



## **Three Months ended March 31, 2022**

### **Consolidated First Quarter Earnings Report - Supplementary Information**

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**May 2022**

**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)

	Three months ended March 31, 2021	Three months ended March 31, 2022	Change	Change(%)
Revenue	89.9	93.2	3.4	3.7%
(ref.) Excluding liquor tax	68.5	72.0	3.5	5.2%
Revenue growth rate	(9.9%)	3.7%	—	—
(ref.) Excluding liquor tax	(11.2%)	5.2%	—	—
Overseas revenue	14.9	18.3	3.4	22.5%
Overseas revenue growth rate	(2.0%)	22.5%	—	—
Core operating profit (*1)	(6.9)	(6.4)	0.5	—
Core operating margin	(7.6%)	(6.9%)	—	—
Operating profit	(6.2)	(4.5)	1.7	—
Profit attributable to owners of parent	(5.2)	(4.0)	1.2	—
Total assets	602.4	590.3	(12.1)	(2.0%)
Total equity	145.6	160.1	14.5	9.9%
Balance of debt :Net (*2)	228.5	187.5	(41.0)	(17.9%)
Debt-to-equity ratio (times) :Net (*3)	1.6	1.2	—	—
Depreciation and amortization	5.2	5.0	(0.2)	(3.5%)
EBITDA (*4)	(1.7)	(1.4)	0.3	—
Exchange rates (Yen) (*9)				
US\$	106.09	116.34	—	—
CAN\$	83.80	91.84	—	—
SG\$	79.62	86.01	—	—

	Year ended December 31, 2021	Year ending December 31, 2022 (Forecast)	Change	Change(%)
Revenue	437.2	478.7	41.5	9.5%
(ref.) Excluding liquor tax	331.2	357.9	26.7	8.1%
Revenue growth rate	0.6%	9.5%	—	—
(ref.) Excluding liquor tax	0.8%	8.1%	—	—
Overseas revenue	74.5	83.4	9.0	12.0%
Overseas revenue growth rate	13.7%	12.0%	—	—
Core operating profit (*1)	8.1	10.0	1.9	23.2%
Core operating margin	1.9%	2.1%	—	—
Operating profit	22.0	7.3	(14.7)	(66.9%)
Profit attributable to owners of parent	12.3	5.0	(7.3)	(59.1%)
Total assets	594.6			
Total equity	163.3			
Balance of debt :Net (*2)	180.7	194.1	13.4	7.4%
Debt-to-equity ratio (times) :Net (*3)	1.1	1.2	—	—
Depreciation and amortization	20.5	21.6	1.1	5.2%
EBITDA (*4)	28.6	31.6	2.9	10.3%
EBITDA interest-bearing debt ratio(times) (*5)	6.3	6.1	—	—
Capital expenditure Cash basis	21.2	36.3	15.1	71.0%
R O E (%) (*6)	7.9%	3.1%	—	—
E P S (yen sen) (*7)	158.30	64.19	—	—
D O E (%) (*8)	2.1%	2.0%	—	—
Payout ratio (%)	26.5%	65.4%	—	—
Exchange rates (Yen) (*9)				
US\$	109.90	111.00	—	—
CAN\$	87.69	91.00	—	—
SG\$	81.77	82.00	—	—

\*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 - Mar.31, 2021	Jan. 1 - Mar.31, 2022	YoY Change	YoY Change(%)
	Sapporo Draft Beer Black Label (total)	—	—	—	(0.4%)
	YEBISU (total)	—	—	—	(9.4%)
1	Beer (total)	—	—	—	0.4%
2	Happoshu (total)	—	—	—	(9.5%)
3	New genre beer products (total)	—	—	—	(5.4%)
	Beer, happoshu, and new genre (total 1+2+3)	—	—	—	(2.3%)
	RTD(*2)	260	294	34	13.1%
	Non-alcoholic beer and low alcohol beer taste beverage	11	14	3	27.3%

\*1:Following the agreement of the Brewers Association of Japan, there is no disclosure of the sales volume for the first quarter.

The sales volume for the first half and end of the fiscal year shall be disclosed.

