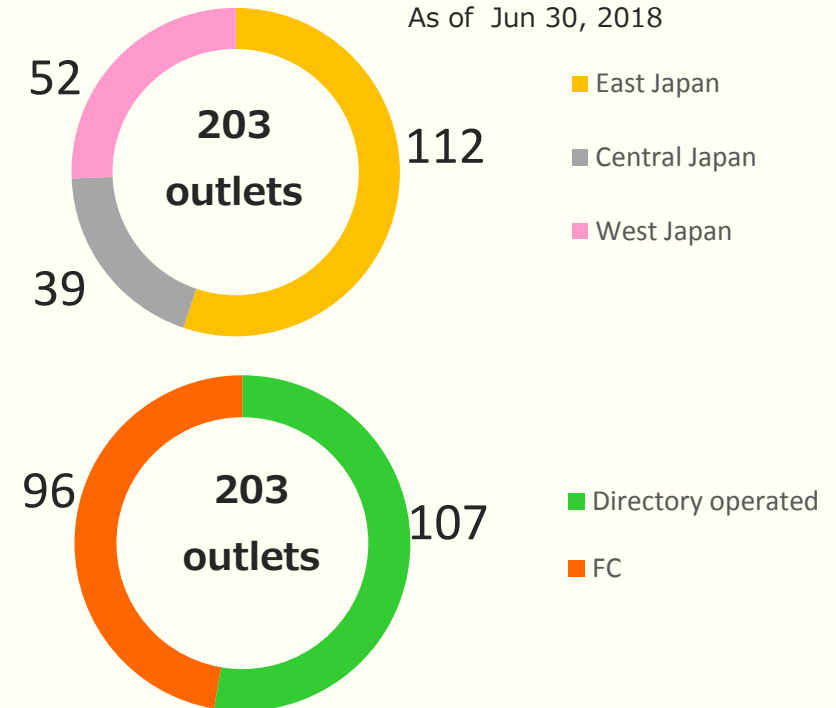
Sapporo Group Activities

### ★ Trends of net sales and number CAFÉ de CRIÉ outlets



### ★ Number of outlets

As of Jun 30, 2018



### ③ Financial Data

➤ Sapporo Group Overview.....	33
➤ Financial Data (Profit and Loss Trends, Financial Condition, Segment Information) .....	34
➤ Corporate Data.....	40



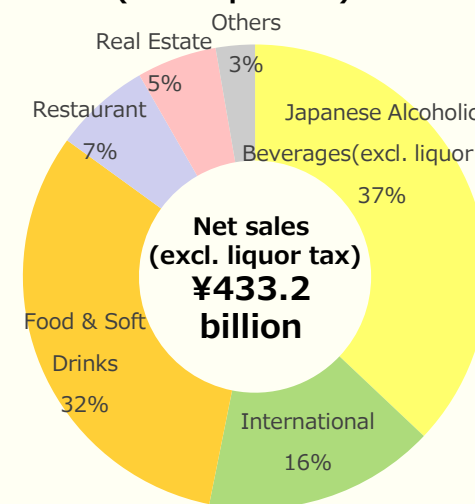
## Sapporo Group Overview

The Sapporo Group operates under a holding company framework, with Sapporo Holdings Limited as a pure holding company, and has five business segments: Japanese Alcoholic Beverages, International, Food& Soft Drinks, Restaurants and Real Estate. We have positioned "Alcoholic Beverages", "Food" and "Soft Drinks" as the Group's three core business fields, and will work to nurture and strengthen the Group's brands along with the real estate business. The Sapporo Group stands out among the numerous food companies in Japan for conducting business in all three fields of "Alcoholic Beverages", "Food" and "Soft Drinks". Leveraging this unique strength, we will work to supply distinctive products and services worldwide in conjunction with expanding our contact points with customers, with the aim of driving robust growth.

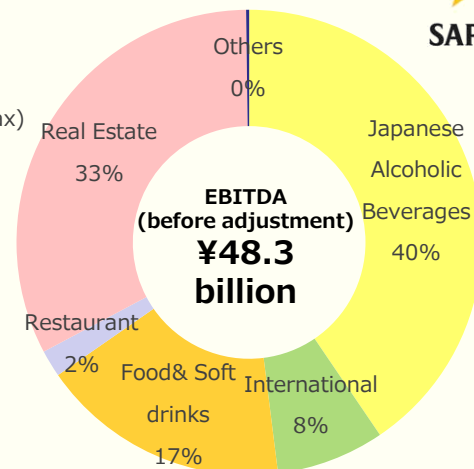
### 【Main financial figures in 2017】

Net sales: **551.5bn yen**  
 Net sales(excl. liquor tax): **433.2bn yen**  
 Operating income: **17.0bn yen**  
 Operating income before goodwill amortization: **20.9bn yen**  
 EBIDA (before segment adjustment): **48.3bn yen**  
 EBITDA: **44.5bn yen**  
 EBITDA margin (excl. liquor tax): **10.2%**

### Breakdown of FY2017 net sales (excl. liquor tax)



### Breakdown of FY2017 EBITDA (before segment adjustment)



SAPPORO

## Sapporo Group Overview

Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate
Achieve continuous growth Enhance brand strength	Achieve continuous growth Enhance brand strength	Achieve continuous growth Enhance brand strength	Achieve continuous growth Enhance brand strength	Achieve continuous growth Enhance brand strength
Wine business will become a second core business	Produce results in investment business Capture growth opportunities	Produce results in investment business Capture growth opportunities	Improve profitability	Strengthen stable earnings base
Net sales: <b>¥278.6 bn</b> Net sales(excl. liquor tax): <b>¥160.4 bn</b> Operating income before goodwill amortization <b>¥11.8bn</b> EBITDA: <b>¥19.4 bn</b> EBITDA margin (excl. liquor tax): <b>12.1%</b>	Net sales: <b>¥69.8 bn</b> Operating income before goodwill amortization <b>¥0.5 bn</b> EBITDA: <b>¥3.6bn</b> EBITDA margin (excl. liquor tax): <b>5.2%</b>	Net sales: <b>¥137.8 bn</b> Operating income before goodwill amortization <b>¥2.6 bn</b> EBITDA: <b>¥8.3 bn</b> EBITDA margin (excl. liquor tax): <b>6.0%</b>	Net sales: <b>¥29.1 bn</b> Operating income before goodwill amortization <b>¥0.3bn</b> EBITDA: <b>¥0.9 bn</b> EBITDA margin (excl. liquor tax): <b>3.1%</b>	Net sales: <b>¥24.1 bn</b> Operating income before goodwill amortization <b>¥11.2 bn</b> EBITDA: <b>¥15.6 bn</b> EBITDA margin (excl. liquor tax): <b>64.7%</b>

Focused mainly on the beer business, but is also involved in other areas, including the wine and spirits business and the Japanese liquors business. The Group will continue to propose products and services that represent the distinctive Sapporo value.

