

(TRANSLATION)

[This English translation is an abridged version of the original notice in Japanese. In the event of any discrepancy, the Japanese version prevails.]

(Securities code: 2501)
March 4, 2022

To Our Shareholders

Masaki Oga
President and Representative Director
Sapporo Holdings Limited
20-1, Ebisu 4-chome, Shibuya-ku, Tokyo

Notice of Convocation of the 98th Ordinary General Meeting of Shareholders

Dear Sirs/Madams:

You are cordially invited to attend the 98th Ordinary General Meeting of Shareholders of Sapporo Holdings Limited (the “Company”) to be held as described below.

We would be grateful if you would take the time to exercise your voting rights by one of the methods described on pages 2 and 3.

Description

Date and time of the meeting: Wednesday, March 30, 2022 at 10:00 a.m.
(The reception desk is presently scheduled to open at 9:00 a.m.)

Place of the meeting: The Garden Hall (inside Yebisu Garden Place)
13-2, Mita 1-chome, Meguro-ku, Tokyo

Purpose of the meeting:

Matters to be reported:

1. Reports on the business, the consolidated financial statements, and the results of audit of the consolidated financial statements by the accounting auditors and the Audit & Supervisory Committee for the 98th business term (from January 1, 2021 to December 31, 2021).
2. Report on the non-consolidated financial statements for the 98th business term (from January 1, 2021 to December 31, 2021).

Matters to be resolved:

- | | |
|------------------------|--|
| Proposal No. 1: | Dividends from Surplus |
| Proposal No. 2: | Partial Amendments to the Articles of Incorporation |
| Proposal No. 3: | Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members) |
| Proposal No. 4: | Election of Three (3) Directors Who Are Audit & Supervisory Committee Members |
| Proposal No. 5: | Election of One (1) Substitute Director Who Is an Audit & Supervisory Committee Member |

Guidance Notes on the Exercise of Voting Rights

Voting rights exercised at the General Meeting of Shareholders represent an important right of the shareholders by which the shareholders can participate in business management of the Company. **We cordially request our shareholders to participate in the General Meeting of Shareholders by exercising voting rights using the following methods.**

1. Exercise of Voting Rights via the Internet

Deadline: Please register by no later than 5:30 p.m. on Tuesday, March 29, 2022

If you wish to exercise your voting rights via the internet, access the website for exercising voting rights from terminal devices such as your smartphone or personal computer, etc. and register your approval or disapproval in respect of each proposal by following the directions on the screen.

Exercise of Voting Rights Using Smartphones -----

You may use a smartphone to scan the “QR Code to Log into Website for Exercising Voting Rights by Smartphone” located on the bottom right of the enclosed voting rights exercise form. After doing so, please register your approval or disapproval in respect of each proposal by following the directions on the screen.

For details on exercising voting rights using a smartphone, please refer to the leaflet that was provided together with this document.

* QR Code is a registered trademark of DENSO WAVE INCORPORATED.

Exercise of Voting Rights by Personal Computer, etc. -----<https://soukai.mizuho-tb.co.jp/>

Please directly access the website for exercising voting rights, use the “login ID” and “temporary password” described in the enclosed voting rights exercise form and register your approval or disapproval in respect of each proposal by following the directions on the screen.

If you exercise your voting rights both by mail (in writing) and via the internet, we will only accept, as effective, the exercise of your voting rights via the internet. If you exercise your voting rights more than once via the internet, we will only accept, as effective, the last exercise of your voting rights. The cost of internet access (access fees to internet service providers, telecommunications fees, etc.) will be borne by you, the shareholder. Depending on your internet operating environment, you may be unable to use the website for exercising voting rights.

For Inquiries with Respect to the Exercise of Voting Rights via the Internet

Please contact:

Internet Help Dial [Japanese only] Stock Transfer Agency Department Mizuho Trust & Banking Co., Ltd. Telephone: 0120-768-524 (toll-free, domestic calls only) Operating hours: 9:00 a.m. to 9:00 p.m.

To Institutional Investors

In addition to the above-mentioned method for exercising voting rights via the internet, the electronic platform for exercising voting rights, which is operated by Investor Communications Japan Inc. (ICJ, Inc.), is available to those who have applied to use such platform beforehand.

2. Exercise of Voting Rights by Mail

Deadline: Please post to arrive by no later than 5:30 p.m. on Tuesday, March 29, 2022

- * As the enclosed voting rights exercise form is a postage-paid postcard, the processing time inside the post office may take up to a week longer than regular mail. Please mail it early to ensure it is delivered on time.

Please indicate your approval or disapproval in respect of each proposal on the enclosed voting rights exercise form and send the form back to us (without affixing a stamp). If you indicate neither your approval nor disapproval, your vote will be treated as approval.

3. Exercise of Voting Rights via Attending the Meeting

Date and time of the meeting: Wednesday, March 30, 2022 at 10:00 a.m.

(The reception desk is presently scheduled to open at 9:00 a.m.)

Place of the meeting: The Garden Hall (inside Yebisu Garden Place)

13-2, Mita 1-chome, Meguro-ku, Tokyo

Please submit the enclosed voting rights exercise form to the receptionist at the place of the meeting on the day of the meeting.

We kindly ask you to bring this Notice of Convocation as reference documents describing the planned proceedings on the day.

<Requests and Guidance for Shareholders>

- We request that you refrain from attending the meeting in order to avoid being infected with COVID-19.
- You may exercise your voting rights in advance via the internet or by mail. We suggest using one of these methods.
- The Company plans to post a video on its website at a later date showing the presentation of the Business Report at the meeting.
- For shareholders who will attend the meeting, we ask that you please cooperate with measures to prevent infection, such as wearing a face mask, sanitizing your hands with alcohol disinfectant and checking your temperature with a thermographic camera.
- Please inform nearby staff if you feel unwell. Furthermore, people who have a fever or look unwell will be approached by staff and may not be allowed to enter the venue.
- To prevent the venue from becoming crowded, there is a possibility you may not be allowed into the venue. Your understanding would be greatly appreciated.
- In the event of any major changes in the operation of the General Meeting of Shareholders, the Company will make an announcement on its website.
<https://www.sapporoholdings.jp/en/ir/event/meeting/>

Reference Materials for the General Meeting of Shareholders

Proposal No. 1 – Dividends from Surplus

The Company considers the appropriate return of profits to its shareholders as a fundamental aspect of management policy and has adopted a basic policy to undertake stable dividend payments taking into consideration the Company's performance and financial condition.

After taking into consideration the Company's performance in the current business term, the outlook for the business environment and other factors, the Company intends to provide year-end dividends from surplus of 42 yen per share for the current term.

1 Category of dividend assets:

Cash

2 Matters relating to the allocation of dividend assets and the total amount of such allocation:

Dividend per share of the Company's common stock: 42 yen

Total amount of dividends: 3,277,159,536 yen

3 Date on which the dividends from surplus will take effect:

March 31, 2022

Proposal No. 2 – Partial Amendments to the Articles of Incorporation

1. Reasons for Proposal

Since the revised provisions stipulated in a proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes making the following changes to its Articles of Incorporation in preparation for the introduction of the system for provision in electronic format of materials for a General Meeting of Shareholders.

- (1) Article 15, paragraph 1 in the “Proposed Amendments” below will stipulate that the Company shall take measures for provision in electronic format of the information contained in the reference documents, etc. for the General Meeting of Shareholders.
- (2) Article 15, paragraph 2 in the “Proposed Amendments” below will establish the provision to limit the scope of the matters to be listed in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (3) Since the provisions of Disclosure by way of the Internet and Deemed Provision of Reference Documents, etc. for a Shareholders Meeting (Article 15 of the current Articles of Incorporation) will no longer be required, they will be deleted.
- (4) Accompanying the aforementioned new additions and deletions, supplementary provisions regarding the effective date, etc. will be established.

2. Details of Amendments

The contents of the proposed amendments to the Articles of Incorporation are as follows.

