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.

Sapporo Group Companies by Geographic Area

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

**Main products**

<table>
<thead>
<tr>
<th>Domestic Businesses</th>
<th>Oversea Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Alcoholic Beverages</strong></td>
<td>Sleeman Breweries Ltd.</td>
</tr>
<tr>
<td><strong>Soft Drinks</strong></td>
<td>Anchor Brewing Co., LLC</td>
</tr>
<tr>
<td><strong>Foods</strong></td>
<td>Country Pure Foods, Inc.</td>
</tr>
<tr>
<td><strong>Restaurants</strong></td>
<td>Pokka Corporation (Singapore) Pte. Ltd.</td>
</tr>
<tr>
<td><strong>Real Estate</strong></td>
<td>Sapporo Lion (Singapore) Pte. Ltd.</td>
</tr>
</tbody>
</table>

**Sapporo Group**

- Sapporo Breweries Ltd.
- Pokka Sapporo Food & Beverages Ltd.
- Pokka Sapporo Food & Beverages Ltd.
- Sapporo Lion Ltd.
- Sapporo Real Estate Co., Ltd.
- Sleeman Breweries Ltd.
- Anchor Brewing Co., LLC
- Country Pure Foods, Inc.
- Pokka Corporation (Singapore) Pte. Ltd.
- Sapporo Vietnam Ltd.
- Sapporo U.S.A., Inc.
- Sapporo Lion (Singapore) Pte. Ltd.

**Sapporo U.S.A., Inc.**

**Pokka Corporation (Singapore) Pte. Ltd.**

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

**Sleeman Breweries Ltd.**

**Pokka Sapporo Food & Beverages Ltd.**

**Sapporo Lion (Singapore) Pte. Ltd.**

**Shinsyu-ichi Miso Ltd.**

**Sapporo U.S.A., Inc.**
Trend of Overseas Net Sales
Sales Breakdown by Geographic Area

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

2010 year
Overseas net sales
¥25.4 billion
(beer only)

2017 year
Overseas net sales
¥91.9 billion

Sales Breakdown by Geographic Area

North America: 72%
Asia: 20%
Others: 8%

Sales Breakdown by category

Beer: 71%
Soft drinks: 22%
Restaurants: 6%

Overseas net sales (excluding liquor tax) ratio

Overseas Net Sales
Domestic Net Sales
Overseas Net Sales to total

FY2017 Net sales breakdown by geographic area

Others: 1%
Asia: 56%
North America: 43%
<Korea-Beer business>
Sales alliance with Maeil Dairies

2006: made into subsidiary

<Canadian beer business>
FY2017 SLEEMAN Net sales
CA$ 363 millions
(before elimination of intra-company transactions)

2011: established a brewery in Vietnam
Promoting expansion in Southeast Asia

<Beer business>
Made into subsidiary Anchor Brewing

2010: Silver Spring Citrus
2015: Country Pure Foods
2018: Business integration SSC with CPF

<Restaurants business>
1 Ginza Lion restaurant

1984: established

<Soft drinks business>
1977: entered into Singapore
FY2017 Pokka Singapore group net sales
SG$ 256 millions
(before elimination of intra-company transactions)

<Restaurants business>
1 Ginza Lion restaurant

1977: entered into Singapore

<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

<Beer business>
2011: established a brewery in Vietnam
Promoting expansion in Southeast Asia

<Beer business>
2006: made into subsidiary

<U.S. beer business>
2017 Made into subsidiary

<U.S. beer business>
2006: made into subsidiary

<Canadian beer business>
FY2017 SLEEMAN Net sales
CA$ 363 millions
(before elimination of intra-company transactions)

<Restaurants business>
1 Ginza Lion restaurant

1984: established

<U.S. soft drinks business>
FY2017 Net sales of SSC+CPF
approx. US$ 260 millions
(before elimination of intra-company transactions)

2010: Silver Spring Citrus
2015: Country Pure Foods
2018: Business integration SSC with CPF

<Australia-beer business>
Production outsourced to Coopers

<Beer business>
2006: made into subsidiary

<U.S. beer business>
2017 Made into subsidiary

<Canadain beer business>
FY2017 SLEEMAN Net sales
CA$ 363 millions
(before elimination of intra-company transactions)

<Restaurants business>
1 Ginza Lion restaurant

<Beer business>
2006: made into subsidiary

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2006: made into subsidiary

<Beer business>
## Market Data by country & Sapporo Group Activities

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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 293.6 mn CA$
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

★ SLEEMAN Net Sales (before elimination of inter-company transactions) in local currency
Grew for the 11th consecutive years
CAGR 4.5%

★ Canada- Sales of beer by channel (2016)
Source: Euromonitor (Calculated by Sales Volume)

Off Premise 80%
On Premise 20%

★ Canada- Beer brand by price category

<table>
<thead>
<tr>
<th>Price Category</th>
<th>Brand</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIGH Import</td>
<td>Heineken, Corona</td>
<td>+15~25%</td>
</tr>
<tr>
<td>Premium</td>
<td>Unibroue, Sleeman, Okanagan Spring, Sapporo Premium</td>
<td>+10~20%</td>
</tr>
<tr>
<td>Main-Stream</td>
<td>Labatt, Molson</td>
<td>+0</td>
</tr>
<tr>
<td>LOW Value</td>
<td>Bush, Key stone, Old Milwaukee, Pabst Blue Ribbon</td>
<td>-20%</td>
</tr>
</tbody>
</table>

*Highlight in red: Our sales brand

Source: Euromonitor (Calculated by Sales Volume)
**America Beer Market Data**

**★ America- Market sizes (million litres)**
Source: Euromonitor (Calculated by Sales Volume)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>23,764</td>
<td>23,987</td>
<td>24,187</td>
<td>24,182</td>
<td>24,029</td>
</tr>
</tbody>
</table>

**★ America- Sales of beer by channel (2016)**
Source: Euromonitor (Calculated by Sales Volume)

- **On Premise**: 25%
- **Off Premise**: 75%

**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**

Grew for the 8th consecutive years

**Price Category**
- ★ HIGH Non-U.S.
  - Sapporo Premium
  - Corona
  - Heineken
- Craft
  - Anchor Steam
  - Samuel Adams
  - Sierra Nevada
- Super Premium
  - Michelob
  - Blue moon
  - Shock top
- Premium
  - Budweiser
  - Coors
  - Miller
- LOW Popular
  - Busch
  - Pabst
  - Highlife
  - Keystone

Source: Euromonitor (Calculated by Sales Volume)