Offering alcoholic beverages and soft drinks, mainly in North America and Southeast Asia.

In the North American market, we are aiming to take another leap forward, while working to expand our beer business in Vietnam and use it as a base for strengthening our exports to surrounding countries.

Strong brands in the lemon-based foods and drinks markets, and in the instant soup markets, which are expected to grow

Growing in Southeast Asia and Middle East by leveraging the overwhelming market share of green tea drinks in Singapore

Japan's largest beer hall chains, GINZA LION and YEBISU BAR, along with various restaurants. In addition to providing delicious draft beer, we will continue to develop menus based on the theme of "safety, security, authenticity, and health."

One Ginza Lion Beer Hall outlets in Singapore

Operating and managing three commercial complexes—Yebisu Garden Place, Sapporo Factory, and GINZA PLACE—as well as office buildings and others.

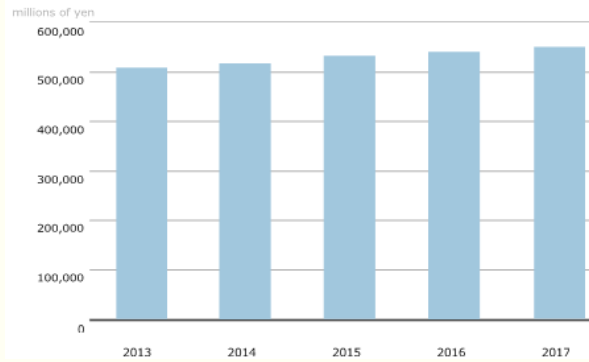
Yebisu Garden Place : Promote the renovation in the property's commercial area to further increase value to boost the brand strength of the entire district

# Financial Data (Profit and Loss Trends)

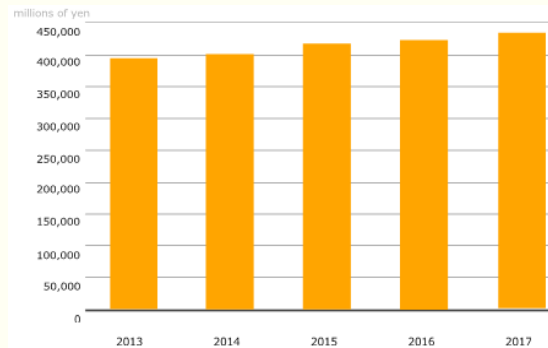


SAPPORO

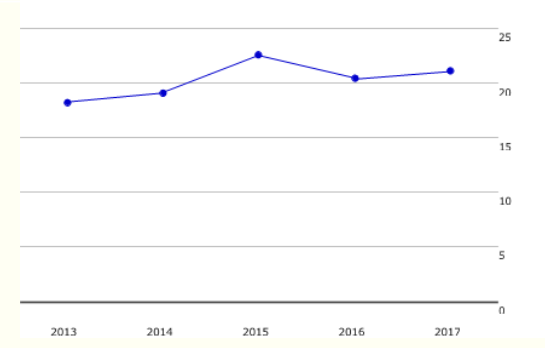
### Net Sales



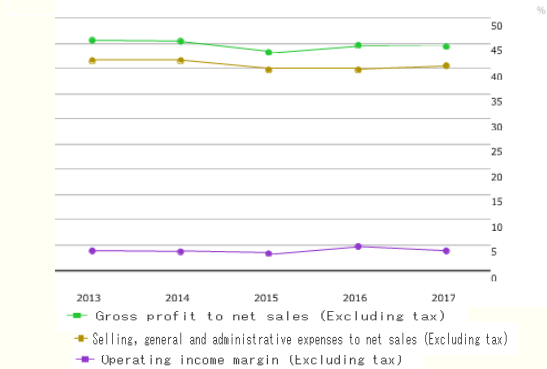
### Net Sales (excl. Liquor tax)



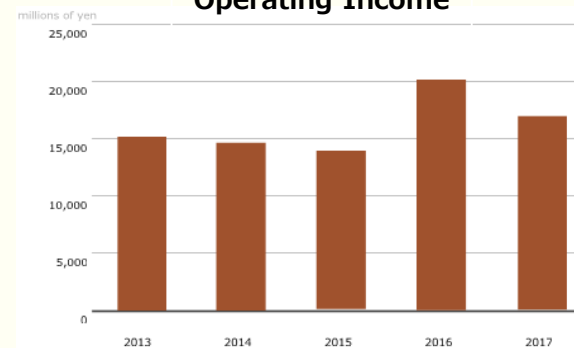
### Overseas Sales Ratio (excl. Liquor tax)



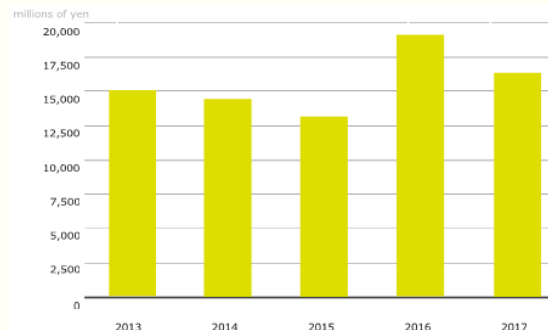
### Gross Profit / Net Sales (excl. tax) SGA / Net Sales (excl. tax) Operating Income Margin (excl. tax)