(Amendments are underlined)

Current Articles of Incorporation	Proposed Amendments
<p>Chapter 3 General Meetings of Shareholders (<u>Disclosure by way of the Internet and Deemed Provision of Reference Documents, etc. for a Shareholders Meeting</u>) Article 15 <u>In connection with convocation of a General Meeting of Shareholders, the Company may deem that any information relating to the matters to be described or shown in the reference documents for the shareholders meeting, business reports, financial statements, and consolidated financial statements, is provided to the shareholders by disclosing such information by way of the internet in accordance with the relevant Order of the Ministry of Justice.</u> <Newly introduced></p>	<p>Chapter 3 General Meetings of Shareholders <Deleted></p> <p>(Measures for Provision in Electronic Format, etc.) <u>Article 15</u> <u>1 In connection with convocation of a General Meeting of Shareholders, the Company shall take measures for provision in electronic format of the information contained in the reference documents, etc. for the General Meeting of Shareholders.</u> <u>2 Of the matters for which the measures for provision in electronic format will be taken, the Company may omit to list all or part of the matters as stipulated in the Order of the Ministry of Justice in the documents that will be delivered to shareholders who have requested the delivery of documents in paper form by the record date of voting rights.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>Supplementary Provisions (Transitional Measures Concerning Exemption from Audit & Supervisory Board Members' Liability) Regarding agreements that limit liability for compensation under Article 423, Paragraph 1 of the Companies Act, relating to actions of Audit & Supervisory Board Members (including persons who were previously Audit & Supervisory Board Members of the Company) conducted before the conclusion of the 96th Ordinary General Meeting of Shareholders held in March 2020, the provisions then in force shall remain applicable.</p> <p style="text-align: center;"><Newly introduced></p>	<p>Supplementary Provisions <u>Article 1 (Transitional Measures Concerning Exemption from Audit & Supervisory Board Members' Liability)</u> Regarding agreements that limit liability for compensation under Article 423, Paragraph 1 of the Companies Act, relating to actions of Audit & Supervisory Board Members (including persons who were previously Audit & Supervisory Board Members of the Company) conducted before the conclusion of the 96th Ordinary General Meeting of Shareholders held in March 2020, the provisions then in force shall remain applicable.</p> <p><u>Article 2 (Transitional Measures Concerning Measures for Provision in Electronic Format, etc.)</u></p> <p><u>1 The deletion of Article 15 of the current Articles of Incorporation (Disclosure by way of the Internet and Deemed Provision of Reference Documents, etc. for a Shareholders Meeting) and the addition of the proposed amended Article 15 (Measures for Provision in Electronic Format, etc.) shall become effective as of September 1, 2022, the effective date of the revised provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019).</u></p> <p><u>2 Notwithstanding the provisions of the preceding paragraph, Article 15 of the current Articles of Incorporation shall remain in effect with respect to a General Meeting of Shareholders to be held within the period of six (6) months from September 1, 2022.</u></p> <p><u>3 This Supplementary Provision shall be deleted on the date when six (6) months have elapsed from September 1, 2022, or three (3) months have elapsed from the date of the General Meeting of Shareholders set forth in the preceding paragraph, whichever is the later.</u></p>

Proposal No. 3 – Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

At the conclusion of this general meeting, the terms of office of all seven (7) Directors (excluding Directors who are Audit & Supervisory Committee Members. The same applies in this proposal) will expire.

The Company therefore proposes the election of seven (7) Directors (including three (3) Outside Directors).

In regard to this proposal, the Company’s Audit & Supervisory Committee verified and examined the ideal approach to supervision and performance of duties by the Board of Directors, the nomination criteria of candidates for Director and other factors. As a result, it was concluded that the deliberation and decision-making processes related to the nomination of each candidate are appropriate, and that all candidates are well-qualified for their positions.

The candidates for Director are as follows:

Candidate Number	Name (Date of Birth)	Career Summary, Position and Business Responsibility in the Company (Status of Important Concurrent Occupations or Positions at Other Organizations)
1	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Incumbent</div> <p>Masaki Oga (December 2, 1958) 63 years old</p> <p>Number of Shares Held in the Company 24,001 shares</p> <p>Number of Board of Directors’ meetings attended 13/13 (100%)</p>	<p>April 1982 Joined the Company (former Sapporo Breweries Limited)</p> <p>October 2006 Director of Tokyo Headquarters Office of Tokyo Metropolitan Area Sales & Marketing Division of Sapporo Breweries Limited (newly established company)</p> <p>March 2009 Operating Officer, Director of Hokkaido Sales & Marketing Division of Sapporo Breweries Limited</p> <p>March 2010 Director (Member of the Board) and Managing Officer, Director of Marketing Department of Sapporo Breweries Limited</p> <p>March 2013 President and Representative Director of Sapporo Breweries Limited Director (Member of the Board) and Group Operating Officer of the Company</p> <p>March 2015 Group Operating Officer of the Company</p> <p>January 2017 President and Group Operating Officer of the Company</p> <p>March 2017 President and Representative Director of the Company (up to the present)</p> <p>Mr. Oga will have served as a Director of the Company for five (5) years as of the conclusion of this general meeting.</p> <p>[Reasons for Presenting Mr. Masaki Oga as a Candidate for Director]</p> <p>Mr. Masaki Oga has served as a Representative Director of the Company and the president and representative director of an operating company, and has thereby gained a wealth of experience, a rich track record and great insight as a manager. The Company has determined that he will be the right person to promote the group management and strengthen the corporate governance of the Company, and he has thus been presented to the shareholders as a candidate for Director.</p>

Candidate Number	Name (Date of Birth)	Career Summary, Position and Business Responsibility in the Company (Status of Important Concurrent Occupations or Positions at Other Organizations)
2	<p>Yoshitada Matsude</p> <p>(January 2, 1966) 56 years old</p> <p>Number of Shares Held in the Company 1,054 shares</p>	<p>April 1988 Joined the Company (former Sapporo Breweries Limited)</p> <p>September 2010 Director of Accounting & Finance Department of the Company</p> <p>March 2011 Director of Accounting & Finance Department of the Company Director (Member of the Board), Director of Group Accounting & Finance Department of Sapporo Group Management Co., Ltd.</p> <p>March 2012 Director of Accounting & Finance Department of Sapporo Breweries Limited</p> <p>September 2016 Vice President and Representative Director of Miyasaka Brewery Co., Ltd. (currently Shinsyu-ichi Miso Co., Ltd.)</p> <p>March 2018 President and Representative Director of Shinsyu-ichi Miso Co., Ltd.</p> <p>March 2019 Director of Accounting & Finance Department of the Company Director (Member of the Board), Director of Accounting & Finance Department of Sapporo Group Management Co., Ltd.</p> <p>October 2019 Director of Accounting & Finance Department of the Company Director (Member of the Board), Director of Accounting & Finance Department of Sapporo Group Management Co., Ltd. Director and Executive Officer of Sapporo Real Estate Co., Ltd.</p> <p>March 2020 Group Operating Officer and Director of Accounting & Finance Department of the Company Director of Accounting & Finance Department of Sapporo Breweries Limited (up to the present)</p> <p>[Reasons for Presenting Mr. Yoshitada Matsude as a Candidate for Director] Mr. Yoshitada Matsude has extensive experience in the accounting and finance department of an operating company, served as a person in charge of such accounting and finance department, and possesses comprehensive experience, knowledge and insight related to accounting and finance. Mr. Matsude also served as the president and representative director of a subsidiary and acquired experience in production and marketing reforms. The Company has determined that he will be the right person to promote the management and growth strategy of the Sapporo Group, and he has thus been presented to the shareholders as a candidate for Director.</p>
3	<p>Masashi Sato</p> <p>(February 15, 1967) 55 years old</p> <p>Number of Shares Held in the Company 5,165 shares</p>	<p>April 1989 Joined the Company (former Sapporo Breweries Limited)</p> <p>March 2011 Director of Engineering Department of Sapporo Breweries Limited (newly established company)</p> <p>March 2016 Director of Sendai Brewery of Sapporo Breweries Limited</p> <p>July 2019 Director of Sendai Brewery of Sapporo Breweries Limited Director of Sendai Factory of SCM Headquarters of POKKA SAPPORO Food & Beverage Ltd.</p> <p>March 2020 Director (Member of the Board) and Executive Officer of Sapporo Breweries Limited (up to the present)</p> <p>[Reasons for Presenting Mr. Masashi Sato as a Candidate for Director] Mr. Masashi Sato possesses comprehensive experience, knowledge and insight related to corporate management, having extensive experience in production technology departments that include the engineering department of an operating company. Mr. Sato also served as a director of an operating company and was in charge of the corporate planning department thereof. The Company has determined that he will be the right person to promote the management and growth strategy of the Sapporo Group, and he has thus been presented to the shareholders as a candidate for Director.</p>

