

(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 7, 2025

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 101st Ordinary General Meeting of Shareholders

Dear Sirs/Madams:

You are cordially invited to attend the 101st 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 4 and 5.

### Description

Date and time of the meeting: Friday, March 28, 2025 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 101st business term (from January 1, 2024 to December 31, 2024).
2. Report on the non-consolidated financial statements for the 101st business term (from January 1, 2024 to December 31, 2024).

Matters to be resolved:

**<Company Proposals No. 1 to No. 3>**

**Proposal No. 1: Dividends from Surplus**

**Proposal No. 2: Election of Eight (8) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)**

**Proposal No. 3: Election of One (1) Substitute Director Who Is an Audit & Supervisory Committee Member**

**<Shareholder Proposals No. 4 and No. 5>**

**Proposal No. 4: Election of One (1) Director Who Is an Audit & Supervisory Committee Member**

**Proposal No. 5: Election of One (1) Director Who Is Not an Audit & Supervisory Committee Member**

The agenda items on the agenda for this General Meeting of Shareholders include proposals made by the Company (Proposals No. 1 to No. 3) and proposals made by the shareholders (Proposals No. 4 and No. 5).

If you do not indicate your approval or disapproval with respect to each proposal, it shall be deemed that you have voted in favor of the proposals made by the Company and against the proposals made by the shareholders.

The outline of the proposals is as described in the “Reference Materials for the General Meeting of Shareholders,” but **the Board of Directors of the Company is against Proposal No. 4 and Proposal No. 5, which are made by the shareholders. Please also refer to page 28 for the Company’s Board of Directors’ dissenting opinion on the proposals.**

- As for the convocation of this General Meeting of Shareholders, in addition to the delivery of the (written) convocation notice, the Company takes measures to electronically provide the information contained in the Reference Materials for the General Meeting of Shareholders (matters to be provided electronically) pursuant to laws and regulations and the provisions of Article 15 of the Articles of Incorporation of the Company. The content of the convocation notice has been published on the Company website and the Tokyo Stock Exchange website as the “Notice of Convocation of the 101st Ordinary General Meeting of Shareholders.”
- If any amendments are made to the matters to be provided electronically, they will be posted on the Company website and the Tokyo Stock Exchange website.

Company website:	<a href="https://www.sapporoholdings.jp/en/ir/event/meeting/">https://www.sapporoholdings.jp/en/ir/event/meeting/</a>
Tokyo Stock Exchange website (Listed Company Search)	<p>Please access the Tokyo Stock Exchange website below, enter “Sapporo Holdings” in “Issue name (company name)” or “2501” in “Code,” and click on [Search]. By selecting “Basic information”&gt;“Documents for public inspection/PR information,” you will be able to find the information in the section “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” under “Filed information available for public inspection.”</p> <p><a href="https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show">https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show</a> (in Japanese)</p>
Matters omitted from the written convocation notice to be delivered	<p>We will send the written convocation notice, in addition to the document stating the matters to be provided electronically, to the shareholders who request the delivery of such written convocation notice. Please note that the following matters will not be stated in such written convocation notice, in accordance with laws and regulations and the provisions of Article 15, paragraph 2 of the Articles of Incorporation of the Company:</p> <ol style="list-style-type: none"> <li>(1) “Principal Business,” “Major Offices, Plants and Facilities,” “Matters Regarding Accounting Auditors,” “Matters Regarding a System to Ensure the Appropriateness of Business Activities and Outline of Operating Status of the System,” and “Basic Policy Regarding Control of the Company” in “Review of Sapporo Group Operations” of the Business Report;</li> <li>(2) “Consolidated Statement of Changes in Equity” and “Notes to Consolidated Financial Statements” in the consolidated financial statements;</li> <li>(3) “Non-Consolidated Statement of Changes in Equity” and “Notes to Non-Consolidated Financial Statements” in the non-consolidated financial statements; and</li> <li>(4) “Audit Report of the Accounting Auditors on the Consolidated Financial Statements,” “Audit Report of the Accounting Auditors,” and “Audit Report of the Audit &amp; Supervisory Committee” in the audit reports.</li> </ol> <p>The Business Report, consolidated financial statements, and non-consolidated financial statements contained in such written convocation notice are part of the documents audited by the accounting auditors when preparing the accounting audit report and audited by the Audit &amp; Supervisory Committee when preparing the audit report.</p>
Questions before the meeting	<p>We will accept “proposal-related questions” via the Company website before the meeting.</p> <p>For the matters in which the shareholders have a strong interest, we will post the answers on the Company website at or after the conclusion of the General Meeting of Shareholders.</p> <p><a href="https://apply.sapporobeer.jp/webapp/form/23354_goib_194/index.do">https://apply.sapporobeer.jp/webapp/form/23354_goib_194/index.do</a> (in Japanese)</p> <p>Period for acceptance of questions: From 9:00 a.m. on Wednesday, February 26, 2025, to 5:30 p.m. on Friday, March 14, 2025</p>

## 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 Thursday, March 27, 2025

If you wish to exercise your voting rights via the internet, access the website for exercising voting rights from a terminal device such as your smartphone or personal computer, and register your approval or disapproval with respect to 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 voting rights exercise form. After doing so, please register your approval or disapproval with respect to each proposal by following the directions on the screen.

For details on exercising voting rights using a smartphone, please refer to the leaflet.

\*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 voting rights exercise form and register your approval or disapproval with respect to 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.
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### **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 Thursday, March 27, 2025

- \* As the enclosed voting rights exercise form is a postage-paid postcard, the processing time within 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 with respect to each proposal on the voting rights exercise form and send the form back to us (without affixing a stamp).

**If you do not indicate your approval or disapproval with respect to each proposal, it shall be deemed that you have voted in favor of the proposal.**

## **3. Exercise of Voting Rights via Attending the Meeting**

Date and time of the meeting: Friday, March 28, 2025 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 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 a reference document describing the planned proceedings on the day.

## **Information on the Live Streaming of the General Meeting of Shareholders**

### **Information on the live streaming of the General Meeting of Shareholders**

We will livestream the General Meeting of Shareholders of the Company via the Internet as detailed below so that shareholders can view it from places such as their home. Shareholders may not exercise voting rights, ask questions, or propose motions through the livestream.

Please exercise your voting rights in advance by mail or via the Internet.

## Reference Materials for the General Meeting of Shareholders

### <Company Proposals No. 1 to No. 3>

#### **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 fiscal year under review, the outlook for the business environment, and other factors, the Company intends to provide year-end dividends from surplus of 52 yen (increase of 5 yen from the previous year) per share for the year under review.

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: 52 yen

Total amount of dividends: 4,057,130,480 yen

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

March 31, 2025

## Proposal No. 2: Election of Eight (8) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

At the conclusion of this general meeting of shareholders, the terms of office of all eight (8) Directors (including five (5) Outside Directors) (excluding Directors who are Audit & Supervisory Committee Members, the same applies in this proposal) will expire.

The Company therefore proposes the election of eight (8) Directors (including five (5) Outside Directors).

As for the constitution of the Board of Directors of the Company, if this proposal is approved, seven (7) out of total eleven (11) Directors, including those who are Audit & Supervisory Committee Members, will be Independent Outside Directors, making up 63.6% (majority) of the board. Meanwhile, two (2) will be female Directors, making up 18.2% of the Board.

With 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	Candidate Attribute	Name	Position and Business Responsibility in the Company	Number of Board of Directors' Meetings Attended (Attendance Rate)
1	New candidate	Hiroshi Tokimatsu	Executive Group Operating Officer	—
2	Reelection	Yoshitada Matsude	Managing Director	14/14 meetings (100%)
3	Reelection	Rieko Shofu	Managing Director	14/14 meetings (100%)
4	Reelection Outside Independent	Tetsuya Shoji	Outside Director Chairperson of Nominating Committee	14/14 meetings (100%)
5	Reelection Outside Independent	Toshihiro Uchiyama	Outside Director Chairperson of Remuneration Committee	14/14 meetings (100%)
6	Reelection Outside Independent	Makio Tanehashi	Outside Director Nominating Committee member	14/14 meetings (100%)
7	Reelection Outside Independent	Kotaro Okamura	Outside Director Remuneration Committee member	10/10 meetings (100%)
8	Reelection Outside Independent	Ryotaro Fujii	Outside Director Nominating Committee member	10/10 meetings (100%)

Reelection: Candidate for reelected Director

Outside: Candidate for Outside Director


New candidate: Candidate for newly elected Director

Independent: Candidate for Independent Officer

Notes: 1. Positions at the Company and business responsibilities of the candidates for Director above are as of the beginning of this General Meeting of Shareholders.

2. The number of the Board of Directors' meetings attended by Mr. Kotaro Okamura and Mr. Ryotaro Fujii represents only the number of the Board of Directors' meetings held after their appointment on March 28, 2024.


3. The legal name of Ms. Rieko Shofu is "Rieko Fujino"; however, the name she uses for her business is used in this document.


