



February 13, 2019

[Translation]

Company name	Sapporo Holdings Limited
Representative	Masaki Oga President and Representative Director
Securities code	2501
Listed on	Tokyo Stock Exchange Sapporo Securities Exchange
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Notice Concerning Changes to Reportable Segments

Sapporo Holdings Limited (the “Company”) hereby announces in its business segments effective from the first three months of the fiscal year ending December 31, 2019.

1. Reason for Changes

Based on the revised management structure inaugurated in January 2017 and in line with The First Medium-Term Management Plan of the Long-Term Management Vision SPEED150 announced in November 2016, the Company has determined to strategically reallocate managerial resources to promote continuous group growth, and to implement structural reforms and promote segment management in an effort to strengthen platform functions.

In the Company’s efforts to maintain steady growth by growing and strengthening its brands, the five present business segments are being reorganized into three new segments to better develop international operations as a core business by enhancing Company management.

2. Summary of Changes and Direction of Basic Growth Strategy in Each Segment

- ① The present 5 business segments of Japanese Alcoholic Beverages, International, Foods & Soft Drinks, Restaurants, and Real Estate have been reorganized into 3 new segments: Alcoholic Beverages, Foods & Soft Drinks, and Real Estate.
- ② International operations have been incorporated into Alcoholic Beverages and Food & Beverages operations respectively. In addition, Restaurant operations have been incorporated into Alcoholic Beverage operations.

In accordance with the “Changes to the Overseas Alcoholic Beverages Business Structure” announced on December 25, 2018, Sapporo Breweries Ltd. absorbed Sapporo International Inc., and alcoholic beverages operations in North America and Asia have been realigned.

http://www.sapporoholdings.jp/english/news_release/pdf/18122501.pdf

Segment	Group Company	Segment	Group Company
Japanese Alcoholic Beverages	Sapporo Breweries	Alcoholic Beverages	Sapporo Breweries Sleeman Breweries (Canada) Sapporo U.S.A. (U.S.A.) Sapporo Lion
International	Sapporo International		
Food & Soft Drinks	Pokka Sapporo Food & Beverage	Food & Soft Drinks	Pokka Sapporo Food & Beverage Country Pure Foods (U.S.A.)
Restaurants	Sapporo Lion		
Real Estate	Sapporo Real Estate	Real Estate	Sapporo Real Estate

③ Growth forecast based on the foreseeable environment of each operational unit and the Company's position.

Alcoholic Beverages	Enhance international business operations as a core business by integrating Asia (inc. Japan) strategies and North America operations through further investments. Produce continued growth in profitability as well as group inter-unit synergy by developing closer cooperation with Restaurant Operations that are a important interface with customers.
Food & Soft Drinks	Expand Food operations, and implement measures that realize speedy profitability and continuous improvements in global Soft Drinks operations.
Real Estate	Sapporo Group is closely linked to the Ebisu, Sapporo, and Ginza key strategic areas and has positioned itse to enhance the value of the Sapporo Group Brand, to contribute to growing revenues and profits, in addition to promoting town redevelopment.

3. Sales Revenue and Operating Profit by Segment (before and after changes)

Previous segments

	Sales revenue (million yen)			Operating profit (million yen)		
	FY12/18	FY12/19	Change (%)	FY12/18	FY12/19	Change (%)
Japanese Alcoholic Beverages	250,867	264,100	5.3	6,711	7,300	8.8
International	79,521	84,000	5.6	△3,397	1,900	-
Food & Soft Drinks	127,219	136,000	6.9	2,027	2,100	3.6
Restaurants	27,569	27,400	△0.6	△169	100	-
Real Estate	24,483	24,600	0.5	12,047	12,100	0.4
Others	12,198	12,700	4.1	59	100	68.3
Corporate and eliminations	-	-	-	△6,451	△11,000	-
Consolidated Total	521,856	548,800	5.2	10,828	12,600	16.4

New segments

	Sales revenue (million yen)			Operating profit (million yen)		
	FY12/18	FY12/19	Change (%)	FY12/18	FY12/19	Change (%)
Alcoholic Beverages	330,009	346,000	4.8	3,856	9,700	151.5
Food & Soft Drinks	161,331	172,200	6.7	1,150	1,700	47.8
Real Estate	24,483	24,600	0.5	12,047	12,100	0.4
Other	6,033	6,000	△0.5	177	100	△43.4
Corporate and eliminations	-	-	-	△6,401	△11,000	-
Consolidated Total	521,856	548,800	5.2	10,828	12,600	16.4

*Changes to the “Other” segment:

Shinsyu-ichi Miso is now included in the Food & Soft Drinks segment (previously the Other segment).

This document contains projections and other forward-looking statements based on information available to the Company as of the date of this document. Actual results may differ from those expressed or implied by forward-looking statements due to various factors.

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