SAPPORO

Nine Months ended September 30, 2013

Consolidated Third Quarter Earnings Report - Supplementary Information

Consolidated Results (Nine months ended September 30, 2013)

1. Consolidated Financial Highlights
2. Major Sales and Sales Volume Data
3. Condensed Consolidated Statements of Income
   Condensed Consolidated Statements of Cash Flows
   Sales Breakdown for Japanese Alcoholic Beverages
4. Consolidated Statements of Income : Breakdown of Key Changes
5. Segment information
6. Condensed Consolidated Balance Sheets
7. Overview of Segmentation Changes

Reference Materials: Consolidated Forecasts

* Forecasts are unchanged from the figures announced on February 8, 2013.

8. Full-Year Consolidated Business Results estimate
   Full-Year Consolidated Statements of Cash Flows
   Sales Breakdown for Japanese Alcoholic Beverages
9. Full-Year Consolidated Statement of Income: Breakdown of Key Changes
10. Full-Year Consolidated Segment information

October 2013

SAPPORO HOLDINGS LTD.

Securities Code: 2501

URL http://www.sapporoholdings.jp/english/

Financial Highlights (2009 - 2013)

Consolidated Financial Highlights

(billions of yen, except percentages, ratios, per-share data, and exchange rates

		Nine months ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2013
Net sales	Including liquor tax	283.1	284.0	320.7	354.7	369.5
	Excluding liquor tax	194.8	198.3	240.1	274.7	287.8
Overseas net sales to total	Excluding liquor tax	8.7%	9.8%	11.2%	13.7%	18.7%
Operating income	Before goodwill amortization	8.6	10.3	14.4	8.4	12.4
	After goodwill amortization	7.8	9.4	12.2	5.5	9.4
Operating margin	Including liquor tax / after goodwill amortization	2.8%	3.3%	3.8%	1.6%	2.6%
	Excluding liquor tax /before goodwill amortization	4.4%	5.2%	6.0%	3.1%	4.3%
	Excluding liquor tax /after goodwill amortization	4.0%	4.8%	5.1%	2.0%	3.3%
Ordinary income		6.2	8.5	10.5	4.4	8.8
Net income		2.3	3.3	0.5	0.5	5.4
Total assets		511.9	499.1	543.1	585.0	597.7
Net assets		116.2	119.2	122.4	126.1	149.4
Balance of debt	Gross	200.5	199.9	218.0	255.2	244.7
	Net	178.9	190.0	209.0	245.3	234.9
Debt-to-equity ratio (times)	Gross	1.7	1.7	1.8	2.0	1.6
	Net	1.5	1.6	1.7	1.9	1.6
Depreciation and amortization		16.8	17.0	17.8	19.2	18.8
Amortization of goodwill		0.7	0.8	2.1	2.8	3.0
EBITDA	Operating income + Depreciation and amortization +Amortization of goodwill	25.4	27.4	32.2	27.7	31.2
Exchange rates (Yen)	US$	94.97	89.49	80.59	79.40	96.84
	CAN$	81.40	86.38	82.45	79.18	94.52

		Years ended December 31, 2009	Year ended December 31, 2010	Year ended December 31, 2011	Year ended December 31, 2012	Year ending December 31, 2013 (forecast)
Net sales	Including liquor tax	387.5	389.2	449.4	492.4	512.0
	Excluding liquor tax	264.6	269.8	336.8	379.7	397.3
Overseas net sales to total	Excluding liquor tax	8.5%	9.4%	11.0%	14.1%	14.7%
Operating income	Before goodwill amortization	13.9	16.5	21.9	18.2	19.2
	After goodwill amortization	12.8	15.4	18.8	14.4	15.3
Operating margin	Including liquor tax / after goodwill amortization	3.3%	4.0%	4.2%	2.9%	3.0%
	Excluding liquor tax /before goodwill amortization	5.3%	6.1%	6.5%	4.8%	4.8%
	Excluding liquor tax /after goodwill amortization	4.9%	5.7%	5.6%	3.8%	3.9%
Ordinary income		10.7	14.3	16.8	13.6	14.0
Net income		4.5	10.7	3.1	5.3	5.5
Total assets		506.8	494.7	550.7	597.6	
Net assets		118.5	126.6	124.7	134.9	
Balance of debt	Gross	196.7	181.3	219.1	257.6	254.0
	Net	190.4	167.9	209.9	247.8	244.3
Debt-to-equity ratio (times)	Gross	1.7	1.4	1.8	1.9	1.8
	Net	1.6	1.3	1.7	1.8	1.8
Capital expenditure	Cash basis	21.8	19.8	13.4	53.8	21.0
Depreciation and amortization		22.5	22.5	24.4	25.8	24.4
Amortization of goodwill		1.0	1.1	3.1	3.8	3.9
EBITDA	Operating income + Depreciation and amortization +Amortization of goodwill	36.4	39.0	46.4	44.0	43.6
ROE (%)	Before goodwill amortization	4.7%	9.8%	5.1%	7.3%	7.1%
	After goodwill amortization	3.9%	8.9%	2.5%	4.2%	4.1%
EPS (yen sen)	Before goodwill amortization	14.19	30.49	16.03	23.68	24.01
	After goodwill amortization	11.57	27.50	8.08	13.77	14.05
Exchange rates (Yen)	US$	93.65	87.79	79.79	79.81	85.00
	CAN$	82.30	85.18	80.74	79.83	83.00

*1: The balance of debt includes commercial paper but excludes the balance of lease obligations.
*2: Exchange rates are annual average rates.

