



Nine Months ended September 30, 2014

Consolidated Third Quarter Earnings Report - Supplementary Information

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November 2014

SAPPORO HOLDINGS LTD.

Securities Code: 2501

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

Financial Highlights (2010- 2014)

Consolidated Financial Highlights

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

		Nine months ended September 30, 2010	Nine months ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2014
Net sales	Including liquor tax	284.0	320.7	354.7	369.5	379.3
	Excluding liquor tax	198.3	240.1	274.7	287.8	294.9
Overseas net sales to total	Excluding liquor tax	9.8%	11.2%	13.7%	18.7%	19.5%
Operating income	Before goodwill amortization	10.3	14.4	8.4	12.4	11.1
	After goodwill amortization	9.4	12.2	5.5	9.4	8.2
Operating margin	Including liquor tax / after goodwill amortization	3.3%	3.8%	1.6%	2.6%	2.2%
	Excluding liquor tax /before goodwill amortization	5.2%	6.0%	3.1%	4.3%	3.8%
	Excluding liquor tax /after goodwill amortization	4.8%	5.1%	2.0%	3.3%	2.8%
Ordinary income		8.5	10.5	4.4	8.8	7.6
Net income		3.3	0.5	0.5	5.4	(6.6)
Total assets		499.1	543.1	585.0	597.7	607.4
Net assets		119.2	122.4	126.1	149.4	149.2
Balance of debt *1	Gross	199.9	218.0	255.2	244.7	252.0
	Net	190.0	209.0	245.3	234.9	240.5
Debt-to-equity ratio (times)	Gross	1.7	1.8	2.0	1.6	1.7
	Net	1.6	1.7	1.9	1.6	1.6
Depreciation and amortization		17.0	17.8	19.2	18.8	18.2
Amortization of goodwill		0.8	2.1	2.8	3.0	2.8
EBITDA	Operating income + Depreciation and amortization +Amortization of goodwill	27.4	32.2	27.7	31.2	29.3
Exchange rates (Yen) *2	US\$	89.49	80.59	79.40	96.84	102.94
	CAN\$	86.38	82.45	79.18	94.52	94.11

		Years ended December 31, 2010	Year ended December 31, 2011	Year ended December 31, 2012	Year ended December 31, 2013	Year ending December 31, 2014 (forecast)
Net sales	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	(2.0)
Total assets		494.7	550.7	597.6	616.7	
Net assets		126.6	124.7	134.9	155.3	
Balance of debt *1	Gross	181.3	219.1	257.6	247.8	259.5
	Net	167.9	209.9	247.8	236.2	249.5
Debt-to-equity ratio (times)	Gross	1.4	1.8	1.9	1.6	1.7
	Net	1.3	1.7	1.8	1.5	1.6
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
ROE (%)	Before goodwill amortization	9.8%	5.1%	7.3%	9.5%	1.3%
	After goodwill amortization	8.9%	2.5%	4.2%	6.7%	-
EPS (yen sen)	Before goodwill amortization	30.49	16.03	23.68	34.40	5.12
	After goodwill amortization	27.50	8.08	13.77	24.20	(5.12)
Exchange rates (Yen) *2	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: Exchange rates are annual average rates.

Major Sales and Sales Volume

Beer (Japan)

(10,000 cases)

	Jan. 1 - Sep.30, 2013	Jan. 1 - Sep.30, 2014	YoY	Full-year estimate for fiscal 2014	Fiscal 2013 Actual	YoY
Sapporo Draft Beer Black Label	1,212	1,174	97%	1,662	1,662	100%
YEBISU (total)	639	663	104%	1,000	961	104%
1 Beer (total)	2,088	2,064	99%	2,957	2,942	101%
2 Happoshu (total)	88	229	259%	360	119	303%
3 New genre beer products (total)	1,565	1,556	99%	1,962	2,147	91%
Beer, happoshu, and new genre (total 1+2+3)	3,741	3,848	103%	5,280	5,208	101%
Sapporo Premium Alcohol Free	94	69	73%	122	122	100%
RTD(*1)	94	163	174%	210	143	147%

