



Year ended December 31, 2013
Consolidated Earnings Report - Supplementary Information

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February 2014

SAPPORO HOLDINGS LTD.

Securities Code: 2501

URL <http://www.sapporoholdings.jp/english/>

Financial Highlights (2005~ 2014)

Consolidated Financial Highlights

		2005	2006	2007	2008	2009
Net sales (*1)	Including liquor tax	453.6	435.0	449.0	414.5	387.5
	Excluding liquor tax	308.1	294.0	309.7	284.4	264.6
Overseas net sales to total	Excluding liquor tax	1.5%	1.8%	9.0%	8.8%	8.5%
Operating income	Before goodwill amortization	10.3	8.6	13.2	15.5	13.9
	After goodwill amortization	10.3	8.6	12.3	14.6	12.8
Operating margin	Including liquor tax / after goodwill amortization	2.3%	2.0%	2.8%	3.5%	3.3%
	Excluding liquor tax /before goodwill amortization	3.3%	2.9%	4.3%	5.5%	5.3%
	Excluding liquor tax /after goodwill amortization	3.3%	2.9%	4.0%	5.2%	4.9%
Ordinary income		6.6	5.8	8.1	10.5	10.7
Net income		3.6	2.3	5.5	7.6	4.5
Total assets		563.8	589.5	561.8	527.2	506.8
Net assets		111.4	113.4	125.1	116.8	118.5
Balance of debt	Gross	220.7	236.0	212.4	189.2	196.7
	Net	199.0	210.5	205.9	166.7	190.4
Debt-to-equity ratio (times)	Gross	2.0	2.1	1.7	1.6	1.7
	Net	1.8	1.9	1.6	1.4	1.6
Capital expenditure	Cash basis	12.5	21.8	19.8	27.3	21.9
Depreciation and amortization		22.0	21.9	24.5	21.6	22.5
Amortization of goodwill		0.0	0.0	0.8	0.8	1.0
EBITDA	Operating income + Depreciation and amortization +Amortization of goodwill	32.3	30.5	37.7	37.1	36.4
R O E (%)	Before goodwill amortization	3.6%	2.1%	5.3%	7.0%	4.7%
	After goodwill amortization	3.6%	2.1%	4.6%	6.3%	3.9%
E P S (yen sen)	Before goodwill amortization	10.20	6.38	16.32	21.70	14.19
	After goodwill amortization	10.20	6.38	14.10	19.49	11.57
Exchange rates (Yen)	US\$	118.07	119.12	114.15	103.49	93.65
	CAN\$		102.59	116.34	97.97	82.30

		2010	2011	2012	2013	2014 (Forecast)
Net sales (*1)	Including liquor tax	389.2	449.4	492.4	509.8	537.7
	Excluding liquor tax	269.8	336.8	379.7	395.3	430.1
Overseas net sales to total	Excluding liquor tax	9.4%	11.0%	14.1%	18.3%	19.7%
Operating income	Before goodwill amortization	16.5	21.9	18.2	19.3	19.0
	After goodwill amortization	15.4	18.8	14.4	15.3	15.0
Operating margin	Including liquor tax / after goodwill amortization	4.0%	4.2%	2.9%	3.0%	2.8%
	Excluding liquor tax /before goodwill amortization	6.1%	6.5%	4.8%	4.9%	4.4%
	Excluding liquor tax /after goodwill amortization	5.7%	5.6%	3.8%	3.9%	3.5%
Ordinary income		14.3	16.8	13.6	15.1	13.6
Net income		10.7	3.1	5.3	9.4	5.0
Total assets		494.7	550.7	597.6	616.7	
Net assets		126.6	124.7	134.9	155.3	
Balance of debt	Gross	181.3	219.1	257.6	247.8	247.8
	Net	167.9	209.9	247.8	236.2	237.8
Debt-to-equity ratio (times)	Gross	1.4	1.8	1.9	1.6	1.6
	Net	1.3	1.7	1.8	1.5	1.5
Capital expenditure	Cash basis	19.8	13.4	53.8	13.7	23.2
Depreciation and amortization		22.5	24.4	25.8	25.0	24.2
Amortization of goodwill		1.1	3.1	3.8	3.9	4.0
EBITDA	Operating income + Depreciation and amortization +Amortization of goodwill	39.0	46.4	44.0	44.3	43.2
R O E (%)	Before goodwill amortization	9.8%	5.1%	7.3%	9.5%	5.9%
	After goodwill amortization	8.9%	2.5%	4.2%	6.7%	3.3%
E P S (yen sen)	Before goodwill amortization	30.49	16.03	23.68	34.40	23.04
	After goodwill amortization	27.50	8.08	13.77	24.20	12.80
Exchange rates (Yen)	US\$	87.79	79.79	79.81	97.73	105.00
	CAN\$	85.18	80.74	79.83	94.81	101.00