*Highlight in red: Our sales brand

**Main Products**

**THE BEST-SELLING**

**ASIAN BEER IN AMERICA**

Distinctive 650ml can product
Nickname “Silver Cup”

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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

“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.
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 Share 20%   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

★ Production bases

- Akron, Ohio
- Houston, Texas
- Ellington, Connecticut
- De Land, Florida
- Orlando, Florida
- Howey in the Hills, Florida

★ Main Products

Healthy menu options for student in the cafeteria

COUNTRY PURE FOODS, INC.
Integrated in Apr 2018

★ 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

![Graph showing SSC+CPF Net Sales](image)

- SSC (US$ millions): 117, 124, 114, 122, 127, 162, 170
- CPF (US$ millions): 100, 91

SSC+CPF Net Sales (before elimination of inter-company transactions)
Integrated in Apr 2018

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

Healthy menu options for student in the cafeteria

Smooth-Frozen® 100% Juice

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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 supply chain 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 Beer Market Data

- **Vietnam- Beer Market sizes (million litres)**
  - Source: Euromonitor (Calculated by Sales Volume)
  - 2013: 3,038
  - 2014: 3,152
  - 2015: 3,364
  - 2016: 3,644
  - 2017: 3,917

- **Vietnam- Sales of beer by channel (2016)**
  - Source: Euromonitor (Calculated by Sales Volume)
  - On-Premise: 70%
  - Off-Premise: 30%

- **Vietnam- Beer brand by price category**
  - **Price Category**: HIGH Premium, Mainstream, LOW Economy
  - **Brand**: Sapporo Premium, Heineken, Budweiser, Corona, Blue cap, Tiger, Saigon Special, Saigon beer, Hanoi beer, Huda, Larue
  - **Difference**: 100円~, 70円~, 40円~

- **Vietnam- Y-o-y change in domestic sales volume**
  - 2011: 3,038
  - 2012: 3,152
  - 2013: 3,364
  - 2014: 3,644
  - 2015: 3,917
  - 2016: 4,230
  - 2017: 4,571

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  - **Difference**: 100円~, 70円~, 40円~

*Highlight in red: Our sales brand*
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 Soft drinks Market data

Sales of soft drinks by category (2017)
Source: Euromonitor (Calculated by Sales Volume)

Sales composition in 2017

Within Singapore
58%

Export
42%

Exporting Products to 60 Countries

SG$ million

Pokka Corporation
51%

Pokka Corporation
Market share of TEA category in Singapore in 2017

Off Premise share 51% No.1

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

Singapore Soft drinks market sizes (million litres)
Source: Euromonitor (Calculated by Sales Volume)

Pokka Corporation Net Sales (SG$ Million)

218

209

2016

2017

Singapore Sales of soft drinks by category (2017)

Source: Euromonitor (Calculated by Sales Volume)

Water
19%

Tea
28%

Juice
19%

Carbonates
26%

Others
8%

Source: Euromonitor (Calculated by Sales Volume)
Singapore Beer Market data

- **Singapore Beer Market data (million litres)**
  
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<td>126</td>
<td>128</td>
<td>130</td>
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</tbody>
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  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

- **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
  
  **Indonesia**
  
  **PT.POKKA DIMA INTERNATIONAL**
  
  - Local subsidiary: PT.POKKA DIMA INTERNATIONAL (Joint venture with PT DIMA INDONESIA)
  - 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
  
  **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

- **SAPPORO LION (SINGAPORE) PTE. LTD.**
  
  - 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
  - Business field: Operating beer halls and restaurants, Production and sales of cake

Ginza Lion Beer Hall in Singapore
**Korea Beer Market Data**

★ Korea- Beer market sizes (million litres)

Source: Euromonitor (Calculated by Sales Volume)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,034</td>
<td>2,094</td>
<td>2,144</td>
<td>2,135</td>
<td>2,197</td>
</tr>
</tbody>
</table>

★ Korea- Import beer market sizes (KWR billions)

Source: Euromonitor (Calculated by Sales Volume)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>854</td>
<td>986</td>
<td>1,478</td>
<td>1,979</td>
<td>2,777</td>
</tr>
</tbody>
</table>

**Australia Beer Market Data**

★ Australia- Beer market sizes (million litres)

Source: Euromonitor (Calculated by Sales Volume)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,837</td>
<td>1,833</td>
<td>1,842</td>
<td>1,875</td>
<td>1,902</td>
</tr>
</tbody>
</table>

★ Australia- Import beer market sizes (AUD billions)

Source: Euromonitor (Calculated by Sales Volume)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,914</td>
<td>3,353</td>
<td>3,665</td>
<td>4,002</td>
<td>4,380</td>
</tr>
</tbody>
</table>

**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

**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)

<table>
<thead>
<tr>
<th>Year</th>
<th>Beer</th>
<th>Happoshu</th>
<th>New-genre</th>
<th>Beer-type beverages total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
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<tr>
<td>2015</td>
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</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Brewers Association of Japan

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Beer</th>
<th>Happoshu</th>
<th>New-genre</th>
<th>Beer-type beverages total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Brewers Association of Japan

★ Japan - Comparison of the liquor tax by category

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Happoshu</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New-genre</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6%</td>
<td>14%</td>
<td>14%</td>
<td>14%</td>
<td>13%</td>
<td>51%</td>
</tr>
<tr>
<td>36%</td>
<td>36%</td>
<td>35%</td>
<td>35%</td>
<td>36%</td>
<td></td>
</tr>
</tbody>
</table>

Source: National tax agency

★ Japan - Retail Price Breakdown

<table>
<thead>
<tr>
<th>Category</th>
<th>Price (yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beer (350ml)</td>
<td>221</td>
</tr>
<tr>
<td>Low-malt beer (350ml)</td>
<td>164</td>
</tr>
<tr>
<td>New-genre (350ml)</td>
<td>143</td>
</tr>
</tbody>
</table>

Source: Brewers Association of Japan, Sapporo

Note: Based on typical retail price at convenience stores. Consumption tax amounts are calculated using 8%

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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, Winery 2

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

★ Sapporo- Total taxed shipments volume of beer-type beverages
(thousand of cases)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beer/Happoshu/New-genre</td>
<td>20,000</td>
<td>25,000</td>
<td>30,000</td>
<td>35,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Beer</td>
<td>10,000</td>
<td>15,000</td>
<td>20,000</td>
<td>25,000</td>
<td>30,000</td>
</tr>
</tbody>
</table>