\*2: RTD 1 case = 250 ml x 24 bottles

### Sales Volume:Beer (International)

(10,000 cases)

		Jan. 1 - Mar.31, 2021	Jan. 1 - Mar.31, 2022	YoY Change	YoY Change(%)
	Overseas brand (SLEEMAN, Anchor, etc.)	277	265	(12)	(4.4%)
	Sapporo brand	64	91	27	42.3%
	North America	340	355	15	4.4%
	Sapporo brand	41	54	14	33.6%
	Other areas	41	54	14	33.6%
	Total	381	410	29	7.5%

### Sales:Beer (Japan) \*including liquor tax

(billions of yen)

		Jan. 1 - Mar.31, 2021	Jan. 1 - Mar.31, 2022	YoY Change	YoY Change(%)
	Beer	23.4	23.5	0.0	0.1%
	Happoshu	1.4	1.3	(0.1)	(9.9%)
	New genre	10.8	10.2	(0.6)	(5.3%)
	Subtotal	35.6	34.9	(0.7)	(1.9%)
	Rebate subtracted from sales(*2)	(2.5)	(1.9)	0.6	—
	Total	33.1	33.0	(0.1)	(0.3%)

### Sales:Alcoholic Beverage (Japan)

(billions of yen)

		Jan. 1 - Mar.31, 2021	Jan. 1 - Mar.31, 2022	YoY Change	YoY Change(%)
	Domestic wines	0.8	0.8	(0.0)	(2.2%)
	Imported wines	1.3	1.3	(0.0)	(1.1%)
	Wine (total)	2.1	2.1	(0.0)	(1.6%)
	Spirits and Shochu (total)	5.0	5.5	0.5	10.5%
	RTD	4.7	5.2	0.5	11.5%
	Subtotal	11.8	12.8	1.0	8.7%
	Rebate subtracted from sales(*3)	(2.4)	(2.4)	0.0	(1.8%)
	Total	9.4	10.5	1.1	11.4%

### Sales:Food & Soft Drinks (Japan) \*3

(billions of yen)

		Jan. 1 - Mar.31, 2021	Jan. 1 - Mar.31, 2022	YoY Change	YoY Change(%)
	Soft Drinks	12.6	12.4	(0.3)	(2.2%)
	Food (Lemon · Soups · Plant milk)	7.5	7.4	(0.0)	(0.5%)

\*3:Only domestic sales(Before Rebate subtracted from sales)

### 3. Consolidated Results (Three months ended March 31, 2022)

#### Consolidated Statements of Income

(billions of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022	Change	Change(%)
Alcoholic Beverages	56.6	60.6	3.9	6.9%
Japanese	44.7	46.1	1.5	3.3%
Overseas	10.2	12.1	1.9	18.8%
Restaurants	1.8	2.3	0.5	29.9%
Food & Soft Drinks	27.6	27.7	0.1	0.4%
Real Estate	5.6	5.0	(0.7)	(11.8%)
Other	0.0	0.0	(0.0)	(27.0%)
Revenue	89.9	93.2	3.4	3.7%
Alcoholic Beverages	(5.0)	(3.9)	1.1	—
Japanese	(3.0)	(2.8)	0.2	—
Overseas	(0.3)	(0.1)	0.2	—
Restaurants	(1.7)	(1.0)	0.8	—
Food & Soft Drinks	(1.1)	(1.0)	0.1	—
Real Estate	0.7	0.1	(0.6)	(87.4%)
Other · General corporate and intercompany eliminations	(1.5)	(1.6)	(0.1)	—
Core operating profit (*1)	(6.9)	(6.4)	0.5	—
Other operating income	1.3	2.5	1.2	93.7%
Other operating expense	0.6	0.6	0.0	2.7%
Operating profit	(6.2)	(4.5)	1.7	—
Financial income (expense)	(0.1)	0.2	0.3	—
Equity in net income (loss) of affiliates	0.0	0.0	0.0	573.3%
Profit before tax	(6.2)	(4.3)	1.9	—
Income taxes	(1.0)	(0.3)	0.7	—
Profit (Loss)	(5.2)	(4.0)	1.3	—
Profit (loss) attributable to non-controlling interest	(0.0)	0.0	0.1	—
Profit (loss) attributable to owners of parent	(5.2)	(4.0)	1.2	—

(ref.)