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	 <p data-bbox="325 685 496 714">New candidate</p> <p data-bbox="347 757 474 815"><b>Hiroshi Tokimatsu</b></p> <p data-bbox="341 860 477 943">(February 23, 1962) 63 years old</p> <p data-bbox="320 981 497 1088">Number of Shares Held in the Company 8,679 shares</p>	<p data-bbox="517 304 1410 333">April 1984      Joined Ezaki Glico Co., Ltd.</p> <p data-bbox="517 338 1410 367">October 1991    Joined the Company (former Sapporo Breweries Limited)</p> <p data-bbox="517 371 1410 427">March 2008      Director of the Sales Planning Department of Sapporo Breweries Limited (newly established company)</p> <p data-bbox="517 432 1410 461">March 2010      Director of the Kanshinetsu Headquarters of Sapporo Breweries Limited</p> <p data-bbox="517 465 1410 521">March 2012      Executive Officer, Director of the New Value Development Department of Sapporo Breweries Limited</p> <p data-bbox="517 526 1410 582">September 2012 Executive Officer, Director of the Spirits Strategy Department of Sapporo Breweries Limited</p> <p data-bbox="517 586 1410 642">March 2013      Director (Member of the Board), Executive Officer, Director of the Sales Division of Sapporo Breweries Limited</p> <p data-bbox="517 647 1410 703">March 2015      Director (Member of the Board), Managing Executive Officer, Director of the Sales Division of Sapporo Breweries Limited</p> <p data-bbox="517 707 1410 763">March 2016      Director (Member of the Board), Managing Executive Officer of Sapporo Breweries Limited</p> <p data-bbox="517 768 1410 824">March 2019      President of SAPPORO REAL ESTATE CO., LTD. and Executive Group Managing Officer of Sapporo Holdings Limited</p> <p data-bbox="517 828 1410 902">January 2023    President of POKKA SAPPORO Food &amp; Beverage Ltd. and Executive Group Managing Officer of Sapporo Holdings Limited (up to the present)</p> <p data-bbox="517 907 1410 1234">[Reasons for Presenting Mr. Hiroshi Tokimatsu as a Candidate for Director] Mr. Hiroshi Tokimatsu has experience in each of the Group's businesses - alcoholic beverages, real estate, and food &amp; soft drinks businesses - and has led reforms in each of these businesses. At SAPPORO REAL ESTATE CO., LTD., he developed and implemented a strategic investment plan that led to future asset value increases in Ebisu and Sapporo, while at POKKA SAPPORO Food &amp; Beverage Ltd., he pushed ahead with drastic structural reforms to break away from low profitability. The Company has determined that Mr. Tokimatsu, as a manager with a group perspective based on his experience and achievements in the management of the Group's various businesses, will be the right person to exercise leadership to realize the Group Medium- to Long-Term Growth Strategy, to achieve the Medium-Term Management Plan (2023 to 2026), and to promote the Group's management. 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	<div style="text-align: center;">  </div> <div style="text-align: center; border: 1px solid black; padding: 2px; margin: 5px 0;">Reelection</div> <p style="text-align: center;"><b>Yoshitada Matsude</b></p> <p style="text-align: center;">(January 2, 1966) 59 years old</p> <p>Number of Shares Held in the Company 1,501 shares</p> <p>Number of Board of Directors' meetings attended 14/14 (100%)</p>	<p>April 1988      Joined the Company (former Sapporo Breweries Limited)</p> <p>September 2010      Director of Accounting &amp; Finance Department of the Company</p> <p>March 2011      Director of Accounting &amp; Finance Department of the Company, Director (Member of the Board), Director of Group Accounting &amp; Finance Department of Sapporo Group Management Co., Ltd.</p> <p>March 2012      Director of Accounting &amp; Finance Department of Sapporo Breweries Limited (newly established company)</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 &amp; Finance Department of the Company, Director (Member of the Board), Director of Accounting &amp; Finance Department of Sapporo Group Management Co., Ltd.</p> <p>October 2019      Director of Accounting &amp; Finance Department of the Company, Director (Member of the Board), Director of Accounting &amp; Finance Department of Sapporo Group Management Co., Ltd.</p> <p>March 2020      Director and Executive Officer of SAPPORO REAL ESTATE CO., LTD. Group Managing Officer and Director of Accounting &amp; Finance Department of the Company</p> <p>March 2022      Director of Accounting &amp; Finance Department of Sapporo Breweries Limited</p> <p>March 2022      Managing Director (Member of the Board) and Director of Accounting &amp; Finance Department of the Company</p> <p>July 2022      Director (Member of the Board) of Sapporo Breweries Limited</p> <p>March 2024      Managing Director (Member of the Board) of the Company</p> <p>March 2024      Director (Member of the Board) of POKKA SAPPORO Food &amp; Beverage Ltd. (up to the present)</p> <p>Mr. Matsude will have served as a Director of the Company for three (3) years as of the conclusion of this general meeting of shareholders.</p> <p>[Reasons for Presenting Mr. Yoshitada Matsude as a Candidate for Director]</p> <p>Mr. Yoshitada Matsude has long experience in the Accounting &amp; Finance Department of Sapporo Breweries Limited and has held management roles in group companies such as SAPPORO REAL ESTATE CO., LTD., thereby working on the formulation of business strategies and their promotion. In addition, as the Company's officer in charge of finance, general affairs, and human resources, he has contributed to strengthening the functions of the Board of Directors by promoting management with particular awareness of the cost of capital and stock price, engaging in ongoing dialogue with the capital market, and providing feedback to the Board of Directors. He has a wealth of experience, a rich track record, and great insight regarding accounting &amp; finance and business management. The Company has determined that he will be the right person to exercise leadership to realize the Group Medium- to Long-Term Growth Strategy, to achieve the Medium-Term Management Plan (2023 to 2026), and to promote the Group's management. 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)
<p style="text-align: center;">3</p>	<div style="text-align: center;">  </div> <div style="text-align: center; border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;"> Reelection </div> <p><b>Rieko Shofu</b> [Legal surname: Fujino] (July 13, 1967) 57 years old</p> <p>Number of Shares Held in the Company 1,151 shares</p> <p>Number of Board of Directors' meetings attended 14/14 (100%)</p>	<p>April 1990      Joined Hakuhold Inc.</p> <p>June 2007      Executive Manager of Corporate Design Department of Hakuhold Inc.</p> <p>August 2011    Corporate Officer and Executive Manager of Hakuhold Consulting Inc.</p> <p>May 2015        President and CEO of Sensing Asia Ltd. (up to the present)</p> <p>April 2016      Deputy Director of Corporate Planning Headquarters and Director of Corporate Planning Department of POKKA SAPPORO Food &amp; Beverage Ltd.</p> <p>March 2017     Director of Corporate Planning Headquarters and Director of Corporate Planning Department of POKKA SAPPORO Food &amp; Beverage Ltd.</p> <p>March 2018     Group CEO of POKKA CORPORATION (SINGAPORE) PTE. LTD.</p> <p>January 2020    Group CEO of POKKA PTE. LTD.</p> <p>July 2020        Director (Member of the Board) and Senior Executive Managing Director of Sapporo Group Foods Ltd.</p> <p>March 2022     Director (Member of the Board) of the Company Director (Member of the Board) of POKKA SAPPORO Food &amp; Beverage Ltd.</p> <p>January 2023    Director (Member of the Board) of the Company Vice President and Representative Director of POKKA SAPPORO Food &amp; Beverage Ltd. President and Representative Director of Sapporo Group Foods Ltd.</p> <p>July 2023        Director (Member of the Board) of the Company Director (Member of the Board) of POKKA SAPPORO Food &amp; Beverage Ltd. President and Representative Director of Sapporo Group Foods Ltd.</p> <p>November 2023 Director (Member of the Board) of the Company Director (Member of the Board) of POKKA SAPPORO Food &amp; Beverage Ltd.</p> <p>March 2024     Managing Director (Member of the Board) of the Company Director (Member of the Board) of Sapporo Breweries Limited (up to the present)</p> <p>[Status of Important Concurrent Occupations or Positions at Other Organizations] Outside Director of TORIDOLL Holdings Corporation</p> <p>Ms. Shofu will have served as a Director of the Company for three (3) years as of the conclusion of this general meeting of shareholders.</p> <p>[Reasons for Presenting Ms. Rieko Shofu as a Candidate for Director] As a person in charge of the corporate planning department of POKKA SAPPORO Food &amp; Beverage Ltd. and CEO of an overseas subsidiary, Ms. Rieko Shofu has been promoting structure reform and transition to growth, especially in the overseas beverage business. In addition, as the Company's officer in charge of corporate strategy, she has worked to strengthen the effectiveness of the plan by collaborating with group companies and enhancing discussions at Board of Directors meetings in formulating group management strategies and executing the management plan. She has a wealth of experience, a rich track record, and great insight regarding global business management, marketing, and accounting &amp; finance. The Company has determined that she will be the right person to exercise leadership to realize the Group Medium- to Long-Term Growth Strategy, to achieve the Medium-Term Management Plan (2023 to 2026), and to promote the Group's management. 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)
4	 <p data-bbox="320 689 501 723">Reelection</p> <p data-bbox="320 757 501 864">(Candidate for Outside Director/ Independent Officer)</p> <p data-bbox="320 898 501 931"><b>Tetsuya Shoji</b></p> <p data-bbox="320 965 501 1048">(February 28, 1954) 71 years old</p> <p data-bbox="320 1081 501 1189">Number of Shares Held in the Company 1,535 shares</p> <p data-bbox="320 1223 501 1395">Number of Board of Directors' meetings attended 14/14 (100%)</p>	<p data-bbox="518 304 1412 651"> April 1977      Joined Nippon Telegraph and Telephone Public Corporation  June 2006      Senior Vice President, General Manager of the Personnel Department of Nippon Telegraph and Telephone West Corporation  June 2009      Senior Vice President  Head of General Affairs of Nippon Telegraph and Telephone Corporation  June 2012      Senior Executive Vice President  Representative Member of the Board of NTT Communications Corporation  June 2015      President &amp; CEO  Representative Member of the Board of NTT Communications Corporation  June 2020      Corporate Advisor of NTT Communications Corporation (up to the present)  March 2021      Outside Director (Member of the Board) of the Company (up to the present) </p> <p data-bbox="518 663 1412 824"> [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 Kanadevia Corporation  Outside Director of Japan Tobacco Inc.  Outside Director of circlace Inc </p> <p data-bbox="518 835 1412 891"> Mr. Shoji will have served as a Director of the Company for four (4) years as of the conclusion of this general meeting of shareholders. </p> <p data-bbox="518 902 1412 958"> [Reasons for Presenting Mr. Tetsuya Shoji as a Candidate for Outside Director, and an Outline of Roles He Is Expected to Play] </p> <p data-bbox="518 969 1412 1238"> Mr. Tetsuya Shoji has a wealth of experience and a rich track record as a corporate manager. He has extensive insight for planning, human resources and general affairs, global expansion, and the promotion of digital transformation (DX) in particular. For the realization of the Group Medium- to Long-Term Growth Strategy and the achievement of the Medium-Term Management Plan (2023 to 2026), Mr. Shoji is expected to offer pertinent opinions and advice regarding business portfolio streamlining, global expansion, and the operational reform through DX from his objective and professional standpoint. The Company has determined that he will be an appropriate person to supervise the management of the Group that is aiming to achieve continuous growth in corporate value, and he has thus been presented to the shareholders as a candidate for Outside Director. </p> <p data-bbox="518 1249 1412 1545"> [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 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 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 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)
5	 <p data-bbox="325 640 501 674">Reelection</p> <p data-bbox="325 703 501 808">(Candidate for Outside Director/ Independent Officer)</p> <p data-bbox="349 846 477 913">Toshihiro Uchiyama</p> <p data-bbox="336 947 489 1032">(November 28, 1958) 66 years old</p> <p data-bbox="320 1066 505 1173">Number of Shares Held in the Company 767 shares</p> <p data-bbox="320 1211 505 1379">Number of Board of Directors' meetings attended 14/14 (100%)</p>	<p data-bbox="517 304 638 327">April 1981</p> <p data-bbox="699 304 858 327">Joined NSK Ltd.</p> <p data-bbox="517 338 622 360">June 2008</p> <p data-bbox="699 338 1393 387">Vice President, Deputy Head of Corporate Planning Division HQ of NSK Ltd.</p> <p data-bbox="517 398 622 421">June 2009</p> <p data-bbox="699 398 1361 421">Vice President, Head of Corporate Planning Division HQ of NSK Ltd.</p> <p data-bbox="517 432 622 454">June 2010</p> <p data-bbox="699 432 1412 481">Senior Vice President, Responsible for IR &amp; CSR Offices, Head of Corporate Planning Division HQ of NSK Ltd.</p> <p data-bbox="517 492 622 515">June 2012</p> <p data-bbox="699 492 1114 515">Director, Senior Vice President of NSK Ltd.</p> <p data-bbox="517 526 622 548">June 2013</p> <p data-bbox="699 526 1145 548">Director, Executive Vice President of NSK Ltd.</p> <p data-bbox="517 560 622 582">June 2015</p> <p data-bbox="699 560 1090 582">Director, President and CEO of NSK Ltd.</p> <p data-bbox="517 593 622 616">June 2017</p> <p data-bbox="699 593 1353 642">Director, President and CEO of NSK Ltd. (Position name in Japanese changed with English unchanged)</p> <p data-bbox="517 654 622 676">April 2021</p> <p data-bbox="699 654 1153 676">Chairman of the Board of Directors of NSK Ltd.</p> <p data-bbox="517 687 622 710">March 2022</p> <p data-bbox="699 687 1337 736">Outside Director (Member of the Board) of the Company (up to the present)</p> <p data-bbox="517 748 622 770">June 2023</p> <p data-bbox="699 748 1074 770">Adviser of NSK Ltd. (up to the present)</p> <p data-bbox="517 784 1289 806">[Status of Important Concurrent Occupations or Positions at Other Organizations]</p> <p data-bbox="517 817 715 840">Adviser of NSK Ltd.</p> <p data-bbox="517 851 858 873">Outside Director of IHI Corporation</p> <p data-bbox="517 884 1385 934">Mr. Uchiyama will have served as a Director of the Company for three (3) years as of the conclusion of this general meeting of shareholders.</p> <p data-bbox="517 945 1393 994">[Reasons for Presenting Mr. Toshihiro Uchiyama as a Candidate for Outside Director, and an Outline of Roles He Is Expected to Play]</p> <p data-bbox="517 1008 1412 1225">Mr. Toshihiro Uchiyama has a wealth of experience and a rich track record as a corporate manager. He has extensive insight for global expansion, compliance, and marketing in particular. For the realization of the Group Medium- to Long-Term Growth Strategy and the achievement of the Medium-Term Management Plan (2023 to 2026), Mr. Uchiyama is expected to offer pertinent opinions and advice regarding global expansion and marketing from his objective and professional standpoint. The Company has determined that he will be an appropriate person to supervise the management of the Group that is aiming to achieve continuous growth in corporate value, and he has thus been presented to the shareholders as a candidate for Outside Director.</p> <p data-bbox="517 1236 810 1258">[Policy on His Independence]</p> <p data-bbox="517 1270 1412 1487">Mr. Toshihiro Uchiyama was involved in business execution at NSK Ltd. until March 2021. No transactions have been or are being made between 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 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 1979      Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>June 2011      Deputy President and Executive Officer, Branch Banking Division of Mizuho Bank, Ltd.</p> <p>June 2011      Representative Director, Deputy President and Executive Officer, Branch Banking Division of Mizuho Bank, Ltd.</p> <p>April 2012      Representative Director, Deputy President and Executive Officer, Head of Branch Banking Group of Mizuho Bank, Ltd.</p> <p>March 2013      Representative Director, President &amp; CEO of Tokyo Tatemono Real Estate Sales Co., Ltd.</p> <p>July 2015        Senior Executive Managing Officer and Division Director of Real Estate Solution Service Division of Tokyo Tatemono Co., Ltd.</p>
		<p>October 2015    Senior Executive Managing Officer, Division Director of Real Estate Solution Service Division, and Division Director of International Business Division of Tokyo Tatemono Co., Ltd.</p> <p>March 2016      Senior Executive Managing Officer, Director and Division Director of Real Estate Solution Service Division, and Division Director of International Business Division of Tokyo Tatemono Co., Ltd.</p>
	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Reelection</div>	<p>January 2017    Representative Director, Chairman &amp; Executive Officer of Tokyo Tatemono Co., Ltd.</p>
	<p>(Candidate for Outside Director/ Independent Officer)</p>	<p>Chairman of the Board of Tokyo Tatemono Real Estate Sales Co., Ltd.</p> <p>March 2019      Representative Director, Chairman of the Board of Tokyo Tatemono Co., Ltd.</p> <p>January 2021     Director of Tokyo Tatemono Real Estate Sales Co., Ltd.</p> <p>March 2023      Outside Director (Member of the Board) of the Company (up to the present)</p> <p>January 2025     Director of Tokyo Tatemono Co., Ltd. (up to the present)</p>
	<p><b>Makio Tanehashi</b></p>	<p>[Status of Important Concurrent Occupations or Positions at Other Organizations] Director of Tokyo Tatemono Co., Ltd.</p>
	<p>(March 13, 1957) 68 years old</p>	<p>Mr. Tanehashi will have served as a Director of the Company for two (2) years as of the conclusion of this general meeting of shareholders.</p>
	<p>Number of Shares Held in the Company 758 shares</p>	<p>[Reasons for Presenting Mr. Makio Tanehashi as a Candidate for Outside Director, and an Outline of Roles He Is Expected to Play]</p> <p>Mr. Makio Tanehashi has a wealth of experience and a rich track record as a corporate manager as well as extensive insight for real estate business, finance, and compliance. For the realization of the Group Medium- to Long-Term Growth Strategy and the achievement of the Medium-Term Management Plan (2023 to 2026), Mr. Tanehashi is expected to offer pertinent opinions and advice regarding improvement of asset efficiency in the real estate business based on his abundant management experience in finance and real estate, and from his objective and professional standpoint. The Company has determined that he will be an appropriate person to supervise the management of the Group that is aiming to achieve continuous growth in corporate value, and he has thus been presented to the shareholders as a candidate for Outside Director.</p>
	<p>Number of Board of Directors' meetings attended 14/14 (100%)</p>	<p>[Policy on His Independence]</p> <p>Mr. Makio Tanehashi was involved in business execution at Tokyo Tatemono Co., Ltd. until March 2019. Although there currently are transactions between 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 operating revenue of said company. Accordingly, the Company has determined Mr. Tanehashi 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 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	 <p data-bbox="325 577 501 611" style="border: 1px solid black; padding: 2px; text-align: center;">Reelection</p> <p data-bbox="325 645 501 745">(Candidate for Outside Director/ Independent Officer)</p> <p data-bbox="357 790 469 846"><b>Kotaro Okamura</b></p> <p data-bbox="336 880 489 969">(November 11, 1955) 69 years old</p> <p data-bbox="320 1003 501 1115">Number of Shares Held in the Company 132 shares</p> <p data-bbox="320 1149 501 1317">Number of Board of Directors' meetings attended 10/10 (100%)</p>	<p data-bbox="517 304 1410 360">April 1979      Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p data-bbox="517 360 1410 416">September 1990      Morgan Trust Bank Ltd. (currently JPMorgan Asset Management (Japan) Limited)</p> <p data-bbox="517 416 1410 450">August 1995      Investment Banking Division of JPMorgan Securities Japan Co., Ltd.</p> <p data-bbox="517 450 1410 506">April 2004      Tokyo Branch Manager and Representative in Japan of JPMorgan Chase Bank, N.A.</p> <p data-bbox="517 506 1410 539">September 2009      Representative Director and President of Thomson Reuters Markets LLC</p> <p data-bbox="517 539 1410 573">September 2012      Adviser of Societe Generale Securities Japan Limited</p> <p data-bbox="517 573 1410 607">July 2019      Senior Advisor of IFM Investors</p> <p data-bbox="517 607 1410 663">March 2024      Outside Director (Member of the Board) of the Company (up to the present)</p> <p data-bbox="517 663 1410 719">Mr. Fujii will have served as a Director of the Company for one (1) year as of the conclusion of this general meeting of shareholders.</p> <p data-bbox="517 719 1410 775">[Reasons for Presenting Mr. Kotaro Okamura as a Candidate for Outside Director, and an Outline of Roles He Is Expected to Play]</p> <p data-bbox="517 775 1410 1099">Mr. Kotaro Okamura has a wealth of experience and a rich track record in business operations and corporate management through his work at an investment bank and a foreign affiliate. In particular, he has extensive insight in the areas of financial accounting, global expansion, and human resources and human assets. For the realization of the Group Medium- to Long-Term Growth Strategy and the achievement of the Medium-Term Management Plan (2023 to 2026), Mr. Okamura is expected to offer pertinent opinions and advice regarding capital efficiency improvement, global M&amp;A, and active participation of diverse human assets from his objective and professional standpoint. The Company has determined that he will be an appropriate person to supervise the management of the Group that is aiming to achieve continuous growth in corporate value, and he has thus been presented to the shareholders as a candidate for Outside Director.</p> <p data-bbox="517 1099 1410 1133">[Policy on His Independence]</p> <p data-bbox="517 1133 1410 1346">Mr. Kotaro Okamura had worked as Senior Advisor at IFM Investors until July 2024. However, no transactions have been or are being made between said company and the Company or the Company's subsidiaries, and the Company has determined Mr. Okamura 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 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)
8	 <p style="text-align: center;">Reelection</p> <p style="text-align: center;">(Candidate for Outside Director/ Independent Officer)</p> <p style="text-align: center;"><b>Ryotaro Fujii</b> (January 30, 1975) 50 years old</p> <p style="text-align: center;">Number of Shares Held in the Company 664 shares</p> <p style="text-align: center;">Number of Board of Directors' meetings attended 10/10 (100%)</p>	<p>April 1997      Joined the Ministry of Finance</p> <p>July 2001      Goldman Sachs Japan Co., Ltd.</p> <p>May 2006      Principal of KKR Japan Co., Ltd.</p> <p>January 2008    Director of KKR Capital Markets Co., Ltd.</p> <p>January 2011    Director of KKR Japan Co., Ltd.</p> <p>July 2015      Representative Director and President of Permira Advisers LLP</p> <p>January 2018    Japan Representative Partner of Permira Advisers LLP</p> <p>January 2023    Senior Adviser of Permira Advisers LLP (up to the present)</p> <p>March 2024    Outside Director (Member of the Board) of the Company (up to the present)</p> <p>Mr. Fujii will have served as a Director of the Company for one (1) year as of the conclusion of this general meeting of shareholders.</p> <p>[Reasons for Presenting Mr. Ryotaro Fujii as a Candidate for Outside Director, and an Outline of Roles He Is Expected to Play]</p> <p>Mr. Ryotaro Fujii has a wealth of experience and a rich track record at private equity funds, in addition to extensive insight in the areas of financial accounting, global expansion, and marketing. For the realization of the Group Medium- to Long-Term Growth Strategy and the achievement of the Medium-Term Management Plan (2023 to 2026), Mr. Fujii is expected to offer pertinent opinions and advice regarding the formulation of growth strategies such as capital efficiency improvement, structural reform, and global M&amp;A from his objective and professional standpoint. The Company has determined that he will be an appropriate person to supervise the management of the Group that is aiming to achieve continuous growth in corporate value, and he has thus been presented to the shareholders as a candidate for Outside Director.</p> <p>[Policy on His Independence]</p> <p>Mr. Ryotaro Fujii works as Senior Adviser of Permira Advisers LLP, but there is no business relationship. Mr. Fujii was contracted by the Company to provide his services as an external expert member of the Company's "Group Strategy Committee" from September 2023 to January 2024. At the committee, he provided his views and suggestions from a professional standpoint, as well as neutral and objective perspectives, fulfilling a role that was different from that of an internal committee member. As the annual amount of remuneration paid to Mr. Fujii as a member of the aforementioned committee was not more than five million yen, the Company has determined Mr. Fujii 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 financial instruments exchanges.</p>

