SAPPORO

Six Months ended June 30, 2014

Consolidated First Half Earnings Report - Supplementary Information

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August 2014

SAPPORO HOLDINGS LTD.

Securities Code: 2501

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

Financial Highlights (2010- 2014)

Consolidated Financial Highlights

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

		Six months ended June 30, 2010	Six months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2013	Six months ended June 30, 2014
Net sales	Including liquor tax	177.1	192.2	223.0	231.2	239.8
	Excluding liquor tax	124.4	142.2	172.6	179.6	187.5
Overseas net sales to total	Excluding liquor tax	10.0%	11.3%	13.6%	19.2%	19.8%
Operating income	Before goodwill amortization	1.7	4.1	0.1	2.4	2.8
	After goodwill amortization	1.2	3.0	(1.7)	0.4	1.0
Operating margin	Including liquor tax / after goodwill amortization	0.7%	1.6%	-	0.2%	0.4%
	Excluding liquor tax /before goodwill amortization	1.4%	3.0%	0.1%	1.4%	1.5%
	Excluding liquor tax /after goodwill amortization	1.0%	2.1%	-	0.3%	0.5%
Ordinary income		0.4	2.0	(2.4)	0.3	0.2
Net income		(0.6)	(2.9)	(2.9)	0.1	(10.9)
Total assets		509.5	557.0	591.8	601.1	603.2
Net assets		115.6	120.9	122.8	140.0	142.3
Balance of debt	Gross	212.2	232.3	263.7	259.9	261.1
	Net	201.5	219.3	255.8	249.8	250.2
Debt-to-equity ratio (times)	Gross	1.8	1.9	2.1	1.9	1.8
	Net	1.7	1.8	2.1	1.8	1.8
Capital expenditure	Cash basis	13.6	7.3	46.3	6.6	9.7
Depreciation and amortization		11.4	11.4	12.7	12.5	12.0
Amortization of goodwill		0.5	1.1	1.9	2.0	1.8
EBITDA	Operating income + Depreciation and amortization +Amortization of goodwill	13.1	15.6	12.9	15.0	14.9
Exchange rates (Yen)	US$	91.36	82.02	79.78	95.73	102.46
	CAN$	88.34	83.95	79.31	94.17	93.40

		Years ended December 31, 2010	Year ended December 31, 2011	Year ended December 31, 2012	Year ended December 31, 2013	Year ending December 31, 2014 (forecast)
Net sales	Including liquor tax	389.2	449.4	492.4	509.8	537.7
	Excluding liquor tax	269.8	336.8	379.7	395.3	430.1
Overseas net sales to total	Excluding liquor tax	9.4%	11.0%	14.1%	18.3%	19.7%
Operating income	Before goodwill amortization	16.5	21.9	18.2	19.3	19.0
	After goodwill amortization	15.4	18.8	14.4	15.3	15.0
Operating margin	Including liquor tax / after goodwill amortization	4.0%	4.2%	2.9%	3.0%	2.8%
	Excluding liquor tax /before goodwill amortization	6.1%	6.5%	4.8%	4.9%	4.4%
	Excluding liquor tax /after goodwill amortization	5.7%	5.6%	3.8%	3.9%	3.5%
Ordinary income		14.3	16.8	13.6	15.1	13.6
Net income		10.7	3.1	5.3	9.4	(2.0)
Total assets		494.7	550.7	597.6	616.7	
Net assets		126.6	124.7	134.9	155.3	
Balance of debt	Gross	181.3	219.1	257.6	247.8	259.5
	Net	167.9	209.9	247.8	236.2	249.5
Debt-to-equity ratio (times)	Gross	1.4	1.8	1.9	1.6	1.7
	Net	1.3	1.7	1.8	1.5	1.6
Capital expenditure	Cash basis	19.8	13.4	53.8	13.7	23.2
Depreciation and amortization		22.5	24.4	25.8	25.0	24.2
Amortization of goodwill		1.1	3.1	3.8	3.9	4.0
EBITDA	Operating income + Depreciation and amortization +Amortization of goodwill	39.0	46.4	44.0	44.3	43.2
ROE（%）	Before goodwill amortization	9.8%	5.1%	7.3%	9.5%	1.3%
	After goodwill amortization	8.9%	2.5%	4.2%	6.7%	-
EPS（yen sen）	Before goodwill amortization	30.49	16.03	23.68	34.40	5.12
	After goodwill amortization	27.50	8.08	13.77	24.20	(5.12)
Exchange rates (Yen)	US$	87.79	79.79	79.81	97.73	105.00
	CAN$	85.18	80.74	79.83	94.81	101.00

