



**Year ended December 31, 2019**

**Consolidated Earnings Report - Supplementary Information**

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**February 2020**

**SAPPORO HOLDINGS LTD.**

**Securities Code: 2501**

**URL <https://www.sapporoholdings.jp/en/>**

**Financial Highlights (2012-2020)**

**Consolidated Financial Highlights**

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

		2012	2013	2014	2015	2016
		J GAAP	J GAAP	J GAAP	J GAAP	J GAAP
Revenue	Including liquor tax	492.5	509.8	518.7	533.7	541.8
	Excluding liquor tax	379.8	395.4	401.8	418.3	424.1
Overseas revenue to total	Excluding liquor tax	14.1%	18.3%	19.2%	22.6%	20.5%
Operating profit	Before goodwill amortization	18.3	19.3	18.5	18.1	24.2
	After goodwill amortization	14.4	15.3	14.7	14.0	20.3
Operating margin	Including liquor tax / after goodwill amortization	2.9%	3.0%	2.8%	2.6%	3.7%
	Excluding liquor tax /before goodwill amortization	4.8%	4.9%	4.6%	4.3%	5.7%
	Excluding liquor tax /after goodwill amortization	3.8%	3.9%	3.7%	3.3%	4.8%
Ordinary income		13.7	15.1	14.6	13.2	192.0
Profit attributable to owners of parent		5.4	9.5	0.3	6.1	9.5
Total assets		597.6	616.8	625.4	620.4	626.4
Total equity		134.9	155.4	160.0	163.8	166.4
Balance of debt (*3)	Gross	257.6	247.8	247.6	234.7	238.1
	Net	247.9	236.3	237.8	224.3	227.6
Debt-to-equity ratio (times)	Gross	1.9	1.6	1.5	1.4	1.4
	Net	1.8	1.5	1.5	1.4	1.4
Core operating profit(*4)		14.4	15.3	14.7	14.0	20.3
Depreciation and amortization		25.8	25.1	24.5	24.2	22.3
Amortization of goodwill		3.9	4.0	3.8	4.2	3.9
EBITDA(*5)		44.1	44.4	43.0	42.3	46.5
Capital expenditure	Cash basis	53.9	13.8	19.1	20.3	21.8
ROE (%)	Before goodwill amortization	7.3%	9.5%	2.7%	6.5%	8.4%
	After goodwill amortization	4.2%	6.7%	0.2%	3.9%	5.9%
	Excluding discontinued operations	-	-	5.3%	4.6%	2.9%
EPS ( yen sen ) ( *6 )	Before goodwill amortization	23.68	34.40	10.53	131.71	171.89
	After goodwill amortization	13.77	24.20	0.87	78.40	121.56
Exchange rates (Yen) (*7)	US\$	79.81	97.73	105.79	121.11	108.81
	CAN\$	79.83	94.81	95.74	94.82	82.07

		2017	2017	2018	2019	2020
		J GAAP	IFRS	IFRS	IFRS	(Forecast) IFRS
Revenue	Including liquor tax	551.5	536.6	493.9	491.9	504.4
	Excluding liquor tax	433.3	406.8	370.8	371.1	384.1
Overseas revenue to total	Excluding liquor tax	21.2%	22.4%	16.9%	16.3%	16.3%
Operating profit	Before goodwill amortization	21.0	12.8	11.6	12.2	8.5
	After goodwill amortization	17.0				
Operating margin	Including liquor tax / after goodwill amortization	3.1%	2.4%	2.3%	2.5%	1.7%
	Excluding liquor tax /before goodwill amortization	4.8%	3.1%	3.1%	3.3%	2.2%
	Excluding liquor tax /after goodwill amortization	3.9%				
Ordinary income		16.4	-	-	-	-
Profit attributable to owners of parent		11.0	7.2	8.5	4.4	5.0
Total assets		630.6	664.7	639.7	638.7	
Total equity		177.7	175.7	164.7	174.5	
Balance of debt (*3)	Gross	233.6	233.9	228.3	227.3	232.6
	Net	220.9	221.4	218.4	212.1	218.0
Debt-to-equity ratio (times)	Gross	1.3	1.3	1.4	1.3	1.3
	Net	1.2	1.3	1.3	1.2	1.2
Core operating profit(*4)		17.0	17.4	15.2	11.7	14.0
Depreciation and amortization		23.6	27.0	24.6	24.2	24.1
Amortization of goodwill		4.0	-	-	-	-
EBITDA(*5)		44.6	44.5	39.8	36.0	38.1
Capital expenditure	Cash basis	15.3	15.3	23.0	31.1	26.7
ROE (%)	Before goodwill amortization	8.9%	4.2%	5.1%	2.6%	2.9%
	After goodwill amortization	6.6%				
	Excluding discontinued operations	-	-	5.3%	4.6%	2.9%
EPS ( yen sen ) ( *6 )	Before goodwill amortization	191.70	92.27	109.40	55.92	64.19
	After goodwill amortization	140.93				
Exchange rates (Yen) (*7)	US\$	112.17	112.17	110.45	109.03	110.00
	CAN\$	86.47	86.47	85.23	82.19	82.00

\*1: The Company has voluntarily applied International Financial Reporting Standard (IFRS) from the first quarter of fiscal 2018. The data of the fiscal 2017 is also presented based on IFRS for comparison.

