

[Translation]

February 15, 2023

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
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**Notice in Respect of Discontinuance of Policy toward Large-Scale Purchase of Share Certificates, etc. of the Company (Anti-Takeover Policy)**

In relation to the “Policy toward the Large-Scale Purchase of Share Certificates, etc. of Sapporo Holdings Limited (the “Company”)” (the “Policy”) which was approved by the shareholders at the Company’s 96th Ordinary General Meeting of Shareholders held on March 27, 2020, and became effective on the same date (the validity period of which will end at the closing of the Company’s 99th Ordinary General Meeting of Shareholders to be held in March 2023 (the “General Meeting”)), the Company has continually been assessing the role of such Policy from the perspective of enhancing the corporate value of the Company and ultimately maximizing the common interests of the shareholders of the Company while at the same time considering subsequent changes in the circumstances.

As a result of these assessments, at the meeting of the Board of Directors of the Company held today, the Company has decided by the agreement of all Board Directors, that the Policy will be discontinued after the closing of the General Meeting at which the period of validity for the Policy expires, upon comprehensively considering, among others, recent trends in anti-takeover measures and the views of the Company’s shareholders, including domestic and overseas institutional investors; while steadily implementing the “Medium-Term Management Plan (2023 to 2026)” of Sapporo Group, which has started from this year, to maximize the corporate value and common interests of the shareholders of the Company. At the closing of the General Meeting, the Company has also resolved the amendment to the “Basic Policy Regarding What and How a Person Controlling Decisions on a Stock Company’s Financial and Business Policies Should Be” (the “Basic Policy on Company Control”) provided for in Article 118, Item 3 of the Ordinance for Enforcement of the Companies Act as set forth in the Attachment.

Even after the abolishment of the Policy, in the event of proposals for large-scale purchases that could impair the corporate value or common interests of the shareholders of the Company, the Company will ensure time and information which are necessary and adequate for the shareholders of the Company to

judge whether or not to accept such large-scale purchases, and take all appropriate measures as necessary, including so-called anti-takeover measures, which the Company may adopt under the related laws and regulations from time to time in order to ensure the corporate value and common interests of the shareholders of the Company.

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Attachment

## **I. Basic Policy on Company Control**

Sapporo Holdings Limited (the “Company”) will not reject proposals for large-scale purchases of the Company’s share certificates if they contribute to the corporate value and common interests of the shareholders of the Company. In addition, the Company’s Board of Directors believes that in the event of a proposal for a large-scale purchase by a large-scale purchaser, whether or not to sell share certificates, etc. of the Company should ultimately be left to the judgment of the shareholders of the Company who hold the Company’s share certificates, etc.

However, the possibility cannot be denied that a large-scale purchase by a large-scale purchaser may impair the corporate value and ultimately the common interests of the shareholders of the Company because judging from the purposes, etc. thereof, there are more than a few proposals for large-scale purchases in which the purchaser does not understand the sources of the Company’s specific corporate value and the purchase does not contribute to the corporate value and ultimately the common interests of the shareholders, including those which do not provide adequate information and time for the shareholders of the Company and the Board of Directors to examine the details of the purchase and make a decision, and those in which the purchase conditions, etc. are extremely inadequate or inappropriate in light of the corporate value of the target company and ultimately the common interests of the shareholders. For example, it is possible to implement short-term policies, such as the purchasers demanding the gradual sale of the brands that underpin the corporate value of the Company, unilateral reduction of human resources and realization of unrealized gains from the sale of core properties. Such policy may result in the impairment of the brand value, and create financial risks that could weaken the company base in the future, as well as risks that could impair confidence in the business.

In light of the above, the Company formerly adopted the “Policy toward the Large-Scale Purchase of Share Certificates, etc. of the Company” (the “Policy”) for the share certificates of the Company as a measurement policy in the event of a proposal for a large-scale purchase.

At present, there are still risks of a large-scale purchase that could impair the corporate value of the Company and ultimately the common interests of the shareholders, and the Board of Directors recognizes that it is its important responsibility to make adequate preparations for such risks.

However, in light of the recent trends in anti-takeover measures and the state of engagement with the shareholders, including domestic and overseas institutional investors, the Company has decided to discontinue the Policy for general purposes at the stage where no specific purchasers appear, and abolish the Policy at the closing of the 99th Ordinary General Meeting of Shareholders to be held in March 2023 (the “General Meeting”), which is the expiration date thereof.

The Company will further strengthen its corporate governance system after the abolition of the Policy and make efforts to maximize the corporate value of the Company and ultimately the common interests of the shareholders by establishing a monitoring system to steadily promote the Sapporo Group “Medium-Term Management Plan (2023 to 2026)” (the “Medium-Term Management Plan (2023 to 2026)”) as well as implementing the measures set forth in the “Medium-Term Management Plan (2023

to 2026)” and achieving the target thereof.

In addition, in the event of a proposal for a large-scale purchase of share certificates of the Company that could impair the corporate value or common interests of the shareholders, the Company will require the purchaser to provide adequate time and information for the shareholders to decide whether or not to accept such large-scale purchase, and take appropriate measures from time to time to the extent permissible under the Financial Instruments and Exchange Act, the Companies Act, and other related laws and regulations, while respecting the opinions of independent outside directors.

## **II. Effective Utilization of Our Assets, the Formation of the Appropriate Corporate Group, and Other Special Efforts to Realize the Basic Policy on Company Control**

In addition to the efforts set forth in III below, we will make every special effort to realize the Basic Policy on Company Control as follows.