*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 - Jun.30, 2013	Jan. 1 - Jun.30, 2014	YoY	Full-year estimate for fiscal 2014	Fiscal 2013 Actual	YoY
Sapporo Draft Beer Black Label	767	742	97%	1,662	1,662	100%
YEBISU (total)	387	395	102%	1,000	961	104%
1 Beer (total)	1,286	1,259	98%	2,957	2,942	101%
2 Happoshu (total)	57	48	84%	360	119	303%
3 New genre beer products (total)	950	1,108	117%	1,962	2,147	91%
Beer, happoshu, and new genre （total 1+2+3）	2,292	2,414	105%	5,280	5,208	101%
Sapporo Premium Alcohol Free	58	43	74%	122	122	100%
RTD（*1)	55	108	194%	210	143	147%

*1：RTD　1Case=250ml*24

(billions of yen)

	Jan. 1 - Jun.30, 2013	Jan. 1 - Jun.30, 2014	YoY	Full-year estimate for fiscal 2014	Fiscal 2013 Actual	YoY
Domestic wines	2.3	2.7	115%	5.9	5.1	116%
Imported wines	3.3	3.5	105%	8.5	7.7	111%
Wine (total)	5.7	6.2	109%	14.5	12.8	113%
Spirits (total)	2.5	2.6	104%	6.9	5.7	122%
Shochu (total)	6.2	6.8	111%	13.3	13.3	100%

Beer (International)

(10,000 cases)

	Jan. 1 - Jun.30, 2013	Jan. 1 - Jun.30, 2014	YoY	Full-year estimate for fiscal 2014	Fiscal 2013 Actual	YoY
SLEEMAN BREWERIES LTD.（*2）	598	593	99%	1,330	1,246	107%
Sapporo brand	223	235	105%	530	447	119%

*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 - Jun.30, 2013	Jan. 1 - Jun.30, 2014	YoY	Full-year estimate for fiscal 2014	Fiscal 2013 Actual	YoY
Soft Drinks	2,095	2,091	100%	4,755	4,574	104%

Consolidated Results (Six Months ended June 30, 2014)

Condensed Consolidated Statements of Income

(billions of yen)

	Six Months ended June 30, 2013	Six Months ended June 30, 2014	Change	Change (%)
Japanese Alcoholic Beverages	120.5	127.1	6.6	5.5%
International Business	23.0	23.7	0.6	2.8%
Food & Soft Drinks	60.7	62.7	2.0	3.3%
Restaurants	12.6	12.3	(0.2)	(1.9)%
Real Estate	11.0	10.9	(0.0)	(0.8)%
Other	3.1	2.8	(0.2)	(9.4)%
Net sales	231.2	239.8	8.6	3.7%
Japanese Alcoholic Beverages	0.1	1.3	1.1	559.7%
International Business	0.3	(0.5)	(0.9)	-
Food & Soft Drinks	(2.4)	(1.8)	0.6	-
Restaurants	(0.2)	(0.3)	(0.1)	-
Real Estate	4.4	4.3	(0.1)	(3.0)%
Other	0.0	0.1	0.0	298.0%
General corporate and intercompany eliminations	(1.8)	(1.9)	(0.1)	-
Operating income	0.4	1.0	0.5	114.2%
Operating income before goodwill amortization	2.4	2.8	0.4	16.1%
Non-operating income	1.8	1.1	(0.6)	(35.2)%
Non-operating expenses	1.9	1.9	0.0	(1.9)%
Ordinary income	0.3	0.2	(0.0)	(18.8)%
Extraordinary gains	3.5	0.0	(3.4)	(97.8)%
Extraordinary losses	0.7	14.6	13.9	-
Income before income taxes and minority interests	3.1	(14.3)	(17.4)	-
Income taxes	2.9	(3.2)	(6.1)	-
Minority interests (loss)	(0.0)	(0.2)	(0.1)	-
Net Income	0.1	(10.9)	(11.1)	-