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

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

Major Sales and Sales Volume

Beer (Japan)

(10,000 cases)

	Fiscal 2012	Fiscal 2013	YoY	Full-year estimate for fiscal 2014	YoY
Sapporo Draft Beer Black Label	1,705	1,662	98%	1,662	100%
YEBISU (total)	945	961	102%	1,000	104%
1 Beer (total)	2,913	2,942	101%	2,957	101%
2 Happoshu (total)	144	119	83%	90	76%
3 New genre beer products (total)	2,131	2,147	101%	2,232	104%
Beer, happoshu, and new genre(total 1+2+3)	5,187	5,208	100%	5,280	101%
Sapporo Premium Alcohol Free	122	122	100%	122	100%
RTD (*1)	158	143	90%	137	96%

*1 : RTD 1Case=250ml*24

(billions of yen)

	Fiscal 2012	Fiscal 2013	YoY	Full-year estimate for fiscal 2014	YoY
Domestic wines	4.8	5.1	106%	5.9	116%
Imported wines	7.1	7.7	108%	8.5	111%
Wine (total)	11.9	12.8	107%	14.5	113%
Spirits (total)	4.8	5.7	119%	6.9	122%
Shochu (total)	11.4	13.3	118%	13.3	100%

Beer (International)

(10,000 cases)

	Fiscal 2012	Fiscal 2013	YoY	Full-year estimate for fiscal 2014	YoY
SLEEMAN BREWERIES LTD. (*2)	1,202	1,246	104%	1,330	107%
Sapporo brand	382	447	117%	530	119%

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

Soft Drinks (POKKA SAPPORO FOOD & BEVERAGE)

	Fiscal 2012	Fiscal 2013	YoY	Full-year estimate for fiscal 2014	YoY
Soft Drinks(*3)	4,822	4,574	95%	4,755	104%

*3. Results for Pokka Sapporo Food & Beverage Ltd. represent the combined results of Sapporo Beverage Co., Ltd. and POKKA CORPORATION.

(Reference: Sales for fiscal 2012 (Jan - Dec) Sapporo Beverage:19,600,000 cases, POKKA CORPORATION: 28,620,000 cases)

Consolidated Results (Year ended December 31, 2013)

Condensed Consolidated Statements of Income

(billions of yen)

	2012	2013	Change	Change (%)
Japanese Alcoholic Beverages	269.9	274.9	4.9	1.8%
International Business (*1)	36.1	48.2	12.0	33.5%
Food & Soft Drinks (*1)	129.0	130.6	1.6	1.3%
Restaurants (*1)	26.6	26.8	0.2	0.8%
Real Estate	23.2	22.7	(0.4)	(1.9)%
Other (*1)	7.5	6.4	(1.1)	(14.8)%
Net sales	492.4	509.8	17.3	3.5%
Japanese Alcoholic Beverages	7.5	9.9	2.3	31.6%
International Business	(0.0)	1.2	1.2	-
Food & Soft Drinks	0.3	(1.4)	(1.8)	-
Restaurants	0.5	0.4	(0.1)	(22.9)%
Real Estate	9.3	8.6	(0.7)	(7.6)%
Other	(0.4)	0.2	0.6	-
General corporate and intercompany eliminations	(2.9)	(3.6)	(0.6)	-
Operating income	14.4	15.3	0.9	6.4%
Operating income before goodwill amortization	18.2	19.3	1.0	5.7%
Non-operating income	3.2	3.2	(0.0)	(1.4)%
Non-operating expenses	3.9	3.4	(0.5)	(14.0)%
Ordinary income	13.6	15.1	1.4	10.5%
Extraordinary gains	0.1	3.5	3.4	-
Extraordinary losses	3.2	2.1	(1.1)	(35.4)%
Income before income taxed and minority interests	10.5	16.5	6.0	57.5%
Income taxes	5.3	7.1	1.7	33.5%
Minority interests (loss)	(0.2)	(0.0)	0.1	-
Net Income	5.3	9.4	4.0	75.2%

*1: Effective from the fiscal year ending December 31, 2013, SAPPORO LOGISTICS SYSTEMS CO., LTD. and POKKA LOGISTICS CO., LTD., previously included under the Japanese Alcoholic Beverages and Food & Soft Drinks segments, respectively, have been reclassified to the Other segment.

On July 1, 2013, Pokka Logistics Co., Ltd., was dissolved following an absorption-type merger with Sapporo Logistics Systems Co., Ltd.

Pokka Food (Singapore) Pte. Ltd., previously included under the Food & Soft Drinks segment, has been reclassified to the Restaurants segment.

On April 1, 2013, Pokka Food (Singapore) Pte. Ltd. changed its name to Sapporo Lion (Singapore) Pte. Ltd.

Accordingly, the consolidated financial statements for the fiscal year ended December 31, 2012 have been retroactively adjusted to reflect these changes.