Candidate Number	Name (Date of Birth)	Career Summary, Position and Business Responsibility in the Company (Status of Important Concurrent Occupations or Positions at Other Organizations)
4	<div data-bbox="325 443 493 477" style="border: 1px solid black; padding: 2px; width: fit-content;">New Candidate</div> <p data-bbox="331 517 486 551">Rieko Shofu</p> <p data-bbox="331 555 486 607">[Legal surname: Fujino]</p> <p data-bbox="331 640 486 696">(July 13, 1967) 54 years old</p> <p data-bbox="320 730 497 842">Number of Shares Held in the Company 0 shares</p>	<p data-bbox="517 304 655 331">April 1990</p> <p data-bbox="699 304 906 331">Joined Hakuodo Inc.</p> <p data-bbox="517 338 619 365">June 2007</p> <p data-bbox="699 338 1369 365">Executive Manager of Corporate Design Department of Hakuodo Inc.</p> <p data-bbox="517 376 639 403">August 2011</p> <p data-bbox="699 376 1374 403">Corporate Officer and Executive Manager of Hakuodo Consulting Inc.</p> <p data-bbox="517 414 619 441">May 2015</p> <p data-bbox="699 414 1254 441">President and CEO of Sensing Asia Ltd. (up to the present)</p> <p data-bbox="517 452 624 479">April 2016</p> <p data-bbox="699 452 1398 539">Deputy Director of Corporate Planning Headquarters and Director of Corporate Planning Department of POKKA SAPPORO Food & Beverage Ltd.</p> <p data-bbox="517 546 635 573">March 2017</p> <p data-bbox="699 546 1374 602">Director of Corporate Planning Headquarters and Director of Corporate Planning Department of POKKA SAPPORO Food & Beverage Ltd.</p> <p data-bbox="517 609 635 636">March 2018</p> <p data-bbox="699 609 1238 636">Group CEO of Pokka Corporation (Singapore) Pte. Ltd.</p> <p data-bbox="517 647 647 674">January 2020</p> <p data-bbox="699 647 1166 674">Group CEO of Pokka Pte. Ltd. (up to the present)</p> <p data-bbox="517 680 612 707">July 2020</p> <p data-bbox="699 680 1326 736">Director (Member of the Board) and Senior Executive Managing Director of Sapporo Group Foods Ltd. (up to the present)</p> <p data-bbox="517 743 1193 770">[Reasons for Presenting Ms. Rieko Shofu as a Candidate for Director]</p> <p data-bbox="517 777 1406 987">Ms. Rieko Shofu served as a person in charge of the corporate planning department of an operating company and CEO of an overseas subsidiary, and possesses comprehensive experience, a track record and insight related to corporate management. Given that Ms. Shofu also has a wealth of experience in marketing and branding strategies outside the Group, the Company has determined that she will be the right person to advance the global expansion of the Sapporo Group and to develop and promote the management and growth strategy of the Group, and she has thus been presented to the shareholders as a candidate for Director.</p>

Candidate Number	Name (Date of Birth)	Career Summary, Position and Business Responsibility in the Company (Status of Important Concurrent Occupations or Positions at Other Organizations)
5	<p data-bbox="325 555 493 589" style="border: 1px solid black; padding: 2px; text-align: center;">Incumbent</p> <p data-bbox="325 613 493 725">(Candidate for Outside Director/ Independent Officer)</p> <p data-bbox="341 757 477 824">Mackenzie Clugston</p> <p data-bbox="325 846 493 902">(June 19, 1950) 71 years old</p> <p data-bbox="325 936 501 1037">Number of Shares Held in the Company 0 shares</p> <p data-bbox="325 1070 501 1216">Number of Board of Directors' meetings attended 13/13 (100%)</p>	<p data-bbox="517 304 1410 589"> June 1982 Joined Ministry of Foreign Affairs, Trade and Development Canada August 2000 Consul General of Canada in Osaka August 2003 Minister, Embassy of Canada in Japan August 2009 Ambassador of Canada to the Republic of Indonesia, to the Democratic Republic of Timor-Leste and to the Association of Southeast Asian Nations (ASEAN) November 2012 Ambassador Extraordinary and Plenipotentiary of Canada to Japan September 2016 Consultant of the Company March 2018 Outside Director (Member of the Board) of the Company (up to the present) </p> <p data-bbox="517 607 1410 725"> [Status of Important Concurrent Occupations or Positions at Other Organizations] Outside Director of KAMEDA SEIKA CO., LTD. Professor under special tenure program of Kwansai Gakuin University Outside Director of NGK SPARK PLUG CO., LTD. </p> <p data-bbox="517 734 1410 790"> Mr. Clugston will have served as a Director of the Company for four (4) years as of the conclusion of this general meeting. </p> <p data-bbox="517 799 1410 855"> [Reasons for Presenting Mr. Mackenzie Clugston as a Candidate for Outside Director, and an Outline of Roles He Is Expected to Play] </p> <p data-bbox="517 864 1410 1099"> Although Mr. Mackenzie Clugston has no experience in directly managing a company, he has extensive insight in the fields of diplomacy and trade in North America and Southeast Asia where the Company is pursuing business development. Given the wealth of experience, rich track record and great insight he has, Mr. Clugston is expected to offer pertinent opinions and advice to the Board of Directors of the Company from his objective standpoint, independent of the management team engaged in executing the operations of the Company. The Company has determined that he will contribute greatly to the corporate governance of the Company, which is moving forward with global expansion, and he has thus been presented to the shareholders as a candidate for Outside Director. </p> <p data-bbox="517 1108 1410 1464"> [Policy on His Independence] In September 2016, Mr. Mackenzie Clugston assumed office as a consultant of the Company, and since then, the Company's management had been receiving advice from him. The annual remuneration paid to Mr. Clugston was compensation for his advice to the Company's management based on his experience and insight, and such remuneration was five million yen or less. Accordingly, the Company has determined Mr. Clugston is unlikely to have a conflict of interest with shareholders, in light of the "Standards for Independence of Outside Directors" established by the Company. Mr. Clugston resigned from the role of consultant of the Company in March 2018, in conjunction with his election as an Outside Director of the Company. In addition, the Company has notified each of the Tokyo Stock Exchange and the Sapporo Securities Exchange of his designation as an independent officer, given that he satisfies the applicable criteria of independence as stipulated by the financial instruments exchanges. </p>

Candidate Number	Name (Date of Birth)	Career Summary, Position and Business Responsibility in the Company (Status of Important Concurrent Occupations or Positions at Other Organizations)
6		<p>April 1977 Joined Nippon Telegraph and Telephone Public Corporation</p> <p>June 2006 Senior Vice President, General Manager of the Personnel Department of Nippon Telegraph and Telephone West Corporation</p> <p>June 2009 Senior Vice President Head of General Affairs of Nippon Telegraph and Telephone Corporation</p> <p>June 2012 Senior Executive Vice President Representative Member of the Board of NTT Communications Corporation</p> <p>June 2015 President & CEO Representative Member of the Board of NTT Communications Corporation</p>
	<p style="text-align: center;">Incumbent</p> <p>(Candidate for Outside Director/ Independent Officer)</p> <p>Tetsuya Shoji</p>	<p>June 2020 Corporate Advisor of NTT Communications Corporation (up to the present)</p> <p>March 2021 Outside Director (Member of the Board) of the Company (up to the present)</p> <p>[Status of Important Concurrent Occupations or Positions at Other Organizations] Corporate Advisor of NTT Communications Corporation Outside Director of Mitsubishi Logistics Corporation Outside Director of Hitachi Zosen Corporation Outside Director of Japan Tobacco Inc. (scheduled to assume the position on March 23, 2022)</p>
	<p>(February 28, 1954) 68 years old</p>	<p>Mr. Shoji will have served as a Director of the Company for one (1) year as of the conclusion of this general meeting.</p> <p>[Reasons for Presenting Mr. Tetsuya Shoji as a Candidate for Outside Director, and an Outline of Roles He Is Expected to Play]</p>
	<p>Number of Shares Held in the Company 456 shares</p>	<p>Mr. Tetsuya Shoji has a wealth of experience, a rich track record and great insight as the president of a business corporation. Based on his experience in planning, human resources and general affairs, global expansion and the promotion of digital transformation (DX) up until the present, Mr. Shoji is expected to offer pertinent opinions and advice to the Board of Directors of the Company from his objective standpoint, independent of the management team engaged in executing the operations of the Company. The Company has determined that he will contribute greatly to the corporate governance of the Company in such areas as the strengthening of the Group's management structure, and he has thus been presented to the shareholders as a candidate for Outside Director.</p>
	<p>Number of Board of Directors' meetings attended 10/10 (100%)</p>	<p>[Policy on His Independence] Mr. Tetsuya Shoji was involved in business execution at NTT Communications Corporation until June 2020. Although there currently are transactions between the said company and the subsidiaries of the Company, the amount of such transactions in the most recent business term has been less than 0.2% of either the consolidated revenue of the Company or the consolidated operating revenue of the said company. Accordingly, the Company has determined Mr. Shoji is unlikely to have a conflict of interest with shareholders, in light of the "Standards for Independence of Outside Directors" established by the Company. In addition, the Company has notified each of the Tokyo Stock Exchange and the Sapporo Securities Exchange of his designation as an independent officer, given that he satisfies the applicable criteria of independence as stipulated by the financial instruments exchanges.</p>

