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**Financial Results
for the nine months ended September 30, 2024 — Consolidated
(Based on IFRS)**

November 12, 2024

Company name	Sapporo Holdings Limited
Security code	2501
Listed on	Tokyo Stock Exchange (Prime Market); Sapporo Securities Exchange
URL	https://www.sapporoholdings.jp/en/
Representative	Masaki Oga, President and Representative Director
Contact	Yosuke Nakamura, Director of the Corporate Planning Department
Telephone	+81-3-5423-7407
Scheduled dates:	
Commencement of dividend payments	-
Supplementary information to the quarterly earnings results	Available
Quarterly earnings results briefing held	Yes (mainly targeted at institutional investors and analysts)

**1. Consolidated Financial Results for the nine months ended September 30, 2024
(January 1 – September 30, 2024)**

(Amounts in million yen rounded to the nearest million yen)

(1) Operating Results

(Percentage figures represent year-over-year changes)

	Revenue		Core operating profit		Operating profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended September 30, 2024	385,587	2.1	13,951	(2.9)	17,671	84.6	11,520	277.2
Nine months ended September 30, 2023	377,749	9.2	14,368	149.8	9,573	27.1	3,054	(42.6)

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	million yen	%	million yen	%	Yen	Yen
Nine months ended September 30, 2024	11,505	276.2	21,018	22.7	147.66	147.56
Nine months ended September 30, 2023	3,058	(42.2)	17,128	21.7	39.26	39.25

Note: Profit before tax

Nine months ended September 30, 2024 16,974 million yen

Nine months ended September 30, 2023 8,600 million yen

*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.

(2) Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	million yen	million yen	million yen	%
Nine months ended September 30, 2024	667,459	200,602	199,541	29.9
Year ended December 31, 2023	663,573	183,248	182,315	27.5

2. Dividends

Record date or period	Dividend per share				
	End Q1	End Q2	End Q3	Year-end	Full year
	yen	yen	yen	yen	yen
Year ended December 31, 2023	—	0.00	—	47.00	47.00
Year ended December 31, 2024	—	0.00			
Year ending December 31, 2024 (forecast)			—	52.00	52.00

Note: Changes to the latest dividend forecast announced: None

3. Forecast of Consolidated Earnings for the Year Ending December 31, 2024 (January 1 – December 31, 2024)

(Percentage figures represent year-over-year changes)

	Revenue		Core operating profit		Operating profit		Profit		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending December 31, 2024	526,000	1.4	19,000	21.5	17,600	48.9	10,030	14.5	10,000	14.6	128.37

Note: Changes to the latest consolidated results forecast announced: Yes

4. Other

- (1) Significant changes in the scope of consolidation during the period: None
Newly included: None
Excluded: None
- (2) Changes in accounting policy, changes in accounting estimates, and retrospective restatement
 - 1) Changes in accounting policies required by IFRS: None
 - 2) Changes other than 1) above: None
 - 3) Changes in accounting estimates: None
- (3) Number of shares issued and outstanding (common stock)
 - 1) Number of shares issued at end of period (treasury stock included):
September 30, 2024: 78,794,298 shares
December 31, 2023: 78,794,298 shares
 - 2) Number of shares held in treasury at end of period:
September 30, 2024: 870,355 shares
December 31, 2023: 895,451 shares
 - 3) Average number of outstanding shares during the period:
Nine months ended September 30, 2024: 77,914,838 shares
Nine months ended September 30, 2023: 77,898,916 shares

Review of the Japanese-language originals of the attached condensed quarterly consolidated financial statements by certified public accountants or an audit firm: None

Appropriate Use of Earnings Forecasts and Other Important Information

This document contains projections and other forward-looking statements based on information available to the Company as of the date of this document. Actual results may differ from those expressed or implied by forward-looking statements due to various factors. For the assumptions underlying the forecasts herein and other information on the use of earnings forecasts, refer to “1. Analysis of Operating Results and Financial Condition (4) Consolidated Earnings Forecast” on page 9.

1. Analysis of Operating Results and Financial Condition

(1) Operating Results

In the first nine months of 2024 (January 1 - September 30, 2024), the uncertain outlook continues, with consumers becoming more cautious with their spending due to the impact of increasing geopolitical risks, the ongoing depreciation of the yen, inflation from surging prices of raw materials and energy, and Japan's "2024 logistics problem" (an issue arising from strengthened regulations on driver overtime work).

Under these circumstances, the Sapporo Group continued to implement structural reforms and accelerate growth with the aim of strengthening profitability in the second year of our "Medium-Term Management Plan (2023-2026)."

Consolidated revenue increased year-on-year, mainly due to strong beer sales in the Japan market driven by the impact of the alcohol tax revision, favorable sales of "Sapporo Premium Beer" in the US and Asia, and the positive effect of the weak yen.

Consolidated core operating profit decreased year-on-year due to decreased profits in the Food & Soft Drinks business and higher IT investments, despite increased revenues in the Alcoholic Beverages business and the Real Estate business.

Consolidated operating profit and profit attributable to owners of parent increased year-on-year in the third quarter partly due to the reaction of the absence of impairment losses following the resolution to dissolve overseas subsidiaries in 2023.

Summary in key figures

Millions of yen, except percentages

	Revenue	Core operating profit	Operating profit	Profit attributable to owners of parent
Nine months ended September 30, 2024	385,587	13,951	17,671	11,505
Nine months ended September 30, 2023	377,749	14,368	9,573	3,058
Change (%)	2.1	(2.9)	84.6	276.2

*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.

Results by segment are outlined below.

Alcoholic Beverages

Revenue increased year-on-year due to factors including strong beer sales due to the effect of the alcohol tax revisions in the Japan market, strong sales of "Sapporo Premium Beer" in the US and Asia, and the positive effect of the weak yen.

Core operating profit increased year-on-year as a result of increased revenues in domestic alcoholic beverages, despite deteriorating market conditions in Canada and a softening craft beer market in the US.

Operating profit increased year-on-year due to an increase in core operating profit, as well as the reaction of the absence of an impairment loss following the resolution to dissolve an overseas subsidiary in 2023.

■ Revenue: ¥281.7 billion (up ¥7.4 billion, or 2.7% year on year)

■ Core operating profit: ¥12.9 billion (up ¥0.2 billion, or 1.2% year on year)

■ Operating profit: ¥13.7 billion (up ¥6.1 billion, or 79.3% year on year)

Details of Alcoholic Beverages (Japan and Overseas) and Restaurants in the Alcoholic Beverages

business were as follows.