Condensed Consolidated Statements of Cash Flows

	Year ended December 31, 2012	Year ended December 31, 2013	Change	Change (%)
Cash flows from operating activities	29.6	32.8	3.2	11.0%
Cash flows from investing activities	(59.4)	(13.2)	46.2	-
Free Cash flows	(29.8)	19.5	49.4	-
Cash flows from financial activities	30.1	(19.1)	(49.3)	-

Sales Breakdown for Japanese Alcoholic Beverages

Sales (including liquor tax)

(billions of yen)

	Year ended December 31, 2012	Year ended December 31, 2013	Change	Change (%)
Beer	158.0	159.7	1.7	1.1%
Happoshu	5.5	4.5	(0.9)	(17.1)%
New genre	70.1	70.7	0.6	(0.9)%
Total	233.6	235.0	1.4	(0.6)%

Sales (excluding liquor tax)

(billions of yen)

	Year ended December 31, 2012	Year ended December 31, 2013	Change	Change (%)
Beer	76.8	77.8	0.9	1.2%
Happoshu	3.0	2.5	(0.5)	(17.0)%
New genre	48.5	48.9	0.4	1.0%
Total	128.5	129.3	0.8	0.7%

Consolidated Results (Year ended December 31, 2013)

Breakdown of Key Changes

(billions of yen)

	Change factor	Year ended December 31, 2012	Year ended December 31, 2013	Income change	Details
Beer, etc.		5.4	8.4	2.9	
Marginal profit	(subtotal)			(1.1)	
	Increase (decrease) in volume/product mix			0.8	Beer +0.5 Happoshu -0.3 New genre +0.2 Product mix +0.4
	Other			(1.9)	Sapporo Premium Alcohol Free, RTD, Production costs, other factors
Fixed costs and other	(subtotal)			4.2	
	Sales promotion costs			1.2	Advertising and promotional expenses
	Facility cost			1.8	Depreciation and amortization, etc.
	Other			1.2	Personnel expenses, etc.
Wine and spirits		1.6	1.3	(0.2)	
Other		0.5	0.2	(0.4)	
Japanese Alcoholic Beverages		7.5	9.9	2.3	
North America, etc.		1.6	3.0	1.4	
	Increase (decrease) in volume/product mix			1.2	Increase in volume SLEEMAN 104%
	Marketing costs			(0.2)	SLEEMAN BREWERIES LTD.
	Other			0.5	Personnel expenses, Silver Springs Citrus, Inc., etc.
Vietnam		(1.7)	(1.8)	(0.1)	
	Increase (decrease) in volume/product mix			0.4	Increase in volume
	Marketing costs			(0.5)	
	Other			(0.1)	Personnel expenses, etc.
International		(0.0)	1.2	1.2	
Japanese Food & Soft Drinks		(0.1)	(2.3)	(2.2)	
	Increase (decrease) in volume/product mix			(1.5)	Decrease in volume
	Production costs			(0.1)	
	Other costs			(0.7)	Increase in distribution cost and personnel expenses, etc.
Other		0.4	0.9	0.5	International business, Restaurant, etc.
Food & Soft Drinks		0.3	(1.4)	(1.8)	
	Existing stores			(0.1)	
	New stores / Refurbished stores			(0.0)	
Restaurants		0.5	0.4	(0.1)	
	Existing stores			(0.6)	
	New stores / Refurbished stores			(0.1)	
Real Estate		9.3	8.6	(0.7)	
	Food business			0.2	
	Other			0.3	Insurance business, Logistics business
Other		(0.4)	0.2	0.6	
General corporate and intercompany eliminations		(2.9)	(3.6)	(0.6)	
Operating income		14.4	15.3	0.9	
Operating income before goodwill amortization		18.2	19.3	1.0	
	Financial income (expense)	(2.5)	(1.7)	0.8	Reduction of interest payments
	Equity in income (losses) of affiliates	0.2	0.1	(0.1)	
	Other	1.6	1.4	(0.2)	
Non-operating income and expenses		(0.8)	(0.2)	0.5	
Ordinary income		13.6	15.1	1.4	
	Gain on sales of investment securities	0.0	3.5	3.5	
	Other extraordinary gains	0.1	0.1	(0.0)	
	Loss on sales/disposal of property, plant and equipment	(2.1)	(1.4)	0.7	
	Impairment losses	(0.2)	(0.4)	(0.2)	
	Other extraordinary losses	(1.0)	(0.3)	0.7	
Extraordinary gains and losses		(3.2)	1.4	4.6	
Income before income taxes and minority interests		10.5	16.5	6.0	
Corporate tax, etc. / income and loss of minority shareholders		(5.1)	(7.1)	(2.0)	
Net Income		5.3	9.4	4.0	

	Year ended December 31, 2012	Year ended December 31, 2013
Yen/US\$	79.81	97.73
Yen/CAN\$	79.83	94.81
Yen/EUR	102.56	129.78