EBITDA (*2)	(1.7)	(1.4)	0.3	—
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\*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)

#### Consolidated Statements of Cash Flows

(billions of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022	Change	Change(%)
Increase (decrease) in cash and cash equivalents	(0.6)	8.7	9.3	—
Cash flows from operating activities	2.1	(0.8)	(2.9)	—
Profit before tax	(6.2)	(4.3)	1.9	—
Depreciation and amortization	5.7	5.2	(0.5)	(8.7%)
Income tax payment (refundment)	(5.3)	(5.0)	0.3	—
Cash flows from investing activities	(5.4)	(3.6)	1.8	—
Purchase(Proceeds from sales ) of property, plant and equipment	(1.0)	1.3	2.3	—
Purchase(Proceeds from sales ) of Investment property	(3.1)	(3.5)	(0.5)	—
Free Cash flows	(3.3)	(4.4)	(1.1)	—
Cash flows from financial activities	1.3	11.6	10.3	762.5%
Change in financial liabilities	6.0	16.2	10.2	169.6%
Dividend paid	(3.1)	(3.1)	0.0	—
Repayments of lease liabilities	(1.5)	(1.5)	0.0	—

Cash and cash equivalents (beginning of the period)	19.7	17.4	(2.3)	(11.6%)
Cash and cash equivalents (end of the period)	19.1	25.7	6.6	34.7%

#### 4. Consolidated Results (Three months ended March 31, 2022)

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

##### (1) Alcoholic Beverages

(billions of yen)

Change factor	Jan. 1 - Mar.31, 2021	Jan. 1 - Mar.31, 2022	Change	Details
Beer increase (decrease) in volume			(0.3)	
Beer product mix			(0.1)	Including composition difference between container
Manufacturing cost ,other			0.9	
RTD · Wine · Spirits · Shochu, other			0.3	Including Non-alcoholic
Advertising and promotion expenses (*1)			(0.5)	
Personnel expenses, Facilities costs ,other			(0.2)	
Domestic subsidiary,consolidation adjusting, other			(0.0)	
Alcoholic Beverages in Japanese	(3.0)	(2.8)	0.2	
Alcoholic Beverages in Overseas	(0.3)	(0.1)	0.2	
Restaurants	(1.7)	(1.0)	0.8	
Segment adjustment	0.0	0.0	(0.0)	
<b>Alcoholic Beverages(Core operating profit)</b>	<b>(5.0)</b>	<b>(3.9)</b>	<b>1.1</b>	

(\*1) Advertising and promotion expenses(2022) 6.6billions of yen

##### (2) Food & Soft Drinks

(billions of yen)

Change factor	Jan. 1 - Mar.31, 2021	Jan. 1 - Mar.31, 2022	Change	Details
Increase (decrease) in volume			(0.1)	Including product mix
Manufacturing cost ,other			(0.6)	
Logistics costs			(0.0)	
Advertising and promotion expenses			0.3	
Personnel expenses, Facilities costs ,other			0.1	
Domestic subsidiary,consolidation adjusting, other			(0.1)	
Japanese Food & Soft Drinks			(0.5)	
Overseas Soft Drinks/ Domestic coffee shop chain			0.5	
<b>Food &amp; Soft Drinks(Core operating profit)</b>	<b>(1.1)</b>	<b>(1.0)</b>	<b>0.1</b>	

## 5. Consolidated Results (Three months ended March 31, 2022)

### Segment Information

(billions of yen)

		Alcoholic Beverages	Food & Soft Drinks	Real Estate	Other	Corporate and eliminations	Consolidated total
Revenue	Jan. 1 - Mar.31, 2022	60.6	27.7	5.0	0.0	—	93.2
	Jan. 1 - Mar.31, 2021	56.6	27.6	5.6	0.0	—	89.9
	Change	3.9	0.1	(0.7)	(0.0)	—	3.4
Core operating profit (*1)	Jan. 1 - Mar.31, 2022	(3.9)	(1.0)	0.1	0.0	(1.6)	(6.4)
	Jan. 1 - Mar.31, 2021	(5.0)	(1.1)	0.7	0.0	(1.5)	(6.9)
	Change	1.1	0.1	(0.6)	0.0	(0.1)	0.5
Operating profit	Jan. 1 - Mar.31, 2022	(2.4)	(0.4)	(0.2)	0.0	(1.5)	(4.5)
	Jan. 1 - Mar.31, 2021	(4.5)	(1.0)	0.7	0.0	(1.4)	(6.2)
	Change	2.0	0.6	(0.9)	0.0	(0.1)	1.7
Depreciation and amortization	Jan. 1 - Mar.31, 2022	2.7	0.6	1.3	—	0.5	5.0
	Jan. 1 - Mar.31, 2021	2.5	0.7	1.4	0.0	0.5	5.2
	Change	0.1	(0.1)	(0.1)	(0.0)	(0.1)	(0.2)
E B I T D A (*2)	Jan. 1 - Mar.31, 2022	(1.3)	(0.4)	1.4	0.0	(1.1)	(1.4)
	Jan. 1 - Mar.31, 2021	(2.5)	(0.3)	2.1	0.0	(1.0)	(1.7)
	Change	1.2	(0.1)	(0.7)	0.0	(0.2)	0.3
Capital expenditures (cash basis)	Jan. 1 - Mar.31, 2022	1.0	0.5	3.6	—	0.3	5.4
	Jan. 1 - Mar.31, 2021	1.6	0.7	3.2	—	0.3	5.8
	Change	(0.6)	(0.2)	0.4	—	0.0	(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 (Three months ended March 31, 2022)

