



Six Months ended June 30, 2021

Consolidated First Half Earnings Report - Supplementary Information

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August 2021

SAPPORO HOLDINGS LTD.

Securities Code: 2501

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

1. Financial Highlights

Consolidated Financial Highlights

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

| | Six months ended June 30, 2020 | Six months ended June 30, 2021 | Change | Change(%) |
|---|--------------------------------|--------------------------------|--------|-----------|
| Revenue | 200.0 | 199.7 | (0.3) | (0.1%) |
| (ref.) Excluding liquor tax | 151.6 | 151.1 | (0.5) | (0.3%) |
| Revenue growth rate | (12.4%) | (0.1%) | — | — |
| (ref.) Excluding liquor tax | (12.4%) | (0.3%) | — | — |
| Overseas revenue | 30.7 | 34.7 | 4.0 | 13.1% |
| Overseas revenue growth rate | (12.9%) | 13.1% | — | — |
| Core operating profit (*1) | (5.1) | (3.5) | 1.6 | — |
| Core operating margin | (2.5%) | (1.7%) | — | — |
| Operating profit | (9.4) | 19.1 | 28.5 | — |
| Profit attributable to owners of parent | (6.4) | 12.3 | 18.8 | — |
| Total assets | 616.7 | 580.9 | (35.8) | (5.8%) |
| Total equity | 156.6 | 161.9 | 5.2 | 3.3% |
| Balance of debt :Net (*2) | 225.8 | 191.5 | (34.3) | (15.2%) |
| Debt-to-equity ratio (times) :Net (*3) | 1.4 | 1.2 | — | — |
| Depreciation and amortization | 11.4 | 10.4 | (1.0) | (9.1%) |
| EBITDA (*4) | 6.4 | 6.9 | 0.6 | 9.2% |
| Exchange rates (Yen) (*9) | US\$ | 108.25 | 107.82 | — |
| | CAN\$ | 79.36 | 86.50 | — |
| | SG\$ | 77.41 | 80.90 | — |

| | Year ended December 31, 2020 | Year ending December 31, 2021 (Forecast) | Change | Change(%) |
|--|------------------------------|--|--------|-----------|
| Revenue | 434.7 | 447.2 | 12.5 | 2.9% |
| (ref.) Excluding liquor tax | 328.6 | 337.3 | 8.7 | 2.7% |
| Revenue growth rate | (11.6%) | 2.9% | — | — |
| (ref.) Excluding liquor tax | (11.5%) | 2.7% | — | — |
| Overseas revenue | 65.5 | 78.4 | 12.8 | 19.6% |
| Overseas revenue growth rate | (8.0%) | 19.6% | — | — |
| Core operating profit (*1) | 4.3 | 6.7 | 2.4 | 57.2% |
| Core operating margin | 1.0% | 1.5% | — | — |
| Operating profit | (15.9) | 18.0 | 33.9 | — |
| Profit attributable to owners of parent | (16.1) | 12.0 | 28.1 | — |
| Total assets | 616.3 | | | |
| Total equity | 149.6 | | | |
| Balance of debt :Net (*2) | 221.5 | 199.9 | (21.6) | (9.8%) |
| Debt-to-equity ratio (times) :Net (*3) | 1.5 | 1.3 | — | — |
| Depreciation and amortization | 23.1 | 20.9 | (2.2) | (9.5%) |
| EBITDA (*4) | 27.4 | 27.6 | 0.2 | 0.7% |
| EBITDA interest-bearing debt ratio(times) (*5) | 8.1 | 7.2 | — | — |
| Capital expenditure | 16.1 | 22.4 | 6.3 | 38.9% |
| Cash basis | | | | |
| R O E (%) (*6) | (9.9%) | 7.8% | — | — |
| E P S (yen sen) (*7) | (206.31) | 154.05 | — | — |
| D O E (%) (*8) | 2.0% | 2.1% | — | — |
| Payout ratio (%) | — | 27.3% | — | — |
| Exchange rates (Yen) (*9) | US\$ | 106.77 | 108.00 | — |
| | CAN\$ | 79.66 | 87.00 | — |
| | SG\$ | 77.43 | 81.00 | — |