\*2: The profit and loss of the North American soft drinks business has been classified under discontinued operations in 2019. (Year ended December 31, 2018 of the North American soft drinks business has been also classified under discontinued operations.)

\*3: The balance of debt includes commercial paper but excludes the balance of lease obligations.

\*4: Core operating profit is calculated as Revenue – Cost of sales – SG&A expenses.

\*5: EBITDA (JGAAP) = Core operating profit + Depreciation and amortization + Amortization of goodwill  
EBITDA (IFRS) = Core operating profit + Depreciation and amortization (excluding depreciation expense on leased assets which is charged on the rent of restaurants)

\*6: On July 1, 2016, the Company carried out a share consolidation at a ratio of 1 share for 5 shares of the Company's common stock. Accordingly, values for EPS have been recalculated on the assumption that the share consolidation took place at the beginning of fiscal year 2015.

\*7: Revenues and expenses are translated into Japanese yen at the average exchange rate for the fiscal year.

## Major Sales and Sales Volume

### Alcoholic Beverages (Japan)

(10,000 cases)

	Fiscal 2018	Fiscal 2019	YoY	Full-year estimate for fiscal 2020	YoY
Sapporo Draft Beer Black Label (total)	1,687	1,667	99%	1,690	101%
YEBISU (total)	857	832	97%	790	95%
1 Beer (total)	2,991	3,007	101%	3,030	101%
2 Happoshu (total)	257	210	82%	160	76%
3 New genre beer products (total)	1,217	1,131	93%	1,260	111%
Beer, happoshu, and new genre (total 1+2+3)	4,466	4,347	97%	4,450	102%
Non-alcoholic beer taste beverage	93	71	76%	63	89%

(billions of yen)

	Fiscal 2018	Fiscal 2019	YoY	Full-year estimate for fiscal 2020	YoY
Domestic wines	4.7	4.3	91%	4.4	102%
Imported wines	8.2	8.4	102%	7.9	94%
Wine (total)	12.9	12.7	98%	12.3	97%
RTD, Spirits and Shochu (total)	35.3	37.8	107%	40.0	106%
Subtotal	48.3	50.5	105%	52.3	104%
Rebate subtracted from sales	(8.5)	(9.9)	—	—	—
Total	39.8	40.7	102%	—	—

\*Full year estimate for rebate subtracted from sales is not disclosed.

### Beer (International)

(10,000 cases)

	Fiscal 2018	Fiscal 2019	YoY	Full-year estimate for fiscal 2020	YoY
Overseas brand (SLEEMAN, Anchor, etc.)	1,368	1,323	97%	1,353	102%
Sapporo brand	628	596	95%	629	105%

### Soft Drinks (POKKA SAPPORO FOOD & BEVERAGE)

(10,000 cases)

	Fiscal 2018	Fiscal 2019	YoY	Full-year estimate for fiscal 2020	YoY
Soft Drinks(*1)	4,370	4,242	97%	4,089	96%

\*1 : Excludes sales other than Japan and soy milk drinks sales in Japan

Consolidated Results (Year ended December 31, 2019)

Condensed Consolidated Statement of Income

(billions of yen)

	Year ended December 31, 2018 IFRS	Year ended December 31, 2019 IFRS	Change	Change (%)
Alcoholic Beverages	330.0	324.4	(5.6)	(1.7%)
Japan & Asia	252.1	248.9	(3.2)	(1.3%)
North America	50.3	48.3	(2.1)	(4.1%)
Restaurants	27.6	27.3	(0.3)	(1.1%)
Food & Soft Drinks	133.4	136.9	3.5	2.6%
Real Estate	24.5	24.7	0.2	0.8%
Other	6.0	5.9	(0.1)	(2.3%)
Revenue	493.9	491.9	(2.0)	(0.4%)
Alcoholic Beverages	3.9	7.9	4.0	104.3%
Japan & Asia	6.9	7.8	0.9	13.2%
North America	(2.8)	0.1	2.9	-
Restaurants	(0.2)	0.0	0.2	-
Food & Soft Drinks	1.9	(1.2)	(3.1)	-
Real Estate	12.0	12.7	0.7	5.5%
Other	0.2	(0.2)	(0.3)	-
General corporate and intercompany eliminations	(6.4)	(7.1)	(0.7)	-
Operating profit	11.6	12.2	0.6	5.3%
Financial income (expense) / Foreign exchange gains (losses)	(1.0)	(0.6)	0.3	-
Equity in net income (loss) of affiliates	0.0	0.0	(0.0)	(7.0%)
Profit before tax	10.6	11.6	1.0	9.0%
Income taxes	2.0	4.3	2.2	110.5%
Profit from continuing operations	8.6	7.3	(1.3)	(14.8%)
Loss from discontinued operations	(0.9)	(3.5)	(2.6)	-
Profit	7.7	3.8	(3.9)	(50.5%)
Profit (loss) attributable to non-controlling interest	(0.8)	(0.5)	0.3	-
Profit attributable to owners of parent	8.5	4.4	(4.2)	(48.9%)

Core operating profit (*3)	15.2	11.7	(3.4)	(22.7%)
EBITDA (*4)	39.8	36.0	(3.8)	(9.5%)

\*1: The Company has voluntarily applied International Financial Reporting Standard (IFRS) from the first quarter of fiscal 2018.