★ Sapporo- Composition of taxed shipments by product category

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beer</td>
<td>44%</td>
<td>44%</td>
<td>45%</td>
<td>41%</td>
<td>39%</td>
<td>38%</td>
</tr>
<tr>
<td>Happoshu/New-genre</td>
<td>56%</td>
<td>56%</td>
<td>55%</td>
<td>59%</td>
<td>61%</td>
<td>62%</td>
</tr>
</tbody>
</table>

★ 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

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

<table>
<thead>
<tr>
<th>Container Type</th>
<th>2017 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bottle</td>
<td>12%</td>
</tr>
<tr>
<td>Can</td>
<td>50%</td>
</tr>
<tr>
<td>Keg</td>
<td>38%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Container Type</th>
<th>2017 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bottle</td>
<td>7%</td>
</tr>
<tr>
<td>Can</td>
<td>67%</td>
</tr>
<tr>
<td>Keg</td>
<td>26%</td>
</tr>
</tbody>
</table>

**Sapporo** - Sales trend of 3 core brands (Sales volume) (thousand of cases)

<table>
<thead>
<tr>
<th>Year</th>
<th>Black Label Brand</th>
<th>Ebisu</th>
<th>Mugi to Hop Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Happoshu + new genre** (sales volume)
- Jan-Dec down 8%
  - (total demand down 2%)
- Mugi 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** - Y-o-y change in sales volume of 3 core brands
Ebisu, Black label and Mugi to Hop (thousand of cases)

**Beer lineup (Jan – Dec breakdown)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Black Label</th>
<th>Ebisu</th>
<th>Mugi to Hop</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>14%</td>
<td>55%</td>
<td>31%</td>
</tr>
</tbody>
</table>

**Sapporo** - Beer type beverages category
Composition of taxed shipments by sales channel (Sales volume)

<table>
<thead>
<tr>
<th>Sales Channel</th>
<th>2017 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-trade</td>
<td>32%</td>
</tr>
<tr>
<td>Off-trade</td>
<td>68%</td>
</tr>
</tbody>
</table>

**Sapporo** - Beer category
Composition of taxed shipments by sales channel (Sales volume)

<table>
<thead>
<tr>
<th>Sales Channel</th>
<th>2017 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-trade</td>
<td>50%</td>
</tr>
<tr>
<td>Off-trade</td>
<td>50%</td>
</tr>
</tbody>
</table>
Sapporo - Net Sales of Beer and Beer type beverages (incl. liquor tax)

<table>
<thead>
<tr>
<th>Year</th>
<th>Beer</th>
<th>Happoshu/New-genre</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>72.5</td>
<td>81.6</td>
</tr>
<tr>
<td>2012</td>
<td>75.6</td>
<td>158</td>
</tr>
<tr>
<td>2013</td>
<td>75.3</td>
<td>159.7</td>
</tr>
<tr>
<td>2014</td>
<td>79.3</td>
<td>157.6</td>
</tr>
<tr>
<td>2015</td>
<td>70.6</td>
<td>159.3</td>
</tr>
<tr>
<td>2016</td>
<td>65</td>
<td>167.2</td>
</tr>
<tr>
<td>2017</td>
<td>59.5</td>
<td>170.9</td>
</tr>
</tbody>
</table>

Sapporo - Sales Breakdown by category in 2017

- **Beer**: 61%
- **Happoshu/New-genre**: 21%
- **Wine and Spirits**: 8%
- **Japanese Liquor**: 4%
- **RTD/Non-alcoholic drink**: 6%

**Total Sales**: ¥278.6 billion

Sapporo - Sales trend by category

- **Wine**
  - 2011: ¥6.6 billion
  - 2012: ¥7.1 billion
  - 2013: ¥7.7 billion
  - 2014: ¥8.3 billion
  - 2015: ¥8.2 billion
  - 2016: ¥8.5 billion
  - 2017: ¥8.5 billion

- **Spirits**
  - 2011: ¥2.2 billion
  - 2012: ¥4.8 billion
  - 2013: ¥5.7 billion
  - 2014: ¥5.7 billion
  - 2015: ¥5.9 billion
  - 2016: ¥6.9 billion
  - 2017: ¥7.7 billion

- **Japanese Liquor**
  - 2011: ¥8.5 billion
  - 2012: ¥11.4 billion
  - 2013: ¥13.3 billion
  - 2014: ¥14.7 billion
  - 2015: ¥14.6 billion
  - 2016: ¥15.8 billion
  - 2017: ¥16.4 billion

- **RTD/Non-alcoholic drink**
  - 2011: ¥1.9 billion
  - 2012: ¥3.2 billion
  - 2013: ¥3.2 billion
  - 2014: ¥4.5 billion
  - 2015: ¥4.3 billion
  - 2016: ¥5.1 billion
  - 2017: ¥7.0 billion
Sales of Sapporo Draft Beer Black Label grew for the 3rd consecutive year!

Sapporo draft Beer Black Label

Each brand saw sales increase thanks to strengthening of beer!

Sapporo Lager Beer

Edelpils

15 consecutive years of sales increase!

Premium White Shirohonoka

Since launch, 10 consecutive years of sales increase!

Fuumisokainishite (Niigata)

3 consecutive years of sales increase!

Shizuoka Bakushu (Shizuoka)

Since launch, 4 consecutive years of sales increase!

★ Sapporo - Beer trends

<Strong trend led by cans>

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

Comparison by user age group

Good brand symbol, logo

Source: SCI - M composition ratio by age group

Source: Sapporo study

Target: all age groups

Ratio when 2011 is set as 1.0

6 consecutive years of sales increase of bottled products!

Since launch, consecutive years of sales increase!

<!-- Additional content -->
Japan Soft Drinks Market Data

Japan Soft Drinks Market Data

★ Japan Soft drinks market sizes (million litres)
Source: Euromonitor
(Calculated by Sales Volume)

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Size (million litres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>22,552</td>
</tr>
<tr>
<td>2014</td>
<td>22,279</td>
</tr>
<tr>
<td>2015</td>
<td>22,775</td>
</tr>
<tr>
<td>2016</td>
<td>23,179</td>
</tr>
<tr>
<td>2017</td>
<td>23,375</td>
</tr>
</tbody>
</table>

★ Japan Composition of Soft Drinks Market by category (2017)
Source: Inryoshoken- Soft drinks market data
(Calculated by Sales Volume)

- Coffee 20%
- Tea 28%
- Bottle water 14%
- Carbonated drinks 15%
- Others 23%

★ Japan Composition of Soft Drinks Market by sales channel (2017)
Source: Inryoshoken- Soft drinks market data
(Calculated by Sales Volume)

- Vending machine 28%
- Retailer 72%

★ Japan Composition of Soft Drinks Market by container (2017)
Source: Inryoshoken- Soft drinks market data
(Calculated by Sales Volume)

- PET 67%
- Can 26%
- Others 7%
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
- Jan. 1957 Established Kokusai iryo 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
- Mar. 2011 Acquired 86.76% of the share of POKKA CORPORATION

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
- 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.