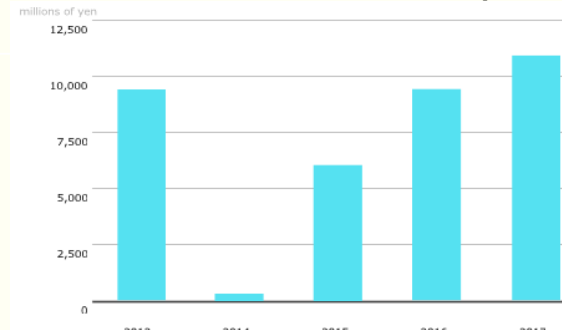
### Operating Income



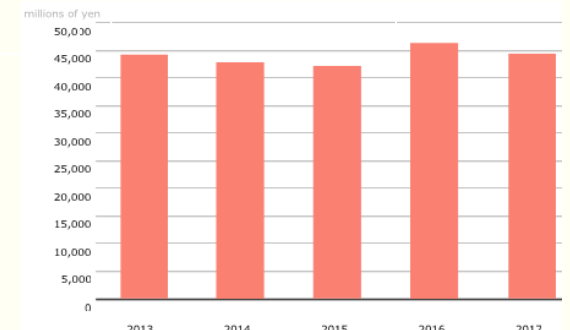
### Ordinary Income



### Profit attributable to owners of parent



### EBITDA



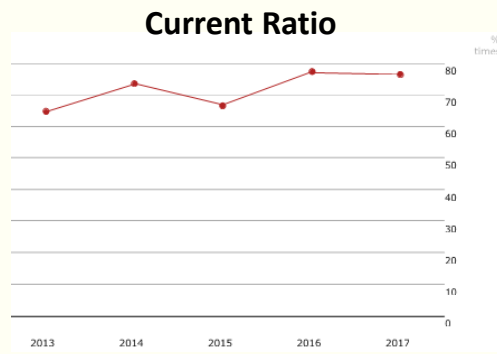
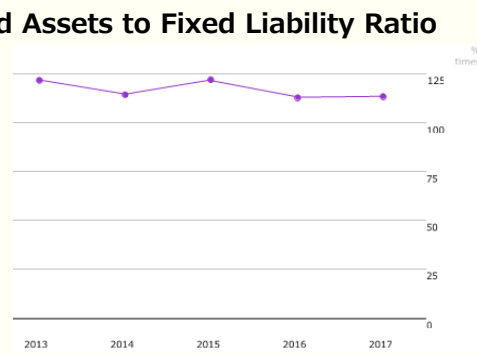
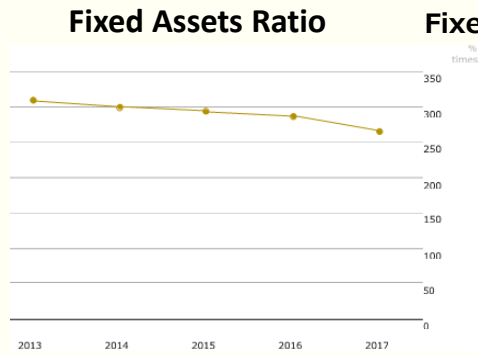
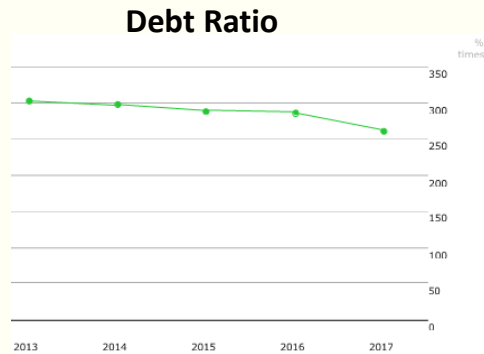
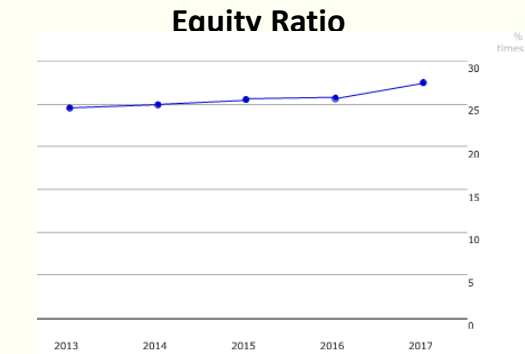
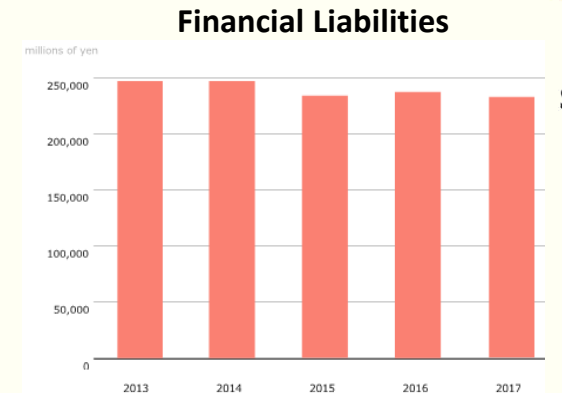
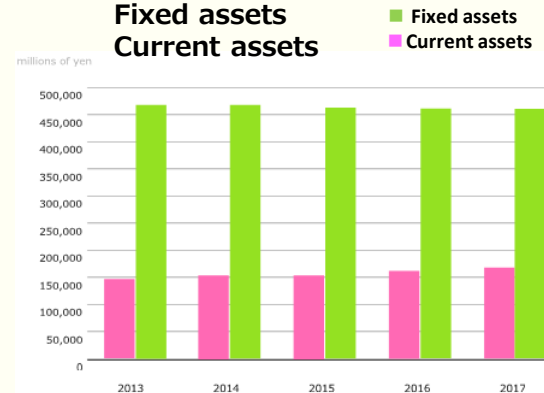
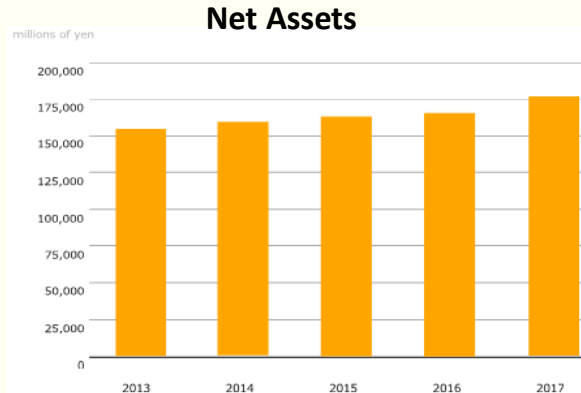
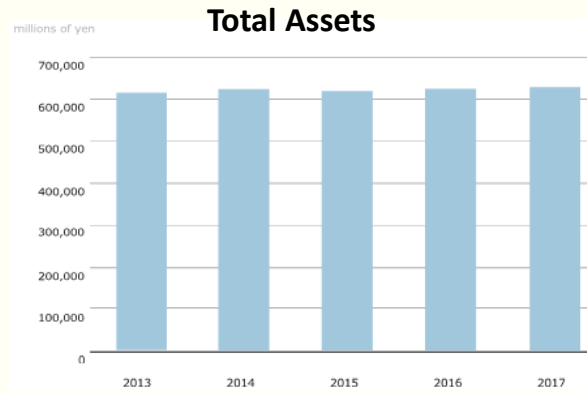
Items	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net sales (Including tax)(millions of yen)	414,558	387,534	389,244	449,452	492,490	509,834	518,740	533,748	541,847	551,548
Net sales (Excluding tax)(millions of yen)	284,411	264,604	269,874	336,837	379,792	395,377	401,813	418,319	424,059	433,260
Cost of sales(millions of yen)	288,146	267,690	261,211	286,678	313,117	329,605	336,388	352,808	352,420	358,572
Selling, general and administrative expenses (millions of yen)	111,726	106,947	112,629	143,890	164,958	164,884	167,623	166,990	169,159	175,943
Operating income(millions of yen)	14,685	12,895	15,403	18,883	14,414	15,344	14,728	13,950	20,267	17,032
Ordinary income(millions of yen)	10,526	10,725	14,328	16,807	13,689	15,130	14,565	13,211	19,202	16,410
EBITDA*1(millions of yen)	37,157	36,469	39,080	46,476	44,099	44,388	42,974	42,327	46,529	44,558
Profit attributable to owners of parent(millions of yen)	7,640	4,535	10,772	3,164	5,393	9,451	340	6,108	9,469	10,977
Overseas sales ratio (Excluding tax)(%)	8.8	8.5	9.4	11.0	14.1	18.3	19.2	22.6	20.5	21.2
Gross profit to net sales (Excluding tax)(%)	44.4	45.3	47.4	48.3	47.2	45.6	45.4	43.3	44.7	44.5
Gross profit to net sales (Excluding tax)(%)	39.3	40.4	41.7	42.7	43.4	41.7	41.7	39.9	39.9	40.6
Operating income margin (Excluding tax)(%)	5.2	4.9	5.7	5.6	3.8	3.9	3.7	3.3	4.8	3.9