\*2: The profit and loss of the North American soft drinks business has been classified under discontinued operations in 2019.  
(Year ended December 31, 2018 of the North American soft drinks business has been also classified under discontinued operations.)

\*3: Core operating profit is calculated as Revenue – Cost of sales – SG&A expenses.

\*4: EBITDA=Core operating profit+ Depreciation and amortization (excluding depreciation expense on leased assets which is charged on the rent of restaurants)

Condensed Consolidated Statement of Cash Flows

	Year ended December 31, 2018 IFRS	Year ended December 31, 2019 IFRS	Change	Change (%)
Cash flows from operating activities	30.8	36.1	5.2	17.0%
Cash flows from investing activities	(18.7)	(24.9)	(6.2)	-
Free Cash flows	12.1	11.1	(1.0)	(8.0%)
Cash flows from financial activities	(14.5)	(6.0)	8.5	-

※Amount includes discontinued operations

Sales Breakdown for Japanese Alcoholic Beverages

Sales (including liquor tax)

(billions of yen)

	Year ended December 31, 2018 IFRS	Year ended December 31, 2019 IFRS	Change	Change (%)
Beer	165.8	167.4	1.6	0.9%
Happoshu	9.9	8.1	(1.9)	(18.7%)
New genre	40.2	37.4	(2.8)	(6.9%)
Subtotal	215.9	212.9	(3.0)	(1.4%)
Rebate subtracted from sales	(12.3)	(12.0)	0.4	-
Total	203.6	200.9	(2.7)	(1.3%)

Sales (excluding liquor tax)

(billions of yen)

	Year ended December 31, 2018 IFRS	Year ended December 31, 2019 IFRS	Change	Change (%)
Beer	82.5	83.6	1.1	1.3%
Happoshu	5.5	4.5	(1.0)	(18.7%)
New genre	27.8	25.9	(1.9)	(6.7%)
Subtotal	115.9	114.1	(1.8)	(1.6%)
Rebate subtracted from sales	(12.3)	(12.0)	0.4	-
Total	103.6	102.1	(1.5)	(1.4%)

Consolidated Results (Year ended December 31, 2019)

Breakdown of key income Changes

(billions of yen)

	Change factor	Year ended	Year ended	Change	Details
		December 31, 2018	December 31, 2019		
		IFRS	IFRS		
Alcoholic Beverages in Japan & Asia		7.2	8.2	1.0	
Beer and related products in Japan		3.2	4.1	0.9	
Marginal profit	Subtotal			0.1	
	Increase (decrease) in volume / Product mix			(0.8)	Beer + 0.5 Happoshu -0.6 New genre -1.1 Product mix +0.5
	Other			0.9	RTD, Variable costs, other
Fixed costs and other	Subtotal			0.8	
	Sales promotion costs			1.4	Advertising and promotion expenses, other factors
	Facility cost			(0.0)	Facilities costs, other factors
	Other			(0.7)	Personnel expenses, General and administrative expenses
Wine and spirits		2.9	3.0	0.1	
Alcoholic Beverages in Asia		0.1	0.4	0.2	Vietnam
Other		1.0	0.8	(0.1)	Export, Restaurants, other factors
Alcoholic Beverages in North America		1.5	0.2	(1.3)	
Restaurants		0.4	0.4	0.0	
Adjustment of difference between J GAAP and IFRS		(5.1)	(0.8)	4.3	Non-recurring items
<b>Alcoholic Beverages</b>		<b>3.9</b>	<b>7.9</b>	<b>4.0</b>	
Food & Soft Drinks in Japan & Asia		1.4	(0.5)	(1.9)	
Japanese Food & Soft Drinks		1.2	(1.2)	(2.5)	
	Increase (decrease) in volume / Product mix			(1.2)	Decrease in volume
	Variable costs			(0.6)	Logistics costs
	Marketing costs			(0.1)	Sales commissions
	Fixed costs and other			(0.6)	
Overseas Soft Drinks/ Domestic coffee shop chain		0.2	0.8	0.6	
Adjustment of difference between J GAAP and IFRS		0.5	(0.7)	(1.2)	Non-recurring items
<b>Food &amp; Soft Drinks</b>		<b>1.9</b>	<b>(1.2)</b>	<b>(3.1)</b>	
	Rent			(0.2)	
	Sales/ Other factors			(0.2)	
Adjustment of difference between J GAAP and IFRS		0.9	2.0	1.1	Non-recurring items
<b>Real Estate</b>		<b>12.0</b>	<b>12.7</b>	<b>0.7</b>	
	Logistics business			(0.3)	
	Other			(0.1)	
Adjustment of difference between J GAAP and IFRS		0.0	0.0	0.0	
<b>Other</b>		<b>0.2</b>	<b>(0.2)</b>	<b>(0.3)</b>	
	General corporate			(0.6)	Transformation of the group management platform/ Invest for growth
Adjustment of difference between J GAAP and IFRS		0.1	0.0	(0.1)	
<b>General corporate and intercompany eliminations</b>		<b>(6.4)</b>	<b>(7.1)</b>	<b>(0.7)</b>	
<b>Operating profit</b>		<b>11.6</b>	<b>12.2</b>	<b>0.6</b>	

\*1: The Company has voluntarily applied International Financial Reporting Standard (IFRS) from the first quarter of fiscal 2018.

\*2: Effective from the fiscal 2019, 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.