**Sales of Food & Soft drinks**
※ April 2011 Consolidation of POKKA CORPORATION

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic</th>
<th>Oversea</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>52.2</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>36.8</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>30.7</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>33.9</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>108</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>129</td>
<td>130.6</td>
</tr>
<tr>
<td>2013</td>
<td>133.4</td>
<td>135.6</td>
</tr>
<tr>
<td>2014</td>
<td>137.9</td>
<td>137.8</td>
</tr>
<tr>
<td>2015</td>
<td>137.8</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>138.1</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>137.8</td>
<td></td>
</tr>
</tbody>
</table>

**Pokka Sapporo**
Sales composition in 2017 (Sales Volume)
- Domestic 85%
- Oversea 15%

- Main Products
  - Lemon based favor products (Food & Soft drinks)
  - Soft drinks
  - Soups
  - Soybeans and Chilled Products

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★ 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

★ Pokka Sapporo (within Japan)
Sales consumption by category

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

45.51 Million cases

Tea 24%
Carbonated drinks 15%
Lemon favor drinks 15%
Bottle water 5%
Others 20%
Coffee 21%

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

¥90.1 Billion

Soft drinks 75%
Retailers 53%
Vending Machine 47%

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

★ Japan- Sales breakdown by category of Soup market in 2017
Source: Intage SRI/Soup market 2017/Sales Value

- Sales Volume of Instant soup+ Cup soup: ¥92.4 billion
- Y-o-Y growth: Up 4.2%
- Market share: 14.8%

★ Pokka Sapporo activities

- Instant soup+ Cup soup share in 2017
Source: Intage SRI/Instant Soup market 2017/Sales Value

- Sales Volume: ¥57.8 billion
- Y-o-Y growth: Up 15.2%
- Market share: 28%

- Instant canned soup share in 2017
Source: Intage SRI/Instant Canned Soup market 2017/Sales Value

- Sales Volume: ¥34.6 billion
- Y-o-Y growth: Up 2.6%
- Market share: 84.3%

- Production base: 3 Factory (Nagoya, Gunma, Iwata)

★ Pokka Sapporo

- 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 billion
- Y-o-Y growth: Up 2.6%
- Market share: 84.3%

- Production base: Nagoya factory

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

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

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

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the fiscal year end date</td>
<td>210,078</td>
<td>207,864</td>
<td>197,666</td>
<td>201,763</td>
<td>200,001</td>
</tr>
<tr>
<td>Fair value at the fiscal year end date</td>
<td>337,771</td>
<td>348,237</td>
<td>357,395</td>
<td>389,101</td>
<td>397,581</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yebisu Garden Place</td>
<td>93.0</td>
<td>82.0</td>
<td>92.0</td>
<td>99.0</td>
<td>98.0</td>
</tr>
<tr>
<td>Ebisu First Square</td>
<td>*0.0</td>
<td>23.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>(formerly Seiwa Ebisu Building)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ebisu Square</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>95.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Ginza Place</td>
<td>*74.0</td>
<td>*14.0</td>
<td>*0.0</td>
<td>*0.0</td>
<td>99.0</td>
</tr>
<tr>
<td>(formerly Sapporo Ginza Building)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strata Ginza</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*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

<table>
<thead>
<tr>
<th><strong>YEBISU GARDEN PLACE</strong></th>
<th><strong>SAPPORO FACTORY</strong></th>
<th><strong>GINZA PLACE</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(The former site of Sapporo Breweries’ Ebisu Brewery)</strong></td>
<td><strong>(The former site of Sapporo Breweries’ Sapporo Brewery)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Address</strong></td>
<td>Kita 2 Jo Higashi 4-chome, Chuo-ku, Sapporo-shi, Hokkaido</td>
<td>Address</td>
</tr>
<tr>
<td></td>
<td><strong>Site area</strong></td>
<td><strong>Site area</strong></td>
</tr>
<tr>
<td></td>
<td>Approx. 47,000㎡ (14,300 tsubo)</td>
<td>Approx. 47,800,000㎡ (144,600 tsubo)</td>
</tr>
<tr>
<td></td>
<td><strong>Building area</strong></td>
<td><strong>Building area</strong></td>
</tr>
<tr>
<td></td>
<td>Approx. 32,400㎡ (9,600 tsubo)</td>
<td>Approx. 160,000㎡ (48,400 tsubo)</td>
</tr>
<tr>
<td></td>
<td><strong>Floor area</strong></td>
<td><strong>Floor area</strong></td>
</tr>
<tr>
<td></td>
<td>Approx. 32,400㎡ (9,800 tsubo)</td>
<td>Approx. 160,000㎡ (48,400 tsubo)</td>
</tr>
<tr>
<td></td>
<td><strong>No. of floors</strong></td>
<td><strong>No. of floors</strong></td>
</tr>
<tr>
<td></td>
<td>11 floors above ground, 2 below</td>
<td>11 floors above ground, 2 below</td>
</tr>
<tr>
<td></td>
<td><strong>Opened</strong></td>
<td><strong>Opened</strong></td>
</tr>
<tr>
<td><strong>Yebisu Garden Place-related)</strong></td>
<td><strong>Hokkaido-related</strong></td>
<td><strong>Other properties, projects including Ginza Place</strong></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td><strong>EBITDA</strong></td>
<td><strong>EBITDA</strong></td>
</tr>
<tr>
<td>¥1.7 billion</td>
<td>¥10.9 billion</td>
<td>¥4.8 billion</td>
</tr>
<tr>
<td>Up 11% Y-o-Y</td>
<td>Up 1% Y-o-Y</td>
<td>Up 43% Y-o-Y</td>
</tr>
</tbody>
</table>

### 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** | 8 floors above ground, 1 below |
| **Completed** | Jun. 1994 |
| **Use** | Office |

### EBISU SQUARE

| **Address** | 23-23, Ebisu 1-chome, Shibuya-ku, Tokyo |
| **Site area** | 1,561㎡ |
| **Floor area** | 8,644㎡ |
| **No. of floors** | 8 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 |

★Commercial complexes

* Sapporo owns 922㎡ of the site (sectional ownership) and 89.72% of the building

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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)

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
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 170
New Sanko 9
Marushinkawamura 16
Singapore 12

