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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

Update to Medium to Long Term Management Policies for Increasing Group-wide Corporate Value

Sapporo Holdings Limited (the “Company” or “Sapporo”) announced on February 14, 2024, a review of Medium to Long Term Management Policies for Increasing Group-wide Corporate Value, setting a target milestone of 2030. The review is progressing, and the Company would like to provide an update. Consistent with the objectives of this review, the company also announces that it will solicit and evaluate proposals for investment in the Company’s Real Estate Business from external partner candidates.

The Company intends to focus resources on the robust alcoholic beverages business, providing quality products and experiences to customers globally with the ultimate objective of increasing return on invested capital. As a result of the review, the Company plans to significantly revise its portfolio of businesses.

As a key part of the review, the Company has formed a number of working groups drawing from the corporate holding company and business divisions, starting with the alcoholic beverages business. The purpose of the working groups is to develop strategies for each business, along with planning for the future organizational footprint of the Company. Working group members include both corporate and business division directors, business managers, and participation by external board directors. Progress is closely monitored, with monthly update reports to the Sapporo Holdings Board of Directors.

In particular, emphasis is being placed on strategy review of the core alcoholic beverages business and the real estate business to maximize total company value extraction. The Company has retained expert external advisors to assist in this review.

In the domestic alcoholic beverages business, the Company is redefining the “alcoholic beverages business” with a view to long-term growth. For example, the Company is the owner of brands like “Sapporo” and “Yebisu” which reflects its historic origins. These brands can be leveraged across various functions of the Company such as real estate and restaurants to increase unique customer occasions, create community and subsequently products, experiences, and services that create incremental value and expand the beer business.

The Company intends to rationalize the value chain by, for example, optimizing manufacturing and logistics, with initiatives recently approved and is reviewing the appropriate allocation of corporate resources. Additionally, the Company aims to acquire a 25% share of the domestic beer market and realize a higher profit ratio from a long-term perspective by aggressively investing resources in its core beer brands and strengthening its production and sales functions. Collaborating with the food & non-alcoholic beverages business, the Company will also strengthen the development of “new alcoholic beverages,” including non-alcoholic and low-alcoholic beverages under the theme of “wellbeing”

Investment in the international business will be increased to ensure the business is a core element of the Company’s portfolio, with focus on Sapporo Premium Beer “high quality,” “sophisticated taste,” and “uniqueness reminiscent of Japan.” By increasing market share and presence in Japan, and growing the Sapporo Brand overseas, the Company intends to establish an alcoholic beverages business growth engine centered on North America. In April 2024, the Company established the International Business Department within the corporate headquarters with the objective of a dedicated, experienced, and highly skilled organization exploring

investment opportunities, alliances, overseas business opportunities, while realizing fast decision making, and robust governance of process.

In addition to the above strategies, the Company is continuing to consider ways to utilize real estate that will contribute to enhancing the group's future value, as well as the fundamental transformation of the business portfolio. Specifically, the Company is considering various options for the Sapporo Real Estate Development Co., Ltd., which owns and manages multiple properties centered around Ebisu and Sapporo, such as introducing external capital, asset sales, and tax-qualified spin-offs, as proposed by our shareholders. Moving forward, to further refine our review, the Company will seek concrete proposals from a wide range of potential strategic partners on ways to enhance the value of the real estate business. This will help clarify the most beneficial options and pathways for enhancing the group's value.

The Company is progressing with structural reforms in the food and beverages business (non-alcohol) while also considering the future vision of the business, including the pursuit of synergies with the alcoholic beverages business. Furthermore, the Company is exploring the optimal organizational structure and institutional design to effectively and efficiently advance each business strategy scenario. The Company has also begun strengthening the management foundation by fostering a corporate culture that enables talent to be more productive and to drive transformation, utilizing experts in the process. The content and progress of these deliberations are being monitored by the Board of Directors, in the same manner as the strategies for each business.

Further details and status of the Company's Medium to Long Term Management Policies review will be provided during quarterly financial and business disclosures. For important matters, the Company intends to disclose information promptly and appropriately.

Listening to the voices of its shareholders and other stakeholders, the Company will steadily implement the Medium-Term Management Plan and the Medium to Long Term Policies and strive to have sustainable growth of the Group and increase group-wide corporate value.

■ Reference: “Medium to Long Term Management Policies for Increasing Group-wide Corporate Value (announced on February 14, 2024)”
[Document link](#)

■ The Company plans to begin soliciting external proposals for the real estate business by mid-September of this year.