

Year ended December 31, 2014

Consolidated Earnings Report - Supplementary Information

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February 2015

SAPPORO HOLDINGS LTD.

Securities Code: 2501
URL http://www.sapporoholdings.jp/english/

Financial Highlights (2006- 2015)

Consolidated Financial Highlights

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

		2006	2007	2008	2009	2010
Net sales	Including liquor tax	435.0	449.0	414.5	387.5	389.2
	Excluding liquor tax	294.0	309.7	284.4	264.6	269.8
Overseas net sales to total	Excluding liquor tax	1.8%	9.0%	8.8%	8.5%	9.4%
Operating income	Before goodwill amortization	8.6	13.2	15.5	13.9	16.5
	After goodwill amortization	8.6	12.3	14.6	12.8	15.4
Operating margin	Including liquor tax / after goodwill amortization	2.0%	2.8%	3.5%	3.3%	4.0%
	Excluding liquor tax /before goodwill amortization	2.9%	4.3%	5.5%	5.3%	6.1%
	Excluding liquor tax /after goodwill amortization	2.9%	4.0%	5.2%	4.9%	5.7%
Ordinary income		5.8	8.1	10.5	10.7	14.3
Net income		2.3	5.5	7.6	4.5	10.7
Total assets		589.5	561.8	527.2	506.8	494.7
Net assets		113.4	125.1	116.8	118.5	126.6
Balance of debt	Gross	236.0	212.4	189.2	196.7	181.3
	Net	210.5	205.9	166.7	190.4	167.9
Debt-to-equity ratio (times)	Gross	2.1	1.7	1.6	1.7	1.4
	Net	1.9	1.6	1.4	1.6	1.3
Capital expenditure	Cash basis	21.8	19.8	27.3	21.9	19.8
Depreciation and amortization		21.9	24.5	21.6	22.5	22.5
Amortization of goodwill		0.0	0.8	0.8	1.0	1.1
EBITDA	Operating income + Depreciation and amortization	30.5	37.7	37.1	36.4	39.0
ROE（%）	Before goodwill amortization	2.1%	5.3%	7.0%	4.7%	9.8%
	After goodwill amortization	2.1%	4.6%	6.3%	3.9%	8.9%
EPS（yen sen）	Before goodwill amortization	6.38	16.32	21.70	14.19	30.50
	After goodwill amortization	6.38	14.10	19.49	11.57	27.50
Exchange rates (Yen)	US$	119.12	114.15	103.49	93.65	87.79
	CAN$	102.59	116.34	97.97	82.30	85.18

		2011	2012	2013	2014	2015 (Forecast)
Net sales	Including liquor tax	449.4	492.4	509.8	518.7	545.7
	Excluding liquor tax	336.8	379.7	395.3	401.8	434.2
Overseas net sales to total	Excluding liquor tax	11.0%	14.1%	18.3%	19.2%	21.5%
Operating income	Before goodwill amortization	21.9	18.2	19.3	18.4	20.7
	After goodwill amortization	18.8	14.4	15.3	14.7	16.3
Operating margin	Including liquor tax / after goodwill amortization	4.2%	2.9%	3.0%	2.8%	3.0%
	Excluding liquor tax /before goodwill amortization	6.5%	4.8%	4.9%	4.6%	4.8%
	Excluding liquor tax /after goodwill amortization	5.6%	3.8%	3.9%	3.7%	3.8%
Ordinary income		16.8	13.6	15.1	14.5	15.2
Net income		3.1	5.3	9.4	0.3	8.0
Total assets		550.7	597.6	616.7	625.4	
Net assets		124.7	134.9	155.3	160.0	
Balance of debt	Gross	219.1	257.6	247.8	247.5	220.5
	Net	209.9	247.8	236.2	237.7	210.8
Debt-to-equity ratio (times)	Gross	1.8	1.9	1.6	1.5	1.3
	Net	1.7	1.8	1.5	1.5	1.3
Capital expenditure	Cash basis	13.4	53.8	13.7	19.1	16.5
Depreciation and amortization		24.4	25.8	25.0	24.4	22.5
Amortization of goodwill		3.1	3.8	3.9	3.7	4.4
EBITDA	Operating income + Depreciation and amortization	46.4	44.0	44.3	42.9	43.2
ROE (%)	Before goodwill amortization	5.1%	7.3%	9.5%	2.7%	7.8%
	After goodwill amortization	2.5%	4.2%	6.7%	0.2%	5.0%
EPS (yen sen)	Before goodwill amortization	16.02	23.68	34.40	10.53	31.81
	After goodwill amortization	8.08	13.77	24.20	0.87	20.52
Exchange rates (Yen)	US$	79.79	79.81	97.73	105.79	113.00
	CAN$	80.74	79.83	94.81	95.74	99.00