*1 : RTD 1Case=250ml*24

(billions of yen)

	Jan. 1 - Sep.30, 2013	Jan. 1 - Sep.30, 2014	YoY	Full-year estimate for fiscal 2014	Fiscal 2013 Actual	YoY
Domestic wines	3.4	3.9	114%	5.9	5.1	116%
Imported wines	4.9	5.3	107%	8.5	7.7	111%
Wine (total)	8.3	9.3	111%	14.5	12.8	113%
Spirits (total)	4.2	4.2	100%	6.9	5.7	122%
Shochu (total)	9.3	10.4	112%	13.3	13.3	100%

Beer (International)

(10,000 cases)

	Jan. 1 - Sep.30, 2013	Jan. 1 - Sep.30, 2014	YoY	Full-year estimate for fiscal 2014	Fiscal 2013 Actual	YoY
SLEEMAN BREWERIES LTD. (*2)	946	938	99%	1,330	1,246	107%
Sapporo brand	337	365	108%	530	447	119%

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

Soft Drinks (POKKA SAPPORO FOOD & BEVERAGE)

(10,000 cases)

	Jan. 1 - Sep.30, 2013	Jan. 1 - Sep.30, 2014	YoY	Full-year estimate for fiscal 2014	Fiscal 2013 Actual	YoY
Soft Drinks	3,391	3,297	97%	4,755	4,574	104%

Condensed Consolidated Statements of Income

(billions of yen)

	Nine Months ended September 30, 2013	Nine Months ended September 30, 2014	Change	Change (%)
Japanese Alcoholic Beverages	195.3	204.0	8.7	4.5%
International Business	36.2	37.0	0.7	2.2%
Food & Soft Drinks	95.9	97.6	1.6	1.7%
Restaurants	20.2	19.9	(0.3)	(1.7)%
Real Estate	16.8	16.2	(0.5)	(3.4)%
Other	4.8	4.4	(0.4)	(8.3)%
Net sales	369.5	379.3	9.8	2.7%
Japanese Alcoholic Beverages	5.5	5.9	0.4	8.0%
International Business	1.0	(0.0)	(1.1)	—
Food & Soft Drinks	(1.5)	(1.2)	0.2	—
Restaurants	0.2	0.0	(0.1)	(57.7)%
Real Estate	6.7	6.2	(0.5)	(7.8)%
Other	0.1	0.2	0.0	83.5%
General corporate and intercompany eliminations	(2.7)	(2.9)	(0.1)	—
Operating income	9.4	8.2	(1.1)	(12.2)%
Operating income before goodwill amortization	12.4	11.1	(1.3)	(10.8)%
Non-operating income	2.1	1.7	(0.4)	(20.3)%
Non-operating expenses	2.7	2.3	(0.3)	(14.1)%
Ordinary income	8.8	7.6	(1.2)	(13.5)%
Extraordinary gains	3.5	0.2	(3.2)	(92.1)%
Extraordinary losses	0.9	15.0	14.1	—
Income before income taxes and minority interests	11.5	(7.0)	(18.5)	—
Income taxes	6.1	(0.2)	(6.3)	—
Minority interests (loss)	(0.0)	(0.2)	(0.1)	—
Net Income	5.4	(6.6)	(12.0)	—

Sales Breakdown for Japanese Alcoholic
Sales (including liquor tax)

(billions of yen)

	Nine Months ended September 30, 2013	Nine Months ended September 30, 2014	Change	Change (%)
Beer	112.8	112.0	(0.7)	(0.7)%
Happoshu	3.3	8.7	5.3	157.8%
New genre	51.5	51.3	(0.2)	(0.4)%
Total	167.8	172.1	4.3	2.6%

Sales (excluding liquor tax)

(billions of yen)

	Nine Months ended September 30, 2013	Nine Months ended September 30, 2014	Change	Change (%)
Beer	54.7	54.6	(0.1)	(0.2)%
Happoshu	1.8	4.8	2.9	156.6%
New genre	35.6	35.5	(0.1)	(0.3)%
Total	92.3	95.0	2.7	3.0%

Consolidated Results (Nine Months ended September 30, 2014)

Breakdown of Key Changes

Numbers in parentheses mean decline in earnings.