\*Effective from the fiscal year 2011, the Alcoholic beverages business was split into Japanese and International segments.

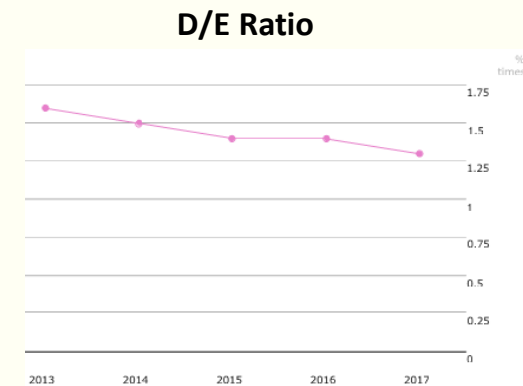
# Financial Data (Financial Condition)



SAPPORO



Items	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total assets(millions of yen)	527,286	506,874	494,798	550,784	597,636	616,752	625,439	620,388	626,351	630,630
Net assets(millions of yen)	116,862	118,590	126,645	124,775	134,946	155,366	160,004	163,822	166,380	177,662
Total current assets(millions of yen)	129,418	102,277	109,737	129,018	138,258	147,336	156,372	156,364	164,183	168,852
Total fixed assets(millions of yen)	397,868	404,596	385,061	421,766	459,377	469,416	469,066	464,023	462,168	461,778
Total current liabilities(millions of yen)	213,203	169,252	167,043	212,589	243,146	227,308	211,771	233,643	212,123	220,173
Total fixed liabilities(millions of yen)	197,220	219,032	201,109	213,418	219,543	234,077	253,662	222,921	247,847	232,794
Financial liabilities(millions of yen)	189,251	196,794	181,334	219,168	257,646	247,828	247,556	234,741	238,143	233,588
Equity ratio(%)	22.1	23.4	25.3	22.4	22.1	24.6	25.0	25.5	25.7	27.5
Debt ratio(%)	351.9	328.0	294.4	345.5	351.1	304.2	297.8	289.1	286.3	261.1
Fixed Assets ratio(%)	341.1	341.8	307.9	342.1	348.6	309.5	300.1	293.8	287.6	266.2
Fixed Assets to Fixed Liability ratio(%)	126.8	119.9	118.1	125.3	130.8	121.7	114.4	121.8	113.1	113.7
Current ratio(%)	60.7	60.4	65.7	60.7	56.9	64.8	73.8	66.9	77.4	76.7
D/E ratio(times)	1.6	1.7	1.4	1.8	1.9	1.6	1.5	1.4	1.4	1.3



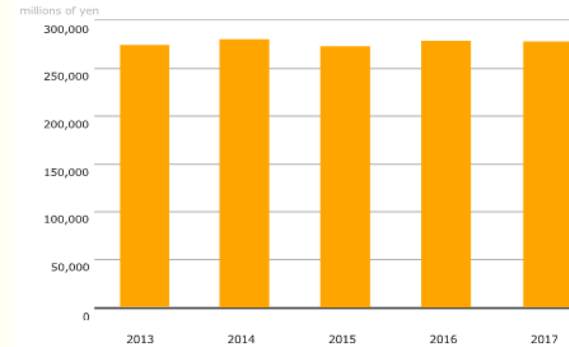
\*Effective from the fiscal year 2011, the Alcoholic beverages business was split into Japanese and International segments.



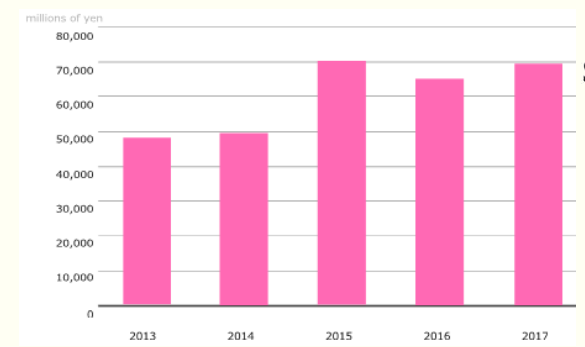
## Net Sales by Segment



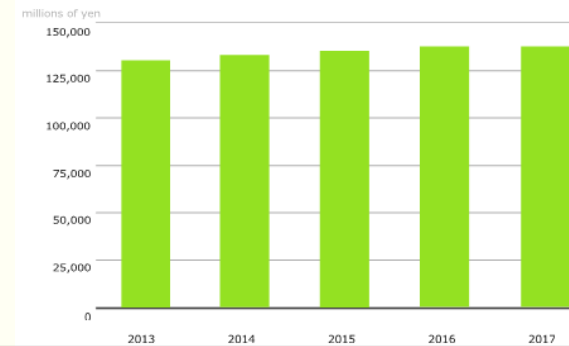
## Net Sales- Japanese Alcoholic Beverages



