



SAPPORO

SAPPORO HOLDINGS
Integrated Report

2025

Management Philosophy

**As an intrinsic part of people's lives,
Sapporo will contribute to
the evolution of creative,
enriching and rewarding lifestyles**

We have created unique brand experiences in terms of time and space using our assets of highly unique brands and connections with customers and communities.

We will remain closely in tune with the true essence of "enriching" as it changes with the times, and contribute to enriching nature, society and people for tomorrow and beyond.

Table of Contents

02 Editorial Policy

Introduction

- 03 History of the Sapporo Group
- 04 About the Sapporo Group
- 05 Process of Value Creation

Part 1

Management Strategy

- 07 Message from the President
- 12 Message from the Managing Director (Corporate Finance)
- 16 Overview of the Medium-Term Management Plan
- 17 Progress for Action Plan and KPIs
- 18 Message from the Managing Director (Corporate Planning)
- 20 Group Medium- to Long-Term Growth Strategy
- 22 Sustainability Material Issues
- 23 Outside Director Discussion

Part 2

Business Strategy

- 27 Domestic Alcoholic Beverages
- 31 Overseas Alcoholic Beverages
- 34 Food & Soft Drinks
- 35 Real Estate

Part 3

Management Platform

- 37 Human Resources Strategy
- 41 DX Strategy
- 43 R&D Strategy
- 44 Initiatives to Address Climate Change and Natural Capital (TCFD, TNFD)

Part 4

Governance

- 49 Corporate Governance Digest
- 50 Board of Directors, Directors Who Are Audit & Supervisory Committee Members, and Group Managing Officers
- 53 Corporate Governance
- 61 Dialogue with Investors and the Cycle of Feedback to Management
- 62 Risk Management
- 63 Respect for Human Rights

Part 5

Performance Data

- 65 Financial Results Summary
- 67 Financial Highlights
- 69 Non-financial Highlights
- 70 Ten-Year Summary of Financial and Non-financial Data
- 71 Corporate Data

Editorial Policy

In order to consistently enhance corporate value and achieve its Management Philosophy over the long term, the Sapporo Group is working to transform itself into a business entity that demonstrates its strengths to an even greater degree.

In the Integrated Report 2025, we report on the progress of the Medium-Term Management Plan 2023–2026. Furthermore, we report on our Medium- to Long-Term Management Policies and growth strategies with an eye to fiscal 2026.

In compiling this report, our cross-functional project team worked with other departments to collect information and draft the content found in this report.

Going forward, we will continue to utilize the integrated report as an engagement tool for all stakeholders, including shareholders and investors, while striving to improve our corporate value.

June 2025

Key Points in This Report

Related Content	
1	Sapporo Group's Medium to Long-Term Growth Strategies We are advancing five strategies founded in our new vision to become "a company that can create rich beer and consumer experiences on a global scale." ▶ p. 07 Message from the President ▶ p. 12 Message from the Managing Director (Corporate Finance) ▶ p. 18 Message from the Managing Director (Corporate Planning) ▶ p. 20 Group Medium- to Long-Term Growth Strategy ▶ p. 23 Outside Director Discussion
2	Executing the Medium-Term Management Plan Our business strategies are divided into "structural reforms" and "reinforcement/growth" for each business, with resources concentrated on the Alcoholic Beverages business. By improving the profitability of each business, we are steadily increasing core operating profit. ▶ p. 16 Medium-Term Management Plan ▶ p. 17 Progress for Action Plan and KPIs ▶ p. 27 Domestic Alcoholic Beverages ▶ p. 31 Overseas Alcoholic Beverages
3	Linking Business Strategies and Sustainability We have updated our sustainability material issues in light of the Sapporo Group's business structure transformation and future changes in the business environment. By working on these priorities in tandem with our business strategies, we aim to help bring about a sustainable society while enhancing corporate value. ▶ p. 22 Sustainability Material Issues ▶ p. 28 Feature 1 ▶ p. 29 Feature 2 ▶ p. 30 Feature 3 ▶ p. 33 Feature 5
4	Strengthening the Organization to Drive Strategies Forward We are working to strengthen our management foundation—namely, human resources, DX, and R&D—and our corporate governance for appropriately monitoring plan progress. ▶ p. 37 Human Resources Strategy ▶ p. 41 DX Strategy ▶ p. 43 R&D Strategy ▶ p. 53 Corporate Governance

Information Framework

Main Financial Media	Main Non-financial Media
Investor Relations Website https://www.sapporoholdings.jp/en/ir/	Sustainability Website https://www.sapporoholdings.jp/en/sustainability/
Securities Report (Japanese only) https://www.sapporoholdings.jp/ir/library/securities_report/	Sustainability Book https://www.sapporoholdings.jp/en/sustainability/sustainability_book/
Fact Book https://www.sapporoholdings.jp/en/ir/library/factbook/items/2025_05_factbook_en.pdf	Corporate Governance Report https://www.sapporoholdings.jp/en/sustainability/governance/policy/pdf/corporate_governance_report_2025.pdf
Financial Results Presentation Materials https://www.sapporoholdings.jp/en/ir/library/description/	ESG Data https://www.sapporoholdings.jp/en/sustainability/esg/

Period Covered

This report covers the fiscal year ended December 2024 (Jan. 1, 2024–Dec. 31, 2024). However, it may refer to events before or after this period as necessary.

Organizations Covered

Sapporo Holdings Limited and Group companies

Referenced Guidelines

- IFRS Foundation, International Integrated Reporting Framework
- Ministry of Economy, Trade and Industry, Guidance for Collaborative Value Creation 2.0
- GRI (Global Reporting Initiative), Sustainability Reporting Standards
- International Organization for Standardization, ISO 26000
- Ministry of the Environment, Environmental Reporting Guidelines 2018



Supported Initiatives

- UN Global Compact
- The SDGs (Sustainable Development Goals)
- The TCFD (The FSB's Task Force on Climate-related Financial Disclosures)
- The Task Force on Nature-related Financial Disclosures (TNFD)



Forward-Looking Statements

Statements in this integrated report with respect to the Company's forecasts, performance or otherwise, are based on the Company's judgments in light of the latest information available as of the publication of this report and contain potential risks and contingencies. For that reason, please be aware that, due to various changing factors, actual results may vary from the forecasts published in this report.

History of the Sapporo Group

Experiential value for an enriching beer experience, only found at the Sapporo Group

1876

Opened the Kaitakushi Brewery in Sapporo, Hokkaido


1956

Sapporo Beer made a comeback in Hokkaido

1964

Changed company name to Sapporo Beer Limited

1977

Released Sapporo Bin-Nama (would later become Sapporo Draft Beer Black Label)


2009

The first Yebisu Beer Festival was held

This festival, now held yearly under the name Yebisu Beer Holiday, offers inimitable, novel, and exciting experiences in Tokyo's Ebisu district, a place profoundly linked to the Yebisu brand.


2022

Ginza Lion Building was registered as a tangible cultural property

The Beer Hall Lion Ginza 7-chome inside this building is the oldest existing beer hall in Japan. Ginza Lion's beer offers a unique experience of enjoying beer steeped in history and tradition.

1876
1900
1960
1980
2000
2020
1887

Established Nippon Beer Jozo Co., Ltd. in Ginza, Tokyo

1889

Completed Yebisu Beer Brewery

1890

Launched Yebisu Beer

1899

Opened Yebisu Beer Hall, Japan's first beer hall in Ginza, Tokyo



This, Japan's first beer hall, was designed to promote Yebisu Beer. Word of the brand's outstanding taste spread quickly thanks to guests experiencing draft beer shipped straight from the factory.


1985

Released Sapporo Classic exclusively in Hokkaido

1987

Opened the Sapporo Beer Museum

Japan's first museum dedicated to beer is housed in a red-brick building designated as a Hokkaido Heritage site for its Meiji-era architecture. Visitors can enjoy rare recreated beers while immersing themselves in the history of Hokkaido and beer.


1993

Completed construction of Sapporo Factory commercial complex on the former site of Sapporo Brewery

1994

Completed construction of Yebisu Garden Place on the former site of Yebisu Brewery

2016

Completed construction of Ginza Place

2019

Opened Sapporo Draft Beer Black Label THE BAR

This beer bar is thoroughly committed to the quality of its "perfect draft" offerings. We pay careful attention during brewing, distribution, and sales, and offer three types of Black Label, each poured in different ways.


2024

Opened Yebisu Brewery Tokyo

This brewery represents a hub for new ways of experiencing the Yebisu brand. It also features a brewery where Yebisu Beer is brewed, and allows visitors to experience the personality and story of the Yebisu brand in real time through all five senses.



About the Sapporo Group

Creating enriching and rewarding lifestyles with unique brand experiences, focused on the Alcoholic Beverages business

Alcoholic Beverages

The Sapporo Group provides alcoholic beverages such as beer and ready-to-drink beverages (RTDs), centered on core brands such as Black Label and Yebisu in Japan, and Sapporo Premium Beer overseas. In this business, our goal is to be a “brand company with individuality” that leads the beer market into the future, leveraging our diverse beer brands with their own unique histories and stories.

Net sales

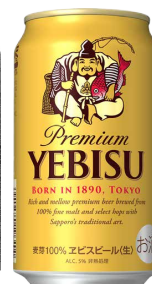
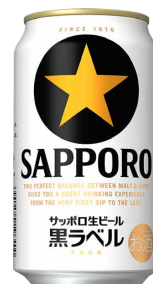
¥388.2 billion

Countries where Sapporo is sold

45

Share among Asian beer brands in the U.S.

No. 1 for
39 consecutive years



Food & Soft Drinks

The Sapporo Group is engaged in businesses for soft drinks, soups, and other projects, with a focus on the lemon business represented by the Pokka Lemon brand. While also valuing our connections with the local community, we are working to provide our customers with enjoyable and happy times through food.

Net sales

¥117.9 billion

Countries where Sapporo is sold

Approx. 60



Real Estate

We are involved in real estate management, operation, and development, mainly in the city of Sapporo and Tokyo's Ginza and Ebisu areas, which are closely tied to our Group. Through community development that is integrated with the Group's brand, we help to build sustainable local communities by creating and nurturing rich times and spaces.

Net sales

¥24.6 billion



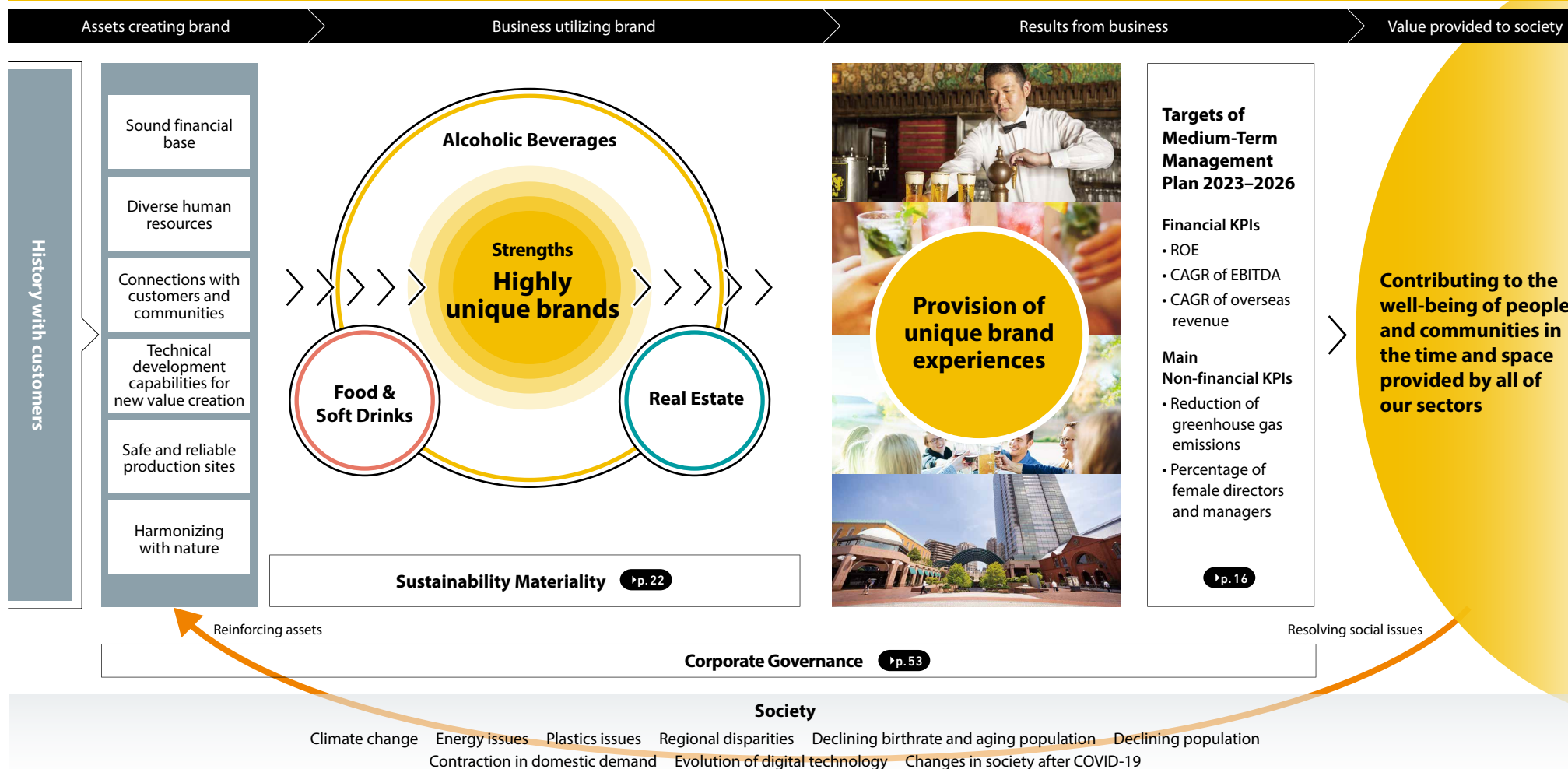
Process of Value Creation

Constantly contributing to the well-being of people and communities with our portfolio of highly unique brands

The Sapporo Group provides truly unique brand experiences through close collaboration between its Alcoholic Beverages, Food & Soft Drinks, and Real Estate sectors centered around a portfolio of highly unique brands that have withstood the test of time.

This enables us to contribute to the well-being of people and communities, which in turn will lead to the realization of our management philosophy.

Management Philosophy: As an intrinsic part of people's lives, Sapporo will contribute to the evolution of creative, enriching and rewarding lifestyles



Management Strategy

07	Message from the President
12	Message from the Managing Director (Corporate Finance)
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22	Sustainability Material Issues
23	Outside Director Discussion

Part 1

Message from the President

We will engage stakeholders sincerely and build understanding and trust as we execute our growth strategy.

Hiroshi Tokimatsu

President and Representative Director
Sapporo Holdings Limited

Regarding My Appointment as President

My mission as president is to ensure we fully execute the Group Medium- to Long-Term Growth Strategy

The Sapporo Group is at a major turning point. In February 2024, we announced our Medium- to Long-Term Management Policies for Increasing Group-wide Corporate Value to guide us beyond the Medium-Term Management Plan 2023–2026, setting a clear path to reshape our business structure around the Alcoholic Beverages business. In February 2025, we followed with the Group Medium- to Long-Term Growth Strategy to put that plan into action. I became President and Representative Director of Sapporo Holdings in March 2025, at the start of this transformation. My mission is to raise the Group's corporate value by steadily and swiftly executing the Medium- to Long-Term Management Policies and Growth Strategy.

I have held management roles in the Alcoholic Beverages, Food & Soft Drinks, and Real Estate businesses—an experience shared by few within the Group. I believe that background will be an asset for advancing our growth strategy. As a manager, I have prioritized mutual respect, empathy, helping one another, and co-creation. I believe these values are essential for an organization to reach its full potential. When we respect each other, share and understand opinions and viewpoints, and cooperate with one another, we can create new value together.

As president of the Sapporo Group, I will lead with this

Message from the President

approach, engaging sincerely with Group employees, business partners, customers, shareholders, investors, and all stakeholders to gain their understanding and trust as we execute our medium- to long-term management policy and growth strategies.

Progress of the Medium-Term Management Plan

Medium-Term Management Plan progressing steadily, on target to attain 8% ROE in fiscal 2026

Medium-Term Management Plan 2023–2026 (→ p. 16) is focused on structural reform and strengthening profitability and growth with primary objectives of improving profitability and capital efficiency.

The restructuring of our businesses has made significant progress over the past two years, particularly in the Domestic Food & Soft Drinks business. Pokka Sapporo, where I was president, is a prime example of the progress. Profitability at the company significantly improved after structural reforms, which included reducing waste by lowering the SKU*,

improving the unit cost of variable selling expenses, and reducing costs associated with business transfers. These changes allowed us to concentrate management resources on the lemon business.

Efforts to strengthen Domestic Alcoholic Beverages business profitability and generate growth have enabled the business, led by the Black Label brand, to consistently grow at a faster pace than the market. We also were expecting the Overseas Alcoholic Beverages business to increase, but it ultimately recorded an impairment loss on Stone Brewing. We take that outcome as a serious matter to consider as we proceed with fundamental structural reforms of the Medium-Term Management Plan.

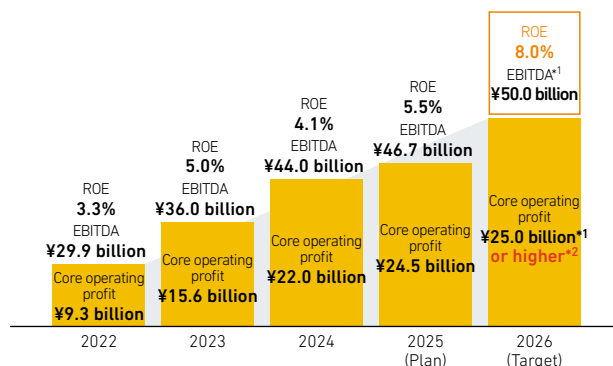
Core operating profit, which we use as an indicator for business profitability, has surpassed our initial expectations for all but the Overseas Alcoholic Beverages business. We consider 8% ROE, which we use as an indicator of our overall business efficiency, to be fully achievable for our fiscal 2026 target year.

* SKU: Stock Keeping Unit. The smallest unit for managing inventories.

Medium- to Long-Term Management Policies and Strategies Becoming a company creating rich beer and consumer experiences on a global scale

We have had core operating profit margins and ROE have been low, averaging 2.5% and 3.0% respectively, for 10 years. In addition, our management resources have become thinner as our businesses became more diversified, leading to internal competition for investment funds. Taking into account this situation and opportunities going forward, in February 2024 we clarified the Group's vision for the future by introducing the Medium- to Long-Term Management Policies for Increasing Group-wide Corporate Value. The policies are to focus on our Domestic and Overseas Alcoholic Beverages businesses as core businesses and concentrating management resources on growth areas, to inject external capital into the Real Estate business, and to restructure organizations and management approaches to enhance our ability to implement transformation. These changes are aimed at improving our capital efficiency and raising ROE to at least 10%.

Core Operating Profit, EBITDA, and ROE



*1 A standard used to measure achievement of financial targets (Adopted with the Medium-Term Management Plan)

*2 Striving to achieve, including the potential upside in core operating profit since the formulation of the Medium-Term Management Plan

Medium- to Long-Term Management Policies and Growth Strategy

Identified issues

- 1. Lower than expected profitability**
The average business profit margin and the average ROE over a ten-year period (2013–2022) were as low as 2.5% and 3.0%.
- 2. Diversified business portfolio**
Our diversified business portfolio has led to a dispersion of management resources and internal competition for investment.
- 3. Necessity of a medium- to long-term goal**
The Company would benefit from defining a clear medium- to long-term management policy for the Group beyond the current Medium-Term Management Plan.

Medium- to Long-Term Management Policies (February 2024)

- Focusing on our Domestic and International Alcoholic Beverages businesses as core businesses and concentrating management resources on growth areas
- Improving ability to implement change by restructuring the organizational structure and management
- Making improving capital efficiency a priority and aiming to raise ROE to at least 10%

Group Medium- to Long-Term Growth Strategy (February 2025)

- Strategy 1 Bonds with Community
- Strategy 2 Healthier Choice
- Strategy 3 Efficient Foundation
- Strategy 4 Strategic Alliance
- Strategy 5 Inorganic Growth

Medium- to Long-Term Vision

A company that can create rich beer and consumer experiences on a global scale

Message from the President

To further ensure the plan's success, in February 2025, we announced the Group Medium- to Long-Term Growth Strategy, set five strategic frameworks (→ p. 20), and introduced the Group Medium- to Long-Term Vision to be “a company that can create rich beer and consumer experiences on a global scale.” This vision reflects our management philosophy of “As an intrinsic part of people's lives, Sapporo will contribute to the evolution of creative, enriching and rewarding lifestyles,” and our dedication to presenting alcoholic beverages as not just drinks to enjoy, but also as providing exciting experiences and offering new forms of enjoyment that enrich people's lives. Fulfilling this will require not just engaging with customers in the Alcoholic Beverages business, but by linking with the Restaurants and Real Estate businesses to create new communication points where customers enjoy alcoholic beverages. This vision embodies our desire to create unique and rich beer and consumer experiences on a global scale

Raising the Domestic Alcoholic Beverages business core operating profit margin to 10% by 2030

In 2024, the Domestic Alcoholic Beverages business increased its core operating profit margin to 6%, driven by strong Black Label sales. We expect the upcoming 2026 liquor tax revision, which will introduce a unified tax rate for beer-type beverages, is expected to trigger a shift in demand toward higher-margin beer products and provide a strong boost earnings. In the beer-type beverage category, our beer lineup is particularly strong, with a 78% beer composition ratio in 2024, well above the industry average. To capitalize on this, we plan to double marketing investment in our core Black Label and Yebisu brands by 2030 with the aim of capturing a 25% share of the domestic beer market.

We will also use our assets in the Restaurants and Real Estate businesses to increase customer contact points. These assets include Yebisu Brewery Tokyo, which opened in Yebisu Garden Place in April 2024 and exceeded visitor volume expectations, and the Sapporo Beer Museum and Sapporo Bier Garten in Sapporo, which have been well received by many customers. Plans are underway to further enrich the brand experiences for many of our products (→ p. 28).

We also recognize the need to strengthen our other beverage offerings in the ready-to-drink (RTD), non-alcoholic beverage, and other categories. Both of these markets are expanding, and I believe there is still much room to grow. Lemon Chu-hai (lemon-flavored shochu drink) currently dominates our RTD portfolio, and we are bringing together group companies to broaden its appeal, such as the joint product development started by Sapporo Breweries and Pokka Sapporo in 2024. We are also pursuing alliances and M&A to strengthen weaknesses in our business capabilities and investing in constructing supply chains to fortify our businesses in growth areas.

These growth strategies are aimed at achieving a 10% core operating profit margin for all domestic non-beer alcoholic beverages by 2030.

Rebuilding the Overseas Alcoholic Beverages business through structural and management reform

We have set the Overseas Alcoholic Beverages business as the primary driver for the Group's medium- to long-term business growth. In the United States, one of our major markets, we acquired Stone Brewing in 2022 and used its production operations as the base to commence local production and sales of Sapporo brand products. These moves are starting to produce synergy effects, including accelerating growth of



Sapporo Premium Beer in the U.S. and decreasing overseas transport costs (→ p. 32). However, the Alcoholic Beverages business profitability decreased significantly in the U.S. The main causes were a drop in sales of Stone brand products due to a stagnating market for craft beer, rapidly rising costs for raw materials, labor, and in other areas, and higher-than-expected costs to integrate the production and logistics operations. Due to the difficulty making improvements in a short period and the significant deviation from the original plan, we revised the plan for the fiscal year ended December 2024 to include an impairment loss.

Restructuring the U.S. business is an urgent issue. We are implementing structural reforms to optimize production base utilization, improve production efficiency by replacing SKUs, and streamline logistics and personnel. In January 2025, we overhauled overseas business management by establishing

Message from the President

the International Management Committee, consolidating control of the Overseas Alcoholic Beverages business, previously overseen by the Sapporo Brewery Management Committee, under the holding company.

The structural reform of the overseas business is continuing with the aim of achieving positive EBITDA by the end of 2026. We are also strengthening and expanding the Sapporo brand to shift to a growth trajectory starting in 2027.

Injecting external capital into the Real Estate business to support Alcoholic Beverages business growth

A key theme in our Medium- to Long-Term Management Policies and Growth Strategy is injecting external capital to develop the Real Estate business. Our primary strategy for

improving capital profitability and enhancing Group value is to concentrate management resources on growth areas, centered on the Alcoholic Beverages business. Part of this strategy is to inject external capital to develop the Real Estate business as a way to generate funds for further growth investment in the Alcoholic Beverages business. We also believe the Real Estate business can become stronger by bringing in capital and expertise of external strategic partners that will increase the value of its properties.

Flagship properties like Yebisu Garden Place where customers can fully experience the Sapporo brand are vital to the Alcoholic Beverages business. Therefore, while bringing in external capital, we intend to stay involved in some form in the operations of those facilities.

We have received proposals from numerous domestic and overseas companies and funds about investing in our

properties. We are exploring our options, foremost of which would be transferring share ownership of Sapporo Real Estate, which owns Yebisu Garden Place, and plan to decide by the end of 2025.

Transitioning to a mixed holding company format and responding to management issues in Japan and overseas

We are preparing to transition from the current pure holding company format to a mixed holding company, which will be the optimal organizational structure for implementing the Group Medium- to Long-Term Growth Strategy.

With the transition, we will reorganize the corporate structure to ensure our businesses can make the highest quality management decision for their specific issues in Japan and overseas. We will have centralized corporate functions providing a common management foundation for domestic and overseas divisions with their own headquarters for alcoholic beverages, food & soft drinks, restaurants, and Group company subsidiaries.

When this transition will be fully realized will depend on the decision to inject external capital into the Real Estate business, but we intend to begin preparation in September of this year with the aim of transitioning as early as July 2026.

Future Measures for the U.S. Business



Fortifying the Management Base for Better Strategy Execution Strengthening our growth strategy execution with input from outside directors

We believe corporate governance is a foundation that will enable us to raise our corporate value in the medium and long term. One of the key ways we are strengthening governance is by actively incorporating diverse external

Message from the President

perspectives and opinions that are essential for the objectivity needed for high-quality management decisions and business operations.

My sense is that our internal perspective has played a dominant role in past decision-making about M&A execution, portfolio management, and relationships with capital markets. To provide better balance, in September 2023 we created the Group Strategy Review Committee, which includes several external experts, and outlined the Medium- to Long-Term Management Policies. We built on this further in March 2024 by bringing in three additional outside directors with expertise and knowledge in M&A, capital markets, consumer goods, and other areas. This raised the percentage of non-company members on the Board of Directors above 60% and dramatically improved the quality of the Board's discussions.

Prior to becoming President, I gained valuable insight from discussions with outside directors, including those on the Audit & Supervisory Committee, who shared their views from their wide ranges of knowledge and experience. I look forward to their continued input and different perspectives on our business activities as we implement the Group Medium- to Long-Term Growth Strategy.

External perspectives are important not only for the holding company but also for the operating companies. Creating new value and growing our business will require moving beyond traditional concepts and models and actively embracing diverse views and fresh ideas. I aim to establish a structure for the business sites to incorporate outside opinions and proposals, such as by providing opportunities for direct interchanges between the outside directors and operating companies.

Further developing our human capital to remain a sustainable corporate group

For the Sapporo Group to continue to be an indispensable presence in society, we must ensure the Group Medium- to Long-Term Growth Strategy establishes sustainable business growth and produces sustainability management capable of changing with the evolving society and the times.

Our aim is to “contribute to the well-being of people and communities in the time and space provided by all of our businesses” supported by the nine sustainability material issues covering the themes of “Harmony with the environment,” “Co-prosperity with society” and “Active participation of diverse human resources” (→ p. 22).

One way we are fulfilling this aim is by developing varieties of beer ingredients adapted to climate change (→ p. 29). Individuals in charge of ingredient development identify climate-related elements of ingredients currently being researched and proposes ideas for developing beer ingredients that would bring new value. To effectively address sustainability challenges, we need human resources who can anticipate and proactively address potential issues.

I understand that it is human resources that find solutions for every issue we face, and therefore consider enhancing our “human assets” to be the highest priority for both our growth strategy and our sustainability management. We also want our employees to see that increasing their own value as an employee raises the value of the Company and ultimately provides returns for themselves, our shareholders, and the capital markets.

We are presently implementing human resource strategies to develop management, global, DX, and IT human resources and will continue actively investing to cultivate our human assets as we seek to establish the sustainability of the Group (→ p. 37).

Accelerating our transformation by converting all employees to DX human resources

In 2022, we set a goal of training all employees to be DX human resources to create a force of fully developed DX and IT personnel. In two years, we raised the basic DX literacy of some 6,000 Group employees and trained 200 core DX human resources (→ p. 41).

Still, while digital technology is one tool for transforming our business, we need more tools to bring about real transformation. To realize our business transformation, we will continue increasing our ranks of human resources with transformation skills and, at the same time, myself and all management will become more strongly committed to advancing our DX.

As a global group led by our Alcoholic Beverages business, we are working to create new value through the implementation of our Medium- to Long-Term Growth Strategy. We aim to enhance our corporate value by meeting the expectations of all our stakeholders—customers, shareholders, investors, employees, business partners, and local communities. We appreciate your continued support as the Sapporo Group undertakes this business transformation.

Message from the Managing Director (Corporate Finance)

Concentrating management resources into the Alcoholic Beverages business to improve capital return and corporate value



Yoshitada Matsude

Executive Managing Director
Sapporo Holdings Limited

Progress of the Medium-Term Management Plan Financial Strategies Structural reform and growth strategies are steadily improving profitability

The financial strategy of the Medium-Term Management Plan emphasizes sustainable growth and capital efficiency. When the plan launched in fiscal 2023, the initial challenges were the low capital return rate and a weak commitment to achieving the plan targets.

The drive to improve capital return is being led by initiatives specifically aimed at improving profitability and bringing about structural reform. The initiatives to boost profitability by strengthening the beer business and for structural reform by reformulating the business portfolio during the past two years have produced steadily improving capital return and put us on track to achieve our target for 8% ROE in fiscal 2026.

Our commitment to executing the plan is demonstrated by our successful attainment of the initial revenue and core operating profit targets set for fiscal 2023 and 2024, along

with our determination to continue improving in both areas.

At the same time, the overseas revenue compound annual growth rate (CAGR) and core operating profit margins of our overseas businesses have fallen short of our targets, and the U.S. business, which we had positioned as a growth driver, has encountered several issues. We recorded an impairment loss on goodwill associated with Stone Brewing, which we acquired in August 2022, as profit deteriorated amid high inflation and a sluggish market for craft beer in the U.S. as

Basic Policy on Financial Strategy

Promoting financial strategy focused on sustainable growth and capital efficiency to enhance corporate value

- Aim to achieve the fiscal 2026 financial targets of the Medium-Term Management Plan, including ROE of 8% or more and average annual growth near 10% in overseas revenue and EBITDA
- Promote both investment in growth and shareholder returns based on the cash allocation policy

Progress on Financial Targets

	FY2022 results	FY2023 results	FY2024 results	FY2025 plan	FY2026 targets*2
ROE	3.3%	5.0%	4.1%	5.5%	8.0%
Core operating profit*1	¥9.3 billion	¥15.6 billion	¥22.0 billion	¥24.5 billion	¥25.0 billion
EBITDA (CAGR)	—	20.6%	21.4%	16.0%	Around 10%
EBITDA*1	¥29.9 billion	¥36.0 billion	¥44.0 billion	¥46.7 billion	¥50.0 billion
Overseas revenue (CAGR)	—	17.0%	12.1%	8.4%	Around 10%
Overseas revenue*1	¥102.2 billion	¥119.6 billion	¥128.5 billion	¥130.3 billion	¥140.0 billion

*1 A standard used to measure achievement of financial targets

*2 The FY2026 Medium-Term Management Plan targets remain unchanged since its formulation.