	Change factor	Nine months ended September 30, 2013	Nine months ended September 30, 2014	Income change	Details
Beer, etc.		4.9	4.9	0.0	
Marginal profit	(subtotal)			1.0	
	Increase (decrease) in volume/product mix			1.3	Beer -0.4 Happoshu +1.8 New genre-0.1 Product mix +0.0
	Other			(0.3)	Sapporo Premium Alcohol Free, RTD, Production costs, other factors
Fixed costs and other	(subtotal)			(1.0)	
	Sales promotion costs			(2.0)	Promotional expenses
	Facility cost			0.4	Depreciation and amortization, etc.
	Other			0.6	General and administrative expenses
Wine and spirits		0.6	0.6	(0.0)	
Other		0.1	0.5	0.4	
Japanese Alcoholic Beverages		5.5	5.9	0.4	
North America, etc.		2.3	1.6	(0.8)	
	Increase (decrease) in volume/product mix.			(0.6)	Decrease in volume SLEEMAN(-1%)
	Marketing costs			(0.3)	Mainly SLEEMAN
	Other			0.1	Personnel expenses, Silver Springs Citrus, Inc., etc.
Vietnam		(1.3)	(1.6)	(0.3)	
	Increase (decrease) in volume/product mix.			0.2	Increase in volume, Product mix, etc.
	Marketing costs			(0.4)	
	Other			(0.1)	Personnel expenses, etc.
International		1.0	(0.0)	(1.1)	
Japanese Food & Soft Drinks		(2.1)	(2.2)	(0.1)	
	Increase (decrease) in volume / product mix			(0.4)	Decrease in volume, Product mix, etc.
	Production costs			(0.4)	Decrease in the price of raw ingredients, Increase in production cost
	Other costs			0.9	Personnel expenses, Sales promotion expenses, Facility cost, etc.
	Domestic Subsidiaries			(0.2)	Vending machine operator, and other
Other		0.6	0.9	0.3	International business, Restaurant, etc.
Food & Soft Drinks		(1.5)	(1.2)	0.2	
	Existing stores			(0.1)	
	New stores / Refurbished stores			(0.0)	
Restaurants		0.2	0.0	(0.1)	
	Rent			(0.5)	Redevelop the Sapporo Ginza Building
	Sales			(0.1)	
Real Estate		6.7	6.2	(0.5)	
	Logistics business			(0.0)	
	Other			0.1	Insurance business, Food business
Other		0.1	0.2	0.0	
General corporate and intercompany eliminations		(2.7)	(2.9)	(0.1)	
Operating income		9.4	8.2	(1.1)	
Operating income before goodwill amortization		12.4	11.1	(1.3)	
	Financial income (expense)	(1.4)	(1.2)	0.2	Reduction of interest payment
	Equity in income (losses) of affiliates	0.1	0.2	0.1	
	Other	0.7	0.4	(0.3)	Foreign exchange gains
Non-operating income and expenses		(0.6)	(0.6)	(0.1)	
Ordinary income		8.8	7.6	(1.2)	
	Gain on sales of investment securities	3.5	0.2	(3.3)	
	Other extraordinary gains	0.1	0.1	0.0	
	Loss on sales/disposal of property, plant and equipment	(0.4)	(1.7)	(1.2)	
	Loss on impairment of property, plant and equipment	(0.3)	(0.0)	0.2	
	Additional liquor tax paid and other	-	(11.6)	(11.6)	
	Other extraordinary losses	(0.2)	(1.6)	(1.4)	
Extraordinary gains and losses		2.6	(14.7)	(17.4)	
Income before income taxes and minority interests		11.5	(7.0)	(18.5)	
Corporate tax, etc. / income and loss of minority shareholders		(6.0)	0.4	6.4	
Net Income		5.4	(6.6)	(12.0)	