### **1. Efforts based on the “Medium-Term Management Plan (2023 to 2026)”**

Since its foundation in 1876, we have constantly innovated and delivered products and services that have enriched customers’ lives. In 2026, we will mark our 150th anniversary. In order to keep demonstrating our exclusive value to society beyond 150 years, we have developed a new management plan for the four-year period from 2023 to 2026. The key points of this plan are a revision of our business portfolio, realizing group management aligned with the positioning of each of our businesses, and increasing our corporate value through higher capital efficiency. We look to reliably meet the expectations of stakeholders during these four years.

### **2. Efforts toward the Strengthening and Reinforcing of Corporate Governance**

We shifted to a pure holding company system in July 2003, and established the management philosophy and basic management policy of the Group as well as the basic principles of the operation of the Group and formulated the corporate governance system based on the “Basic Policy on Corporate Governance” (the “Basic Policy”) as follows:

#### **(1) Management Philosophy of the Group and Basic Policy on Our Management**

Sapporo Group states its management philosophy to be “create enjoyment and contribute to enrichment” and its basic management policy is “strive to maintain integrity in corporate conduct that reinforces stakeholder trust and aim to achieve continuous growth in corporate value”, and is focused on improving the corporate value of the whole Group by achieving continuous growth and revenue and to contribute to the stakeholders in the future.

#### **(2) Basic principles of the Operation of the Group**

Under a pure holding company system, Sapporo Group has established the basic principles of group operation (the total optimization of the Group, the maintenance of autonomy of each Group company and the mutual cooperation among Group companies) and aims to maximize corporate value by achieving total optimization of Sapporo Group and creating synergies, while retaining the autonomy of each business segment.

#### **(3) Basic Policy on the Constitution of the System of Corporate Governance**

In order to realize the management philosophy and the basic policy of management and to promote the continuous improvement of the corporate value of the whole Group, we established the “Basic Policy”

in December 2015. We, in accordance with this Basic Policy, regard the strengthening and reinforcement of corporate governance as an important management issue. We are clarifying the supervisory function, operating function and audit function of our Group under the holding company system, and are endeavoring to improve the transparency of the management and to reinforce the management monitoring function toward the achievement of management goals.

#### (4) Efforts toward Strengthening the Corporate Governance System

We have made positive efforts toward strengthening the corporate governance system as follows:

In November 1998, we have voluntarily established a “nominating committee” and a “compensation committee” (each of such committees consists of the Independent Outside Directors and the Director and President, and one chairman is elected from the Independent Outside Directors) to enhance the transparency of the operations concerning personnel and the treatment of Directors and made efforts to maintain and improve the soundness of management organizations.

In March 1999, the Operating Officer System was adopted.

In March 2002, the term of office of the Directors was reduced to one year.

In July 2003, we shifted to a pure holding company system, and since then we have gradually increased the number of Independent Outside Directors, and we have elected three Independent Outside Directors since 2009.

In December 2015, we set up an “Independent Outside Directors Committee” (which consists of the Independent Outside Directors) to encourage the Independent Outside Directors to exchange information and share their thoughts with regard to the Company and the Group’s management strategy and matters relating to corporate governance, etc.

In March 2020, in order to increase management efficiency and transparency, we transitioned to a Company with an Audit & Supervisory Committee, and enhanced corporate governance by increasing the percentage of the Independent Outside Directors to 50% of the Board of Directors.

In addition, we will further enhance our corporate value by further enhancing our corporate governance, enhancing management transparency and efficiency, and enabling flexible decision-making by way of increasing the percentage of the Independent Outside Directors to constitute more than 50% of the Board of Directors upon obtaining the approval of the General Meeting. We will continue to properly establish and operate the corporate governance system of the Company, and further endeavor to strengthen and reinforce corporate governance in order to realize continuous growth and improve corporate value in the medium-to-long term.

### **III. Efforts to Prevent the Company’s Financial and Business Policies from Being Controlled by an Inappropriate Party According to the Basic Policy on Company Control**

The Company has resolved, at the Board of Directors meeting held on February 15, 2023, to discontinue the Policy, and abolish the Policy at the closing of the General Meeting, on which the Policy will expire. However, in the event of a proposal for a large-scale purchase of share certificates of the Company that could impair the corporate value or common interests of the shareholders, in order to maximize the corporate value of the Company and ultimately the common interests of shareholders of the Company, the Company will require the purchaser to provide adequate time and information for the shareholders to decide whether or not to accept such large-scale purchase, and take other appropriate measures from time to time to the extent permissible under the Financial Instruments and Exchange Act, the Companies

Act, and other related laws and regulations, including the timely and appropriate disclosure to be made by the Company of such information provided by the purchaser.

**IV. Efforts set forth in II And III Will Comply with the Basic Policy on Company Control, Will Not Impair the Common Interests of the Shareholders and Will Not Pursue the Maintenance of the Status of Directors, as well as the Reasons Therefor**

The efforts set forth in II above aim to enhance the corporate value and ultimately the value of the share certificates pursuant to the “Medium-Term Management Plan (2023 to 2026)” and the Basic Policy, and therefore, they comply with the Basic Policy on Company Control.

In addition, the efforts set forth in III above aim for requests to provide information regarding large-scale purchases and implementation of appropriate measures to the extent permissible under the related laws and regulations for the purpose of maximizing the corporate value of the Company and ultimately the common interests of the shareholders in the event of a proposal for a large-scale purchase of share certificates of the Company that could impair the corporate value of the Company and common interests of the shareholders. Therefore, the efforts comply with the concept of the Basic Policy on Company Control.

Accordingly, the efforts set forth in II and III above do not impair the common interests of the shareholders and do not pursue the maintenance of the status of Directors.

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