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

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

*3: Balance of debt:Net(excluding lease liabilities) /Equity attributable to owners of parent

*4: EBITDA (IFRS)=Core operating profit + Depreciation and amortization

(excluding depreciation expense on leased assets which is charged on the rent of restaurants)

*5: Balance of debt:Net (excluding lease liabilities)/EBITDA

*6: Profit attributable to owners of parent/Equity attributable to owners of parent

*7: Profit attributable to owners of parent/Average number of shares during the period

*8: Dividend/Equity attributable to owners of parent(Average)

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

2. Major Sales and Sales Volume

Sales Volume:Beer (Japan)

(10,000 cases)

| | Jan. 1 - Jun.30, 2020 | Jan. 1 - Jun.30, 2021 | YoY Change | YoY Change(%) | Year ended December 31, 2020 | Full-year estimate for fiscal 2021 | YoY Change | YoY Change(%) |
|---|--------------------------|--------------------------|---------------|------------------|------------------------------------|--|---------------|------------------|
| Sapporo Draft Beer Black Label (total) | 600 | 541 | (59) | (9.8%) | 1,335 | 1,313 | (22) | (1.7%) |
| YEBISU (total) | 282 | 273 | (9) | (3.2%) | 705 | 700 | (5) | (0.7%) |
| 1 Beer (total) | 1,043 | 1,036 | (7) | (0.7%) | 2,473 | 2,495 | 22 | 0.9% |
| 2 Happoshu (total) | 85 | 79 | (6) | (7.1%) | 176 | 161 | (15) | (8.5%) |
| 3 New genre beer products (total) | 704 | 625 | (79) | (11.2%) | 1,346 | 1,262 | (84) | (6.2%) |
| Beer, happoshu, and new genre (total 1+2+3) | 1,832 | 1,740 | (92) | (5.0%) | 3,995 | 3,918 | (76) | (1.9%) |
| RTD(*1) | 409 | 606 | 197 | 48.3% | 811 | 1,200 | 389 | 48.0% |
| Non-alcoholic beer taste beverage | 28 | 27 | (1) | (3.6%) | 57 | 54 | (3) | (5.6%) |

*1: RTD 1 case = 250 ml x 24 bottles

Sales Volume:Beer (International)

(10,000 cases)

| | Jan. 1 - Jun.30, 2020 | Jan. 1 - Jun.30, 2021 | YoY Change | YoY Change(%) | Year ended December 31, 2020 | Full-year estimate for fiscal 2021 | YoY Change | YoY Change(%) |
|--|--------------------------|--------------------------|---------------|------------------|------------------------------------|--|---------------|------------------|
| Overseas brand (SLEEMAN, Anchor, etc.) | 649 | 635 | (14) | (2.1%) | 1,359 | 1,392 | 32 | 2.4% |
| Sapporo brand | 137 | 172 | 35 | 25.6% | 296 | 374 | 77 | 26.1% |
| North America | 786 | 808 | 22 | 2.7% | 1,656 | 1,765 | 110 | 6.6% |
| Sapporo brand | 72 | 85 | 13 | 18.1% | 168 | 218 | 50 | 29.8% |
| Other areas | 72 | 85 | 13 | 18.1% | 168 | 218 | 50 | 29.8% |
| Total | 858 | 893 | 35 | 4.0% | 1,823 | 1,983 | 160 | 8.8% |

Sales:Beer (Japan) *including liquor tax

(billions of yen)

| | Jan. 1 - Jun.30, 2020 | Jan. 1 - Jun.30, 2021 | YoY Change | YoY Change(%) | Year ended December 31, 2020 | Full-year estimate for fiscal 2021 | YoY Change | YoY Change(%) |
|------------------------------|--------------------------|--------------------------|---------------|------------------|------------------------------------|--|---------------|------------------|
| Beer | 58.4 | 55.7 | (2.7) | (4.6%) | 137.2 | 133.8 | (3.4) | (2.5%) |
| Happoshu | 3.3 | 3.0 | (0.2) | (7.4%) | 6.8 | 6.2 | (0.6) | (8.6%) |
| New genre | 23.3 | 23.0 | (0.3) | (1.5%) | 45.5 | 46.4 | 0.9 | 2.1% |
| Subtotal | 85.0 | 81.7 | (3.3) | (3.9%) | 189.5 | 186.4 | (3.1) | (1.6%) |
| Rebate subtracted from sales | (4.7) | (5.0) | (0.4) | — | (11.0) | — | — | — |
| Total | 80.3 | 76.7 | (3.6) | (4.5%) | 178.5 | — | — | — |