	Nine months ended September 30, 2013	Nine months ended September 30, 2014
Yen/US\$	96.84	102.94
Yen/CAN\$	94.52	94.11
Yen/EUR	127.48	139.50

Consolidated Results (Nine Months ended September 30, 2014)

Segment Information

(billions of yen)

Nine months ended September 30, 2013	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	195.3	36.2	95.9	20.2	16.8	4.8	-	369.5
Operating income	5.5	1.0	(1.5)	0.2	6.7	0.1	(2.7)	9.4
(Operating income before goodwill amortization)	5.5	1.9	0.5	0.2	6.7	0.1	(2.7)	12.4
Sales promotion costs								
Sales incentives and commissions	14.1	0.1	9.4	0.0	0.0	0.0	(0.0)	23.7
Advertising and promotion expenses	10.8	1.2	3.3	0.7	0.1	0.0	(0.0)	16.3
Promotion items	2.8	2.0	0.0	0.0	0.0	0.0	(0.1)	4.8
Depreciation and amortization	8.1	1.4	5.2	0.4	3.3	0.0	0.1	18.8
Amortization of goodwill	0.0	0.9	2.0	0.0	0.0	0.0	0.0	3.0
EBITDA (*1)	13.6	3.4	5.7	0.6	10.1	0.1	(2.5)	31.2

Nine months ended September 30, 2014	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	204.0	37.0	97.6	19.9	16.2	4.4	-	379.3
Operating income	5.9	(0.0)	(1.2)	0.0	6.2	0.2	(2.9)	8.2
(Operating income before goodwill amortization)	5.9	0.8	0.6	0.0	6.2	0.2	(2.9)	11.1
Sales promotion costs								
Sales incentives and commissions	14.5	0.1	9.9	0.0	0.0	0.0	(0.0)	24.5
Advertising and promotion expenses	12.2	1.4	3.1	0.7	0.3	0.0	(0.1)	17.8
Promotion items	2.9	2.4	0.0	0.0	0.0	0.0	(0.0)	5.3
Depreciation and amortization	7.4	1.5	5.0	0.4	3.1	0.0	0.4	18.2
Amortization of goodwill	0.0	0.9	1.8	0.0	0.0	0.0	0.0	2.8
EBITDA (*1)	13.4	2.4	5.7	0.5	9.3	0.2	(2.4)	29.3

Change	Japanese Alcoholic Beverages	International	Food & Soft Drinks	Restaurants	Real Estate	Other	Corporate and eliminations	Consolidated total
Net sales	8.7	0.7	1.6	(0.3)	(0.5)	(0.4)	-	9.8
Operating income	0.4	(1.1)	0.2	(0.1)	(0.5)	0.0	(0.1)	(1.1)
(Operating income before goodwill amortization)	0.4	(1.1)	0.0	(0.1)	(0.5)	0.0	(0.1)	(1.3)
Sales promotion costs								
Sales incentives and commissions	0.3	(0.0)	0.4	0.0	0.0	(0.0)	0.0	0.7
Advertising and promotion expenses	1.3	0.2	(0.1)	(0.0)	0.2	(0.0)	(0.0)	1.5
Promotion items	0.0	0.4	(0.0)	0.0	0.0	(0.0)	0.0	0.5
Depreciation and amortization	(0.6)	0.0	(0.1)	0.0	(0.1)	(0.0)	0.2	(0.6)
Amortization of goodwill	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	(0.1)
EBITDA (*1)	(0.1)	(1.0)	(0.0)	(0.1)	(0.7)	0.0	0.0	(1.9)

*1 : 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 1.5 billion yen for the nine months ended September 30, 2014 and 1.6 billion yen for the nine months ended September 30, 2013.