Condensed Consolidated Statements of Cash Flows

	Six Months ended June 30, 2013	Six Months ended June 30, 2014	Change	Change (%)
Cash flows from operating activities	8.6	1.8	(6.8)	(79.0)%
Cash flows from investing activities	(4.6)	(11.4)	(6.7)	—
Free Cash flows	4.0	(9.6)	(13.6)	—
Cash flows from financial activities	(3.8)	9.0	12.8	—

Sales Breakdown for Japanese Alcoholic Beverages

Sales (including liquor tax)

(billions of yen)

	Six Months ended June 30, 2013	Six Months ended June 30, 2014	Change	Change (%)
Beer	69.2	68.0	(1.2)	(1.8)%
Happoshu	2.1	1.8	(0.3)	(15.8)%
New genre	31.2	36.5	5.3	17.0%
Total	102.6	106.4	3.7	3.6%

Sales (excluding liquor tax)

(billions of yen)

	Six Months ended June 30, 2013	Six Months ended June 30, 2014	Change	Change (%)
Beer	33.4	32.9	(0.4)	(1.4)%
Happoshu	1.2	1.0	(0.1)	(15.8)%
New genre	21.6	25.3	3.7	17.2%
Total	56.2	59.3	3.0	5.4%

Consolidated Results (Six Months ended June 30, 2014)

Breakdown of Key Changes

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

	Change factor	Six months ended June 30, 2013	Six months ended June 30, 2014	Income change	Details
Beer, etc.		(0.3)	0.9	1.2	
Marginal profit	(subtotal)			1.3	
	Increase (decrease) in volume/product mix			1.7	Beer -0.5 Happoshu -0.1 New genre+2.3 Product mix +0.0
	Other			(0.4)	Sapporo Premium Alcohol Free, RTD, Production costs, other factors
Fixed costs and other	(subtotal)			(0.1)	
	Sales promotion costs			(0.8)	Promotional expenses
	Facility cost			0.3	Depreciation and amortization, etc.
	Other			0.5	General and administrative expenses
Wine and spirits		0.4	0.2	(0.2)	
Other		0.1	0.2	0.1	
Japanese Alcoholic Beverages		0.1	1.3	1.1	
North America, etc.		1.2	0.6	(0.6)	
	Increase (decrease) in volume/product mix.			(0.4)	Decrease in volume SLEEMAN(-1%)
	Marketing costs			(0.5)	Mainly SLEEMAN
	Other			0.2	Personnel expenses, Silver Springs Citrus, Inc., etc.
Vietnam		(0.9)	(1.2)	(0.3)	
	Increase (decrease) in volume/product mix.			0.1	Increase in volume, Product mix,etc.
	Marketing costs			(0.4)	
	Other			(0.1)	Personnel expenses, etc.
International		0.3	(0.5)	(0.9)	
Japanese Food & Soft Drinks		(2.4)	(2.0)	0.4	
	Increase (decrease) in volume / product mix			(0.3)	Increase in volume, Product mix,etc.
	Production costs			(0.3)	Decrease in the price of raw ingredients, Increase in production cost
	Other costs			1.1	Personnel expenses, Sales promotion expenses, Facility cost, etc.
	Domestic Subsidiaries			(0.0)	Vending machine operator, and other
Other		(0.0)	0.3	0.3	International business, Restaurant, etc.
Food & Soft Drinks		(2.4)	(1.8)	0.6	
	Existing stores			(0.1)	
	New stores / Refurbished stores			0.0	
Restaurants		(0.2)	(0.3)	(0.1)	
	Rent			(0.1)	
	Sales			(0.0)	
Real Estate		4.4	4.3	(0.1)	
	Logistics business			(0.0)	
	Other			0.1	Insurance business, Food business
Other		0.0	0.1	0.0	
General corporate and intercompany eliminations		(1.8)	(1.9)	(0.1)	
Operating income		0.4	1.0	0.5	
Operating income before goodwill amortization		2.4	2.8	0.4	
	Financial income (expense)	(0.8)	(0.7)	0.1	Reduction of interest payment
	Equity in income (losses) of affiliates	(0.0)	0.1	0.1	
	Other	0.7	(0.2)	(0.8)	Foreign exchange losses
Non-operating income and expenses		(0.1)	(0.7)	(0.6)	
Ordinary income		0.3	0.2	(0.0)	
	Gain on sales of investment securities	3.5	0.0	(3.5)	
	Other extraordinary gains	0.0	0.1	0.0	
	Loss on sales/disposal of property, plant and equipme	(0.2)	(1.4)	(1.1)	
	Impairment losses	(0.3)	-	0.3	
	Additional liquor tax paid and other	-	(11.6)	(11.6)	
	Other extraordinary losses	(0.2)	(1.6)	(1.4)	
Extraordinary gains and losses		2.8	(14.6)	(17.4)	
Income before income taxes and minority interests		3.1	(14.3)	(17.4)	
Corporate tax, etc. / income and loss of minority shareholders		(2.9)	3.4	6.3	
Net Income		0.1	(10.9)	(11.1)	