Sales:Alcoholic Beverage (Japan)

(billions of yen)

| | Jan. 1 - Jun.30, 2020 | Jan. 1 - Jun.30, 2021 | YoY Change | YoY Change(%) | Year ended December 31, 2020 | Full-year estimate for fiscal 2021 | YoY Change | YoY Change(%) |
|------------------------------|--------------------------|--------------------------|---------------|------------------|------------------------------------|--|---------------|------------------|
| Domestic wines | 1.7 | 1.6 | (0.1) | (7.8%) | 3.6 | 3.2 | (0.4) | (10.9%) |
| Imported wines | 2.8 | 2.7 | (0.1) | (3.2%) | 6.8 | 6.5 | (0.3) | (4.0%) |
| Wine (total) | 4.5 | 4.3 | (0.2) | (5.0%) | 10.4 | 9.7 | (0.7) | (6.4%) |
| Spirits and Shochu (total) | 10.4 | 11.2 | 0.8 | 7.8% | 22.8 | 24.3 | 1.5 | 6.5% |
| Subtotal | 14.9 | 15.5 | 0.6 | 4.0% | 33.2 | 34.0 | 0.8 | 2.5% |
| Rebate subtracted from sales | (2.9) | (2.9) | (0.1) | — | (6.2) | — | — | — |
| Total | 12.0 | 12.5 | 0.5 | 4.4% | 27.0 | — | — | — |

Sales:Food & Soft Drinks (Japan) *2

(billions of yen)

| | Jan. 1 - Jun.30, 2020 | Jan. 1 - Jun.30, 2021 | YoY Change | YoY Change(%) | Year ended December 31, 2020 | Full-year estimate for fiscal 2021 | YoY Change | YoY Change(%) |
|-----------------------------------|--------------------------|--------------------------|---------------|------------------|------------------------------------|--|---------------|------------------|
| Soft Drinks | 28.9 | 29.0 | 0.1 | 0.4% | 62.5 | 62.3 | (0.2) | (0.3%) |
| Food (Lemon · Soups · Plant milk) | 13.8 | 14.5 | 0.7 | 5.1% | 32.8 | 36.2 | 3.4 | 10.5% |

*2:Only domestic sales(Before Rebate subtracted from sales)

3. Consolidated Results (Six months ended June 30, 2021)

Consolidated Statements of Income

(billions of yen)

| | Six months ended June 30, 2020 | Six months ended June 30, 2021 | Change | Change(%) |
|---|--------------------------------------|--------------------------------------|--------|-----------|
| Alcoholic Beverages (*1) (*2) | 130.4 | 130.5 | 0.2 | 0.1% |
| Japanese | 103.2 | 102.7 | (0.5) | (0.5%) |
| Overseas | 21.7 | 24.8 | 3.1 | 14.3% |
| Restaurants | 5.5 | 3.1 | (2.4) | (44.1%) |
| Food & Soft Drinks | 58.1 | 58.0 | (0.1) | (0.2%) |
| Real Estate | 11.5 | 11.1 | (0.4) | (3.1%) |
| Other (*1) | 0.1 | 0.1 | 0.0 | 5.6% |
| Revenue | 200.0 | 199.7 | (0.3) | (0.1%) |
| Alcoholic Beverages (*1) (*2) | (3.8) | (2.9) | 0.9 | — |
| Japanese | (0.9) | (0.3) | 0.6 | — |
| Overseas | (0.5) | 0.2 | 0.7 | — |
| Restaurants | (2.5) | (2.9) | (0.4) | — |
| Food & Soft Drinks | (2.6) | (1.1) | 1.5 | — |
| Real Estate | 4.6 | 3.8 | (0.8) | (17.9%) |
| Other · General corporate and intercompany eliminations (*1) | (3.3) | (3.2) | 0.1 | — |
| Core operating profit (*3) | (5.1) | (3.5) | 1.6 | — |
| Other operating income | 0.6 | 24.5 | 23.8 | 3,679.8% |
| Other operating expense | 5.0 | 1.9 | (3.1) | (61.6%) |
| Operating profit | (9.4) | 19.1 | 28.5 | — |
| Financial income (expense) | (0.5) | (0.1) | 0.5 | — |
| Equity in net income (loss) of affiliates | 0.0 | 0.0 | 0.0 | 43.4% |
| Profit before tax | (9.9) | 19.1 | 29.0 | — |
| Income taxes | (3.4) | 6.8 | 10.1 | — |
| Profit (loss) | (6.6) | 12.3 | 18.8 | — |
| Profit (loss) attributable to non-controlling interest | (0.1) | (0.1) | 0.1 | — |
| Profit (loss) attributable to owners of parent | (6.4) | 12.3 | 18.8 | — |
| (ref.) | | | | |
| EBITDA (*4) | 6.4 | 6.9 | 0.6 | 9.2% |