*1: The balance of debt includes commercial paper but excludes the balance of lease obligations.

*2:Effective from the year ended December 31, 2008, revenues and expenses are translated into Japanese yen at the average exchange rate for the fiscal year, not the prevailing exchange rate on the balance sheet date as before.

Major Sales and Sales Volume

Beer (Japan)

(10,000 cases / *:RTD 1Case=250ml*24)

	Fiscal 2013	Fiscal 2014	Y o Y	Full-year estimate for fiscal 2015	Y o Y
Sapporo Draft Beer Black Label	1,662	1,615	97%	1,600	99%
YEBISU (total)	961	964	100%	1,000	104%
1 Beer (total)	2,942	2,896	98%	2,918	101%
2 Happoshu (total)	119	387	325%	641	166%
3 New genre beer products (total)	2,147	1,956	91%	1,791	92%
Beer-type beverages （total 1+2+3）	5,208	5,238	101%	5,350	102%
Sapporo Premium Alcohol Free	122	91	75%	80	88%
RTD(*)	143	213	149%	236	111%

(billions of yen)

	Fiscal 2013	Fiscal 2014	Y o Y	Full-year estimate for fiscal 2015	Y o Y
Domestic wines	51	56	111%	60	106%
Imported wines	77	83	107%	95	115%
Wine (total)	128	139	109%	155	111%
Spirits (total)	57	57	101%	69	120%
Shochu (total)	133	147	110%	150	103%

Beer (International)

(10,000 cases)

	Fiscal 2013	Fiscal 2014	Y o Y	Full-year estimate for fiscal 2015	Y o Y
SLEEMAN BREWERIES LTD.（*1）	1,246	1,237	99%	1,267	103%
Sapporo brand	447	488	109%	561	115%

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

Soft Drinks (POKKA SAPPORO FOOD & BEVERAGE)

(10,000 cases)

	Fiscal 2013	Fiscal 2014	Y o Y	Full-year estimate for fiscal 2015	Y o Y
Soft Drinks(*2)	4,574	4,464	98%	4,503	101%

*2：Excludes sales other than Japan

Consolidated Results (Year ended December 31, 2014)

Condensed Consolidated Statements of Income

(billions of yen)