	Six months ended June 30, 2013	Six months ended June 30, 2014
Yen/US$	95.73	102.46
Yen/CAN$	94.17	93.40
Yen/EUR	125.63	140.42

Consolidated Results (Six Months ended June 30, 2014)

Segment Information

(billions of yen)

Six months ended June 30, 2013	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	120.5	23.0	60.7	12.6	11.0	3.1	-	231.2
Operating income	0.1	0.3	(2.4)	(0.2)	4.4	0.0	(1.8)	0.4
(Operating income before goodwill amortization)	0.1	0.9	(1.0)	(0.2)	4.4	0.0	(1.8)	2.4
Sales promotion costs								
Sales incentives and commissions	9.0	0.1	6.1	0.0	0.0	0.0	(0.0)	15.2
Advertising and promotion expenses	7.7	0.7	2.2	0.4	0.1	0.0	0.0	11.3
Promotion items	1.9	1.3	0.0	0.0	0.0	0.0	(0.0)	3.3
Depreciation and amortization	5.7	0.9	3.3	0.3	2.2	0.0	0.0	12.5
Amortization of goodwill	0.0	0.6	1.3	0.0	0.0	0.0	0.0	2.0
EBITDA (*1)	5.9	1.9	2.2	0.0	6.6	0.0	(1.8)	15.0
Capital exoenditure (cash basis)	1.8	0.9	2.0	0.3	0.8	0.0	0.6	6.6
Payment of lease obligations	0.0	0.1	1.6	0.0	0.0	0.5	0.0	2.3

Six months ended June 30, 2014	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	127.1	23.7	62.7	12.3	10.9	2.8	-	239.8
Operating income	1.3	(0.5)	(1.8)	(0.3)	4.3	0.1	(1.9)	1.0
(Operating income before goodwill amortization)	1.3	0.0	(0.5)	(0.3)	4.3	0.1	(1.9)	2.8
Sales promotion costs								
Sales incentives and commissions	9.3	0.0	6.6	0.0	0.0	0.0	(0.0)	16.0
Advertising and promotion expenses	8.1	0.9	2.1	0.4	0.2	0.0	(0.0)	11.8
Promotion items	1.9	1.7	0.0	0.0	0.0	0.0	(0.0)	3.6
Depreciation and amortization	4.9	1.0	3.3	0.3	2.0	0.0	0.2	12.0
Amortization of goodwill	0.0	0.6	1.2	0.0	0.0	0.0	0.0	1.8
EBITDA (*1)	6.2	1.0	2.7	0.0	6.4	0.1	(1.6)	14.9
Capital exoenditure (cash basis)	1.6	0.7	3.2	0.3	2.6	0.0	1.0	9.7
Payment of lease obligations	0.0	0.0	1.6	0.0	0.0	0.0	0.0	1.6