Japan

While the on-trade products market is on par with the previous year as the impact from COVID-19 lessens, the off-trade market softened due to the shrinkage of the happoshu market following alcohol tax revisions. Total domestic demand for beer-type beverages (beer, happoshu (including happoshu (2))) was estimated to have been about 95% year-on-year. Total domestic demand for beer was estimated to be at roughly 107% year-on-year.

In this fiscal year, we are focusing more on strengthening beer and RTD* taking into account the alcohol tax revision implemented in October 2023.

In this context, the Sapporo Draft Beer Black Label canned products continued to perform strongly with sales volume at 119% year-on-year. However, happoshu (including happoshu (2)) was affected by a reactionary decline following the rush demand in the previous year due to alcohol tax revisions. Consequently, the Group's total domestic sales volume of beer-type beverages was 98% of the previous year's level. In addition, sales of canned RTDs grew 102% year-on-year.

*: RTD, or ready-to-drink beverages, are pre-mixed, low-alcohol cocktail-like beverages that can be consumed as is immediately after opening.

Overseas

In Canada, total demand for beer-type beverages remains weak and is expected to decrease year-on-year. Likewise, a year-on-year decrease in total demand for beer-type beverages in the US is also expected. The craft beer market especially is still slowing down, with a decrease expected year-on-year. As a result, the sales volume of overseas beer brands fell year-on-year.

In contrast, sales volume of Sapporo brand beer in North America increased to 107% year-on-year, mainly due to the continued strengthening of the sales network through sales synergies.

Restaurants

There is a continuing recovery trend in restaurant demand from the COVID-19 pandemic. Amid this, due to price revisions, a recovery in the number of customers, and attracting inbound tourists and senior customers, the Sapporo Group's Restaurants business recorded a year-on-year increase in existing store sales of 108%.

Food & Soft Drinks

Revenue declined year-on-year due to product lineup changes in the Japan market and a decrease in export sales in Overseas Soft Drinks among other factors.

Despite the positive effect of price revisions and structural reforms, core operating profit for the Food & Soft Drinks business as a whole decreased year-on-year due to the downside impact of the decline in export sales for the overseas beverage business and surging raw materials costs.

Operating profit increased year-on-year due to gain on reversal of impairment losses on fixed assets and gain on sale of land in the Japan Food & Soft Drinks business.

- Revenue: ¥86.2 billion (down ¥1.2 billion, or 1.4% year on year)
- Core operating profit: ¥2.1 billion (down ¥0.9 billion, or 29.3% year on year)
- Operating profit: ¥3.9 billion (up ¥0.6 billion, or 16.2% year on year)

Details of Food & Soft Drinks (Japan) and Overseas Beverage in the Food & Soft Drinks business were as follows.

Food & Soft Drinks (Japan)

Total demand for soft drinks in Japan was estimated to be at roughly 100% year-on-year. Meanwhile, the sales amount of the Group's domestic beverages was 94% year-on-year due to

product lineup changes and other factors, despite Kireto Lemon, the main brand in the lemon business, performing at 111% year-on-year, and the Tochi and Craft series tea beverages, centered on corn tea, performing well at 108% year-on-year. In addition, three bottled products of Pokka Lemon 100, our main brand product, were renewed and launched in early September 2024 as food products with a functional claim to “lower elevated blood pressure (systolic blood pressure),” and the brand has had strong sales at 106% of the previous year’s level.

Overseas Beverage

In Singapore, the overall market demand declined slightly due to the continuing inflation, resulting in sales amounting to 96% year-on-year (calculated in the local currency).

Additionally, in Malaysia, a focus area, sales amounted to 123% of the previous year's level(calculated in local currency) due to targeted sales activities, focusing on specific products categories and areas, as well as continuous improvements in our sales structure. In the export business, excluding the above, sales to the Middle East, despite the suspension of sales last year to customers whose financial condition had deteriorated, we resumed exports in August 2024 to new business partners with whom we have already signed contracts.

Real Estate

Revenue increased year-on-year due to an improvement in the office occupancy rate of Yebisu Garden Place, increased demand for outdoor brands at Sapporo Factory, and favorable performance of special events.

Core operating profit and operating profit increased due to the effect of increased revenue, despite increased administrative expenses due to surging personnel costs and the recording of costs associated with the opening of Hotel Sosei Sapporo MGallery Collection, which opened in January 2024.

- Revenue: ¥17.6 billion (up ¥1.7 billion, or 10.5% year on year)
- Core operating profit: ¥5.1 billion (up ¥0.9 billion, or 21.8% year on year)
- Operating profit: ¥4.9 billion (up ¥0.9 billion, or 22.3% year on year)

(2) Consolidated Financial Condition

As of the end of this Q3 consolidated accounting period, the following were the change factors in the condition of assets, liabilities, and equity.

	(Millions of yen)		
	As of December 31, 2023	As of September 30, 2024	Change
Current assets	176,353	162,311	(14,042)
Non-current assets	487,220	505,148	17,928
Total assets	663,573	667,459	3,886
Current Liabilities	191,204	201,776	10,572
Non-current liabilities	289,121	265,081	(24,040)
Total liabilities	480,325	466,857	(13,468)
Total equity	183,248	200,602	17,354
Total liabilities and equity	663,573	667,459	3,886

At the end of the third quarter of the current consolidated accounting period, total assets increased by ¥3.9 billion to ¥667.5 billion compared to the end of the previous fiscal year. This increase was primarily due to an increase in investment properties and property, plant, and equipment, which offset the decline in trade and other receivables resulting from the previous fiscal year-end being a holiday.

Total liabilities decreased by ¥13.5 billion to ¥466.9 billion compared to the end of the previous fiscal year. This decrease was mainly due to a decrease in non-current bonds and borrowings, and other current liabilities resulting from the previous fiscal year-end being a holiday, despite an increase in current bonds and borrowings.

Total equity increased by ¥17.4 billion to ¥200.6 billion compared to the end of the previous fiscal year. This increase was primarily due to an increase in retained earnings resulting from the recording of quarterly profit attributable to owners of the parent.

(3) Consolidated Cash Flows

At the end-Q3, cash and cash equivalents (collectively “cash”) increased by ¥6.2 billion (36%) to ¥23.4 billion, relative to the previous consolidated fiscal year-end.

The components of Q3’s cash flow categories were as follows.

