

Key Questions & Answers

Abbreviations are used for the following terms in this document.

SH: Sapporo Holdings Limited

PS: POKKA SAPPORO Food & Beverage Ltd.

SRE: Sapporo Real Estate Co.,Ltd.

PK: Pokka Pte. Ltd.

< Timely disclosure items >

Q1. Regarding the stock split, the stated purpose is to improve liquidity and broaden the investor base. Could you explain the background behind this decision?

A1. In February of this year, we disclosed our views and policy on reducing the investment unit. While investment opportunities for individual shareholders have increased, we recognize that some potential investors refrained from investing in our company due to the size of the investment unit. After considering what would best serve individual shareholders, we decided to implement this stock split.

Q2. What is the purpose of transferring the soup manufacturing equipment from the Sendai Plant to Iwata Pokka Foods Co., Ltd. (a subsidiary of PS) and transferring PK and its management functions to SH? Also, as I understand the vending machine business is a key challenge for PS, are structural reforms being considered in that area as well?

A2. Regarding the soup manufacturing facilities at the Sendai Plant, the global decline in soup demand—partly due to climate change—has resulted in lower utilization rates, and the transfer is aimed at improving profitability.

As for PK, which is being transferred from PS to SH, SH began managing the business in April, and the move represents a strategic step toward establishing a business holding company structure.

Through this transition, PS will focus on structural reforms in its domestic operations. Meanwhile, its overseas business will prioritize both alcoholic and non-alcoholic beverages in line with the Group's medium- to long-term growth strategy, "Healthier Choice." Structural reforms, including those related to the vending machine business, will continue through 2026.

Q3. Regarding PK's business transfer, is it correct to understand that the rationale is not only related to beverages, but also reflects the medium- to long-term strategy of strengthening the non-alcoholic category?

A3. The "Healthier Choice" initiative applies to both alcoholic beverages and soft drinks. We plan to explore areas where non-alcoholic beverages and soft drinks overlap, deepen collaboration between the two businesses, and further pursue synergies across both sectors.

< Medium- to long-term growth strategy >

Q4. About the injection of external capital into the real estate business, what specifically does "reaching a conclusion within the year" refer to? Also, should we assume that the announcement will be made within the year, while the fund settlement will take place next year?

A4. The "conclusion" refers to the execution of a contract to introduce external capital into SRE's real estate business. We are proceeding with the process with the aim of making an announcement within the year, and the actual settlement of funds is expected to take place next year.

Q5. With the current earnings forecast revision, the targets of the current medium-term management plan have been largely achieved. Are you considering revising the plan or bringing forward the start of the next plan to provide updated guidance?

A5. The next medium-term management plan is being formulated for the period from 2027 to 2030, and we aim to announce it next year. As we will transition to a business holding company structure next year and expect the real estate business to take a different form, we intend to clearly present our Group's new strategy in the next plan. We are not considering moving the schedule forward. With next year's alcohol tax revision being a major event, our priority is to fully deliver on the current plan.

Q6. What KPIs will be prioritized in the next medium-term management plan?

A6. In the next plan, we will divide our segments into domestic and overseas and further integrate the Alcoholic Beverages, Food & Soft Drinks, and Restaurant businesses to remove boundaries across segments and deliver new value. Domestically, we will continue focusing on improving profitability by concentrating on beer and expanding our non-alcoholic lineup. Overseas, our priority is structural reform to make North America, particularly the U.S., a profitable business, followed by pursuing growth opportunities.

Q7. Please explain your thinking on the ROE target for 2030. Also, what are your policies regarding growth investments and shareholder returns? It seems that overseas M&A may be limited given the time required for a reform in North America.

A7. We will provide details on cash allocation separately. As a general principle, cash generated through the injection of external capital into the real estate business will be used for growth investments, and overseas investments remain an option. While we are conducting a structural reform in North American business, we will also continue exploring investment opportunities. ROE may temporarily decline due to an increase in equity, but we intend to set a target level toward 2030 and will disclose details at a later date.

Q8. Do you have a policy regarding how long you intend to accumulate cash obtained through the external capital injection? We believe ROE can partly be controlled through shareholder returns.

A8. At this stage, we cannot provide detailed guidance. While we are considering our growth

strategy in parallel, we view the next medium-term plan period as one possible timing for deployment. During that period, we will also consider the appropriate return of excess capital.

< Alcoholic Beverages Business (Japan • Overseas) >

Q9. In the Domestic Alcoholic Beverages Business, the “RTD, wine, spirits, non-alcoholic beverages” category shows significant profits. Has the effect of price increases contributed to this?

A9. Partial price increases have contributed. This category also includes exports from Japan, particularly to South Korea, which have been growing.

Q10. The “Other Areas” in the Overseas Alcoholic Beverages Business has grown significantly. What is driving the export business?

A10. The Sapporo brand is performing well across all regions, particularly driven by strong demand in South Korea and China, leading to steady overall growth. In Southeast Asia, collaboration with Carlsberg is also progressing favorably.

Q11. To what extent has the domestic alcoholic beverages business been affected by competitors’ system troubles?

A11. The system issue occurred at the end of September, so there was no impact on third-quarter results. For October, we saw about a 10% upside in volume and expect several hundred million yen in profit. The impact has since subsided, and we do not anticipate significant effects in November.