	2013	2014	Change	Change (%)
Japanese Alcoholic Beverages	274.9	281.8	6.9	2.5%
International Business	48.2	49.6	1.4	3.0%
Food & Soft Drinks	130.6	133.4	2.7	2.1%
Restaurants	26.8	26.3	(0.4)	(1.8)%
Real Estate	22.7	21.5	(1.2)	(5.5)%
Other	6.4	5.9	(0.4)	(7.7)%
Net sales	509.8	518.7	8.9	1.7%
Japanese Alcoholic Beverages	9.9	10.2	0.3	3.1%
International Business	1.2	0.1	(1.0)	(85.7)%
Food & Soft Drinks	(1.4)	0.1	1.6	—
Restaurants	0.4	0.2	(0.1)	(29.7)%
Real Estate	8.6	7.6	(0.9)	(11.4)%
Other	0.2	0.1	(0.0)	(20.5)%
General corporate and intercompany eliminations	(3.6)	(3.9)	(0.3)	—
Operating income	15.3	14.7	(0.6)	(4.0)%
Operating income before goodwill amortization	19.3	18.4	(0.8)	(4.3)%
Non-operating income	3.2	2.8	(0.4)	(12.7)%
Non-operating expenses	3.4	2.9	(0.4)	(13.4)%
Ordinary income	15.1	14.5	(0.5)	(3.7)%
Extraordinary gains	3.5	4.7	1.1	33.0%
Extraordinary losses	2.1	16.5	14.4	682.5%
Income before income taxes and minority	16.5	2.6	(13.8)	(83.7)%
Income taxes	7.1	2.5	(4.5)	(63.6)%
Minority interests (loss)	(0.0)	(0.2)	(0.2)	—
Net Income	9.4	0.3	(9.1)	(96.4)%

Condensed Consolidated Statements of Cash Flows

	2013	2014	Change	Change(%)
Cash flows from operating activities	32.8	22.2	(10.5)	(32.2)%
Cash flows from investing activities	(13.2)	(17.2)	(3.9)	—
Free cash flows	19.5	5.0	(14.5)	(74.2)%
Cash flows from financial activities	(19.1)	(7.3)	11.8	—

Sales Breakdown for Japanese Alcoholic Beverages

Sales (including liquor tax)

(billions of yen)

	2013	2014	Change	Change (%)
Beer	159.7	157.6	(2.0)	(1.3)%
Happoshu	4.5	14.8	10.2	223.1%
New genre	70.7	64.5	(6.2)	(8.8)%
Total	235.0	236.9	1.9	0.8%

Sales (excluding liquor tax)

(billions of yen)

	2013	2014	Change	Change (%)
Beer	77.8	77.0	(0.8)	(1.0)%
Happoshu	2.5	8.2	5.6	221.5%
New genre	48.9	44.7	(4.2)	(8.7)%
Total	129.3	129.9	0.5	0.5%

Consolidated Results (Year ended December 31, 2014)

Breakdown of Key Changes

Numbers in parentheses mean decline in earnings.