Notes:

- None of the candidates has any 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. Tetsuya Shoji, Mr. Toshihiro Uchiyama, Mr. Makio Tanehashi, Mr. Kotaro Okamura, and Mr. Ryotaro Fujii. Should the reelection of these persons be approved, the Company intends to continue the respective 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 said Paragraph within the range stipulated by laws and regulations.
- The Company has entered into indemnity contracts, as stipulated in Article 430-2, Paragraph 1 of the Companies Act, with Mr. Yoshitada Matsude, Ms. Rieko Shofu, Mr. Tetsuya Shoji, Mr. Toshihiro Uchiyama, Mr. Makio Tanehashi, Mr. Kotaro Okamura, and Mr. Ryotaro Fujii. Should the reelection of these persons be approved, the Company intends to continue the respective contracts. In addition, should the election of Mr. Hiroshi Tokimatsu be approved, the Company also intends to enter into an indemnity contract of a similar kind with him. 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 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 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 said insurance policy on April 1, 2025. 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) Skills Matrix for the Candidates for Director

With the Medium-Term Management Plan (2023 to 2026), the Company defined the basic policy to revise our business portfolio and transform the business structure for new growth. We are aiming to contribute to the well-being of people and local communities through the time and space where all our businesses provide products.

For realizing the Group medium- to long-term strategy, steadily promoting the Medium-Term Management Plan, and further strengthening the supervisory function to achieve our goals, we have classified the knowledge, experience, and abilities required for the Board of Directors into eight categories.

Regarding the skills of each candidate for Director, in order to disclose the diversity of our board members and the effectiveness of the Board of Directors in an easier-to-understand manner, we have limited the number of skills that we “expect” each director to possess to a maximum of four.

Corporate management	For the realization of the Group’s management philosophy, we need Directors who have sufficient experience and track records as managers in order to supervise profitability improvement through business structure transformation, such as the revision of our business portfolio based on the Medium-Term Management Plan.
Financial accounting	For financial policy planning for sustainable growth in corporate value supported by the establishment of a strong financial base, investment for growth with capital control, and the provision of stable shareholder returns, we need Directors who have knowledge and experience in accounting and finance.
Legal compliance Risk management	For the sustainable growth of the Group, we need Directors who have knowledge and experience in laws and corporate governance in order to improve the effectiveness of business execution based on laws, compliance, corporate governance, and risk management.
Human resources Human assets*	For the maximization of the value of human assets, which constitute an important management base, we need Directors who have knowledge and experience in the management of diverse human assets in order to achieve our human assets strategy that accelerates the promotion of strategies and build an organization to which each employee can contribute while demonstrating their individuality.
Global operation	For the development of overseas business, which is the core of the growth strategy set forth in the Medium-Term Management Plan, we need Directors who have knowledge and experience in overseas business in order to make business decisions based on an understanding of foreign cultures, foreign market trends, country risks, etc.
Marketing	For the promotion and supervision of business utilizing our assets such as our brand, we need Directors who have experience in improving profitability and implementing a growth strategy with brand strategy, market creation, customer value development, etc., and have knowledge and experience in research and development, production engineering, and consumer goods market that enables such way of manufacturing.
DX & IT	For “New Growth Through Business Structure Transformation” described in the Medium-Term Management Plan, we need Directors who have knowledge and experience in DX and IT in order to realize “Increase of customer touch points,” “Expansion of existing and new businesses,” and “Workstyle reforms” as set forth in our DX policy.
Sustainability	For ensuring both the Group’s sustainable growth and CSR compliance, we need Directors who have knowledge and experience in sustainability in order to address top priority issues such as the “Realization of a decarbonized society” and “Mutual prosperity with local communities” based on the Sustainability Policy.

\* The Group uses the term “human assets” (using the Chinese characters “人財,” which mean “human” and “assets”) to represent human resources and regards all employees as “human assets” that are a company’s treasure.



Name	Independence	Knowledge and experience of each Director							
		Corporate management	Financial accounting	Legal compliance Risk management	Human resources Human assets	Global operation	Marketing	DX & IT	Sustainability
Hiroshi Tokimatsu		○	○	○			○		
Yoshitada Matsude		○	○		○				○
Rieko Shofu		○	○			○	○		
Tetsuya Shoji (Outside)	○	○			○	○		○	
Toshihiro Uchiyama (Outside)	○	○		○		○	○		
Makio Tanehashi (Outside)	○	○	○	○					○
Kotaro Okamura (Outside)	○	○	○		○	○			
Ryotaro Fujii (Outside)	○	○	○			○	○		
Toru Miyaishi		○			○		○	○	
Kohtaro Yamamoto (Outside)	○			○		○			○
Naoko Tanouchi (Outside)	○		○	○		○	○		

Notes:

1. The above information is applicable to the case where all the candidates are elected at this General Meeting of Shareholders.
2. The matrix is intended to clarify the balance of skills of the Board of Directors and focuses on the skills particularly expected by the Company among those possessed by each candidate for Director. It does not represent all the skills (knowledge, experience, and capabilities) possessed by each candidate.
3. Mr. Toru Miyaishi, Mr. Kohtaro Yamamoto, and Ms. Naoko Tanouchi are Directors who are concurrently serving as Audit & Supervisory Committee Members.

### Proposal No. 3 – Election of One (1) Substitute Director Who Is an Audit & Supervisory Committee Member

The effect of the election of Mr. Takanori Iizuka as a substitute Director who is an Audit & Supervisory Committee Member approved at the 100th Ordinary General Meeting of Shareholders held on March 28, 2024, continues only until the commencement of this general meeting of shareholders. 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 of shareholders.

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 &amp; Supervisory Committee Member)</p> <p><b>Takanori Iizuka</b></p> <p>(June 1, 1966) 58 years old</p> <p>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 &amp; Hattori Law Office (currently Ozaki Law Office)</p> <p>April 2009 Iizuka &amp; 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 &amp; Supervisory Board Member of the Company</p> <p>[Status of Important Concurrent Occupations or Positions at Other Organizations] Attorney-at-law of Iizuka &amp; 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 Outside Director of HOSHI IRYO-SANKI CO, LTD.</p> <p>[Reasons for Presenting Mr. Takanori Iizuka as a Candidate for Substitute Outside Director Who Is an Audit &amp; 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 &amp; 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 &amp; 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 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 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 said Paragraph within the range stipulated by laws and regulations.
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 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 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 said insurance policy on April 1, 2025. 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 minor).
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.