*1: Effective from the fiscal year 2020, the logistics businesses were listed under "Alcoholic Beverages".

*2: The Vietnam and Europe businesses which were previously listed under "Japan & Asia business", but has been classified under "Overseas business" in 2021. With the change of the classification, the name of "Japan & Asia business" changed to "Japanese business".

To enable year-on-year comparisons, figures for the previous fiscal year have been adjusted to reflect the new reportable segments.

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

*4: EBITDA (IFRS)=Core operating profit + Depreciation and amortization

(excluding depreciation expense on leased assets which is charged on the rent of restaurants)

Consolidated Statements of Cash Flows

(billions of yen)

| | Six months ended June 30, 2020 | Six months ended June 30, 2021 | Change | Change(%) |
|---|--------------------------------------|--------------------------------------|--------|-----------|
| Increase (decrease) in cash and cash equivalents | 8.6 | (7.1) | (15.7) | — |
| Cash flows from operating activities | 4.3 | 12.8 | 8.5 | 196.9% |
| Profit before tax | (9.9) | 19.1 | 29.0 | — |
| Depreciation and amortization | 13.3 | 11.4 | (1.9) | (14.0%) |
| Income tax payment | (4.4) | 0.6 | 5.0 | — |
| Cash flows from investing activities | (11.8) | 22.6 | 34.5 | — |
| Purchase(Proceeds from sales) of property, plant and equipment | (6.2) | (3.1) | 3.2 | — |
| Purchase(Proceeds from sales) of Investment property | (3.2) | 28.9 | 32.0 | — |
| Free Cash flows | (7.5) | 35.5 | 43.0 | — |
| Cash flows from financial activities | 15.5 | (43.8) | (59.4) | — |
| Change in financial liabilities | 22.1 | (37.4) | (59.5) | — |
| Dividend paid | (3.3) | (3.3) | (0.0) | — |
| Repayments of lease liabilities | (3.3) | (3.1) | 0.1 | — |
| Cash and cash equivalents (beginning of the period) | 15.2 | 19.7 | 4.5 | 29.7% |
| Cash and cash equivalents (end of the period) | 23.8 | 12.6 | (11.2) | (46.9%) |

4. Consolidated Results (Six months ended June 30, 2021)

Breakdown of key income Changes (Year-on-year)

(1) Alcoholic Beverages

(billions of yen)