Major Sales and Sales Volume

Beer (Japan)

(10,000 cases)

	Jan. 1 - Sep. 30, 2012	Jan. 1 - Sep. 30, 2013	YoY	Full-year estimate for fiscal 2013	Fiscal 2012 Actual	YoY
Sapporo Draft Beer Black Label	1,244	1,212	97%	1,677	1,705	98%
YEBISU (total)	631	639	101%	1,000	945	106%
1 Beer (total)	2,049	2,088	102%	2,953	2,913	101%
2 Happoshu (total)	107	88	83%	101	144	70%
3 New genre beer products (total)	1,577	1,565	99%	2,226	2,131	105%
Beer, happoshu, and new genre (total 1+2+3)	3,732	3,741	100%	5,280	5,187	102%
Sapporo Premium Alcohol Free	95	94	99%	150	122	123%
RTD (*1)	124	94	75%	162	158	102%

*1：RTD 1Case=250ml*24

(billions of yen)

	Jan. 1 - Sep. 30, 2012	Jan. 1 - Sep. 30, 2013	YoY	Full-year estimate for fiscal 2013	Fiscal 2012 Actual	YoY
Domestic wines	3.3	3.4	106%	5.3	4.8	111%
Imported wines	4.5	4.9	109%	7.7	7.1	108%
Wine (total)	7.8	8.3	106%	13.1	11.9	109%
Spirits (total)	3.4	4.2	124%	6.6	4.8	138%
Shochu (total)	7.8	9.3	119%	12.1	11.4	106%

Beer (International)

(10,000 cases)

	Jan. 1 - Sep. 30, 2012	Jan. 1 - Sep. 30, 2013	YoY	Full-year estimate for fiscal 2013	Fiscal 2012 Actual	YoY
SLEEMAN BREWERIES LTD. (*2)	912	946	104%	1,290	1,202	107%
Sapporo brand	282	337	119%	450	382	118%

*2：Excludes contracted manufacturing for the Sapporo brand and sales of the Sapporo brand in Canada .

Soft Drinks (POKKA SAPPORO FOOD & BEVERAGE)

(10,000 cases)

	Jan. 1 - Sep. 30, 2012	Jan. 1 - Sep. 30, 2013	YoY	Full-year estimate for fiscal 2013	Fiscal 2012 Actual	YoY
Soft Drinks (*3)	3,612	3,391	94%	5,015	4,822	104%

*3. Results for Pokka Sapporo Food & Beverage Ltd. represent the combined results of Sapporo Beverage Co., Ltd. and POKKA CORPORATION.

(Reference: Sales for fiscal 2012 (Jan - Sep) Sapporo Beverage: 15,010,000 cases, POKKA CORPORATION: 21,110,000 cases
Sales for fiscal 2012 (Jan - Dec) Sapporo Beverage:19,600,000 cases, POKKA CORPORATION: 28,620,000 cases)

Consolidated Results (Nine Months ended September 30, 2013)

Condensed Consolidated Statements of Income

(billions of yen)

	Nine months ended September 30, 2012	Nine months ended September 30, 2013	Change	Change (%)
Japanese Alcoholic Beverages (*1)	192.2	195.3	3.1	1.6%
International Business	26.3	36.2	9.9	37.6%
Food & Soft Drinks (*1)	93.4	95.9	2.5	2.7%
Restaurants	19.9	20.2	0.3	1.7%
Real Estate	17.3	16.8	(0.4)	(2.8)%
Other (*1)	5.4	4.8	(0.6)	(11.8)%
Net sales	354.7	369.5	14.7	4.2%
Japanese Alcoholic Beverages	0.8	5.5	4.6	541.2%
International Business	0.1	1.0	0.8	595.6%
Food & Soft Drinks	(0.1)	(1.5)	(1.3)	—
Restaurants	0.2	0.2	(0.0)	(17.2)%
Real Estate	7.1	6.7	(0.3)	(5.2)%
Other	(0.3)	0.1	0.4	—
General corporate and intercompany eliminations	(2.4)	(2.7)	(0.3)	—
Operating income	5.5	9.4	3.8	68.9%
Operating income before goodwill amortization	8.4	12.4	3.9	47.0%
Non-operating income	1.9	2.1	0.2	11.9%
Non-operating expenses	3.0	2.7	(0.3)	(11.7)%
Ordinary income	4.4	8.8	4.4	100.1%
Extraordinary gains	0.0	3.5	3.5	—
Extraordinary losses	2.0	0.9	(1.1)	(56.4)%
Income before income taxes and minority interests	2.3	11.5	9.1	384.8%
Income taxes	2.0	6.1	4.0	201.4%
Minority interests (loss)	(0.2)	(0.0)	0.1	—
Net Income	0.5	5.4	4.8	817.1%

*1:Effective from the fiscal year ending December 31, 2013, SAPPORO LOGISTICS SYSTEMS CO., LTD. and POKKA LOGISTICS CO., LTD., previously included under the Japanese Alcoholic Beverages and Food & Soft Drinks segments, respectively, have been reclassified to the Other segment. On July 1, 2013, Pokka Logistics Co., Ltd., was dissolved following an absorption-type merger with Sapporo Logistics Systems Co., Ltd.

