



[Translation]

July 12, 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
Inquiries	Yosuke Nakamura Director of Corporate Planning Department Tel: 81-3-5423-7407

Notice Regarding the Commencement of the Assignment for the Benefit of Creditors Process of a Specified Subsidiary

ANCHOR BREWING COMPANY, LLC (hereinafter referred to as “Anchor”), a 100% consolidated subsidiary of Sapporo Holdings Limited (hereinafter referred to as the “Company”), resolved today (July 11, 2023, US time) to commence the Assignment for the Benefit of Creditors process (hereinafter referred to as the “ABC”). We inform that we also have approved Anchor’s commencement of the ABC at the Board of Directors meeting held today.

Additionally, we inform you that we expect to record losses incurred due to the commencement of the ABC as other operating expenses, etc., and that this matter falls within a change in a specified subsidiary.

1. Reasons for the Commencement of the ABC

In 2017, we implemented the acquisition of Anchor in order to expand our beer business in the US market.

However, Anchor was significantly affected by the impact of the novel coronavirus, and such impact was particularly prolonged in the San Francisco area. As a result, Anchor’s sales have significantly decreased. Over the past several years, we implemented a variety of measures to improve the business, such as releasing new products, product renewals, and making brand investments. However, Anchor’s business performance continued to be sluggish. Since it would be difficult to improve profitability in the medium to long term, Anchor decided to commence the ABC.

We launched our four-year plan, “medium-term management plan (2023-26),” this year and are working to increase the corporate value through the twin pillars of “structural reforms and business growth.”

We will promptly dispose of businesses that we have classified as a business to be disposed of and resolutely implement structural reforms. Meanwhile, in the US, which serves as a growth driver, we will aim to achieve further growth centering on SAPPORO PREMIUM BEER by generating synergies with STONE BREWING CO., LLC, which we acquired as a subsidiary in August last year.

2. Outline of the Subsidiary which will commence the ABC

(1)	Name	ANCHOR BREWING COMPANY, LLC
(2)	Location	1705 Mariposa Street, San Francisco, California, USA

(3)	Job Title/Name of Representative	President/CEO, Masashi Minami		
(4)	Description of Businesses	Beer manufacturing and sales		
(5)	Capital Amount	\$106 million US		
(6)	Date of Incorporation	March 23, 1896		
(7)	Equity Holders and Percentage of Holding	SAPPORO U.S.A., INC. 100%		
(8)	Anchor's Relationship with the Company	Capital relationship	The Company owns all of the membership interests in Anchor through SAPPORO U.S.A., INC.	
		Personnel relationship	One of SAPPORO U.S.A.'s employees serves as the President/CEO of Anchor and four of SAPPORO U.S.A.'s employees also serve as other officers/directors of Anchor.	
		Business relationship	Not applicable.	
(9)	Business results and financial conditions of Anchor for the last three years (Unit: USD million)			
	Fiscal year	Year ended in December 2020	Year ended in December 2021	Year ended in December 2022
	Net Assets	35	13	3
	Total Assets	66	68	67
	Net Sales	12	12	10
	Operating Profit (Loss)	(12)	(9)	(9)
	Profit (Loss) Attributable to Owners of the Parent Company	(13)	(22)	(10)

3. Schedule of the Commencement of the ABC

(1)	Date of resolution by Anchor	July 11, 2023 (US time)
(2)	Date of resolution for the commencement of the ABC by the member of Anchor	July 11, 2023 (US time)
(3)	Date of resolution of the Board of Directors of the Company	July 12, 2023 (Japan time)
(4)	Filing of the Certificate of Cancellation of Anchor	Scheduled for July 2024

4. Losses Arising from the Commencement of the ABC

The amount of the losses due to the commencement of the ABC is expected to be approximately JPY6 billion, and such amount is expected to be recorded as other operating expenses, etc. for the year ending in December 2023. ※At the rate of USD1=JPY140

5. Future Outlook

The amount of the losses due to the commencement of the ABC of Anchor has been taken into account in developing the plan, so there is no change in the consolidated earnings forecast for the fiscal year ending December 2023.

We will promptly inform you if any matter that should be disclosed arises in the future.

[End]