## <Shareholder Proposals No. 4 and No. 5>

Proposals No. 4 and No. 5 are proposals made by a shareholder, 3D OPPORTUNITY MASTER FUND (“3D”). Each proposal, the outline of the proposal, and the reasons for the proposal are presented in the original text as submitted by the proposing shareholder, except for appearance adjustments.

The Company’s Board of Directors is **against** both **shareholder proposals**, as described below.

### **Proposal No. 4 – Election of One (1) Director Who Is an Audit & Supervisory Committee Member**

### **Proposal No. 5 – Election of One (1) Director Who Is Not an Audit & Supervisory Committee Member**

**However, this proposal shall become effective on the condition that Proposal No. 4, Election of One (1) Director Who Is an Audit & Supervisory Committee Member, is not approved.**

The reasons for the proposals common to each of Proposals No. 4 and No. 5 are as follows.

#### Sapporo’s current status

Sapporo Holdings (“Sapporo”) has a great global brand in the alcoholic beverages business. However, despite its great brand, Sapporo has long suffered from sluggish capital efficiency and has not been able to increase its corporate value. In order to improve its capital efficiency and increase its corporate value, Sapporo established the Group Strategy Committee in September 2023 and began reexamining its management policies to increase its corporate value over the medium to long term. In addition, Sapporo formulated a policy of divesting the real estate business and a management policy regarding the concentrated investment of management resources in the alcoholic beverages business (the “Management Policies”) and announced it in February 2024. Since September 2024, in accordance with the Management Policies, Sapporo has been “in the process of accepting proposals, etc., from a wide range of potential strategic partners regarding the introduction of external capital into the real estate business.” Therefore, Sapporo will, going forward, make (i) decisions regarding the divestiture of the real estate business and (ii) decisions regarding the allocation of capital obtained from the divestiture of the real estate business.

In this regard, the consideration for the divestiture of the real estate business is expected to amount to at least about 400 billion yen<sup>1</sup>, or about 73% of Sapporo’s market capitalization<sup>2</sup>. Accordingly, the decisions regarding the divestiture of the real estate business ((i) above) and the decisions regarding the allocation of capital, such as how to use the funds obtained from the divestiture ((ii) above) are extremely important for Sapporo’s corporate value, as they have a decisive and irreversible impact on it.

However, we cannot be certain that these decisions will be properly made, because of the following doubts that exist in Sapporo.

#### Doubts about capital discipline

In making decisions regarding the divestiture of the real estate business ((i) above) and decisions regarding the allocation of capital ((ii) above), it is essential that such decisions be made under appropriate capital discipline.

However, Sapporo has repeatedly made unprofitable M&As and inefficient investments in areas in which it has stepped up investment, and has recorded significant impairment losses. For example, investments in Sleeman Breweries and Sapporo Vietnam resulted in impairment losses of approximately 7.8 billion yen and 4.7 billion yen, respectively. Furthermore, the most recent investment in Anchor Brewing resulted in an impairment loss of approximately 11.9 billion yen due to the dissolution of said company. In addition, while cumulative capital investment in the food & soft drinks business over the past ten years amounted to approximately 70.1 billion yen, the business recorded cumulative operating loss of roughly 13.0 billion yen during the same period. Thus, inefficient investments have been repeatedly made by Sapporo, and there are doubts about its capital discipline.

#### Doubts about the supervisory function of the Board of Directors

It is essential for the Board of Directors to exercise sufficient supervisory functions in order to properly make decisions regarding the divestiture of the real estate business ((i) above) and decisions regarding the allocation of capital ((ii) above). However, despite the existence of much evidence of poor capital discipline, including past M&A failures and the total loss of the most recent investment in Anchor Brewing, as noted above, the Board of Directors has yet to provide shareholders with a review and measures to prevent a recurrence of a similar event. On the other hand, in the “Notice of Medium to Long Term Management Policies for Increasing Group-wide Corporate Value” dated February 14, 2024, in which the Management Policies were disclosed, Sapporo states that it will further strengthen its investment in the overseas alcoholic beverages business and is about to execute another large-scale investment.

The large-scale investment policy announced in the absence of such a review and measures to prevent recurrence can be considered an indication that Sapporo’s Board of Directors does not provide sufficient oversight based on past failures. Thus, there are doubts about the supervisory function of Sapporo’s Board of Directors.

#### Doubts about the expertise of the Board of Directors

In making decisions regarding the divestiture of the real estate business ((i) above), it is essential to maximize the consideration that Sapporo will receive from the divestiture through competition among the potential buyers. However, Sapporo’s current Board of Directors does not have a track record of having executed asset sales that could be in the hundreds of billions of yen, as set forth in the Management Policies, and naturally, has no experience in maximizing the consideration in such a sale process. Thus, there are doubts as to whether Sapporo’s Board of Directors has the expertise to adequately create an environment for competition among potential buyers.

#### Doubts about the transparency of the Board of Directors

Considering the extremely significant impact on corporate value of decisions regarding the divestiture of the real estate business ((i) above) and decisions regarding the allocation of capital ((ii) above), it is essential to ensure transparency to shareholders regarding these decisions.

However, as for the decisions regarding the divestiture of the real estate business ((i) above), the “Update to Medium to Long Term Management Policies for Increasing Group-wide Corporate Value” dated August 13, 2024 only states that: “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 such as introducing external capital for SAPPORO REAL ESTATE CO., LTD., asset sales, and tax-qualified spin-offs, as proposed by our shareholders.” Sapporo does not clearly indicate the property to be divested, the scheme of the transaction, the portion to be transferred, or the time frame for the divestiture. As for the decisions regarding the allocation of capital ((ii) above), in the “Notice of Medium to Long Term Management Policies for Increasing Group-wide Corporate Value” dated February 14, 2024, the Company only states its policy of further strengthening investment in its overseas alcoholic beverages business, and does not provide any specific policy on how to allocate capital, including shareholder returns, to maximize corporate value and the common interests of shareholders. Thus, there are doubts as to whether Sapporo’s Board of Directors is sufficiently transparent to its shareholders.

#### 3D’s shareholder proposal

As seen above, Sapporo faces significant challenges related to making decisions regarding the divestiture of the real estate business ((i) above) and decisions regarding the allocation of capital, such as how to use the funds obtained from the divestiture ((ii) above).

Accordingly, 3D proposes that Mr. Paul J. Brough (“Mr. Paul”) be appointed as an Outside Director of Sapporo, with the aim of improving the supervisory function, expertise, and transparency of the Board of Directors, strengthening capital discipline, and ensuring that important decisions that irreversibly affect the corporate value are made appropriately. Mr. Paul served as the Chairman of the Strategy Committee of

Toshiba Corporation (“Toshiba”), where he played a leading role in fundamental review of the company’s business portfolio to maximize corporate value, the subsequent formulation of a capital allocation policy with sufficient capital discipline, and ensuring transparency to shareholders regarding the review process and its results. Moreover, as Vice Chairman of Toshiba’s Special Committee, Mr. Paul has a proven track record of soliciting various proposals from potential buyers, including asset transfers and going private, to select a scheme to maximize corporate value, optimizing transaction terms by creating an appropriate competitive environment among potential buyers, and gaining shareholder confidence by transparently disclosing the review process and results of the review to shareholders, as well as overseeing the execution of transactions.

Therefore, 3D believes, as described below, that the appointment of Mr. Paul as an Outside Director will achieve an increase in the supervisory function, expertise, and transparency of the Board of Directors and strengthen capital discipline, thereby overcoming the challenges related to making the above-mentioned important decisions (i) and (ii).

Maximize the consideration for real estate divestiture:

By leveraging Mr. Paul’s experience gained at Toshiba through his leadership in implementing a large-scale asset sale process, creating a competitive environment among potential buyers, and ensuring transparency to shareholders, Sapporo will be able to maximize the consideration for the divestiture of the real estate business.

Optimize the allocation of capital:

By leveraging Mr. Paul’s experience gained at Toshiba through his leadership in reviewing the company’s business portfolio, developing a capital allocation policy, and ensuring transparency to shareholders, Sapporo will be able to optimize the allocation of capital to maximize its corporate value and ultimately the common interests of shareholders.

3D is convinced that Mr. Paul is the best person to enhance Sapporo’s corporate value and the common interests of its shareholders, as he is able to fully demonstrate his abilities based on the above-mentioned track record and can fill in the missing competencies on Sapporo’s Board of Directors.

Mr. Paul currently serves as an advisor to 3D, but will resign from this position upon his appointment as an Outside Director of Sapporo.

#### 3D proposal expected to greatly enhance Sapporo’s corporate value

The above 3D’s proposal is the appointment of one (1) Outside Director. As such, it does not guide the Board of Directors’ decision-making in a certain direction, nor does it compel Sapporo to execute a transaction within a certain time frame regarding the divestiture of the property or to reinvest the consideration for the divestiture in a specific purpose.

Therefore, since the proposal does not put Sapporo at a bargaining disadvantage, there is no risk that Sapporo’s existing review process will be impeded even if the proposal is approved at this Ordinary General Meeting of Shareholders.

Rather, 3D believes that approval of the proposal will greatly enhance Sapporo’s corporate value by strengthening the functions of the Board of Directors, providing capital discipline, creating an appropriate competitive environment, and increasing transparency for shareholders.

1. Nikkei article dated December 20, 2024: “Sapporo Holdings’ \$2.6bn in real estate draws interest from Mitsui Fudosan, KKR”

2. Calculated by dividing the consideration for divestiture of the real estate business of 400.0 billion yen by Sapporo’s market capitalization of 547.8 billion yen (= share price as of January 24, 2025 x (number of shares outstanding in 3Q FY12/2024 - number of treasury shares outstanding in 3Q FY12/2024)).



## Proposal No. 4 – Election of One (1) Director Who Is an Audit & Supervisory Committee Member

### (1) Outline of Proposal

Appoint Paul J. Brough as a Director who is an Audit & Supervisory Committee Member.

### (2) Reasons for Proposal

As per the above common reasons for the proposals.

3D believes that the best way for the Board of Directors to exercise its supervisory function is for Mr. Paul to participate as a Director who is a member of the Audit & Supervisory Committee, an objective and neutral body. In other words, if Mr. Paul, who has a wealth of knowledge and experience necessary to overcome Sapporo’s challenges, participates in Sapporo’s Board of Directors and the Audit & Supervisory Committee as a member of the Audit & Supervisory Committee, which has auditing authority, including validity audits, to supervise the Directors’ execution of their duties, it will enable Sapporo to make appropriate decisions regarding the divestiture of the real estate business and the allocation of the resulting capital, which are extremely important for Sapporo.

Therefore, 3D proposes that Mr. Paul be elected as a Director who is an Audit & Supervisory Committee Member.

### (3) Candidate’s name, career summary, etc.

Candidate	Paul J. Brough	Date of birth: November 13, 1956
		Number of shares held in the Company: 0 shares
Career summary, position, and business responsibility in the company, and status of important concurrent occupations or positions at other organizations		
September 1983	Joined KPMG Hong Kong	
October 1991	Partner, KPMG Hong Kong	
July 1995	Head of Consulting, KPMG Hong Kong	
October 1997	Head of Financial Advisory Services, KPMG Hong Kong	
October 1999	Asia-Pacific head of Financial Advisory Services, KPMG Hong Kong and member of KPMG’s global advisory steering group	
September 2008	Joint-Liquidator of various Lehman Brothers entities located in Asia	
April 2009	Regional Senior Partner, KPMG Hong Kong (until March 2012)	
March 2012	Chief Executive, Blue Willow Limited (up to the present)	
September 2012	Chief Restructuring Officer, Sino-Forest International Corporation (until January 2013)	
	Independent Non-Executive Director, GL Limited (until April 2021)	
February 2013	Chairman and CEO, Emerald Plantation Holdings Limited Group (until April 2015)	
October 2013	Director (until May 2015) and Interim CEO (until April 2015), Greenheart Group Limited	
	Independent Non-Executive Director, Habib Bank Zurich (Hong Kong) Limited (until February 2023)	
May 2015	Independent Non-Executive Director, Noble Group Limited (until May 2017)	
January 2016	Executive Director and Chief Restructuring Officer, China Fishery Group Limited (until June 2016)	
September 2016	Independent Non-Executive Director, Vitasoy International Holdings Limited (up to the present)	
May 2017	Executive Chairman, Noble Group Limited (until December 2018)	
	Independent Non-Executive Director, The Executive Center Limited (up to the present)	
December 2018	Executive Chairman, Noble Group Holdings Limited (until October 2019)	
June 2019	Outside Director of Toshiba Corporation (until December 2023)	
November 2021	Independent Non-Executive Director, Guoco Group Limited (up to the present)	
June 2022	Non-Executive Director, Eagle Investments HoldCo (up to the present)	
May 2023	Independent Non-Executive Director, The Hongkong & Shanghai Banking Corporation Limited (up to the present)	
	[Important Concurrent Occupations or Positions at Other Organizations]	
	Independent Non-Executive Director, The Hongkong & Shanghai Banking Corporation Limited	
	Independent Non-Executive Director, Vitasoy International Holdings Limited	
	Independent Non-Executive Director, Guoco Group Limited	

Notes:

(1) The candidate has no special interest in Sapporo.