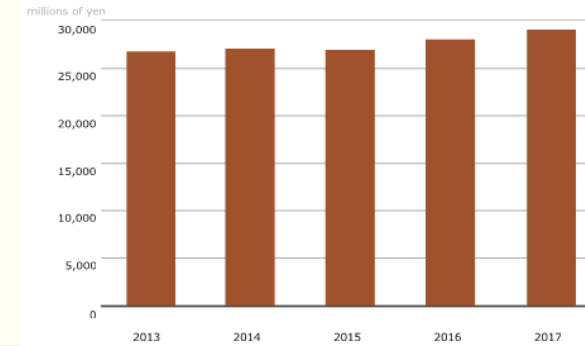
## Net Sales- International



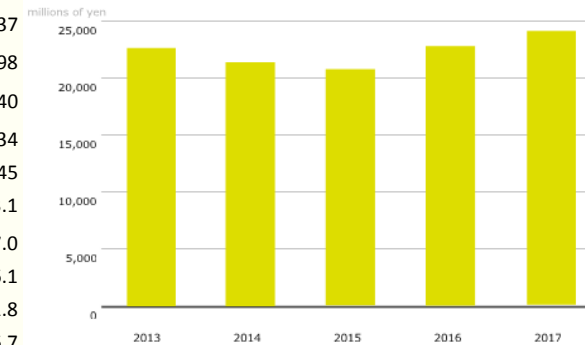
## Net Sales- Food & Soft Drinks



## Net Sales- Restaurants



## Net Sales- Real Estate



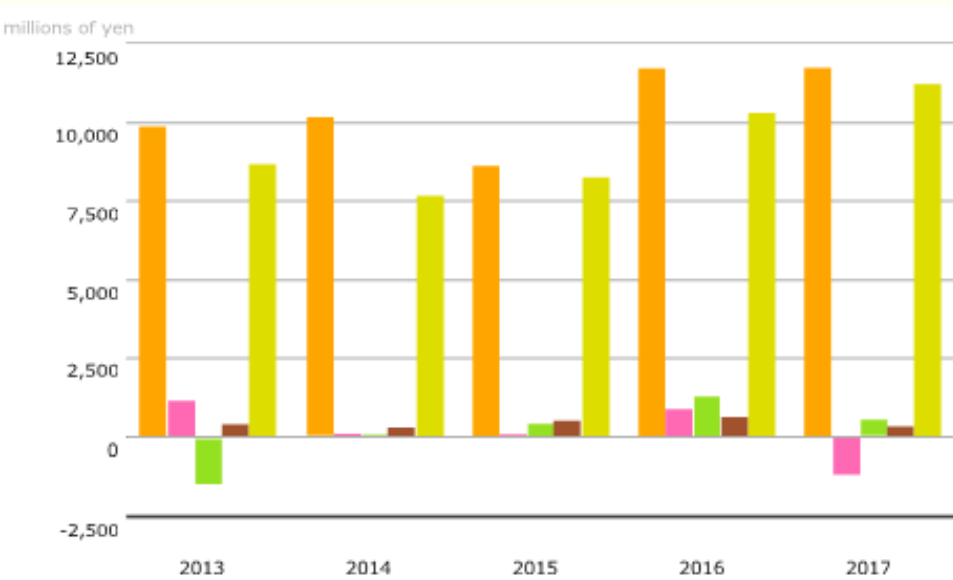
Items	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Sales-Alcoholic beverages(Including tax)(millions of yen)	324,720	305,495	304,715	294,077	306,068	323,125	330,704	344,153	344,877	348,529
Sales-Japanese Alcoholic beverages(Including tax)*2(millions of yen)	-	-	279,329	268,189	269,947	274,909	281,031	273,651	279,476	278,692
Sales-International*2(millions of yen)	-	-	25,386	25,888	36,121	48,215	49,672	70,501	65,400	69,837
Sales-Food & Soft drinks(millions of yen)	36,848	30,745	33,937	108,060	129,017	130,671	133,439	135,670	137,918	137,898
Sales-Restaurants(millions of yen)	29,537	28,026	26,429	24,091	26,621	26,827	27,143	27,004	28,120	29,140
Sales-Real estate(millions of yen)	23,451	23,266	23,537	22,468	23,217	22,767	21,509	20,872	22,900	24,134
Sales-Others(millions of yen)	-	-	624	755	7,565	6,442	5,944	6,048	8,031	11,845
Sales share-Alcoholic beverages(Excluding tax)(%)	68.4	69.0	68.7	53.9	52.1	52.8	53.4	54.7	53.6	53.1
Sales share-Japanese Alcoholic beverages(Excluding tax)(%)	-	-	59.3	46.2	42.6	40.6	41.0	37.8	38.1	37.0
Sales share-International(%)	-	-	9.4	7.7	9.5	12.2	12.4	16.9	15.4	16.1
Sales share-Food & Soft drinks(%)	13.0	11.6	12.6	32.1	34.8	33.0	33.2	32.4	32.5	31.8
Sales share -Restaurants(%)	10.4	10.6	9.8	7.2	6.7	6.8	6.8	6.5	6.6	6.7
Sales share-Real estate(%)	8.2	8.8	8.7	6.7	6.1	5.8	5.4	5.0	5.4	5.6
Sales share-Others(%)	-	-	0.2	0.2	0.2	1.6	1.5	1.4	1.9	2.7

\*Effective from the fiscal year 2011, the Alcoholic beverages business was split into Japanese and International segments.

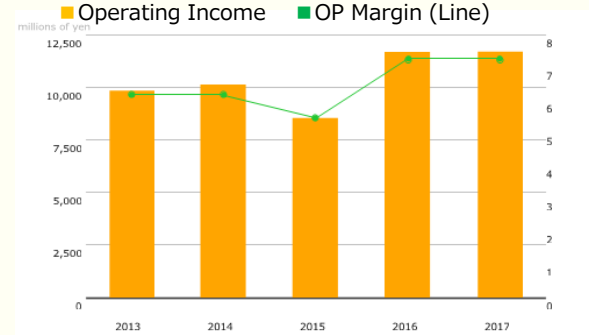


## Operating Income by Segment

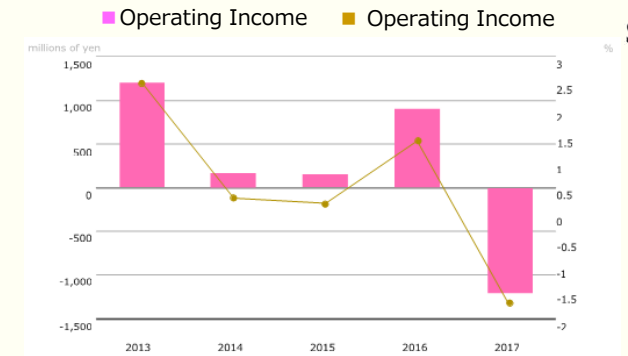
■ Japanese Alcoholic Beverages 
 ■ International 
 ■ Food & Soft Drinks 
 ■ Restaurants 
 ■ Real Estate