Pokka Food (Singapore) Pte. Ltd., previously included under the Food & Soft Drinks segment, has been reclassified to the Restaurants segment. On April 1, 2013, Pokka Food (Singapore) Pte. Ltd. changed its name to Sapporo Lion (Singapore) Pte. Ltd.

Accordingly, the consolidated financial statements for the fiscal year ended December 31, 2012 have been retroactively adjusted to reflect these changes.

Sales Breakdown for Japanese Alcoholic Beverages

Sales (including liquor tax)

(billions of yen)

	Nine months ended September 30, 2012	Nine months ended September 30, 2013	Change	Change (%)
Beer	110.7	112.8	2.1	2.0%
Happoshu	4.1	3.3	(0.7)	(17.4)%
New genre	51.9	51.5	(0.3)	(0.7)%
Total	166.7	167.8	1.0	(0.6)%

Sales (excluding liquor tax)

(billions of yen)

	Nine months ended September 30, 2012	Nine months ended September 30, 2013	Change	Change (%)
Beer	53.6	54.7	1.0	2.0%
Happoshu	2.2	1.8	(0.4)	(17.4)%
New genre	35.9	35.6	(0.2)	(0.7)%
Total	91.8	92.3	0.4	0.5%

Consolidated Results (Nine Months ended September 30, 2013)

Breakdown of Key Changes

Numbers in parentheses mean decline in earnings. (billions of yen)

	Change factor	Nine months ended September 30, 2012	Nine months ended September 30, 2013	Income change	Details
Beer, etc.		(0.2)	4.9	5.1	
Marginal profit	(subtotal)			(0.5)	
	Increase (decrease) in volume/product mix			0.6	Beer +0.7 Happoshu -0.2 New genre -0.1 Product mix +0.2
	Other			(1.1)	Sapporo Premium Alcohol Free, RTD, Production costs, other factors
Fixed costs and other	(subtotal)			5.8	
	Sales promotion costs			2.8	Advertising and promotional expenses
	Facility cost			1.7	Depreciation and amortization, etc.
	Other			1.3	Personnel expenses, etc.
Wine and spirits		0.7	0.6	(0.1)	
Other		0.4	0.1	(0.3)	
Japanese Alcoholic Beverages		0.8	5.5	4.6	
North America, etc.		1.4	2.3	0.9	
	Increase (decrease) in volume/product mix.			1.1	Increase in volume SLEEMAN 104%
	Marketing costs			(0.2)	SLEEMAN BREWERIES LTD.
	Other			0.0	Personnel expenses, Silver Springs Citrus, Inc., etc.
Vietnam		(1.3)	(1.3)	(0.0)	
	Increase (decrease) in volume/product mix.			0.3	Increase in volume
	Marketing costs			(0.4)	
	Other			0.0	Personnel expenses, etc.
International		0.1	1.0	0.8	
Japanese Food & Soft Drinks		(0.5)	(2.1)	(1.6)	
	Increase (decrease) in volume / product mix			(1.1)	Decrease in volume
	Production costs			0.1	Decrease in the price of raw ingredients, other factors
	Other costs			(0.6)	Increase in disitribution cost and personnel expenses, etc.
Other		0.4	0.6	0.2	International business, Restaurant, etc.
Food & Soft Drinks		(0.1)	(1.5)	(1.3)	
	Existing stores			0.0	
	New stores / Refurbished stores			(0.0)	
Restaurants		0.2	0.2	(0.0)	
	Rent			(0.2)	
	Sales			(0.0)	
Real Estate		7.1	6.7	(0.3)	
	Food business			0.2	
	Other			0.2	Insurance business, Logistics business
Other		(0.3)	0.1	0.4	
General corporate and intercompany eliminations		(2.4)	(2.7)	(0.3)	
Operating income		5.5	9.4	3.8	
Operating income before goodwill amortization		8.4	12.4	3.9	
	Financial income (expense)	(2.1)	(1.4)	0.7	Reduction of interest payments
	Equity in income (losses) of affiliates	0.2	0.1	(0.1)	
	Other	0.7	0.7	0.0	
Non-operating income and expenses		(1.2)	(0.6)	0.6	
Ordinary income		4.4	8.8	4.4	
	Gain on sales of investment securities	0.0	3.5	3.5	
	Other extraordinary gains	0.0	0.1	0.0	
	Loss on sales/disposal of property, plant and equipment	(0.6)	(0.4)	0.2	
	Impairment losses	(0.0)	(0.3)	(0.2)	
	Other extraordinary losses	(1.5)	(0.2)	1.3	
Extraordinary gains and losses		(2.1)	2.6	4.7	
Income before income taxes and minority interests		2.3	11.5	9.1	
Corporate tax, etc. / income and loss of minority shareholders		(1.7)	(6.0)	(4.3)	
Net Income		0.5	5.4	4.8	