- (2) Should the candidate assume the position of Outside Director, Sapporo intends to enter into a liability limitation contract, as stipulated in Article 427, Paragraph 1 of the Companies Act, with him.
- (3) Should the candidate assume the position of Outside Director, Sapporo intends to enter into an indemnity contract, as stipulated in Article 430-2, Paragraph 1 of the Companies Act, with him.
- (4) Should the candidate assume the position of Outside Director, Sapporo intends to enter into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with the candidate as an insured.

**Proposal No. 5 – Election of One (1) Director Who Is Not an Audit & Supervisory Committee Member**

(1) Outline of Proposal

Appoint Paul J. Brough as a Director who is an Audit & Supervisory Committee Member.

However, this proposal shall become effective in the event that (1) the proposal for the election of one (1) Director who is an Audit & Supervisory Committee Member is not approved.

(2) Reasons for Proposal

As per the above common reasons for the proposals.

As stated in (1) (ii) above, 3D believes that it is most desirable to appoint Mr. Paul as a Director who is an Audit & Supervisory Committee Member. With that said, 3D also considers that some shareholders may prefer to appoint Mr. Paul, who has a wealth of knowledge and experience necessary to overcome Sapporo's challenges, as a Director who is not an Audit & Supervisory Committee Member rather than as a Director who is a member of the Audit & Supervisory Committee, which is responsible for auditing the overall execution of Sapporo's business, in order to place more emphasis on his useful advice as well as supervision of the divestiture of the real estate business and the resulting capital allocation, decisions of great importance for Sapporo.

Therefore, in order to consult on this point as well, 3D proposes that Mr. Paul be elected as a Director who is not a member of the Audit & Supervisory Committee, effective in the event that the proposal for Mr. Paul's election as a Director who is a member of the Audit & Supervisory Committee is not approved.

(3) Candidate's name, career summary, etc.

As above Proposal No. 4 (3).

## **Opinion of the Board of Directors about Proposals No. 4 and No. 5**

The Company's Board of Directors is **against** Proposal No. 4.

The Company's Board of Directors is **against** Proposal No. 5.

### **Reasons for opposing Shareholder Proposals No. 4 and No. 5**

In the Shareholder's Proposal, due to the four (4) doubts regarding the Company: "doubt about the capital discipline," "doubt about the supervisory function of the Board of Directors," "doubt about the expertise of the Board of Directors," and "doubt about the transparency of the Board of Directors," the proposing shareholder demands that (i) Mr. Paul J. Brough be elected as a Director who is an Audit & Supervisory Committee Member, and (ii) if (i) is not approved, Mr. Paul J. Brough be elected as a Director who is not an Audit & Supervisory Committee Member.

However, the Company believes that the various grounds for the doubts claimed by the proposing shareholder are not applicable to the current company system. The Board of Directors of the Company believes that the current Board of Directors system is optimal for the increase of the medium- to long-term corporate value that the Company aims for and the interests of the shareholders and therefore opposes the Shareholder's Proposal.

The reasons why the Board of Directors of the Company opposes the Shareholder's Proposal, along with the following four (4) points: (i) the Company's efforts to strengthen its corporate governance system, (ii) under the strengthened corporate governance system, the Company has appropriately formulated and implemented various measures to increase corporate value, (iii) the currently proposed structure of the Board of Directors at the General Meeting of Shareholders is optimal, and (iv) the Company does not believe that Mr. Paul J. Brough should be additionally appointed as an Outside Director in terms of the skill sets, qualifications and experience of the candidates in the shareholder's proposal, are described as below.

#### **(i) The Company's efforts to strengthen its corporate governance system**

The Company has recognized the strengthening and enhancement of the corporate governance system as one of its most important management challenges, and to date, under the leadership of the Board of Directors with a sophisticated supervisory function and transparency, has worked to strengthen its management supervisory functions toward the flexible decision-making and the achievement of management targets.

##### Major Efforts to Strengthen Corporate Governance System

- February 2023: Participation of Independent Outside Directors in dialogue with institutional investors and other capital market participants (continued)
- February 2023: Decision to discontinue the policy in response to large-scale purchases of the Company's share certificates, etc. of the Company.
- February 2023: Policy of reducing cross-shareholdings (The ratio of the book value of the shares held to the total equity attributable to the owners of the parent company shall be less than 20% by the end of December 2026.)
- March 2023: One (1) Independent Outside Director with strength in real estate business is added, and the majority of the Board of Directors is now Independent Outside Directors (Six (6) Independent Outside Directors out of eleven (11) members of the Board of Directors)
- February 2024: Review of the Board of Directors' skills matrix to achieve the "Medium-Term Management Plan (2023 to 2026)" (the "Medium-Term Plan").
- February 2024: Decision to bring forward the policy of reducing cross-shareholdings (The ratio of the book value of the shares held to the total equity attributable to the owners of the parent company shall be less than 10% by the end of December 2026.)
- March 2024: Election of three (3) Independent Outside Directors with strengths and experience in capital markets, M&A, and the food sector; addition of one (1) Independent Outside

- Director, making seven (7) Independent Outside Directors out of eleven (11) members of the Board of Directors
- April 2024: Revision of the compensation system for the Directors in line with the Medium-Term Plan.

First, the Board of Directors of the Company is highly independent in terms of its structure, thereby practicing corporate governance with an independent, objective, and professional perspective.

If Proposal No. 2 which the Company to present at the General Meeting of Shareholders is approved, the total number of Directors of the Company will be eleven (11), of which seven (7) will be the Independent Outside Directors. Of the eight (8) Directors who are not Audit & Supervisory Committee Members, five (5) will be Independent Outside Directors; and of the three (3) Directors who are Audit & Supervisory Committee Member, two (2) will be Independent Outside Directors, which means that the Independent Outside Directors will account for the majority of the total number of Directors in each case. The Company has also voluntarily established the Nominations Committee and the Compensation Committee, both of which will be chaired by the Independent Outside Directors, and the majority of the committee members will be Independent Outside Directors.

Thus, the Board of Directors of the Company, as well as the Audit & Supervisory Committee, the Nominations Committee, and the Compensation Committee are all composed mainly of Independent Outside Directors, and the Company has secured a sufficient number and ratio of Independent Outside Directors to provide accurate proposals, advice, auditing, and supervision from an independent, objective, and professional perspective to continuously increase the corporate value of Sapporo Group.

Second, the aforementioned corporate governance system also functions effectively as an initiative of the Nominations Committee and the Compensation Committee.

In accordance with the Medium-Term Management Plan from 2023, the Nominations Committee reviewed the skill matrix based on the skills required as the Directors of the Company. As a result, the number of the Independent Outside Directors was increased, and the composition of the Board of Directors was changed so that the Independent Outside Directors constitute a majority of the Board of Directors. Furthermore, in order to supplement lacking skills and further strengthen governance, in 2024, for the purpose of enhancement of the Independent Outside Directors structure, the Company increased the number of Independent Outside Director to total of seven (7), and elected three (3) Independent Outside Directors with skills in the fields of finance, M&A, and food business. These efforts were driven by discussions in the Nominations Committee.

The Compensation Committee has also been promoting reforms, such as (i) the revision of the compensation system to be more consistent with the Medium-Term Plan from FY2024, (ii) the change of the evaluation index for performance-linked compensation from sales revenue and core operating profit to EBITDA and ROE, and (iii) the inclusion of GHG emission reductions into the evaluation item for stock-based compensation toward the achievement of carbon neutrality, and has established a system that encourages the Board of Directors to actively work toward the medium- to long-term corporate value enhancement.

Furthermore, the Company emphasizes and has direct dialogue with the shareholders and investors, in order to obtain an important viewpoint for sustainable growth and the medium- to long-term corporate value enhancement, as well as to disclose and explain the management information. Specifically, the Company continues direct dialogue mainly through proactive interviews with the shareholders and investors. In addition, through the easy-to-understand disclosures to shareholders, the briefings for the purpose of promotion of understanding business strategies and business environment have been conducted. (Number of individual interviews with institutional investors and securities analysts: 145 times in 2023, and 205 times in 2024)

The Independent Outside Directors actively participate in dialogues with institutional investors and other capital market participants, directly explaining the supervision of the Company's executives, their assessment of the Company's challenges and initiatives from an independent perspective. The opinions and

suggestions through these dialogues are regularly fed back to the management then discuss at the meetings of the Board of Directors, and utilize in management. The details of the Company's management initiatives based on these opinions and proposals are explained in detail (ii) below.

As described above, the Company has been promoting efforts to strengthen and enhance its corporate governance system, and under the initiative of the Board of Directors with a sophisticated supervisory function and transparency, the Company has strived for the flexible decision-making and the achievement of management targets.

**(ii) The Company has appropriately formulated and implemented various measures to increase corporate value under the strengthened corporate governance system**

The Company has utilized its strengthened corporate governance system to formulate and implement various measures to increase the Company's corporate value, as described below.

From 2023, the Company has started the Medium-Term Plan, which enhances capital efficiency by increasing profitability through structural reforms and business growth, as well as reviewing its assets and business portfolio, and to ensure the corporate value enhancement under the theme of "Focus on Sustainable Growth and Capital Efficiency." In the Medium-Term Plan, the Company set ROE targets, EBITDA growth rate target and overseas sales growth rate target, as well as established a progressive dividend policy, basically a consolidated dividend payout ratio of greater than or equal to 30%, in principle, with the current ratio as a minimum, in line with medium to long-term profit growth. In addition, as its asset reduction policy, the Company decided to reduce its assets in the real estate business, and make efforts to achieve a ratio of cross-shareholdings at less than 20% of capital and continuously improve the ratio.

In February 2023, the Company decided to discontinue a policy in response to large-scale purchase of share certificates, etc. of the Company, taking into consideration the announcement of the Medium-Term Plan and the opinions of the Company's shareholders, including domestic and overseas institutional investors, as well as other relevant factors.

Under the above policy, the Company achieved the performance targets set out in its initial plan for the fiscal year ended December 31, 2023. In addition, the Company transferred some fixed assets in the real estate business, reduced the cross-shareholdings (15.5 billion yen in total), and increased the dividend per share from 42 yen in the fiscal year ended December 31, 2022 to 47 yen.

Further, based on the dialogue with domestic and overseas institutional investors that were held after the announcement of the Medium-Term Plan, the Company considered that it was necessary to formulate the medium to long term vision and basic strategies, then established the Group Strategy Review Committee (including the Company's executive directors and external experts, who are Mr. Takehiko Ogi (the former President and Representative Executive Officer of Kanebo, Ltd.) and Mr. Ryotaro Fujii (Senior Adviser of Permira; Mr. Fujii was appointed as an Independent Outside Director of the Company in 2024)) (the "Committee") in September 2023, started to discuss this matter. the Committee's deliberations were reported sequentially to the Board of Directors, and the opinions of the Board of Directors were fed back to the Committee. After such consideration, the Committee submitted its report to the Board of Directors meeting in January 2024, with which the Board of Directors held discussions based on the submitted report then announced, the "Medium to Long Term Management Policies for Increasing Group-wide Corporate Value" (the "Medium to Long Term Management Policies") in February 2024.

In the Medium to Long Term Management Policies, the Sapporo Group aims to transform its operations from a collection of three (3) businesses (alcoholic beverages, food & non-alcoholic beverages, and real estate) to a corporate entity that realizes value enhancement through growth of the alcoholic beverages business, which is to be achieved by the total strength of the group. The Company established a policy of 1) streamlining the food & non-alcoholic beverages business, including the reorganization of subsidiaries, strengthening of the lemon business, and reducing SKUs, 2) injecting external capital into the real estate business and 3) significantly expanding its investment in the growth of the beer business.

The Company and its group's operating companies have started a joint review to realize the Medium to Long Term Management Policies, launched the Project that ran from April. The Company has formed a number of working groups drawing from the corporate holding company and operating companies, and has set out four (4) themes in terms of the business strategy and five (5) themes in terms of the corporate strategy.

Working group members include both holding company and operating company directors and executives, with participation by independent board directors with relevant knowledge. In particular, emphasis was being placed on strategy review of the Alcoholic Beverages business and policy review of the Real Estate business to maximize total corporate value, the Company has engaged expert external advisors to assist the review, while also taking objective analysis by a third party into consideration. Progress of all WGs has been closely monitored by the Board of Directors of the Company, with monthly update reports.

The status of these efforts is appropriately explained to the market in the quarterly financial results. In September 2024, the Company commenced to solicit and evaluate proposals for injecting external capital into the real estate business, and the Company is currently in the review process thereof (the "Process"). Given these efforts to strengthen and enhance its corporate governance system, the Company believes that the "doubt about the supervisory function of the Board of Directors" raised by the proposing shareholder is not applicable.