### Condensed Consolidated Balance Sheets

(billions of yen)

	Year ended December 31, 2020	Three months ended March 31, 2022	Change	Details
Current assets	167.8	155.8	(12.0)	
Cash and cash equivalents	17.4	25.7	8.4	
Trade and other receivables	91.5	64.2	(27.3)	Seasonal factors, bank holidays
Inventories	39.2	42.0	2.8	
Other	19.7	23.9	4.1	
Non-current assets	426.7	434.4	7.7	
Property, plant and equipment , Intangible assets	128.5	128.5	(0.0)	
Investment property	203.2	204.7	1.5	
Goodwill	19.2	19.5	0.3	
Other	75.8	81.8	6.0	
Total assets	594.6	590.3	(4.3)	
Current liabilities	210.5	201.3	(9.3)	
Trade and other payables	33.2	31.4	(1.8)	
Short-term financial liabilities	61.2	73.8	12.6	
Other	116.1	96.1	(20.1)	Reduction of accrued liquor tax
Non-current liabilities	220.7	228.9	8.2	
Long-term financial liabilities	136.9	139.4	2.5	
Net defined benefit liability	0.3	4.3	3.9	
Other	83.4	85.2	1.8	
Total liabilities	431.2	430.1	(1.1)	
Equity attributable to owners of parent	162.6	159.3	(3.3)	
Equity attributable to non-controlling interests	0.8	0.8	0.0	
Total equity	163.3	160.1	(3.2)	
Total liabilities and equity	594.6	590.3	(4.3)	

### Financial Liabilities by segment(\*1)

(billions of yen)

	Year ended December 31, 2020	Three months ended March 31, 2022	Change	Details
Alcoholic Beverages	81.5	82.1	0.6	
Food & Soft Drinks	31.9	23.1	(8.8)	
Real Estate	100.0	122.5	22.5	
Other	0.1	0.1	(0.0)	
Corporate and eliminations	(15.4)	(14.5)	0.9	
Total	198.1	213.2	15.1	

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

## 7. Consolidated Forecasts (Year ending December 31, 2022)

### Condensed Consolidated Statements of Income

(billions of yen)

	Year ended December 31, 2021	Year ending December 31, 2022 (Forecast)	Change	Change(%)
Alcoholic Beverages	289.7	333.7	44.0	15.2%
Japanese	228.6	257.8	29.2	12.8%
Overseas	53.4	60.4	7.0	13.1%
Restaurants	7.6	15.5	7.9	103.2%
Food & Soft Drinks	125.5	124.2	(1.2)	(1.0%)
Real Estate	21.9	20.7	(1.1)	(5.2%)
Other	0.2	0.0	(0.2)	(100.0%)
Revenue	437.2	478.7	41.5	9.5%
Alcoholic Beverages	5.4	9.5	4.1	74.4%
Japanese	7.9	7.5	(0.4)	(5.3%)
Overseas	1.7	2.6	0.9	50.5%
Restaurants	(4.2)	(0.6)	3.6	—
Food & Soft Drinks	0.7	1.7	1.0	133.7%
Real Estate	8.2	6.3	(2.0)	(24.0%)
Other · General corporate and intercompany eliminations	(6.2)	(7.4)	(1.1)	—
Core operating profit (*1)	8.1	10.0	1.9	23.2%
Other operating income (expense)	13.9	(2.7)	(16.6)	—
Operating profit	22.0	7.3	(14.7)	(66.9%)
Financial income (expense)	(0.9)	(0.4)	0.5	—
Equity in net income (loss) of affiliates	0.0	0.0	(0.0)	(54.8%)
Profit before tax	21.2	6.9	(14.3)	(67.5%)
Income taxes	8.9	1.8	(7.1)	(79.3%)
Profit (loss)	12.3	5.0	(7.2)	(58.9%)
Profit (loss) attributable to non-controlling interest	(0.1)	0.0	0.1	—
Profit (loss) attributable to owners of parent	12.3	5.0	(7.3)	(59.1%)
(ref.)				
EBITDA (*2)	28.6	31.6	2.9	10.3%