	Nine months ended September 30, 2012	Nine months ended September 30, 2013
Yen/US$	79.40	96.84
Yen/CAN$	79.18	94.52
Yen/EUR	101.72	127.48

Consolidated Results (Nine Months ended September 30, 2013)

Segment Information

(billions of yen)

Nine months ended September 30, 2012	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales(*1)	192.2	26.3	93.4	19.9	17.3	5.4	-	354.7
Operating income	0.8	0.1	(0.1)	0.2	7.1	(0.3)	(2.4)	5.5
(Operating income before goodwill amortization)	0.8	0.9	1.8	0.2	7.1	(0.3)	(2.4)	8.4
Sales promotion costs								
Sales incentives and commissions	13.3	0.1	10.3	0.0	0.0	0.1	(0.0)	23.8
Advertising and promotion expenses	12.0	1.0	2.7	0.7	0.1	0.0	0.0	16.8
Promotion items	3.8	1.3	0.0	0.0	0.0	0.0	0.0	5.2
Depreciation and amortization	9.2	1.0	4.8	0.4	3.4	0.0	0.0	19.2
Amortization of goodwill	0.0	0.8	2.0	0.0	0.0	0.0	0.0	2.8
EBITDA (*2)	10.1	2.0	6.7	0.7	10.6	(0.2)	(2.4)	27.7

Nine months ended September 30, 2013	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	195.3	36.2	95.9	20.2	16.8	4.8	-	369.5
Operating income	5.5	1.0	(1.5)	0.2	6.7	0.1	(2.7)	9.4
(Operating income before goodwill amortization)	5.5	1.9	0.5	0.2	6.7	0.1	(2.7)	12.4
Sales promotion costs								
Sales incentives and commissions	14.1	0.1	9.4	0.0	0.0	0.0	(0.0)	23.7
Advertising and promotion expenses	10.8	1.2	3.3	0.7	0.1	0.0	(0.0)	16.3
Promotion items	2.8	2.0	0.0	0.0	0.0	0.0	(0.1)	4.8
Depreciation and amortization	8.1	1.4	5.2	0.4	3.3	0.0	0.1	18.8
Amortization of goodwill	0.0	0.9	2.0	0.0	0.0	0.0	0.0	3.0
EBITDA(*2)	13.6	3.4	5.7	0.6	10.1	0.1	(2.5)	31.2

.

Change	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	3.1	9.9	2.5	0.3	(0.4)	(0.6)	-	14.7
Operating income	4.6	0.8	(1.3)	(0.0)	(0.3)	0.4	(0.3)	3.8
(Operating income before goodwill amortization)	4.6	0.9	(1.3)	(0.0)	(0.3)	0.4	(0.3)	3.9
Sales promotion costs								
Sales incentives and commissions	0.8	0.0	(0.8)	0.0	0.0	(0.0)	(0.0)	(0.0)
Advertising and promotion expenses	(1.2)	0.2	0.5	0.0	(0.0)	0.0	(0.0)	(0.4)
Promotion items	(0.9)	0.6	0.0	(0.0)	0.0	0.0	(0.1)	(0.4)
Depreciation and amortization	(1.1)	0.3	0.3	0.0	(0.1)	(0.0)	0.1	(0.4)
Amortization of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
EBITDA (*2)	3.5	1.3	(1.0)	(0.0)	(0.5)	0.4	(0.1)	3.5

*1:Effective from the fiscal year ending December 31, 2013, SAPPORO LOGISTICS SYSTEMS CO., LTD. and POKKA LOGISTICS CO., LTD., previously included under the Japanese Alcoholic Beverages and Food & Soft Drinks segments, respectively, have been reclassified to the Other segment.
On July 1, 2013, Pokka Logistics Co., Ltd., was dissolved following an absorption-type merger with Sapporo Logistics Systems Co., Ltd.

Pokka Food (Singapore) Pte. Ltd., previously included under the Food & Soft Drinks segment, has been reclassified to the Restaurants segment.
On April 1, 2013, Pokka Food (Singapore) Pte. Ltd. changed its name to Sapporo Lion (Singapore) Pte. Ltd.

Accordingly, the consolidated financial statements for the fiscal year ended December 31, 2012 have been retroactively adjusted to reflect these changes.

*2 : EBITDA = Operating income + Depreciation and amortization + Amortization of goodwill
Effective from the fiscal year ended December 31, 2012, in conjunction with the transfer of IT assets held by the Sapporo Group to Sapporo Group Management Ltd..
IT asset depreciation and amortization has been adjusted between the Japanese Alcoholic Beverages segment and Corporate and eliminations.
The adjustments were 1.5 billion yen for the nine months ended September 30, 2013 and 1.6 billion yen for the nine months ended September 30, 2012.