Message from the Managing Director (Corporate Finance)

well as an increase in integration costs. We are currently reestablishing the U.S. business by implementing cost structure reform, including streamlining the local production and logistics systems and optimizing SKU mixes, and by formulating a structure supporting quicker and more effective management decisions (→ p. 10).

Emerging results from ROIC-centered business portfolio management

The medium-term management plan positions ROIC as the primary indicator for improving capital profitability, and we are using it in all aspects of our business portfolio evaluations and management. For each business, we have set benchmark

Core Operating Profit Margin Progress and Targets for Each Business Segment

	FY2022 results	FY2024 results	FY2025 plan	FY2026 outlook*2	FY2026 targets*3
Domestic Alcoholic Beverages	3.5%	6.0%	7.0%	7.5%	5.7%
Overseas Alcoholic Beverages	(0.4%)	0.4%	0.4%	2.8%	6.2%
Restaurants	(3.3%)	9.3%	9.1%	9.0%	5.0%
Domestic Food & Soft Drinks	0.9%	2.5%	3.4%	4.4%	3.8%
Overseas Beverages	3.6%	4.3%	4.7%	5.6%	5.0%
Real Estate*1	4.9%	5.5%	5.2%	6.0%	5.7%

*1 EBITDA-based ROA

*2 Projections as of end-fiscal 2024

*3 The FY2026 Medium-Term Management Plan targets remain unchanged since its formulation.

ROIC levels to use as hurdle rates based on the weighted average cost of capital (WACC) of their country of operation and business field. The business companies use the ROIC amounts to calculate profit targets and break down the ROIC elements to set KPIs for their business strategies and action plans.

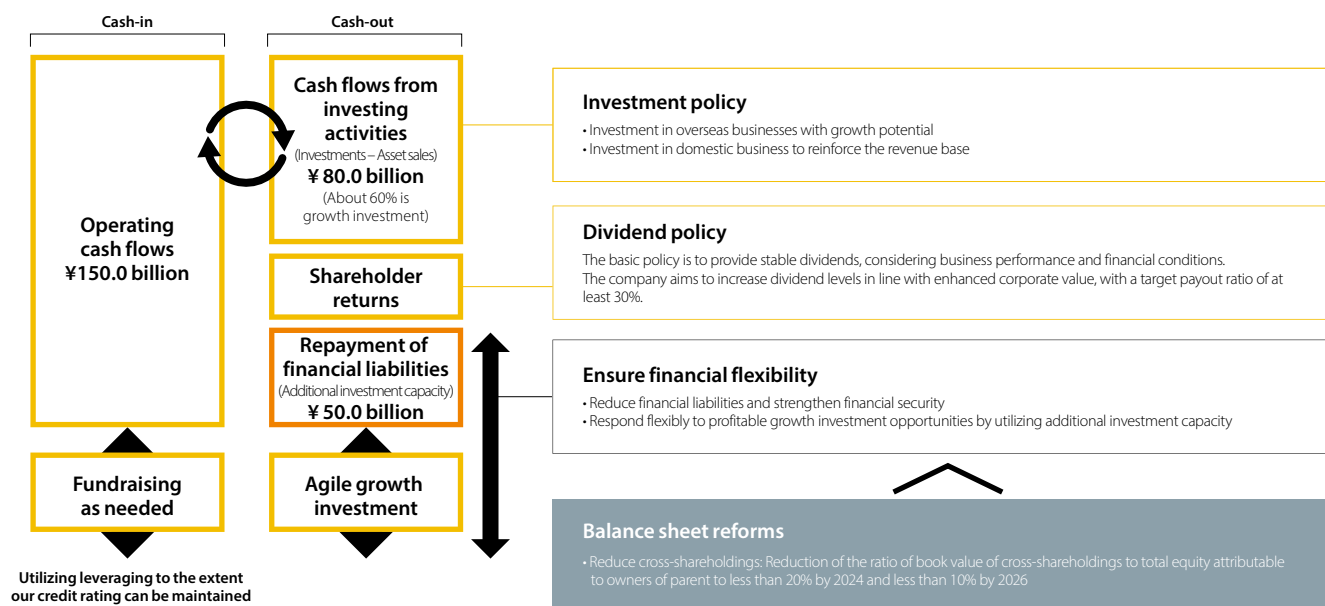
This ROIC-centered management has yielded several achievements in the past two years through structural reforms in inventory management, SKU redefinition, business restructuring, and production base reorganization.

Stepping up balance sheet reform centered on divesting cross-shareholdings

We also progressed with balance sheet reforms by reviewing our asset holdings and steadily reducing cross-shareholdings. In fiscal 2024, we divested 19.7 billion yen worth of holdings in 19 companies, bringing total divestments in the past two years to approximately 25 billion yen. The cross-shareholdings ratio declined from 27% in fiscal 2023 to 16%, achieving the fiscal 2024 target to be below 20%.

We are aiming to continue lowering the cross-shareholdings ratio to below 10% by fiscal 2026. Our plan is to continue reducing cross-shareholdings and use the proceeds to ensure financial flexibility, reduce financial debt, and invest in growth (→ p. 60).

Cash Allocation During the Four-Year Period (FY2023–FY2026 Plan)



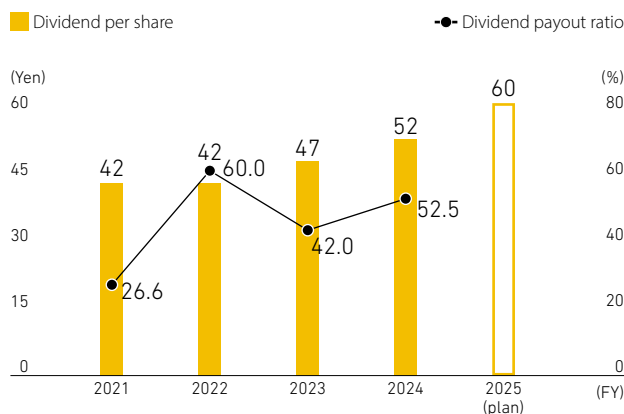
Message from the Managing Director (Corporate Finance)

Aiming to raise the dividend as our profit grows

Driven by higher core operating profit, we raised the dividend to 52 yen per share in fiscal 2024, a 5-yen increase from the previous year. For fiscal 2025, we plan to raise it by a further 8 yen, to 60 yen per share, marking the third consecutive year of dividend growth.

Our basic policy is to maintain stable dividends with a payout ratio of at least 30%. We have consistently met or exceeded this target and remain committed to increasing the ratio as profitability continues to improve.

Dividend per Share / Dividend Payout Ratio



The Medium- to Long-Term Financial Strategy

Concentrating management resources in the Alcoholic Beverages business and aiming for 10% ROE

The Group Medium- to Long-Term Growth Strategy announced in February 2025 sets a long-term ROE target of 10% or higher. Effectively allocating our cash will be essential for achieving this goal. While we are still formulating the specific measures, our basic approach is to enhance corporate value over the medium to long term by concentrating resources in the Alcoholic Beverages business. We plan to take the Real Estate business off the balance sheet and redeploy the proceeds to strengthen our marketing, M&A, and other measures to expand the Alcoholic Beverages business in Japan and worldwide. Detailed measures and timelines for injecting external capital into Real Estate will be finalized by the end of fiscal 2025.

We expect the resulting increase in equity from off-balance sheet funding to temporarily dilute ROE. However, we see this as a necessary transition. By linking increased profitability with investment for growth, we aim to achieve a CAGR of 10% in core operating profit by 2030 and raise ROE above 10% over time.

Strengthening the business execution structure in preparation for major investments for future growth

We will consider M&A opportunities and large investments for the further growth of our business. Cognizant of our past M&A efforts overseas that ultimately resulted in impairment losses, we believe it is necessary to make two fundamental changes in our approach.

The first change is to strengthen our corps of M&A personnel and processes. We are preparing to train and increase staff with knowledge and experience in overseas

business and M&A and formulating and fortifying processes that will improve our ability to execute effective and timely M&A activities.

The second change is to strengthen our system for monitoring and evaluating the M&A process. We have taken several steps for this in recent years, including appointing outside directors with expertise in M&A, overseas business, and finance. We now have a well-balanced composition of directors capable of providing a multifaceted perspective on our activities. We have also added signal charts based on our KPIs as one of the mechanisms for measuring our progress, thereby enabling the holdings company management to promptly respond to problems in or delays in progress. We will continue using these systems and mechanisms to improve the quality of our M&A monitoring and evaluation efforts from initiation through post-merger integration.

Fulfilling Capital Market Expectations

Reducing capital costs by strengthening sustainability management and stakeholder relations

We are also advancing initiatives to lower capital costs as a foundation for stable operations over the medium to long term.

One such initiative is to implement sustainability management centered on material issues (materiality) to identify and appropriately respond to risks and opportunities for continuing growth as an alcoholic beverage maker (→ p. 22).

Expanding and strengthening our investor and stakeholder relations is another important theme. We are working to narrow the information gap with our shareholders and investors and deepen their understanding of our management. In fiscal 2024, we increased meetings with shareholders and investors by approximately 40% from the

Message from the Managing Director (Corporate Finance)

previous year to 205. We proactively reach out to set up meetings with investors and provide timely and diverse information to them. We are also enhancing overseas investor relations efforts by increasing contact points and engaging with investors locally in person. We will continue to actively providing opportunities for dialogue to strengthen trust with shareholders and investors (→ p.61).

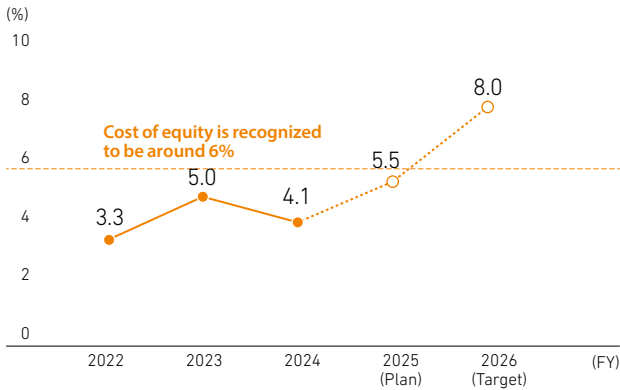
Further enhance our corporate value during the Group's transformation

The Company's current price-to-book ratio is approximately three times. We have clarified how we will be enhancing our corporate value by presenting the Medium-Term Management Plan in 2023, the Medium- to Long-Term Management Policies in 2024, and the Group Medium- to Long-Term Growth Strategy in 2025. We believe the expectations the capital markets have for these policies and strategies are reflected in the rising trend in our share price over the past three years.

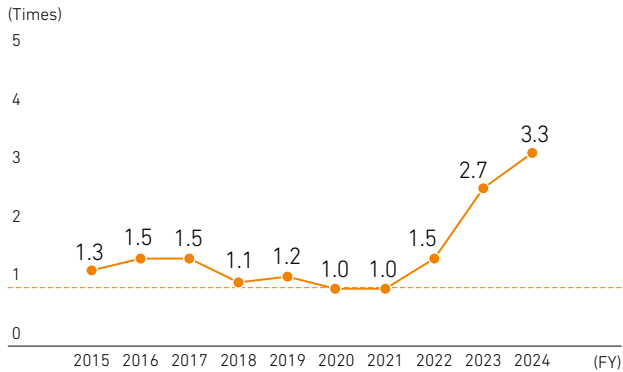
To turn those expectations into trust, we believe it is essential to complete the Medium-Term Management Plan (2023–2026) and achieve the ROE target of 8%. At the same time, we will swiftly advance the Group Medium- to Long-Term Growth Strategy to drive further business growth and improve capital profitability.

The Sapporo Group is in a transition period during which we are reforming our structure to make our robust Alcoholic Beverages business the core driver for ongoing growth. We appreciate shareholders and investors' understanding of our strategy for enhancing corporate value over the medium to long term, and we appreciate your continued support and expectations for our success.

Targeting 8% ROE in Fiscal 2026



Price-to-Book Ratio Sustained Above 1 for 10 Years



Initiatives for Increasing ROIC and Reducing the Cost of Capital



Overview of the Medium-Term Management Plan

Business, financial, and sustainability strategies to drive continuing growth

The Medium-Term Management Plan in effect from 2023 to 2026 sets three central strategies—the business strategy, financial strategy, and sustainability—for transforming our business structure and building a foundation for sustainable growth.

The business strategy includes reorganizing the business portfolio to clarify the issues that each business is facing. Planned structural reforms, including the dissolution of U.S.-based Anchor Brewing and transferral of the plant-based yogurt business, were generally completed by the end of fiscal 2024. In fiscal 2025, we will begin an extensive structural reform of U.S.-based Stone Brewing to address its downturn in profitability, continue improving the cash generation capabilities and capital efficiency of all businesses in Japan and overseas, and concentrate management resources into growth areas, particularly the Alcoholic Beverages business.

The financial strategy will focus on promoting business growth by prioritizing investment in the Alcoholic Beverages business in balance with cash flows from operating activities and while maintaining a fundamental policy of ensuring financial soundness at a level that maintains the current credit rating. Our shareholder return policy will include raising the dividend amount in line with profit growth.

The top priorities of our sustainability initiatives are “realization of a decarbonized society,” “mutual prosperity with local communities,” and “active participation of diverse human resources.” To these we have added “realization of a society in harmony with nature” and “promotion of responsible drinking.”

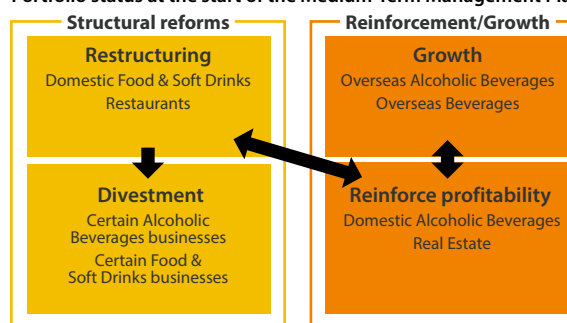
We will continue to work in partnership with Sapporo Group employees and stakeholders around the world to create social and economic value that contributes to a sustainable society.

Overview of the Medium-Term Management Plan 2023–2026

Business strategy ▶p.26	Financial strategy ▶p.12	Sustainability ▶p.22
- Revise business portfolio - Accelerate growth of overseas businesses - Strengthen profitability in core businesses KPIs Core operating profit margin* Domestic Alcoholic Beverages ... 5.7% (7.5%) Overseas Alcoholic Beverages ... 6.2% (2.8%) Restaurants 5.0% (9.0%) Domestic Food & Soft Drinks ... 3.8% (4.4%) Overseas Beverages 5.0% (5.6%) ROA (EBITDA basis)* Real Estate 5.7% (6.0%) * Figures in parentheses are forecasts for 2026 as of the end of fiscal 2024.	- Focus on sustainable growth and capital efficiency - Returns exceeding cost of capital - Strengthening cash generation - Cash allocation to support growth KPIs ROE 8.0% EBITDA compound average growth rate (CAGR) approx. 10% Overseas revenue compound average growth rate (CAGR) approx. 10%	- Realization of a decarbonized society - Realization of a society in harmony with nature - Mutual prosperity with local communities - Promotion of responsible drinking - Active participation of diverse human resources Main KPIs Reduce greenhouse gas emissions (both compared to 2022) Scope 1 and 2 ... 42% reduction by 2030 Scope 3 25% reduction by 2030 Percentage of female directors and managers 12% or more
Management platform	Human resources ▶p.37	DX ▶p.41
		R&D ▶p.43

Status of Business Portfolio Reorganization

Portfolio status at the start of the Medium-Term Management Plan



Primary results and issues through fiscal 2024

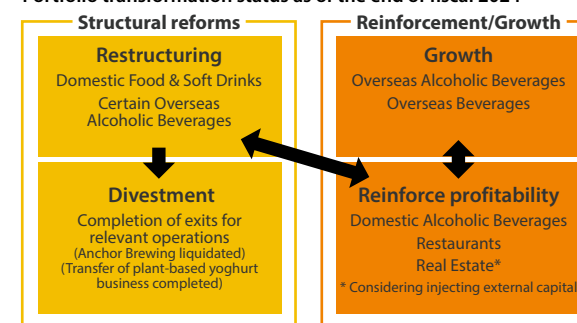
Restructuring: Structural reforms in the Restaurants segment have been completed.

Divestment: Business exits for certain alcoholic beverages (Anchor Brewing) and a part of the Food & Soft Drinks segment (plant-based yogurt) have been completed.

Growth: Recording of impairment loss and commencement of structural reforms in Overseas Alcoholic Beverages (U.S. business).

Reinforce profitability: Initiation of the process to inject external capital into the Real Estate business.

Portfolio transformation status as of the end of fiscal 2024



Progress for Action Plan and KPIs

Business domain	Business segment	Action plan/KPIs	FY2024 (results)	FY2025 (plan)	FY2026 (targets)	FY2024 initiatives
Growth	Overseas Alcoholic Beverages	Stone Brewing acquisition synergy / Sapporo brand growth Sapporo brand sales volume	8.83 million cases	9.57 million cases	10 million cases	Sales rose in the United States and grew steadily in Vietnam and the APAC and other regions.
		Cost synergies*1 (vs. 2022)	\$10 million	\$13 million	\$15 million	The U.S. production system construction was completed, generating synergies, but structural reforms are needed due to declining profitability from cost inflation and other factors.
	Overseas Beverages	Sales growth Overseas sales value*2*3 (vs. 2022)	-4.1%	+6.7%	+10%	Singapore sales declined due mainly to intensifying price competition. Malaysia sales rose sharply supported by the fortified sales structure.
Reinforce profitability	Domestic Alcoholic Beverages	Reinforcement of beer business / Improving profitability of beer-type beverages Reinforcement of beer business: Beer composition ratio	78%	83%	79%	Fortifying the Black Label and other beer brands generated sales growth that outpaced the market and increased the sales ratio of high-profit beer brands. We have already achieved the target for fiscal 2026 and are monitoring our performance to maintain the momentum and continue strengthening our performance.
		Improving profitability: Selling price excluding alcohol tax (vs. 2022)	+12%	+20%	+11%	Profitability improved from a better product mix and price revisions. The target for fiscal 2026 has already been reached, and we are monitoring our performance to maintain and further improve profitability.
		RTD business growth and production streamlining, etc. RTD business growth: RTD (can) sales value (vs. 2022)	+27%	+37%	+74%	Efforts to strengthen key brands led to a fourth straight year of record sales despite sluggish sales of new products released in the previous year and below-plan results.
		Production streamlining: In-house production rate	93%	98%	88%	The ratio of in-house manufacturing has improved significantly, and we have achieved our fiscal 2026 target ahead of schedule. We are monitoring our performance to maintain and increase the in-house manufacturing ratio.
	Real Estate	Increase value of Yebisu Garden Place Rate of increase in average rent (vs. 2022)	+2.9%	+2.9%	+2.5%	Events such as the Yebisu Garden Place 30th anniversary and other initiatives helped boost property values and supported an increase in unit rental prices.
Restructuring	Overseas Alcoholic Beverages	Cost structure reforms (vs. 2024)	—	\$5 million	\$15 million	Starting in fiscal 2025, we will continue and closely track the progress of the structural reform of the U.S. operations.
	Domestic Food & Soft Drinks	Cost structure reforms (vs. 2022)	¥2.1 billion	—	¥2.0 billion	All structural reforms to be implemented by fiscal 2024 were completed as planned and are contributing to improving business profits. Reforms included reducing waste by lowering the SKU*4, divesting businesses to reduce costs, and reducing vending machine costs. We are continuing these efforts and are preparing new KPIs for fiscal 2025 forward.
		Cost structure reforms (vs. 2024)	—	¥0.6 billion	¥1.2 billion	
		Strengthening Lemon business: Lemon sales amount (vs. 2024)	—	+9%	+17%	Progress of initiatives implemented in fiscal 2025 will be monitored.
Others	Entire Sapporo Group	Fundamental restructuring of business portfolio	¥1.7 billion (vs. 2022)	—	—	Portfolio reorganization progressed with the completion of the structural reform of the Restaurant business and reorganization of an Alcoholic Beverages business (Anchor Brewing) and a Food & Soft Drinks business (plant-based yogurt business).

*1 Forex assumption: \$1 equals ¥130 *2 Local currency basis (Singapore dollars) *3 Excludes OEMs *4 SKU: Stock Keeping Unit. The smallest unit for managing inventories

Message from the Managing Director (Corporate Planning)

The Group Medium- to Long-Term Growth Strategy is designed to establish sustainable growth and enhance our value.



Rieko Shofu

Executive Managing Director
Sapporo Holdings Limited

Multifaceted and objective exploration of management strategies beyond the Medium-Term Management Plan

While implementing the Medium-Term Management Plan 2023–2026, we also began developing strategies with a medium- to long-term perspective. The Group Strategy Review Committee, created in September 2023 and including external experts, was tasked with providing multifaceted and objective perspectives on the strategies. The committee's discussions led to the formulation of the Medium- to Long-Term Management Policies for Increasing Group-wide Corporate Value.

In April 2024, we launched the Medium- to Long-Term Strategy Project to consolidated those policies into the Medium- to Long-Term Management Policies. Working groups were formed around key themes, such as each business's strategy, organizational reform, and management foundation strengthening. From April through November, directors from the holding and operating companies, along with relevant departments, held numerous meetings to exchange ideas. Each working group included outside directors with expertise in specific fields, who engaged in discussions and provided input while also monitoring group activities through Board meetings. For key working groups, such as those focused on the Alcoholic Beverages business growth strategy and the injection of external capital into the Real Estate business, external experts were brought in as advisors and independent third parties were engaged to provide objective evaluations of the proposals. This thorough process culminated in the February 2025 announcement of the Group Medium- to Long-Term Growth Strategy.

Medium- to Long-Term Management Policies

The Group Medium- to Long-Term Growth Strategy is to focus the Group's strengths into the Alcoholic Beverages business and grow as a company that can create rich beer and customer experiences.

Group Medium- to Long-Term Growth Strategy

- 1. Bonds with Community**
(Provide exciting experiences and new forms of enjoyment)
- 2. Healthier Choice** (Provide healthier beverage options)
- 3. Efficient Foundation** (Organizational reform to advance growth strategies)
- 4. Strategic Alliance** (Build strategic partnerships)
- 5. Inorganic Growth** (Pursue inorganic business growth)

Five growth strategies to enhance Group value

The Group Medium- to Long-Term Vision is to be “a company that can create rich beer and consumer experiences on a global scale.” We are implementing the five following strategies to realize our vision (→ p. 20).

The Bonds with Community strategy aims to continue enhancing the Sapporo brand value by creating new experiences and enjoyment centered on alcoholic beverages. This strategy includes doubling our marketing investment for our core Black Label and Yebisu brands along with expanding the Restaurants business, Yebisu Brewery Tokyo, and other sites for direct contact with our brand. We will also increase brand experience events and other activities providing direct contact points to broaden our experiential value and grow our base of enthusiasts for Sapporo brand products.

In Japan, there will be a tailwind for beer in the short term, but in the long term, as people become more health-conscious worldwide, we anticipate a gradual shift away from alcohol consumption, especially in developed countries. With that

Message from the Managing Director (Corporate Planning)

outlook, our Healthier Choice strategy takes a broader view of the concept of alcohol to develop the Sapporo brand strength in the niches of low- and non-alcoholic beverages. We are already fortifying our development structure in Japan for non-alcoholic beers. Anticipating growing demand for low- and non-alcoholic, and ready-to-drink (RTD) beverages, we will integrate the Domestic Alcoholic Beverages and Soft Drinks businesses to provide health value in a wide range of categories centered on lemons.

The Efficient Foundation strategy will improve management efficiency and strengthen governance by shifting to a mixed holding company structure, the optimal organizational format for implementing the Group Medium- to Long-Term Growth Strategy. We are also examining the skill sets and personnel structure that will be needed to advance our strategies and ensure we have a strong corps of capable human resources.

The Strategic Alliance strategy is one of the main ways we will seek to grow the Overseas Alcoholic Beverages business. We will consider strategic alliances that will provide a win-win for both parties and will advance our business in areas that would be challenging to development on our own, including sustainable growth for the Sapporo brand, and that complement our production bases and sales functions. This strategy is currently underway in Vietnam where we had been working on our own to expand business but plan to accelerate the expansion by collaborating manufacturing and sales with Carlsberg.

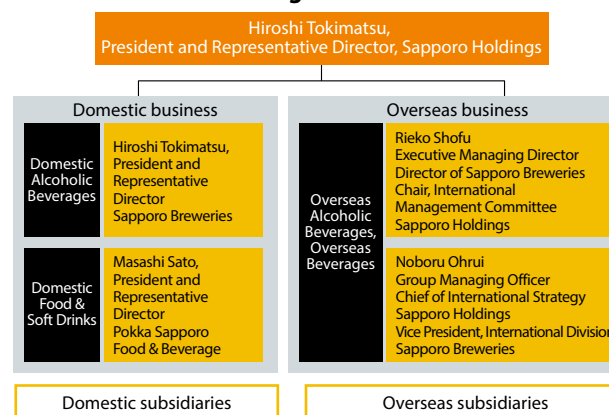
An extension of this is the Inorganic Growth strategy. The funds we expect to generate by injecting external capital into the Real Estate business will be used for M&A and investment in growth. Our previous M&A activities were primarily aimed at acquiring new brands or expanding into new areas, but many of those moves did not contribute to increasing our Group value. Looking to the future, we will explore capital alliances and M&A that will contribute to strengthening the

foundation of our existing business overseas and the Sapporo brand, as well as M&A in the field of non-alcoholic beverages aimed at health-conscious consumers.

Enhancing global governance, improving responsiveness to key issues, and strengthening the quality of decision-making

Quickly reestablishing the U.S. business is one of our highest priority issues and is essential to the Group Medium- to Long-Term Growth Strategy. We have already implemented various reforms at our business sites in the U.S., and we are currently fortifying our overseas management system to bring about deeper reform. In January 2025, Sapporo Breweries shifted management decision-making for the Overseas Alcoholic Beverages business from the Management Committee in Japan to the new International Management Committee. Overseen by Sapporo Holdings, the new committee, of which I serve as chair, improves our ability to respond to specific issues in each market. Additionally, the committee members' extensive experience in overseas

Overseas Business Management Structure



operations enables better quality and quicker decision-making. We are also focusing on securing and developing highly specialized human resources, which will both enhance our capabilities and improve governance of our overseas operations.

New priorities of “realization of a society in harmony with nature” and “promotion of responsible drinking”

With the adoption of the Group Medium- to Long-Term Growth Strategy, in January 2025, we reviewed our sustainability material issues and added two new priority issues: the “realization of a society in harmony with nature” and “promotion of responsible drinking.”

Our Alcoholic Beverages business relies on agricultural products, water, and other natural resources, which means that coexisting in harmony with nature is essential to our business continuity. The sustainability of our core beer business, for example, requires not only that we secure a stable procurement of barley, hops, and other raw materials (→ p. 30), but also that we reduce the environmental impact from our production process as much as possible. We are therefore preparing to set targets for natural capital in our production processes (→ p. 47) and increasing communication with our suppliers about natural resource usage.

Growing worldwide health consciousness and increasing societal concern about alcohol consumption have made the promotion of responsible drinking (→ p. 33) more important than ever, and we have made this a top priority. Recognizing that consumers seek to enjoy alcoholic beverages while maintaining a healthy lifestyle, we believe it is our responsibility as a provider of such products to create value that supports both physical and mental well-being. We are responding by accelerating the development of low- and non-alcoholic options while offering healthier opportunities for people to enjoy alcoholic products.

Group Medium- to Long-Term Growth Strategy

Strategy

1

Bonds with Community

Expand customer touchpoints and provide customers with fulfilling lifestyles

Double investment in Sapporo Draft Beer Black Label and Yebisu by 2030

In the domestic market, we aim to capitalize on the increased demand for beer resulting from the recent tax revision. Targeting a beer market share of 25%, we will double our marketing investment in our flagship brands, Sapporo Draft Beer Black Label and Yebisu, by 2030.

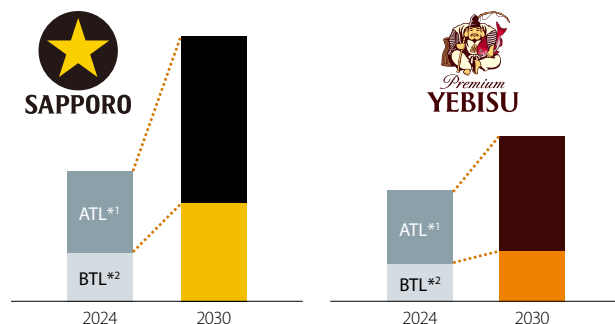
Increase of actual customer touchpoints centered on the Restaurants business

We will increase our customer touchpoints, primarily through the Restaurants business. We will also take action to better provide our customers with fulfilling lifestyles through services that offer exciting experiences and new services centering on alcoholic beverages.

Domestic Alcoholic Beverages:

Core Operating Profit Margin of **10% or higher (2030)**

Expected Marketing Investment



*1 Above the Line: Refers to advertising expenses, etc.

*2 Below the Line: Refers to in-store promotional expenses, etc.

Strategy

2

Healthier Choice

Offer a wide range of healthier choices

Domestic Strengthen non-alcoholic beverage development

We will bolster our non-alcoholic beer development structure by reorganizing our development bases, increasing staffing, and launching new projects. In addition, we will scale up our key products to a level where they can make significant profit contributions.

Overseas Accelerate sales growth of non-alcoholic beverages

We will expand the availability of Sapporo Premium 0.0 and other non-alcoholic beers to Canada and the United States. We are also considering M&A opportunities in the sector.

RTD/Beverages Capture convergence of beverage categories

Demand in the RTD market is growing for low-alcohol and non-alcoholic options, and we expect the market to converge with the soft drink category. We will integrate the Alcoholic Beverages and Soft Drinks businesses organizationally and seek to leverage the health function value of lemons, a key ingredient in the Beverages business, across a wide range of categories.



Strategy

3

Efficient Foundation

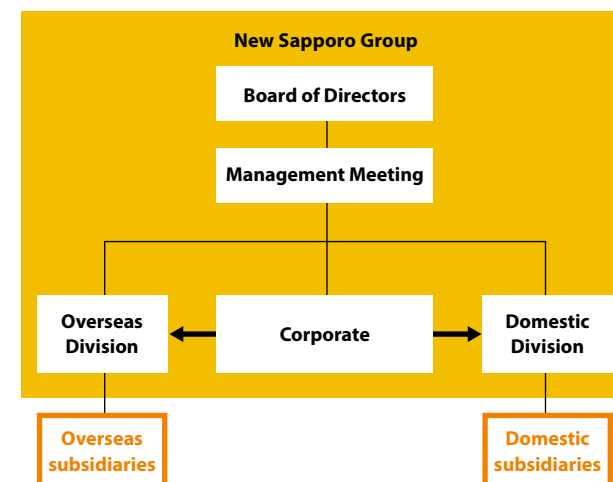
Implement organizational reform to facilitate growth strategies

Reorganizing the corporate functions and the domestic and overseas divisions

We plan to transition to a mixed holding company structure as the optimal organizational structure for achieving sustainable growth. To respond more effectively to diverse management challenges both domestically and internationally, and to enhance the quality of our management decisions, the new structure will consist of two business divisions—a Domestic Division and an Overseas Division—and will share a common management foundation for corporate functions.