Consolidated Results (Nine Months ended September 30, 2014)

Condensed Consolidated Balance Sheets

(billions of yen)

	December 31, 2013	September 30, 2014	Change	Primary Reasons
Current assets	147.3	134.9	(12.3)	
Cash and cash equivalents	11.5	11.5	(0.0)	
Notes and accounts receivable - trade	87.1	67.2	(19.8)	Seasonal factor, Bank holiday (December 31, 2013)
Inventories	34.3	39.1	4.7	
Other	14.2	17.0	2.7	
Fixed assets	469.4	472.4	3.0	
Fixed assets	360.4	361.3	0.8	
Goodwill	34.4	31.5	(2.8)	
Investments and other assets	74.5	79.5	5.0	
Total assets	616.7	607.4	(9.3)	
Current liabilities	227.3	210.9	(16.3)	
Notes and accounts payable - trade	35.9	33.9	(1.9)	
Short-term debt	88.6	80.7	(7.8)	
Deposits received	10.8	9.1	(1.6)	
Other	91.9	87.0	(4.9)	
Long-term liabilities	234.0	247.2	13.1	
Long-term debt	159.1	171.2	12.1	Issuance of bonds, Increase in long-term debt
Employees' retirement benefits	5.9	5.2	(0.6)	
Other	68.9	70.6	1.6	
Total liabilities	461.3	458.1	(3.2)	
Shareholders' equity	135.8	126.2	(9.6)	Distribution of dividends, Booking of a net loss during the third quarter
Accumulated other comprehensive income	15.7	19.4	3.6	
Minority interests	3.6	3.5	(0.1)	
Total net assets	155.3	149.2	(6.1)	
Total liabilities and net assets	616.7	607.4	(9.3)	

Financial Liabilities by segment

(billions of yen)

	December 31, 2013	September 30, 2014	Change	Primary Reasons
Japanese Alcoholic Beverages	38.4	40.8	2.3	
International	17.1	18.3	1.2	
Food & Soft Drinks	9.3	10.1	0.8	
Restaurants	0.0	0.0	0.0	
Real Estate	137.6	143.5	5.9	
Other	2.9	0.1	(2.7)	
Corporate and eliminations	42.3	38.9	(3.4)	
Total	247.8	252.0	4.2	

Overview of Segmentation Changes 2014

No change has been made to segmentation in the fiscal year ending December 31, 2014.
Reportable segment income refers to operating income. Equity-method affiliates are therefore omitted below.

2013 Segmentation		2014 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.
	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)		SHINSEIEN CO.,LTD.
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.		SILVER SPRINGS CITRUS, INC.
Food & Soft Drinks	POKKA SAPPORO FOOD & BEVERAGE LTD.	Food & Soft Drinks	POKKA SAPPORO FOOD & BEVERAGE LTD.
	POKKA CREATE CO., LTD.		POKKA CREATE CO., LTD.
	PS BEVERAGE LTD. (newly consolidated)		PS BEVERAGE LTD. *1
	STELLA BEVERAGE SERVICES CO., LTD.		STAR BEVERAGE SERVICE CO., LTD.
	SUNPOKKA CO., LTD		POKKA SAPPORO HOKKAIDO LTD. (newly consolidated)
	SUNPOKKA EAST CO., LTD *1		Pokka Corporation (Singapore) Pte. Ltd.
	TOKYO SUNPOKKA CO., LTD		Pokka International Pte. Ltd.*2
	KINKI SUNPOKKA CO., LTD		And another 10 companies
	STAR BEVERAGE SERVICE CO., LTD.		
	POKKA CORPORATION (SINGAPORE) PTE. LTD.		
	Pokka Sales & Marketing Pte. Ltd.*2		
	And another 10 companies		
Restaurants	SAPPORO LION LIMITED	Restaurants	SAPPORO LION LIMITED
	SAPPORO LION (SINGAPORE) PTE.LTD.		SAPPORO LION (SINGAPORE) PTE.LTD.
Real Estate	SAPPORO REAL ESTATE CO.,LTD. *3	Real Estate	SAPPORO REAL ESTATE CO.,LTD. *3
	YGP REAL ESTATE CO., LTD.		YGP REAL ESTATE CO., LTD.
	SAPPORO URBAN DEVELOPMENT CO., LTD. *3		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. *4		SAPPORO GROUP MANAGEMENT LTD.
	SAPPORO GROUP MANAGEMENT LTD.		SAPPORO GROUP LOGISTICS CO., LTD.
	SAPPORO GROUP LOGISTICS CO., LTD.		SAPPORO LOGISTICS SYSTEMS CO., LTD.
Corporate and eliminations	SAPPORO HOLDINGS LTD.	Corporate and eliminations	SAPPORO HOLDINGS LTD.
	SAPPORO GROUP MANAGEMENT LTD.		SAPPORO GROUP MANAGEMENT LTD.