Consolidated Results (Nine Months ended September 30, 2013)

Condensed Consolidated Balance Sheets

(billions of yen)

	December 31, 2012	September 30, 2013	Change	Primary Reasons
Current assets	138.2	126.7	(11.5)	
Cash and cash equivalents	9.7	9.8	0.0	
Notes and accounts receivable - trade	83.5	66.1	(17.4)	Seasonal factors
Inventories	32.4	37.4	5.0	
Other	12.4	13.3	0.8	
Fixed assets	459.3	470.9	11.5	
Fixed assets	360.5	360.4	(0.0)	
Goodwill	37.5	35.2	(2.3)	
Investments and other assets	61.3	75.2	13.9	Increase in Investment securities resulting from increase in unrealized holding gain on securities
Total assets	597.6	597.7	0.0	
Current liabilities	243.1	222.9	(20.2)	
Notes and accounts payable - trade	32.9	34.7	1.7	
Short-term debt	112.2	96.8	(15.4)	Repayment of short-term bank loans, redemption of bonds
Deposits received	12.3	10.7	(1.5)	
Other	85.5	80.5	(5.0)	
Long-term liabilities	219.5	225.3	5.8	
Long-term debt	145.3	147.9	2.5	Issuance of bonds, Increase in long-term debt
Employees' retirement benefits	7.3	6.1	(1.2)	
Other	66.7	71.2	4.5	
Total liabilities	462.6	448.2	(14.4)	
Shareholders' equity	130.3	131.9	1.5	
Accumulated other comprehensive income	1.4	14.1	12.7	Increase in unrealized holding gain on securities +9.9 Increase in foreign currency translation adjustments +2.7
Minority interests	3.1	3.3	0.2	
Total net assets	134.9	149.4	14.4	
Total liabilities and net assets	597.6	597.7	0.0	

Financial Liabilities by segment

(billions of yen)

	December 31, 2012	September 30, 2013	Change	Primary Reasons
Japanese Alcoholic Beverages	48.3	38.3	(10.0)	
International	17.1	17.3	0.1	
Food & Soft Drinks	15.4	5.6	(9.8)	
Restaurants	0.0	0.4	0.4	
Real Estate	140.2	140.2	0.0	
Other	2.3	3.0	0.6	
Corporate and eliminations	34.1	39.8	5.7	
Total	257.6	244.7	(12.8)	Repayment of bank loans, redemption of bonds

Overview of Segmentation Changes 2013

Reportable segment income refers to operating income. Equity-method affiliates are therefore omitted below.

2012 Segmentation

Segment	Consolidated subsidiaries
Japanese Alcoholic Beverages	SAPPORO BREWERIES LTD.
	SAPPORO WINES LIMITED
	YEBISU WINEMART CO., LTD.
	SAPPORO LOGISTICS SYSTEMS CO., LTD.(*1)
	TANOSHIMARU SHUZO CO., LTD.
	SAPPORO ENGINEERING LIMITED
	STARNET CO., LTD.
	NEW SANKO INC.
International	SAPPORO INTERNATIONAL INC.
	SAPPORO U.S.A., INC.
	SAPPORO CANADA INC.
	SLEEMAN BREWERIES LTD.
	SAPPORO ASIA PRIVATE LIMITED
	SAPPORO VIETNAM LIMITED
	SILVER SPRINGS CITRUS, INC.（newly consolidated）
Food &Soft Dinks	POKKA SAPPORO FOOD & BEVERAGE LTD. (newly established)
	SAPPORO BEVERAGE CO., LTD.(*2)
	STELLA BEVERAGE SERVICES CO., LTD.
	STAR BEVERAGE SERVICE CO., LTD.
	POKKA CORPORATION(*2)
	SUNPOKKA CO., LTD
	POKKA CREATE CO., LTD.
	POKKA LOGISTICS CO., LTD.(*1)
	POKKA CORPORATION (SINGAPORE) PTE. LTD.
	POKKA FOOD (SINGAPORE) PTE LTD. （*3）
	And another 20 companies
Restaurants	SAPPORO LION LIMITED
Real Estate	SAPPORO REAL ESTATE CO.,LTD.
	YGP REAL ESTATE CO., LTD.
	SAPPORO URBAN DEVELOPMENT CO., LTD.
	TOKYO ENERGY SERVICE CO., LTD.
	SAPPORO SPORTS PLAZA CO., LTD.
	YOKOHAMA KEIWA BUILDING CO., LTD.
Other	SAPPORO FOODS NET CO., LTD.
	SAPPORO FINE FOODS CO., LTD.
	SAPPORO GROUP MANAGEMENT LTD.
	SAPPORO GROUP LOGISTICS CO., LTD.(newly established)
Corporate and eliminations	SAPPORO HOLDINGS LTD. SAPPORO GROUP MANAGEMENT LTD.