\*3: The profit and loss of the North American soft drinks business has been classified under discontinued operations in 2019.  
(Year ended December 31, 2018 of the North American soft drinks business has been also classified under discontinued operations.)

Consolidated Results (Year ended December 31, 2019)

**Segment Information**

(billions of yen)

Year ended December 31, 2018	Alcoholic Beverages	Food & Soft Drinks	Real Estate	Other	Corporate and eliminations	Consolidated total
IFRS						
Revenue	330.0	133.4	24.5	6.0	-	493.9
Operating profit	3.9	1.9	12.0	0.2	(6.4)	11.6
Sales promotion costs						
Sales incentives and commissions	4.7	10.3	0.0	0.0	(0.1)	14.9
Advertising and promotion expenses	14.8	3.2	0.5	0.0	(0.0)	18.5
Promotion items	7.1	0.1	0.0	0.0	(0.1)	7.1
<For reference>						
Core operating profit(*4)	9.0	1.4	11.1	0.2	(6.5)	15.2
Depreciation and amortization	11.7	6.0	5.2	0.0	1.7	24.6
EBITDA (*5)	20.7	7.4	16.3	0.2	(4.8)	39.8
Capital expenditures (cash basis)	7.8	4.2	7.3	0.0	2.2	21.6
Payment of lease obligations	3.0	4.0	0.2	0.0	(0.3)	6.9

Year ended December 31, 2019	Alcoholic Beverages	Food & Soft Drinks	Real Estate	Other	Corporate and eliminations	Consolidated total
IFRS						
Revenue	324.4	136.9	24.7	5.9	-	491.9
Operating profit	7.9	(1.2)	12.7	(0.2)	(7.1)	12.2
Sales promotion costs						
Sales incentives and commissions	4.3	10.4	0.0	0.0	(0.0)	14.7
Advertising and promotion expenses	13.0	3.3	0.6	0.0	0.0	16.8
Promotion items	6.5	0.1	0.0	0.0	(0.2)	6.4
<For reference>						
Core operating profit(*4)	8.7	(0.5)	10.7	(0.2)	(7.1)	11.7
Depreciation and amortization	11.3	5.8	5.2	0.0	1.9	24.2
EBITDA (*5)	20.1	5.3	15.9	(0.1)	(5.2)	36.0
Capital expenditures (cash basis)	7.2	6.5	13.5	0.0	2.6	29.9
Payment of lease obligations	2.9	4.0	0.2	0.0	(0.2)	6.9

Change	Alcoholic Beverages	Food & Soft Drinks	Real Estate	Other	Corporate and eliminations	Consolidated total
Revenue	(5.6)	3.5	0.2	(0.1)	-	(2.0)
Operating profit	4.0	(3.1)	0.7	(0.3)	(0.7)	0.6
Sales promotion costs						
Sales incentives and commissions	(0.3)	0.0	0.0	0.0	0.0	(0.3)
Advertising and promotion expenses	(1.9)	0.1	0.1	0.0	0.0	(1.7)
Promotion items	(0.7)	(0.0)	0.0	0.0	(0.0)	(0.7)
<For reference>						
Core operating profit(*4)	(0.2)	(1.9)	(0.4)	(0.4)	(0.6)	(3.4)
Depreciation and amortization	(0.4)	(0.2)	0.0	(0.0)	0.2	(0.3)
EBITDA (*5)	(0.6)	(2.1)	(0.4)	(0.4)	(0.4)	(3.8)
Capital expenditures (cash basis)	(0.6)	2.3	6.2	0.0	0.5	8.3
Payment of lease obligations	(0.2)	0.0	0.0	0.0	0.1	(0.0)

\*1: The Company has voluntarily applied International Financial Reporting Standard (IFRS) from the first quarter of fiscal 2018.

\*2: Effective from the fiscal 2019, 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.

\*3: The profit and loss of the North American soft drinks business has been classified under discontinued operations in 2019. (Year ended December 31, 2018 of the North American soft drinks business has been also classified under discontinued operations.)

\*4: Core operating profit is calculated as Revenue – Cost of sales – SG&A expenses.

\*5: EBITDA=Core operating profit+ Depreciation and amortization (excluding depreciation expense on leased assets which is charged on the rent of restaurants)

**Consolidated Results (Year ended December 31, 2019)**

**Condensed Consolidated Statement of Financial Position**

(billions of yen)

	Year ended December 31, 2018 IFRS	Year ended December 31, 2019 IFRS	Change	Primary Reasons
Current assets	153.5	155.8	2.2	
Cash and cash equivalents	10.0	15.2	5.2	
Trade and other receivables	93.3	92.5	(0.8)	
Inventories	37.1	36.5	(0.6)	
Other	13.1	11.5	(1.6)	
Non-current assets	486.1	483.0	(3.2)	
Fixed assets	164.7	155.9	(8.9)	Sale of discontinued operations
Investment property	215.5	219.6	4.1	
Goodwill	21.2	18.4	(2.9)	
Other	84.7	89.2	4.5	
Total assets	639.7	638.7	(1.0)	
Current liabilities	214.6	210.5	(4.1)	
Trade and other payables	35.3	34.5	(0.8)	
Short-term financial liabilities	73.9	72.1	(1.7)	
Other	105.4	103.9	(1.6)	
Non-current liabilities	260.4	253.7	(6.6)	
Long-term financial liabilities	154.5	155.2	0.7	
Net defined benefit liability	11.7	5.0	(6.7)	
Other	94.2	93.5	(0.7)	
Total liabilities	475.0	464.2	(10.8)	
Equity attributable to owners of parent	161.5	174.1	12.6	Increase in unrealized holding gain on securities
Equity attributable to non-controlling interests	3.2	0.5	(2.8)	
Total equity	164.7	174.5	9.8	
Total liabilities and equity	639.7	638.7	(1.0)	