Continuous investment in human capital

We are continuously investing in human capital to support the Company's growth. In Japan, the objective is to increase the employee productivity, and overseas, we aim to strengthen the human resources who will lead our business growth.



Group Medium- to Long-Term Growth Strategy

Strategy

4

Strategic Alliance

Form strategic partnerships

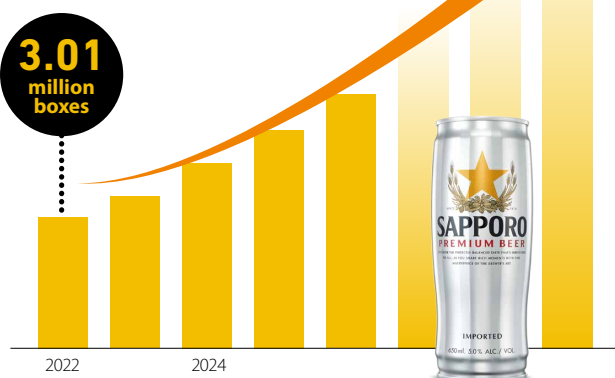
U.S. Ensure the continued growth of the Sapporo brand and complement our production capabilities

We will implement structural reforms to fundamentally overhaul our production facilities and decrease operating costs. We will also explore strategic alliances with other companies to ensure the continued growth of the Sapporo brand and to complement our production capabilities.

Vietnam Signed a memorandum of understanding with Carlsberg to explore collaborations in both commercial and operational areas

In Vietnam, a key market in Asia, we have been pursuing business growth independently. To accelerate that growth, we have signed a memorandum of understanding with Carlsberg to explore collaborations in both commercial and operational areas.

Sapporo Brand Sales Volume Growth Projection for the United States



Strategy

5

Inorganic Growth

Facilitate substantial investment in the Alcoholic Beverages business

Domestic Consider investments in the RTD business and SCM area

Overseas M&A to link the alcoholic and non-alcoholic fields

We are considering using funds expected from the injection of external capital into the Real Estate business for growth investments in our Alcoholic Beverages business, including large-scale M&A and other strategic initiatives. In Japan, we will evaluate opportunities to add to our capabilities in the RTD business and SCM area. In the United States, our most important overseas market, we will pursue M&A with other market participants to establish a more robust beer business foundation and dramatically strengthen the Overseas Alcoholic Beverages business. We will also examine M&A in the alcoholic sector to respond to growing health consciousness and the long-term trend towards moderation of alcohol consumption.

Injection of external capital into Real Estate business

The purpose of injecting external capital to the Real Estate business is to concentrate Group management resources into the Alcoholic Beverages business and to allocate funds to growth investment in the business as a way to improve the Group's overall capital profitability and corporate value.

Sapporo Real Estate ("SRE"), which has been responsible for the Real Estate business, will be moved off the Group's balance sheet due to the incorporation of capital from external partners. In addition to enhancing the value of its properties, SRE is implementing various initiatives to increase its corporate value. We are exploring several options to achieve this initiative's objectives, including transferring shares in SRE, whose property portfolio includes Yebisu Garden Place. The optimal course of action and timeline are under consideration.

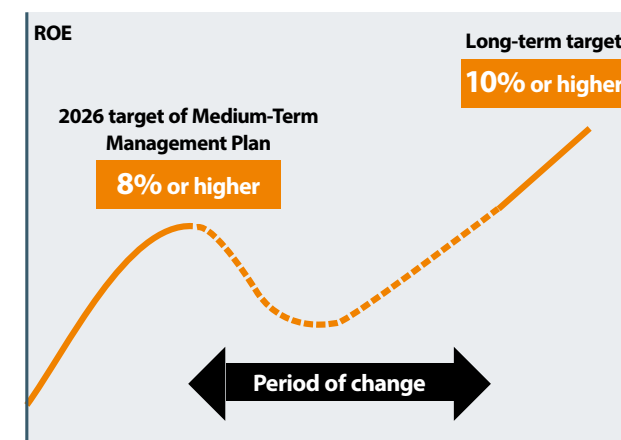
Financial Strategy

To establish sustainably growing corporate value, we have set a long-term target for ROE of 10% and identified improving capital efficiency as a key focus. Efforts to improve capital efficiency will focus on making our business management more effective, which will include using ROIC as an internal management metric and set ROIC spread targets in our business plans. We intend to allocate cash effectively while maintaining a stable financial foundation (A rating) for achieving sustainable growth.

We are also working toward our goal of achieving 10% average annual growth in operating profit by 2030. In the short term, the injection of external capital into the Real Estate business will increase our equity capital and may temporarily lower ROE. We are approaching this as a period for bringing about a broad transformation of our financial structure.

Specific financial targets for 2030 will be set when we formulate the next medium-term management plan.

Long-Term ROE Projection

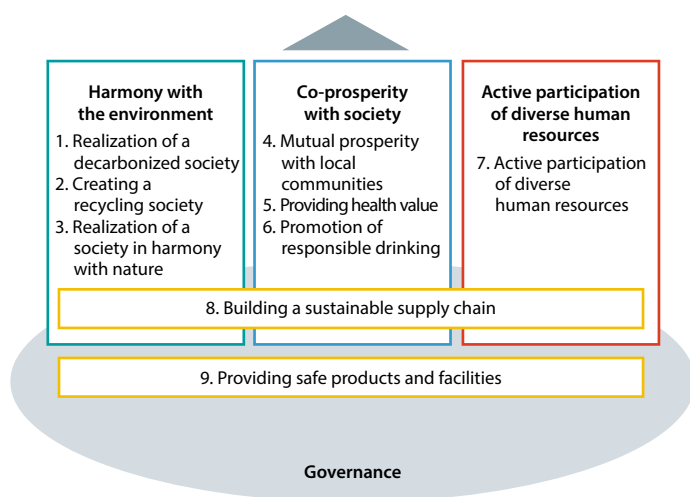


Sustainability Material Issues

Updated sustainability materiality issues to reflect current social and business conditions

The Sapporo Group has set nine sustainability material issues. Of these, we have positioned “realization of a decarbonized society,” “mutual prosperity with local communities,” and “active participation of diverse human resources” as our most important issues due to their relevance to the Group’s business segments and the magnitude of their impact on risks and opportunities. In light of changes in the social and business conditions, in January 2025 we added “realization of a society in harmony with nature” and “promotion of responsible drinking” as new priority issues.

Contributing to the well-being of people and communities in the time and space provided by all of our businesses



For the priority “realization of a society in harmony with nature,” analysis of our business following Taskforce on Nature-related Financial Disclosures (TNFD) recommendations reaffirmed the vital role of natural capital in our operations, which rely on agricultural crops and water resources. We also set new goals for our related initiatives. As a corporate group with an alcoholic beverages business, we have a social responsibility to encourage the responsible consumption of alcohol. Our efforts for “promotion of responsible drinking” include setting targets for non-alcoholic, ultra-low-alcohol, and low-alcohol products to meet the needs of a wide range of consumers.

In addition, we have positioned “building a sustainable

supply chain” as an item relevant to the environment, society, and human resources. We will promote Group-wide initiatives to address topics including as “respect for human rights,” “reduction of environmental impact,” and “stable procurement.”

The update also includes formulating measures concerning the sustainability material issues from the perspectives of risk reduction and creation of opportunities for corporate growth regarding priority sustainability issues.

Classification	Most important issues	Material issues	Impact on society and the environment		Impact on internal financing		
			Risks	Opportunities	Risks	Opportunities	
Harmony with the environment	★	1. Realization of a decarbonized society	Large	Large	Large	Medium	▶ p.44 Initiatives to Address Climate Change and Natural Capital (TCFD, TNFD)
		2. Creating a recycling society	Large	Medium	Large	Medium	
	★	3. Realization of a society in harmony with nature	Large	Medium	Large	Medium	
Co-prosperity with society	★	4. Mutual prosperity with local communities	Medium	Large	Medium	Large	▶ p.29 The Power of Breeding: For Raw Materials Resilient to Climate Change
		5. Providing health value	Small	Large	Small	Large	
	★	6. Promotion of responsible drinking	Large	Large	Large	Large	
Active participation of diverse human resources	★	7. Active participation of diverse human resources	Small	Medium	Large	Large	▶ p.30 Working with Producers Around the World to Source Sustainable Raw Materials
8. Building a sustainable supply chain			Large	Small	Large	Small	▶ p.28 Growing Experiential Value of Beer, Through Ties with Community
9. Providing safe products and facilities			Large	Medium	Large	Medium	▶ p.34 Food & Soft Drinks
							▶ p.33 Becoming a Responsible Global Alcohol Manufacturer in Global Society
							▶ p.37 Human Resources Strategy
							▶ p.63 Respect for Human Rights

Please see the list on our website for more information about how we identify our priority issues.

<https://www.sapporoholdings.jp/en/sustainability/policy/systems/>

Outside Director Discussion

Our focus is the execution of the new growth strategy and providing advice to help drive the Group's growth.

Outside Directors Ryotaro Fujii and Naoko Tanouchi shared their view on the role of outside directors in increasing the corporate value of Sapporo Holdings over the medium to long term.

Ryotaro Fujii
Outside Director



Naoko Tanouchi
Outside Director
(Outside Audit & Supervisory
Committee Member)



Responsibilities as an Outside Director

—What was your impression of the Sapporo Group before becoming an outside director, and what do you see as your role in the Company now?

Fujii The Sapporo Group's well-known products, like Black Label, gave me the impression of a company with strong tradition, history, and serious product development. I'm also aware its corporate value, in terms of market capitalization, is lower than competitors. With my background in finance, I see one of my key roles to be to identify issues and recommend improvements from the shareholder's perspective, raising issues, and recommending improvements. I hope this encourages awareness and active discussion about issues that will lead to solutions.

Tanouchi I knew the Sapporo Group for its strong Black Label and Yebisu brands but saw the Company as being somewhat

subdued. As an outside director, I've been impressed by employees' brand loyalty, though I worry it may lead to uniformity. That's why I share frank opinions from an outside perspective. I also know the Company has faced some tough challenges while expanding overseas, so I will actively offer advice based on my experience, expertise, and knowledge from my career in overseas businesses.

Fujii Discussions I've participated in during various occasions have given me the impression that the Company is very creative and willing to flexibly review its business strategies. That corporate culture may be the driving force behind the new Medium- to Long-Term Management Policies and the Growth Strategy.

Feasibility of the Medium- to Long-Term Management Policies and Growth Strategy

—Mr. Fujii, before becoming an outside director, you helped put together the Medium- to Long-Term Management Policies.

Fujii That's correct. From September 2023 to January 2024, I was involved in discussions about the Medium- to Long-Term Management Policies as part of the Outside Experts Committee of the Group Strategy Committee. The committee reviewed from the ground up what the Sapporo Group should be, using input from interviews with internal departments, industry players, institutional investors, and other stakeholders. I shared my views based on objective data, such as the Company's cost of capital and each operation's ROIC. This led to the policies of concentrating management resources on growing the Alcoholic Beverages business as the key to enhancing corporate value.

Outside Director Discussion

—What are your objective opinions regarding the feasibility of the Medium- to Long-term Management Policies?

Fujii When I became an outside director, I read about the Company's nearly 150-year history. The Company has been a brewery for over a century and in the last 30 years or so has branched out to real estate and food businesses. Certainly that expansion was common for the times, but I think the decentralization of management resources weakened the drive to fully compete in the core business and led to contentment with being fourth in the beer industry in Japan. That is why I think the best course for the Medium- to Long-Term Management Policies is to go back to the Company's roots and focus on how the Alcoholic Beverages business can be successful.

Tanouchi I was appointed after the management policies were announced but, like Mr. Fujii, I agree that focusing on the Alcoholic Beverages business, centered on the brewery operations, is the right direction. At the same time, alcohol consumption is expected to decline in the long term,

especially in developed countries. Therefore, it is also important to consider how far we should develop the Alcoholic Beverages business as well as the peripheral areas of ready-to-drink (RTD), non-alcoholic, and even regular beverages.

—What was discussed when formulating the Group Medium- to Long-Term Growth Strategy announced in February 2025?

Fujii Immediately after the management policies were announced, the holding company directors and operating company executives together launched the Medium- to Long-Term Strategy Project. I was an outside director in working groups for the Domestic Alcoholic Beverages, Overseas Alcoholic Beverages, and Real Estate businesses. Discussions in the working group for the Domestic Alcoholic Beverages included specific "field level" issues that would be outside the scope of Board of Directors meetings, such as details about the type of marketing to use and product portfolio to create. The working groups' outside directors were former presidents and chairmen of listed companies and people versed in real estate and M&A, and I think their diverse backgrounds enriched the discussions.

Tanouchi The Group Medium- to Long-Term Growth Strategy sets forth specific measures, but I think there is still some work to do to improve the plan's feasibility and the Company's ability to carry out the strategy. For example, strengthening the overseas business will necessarily require hiring people from outside the Company because there aren't enough people internally to carry out the plan. I also think that communication needs to improve between the holding company directors and operating company directors. From that perspective, the transition to a mixed holding company is a reasonable decision.

Outlook for the Domestic and Overseas Alcoholic Beverages Businesses

—What are your expectations for growth of the Domestic Alcoholic Beverages Business?

Fujii Comments in stakeholder surveys like "I love Black Label" and "I drink Yebisu on special occasions" suggest the Company's consumer mind share is very high, but that is quite different from actual market share. I think the overall alcoholic beverage strategy may be one of the reasons for the disparity. The strategy to broaden the product range from Happoshu (low-malt beer) and RTD to also encompass Western liquor and Japanese sake may have weakened the appeal of the Company's individual brands. The Company is now planning to return to its roots and strongly promote its two major beer brands, Black Label and Yebisu. I think that is the right direction, and I strongly agree with the plan to leverage the Company's unique strengths to highlight its story rooted in local communities and to connect with the Restaurants business to promote the brands.

Tanouchi The liquor tax in Japan will change in 2026. I think the Company has done a good job of strengthening its beer marketing and brand strategy by narrowing the product offerings and concentrating spending into sales promotion.

Fujii I also think it's groundbreaking that management has committed to raising the profit margin for the Domestic Alcoholic Beverages business to 10% from its usual 3% to 4% level. The capital markets are very critical of low profitability, so I will be closely monitoring the Company's progress toward its target.

Tanouchi As the Company works toward its profit targets, I think there is room to be more creative with its pricing strategies and profitability management. Also, now that it has a solid core strategy, centered on Black Label and Yebisu,



Outside Director Discussion

increasing the resolution of strategies for the RTD, low-alcohol, and non-alcoholic businesses can increase the probability of achieving the targets.

—What are your growth expectations and what challenges do you see for the Overseas Alcoholic Beverages business?

Fujii My work often takes me to the United States, and I see high potential there for Sapporo Premium Beer (SPB), which has had the highest market share of an Asian beer there for nearly 40 years. The acquisition of Stone Brewing gave the Company a distribution channel, and I started to see SPB in high-end supermarkets. With the growing popularity of imported lager beers, I think the U.S. market is offering a great opportunity.

Tanouchi When I visited Stone Brewing, it was having difficulty generating sales for its craft beer. However, the SPB production is going well, and has helped get it into circulation much more quickly than waiting to construct a dedicated SPB factory. I think SPB has strong potential in the U.S.

Fujii There is a limit to how much the Company can grow on its own. Just like the many global breweries that have been implementing inorganic growth strategies, the Company is increasing growth investment in its Overseas Alcoholic Beverages business and actively considering M&A. That being said, the Company's M&A track record has come under criticism, so it will be important to create a solid system and follow strict financial discipline.

Tanouchi The Company will need to increase its M&A knowledge and expertise, including post-merger integration, either internally or by bringing it in from outside. Success in the U.S. could provide a touchstone for future expansion in other regions.

—The Company is seriously considering using external capital for the Real Estate business.

Fujii The Company owns real estate in Sapporo, Ebisu, Ginza,

and other places that are deeply connected to the history of beer in Japan, which it uses as bases for promoting its brands. However, real estate development requires major investment, and the debt impacts the balance sheet, which takes away from the ability to invest in growth of the core businesses. Using external capital to advance the Real Estate business will ultimately generate funds that can then be used to invest in growing the Alcoholic Beverages business. In addition, joining with strategic partners with urban development expertise will also improve our ability to highlight the appeal of Sapporo and Ebisu and elevate our image as a beer brand rooted in local communities.

Tanouchi We're in an era when capital efficiency is of utmost importance. When we think about whether our Company would really be the best owner of property, there are parts of the Real Estate business where using the expertise of a company specializing in real estate could improve operating efficiency. The strategy for the Real Estate business will be finalized in fiscal 2025, and we are considering various ideas to make the best decision.

On Enhancing Corporate Value

—How will you contribute to enhancing the Sapporo Group's corporate value?

Fujii The current plan outlines strategies and targets, but the key question is whether the Company can execute it. External stakeholders are watching closely and questioning whether the Company can actually do it. I intend to monitor specific progress data, verify execution, and advise on improvements.

Tanouchi If infusing external capital into the Real Estate business increases investment capacity, M&A could also be an option. If that route is taken, as a member of the Audit & Supervisory Committee, I will use my M&A experience to



advise on key conditions, indicators, and risks in using the M&A process for growth.

—Lastly, please tell us about your expectations for President Tokimatsu, who took office in March 2025.

Fujii President Tokimatsu has led major transformations in three of the Company's businesses—Alcoholic Beverages, Food & Soft Drinks, and Real Estate. I believe he is the right person to guide us through the transition period. I think he has the force to unite everyone in the Company and enthusiastically drive the Group Medium- to Long-Term Growth Strategy.

Tanouchi I agree. I also expect him to take new approaches and introduce a bold growth strategy. In our role as outside directors, we will do all that we can to help the Group unite and move forward.

Business Strategy

27	Domestic Alcoholic Beverages
28	Feature 1 Growing Experiential Value of Beer, Through Ties with Community
29	Feature 2 The Power of Breeding: For Raw Materials Resilient to Climate Change
30	Feature 3 Working with Producers Around the World to Source Sustainable Raw Materials
31	Overseas Alcoholic Beverages
32	Feature 4 Growing the Sapporo Brand and Rebuilding the U.S. Business
33	Feature 5 Becoming a Responsible Global Alcohol Manufacturer in Global Society
34	Food & Soft Drinks
35	Real Estate

Part 2

Domestic Alcoholic Beverages



Our Perception of the Market Environment

Opportunities

- Revitalization of the beer market following revisions to liquor tax rates
- Shift from “material abundance” to “spiritual abundance”
- Increased importance of experiential value

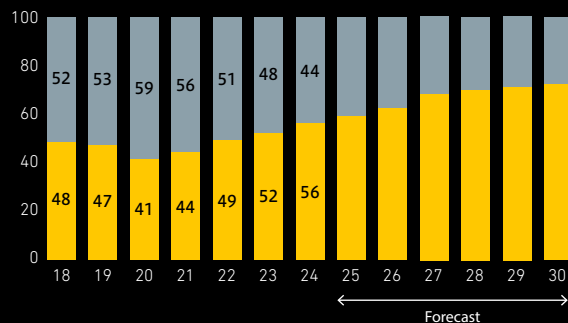
Risks

- Demographic changes, e.g., decline in the number of people who drink alcohol
- Rising consumer prices and diversification of consumption
- Changes in consumer attitudes toward alcoholic beverages

Beer as a Share of the Beer-Related Product Market (Company Estimate)

■ Beer ■ Happoshu (low-malt beer, including Type II)

(%)



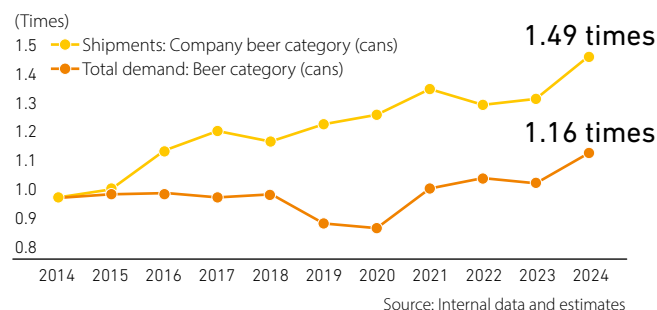
Growth Strategy

Stronger Beer Business Marketing

Sapporo Breweries is striving to further evolve the appeal of beer, a premium beverage, by capturing environmental changes regarding consumers and the alcoholic beverage market, and challenging itself to create “emotional and quality value” that enhances emotional well-being and enriches life.

Our unique Sapporo beer brand, with a city in its name, and the diversity of its distinctive stories are assets and strengths to be harnessed. To maximize their strengths, we are intensifying investments centered on our core brands, Black Label and Yebisu. Through advertising that highlights our brand positioning, we aim to build resonance and support among customers, while focusing on creating experiential opportunities that foster encounters with the brand and new insights. By doing this, we strive to expand demographics who are interested in beer and acquire new customers. As a result of these marketing initiatives over the medium to long term, Sapporo Breweries’ shipment volume has been steadily increasing.

Impact of Beer Marketing (vs.2014)



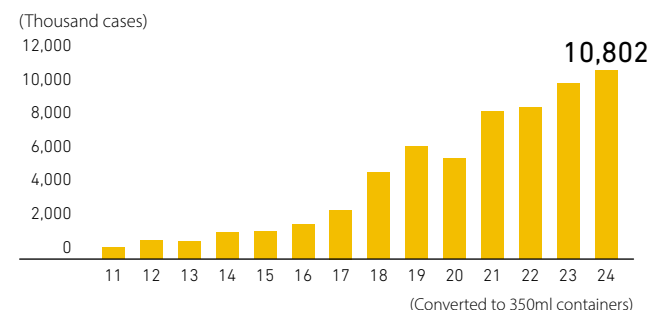
A New Frontier for Beer Appeal, Pioneered by Sapporo Breweries Creating emotional value for premium beverages



Building RTD Product Strength

For our ready-to-drink (RTD) products, we aim to enrich customers’ beverage consumption habits with new offerings that combine unique brands and the creation of new markets. We will also propose value that transcends existing frameworks, establish a portfolio of distinctive brands that stand out in the diverse RTD market, and continue to increase RTD sales volume.

Sales Volume Trends of RTD (Cans)



Building a More Competitive Domestic Alcoholic Beverages Business

Feature 1

Growing Experiential Value of Beer, Through Ties with Community

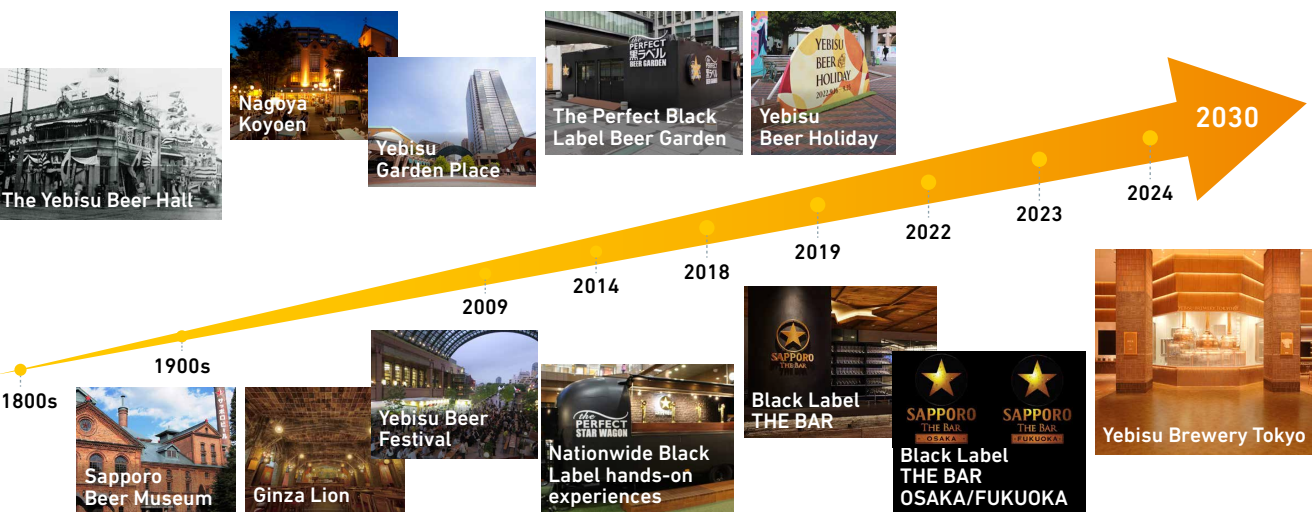
The Sapporo Beer brand symbolizes a history built alongside people and communities, bearing the names of cities such as Sapporo and Ebisu.

Furthermore, the authentic experiential value sought by Sapporo Breweries is an important factor in creating emotional connections.

A History of Creating Experiences in the Beer Business

Since the 1899 opening of Yebisu Beer Hall, Japan's first such beer hall, Sapporo Breweries has been dedicated to creating time, space, and culture for enjoying beer through its Restaurants and Real Estate businesses. In recent years, the company has expanded its offerings with the flagship beer bar Sapporo Draft Beer Black Label THE BAR and the Yebisu

Brewery Tokyo, a brewing facility located within the Yebisu Garden Place complex, providing spaces where customers can experience the brand's unique individuality and stories. These initiatives aim to evoke emotional resonance and connection with customers, fostering a deeper bond with the brand.



Highlight

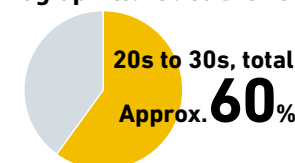
Yebisu Brewery Tokyo: Bringing Yebisu Beer Brand Experiences to More Customers

Yebisu Brewery Tokyo, conceived with the vision of restarting beer production in Ebisu—the birthplace of Yebisu Beer—to deepen ties with the community and contribute to its revitalization, has welcomed over 230,000 visitors since its opening in April 2024 (as of December 31, 2024).

Approximately 60% of visitors are in their 20s and 30s, with many expressing sentiments such as a deeper interest in the brand by learning about the Yebisu history and narrative.

Going forward, we will continue to offer a diverse range of unique Yebisu products while striving to enhance the brand experience, creating a space where visitors can feel fulfilled and inspired.

Visitor Age Demographics: Yebisu Brewery Tokyo



Source: Internal research (using AI-powered image recognition data)



Building a More Competitive Domestic Alcoholic Beverages Business

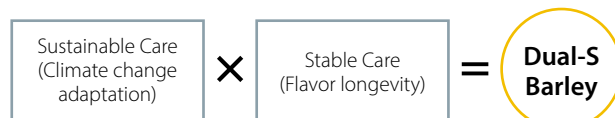
Feature 2 The Power of Breeding: For Raw Materials Resilient to Climate Change

Since its founding, Sapporo Breweries has been engaged in the breeding of barley and hops. Leveraging the breeding expertise and knowledge cultivated for more than 140 years, we are taking on the challenge of developing raw materials that are less susceptible to the effects of climate change.

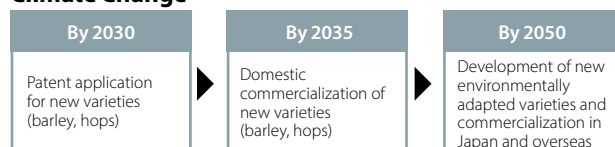
Our Uniquely Developed Dual-S Barley Balances Climate Change Adaptation and Flavor

Sapporo Breweries' proprietary Dual-S Barley is a next-generation barley, fusing properties for adapting to climate change*¹ and those that maintain longer-lasting flavor in beer*².

The "dual" in Dual-S Barley originates from its dual characteristics, combined with the two S's of "Sustainable Care," in which we prioritize sustainability, and "Stable Care," in which we create stable quality by maintaining flavor longevity. The "S" also derives from Sapporo Beer's iconic five-pointed star.



Goals for Developing Raw Materials Adapted to Climate Change



While it will take time to develop new varieties of Dual-S Barley that meet yield and quality standards and are suitable for cultivation by farmers, we are advancing breeding efforts with the goal of filing for registration by 2030.

*1 On such property derived from the N68-411 genetic trait discovered by Sapporo Breweries suppresses damage caused by sprouting in the field during increased rainfall expected due to climate change. Research is underway on properties that enable adaptation to other aspects of climate change, such as resistance to Fusarium head blight.

*2 A property that reduces the formation of off-flavors during beer storage, thereby maintaining flavor longevity. Also referred to as "LOX-free" (free from liquid oxygen).



From a Developer

The Journey to Breeding Dual-S Barley

To bring Dual-S Barley to practical application, it is essential to improve its yield. Therefore, we recognize that our mission is to apply the results of long-inherited research from our predecessors on yield improvement to Dual-S Barley and to develop superior varieties that successfully combine the two requisite characteristics and excellent yield as soon as possible.

Each region where barley is produced faces different challenges related to climate change, whether it is increased rainfall, drought, or other phenomena. Through my research, I have come to realize that Sapporo Breweries, which has a history of collaboration with barley producers in various regions, is uniquely positioned to develop varieties adapted to diverse challenges. Moving forward, we will continue to build on the breeding achievements accumulated since our founding, linking these to the next generation and striving to develop even better new varieties of Dual-S Barley.



Mitsuhiro Shibamura
Lead Research Scientist,
Breeding Research Group,
Raw Materials
Development Institute

Building a More Competitive Domestic Alcoholic Beverages Business

Feature 3 | Working with Producers Around the World to Source Sustainable Raw Materials

Based on the belief that truly delicious beer is made from high-quality malt and hops, we are committed to sustainable raw material procurement, led by our field managers who are experts in raw materials.



From Collaborative Contract Cultivation to Field Management

Since 2006, Sapporo Breweries has practiced a unique raw material procurement system called collaborative contract cultivation, which involves working with farmers to grow raw materials from fields. Through this program, we have consistently secured high-quality malt and hops. However, the raw material environment has been fluctuating significantly in recent years due to climate change, making sustainable agriculture increasingly important.

Amid this situation, Sapporo Breweries has launched a new initiative called field management. This comprehensive raw material procurement activity is based on four themes: quality, stable procurement, harmony with the environment, and promoting coexistence with society (collaboration with producers). Building on the foundation of collaborative contract cultivation, we will strengthen our efforts to address climate change and support producers in order to promote sustainable malt and hop procurement. In field management, field managers use their deep knowledge of breeding, cultivation, and processing to collaborate with producers worldwide through technical support and information sharing. At the same time, field charts are used to identify regional and producer-specific challenges and work together to resolve them. Additionally, the information collected by field managers will be linked to initiatives such as product development, breeding, and agricultural technology research.



Highlight

Supplier Collaboration Leads to Japan's First Adoption of ClimTrace, a Malt with Reduced Environmental Impact, for Beer Production

Sapporo Breweries has adopted ClimTrace, a malt made from barley cultivated with reduced environmental impact, for beer production in Japan for the first time. In November 2024, this malt made its first appearance under the Sapporo umbrella as the limited-edition Velvet twilight product, provided at Yebisu Brewery Tokyo.

ClimTrace is provided by Soufflet Malt, a leading French malting company. It is unique for, among other things, its design aimed at minimizing fertilizer use and limiting environmental impact through efforts such as soil analysis during barley cultivation. The adoption of ClimTrace was made possible through Sapporo Breweries' long-standing collaboration with Soufflet Malt in raw material procurement. Going forward, we will continue to strengthen our collaboration and work to reduce environmental impact associated with raw material procurement.

