



[Translation]

December 23, 2020

Company Name	Sapporo Holdings Limited
Representative	Masaki Oga President and Representative Director
Securities code	2501
Listed on	Tokyo Stock Exchange Sapporo Securities Exchange
Inquiries	Tatsuya Komatsu Director of Corporate Planning Department Tel: 81-3-5423-7407

**Notice Concerning Revision of Full-Year Earnings Forecast and Recording of Impairment Loss (in Consolidated Financial Statements) and Loss on Valuation of Shares of Subsidiary (in Non-Consolidated Financial Statements)**

Sapporo Holdings Limited (the “Company”) hereby announces that it has revised its consolidated earnings forecast for the fiscal year ending December 31, 2020, which was announced on August 6, 2020. In addition, the Company hereby announces that it expects to record an impairment loss on noncurrent assets (on a consolidated financial basis) and record a loss on the valuation of the shares of its subsidiary (on a non-consolidated basis) in its non-consolidated financial statements for the fourth quarter of the consolidated fiscal year ending December 31, 2020 (such consolidated fiscal year being from January 1, 2020 to December 31, 2020).

1. Revision of consolidated earnings forecast

(1) Forecast of consolidated earnings for the fiscal year ending December 31, 2020 (from January 1, 2020 to December 31, 2020)

(millions of yen, except percentages and per-share data)

	Revenue	Core operating profit	Operating profit	Profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)*1	444,500	1,000	(7,900)	(6,500)	(6,500)	(83.44)
Current forecast (B)	436,000	2,500	(18,200)	(16,400)	(15,800)	(202.83)
Change (B-A)	(8,500)	1,500	(10,300)	(9,900)	(9,300)	(119.39)
Percent change	(1.9%)	150.0%	-	-	-	-
For reference: Results for the fiscal year ended December 31, 2019	491,896	11,724	12,208	3,820	4,356	55.92

\*1: Announced on August 6, 2020.

(2) Reasons for revision

Revenue is expected to fall short of the previous forecast as the resurgence of the COVID-19 pandemic in Japan etc. have had an impact on earnings in the restaurant business, which is included in the Alcoholic Beverages segment, and the Food & Soft Drinks segment.

Core operating profit is expected to exceed the previous forecast as a result of cost control centering on the reduction of promotional expenses. On the other hand, operating profit, profit and profit attributable to owners of parent are expected to fall short of the previous forecast because the Company expects to record an impairment loss, as described in 2 below.

2. Impairment loss on noncurrent assets (on consolidated basis)

The profitability of POKKA SAPPORO Food & Beverage Ltd. (“POKKA SAPPORO”), a consolidated subsidiary of the Company, is expected to decrease due to the impact of the COVID-19 pandemic. As a result of carefully considering POKKA SAPPORO’s future recoverability based on the recent trends of its financial results, the Company expects to reduce the book value of the noncurrent assets (land, buildings, machinery and equipment, etc.) held by POKKA SAPPORO to the recoverable value thereof and record approximately ¥11.0 billion (this amount is an estimate) as an impairment loss under “other operating expenses” in its financial statements for the fourth quarter of the consolidated fiscal year ending December 31, 2020.

3. Loss on valuation of shares of subsidiary (on non-consolidated basis)

Based on a valuation of POKKA SAPPORO’s shares held by the Company that was conducted pursuant to the Accounting Standards for Financial Instruments, the real value of such shares is expected to decrease significantly, and the Company expects to record an extraordinary loss of approximately ¥21.5 billion (this amount is an estimate) as a loss on the valuation of the shares of the subsidiary in its financial statements for the fiscal year ending December 31, 2020.

The above-mentioned loss on the valuation of the shares of the subsidiary will not affect the consolidated financial results of the Company as such loss will be recorded only in the non-consolidated financial statements of the Company and will be eliminated in the process of consolidated settlement of accounts.

\* Note regarding forward-looking statements, etc.

The above statements concerning the earnings forecast are based on information available to the Company as of the date of the release of this document and are subject to potential risks and uncertainties. Actual results may differ from the stated forecast figures due to various factors. In the event that material matters requiring disclosure arise, the Company will promptly announce information concerning their impact upon earnings.

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