Candidate Number	Name (Date of Birth)	Career Summary, Position and Business Responsibility in the Company (Status of Important Concurrent Occupations or Positions at Other Organizations)
7	<div style="border: 1px solid black; padding: 2px; display: inline-block;">New Candidate</div> (Candidate for Outside Director/ Independent Officer) Toshihiro Uchiyama (November 28, 1958) 63 years old Number of Shares Held in the Company 0 shares	April 1981 Joined NSK Ltd. June 2008 Vice President, Deputy Head of Corporate Planning Division HQ of NSK Ltd. June 2009 Vice President, Head of Corporate Planning Division HQ of NSK Ltd. June 2010 Senior Vice President, Responsible for IR & CSR Offices, Head of Corporate Planning Division HQ of NSK Ltd. June 2012 Director, Senior Vice President of NSK Ltd. June 2013 Director, Executive Vice President of NSK Ltd. June 2015 Director, President and CEO of NSK Ltd. June 2017 Director, President and CEO of NSK Ltd. (Position name in Japanese changed with English unchanged) April 2021 Chairman of the Board of Directors of NSK Ltd. (up to the present) [Status of Important Concurrent Occupations or Positions at Other Organizations] Chairman of the Board of Directors of NSK Ltd. [Reasons for Presenting Mr. Toshihiro Uchiyama as a Candidate for Outside Director, and an Outline of Roles He Is Expected to Play] Mr. Toshihiro Uchiyama has a wealth of experience, a rich track record and great insight as the president of a business corporation. Based on his experience in overseas assignment, procurement, corporate planning, IR and CSR up until the present, Mr. Uchiyama is expected to offer pertinent opinions and advice to the Board of Directors of the Company from his objective standpoint, independent of the management team engaged in executing the operations of the Company. The Company has determined that he will contribute greatly to the corporate governance of the Company in such areas as the strengthening of the Group's management structure, and he has thus been presented to the shareholders as a candidate for Outside Director. [Policy on His Independence] Mr. Toshihiro Uchiyama was involved in business execution at NSK Ltd. until March 2021. No transactions have been or are being made between the said company and the Company or the Company's subsidiaries, and the Company has determined Mr. Uchiyama is unlikely to have a conflict of interest with shareholders, in light of the "Standards for Independence of Outside Directors" established by the Company. In addition, the Company has notified each of the Tokyo Stock Exchange and the Sapporo Securities Exchange of his designation as an independent officer, given that he satisfies the applicable criteria of independence as stipulated by the financial instruments exchanges.

Notes:

- Each candidate has no special interest in the Company.
- The number of shares held in the Company is the effective number of shares held, including shares held through Sapporo Group's Officer Stock Ownership Plan and Sapporo Group's Employee Stock Ownership Plan.
- The Company has entered into limited liability contracts, as stipulated in Article 427, Paragraph 1 of the Companies Act, with Mr. Mackenzie Clugston and Mr. Tetsuya Shoji. Should the reelection of the said two (2) persons be approved, the Company intends to continue the said contracts. In addition, should the election of Mr. Toshihiro Uchiyama be approved, the Company also intends to enter into a limited liability contract of a similar kind with him. The amount of limit of liability which is stipulated in these contracts is to be the minimum liability amount which is stipulated in Article 425, Paragraph 1 of the Companies Act.
- The Company has entered into indemnity contracts, as stipulated in Article 430-2, Paragraph 1 of the Companies Act, with Mr. Masaki Oga, Mr. Mackenzie Clugston and Mr. Tetsuya Shoji. Should the reelection of the said three (3) persons be approved, the Company intends to continue the said contracts. In addition, should the election of Mr. Yoshitada Matsude, Mr. Masashi Sato, Ms. Rieko Shofu and Mr. Toshihiro Uchiyama be approved, the Company also intends to enter into an indemnity contract of a similar kind with each of them. The outline of the indemnity contracts is that the Company will provide compensation for the expenses set forth in Article 430-2, Paragraph 1, Item 1 of the Companies Act and the losses set forth in Item 2 of the said Paragraph within the range stipulated by laws and regulations.
- The Company has taken out directors and officers liability insurance (D&O insurance), as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with all Directors as the insured. If each candidate is elected and appointed to the position of Director, each candidate will be included as the insured under this insurance policy. The Company intends to renew the said insurance policy on April 1, 2022. The outline of the insurance policy is that the insurance company will cover the liability borne by the insured Directors in the course of performance of their duties or for their liability arising from claims in pursuit of that liability, and the insurance policy will be renewed every year.
However, the insurance policy does include certain exemption clauses, such as that no compensation will be made for liability attributable to acts in violation of laws or regulations that were carried out with full knowledge of their illegality.

Proposal No. 4 – Election of Three (3) Directors Who Are Audit & Supervisory Committee Members

At the conclusion of this general meeting, the terms of office of all three (3) Directors who are Audit & Supervisory Committee Members will expire.

The Company therefore proposes the election of three (3) Directors who are Audit & Supervisory Committee Members (including two (2) Outside Directors).

The Company has obtained the approval of the Audit & Supervisory Committee of the Company for submitting this proposal to this general meeting.

The candidates for Director who is an Audit & Supervisory Committee Member are as follows:

Candidate Number	Name (Date of Birth)	Career Summary, Position and Business Responsibility in the Company (Status of Important Concurrent Occupations or Positions at Other Organizations)	
1	Incumbent	April 1984 March 2008	Joined the Company (former Sapporo Breweries Limited) Director of Accounting & Finance Department of Sapporo Breweries Limited (newly established company)
	Toshio Mizokami	March 2011	Managing Officer, Director of Accounting & Finance Department of Sapporo Breweries Limited
		March 2012	Director of Accounting & Finance Department of the Company
	(April 16, 1959) 62 years old		Director (Member of the Board), Director of Group Accounting & Finance Department of Sapporo Group Management Co., Ltd.
		September 2013	Director (Member of the Board) of Sapporo Group Management Co., Ltd.
	Number of Shares Held in the Company 8,329 shares	March 2014	Director (Member of the Board), Director of Corporate Finance and Business Management Department of the Company
		March 2016	Managing Director (Member of the Board) of the Company President and Representative Director of Sapporo Group Management Co., Ltd.
	Number of Board of Directors' meetings attended 13/13 (100%)	March 2017	Executive Group Operating Officer of the Company
		March 2019	Standing Audit & Supervisory Board Member of the Company
		March 2020	Director who is a Standing Audit & Supervisory Committee Member of the Company (up to the present)
	Number of Audit & Supervisory Committee meetings attended 25/25 (100%)		Mr. Mizokami will have served as a Director of the Company for two (2) years as of the conclusion of this general meeting.
			[Reasons for Presenting Mr. Toshio Mizokami as a Candidate for Director Who Is an Audit & Supervisory Committee Member] Mr. Toshio Mizokami has gained substantial knowledge and experience from working in accounting and finance departments. He has also served as a Director of the Company and as an executive group operating officer of the Company and he has a wealth of experience, a rich track record and great insight. The Company has determined that Mr. Mizokami will audit and supervise the performance of duties by Directors from an objective and fair perspective, and he has thus been presented to the shareholders as a candidate for Director who is an Audit & Supervisory Committee Member.