As of Jun 30, 2018
207 outlets

★Sapporo Lion outlets
As of Jun 30, 2018

Tokyou Metropolitan
Kanto (incl.Tokyo)
Hokkaido
Tohoku
Nagoya
Kansai
Others

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

Sapporo Lion 170
207 outlets

★Sapporo Lion outlets
As of Jun 30, 2018

Tokyou Metropolitan
Kanto (incl.Tokyo)
Hokkaido
Tohoku
Nagoya
Kansai
Others

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

★Sapporo Lion Ltd.
Trend of net sales and number of outlet

Billion of yen

Outlet
0 5 10 15 20 25 30
100 150 200

2013 2014 2015 2016 2017

Net sales
Net sales
No. of outlets
No. of outlets

100% 100.1% 102.5% 101.2% 102.6%
100.3% 100.7% 101.0% 101.3%

98% 96.5% 94.3% 92.8% 99.0%
99.8% 93.6% 93.3% 96.6%

90% 96% 98% 100% 102%
92% 94% 96% 100% 102%

Source: Japan Food Service association

As of Jun 30, 2018

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.”

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Coffee shops market growth rate : +1.6%
(Source : Japan Food Service association)

*Year on year data are based on the questionnaire for member of Japan Food Service association.
Main outlets
★ Beer Hall Lion Ginza 7-Chome

Opened in 1934
Oldest existing beer hall in Japan

★ Yebisu bar
Specializing in Yebisu beer under the concept “ALL FOR YEBISU”.

★ New Sanco
Otaru outlet

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

★ Kushiro
KITTE Marunouchi outlet

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

<Outlet interior>
* 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”

★ Trends of net sales and number CAFÉ de CRIÉ outlets

Trends of net sales and number CAFÉ de CRIÉ outlets

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales (Billion JPY)</th>
<th>No. of outlets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>7.1</td>
<td>170</td>
</tr>
<tr>
<td>2014</td>
<td>7.4</td>
<td>185</td>
</tr>
<tr>
<td>2015</td>
<td>7.7</td>
<td>189</td>
</tr>
<tr>
<td>2016</td>
<td>8.2</td>
<td>190</td>
</tr>
<tr>
<td>2017</td>
<td>8.6</td>
<td>196</td>
</tr>
</tbody>
</table>

As of Jun 30, 2018
- East Japan: 52 outlets
- Central Japan: 39 outlets
- West Japan: 96 outlets
- Directory operated: 107 outlets
- FC: 112 outlets
③ Financial Data

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

**Japanese Alcoholic Beverages**

- **Achieve continuous growth**
- **Enhance brand strength**
- **Wine business will become a second core business**

<table>
<thead>
<tr>
<th>Category</th>
<th>2017 Net sales (bn yen)</th>
<th>2017 Operating income (bn yen)</th>
<th>2017 EBITDA (bn yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alcohol</td>
<td>¥278.6</td>
<td>¥160.4</td>
<td>¥11.8</td>
</tr>
<tr>
<td>EBITDA</td>
<td>¥19.4</td>
<td></td>
<td>12.1%</td>
</tr>
</tbody>
</table>

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.

**International**

- **Achieve continuous growth**
- **Enhance brand strength**
- **Produce results in investment business Capture growth opportunities**

<table>
<thead>
<tr>
<th>Category</th>
<th>2017 Net sales (bn yen)</th>
<th>2017 Operating income (bn yen)</th>
<th>2017 EBITDA (bn yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food &amp; Drinks</td>
<td>¥69.8</td>
<td>¥13.7</td>
<td>¥2.6</td>
</tr>
<tr>
<td>EBITDA</td>
<td>¥3.6</td>
<td></td>
<td>5.2%</td>
</tr>
</tbody>
</table>

**Food & Soft Drinks**

- **Achieve continuous growth**
- **Enhance brand strength**
- **Produce results in investment business Capture growth opportunities**

<table>
<thead>
<tr>
<th>Category</th>
<th>2017 Net sales (bn yen)</th>
<th>2017 Operating income (bn yen)</th>
<th>2017 EBITDA (bn yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurants</td>
<td>¥29.1</td>
<td>¥6.0</td>
<td>¥0.3</td>
</tr>
<tr>
<td>EBITDA</td>
<td>¥15.6</td>
<td></td>
<td>3.1%</td>
</tr>
</tbody>
</table>

- 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.

**Restaurants**

- **Achieve continuous growth**
- **Enhance brand strength**
- **Improve profitability**

<table>
<thead>
<tr>
<th>Category</th>
<th>2017 Net sales (bn yen)</th>
<th>2017 Operating income (bn yen)</th>
<th>2017 EBITDA (bn yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate</td>
<td>¥24.1</td>
<td>¥11.2</td>
<td>¥0.9</td>
</tr>
<tr>
<td>EBITDA</td>
<td></td>
<td></td>
<td>64.7%</td>
</tr>
</tbody>
</table>

- Japan’s largest beer hall chains, GINZA LION and YEBISU BAR, along with various restaurants. In addition to providing delicious craft 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.

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

- **Net sales: ¥551.5bn yen**
- **Net sales (excl. liquor tax): ¥433.2bn yen**
- **Operating income: ¥17.0bn yen**
- **EBITDA: ¥20.9bn yen**
- **EBITDA margin (excl. liquor tax): 10.2%**

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

- **EBITDA: ¥48.3bn yen**
### Financial Data (Profit and Loss Trends)