*1. STELLA BEVERAGE SERVICES CO., LTD, SUNPOKKA CO., LTD, SUNPOKKA EAST CO., LTD, TOKYO SUNPOKKA CO., LTD, and KINKI SUNPOKKA CO., LTD were dissolved in an absorption-type merger with PS BEVERAGE LTD. on January 1, 2014.

*2. Pokka Sales & Marketing Pte. Ltd. was renamed Pokka International Pte. Ltd. on January 1, 2014.

*3. SAPPORO URBAN DEVELOPMENT CO., LTD. was dissolved in an absorption-type merger with SAPPORO REAL ESTATE CO., LTD. on April 1, 2014.

*4. SAPPORO FINE FOODS CO., LTD. was dissolved due to corporate liquidation on June 4, 2014.

Consolidated Forecasts (Year ending December 31, 2014)

*Forecasts are unchanged from the figures announced on August 5, 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	15.0	12.8	607.2%
Income before income taxes and minority interests	16.5	(1.4)	(17.9)	-
Income taxes	7.1	0.7	(6.4)	(90.2)%
Minority interests (loss)	(0.0)	(0.1)	(0.0)	-
Net Income	9.4	(2.0)	(11.4)	-

Condensed Consolidated Statements of Cash Flows

	Year ended December 31, 2013	Year ending December 31, 2014 (Forecast)	Change	Change (%)
Cash flows from operating activities	32.8	18.0	(14.8)	(45.2)%
Cash flows from investing activities	(13.2)	(27.0)	(13.7)	-
Free Cash flows	19.5	(9.0)	(28.5)	-

Sales Breakdown for Japanese Alcoholic Beverages

Sales (including liquor tax)

(billions of yen)

	Year ended December 31, 2013	Year ending December 31, 2014	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, 2013	Year ending December 31, 2014	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)

*Forecasts are unchanged from the figures announced on August 5, 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 +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 (SLEEMAN107%, Sapporo 112%)
	Marketing costs			(0.5)	SLEEMAN BREWERIES LTD., SAPPORO USA.,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)	Increase in production costs
	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)	
	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	
	Loss on impairment of property, plant and equipment	(0.4)	-	0.4	
	Additional liquor tax paid and other	-	(11.6)	(11.6)	
	Other extraordinary losses	(0.3)	(2.6)	(2.3)	
Extraordinary gains and losses		1.4	(15.0)	(16.4)	
Income before income taxes and minority interests		16.5	(1.4)	(17.9)	
Change in income taxes and minority interests (loss)		(7.1)	(0.6)	6.5	
Net income		9.4	(2.0)	(11.4)	

	Year ended December 31,2013	Year ending December 31,2014 (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)

*Forecasts are unchanged from the figures announced on August 5, 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	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	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.