The proposing shareholder has expressed doubt about whether the Company's decision-making in the process has been sufficiently transparent to shareholders, i.e., "in its doubt about the transparency of the Board of Directors," and requested further disclosure of information such as the real estate to be separated, the transaction scheme, the equity to be transferred, and the time frame for the separation. However, in the process, it is important to solicit sincere proposals from potential partners that will contribute to the increase of our corporate value by maximizing the value of the real estate divestiture, and the Company believes that maintaining fairness among potential partners, proceeding with the process while maintaining the confidentiality of each party's information, both are important factors. Disclosing information that has not been agreed upon or confirmed through discussions with potential partners during the Process may hinder the sincere proposals and consideration of potential partners, and may prevent the best possible outcome for our corporate value enhancement. Based on the above considerations, the Company intends to disclose information in a timely and appropriate manner as deemed necessary and reasonable from the perspective of increasing our corporate value. As such, the Company believes that the current disclosure policy is based on reasonable decisions from the perspective of corporate value, and that the "doubt about the transparency of the Board of Directors" raised by the proposing shareholder is not applicable.

Furthermore, it should be noted that in the general process of considering the injecting of external capital, to disclose detailed information, including schemes and timescales, is not common in practice at the intermediate stage of the process. The proposing shareholder's request of disclosure at this stage of the process is excessive in terms of general disclosure practices.

As for the company's cash allocation which is one of the important management policies, the Company disclosed in the Medium-Term Plan, and as announced in February 2024, the Company subsequently updated its investment policy in the real estate business and the asset reduction policy by accelerating the reduction of cross-shareholdings, and has reviewed such policies in a timely and appropriate manner in accordance with the review status of its business and financial strategies.

In addition, in order to manage with a focus on capital efficiency, the Company makes efforts to maximize corporate value by thoroughly implementing business management and financial management policies based on the cost of capital. The Company uses ROIC as an internal management indicator and adopts strict criteria for deciding whether to continue a business based on WACC for each business. Further, the Company also adopts a target of adding a certain spread to WACC as a hurdle rate and uses it as a guideline when developing business plans. The Company regularly monitors and improves ROIC by identifying improvement points through the ROIC tree and thereby setting effective KPIs.

Further, with respect to overseas business, which the Company considers one of important issues, the Company is giving priority to build the management foundations for stable business operations, namely,

strengthening of its organization and of its talents. In April 2024, the Company established the International Business Department within the holding company with the objective of a dedicated, experienced, and highly skilled organization for strengthening governance, exploring and examining investment opportunities and/or alliances with other companies. In addition, the Company has appointed external talents with extensive experience in overseas business, including senior management.

As announced in the “Notice Concerning Revision of Full-Year Earnings Forecast and Recording of Impairment Loss (in Consolidated Financial Statement)” dated January 30, 2025, the Company disclosed the recording of an impairment loss for Stone Brewing Co., LLC. In response to this, the Company has reviewed overseas business management of the entire Group, including the business in the U.S., has introduced a new system. Specifically, in January 2025, the company has separated the managerial decision-making process on overseas business from the Management Committee of Sapporo Breweries Limited, established the new International Management Committee within Sapporo Breweries Limited to make executive decisions. The International Management Committee, under the supervision of Sapporo Holdings Limited, makes efforts to improve the quality and speed of the managerial decision-making through both leadership by management members who have extensive overseas experience, simplification of the chain of command and information sharing system. Such efforts are reported to, and discussed at, the Board of Directors meetings as appropriate, to supervise and monitor business executions to ensure that they directly address the Company’s issues.

As mentioned above, the Company believes that the “doubt about the capital discipline” raised by the proposing shareholder is not applicable, given the company’s management aiming to improve capital efficiency and its series of efforts to improve issues in overseas business.

As described above, the corporate governance system that the Company has been strengthening has led to the formulation and execution of various measures to increase the Company’s corporate value. As a result of these efforts, the Company has reached at a stage where the company is well on track to achieve the ROE target for 2026. In addition, with steady progress in profit levels, the Company plans to increase the dividend per share by 5 yen to 52 yen for the fiscal year ended December 31, 2024, compared to the fiscal year ended December 31, 2023 (this is scheduled to be proposed at the General Meeting of Shareholders). For the fiscal year ending December 31, 2025, the Company expects to increase the dividend by a further 8 yen to 60 yen from the fiscal year ended December 31, 2024.

### **(iii) The current structure of the Company’s Board of Directors is optimal**

As stated in (i) above, the Company has strengthened its corporate governance system by having a majority of the directors comprised of Independent Outside Directors, and has achieved the Board of Directors composition that contributes to sustainable growth and increased corporate value by fulfilling the skill matrix required to oversee the execution of the Medium-Term Plan.

As mentioned above, based on the review on the Nominations Committee, the Board of Directors reviewed the skills of the Directors, decided to appoint the following directors: in 2023, Director Makio Tanehashi, who has extensive experience in the finance and real estate business, was selected, while selected in 2024 were Director Kotaro Okamura, who has extensive experience in finance and capital markets, Director Ryotaro Fujii, who has extensive experience in investment and M&A, including overseas, and Director Naoko Tanouchi, who has extensive experience in the food business (especially in new business, M&A, and auditing, etc.). The Company has increased the ratio of Independent Outside Directors on the Board of Directors (50% in 2022, 55% in 2023, and 64% in 2024), thereby strengthening the supervisory function of the Board of Directors. The Company has subsequently improved its business performance by operating under such a highly independent Board of Directors structure.

Furthermore, based on the expertise and strengths of the respective Independent Outside Directors, the company has asked the Independent Outside Directors to participate in each WG to discuss important themes for the materialization of the Medium to Long Term Management Policies and these discussions



have been held repeatedly. As a result, the Company has decided to proceed with the specific implementation of the currently announced Medium to Long Term Management Policies and injecting external capital into the real estate business. The Company believes that these efforts will enable it to achieve a high level of effectiveness in appropriate monitoring of future progress.

As mentioned above, these efforts are the result of reflecting the requests and suggestions obtained through the active participation of Independent Outside Directors in dialogue with shareholders and investors in the discussion at Board of Directors meetings.

Under this corporate governance system, the next Board of Directors structure proposed by the Company was recommended by a highly independent Nominations Committee after long-term and multiple discussions to realize the Medium to Long Term Management Policies, was decided upon by the Board of Directors, is an optimal structure with persons having the expertise to contribute to the sustainable growth and increase of the Company's corporate value. Given this the Board of Directors structure, the "doubt about the expertise of the Board of Directors" raised by the proposing shareholder is not applicable.

Reference: Skill Matrix if Proposal No. 2 is approved

Name	Independence	Knowledge and experience of each Director							
		Corporate management	Financial accounting	Legal compliance Risk management	Human resources Human assets	Global operation	Marketing	DX & IT	Sustainability
Hiroshi Tokimatsu		○	○	○			○		
Yoshitada Matsude		○	○		○				○
Rieko Shofu		○	○			○	○		
Tetsuya Shoji (Outside)	○	○			○	○		○	
Toshihiro Uchiyama (Outside)	○	○		○		○	○		
Makio Tanehashi (Outside)	○	○	○	○					○
Kotaro Okamura (Outside)	○	○	○		○	○			
Ryotaro Fujii (Outside)	○	○	○			○	○		
Toru Miyaishi		○			○		○	○	
Kohtaro Yamamoto (Outside)	○			○		○			○
Naoko Tanouchi (Outside)	○		○	○		○	○		

Notes: 1. The positions will be officially decided at the Board of Directors meeting after the proposal for the election of directors, as disclosed in the "Notice of Changes in Officers" dated on February 14, is approved and adopted as proposed at the General Meeting of Shareholders.

2. The skills of each director candidate are limited to a maximum of four (4) of the skills the company expects each director candidate to possess in particular.

3. Mr. Toru Miyaishi, Mr. Kohtaro Yamamoto and Ms. Naoko Tanouchi are Directors who are concurrently serving as Audit & Supervisory Committee Members.

**(iv) The Company does not believe that Mr. Paul J. Brough should be additionally appointed as a Director in terms of the skill sets, qualifications and experience of the candidate in the shareholder’s proposal**

With respect to Mr. Paul J. Brough, who was nominated by the proposing shareholder, members of the Nominations Committee conducted an interview. Based on the results of said interview, the Nominating Committee considered and deliberated on the candidate’s qualifications, achievements and expertise as well as his role and function in the overall composition of the Board of Directors of the Company, reported its findings to the Board of Directors. Based on the report, the Board of Directors of the Company has examined and deliberated on the candidate. As a result, for the following reasons, the Company was unable to obtain assurances that the candidate is expected to contribute to the sustainable growth and enhancement of the corporate value of the Company.

**· Overlap in skill sets of the director candidates recommended by the Company**

As indicated in (iii) above, the skill matrix of the Company’s Board of Directors is a summary of the skills required for the Board of Directors in order to implement the 2023 Management Policies and the Medium Term Management Plan. The Company is confident that the skill matrix will contribute to the sustainable growth and increase of corporate value of the Company, as the Company has compiled after thorough discussions by the Nominations Committee, taking into account the opinions of capital market participants. The proposing shareholder claims that the appointment of the candidate they have nominated will maximize the consideration for divestment of real estate and enable to optimize capital allocation. The skills needed to achieve these goals include finance, banking, and business reorganization, and in light of the skills required at the Company, they fall under the category of “financial accounting.” The Company has examined through the interview whether or not he [Mr. Brough] has these skills. However, as shown in the above skill matrix, the Company believes that the current skill structure of the Board of Directors ensures a sufficient levels of these skills, and the Company does not believe that adding him [Mr. Brough] will improve the effectiveness of the Board of Directors.

As stated above, the Company believes that the maximization of consideration for the divestiture of real estate and the optimization of capital allocation, which the proposing shareholder claims, can be achieved with the director structure of our recommended director candidates, without appointment of Mr. Brough.

**· Failure to meet the requirement for independence**

As a criterion for the independence of outside directors, the Company requires that they are not currently, or have not been in the past three years, a major shareholder of the Company (or an executive of the corporation if such major shareholder is a corporation). As of January 16, 2025, the proposing shareholder holds 19.70 % of the Company’s shares (on a voting rights basis) and is a major shareholder of the Company.

As confirmed in an interview with him [Mr. Brough] by the Nominations Committee, he [Mr. Brough] has been serving as an advisor to the proposing shareholder since February 2024 and has been receiving compensation from the proposing shareholder (he has stated that he will resign from this position upon assuming office as an outside director). He is also primarily responsible for investor relations activities, including dialogue with the proposing shareholder’s investors, and is considered to be performing duties equivalent to those of an executive officer of the proposing shareholder. In light of these circumstances, the Company has decided that, from the perspective of protecting the interests of minority shareholders on the Company’s Board of Directors, the appointment of Mr. Brough as an outside director of the Company would not be appropriate, whether as a director who is an Audit & Supervisory Committee member or as a director who is not an Audit & Supervisory Committee member. Moreover, if he is appointed as an outside director, he will be deemed to be a non-Independent Outside Director since he does not meet the requirements under the Company’s independence standards.

Furthermore, the Nominations Committee has determined that the current structure of the Board of Directors, with 11 members, is the appropriate size for ensuring active discussions, and that it is a structure that can avoid duplication and shortage of skills, maintain an appropriate balance between internal and Independent

Outside Directors, and that the continuation of the current Board of Directors structure with sufficient skills will contribute to sustainable growth and increase of corporate value, in order to oversee the realization of Medium to Long Term Management Policies and the implementation of the injection of external capital into the real estate businesses.

Therefore, the Company's Board of Directors has concluded that he cannot be expected to play an additional role in increasing our corporate value or improving the effectiveness of the Board of Directors, and therefore, should not be additionally appointed either as a director who is an Audit & Supervisory Committee member or as a director who is not an Audit & Supervisory Committee member.

**(v) Conclusion.**

For the reasons stated in (i) through (iv) above, the Board of Directors of the Company is of the opinion that the "doubt about capital discipline," "doubt about the supervisory function of the Board of Directors," "doubts about the professionalism of the Board of Directors," and "doubt about the transparency of the Board of Directors" of the Company as alleged by the shareholder making the proposal are not applicable to the Company and that the current Board of Directors structure is the most appropriate for the Company to achieve its aim of increasing the corporate value over the medium-to long-term and the interests of all shareholders of the Company. Therefore, the appointment of Mr. Paul J. Brough as a director who is an Audit & Supervisory Committee member or as a director who is not an Audit & Supervisory Committee member will not contribute to both corporate value and shareholder value from a medium to long term perspective.

Therefore, the Board of Directors of the Company **opposes the Shareholder's Proposal.**

# Business Report

(From January 1, 2024 to December 31, 2024)

## 1. Review of Sapporo Group Operations

### (1) Operations and Operating Results

During the fiscal year under review, the Sapporo Group continued to face an uncertain outlook, mainly due to concerns that consumers will become more defensive of their lifestyles triggered by such factors as rising geopolitical risks, the ongoing depreciation of the yen, rising prices as a result of soaring raw material and energy costs, and the “2024 logistics problem (tighter regulations on overtime work by drivers).”