Candidate Number	Name (Date of Birth)	Career Summary, Position and Business Responsibility in the Company (Status of Important Concurrent Occupations or Positions at Other Organizations)
2	<p data-bbox="325 501 493 533" style="border: 1px solid black; display: inline-block; padding: 2px;">New Candidate</p> (Candidate for Outside Director/ Independent Officer) Shuji Fukuda (December 20, 1951) 70 years old Number of Shares Held in the Company 1,226 shares Number of Board of Directors' meetings attended 13/13 (100%)	<p data-bbox="517 304 1410 336">April 1974 Joined Onoda Cement Co., Ltd. (currently Taiheiyo Cement Corporation)</p> <p data-bbox="517 338 1410 416">April 2008 Executive Officer and General Manager of Human Resources Department and General Manager of Personnel Business Operation Center of Taiheiyo Cement Corporation</p> <p data-bbox="517 418 1410 474">October 2008 Executive Officer and General Manager of Human Resources Department of Taiheiyo Cement Corporation</p> <p data-bbox="517 477 1410 533">August 2010 Director, Managing Executive Officer and General Manager of Human Resources Department of Taiheiyo Cement Corporation</p> <p data-bbox="517 535 1410 566">October 2010 Director and Managing Executive Officer of Taiheiyo Cement Corporation</p> <p data-bbox="517 568 1410 600">April 2012 President and Representative Director of Taiheiyo Cement Corporation</p> <p data-bbox="517 602 1410 633">April 2018 Chairman and Director of Taiheiyo Cement Corporation (up to the present)</p> <p data-bbox="517 636 1410 692">March 2019 Outside Director (Member of the Board) of the Company (up to the present)</p> <p data-bbox="517 694 1410 725">[Status of Important Concurrent Occupations or Positions at Other Organizations]</p> <p data-bbox="517 728 1410 759">Chairman and Director of Taiheiyo Cement Corporation</p> <p data-bbox="517 761 1410 792">Outside Director of Yakushima Denko Co., Ltd.</p> <p data-bbox="517 795 1410 826">External Audit & Supervisory Board Member of TOBU RAILWAY CO., LTD.</p> <p data-bbox="517 828 1410 884">Mr. Fukuda will have served as a Director of the Company for three (3) years as of the conclusion of this general meeting.</p> <p data-bbox="517 887 1410 1108">[Reasons for Presenting Mr. Shuji Fukuda as a Candidate for Outside Director Who Is an Audit & Supervisory Committee Member, and an Outline of Roles He Is Expected to Play] Mr. Shuji Fukuda has a wealth of experience, a rich track record and great insight as the president of a business corporation. Based on his experience in finance, human resources and corporate management overall up until the present, Mr. Fukuda is expected to audit and supervise the performance of duties by Directors of the Company from an objective and fair perspective, and he has thus been presented to the shareholders as a candidate for Outside Director who is an Audit & Supervisory Committee Member.</p> <p data-bbox="517 1111 1410 1142">[Policy on His Independence]</p> <p data-bbox="517 1144 1410 1413">Mr. Shuji Fukuda was involved in business execution at Taiheiyo Cement Corporation until March 2018. Although there currently are transactions between the said company and the subsidiaries of the Company, the amount of such transactions in the most recent business term has been less than 0.1% of either the consolidated revenue of the Company or the consolidated net sales of the said company. Accordingly, the Company has determined Mr. Fukuda is unlikely to have a conflict of interest with shareholders, in light of the “Standards for Independence of Outside Directors” established by the Company. In addition, the Company has notified each of the Tokyo Stock Exchange and the Sapporo Securities Exchange of his designation as an independent officer, given that he satisfies the applicable criteria of independence as stipulated by the financial instruments exchanges.</p>

Candidate Number	Name (Date of Birth)	Career Summary, Position and Business Responsibility in the Company (Status of Important Concurrent Occupations or Positions at Other Organizations)
3	Incumbent	April 1985 Registered as a lawyer (Daiichi Tokyo Bar Association) Joined Yamashita & Oshima Law Offices
	(Candidate for Outside Director/ Independent Officer) Kohtaro Yamamoto (October 19, 1955) 66 years old Number of Shares Held in the Company 922 shares Number of Board of Directors' meetings attended 13/13 (100%) Number of Audit & Supervisory Committee meetings attended 25/25 (100%)	September 1991 Registered as a lawyer in the State of New York January 1994 Established YAMAMOTO Law Office (currently YAMAMOTO & SHIBASAKI Law Offices) (up to the present) April 2012 Vice-President of Daiichi Tokyo Bar Association March 2020 Outside Director (Member of the Board) who is an Audit & Supervisory Committee Member of the Company (up to the present) [Status of Important Concurrent Occupations or Positions at Other Organizations] Representative Lawyer of YAMAMOTO & SHIBASAKI Law Offices Mr. Yamamoto will have served as a Director of the Company for two (2) years as of the conclusion of this general meeting. [Reasons for Presenting Mr. Kohtaro Yamamoto as a Candidate for Outside Director Who Is an Audit & Supervisory Committee Member, and an Outline of Roles He Is Expected to Play] 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 wealth of 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 presented to the shareholders as a candidate for Outside Director who is an Audit & Supervisory Committee Member. [Policy on His Independence] Mr. Kohtaro Yamamoto is currently a lawyer of YAMAMOTO & SHIBASAKI Law Offices. No transactions have been or are being made between the said law offices and the Company or the Company's subsidiaries, and the Company has determined Mr. Yamamoto is unlikely to have a conflict of interest with shareholders, in light of the "Standards for Independence of Outside Directors" established by the Company. In addition, the Company has notified each of the Tokyo Stock Exchange and the Sapporo Securities Exchange of his designation as an independent officer, given that he satisfies the applicable criteria of independence as stipulated by the financial instruments exchanges.

Notes:

- Each candidate has no special interest in the Company.
- The number of shares held in the Company is the effective number of shares held, including shares held through Sapporo Group's Officer Stock Ownership Plan and Sapporo Group's Employee Stock Ownership Plan.
- The Company has entered into limited liability contracts, as stipulated in Article 427, Paragraph 1 of the Companies Act, with Mr. Toshio Mizokami, Mr. Shuji Fukuda and Mr. Kohtaro Yamamoto. Should the election of the said three (3) persons be approved, the Company intends to continue the said contracts. The amount of limit of liability which is stipulated in these contracts is to be the minimum liability amount which is stipulated in Article 425, Paragraph 1 of the Companies Act.
- The Company has entered into indemnity contracts, as stipulated in Article 430-2, Paragraph 1 of the Companies Act, with Mr. Toshio Mizokami, Mr. Shuji Fukuda and Mr. Kohtaro Yamamoto. Should the election of the said three (3) persons be approved, the Company intends to continue the said contracts. The outline of the indemnity contracts is that the Company will provide compensation for the expenses set forth in Article 430-2, Paragraph 1, Item 1 of the Companies Act and the losses set forth in Item 2 of the said Paragraph within the range stipulated by laws and regulations.
- The Company has taken out directors and officers liability insurance (D&O insurance), as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with all Directors who are Audit & Supervisory Committee Members as the insured. If each candidate is elected and appointed to the position of Director who is an Audit & Supervisory Committee Member, each candidate will be included as the insured under this insurance policy. The Company intends to renew the said insurance policy on April 1, 2022. The outline of the insurance policy is that the insurance company will cover the liability borne by the insured Directors in the course of performance of their duties or for their liability arising from claims in pursuit of that liability, and the insurance policy will be renewed every year. However, the insurance policy does include certain exemption clauses, such as that no compensation will be made for liability attributable to acts in violation of laws or regulations that were carried out with full knowledge of their illegality.
- The number of Board of Directors' meetings attended by Mr. Shuji Fukuda represents the number of times he attended as a Director who is not an Audit & Supervisory Committee Member.

Skills Matrix for the Candidates for Director

Name	Title	Knowledge and experience of each director						
		Corporate management	Financial accounting	Legal compliance risk management	Human resources	Global operation	Sales & marketing	R&D, production engineering SCM IT
Masaki Oga	President and Representative Director	○	○	○		○	○	
Yoshitada Matsude	Managing Director	○	○	○	○			
Masashi Sato	Director	○		○	○			○
Rieko Shofu	Director	○		○	○	○	○	○
Mackenzie Clugston	Director (Outside)	○			○	○		
Tetsuya Shoji	Director (Outside)	○	○		○	○	○	○
Toshihiro Uchiyama	Director (Outside)	○		○		○	○	○
Toshio Mizokami	Director (Chairperson of Audit & Supervisory Committee/ Standing Audit & Supervisory Committee Member)	○	○	○		○		○
Shuji Fukuda	Director (Audit & Supervisory Committee Member/ Outside)	○	○	○	○		○	
Kohtaro Yamamoto	Director (Audit & Supervisory Committee Member/ Outside)	○		○		○		

Notes:

1. The descriptions of "Title" above represent those that are expected to be assigned when each candidate is elected at this General Meeting of Shareholders.
2. The items marked in the table above do not represent all the knowledge or experience of each Director.