**Total Asset by segment**

(billions of yen)

	Year ended December 31, 2018 IFRS	Year ended December 31, 2019 IFRS	Change	Primary Reasons
Alcoholic Beverages	282.2	294.8	12.6	
Food & Soft Drinks	129.6	117.6	(11.9)	
Real Estate	242.4	244.7	2.3	
Other	5.2	6.1	0.9	
Corporate and eliminations	(19.7)	(24.6)	(4.9)	
Total	639.7	638.7	(1.0)	

**Financial Liabilities by segment**

(billions of yen)

	Year ended December 31, 2018 IFRS	Year ended December 31, 2019 IFRS	Change	Primary Reasons
Alcoholic Beverages	55.0	49.3	(5.6)	
Food & Soft Drinks	23.7	23.3	(0.4)	
Real Estate	130.0	130.0	0.0	
Other	0.0	0.0	0.0	
Corporate and eliminations	19.7	24.7	5.0	
Total	228.3	227.3	(1.0)	

\*1: The Company has voluntarily applied International Financial Reporting Standard (IFRS) from the first quarter of fiscal 2018.

## Overview of Segmentation Changes 2019

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.

③ Shinsyu-ichi Miso is now included in the Food & Soft Drinks segment (previously the Other segment). \*\*

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

2018 Segmentation		2019 Segmentation	
Segment	Consolidated subsidiaries	Segment	Consolidated subsidiaries
Japanese Alcoholic Beverages	SAPPORO BREWERIES LTD.	Alcoholic Beverages	SAPPORO BREWERIES LTD.
	YEBISU WINEMART CO., LTD.		YEBISU WINEMART CO., LTD.
	TANOSHIMARU SHUZO CO., LTD.		TANOSHIMARU SHUZO CO., LTD.
	STARNET CO., LTD.		SAPPORO FIELD MARKETING CO., LTD.
	SHINSEIEN CO.,LTD.		SHINSEIEN CO.,LTD.
International	SAPPORO INTERNATIONAL INC.(*1)		SAPPORO U.S.A., INC.
	SAPPORO U.S.A., INC.		SAPPORO CANADA INC.
	SAPPORO CANADA INC.		SLEEMAN BREWERIES LTD.
	SLEEMAN BREWERIES LTD.		ANCHOR BREWING COMPANY, LLC
	SAPPORO ASIA PRIVATE LIMITED		SAPPORO ASIA PRIVATE LIMITED
	SAPPORO VIETNAM LIMITED	SAPPORO VIETNAM LIMITED	
	SAPPORO NORTH AMERICA INC.(*3)	SAPPORO EUROPE B.V.	
	ANCHOR BREWING COMPANY, LLC	SAPPORO LION LIMITED	
	SILVER SPRINGS CITRUS, INC.(*4)	NEW SANKO INC.	
	COUNTRY PURE FOODS, INC.(*4)	MARUSHINKAWAMURA INC.	
And another 12 companies	GINRINSUISAN INC.		
Food & Soft Drinks	POKKA SAPPORO FOOD & BEVERAGE LTD.	HANEI INC.	
	POKKA CREATE CO., LTD.	SAPPORO LION (SINGAPORE) PTE.LTD.	
	PS BEVERAGE LTD	And another 2 companies	
	STAR BEVERAGE SERVICE CO., LTD.	POKKA SAPPORO FOOD & BEVERAGE LTD.	
	POKKA SAPPORO HOKKAIDO LTD.	POKKA CREATE CO., LTD.	
	NH BEANS CO.,LTD.	PS BEVERAGE LTD.	
	POKKA CORPORATION (SINGAPORE) PTE. LTD.	STAR BEVERAGE SERVICE CO., LTD.	
	POKKA INTERNATIONAL PTE. LTD.	POKKA SAPPORO HOKKAIDO LTD.	
	PT. POKKKA DIMA INTERNATIONAL(*2)	POKKA SAPPORO OFFICE SUPPORT LTD.	
	And another 8 companies	YASUMA CO.,LTD	
Restaurants	SAPPORO LION LIMITED	POKKA CORPORATION (SINGAPORE) PTE. LTD.	
	NEW SANKO INC.	POKKA INTERNATIONAL PTE. LTD.	
	MARUSHINKAWAMURA INC.	Pokka Logistics Singapore Pte. Ltd.	
	GINRINSUISAN INC.	SHINSYU-ICHI MISO CO., LTD.	
And another 8 companies	And another 8 companies		
Real Estate	SAPPORO REAL ESTATE CO.,LTD.	Real Estate	SAPPORO REAL ESTATE CO.,LTD.
	YGP REAL ESTATE CO., LTD.		YGP REAL ESTATE CO., LTD.
	TOKYO ENERGY SERVICE CO., LTD.		TOKYO ENERGY SERVICE CO., LTD.
	YOKOHAMA KEIWA BUILDING CO., LTD.		YOKOHAMA KEIWA BUILDING CO., LTD.
Other	SAPPORO GROUP MANAGEMENT LTD.	Other	SAPPORO GROUP MANAGEMENT LTD.
	SAPPORO GROUP LOGISTICS CO., LTD.		SAPPORO GROUP LOGISTICS CO., LTD.
	SAPPORO LOGISTICS SYSTEMS CO., LTD.		SAPPORO LOGISTICS SYSTEMS CO., LTD.
	SHINSYU-ICHI MISO CO., LTD.		SAPPORO WELLNESS LAB LTD.
Corporate and eliminations	SAPPORO HOLDINGS LTD.	Corporate and eliminations	SAPPORO HOLDINGS LTD.
	SAPPORO GROUP MANAGEMENT LTD.		SAPPORO GROUP MANAGEMENT LTD.