Consolidated Results (Year ended December 31, 2013)

Segment Information

(billions of yen)

Year ended December 31, 2012	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales (*1)	269.9	36.1	129.0	26.6	23.2	7.5	-	492.4
Operating income	7.5	(0.0)	0.3	0.5	9.3	(0.4)	(2.9)	14.4
(Operating income before goodwill amortization)	7.5	1.0	3.1	0.5	9.3	(0.4)	(2.9)	18.2
Sales promotion costs								
Sales incentives and commissions	18.6	0.2	13.9	0.0	0.0	0.1	(0.1)	32.8
Advertising and promotion expenses	13.8	1.1	3.8	0.9	0.3	0.0	0.0	20.2
Promotion items	4.5	1.8	0.0	0.0	0.0	0.0	0.0	6.4
Depreciation and amortization	12.4	1.5	6.6	0.5	4.6	0.0	0.0	25.8
Amortization of goodwill	0.0	1.1	2.7	0.0	0.0	0.0	0.0	3.8
EBITDA (*2)	19.9	2.5	9.7	1.1	14.0	(0.4)	(2.9)	44.0
Capital expenditures (cash basis)	3.0	1.9	3.4	0.6	42.1	0.4	2.0	53.8
Payment of lease obligations	0.0	0.1	3.6	0.0	0.0	0.0	0.0	3.9

Year ended December 31, 2013	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales (*1)	274.9	48.2	130.6	26.8	22.7	6.4	-	509.8
Operating income	9.9	1.2	(1.4)	0.4	8.6	0.2	(3.6)	15.3
(Operating income before goodwill amortization)	9.9	2.4	1.2	0.4	8.7	0.2	(3.6)	19.3
Sales promotion costs								
Sales incentives and commissions	19.8	0.2	13.0	0.0	0.0	0.0	(0.1)	33.0
Advertising and promotion expenses	14.0	1.4	4.4	0.9	0.3	0.0	(0.0)	21.2
Promotion items	3.7	2.7	0.0	0.0	0.0	0.0	(0.0)	6.4
Depreciation and amortization	10.7	1.8	6.7	0.6	4.4	0.0	0.5	25.0
Amortization of goodwill	0.0	1.2	2.7	0.0	0.0	0.0	0.0	3.9
EBITDA (*2)	20.6	4.3	8.0	1.0	13.1	0.3	(3.0)	44.3
Capital expenditures (cash basis)	2.3	2.3	4.6	0.7	2.6	0.0	1.0	13.7
Payment of lease obligations	0.0	0.2	3.4	0.0	0.0	0.5	0.0	4.2

Change	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales (*1)	4.9	12.0	1.6	0.2	(0.4)	(1.1)	-	17.3
Operating income	2.3	1.2	(1.8)	(0.1)	(0.7)	0.6	(0.6)	0.9
(Operating income before goodwill amortization)	2.3	1.3	(1.8)	(0.1)	(0.6)	0.6	(0.6)	1.0
Sales promotion costs								
Sales incentives and commissions	1.2	0.0	(0.9)	0.0	0.0	(0.1)	(0.0)	0.2
Advertising and promotion expenses	0.1	0.3	0.5	0.0	0.0	0.0	(0.1)	0.9
Promotion items	(0.8)	0.9	0.0	0.0	0.0	0.0	(0.1)	(0.0)
Depreciation and amortization	(1.6)	0.3	0.1	0.0	(0.1)	(0.0)	0.5	(0.7)
Amortization of goodwill	0.0	0.1	(0.0)	0.0	0.0	0.0	0.0	0.1
EBITDA (*2)	0.6	1.7	(1.7)	(0.0)	(0.8)	0.7	(0.1)	0.2
Capital expenditures (cash basis)	(0.7)	0.3	1.1	0.0	(39.5)	(0.4)	(0.9)	(40.1)
Payment of lease obligations	0.0	0.0	(0.2)	0.0	0.0	0.4	0.0	0.2

*1: Effective from the fiscal year ending December 31, 2013, SAPPORO LOGISTICS SYSTEMS CO., LTD. and POKKA LOGISTICS CO., LTD., previously included under the Japanese Alcoholic Beverages and Food & Soft Drinks segments, respectively, have been reclassified to the Other segment.
On July 1, 2013, Pokka Logistics Co., Ltd., was dissolved following an absorption-type merger with Sapporo Logistics Systems Co., Ltd.

Pokka Food (Singapore) Pte. Ltd., previously included under the Food & Soft Drinks segment, has been reclassified to the Restaurants segment.
On April 1, 2013, Pokka Food (Singapore) Pte. Ltd. changed its name to Sapporo Lion (Singapore) Pte. Ltd.

Accordingly, the consolidated financial statements for the fiscal year ended December 31, 2012 have been retroactively adjusted to reflect these changes.