Proposal No. 5 – Election of One (1) Substitute Director Who Is an Audit & Supervisory Committee Member

At the commencement of this general meeting, the effect of the election of Mr. Takanori Iizuka as a substitute Director who is an Audit & Supervisory Committee Member at the 97th Ordinary General Meeting of Shareholders held on March 30, 2021, expires. As a precaution against situations in which the number of Directors who are Audit & Supervisory Committee Members falls short of the number provided for in laws and regulations, the Company, again, proposes the election of one (1) substitute Director who is an Audit & Supervisory Committee Member.

The Company has obtained the approval of the Audit & Supervisory Committee for submitting this proposal to this general meeting.

The candidate for substitute Director who is an Audit & Supervisory Committee Member is as follows:

Name (Date of Birth)	Career Summary, Position, and Status of Important Concurrent Occupations or Positions at Other Organizations
<p>(Candidate for Substitute Outside Director Who Is an Audit & Supervisory Committee Member)</p> <p style="text-align: center;">Takanori Iizuka</p> <p style="text-align: center;">(June 1, 1966) 55 years old</p> <p style="text-align: center;">Number of Shares Held in the Company 0 shares</p>	<p>April 1996 Registered as a lawyer (Daiichi Tokyo Bar Association) Worked for Harada, Ozaki & Hattori Law Office (currently Ozaki Law Office)</p> <p>April 2009 Iizuka & Partners Law Office (up to the present)</p> <p>October 2009 Seconded to Enterprise Turnaround Initiative Corporation of Japan (currently Regional Economy Vitalization Corporation of Japan)</p> <p>January 2020 Outside Audit & Supervisory Board Member of the Company</p> <p>[Status of Important Concurrent Occupations or Positions at Other Organizations] Attorney-at-law of Iizuka & Partners Law Office Outside Director (Audit and Supervisory Committee Member) of SE Holdings and Incubations Co., Ltd. Intermediary Committee Member of Nuclear Damage Compensation Dispute Resolution Center</p> <p>[Reasons for Presenting Mr. Takanori Iizuka as a Candidate for Substitute Outside Director Who Is an Audit & Supervisory Committee Member, and an Outline of Roles He Is Expected to Play] Although Mr. Takanori Iizuka 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 wealth of knowledge and experience as a lawyer with expertise in the field of corporate law, having engaged in efforts involving community revitalization and business rehabilitation support during his eight years at the Enterprise Turnaround Initiative Corporation of Japan (currently, Regional Economy Vitalization Corporation of Japan). Accordingly, he has been presented to the shareholders as a candidate for substitute Outside Director who is an Audit & Supervisory Committee Member.</p> <p>[Policy on His Independence] Mr. Takanori Iizuka satisfies the “Standards for Independence of Outside Directors” established by the Company. Should Mr. Iizuka be appointed to the position of Director who is an Audit & Supervisory Committee Member, the Company intends to designate him as an independent officer as provided for by the rules of the Tokyo Stock Exchange and the Sapporo Securities Exchange, and notify the said exchanges of such designation.</p>

Notes:

1. The candidate has no special interest in the Company.
2. Should Mr. Takanori Iizuka assume the position of Director who is an Audit & Supervisory Committee Member, the Company intends to enter into a limited liability contract, as stipulated in Article 427, Paragraph 1 of the Companies Act, with him. The amount of limit of liability which is stipulated in this contract is to be the minimum liability amount which is stipulated in Article 425, Paragraph 1 of the Companies Act.
3. Should Mr. Takanori Iizuka assume the position of Director who is an Audit & Supervisory Committee Member, the Company intends to enter into an indemnity contract, as stipulated in Article 430-2, Paragraph 1 of the Companies Act, with him.

The outline of the indemnity contract is that the Company will provide compensation for the expenses set forth in Article 430-2, Paragraph 1, Item 1 of the Companies Act and the losses set forth in Item 2 of the said Paragraph within the range stipulated by laws and regulations.

4. The Company has taken out directors and officers liability insurance (D&O insurance), as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with all Directors who are Audit & Supervisory Committee Members as the insured. Should Mr. Takanori Iizuka assume the position of Director who is an Audit & Supervisory Committee Member, he will be included as the insured under this insurance policy. The Company intends to renew the said insurance policy on April 1, 2022. The outline of the insurance policy is that the insurance company will cover the liability borne by the insured Directors in the course of performance of their duties or for their liability arising from claims in pursuit of that liability, and the insurance policy will be renewed every year. However, the insurance policy does include certain exemption clauses, such as that no compensation will be made for liability attributable to acts in violation of laws or regulations that were carried out with full knowledge of their illegality.

Reference Judgment on Independence

The Company established the Standards for Independence of Outside Directors in the Basic Policy on Corporate Governance as described below.

Standards for Independence of Outside Directors

1. In order for the Outside Directors of the Company to be Outside Directors who are independent (“Independent Officers”), any such Outside Directors shall satisfy the applicable standards of independence specified by the financial instruments exchanges and, no such Outside Directors may fall under any of the following Items (1) through (3).
 - (1) A person who currently is or during the past ten years was an executive officer (*gyomu shikkou sha*) of the Company or its consolidated subsidiaries (collectively, “Group”) (*1).
 - (2) A person who currently falls under or during the past three years has fallen under any of the following sub-items (i) through (viii).
 - (i) A person having the Group as a major business partner, or its executive officer (*gyomu shikkou sha*) (*2);
 - (ii) A major business partner of the Group or its executive officer (*gyomu shikkou sha*) (*3);
 - (iii) A consultant, accounting professional, or legal professional who has obtained from the Group large sums of money or other property other than officer remuneration, etc. (if a person who has obtained such properties is a corporation, association, or other group, this means a person who belongs to such group) (*4);
 - (iv) A major shareholder of the Group (if such major shareholder is a corporation, an executive officer (*gyomu shikkou sha*) of such corporation) (*5);
 - (v) In the case where the executive officer (*gyomu shikkou sha*) of the Company holds the office of Outside Directors or Outside Audit & Supervisory Board Members of another company, an executive officer (*gyomu shikkou sha*) of such other company;
 - (vi) A person who has received large donations from the Group or a Director or other executive officer (*gyomu shikkou sha*) of a group that received such donations (*6);
 - (vii) A member, partner, or employee of the audit corporation that is the accounting auditor for the Group; and
 - (viii) A major lender of the Group or its executive officer (*gyomu shikkou sha*) (*7)
 - (3) A spouse or a relative in the second degree or closer of any person listed in Item (1) or Item (2) above (excluding any unimportant person).
2. An Independent Officer of the Company must be an Outside Director with respect to whom there is no likelihood of a constant and substantial conflict of interests arising with the entire general shareholders of the Company for any reason other than the reasons considered in Items (1) through (3) of Paragraph 1 above.
3. An Outside Director who falls under any of Items (1) through (3) of Paragraph 1 above may nonetheless be appointed as an Independent Officer of the Company, if the Company considers such Outside Director to be appropriate as an Independent Officer in light of such Outside Director’s personality and insight etc., on the condition that such Outside Director satisfy the applicable standards of independence specified by the financial instruments exchanges and that a public explanation be given of the reasons why we consider such Outside Director to be appropriate as an Independent Officer of the Company.

Notes:

- *1. For any person who was a non-executive Director, an Accounting Advisor (if the Accounting Advisor is a juridical person; a member who is to execute its duties) or an Audit & Supervisory Board Member of the Group at any time over the last ten years, the ten-year period prior to assumption of such office. “Executive officer (*gyomu shikkou sha*)” means a person stipulated in Article 2, Paragraph 3, Item 6 of

the enforcement regulations of the Companies Act.