In this context, Sapporo Group is, in the second year of the Medium-Term Management Plan (2023 to 2026), making steady progress in its efforts to further strengthen profitability by decisively implementing structural reforms and accelerating growth.

Consolidated revenue increased from the previous year, mainly owing to strong sales of beer in the domestic market helped by the impact of the liquor tax revision, strong sales of SAPPORO PREMIUM BEER in the U.S. and Asia, and depreciation of the yen.

Consolidated core operating profit also advanced from the prior year, thanks to the increased revenue from the alcoholic beverages and real estate businesses, the absence of the allowance for doubtful accounts recorded in the previous year for receivables in arrears in the overseas beverages business, and other factors.

Consolidated operating profit and profit attributable to owners of the parent decreased from the preceding year, mainly on account of the goodwill impairment loss incurred in the acquisition of the shares of Stone Brewing Co., LLC (“STONE”), despite the increase in consolidated core operating profit.

### (2) Issues to be Addressed by the Group

#### (i) Management philosophy and value provided

Sapporo Group has established its management philosophy of “As an intrinsic part of people’s lives, Sapporo will contribute to the evolution of creative, enriching, and rewarding lifestyles” and its fundamental management policy of “striving to maintain integrity in corporate conduct that reinforces stakeholder trust and aim to achieve continuous growth in corporate value.”

[Our Value]

Through the Time and Space where all our businesses provide, we contribute to Well-being of People and Local Communities

Utilizing the assets of “Highly Unique Brands” and “Engaging with customers and communities,” Sapporo Group has created a unique brand experience in 2 domains: “time” and “space.”

With the essence of “richness” that changes with the times, we will contribute to the “richness” of nature, society, and the spirit that will lead to tomorrow.

(ii) Medium-Term Management Plan (2023 to 2026)

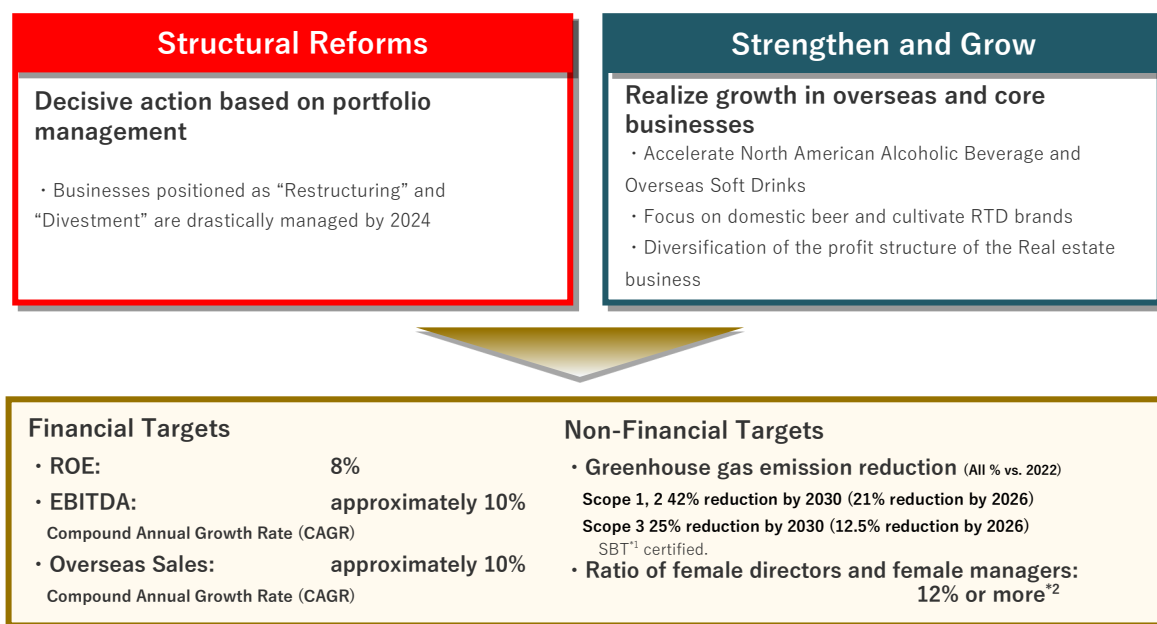
Since its foundation in 1876, the Company has constantly innovated and delivered products and services that have enriched customers’ lives. In 2026, the Company will mark its 150th anniversary.

In order to keep demonstrating its exclusive value to society beyond 150 years, we have developed and been promoting a management plan for the four (4) 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.

For the detail, please refer to the website: [https://www.sapporoholdings.jp/en/news/items/20221109\\_sh\\_en\\_2.pdf](https://www.sapporoholdings.jp/en/news/items/20221109_sh_en_2.pdf)

<Essentials of Medium-Term Management Plan (2023 to 2026)>

<Basic Policy> **Beyond 150 - New Growth Through Business Structure Transformation -**



\*1 SBT (Science Based Targets) The greenhouse gas emission reduction target set by a company consistent with the level required by the Paris Agreement.  
\*2 Results at the end of September 2022: 8.3% for female directors and 5.4% for female managers.

### (iii) Promotion of sustainability management

In response to changes in social conditions and the business environment surrounding the Sapporo Group, we have established key sustainability issues under the Sapporo Group Sustainability Policy, focusing on “harmony with the environment,” “co-prosperity with society,” and “active role played by human assets.” Among them, “realization of a decarbonized society,” “realization of a society in harmony with nature,” “co-prosperity with local communities,” “promotion of responsible drinking,” and “active role played by diverse human assets” are positioned as the most important issues for management. For each of the nine priority issues, we have set targets and are monitoring progress toward achieving them.

We endorse the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD), and are actively disclosing information regarding the assessment and management of risks and opportunities for our corporate activities related to climate change and natural capital. We will continue to work in partnership with the employees of the Sapporo Group around the world and with our stakeholders to create both social and economic value, and to help realize a sustainable society.

For the detail, please refer to the website: <https://www.sapporoholdings.jp/en/sustainability/>

### (iv) Human assets strategy

In order to realize the basic policy of the Mid-Term Management Plan (2023 to 2026), “Beyond 150 - New Growth Through Business Structure Transformation -,” we have positioned “human assets,” the source of all value creation, as an important management foundation and formulated a human assets strategy. The human assets strategy is based on Sapporo Group’s strengths since its founding, which are rooted in Hokkaido’s “Kaitakushi (a government agency established to develop Hokkaido).” Its goal is for our diverse human assets to “become a transboundary group that leverages differences and takes on the challenge of change” so that we can continue to create new value in response to changes in the business environment. Sapporo Group has chiefly identified “actively investing for speedy growth,” “fostering management talent,” “promoting diversity,” “agile utilization of human resources internally and externally,” and “increasing engagement and promoting health” as five priority measures, and ensures support for the execution of management strategies through more specific action plans and KPIs.

For the detail, please refer to the website: <https://www.sapporoholdings.jp/en/sustainability/human/>

### (v) Promotion of DX

We have been promoting the development and contribution provided by DX and IT human assets inside the Group, based on the “Sapporo Group DX Policy” announced in March 2022. Sapporo Group has been carrying out training programs for each segment in order to develop the DX talents of all employees and make them “DX human assets.” Sapporo Group has been also utilizing digital technologies in various ways, such as adopting AI in demand forecasting and product development, and the experimental use of generative AI, and will continue to actively utilize digital technologies.

[Sapporo Group DX Policy (Overview)]

Policy (1) Increase Customer Contact Points: Become connected with, deepen understanding of, and stay at the side of customers

Policy (2) Expand Existing and New Businesses: Create customer-centered and well-thought-out new value and strengthen earning power

Policy (3) Workstyle Reforms: 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 Sapporo Group

For the detail, please refer to the website: <https://www.sapporoholdings.jp/news/dit/?id=8912> (in Japanese)

(vi) Financial strategy

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.

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 annual dividend per share of 42 yen\* 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 while taking into account the impact of such fluctuations.

\*Annual dividend per share for the year ended December 31, 2022, when the current medium-term management plan was announced.

(vii) Issues to be addressed in the principal business lines of Sapporo Group

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Alcoholic Beverages Business	<p>[Domestic]</p> <ul style="list-style-type: none"><li>● Reinforce beer categories in anticipation of the 2026 liquor tax revision</li><li>● Market unique beer driving beer appeal<ul style="list-style-type: none"><li>- Black Label: Accelerate the speed of fan conversion through the largest-ever information dissemination and evolution of real experiences</li><li>- YEBISU: Strengthen the real experience at YEBISU BREWERY TOKYO Expand customer contact points by developing the “CREATIVE BREW” series</li></ul></li><li>● Strengthen business base by expanding RTD sales</li></ul>	
	<p>[Overseas]</p> <ul style="list-style-type: none"><li>● U.S.: Increase customers for SAPPORO PREMIUM BEER, which is faring well Make concentrated investment in STONE core brand Improve financial position as soon as possible through drastic structural reforms</li><li>● Canada: Continue beer growth and cost structure reforms by building growth strategies in each portfolio</li></ul>	
	<p>[Restaurants]</p> <ul style="list-style-type: none"><li>● Strengthen our existing businesses by utilizing customer surveys, application data, etc. to improve “customer experience”</li><li>● Operate YEBISU BAR, etc. as a focused business with a high return on investment to establish a solid revenue base</li><li>● Strengthen the function as a base to promote the attractiveness of our brand in the alcoholic beverages business</li></ul>	
	Food & Soft Drinks Business	<p>[Domestic Food &amp; Soft Drinks]</p> <ul style="list-style-type: none"><li>● Expand total lemon demand by securing stable domestic raw materials and providing value centered on functional appeal</li><li>● Review our business structure thoroughly to improve the profitability of our soup and soft drinks businesses</li></ul>
		<p>[Overseas Soft Drinks]</p> <ul style="list-style-type: none"><li>● Singapore: Maintain high market share established in the country and maximize profits by optimizing selling expenses</li><li>● Malaysia: Accelerate growth by investing in brands and strengthening the distributor network</li></ul>

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Real Estate Business

[Real Estate]

- Enhance corporate value through community development in Ebisu and Sapporo
  - Increase tangible and intangible asset value related to properties owned or involved with
  - Improve asset efficiency (ROA\*) by promoting investment management business (\*EBITDA/book value)

(viii) Group Medium- to Long-Term Growth Strategy

We announced the “Notice of Medium to Long Term Management Policies for Increasing Group-wide Corporate Value” on February 14, 2024 and have been continuously reviewing its embodiment in the Medium to Long-Term Strategy Project. On February 14, 2025, the Board of Directors resolved to adopt the results of the project as the Group Medium- to Long-Term Growth Strategy. The following is a summary of the strategy.

1. Medium- to long-term vision and outline of the strategy

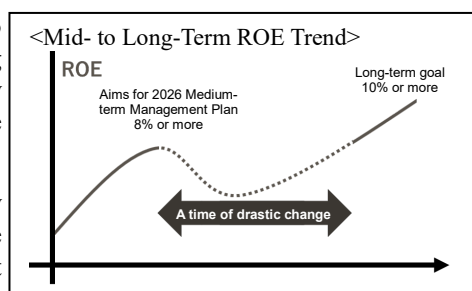
Our medium- to long-term vision is to deliver quality products and experiences to customers around the world. To achieve this vision, we will implement the following five strategies.

Outline of Strategy	Policies and Targets
(i) Bonds with Community (Offering exciting experiences and new services)	Aim for a 25% share of the domestic beer market and a 10% or more profit margin in the domestic alcoholic beverages business in 2030 by doubling marketing investment in flagship brands and expanding customer touchpoints, primarily through the restaurant business.
(ii) Healthier Choice (Providing healthier options)	Japan: Promote health functional value by strengthening development system for non-alcoholic ready-to-drink (RTD) products and integrating the alcoholic beverages and soft drinks businesses organizationally. North America: Expand the availability of non-alcoholic beers.
(iii) Efficient Foundation (Organizational reform to implement growth strategy)	Transition to a business holding company structure scheduled for 2026. The new structure consisting of two business divisions, one for domestic operations and one for international operations, to improve management efficiency, strengthen governance, and continue to invest in human assets.
(iv) Strategic Alliance (Building strategic partnerships)	US: Implement structural reforms and explore strategic alliances with other companies to build a foundation for growth of the Sapporo brand. Vietnam: Aim for market expansion in cooperation with Carlsberg in both manufacturing and sales.
(v) Inorganic Growth (Inorganic growth)	Consider various strategies, including large-scale M&A, to utilize external funds injected into the real estate business. Japan: Strengthen the RTD business and SCM area. US (our most important overseas market): Establish a robust beer business foundation and aim for dramatic growth of the beer (including non-alcoholic beer) business.

2. Financial Strategy

We set a long-term goal of ROE of 10% or more and aim to improve capital efficiency through financial management using ROIC as an indicator. We will also maintain financial security credit rating (‘A’ or higher) necessary for achieving sustainable growth, while implementing appropriate cash allocation.