	Change factor	2013	2014	Income change	Details
Beer and related products		8.4	8.6	0.2	
Marginal profit	(subtotal)			0.1	
	Increase (decrease) in volume/product mix			(0.3)	Beer -0.8 Happoshu +3.3 New genre -2.6 Product mix -0.2
	Other			0.4	RTD, Production costs, other factors
Fixed costs and other	(subtotal)			0.2	
	Sales promotion costs			(1.7)	Advertising and promotional expenses
	Facility cost			0.9	Depreciation and amortization, etc.
	Other			1.0	Personnel expenses, Other costs
Wine and spirits		1.3	1.3	(0.1)	
Other		0.2	0.5	0.3	
Japanese Alcoholic Beverages		**9.9**	**10.2**	**0.3**	
North America, etc.		3.0	2.3	(0.8)	
	Increase (decrease) in volume/product mix.			(0.3)	Decrease in volume (SLEEMAN -1%)
	Marketing costs			(0.2)	Mainly SLEEMAN
	Other			(0.4)	Personnel expenses, Other costs, etc.
Vietnam		(1.8)	(2.1)	(0.2)	
	Increase (decrease) in volume/product mix.			0.2	Increase in volume, Product mix
	Marketing costs			(0.3)	
	Other			(0.1)	Personnel expenses, etc.
International		**1.2**	**0.1**	**(1.0)**	
Japanese Food & Soft Drinks		(2.5)	(1.2)	1.3	
	Increase (decrease) in volume / product mix			(0.2)	Increase in volume, Product mix
	Production costs			(0.6)	Increase in cost of raw ingredients, Increase in production costs
	Other costs			2.3	Decrease in personnnel expenses, Sales promotion expenses amd facilities cost
	Domestic Subsidiaries			(0.2)	Vending machine operator, and other
Other		1.1	1.3	0.2	International business, Restaurants,
Food & Soft Drinks		**(1.4)**	**0.1**	**1.6**	
	Existing stores			(0.1)	
	New stores / Refurbished stores			(0.1)	
Restaurants		**0.4**	**0.2**	**(0.1)**	
	Rent			(1.0)	Redevelopment Sapporo Ginza building
	Sales			0.0	
Real Estate		**8.6**	**7.6**	**(0.9)**	
	Logistics business			(0.1)	
	Other			0.1	
Other		**0.2**	**0.1**	**(0.0)**	
General corporate and intercompany eliminations		**(3.6)**	**(3.9)**	**(0.3)**	
Operating income		**15.3**	**14.7**	**(0.6)**	
Operating income before goodwill amortization		**19.3**	**18.4**	**(0.8)**	
	Financial income (expense)	(1.7)	(1.4)	0.3	Reduction of interest payment
	Equity in income (losses) of affiliates	0.1	0.2	0.1	
	Other	1.4	1.0	(0.4)	Foreign exchange gains
Non-operating income and expenses		**(0.2)**	**(0.2)**	**0.1**	
Ordinary income		**15.1**	**14.5**	**(0.5)**	
	Gain on sales of property, plant and equipment	0.1	3.5	3.5	
	Gain on sales of investment securities	3.5	0.2	(3.3)	
	Other extraordinary gains	—	1.0	1.0	
	Loss on sales/disposal of property, plant and equipment	(1.4)	(2.3)	(0.9)	
	Loss on impairment of property, plant and equipment	(0.4)	(0.9)	(0.5)	
	Additional liquor tax paid and other	—	(11.6)	(11.6)	
	Other extraordinary losses	(0.3)	(1.8)	(1.4)	
Extraordinary gains and losses		**1.4**	**(11.9)**	**(13.3)**	
Income before income taxes and minority interests		**16.5**	**2.6**	**(13.8)**	
Corporate tax, etc. / income and loss of minority shareholders		**(7.1)**	**(2.3)**	**4.8**	
Net Income		**9.4**	**0.3**	**(9.1)**	

	Year ended December 31, 2013	Year ended December 31, 2014
Yen/US$	97.73	105.79
Yen/CAN$	94.81	95.74
Yen/EUR	129.78	140.35

Consolidated Results (Year ended 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	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 (*1)	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 ended December 31, 2014	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	281.8	49.6	133.4	26.3	21.5	5.9	—	518.7
Operating income	10.2	0.1	0.1	0.2	7.6	0.1	(3.9)	14.7
(Operating income before goodwill amortization)	10.2	1.4	2.6	0.2	7.6	0.1	(3.9)	18.4
Sales promotion costs								
Sales incentives and commissions	20.4	0.1	13.1	0.0	0.0	0.0	(0.1)	33.5
Advertising and promotion expenses	15.3	1.6	4.1	0.9	0.6	0.0	(0.0)	22.6
Promotion items	3.7	3.1	0.0	0.0	0.0	0.0	(0.0)	6.8
Depreciation and amortization	9.9	2.1	6.7	0.6	4.2	0.0	0.6	24.4
Amortization of goodwill	0.0	1.2	2.5	0.0	0.0	0.0	0.0	3.7
EBITDA (*1)	20.1	3.5	9.4	0.9	11.9	0.2	(3.3)	42.9
Capital expenditures (Cash basis)	3.3	2.0	4.4	1.3	6.3	0.0	1.5	19.1
Payment of lease obligations	0.0	0.1	3.1	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	6.9	1.4	2.7	(0.4)	(1.2)	(0.4)	—	8.9
Operating income	0.3	(1.0)	1.6	(0.1)	(0.9)	(0.0)	(0.3)	(0.6)
(Operating income before goodwill amortization)	0.3	(1.0)	1.3	(0.1)	(1.0)	(0.0)	(0.3)	(0.8)
Sales promotion costs								
Sales incentives and commissions	0.5	(0.0)	0.0	0.0	0.0	(0.0)	(0.0)	0.4
Advertising and promotion expenses	1.3	0.1	(0.3)	(0.0)	0.3	(0.0)	(0.0)	1.4
Promotion items	0.0	0.3	(0.0)	0.0	0.0	(0.0)	0.0	0.4
Depreciation and amortization	(0.7)	0.2	0.0	0.0	(0.1)	(0.0)	0.1	(0.5)
Amortization of goodwill	0.0	0.0	(0.2)	0.0	(0.0)	0.0	0.0	(0.2)
EBITDA (*1)	(0.4)	(0.7)	1.3	(0.0)	(1.1)	(0.0)	(0.2)	(1.4)
Capital expenditures (Cash basis)	1.0	(0.3)	(0.1)	0.5	3.7	0.0	(0.5)	5.3
Payment of lease obligations	0.0	(0.1)	(0.2)	0.0	(0.0)	(0.5)	0.0	(0.8)