Overseas Alcoholic Beverages



Our Perception of the Market Environment

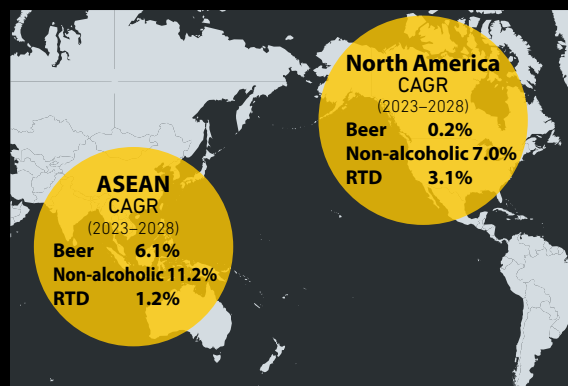
Opportunities

- Medium-term beer market growth, especially in ASEAN
- Growth in non-/low-alcohol markets

Risks

- Slowdown in U.S. craft beer market
- Intensifying competition and diversifying preferences in the beer market
- Rising geopolitical risks, e.g., Trump's tariffs/East Asia affairs

Market Volume and Growth Outlook by Area



Source: Euromonitor International

Growth Strategy

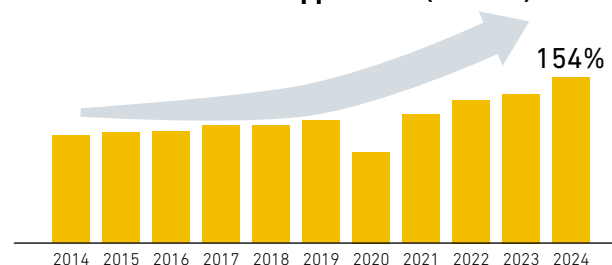
U.S.-Focused Expansion of North American Business

In North America, which is a growth driver for our overseas business, demand for imported beer is expanding, particularly in the U.S. market, and the Sapporo brand continues to see double-digit growth in sales volume.

However, in 2024, we recognized impairment losses related to the acquisition of Stone Brewing, making structural reforms unavoidable. The factors contributing to these impairment losses include the decline in the Stone brand due to the downturn in the craft beer market and increased costs resulting from inflation. To address this situation, we are advancing structural reforms such as optimizing production facilities, optimizing Stone brand SKUs, and restructuring distribution networks. Meanwhile, for the Sapporo brand, which is driving growth in our overseas business, we will further accelerate growth by advancing distribution network restructuring and brand investments.

In the Canadian market, despite the beer market shrinking by 2–3% annually, we are expanding into the Beyond Beer market, which includes the strong ready-to-drink (RTD) segment. As part of this effort, we pioneered the market by launching the non-alcoholic Sapporo Premium 0.0 beer product at the end of 2024.

Sales Volume Trends of Sapporo USA (vs. 2014)



Strengthening the Sapporo Brand in APAC and Europe

2024 was a year of significant growth, with sales in APAC and Europe jumping to about 1.5 times. In Asia in particular, it was a year when we began a partnership with Carlsberg and worked to expand the number of stores carrying our products and strengthen marketing investments, mainly in Singapore, Malaysia, and Hong Kong. This resulted in significant growth in sales and market share and increased awareness of the Sapporo Premium Beer brand. In the Vietnamese market, we worked to popularize draft beer, a symbol of the Sapporo brand's quality. Then, in early 2025, we signed a basic agreement with Carlsberg to collaborate in both manufacturing and sales in Vietnam. Furthermore, our collaboration with Carlsberg has expanded to Europe, including the U.K. and Sweden, to promote the expansion of the Sapporo brand.

Strengthening the Governance Structure, Including Overseas Group Companies

The Sapporo Group is currently reviewing the governance of its overseas subsidiaries, including a review of decision-making processes. As the first step, our management structure reforms implemented in January 2025 established the International Management Committee as a decision-making body. By separating overseas business from the previous Sapporo Beer Management Committee and refreshing the management structure with personnel boasting extensive overseas business experience, we have improved the quality of decision-making. Looking ahead, with an eye to transitioning to a mixed holding company structure, we will centralize the management of overseas business under the holding company to achieve swift and high-quality decision-making, while continuing to strengthen our human resources.

Building a More Competitive Overseas Alcoholic Beverages Business

Feature 4

Growing the Sapporo Brand and Rebuilding the U.S. Business

In fiscal 2023, the Sapporo Group began domestic production of Sapporo Premium Beer (SPB) within the United States, with sales growing by the year. Going forward, the Group will further grow sales of the Sapporo brand while restructuring operations at Stone Brewing Co., LLC to overcome sluggish performance.

Reducing Transportation Costs for U.S.-Bound SPB Manufacturing and Expanding SPB Sales Channels to National Chains

During 2024, Sapporo Holdings established the necessary production capacity at factories owned by its U.S. subsidiary, Stone Brewing, located on the eastern and western coasts of the country, to manufacture the entire volume of SPB for the local market. We therefore transferred the manufacturing functions for U.S.-bound SPB products from Vietnam and Canada to these facilities. The reductions in transportation costs and fixed expenses amounted to approximately \$10 million in savings during 2024 compared to 2022, and we anticipate further cost reductions in 2025, the first full year of U.S.-based production.

Another initiative is the integration of sales functions with Stone Brewing, including the transfer of sales teams from Sapporo USA; the integration was completed during 2023, laying the foundations for future success. One concrete result yielded in 2024 is the expansion of SPB sales channels to U.S.

national chains such as Walmart by leveraging Stone Brewing's strong sales force for this segment of stores. As a marketing measure, we also ran zodiac-themed promotions to increase sales. As a result of these measures, SPB sales volume in 2024 grew 11% year on year.



Management Restructuring at Stone Brewing: A Task of Utmost Importance

Meanwhile, due to the significant softening of the craft beer market in the United States and the impact of substantial cost inflation, the Stone brand fell short of its planned targets, with the company itself operating at a loss for some time, resulting in impairment losses. In response, in the second half of 2024, a new management team was appointed at Stone Brewing and at the Sapporo Holdings headquarters in Japan.

As part of management reforms, in fiscal 2024, we focused on the concentration and selection of Stone brand products to reduce SKUs and lay the groundwork for improving production efficiency. In fiscal 2025, we are also working to improve logistics efficiency across the U.S.

Going forward, we will also review resource allocation across all functions to support the further growth of the Sapporo brand.

Building a More Competitive Alcoholic Beverages Business

Feature 5

Becoming a Responsible Global Alcohol Manufacturer in Global Society

To achieve sustainable growth as a global alcoholic beverage manufacturer, the Sapporo Group recognizes the promotion of responsible drinking as a material issue (materiality) and is earnestly working to resolve alcohol-related problems.



Seminar at Teikyo Heisei University

Promote Responsible Drinking: A Global Slogan for Proper Drinking

In 2021, the Sapporo Group adopted “Promote Responsible Drinking” as its global slogan to combat alcohol-related problems. Each Group employee serves as a promoter to help raise awareness of proper drinking and prevent improper drinking.

The Sapporo Group Policy Related to Proper Drinking

As a corporate group engaged in alcoholic beverages, the Sapporo Group will strive to solve alcohol-related problems as part of its social responsibility, and will work to raise awareness of proper drinking and prevent improper drinking.

- Raising awareness of proper drinking
We raise awareness of moderate drinking appropriate for a healthy and happy life.
- Prevention of improper drinking
We will prevent improper drinking, including underage drinking*, drinking by pregnant and nursing women, heavy drinking, and drinking before driving.

* In Japan, this refers to drinking before the age of 20.

Global Meeting

At the 2024 Global Sustainability Meeting, we focused on promoting responsible drinking, aligning mindsets among employees both in Japan and overseas, and establishing a system to advance our efforts as a group.



External Awareness-Raising Activities

Sapporo Breweries conducts Proper Drinking Awareness Seminars to educate students and employees for proper knowledge of alcohol consumption and for healthy enjoyment of alcoholic beverages. The seminar features basic information for proper drinking, such as definitions of alcohol and mechanisms of intoxication.



Seminar at Josai International University

From a Responsible Drinking Promoter

Our Responsibility as a Global Alcohol Manufacturer

Alcohol can contribute to a brighter and more fulfilling life when consumed in moderation, but improper drinking, a global social issue, can also cause severe harm to both physical and mental health. As a company that operates a global alcoholic beverage business, we believe it is essential to correctly understand the characteristics of alcohol and earnestly tackle alcohol-related problems.

In the future, the Sapporo Group will continue to promote responsible drinking while striving to expand the availability of non-alcoholic and low-alcohol beverages that support responsible drinking habits, and we will work to create value that helps to resolve global social issues.



Takashi Takabayashi
Leader,
Sustainability Group,
Corporate Planning Division
Sapporo Breweries Limited

Food & Soft Drinks



Our Perception of the Market Environment

Opportunities

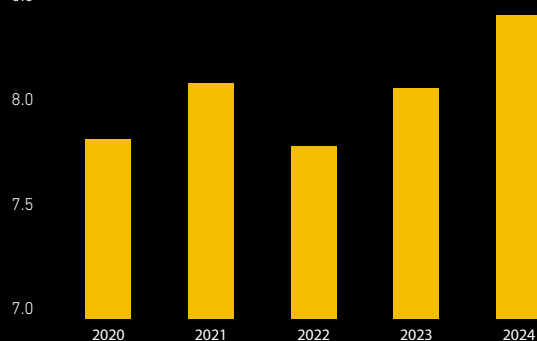
- Increased demand for lemon products due to growing health and beauty needs
- Economic growth in Malaysia and other export countries

Risks

- Soaring raw material, logistics, and other costs

Lemon Product Market Size over Time

(Billions of yen)



Source: Intage SRI+, Lemon Food Market Estimated Sales Volume: January 2020 to December 2024

Progress of Structural Reforms

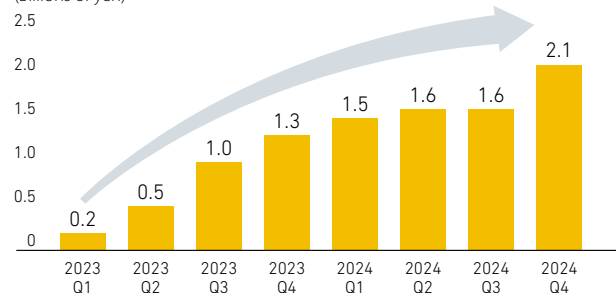
Fiscal 2024 as a Goal for Completing Structural Reforms

Through fundamental cost structure reforms centered on the Domestic Food & Soft Drinks business, including the transfer of the plant-based yogurt business and related subsidiaries, as well as reductions in SKUs and SG&A expenses, we have achieved our KPI targets and steadily improved our financial position.

Looking ahead, despite anticipated increases in raw material and logistics costs, we will continue to strengthen cost controls while carrying out strategic investments in lemon-related growth drivers, including R&D enhancement and the development of domestic lemon production regions.

Impact of Structural Reforms in Domestic Food & Soft Drinks (vs. 2022, Cumulative)

(Billions of yen)



Growth Strategy

Focusing on the Development of Lemon Products in the Domestic Food & Soft Drinks Business

In the lemon business, we will aim for continued growth centered on our mainstay brands, Kire-to Lemon and Pokka Lemon, based on the expectation that the market will continue

to expand steadily amid growing demand for health and beauty products. At the same time, we will broaden the overall demand for lemons by developing products that emphasize functionality and providing value, such as through Pokka Lemon 100*1, which has been relaunched as a food with function claims.

*1 For 120 mL, 300 mL, and 450 mL Pokka Lemon products

Improving Profitability in the Overseas Beverages Business

In the Overseas Beverages business, we are focusing management resources on growth areas to achieve steady profit growth across the business as a whole. In Singapore, we are concentrating on our stronger products and maximizing profits through structural reforms and cost improvements. In Malaysia, we will enhance brand awareness through marketing and sales network strengthening, seeking significant growth. As for exports to other countries, we will center our sales activities on specific target countries to achieve growth.

Highlight

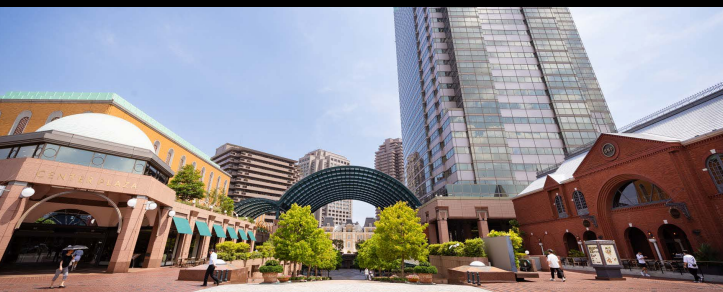
Promoting R&D on the Health Benefits of Lemons

Through years of research, we discovered that citric acid contained in Pokka Lemon 100 has the function of lowering high blood pressure (systolic blood pressure). With this discovery, we relaunched Pokka Lemon 100 in 2024 as a food with function claims. In support of the many people who suffer from high blood pressure (over 40 million*2 in Japan), Pokka Sapporo aims to contribute to customers' well-being by making it easy to incorporate Pokka Lemon 100 into their daily diets.

*2 2019 National Health and Nutrition Survey by the Ministry of Health, Labour and Welfare



Real Estate



Our Perception of the Market Environment

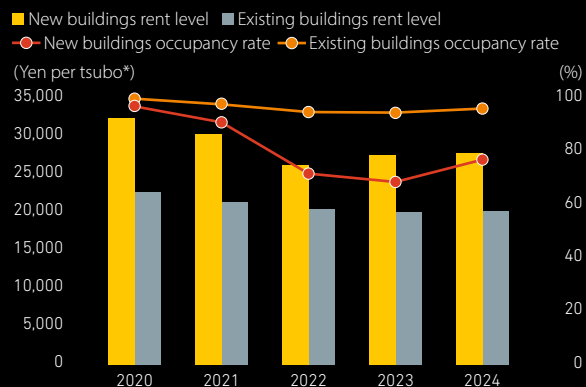
Opportunities

- Office migration needs are increasing with subsiding impact from the pandemic
- Occupancy rates and rent levels for offices in the Tokyo metropolitan area are on a recovery trend
- Tokyo's working population is expected to increase until around 2030

Risks

- Construction costs are on a rising trend due to persistently high material prices and a shortage of skilled workers
- Low progress in securing tenants for new office buildings, and intensifying competition from neighboring buildings to poach tenants

The Greater Tokyo Area Office Leasing Market Annual Average of Occupancy Rates & Rent Level



* Tsubo: A Japanese area measurement equivalent to approximately 3.3 square meters
Source: Tokyo Business District / As of December 2024, by Miki Shoji Co., Ltd.

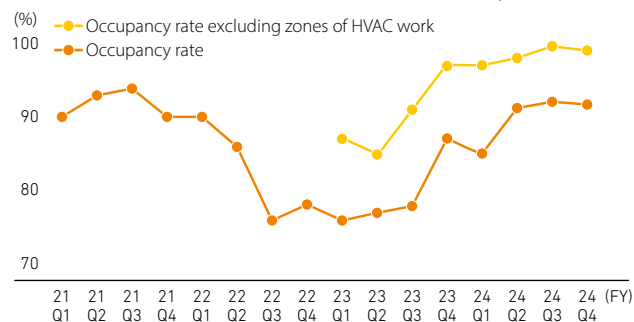
Efforts to Enhance the Value of Owned Real Estate

The Sapporo Group leverages real estate facilities in the Ebisu, Sapporo, and Ginza areas, which are closely tied to the Group, as points of contact with customers of its Alcoholic Beverages business. Meanwhile, we are also enhancing the long-term asset value of these properties and contributing to the development of the surrounding communities.

Adding Value at Yebisu Garden Place

At Yebisu Garden Place, we are working to enhance added value and safety in line with new ways of working, with the aim of improving facility utilization rates and rental rates. Specifically, the installation of seismic damping devices completed in summer 2022 has brought our long-period seismic motion dampening up to the same level as the most modern high-rise buildings. In addition, we are updating air conditioning systems and strengthening security in office areas to provide an environment with comfort, safety, and peace of mind. These efforts to create facilities that consider the health and comfort of workers have been recognized, and following the Yebisu Garden Place Office Tower, the Center

Yebisu Garden Place Office Space Occupancy Rate



Plaza Office has also obtained the highest rank of "S" in the CASBEE Wellness Office certification.

Furthermore, in fiscal 2024, to mark the 30th anniversary of its opening, we revamped Yebisu Garden Place's brand concept to "Work, Play, and Be Inspired," and provided opportunities for guests to experience new things and gain new insights and a sense of uniqueness that cannot be felt in everyday life, including through events with music and gourmet food.

Going forward, the facility will continue to help enhance the charm of the Ebisu area as a landmark of the city.

Efforts to Revitalize the Sapporo Area

The Sosei East Area, which is gaining attention as a popular spot in Sapporo, is advancing urban development under the slogan "Accelerate, Creation East" ("Sosei" can also mean "creation").

In January 2024, the hotel inside our Sapporo Factory was renovated and reopened as Hotel Sosei Sapporo MGallery Collection. Compared to before the renovation, 90% of guests are now inbound travelers visiting from outside Japan. Additionally, in August of the same year, the office and commercial building Sosei Cross was newly opened, featuring indoor and outdoor open spaces. These spaces are being utilized for daily use by local residents and events, creating new flows of people.

Going forward, we will continue to promote urban development in the Sosei East Area through collaborative efforts with residents, businesses, and other stakeholders.



Lobby at Hotel Sosei Sapporo
MGallery Collection

Management Platform

37	Human Resources Strategy
41	DX Strategy
43	R&D Strategy
44	Initiatives to Address Climate Change and Natural Capital (TCFD, TNFD)

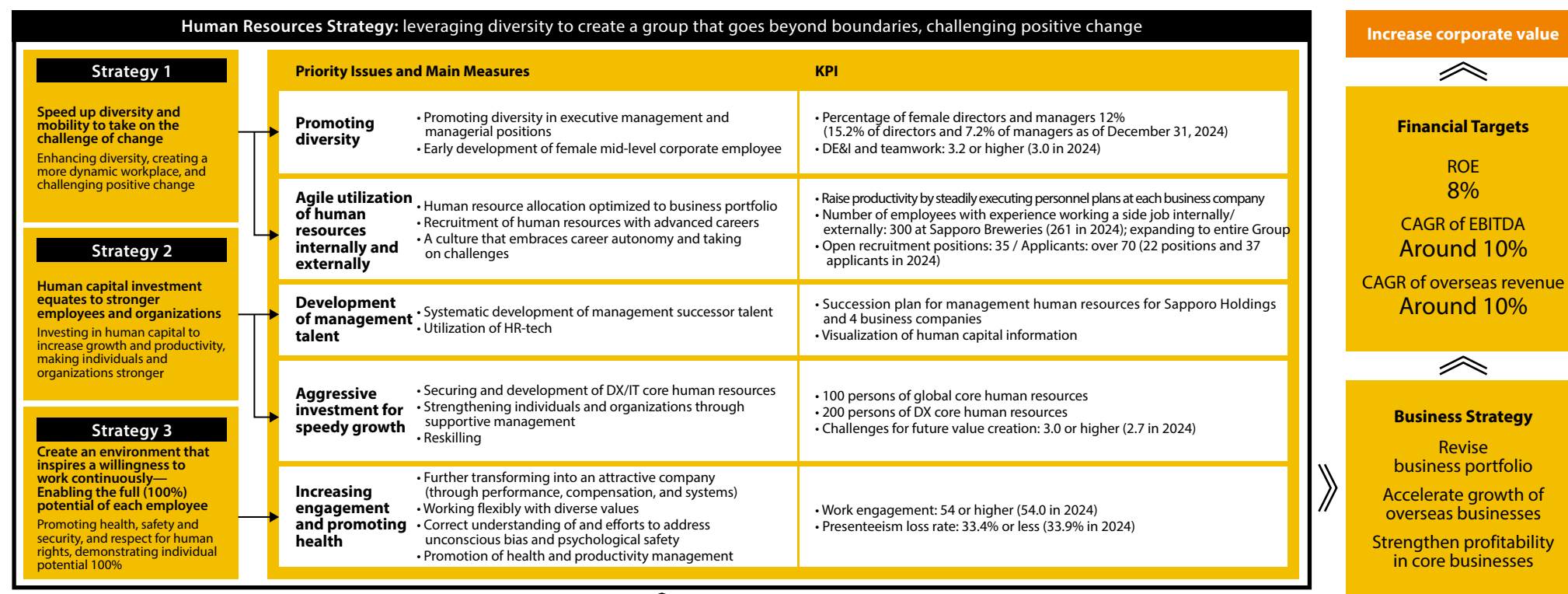
Part 3

Human Resources Strategy

Overview of Strategy

The Sapporo Group is promoting a new human resources strategy, recognizing that “human resources” are the source of all value creation for achieving “Beyond 150 - Transforming the business structure for new growth -,” the basic policy of the Medium-Term Management Plan 2023–2026. Under our human resources strategy, we aim to build a diverse group of individuals who “leverage their differences to go beyond boundaries, to take up the challenges of positive change,” in pursuit of creating new value that aligns with the evolving business environment. At the same time, we remain rooted in the pioneering spirit that has been with us since our founding, tracing back to the Hokkaido’s development commissioner. We are working to develop human resources and improve the workplace environment by setting priority issues, main measures, and KPIs based on three specific strategies.

Priority Issues in Human Resources Strategy and Main Measures



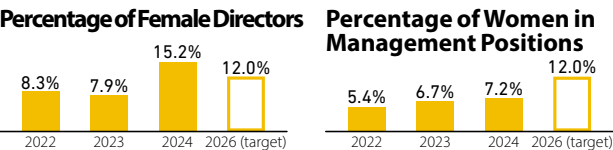
Human Resources Strategy

Strategy 1

Speed up diversity and mobility to take on the challenge of change

Promoting Diversity

Regarding the prioritized issue of promoting women’s active participation, we have set the 2026 KPI of the percentage of both female directors and women in management positions at over 12%.* We have established annual targets and are implementing training programs for individuals and management, one-on-one sessions with top executives, and workplace-wide development initiatives. As of 2024, the percentage of female directors has reached 15.2%, and the percentage of women in management positions stands at 7.2%. Moving forward, we will strive to achieve these goals by fostering internal human resources and actively hiring external talent, working together as a unified company.



* Major domestic companies (Sapporo Holdings, Sapporo Breweries, Pokka Sapporo Food & Beverage, Sapporo Real Estate, and Sapporo Lion)

To establish an environment that supports the active participation of diverse human resources, in fiscal 2024 we explicitly incorporated “Equity,” evolving our approach to what is now called the “Sapporo Group DE&I (Diversity, Equity & Inclusion).” Through messages from top management and the rollout of a new framework, we are promoting understanding and awareness both inside and outside the company. According to employee awareness surveys, over 70% of respondents agree that the environment is conducive to work for diverse members. However, only 62% feel that diverse perspectives are being actively utilized, and our current performance on the 2026 KPI for DE&I Team Strength stands at 3.0 out of a possible 4.0 (with a target of 3.2). Based on this, we believe it is necessary to further promote efforts to foster

inclusion for diverse human resources and create an environment where team strength can be fully realized.

Agile Utilization of Human Resources Internally and Externally

As part of our efforts to review the business portfolio and create new value, we are promoting the mobility of diverse human resources. Our approach is based on the idea that “each individual should carve out their own career.” We are committed to promoting career self-reliance and fostering a culture which crossing boundaries and embracing challenges becomes second nature for everyone.

Under our side job system for internal and external jobs, we launched a reciprocal side job program starting in 2024, bringing the cumulative total of employees with side job experience to 261. We are aiming for 300 employees to have participated in internal side jobs by 2026 as part of our KPI.

Additionally, leveraging the senior workforce aged 50 and above, which comprises approximately 36% of Group employees, is one of our key priorities. As of the end of 2024, career consultations have been conducted to about 10% of employees aged 50 and above who expressed interest. We are working to build an environment that supports proactive career development for this demographic.

To promote the active participation of diverse human resources, we are also aggressively pursuing mid-career recruitment. As of the end of 2024, mid-career hires account for 49% of domestic Group employees. We are actively recruiting highly skilled professionals and placing them in key positions that are strategically important to our business. Additionally, we have held roundtable discussions between senior management and mid-career hires to identify challenges and explore solutions necessary for creating an environment where everyone can work comfortably.



Recruitment of Highly Skilled Professionals

We Aim to Expand Our Overseas Business by Leveraging Sapporo’s Strengths.

Throughout my career at a general trading company, I was involved in trade, investments, M&A, and business management, and I found great appeal in expanding the sales of high-quality Japanese products overseas and growing the international business of Japanese companies. Sapporo’s strategy to strengthen its overseas operations aligned with my aspirations, and I joined the company with the confidence that my experience could make a meaningful contribution.

In my current role overseeing international strategy, I am responsible for formulating medium- to long-term growth strategies for our overseas business, as well as exploring partnerships, collaborations, and acquisitions with various external companies. While there are still many untapped markets abroad, it is crucial to enter these markets in a way that minimizes risk while establishing a deep and broad root structure locally, leveraging geographical advantages and market insights. I remain mindful of taking a steady approach to each stage of business development by starting with exports, then moving on to licensing agreements with local companies, and ultimately aiming to achieve localized production and consumption. Even as the environment around us continues to change, I will continue to drive our strategy forward in a way that leverages Sapporo’s unique strengths.

Noboru Ohroi
Group Managing Officer
(Chief of International Strategy)
Sapporo Holdings Limited



Human Resources Strategy

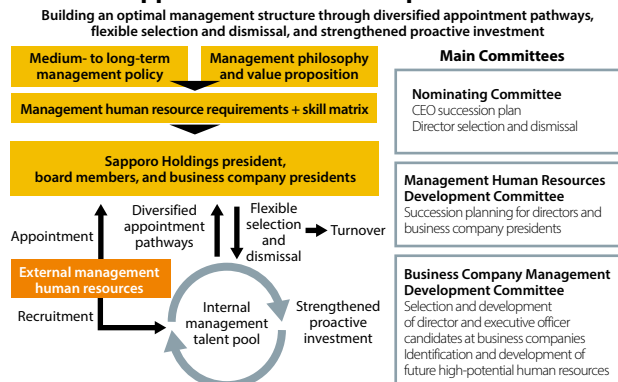
Strategy 2 Human capital investment equates to stronger employees and organizations

To achieve “accelerating growth of overseas business” and “strengthening profitability in core businesses” as targeted in the Medium-Term Management Plan, we have identified management, global, and DX/IT as the three areas for prioritized investment in terms of human resources, and we are actively working to secure and develop human resources in these fields.

Development of Management Talent

As the need for advanced management talent grows due to the rapid response required for environmental changes accompanying the transformation of our business structure, we redefined the criteria for management human resources in 2024 with the aim of systematic development and promotion. We have clarified areas for improvement, such as “early acquisition of global and governance knowledge,” and are implementing corresponding development initiatives. Additionally, to improve the sufficiency rate of management talent, we have established a council to discuss the development of such. Through this council, we are managing the individual development of targeted personnel, including

Executive Appointment and Development Process



their placement, identifying human resource gaps, and implementing measures to strengthen these areas.

Management Human Resources Development System

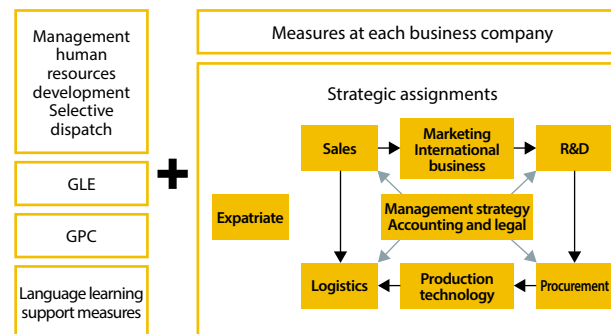


Aggressive Investment for Speedy Growth

Global human resources development

With the goal of securing 100 core global human resources, we divide target individuals into two stages (entry-level and placement-level) for personnel management and are working to advance the development of these human resources. To strengthen the practical skills of specialized professionals in global business, we offer training programs to enhance language proficiency and international business capabilities. Additionally, with a view toward

Sapporo Group Global Human Resources Development Plan



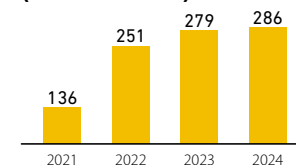
future expansion of overseas operations, we are investing in selective training programs such as the GPC Program for young global talent and the GLE Program for global leaders.

The evolution of supportive management

We have introduced a human resources system (development and evaluation system) that develops organizations by fostering the growth of people. As a part of this, we hold Talent Development Committee meetings, where frontline managers gather to thoroughly discuss the development of their team members.

According to employee awareness surveys, the score for the 2026 KPI “Challenging for Future Value Creation” (targeting 3.0 or above out of 4.0) was 2.7, indicating room for improvement in creating an atmosphere where teams set inspiring goals and encourage bold attempts without fear of failure. To address this, Sapporo Breweries launched a supportive management training program in 2023, open to all employees. This program focuses on developing skills such as feedback and coaching, which are essential for supporting the growth of team members. Additionally, in fiscal 2024, as part of the WONDER WORKS initiative aimed at fostering future new business creation, they held a business competition. One participating team earned the right to proceed with business feasibility studies, helping foster a culture that encourages the taking up of new challenges. As a result of these efforts, our investment in human resource development in 2024 amounted to 286 million yen.

Investment in Human Resource Development (Millions of Yen)



* Major domestic companies (Sapporo Holdings, Sapporo Breweries, Pokka Sapporo Food & Beverage, Sapporo Real Estate, and Sapporo Lion)

Human Resources Strategy

Strategy 3

Create an environment that inspires a willingness to work continuously—Enabling the full (100%) potential of each employee

Increasing Engagement and Promoting Health

Expansion of systems allowing choice of workplace and hours

At Sapporo Breweries, systems have been introduced that allow employees to choose their own work arrangements, including telecommuting, flextime, and the option to decide on transfers. In 2024, the company launched the Work from Anywhere System for regional employees and a Choice of Single-Person Transfer or Commuting from Home System for sales positions that involve business trips. At Sapporo Lion, a reduced-hours system for managers has been implemented to create an environment where employees can continue working comfortably, in alignment with their individual values.

Support for employees balancing work with a variety of personal commitments

At Sapporo Breweries, to address female-specific health issues, they have implemented health seminars for female employees and their supervisors, while promoting the use of menstrual leave. In order to encourage male employees to take parental leave, the company responded to concerns identified through surveys—such as anxiety over income and work handover—by providing income calculation tools and enhancing guidance. As a result, the male parental leave uptake rate reached 100% in fiscal 2023. In 2024, a system was introduced that adds a bonus for employees who take over duties from those on parental leave. These efforts to support the balance between work and childcare have been acclaimed, with the company being selected for two years running as a Next Nadeshiko: Companies Supporting Dual-career and Co-parenting.

In terms of managing work alongside illness, the company's

efforts, including internal and external information dissemination, have been praised. Sapporo Breweries received the Gold Award or higher for seven consecutive years in the Gan-Ally-Bu Award 2024, and Pokka Sapporo received the Silver Award. Additionally, in fiscal 2024, the company rolled out seminars across all departments to promote the learning of accurate knowledge about caregiving, further advancing efforts to achieve zero caregiving-related resignations.