- *2. “Person having the Group as a major business partner” means a person who has received from the Group payment of an amount equivalent to 2% or more of its annual consolidated sales (annual consolidated revenue) in the most recent fiscal year.
- *3. “Major business partner of the Group” means a person who in the most recent fiscal year made payment to the Group payment of an amount equivalent to 2% or more of the Company’s annual consolidated revenue.
- *4. “Consultant, accounting professional, or legal professional who has obtained from the Group large sums of money or other property other than officer remuneration, etc.” means a person who in the most recent fiscal year obtained, other than officers remuneration, etc., money or property in an amount or value equivalent to 2% of annual consolidated sales (annual consolidated revenue) or ten million yen, whichever is higher, or a member, partner, associate or employee of any law firm, auditing corporation, tax accountant corporation, consulting firm, or other professional advisory firm that received from the Group payment of an amount equivalent to 2% or more of that firm’s annual total sales in the most recent fiscal year.
- *5. “Major shareholder of the Group” means a person or a corporation who directly or indirectly holds 10% or more of the total voting rights of a company within the Group.
- *6. “Large donation” means a donation that is made in the most recent fiscal year, the amount of which is not less than the higher of (i) ten million yen or (ii) 30% of the average annual expenses for the relevant group.
- *7. “Major lender of the Group” means any financial institution or other major creditor that is essential for the Company’s fund-raising, upon which the Company relies to such extent that such lender is not replaceable.

Business Report

(From January 1, 2021 to December 31, 2021)

1. Review of Sapporo Group Operations

(1) Operations and Operating Results

In 2021, the Sapporo Group was impacted by Japan's repeated issuances of state of emergency due to the COVID-19 pandemic and restrictions on the service of alcoholic beverages due to semi-state of emergency measures, which caused sales of commercial-use beer and sales to restaurants such as beer halls to decline from the previous year, despite a partial recovery after the lifting of restrictions since October.

Meanwhile, the sales volume of home-use products, such as canned Sapporo Draft Beer Black Label, Yebisu brand beers, and Sapporo Gold Star, have increased compared to the previous year and remained strong.

Also, demand for lemon-based products increased in association with recent changes to people's lifestyles and rising health consciousness, and sales volumes of both Pokka Lemon 100 and Kireto Lemon reached new record highs for the third consecutive year.

This has resulted in a revenue increase compared to the previous year, and core operating profit increased from the previous year due to a curtailment in expenses from cost structure reforms. Additionally, operating profit and profit attributable to owners of parent were up year on year due to the sale of investment properties.

(2) Issues to be Addressed by the Group

(i) Impacts of COVID-19

Two years of the spread of COVID-19 have changed our behavior patterns significantly and affected the Sapporo Group mainly in its commercial-use alcoholic beverages business and restaurant business.

Under these circumstances, however, each operating company has swiftly promoted growth strategies and structure reforms that keep pace with changes in the environment by steadily taking initiatives in line with the basic policies of the "Group Management Plan 2024."

The COVID-19 pandemic is expected to remain unpredictable due to the spread of variants, but Sapporo Group will create its unique value that conforms to the needs of a new era with and after COVID-19 in each of the alcoholic beverages, food & soft drinks, and real estate businesses.

(ii) Promotion of sustainability management

The Sapporo Group promotes sustainability management based on its "Sustainability Policy," established in 2019. The key sustainability issues that lie at the heart of these initiatives have been distilled into the Four Promises.

Drawing from partnerships between employees of the Sapporo Group and stakeholders around the world, we are working to realize a sustainable society by creating both social and economic value.

"Sapporo Group Sustainability Policy"

- With the earth, in harmony with society, from the start, to bring smiles to people.

"Four Promises"

- (1) Contribute to creative, enriching and rewarding lifestyles through alcoholic beverages, food, and soft drinks, (2) Promote coexistence with society, (3) Promote environmental conservation, and (4) Cultivate highly unique employees

(iii) Promotion of DX

While the business environment continues to change significantly, the Sapporo Group will promote digital transformation (DX) on a full scale as a means to create value that conforms to the needs of a new era.

As its first step, the Group has established the “Sapporo Group DX Policy” as described below, and will develop and harness DX and IT human resources inside the Group.

“Sapporo Group DX Policy”

- Become connected with, deepen understanding of, and stay at the side of customers
- Create customer-centered and well-thought-out new value and strengthen earning power
- Make our jobs more comfortable and enjoyable, with work we can take pride in, so that we can continue growing along with every stakeholder associated with the Sapporo Group

(iv) “Group Management Plan 2024”

Based on four basic policies, the Sapporo Group pursues further growth towards the achievement of the “Group Management Plan 2024” that was initiated in 2020.

Basic Policy	
<p>Concentration and strengthening of core business</p> <ul style="list-style-type: none">• Concentration of management resources on the beer business• Contraction of and withdrawal from low-profit businesses and shift to growth fields such as food	<p>Acceleration of global expansion</p> <ul style="list-style-type: none">• Transfer of all overseas operations to operating companies and development of a consistent global brand strategy• Strengthening of profitability and acceleration of growth primarily in North America and the Asia-Pacific region• Development of global human resources
<p>Establishment of a simple and compact corporate structure</p> <ul style="list-style-type: none">• Reorganization into a small headquarters and simple organization, and promotion of BPR (*) and DX• Shift of the Sapporo Holdings’ focus to governance, support for operating companies, and management resource allocation• Transfer of all business promotion functions to operating companies to leverage flexibility	<p>Promotion of sustainability management</p> <ul style="list-style-type: none">• Creation of social value as well as economic value, including a system for cultivating the Group’s own high-quality raw materials• Promotion of urban development in Ebisu, Sapporo and Ginza, areas to which the Company has its connections and/or origins• Enhancement of management transparency and fairness to be in line with needs of the current times

(*) BPR = Business Process Engineering. It means resolutely reviewing the existing organizations and systems, and redesigning business processes.

Financial targets, financial policy, and shareholder return policy

Financial targets

Profit from operations before non-recurring items in 2024	Revenue growth	2% or more (annual average)
¥30.0 billion (Group consolidated)	Ratio of profit from operations before non-recurring items to revenue	5% or more
	Overseas revenue growth	1.6 times (compared to 2019)

Financial policy

- The Company will strive to strengthen its profitability by investing the amount equivalent to its operating cash flow, while emphasizing profitability and efficiency in relation to the capital invested.
- The Company will maintain its current credit rating levels by using Net D/E ratio and the ratio of interest-bearing debt to EBITDA as key indicators, taking into account the balance of capital and profitability relative to the level of interest-bearing debt.

Shareholder return policy

- The Company regards the appropriate return of profits to shareholders as an important management policy and will pay stable dividends in consideration of its business performance and financial condition.
- As for the level of dividends, the Company will take into account dividend payout ratio and DOE(*) while working to enhance its corporate value under this Management Plan. In the event that “profit attributable to owners of parent” fluctuates significantly due to temporary losses related to special factors or recording of profits, the dividend amount may be determined taking into account the impact of such fluctuations.

* DOE = Amount of dividends/Amount of capital (i.e., total equity attributable to owners of parent)

Consolidated Statement of Financial Position

(As of December 31, 2021)

(Million Yen)

Item	98th business term (As of December 31, 2021)	(Reference) 97th business term (As of December 31, 2020)	Item	98th business term (As of December 31, 2021)	(Reference) 97th business term (As of December 31, 2020)
[Assets]			[Liabilities]		
Current assets	167,806	160,829	Current liabilities	210,535	216,243
Cash and cash equivalents	17,368	19,734	Trade and other payables	33,228	31,927
Trade and other receivables	91,530	84,475	Bonds and borrowings	61,163	83,177
Inventories	39,178	36,001	Lease liabilities	4,712	5,836
Other financial assets	3,985	5,459	Income taxes payable	5,577	727
Other current assets	5,627	14,883	Other financial liabilities	37,575	38,120
Subtotal	157,687	160,551	Provisions	7,704	6,031
Assets held for sale	10,119	278	Other current liabilities	54,458	50,424
			Subtotal	204,418	216,243
			Liabilities directly associated with assets held for sale	6,118	—
Non-current assets	426,745	455,520	Non-current liabilities	220,688	250,555
Property, plant and equipment	120,624	126,650	Bonds and borrowings	136,936	158,091
Investment property	203,224	218,574	Lease liabilities	17,257	21,046
Goodwill	19,176	17,920	Other financial liabilities	44,376	45,344
Intangible assets	7,893	9,023	Retirement benefit liability	318	3,965
Investments accounted for using equity method	1,345	446	Provisions	2,078	2,694
Other financial assets	65,650	69,969	Other non-current liabilities	139	138
Other non-current assets	4,682	6,108	Deferred tax liabilities	19,585	19,277
Deferred tax assets	4,151	6,831	Total liabilities	431,224	466,798
			[Equity]		
			Share capital	53,887	53,887
			Capital surplus	40,596	40,853
			Treasury shares	(1,785)	(1,787)
			Retained earnings	44,791	33,459
			Other components of equity	25,080	23,370
			Total equity attributable to owners of parent	162,570	149,781
			Non-controlling interests	757	(231)
			Total equity	163,327	149,551
Total assets	594,551	616,349	Total liabilities and equity	594,551	616,349