\*1. SAPPORO INTERNATIONAL INC. was dissolved in an absorption-type merger with SAPPORO BREWERIES LTD. on January 1, 2019.

\*2. The company sold the security of PT. POKKKA DIMA INTERNATIONAL on March 31, 2019.

\*3. SAPPORO NORTH AMERICA INC. was dissolved in an absorption-type merger with SAPPORO U.S.A., INC. on April 1, 2019.

\*4. The company sold the security of SILVER SPRINGS CITRUS, INC. and COUNTRY PURE FOODS, INC. on December 24, 2019.



## Consolidated Forecasts (Year ending December 31, 2020)

### Condensed Consolidated Statement of Income

(billions of yen)

	Year ended December 31, 2019 IFRS	Year ending December 31, 2020 (Forecast) IFRS	Change	Change (%)
Alcoholic Beverages (*3)	330.2	336.7	6.5	2.0%
Japan & Asia	254.7	259.3	4.6	1.8%
North America	48.3	50.7	2.4	5.1%
Restaurants	27.3	26.7	(0.6)	(2.0%)
Food & Soft Drinks (*3)	136.9	142.3	5.4	4.0%
Real Estate (*3)	24.7	25.3	0.7	2.6%
Other	0.2	0.0	(0.1)	(90.2%)
Revenue	491.9	504.4	12.5	2.5%
Alcoholic Beverages(*3)	8.5	9.2	0.6	7.6%
Japan & Asia	8.0	8.0	0.0	0.0%
North America	0.2	0.7	0.5	270.2%
Restaurants	0.4	0.4	0.0	10.8%
Food & Soft Drinks	(0.5)	0.4	0.9	-
Real Estate	10.7	11.1	0.4	3.6%
Other (*3)	0.0	0.0	0.0	0.0%
General corporate and intercompany eliminations	(7.1)	(6.7)	0.4	-
Core operating profit (*2)	11.7	14.0	2.3	19.7%
Other operating income/expense	0.5	(5.5)	(6.0)	-
Operating profit	12.2	8.5	(3.7)	(30.3%)
Financial income (expense) / Foreign exchange gains (losses)	(0.6)	(1.4)	(0.8)	-
Equity in net income (loss) of affiliates	0.0	0.0	(0.0)	-
Profit before tax	11.6	7.1	(4.5)	(38.8%)
Income taxes	4.3	2.1	(2.1)	(50.1%)
Profit from continuing operations	7.3	5.0	(2.4)	(32.3%)
Loss from discontinued operations	(3.5)	-	3.5	-
Profit	3.8	5.0	1.1	29.9%
Profit (loss) attributable to non-controlling interest	(0.5)	0.0	0.5	-
Profit attributable to owners of parent	4.4	5.0	0.6	13.9%

EBITDA (*4)	36.0	38.1	2.2	6.0%
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\*1: The profit and loss of the North American soft drinks business has been classified under discontinued operations in 2019. Therefore, the amount of continuing operations excluding the amount of discontinued operations from related items is shown.

\*2: Core operating profit is calculated as Revenue – Cost of sales – SG&A expenses.

\*3: The logistics businesses which until now were listed under "other business", will be classified under "Alcoholic Beverages" in 2020.

\*4: EBITDA=Core operating profit+ Depreciation and amortization (excluding depreciation expense on leased assets which is charged on the rent of restaurants)

### Condensed Consolidated Statements of Cash Flows

	Year ended December 31, 2019 IFRS	Year ending December 31, 2020 (Forecast) IFRS	Change	Change (%)
Cash flows from operating activities	36.1	25.3	(10.8)	(29.9%)
Cash flows from investing activities	(24.9)	(26.6)	(1.7)	-
Free Cash flows	11.1	(1.3)	(12.4)	-

※Amount includes discontinued operations

### Sales Breakdown for Japanese Alcoholic Beverages

#### Sales (including liquor tax)

(billions of yen)

	Year ended December 31, 2019 IFRS	Year ending December 31, 2019 (Forecast) IFRS	Change	Change (%)
Beer	167.4	166.0	(1.4)	(0.8%)
Happoshu	8.1	6.2	(1.9)	(24.0%)
New genre	37.4	44.0	6.6	17.6%
Subtotal	212.9	216.1	3.2	1.5%
Rebate subtracted from sales	(12.0)	-	-	-
Total	200.9	-	-	-

## Consolidated Forecasts ( Year ending December 31, 2020 )

### Breakdown of key income Changes

(billions of yen)