Promotion of health and productivity management

In the Sapporo Group, we formulated a Medium-Term Health and Productivity Management Plan in fiscal 2023 and have been implementing health investment initiatives. In the seventh round of our lifestyle improvement campaign, around 4,000 employees across the Group participated, contributing to the “adoption of healthy habits” and the “creation of a health-conscious organizational culture.” In fiscal 2025, eight companies within the

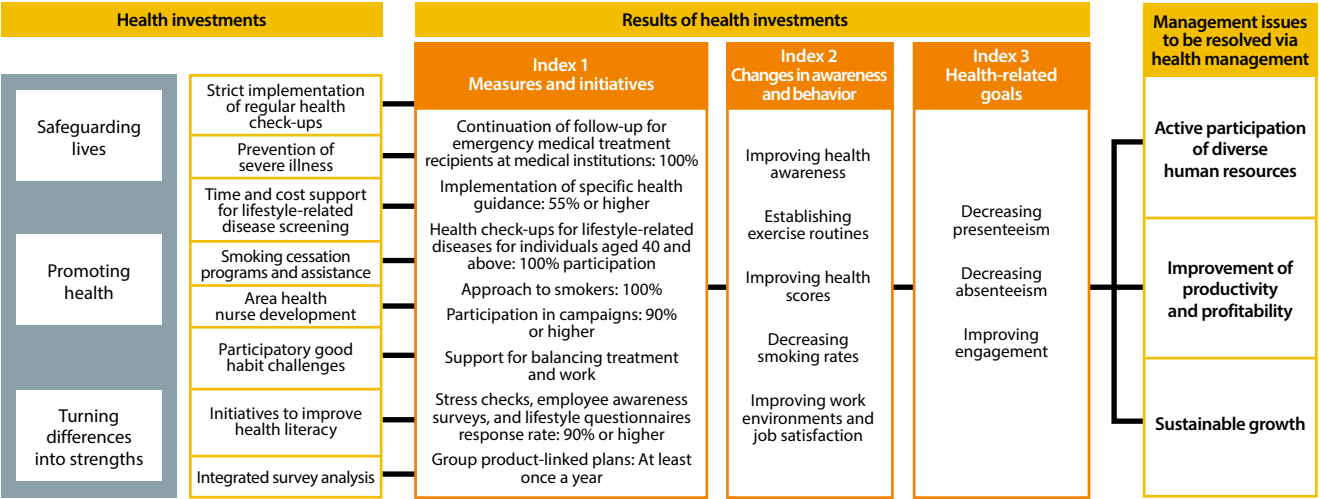
Group were certified as Outstanding Organizations of KENKO Investment for Health, including both large and small-to-medium enterprises. Additionally, Sapporo Holdings has been selected for the 2025 KENKO Investment for Health Stock.



Increasing work engagement / reducing presenteeism

In fiscal 2024, the work engagement score reached a standard score of 54, achieving the 2026 KPI target of 54 or higher for two consecutive years (→ p. 69). On the other hand, labor loss due to reduced work performance during job attendance (presenteeism) worsened by 0.1% compared to fiscal 2023. Factors contributing to this include challenges faced by female employees in balancing work and family responsibilities, as well as a decline in a feeling of self-efficacy associated with changes in duties following promotions. To address these issues, we have implemented measures such as individual career support consultations.

Sapporo Group Medium-Term Health and Productivity Management Plan (2023–2026) Strategy Map



DX Strategy

Overview of DX Strategy

The Sapporo Group has been engaged in business process reform (BPR) activities since 2018, and by 2022, we had achieved operational efficiency improvement equivalent to 360,000 hours and approximately 200 employees' worth of work. From 2022, we will promote DX strategy based on the Sapporo Group DX Policy formulated in March 2022.

From 2022 to 2023, we worked to enhance our organizational structure and implement a human resources development program aimed at converting all employees to DX human resources as part of our infrastructure improvement efforts, in which we trained around 200 core human resources. In 2024, we have worked to further develop advanced DX human resources, as well as to improve our data infrastructure to support the activities of human resources who have undergone training. Our efforts here have been to build an environment where employees can easily and securely access data.

DX Policy



Progress in DX Human Resource Development

The Sapporo Group officially started its own human resources development program in 2022, aiming to convert all employees to DX human resources.

In 2022 and 2023, we conducted e-learning for all employees, and then planned and implemented the following three training programs: (1) training to develop core human resources who will drive DX strategy forward, (2) training for managers to support core human resources, and (3) training for officers to make more bold and optimal decisions. For core human resources, we focused on three categories—DX business

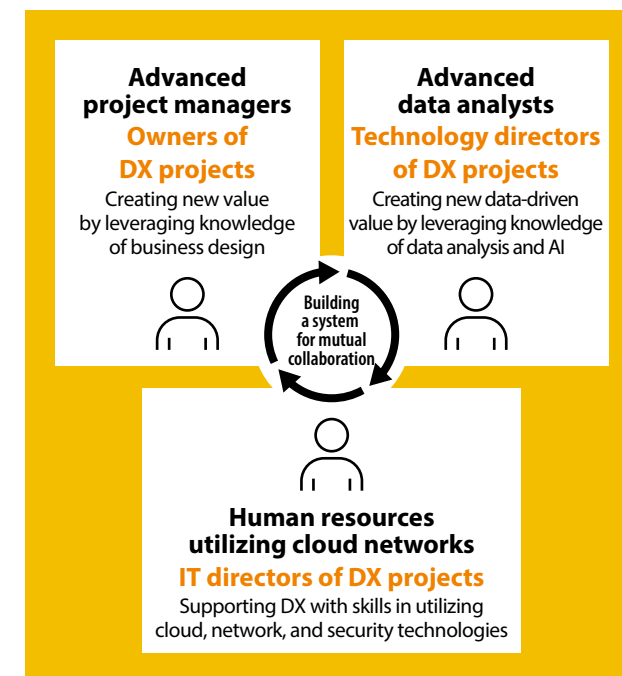
Overview of DX Human Resources Development



designers, DX technical planners, and IT technical planners—with the goal of developing people who have knowledge of the latest technologies such as AI and who can solve problems while utilizing internal and external support. In these two years, 200 employees completed a development program.

In 2024, we provided training for around eight months to selected members, mainly core human resources, to help them develop advanced skills and become more capable of practicing and implementing new ideas. Going forward, we are looking to create businesses and services in new domains where individual employees can work with each other to generate synergies within the Group.

Collaboration Among Highly-Skilled Human Resources

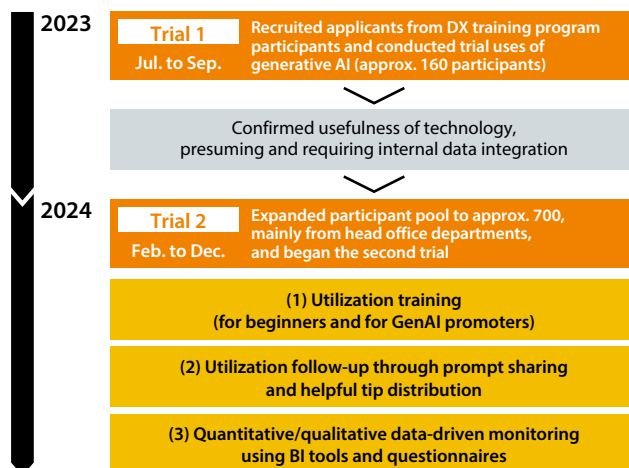


DX Strategy

Greater Utilization of Generative AI

The Sapporo Group began testing the introduction of generative AI in 2023 for approximately 160 core human resources in DX and IT. After that, the scope of the trial was expanded to include approximately 700 people, mainly from planning and management departments, from February 2024, to verify the usefulness of this technology. During the introduction period, employees were encouraged to utilize generative AI through measures such as holding study sessions and developing a unique collection of prompts for the Group. As a result of efforts to improve operational efficiency in areas such as the creation of approval documents and proofreading, we confirmed positive impact over six months in the form of an equivalent annual manhour reduction of 10,000 hours, which was our target level. Given these strong results, we have been rolling out generative AI tools across the Group since September 2024. Going forward, we will encourage generative AI tools by all employees to improve the quality and productivity of our work, as we work to enhance and transform our business processes.

Generative AI Rollout Initiatives



DX Case Studies

Case 1 DX Proof-of-Concept Experiment for Inbound Visitors in the Ginza Area

The Sapporo Group conducted a proof-of-concept experiment for inbound marketing in the Ginza area, a place where we have multiple locations. This experiment involved launching a website for inbound visitors that provides basic information and coupons for stores in the Ginza area, and analyzing trends in site activity data by attribute to use in marketing for each store. By attracting customers to stores and increasing their recognition levels, we aim to further revitalize the area, as well as create new business models by utilizing the tangible and intangible assets of the Sapporo Group in new business domains.

In the future, we will continue to consider how best to provide our services based on the results of this test, and work to create new value that is not bound by conventional concepts, utilizing digital technology and data.

Ayumi Hamamoto

DX Planning Department
Sapporo Holdings Limited



Case 2 Creation of the Sapporo Data Factory Data Utilization Platform

As part of the IT environment improvement measures set out in the Sapporo Group DX Policy, we built the Sapporo Data Factory data platform in December 2024. This system incorporates advanced cloud services and is designed as a platform for efficiently collecting, integrating, and analyzing internal and external data. Our goal in building this platform was to create an environment where employees could easily and securely utilize data related to all stakeholders, as well as open data such as weather information. This will enable shared use of intangible data assets that were previously dispersed throughout the Group, and it is hoped that this will lead to more sophisticated and faster decision-making and the resolution of various business issues in a data-driven fashion.

Going forward, we will continue to expand our database and promote operations integrated with our DX human resources, with the aim of achieving data-driven management and maximizing business value.

Fumiki Kobayashi

DX Planning Department
Sapporo Holdings Limited



R&D Strategy

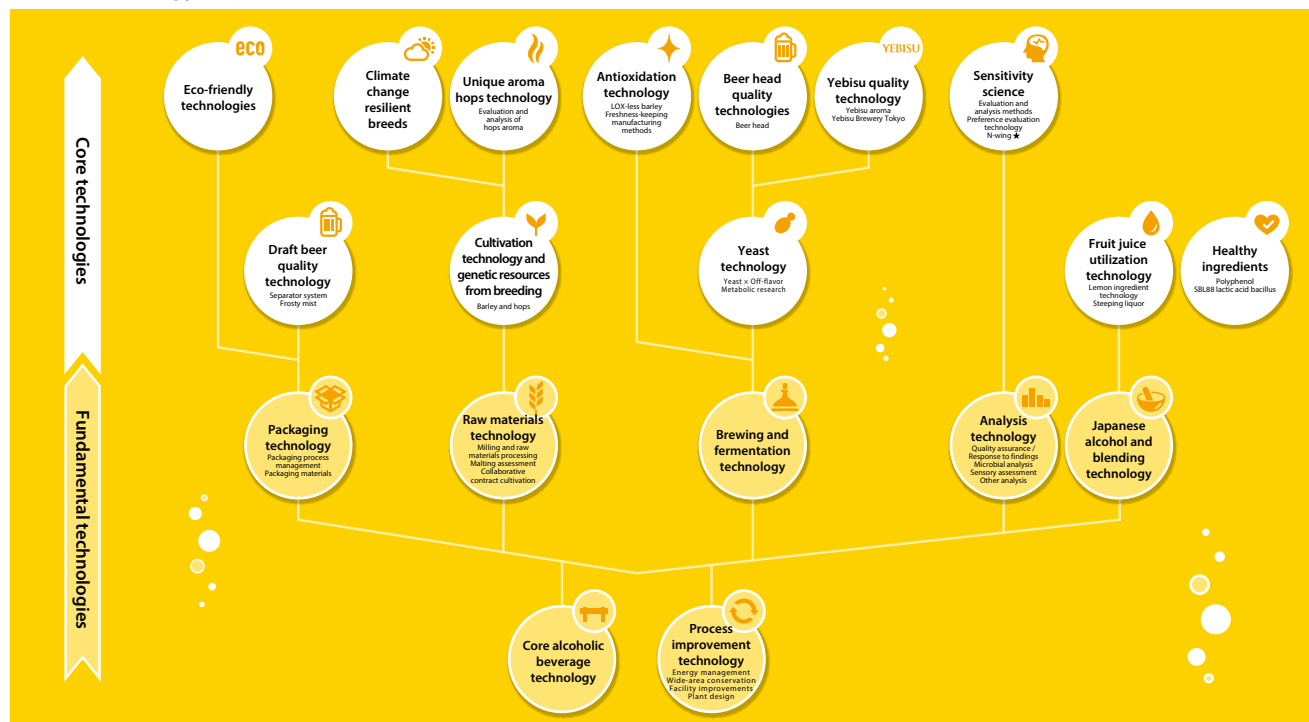
Overview of R&D Strategy

The Sapporo Group is promoting the evolution and fusion of core technologies and open innovation, with the aim of continuously providing the value customers demand while also cultivating new categories and markets. In addition, we are working to develop technologies that will contribute to future sustainability, health-consciousness, and well-being. As part of these activities, we are focusing on initiatives to create synergies between our Alcoholic Beverages business as managed by Sapporo Breweries, and our Beverages business as managed by Pokka Sapporo. In

particular, we are engaged in R&D focusing on the functions of lemon ingredients, a particular strength of Pokka Sapporo's.

Though we already have a track record in joint development harnessing insights from both companies, including to create the Koime no Lemon Sour and Nippon Shin Lemon Sour products, we are further strengthening collaborative efforts as early as the research stage. By enhancing our efforts at this first step toward product development, we are making the most of the strengths of both companies and maximizing the value we provide to our customers. We aim to demonstrate synergy through co-creation, with researchers from both companies participating in projects.

Core Technology Map



Joint Research: Alcoholic Beverages / Soft Drinks

Analyzing the Benefits of Lemon Aroma on People with AI

Pokka Sapporo has been working for many years to clearly establish the basis for lemon's broad use in cuisine and beverages, as well as its efficacy.

However, though lemon enjoys notable popularity as a flavor when it comes to alcoholic beverages, there is no clear scientific explanation globally for this preference. As an organization with strengths related to the lemon, we see this as an issue that the Sapporo Group should address, and therefore we are currently conducting research in collaboration with Sapporo Breweries on what kind of correlation there is between the aroma of lemon and customer preferences. Specifically, we are conducting AI-driven analysis of data on consumer preferences gathered through means such as questionnaires of around 100 people, as well as data on the insights and research results that both companies have cultivated to date.

From our analysis so far, we have obtained results that suggest that certain aromas of lemon are linked to physiological phenomena and sensations in customers, leading to a determination that the relevant substance is "desirable." In the future, we will continue to advance AI analysis and apply it to the development of lemon ready-to-drink (RTD) products that match customer preferences.

Yoshihisa Wakita

Functional Research Group,
Core Technology Research Institute,
R&D Division
Pokka Sapporo Food &
Beverage Ltd.



Initiatives to Address Climate Change and Natural Capital (TCFD, TNFD)

The Sapporo Group recognizes that climate change is one of the most important issues to be addressed on a global scale, and we are working to resolve issues from both mitigation and adaptation perspectives. We have identified risks and opportunities based on scenario analysis of multiple possible future business environments, and are reflecting the results in our strategies and initiatives. Since we rely on resources such as agricultural crops and water, addressing natural capital is also an important issue. Sapporo Holdings endorses the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD) and is actively carrying out information disclosure accordingly.



Governance

The Sapporo Group has established the Group Risk Management Committee and Group Sustainability Committee, both chaired by the President and Representative Director of Sapporo Holdings, as advisory bodies to the Management Council.

The Group Risk Management Committee is responsible for the Sapporo Group's overall risk management and reports semiannually to the Board of Directors on the occurrence of climate-related risks, water risks, and nature-related risks, as well as on the responses and measures to prevent their recurrence. Meanwhile, the Group Sustainability Committee formulates overall policies to advance sustainability management throughout the Group, coordinates within the Group, and reports semiannually to the Board of Directors on

progress in addressing various sustainability-related issues, including action on climate change.

The Board of Directors monitors the efforts to address these reported issues and the progress toward set targets.

Strategy

Climate Change

Based on the Sapporo Group Environmental Vision 2050 aimed at realizing a decarbonized society, the Sapporo Group is working to prevent global warming by reforming its business structure with a decarbonization orientation, thoroughly implementing energy-saving measures, and utilizing renewable energy.

In this context, in our core beer business, we have been breeding our own barley and hops, the main raw materials, since our founding in 1876, and have adopted a unique raw material procurement system. In the future, assuming the impact of climate change on the yield of raw materials, we will work to develop new varieties and ensure sustainable procurement in cooperation with universities, research institutions, and suppliers in Japan and overseas, based at the Sapporo Brewery Material Development Laboratory. We will also strengthen cooperation with suppliers to ensure

For details, including analysis results, of our initiatives to address climate change and natural capital, please visit our website.
<https://www.sapporoholdings.jp/en/sustainability/environment/nature/climate/>

stable procurement of corn and rice as secondary materials.

We will take on the challenge of resolving climate change issues from the perspectives of mitigation and adaptation through our group-wide efforts to thoroughly decarbonize and our efforts to produce raw materials, which we have cultivated over 140 years in the beer business, aiming to become a resilient corporate entity.

Scenario Analyses

We have conducted scenario analyses within our core beer business, targeting procurement areas for raw materials used in beer, with the expectation that climate change will affect these areas. Based on scenario analysis data from the Food and Agricultural Organization of the United Nations (FAO) and other sources, and with adjustments made to account for abnormal weather events and other factors, we anticipate three scenarios in which yield amounts could change by 2050, each with differing climate change, socioeconomic, and production related factors. In 2023, we analyzed the financial impact of items that are expected to have a significant impact on raw material procurement costs based on the results of the scenario analyses mentioned above. For details, please refer to “Risks and Opportunities, Direction of Responses and Measures” (→ p. 46).

+: Positive impact on yields -: Negative impact on yields

	Temperature increase	Extreme weather events (typhoons, floods, droughts, etc.)	Agriculture-related trends	Other social trends
Sustainability Progress scenario	1.5°C	Increases to some degree (-)	Tighter regulations on the use of chemical fertilizers, etc. (-)	Population growth, improved living standards, increased demand for food, and some increase in food prices
Sustainability Standard scenario	BAU	Increased frequency and damage (-)	Increase in variety improvement and capital investment (+)	Population growth, higher living standards, increased demand for food, higher food prices
Sustainability Stagnation scenario	4°C	Severe increase (-)	Increase in crop diseases and damage to agriculture (-)	Higher food prices, more difficult access to food for the poor

Initiatives to Address Climate Change and Natural Capital (TCFD, TNFD)

Natural Capital

The Sapporo Group utilizes natural resources such as agricultural products and water in its business activities. At the same time, we recognize that we impose environmental burdens, such as through land use. As the degradation of nature accelerates, we believe it is essential to understand our dependence on and impact on nature, along with the associated risks and opportunities, and to actively implement countermeasures. Furthermore, when implementing measures to address natural capital, we believe it is important to align them with climate change

Assessment of Nature-related Risks and Opportunities in Accordance with the LEAP Approach

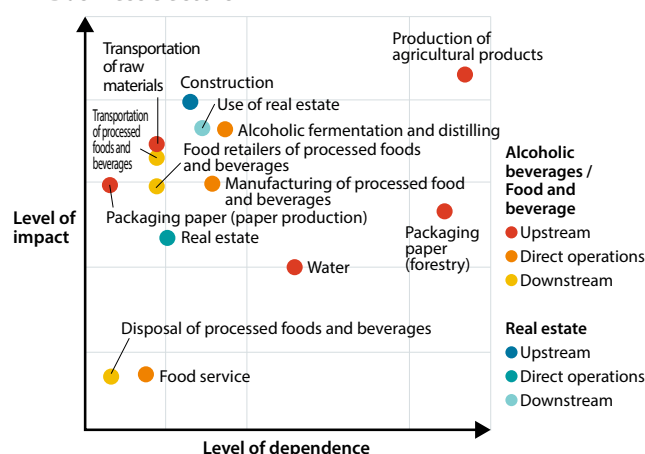
Analysis of all businesses and selection of evaluation subjects (Scoping)	We assessed the potential dependence on and impact on nature across the entire supply chain of the Sapporo Group's main businesses: alcoholic beverages, food and beverage, and real estate. Based on the evaluation results, we selected "barley and hop production" for a detailed assessment in accordance with the LEAP approach, as it was determined to have a significant dependence on and impact on nature, as well as a large procurement volume.
Discovery of points of contact with nature (Locate)	We obtained location information for the farms that supply barley and hops and assessed the condition of the surrounding natural environment.
Evaluation of dependencies and impacts (Evaluate)	We identified the dependence on and impact on nature associated with barley and hop production. Regarding one of the significant impacts, water pollution, we assessed the amount of nitrogen fertilizer used and evaluated the extent of its impact.
Assessment of risks and opportunities (Assess)	We identified the nature-related risks and opportunities associated with barley and hop production and evaluated their magnitude and likelihood of occurrence.
Preparation for responses and reporting (Prepare)	We reorganized the assessment results of risks and opportunities in conjunction with climate change-related risks and opportunities, along with corresponding measures. Additionally, based on the evaluation results, we established integrated measures and goals related to climate change.

measures, as nature and climate are closely interconnected. Based on this belief, in the Sapporo Group Environmental Vision 2050, we have committed to realizing a society in harmony with nature. By advancing these initiatives, we aim to contribute to the realization of a nature-positive society, where nature loss is halted and put on a path to recovery.

Assessment of Nature-related Risks and Opportunities in Accordance with the LEAP Approach

The assessment of nature-related risks and opportunities was conducted by the LEAP approach recommended by the TNFD. As a result of analyzing the entire supply chain of the Sapporo Group's main businesses—alcoholic beverages, food and beverage, and real estate—it was found that "production of agricultural products" within the alcoholic beverages and food and beverages businesses was the

Matrix of Dependence and Impact Across All Business Sectors



industrial process with the highest degree of dependence and impact. Then, we set "barley and hop production," a large procurement item, as a priority issue, and proceeded with a more detailed evaluation in line with the LEAP approach.

For more information about our analysis using the LEAP approach, please visit our website.
<https://www.sapporoholdings.jp/en/sustainability/environment/nature/climate/>

Risk Management

According to the results of the scenario analysis, there are areas where yields would decrease in each scenario. Including these impacts, we examined the risks and opportunities facing the Sapporo Group, assuming that the three scenarios become reality.

In terms of risks, we recognize that crop yields could decrease due to abnormal weather events, regulations could be tightened, and quality could decline due to pests and diseases. On the other hand, in terms of opportunities, we recognize the stabilization of quality through improved varieties, the development of new varieties, and the enhancement of competitiveness through product development, etc. We believe that by strengthening mitigation and adaptation measures, the impact of risks will be reduced and the potential for capturing opportunities will be greater.

Although the trend of declining yields will occur in each region, we will respond to regional differences by securing diversified sources of procurement. In addition, we will respond to tighter regulations on agricultural chemicals, yield reduction and quality deterioration caused by diseases through field management activities and the development and commercialization of new varieties. These are measures that will be effective in all scenarios.

Initiatives to Address Climate Change and Natural Capital (TCFD, TNFD)

Risks and Opportunities, Direction of Responses and Measures

Item	Risk and opportunity	Related items		Impact period			Financial impact	Direction of response and measures
		Climate change	Natural capital	Short-term	Medium-term (2030)	Long-term (2050)		
Transition risks	Increased energy costs at business sites due to the introduction of carbon pricing	○			○	○	Imposition of carbon tax NZE Scenario (Progress Scenario): 3.13 billion yen in 2030, 6.06 billion yen in 2050	• Promotion of decarbonization efforts (achievement of targets for 2030 and 2050)
	Increase in costs required to reduce FLAG-related emissions in response to greenhouse gas reduction targets	○	○	○			Understanding the amount of nitrogen fertilizer applied and the associated costs required for its reduction	• Refining the FLAG-related emissions calculation method and investigating the feasibility of obtaining activity data, along with the associated challenges
	Reduction or change in sourcing locations due to the expansion of protected areas for the 30by30 target and the protection of areas managed by IPLCs		○		○		Anticipating an increase in the procurement cost of raw agricultural products	• Ensuring diverse procurement sources • Gathering the latest information through suppliers
	Decrease in agricultural yields due to tighter environmental regulations on pesticides (including chemical fertilizers)	○	○		○	○	Increased procurement costs for raw agricultural products Progress Scenario: 200 million yen in 2030, 550 million yen in 2050 Standard Scenario: 130 million yen in 2030, 500 million yen in 2050 Stagnation Scenario: 250 million yen in 2030, 770 million yen in 2050	• Understanding pesticide regulation information and pesticide usage conditions • Gathering information on integrated pest management, including biological control and physical removal methods in place of chemical pesticides, and understanding of producer trends
	Increase in agricultural production energy costs due to factors such as carbon pricing	○			○	○		
Physical risks	Deterioration of raw agricultural product quality and yield reduction due to global warming and abnormal weather events	○	○		○	○	Note: Calculation based on the 2022 actual performance standard for beer raw agricultural products	• Ensuring diverse procurement sources • Development and promotion of barley and hop varieties with low risk of quality deterioration due to abnormal weather events and high yield • Development and diffusion of new barley and hop varieties with excellent disease resistance • Establishment of a pest control system for the introduction of integrated pest management in cooperation with suppliers
	Water scarcity and flooding at business sites due to abnormal weather events (heatwaves, droughts, wind and water damage from typhoons and concentrated heavy rainfall, etc.)	○	○	○	○	○	Assuming losses and restoration costs due to production suspensions	• Safety of water supply at existing sites and risk assessment for drought and extreme weather events
	Stagnation in procurement of raw materials due to epidemics of new infectious diseases	○	○		○	○	Assuming losses due to production suspensions	• Collection and understanding of information on global trends and regulations in food import and export • Strengthen foundations for stabilizing domestic production
	Increase in air conditioning costs for equipment caused by rising temperatures	○			○		Assuming an increase in electricity consumption	• Thorough implementation of energy-saving practices in operations management
	Reduction in yield and quality due to water pollution and the deterioration of soil health		○		○		Assuming an increase in the procurement cost of raw agricultural products and an increase in water purification costs	• Ensuring diverse procurement sources • Understanding the situation by communicating with producers
Opportunities	Reduced energy costs (carbon tax) at business sites through reduction of greenhouse gas emissions	○			○	○	NZE Scenario (Progress Scenario): 1.32 billion yen in 2030, 6.06 billion yen in 2050	• Promotion of decarbonization efforts (achievement of targets for 2030 and 2050)
	Stable procurement of raw materials through the development of climate-resistant varieties	○	○		○	○	Reduced impact on procurement costs due to broad adoption of new varieties in the industry	• Development and commercialization of barley and hop varieties adapted to avoid or reduce the effects of climate change such as drought and heavy rainfall (Some new barley varieties currently under development for commercialization in 2035 have characteristics of energy-saving effects during malting process.)
	Strengthening competitiveness through the development of raw agricultural products and product development	○	○		○	○	Products using newly developed varieties of barley and hops Market scale after 2035: up to 54.7 billion yen	
	Efficiency improvement in agriculture through the utilization of ICT, robots, etc. Stabilization of quality through breeding	○	○		○	○	Assuming impact on raw agricultural product prices	• Utilization of new technologies in agriculture through collaboration with domestic and international partners
	Optimization of fertilizer and pesticide application, as well as the reduction of costs and environmental impact through the introduction of energy-efficient machinery	○	○		○		Assuming the cost-reduction effects of inputs and their impact on raw agricultural product prices	• Communication with domestic and international partners and sharing our decarbonization goals, including FLAG
	Reduction of water-related risks and costs through improved water use efficiency, as well as the securing and conservation of water sources		○	○			Assuming a reduction in costs related to water management	• Efficient water use at production sites and crisis prevention through regular water risk assessments
	Funding through sustainable finance		○	○			Assuming that access to funding becomes easier	• Improvement of external ESG evaluations

Initiatives to Address Climate Change and Natural Capital (TCFD, TNFD)

Indicators and Targets

Among the measures and policies described in the previous section, the following indicators and targets have been set for the initiatives that the Sapporo Group is particularly focusing on. In mitigation measures such as curbing greenhouse gas emissions, the Sapporo Group has set medium- and long-term targets for reducing greenhouse gas emissions. We have also set targets related to the broader value chain, including for emissions from Scope 3 and FLAG scopes 1 and 3.

For adaptation measures to avoid or mitigate damage from climate change impacts, we have set targets related to barley and hops, which are used as key ingredients in our beer. We aim to preserve and manage the genetic resources

Mitigation Measures

	2030	2050
Scope 1 and 2	Reduce greenhouse gas emissions from our sites by 42% compared to the 2022 levels	Aim to achieve net zero greenhouse gas emissions in Scope 1, 2, and 3
Scope 3*¹	Reduce greenhouse gas emissions (Scope 3) throughout the value chain by 25% from the 2022 levels	- Use 100% renewable energy sources for electricity consumption
FLAG scopes 1 and 3*¹	Reduce greenhouse gas emissions in FLAG scopes 1 and 3 by 31% from the 2022 levels	—

*1 Expand our emission reduction activities in all domestic cooperative cultivation areas

Adaptation Measures

By 2030	By 2035	By 2050
Apply for registration of new breeds (barley, hops)	Commercialize new breeds (barley, hops) in Japan	Develop new environmentally adaptable breeds and commercialize them in Japan and abroad

of barley and hops, and utilize them to develop and commercialize breeds that can address issues such as yield reduction and quality deterioration caused by abnormal weather conditions like drought and heavy rainfall, which are climate-related and nature-related risks, as well as water stress and disease resulting from these conditions.

Mitigation Measures for Climate Change and Measures to Reduce Impacts on Nature

The Sapporo Group has received SBT certification for FLAG-related*² greenhouse gas emission reduction targets, becoming the first in Japan to achieve this. FLAG-related greenhouse gas emissions include those associated with land use changes and land management related to the production of the agricultural products we source, as well as N₂O emissions from the application of nitrogen fertilizers. Additionally, the application of nitrogen fertilizers is a contributing factor to water pollution, which is one of the impacts on nature.

Therefore, to reduce FLAG-related greenhouse gas emissions and mitigate impacts on nature, we will engage in communication*³ with our largest barley/malt suppliers to track nitrogen fertilizer application and optimize fertilization practices, looking to achieve a 100% optimization rate by fiscal 2030.

*² FLAG, or Forest, Land and Agriculture, refers to sectors related to agriculture, forestry, and other land uses, and FLAG-related emissions refer to non-energy-related greenhouse gases in these sectors.

*³ We intend to share our FLAG scope 1 and 3 targets and conduct on-site visits to collect information on the use of nitrogen-based chemical fertilizers and organic fertilizers.

Understanding and Eliminating Water Risk

The Sapporo Group is committed to identifying and eliminating water risks because of the large amount of water

used at our production sites and the use of agricultural products produced around the world as raw materials.

Water Risk at Production Sites

In order to understand the impact of water risks on business continuity, the Sapporo Group is conducting a survey on its domestic and international production sites by combining the Aqueduct Water Risk Atlas (hereinafter referred to as “Aqueduct”) with actual condition surveys. Aqueduct is a tool published by the World Resources Institute that evaluates global water risks based on latitude and longitude. As of 2024, there are no production sites that fall under the category of “Extremely high” for both “Overall Water Risk” and “Water Stress.”

