



SAPPORO HOLDINGS LTD.

Sapporo Holdings Limited

Investors Briefing for Timely Disclosure Regarding Injection of External Capital into Real Estate Business

December 25, 2025

Event Summary

[Company Name]	Sapporo Holdings Limited	
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[Event Name]	Investors Briefing for Timely Disclosure Regarding Injection of External Capital into Real Estate Business	
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[Time]	16:00 – 16:45 (Total: 45 minutes, Presentation: 20 minutes, Q&A: 25 minutes)	
[Venue]	Webcast	
[Number of Speakers]	1	
	Yoshitada Matsude	Executive Managing Director

Presentation

*Abbreviations are used in this document as follows:

SRE: Sapporo Real Estate Co., Ltd.

YGP: Yebisu Garden Place

Injection of External Capital into the Real Estate Business and Policy for Allocation of Cash (Summary)



Sapporo Group's vision for the future / objectives of injecting external capital into the Real Estate business

Medium- to long-term vision

By focusing on the alcoholic beverages business in which the Company has a competitive advantage and further honing its market creation capabilities, the Company aims to grow as **a company that can create rich beer and consumer experiences on a global scale**, while also targeting further improvements in capital returns.

Objectives of injecting external capital into the Real Estate business (Toward achieving the medium- to long-term vision)

- **By off-balancing the Real Estate business to concentrate management resources**, and investing the funds obtained into **the growth of the alcoholic beverages business**, the Group aims to **enhance its medium- to long-term corporate value**
- **SRE will pursue further sustainable growth** by injecting external capital and advancing **value enhancement of the properties it holds**

Exploration of options for injection of external capital into the Real Estate business: Review framework and process

- ◆ **Together with outside directors and external advisers**, the Company conducted a **broad, comparative review of all feasible options**, including the injection of external capital into SRE, the sale of properties, and tax-qualified spin-offs.
- ◆ **The injection of external capital into SRE by SPARK LLC was evaluated as having the highest overall attractiveness based on the following factors**, and SPARK LLC (Equity investors: PAG · KKR) was selected as the transaction counterparty:
 - 1) **Evaluation of SRE's enterprise value and equity value**
 - 2) **Comprehensive evaluation from the perspective of enhancing SRE's enterprise value following the transaction**

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2/16

Matsude:

First, I will explain the purpose of injection of external capital into the Real Estate business (hereinafter referred to as the "Transactions").

The current medium-term management plan (hereinafter referred to as the "Current Plan") was formulated to address the issues of low revenue and weak commitment to the management plan. The plan period is from 2023 to 2026, with an ROE target of 8%. After announcing the Current Plan, we received requests from investors to also present a vision for our group after achieving the 8% ROE target. In response to these requests and considering the steady progress of the Current Plan, during the fiscal year 2023, we began discussions on the direction beyond the Current Plan, involving external experts, and announced Medium- to Long-Term Management Policies in February 2024.

Under the main theme of enhancing capital profitability and accelerating business growth in our Medium- to Long-Term Management Policies, we have set forth a policy to further concentrate resources on businesses with competitive advantages. Our business with a competitive edge is the Alcoholic Beverages business, and we have established the medium- to long-term vision of becoming a company that can create rich beer and customer experiences on a global scale. In this process, we have formulated a policy to off-balance the Real Estate business, which had previously been positioned as a core business, and to invest the cash obtained from this into the growth of the Alcoholic Beverages business. In addition, regarding SRE, which has been responsible for the Real Estate business, we have decided to aim for further sustainable growth under external partners. Based on these strategies, we have now decided to proceed with the Transactions.