(Millions of yen)

Category	As of September 30, 2023	As of September 30, 2024	Change
Cash flows from operating activities	38,173	29,481	(8,692)
Cash flows from investing activities	(15,221)	(8,744)	6,477
Free cash flow	22,952	20,737	(2,215)
Cash flows from financial activities	(19,944)	(14,827)	5,118
Effect of exchange rate change on cash and cash equivalents	198	287	89
Net increase (decrease) in cash and cash equivalents	3,205	6,198	2,992
Cash and cash equivalents at beginning of period	15,380	17,204	1,824
Cash and cash equivalents at end of period	18,585	23,402	4,816

(Cash Flows from Operating Activities)

Cash provided by operating activities was ¥29.5 billion (compared to ¥38.2 billion provided in the same period of the previous fiscal year). This was mainly due to the following factors: a decrease in accrued alcohol tax of ¥11.5 billion, payments of income taxes amounting to ¥5.8 billion, and an increase in inventories of ¥3.7 billion, offset by a decrease in trade and other receivables of ¥21.1 billion, profit before tax of ¥17.0 billion, and depreciation and amortization expenses of ¥16.9 billion.

(Cash Flows from Investing Activities)

Cash used in investing activities was ¥8.7 billion (compared to ¥15.2 billion used in the same period of the previous fiscal year). This was mainly due to proceeds from sale of investment securities amounting to ¥15.4 billion and proceeds from sale of property, plant and equipment amounting to ¥5.6 billion, offset by purchase of property, plant and equipment amounting to ¥15.0 billion and purchase of investment properties amounting to ¥14.4 billion.

(Cash Flows from Financing Activities)

Cash used in financing activities was ¥14.8 billion (compared to ¥19.9 billion used in the same period of the previous fiscal year). This was primarily due to net increase in short-term borrowings of ¥4.0 billion, offset by repayments of long-term borrowings amounting to ¥12.4 billion, dividend payments amounting to ¥3.7 billion, and repayments of lease liabilities amounting to ¥3.0 billion.

(4) Consolidated Earnings Forecast

Expected revenue in the consolidated earnings forecast for the full fiscal year ending December 31, 2024, was revised upward by 2.5 billion yen to 526 billion yen compared to the full-year forecast announced on February 14, 2024, based on performance through the Q3 consolidated accounting period.

The revision of the breakdown includes an increase of 2 billion yen in overseas Alcoholic Beverages for an expected revenue of 92 billion yen, and an increase of 0.5 billion yen in Real Estate for an expected revenue of 24 billion yen.

There is no revision in the forecasts for core operating profit, operating profit, profit and profit attributable to owners of parent. However, the breakdown of core operating profits have been revised.

The revision of the breakdown includes a decrease of 1 billion yen in overseas Alcoholic Beverages for an expected revenue of 0 billion yen, and an increase of 1 billion yen in Real Estate for an expected revenue of 6.8 billion yen.

Please refer to “Consolidated Forecasts (Year ending December 31, 2024)” on P7 of the supplementary information for financial results.

2. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	17,204	23,402
Trade and other receivables	98,023	77,080
Inventories	47,575	51,427
Other financial assets	4,393	4,809
Other current assets	7,589	5,248
Subtotal	174,785	161,965
Assets held for sale	1,568	346
Total current assets	176,353	162,311
Non-current assets		
Property, plant and equipment	145,687	155,874
Investment property	211,164	222,154
Goodwill	35,124	35,061
Intangible assets	6,993	6,808
Investments accounted for using equity method	1,359	1,324
Other financial assets	79,400	73,600
Retirement benefit asset	1,266	4,217
Other non-current assets	3,366	3,197
Deferred tax assets	2,863	2,915
Total non-current assets	487,220	505,148
Total assets	663,573	667,459

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	38,717	37,605
Bonds and borrowings	39,672	66,730
Lease liabilities	3,645	3,778
Income taxes payable	5,919	4,808
Other financial liabilities	37,158	38,650
Provisions	8,504	9,936
Other current liabilities	57,589	40,269
Total current liabilities	191,204	201,776
Non-current liabilities		
Bonds and borrowings	182,930	147,599
Lease liabilities	19,377	27,090
Other financial liabilities	58,252	61,339
Retirement benefit liability	3,412	3,191
Provisions	2,422	2,190
Other non-current liabilities	897	864
Deferred tax liabilities	21,831	22,809
Total non-current liabilities	289,121	265,081
Total liabilities	480,325	466,857
Equity		
Share capital	53,887	53,887
Capital surplus	40,754	40,698
Treasury shares	(1,783)	(1,717)
Retained earnings	50,828	69,053
Other components of equity	38,630	37,620
Total equity attributable to owners of parent	182,315	199,541
Non-controlling interests	933	1,061
Total equity	183,248	200,602
Total liabilities and equity	663,573	667,459

(2) Consolidated Statement of Profit or Loss

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Revenue	377,749	385,587
Cost of sales	262,812	265,472
Gross profit	114,937	120,114
Selling, general and administrative expenses	100,569	106,163
Other operating income	2,710	5,820
Other operating expenses	7,506	2,101
Operating profit	9,573	17,671
Finance income	1,344	1,909
Finance costs	2,368	2,665
Share of profit of investments accounted for using equity method	51	59
Profit before tax	8,600	16,974
Income tax expense	5,545	5,454
Profit	3,054	11,520
Profit attributable to		
Owners of parent	3,058	11,505
Non-controlling interests	(4)	15
Profit	3,054	11,520
Basic earnings per share	39.26	147.66
Diluted earnings per share	39.25	147.56

(3) Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Profit	3,054	11,520
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	4,886	6,815
Remeasurements of defined benefit plans	2,211	1,978
Total of items that will not be reclassified to profit or loss	7,097	8,793
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	6,965	717
Effective portion of cash flow hedges	11	(13)
Total of items that may be reclassified to profit or loss	6,976	704
Total other comprehensive income, net of tax	14,073	9,498
Comprehensive income	17,128	21,018
Comprehensive income attributable to		
Owners of parent	17,079	20,883
Non-controlling interests	49	135
Comprehensive income	17,128	21,018

(4) Consolidated Statement of Changes in Equity

(Millions of yen)