However, one part of the area around our Long An Plant in Vietnam was classified as “High” for “Overall Water Risk.” Therefore, we will make this a priority location for reducing water risk and will set specific targets and move forward with initiatives accordingly.

Water Risk in Raw Material Procurement

Sapporo Holdings also conducts water risk assessments for agricultural production areas. Our most recent survey was of major regional supplier bases for barley and hops, the main raw materials for our beer business. As a result, we found that none of the sites were classified as “Extremely high” in terms of overall water risk. We share our sustainability procurement guidelines with our suppliers and strive to ensure safe and secure procurement through communication.

For more information about our water risk assessment results, please visit our website.
<https://www.sapporoholdings.jp/en/sustainability/environment/recycling/water/#h-03>

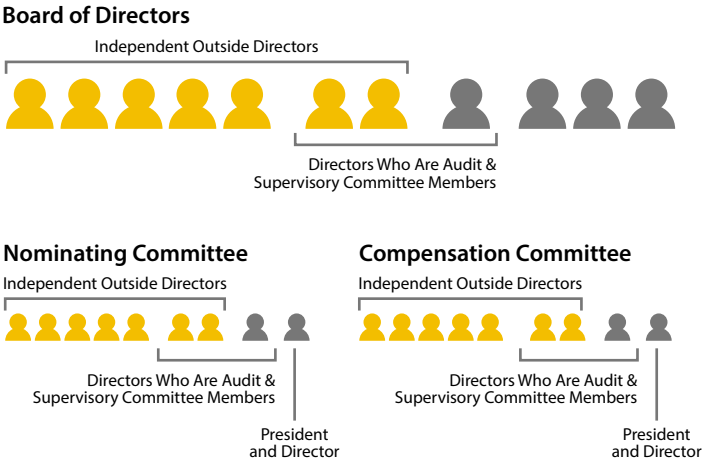
Governance

49	Corporate Governance Digest
50	Board of Directors, Directors Who Are Audit & Supervisory Committee Members, and Group Managing Officers
53	Corporate Governance
61	Dialogue with Investors and the Cycle of Feedback to Management
62	Risk Management
63	Respect for Human Rights

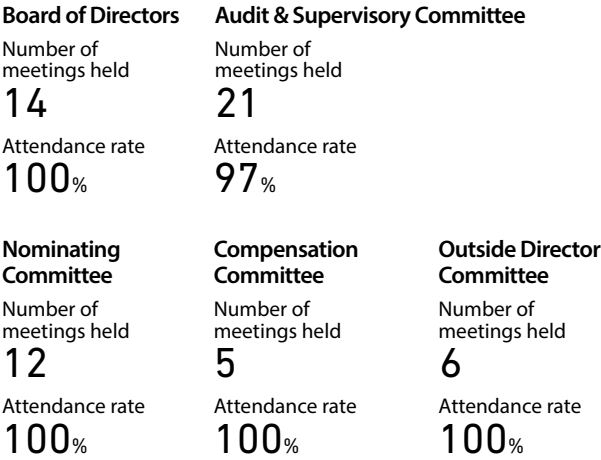
Part 4

Corporate Governance Digest

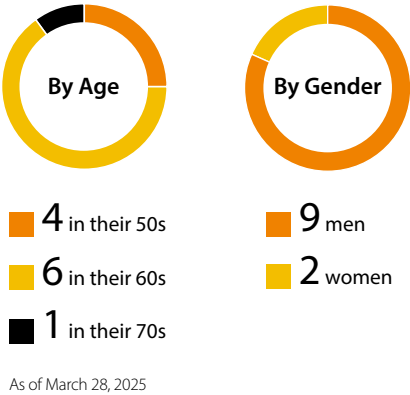
Composition of Board of Directors, Nominating Committee and Compensation Committee



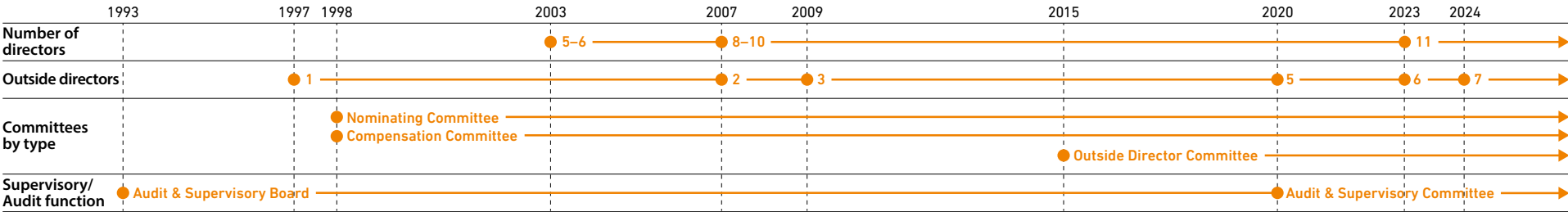
Meetings of the Board of Directors and Each Committee (Fiscal 2024)



Diversity of Directors



History of Corporate Governance Reforms



Notes:

1. The Company transitioned to a pure holding company structure in 2003.

2. The term of office of directors was shortened to one year from March 2005. (Note) As the Company established an Audit & Supervisory Committee on March 27, 2020, the term of office of directors (excluding directors who are Audit & Supervisory Committee Members) became one year.

3. As of March 28, 2024, the Company's Board of Directors consists of 11 directors, including 7 Independent Outside Directors. As a result, Independent Outside Directors have accounted for a majority of the Board of Directors since March 30, 2023.

Board of Directors, Directors Who Are Audit & Supervisory Committee Members, and Group Managing Officers (As of March 28, 2025)

For more details about the career background of each of our officers, please visit our website.
<https://www.sapporoholdings.jp/en/company/officer/>

Board of Directors



Hiroshi Tokimatsu
President and
Representative Director
(Chairperson of the Board)
Years in office: -

Reasons for Appointment

Mr. Hiroshi Tokimatsu has experience in each of the Group's businesses—Alcoholic Beverages, Real Estate, and Food & Soft Drinks businesses—and has led reforms in each of these businesses. At Sapporo Real Estate Co., Ltd., he developed and implemented a strategic investment plan that led to future asset value increases in Ebisu and Sapporo, while at Pokka Sapporo Food & Beverage Ltd., he pushed ahead with drastic structural reforms to break away from low profitability. The Company has determined that Mr. Tokimatsu, as a manager with a group perspective based on his experience and achievements in the management of the Group's various businesses, will be the right person to exercise leadership to realize the Group Medium- to Long-Term Growth Strategy, to achieve the Medium-Term Management Plan 2023–2026, and to promote the Group's management. He has thus been appointed as a Director.



Yoshitada Matsude
Executive Managing
Director
Years in office: 3

Reasons for Appointment

Mr. Yoshitada Matsude has long experience in the Accounting & Finance Department of Sapporo Breweries Limited and has held management roles in Group companies such as Sapporo Real Estate Co., Ltd., thereby working on the formulation of business strategies and their promotion. In addition, as the Company's officer in charge of finance, general affairs, and human resources, he has contributed to strengthening the functions of the Board of Directors by promoting management with particular awareness of the cost of capital and stock price, engaging in ongoing dialogue with the capital market, and providing feedback to the Board of Directors. He has a wealth of experience, a rich track record, and great insight regarding accounting & finance and business management. The Company has determined that he will be the right person to exercise leadership to realize the Group Medium- to Long-Term Growth Strategy, to achieve the Medium-Term Management Plan 2023–2026, and to promote the Group's management. He has thus been appointed as a Director.



Rieko Shofu
Executive Managing
Director
Years in office: 3

Reasons for Appointment

As a person in charge of the corporate planning department of Pokka Sapporo Food & Beverage Ltd. and CEO of an overseas subsidiary, Ms. Rieko Shofu has been promoting structure reform and transition to growth, especially in the Overseas Beverage business. In addition, as the Company's officer in charge of corporate strategy, she has worked to strengthen the effectiveness of the plan by collaborating with Group companies and enhancing discussions at Board of Directors meetings in formulating group management strategies and executing the management plan. She has a wealth of experience, a rich track record, and great insight regarding global business management, marketing, and accounting & finance. The Company has determined that she will be the right person to exercise leadership to realize the Group Medium- to Long-Term Growth Strategy, to achieve the Medium-Term Management Plan 2023–2026, and to promote the Group's management. She has thus been appointed as a Director.



Tetsuya Shoji
Outside Director
(Chair of
Nominating Committee)
Years in office: 4

Reasons for Appointment

Mr. Tetsuya Shoji has a wealth of experience and a rich track record as a corporate manager. He has extensive insight for planning, human resources and general affairs, global expansion, and the promotion of digital transformation (DX) in particular. For the realization of the Group Medium- to Long-Term Growth Strategy and the achievement of the Medium-Term Management Plan 2023–2026, Mr. Shoji is expected to offer pertinent opinions and advice regarding business portfolio streamlining, global expansion, and the operational reform through DX from his objective and professional standpoint. The Company has determined that he will be an appropriate person to supervise the management of the Group that is aiming to achieve continuous growth in corporate value, and he has thus been appointed as an Outside Director.



Toshihiro Uchiyama
Outside Director
(Chair of
Compensation Committee)
Years in office: 3

Reasons for Appointment

Mr. Toshihiro Uchiyama has a wealth of experience and a rich track record as a corporate manager. He has extensive insight for global expansion, compliance, and marketing in particular. For the realization of the Group Medium- to Long-Term Growth Strategy and the achievement of the Medium-Term Management Plan 2023–2026, Mr. Uchiyama is expected to offer pertinent opinions and advice regarding global expansion and marketing from his objective and professional standpoint. The Company has determined that he will be an appropriate person to supervise the management of the Group that is aiming to achieve continuous growth in corporate value, and he has thus been appointed as an Outside Director.



Makio Tanehashi
Outside Director
(Chair of
Outside Director Committee)
Years in office: 2

Reasons for Appointment

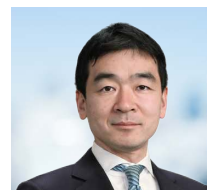
Mr. Makio Tanehashi has a wealth of experience and a rich track record as a corporate manager as well as extensive insight for real estate business, finance, and compliance. For the realization of the Group Medium- to Long-Term Growth Strategy and the achievement of the Medium-Term Management Plan 2023–2026, Mr. Tanehashi is expected to offer pertinent opinions and advice regarding improvement of asset efficiency in the Real Estate business based on his abundant management experience in finance and real estate, and from his objective and professional standpoint. The Company has determined that he will be an appropriate person to supervise the management of the Group that is aiming to achieve continuous growth in corporate value, and he has thus been appointed as a candidate for Outside Director.

Board of Directors, Directors Who Are Audit & Supervisory Committee Members, and Group Managing Officers (As of March 28, 2025)**Board of Directors**

Kotaro Okamura
Outside Director
Years in office: 1

Reasons for Appointment

Mr. Kotaro Okamura has a wealth of experience and a rich track record in business operations and corporate management through his work at an investment bank and a foreign affiliate. In particular, he has extensive insight in the areas of financial accounting, global expansion, and human resources and human assets. For the realization of the Group Medium- to Long-Term Growth Strategy and the achievement of the Medium-Term Management Plan 2023–2026, Mr. Okamura is expected to offer pertinent opinions and advice regarding capital efficiency improvement, global M&A, and active participation of diverse human assets from his objective and professional standpoint. The Company has determined that he will be an appropriate person to supervise the management of the Group that is aiming to achieve continuous growth in corporate value, and he has thus been appointed as an Outside Director.



Ryotaro Fujii
Outside Director
Years in office: 1

Reasons for Appointment

Mr. Ryotaro Fujii has a wealth of experience and a rich track record at private equity funds, in addition to extensive insight in the areas of financial accounting, global expansion, and marketing. For the realization of the Group Medium- to Long-Term Growth Strategy and the achievement of the Medium-Term Management Plan 2023–2026, Mr. Fujii is expected to offer pertinent opinions and advice regarding the formulation of growth strategies such as capital efficiency improvement, structural reform, and global M&A from his objective and professional standpoint. The Company has determined that he will be an appropriate person to supervise the management of the Group that is aiming to achieve continuous growth in corporate value, and he has thus been appointed as an Outside Director.

Directors Who Are Audit & Supervisory Committee Members

Toru Miyaishi
Director
(Chair of Audit &
Supervisory Committee,
Statutory Audit &
Supervisory Committee Member)
Years in office: 1

Reasons for Appointment

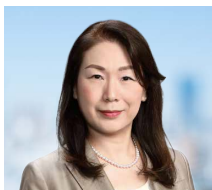
Mr. Toru Miyaishi has long term experience in marketing, human resources, and corporate planning, and has been engaged in structural reforms, formulation of the human assets strategy, etc. in the Alcoholic Beverages and Food & Soft Drinks businesses of the Group. He has served consecutively as Director (Member of the Board) at Sapporo Breweries Limited and as Director (Member of the Board) and Managing Executive Officer at Pokka Sapporo Food & Beverage Ltd., and has a wealth of experience, track record, and insight. The Company has determined that he will be able to audit and supervise the performance of duties by Directors of the Company from an objective and fair perspective, and he has thus been appointed as a Director who is an Audit & Supervisory Committee Member.



Kohtaro Yamamoto
Outside Director
(Outside Audit &
Supervisory Committee Member)
Years in office: 5

Reasons for Appointment

Although Mr. Kohtaro Yamamoto has no experience in directly managing a company, he is expected to audit and supervise the performance of duties by Directors of the Company from an objective and fair perspective based on his extensive knowledge and experience as a lawyer with expertise in the field of corporate law specializing in the Companies Act, Antimonopoly Act, international contracts, etc., and he has thus been appointed as an Outside Director who is an Audit & Supervisory Committee Member.



Naoko Tanouchi
Outside Director
(Outside Audit &
Supervisory Committee Member)
Years in office: 1

Reasons for Appointment

Ms. Naoko Tanouchi has a wealth of experience, abundant track record, and extensive insight, including her involvement in M&A, corporate planning, internal auditing, and her work as a company auditor at a leading food manufacturer. She is expected to audit and supervise the performance of duties by Directors of the Company from an objective and fair perspective based on her experience as a company auditor and an outside director as well as her experience in the fields of corporate planning and internal auditing. She has thus been appointed as an Outside Director who is an Audit & Supervisory Committee Member.

Group Managing Officers

Masashi Sato
Executive Group Managing Officer

Hiroyuki Tazawa
Group Managing Officer

Takayuki Sato
Group Managing Officer

Takanari Miyazawa
Executive Group Managing Officer

Yuka Uchiyama
Group Managing Officer

Noboru Ohrui
Group Managing Officer

Board of Directors, Directors Who Are Audit & Supervisory Committee Members, and Group Managing Officers (As of March 28, 2025)

Directors' Skills Matrix

Name	Independent director	Possessed knowledge/experience							
		Corporate management	Finance Accounting	Legal Compliance Risk management	Human resources Human assets	Global operation	Marketing	DX and IT	Sustainability
Hiroshi Tokimatsu		○	○	○			○		
Yoshitada Matsude		○	○		○				○
Rieko Shofu		○	○			○	○		
Tetsuya Shoji	○	○			○	○		○	
Toshihiro Uchiyama	○	○		○		○	○		
Makio Tanehashi	○	○	○	○					○
Kotaro Okamura	○	○	○		○	○			
Ryotaro Fujii	○	○	○			○	○		
Toru Miyaishi		○			○		○	○	
Kohtaro Yamamoto	○			○		○			○
Naoko Tanouchi	○		○	○		○	○		

Notes: 1. In order to clarify the skill balance of the Board of Directors, we have listed only the skills possessed by each Director that the Company "expects." These skills do not represent all of the skills (knowledge, experience, abilities) possessed by each Director.

2. Mr. Toru Miyaishi, Mr. Kohtaro Yamamoto, and Ms. Naoko Tanouchi are directors who are Audit & Supervisory Committee members.

Skills matrix fields	Reason for selection
Corporate management	To realize the Group's management philosophy, it is necessary to have directors with experience and achievements as corporate managers, in order to oversee the improvement of profitability by transforming the business structure, including business portfolio review, based on the medium-term management plan.
Finance Accounting	It is necessary to have directors with knowledge and experience in the fields of accounting and finance, in order to formulate financial policies for sustainably enhancing corporate value by establishing a solid financial base, executing growth investment with capital discipline, and providing stable shareholder returns.
Legal Compliance Risk management	It is necessary to have directors with knowledge and experience of legal affairs and corporate governance, in order to improve the effectiveness of business execution based on laws, compliance, corporate governance, and risk management for the sustainable growth of the Group.
Human resources Human assets	To maximize the value of human assets, which represent an important foundation of management, it is necessary to have directors with knowledge and experience of various aspects of human assets management, in order to realize a human assets strategy that accelerates the implementation of strategies and to build an organization which each employee can demonstrate their individuality in and contribute to.
Global operation	It is necessary to have directors with experience and knowledge of international business in order to make management decisions based on an understanding of the local culture, market trends, country risks, etc., for the development of the overseas business, which is a core driver of the growth strategy in the medium-term management plan.
Marketing	It is necessary to have directors with experience in increasing revenue or implementing growth strategy through brand strategy, market creation and customer value development, etc., and experience and knowledge of R&D and production technology for manufacturing and furthermore consumer markets in order to promote and supervise businesses that make use of assets such as brands.
DX and IT	To transform the business structure for new growth in the medium-term management plan, it is necessary to have directors with knowledge of and experience in DX and IT in order to achieve the DX policy of "increase customer contact points," "expand existing and new businesses," and "workstyle reforms."
Sustainability	To achieve the Group's sustainable growth and fulfill its social responsibilities, it is necessary to have directors with knowledge and experience in sustainability in order to address the most important issues of "realization of a decarbonized society" and "co-prosperity with local communities," etc., based on our Sustainability Policy.

* The Group describes human resources as "human assets" in the view that all employees are important assets (resources) to their companies.

Corporate Governance

Basic Policy on Corporate Governance

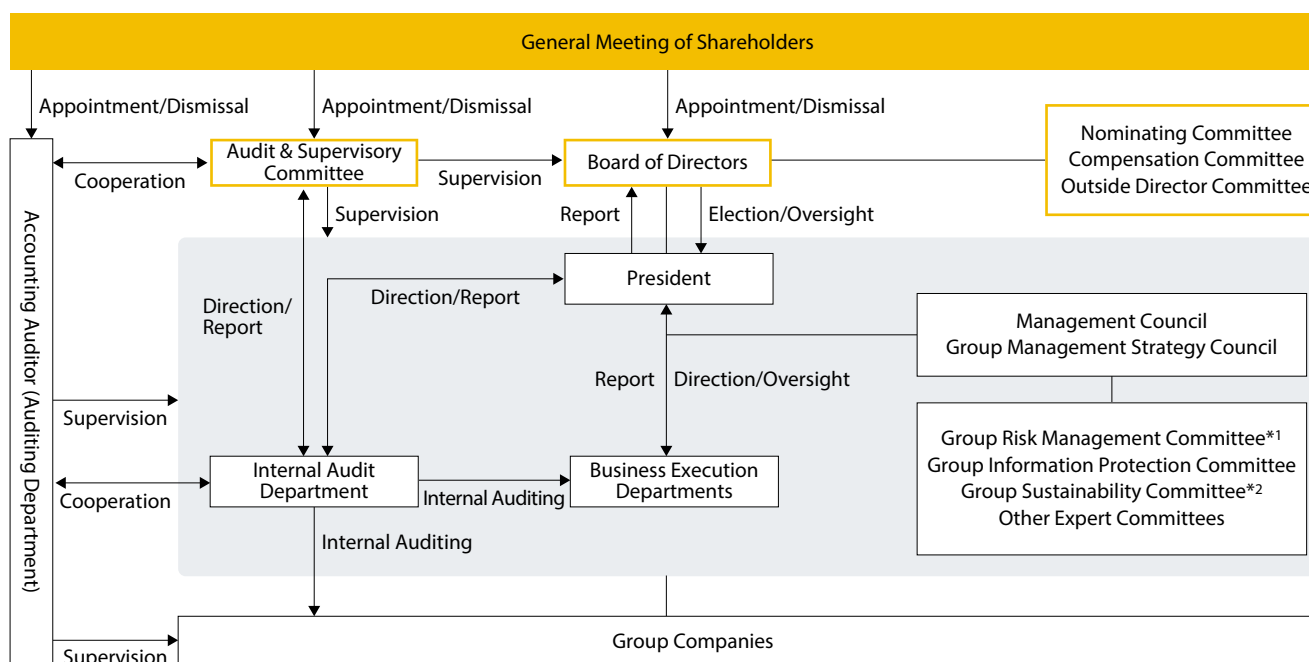
The Sapporo Group has enacted the Basic Policy on Corporate Governance for the purpose of specifying its thinking and operational policy regarding corporate governance, with the goal of attaining sustainable growth and enhancing corporate value over the medium to long term, and in light of the purport and spirit of the Corporate Governance Code set forth in the Listing Rules of the Tokyo Stock Exchange.

As part of the Policy, the Group's basic philosophy is to regard strengthening and enhancing corporate governance as one of its top management priorities. The Group is working to clarify supervisory, business execution, and auditing functions throughout the Group under the holding company framework. The Group is also working to strengthen management supervisory functions to increase management transparency and achieve management goals.

Basic Policy on Corporate Governance

<https://www.sapporoholdings.jp/en/sustainability/governance/policy/>

Corporate Functions and Internal Control Relationships



*1 Group Risk Management Committee chair: President and Representative Director *2 Group Sustainability Committee chair: President and Representative Director

Supervisory Function

Board of Directors

The Board of Directors performs a supervisory role and makes decisions on statutory matters and important matters related to business execution stipulated by the Board's regulations. The Board of Directors also nominates and supervises the business execution of the representative director, president, other directors with special titles, Group managing officers, and other key personnel.

Meetings held in fiscal 2024: 14

Audit & Supervisory Committee

The Audit & Supervisory Committee is comprised of three directors who are Audit & Supervisory Committee members (two independent outside directors and one internal director). The members work with the Internal Audit Department and other internal control departments to conduct audits on the performance of duties by each director as well as the general performance of duties pertaining to management of the Group overall. These audits follow the audit policy established by the Audit & Supervisory Committee and the audit plan that contains priority audit items and division of duties.

The Audit & Supervisory Committee obtains and shares information by having its members attend meetings of the Board of Directors, Management Council, Group Management Strategy Council, and other important meeting bodies. The Committee selects a Statutory Audit & Supervisory Committee Member to ensure the effectiveness of its auditing and supervision functions through close collaboration with the Internal Audit Department and other internal control departments.

Meetings held in fiscal 2024: 21

Corporate Governance

Independent Outside Audit & Supervisory Committee Members

Independent outside directors who are Audit & Supervisory Committee members are each independent officers pursuant to the rules of the Tokyo Stock Exchange and the Sapporo Securities Exchange. They attend meetings of the Board of Directors, Nominating Committee, Compensation Committee, and Outside Director Committee as well as participate in discussions with the representative director, directors, group managing officers, and presidents of business companies together with the Statutory Audit & Supervisory Committee Member. During these meetings, they provide appropriate recommendations, and advice from a fair, neutral and objective standpoint independent from executive management, playing an effective role in ensuring the legality and validity of decision-making.

Nominating and Compensation Committees

Although Sapporo Holdings is a Company with an Audit & Supervisory Committee, it has also established a Nominating Committee and a Compensation Committee with the goals of increasing transparency with respect to the nomination and remuneration of directors and the presentation of a sound management structure. Independent outside directors, directors concurrently serving on the Audit & Supervisory Committee, and the president and representative director comprise the members of both committees. Each committee is chaired by an independent outside director not concurrently serving on the Audit & Supervisory Committee.

Nominating Committee

The Nominating Committee meets to recommend candidates for directorships of the Board of Directors, monitor formulation and implementation status of the succession plan of the President, hold discussions, deliberate on the dismissal of executive

management positions (directors including the President), and make recommendations to the Board of Directors.
Meetings held in fiscal 2024: 12

Compensation Committee

The Compensation Committee meets to formulate the compensation plan for directors (excluding those serving on the Audit & Supervisory Committee) and determine individual compensation amounts pursuant to resolutions of the Board of Directors.
Meetings held in fiscal 2024: 5

Outside Director Committee

In December 2015, the Company established the Outside Director Committee. This committee works to share information with the Company's independent outside directors pertaining to Groupwide management strategies, corporate governance issues, and other matters, in order to increase the quality of business execution supervision. In fiscal 2024, the committee focused on discussions concerning medium- to long-term management policies, and held training sessions in the Sapporo area and individual discussions with business companies in order to deepen understanding of each business.
Meetings held in fiscal 2024: 6

Executive Function

Management Council

The Management Council meets to ascertain the execution situation of each business company and convey management information, and ensure that Sapporo Holdings, as a holding company, is able to make decisions in a swift and agile manner. The council deliberates on important matters concerning general management not handled by the Board of

Directors and the President carries out necessary approvals.

The Management Council contains six committees covering the entire Group, with each committee agilely taking part in activities unique to its own mission.

Group Management Strategy Council

The Group Management Strategy Council discusses important matters related to the execution of business operations by Group companies in order to ensure consistent, swift and agile decision-making within the Group to maximize the Group's corporate value, with the President carrying out necessary approvals.

Group Risk Management Committee

The Group Risk Management Committee formulates overall policies for the implementation of the Group's risk management and carries out coordination and collaboration within the Group.

Group Information Protection Committee

The Group Information Protection Committee administers and implements activities for the protection of personal information and management of trade secrets within the Group. In addition, the committee collaborates on projects involving the Group Risk Management Committee.

Group Sustainability Committee

The Group Sustainability Committee formulates overall policies on the promotion of sustainability management and administers initiatives within the Group. The committee also monitors risks and opportunities in the external environment over the medium to long term for business continuity purposes (particularly with regard to environmental and social aspects) as well as governance practices concerning these.

Corporate Governance

Board of Directors' Effectiveness Assessment

In accordance with the Corporate Governance System Guidelines, the Company assesses, analyzes, and discusses the effectiveness of the Board of Directors every year based on self-evaluations carried out by each director, and examines and implements improvement measures in response to recognized issues. In addition, following the suggestions of outside organizations, the Company is working to improve the assessment process by ensuring the neutrality and objectivity of responses and selecting evaluation items, among other ways.

In fiscal 2024, we conducted a quantitative assessment based on ongoing questionnaire surveys, and also collected, analyzed and assessed freeform opinions received through individual interviews.

Based on the analysis and assessment of the questionnaire survey, we used individual interviews to dig deeper into issues, shared relevant content at meetings of the Board of Directors, and then discussed the initiatives for the next fiscal year in an effort to achieve greater growth and evolution as an organization.

Method and Process of Assessment and Analysis

1. Implementation period:

October to December 2024

2. Respondents:

All 11 directors

3. Specific process and key points of survey:

I. Questionnaire survey

For all 28 questions, we set up a quantitative assessment and a free response section to collect specific opinions and track the progress of ongoing assessment.

II. Quantitative analysis and selection of interview items
We formulated interview items by analyzing the results of the quantitative assessment and the aggregated free responses.

III. Interviews

The Board of Directors Office conducted individual interviews with directors, confirming their honest thoughts and awareness of issues with the Board of Directors and discussing proposed initiatives for the next fiscal year.

IV. Discussion at Board of Directors meeting

The results of surveys and interviews, agenda items at the Board of Directors, and reviews by external institutions were analyzed, awareness of the issues shared, and initiatives for the next fiscal year discussed.

Specific Interview Topics Identified from Assessment Items

	Survey: Items		Interviews: Important themes to deepen discussion
Composition of the Board of Directors	Number of directors, composition (inside/outside) balance of knowledge, experience, and abilities	▶	Composition of the Board of Directors (skills and diversity)
Operation of the Board of Directors	Appropriate frequency of meetings, deliberation time, etc., and flexibility in decision-making	▶	Annual planning for important issues, scrutiny of discussion criteria and reporting matters
Roles and responsibilities of the Board of Directors	Constructive discussions, multifaceted considerations, and risk-taking	▶	State of the Board of Directors, realignment of roles
Medium-Term Management Plan	Sufficient discussion, progress management, establishment of monitoring system, and reporting	▶	Supervision of business companies, monitoring system
Information provision	Enhancement of pre-briefings and provision of business and industry information	▶	Enhancement of pre-briefings, and early and efficient provision of information
Committees	Effectiveness of the Nominating Committee, the Compensation Committee, and the Outside Director Committee	▶	Committee roles, adjustment of processes to improve effectiveness
Institutional design	Assessment of the current institutional design	▶	Balance of management and monitoring by the Board of Directors
Overall assessment	Improvements against action items identified in the effectiveness assessment, general assessment	▶	Comments and themes other than the above

Corporate Governance

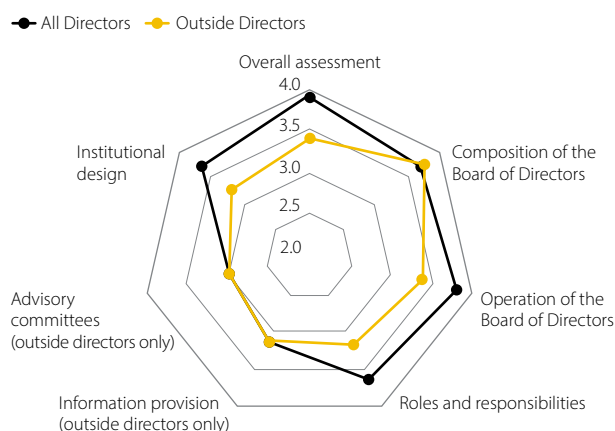
Results of Analysis and Assessment

Based on the analysis and reporting of the results of the survey and interviews, as well as discussions at meetings of the Board of Directors, the Company has determined that the Board of Directors is functioning effectively in light of its roles and responsibilities.

Survey results summary by item

1. Low rated: Need to rigorously manage progress toward management plans, conduct root cause analysis, and reflect in the next plan. For succession planning, candidate pool should be expanded with a longer-term vision.
2. Highly rated: Intensive discussions are being held to supplement the Board of Directors meetings. Each director makes use of their knowledge, experience, and abilities, including participation in theme-based working groups, to conduct multifaceted discussions.

Assessment Score by Item (All Directors / Outside Directors)



Interview results (excerpts)

State of the Board of Directors

- The Board needs to play a strategic role by stimulating discussion of medium- to long-term strategies and issues.
- The Board should focus on discussions to improve corporate value, rather than serving as a forum for re-examining issues that the executive side should consider.
- It would be preferred to add some tension to the atmosphere by clearly indicating responsibility when analyzing underperformance.

Setting the annual agenda

- Issues need to be examined from a long-term perspective, including analysis of sustainability and megatrends beyond 2030.
- The scope of discussions on risk management needs to be expanded, and a priori measures need to be taken based on risk assessments for the entire group.

Monitoring of management plan

- Business strategies should be formulated and explained in a way that is based on facts and logic in a competitive environment.

Operation of committees

- The positioning, roles and expectations of each committee should be made clearer. It would be better to expand the scope of those eligible for nomination and remuneration and discuss this.

Pre-briefings of agenda items

- For complex and important decisions, providing ample opportunities for explanations in advance will allow for sufficient discussion to fill in the gaps in tenure and experience. In addition, I would like to make further use of off-site meetings as a venue to exchange opinions and expand knowledge.

Key Points of Future Initiatives to Further Increase the Effectiveness of the Board of Directors

Expanding important agenda items

We will further improve the feasibility of the medium- to long-term strategies we have formulated, and expand our agenda to drive discussions on future directions. In particular, we will set aside sufficient time for the annual plan to discuss themes such as the Group's overall sustainability plan, risk management, governance, and management platform (human resources, DX/IT, R&D) plan.