*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 1.9 billion yen for the year ended December 31, 2014 and 2.0 billion yen for the year ended December 31, 2013.

Consolidated Results (Year ended December 31, 2014)

Condensed Consolidated Balance Sheets

(billions of yen)

	December 31, 2013	December 31, 2014	Change	Primary Reasons
Current assets	147.3	156.3	9.0	
Cash and cash equivalents	11.5	9.7	(1.7)	
Notes and accounts receivable - trade	87.1	89.2	(2.0)	
Inventories	34.3	36.5	2.1	
Other	14.2	20.8	6.5	
Fixed assets	469.4	469.0	(0.3)	
Fixed assets	360.4	356.6	(3.8)	
Goodwill	34.4	29.9	(4.4)	
Investments and other assets	74.5	82.4	7.9	Increase in investment securities resulting from increase in unrealized holding gain on securities
Total assets	616.7	625.4	8.6	
Current liabilities	227.3	211.7	(15.5)	
Notes and accounts payable - trade	35.9	35.5	(0.3)	
Short-term debt	88.6	73.4	(15.1)	
Deposits received	10.8	9.6	(1.1)	
Other	91.9	93.1	(1.2)	
Long-term liabilities	234.0	253.6	19.5	
Long-term debt	159.1	174.1	14.9	Issuance of bonds, Increase in long-term debt
Employees' retirement benefits	5.9	4.5	(1.3)	
Other	68.9	75.0	6.0	
Total liabilities	461.3	465.4	4.0	
Shareholders' equity	135.8	133.1	(2.7)	Distribution of dividends
Accumulated other comprehensive income	15.7	23.1	7.3	Increase in unrealized holding gain on securities +4.6 Increase in foreign currency translation adjustment +2.2
Minority interests	3.6	3.7	0.0	
Total net assets	155.3	160.0	4.6	
Total liabilities and net assets	616.7	625.4	8.6	

Identifiable Assets by segment

(billions of yen)

	December 31, 2013	December 31, 2014	Change	Primary Reasons
Japanese Alcoholic Beverages	212.6	220.4	7.7	
International	54.8	57.6	2.7	
Food & Soft Drinks	102.7	102.7	0.0	
Restaurants	11.9	12.2	0.2	
Real Estate	215.8	214.3	(1.4)	
Other	7.4	7.1	(0.3)	
Corporate and eliminations	11.1	10.8	(0.3)	
Total	616.7	625.4	8.6	

Financial Liabilities by segment

(billions of yen)

	December 31, 2013	December 31, 2014	Change	Primary Reasons
Japanese Alcoholic Beverages	38.4	43.6	5.1	
International	17.1	18.7	1.5	
Food & Soft Drinks	9.3	11.7	2.3	
Restaurants	0.0	0.0	0.0	
Real Estate	137.6	135.5	(2.1)	
Other	2.9	0.3	(2.6)	
Corporate and eliminations	42.3	37.6	(4.6)	
Total	247.8	247.5	(0.2)	