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity				
					Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total other components of equity
Balance as of January 1, 2023	53,887	40,645	(1,785)	43,392	4,714	10	25,446	-	30,171
Loss				3,058					-
Other comprehensive income					6,912	11	4,886	2,211	14,021
Comprehensive income	-	-	-	3,058	6,912	11	4,886	2,211	14,021
Purchase of treasury shares			(5)						-
Disposal of treasury shares		0	8						-
Dividends				(3,277)					-
Share-based payment transactions		(6)							-
Transfer to retained earnings				3,215			(1,003)	(2,211)	(3,215)
Total transactions with owners	-	(6)	3	(62)	-	-	(1,003)	(2,211)	(3,215)
Balance as of September 30, 2023	53,887	40,639	(1,782)	46,388	11,627	21	29,328	-	40,977

	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as of January 1, 2023	166,310	891	167,201
Loss	3,058	(4)	3,054
Other comprehensive income	14,021	52	14,073
Comprehensive income	17,079	49	17,128
Purchase of treasury shares	(5)	-	(5)
Disposal of treasury shares	8	-	8
Dividends	(3,277)	(15)	(3,292)
Share-based payment transactions	(6)	-	(6)
Transfer to retained earnings	-	-	-
Total transactions with owners	(3,280)	(15)	(3,294)
Balance as of September 30, 2023	180,109	925	181,034

(Millions of yen)

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity				
					Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total other components of equity
Balance as of January 1, 2024	53,887	40,754	(1,783)	50,828	8,886	3	29,740	-	38,630
Profit				11,505					-
Other comprehensive income					597	(13)	6,815	1,978	9,378
Comprehensive income	-	-	-	11,505	597	(13)	6,815	1,978	9,378
Purchase of treasury shares			(16)						-
Disposal of treasury shares			82						-
Dividends				(3,667)					-
Share-based payment transactions		(56)							-
Transfer to retained earnings				10,387			(8,409)	(1,978)	(10,387)
Total transactions with owners	-	(56)	66	6,720	-	-	(8,409)	(1,978)	(10,387)
Balance as of September 30, 2024	53,887	40,698	(1,717)	69,053	9,484	(10)	28,147	-	37,620

	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as of January 1, 2024	182,315	933	183,248
Profit	11,505	15	11,520
Other comprehensive income	9,378	120	9,498
Comprehensive income	20,883	135	21,018
Purchase of treasury shares	(16)	-	(16)
Disposal of treasury shares	82	-	82
Dividends	(3,667)	(7)	(3,674)
Share-based payment transactions	(56)	-	(56)
Transfer to retained earnings	-	-	-
Total transactions with owners	(3,657)	(7)	(3,664)
Balance as of September 30, 2024	199,541	1,061	200,602

(5) Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Cash flows from operating activities		
Profit before tax	8,600	16,974
Depreciation and amortization	15,374	16,856
Impairment losses (reversal of impairment losses)	5,346	(1,430)
Interest and dividend income	(677)	(773)
Interest expenses	1,732	2,360
Foreign exchange loss (gain)	(233)	366
Share of loss (profit) of investments accounted for using equity method	(51)	(59)
Loss (gain) on sale and retirement of property, plant and equipment, and intangible assets	(599)	(1,811)
Decrease (increase) in trade and other receivables	7,343	21,146
Decrease (increase) in inventories	(1,881)	(3,722)
Increase (decrease) in trade and other payables	658	(1,400)
Increase (decrease) in accrued alcohol tax	1,693	(11,459)
Increase or decrease in retirement benefit asset or liability	(880)	(1,153)
Other	3,476	1,200
Subtotal	39,899	37,093
Interest and dividends received	744	868
Interest paid	(1,709)	(2,644)
Income taxes refund (paid)	(760)	(5,836)
Net cash provided by (used in) operating activities	38,173	29,481
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,530)	(15,027)
Proceeds from sale of property, plant and equipment	3,005	5,593
Purchase of investment property	(7,468)	(14,430)
Purchase of intangible assets	(1,561)	(1,381)
Purchase of investment securities	(9,217)	(782)
Proceeds from sale of investment securities	2,827	15,367
Proceeds from redemption of investment securities	7,420	1,298
Proceeds from sale of businesses	—	1,088
Payments for loans receivable	(39)	(48)
Collection of loans receivable	17	14
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	8	86
Other	316	(521)
Net cash provided by (used in) investing activities	(15,221)	(8,744)

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(8,724)	4,040
Net increase (decrease) in commercial papers	(6,000)	—
Proceeds from long-term borrowings	13,000	71
Repayments of long-term borrowings	(21,522)	(12,373)
Proceeds from issuance of bonds	20,000	—
Redemption of bonds	(10,000)	—
Dividends paid	(3,275)	(3,664)
Repayments of lease liabilities	(3,390)	(2,959)
Other	(34)	58
Net cash provided by (used in) financing activities	(19,944)	(14,827)
Effect of exchange rate changes on cash and cash equivalents	198	287
Net increase (decrease) in cash and cash equivalents	3,205	6,198
Cash and cash equivalents at beginning of period	15,380	17,204
Cash and cash equivalents	18,585	23,402

(6) Notes to the Consolidated Financial Statements

(Segment Information)

(a) Overview of reportable segment

The Company's reportable segments are components of the Sapporo Group for which separate financial information is available. These segments are subject to periodic examinations to enable the Company's Board of Directors to decide how to allocate resources and assess performance.

Under the Company, which operates as a pure holding company, Group companies carry out business activities and formulate strategies for the products and services they offer and for the sales markets they cover.

The Group's businesses are segmented mainly based on the products, services and sales markets of Group companies and their affiliate companies. The Company's three reportable segments are Alcoholic Beverages, Food & Soft Drinks, and Real Estate.

The Alcoholic Beverages segment produces and sells alcoholic beverages and operates restaurants of various styles.

The Food & Soft Drinks segment produces and sells foods and soft drinks.

The Real Estate segment's activities include leasing and development of real estate.

(b) Revenue, profit (or loss)

Revenue and performance of the Group by reportable segment is as follows.

Nine months ended September 30, 2023 (January 1 – September 30, 2023)

(Millions of yen)

	Alcoholic Beverages	Food & Soft Drinks	Real Estate	Other	Total	Adjustment	Consolidated total
Revenue							
External customers	274,284	87,399	15,954	113	377,749	—	377,749
Intersegment revenue	9,320	766	1,802	—	11,888	(11,888)	—
Total	283,603	88,165	17,757	113	389,637	(11,888)	377,749
Operating profit	7,656	3,391	4,001	14	15,062	(5,489)	9,573

(Note) Intersegment revenue is based on prevailing market prices.