*2 : EBITDA = Operating income + Depreciation and amortization + Amortization of goodwill
Effective from the fiscal year ended December 31, 2012, in conjunction with the transfer of IT assets held by the Sapporo Group to Sapporo Group Management Ltd., IT asset depreciation and amortization has been adjusted between the Japanese Alcoholic Beverages segment and Corporate and eliminations.
The adjustments were 2.0 billion yen for the fiscal year ended December 31, 2013 and 2.1 billion yen for the fiscal year ended December 31, 2012.

Consolidated Results (Year ended December 31, 2013)

Condensed Consolidated Balance Sheets

(billions of yen)

	December 31, 2012	December 31, 2013	Change	Primary Reasons
Current assets	138.2	147.3	9.0	
Cash and cash equivalents	9.7	11.5	1.7	
Notes and accounts receivable - trade	83.5	87.1	3.5	
Inventories	32.4	34.3	1.9	
Other	12.4	14.2	1.7	
Fixed assets	459.3	469.4	10.0	
Fixed assets	360.5	360.4	(0.0)	
Goodwill	37.5	34.4	(3.1)	
Investments and other assets	61.3	74.5	13.2	Increase in Investment securities resulting from increase in unrealized holding gain on securities
Total assets	597.6	616.7	19.1	
Current liabilities	243.1	227.3	(15.8)	
Notes and accounts payable - trade	32.9	35.9	2.9	
Short-term debt	112.2	88.6	(23.6)	Repayment of short-term bank loans, redemption of bonds
Deposits received	12.3	10.8	(1.5)	
Other	85.5	91.9	6.4	
Long-term liabilities	219.5	234.0	14.5	
Long-term debt	145.3	159.1	13.8	
Employees' retirement benefits	7.3	5.9	(1.4)	
Other	66.7	68.9	2.2	
Total liabilities	462.6	461.3	(1.3)	
Shareholders' equity	130.3	135.8	5.5	
Accumulated other comprehensive income	1.4	15.7	14.3	Increase in unrealized holding gain on securities +10.3 Increase in foreign currency translation adjustments +4.0
Minority interests	3.1	3.6	0.5	
Total net assets	134.9	155.3	20.4	
Total liabilities and net assets	597.6	616.7	19.1	

Identifiable Assets by segment

(billions of yen)

	December 31, 2012	December 31, 2013	Change	Primary Reasons
Japanese Alcoholic Beverages	201.6	212.6	11.0	
International	50.4	54.8	4.3	
Food & Soft Drinks	103.5	102.7	(0.7)	
Restaurants	10.7	11.9	1.2	
Real Estate	215.1	215.8	0.6	
Other	9.5	7.4	(2.0)	
Corporate and eliminations	6.5	11.1	4.6	
Total	597.6	616.7	19.1	

Financial Liabilities by segment

(billions of yen)

	December 31, 2012	December 31, 2013	Change	Primary Reasons
Japanese Alcoholic Beverages	48.3	38.4	(9.8)	
International	17.1	17.1	(0.0)	
Food & Soft Drinks	15.4	9.3	(6.1)	
Restaurants	0.0	0.0	0.0	
Real Estate	140.2	137.6	(2.5)	
Other	2.3	2.9	0.5	
Corporate and eliminations	34.1	42.3	8.2	
Total	257.6	247.8	(9.8)	

*1: Effective from the fiscal year ending December 31, 2013, SAPPORO LOGISTICS SYSTEMS CO., LTD. and POKKA LOGISTICS CO., LTD., previously included under the Japanese Alcoholic Beverages and Food & Soft Drinks segments, respectively, have been reclassified to the Other segment.

On July 1, 2013, Pokka Logistics Co., Ltd., was dissolved following an absorption-type merger with Sapporo Logistics Systems Co., Ltd.

Pokka Food (Singapore) Pte. Ltd., previously included under the Food & Soft Drinks segment, has been reclassified to the Restaurants segment.

On April 1, 2013, Pokka Food (Singapore) Pte. Ltd. changed its name to Sapporo Lion (Singapore) Pte. Ltd.

Accordingly, the consolidated financial statements for the fiscal year ended December 31, 2012 have been retroactively adjusted to reflect these changes.