Overview of the transaction for the injection of external capital into the Real Estate business and key financial impacts

- ◆ The transaction value is 477.0 billion yen on an enterprise value basis, and estimated accounting gains of approximately 330.0 billion yen are expected
- ◆ For the purpose of ensuring smooth execution of the transaction, the transfer of SRE's voting rights will be implemented in three stages (with the first stage scheduled for June 2026)
- ◆ Certain assets held by SRE (including 30% of YPG) will be excluded from the transaction and will be utilized to enhance the value of the Alcoholic Beverages business through strengthened customer touchpoints and brand experiences

Cash allocation policy for cash obtained through the injection of external capital into the Real Estate business

- ◆ With a view to achieving the long-term target of ROE of 10% or higher, the Company has set a medium-term ROE target for 2030 at 8% or higher
- ◆ By strategically allocating the funds obtained through the injection of external capital into the real estate business (approximately 470.0 billion yen) to growth investments in the alcoholic beverages business, the Company will strengthen medium- to long-term cash generation, and strategically promote the enhancement of its financial base through debt repayment, and the optimization of shareholders' equity through shareholder returns

<Cash allocation policy>

Growth investments (including M&A, etc.) Approx. 300–400 billion yen
Debt repayment (repayment of temporary debt) Approx. 100 billion yen
Shareholder returns (total value of returns until FY2030) Approx. 100 billion yen

As disclosed in the timely disclosure on December 24, SPARK LLC (investors: PAG, KKR) has been selected as our partner. The financial impact is 477 billion yen on an enterprise value basis. Specific steps and details will be explained later.

In addition, in terms of further improving capital profitability, we have announced a long-term goal of achieving ROE of over 10%. However, due to the Transactions this time, there will be a significant change in the capital structure, and a temporary decline in ROE is expected. We plan to restore ROE to the 8% level by 2030.

To this end, we have decided to strategically invest the cash generated from the Transactions into the growth of the Alcoholic Beverages business, as well as allocate it to strengthening our financial base and enhancing shareholder returns.

Overview of Injection of External Capital into the Real Estate Business



Sapporo Holdings Limited (the “Company”) resolved to enter into an agreement with SPARK LLC relating to a series of transactions (the “Transactions”) involving SRE’s shares.

◆ Value of the Transactions (on an enterprise value basis): 477.0 billion yen

Enterprise value (1)	Net interest- bearing debt, etc. (2)	Equity value (1)-(2)
477.0 billion yen	102.4 billion yen	374.6 billion yen

◆ Counterparty to the Transactions: SPARK LLC (Equity investors: PAG・KKR)

◆ Closing dates:

June 1, 2026 (Scheduled) (51%)
June 1, 2028 (Scheduled) (29%)
June 1, 2029 (Scheduled) (20%)

◆ Purpose of the Transactions:

The Company plans to move the Real Estate business off its balance sheet to concentrate its management resources on the Alcoholic Beverages business and invest the funds raised in the growth of that business, as well as to seek further sustained growth for SRE with a new partner.

Note: Net interest-bearing debt, etc. includes the value of a loan to be collected from SRE. In addition, the value of the Transactions may change as it will be adjusted in line with the amount recorded in the balance sheet just prior to closing.

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5/16

The financial impact of this Transactions is 477 billion yen on a corporate value basis and approximately 470 billion yen on a cash basis. In addition, through the series of transactions involving shares of SRE, we expect to record a gain of approximately 330 billion yen.

The closing will be conducted in three stages. Therefore, approximately half of the cash will be realized at the initial closing. Regarding capital, since we have adopted IFRS accounting, we expect an increase of nearly 300 billion yen at the time of the initial closing.

Overview of assets subject to the Transactions and transaction stages

Examples of SRE assets subject to the Transactions

- 70%¹ of YGP
- Sapporo Factory etc.

Assets currently owned by SRE that are excluded:

- ✓ 30% of YGP
Developed on the former site of the brewery where the YEBISU Brand was born, YGP has grown together with the local community over many years and has contributed to the growth of the YEBISU Brand as a base for brand experiences and information dissemination. The Company will continue to hold and further utilize YGP as a venue for customer touchpoints and brand experiences to support the growth of the Alcoholic Beverages business. At the same time, as further enhancement of YGP's real estate value is expected, the Company will consider the liquidity of 20% of the excluded 30% of YGP, taking into account future conditions for value enhancement and the growth stage of the Alcoholic Beverages business.
- ✓ Part of Sapporo Garden Park ²
A mixed-use facility located on the former site of the brewery that has supported the Sapporo brand over many years. While remaining rooted in the local community, it has contributed to the growth of the Sapporo brand as a base for brand experiences and information dissemination. The Company will continue to hold and further utilize the property as a venue for customer touchpoints and brand experiences to support the growth of the Alcoholic Beverages business.
- ✓ Ginza Place
An asset that the Company will continue to utilize as a venue for customer touchpoints and brand experiences, while also being expected to achieve further enhancement of real estate value in the future. Taking into account its contribution as a customer touchpoint and brand experience venue, as well as the growth stage of the Alcoholic Beverages business, the Company will consider the future realization and liquidity of its real estate value.

1. The percentage of quasi-co-ownership interest in trust beneficiary rights.
2. This refers to the areas including the Sapporo Beer Museum and Sapporo Beer Garden.

Overview of transaction stages

The plan is to achieve a smooth separation and raise cash in line with the growth scenario for the Alcoholic Beverages business by conducting the Transactions in three stages.

Schedule

- | | |
|---------|--|
| First: | June 2026—51% & collection of loan in full |
| Second: | June 2028—29% |
| Third: | June 2029—20% |

Main financial impacts

2026

- Profit to be booked in 2026 following loss of control over subsidiary: Approx. 330.0 billion yen
- Transaction value & value of loan to be collected: Approx. 290.0 billion yen

Until 2029

Cash inflow according to percentage of voting rights transferred: Approx. 470.0 billion yen in total (including approx. 30.0 billion yen as interest equivalent to the Company's cost of capital)

Next, I will provide a detailed explanation of the relevant assets and the outline of the step acquisition.

Among the lease and other properties currently owned by SRE, it has been decided that some of the assets will continue to remain with our group.

Specifically, 30% of YGP, part of Sapporo Garden Park in Sapporo, Hokkaido where the Beer Museum and Sapporo Beer Garden are located, and Ginza Place will remain with our group. In other words, all other lease and other properties will be held by SRE and transferred under the partner's umbrella.

The reason for retaining certain properties within our group is that the Sapporo and Ebisu areas are the birthplace of our brand and are closely connected to our Alcoholic Beverages business. Therefore, we have determined that it is preferable to utilize these properties as brand experience and information dissemination hubs, as well as customer touchpoints for the Alcoholic Beverages business. In the future, regarding Ginza Place and the 20% stake in YGP, we will also consider their liquidation, taking into account the growth stage of the Alcoholic Beverages business.

For this transaction, a phased transaction method was selected for two reasons. The first is to minimize the impact on employees and the local community, thereby ensuring a smooth separation. The second is to realize cash conversion in line with the growth scenario of the Alcoholic Beverages business. Regarding cash allocation, since some aspects of future growth investments have not yet been finalized, the cash inflow is structured to match the stage of consideration for those growth investments.

In addition, as stated in the finance impact section, the cash inflow includes approximately 30 billion yen in interest (funding cost) equivalent to our cost of capital. For the second and third stages of the three-stage transaction, contracts were concluded with the addition of an interest equivalent to our cost of capital.

To maximize shareholder value and achieve sustained growth for SRE, the Company took steps to identify the optimal approach. When selecting the counterparty to the Transactions, it followed a selection process intended to maximize value while creating and maintaining a sufficiently competitive environment. The Company also made use of opportunities for focused deliberation and working groups including outside directors, establishing a structure that enabled outside directors to be involved throughout the entire process and exercise their supervisory function to the full.