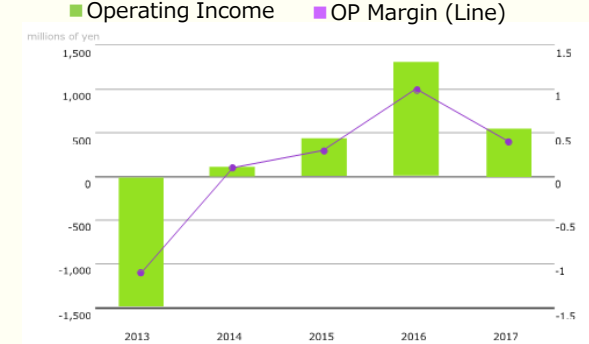
## Operating Income & OP Margin- Japanese Alcoholic Beverages



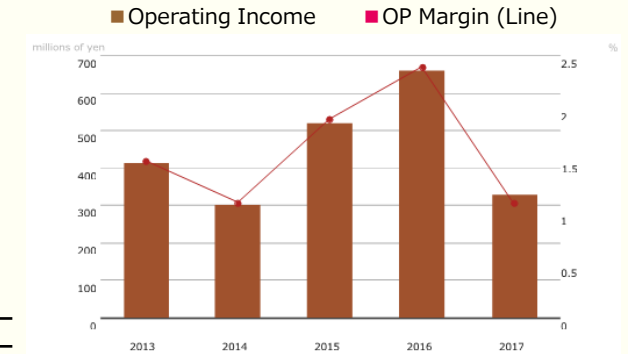
## Operating Income & OP Margin- International



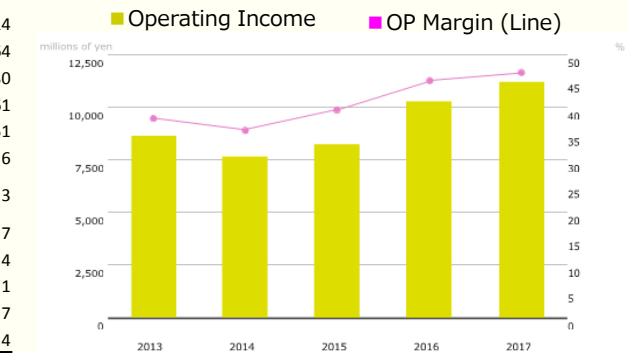
## Operating Income & OP Margin- Food & Soft Drinks



## Operating Income & OP Margin- Restaurants



## Operating Income & OP Margin- Real Estate



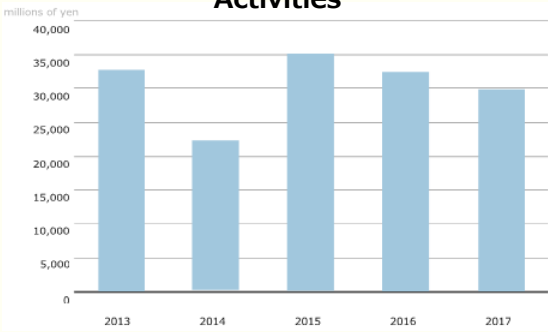
Items	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Operating income-Alcoholic beverages (Excluding tax)(millions of yen)	8,610	8,176	9,787	9,682	7,448	11,109	10,365	8,789	12,652	10,553
Operating income-Japanese Alcoholic beverages*2 (millions of yen)	-	-	9,290	9,304	7,522	9,901	10,192	8,635	11,745	11,767
Operating income-International*2(millions of yen)	-	-	497	378	-73	1,208	172	154	906	-1,214
Operating income-Food&Soft drinks(millions of yen)	220	301	1,280	3,690	364	-1,483	121	434	1,314	564
Operating income-Restaurants(millions of yen)	550	-171	148	219	538	415	303	522	663	330
Operating income-Real estate(millions of yen)	7,612	7,524	7,986	8,552	9,396	8,685	7,695	8,281	10,328	11,261
Operating income-Others(millions of yen)	-	-	-751	-643	-413	231	183	1	95	51
Operating income margin-Alcoholic beverages (Excluding tax)(%)	4.4	4.5	5.3	5.3	3.8	5.3	4.8	3.8	5.6	4.6
Operating income margin-Japanese Alcoholic beverages (Excluding tax)(%)	-	-	5.8	6.0	4.6	6.2	6.2	5.5	7.3	7.3
Operating income margin-International(%)	-	-	2.0	1.5	-0.2	2.5	0.3	0.2	1.4	-1.7
Operating income margin-Food&Soft drinks(%)	0.6	1.0	3.8	3.4	0.3	-1.1	0.1	0.3	1.0	0.4
Operating income margin -Restaurants(%)	1.9	-0.6	0.6	0.9	2.1	1.5	1.1	1.9	2.4	1.1
Operating income margin-Real estate(%)	32.5	32.3	33.9	38.1	40.5	38.1	35.8	39.7	45.1	46.7
Operating income margin-Others(%)	-	-	-120.4	-85.2	-47.4	3.6	3.1	0.0	1.2	0.4

\*Effective from the fiscal year 2011, the Alcoholic beverages business was split into Japanese and International segments.

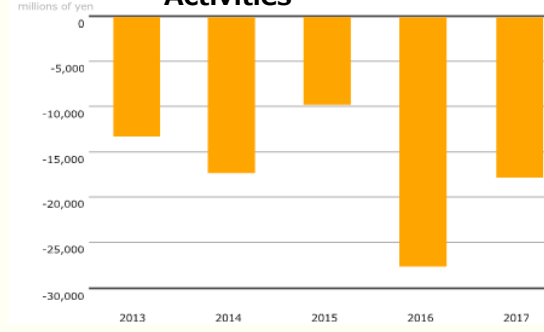
# Financial Data (Cash Flow Information)



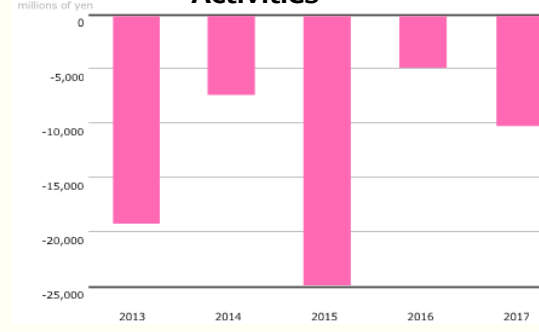
### Cash Flows from Operating Activities