2013 Segmentation

Segment	Consolidated subsidiaries
Japanese Alcoholic Beverages	SAPPORO BREWERIES LTD.
	SAPPORO WINES LIMITED
	YEBISU WINEMART CO., LTD.
	TANOSHIMARU SHUZO CO., LTD.
	SAPPORO ENGINEERING LIMITED
	STARNET CO., LTD.
	NEW SANKO INC.
International	SAPPORO INTERNATIONAL INC.
	SAPPORO U.S.A., INC.
	SAPPORO CANADA INC.
	SLEEMAN BREWERIES LTD.
	SAPPORO ASIA PRIVATE LIMITED
	SAPPORO VIETNAM LIMITED
	SILVER SPRINGS CITRUS, INC.
Food & Soft Drinks	POKKA SAPPORO FOOD & BEVERAGE LTD.
	STELLA BEVERAGE SERVICES CO., LTD.
	STAR BEVERAGE SERVICE CO., LTD.
	SUNPOKKA CO., LTD
	POKKA CREATE CO., LTD.
	POKKA CORPORATION (SINGAPORE) PTE. LTD.
	And another 15 companies
Restaurants	SAPPORO LION LIMITED
	SAPPORO LION (SINGAPORE) PTE.LTD. （*3）
Real Estate	SAPPORO REAL ESTATE CO.,LTD.
	YGP REAL ESTATE CO., LTD.
	SAPPORO URBAN DEVELOPMENT CO., LTD.
	TOKYO ENERGY SERVICE CO., LTD.
	SAPPORO SPORTS PLAZA CO., LTD.
	YOKOHAMA KEIWA BUILDING CO., LTD.
Other	SAPPORO FOODS NET CO., LTD.
	SAPPORO FINE FOODS CO., LTD.
	SAPPORO GROUP MANAGEMENT LTD.
	SAPPORO GROUP LOGISTICS CO., LTD.
	SAPPORO LOGISTICS SYSTEMS CO., LTD.(*1)
Corporate and eliminations	SAPPORO HOLDINGS LTD. SAPPORO GROUP MANAGEMENT LTD.

*1. Effective from the fiscal year ending December 31, 2013, SAPPORO LOGISTICS SYSTEMS CO., LTD. and POKKA LOGISTICS CO., LTD., previously included under the Japanese Alcoholic Beverages and Food & Soft Drinks segments, respectively, have been reclassified to the Other segment.

*2. Sapporo Beverage Co., Ltd. and POKKA CORPORATION were dissolved in an absorption-type merger with Pokka Sapporo Food & Beverage Ltd. on January 1, 2013.

*3. Effective from the fiscal year ending December 31, 2013, Pokka Food (Singapore) Pte. Ltd., previously included under the Food & Soft Drinks segment, has been reclassified to the Restaurants segment. Accordingly, Pokka Food (Singapore) Pte. Ltd. was renamed Sapporo Lion (Singapore) Pte. Ltd. in April 2013.

Consolidated Forecasts (Year ending December 31, 2013)

* Forecasts are unchanged from the figures announced on February 8, 2013.

Condensed Consolidated Statements of Income

(billions of yen)

		Year ended December 31, 2012	Year ending December 31, 2013 (Forecast)	Change	Change (%)
	Japanese Alcoholic Beverages(*1)	269.9	275.2	5.2	1.9%
	International	36.1	43.3	7.1	19.9%
	Food & Soft Drinks (*1)	129.0	136.5	7.4	5.8%
	Restaurants(*1)	26.6	26.8	0.1	0.7%
	Real Estate	23.2	23.6	0.3	1.6%
	Other(*1)	7.5	6.6	(0.9)	(12.8)%
Net sales		492.4	512.0	19.5	4.0%
	Japanese Alcoholic Beverages(*1)	7.5	9.0	1.4	19.6%
	International	(0.0)	0.0	0.0	—
	Food & Soft Drinks	0.3	1.0	0.6	174.7%
	Restaurants(*1)	0.5	0.8	0.2	48.4%
	Real Estate	9.3	8.3	(1.0)	(11.7)%
	Other(*1)	(0.4)	(0.1)	0.3	—
	General corporate and intercompany eliminations	(2.9)	(3.7)	(0.7)	—
Operating income		14.4	15.3	0.8	6.1%
Operating income before goodwill amortization		18.2	19.2	0.9	5.0%
	Non-operating income	3.2	2.3	(0.9)	(29.5)%
	Non-operating expenses	3.9	3.6	(0.3)	(9.8)%
Ordinary income		13.6	14.0	0.3	2.3%
	Extraordinary gains	0.1	3.5	3.3	3246.1%
	Extraordinary losses	3.2	6.2	2.9	88.9%
Income before income taxes and minority interests		10.5	11.3	0.7	7.5%
	Income taxes	5.3	5.9	0.5	10.3%
	Minority interests (loss)	(0.2)	(0.1)	0.1	—
Net Income		5.3	5.5	0.1	2.0%

*1:Effective from the fiscal year ending December 31, 2013, SAPPORO LOGISTICS SYSTEMS CO., LTD. and POKKA LOGISTICS CO., LTD., previously included under the Japanese Alcoholic Beverages and Food & Soft Drinks segments, respectively, have been reclassified to the Other segment.
On July 1, 2013, Pokka Logistics Co., Ltd., was dissolved following an absorption-type merger with Sapporo Logistics Systems Co., Ltd.