Change factor		Year ended	Year ending	Change	Details
		December 31, 2019	December 31, 2020 (Forecast)		
		IFRS	IFRS		
Alcoholic Beverages in Japan & Asia		8.0	8.0	0.0	
Beer and related products in Japan		4.1	4.0	(0.0)	
Marginal profit	Subtotal			0.7	
	Increase (decrease) in volume / Product mix			1.7	Beer +0.5 Happoshu -0.7 New genre +2.4 Product mix -0.5
	Other			(1.0)	RTD, Production costs
Fixed costs and other	Subtotal			(0.8)	
	Sales promotion costs			(1.1)	Sales commissions
	Other			0.3	Personnel expenses
Wine and spirits		3.0	3.1	0.2	
Alcoholic Beverages in Asia		0.4	0.2	(0.1)	Vietnam
Other		0.6	0.6	(0.0)	Export, Restaurants, other factors
Alcoholic Beverages in North America		0.2	0.7	0.5	
Restaurants		0.4	0.4	0.0	
<b>Alcoholic Beverages</b>		<b>8.5</b>	<b>9.2</b>	<b>0.6</b>	
Japanese Food & Soft Drinks		(1.2)	0.1	1.3	
	Increase (decrease) in volume / Product mix			1.2	Increase in volume, Product mix
	Production costs			(0.3)	Logistics costs
	Marketing costs			0.1	Vending machine
	Fixed costs and other			0.2	Logistics costs
Overseas Soft Drinks/ Domestic coffee shop chain		0.8	0.3	(0.4)	Overseas/Domestic others
<b>Food &amp; Soft Drinks</b>		<b>(0.5)</b>	<b>0.4</b>	<b>0.9</b>	
Rent				0.4	
<b>Real Estate</b>		<b>10.7</b>	<b>11.1</b>	<b>0.4</b>	
Other				0.0	
<b>Other (*3)</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
General corporate				0.4	
<b>General corporate and intercompany eliminations</b>		<b>(7.1)</b>	<b>(6.7)</b>	<b>0.4</b>	
<b>Core operating profit (*2)</b>		<b>11.7</b>	<b>14.0</b>	<b>2.3</b>	
Other operating income/expense		0.5	(5.5)	(6.0)	business structure reform(5.0) impairment losses(0.5)
<b>Operating profit</b>		<b>12.2</b>	<b>8.5</b>	<b>(3.7)</b>	

\*1:The profit and loss of the North American soft drinks business has been classified under discontinued operations in 2019. Therefore, the amount of continuing operations excluding the amount of discontinued operations from related items is shown.

\*2:Core operating Profit is a proprietary profit indicator that measures the performance consistency of our business. Core operating profit is calculated as Revenue – Cost of sales – SG&A expenses.

\*3:The logistics businesses which until now were listed under "other business", will be classified under "Alcoholic Beverages" in 2020 .

	Year ended December 31, 2019	Year ending December 31, 2020 (Forecast)
Yen/US\$	109.03	110.00
Yen/CAN\$	82.19	82.00
Yen/EUR	122.03	121.00

## Consolidated Forecasts ( Year ending December 31, 2020 )

### Segment Information

(billions of yen)

Year ended December 31, 2019 IFRS	Alcoholic Beverages	Food & Soft Drinks	Real Estate	Other (*3)	Corporate and eliminations	Consolidated total
Revenue	330.2	136.9	24.7	0.2	-	491.9
Core operating profit (*2)	8.5	(0.5)	10.7	0.0	(7.1)	11.7
Depreciation and amortization	11.4	5.8	5.2	0.0	1.9	24.2
EBITDA (*4)	19.9	5.3	15.9	0.0	(5.2)	36.0
Capital expenditures (cash basis)	7.2	6.5	13.5	0.0	2.6	29.9
Payment of lease obligations	2.9	4.0	0.2	0.0	(0.2)	6.9

Year ending December, 31, 2020 (Forecast) IFRS	Alcoholic Beverages	Food & Soft Drinks	Real Estate	Other (*3)	Corporate and eliminations	Consolidated total
Revenue	336.7	142.3	25.3	0.0	-	504.4
Core operating profit (*2)	9.2	0.4	11.1	0.0	(6.7)	14.0
Depreciation and amortization	10.8	6.3	5.0	0.0	2.0	24.1
EBITDA (*4)	19.9	6.7	16.2	0.0	(4.7)	38.1
Capital expenditures (cash basis)	7.2	3.9	13.0	0.0	2.6	26.7
Payment of lease obligations	3.0	3.6	0.2	0.0	(0.2)	6.7

Change	Alcoholic Beverages	Food & Soft Drinks	Real Estate	Other (*3)	Corporate and eliminations	Consolidated total
Revenue	6.5	5.4	0.7	(0.1)	-	12.5
Core operating profit (*2)	0.6	0.9	0.4	0.0	0.4	2.3
Depreciation and amortization	(0.6)	0.5	(0.2)	(0.0)	0.1	(0.1)
EBITDA (*4)	0.0	1.4	0.2	0.0	0.5	2.2
Capital expenditures (cash basis)	0.0	(2.6)	(0.5)	0.0	(0.0)	(3.2)
Payment of lease obligations	0.2	(0.3)	(0.0)	0.0	0.0	(0.2)

\*1: The profit and loss of the North American soft drinks business has been classified under discontinued operations in 2019.