| Change factor | Jan. 1 - Jun.30, 2020 | Jan. 1 - Jun.30, 2021 | Change | Details |
|--|--------------------------|--------------------------|------------|--|
| Beer increase (decrease) in volume | | | (1.7) | Beer (0.4) Happoshu (0.1) New genre (1.2) |
| Beer product mix | | | 0.2 | Including composition difference between container |
| Manufacturing cost ,other | | | 0.1 | |
| Wine · Spirits · Shochu | | | 0.1 | |
| Others | | | 0.7 | Including Non-alcoholic & RTD |
| Marginal profit | | | (0.6) | |
| Advertising and promotion expenses (*1) | | | 0.6 | |
| Personnel expenses, Facilities costs ,other | | | 0.1 | |
| Fixed costs and other | | | 0.7 | |
| Domestic subsidiary,consolidation adjusting, other | | | 0.5 | |
| Alcoholic Beverages in Japanese | (0.9) | (0.3) | 0.6 | |
| Alcoholic Beverages in Overseas | (0.5) | 0.2 | 0.7 | |
| Restaurants | (2.5) | (2.9) | (0.4) | |
| Segment adjustment | 0.1 | - | (0.1) | |
| Alcoholic Beverages(Core operating profit) | (3.8) | (2.9) | 0.9 | |

(*1) Advertising and promotion expenses(2021) 10.7billions of yen

(2) Food & Soft Drinks

(billions of yen)

| Change factor | Jan. 1 - Jun.30, 2020 | Jan. 1 - Jun.30, 2021 | Change | Details |
|--|--------------------------|--------------------------|------------|-------------------------------------|
| Increase (decrease) in volume | | | 0.0 | Including product mix |
| Manufacturing cost ,other | | | (0.4) | |
| Logistics costs | | | (0.2) | |
| Marginal profit | | | (0.5) | |
| Advertising and promotion expenses | | | 0.2 | |
| Personnel expenses, Facilities costs ,other | | | 1.5 | |
| Fixed costs and other | | | 1.8 | |
| Domestic subsidiary,consolidation adjusting, other | | | 0.1 | |
| Japanese Food & Soft Drinks | | | 1.4 | |
| Overseas Soft Drinks/ Domestic coffee shop chain | | | 0.1 | Overseas+0.2 · Domestic others(0.1) |
| Food & Soft Drinks(Core operating profit) | (2.6) | (1.1) | 1.5 | |

5. Consolidated Results (Six months ended June 30, 2021)

Segment Information

(billions of yen)

| | | Alcoholic Beverages | Food & Soft Drinks | Real Estate | Other | Corporate and eliminations | Consolidated total |
|-----------------------------------|-----------------------|---------------------|--------------------|-------------|-------|----------------------------|--------------------|
| Revenue | Jan. 1 - Jun.30, 2021 | 130.5 | 58.0 | 11.1 | 0.1 | — | 199.7 |
| | Jan. 1 - Jun.30, 2020 | 130.4 | 58.1 | 11.5 | 0.1 | — | 200.0 |
| | Change | 0.2 | (0.1) | (0.4) | 0.0 | — | (0.3) |
| Core operating profit (*1) | Jan. 1 - Jun.30, 2021 | (2.9) | (1.1) | 3.8 | 0.0 | (3.2) | (3.5) |
| | Jan. 1 - Jun.30, 2020 | (3.8) | (2.6) | 4.6 | (0.0) | (3.3) | (5.1) |
| | Change | 0.9 | 1.5 | (0.8) | 0.0 | 0.1 | 1.6 |
| Operating profit | Jan. 1 - Jun.30, 2021 | (2.8) | (1.0) | 26.0 | 0.0 | (3.2) | 19.1 |
| | Jan. 1 - Jun.30, 2020 | (7.8) | (2.9) | 4.3 | (0.0) | (3.0) | (9.4) |
| | Change | 5.0 | 1.9 | 21.8 | 0.0 | (0.2) | 28.5 |
| Depreciation and amortization | Jan. 1 - Jun.30, 2021 | 5.1 | 1.5 | 2.8 | 0.0 | 1.0 | 10.4 |
| | Jan. 1 - Jun.30, 2020 | 5.2 | 2.8 | 2.5 | 0.0 | 1.0 | 11.4 |
| | Change | (0.1) | (1.3) | 0.3 | 0.0 | 0.1 | (1.0) |
| E B I T D A (*2) | Jan. 1 - Jun.30, 2021 | 2.1 | 0.4 | 6.6 | 0.0 | (2.2) | 6.9 |
| | Jan. 1 - Jun.30, 2020 | 1.4 | 0.2 | 7.1 | (0.0) | (2.3) | 6.4 |
| | Change | 0.8 | 0.2 | (0.6) | 0.0 | 0.1 | 0.6 |
| Capital expenditures (cash basis) | Jan. 1 - Jun.30, 2021 | 3.0 | 2.4 | 4.2 | — | 0.5 | 10.2 |
| | Jan. 1 - Jun.30, 2020 | 4.2 | 1.6 | 3.5 | 0.0 | 1.3 | 10.6 |
| | Change | (1.2) | 0.8 | 0.8 | (0.0) | (0.8) | (0.4) |