Pokka Food (Singapore) Pte. Ltd., previously included under the Food & Soft Drinks segment, has been reclassified to the Restaurants segment.
On April 1, 2013, Pokka Food (Singapore) Pte. Ltd. changed its name to Sapporo Lion (Singapore) Pte. Ltd.

Accordingly, the consolidated financial statements for the fiscal year ended December 31, 2012 have been retroactively adjusted to reflect these changes.

Condensed Consolidated Statements of Cash Flows

	Year ended December 31, 2012	Year ending December 31, 2013 (forecast)	Change	Change (%)
Cash flows from operating activities	29.6	30.2	0.5	2.0%
Cash flows from investing activities	(59.4)	(24.0)	35.4	—
Free Cash flows	(29.8)	6.2	36.0	—

Sales Breakdown for Japanese Alcoholic Beverages

Sales (including liquor tax)

(billions of yen)

	Year ended December 31, 2012	Year ending December 31, 2013	Change	Change (%)
Beer	158.0	159.2	1.2	0.8%
Happoshu	5.5	3.8	(1.6)	(29.8)%
New genre	70.1	73.5	3.4	4.9%
Total	233.6	236.7	3.0	1.3%

Sales (excluding liquor tax)

(billions of yen)

	Year ended December 31, 2012	Year ending December 31, 2013	Change	Change (%)
Beer	76.8	77.0	0.1	0.2%
Happoshu	3.0	2.1	(0.9)	(29.9)%
New genre	48.5	51.0	2.4	5.1%
Total	128.5	130.2	1.7	1.3%

Consolidated Forecasts (Year ending December 31, 2013)

* Forecasts are unchanged from the figures announced on February 8, 2013.

Breakdown of key income Changes

(billions of yen)

	Change factor	Year ended December 31, 2012	Year ending December 31, 2013 (Forecast)	Change	Details
Beer and related products		5.4	6.8	1.4	
Marginal profit	Subtotal			2.0	
	Increase (decrease) in volume / Product mix			1.5	Beer +0.7 Happoshu -0.6 New genre +1.3 Product mix, etc. +0.1
	Other			0.5	Sapporo Premium Alcohol Free, RTD, Production costs, other factors
Fixed and other costs	Subtotal			(0.6)	
	Sales promotion costs			(1.3)	
	Facility cost			1.2	
	Other			(0.6)	
Wine, spirits, and shochu		1.5	2.0	0.5	
Other		0.6	0.2	(0.4)	
Japanese Alcoholic Beverages		7.5	9.0	1.4	
North America and other		1.6	1.8	0.2	
	Increase (decrease) in volume / Product mix			1.0	Increase in volume SLEEMAN 107%, Sapporo 118%
	Marketing costs			(0.6)	SLEEMAN BREWERIES LTD., SAPPORO U.S.A., INC.
	Other			(0.2)	Silver Springs Citrus,Inc. / Increase in costs, etc.
Vietnam		(1.7)	(1.8)	(0.1)	
	Increase (decrease) in volume / Product mix			0.5	Increase in volume
	Marketing costs			(0.4)	
	Other			(0.2)	Depreciation and amortization, etc.
International		(0.0)	0.0	0.0	
Japanese Food & Soft Drinks		(0.1)	0.0	0.1	
	Increase (decrease) in volume / Product mix			1.4	Increase in volume
	Production costs			(0.3)	Increase in production costs, etc.
	Other costs			(1.0)	Increase in system costs, CI costs, etc.
Other		0.4	0.9	0.5	International business, Restaurants, other factors
Food & Soft Drinks		0.3	1.0	0.6	
	Existing stores			0.1	
	New stores / Refurbished stores			0.1	
Restaurants		0.5	0.8	0.2	
	Rent			(1.0)	
	Sales			(0.1)	
Real Estate		9.3	8.3	(1.0)	
	Food business			0.3	
	Other			0.0	Insurance Business
Other		(0.4)	(0.1)	0.3	
General corporate and intercompany eliminations		(2.9)	(3.7)	(0.7)	
Operating income		14.4	15.3	0.8	
Operating income before goodwill amortization		18.2	19.2	0.9	
	Financial income (expense)	(2.5)	(1.9)	0.6	Reduction of interest payments
	Equity in income (losses) of affiliates	0.2	0.2	0.0	
	Other	1.6	0.4	(1.2)	
Non-operating income and expenses		(0.8)	(1.3)	(0.5)	
Ordinary income		13.6	14.0	0.3	
	Gain on sales of investment securities	0.0	3.5	3.4	
	Other extraordinary gains	0.1	-	(0.1)	
	Loss on sales/disposal of property, plant and equipment	(2.1)	(1.3)	0.8	
	Impairment losses	(0.2)	-	0.2	
	Other extraordinary losses	(1.0)	(4.9)	(3.9)	
Extraordinary gains and losses		(3.2)	(2.7)	0.5	
Income before income taxes and minority interests		10.5	11.3	0.7	
Change in income taxes and minority interests (loss)		(5.1)	(5.8)	(0.7)	
Net income		5.3	5.5	0.1	

	Year ended December 31, 2012	Year ending December 31, 2013
Yen/US$	79.81	85.00
Yen/CAN$	79.83	83.00
Yen/EUR	102.56	105.00

Consolidated Forecasts (Year ending December 31, 2013)

* Forecasts are unchanged from the figures announced on February 8, 2013.

