



[Translation]

November 9, 2022

Company Name	Sapporo Holdings Limited
Representative	Masaki Oga President and Representative Director
Stock Code	2501
Listed on	Tokyo Stock Exchange (Prime Market) Sapporo Securities Exchange
Inquiries	Satoshi Funakoshi Director of Corporate Planning Department Tel: 81-3-5423-7407

### **Notice of Formulation of Medium-Term Management Plan (2023-26)**

Sapporo Holdings Limited (the “Company”) resolved, at its Board of Directors’ meeting held today, to revise the “Group Management Plan 2024” announced on February 13, 2020, and to enforce the “Medium Term Management Plan (2023-26)” - a four (4)-year plan starting from the year 2023 (the “New Management Plan”), details of which are as shown below.

#### 1. Background to the formulation

Since its foundation in 1876, the Company has generated a variety of innovations to develop products and services that bring comfort and affluence to its customers. In 2026, the Company will celebrate its 150th anniversary.

In order to keep demonstrating its exclusive value to society beyond 150 years, the Company formulated a new management plan for the four (4) year period from 2023 to 2026. The key factors of the plan are revision of the business portfolio of the Company and improvement of corporate value by realizing group management tailored to the positioning of each business and enhancing capital efficiency. The Company will make efforts to meet the expectations of stakeholders for the next four-year period for sure.

#### 2. Medium-Term Management Plan (2023-26)

##### (1) Basic policies

“Beyond 150: Transforming the business structure for new growth”

##### (Structural reforms)

In order to adapt to today’s uncertain environment, the Company examined each business from six perspectives: market environment, strengths, sustainability, profitability, synergy, and resource allocation; and restructured its business portfolio.

The Company will promptly streamline the businesses that are categorized as businesses subject to divestment, and conduct structural reform, including the fundamental review, of businesses that are categorized as businesses subject to restructuring by 2024.

(Strengthening and growth)

In the Overseas Alcoholic Beverages business, the Company will accelerate its growth by generating synergies with Stone Brewing Co., LLC, the U.S. company that became a subsidiary of the Company in August. In the Overseas Soft Drinks business, the Company will aim to increase sales in Malaysia, Middle East, and elsewhere, starting from Singapore. In the Japan Alcoholic Beverages business, the Company will reform the low profit structure and recover onto a growth path by further strengthening canned beer and RTD. In the Real Estate Business, the Company will convert its structure from business focusing on leasing to business aiming to enhance its asset value in a comprehensive manner over a lengthy period, thereby improving profitability and asset efficiency.

(2) Financial targets, financial policy, and shareholder return policy

(Financial targets)

- ROE: 8%
- EBITDA Compound Annual Growth Rate (CAGR): approximately 10%
- Compound Annual Growth Rate of overseas sales (CAGR): approximately 10%

(Financial policy)

Under the theme “Focus on Sustainable Growth and Capital Efficiency”, the Company will enhance capital efficiency by strengthening profitability through structural reform and business growth, as well as review of assets and the business portfolio, and will ensure the improvement of corporate value.

With respect to financial soundness, the Company, in principle, will maintain its current credit rating levels. With respect to investments, the Company will promote growth by prioritizing investments overseas while maintaining a balance with operating cash flow and promote sustainability-related investments as well. In addition, the Company will flexibly respond to growth investment opportunities, including M&A, to the extent the Company can maintain its current credit rating levels.

(Shareholder return policy)

The Company regards the return of profits to shareholders as an important management policy, and the Company takes the basic policy of paying stable dividends in consideration of its business performance and financial condition. As for the level of dividends going forward, the Company will make efforts to improve the level of dividends, toward a consolidated dividend payout ratio of greater than or equal to 30% in principle, setting the current ratio as a minimum, while enhancing its corporate value.

In the event that profit for the year 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.

(3) Revision of non-financial targets and priority sustainability issues

(Major non-financial targets)

- CO2 reduction

Reduction of SCOPE 1 and 2 emissions: Science Based Targets (SBT) certification level (4.2% per year)

Reduction of SCOPE 3 emissions: SBT certification level (2.5% per year)

Commitment letter was submitted to SBT initiative, and accepted (Note)

- Ratio of female directors and female managers: 12% or more

(NOTE) Commitments to SBT initiatives: [Companies Taking Action-Science Based Targets](#)

(Revision of priority sustainable issues)

In formulating the New Management Plan, the Company thoroughly reviewed its sustainability material issues according to the changes in the social conditions and business environment surrounding the Group. Among the 9 priority issues, the Company placed first priority on “Realization of a decarbonized society”, “Mutual prosperity with

local communities” and “Active participation of diverse human resources” and set specific indicators and targets based on the relevance of the business of the Group and the impact on risks and opportunities. The Company will enhance its efforts to achieve these targets, while monitoring its progress. For more details, please refer to the [news release](#) announced on November 9, 2022.

The Company is committed to realizing this plan and contributing to the sustainable development of all shareholders, including customers and employees, and, therefore, of the Group.

For more details, please refer to “[Medium-Term Management Plan \(2023-26\)](#)”.

Scheduled to be released at the end of November.

End