#### Net Sales

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (including tax)</td>
<td>414,558</td>
<td>387,534</td>
<td>389,244</td>
<td>449,452</td>
<td>492,490</td>
<td>509,834</td>
<td>518,740</td>
<td>532,748</td>
<td>541,847</td>
<td>551,549</td>
</tr>
<tr>
<td>Net sales (excluding tax)</td>
<td>284,411</td>
<td>264,604</td>
<td>269,874</td>
<td>336,837</td>
<td>379,792</td>
<td>395,377</td>
<td>401,813</td>
<td>418,319</td>
<td>424,059</td>
<td>433,260</td>
</tr>
<tr>
<td>Cost of sales (millions of yen)</td>
<td>288,146</td>
<td>267,690</td>
<td>261,211</td>
<td>286,678</td>
<td>311,137</td>
<td>329,605</td>
<td>336,388</td>
<td>352,808</td>
<td>352,420</td>
<td>358,572</td>
</tr>
<tr>
<td>Selling, general and administrative expenses (millions of yen)</td>
<td>111,726</td>
<td>106,947</td>
<td>112,629</td>
<td>143,890</td>
<td>164,958</td>
<td>164,884</td>
<td>167,623</td>
<td>166,990</td>
<td>169,159</td>
<td>175,943</td>
</tr>
<tr>
<td>Operating income (millions of yen)</td>
<td>14,685</td>
<td>12,895</td>
<td>15,403</td>
<td>14,883</td>
<td>14,414</td>
<td>15,344</td>
<td>14,728</td>
<td>13,950</td>
<td>20,267</td>
<td>17,032</td>
</tr>
<tr>
<td>Ordinary income (millions of yen)</td>
<td>10,526</td>
<td>10,725</td>
<td>13,282</td>
<td>16,870</td>
<td>13,689</td>
<td>15,130</td>
<td>14,565</td>
<td>13,211</td>
<td>19,202</td>
<td>16,410</td>
</tr>
<tr>
<td>EBITDA (millions of yen)</td>
<td>37,157</td>
<td>36,469</td>
<td>39,080</td>
<td>46,476</td>
<td>44,099</td>
<td>44,388</td>
<td>42,974</td>
<td>42,327</td>
<td>45,629</td>
<td>44,558</td>
</tr>
<tr>
<td>Profit attributable to owners of parent (millions of yen)</td>
<td>7,640</td>
<td>4,535</td>
<td>10,772</td>
<td>3,164</td>
<td>5,393</td>
<td>9,451</td>
<td>340</td>
<td>6,108</td>
<td>9,469</td>
<td>10,977</td>
</tr>
</tbody>
</table>

#### Net Sales (excluding Liquor tax)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<td>401,813</td>
<td>418,319</td>
<td>424,059</td>
<td>433,260</td>
</tr>
</tbody>
</table>

#### Overseas Sales Ratio (excluding Liquor tax)

| Overseas sales ratio (%)      | 8.8        | 8.5        | 9.4        | 11.0       | 14.1       | 18.3       | 19.2       | 22.6       | 20.5       | 21.2       |

#### Operating Income

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<tbody>
<tr>
<td>Operating income margin (%)</td>
<td>5.2</td>
<td>4.9</td>
<td>5.7</td>
<td>5.6</td>
<td>3.8</td>
<td>3.9</td>
<td>3.7</td>
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<td>4.8</td>
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</table>

#### Ordinary Income

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</tr>
</thead>
<tbody>
<tr>
<td>Ordinary income (millions of yen)</td>
<td>10,526</td>
<td>10,725</td>
<td>13,282</td>
<td>16,870</td>
<td>13,689</td>
<td>15,130</td>
<td>14,565</td>
<td>13,211</td>
<td>19,202</td>
<td>16,410</td>
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#### Profit attributable to owners of parent

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</thead>
<tbody>
<tr>
<td>Profit attributable to owners of parent (millions of yen)</td>
<td>7,640</td>
<td>4,535</td>
<td>10,772</td>
<td>3,164</td>
<td>5,393</td>
<td>9,451</td>
<td>340</td>
<td>6,108</td>
<td>9,469</td>
<td>10,977</td>
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</table>

#### EBITDA

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</tr>
</thead>
<tbody>
<tr>
<td>EBITDA (millions of yen)</td>
<td>37,157</td>
<td>36,469</td>
<td>39,080</td>
<td>46,476</td>
<td>44,099</td>
<td>44,388</td>
<td>42,974</td>
<td>42,327</td>
<td>45,629</td>
<td>44,558</td>
</tr>
</tbody>
</table>

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

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### Financial Data (Financial Condition)

---|---|---|---|---|---|---|---|---|---|---
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 | 145,366 | 160,004 | 163,822 | 166,380 | 177,662
Total current assets (millions of yen) | 404,596 | 385,061 | 421,766 | 459,377 | 469,416 | 469,066 | 469,066 | 464,023 | 462,168 | 461,778
Total fixed assets (millions of yen) | 397,868 | 404,596 | 385,061 | 421,766 | 459,377 | 469,066 | 469,066 | 464,023 | 462,168 | 461,778
Total current liabilities (millions of yen) | 219,720 | 219,032 | 201,109 | 213,418 | 219,543 | 234,077 | 247,828 | 247,556 | 234,741 | 233,588
Total fixed 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.

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### Net Sales by Segment

**Net Sales:**
- Japanese Alcoholic Beverages
- International
- Food & Soft Drinks
- Restaurants
- Real Estate

**Composition:**
- Japanese Alcoholic Beverages (excl. liquor tax)
- International
- Food & Soft Drinks
- Restaurants
- Real Estate