Furthermore, we will strive to further enhance our profitability through the strategies outlined above, targeting an average annual growth rate of approximately 10% in operating profit from 2024 to 2030. Although ROE is expected to temporarily decline due to the expected capital increase from the off-balance treatment of the real estate business, which will be discussed later, we aim to accelerate profit growth and further improve capital efficiency from a long-term perspective by investing capital in growth investments in the alcoholic beverages business. This upcoming medium-term period will be a time of drastic change during which our financial structure will undergo significant modifications depending on the strategies we choose. Therefore, we will consider implementing the financial targets for 2030 in conjunction with the formulation of the next Medium-Term Management Plan.



### 3. Injection of external capital into real estate business

The purpose of external capital injection into the real estate business is to concentrate the Group's management resources on the alcoholic beverages business to generate resources for investment in the growth of the alcoholic beverages business, and to increase the corporate value of the Sapporo Group. We will separate SAPPORO REAL ESTATE CO., LTD. ("SRE") from the Group's balance sheet by introducing capital from strategic partners and aim to increase its corporate value.

We have received concrete proposals from over ten companies to date. Among various options, including the sale of shares in SRE, which holds Yebisu Garden Place, we are planning to determine the optimal course of action and timeline by the end of 2025. Since these considerations are expected to enter a critical phase from this point onward, we do not plan to disclose further details regarding the progress of these discussions. However, if any material event occurs, we will disclose it in a timely and appropriate manner.

For the detail, please refer to the website:

[https://www.sapporoholdings.jp/en/news/items/20250214\\_sh\\_mlt\\_en\\_1.pdf](https://www.sapporoholdings.jp/en/news/items/20250214_sh_mlt_en_1.pdf)

## Consolidated Statement of Financial Position

(As of December 31, 2024)

(Million Yen)

Item	101st business term (As of December 31, 2024)	(Reference) 100th business term (As of December 31, 2023)	Item	101st business term (As of December 31, 2024)	(Reference) 100th business term (As of December 31, 2023)
<b>[Assets]</b>			<b>[Liabilities]</b>		
<b>Current assets</b>	<b>193,918</b>	<b>176,353</b>	<b>Current liabilities</b>	<b>207,007</b>	<b>191,204</b>
Cash and cash equivalents	24,140	17,204	Trade and other payables	38,027	38,717
Trade and other receivables	99,458	98,023	Bonds and borrowings	56,996	39,672
Inventories	58,148	47,575	Lease liabilities	3,741	3,645
Other financial assets	6,178	4,393	Income taxes payable	7,485	5,919
Other current assets	5,340	7,589	Other financial liabilities	32,060	37,158
Subtotal	193,265	174,785	Provisions	8,272	8,504
Assets held for sale	653	1,568	Other current liabilities	60,426	57,589
<b>Non-current assets</b>	<b>471,045</b>	<b>487,220</b>	<b>Non-current liabilities</b>	<b>260,799</b>	<b>289,121</b>
Property, plant, and equipment	157,799	145,687	Bonds and borrowings	148,117	182,930
Investment property	209,176	211,164	Lease liabilities	27,730	19,377
Goodwill	22,362	35,124	Other financial liabilities	60,987	58,252
Intangible assets	6,279	6,993	Retirement benefit liability	3,297	3,412
Investments accounted for using equity method	1,323	1,359	Provisions	2,146	2,422
Other financial assets	67,528	79,400	Other non-current liabilities	936	897
Retirement benefit asset	409	1,266	Deferred tax liabilities	17,585	21,831
Other non-current assets	3,403	3,366	<b>Total liabilities</b>	<b>467,805</b>	<b>480,325</b>
Deferred tax assets	2,766	2,863	<b>[Equity]</b>		
			Share capital	53,887	53,887
			Capital surplus	40,832	40,754
			Treasury shares	(1,722)	(1,783)
			Retained earnings	65,268	50,828
			Other components of equity	37,766	38,630
			<b>Total equity attributable to owners of parent</b>	<b>196,030</b>	<b>182,315</b>
			<b>Non-controlling interests</b>	<b>1,127</b>	<b>933</b>
			<b>Total equity</b>	<b>197,157</b>	<b>183,248</b>
<b>Total assets</b>	<b>664,963</b>	<b>663,573</b>	<b>Total liabilities and equity</b>	<b>664,963</b>	<b>663,573</b>

## Consolidated Statement of Profit or Loss

(From January 1, 2024 to December 31, 2024)

(Million Yen)

Item	101st business term (From January 1, 2024 to December 31, 2024)	(Reference) 100th business term (From January 1, 2023 to December 31, 2023)
<b>Revenue</b>	<b>530,783</b>	<b>518,632</b>
Cost of sales	365,865	361,793
<b>Gross profit</b>	<b>164,918</b>	<b>156,839</b>
Selling, general, and administrative expenses	142,881	141,206
Other operating income	6,384	6,406
Other operating expenses	18,005	10,219
<b>Operating profit</b>	<b>10,416</b>	<b>11,820</b>
Finance income	4,371	3,361
Finance costs	3,287	3,107
Share of profit of investments accounted for using equity method	76	69
<b>Profit before tax</b>	<b>11,576</b>	<b>12,144</b>
Income taxes	3,805	3,386
<b>Profit</b>	<b>7,771</b>	<b>8,758</b>
<b>Profit attributable to</b>		
Owners of parent	7,714	8,724
Non-controlling interests	57	33
<b>Profit</b>	<b>7,771</b>	<b>8,758</b>

## Consolidated Statement of Changes in Equity

(From January 1, 2024 to December 31, 2024)

(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
<b>Balance as of January 1, 2024</b>	<b>53,887</b>	<b>40,754</b>	<b>(1,783)</b>	<b>50,828</b>	<b>8,886</b>	<b>3</b>	<b>29,740</b>	<b>–</b>	<b>38,630</b>
Profit				7,714					–
Other comprehensive income					3,971	(3)	6,256	(694)	9,529
Comprehensive income	–	–	–	7,714	3,971	(3)	6,256	(694)	9,529
Purchase of treasury shares			(21)						–
Disposal of treasury shares			82						–
Dividends				(3,667)					–
Share-based payment transactions		78							–
Transfer to retained earnings				10,394			(11,088)	694	(10,394)
Total transactions with owners	–	78	61	6,727	–	–	(11,088)	694	(10,394)
<b>Balance as of December 31, 2024</b>	<b>53,887</b>	<b>40,832</b>	<b>(1,722)</b>	<b>65,268</b>	<b>12,858</b>	<b>–</b>	<b>24,908</b>	<b>–</b>	<b>37,766</b>

	Total equity attributable to owners of parent	Non-controlling interests	Total equity
<b>Balance as of January 1, 2024</b>	<b>182,315</b>	<b>933</b>	<b>183,248</b>
Profit	7,714	57	7,771
Other comprehensive income	9,529	144	9,673
Comprehensive income	17,244	201	17,444
Purchase of treasury shares	(21)	–	(21)
Disposal of treasury shares	82	–	82
Dividends	(3,667)	(7)	(3,674)
Share-based payment transactions	78	–	78
Transfer to retained earnings	–	–	–
Total transactions with owners	(3,528)	(7)	(3,535)
<b>Balance as of December 31, 2024</b>	<b>196,030</b>	<b>1,127</b>	<b>197,157</b>

## Non-Consolidated Balance Sheet

(As of December 31, 2024)

(Million Yen)

Item	101st business term (As of December 31, 2024)	(Reference) 100th business term (As of December 31, 2023)	Item	101st business term (As of December 31, 2024)	(Reference) 100th business term (As of December 31, 2023)
<b>[Assets]</b>			<b>[Liabilities]</b>		
<b>Current assets</b>	<b>36,924</b>	<b>186,243</b>	<b>Current liabilities</b>	<b>64,560</b>	<b>50,300</b>
Cash and deposits	2,925	3,451	Short-term borrowings	15,960	11,599
Trade accounts receivable	857	832	Current portion of bonds	20,000	–
Advance payments to suppliers	1	1	Current portion of long-term borrowings	15,500	17,370
Prepaid expenses	2	1	Commercial papers	7,000	15,000
Accounts receivable - other	951	3,634	Accounts payable - other	1,716	1,822
Short-term loans receivable	32,184	178,319	Accrued expenses	152	184
Other	5	5	Income taxes payable	396	63
			Accrued consumption taxes	106	95
			Deposits received	3,630	4,081
			Provision for bonuses	100	85
<b>Non-current assets</b>	<b>340,744</b>	<b>212,854</b>	<b>Non-current liabilities</b>	<b>150,583</b>	<b>185,550</b>
Property, plant, and equipment	23	28	Bonds payable	40,000	60,000
Buildings	23	27	Long-term borrowings	108,300	123,300
Machinery and equipment	0	0	Provision for share awards for directors (and other officers)	294	280
Tools, furniture, and fixtures	1	1	Deferred tax liabilities	1,945	1,925
Intangible assets	154	198	Asset retirement obligations	9	9
Software	154	198	Other	35	35
Investments and other assets	340,567	212,629	<b>Total liabilities</b>	<b>215,143</b>	<b>235,850</b>
Investment securities	4,391	4,669	<b>[Net Assets]</b>		
Shares of subsidiaries and associates	123,494	123,494	<b>Shareholders' equity</b>	<b>160,799</b>	<b>161,672</b>
Long-term loans receivable	210,434	82,130	Share capital	53,887	53,887
Long-term prepaid expenses	2	2	Capital surplus	46,724	46,724
Prepaid pension costs	3,655	3,634	Legal capital surplus	46,544	46,544
Other	426	438	Other capital surplus	180	180
Allowance for doubtful accounts	(1,834)	(1,738)	Retained earnings	61,912	62,845
			Legal retained earnings	6,754	6,754
			Other retained earnings	55,157	56,091
			General reserve	16,339	16,339
			Retained earnings brought forward	38,818	39,752
			Treasury shares	(1,722)	(1,783)
			<b>Valuation and translation adjustments</b>	<b>1,725</b>	<b>1,575</b>
			Valuation difference on available-for-sale securities	1,725	1,575
			<b>Total net assets</b>	<b>162,524</b>	<b>163,247</b>
<b>Total assets</b>	<b>377,668</b>	<b>399,097</b>	<b>Total liabilities and net assets</b>	<b>377,668</b>	<b>399,097</b>

## Non-Consolidated Statement of Income

(From January 1, 2024 to December 31, 2024)

(Million Yen)

Item	101st business term (From January 1, 2024 to December 31, 2024)	(Reference) 100th business term (From January 1, 2023 to December 31, 2023)
<b>Operating revenue</b>	<b>14,337</b>	<b>22,766</b>
Managing revenue from operating companies	8,028	7,957
Dividend income from subsidiaries and associates	5,772	14,267
Other	537	542
<b>Operating expenses</b>	<b>7,781</b>	<b>8,048</b>
General and administrative expenses	7,781	8,048
<b>Operating profit</b>	<b>6,556</b>	<b>14,718</b>
<b>Non-operating income</b>	<b>1,448</b>	<b>1,285</b>
Interest and dividend income	1,283	1,057
Reversal of allowance for doubtful accounts	–	212
Other revenue	165	17
<b>Non-operating expenses</b>	<b>1,738</b>	<b>1,496</b>
Interest expenses	1,144	999
Commission expenses	3	50
Provision of allowance for doubtful accounts	96	–
Foreign exchange losses	369	355
Other expenses	126	93
<b>Ordinary profit</b>	<b>6,265</b>	<b>14,507</b>
<b>Extraordinary income</b>	<b>1,084</b>	<b>880</b>
Gain on sale of investment securities	1,084	880
<b>Extraordinary losses</b>	<b>4,180</b>	<b>7</b>
Loss on debt waiver for subsidiary	4,167	–
Other	13	7
<b>Profit before income taxes</b>	<b>3,169</b>	<b>15,381</b>
Income taxes - current	458	270
Income taxes - deferred	(22)	15
<b>Profit</b>	<b>2,733</b>	<b>15,097</b>



## Non-Consolidated Statement of Changes in Equity

(From January 1, 2024 to December 31, 2024)

(Million Yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
<b>Balance as of January 1, 2024</b>	53,887	46,544	180	46,724	6,754	16,339	39,752	62,845
<b>Changes during period</b>								
Dividends of surplus							(3,667)	(3,667)
Profit							2,733	2,733
Purchase of treasury shares								
Disposal of treasury shares								
Net changes in items other than shareholders' equity								
<b>Total changes during period</b>	-	-	-	-	-	-	(934)	(934)
<b>Balance as of December 31, 2024</b>	53,887	46,544	180	46,724	6,754	16,339	38,818	61,912

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
<b>Balance as of January 1, 2024</b>	(1,783)	161,672	1,575	1,575	163,247
<b>Changes during period</b>					
Dividends of surplus		(3,667)			(3,667)
Profit		2,733			2,733
Purchase of treasury shares	(21)	(21)			(21)
Disposal of treasury shares	82	82			82
Net changes in items other than shareholders' equity			150	150	150
<b>Total changes during period</b>	61	(873)	150	150	(723)
<b>Balance as of December 31, 2024</b>	(1,722)	160,799	1,725	1,725	162,524