Nine months ended September 30, 2024 (January 1 – September 30, 2024)

(Millions of yen)

	Alcoholic Beverages	Food & Soft Drinks	Real Estate	Other	Total	Adjustment	Consolidated total
Revenue							
External customers	281,702	86,190	17,626	69	385,587	—	385,587
Intersegment revenue	8,977	675	1,831	—	11,483	(11,483)	—
Total	290,679	86,865	19,456	69	397,069	(11,483)	385,587
Operating profit	13,728	3,942	4,892	1,107	23,669	(5,998)	17,671

(Note) Intersegment revenue is based on prevailing market prices.

The "Other" category comprises business segment, that are not included in the reportable segments. Adjustment include general corporate expenses and intercompany eliminations. General corporate expenses are general administrative expenses that do not belong to any reporting segment.

(Going-concern Assumption)

Not applicable



Nine Months ended September 30, 2024

Consolidated Third Quarter Earnings Report - Supplementary Information

Consolidated Results (Nine Months ended September 30, 2024)

1. Consolidated Financial Highlights
2. Major Sales and Sales Volume Data
3. Condensed Consolidated Results
 - Consolidated Statements of Income
 - Consolidated Statements of Cash Flows
4. Consolidated Statements of Income : Breakdown of Key Changes
5. Segment Information
6. Condensed Consolidated Balance Sheets

Consolidated Forecasts (Year ending December 31, 2024)

7. Full-Year Consolidated Business Results estimate
8. Full-Year Consolidated Statement of Income: Breakdown of Key Changes
9. Full-Year Consolidated Segment Information

November 2024

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)

	Nine Months ended September 30, 2023	Nine Months ended September 30, 2024	Change	Change(%)	
Revenue	377.7	385.6	7.8	2.1%	
(ref.) Excluding liquor tax	291.6	300.9	9.3	3.2%	
Revenue growth rate	9.2%	2.1%	—	—	
(ref.) Excluding liquor tax	11.4%	3.2%	—	—	
Overseas revenue	90.0	96.5	6.5	7.2%	
Overseas revenue growth rate	24.0%	7.2%	—	—	
Core operating profit (*1)	14.4	14.0	(0.4)	(2.9%)	
Core operating margin	3.8%	3.6%	—	—	
Operating profit	9.6	17.7	8.1	84.6%	
Profit attributable to owners of parent	3.1	11.5	8.4	276.2%	
Total assets	657.2	667.5	10.2	1.6%	
Total equity	181.0	200.6	19.6	10.8%	
Balance of debt :Net (*2)	210.7	190.9	(19.8)	(9.4%)	
Debt-to-equity ratio (times) :Net (*3)	1.2	1.0	—	—	
Depreciation and amortization	15.0	16.4	1.4	9.6%	
EBITDA (*4)	29.3	30.4	1.0	3.5%	
Exchange rates (Yen) (*9)	US\$	138.24	151.45	—	—
	CAN\$	102.78	111.29	—	—
	SG\$	103.09	113.14	—	—

	Year ended December 31, 2023	Year ending December 31, 2024 (Forecast)	Change	Change(%)	
Revenue	518.6	526.0	7.4	1.4%	
(ref.) Excluding liquor tax	400.8	409.9	9.1	2.3%	
Revenue growth rate	8.4%	1.4%	—	—	
(ref.) Excluding liquor tax	10.0%	2.3%	—	—	
Overseas revenue	119.6	126.4	6.8	5.7%	
Overseas revenue growth rate	17.0%	5.7%	—	—	
Core operating profit (*1)	15.6	19.0	3.4	21.5%	
Core operating margin	3.0%	3.6%	—	—	
Operating profit	11.8	17.6	5.8	48.9%	
Profit attributable to owners of parent	8.7	10.0	1.3	14.6%	
Total assets	663.6				
Total equity	183.2				
Balance of debt :Net (*2)	205.4	211.6	6.2	3.0%	
Debt-to-equity ratio (times) :Net (*3)	1.1	1.1	—	—	
Depreciation and amortization	20.4	21.7	1.3	6.3%	
EBITDA (*4)	36.0	40.7	4.7	13.0%	
EBITDA interest-bearing debt ratio(times) (*5)	5.7	5.2	—	—	
Capital expenditure	Cash basis	28.9	38.0	9.1	31.4%
R O E (%) (*6)	5.0%	5.5%	—	—	
E P S (yen sen) (*7)	112.0	128.4	—	—	
D O E (%) (*8)	2.1%	2.2%	—	—	
Payout ratio (%)	42.0%	40.4%	—	—	
Exchange rates (Yen) (*9)	US\$	140.66	151.00	—	—
	CAN\$	104.25	111.00	—	—
	SG\$	104.70	110.00	—	—

*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(Average)

*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) *1

(10,000 cases)

	Jan. 1 - Sep.30, 2023	Jan. 1 - Sep.30, 2024	YoY Change	YoY Change(%)	Year ended December 31, 2023	Full-year estimate for fiscal 2024	YoY Change	YoY Change(%)
Sapporo Draft Beer Black Label (total)	—	—	—	13.0%	1,556	1,752	196	12.6%
YEBISU (total)	—	—	—	0.8%	634	672	38	6.1%
③ Beer (total)	—	—	—	9.2%	2,917	3,144	227	7.8%
④ Happoshu (include happoshu (2))	—	—	—	(26.1%)	1,088	825	(263)	(24.2%)
Beer-type beverages (③+④)	—	—	—	(1.7%)	4,005	3,969	(36)	(0.9%)
RTD (*2)	755	767	12	1.6%	1,008	1,117	109	10.8%
Non-alcoholic beer and low alcohol beer taste beverage	48	46	(1)	(2.4%)	63	53	(10)	(16.0%)

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

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

*2:Only canned products, RTD 1 case = 350ml x 24 bottles

Sales Volume:Beer (International)

(10,000 cases)

	Jan. 1 - Sep.30, 2023	Jan. 1 - Sep.30, 2024	YoY Change	YoY Change(%)	Year ended December 31, 2023	Full-year estimate for fiscal 2024	YoY Change	YoY Change(%)
Overseas brand (SLEEMAN, Anchor, Stone, etc.)	1,222	1,139	(83)	(6.8%)	1,585	1,577	(9)	(0.5%)
Sapporo brand	325	347	21	6.5%	433	462	28	6.5%
North America	1,547	1,486	(62)	(4.0%)	2,019	2,038	19	1.0%
Sapporo brand	206	300	94	45.7%	282	348	65	23.0%
Other areas	206	300	94	45.7%	282	348	65	23.0%
Sapporo Brand (total)	531	647	115	21.7%	716	809	93	13.0%
Total	1,753	1,785	32	1.8%	2,301	2,386	85	3.7%

