

**Business Strategy Briefing on Overseas Alcoholic Beverages**  
**Main Questions and Answers (Held on September 19, 2023)**

Sapporo Breweries Ltd.

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**[Regarding the brand]**

**Q1 Please let us know the strengths of the Sapporo Premium Beer (SPB) brand.**

A1 The easy-to-drink flavor typical of Japanese quality as well as the polished design of the silver can were well-received in Europe and America. The newfound popularity has led to positive progress in the construction of a distribution network not only through Japan-affiliated companies but also American ones.

**Q2 What type of initiatives are you undertaking toward the American market to reach the target of 10 million cases of Sapporo Premium Beer (SPB) sold?**

A2 The sales teams of Stone Brewing Co., LLC are building relationships with buyers of alcoholic drinks and are able to make various proposals. We want to leverage such strengths to expand the development of Sapporo Premium Beer (SPB). Success cases have already emerged.

**Q3 Sapporo Premium Beer (SPB) and Stone Brewing Co., LLC seem to have a different positioning. Can SPB be developed using the Stone Brewing Co., LLC's distribution network?**

A3 We think that creating synergies is difficult in the ON market in some respects but, in the OFF market, since many chains manage beer display cases by lumping them together, there are many opportunities for us to make proposals.

**Q4 I think Stone is an outstanding brand in craft beers, but what is the brand's growth potential?**

A4 The craft market represents 15% of the entire U.S. beer market and half of this 15% is IPA. Since the IPA market is relatively brisk, we think there is room and potential for providing new value.

**[Regarding M&A and post-merger integration]**

**Q5 You've had successes with M&A, such as SLEEMAN, but also failures. Where do you think the difference lies?**

A5 In the case of the SLEEMAN M&A, the goal at the time of acquisition was clear. In addition, the post-merger integration went smoothly. We experienced some trouble at the time of acquisition, but we think the main reason for the success was that we were able to proceed by forming a consensus with the local members. When it comes to the failures, the main reasons were the gap between the scenarios pictured in Japan and locally, and the lack of a thorough understanding of environmental changes.

**Q6 What is the status of the post-merger integration of Stone Brewing Co., LLC?**

A6 We are steadily advancing the post-merger integration by making the best use of our previously accumulated knowledge, steadily building a common awareness of issues and of the direction forward among senior management, and thereunder spreading the decisions to function-specific subcommittees. Presently, it is advancing smoothly.

We think we are in the process of developing a foundation to resolve issues while engaging in communication between Japan and local sites.

**Q7 What are the benefits of M&A for Stone Brewing Co., LLC and what does it expect from Sapporo?**

A7 When we conducted the M&A, we received a warm welcome as Sapporo's vision for its goals in the U.S. and its growth story resonated. There was some extra capacity in the operating rate of breweries due to the capital expenditures made by Stone Brewing Co., LLC. The manufacturing of Sapporo Premium Beer (SPB) in Stone's breweries is expected to lead to improvements in the operating rate and to negotiations (sales and marketing synergies) taking advantage of economies of scale.

**[Other topics]**

**Q8 Regarding global human resources, are you going to train personnel through deployments to SLEEMAN?**

A8 We want to nurture human assets with local experience and knowledge. For that reason, we are building an organization that can systematically keep up with foreign language study and global skills.

In addition, we think it is necessary to nurture local human assets on the field and promote them. We plan to advance initiatives with a balanced approach.