Overview of Segmentation Changes 2013

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

2012 Segmentation		2013 Segmentation	
Segment	Consolidated subsidiaries	Segment	Consolidated subsidiaries
Japanese Alcoholic Beverages	SAPPORO BREWERIES LTD.	Japanese Alcoholic Beverages	SAPPORO BREWERIES LTD.
	SAPPORO WINES LIMITED		SAPPORO WINES LIMITED
	YEBISU WINEMART CO., LTD.		YEBISU WINEMART CO., LTD.
	SAPPORO LOGISTICS SYSTEMS CO., LTD. (*1)		TANOSHIMARU SHUZO CO., LTD.
	TANOSHIMARU SHUZO CO., LTD.		SAPPORO ENGINEERING LIMITED
	SAPPORO ENGINEERING LIMITED		STARNET CO., LTD.
	STARNET CO., LTD.		NEW SANKO INC.
	NEW SANKO INC.		SHINSEIEN CO., LTD. (newly consolidated)
International	SAPPORO INTERNATIONAL INC.	International	SAPPORO INTERNATIONAL INC.
	SAPPORO U.S.A., INC.		SAPPORO U.S.A., INC.
	SAPPORO CANADA INC.		SAPPORO CANADA INC.
	SLEEMAN BREWERIES LTD.		SLEEMAN BREWERIES LTD.
	SAPPORO ASIA PRIVATE LIMITED		SAPPORO ASIA PRIVATE LIMITED
	SAPPORO VIETNAM LIMITED		SAPPORO VIETNAM LIMITED
	SILVER SPRINGS CITRUS, INC. (newly consolidated)		SILVER SPRINGS CITRUS, INC.
Food & Soft Drinks	POKKA SAPPORO FOOD & BEVERAGE LTD. (newly established)	Food & Soft Drinks	POKKA SAPPORO FOOD & BEVERAGE LTD.
	SAPPORO BEVERAGE CO., LTD. (*2)		STELLA BEVERAGE SERVICES CO., LTD.
	STELLA BEVERAGE SERVICES CO., LTD.		STAR BEVERAGE SERVICE CO., LTD.
	STAR BEVERAGE SERVICE CO., LTD.		SUNPOKKA CO., LTD.
	POKKA CORPORATION (*2)		PS BEVERAGE LTD. (newly consolidated)
	SUNPOKKA CO., LTD.		POKKA CREATE CO., LTD.
	POKKA CREATE CO., LTD.		POKKA CORPORATION (SINGAPORE) PTE. LTD.
	POKKA LOGISTICS CO., LTD. (*1)		And another 14 companies
	POKKA CORPORATION (SINGAPORE) PTE. LTD.		
	POKKA FOOD (SINGAPORE) PTE. LTD. (*3)		
	And another 20 companies		
Restaurants	SAPPORO LION LIMITED	Restaurants	SAPPORO LION LIMITED
			SAPPORO LION (SINGAPORE) PTE. LTD. (*3)
Real Estate	SAPPORO REAL ESTATE CO., LTD.	Real Estate	SAPPORO REAL ESTATE CO., LTD.
	YGP REAL ESTATE CO., LTD.		YGP REAL ESTATE CO., LTD.
	SAPPORO URBAN DEVELOPMENT CO., LTD.		SAPPORO URBAN DEVELOPMENT CO., LTD.
	TOKYO ENERGY SERVICE CO., LTD.		TOKYO ENERGY SERVICE CO., LTD.
	SAPPORO SPORTS PLAZA CO., LTD.		SAPPORO SPORTS PLAZA CO., LTD.
	YOKOHAMA KEIWA BUILDING CO., LTD.		YOKOHAMA KEIWA BUILDING CO., LTD.
Other	SAPPORO FOODS NET CO., LTD.	Other	SAPPORO FOODS NET CO., LTD.
	SAPPORO FINE FOODS CO., LTD.		SAPPORO FINE FOODS CO., LTD.
	SAPPORO GROUP MANAGEMENT LTD.		SAPPORO GROUP MANAGEMENT LTD.
	SAPPORO GROUP LOGISTICS CO., LTD. (newly established)		SAPPORO GROUP LOGISTICS CO., LTD.
			SAPPORO LOGISTICS SYSTEMS CO., LTD. (*1)
Corporate and eliminations	SAPPORO HOLDINGS LTD. SAPPORO GROUP MANAGEMENT LTD.	Corporate and eliminations	SAPPORO HOLDINGS LTD. SAPPORO GROUP MANAGEMENT LTD.

*1. Effective from the fiscal year ended December 31, 2013, SAPPORO LOGISTICS SYSTEMS CO., LTD. and POKKA LOGISTICS CO., LTD., previously included under the Japanese Alcoholic Beverages and Food & Soft Drinks segments, respectively, have been reclassified to the Other segment.

*2. Sapporo Beverage Co., Ltd. and POKKA CORPORATION were dissolved in an absorption-type merger with Pokka Sapporo Food & Beverage Ltd. on January 1, 2013.

*3. Effective from the fiscal year ended December 31, 2013, Pokka Food (Singapore) Pte. Ltd., previously included under the Food & Soft Drinks segment, has been reclassified to the Restaurants segment. Accordingly, Pokka Food (Singapore) Pte. Ltd. was renamed Sapporo Lion (Singapore) Pte. Ltd. in April 2013.