Sales:Beer (Japan) *including liquor tax

(billions of yen)

	Jan. 1 - Sep.30, 2023	Jan. 1 - Sep.30, 2024	YoY Change	YoY Change(%)	Year ended December 31, 2023	Full-year estimate for fiscal 2024	YoY Change	YoY Change(%)
Beer	112.3	119.7	7.4	6.6%	162.7	172.8	10.1	6.2%
Happoshu (include happoshu (2))	35.6	28.5	(7.2)	(20.1%)	43.6	35.2	(8.4)	(19.2%)
Subtotal	148.0	148.2	0.3	0.2%	206.3	208.1	1.7	0.8%
Rebate subtracted from sales (*3)	(7.6)	(8.0)	(0.4)	—	(10.2)	—	—	—
Total	140.3	140.2	(0.1)	(0.1%)	196.1	—	—	—

*3:Full year estimate for rebate subtracted from sales in not disclosed.

Sales:Alcoholic Beverage (Japan)

(billions of yen)

	Jan. 1 - Sep.30, 2023	Jan. 1 - Sep.30, 2024	YoY Change	YoY Change(%)	Year ended December 31, 2023	Full-year estimate for fiscal 2024	YoY Change	YoY Change(%)
Domestic wines	2.2	1.4	(0.8)	(35.9%)	3.1	2.3	(0.8)	(25.4%)
Imported wines	4.4	4.1	(0.3)	(6.2%)	6.7	6.0	(0.7)	(10.5%)
Wine (total)	6.6	5.5	(1.1)	(16.3%)	9.8	8.3	(1.5)	(15.2%)
Spirits and Shochu (total)	22.1	22.8	0.7	3.1%	30.5	28.8	(1.7)	(5.5%)
RTD	20.0	20.2	0.1	0.6%	26.7	29.4	2.7	10.0%
Subtotal	48.7	48.5	(0.3)	(0.5%)	67.0	66.5	(0.5)	(0.7%)
Rebate subtracted from sales (*4)	(8.0)	(7.5)	0.6	—	(10.7)	—	—	—
Total	40.7	41.0	0.3	0.7%	56.3	—	—	—

*4:Full year estimate for rebate subtracted from sales in not disclosed.

Sales:Food & Soft Drinks (Japan) (*5)

(billions of yen)

	Jan. 1 - Sep.30, 2023	Jan. 1 - Sep.30, 2024	YoY Change	YoY Change(%)	Year ended December 31, 2023	Full-year estimate for fiscal 2024	YoY Change	YoY Change(%)
Soft Drinks	43.1	41.3	(1.8)	(4.2%)	56.9	58.1	1.2	2.2%
Food (Lemon · Soups · Plant milk)	20.5	18.5	(2.0)	(9.8%)	30.3	28.9	(1.4)	(4.6%)

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

Sales:Food & Soft Drinks (Overseas) (*6)

(millions of SGD)

	Jan. 1 - Sep.30, 2023	Jan. 1 - Sep.30, 2024	YoY Change	YoY Change(%)	Year ended December 31, 2023	Full-year estimate for fiscal 2024	YoY Change	YoY Change(%)
Singapore	117	112	(5)	(4.1%)	154	157	3	2.0%
Malaysia	18	22	4	22.6%	24	29	4	17.2%
International	40	28	(12)	(30.6%)	49	52	3	6.8%

*6:Before sales deduction, exclude OEM sales

3. Consolidated Results (Nine months ended September 30, 2024)

Consolidated Statements of Income

(billions of yen)

	Nine Months ended September 30, 2023	Nine Months ended September 30, 2024	Change	Change(%)
Alcoholic Beverages	274.3	281.7	7.4	2.7%
Japanese	192.5	194.9	2.4	1.3%
Overseas	66.9	71.1	4.2	6.3%
Restaurants	14.9	15.7	0.8	5.1%
Food & Soft Drinks	87.4	86.2	(1.2)	(1.4%)
Japanese	67.6	65.9	(1.7)	(2.5%)
Overseas	19.8	20.2	0.5	2.3%
Real Estate	16.0	17.6	1.7	10.5%
Other	0.1	0.1	(0.0)	(38.5%)
Revenue	377.7	385.6	7.8	2.1%
Alcoholic Beverages	12.8	12.9	0.2	1.2%
Japanese	10.2	11.0	0.8	7.9%
Overseas	0.8	0.3	(0.6)	(68.7%)
Restaurants	1.7	1.6	(0.1)	(4.6%)
Food & Soft Drinks	3.0	2.1	(0.9)	(29.3%)
Japanese	1.9	1.4	(0.5)	(26.5%)
Overseas	1.1	0.8	(0.4)	(32.4%)
Real Estate	4.2	5.1	0.9	21.8%
Other · General corporate and intercompany eliminations	(5.6)	(6.2)	(0.6)	—
Core operating profit (*1)	14.4	14.0	(0.4)	(2.9%)
Other operating income	2.7	5.8	3.1	114.7%
Other operating expense	7.5	2.1	(5.4)	(72.0%)
Operating profit	9.6	17.7	8.1	84.6%
Financial income (expense)	(1.0)	(0.8)	0.3	—
Equity in net income of affiliates	0.1	0.1	0.0	15.5%
Profit before tax	8.6	17.0	8.4	97.4%
Income taxes	5.5	5.5	(0.1)	(1.6%)
Profit	3.1	11.5	8.5	277.2%
Profit (loss) attributable to non-controlling interest	(0.0)	0.0	0.0	—
Profit attributable to owners of parent	3.1	11.5	8.4	276.2%

(ref.)