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

*2: EBITDA (IFRS)=Profit from operations before non-recurring items+ Depreciation and amortization
(excluding depreciation expense on leased assets which is charged on the rent of restaurants)

6. Consolidated Results (Six months ended June 30, 2021)

Condensed Consolidated Balance Sheets

(billions of yen)

| | Year ended December 31, 2020 | Six months ended June 30, 2021 | Change | Details |
|--|------------------------------------|--------------------------------------|--------|---------------------------------|
| Current assets | 160.8 | 133.8 | (27.0) | |
| Cash and cash equivalents | 19.7 | 12.6 | (7.1) | |
| Trade and other receivables | 84.5 | 69.7 | (14.7) | Seasonal factors, bank holidays |
| Inventories | 36.0 | 41.2 | 5.2 | |
| Other | 20.6 | 10.2 | (10.4) | |
| Non-current assets | 455.5 | 447.1 | (8.4) | |
| Property, plant and equipment , Intangible assets | 135.7 | 139.3 | 3.7 | |
| Investment property | 218.6 | 207.5 | (11.1) | Sale of investment property |
| Goodwill | 17.9 | 19.5 | 1.6 | |
| Other | 83.4 | 80.7 | (2.6) | |
| Total assets | 616.3 | 580.9 | (35.4) | |
| Current liabilities | 216.2 | 190.0 | (26.2) | |
| Trade and other payables | 31.9 | 32.9 | 1.0 | |
| Short-term financial liabilities | 83.2 | 63.0 | (20.2) | Redemption of corporate bonds |
| Other | 101.1 | 94.1 | (7.1) | |
| Non-current liabilities | 250.6 | 229.0 | (21.5) | |
| Long-term financial liabilities | 158.1 | 141.1 | (17.0) | one-year transfer |
| Net defined benefit liability | 4.0 | 1.5 | (2.4) | |
| Other | 88.5 | 86.4 | (2.1) | |
| Total liabilities | 466.8 | 419.1 | (47.7) | |
| Equity attributable to owners of parent | 149.8 | 161.1 | 11.3 | |
| Equity attributable to non-controlling interests | (0.2) | 0.7 | 1.0 | |
| Total equity | 149.6 | 161.9 | 12.3 | |
| Total liabilities and equity | 616.3 | 580.9 | (35.4) | |

Financial Liabilities by segment(*1)

(billions of yen)

| | Year ended December 31, 2020 | Six months ended June 30, 2021 | Change | Details |
|----------------------------|------------------------------------|--------------------------------------|--------|-------------------------------|
| Alcoholic Beverages(*2) | 80.8 | 87.7 | 6.9 | |
| Food & Soft Drinks | 25.7 | 24.1 | (1.6) | |
| Real Estate | 130.0 | 131.4 | 1.4 | |
| Other(*2) | 0.1 | 0.1 | (0.0) | |
| Corporate and eliminations | 4.7 | (39.1) | (43.9) | Redemption of corporate bonds |
| Total | 241.3 | 204.1 | (37.1) | |

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

*2: Effective from the fiscal year 2020, the logistics businesses were listed under "Alcoholic Beverages".