Consolidated Forecast (Year ending December 31, 2014)

Condensed Consolidated Statements of Income

(billions of yen)

	Year ended December 31, 2013	Year ending December 31, 2014 (Forecast)	Change	Change (%)
Japanese Alcoholic Beverages	274.9	284.3	9.3	3.4%
International	48.2	57.2	8.9	18.6%
Food & Soft Drinks	130.6	140.0	9.3	7.1%
Restaurants	26.8	28.1	1.2	4.7%
Real Estate	22.7	22.3	(0.4)	(2.1)%
Other	6.4	5.8	(0.6)	(10.0)%
Net sales	509.8	537.7	27.8	5.5%
Japanese Alcoholic Beverages	9.9	9.0	(0.9)	(9.1)%
International	1.2	1.1	(0.1)	(9.0)%
Food & Soft Drinks	(1.4)	0.1	1.5	-
Restaurants	0.4	1.0	0.5	140.7%
Real Estate	8.6	7.2	(1.4)	(17.1)%
Other	0.2	0.2	(0.0)	(13.5)%
General corporate and intercompany eliminations	(3.6)	(3.6)	0.0	-
Operating income	15.3	15.0	(0.3)	(2.2)%
Operating income before goodwill amortization	19.3	19.0	(0.3)	(1.7)%
Non-operating income	3.2	2.3	(0.9)	(28.5)%
Non-operating expenses	3.4	3.7	0.2	7.8%
Ordinary income	15.1	13.6	(1.5)	(10.1)%
Extraordinary gains	3.5	0.0	(3.5)	(100.0)%
Extraordinary losses	2.1	3.3	1.1	55.6%
Income before income taxed and minority interests	16.5	10.3	(6.2)	(37.8)%
Income taxes	7.1	5.4	(1.7)	(24.4)%
Minority interests (loss)	(0.0)	(0.1)	(0.0)	-
Net Income	9.4	5.0	(4.4)	(47.1)%

Condensed Consolidated Statements of Cash Flows

	Year ended December 31, 2013	Year ending December 31, 2014	Change	Change (%)
Cash flows from operating activities	32.8	29.7	(3.1)	(9.6)%
Cash flows from investing activities	(13.2)	(27.0)	(13.7)	-
Free Cash flows	19.5	2.7	(16.8)	(86.2)%

Sales Breakdown for Japanese Alcoholic Beverages

Sales (including liquor tax)

(billions of yen)

	Year ended December 31,	Year ending December 31,	Change	Change (%)
Beer	159.7	160.1	0.4	0.3%
Happoshu	4.5	3.4	(1.1)	(24.2)%
New genre	70.7	73.5	2.7	3.9%
Total	235.0	237.1	2.0	0.9%

Sales (excluding liquor tax)

(billions of yen)

	Year ended December 31,	Year ending December 31,	Change	Change (%)
Beer	77.8	77.9	0.0	0.1%
Happoshu	2.5	1.7	(0.8)	(31.4)%
New genre	48.9	50.9	1.9	4.1%
Total	129.3	130.6	1.2	1.0%

Consolidated Forecasts (Year ending December 31, 2014)

Breakdown of key income Changes

(billions of yen)

	Change factor	Year ended December 31, 2013	Year ending December 31, 2014 (Forecast)	Change	Details
Beer and related products		8.4	6.7	(1.7)	
Marginal profit	Subtotal			1.5	
	Increase (decrease) in volume / Product mix			1.4	Beer +0.3 Happoshu -0.3 New genre +1.2 Product mix, etc. +0.2
	Other			0.1	Sapporo Premium Alcohol Free, RTD, Production costs, other factors
Fixed and other costs	Subtotal			(3.2)	
	Sales promotion costs			(3.7)	
	Facility cost			0.0	
	Other			0.5	
Wine, spirits, and shochu		1.3	1.9	0.5	
Other		0.2	0.4	0.3	
Japanese Alcoholic Beverages		9.9	9.0	(0.9)	
North America and other		3.0	3.4	0.4	
	Increase (decrease) in volume / Product mix			1.2	Increase in volume SLEEMAN 107%, Sapporo 112%
	Marketing costs			(0.5)	SLEEMAN BREWERIES LTD., SAPPORO U.S.A., INC.
	Other			(0.3)	
Vietnam		(1.8)	(2.3)	(0.4)	
	Increase (decrease) in volume / Product mix			0.5	Increase in volume
	Marketing costs			(0.7)	
	Other			(0.2)	Depreciation and amortization, etc.
International		1.2	1.1	(0.1)	
Japanese Food & Soft Drinks		(2.3)	(0.8)	1.5	
	Increase (decrease) in volume / Product mix			1.4	Increase in volume
	Production costs			(0.4)	
	Other costs			0.5	
Other		0.9	0.9	(0.0)	International business, Restaurants, other factors
Food & Soft Drinks		(1.4)	0.1	1.5	
	Existing stores			0.4	
	New stores / Refurbished stores			0.2	
Restaurants		0.4	1.0	0.5	
	Rent			(1.5)	
	Sales			0.0	
Real Estate		8.6	7.2	(1.4)	
	Logistics business			(0.0)	
	Other			0.0	Insurance Business
Other		0.2	0.2	(0.0)	
General corporate and intercompany eliminations		(3.6)	(3.6)	0.0	
Operating income		15.3	15.0	(0.3)	
Operating income before goodwill amortization		19.3	19.0	(0.3)	
	Financial income (expense)	(1.7)	(1.9)	(0.1)	Reduction of interest payments
	Equity in income (losses) of affiliates	0.1	0.2	0.1	
	Other	1.4	0.4	(1.0)	
Non-operating income and expenses		(0.2)	(1.3)	(1.1)	
Ordinary income		15.1	13.6	(1.5)	
	Gain on sales of investment securities	3.5	-	(3.5)	
	Other extraordinary gains	0.1	-	(0.1)	
	Loss on sales/disposal of property, plant and equipment	(1.4)	(0.7)	0.8	
	Impairment losses	(0.4)	-	0.4	
	Other extraordinary losses	(0.3)	(2.6)	(2.3)	
Extraordinary gains and losses		1.4	(3.3)	(4.7)	
Income before income taxes and minority interests		16.5	10.3	(6.2)	
Change in income taxes and minority interests (loss)		(7.1)	(5.3)	1.8	
Net income		9.4	5.0	(4.4)	