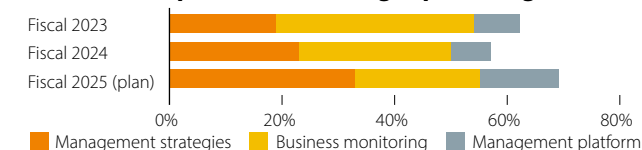
Ensuring adequate discussion time and access to information for effective decision-making

To empower outside directors to carry out the roles and skills expected of them, we will hold pre-briefing sessions ahead of meetings of the Board of Directors and intensive discussions held separately from Board of Directors meetings. This will ensure that outside directors can discuss matters after obtaining appropriate and sufficient information.

In addition, in discussions regarding our Group Medium- to Long-Term Growth Strategy, we will hold meetings between directors and executive departments as necessary, and make the most of the specialized knowledge possessed by outside directors.

Through this process, we will formulate a growth strategy that will enable us to adapt flexibly to a changing environment and enhance our corporate value. Furthermore, we will establish a system for beginning discussions promptly when a problem arises and for converting the results of those discussions into concrete actions.

Ratio of Time Spent on Deliberating Important Agenda Items



Corporate Governance

President’s Successor Development Plan

The Nominating Committee is comprised of a total of nine members, seven of which are independent outside directors. Its role is to consider and discuss matters such as the election and dismissal of directors, including the representative director, with an eye to objectivity, rationality and transparency, and to make recommendations to the Board of Directors based on the results of these discussions.

The Committee also formulates and monitors the implementation of the successor development plan for the representative director and president, a key topic for the Group, and reports the results to the Board of Directors as appropriate.

In selecting a successor to the representative director and president, the Committee defines the requirements for the president based on the management philosophy and Medium- to Long-Term Management Policies, after which it creates a list of candidates, including external candidates, based on these requirements. The committee then selects the most suitable candidate based on third-party evaluations and other factors.

Furthermore, in order to enhance the pipeline of management talent for the next generations, we have developed a human resources development system based on the management human resource requirements for directors, which were redefined in fiscal 2024. This has also

strengthened our collaboration with management human resources development committees at each business company.



Message from the Chair of the Nominating Committee



Tetsuya Shoji
Outside Director
Chair of Nominating Committee

The Nominating Committee’s role in nominating and appointing the new president

The Nominating Committee, an advisory committee to the Board of Directors, began considering the CEO succession plan about three years ago. Since that time, it has been identifying candidates who meet the established management human resource requirements. From June 2024, the committee began to narrow down the long list of candidates that had been formulated, including talent from outside the organization, to candidates who met the requirements for the next president. These requirements included a commitment to demonstrate change both internally and externally, strong leadership to motivate the organization, and a management mindset. After that, an assessment was

conducted on the candidates by a third-party organization, and based on the comprehensive assessment results, we decided to recommend Hiroshi Tokimatsu to the Board of Directors as the most suitable candidate to become the next president.

The context behind this change in presidents was the judgment of our Nominating Committee that leadership should be renewed in both heart and mind so that we steadily move toward becoming “One Sapporo,” including fundamental structural reforms. We judged that fiscal 2025 was the right time for this, and decided to propose the same to the Board of Directors.

Reasons for appointment of the new president and future expectations

President Tokimatsu is well-versed in the alcoholic beverages, food and beverage, and real estate businesses, and he is also well-attuned to overseas businesses, which are expected to grow in the future. In addition, under the current Medium-Term Management Plan, he has directed fundamental structural reforms of the Domestic Food & Soft Drinks business through appropriate and accurate decision-making, as well as swift implementation of these decisions.

Furthermore, during this reform process, he has led the

implementation of measures not bound by precedent while building consensus through dialogue with each and every employee. Based on this earnest attitude toward reform, it is our determination that he fully meets the requirements for the next president, as confirmed by the Board of Directors.

I am confident that he is the right person to accurately define the direction in which the Sapporo Group should move, and to practice strong management that boldly takes on challenges toward growth and development.

Successor planning for execution of our Group Medium- to Long-Term Growth Strategy

Even as the new president took office, the Nominating Committee began considerations regarding the next successor to the president. While working to expand the list of candidates, we will polish the successor development plan and monitor its progress, systematically working to secure the human resources appropriate for a future management structure.

In addition, in order to advance our Group Medium- to Long-Term Growth Strategy and to make the Board of Directors more effective, we will search widely for suitable director candidates from inside and outside the Group.

Corporate Governance

Compensation for Board Members

The Company determines the amount of compensation paid to individual directors (excluding directors who are Audit & Supervisory Committee members) through the Compensation Committee based on the resolution of the Board of Directors.

At the Board of Directors held on February 10, 2021, a resolution was passed on the policy for determining the compensation of individual directors (hereinafter, "Policy for Determining the Details of Compensation, etc. for Directors"), which was later revised at meetings of the Board of Directors held on March 30, 2021, February 10, 2022, and February 14, 2024. A summary of the policy on determination of officer compensation is presented on the right.

Basic Policy

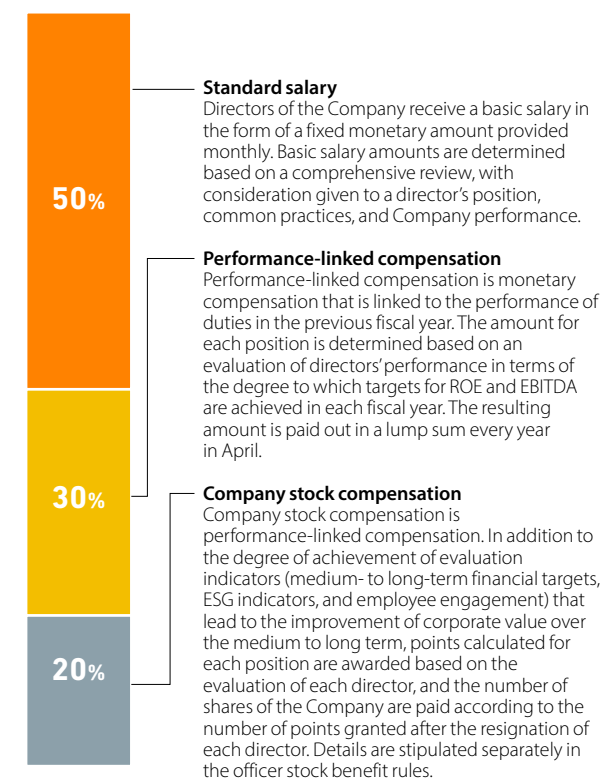
- The basic compensation policy for directors of the Company (excluding directors who are Audit & Supervisory Committee members; hereinafter the same shall apply) is to employ a system under which compensation is linked to business performance and medium- to long-term corporate value, accomplished by combining monetary compensation and company stock compensation for the purpose of contributing to the sustainable growth of the Company. Individual compensation is set at a level appropriate to the responsibilities of each director.
- Compensation for executive directors shall comprise monetary compensation and company stock compensation.
- Monetary compensation shall comprise (1) standard salary (fixed compensation) and (2) performance-linked compensation within the maximum amount of compensation approved by the General Meeting of Shareholders.
- Company stock compensation shall basically comprise a performance-linked stock-based compensation system.
- Outside directors shall be paid standard salary only.

Determination of Compensation

- Decisions regarding the compensation paid to each director are delegated to the Compensation Committee. The Compensation Committee determines the standard salary of individual directors, the amount of performance-linked compensation, and the number of points to grant for performance-linked stock-based compensation.
- As a measure to ensure the appropriate execution of this authority, the Compensation Committee comprises independent outside directors, directors who are the members of the Audit & Supervisory Committee, and the president and representative director. The chair of the Compensation Committee is selected from among the independent outside directors not concurrently serving on the Audit & Supervisory Committee.

Composition of Compensation

The standard ratio of basic salary to performance-linked compensation to company stock compensation is 5:3:2, when the degree of achievement of performance targets is the highest possible.



Corporate Governance

Evaluation Criteria for Performance-Linked Compensation and Company Stock Compensation

Classification	Indicator*1		Fiscal 2024 Results, etc.
Performance-linked compensation	ROE (vs. plan)	Level of achievement of results versus targets in each business year	Results: 4.1% Plan: 5.5%
	EBITDA (vs. plan)	Level of achievement of results versus targets in each business year	Results: ¥44.05 billion Plan: ¥40.70 billion
Performance-linked stock-based compensation	Medium- to long-term financial target	ROE Evaluation based on annual evaluation criteria versus the target in the Medium-Term Management Plan (8%)	Fiscal 2024 results: 4.1%
	ESG indicators	1. FTSE Russell ESG Score*2 2. MSCI ESG Rating*2 3. Reduction of greenhouse gas emissions (Scopes 1 and 2) Establishment of annual evaluation criteria for scores and ratings of each indicator	Fiscal 2024 results 1. 3.3 2. AA 3. Assessed in the March 2025 preliminary results (fiscal 2024 target: at least 10.5% reduction vs. fiscal 2022)
	Employee engagement	Work engagement*3 Establishment of annual evaluation criteria using results from external institution surveys	Fiscal 2024 results: A
	Individual evaluations	Performance of each officer	Determined by the Compensation Committee based on the evaluation indicators of each individual

*1 The Company chose these indicators because it aims to contribute to the sustainable growth of the Company by making performance-linked compensation based on the results of the performance of duties in each fiscal year and performance-linked stock-based compensation linked to the Company's medium- to long-term corporate value.

*2 Scores and ratings by international external evaluation agencies that collect, analyze, and evaluate ESG-related information of companies.

*3 A state in which employees have positive feelings about their work and feel fulfilled.

Compensation Amounts for Board Members in Fiscal 2024

Officer classification	Total amount of compensation, etc. (Millions of yen)	Total amount of compensation, etc. by type (Millions of yen)			Number of eligible directors (People)
		Basic salary	Performance-linked compensation	Performance-linked stock-based compensation	
Directors (excluding directors who are Audit & Supervisory Committee members) (of which, outside directors)	218 (60)	182 (60)	12 (-)	24 (-)	10 (6)
Directors (including directors who are Audit & Supervisory Committee members) (of which, outside directors)	53 (27)	53 (27)	- (-)	- (-)	5 (3)
Total (of which, outside directors)	271 (87)	235 (87)	12 (-)	24 (-)	15 (9)

Internal Audits

The Internal Audit Department, an internal auditing organization independent of the executive chain of command, receives instructions from the representative director or the Audit & Supervisory Committee and audits all operations of the Company and its subsidiaries regarding compliance with laws, the Company's Articles of Incorporation, and internal regulations, enabling dual reporting. Moreover, when performing duties assigned by the Audit & Supervisory Committee, employees of the Internal Audit Department are required to follow the instructions and orders of the committee exclusively.

Upgrading Internal Control Systems

To ensure thorough implementation of the basic policies decided by the Board of Directors and carry out ongoing development and strengthening of systems across the entire Group, the Board of Directors formulated the Guidelines on the Construction of Internal Control Systems at Sapporo Group outlining specific matters in relation to internal control systems at the Group and promotes specific actions with the officer in charge responsible.

Corporate Governance

Cross-Shareholdings

Policy on Cross-Shareholdings

The Company strategically holds the shares of other companies in situations where it judges that this will contribute to the medium- to long-term enhancement of corporate value from the standpoint of facilitating business continuity and increasing profits by strengthening commercial relationships. The Company determines whether to hold individual cross-shareholdings every year based on verification by the Board of Directors following Company rules. With regard to the benefits and risks associated with cross-shareholdings, the Company comprehensively judges the business feasibility that evaluates qualitative aspects such as the scale of the transactions and future development potential and investment feasibility that evaluates quantitative aspects such as comparison with the cost of capital, and then reduces its holdings of those listed company stocks it has decided to sell.

Based on the policies of the Medium-Term Management Plan, the Company is steadily working to reduce its cross-shareholdings. In the fiscal year ended December 2024, the Company sold shares worth 19,710 million yen. As a result, the ratio of the book value of shares held to the total equity attributable to owners of the parent was 16%, achieving our

Updating of Quantitative Targets

Quantitative Targets (Previous)	•The ratio of the book value of shares held to the total equity attributable to owners of the parent shall be less than 20% by the end of the fiscal year ending December 31, 2026.
Quantitative Targets (Updated)	•The ratio of the book value of shares held to the total equity attributable to owners of the parent shall be less than 20% by the end of the fiscal year ending December 31, 2024. •The ratio of the book value of shares held to the total equity attributable to owners of the parent shall be less than 10% by the end of the fiscal year ending December 31, 2026.

* The Company records the book value of shares held with market value based on market value.

target of less than 20% for the same fiscal year.

In the fiscal year ending December 2026, we aim to further reduce the aforementioned ratio to less than 10%, as we continue to diminish these holdings.

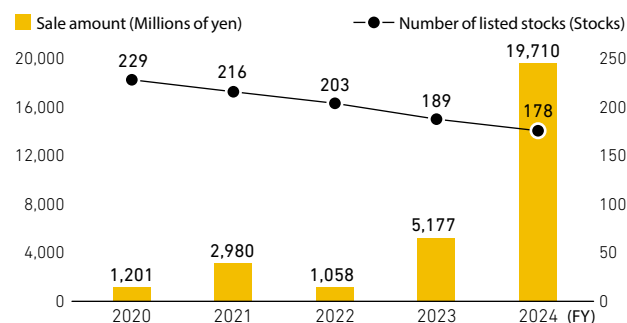
Exercise of Voting Rights Pertaining to Cross-Shareholdings

In the exercise of voting rights pertaining to cross-shareholdings, the

Number of Listed Stocks, Amount Recorded on Balance Sheet, and Total Equity Attributable to Owners of Parent

	Unit	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2024 (Target)	Fiscal 2026 (Target)
Number of listed stocks	Listed stocks	216	203	189	178	-	-
Amount recorded on balance sheet (a)	Millions of yen	44,196	47,047	48,375	31,902	-	-
Total equity attributable to owners of parent (b)	Millions of yen	162,570	166,310	182,315	196,030	-	-
Ratio (a÷b)	%	27	28	27	16	Under 20	Under 10

Sale Amount and Number of Listed Stocks



Company will comprehensively weigh the pros and cons from a medium- and long-term perspective, taking into consideration the Company's strategic holding policy and the common interests of the shareholders involved in investments. Regarding the contents of agenda and other issues pertaining thereto, the Company will, whenever necessary, have dialogues with the investee companies.

Promoting Compliance

The Group has set out the Sapporo Group Code of Corporate Conduct to provide a solid set of ethical guidelines to direct the conduct of all executives and employees. The Group Risk Management Committee promotes compliance measures within the Group through meetings of its subcommittees, with the General Affairs Department serving as the secretariat.

In addition, the Internal Audit Department, which is an internal auditing body that is independent of the executive chain of command, audits the general business operations of Sapporo Holdings and its subsidiaries to ensure compliance with laws and regulations, the Company's Articles of Incorporation, and internal rules.

Internal Reporting System

The Company established the Sapporo Group Corporate Ethics Hotline Regulations for the prevention and early detection of misconduct within the Group and for fostering high ethical standards. This is a system that allows Group employees to report misconduct and ethical violations with peace of mind. The anonymity and confidentiality of whistleblowers are thoroughly maintained, and consideration is taken to ensure that whistleblowers are not treated unfavorably. In addition, as a means of whistleblowing, the Company has established a telephone contact point by an agency or an attorney, a dedicated e-mail address, and a written reporting channel. Whistleblowers can access any of these channels to submit a report according to their own circumstances and convenience.

Dialogue with Investors and the Cycle of Feedback to Management

Dialogue with Investors

The Sapporo Group actively engages in dialogue with shareholders and investors through IR and SR activities, proactively disclosing information about the Group's management and listening to the opinions of capital market participants.

Track Record

Financial results briefing for institutional investors and securities analysts	4 times	President, director in charge of IR/SR
Business strategy briefings	1 time	Presidents and directors in charge of operating companies
Individual dialogue with institutional investors and securities analysts	171 times	President, director in charge of IR/SR
Small meetings	1 time	Director in charge of IR/SR
Conferences sponsored by securities firms	2 times	Director in charge of IR/SR
Individual dialogue with institutional investor proxy voting officers, etc.	34 times	President, outside directors, director in charge of IR/SR

Feature

A discussion was held between the President and CEO of Meiji Yasuda Asset Management Company Ltd. and the President of Sapporo Holdings Ltd.

For more information, please refer to the Sustainability Report 2024 of Meiji Yasuda Asset Management Company Ltd.

https://www.myam.co.jp/about/pdf/sustainabilityreport_2024.pdf

• This link redirects you to the website of Meiji Yasuda Asset Management Company Ltd.

• This material is provided for informational purposes only and is not intended as a solicitation to invest.

Sharing with Management, etc.

Requests and suggestions obtained through dialogue with shareholders and investors are reflected in corporate management through periodic feedback to management and discussion at meetings of the Board of Directors and other meetings.

Track Record

Report on market reaction following financial results announcement and feedback from dialogue with investors at Sapporo Holdings' Board of Directors and weekly meetings of executives 10 times a year

Report on the content of quarterly dialogues to Sapporo Holdings and operating companies via e-mail 4 times a year

Conduct meetings with the corporate planning departments of operating companies to provide feedback on the content of quarterly dialogues 4 times a year x 6 operating companies = 24 times a year

	Requests and Suggestions from Shareholders/Investors	Response and Results by the Sapporo Group	Status
Medium- and Long-Term Management Policies, Business Portfolio and Business Strategy	- I welcome the message of growth centered on alcoholic beverages in the medium- to long-term policy released in 2024, as it is a direction that leverages the Group's strengths. - I would like to see the alcoholic beverages business place the highest priority on improving business profitability. - If the Group can clearly state its long-term goals and show steady progress, the evaluation will follow. - What exactly does the Group envision with the introduction of external capital into real estate? - I want the Group to make the best possible choice to increase the value of each of its businesses.	- The Group's Medium- to Long-term Growth Strategy was released in February 2025, after several working groups discussed how to make the medium- to long-term policy more concrete. - Low profitability is a major challenge for the Group. The Group will work to improve capital efficiency, including setting ROIC spread targets in its business planning. In addition, the Group will work to achieve further growth and significantly improve profitability in its solid alcoholic beverages business. - The real estate business will be off-balanced and management resources will be concentrated on the alcoholic beverage business to increase the corporate value of the Group, while also aiming to increase the corporate value of the real estate operating company by bringing in capital from a strategic partner. The process of receiving proposals, etc., regarding the introduction of outside capital was initiated in September 2024.	Initiatives in progress
Composition of the Board of Directors	- I appreciate that the composition of the Board of Directors is very much improved in terms of skills and diversity. Further improvement in effectiveness is expected. - The definition of the skills matrix is presented and easy to understand. Further improvements could be made to the skills matrix, such as by showing the degree of each skill, which would help us better understand the skills possessed by each director.	- In March 2024, to enhance the advisory and supervisory functions of the Board of Directors and increase corporate value, the skill set of the Board of Directors was further strengthened by increasing the ratio of outside directors and the diversity of the Board, as well as reinforcing the Board with persons with capital market experience and food industry experience. - Starting in 2023, the skills possessed by each director were narrowed down to a maximum of four skills of high importance and described. In addition, a definition of each skill was added in 2024. The Group will continue to consider disclosing information in an easier-to-understand manner.	Being addressed
Cross-Shareholdings	I consider the accelerated reduction of cross-shareholdings to be a good sign of speed. I would like to confirm the degree of achievement of the reduction through dialogue and other means, so please disclose information as much as possible.	- The reduction target was revised forward to less than 20% at the end of 2024 and less than 10% in 2026. - The reduction target for the end of 2024 has been achieved. The Group will continue to make efforts to steadily implement initiatives in the future.	Initiatives in progress
Organizational Culture Reform	The promotion of reform requires a move to involve the entire employee base. What are the Group's plans for efforts to change the corporate culture?	As part of the culture reform from the top level, a 360-degree evaluation and training using the evaluation results were conducted for the internal directors of Sapporo Holdings and the executives of operating companies. The Group plans to continue to implement this program in the future.	Initiatives in progress

Risk Management

Basic Approach to Risk Management

The Sapporo Group defines risk as uncertainty that would affect the operation of our organization and works to prevent the occurrence of various management risks that affect the Group, while also minimizing losses by implementing appropriate risk countermeasures against emerging risks with significant impact on corporate activities. This is done to ensure that our businesses can be maintained and evolved on an ongoing basis, and to secure society's trust. In addition, we manage and respond to risks appropriately while considering threats and opportunities that significantly influence corporate activities.

The Group's Risk Management Structure

The Sapporo Group has introduced enterprise risk management (ERM) to enhance the effectiveness of its risk management. To achieve the goals of the Group's Medium- to Long-Term Growth Strategy, we have established and operate an appropriate risk management structure, one that includes the identification of management risks across the Group, the identification of important risks that could impede the execution of strategies and the achievement of management targets, the assessment of these risks based on their degree of impact and likelihood of occurrence, the formulation of action plans, and the implementation and monitoring of measures to mitigate risk.

The Group Risk Management Committee, chaired by the President and Representative Director, is an advisory body to the Management Council. It comprises the Company's officer in charge of risk management, along with equivalent officers from operating companies within the Alcoholic Beverages, Food & Soft Drinks, and Real Estate businesses. This committee is responsible for the centralized management of important

risks that could have a significant impact on the Group's business activities. It is also responsible for the overall administration of risk management activities, including the formulation of Group risk management policies, the collection of risk information, and actions to mitigate risk, as well as providing necessary instructions and support to Group companies. In addition, the committee's subcommittees work with risk management departments within each operating company to advance initiatives for important risks to the Group and each company and monitor their progress. These initiatives and important risks to the Group are checked at the Company's Management Council and reported to the Board of Directors, which supervises the effectiveness of risk management through these reports.

For risks related to sustainability, the Group Risk Management Committee manages risks in collaboration with the Group Sustainability Committee.

Group Risk Management Structural Diagram



Important Group Risks

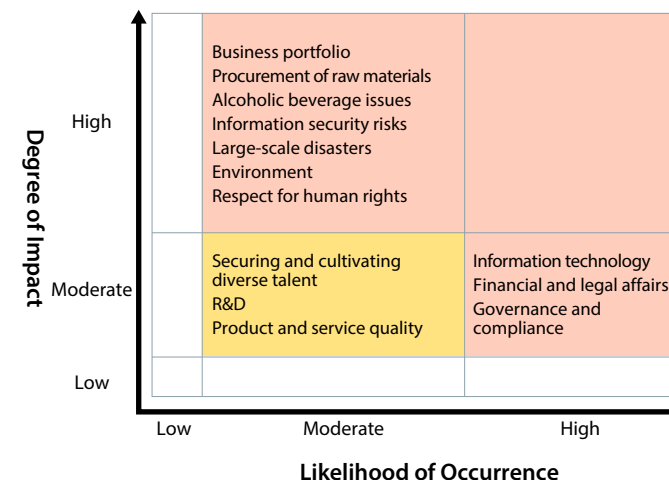
The following are the main risks that the Sapporo Group's management recognizes as having the potential to have significant operational impact. Each risk is comprehensively assessed to identify those that have a significant impact on the Group from both a quantitative and qualitative perspective based on internally established metrics. Each assessed risk is classified by the degree of impact and likelihood of occurrence, each on a scale of "high," "moderate," and "low," and those risks that rate as "moderate" in both perspectives are considered important risks. Note that the following risk heat map is not exhaustive, and there is a possibility that the Group may be affected by risks other than those listed in the future.

Matters concerning the Sapporo Group's important risks are those determined by the Group as of the end of fiscal 2024.

For details regarding important risks, please visit our website.

<https://www.sapporoholdings.jp/en/sustainability/governance/riskmanagement/>

Heat Map of Important Group Risks



Respect for Human Rights

Human Rights Policy

At the Sapporo Group, we recognize that our business could directly or indirectly affect human rights in the course of its process, and to respect human rights of all people involved in our business, we have established the Sapporo Group Human Rights Policy as the highest-level policy on human rights. This policy, which is based on the Sapporo Group Code of Corporate Conduct, serves as the foundation for all of our business activities.

The policy was developed through a series of discussions on human rights issues related to the Group, with the advice of independent external experts. In enforcing this policy, we will engage in earnest dialogue and consultation with our stakeholders.

The Sapporo Group respects the human rights of all people involved in its business, and prohibits all forms of discrimination based on differences such as race, ethnicity, nationality, creed, gender, religion, disability, sexual orientation, and gender identity. We will consistently work to enhance our awareness of influences on human rights throughout our value chain and evolve our efforts to respect human rights.

Implementation Structure

We are working to reduce the risk of human rights violations in all our business activities under the responsibility of the President and Representative Director, who chairs the Group Sustainability Committee. Human rights issues discussed by the committee are reported to the Board of Directors. The Board of Directors is responsible for overseeing the human rights policy and initiatives to respect human rights and regularly reviews compliance with the policy and the progress of the initiatives.

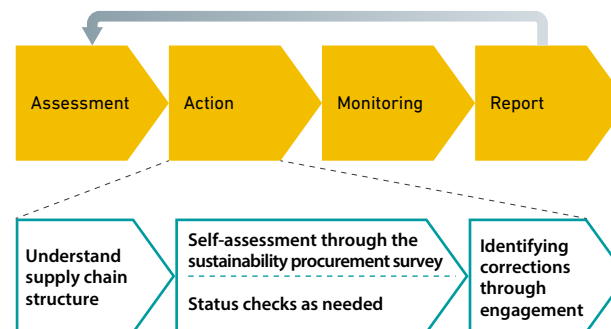
Human Rights Due Diligence

In accordance with the Sapporo Group Human Rights Policy, we are working to ensure that it does not infringe on human rights, and that its stakeholders, including suppliers and other business partners, do not contribute to human rights violations.

As a measure to check the status of human rights, we have established and consistently carry out and review a human rights due diligence process based on the United Nations Guiding Principles on Business and Human Rights.

If it is revealed through human rights due diligence that we have caused or contributed to a negative impact on human rights, we will take appropriate and effective remedial measures.

Human Rights Due Diligence Process



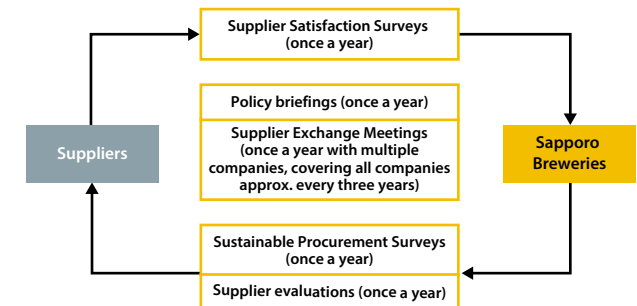
Specific Initiatives in the Supply Chain

In our supply chain, we share information about our initiatives through opportunities such as policy briefings. We also prioritize checking the status of compliance with respect for human rights and environmental conservation, for our business's key ingredients: malt, hops, lemons, and plums, as well as other priority raw materials* that are deemed to post a high risk to human rights. We share our Procurement Basic Policy and Sustainable Procurement Guidelines with our suppliers, and evaluate their status of compliance with these policies through means such as the Sustainable Procurement Survey.

In addition, we utilize the Supplier Ethical Data Exchange (Sedex), an online platform aimed at managing and improving working conditions in supply chains. With this, we will further solidify our efforts for respect of human rights, and evolve these efforts in collaboration with our business partners.

* Priority raw materials: Palm oil, tea leaves, coffee beans, soybeans, cocoa beans, liquid sugar, crude alcohol. These were determined based on a comprehensive review of information such as the U.S. Department of State's Trafficking in Persons Report and the Child Labor Risk Map.

Initiatives by Sapporo Breweries



Performance Data

65	Financial Results Summary
67	Financial Highlights
69	Non-financial Highlights
70	Ten-Year Summary of Financial and Non-financial Data
71	Corporate Data

Part 5

Financial Results Summary

Amid a growing mindset among consumers to protect their livelihoods due to the effects of the falling yen and rising prices, consolidated revenue and core operating profit increased year-on-year, mainly due to strong sales of beer in the domestic and overseas markets. On the other hand, consolidated operating profit and profit attributable to owners of parent decreased due to the recording of impairment losses on goodwill arising from the acquisition of Stone Brewing.

Alcoholic Beverages

Revenue **¥388.2** billion (up 3.0% year on year)

Core Operating Profit **¥18.8** billion (up 17.4% year on year)

In Japan, we took steps to strengthen sales of beer and RTD in light of the liquor tax revision in October 2023 and promoted initiatives in the Restaurants business to attract inbound customers. By strengthening the marketing of core beer brands such as Black Label and Yebisu, we achieved growth in the beer category that outpaced the market. Overseas, amid an overall slowdown in beer demand in North America, we worked to create synergies through the integration of our sales and production systems with U.S.-based Stone Brewing, resulting in 11% year-on-year sales volume growth for Sapporo-branded beers in that region. Still, the profit structure of the business has been deteriorating due to factors such as a decline in sales of the Stone brand and cost inflation, and we are therefore advancing fundamental structural reforms going forward.

Main brands



Note: All figures are for the fiscal year ended December 31, 2024.

Consolidated Group Revenue **¥530.8** billion (up 2.3% year on year)

Consolidated Group Core Operating Profit **¥22.0** billion (up 41.0% year on year)

Food & Soft Drinks

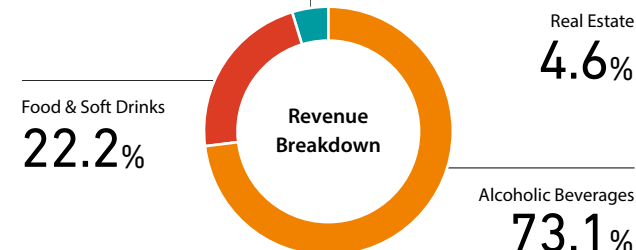
Revenue **¥117.9** billion (down 1.6% year on year)

Core Operating Profit **¥3.4** billion (up 109.9% year on year)

In Japan, we restructured the business, including reducing the amount of waste by decreasing the number of SKUs, improving per-unit variable selling expenses, and transferring the plant-based yogurt business. Furthermore, we engaged in initiatives to grow the lemon business, such as promoting the functional benefits of lemon food products. Overseas, sales in Singapore were down 5%* year on year due to the impact of falling demand caused by continued inflation. However, in Malaysia, sales were up 18%* year on year thanks to sales activities focused on specific product categories and areas and ongoing improvements to the sales structure. Overall, sales in the Food & Soft Drinks business were down year on year, but core operating profit increased thanks to the contribution of cost-related structural reforms.

* Local currency basis

Main brands



Real Estate

Revenue **¥24.6** billion (up 13.4% year on year)

Core Operating Profit **¥7.8** billion (up 35.7% year on year)

In the Ebisu area, the office occupancy rate, excluding parts of Yebisu Garden Place under air conditioning work, remained close to full capacity from May 2024 onwards, and the average rent increased by 2.9% compared to 2022. In the Sapporo area, the occupancy rate of the Hotel Sosei Sapporo MGallery Collection, which opened in January 2024, and Sosei Cross, which opened in August, increased.

In addition, revenue increased from the previous fiscal year due to factors such as the increase in demand for outdoor brand products at Sapporo Factory amid continued inbound demand, strong event performance, and dividend income from equity investments in private funds.