Therefore, the amount of continuing operations excluding the amount of discontinued operations from related items is shown.

\*2: Core operating profit is calculated as Revenue – Cost of sales – SG&A expenses.

\*3: The logistics businesses which until now were listed under “other business”, will be classified under “Alcoholic Beverages” in 2020

\*4: EBITDA=Core operating profit+ Depreciation and amortization (excluding depreciation expense on leased assets which is charged on the rent of restaurants)

**Overview of Segmentation Changes 2020**

The reporting segment has been changed since 2020. The summary of the change is as follows.

"SAPPORO GROUP LOGISTICS CO., LTD." and "SAPPORO LOGISTICS SYSTEMS CO., LTD." until now were listed under "other business", will be classified under "Alcoholic Beverages".

Equity-method affiliates are therefore omitted below.

2019 Segmentation		2020 Segmentation		
Segment	Consolidated subsidiaries	Segment	Consolidated subsidiaries	
Alcoholic Beverages	SAPPORO BREWERIES LTD.	Alcoholic Beverages	SAPPORO BREWERIES LTD.	
	YEBISU WINEMART CO., LTD.		YEBISU WINEMART CO., LTD.	
	TANOSHIMARU SHUZO CO., LTD.		TANOSHIMARU SHUZO CO., LTD.	
	SAPPORO FIELD MARKETING CO., LTD.		SAPPORO FIELD MARKETING CO., LTD.	
	SHINSEIEN CO.,LTD.		SHINSEIEN CO.,LTD.	
	SAPPORO U.S.A., INC.		SAPPORO U.S.A., INC.	
	SAPPORO CANADA INC.		SAPPORO CANADA INC.	
	SLEEMAN BREWERIES LTD.		SLEEMAN BREWERIES LTD.	
	ANCHOR BREWING COMPANY, LLC		ANCHOR BREWING COMPANY, LLC	
	SAPPORO ASIA PRIVATE LIMITED		SAPPORO ASIA PRIVATE LIMITED	
	SAPPORO VIETNAM LIMITED		SAPPORO VIETNAM LIMITED	
	SAPPORO EUROPE B.V.		SAPPORO EUROPE B.V.	
	SAPPORO LION LIMITED		SAPPORO LION LIMITED	
	NEW SANKO INC.		NEW SANKO INC.	
	MARUSHINKAWAMURA INC.		MARUSHINKAWAMURA INC.	
	GINRINSUISAN INC.		GINRINSUISAN INC.	
HANEI INC.	HANEI INC.			
SAPPORO LION (SINGAPORE) PTE.LTD.	SAPPORO LION (SINGAPORE) PTE.LTD.			
And another 2 companies		SAPPORO GROUP LOGISTICS CO., LTD.		
Food & Soft Drinks	POKKA SAPPORO FOOD & BEVERAGE LTD.	Food & Soft Drinks	SAPPORO LOGISTICS SYSTEMS CO., LTD.	
	POKKA CREATE CO., LTD.		And another 2 companies	
	PS BEVERAGE LTD.		POKKA SAPPORO FOOD & BEVERAGE LTD.	
	STAR BEVERAGE SERVICE CO., LTD.		POKKA CREATE CO., LTD.	
	POKKA SAPPORO HOKKAIDO LTD.		PS BEVERAGE LTD.	
	POKKA SAPPORO OFFICE SUPPORT LTD.		STAR BEVERAGE SERVICE CO., LTD.	
	YASUMA CO.,LTD		POKKA SAPPORO HOKKAIDO LTD.	
	POKKA CORPORATION (SINGAPORE) PTE. LTD.		POKKA SAPPORO OFFICE SUPPORT LTD.	
	POKKA INTERNATIONAL PTE. LTD.		YASUMA CO.,LTD	
	Pokka Logistics Singapore Pte. Ltd.		POKKA CORPORATION (SINGAPORE) PTE. LTD.	
SHINSYU-ICHI MISO CO., LTD.	POKKA INTERNATIONAL PTE. LTD.			
And another 8 companies		Pokka Logistics Singapore Pte. Ltd.		
Real Estate	SAPPORO REAL ESTATE CO.,LTD.	Real Estate	SHINSYU-ICHI MISO CO., LTD.	
	YGP REAL ESTATE CO., LTD.		And another 8 companies	
	TOKYO ENERGY SERVICE CO., LTD.		SAPPORO REAL ESTATE CO.,LTD.	
Other	YOKOHAMA KEIWA BUILDING CO., LTD.	Other	YGP REAL ESTATE CO., LTD.	
	SAPPORO GROUP MANAGEMENT LTD.		TOKYO ENERGY SERVICE CO., LTD.	
	SAPPORO GROUP LOGISTICS CO., LTD.		YOKOHAMA KEIWA BUILDING CO., LTD.	
	SAPPORO LOGISTICS SYSTEMS CO., LTD.		SAPPORO GROUP MANAGEMENT LTD.	
Corporate and eliminations	SAPPORO WELLNESS LAB LTD.	Corporate and eliminations	SAPPORO WELLNESS LAB LTD.	
	SAPPORO HOLDINGS LTD.		SAPPORO HOLDINGS LTD.	
	SAPPORO GROUP MANAGEMENT LTD.		SAPPORO GROUP MANAGEMENT LTD.	