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
	POKKA CORPORATION (H.K.) LTD. *5
	And another 9 companies
Restaurants	SAPPORO LION LIMITED
	SAPPORO LION (SINGAPORE) PTE.LTD.
Real Estate	SAPPORO REAL ESTATE CO.,LTD. *3
	YGP REAL ESTATE CO., LTD.
	SAPPORO URBAN DEVELOPMENT CO., LTD. *3
	TOKYO ENERGY SERVICE CO., LTD.
	SAPPORO SPORTS PLAZA CO., LTD. *6
	YOKOHAMA KEIWA BUILDING CO., LTD.
Other	SAPPORO FOODS NET CO., LTD.
	SAPPORO FINE FOODS CO., LTD. *4
	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 8 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.
	YOKOHAMA KEIWA BUILDING CO., LTD.
Other	SAPPORO FOODS NET 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.

*5 Pokka Corporation (H.K.) Ltd. and one other company were sold and excluded from consolidation on November 26, 2014,

*6 Sapporo Sports Plaza Co., Ltd. was sold and excluded from consolidation on December 1, 2014.

Consolidated Forecasts (Year ending December 31, 2015)

Condensed Consolidated Statements of Income

(billions of yen)

	Year ended December 31, 2014	Year ending December 31, 2015 (Forecast)	Change	Change (%)
Japanese Alcoholic Beverages	281.8	290.2	8.3	3.0%
International	49.6	67.8	18.1	36.5%
Food & Soft Drinks	133.4	133.7	0.2	0.2%
Restaurants	26.3	27.2	0.8	3.2%
Real Estate	21.5	20.8	(0.7)	(3.3)%
Other	5.9	6.0	0.0	0.9%
Net sales	518.7	545.7	26.9	5.2%
Japanese Alcoholic Beverages	10.2	9.5	(0.7)	(6.9)%
International	0.1	1.0	0.8	478.2%
Food & Soft Drinks	0.1	0.7	0.5	477.7%
Restaurants	0.2	0.9	0.6	208.2%
Real Estate	7.6	7.9	0.2	2.7%
Other	0.1	0.2	0.0	8.7%
General corporate and intercompany eliminations	(3.9)	(3.9)	0.0	—
Operating income	14.7	16.3	1.5	10.7%
Operating income before goodwill amortization	18.4	20.7	2.2	11.9%
Non-operating income	2.8	2.3	(0.5)	(18.2)%
Non-operating expenses	2.9	3.4	0.4	14.3%
Ordinary income	14.5	15.2	0.6	4.4%
Extraordinary gains	4.7	7.5	2.7	58.7%
Extraordinary losses	16.5	9.4	(7.1)	(43.4)%
Income before income taxes and minority interests	2.6	13.3	10.6	393.5%
Income taxes	2.5	5.3	2.7	103.9%
Minority interests (loss)	(0.2)	0.0	0.2	—
Net Income	0.3	8.0	7.6	2,252.8%

Condensed Consolidated Statements of Cash Flows

	Year ended December 31, 2014	Year ending December 31, 2015 (Forecast)	Change	Change (%)
Cash flows from operating activities	22.2	42.5	20.2	90.7%
Cash flows from investing activities	(17.2)	(12.7)	4.5	-
Free Cash flows	5.0	29.8	24.7	489.5%

Sales Breakdown for Japanese Alcoholic Beverages

Sales (including liquor tax)

(billions of yen)

	Year ended December 31, 2014	Year ending December 31, 2015 (Forecast)	Change	Change (%)
Beer	157.6	158.6	0.9	0.6%
Happoshu	14.8	24.4	9.6	65.0%
New genre	64.5	59.0	(5.4)	(8.5)%
Total	236.9	242.1	5.1	2.2%

Sales (excluding liquor tax)