E B I T D A (*2)	29.3	30.4	1.0	3.5%
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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)

	Nine Months ended September 30, 2023	Nine Months ended September 30, 2024	Change	Change(%)
Increase (decrease) in cash and cash equivalents	3.2	6.2	3.0	93.4%
Cash flows from operating activities	38.2	29.5	(8.7)	(22.8%)
Profit (loss) before tax	8.6	17.0	8.4	97.4%
Depreciation and amortization	15.4	16.9	1.5	9.6%
Impairment losses (reversal of impairment losses)	5.3	(1.4)	(6.8)	—
Income tax payment (refundment)	(0.8)	(5.8)	(5.1)	—
Others	9.6	2.9	(6.7)	(69.7%)
Cash flows from investing activities	(15.2)	(8.7)	6.5	—
Purchase(Proceeds from sales) of fixed assets	(9.1)	(10.8)	(1.7)	—
Purchase(Proceeds from sales) of investment property	(7.5)	(14.4)	(7.0)	—
Purchase(Proceeds from sales and redemption) of investment securities	1.0	15.9	14.9	1,440.6%
Others	0.3	0.6	0.3	107.5%
Free Cash flows	23.0	20.7	(2.2)	(9.6%)
Cash flows from financial activities	(19.9)	(14.8)	5.1	—
Change in financial liabilities	(13.3)	(8.2)	5.1	—
Others	(6.7)	(6.6)	0.0	—

4. Consolidated Results (Nine months ended September 30, 2024)

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

(1) Alcoholic Beverages

(billions of yen)

Change factor	Jan. 1 - Sep.30, 2023	Jan. 1 - Sep.30, 2024	Change	Details
Beer-type beverages increase (decrease) in volume			(1.0)	
Product mix, Price revision, Manufacturing cost			2.9	
RTD · Wine · Spirits · Shochu, other			0.8	Including Non-alcoholic
Advertising and promotion expenses (*1)			(1.5)	
Personnel expenses, Facilities costs ,other			(0.8)	
Domestic subsidiary,consolidation adjusting, other			0.4	
Alcoholic Beverages in Japan	10.2	11.0	0.8	
Alcoholic Beverages in Overseas	0.8	0.3	(0.6)	
Restaurants	1.7	1.6	(0.1)	
Segment adjustment	0.0	0.0	(0.0)	
Alcoholic Beverages(Core operating profit)	12.8	12.9	0.2	

(*1) Advertising and promotion expenses(2024) 17.0 billions of yen

(2) Food & Soft Drinks

(billions of yen)

Change factor	Jan. 1 - Sep.30, 2023	Jan. 1 - Sep.30, 2024	Change	Details
Increase (decrease) in volume			(1.4)	
Product mix, Price revision, Manufacturing cost			0.2	
Advertising and promotion expenses			0.5	
Personnel expenses, Facilities costs ,other			0.1	
Domestic subsidiary,consolidation adjusting, other			0.1	
Japanese Food & Soft Drinks			(0.5)	
Overseas Soft Drinks			(0.4)	
Food & Soft Drinks(Core operating profit)	3.0	2.1	(0.9)	

(3) Real Estate

(billions of yen)

Change factor	Jan. 1 - Sep.30, 2023	Jan. 1 - Sep.30, 2024	Change	Details
Yebisu Garden Place, etc.			1.0	
Other area & other operations			0.0	
Sapporo			(0.2)	
Others			0.1	
Real Estate(Core operating profit)	4.2	5.1	0.9	

5. Consolidated Results (Nine months ended September 30, 2024)

Segment Information

(billions of yen)

		Alcoholic Beverages	Food & Soft Drinks	Real Estate	Other	Corporate and eliminations	Consolidated total
Revenue	Jan. 1 - Sep.30, 2024	281.7	86.2	17.6	0.1	—	385.6
	Jan. 1 - Sep.30, 2023	274.3	87.4	16.0	0.1	—	377.7
	Change	7.4	(1.2)	1.7	(0.0)	—	7.8
Core operating profit (*1)	Jan. 1 - Sep.30, 2024	12.9	2.1	5.1	0.0	(6.2)	14.0
	Jan. 1 - Sep.30, 2023	12.8	3.0	4.2	0.0	(5.6)	14.4
	Change	0.2	(0.9)	0.9	0.0	(0.6)	(0.4)
Operating profit	Jan. 1 - Sep.30, 2024	13.7	3.9	4.9	1.1	(6.0)	17.7
	Jan. 1 - Sep.30, 2023	7.7	3.4	4.0	0.0	(5.5)	9.6
	Change	6.1	0.6	0.9	1.1	(0.5)	8.1
Depreciation and amortization	Jan. 1 - Sep.30, 2024	8.6	2.2	4.6	—	1.0	16.4
	Jan. 1 - Sep.30, 2023	7.6	2.1	4.1	—	1.1	15.0
	Change	1.0	0.1	0.5	—	(0.1)	1.4
E B I T D A (*2)	Jan. 1 - Sep.30, 2024	21.5	4.3	9.7	0.0	(5.1)	30.4
	Jan. 1 - Sep.30, 2023	20.4	5.1	8.3	0.0	(4.4)	29.3
	Change	1.1	(0.8)	1.4	0.0	(0.7)	1.0
Capital expenditures (cash basis)	Jan. 1 - Sep.30, 2024	11.8	2.0	15.8	—	1.2	30.8
	Jan. 1 - Sep.30, 2023	7.3	2.3	8.9	—	1.2	19.6
	Change	4.6	(0.2)	6.9	—	0.0	11.3

*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 (Nine months ended September 30, 2024)

Condensed Consolidated Balance Sheets

(billions of yen)

	Year ended December 31, 2023	Nine Months ended September 30, 2024	Change	Details
Current assets	176.4	162.3	(14.0)	
Cash and cash equivalents	17.2	23.4	6.2	
Trade and other receivables	98.0	77.1	(20.9)	
Inventories	47.6	51.4	3.9	
Other	13.6	10.4	(3.1)	
Non-current assets	487.2	505.1	17.9	
Fixed assets	152.7	162.7	10.0	
Investment property	211.2	222.2	11.0	
Goodwill	35.1	35.1	(0.1)	
Other	88.3	85.3	(3.0)	
Total assets	663.6	667.5	3.9	
Current liabilities	191.2	201.8	10.6	
Trade and other payables	38.7	37.6	(1.1)	
Short-term financial liabilities	39.7	66.7	27.1	
Other	112.8	97.4	(15.4)	
Non-current liabilities	289.1	265.1	(24.0)	
Long-term financial liabilities	182.9	147.6	(35.3)	
Retirement benefit liability	3.4	3.2	(0.2)	
Other	102.8	114.3	11.5	
Total liabilities	480.3	466.9	(13.5)	
Equity attributable to owners of parent	182.3	199.5	17.2	
Equity attributable to non-controlling interests	0.9	1.1	0.1	
Total equity	183.2	200.6	17.4	
Total liabilities and equity	663.6	667.5	3.9	