Segment Information

(billions of yen)

Year ended December 31, 2012	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales(*1)	269.9	36.1	129.0	26.6	23.2	7.5	-	492.4
Operating income	7.5	(0.0)	0.3	0.5	9.3	(0.4)	(2.9)	14.4
(Operating income before goodwill amortization)	7.5	1.0	3.1	0.5	9.3	(0.4)	(2.9)	18.2
Sales promotion costs								
Sales incentives and commissions	18.6	0.2	13.9	0.0	0.0	0.1	(0.1)	32.8
Advertising and promotion expenses	13.8	1.1	3.8	0.9	0.3	0.0	(0.0)	20.2
Promotion items	4.5	1.8	0.0	0.0	0.0	0.0	0.0	6.4
Depreciation and amortization	12.4	1.5	6.6	0.5	4.6	0.0	0.0	25.8
Amortization of goodwill	0.0	1.1	2.7	0.0	0.0	0.0	0.0	3.8
EBITDA (*2)	19.9	2.5	9.7	1.1	14.0	(0.4)	(2.9)	44.0
Capital expenditures (cash basis)	3.0	1.9	3.4	0.6	42.1	0.4	2.0	53.8
Payment of lease obligations	0.0	0.1	3.6	0.0	0.0	0.0	0.0	3.9

Year ending December, 31, 2013 (Forecast)	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	275.2	43.3	136.5	26.8	23.6	6.6	-	512.0
Operating income	9.0	0.0	1.0	0.8	8.3	(0.1)	(3.7)	15.3
(Operating income before goodwill amortization)	9.0	1.1	3.7	0.8	8.3	(0.1)	(3.7)	19.2
Depreciation and amortization	11.2	1.7	6.3	0.7	4.4	0.1	0.0	24.4
Amortization of goodwill	0.0	1.1	2.7	0.0	0.0	0.0	0.0	3.9
EBITDA (*2)	20.2	2.8	10.0	1.5	12.7	0.0	(3.7)	43.6
Capital expenditures (cash basis)	4.8	2.1	6.6	0.9	5.5	0.1	1.0	21.0
Payment of lease obligations	0.0	0.0	4.0	0.0	0.0	0.0	0.0	4.0

Change	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	5.2	7.1	7.4	0.1	0.3	(0.9)	0.0	19.5
Operating income	1.4	0.0	0.6	0.2	(1.0)	0.3	(0.7)	0.8
(Operating income before goodwill amortization)	1.4	0.0	0.6	0.2	(1.0)	0.3	(0.7)	0.9
Depreciation and amortization	(1.2)	0.1	(0.3)	0.1	(0.2)	0.0	0.0	(1.3)
Amortization of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA (*2)	0.2	0.2	0.2	0.3	(1.3)	0.4	(0.7)	(0.4)
Capital expenditures (cash basis)	1.7	0.1	3.1	0.2	(36.6)	(0.3)	(1.0)	(32.8)
Payment of lease obligations	0.0	(0.1)	0.3	0.0	0.0	0.0	0.0	0.0

*1:Effective from the fiscal year ending December 31, 2013, SAPPORO LOGISTICS SYSTEMS CO., LTD. and POKKA LOGISTICS CO., LTD., previously included under the Japanese Alcoholic Beverages and Food & Soft Drinks segments, respectively, have been reclassified to the Other segment.
On July 1, 2013, Pokka Logistics Co., Ltd., was dissolved following an absorption-type merger with Sapporo Logistics Systems Co., Ltd.

Pokka Food (Singapore) Pte. Ltd., previously included under the Food & Soft Drinks segment, has been reclassified to the Restaurants segment.
On April 1, 2013, Pokka Food (Singapore) Pte. Ltd. changed its name to Sapporo Lion (Singapore) Pte. Ltd.

Accordingly, the consolidated financial statements for the fiscal year ended December 31, 2012 have been retroactively adjusted to reflect these changes.

*2 : EBITDA= Operating income ＋ Depreciation and amortization＋ Amortization of goodwill
Effective from the fiscal year ended December 31, 2012, in conjunction with the transfer of IT assets held by the Sapporo Group to Sapporo Group Management Ltd.,
IT asset depreciation and amortization has been adjusted between the Japanese Alcoholic Beverages segment and Corporate and eliminations.
The adjustments are 2.0 billion yen for the year ending December 31, 2013 and 2.1 billion yen for the year ended December 31, 2012.

*3 : Full year estimate for sales promotion costs is not disclosed.