	Year ended December 31, 2013	Year ending December 31, 2013 (Forecast)
Yen/US\$	97.73	105.00
Yen/CAN\$	94.81	101.00
Yen/EUR	129.78	130.00

Consolidated Forecasts (Year ending December 31, 2014)

Segment Information

(billions of yen)

Year ended December 31, 2013	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales (*1)	274.9	48.2	130.6	26.8	22.7	6.4	-	509.8
Operating income	9.9	1.2	(1.4)	0.4	8.6	0.2	(3.6)	15.3
(Operating income before goodwill amortization)	9.9	2.4	1.2	0.4	8.7	0.2	(3.6)	19.3
Sales promotion costs								
Sales incentives and commissions	19.8	0.2	13.0	0.0	0.0	0.0	(0.1)	33.0
Advertising and promotion expenses	14.0	1.4	4.4	0.9	0.3	0.0	(0.0)	21.2
Promotion items	3.7	2.7	0.0	0.0	0.0	0.0	(0.0)	6.4
Depreciation and amortization	10.7	1.8	6.7	0.6	4.4	0.0	0.5	25.0
Amortization of goodwill	0.0	1.2	2.7	0.0	0.0	0.0	0.0	3.9
EBITDA (*2)	20.6	4.3	8.0	1.0	13.1	0.3	(3.0)	44.3
Capital expenditures (cash basis)	2.3	2.3	4.6	0.7	2.6	0.0	1.0	13.7
Payment of lease obligations	0.0	0.2	3.4	0.0	0.0	0.5	0.0	4.2

Year ending December 31, 2014 (Forecast)	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales (*1)	284.3	57.2	140.0	28.1	22.3	5.8	-	537.7
Operating income	9.0	1.1	0.1	1.0	7.2	0.2	(3.6)	15.0
(Operating income before goodwill amortization)	9.0	2.5	2.7	1.0	7.2	0.2	(3.6)	19.0
Depreciation and amortization	10.4	2.3	6.1	0.6	4.3	0.1	0.4	24.2
Amortization of goodwill	0.0	1.4	2.6	0.0	0.0	0.0	0.0	4.0
EBITDA (*2)	19.4	4.8	8.8	1.6	11.5	0.3	(3.2)	43.2
Capital expenditures (cash basis)	5.3	1.8	5.6	1.3	8.1	0.1	1.0	23.2
Payment of lease obligations	0.0	0.0	3.3	0.0	0.0	0.0	0.0	3.3

Change	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales (*1)	9.3	8.9	9.3	1.2	(0.4)	(0.6)	0.0	27.8
Operating income	(0.9)	(0.1)	1.5	0.5	(1.4)	(0.0)	0.0	(0.3)
(Operating income before goodwill amortization)	(0.9)	0.0	1.4	0.5	(1.5)	(0.0)	0.0	(0.3)
Depreciation and amortization	(0.3)	0.4	(0.6)	(0.0)	(0.1)	0.0	(0.1)	(0.8)
Amortization of goodwill	0.0	0.1	(0.1)	0.0	0.0	0.0	0.0	0.0
EBITDA (*2)	(1.2)	0.4	0.7	0.5	(1.6)	0.0	(0.1)	(1.1)
Capital expenditures (cash basis)	2.9	(0.5)	0.9	0.5	5.4	0.0	(0.0)	9.4
Payment of lease obligations	0.0	(0.2)	(0.1)	0.0	0.0	(0.5)	0.0	(0.9)

*1 : EBITDA= Operating income + Depreciation and amortization + Amortization of goodwill

*2 : Full year estimate for sales promotion costs is not disclosed.