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

\*2: 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, 2021	Year ending December 31, 2022 (Forecast)	Change	Change(%)
Cash flows from operating activities	30.3	21.2	(9.1)	(30.1%)
Cash flows from investing activities	20.7	(24.7)	(45.4)	—
Free Cash flows	51.0	(3.5)	(54.5)	—



## 8. Consolidated Forecasts (Year ending December 31, 2022)

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

#### (1) Alcoholic Beverages

(billions of yen)

Change factor	Year ended December 31, 2021	Year ending December 31, 2022 (Forecast)	Change	Details
Beer increase (decrease) in volume			9.0	Beer 9.2 Happoshu (0.2) New genre (0.1)
Beer product mix			(1.0)	Including composition difference between container
Manufacturing cost ,other			(1.8)	Due to soaring costs of raw materials
RTD · Wine · Spirits · Shochu, other			1.1	RTD 1.1
Advertising and promotion expenses			(4.5)	
Personnel expenses, Facilities costs ,other			(2.9)	Due to halting beer production line of the Sendai Brewery
Domestic subsidiary,consolidation adjusting, other			(0.2)	
Alcoholic Beverages in Japanese	7.9	7.5	(0.4)	
Alcoholic Beverages in Overseas	1.7	2.6	0.9	
Restaurants	(4.2)	(0.6)	3.6	
Segment adjustment	-	-	-	
<b>Alcoholic Beverages(Core operating profit)</b>	<b>5.4</b>	<b>9.5</b>	<b>4.1</b>	

#### (2) Food & Soft Drinks

(billions of yen)

Change factor	Year ended December 31, 2021	Year ending December 31, 2022 (Forecast)	Change	Details
Increase (decrease) in volume			1.7	
Manufacturing cost ,other			(0.1)	Due to soaring costs of raw materials
Advertising and promotion expenses			0.1	
Personnel expenses, Facilities costs ,other			(1.3)	
Domestic subsidiary,consolidation adjusting, other			(0.0)	
Japanese Food & Soft Drinks			0.4	
Overseas Soft Drinks/ Domestic others			0.6	Domestic others
<b>Food &amp; Soft Drinks(Core operating profit)</b>	<b>0.7</b>	<b>1.7</b>	<b>1.0</b>	

## 9. Consolidated Forecasts (Year ending December 31, 2022)

### Segment Information

(billions of yen)

		Alcoholic Beverages	Food & Soft Drinks	Real Estate	Other	Corporate and eliminations	Consolidated total
Revenue	Year ending December 31, 2022(Forecast)	333.7	124.2	20.7	0.0	—	478.7
	Year ended December 31, 2021	289.7	125.5	21.9	0.2	—	437.2
	Change	44.0	(1.2)	(1.1)	(0.2)	—	41.5
Core operating profit (*1)	Year ending December 31, 2022(Forecast)	9.5	1.7	6.3	0.0	(7.4)	10.0
	Year ended December 31, 2021	5.4	0.7	8.2	0.0	(6.3)	8.1
	Change	4.1	1.0	(2.0)	(0.0)	(1.1)	1.9
Operating profit	Year ending December 31, 2022(Forecast)	8.6	1.3	4.7	0.0	(7.4)	7.3
	Year ended December 31, 2021	2.1	(3.4)	29.3	0.0	(6.0)	22.0
	Change	6.5	4.7	(24.6)	(0.0)	(1.4)	(14.7)
Depreciation and amortization	Year ending December 31, 2022(Forecast)	11.8	2.7	5.4	0.0	1.6	21.6
	Year ended December 31, 2021	10.0	3.0	5.5	0.0	2.0	20.5
	Change	1.7	(0.3)	(0.0)	(0.0)	(0.4)	1.1
E B I T D A (*2)	Year ending December 31, 2022(Forecast)	21.3	4.4	11.7	0.0	(5.8)	31.6
	Year ended December 31, 2021	15.5	3.7	13.7	0.0	(4.3)	28.6
	Change	5.8	0.6	(2.0)	(0.0)	(1.5)	2.9
Capital expenditures (cash basis)	Year ending December 31, 2022(Forecast)	10.8	3.6	20.5	—	1.4	36.3
	Year ended December 31, 2021	7.1	5.1	8.2	—	0.8	21.2
	Change	3.7	(1.5)	12.3	—	0.6	15.1

\*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)