Change	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	6.6	0.6	2.0	(0.2)	(0.0)	(0.2)	-	8.6
Operating income	1.1	(0.9)	0.6	(0.1)	(0.1)	0.0	(0.1)	0.5
(Operating income before goodwill amortization)	1.1	(0.9)	0.4	(0.1)	(0.1)	0.0	(0.1)	0.4
Sales promotion costs								
Sales incentives and commissions	0.3	(0.0)	0.4	0.0	0.0	(0.0)	0.0	0.7
Advertising and promotion expenses	0.4	0.2	(0.1)	(0.0)	0.1	(0.0)	(0.0)	0.4
Promotion items	(0.0)	0.4	(0.0)	0.0	0.0	(0.0)	(0.0)	0.3
Depreciation and amortization	(0.7)	0.0	0.0	0.0	(0.1)	(0.0)	0.2	(0.4)
Amortization of goodwill	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	(0.1)
EBITDA (*1)	0.3	(0.8)	0.5	(0.1)	(0.2)	0.0	0.1	(0.0)
Capital exoenditure (cash basis)	(0.1)	(0.1)	1.1	0.0	1.8	0.0	0.3	3.1
Payment of lease obligations	0.0	(0.0)	(0.0)	0.0	0.0	(0.5)	0.0	(0.6)

*1：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 1.0 billion yen for the six months ended June 30, 2014 and 1.2 billion yen for the six months ended June 30, 2013.

Consolidated Results (Six Months ended June 30, 2014)

Condensed Consolidated Balance Sheets

(billions of yen)

	December 31, 2013	June 30, 2014	Change	Primary Reasons
Current assets	147.3	133.1	(14.2)	
Cash and cash equivalents	11.5	10.8	(0.6)	
Notes and accounts receivable - trade	87.1	69.3	(17.8)	Seasonal factor, Bank holiday (December 31, 2013)
Inventories	34.3	37.7	3.3	
Other	14.2	15.1	0.9	
Fixed assets	469.4	470.1	0.7	
Fixed assets	360.4	358.9	(1.4)	
Goodwil	34.4	32.4	(2.0)	
Investments and other assets	74.5	78.8	4.2	
Total assets	616.7	603.2	(13.4)	
Current liabilities	227.3	225.0	(2.2)	
Notes and accounts payable - trade	35.9	34.3	(1.5)	
Short-term debt	88.6	99.1	10.4	Issuance of commercial paper
Deposits received	10.8	10.4	(0.3)	
Other	91.9	81.1	(10.7)	Decrease in liquor taxes payable
Long-term liabilities	234.0	235.8	1.7	
Long-term debt	159.1	162.0	2.8	
Employees' retirement benefits	5.9	5.3	(0.5)	
Other	68.9	68.3	(0.6)	
Total liabilities	461.3	460.8	(0.4)	
Shareholders' equity	135.8	121.9	(13.9)	Distribution of dividends, Booking of a net loss during the first half
Accumulated other comprehensive income	15.7	16.8	1.1	
Minority interests	3.6	3.5	(0.1)	
Total net assets	155.3	142.3	(12.9)	
Total liabilities and net assets	616.7	603.2	(13.4)	

Financial Liabilities by segment

(billions of yen)

	December 31, 2013	June 30, 2014	Change	Primary Reasons
Japanese Alcoholic Beverages	38.4	50.6	12.2	
International	17.1	17.8	0.6	
Food & Soft Drinks	9.3	10.8	1.5	
Restaurants	0.0	0.0	0.0	
Real Estate	137.6	142.8	5.2	
Other	2.9	0.3	(2.6)	
Corporate and eliminations	42.3	38.6	(3.6)	
Total	247.8	261.1	13.3	

Overview of Segmentation Changes 2014

No change has been made to segmentation in the fiscal year ending December 31, 2014.
Reportable segment income refers to operating income. Equity-method affiliates are therefore omitted below.