Main facilities



YEBISU GARDEN PLACE



SAPPORO FACTORY

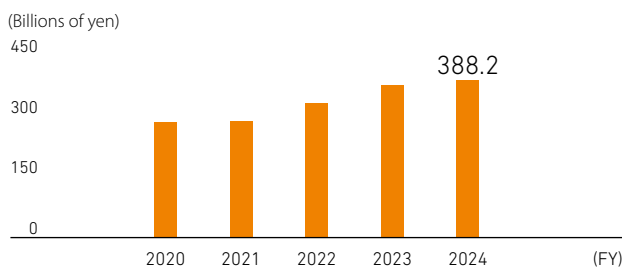


GINZA PLACE

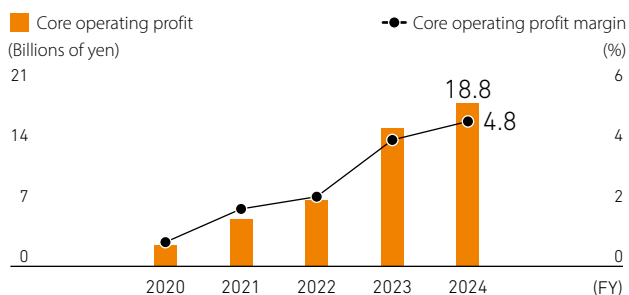
Financial Results Summary

Alcoholic Beverages

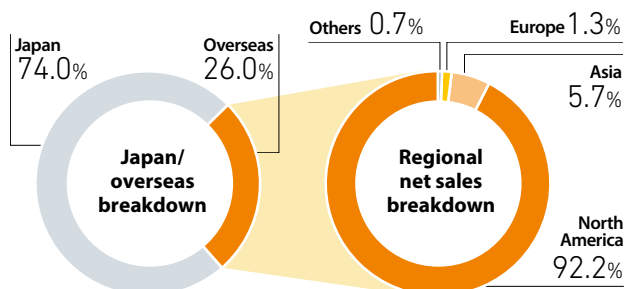
Trends in Revenue



Trends in Core Operating Profit / Core Operating Profit Margin

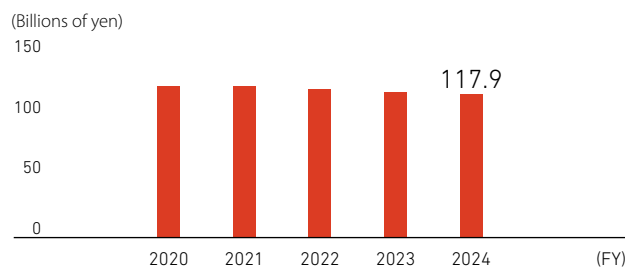


Net Sales Breakdown

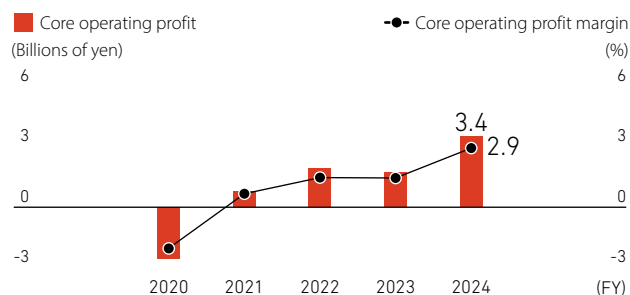


Food & Soft Drinks

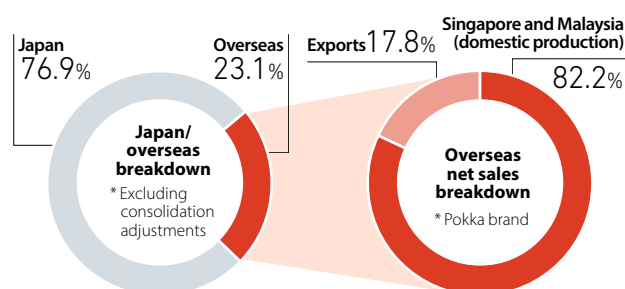
Trends in Revenue



Trends in Core Operating Profit / Core Operating Profit Margin

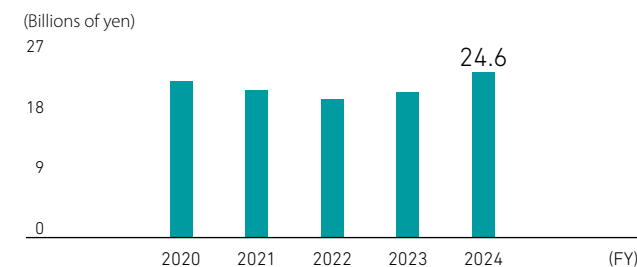


Net Sales Breakdown

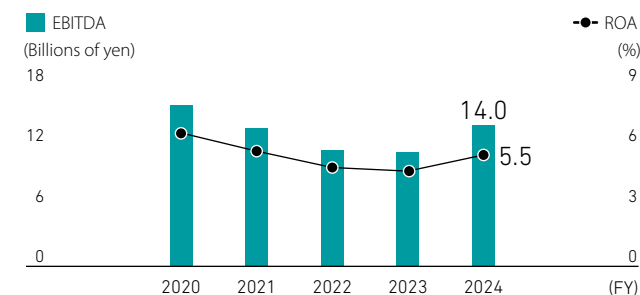


Real Estate

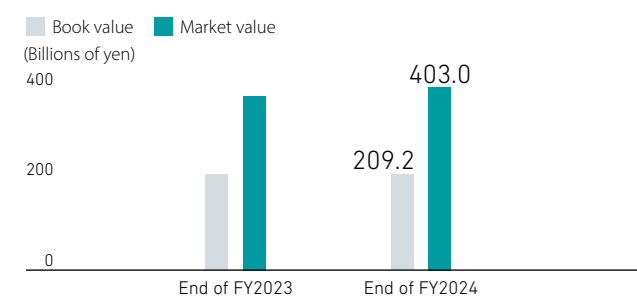
Trends in Revenue



Trends in EBITDA/ROA (EBITDA Basis)



Market Value of Rental & Other Properties at Fiscal Year End

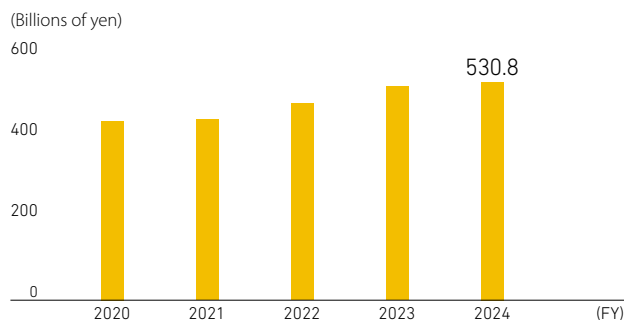


Financial Highlights

Figures are prepared based on IFRS.

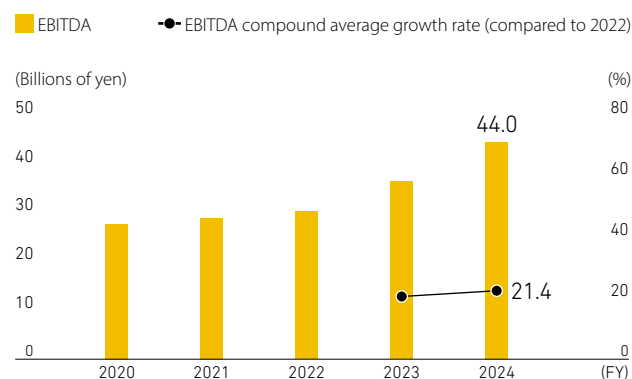
Profitability

Revenue (Including Liquor Tax)



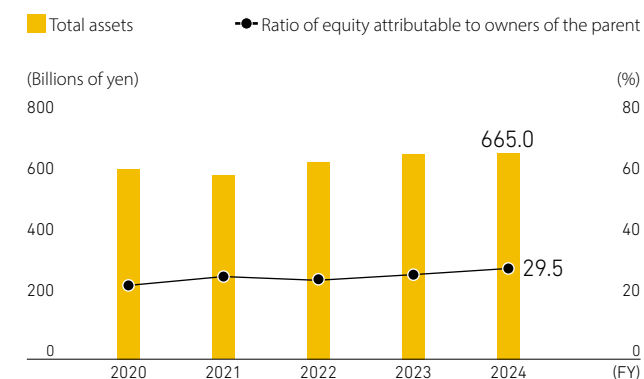
Growth

EBITDA / EBITDA Compound Average Growth Rate

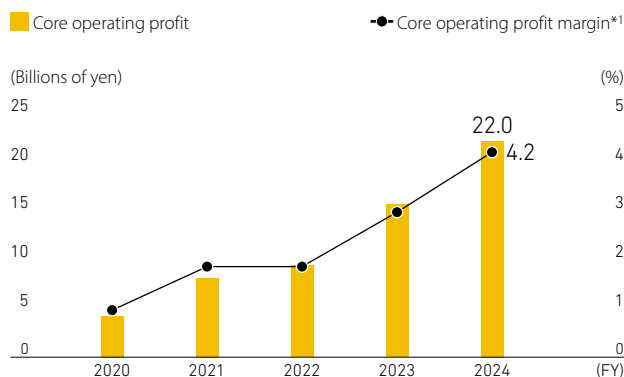


Safety

Total Assets / Ratio of Equity Attributable to Owners of the Parent

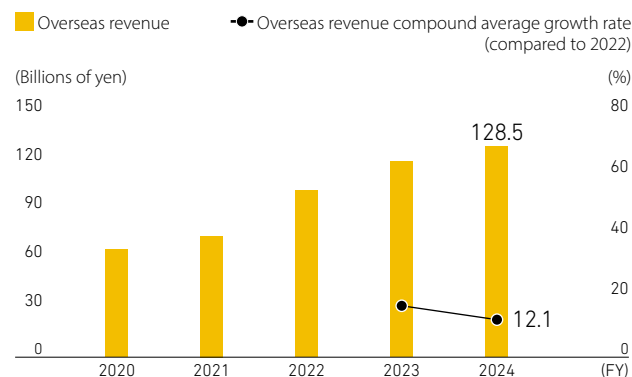


Core Operating Profit / Core Operating Profit Margin*1

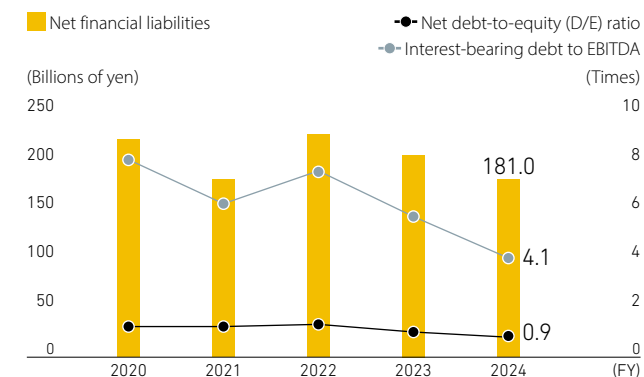


*1 Core operating profit margin is calculated as core operating profit ÷ revenue (including liquor tax).

Overseas Revenue / Compound Average Growth Rate



Net Financial Liabilities*2 / Net Debt-to-Equity (D/E) Ratio / Interest-Bearing Debt to EBITDA*3



*2 Including commercial paper but excluding the balance of lease obligations.

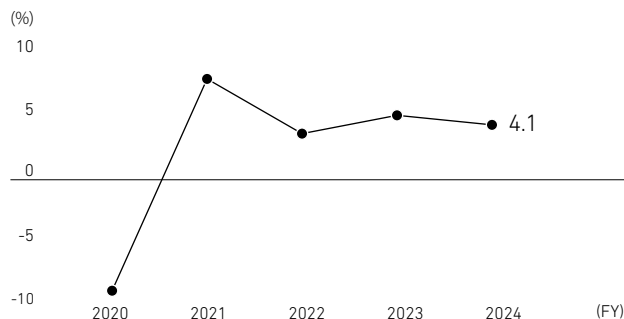
*3 Net financial liabilities (excluding lease liabilities) / Equity attributable to owners of parent

Financial Highlights

Figures are prepared based on IFRS.

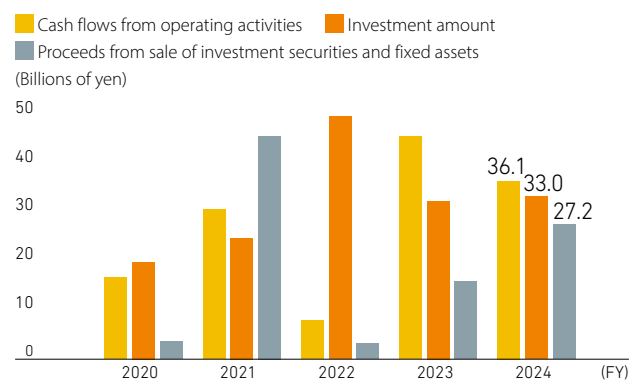
Capital efficiency

ROE



Cash flows from operating activities and investments

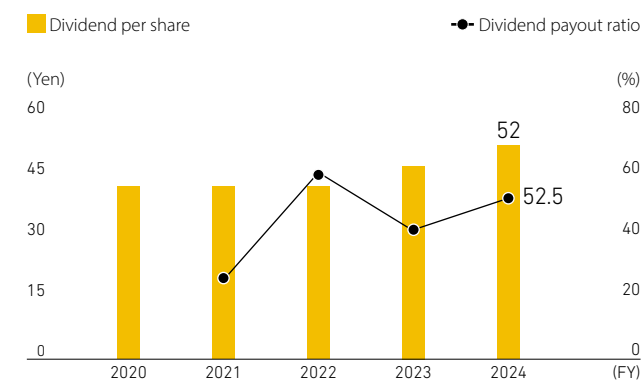
Cash Flows from Operating Activities / Investment Amount*4 / Proceeds from Sale of Investment Securities and Fixed Assets



*4 Investment amount is calculated as cash flows from investing activities + proceeds from sale of investment securities and proceeds from sale of investment property.

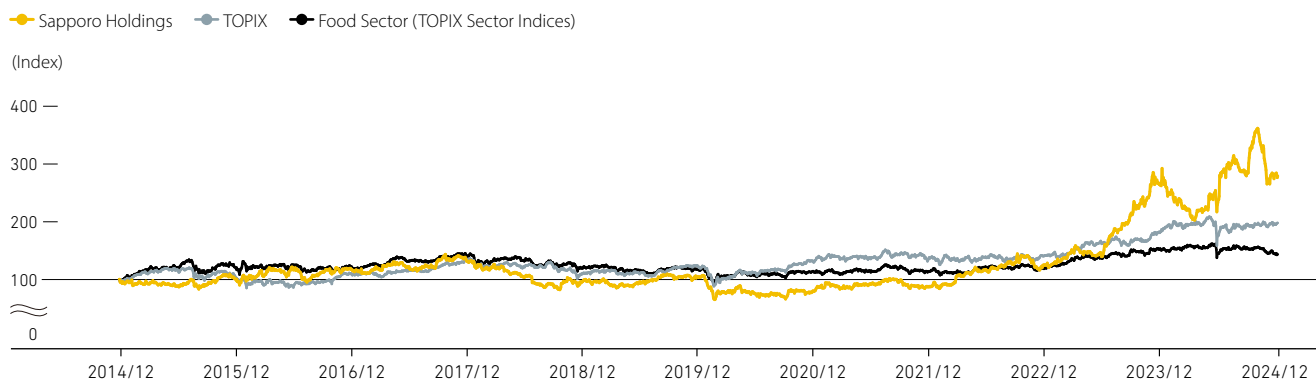
Shareholder returns

Dividend per Share / Dividend Payout Ratio



Share price performance

Trend in Share Price*5



*5 Stock price index assuming the closing price on December 31, 2014 as 100.

Total Shareholder Return (TSR)*6

	Trailing 1 year	Trailing 3 years	Trailing 5 years	Trailing 10 years
Sapporo Holdings	135%	387%	333%	341%
TOPIX incl. dividends	120%	151%	182%	249%

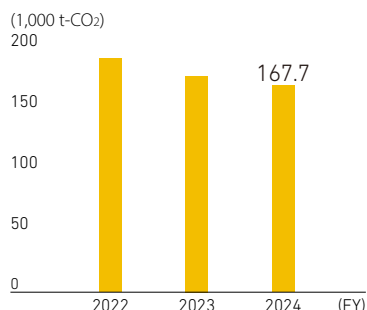
*6 Return on investment if dividends are reinvested. Indicates the rate of return for the holding period retroactive to the closing price on December 31, 2024.

	2014/12		2024/12
Share price	2,560 yen	→	8,318 yen
PER	586.7 times	→	84.0 times
PBR	1.28 times	→	3.31 times

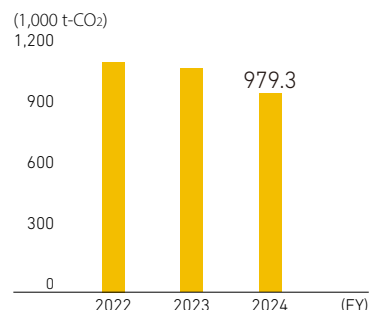
Non-financial Highlights

Harmony with the environment

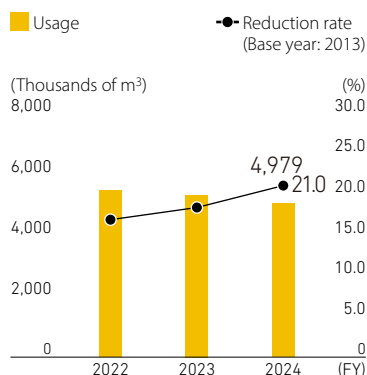
Greenhouse Gas Emission (Scope 1 and 2)



Greenhouse Gas Emission (Scope 3)



Trends in Water Consumption / Reduction Rate



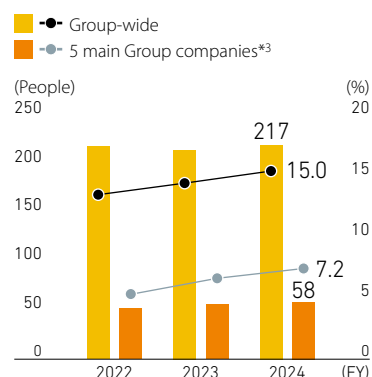
Recycled Material Usage Rate for Domestically Produced Wine PET Bottles

52.5%

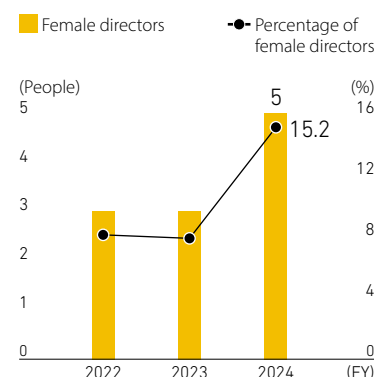
We switched to materials made of recycled PET resin starting with products made in March 2021. The labels of products made with recycled PET resin contain a unique symbol denoting the use of recycled PET resin*1. This label is used for 100% of 720-ml products and for 30% of large format containers*2.

Active participation of human resources

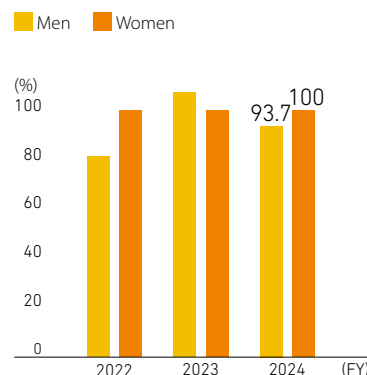
Number and Percentage of Women in Management Positions (Including Subsidiaries Outside of Japan)



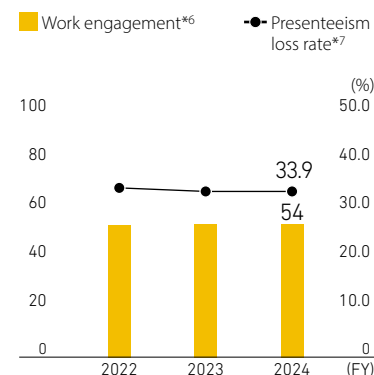
Number and Percentage of Female Directors*4



Proportion of Employees Taking Childcare Leave*5 (Sapporo Breweries Only)



Work Engagement*6 and Presenteeism Loss Rate*7



Co-prosperity with society

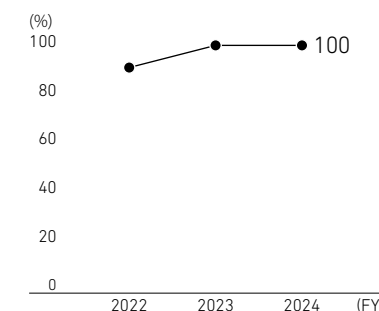
Number of Regional Revitalization Business Implemented

18

Targets for material issue

- Satisfaction level of local governments, suppliers and buyers in business matching: 75% or higher
- Supplier satisfaction: 89%
- Buyer satisfaction: 84%

Compliance Rate with the Sustainable Procurement Guidelines of Major Suppliers



*1 In 2024, sales were terminated for wine in PET bottles manufactured in Japan.

*2 1.5 L and 1.8 L

*3 Data covers the Group's main companies in Japan (Sapporo Holdings, Sapporo Breweries, Pokka Sapporo Food & Beverage, Sapporo Real Estate, and Sapporo Lion).

*4 Data covers the percentage of female directors at the Group's main companies in Japan (Sapporo Holdings, Sapporo Breweries, Pokka Sapporo Food & Beverage, Sapporo Real Estate, and Sapporo Lion).

*5 (Calculation formula for the proportion of male employees taking childcare leave) Number of employees who took childcare leave, etc. in 2024 (Jan. 1 to Dec. 31) / Number of employees whose spouses gave birth within fiscal 2024 (actual results for 2024)

Persons who took childcare leave: 59 persons
Persons who submitted birth notification: 63 persons

*6 Work engagement represents the deviation value. Data covers 12 companies in Japan (Sapporo Holdings, Sapporo Breweries, Pokka Sapporo Food & Beverage, Sapporo Real Estate, Sapporo Lion, Sapporo Field Marketing, Sapporo Group Logistics, Sapporo Logistics Systems, Shinseien, Iwata Pokka Foods, Hokkaido Sapporo Lion, and Hanei).

*7 Data covers the Group's main companies in Japan (Sapporo Holdings, Sapporo Breweries, Pokka Sapporo Food & Beverage, Sapporo Real Estate, and Sapporo Lion).

Ten-Year Summary of Financial and Non-financial Data

The Sapporo Group has voluntarily applied International Financial Reporting Standards (IFRS), beginning in fiscal 2018. Figures prior to fiscal 2018 have been rounded down to the nearest specified unit. Figures from fiscal 2018 onward have been rounded up or down to the nearest unit.

Moreover, in fiscal 2019, Country Pure Foods, Inc. was classified under discontinued operations, thus discontinued operations are presented separately from continuing operations. Consequently, revenue, core operating profit, and profit before tax for fiscal 2019 are shown based on values for continuing operations, and fiscal 2018 figures have been adjusted retroactively for comparative purposes.

Financial Data	JGAAP			IFRS						(Millions of yen)
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	533,748	541,847	551,549	493,908	491,896	434,723	437,159	478,422	518,632	530,783
Revenue (excluding liquor tax)	418,319	424,059	433,260	370,797	371,100	328,583	331,191	364,240	400,770	412,984
Overseas revenue	—	—	—	74,246	71,232	65,520	74,487	102,228	119,642	128,477
Overseas revenue (excluding liquor tax)	94,550	86,846	91,937	—	—	—	—	—	—	—
Core operating profit*1	13,950	20,267	17,032	15,159	11,724	4,261	8,142	9,312	15,633	22,038
EBITDA*2	42,327	46,529	44,558	39,751	35,971	27,351	28,639	29,879	36,029	44,047
Profit before tax	11,690	16,403	17,801	10,629	11,588	(19,364)	21,185	11,367	12,144	11,576
Profit attributable to owners of parent	6,108	9,469	10,978	8,521	4,356	(16,071)	12,331	5,450	8,724	7,714
Capital expenditures (cash basis)	20,339	21,809	15,253	21,573	29,912	16,109	21,241	22,326	28,923	36,957
Depreciation	24,224	22,341	23,571	24,592	24,248	23,089	20,496	20,567	20,395	22,009
Goodwill amortization	4,153	3,920	3,954	—	—	—	—	—	—	—
Cash flows from operating activities	35,265	32,570	30,005	30,830	36,069	16,466	30,308	7,814	45,446	36,109
Cash flows from investing activities	(9,755)	(27,586)	(17,823)	(18,727)	(24,930)	(16,000)	20,729	(46,137)	(16,439)	(5,836)
Cash flows from financing activities	(24,802)	(4,827)	(10,172)	(14,521)	(5,984)	4,138	(53,080)	36,465	(27,140)	(25,372)
Core operating profit margin	2.6%	3.7%	3.1%	3.1%	2.4%	1.0%	1.9%	1.9%	3.0%	4.2%
Interest-bearing debt to EBITDA ratio (times)	5.3	4.9	5.0	5.5	5.9	8.1	6.3	7.6	5.7	4.1
Net debt-to-equity ratio (times)	1.4	1.4	1.2	1.3	1.2	1.5	1.1	1.4	1.1	0.9
Ratio of equity attributable to owners of the parent	25.5%	25.7%	27.5%	25.2%	27.3%	24.3%	27.3%	26.0%	27.5%	29.5%
ROE (before goodwill amortization)	6.5%	8.4%	8.9%	5.1%	2.6%	(9.9%)	7.9%	3.3%	5.0%	4.1%
ROE	3.9%	5.9%	6.6%	—	—	—	—	—	—	—
Total assets	620,388	626,351	630,631	639,692	638,722	616,349	594,551	639,118	663,573	664,963
Total equity	163,822	166,380	177,663	164,735	174,524	149,551	163,327	167,201	183,248	197,157
Net Financial liabilities*3	224,310	227,553	220,871	218,358	212,126	221,534	180,730	226,513	205,399	180,972
Non-financial Data										
Number of employees*4 (people)	7,484	7,737	7,772	7,797	7,603	7,527	6,872	6,692	6,610	6,402
CO ₂ emissions (Scope 1 and 2) (1,000 t-CO ₂)	—	—	—	236	207	181	184	189	175	167.7
CO ₂ emissions (Scope 3) (1,000 t-CO ₂)	—	—	—	—	1,034	966	903	1,138*7	1,105	979.3
Domestic Groupwide water use (1,000 m ³)	6,498	6,500	6,409	6,061	6,509	5,891	5,357	5,384	5,244	4,979
Percentage of women in management positions*5	8.1%	7.6%	8.1%	8.8%	8.7%	8.7%	9.7%	13.5%	14.4%	15.0%
Percentage of male employees taking childcare leave*6	—	—	—	61%	68%	78%	80%	81%	114%	93.7%

*1 Core operating profit is calculated as revenue – cost of sales – selling, general and administrative expenses. *2 Under JGAAP, EBITDA is calculated as operating profit + depreciation + goodwill amortization. Under IFRS, however, EBITDA is calculated as core operating profit + depreciation (excluding depreciation expenses on leased assets charged on the rent of restaurants). *3 Net financial liabilities include commercial paper, but do not include the balance of leased liabilities. *4 The number of employees is on a company-affiliated basis (including seconded employees from other companies) as of December 31 of each fiscal year. *5 Percentage of women in management positions at domestic and overseas Group companies (excluding seconded employees from outside of the Group) *6 Ratio of employees taking childcare leave (Sapporo Holdings and Sapporo Breweries)

*7 Changed to a calculation method in 2024 compliant with SBT certification.

► For other non-financial data, please refer to the URL on the right. <https://www.sapporoholdings.jp/en/sustainability/esg/>

Corporate Data (As of December 31, 2024)

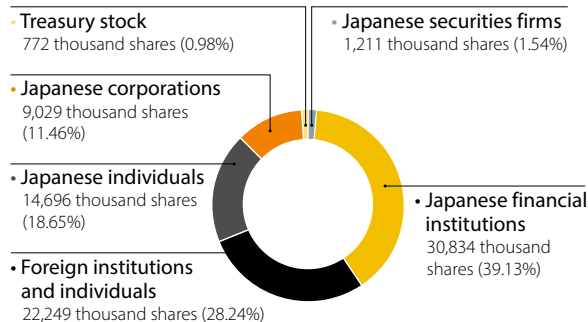
Corporate Information

Company Name	Sapporo Holdings Limited
Business	Holding company
Date of Establishment	September 1, 1949
Head Office	20-1, Ebisu 4-chome, Shibuya-ku, Tokyo 150-8522, Japan
Capital	¥53,887 million
Fiscal Year-End	December 31
Number of Employees	6,402 (Consolidated) 118 (Parent company)

Stock Information

Total Number of Authorized Shares	200,000,000
Total Number of Issued Shares	78,794,298
Number of Shareholders	62,701
Stock Listings	Tokyo Stock Exchange, Prime Market Sapporo Securities Exchange (Securities Code: 2501)
Shareholder Register Manager	Mizuho Trust & Banking Co., Ltd.

Breakdown of Shareholders by Investor Type



Major Shareholders

Name of Shareholder	Number of Shares (Thousands)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,916	13.99
Custody Bank of Japan, Ltd. (Trust Account)	3,821	4.90
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB)	3,620	4.64
Custody Bank of Japan, Ltd., as trustee for Mizuho Bank Ltd. Retirement Benet Trust Account re-entrusted by Mizuho Trust & Banking Co., Ltd.	2,442	3.13
3D OPPORTUNITY MASTER FUND	2,400	3.08
GOLDMAN SACHS INTERNATIONAL	2,291	2.94
Nippon Life Insurance Company	2,237	2.87
Meiji Yasuda Life Insurance Company	2,236	2.87
STATE STREET BANK AND TRUST COMPANY 505018	2,196	2.82
The Norinchukin Bank	1,875	2.40

Notes: 1. Shareholding ratios are calculated after deduction of treasury stock (772,558).
2. The status of the above major shareholders is based on the shareholder register.

Outside Evaluations

Included in ESG indices



Selected for CDP's A List, the highest rating for climate change and water security

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* When not otherwise specified, certified by Sapporo Holdings or the Group *1 White 500: Sapporo Holdings, Sapporo Breweries, and Pokka Sapporo Food & Beverage; Bright 500: Sapporo Real Estate, Sapporo Field Marketing, and Sapporo Group Logistics; Next Bright 1000: Yasuma; and Health & Productivity Management Outstanding Organization: Sapporo Lion *2 Sapporo Breweries (Pokka Sapporo Food & Beverage acquired "Kurumin" certification) *3 Pokka Sapporo Food & Beverage *4 Sapporo Breweries (Pokka Sapporo Food & Beverage was awarded Silver for the sixth consecutive year.)

Selected for the first time as a 2025 KENKO Investment for Health Stock



"2025 Outstanding Organizations of KENKO Investment for Health" A total of eight companies recognized*1, including four in the large enterprise category and four in the SME category Three companies selected again for White 500, three selected again for Bright 500, and one selected for the first time as Next Bright 1000



Acquired "Platinum Kurumin" certification for the eighth consecutive year*2



Certified as an "Eruboshi" (Level 2) Enterprise Promoting the Success of Women*3



Received the Gold Award or higher for seven consecutive years in the Gan-Ally-Bu Award 2024 sponsored by the Gan-Ally-Bu



Selected as a Next Nadeshiko: Companies Supporting Dual-career and Co-parenting for two consecutive years





SAPPORO HOLDINGS LTD.

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