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</tr>
</thead>
<tbody>
<tr>
<td>Sales-Alcoholic beverages(Including tax)(millions of yen)</td>
<td>324,720</td>
<td>305,495</td>
<td>304,715</td>
<td>294,077</td>
<td>306,068</td>
<td>323,125</td>
<td>330,704</td>
<td>344,153</td>
<td>344,877</td>
<td>348,529</td>
</tr>
<tr>
<td>Sales-Japanese Alcoholic beverages(Including tax)*2(millions of yen)</td>
<td>-</td>
<td>279,329</td>
<td>268,189</td>
<td>269,947</td>
<td>274,909</td>
<td>274,909</td>
<td>251,031</td>
<td>273,651</td>
<td>279,476</td>
<td>278,692</td>
</tr>
<tr>
<td>Sales-International*2(millions of yen)</td>
<td>-</td>
<td>25,386</td>
<td>25,888</td>
<td>36,121</td>
<td>48,215</td>
<td>49,672</td>
<td>70,501</td>
<td>65,400</td>
<td>69,837</td>
<td>29,140</td>
</tr>
<tr>
<td>Sales-Food &amp; Soft drinks(millions of yen)</td>
<td>36,848</td>
<td>30,745</td>
<td>33,837</td>
<td>108,060</td>
<td>129,017</td>
<td>26,429</td>
<td>28,026</td>
<td>26,827</td>
<td>27,143</td>
<td>27,004</td>
</tr>
<tr>
<td>Sales-Restaurants(millions of yen)</td>
<td>29,537</td>
<td>28,026</td>
<td>26,429</td>
<td>24,091</td>
<td>26,621</td>
<td>26,827</td>
<td>27,143</td>
<td>27,004</td>
<td>28,120</td>
<td>29,140</td>
</tr>
<tr>
<td>Sales-Real estate(millions of yen)</td>
<td>23,451</td>
<td>23,266</td>
<td>23,537</td>
<td>22,468</td>
<td>23,217</td>
<td>22,767</td>
<td>21,509</td>
<td>20,872</td>
<td>22,900</td>
<td>24,134</td>
</tr>
<tr>
<td>Sales-Others(millions of yen)</td>
<td>-</td>
<td>624</td>
<td>755</td>
<td>7,565</td>
<td>6,442</td>
<td>5,944</td>
<td>6,048</td>
<td>8,031</td>
<td>11,845</td>
<td>-</td>
</tr>
<tr>
<td>Sales share-Alcoholic beverages(Excluding tax)(%)</td>
<td>68.4</td>
<td>69.0</td>
<td>68.7</td>
<td>53.9</td>
<td>52.1</td>
<td>52.8</td>
<td>53.4</td>
<td>54.7</td>
<td>53.6</td>
<td>53.1</td>
</tr>
<tr>
<td>Sales share-Japanese Alcoholic beverages(Excluding tax)(%)</td>
<td>-</td>
<td>59.3</td>
<td>46.2</td>
<td>42.6</td>
<td>40.6</td>
<td>41.0</td>
<td>37.8</td>
<td>38.1</td>
<td>37.0</td>
<td></td>
</tr>
<tr>
<td>Sales share-International(%)</td>
<td>-</td>
<td>9.4</td>
<td>7.7</td>
<td>9.5</td>
<td>12.2</td>
<td>12.4</td>
<td>16.9</td>
<td>15.4</td>
<td>16.1</td>
<td></td>
</tr>
<tr>
<td>Sales share-Food &amp; Soft drinks(%)</td>
<td>13.0</td>
<td>11.6</td>
<td>12.6</td>
<td>32.1</td>
<td>34.8</td>
<td>33.0</td>
<td>32.4</td>
<td>32.5</td>
<td>31.8</td>
<td></td>
</tr>
<tr>
<td>Sales share-Restaurants(%)</td>
<td>10.4</td>
<td>10.6</td>
<td>9.8</td>
<td>7.2</td>
<td>6.7</td>
<td>6.8</td>
<td>6.8</td>
<td>6.5</td>
<td>6.6</td>
<td>6.7</td>
</tr>
<tr>
<td>Sales share-Real estate(%)</td>
<td>8.2</td>
<td>8.8</td>
<td>8.7</td>
<td>6.7</td>
<td>6.1</td>
<td>5.8</td>
<td>5.4</td>
<td>5.0</td>
<td>5.4</td>
<td>5.6</td>
</tr>
<tr>
<td>Sales share-Others(%)</td>
<td>-</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>1.6</td>
<td>1.5</td>
<td>1.4</td>
<td>1.9</td>
<td>2.7</td>
<td></td>
</tr>
</tbody>
</table>

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

---

**Net Sales - Japanese Alcoholic Beverages**

- 2008: 324,720
- 2009: 305,495
- 2010: 304,715
- 2011: 294,077
- 2012: 306,068
- 2013: 323,125
- 2014: 330,704
- 2015: 344,153
- 2016: 344,877
- 2017: 348,529

**Net Sales - Food & Soft Drinks**

- 2008: 36,848
- 2009: 30,745
- 2010: 33,837
- 2011: 108,060
- 2012: 129,017
- 2013: 26,429
- 2014: 28,026
- 2015: 26,827
- 2016: 27,143
- 2017: 27,004

**Net Sales - Restaurants**

- 2008: 29,537
- 2009: 28,026
- 2010: 26,429
- 2011: 24,091
- 2012: 26,621
- 2013: 26,827
- 2014: 27,143
- 2015: 27,004
- 2016: 28,120
- 2017: 29,140

**Net Sales - Real Estate**

- 2008: 23,451
- 2009: 23,266
- 2010: 23,537
- 2011: 22,468
- 2012: 23,217
- 2013: 22,767
- 2014: 21,509
- 2015: 20,872
- 2016: 22,900
- 2017: 24,134
### 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 (Line)**

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

- **Operating Income**
- **OP Margin (Line)**

### Operating Income & OP Margin - Restaurants

- **Operating Income**
- **OP Margin (Line)**

### Operating Income & OP Margin - Real Estate

- **Operating Income**
- **OP Margin (Line)**

### Financial Data (Segment Information)

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</tr>
</thead>
<tbody>
<tr>
<td>Operating income-Alcoholic beverages (Excluding tax)(millions of yen)</td>
<td>8,610</td>
<td>8,176</td>
<td>9,787</td>
<td>9,682</td>
<td>7,448</td>
<td>11,109</td>
<td>10,365</td>
<td>8,789</td>
<td>12,652</td>
<td>10,553</td>
</tr>
<tr>
<td>Operating income-Japanese Alcoholic beverages*2 (millions of yen)</td>
<td>-</td>
<td>-</td>
<td>9,290</td>
<td>9,304</td>
<td>7,522</td>
<td>9,901</td>
<td>10,192</td>
<td>8,635</td>
<td>11,745</td>
<td>11,767</td>
</tr>
<tr>
<td>Operating income-International*2(millions of yen)</td>
<td>-</td>
<td>-</td>
<td>497</td>
<td>378</td>
<td>-73</td>
<td>1,208</td>
<td>172</td>
<td>154</td>
<td>906</td>
<td>-1,214</td>
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<tr>
<td>Operating income-Food &amp; Soft drinks(millions of yen)</td>
<td>220</td>
<td>301</td>
<td>1,280</td>
<td>3,690</td>
<td>364</td>
<td>-1,483</td>
<td>121</td>
<td>434</td>
<td>1,314</td>
<td>564</td>
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<tr>
<td>Operating income-Restaurants(millions of yen)</td>
<td>350</td>
<td>-171</td>
<td>148</td>
<td>219</td>
<td>538</td>
<td>415</td>
<td>303</td>
<td>522</td>
<td>663</td>
<td>330</td>
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<tr>
<td>Operating income-Real estate(millions of yen)</td>
<td>7,612</td>
<td>7,624</td>
<td>7,986</td>
<td>8,552</td>
<td>9,396</td>
<td>8,685</td>
<td>7,698</td>
<td>8,281</td>
<td>10,328</td>
<td>11,261</td>
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<td>Operating income-Other(millions of yen)</td>
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<td>-</td>
<td>-751</td>
<td>-643</td>
<td>-413</td>
<td>281</td>
<td>183</td>
<td>1</td>
<td>95</td>
<td>51</td>
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<tr>
<td>Operating income margin-Alcoholic beverages (Excluding tax)(%)</td>
<td>4.4</td>
<td>4.5</td>
<td>5.3</td>
<td>5.3</td>
<td>3.8</td>
<td>5.3</td>
<td>4.8</td>
<td>3.8</td>
<td>5.6</td>
<td>4.6</td>
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<tr>
<td>Operating income margin-Japanese Alcoholic Beverages (Excluding tax)(%)</td>
<td>-</td>
<td>-</td>
<td>5.8</td>
<td>6.0</td>
<td>4.6</td>
<td>6.2</td>
<td>6.2</td>
<td>5.5</td>
<td>7.3</td>
<td>7.3</td>
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<tr>
<td>Operating income margin-International(%)</td>
<td>-</td>
<td>-</td>
<td>2.0</td>
<td>1.5</td>
<td>-0.2</td>
<td>2.5</td>
<td>0.3</td>
<td>0.2</td>
<td>1.4</td>
<td>-1.7</td>
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<tr>
<td>Operating income margin-Food &amp; Soft drinks(%)</td>
<td>0.6</td>
<td>1.0</td>
<td>3.8</td>
<td>3.4</td>
<td>0.3</td>
<td>-1.1</td>
<td>0.1</td>
<td>0.3</td>
<td>1.0</td>
<td>0.4</td>
</tr>
<tr>
<td>Operating income margin-Restaurants(%)</td>
<td>1.9</td>
<td>-0.6</td>
<td>0.6</td>
<td>0.9</td>
<td>2.1</td>
<td>1.5</td>
<td>1.1</td>
<td>1.9</td>
<td>2.4</td>
<td>1.1</td>
</tr>
<tr>
<td>Operating income margin-Real estate(%)</td>
<td>32.5</td>
<td>32.3</td>
<td>35.9</td>
<td>38.1</td>
<td>40.5</td>
<td>38.1</td>
<td>35.8</td>
<td>39.7</td>
<td>45.1</td>
<td>46.7</td>
</tr>
</tbody>
</table>