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.
	SHINSEIEN CO.,LTD. （newly consolidated）
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.
	POKKA CREATE CO., LTD.
	PS BEVERAGE LTD.（newly consolidated）
	STELLA BEVERAGE SERVICES CO., LTD.
	SUNPOKKA CO., LTD
	SUNPOKKA EAST CO., LTD *1
	TOKYO SUNPOKKA CO., LTD
	KINKI SUNPOKKA CO., LTD
	STAR BEVERAGE SERVICE CO., LTD.
	POKKA CORPORATION (SINGAPORE) PTE. LTD.
	Pokka Sales & Marketing Pte. Ltd. （※2）
	And another 10 companies
Restaurants	SAPPORO LION LIMITED
	SAPPORO LION (SINGAPORE) PTE.LTD.
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.
Corporate and eliminations	SAPPORO HOLDINGS LTD. SAPPORO GROUP MANAGEMENT LTD.

2014 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.
	SHINSEIEN CO.,LTD.
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.
	POKKA CREATE CO., LTD.
	PS BEVERAGE LTD. *1
	STAR BEVERAGE SERVICE CO., LTD.
	POKKA SAPPORO HOKKAIDO LTD. (newly consolidated)
	Pokka Corporation (Singapore) Pte. Ltd.
	Pokka International Pte. Ltd.*2
	And another 10 companies
Restaurants	SAPPORO LION LIMITED
	SAPPORO LION (SINGAPORE) PTE.LTD.
Real Estate	SAPPORO REAL ESTATE CO.,LTD. *3
	YGP REAL ESTATE 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.
Corporate and eliminations	SAPPORO HOLDINGS LTD. SAPPORO GROUP MANAGEMENT LTD.

*1. STELLA BEVERAGE SERVICES CO., LTD, SUNPOKKA CO., LTD, SUNPOKKA EAST CO., LTD, TOKYO SUNPOKKA CO., LTD, and KINKI SUNPOKKA CO., LTD were dissolved in an absorption-type merger with PS BEVERAGE LTD. on January 1, 2014.

*2. Pokka Sales & Marketing Pte. Ltd. was renamed Pokka International Pte. Ltd. on January 1, 2014.

*3. SAPPORO URBAN DEVELOPMENT CO., LTD. was dissolved in an absorption-type merger with SAPPORO REALE STATE CO., LTD. on April 1, 2014.

*4. SAPPORO FINE FOODS CO., LTD. was dissolved due to corporate liquidation on June 4, 2014.

Consolidated Forecasts (Year ending December 31, 2014)

Condensed Consolidated Statements of Income

(billions of yen)

	Year ended December 31, 2013	Year ending December 31, 2014 (Forecast)	Change	Change (%)
Japanese Alcoholic Beverages	274.9	284.3	9.3	3.4%
International	48.2	57.2	8.9	18.6%
Food & Soft Drinks	130.6	140.0	9.3	7.1%
Restaurants	26.8	28.1	1.2	4.7%
Real Estate	22.7	22.3	(0.4)	(2.1)%
Other	6.4	5.8	(0.6)	(10.0)%
Net sales	509.8	537.7	27.8	5.5%
Japanese Alcoholic Beverages	9.9	9.0	(0.9)	(9.1)%
International	1.2	1.1	(0.1)	(9.0)%
Food & Soft Drinks	(1.4)	0.1	1.5	-
Restaurants	0.4	1.0	0.5	140.7%
Real Estate	8.6	7.2	(1.4)	(17.1)%
Other	0.2	0.2	(0.0)	(13.5)%
General corporate and intercompany eliminations	(3.6)	(3.6)	0.0	-
Operating income	15.3	15.0	(0.3)	(2.2)%
Operating income before goodwill amortization	19.3	19.0	(0.3)	(1.7)%
Non-operating income	3.2	2.3	(0.9)	(28.5)%
Non-operating expenses	3.4	3.7	0.2	7.8%
Ordinary income	15.1	13.6	(1.5)	(10.1)%
Extraordinary gains	3.5	0.0	(3.5)	(100.0)%
Extraordinary losses	2.1	15.0	12.8	607.2%
Income before income taxes and minority interests	16.5	(1.4)	(17.9)	-
Income taxes	7.1	0.7	(6.4)	(90.2)%
Minority interests (loss)	(0.0)	(0.1)	(0.0)	-
Net Income	9.4	(2.0)	(11.4)	-