7. Consolidated Forecasts (Year ending December 31, 2024)

Condensed Consolidated Statements of Income

(billions of yen)

	Year ended December 31, 2023	Year ending December 31, 2024 (Forecast)	Change	Change(%)
Alcoholic Beverages	376.9	382.0	5.1	1.4%
Japanese	268.3	270.0	1.7	0.6%
Overseas	88.6	92.0	3.4	3.8%
Restaurants	20.0	20.0	0.0	0.2%
Food & Soft Drinks	119.9	120.0	0.1	0.1%
Japanese	93.5	92.0	(1.5)	(1.6%)
Overseas	26.4	28.0	1.6	5.9%
Real Estate	21.7	24.0	2.3	10.6%
Other	0.1	0.0	(0.1)	(86.3%)
Revenue	518.6	526.0	7.4	1.4%
Alcoholic Beverages	16.0	17.3	1.3	8.0%
Japanese	14.2	15.5	1.3	9.3%
Overseas	(0.3)	0.0	0.3	—
Restaurants	2.1	1.8	(0.3)	(16.6%)
Food & Soft Drinks	1.6	3.5	1.9	114.2%
Japanese	2.2	2.2	0.0	1.7%
Overseas	(0.6)	1.3	1.9	—
Real Estate	5.8	6.8	1.0	17.6%
Other · General corporate and intercompany eliminations	(7.8)	(8.5)	(0.7)	—
Core operating profit (*1)	15.6	19.0	3.4	21.5%
Other operating income (expense)	(3.8)	(1.4)	2.4	—
Operating profit	11.8	17.6	5.8	48.9%
Financial income (expense)	0.3	(1.9)	(2.1)	—
Equity in net income (loss) of affiliates	0.1	0.1	0.0	0.0%
Profit before tax	12.1	15.8	3.7	30.5%
Income taxes	3.4	5.8	2.4	71.8%
Profit (loss)	8.8	10.0	1.3	14.5%
Profit (loss) attributable to non-controlling interest	0.0	0.0	0.0	(10.4%)
Profit (loss) attributable to owners of parent	8.7	10.0	1.3	14.6%

(ref.)

EBITDA (*2)	36.0	41.2	5.1	14.3%
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*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, 2023	Year ending December 31, 2024 (Forecast)	Change	Change(%)
Cash flows from operating activities	45.4	35.8	(9.6)	(21.2%)
Cash flows from investing activities	(16.4)	(20.4)	(4.0)	—
Free Cash flows	29.0	15.4	(13.6)	(46.9%)

8. Consolidated Forecasts (Year ending December 31, 2024)

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

(1) Alcoholic Beverages

(billions of yen)

Change factor	Year ended December 31, 2023	Year ending December 31, 2024 (Forecast)	Change	Details
Beer-type beverages increase (decrease) in volume			(0.8)	Including Non-alcoholic
Product mix, Price revision, Manufacturing cost			3.1	
RTD · Wine · Spirits · Shochu, other			1.8	
Advertising and promotion expenses			(3.3)	
Personnel expenses, Facilities costs ,other			0.3	
Domestic subsidiary,consolidation adjusting, other			0.2	
Alcoholic Beverages in Japan	14.2	15.5	1.3	
Alcoholic Beverages in Overseas	(0.3)	0.0	0.3	
Restaurants	2.1	1.8	(0.3)	
Segment adjustment	0	0	0	
Alcoholic Beverages(Core operating profit)	16.0	17.3	1.3	

(2) Food & Soft Drinks

(billions of yen)

Change factor	Year ended December 31, 2023	Year ending December 31, 2024 (Forecast)	Change	Details
Increase (decrease) in volume			(0.3)	
Product mix, Price revision, Manufacturing cost			1.1	
Advertising and promotion expenses			(0.2)	
Personnel expenses, Facilities costs ,other			(0.2)	
Domestic subsidiary,consolidation adjusting, other			(0.4)	
Japanese Food & Soft Drinks	2.2	2.2	0.0	
Overseas Soft Drinks	(0.6)	1.3	1.9	
Food & Soft Drinks(Core operating profit)	1.6	3.5	1.9	

(3) Real Estate

(billions of yen)

Change factor	Year ended December 31, 2023	Year ending December 31, 2024 (Forecast)	Change	Details
Yebisu Garden Place, etc.			1.0	
Other area & other operations			(0.0)	
Hokkaido			(0.2)	
Others			0.2	
Real Estate(Core operating profit)	5.8	6.8	1.0	

9. Consolidated Forecasts (Year ending December 31, 2024)

Segment Information

(billions of yen)

		Alcoholic Beverages	Food & Soft Drinks	Real Estate	Other	Corporate and eliminations	Consolidated total
Revenue	Year ending December 31, 2024(Forecast)	382.0	120.0	24.0	0.0	—	526.0
	Year ended December 31, 2023	376.9	119.9	21.7	0.1	—	518.6
	Change	5.1	0.1	2.3	(0.1)	—	7.4
Core operating profit (*1)	Year ending December 31, 2024(Forecast)	17.3	3.5	6.8	0.0	(8.5)	19.0
	Year ended December 31, 2023	16.0	1.6	5.8	0.0	(7.8)	15.6
	Change	1.3	1.9	1.0	(0.0)	(0.7)	3.4
Operating profit	Year ending December 31, 2024(Forecast)	16.0	5.8	6.4	0.0	(10.6)	17.6
	Year ended December 31, 2023	9.0	1.7	8.9	0.0	(7.7)	11.8
	Change	7.1	4.1	(2.5)	(0.0)	(2.8)	5.8
Depreciation and amortization	Year ending December 31, 2024(Forecast)	10.3	3.0	6.1	—	2.4	21.7
	Year ended December 31, 2023	10.6	2.8	5.5	—	1.5	20.4
	Change	(0.3)	0.2	0.6	—	0.8	1.3
E B I T D A (*2)	Year ending December 31, 2024(Forecast)	27.5	6.5	12.9	0.0	(6.2)	40.7
	Year ended December 31, 2023	26.6	4.4	11.3	0.0	(6.3)	36.0
	Change	0.9	2.0	1.6	(0.0)	0.1	4.7
Capital expenditures (cash basis)	Year ending December 31, 2024(Forecast)	14.0	3.9	19.1	—	1.0	38.0
	Year ended December 31, 2023	12.2	3.4	11.9	—	1.4	28.9
	Change	1.8	0.5	7.3	—	(0.4)	9.1

*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)