7. Consolidated Forecasts (Year ending December 31, 2021)

Condensed Consolidated Statements of Income

(billions of yen)

| | Year ended December 31, 2020(*1) | Year ending December 31, 2021 (Forecast) | Change | Change(%) |
|--|--|--|--------|-----------|
| Alcoholic Beverages (*1)(*2) | 285.4 | 295.4 | 10.0 | 3.5% |
| Japanese | 227.9 | 232.3 | 4.3 | 1.9% |
| Overseas | 46.2 | 54.6 | 8.4 | 18.2% |
| Restaurants | 11.3 | 8.6 | (2.7) | (24.1%) |
| Food & Soft Drinks | 125.9 | 129.8 | 4.0 | 3.2% |
| Real Estate | 23.3 | 21.7 | (1.6) | (6.7%) |
| Other (*1) | 0.2 | 0.2 | 0.0 | 0.0% |
| Revenue | 434.7 | 447.2 | 12.5 | 2.9% |
| Alcoholic Beverages (*1)(*2) | 2.4 | 4.6 | 2.2 | 94.2% |
| Japanese | 6.7 | 7.2 | 0.6 | 8.5% |
| Overseas | 0.5 | 1.7 | 1.3 | 273.7% |
| Restaurants | (5.0) | (4.4) | 0.6 | — |
| Food & Soft Drinks | (2.6) | 0.4 | 3.0 | — |
| Real Estate | 10.9 | 8.0 | (2.9) | (26.3%) |
| Other · General corporate and intercompany eliminations(*1) | (6.3) | (6.3) | 0.1 | — |
| Core operating profit (*3) | 4.3 | 6.7 | 2.4 | 57.2% |
| Other operating income (expense) | (20.2) | 11.3 | 31.5 | — |
| Operating profit | (15.9) | 18.0 | 33.9 | — |
| Financial income (expense) | (3.4) | (1.0) | 2.4 | — |
| Equity in net income (loss) of affiliates | 0.0 | 0.0 | 0.0 | 14.5% |
| Profit before tax | (19.4) | 17.0 | 36.4 | — |
| Income taxes | (2.8) | 5.0 | 7.8 | — |
| Profit (loss) | (16.6) | 12.0 | 28.6 | — |
| Profit (loss) attributable to non-controlling interest | (0.5) | 0.0 | 0.5 | — |
| Profit (loss) attributable to owners of parent | (16.1) | 12.0 | 28.1 | — |

(ref.)

| | | | | |
|-------------|------|------|-----|------|
| EBITDA (*4) | 27.4 | 27.6 | 0.2 | 0.7% |
|-------------|------|------|-----|------|

*1:Effective from the fiscal year 2020, the logistics businesses were listed under “Alcoholic Beverages”.

*2:The Vietnam and Europe businesses which were previously listed under “Japan & Asia business”, but has been classified under “Overseas business” in 2021.
With the change of the classification, the name of “Japan & Asia business” changed to “Japanese business”.

To enable year-on-year comparisons, figures for the previous fiscal year have been adjusted to reflect the new reportable segments.

*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 Statements of Cash Flows

(billions of yen)

| | Year ended December 31, 2020 | Year ending December 31, 2021 (Forecast) | Change | Change(%) |
|--------------------------------------|------------------------------------|--|--------|-----------|
| Cash flows from operating activities | 16.5 | 32.9 | 16.5 | 100.0% |
| Cash flows from investing activities | (16.0) | (1.8) | 14.2 | — |
| Free Cash flows | 0.5 | 31.1 | 30.7 | 6,578.5% |

8. Consolidated Forecasts (Year ending December 31, 2021)

Breakdown of key income Changes (Year-on-year)

(1) Alcoholic Beverages

(billions of yen)

| Change factor | Year ended December 31, 2020 | Year ending December 31, 2021 (Forecast) | Change | Details |
|--|------------------------------------|---|------------|--|
| Beer increase (decrease) in volume | | | (1.3) | Beer 0.4 Happoshu (0.1) New genre (1.7) |
| Beer product mix | | | 0.2 | Including composition difference between container |
| Manufacturing cost ,other | | | 0.0 | |
| Wine · Spirits · Shochu | | | 0.6 | |
| Marginal profit | | | (0.5) | |
| Advertising and promotion expenses | | | 0.0 | |
| Personnel expenses, Facilities costs ,other | | | 0.8 | |
| Fixed costs and other | | | 0.8 | |
| Domestic subsidiary,consolidation adjusting, other | | | 0.3 | |
| Alcoholic Beverages in Japanese | 6.7 | 7.2 | 0.6 | |
| Alcoholic Beverages in Overseas | 0.5 | 1.7 | 1.3 | |
| Restaurants | (5.0) | (4.4) | 0.6 | |
| Segment adjustment | 0.3 | — | (0.3) | |
| Alcoholic Beverages(Core operating profit) | 2.4 | 4.6 | 2.2 | |