Condensed Consolidated Statements of Cash Flows

	Year ended December 31, 2013	Year ending December 31, 2014 (Forecast)	Change	Change (%)
Cash flows from operating activities	32.8	18.0	(14.8)	(45.2)%
Cash flows from investing activities	(13.2)	(27.0)	(13.7)	-
Free Cash flows	19.5	(9.0)	(28.5)	-

Sales Breakdown for Japanese Alcoholic Beverages

Sales (including liquor tax)

(billions of yen)

	Year ended December 31, 2013	Year ending December 31, 2014	Change	Change (%)
Beer	159.7	160.1	0.4	0.3%
Happoshu	4.5	3.4	(1.1)	(24.2)%
New genre	70.7	73.5	2.7	3.9%
Total	235.0	237.1	2.0	0.9%

Sales (excluding liquor tax)

(billions of yen)

	Year ended December 31, 2013	Year ending December 31, 2014	Change	Change (%)
Beer	77.8	77.9	0.0	0.1%
Happoshu	2.5	1.7	(0.8)	(31.4)%
New genre	48.9	50.9	1.9	4.1%
Total	129.3	130.6	1.2	1.0%

Consolidated Forecasts (Year ending December 31, 2014)

Breakdown of key income Changes

(billions of yen)

	Change factor	Year ended December 31, 2013	Year ending December 31, 2014 (Forecast)	Change	Details
Beer and related products		8.4	6.7	(1.7)	
Marginal profit	Subtotal			1.5	
	Increase (decrease) in volume / Product mix			1.4	Beer +0.3 Happoshu -0.3 New genre+1.2 Product mix +0.2
	Other			0.1	Sapporo Premium Alcohol Free, RTD, Production costs, other factors
Fixed and other costs	Subtotal			(3.2)	
	Sales promotion costs			(3.7)	
	Facility cost			0.0	
	Other			0.5	
Wine, spirits, and shochu		1.3	1.9	0.5	
Other		0.2	0.4	0.3	
Japanese Alcoholic Beverages		9.9	9.0	(0.9)	
North America and other		3.0	3.4	0.4	
	Increase (decrease) in volume / Product mix			1.2	Increase in volume (SLEEMAN107%. Sapporo 112%)
	Marketing costs			(0.5)	SLEEMAN BREWERIES LTD., SAPPORO USA.,INC.
	Other			(0.3)	
Vietnam		(1.8)	(2.3)	(0.4)	
	Increase (decrease) in volume / Product mix			0.5	Increase in volume
	Marketing costs			(0.7)	
	Other			(0.2)	Depreciation and amortization, etc.
International		1.2	1.1	(0.1)	
Japanese Food & Soft Drinks		(2.3)	(0.8)	1.5	
	Increase (decrease) in volume / Product mix			1.4	Increase in volume
	Production costs			(0.4)	Increase in production costs
	Other costs			0.5	
Other		0.9	0.9	(0.0)	International business, Restaurants, other factors
Food & Soft Drinks		(1.4)	0.1	1.5	
	Existing stores			0.4	
	New stores / Refurbished stores			0.2	
Restaurants		0.4	1.0	0.5	
	Rent			(1.5)	
	Sales			0.0	
Real Estate		8.6	7.2	(1.4)	
	Logistics business			(0.0)	
	Other			0.0	Insurance business
Other		0.2	0.2	(0.0)	
General corporate and intercompany eliminations		(3.6)	(3.6)	0.0	
Operating income		15.3	15.0	(0.3)	
Operating income before goodwill amortization		19.3	19.0	(0.3)	
	Financial income (expense)	(1.7)	(1.9)	(0.1)	
	Equity in income (losses) of affiliates	0.1	0.2	0.1	
	Other	1.4	0.4	(1.0)	
Non-operating income and expenses		(0.2)	(1.3)	(1.1)	
Ordinary income		15.1	13.6	(1.5)	
	Gain on sales of investment securities	3.5	-	(3.5)	
	Other extraordinary gains	0.1	-	(0.1)	
	Loss on sales/disposal of property, plant and equipment	(1.4)	(0.7)	0.8	
	Impairment losses	(0.4)	-	0.4	
	Additional liquor tax paid and other	-	(11.6)	(11.6)	
	Other extraordinary losses	(0.3)	(2.6)	(2.3)	
Extraordinary gains and losses		1.4	(15.0)	(16.4)	
Income before income taxes and minority interests		16.5	(1.4)	(17.9)	
Change in income taxes and minority interests (loss)		(7.1)	(0.6)	6.5	
Net income		9.4	(2.0)	(11.4)	