(billions of yen)

	Year ended December 31, 2014	Year ending December 31, 2015(Forecast)	Change	Change (%)
Beer	77.0	77.1	0.1	0.2%
Happoshu	8.2	13.5	5.3	64.4%
New genre	44.7	40.8	(3.8)	(8.5)%
Total	129.9	131.6	1.6	1.3%

Consolidated Forecasts (Year ending December 31, 2015)

Breakdown of key income Changes (billions of yen)

	Change factor	Year ended December 31, 2014	Year ending December 31, 2015 (Forecast)	Change	Details
Beer and related products		7.6	6.3	(1.3)	
Marginal profit	Subtotal			1.5	
	Increase (decrease) in volume / Product mix			1.6	Beer +0.5 Happoshu +2.9 New genre -2.2 Product mix +0.4
	Other (*1)			(0.1)	RTD, Production costs, other factors
Fixed and other costs	Subtotal			(2.8)	
	Sales promotion costs			(3.2)	
	Facility cost			0.8	Depreciation and amortization
	Other			(0.3)	
Wine, spirits, and shochu	(*1)	2.2	2.6	0.4	
Other		0.5	0.6	0.0	
Japanese Alcoholic Beverages		**10.2**	**9.5**	**(0.7)**	
North America and other		2.3	2.7	0.4	
	Increase (decrease) in volume / Product mix			1.5	Increase in volume (SLEEMAN103%), Product mix
	Marketing costs			(0.7)	SLEEMAN, Sapporo U.S.A.
	Other			(0.3)	Personnel expenses, Country pure foods
Vietnam		(2.1)	(1.7)	0.4	
	Increase (decrease) in volume / Product mix			1.0	Increase in volume
	Marketing costs			(0.4)	
	Other			(0.1)	Increase in cost of logistics and warehouse
International		**0.1**	**1.0**	**0.8**	
Japanese Food & Soft Drinks		(1.2)	(0.8)	0.4	
	Increase (decrease) in volume / Product mix			1.4	Increase in volume, Product mix
	Production costs			(0.6)	Increase in cost of raw ingredients, Decrease in production costs
	Other costs			(0.6)	Increase in personnel expenses, Decrease in sales promotion costs
	Domestic Subsidiaries			0.2	
Other		1.3	1.5	0.2	International business, Restaurants, other factors
Food & Soft Drinks		**0.1**	**0.7**	**0.5**	
	Existing stores			0.3	
	New stores / Refurbished stores			0.4	
Restaurants		**0.2**	**0.9**	**0.6**	
	Rent			0.5	
	Sales			(0.3)	
Real Estate		**7.6**	**7.9**	**0.2**	
	Logistics business			0.0	
	Other			0.0	
Other		**0.1**	**0.2**	**0.0**	
General corporate and intercompany eliminations		**(3.9)**	**(3.9)**	**0.0**	
Operating income		**14.7**	**16.3**	**1.5**	
Operating income before goodwill amortization		**18.4**	**20.7**	**2.2**	
	Financial income (expense)	(1.4)	(1.7)	(0.3)	
	Equity in income (losses) of affiliates	0.2	0.2	0.0	
	Other	1.0	0.6	(0.4)	
Non-operating income and expenses		**(0.2)**	**(1.2)**	**(1.0)**	
Ordinary income		**14.5**	**15.2**	**0.6**	
	Gain on sales of property, plant and equipment	3.5	7.5	4.0	
	Other extraordinary gains	1.2	—	(1.2)	
	Loss on sales/disposal of property, plant and equipment	(2.3)	(1.5)	0.8	
	Loss on impairment of property, plant and equipment	(0.9)	—	(0.9)	
	Additional liquor tax paid and other	(11.6)	—	11.6	
	Other extraordinary losses	(1.8)	(7.9)	(6.1)	
Extraordinary gains and losses		**(11.9)**	**(1.9)**	**10.0**	
Income before income taxes and minority interests		**2.6**	**13.3**	**10.6**	
Change in income taxes and minority interests (loss)		**(2.3)**	**(5.3)**	**(3.0)**	
Net income		**0.3**	**8.0**	**7.6**	

*1 Effective the fiscal year ending December 31, 2015, some products for the commercial markets were reclassified from “Beer and related products” to “Wine, spirits, and shochu” The adjustments of operating income for the fiscal year ended December 31, 2014 was 0.9 billion yen.