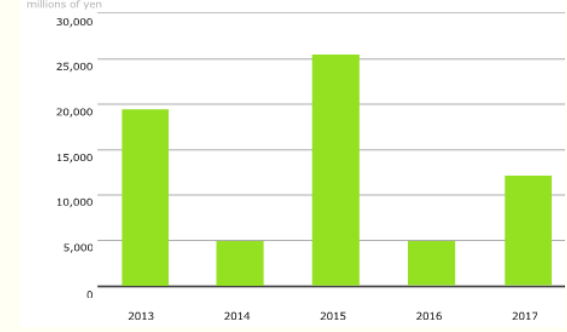
### Cash Flows from Investing Activities



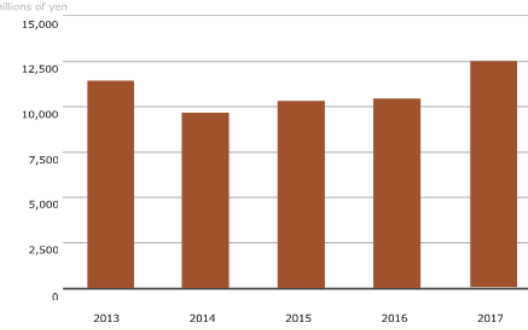
### Cash Flows from Financing Activities



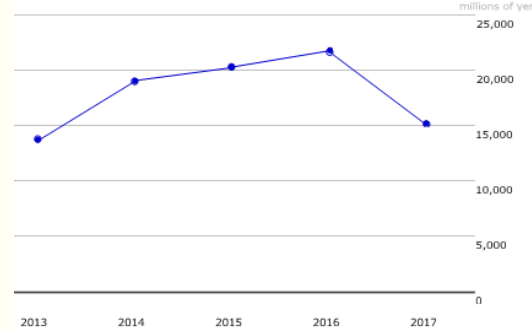
### Free Cash Flows



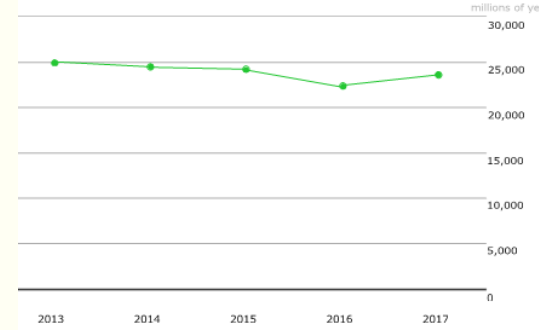
### Cash and Cash Equivalents



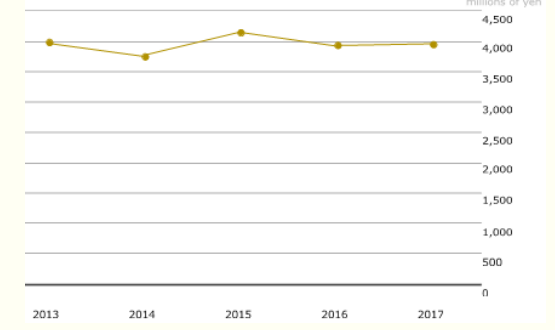
### Capital Expenditure



### Depreciation and Amortization



### Goodwill Amortization



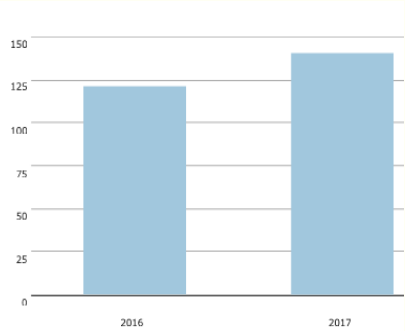
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Operating activities CF(millions of yen)	22,291	12,454	27,431	22,313	29,618	32,861	22,284	35,265	32,570	30,004
Investing activities CF(millions of yen)	16,856	-32,227	-2,594	-50,891	-59,485	-13,268	-17,229	-9,755	-27,586	-17,822
Financing activities CF(millions of yen)	-22,207	3,745	-18,119	24,245	30,159	-19,147	-7,307	-24,802	-4,827	-10,171
Free CF(millions of yen)	39,147	-19,773	24,837	-28,578	-29,867	19,593	5,055	25,510	4,984	12,182
Cash and cash equivalents at end of year(millions of yen)	22,217	6,267	13,270	9,057	9,725	11,518	9,748	10,399	10,475	12,536
Capital expenditures(millions of yen)	27,342	21,909	19,801	13,422	53,870	13,768	19,133	20,339	21,809	15,253
Depreciation and amortization(millions of yen)	21,604	22,546	22,504	24,482	25,805	25,058	24,481	24,224	22,341	23,571
Goodwill amortization expense(millions of yen)	867	1,027	1,172	3,110	3,879	3,985	3,764	4,153	3,920	3,954

\*Effective from the fiscal year 2011, the Alcoholic beverages business was split into Japanese and International segments.

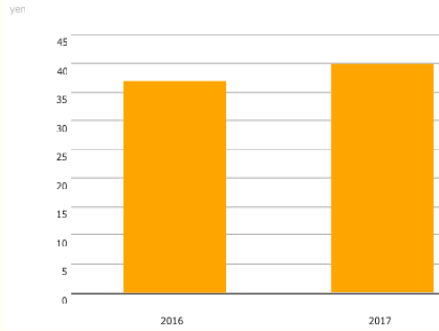
# Financial Data (Per Share Data-Management Indicators)



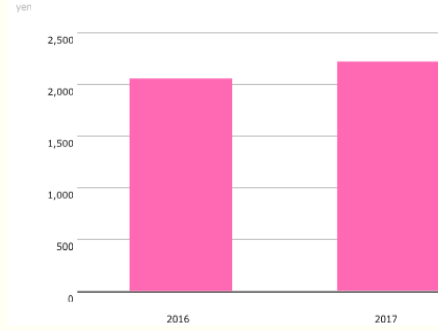
### Profit Per Share



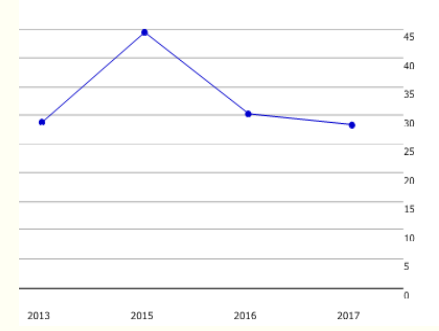
### Cash Dividends Per Share



### Net Assets Per Share

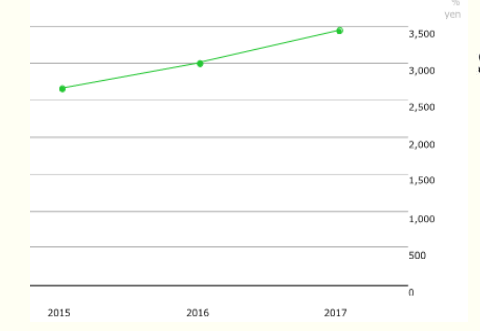


### Payout Ratio



\*Payout Ratio for 2014 is omitted.