*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**

**Capital Expenditure**

**Depreciation and Amortization**

**Goodwill Amortization**

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating activities CF (millions of yen)</th>
<th>Investing activities CF (millions of yen)</th>
<th>Financing activities CF (millions of yen)</th>
<th>Free CF (millions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>22,291</td>
<td>16,856</td>
<td>-22,207</td>
<td>-39,147</td>
</tr>
<tr>
<td>2009</td>
<td>12,454</td>
<td>-32,227</td>
<td>3,745</td>
<td>22,207</td>
</tr>
<tr>
<td>2010</td>
<td>27,431</td>
<td>-2,594</td>
<td>-18,119</td>
<td>-19,147</td>
</tr>
<tr>
<td>2011</td>
<td>22,313</td>
<td>-50,891</td>
<td>24,245</td>
<td>19,593</td>
</tr>
<tr>
<td>2012</td>
<td>29,618</td>
<td>-59,485</td>
<td>30,159</td>
<td>5,055</td>
</tr>
<tr>
<td>2013</td>
<td>22,284</td>
<td>-13,268</td>
<td>-19,147</td>
<td>-24,802</td>
</tr>
<tr>
<td>2014</td>
<td>35,265</td>
<td>-17,229</td>
<td>-7,307</td>
<td>-10,171</td>
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<tr>
<td>2015</td>
<td>32,570</td>
<td>-9,755</td>
<td>-24,002</td>
<td>-12,182</td>
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<td>2016</td>
<td>30,004</td>
<td>-27,586</td>
<td>-4,827</td>
<td>-17,822</td>
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<tr>
<td>2017</td>
<td>32,570</td>
<td>-27,586</td>
<td>-10,171</td>
<td>-12,182</td>
</tr>
</tbody>
</table>

*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

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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Net income per share (yen)</td>
<td>19.49</td>
<td>11.57</td>
<td>27.50</td>
<td>8.08</td>
<td>13.77</td>
<td>24.20</td>
<td>0.87</td>
<td>78.40</td>
<td>121.56</td>
<td>140.93</td>
</tr>
<tr>
<td>Cash dividends per share (yen)</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>35</td>
<td>37</td>
<td>40</td>
</tr>
<tr>
<td>Net assets per share (yen)</td>
<td>297.60</td>
<td>302.16</td>
<td>319.32</td>
<td>314.87</td>
<td>336.60</td>
<td>388.77</td>
<td>401.17</td>
<td>2072.70</td>
<td>2062.86</td>
<td>2227.02</td>
</tr>
<tr>
<td>Payout ratio (%)</td>
<td>35.9</td>
<td>60.5</td>
<td>25.5</td>
<td>86.6</td>
<td>50.8</td>
<td>28.9</td>
<td>80.6</td>
<td>44.6</td>
<td>30.4</td>
<td>28.4</td>
</tr>
<tr>
<td>Stock price (yen)</td>
<td>559</td>
<td>509</td>
<td>368</td>
<td>291</td>
<td>279</td>
<td>442</td>
<td>512</td>
<td>2,660</td>
<td>3,010</td>
<td>3,450</td>
</tr>
</tbody>
</table>

*Payout Ratio for 2014 is omitted.

#### Cash Dividends Per Share

#### Net Assets Per Share

#### Payout Ratio

#### Stock Price (Year-end)

**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

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ROA (%)</td>
<td>1.4</td>
<td>0.9</td>
<td>2.2</td>
<td>0.6</td>
<td>0.9</td>
<td>1.6</td>
<td>0.1</td>
<td>1.0</td>
<td>1.5</td>
<td>1.7</td>
</tr>
<tr>
<td>ROE (%)</td>
<td>6.3</td>
<td>3.9</td>
<td>8.9</td>
<td>2.5</td>
<td>4.2</td>
<td>6.7</td>
<td>0.2</td>
<td>3.9</td>
<td>5.9</td>
<td>6.6</td>
</tr>
<tr>
<td>Total asset turnover (times)</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>0.6</td>
<td>0.7</td>
<td>0.6</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Inventory turnover (times)</td>
<td>13.3</td>
<td>11.5</td>
<td>12.2</td>
<td>12.0</td>
<td>11.7</td>
<td>11.5</td>
<td>11.0</td>
<td>10.8</td>
<td>9.3</td>
<td>9.4</td>
</tr>
<tr>
<td>Tangible fixed asset turnover (times)</td>
<td>0.9</td>
<td>0.8</td>
<td>0.9</td>
<td>1.1</td>
<td>1.1</td>
<td>1.1</td>
<td>1.1</td>
<td>1.2</td>
<td>1.2</td>
<td>1.3</td>
</tr>
</tbody>
</table>

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Sapporo Holdings Limited

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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

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.

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

*Shareholding ratios are calculated after deduction of treasury stock.
As an intrinsic part of people’s lives, Sapporo will contribute to the evolution of creative, enriching and rewarding lifestyles.