Consolidated Statement of Profit or Loss

(From January 1, 2021 to December 31, 2021)

(Million Yen)

Item	98th business term (From January 1, 2021 to December 31, 2021)	(Reference) 97th business term (From January 1, 2020 to December 31, 2020)
Revenue	437,159	434,723
Cost of sales	303,380	302,593
Gross profit	133,779	132,130
Selling, general and administrative expenses	125,637	127,869
Other operating income	28,450	3,656
Other operating expenses	14,564	23,855
Operating profit (loss)	22,029	(15,938)
Finance income	1,606	982
Finance costs	2,496	4,425
Share of profit of investments accounted for using equity method	47	17
Profit (loss) before tax	21,185	(19,364)
Income taxes	8,910	(2,759)
Profit (loss)	12,275	(16,605)
Profit attributable to		
Owners of parent	12,331	(16,071)
Non-controlling interests	(56)	(533)
Profit (loss)	12,275	(16,605)

Consolidated Statement of Changes in Equity

(From January 1, 2021 to December 31, 2021)

(Million Yen)

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity				
					Exchange differences on translation of foreign operations	Effective portion of net change in fair value of cash flow hedges	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total
Balance as of January 1, 2021	53,887	40,853	(1,787)	33,459	(1,806)	(40)	25,215	–	23,370
Profit				12,331					–
Other comprehensive income					3,588	24	(980)	2,164	4,797
Comprehensive income	–	–	–	12,331	3,588	24	(980)	2,164	4,797
Purchase of treasury shares			(5)						–
Disposal of treasury shares		0	8						–
Dividends				(3,277)					–
Changes in ownership interest in subsidiaries		(50)							–
Share-based payment transactions		(24)							–
Transfer to retained earnings				2,096			(922)	(2,164)	(3,086)
Other		(182)		182					–
Total transactions with owners	–	(257)	3	(998)	–	–	(922)	(2,164)	(3,086)
Balance as of December 31, 2021	53,887	40,596	(1,785)	44,791	1,782	(15)	23,313	–	25,080

	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as of January 1, 2021	149,781	(231)	149,551
Profit	12,331	(56)	12,275
Other comprehensive income	4,797	55	4,852
Comprehensive income	17,128	(1)	17,127
Purchase of treasury shares	(5)	–	(5)
Disposal of treasury shares	8	–	8
Dividends	(3,277)	(1)	(3,278)
Changes in ownership interest in subsidiaries	(50)	–	(50)
Share-based payment transactions	(24)	–	(24)
Transfer to retained earnings	(990)	990	–
Other	–	–	–
Total transactions with owners	(4,339)	989	(3,350)
Balance as of December 31, 2021	162,570	757	163,327

Non-Consolidated Balance Sheet

(As of December 31, 2021)

(Million Yen)

Item	98th business term (As of December 31, 2021)	(Reference) 97th business term (As of December 31, 2020)	Item	98th business term (As of December 31, 2021)	(Reference) 97th business term (As of December 31, 2020)
[Assets]			[Liabilities]		
Current assets	72,257	65,373	Current liabilities	76,513	89,616
Cash and deposits	7,553	9,316	Short-term borrowings	7,900	9,500
Trade accounts receivable	736	712	Current portion of bonds	10,000	29,983
Advance payments to suppliers	1	1	Current portion of long-term borrowings	16,500	18,080
Prepaid expenses	3	5	Commercial papers	22,000	22,000
Accounts receivable - other	8,651	10,010	Accounts payable - other	5,846	3,950
Short-term loans receivable	55,364	45,651	Accrued expenses	121	131
Other	5	21	Income taxes payable	2,498	4
Allowance for doubtful accounts	(56)	(344)	Accrued consumption taxes	43	30
			Deposits received	11,554	5,893
			Unearned revenue	5	5
			Provision for bonuses	46	41
Non-current assets	285,496	321,093	Non-current liabilities	138,844	158,894
Property, plant and equipment	38	43	Bonds payable	50,000	60,000
Buildings	35	40	Long-term borrowings	87,170	97,170
Machinery and equipment	1	1	Provision for share awards for directors (and other officers)	44	55
Tools, furniture and fixtures	2	2	Deferred tax liabilities	1,594	1,638
Intangible assets	24	35	Asset retirement obligations	9	9
Software	24	35	Other	27	22
Investments and other assets	285,434	321,015	Total liabilities	215,357	248,510
Investment securities	5,018	6,221	[Net Assets]		
Shares of subsidiaries and associates	123,494	123,494	Shareholders' equity	141,084	135,850
Long-term loans receivable	156,332	190,622	Share capital	53,887	53,887
Long-term prepaid expenses	4	6	Capital surplus	46,724	46,724
Prepaid pension costs	2,255	2,255	Legal capital surplus	46,544	46,544
Other	455	316	Other capital surplus	180	180
Allowance for doubtful accounts	(2,125)	(1,900)	Retained earnings	42,259	37,027
			Legal retained earnings	6,754	6,754
			Other retained earnings	35,504	30,273
			General reserve	16,339	16,339
			Retained earnings brought forward	19,165	13,934
			Treasury shares	(1,785)	(1,787)
			Valuation and translation adjustments	1,311	1,924
			Valuation difference on available-for-sale securities	1,311	1,924
			Share acquisition rights	–	182
			Total net assets	142,395	137,956
Total assets	357,752	386,466	Total liabilities and net assets	357,752	386,466

Non-Consolidated Statement of Income

(From January 1, 2021 to December 31, 2021)

(Million Yen)

Item	98th business term (From January 1, 2021 to December 31, 2021)	(Reference) 97th business term (From January 1, 2020 to December 31, 2020)
Operating revenue	14,334	41,188
Managing revenue from operating companies	6,687	6,705
Dividend income from subsidiaries and associates	7,086	33,694
Other	561	789
Operating expenses	6,683	7,252
General and administrative expenses	6,683	7,252
Operating profit	7,651	33,936
Non-operating income	1,102	1,112
Interest and dividend income	997	1,098
Other revenue	105	14
Non-operating expenses	679	2,299
Interest expenses	641	756
Provision of allowance for doubtful accounts	–	1,344
Other expenses	38	200
Ordinary profit	8,074	32,748
Extraordinary income	1,192	877
Gain on sale of investment securities	1,010	744
Gain on sale of shares of subsidiaries	–	133
Gain on reversal of share acquisition rights	182	–
Extraordinary losses	–	25,648
Loss on retirement of non-current assets	–	0
Loss on valuation of shares of subsidiaries and associates	–	25,343
Loss on valuation of investment securities	–	305
Profit before income taxes	9,267	7,977
Income taxes - current	514	227
Income taxes - deferred	244	120
Profit	8,509	7,631

Non-Consolidated Statement of Changes in Equity

(From January 1, 2021 to December 31, 2021)

(Million Yen)

	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance as of January 1, 2021	53,887	46,544	180	46,724	6,754	16,339	13,934	37,027	(1,787)	135,850
Changes during period										
Dividends of surplus							(3,277)	(3,277)		(3,277)
Profit							8,509	8,509		8,509
Purchase of treasury shares									(5)	(5)
Disposal of treasury shares			0	0					8	8
Net changes in items other than shareholders' equity										
Total changes during period	-	-	0	0	-	-	5,232	5,232	3	5,234
Balance as of December 31, 2021	53,887	46,544	180	46,724	6,754	16,339	19,165	42,259	(1,785)	141,084

	Valuation and translation adjustments		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance as of January 1, 2021	1,924	1,924	182	137,956
Changes during period				
Dividends of surplus				(3,277)
Profit				8,509
Purchase of treasury shares				(5)
Disposal of treasury shares				8
Net changes in items other than shareholders' equity	(613)	(613)	(182)	(795)
Total changes during period	(613)	(613)	(182)	4,439
Balance as of December 31, 2021	1,311	1,311	-	142,395