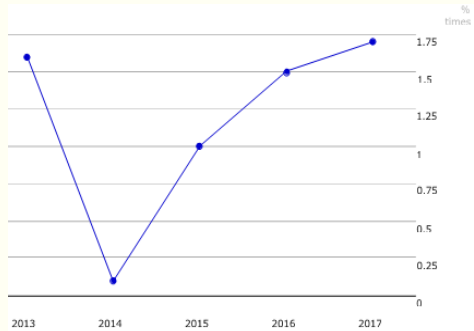
### Stock Price (Year-end)



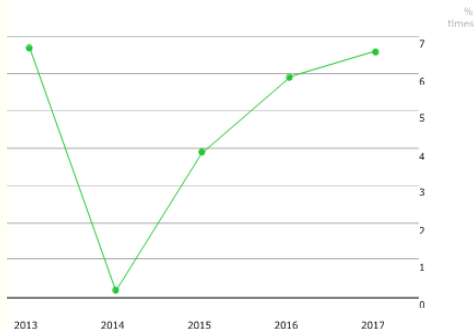
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net income per share(yen)	19.49	11.57	27.50	8.08	13.77	24.20	0.87	78.40	121.56	140.93
Cash dividends per share(yen)	7	7	7	7	7	7	7	35	37	40
Net assets per share(yen)	297.60	302.16	319.32	314.87	336.60	388.77	401.17	2027.20	2062.86	2227.02
Payout ratio(%)	35.9	60.5	25.5	86.6	50.8	28.9	802.6	44.6	30.4	28.4
Stock price(yen)	559	509	368	291	279	442	512	2,660	3,010	3,450

※On July 1, 2016, the Company carried out a share consolidation at a ratio of 1 share for 5 shares of the Company's common stock. Accordingly, values for the items noted below have been recalculated on the assumption that the share consolidation took place at the beginning of fiscal year 2015.  
 ・Profit per share ・Cash dividends per share ・Net assets per share ・Stock price

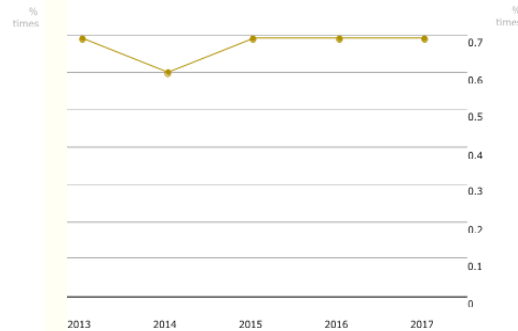
### ROA(%)



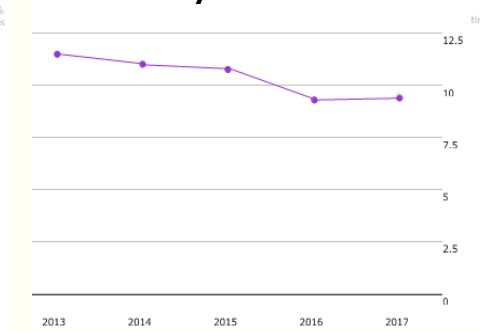
### ROE(%)



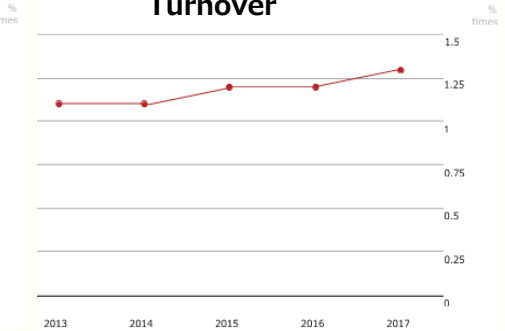
### Total Asset Turnover



### Inventory Turnover



### Tangible Fixed Asset Turnover



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
ROA(%)	1.4	0.9	2.2	0.6	0.9	1.6	0.1	1.0	1.5	1.7
ROE(%)	6.3	3.9	8.9	2.5	4.2	6.7	0.2	3.9	5.9	6.6
Total asset turnover(times)	0.5	0.5	0.5	0.6	0.7	0.7	0.6	0.7	0.7	0.7
Inventory turnover(times)	13.3	11.5	12.2	12.0	11.7	11.5	11.0	10.8	9.3	9.4
Tangible fixed asset turnover(times)	0.9	0.8	0.9	1.1	1.1	1.1	1.1	1.2	1.2	1.3

**Sapporo Holdings Limited**

**Head Office**

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150-8522, Japan

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Corporate Finance and Business Management Department  
Investor Relations Section  
Tel. +81-3-6859-2304 Fax.+81-3-5423-2061  
E-mail. [info@sapporoholdings.jp](mailto:info@sapporoholdings.jp)

**Date of Establishment**

September 1, 1949

**Founded**

1876

**Company Representative**

Masaki Oga  
President, Representative Director

**Business Description**

Holding Company

**Capital**

¥53,887 million

**Number of Shares Issued (As of Jun 30, 2018)**

78,794,298

\*On July 1,2016, the Company carried out a share consolidation at a ratio of 1 share for 5 shares of the Company's common stock.

**Security Code**

2501

**Securities Traded**

Common Stock  
Tokyo Stock Exchange, First Section

**Trading Unit**

100 shares

**Major Shareholders (As of Jun 30, 2018)**

\*Shareholding ratios are calculated after deduction of treasury stock.

Shareholders Name	Number of Shares (thousands)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,739	6.07
Japan Trustee Services Bank, Ltd. (Trust Account)	2,997	3.84
STATE STREET BANK AND TRUST COMPANY 505001	2,646	3.39
Trust & Custody Services bank, Ltd., as retirement benefit trust assets Mizuho Trust and banking Co., Ltd.	2,442	3.13
Nippon Life Insurance Company	2,237	2.87
Meiji Yasuda Life Insurance Company	2,236	2.87
The Norinchukin Bank	1,875	2.40
Marubeni Corporation	1,649	2.11
Trust & Custody Services bank, Ltd. as trustee for Mizuho Bank Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and banking Co., Ltd.	1,594	2.04
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1,412	1.81



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