	Year ended December 31,2013	Year ending December 31,2014 (Forecast)
Yen/US$	97.73	105.00
Yen/CAN$	94.81	101.00
Yen/EUR	129.78	130.00

Consolidated Forecasts (Year ending December 31, 2014)

Segment Information

(billions of yen)

Year ended December 31, 2013	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales(*1)	274.9	48.2	130.6	26.8	22.7	6.4	-	509.8
Operating income	9.9	1.2	(1.4)	0.4	8.6	0.2	(3.6)	15.3
(Operating income before goodwill amortization)	9.9	2.4	1.2	0.4	8.7	0.2	(3.6)	19.3
Sales promotion costs								
Sales incentives and commissions	19.8	0.2	13.0	0.0	0.0	0.0	(0.1)	33.0
Advertising and promotion expenses	14.0	1.4	4.4	0.9	0.3	0.0	(0.0)	21.2
Promotion items	3.7	2.7	0.0	0.0	0.0	0.0	(0.0)	6.4
Depreciation and amortization	10.7	1.8	6.7	0.6	4.4	0.0	0.5	25.0
Amortization of goodwill	0.0	1.2	2.7	0.0	0.0	0.0	0.0	3.9
EBITDA (*2)	20.6	4.3	8.0	1.0	13.1	0.3	(3.0)	44.3
Capital expenditures (cash basis)	2.3	2.3	4.6	0.7	2.6	0.0	1.0	13.7
Payment of lease obligations	0.0	0.2	3.4	0.0	0.0	0.5	0.0	4.2

Year ending December, 31, 2014 (Forecast)	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	284.3	57.2	140.0	28.1	22.3	5.8	-	537.7
Operating income	9.0	1.1	0.1	1.0	7.2	0.2	(3.6)	15.0
(Operating income before goodwill amortization)	9.0	2.5	2.7	1.0	7.2	0.2	(3.6)	19.0
Depreciation and amortization	10.4	2.3	6.1	0.6	4.3	0.1	0.4	24.2
Amortization of goodwill	0.0	1.4	2.6	0.0	0.0	0.0	0.0	4.0
EBITDA (*2)	19.4	4.8	8.8	1.6	11.5	0.3	(3.2)	43.2
Capital expenditures (cash basis)	5.3	1.8	5.6	1.3	8.1	0.1	1.0	23.2
Payment of lease obligations	0.0	0.0	3.3	0.0	0.0	0.0	0.0	3.3

Change	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	9.3	8.9	9.3	1.2	(0.4)	(0.6)	0.0	27.8
Operating income	(0.9)	(0.1)	1.5	0.5	(1.4)	(0.0)	0.0	(0.3)
(Operating income before goodwill amortization)	(0.9)	0.0	1.4	0.5	(1.5)	(0.0)	0.0	(0.3)
Depreciation and amortization	(0.3)	0.4	(0.6)	(0.0)	(0.1)	0.0	(0.1)	(0.8)
Amortization of goodwill	0.0	0.1	(0.1)	0.0	(0.0)	0.0	0.0	0.0
EBITDA (*2)	(1.2)	0.4	0.7	0.5	(1.6)	(0.0)	(0.1)	(1.1)
Capital expenditures (cash basis)	2.9	(0.5)	0.9	0.5	5.4	0.0	(0.0)	9.4
Payment of lease obligations	0.0	(0.2)	(0.1)	0.0	0.0	(0.5)	0.0	(0.9)

*1：EBITDA＝ Operating income ＋ Depreciation and amortization ＋ Amortization of goodwill

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