(2) Food & Soft Drinks

(billions of yen)

| Change factor | Year ended December 31, 2020 | Year ending December 31, 2021 (Forecast) | Change | Details |
|--|------------------------------------|---|------------|-------------------------------------|
| Increase (decrease) in volume | | | 1.8 | |
| Manufacturing cost ,other | | | (1.0) | |
| Logistics costs | | | (0.4) | |
| Marginal profit | | | 0.5 | |
| Advertising and promotion expenses | | | (0.2) | |
| Personnel expenses, Facilities costs ,other | | | 3.2 | |
| Fixed costs and other | | | 3.0 | |
| Domestic subsidiary,consolidation adjusting, other | | | (0.4) | |
| Japanese Food & Soft Drinks | | | 3.1 | |
| Overseas Soft Drinks/ Domestic coffee shop chain | | | (0.1) | Overseas(0.4) · Domestic others+0.3 |
| Food & Soft Drinks(Core operating profit) | (2.6) | 0.4 | 3.0 | |

9. Consolidated Forecasts (Year ending December 31, 2021)

Segment Information

(billions of yen)

| | | Alcoholic Beverages | Food & Soft Drinks | Real Estate | Other | Corporate and eliminations | Consolidated total |
|-----------------------------------|---|---------------------|--------------------|-------------|-------|----------------------------|--------------------|
| Revenue | Year ending December 31, 2021(Forecast) | 295.4 | 129.8 | 21.7 | 0.2 | — | 447.2 |
| | Year ended December 31, 2020 | 285.4 | 125.9 | 23.3 | 0.2 | — | 434.7 |
| | Change | 10.0 | 4.0 | (1.6) | 0.0 | — | 12.5 |
| Core operating profit (*1) | Year ending December 31, 2021(Forecast) | 4.6 | 0.4 | 8.0 | 0.0 | (6.3) | 6.7 |
| | Year ended December 31, 2020 | 2.4 | (2.6) | 10.9 | (0.0) | (6.3) | 4.3 |
| | Change | 2.2 | 3.0 | (2.9) | 0.0 | 0.0 | 2.4 |
| Operating profit | Year ending December 31, 2021(Forecast) | 4.8 | (0.1) | 29.4 | 0.0 | (16.1) | 18.0 |
| | Year ended December 31, 2020 | (4.9) | (16.9) | 11.9 | (0.0) | (6.0) | (15.9) |
| | Change | 9.7 | 16.8 | 17.5 | 0.0 | (10.1) | 33.9 |
| Depreciation and amortization | Year ending December 31, 2021(Forecast) | 9.8 | 3.9 | 5.2 | 0.0 | 2.0 | 20.9 |
| | Year ended December 31, 2020 | 10.4 | 5.6 | 5.2 | 0.0 | 2.0 | 23.1 |
| | Change | (0.6) | (1.7) | 0.0 | 0.0 | 0.1 | (2.2) |
| E B I T D A (*2) | Year ending December 31, 2021(Forecast) | 14.4 | 4.3 | 13.2 | 0.0 | (4.3) | 27.6 |
| | Year ended December 31, 2020 | 12.7 | 2.9 | 16.0 | 0.0 | (4.4) | 27.4 |
| | Change | 1.6 | 1.3 | (2.9) | (0.0) | 0.1 | 0.2 |
| Capital expenditures (cash basis) | Year ending December 31, 2021(Forecast) | 6.3 | 4.1 | 11.1 | 0.0 | 0.8 | 22.4 |
| | Year ended December 31, 2020 | 6.8 | 2.8 | 4.0 | 0.0 | 2.5 | 16.1 |
| | Change | (0.5) | 1.3 | 7.1 | (0.0) | (1.7) | 6.3 |

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

*2: EBITDA (IFRS)=Core operating profit + Depreciation and amortization

(excluding depreciation expense on leased assets which is charged on the rent of restaurants)