	Year ended December 31,2014	Year ending December 31,2015 (Forecast)
Yen/US$	105.79	113.00
Yen/CAN$	95.74	99.00
Yen/EUR	140.35	140.00

Consolidated Forecasts (Year ending December 31, 2015)

Segment Information (billions of yen)

Year ended December 31, 2014	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	281.8	49.6	133.4	26.3	21.5	5.9	—	518.7
Operating income	10.2	0.1	0.1	0.2	7.6	0.1	(3.9)	14.7
(Operating income before goodwill amortization)	10.2	1.4	2.6	0.2	7.6	0.1	(3.9)	18.4
Sales promotion costs								
Sales incentives and commissions	20.4	0.1	13.1	0.0	0.0	0.0	(0.1)	33.5
Advertising and promotion expenses	15.3	1.6	4.1	0.9	0.6	0.0	(0.0)	22.6
Promotion items	3.7	3.1	0.0	0.0	0.0	0.0	(0.0)	6.8
Depreciation and amortization	9.9	2.1	6.7	0.6	4.2	0.0	0.6	24.4
Amortization of goodwill	0.0	1.2	2.5	0.0	0.0	0.0	0.0	3.7
EBITDA (*1)	20.1	3.5	9.4	0.9	11.9	0.2	(3.3)	42.9
Capital expenditures (cash basis)	3.3	2.0	4.4	1.3	6.3	0.0	1.5	19.1
Payment of lease obligations	0.0	0.1	3.1	0.0	0.0	0.0	0.0	3.3

Year ending December, 31, 2015 (Forecast)	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	290.2	67.8	140.0	27.2	20.8	6.0	-	552.0
Operating income	9.5	1.0	0.7	0.9	7.9	0.2	(3.9)	16.3
(Operating income before goodwill amortization)	9.5	3.1	3.0	0.9	7.9	0.2	(3.9)	20.7
Depreciation and amortization	9.4	2.0	6.1	0.7	4.2	0.1	0.0	22.5
Amortization of goodwill	0.0	2.1	2.3	0.0	0.0	0.0	0.0	4.4
EBITDA (*1)	18.9	5.1	9.1	1.6	12.1	0.3	(3.9)	43.2
Capital expenditures (cash basis)	4.8	1.8	2.2	0.8	5.9	0.0	1.0	16.5
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	8.3	18.1	6.5	0.8	(0.7)	0.0	0.0	33.2
Operating income	(0.7)	0.8	0.5	0.6	0.2	(0.0)	0.0	1.5
(Operating income before goodwill amortization)	(0.7)	1.6	0.3	0.6	0.2	(0.0)	0.0	2.2
Depreciation and amortization	(0.5)	(0.1)	(0.6)	(0.0)	0.0	0.0	(0.6)	(1.9)
Amortization of goodwill	0.0	0.8	(0.2)	0.0	(0.0)	0.0	0.0	0.6
EBITDA (*1)	(1.2)	1.5	(0.3)	0.6	0.1	0.0	(0.5)	0.2
Capital expenditures (cash basis)	1.4	(0.2)	(2.2)	(0.5)	(0.4)	0.0	(0.5)	(2.6)
Payment of lease obligations	0.0	(0.1)	0.1	0.0	0.0	0.0	0.0	0.0

*1：EBITDA＝ Operating income ＋ Depreciation and amortization ＋ Amortization of goodwill
*2：Full year estimate for sales promotion costs is not disclosed.