Exploration of options for injection of external capital into the Real Estate business: Content and structure

Duration

April 2024 – December 2025

Content

The Company explored the following options from the perspectives of achieving its objectives and maximizing shareholder value and enterprise value:

- Methods for moving the Real Estate business off its balance sheet (share transfer, asset sales, or tax-qualified spin-offs)
- Plan for injection of external capital
- Selection of counterparty to share transfer (including the share transfer process)
- Cash allocation

Structure

Outside directors with specialist expertise were involved throughout the entire process

- ✓ Working groups including outside directors
- ✓ Board of Directors: reporting and deliberation
- ✓ Meetings for focused deliberation separate from Board of Directors' meetings
- ✓ Appointment of external specialist advisors including financial/legal advisors and consultants on accounting/taxation and on real estate

Process of selecting share transfer counterparty

Duration

September 2024 – December 2025

Background to selection

- In September 2024, commenced open invitation of proposals for injection of external capital (46 companies were willing to sign NDAs, 24 companies considered proposals, and 11 companies submitted proposals)
- Proceeded with the selection process in stages, offering several opportunities for candidates to present more detailed proposals. Candidates were gradually narrowed down by considering their proposed transaction value and compatibility with the Company's objectives.
- Continued dialogue with multiple candidates until just before end of selection process, thereby maximizing shareholder value and enterprise value

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7/16

Next, I will explain the process of the Transactions.

In February 2024, we announced our policy to off-balance Real Estate business, and began full-scale internal discussions from April. Over a long-term review period of approximately 21 months, we carefully evaluated all possible options, including tax-qualified spin-offs, property sales, and share transfers, to determine the optimal method. The specific scheme was examined in detail from multiple perspectives, such as the possibility of phased transactions in the case of share transfers, the scope of target properties, and the design of funding costs in phased transactions. During the review process, in addition to ongoing discussions at the board of directors, we formed a working group including outside directors to ensure highly transparent deliberations.

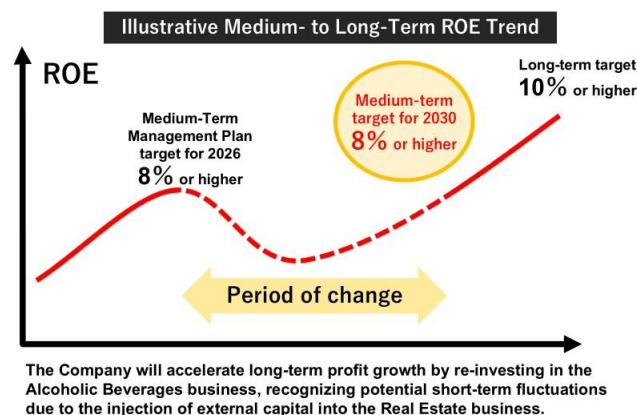
Regarding the process of selecting share transfer counterparty, as has been disclosed from time to time, the examination began in September 2024. At the start, proposals were openly solicited, and intentions to sign NDAs were confirmed from 46 companies. Naturally, we received a large number of proposals from both domestic and overseas developers and real estate funds, and after carefully reviewing their contents, we ultimately selected the current partner.

Once again, we would like to share that we were able to maintain a negotiation environment and proceed with our efforts until the very end of the process, and that outside directors were actively and properly involved in the deliberation process of the board of directors.

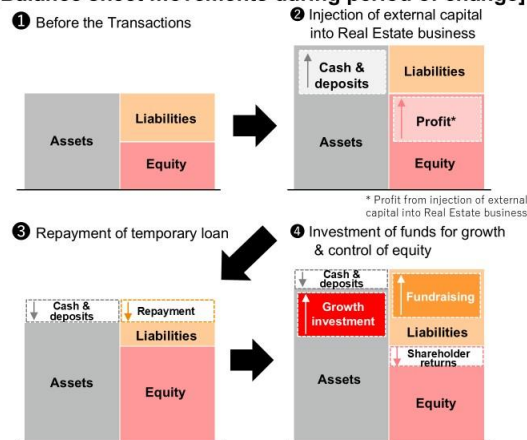
Vision for Growth in the Group Medium- to Long-Term Growth Strategy

- To achieve its long-term target of 10% or higher in ROE, the Company will strategically invest the funds raised through injection of external capital into the Real Estate business to boost growth in the Alcoholic Beverages business. In doing so, it will seek to accelerate profit growth and strengthen medium- to long-term cash generation capacity to increase Group-wide corporate value.
- Although moving the Real Estate business off the balance sheet can be expected to increase equity and financial security, ROE will decline temporarily.
- Setting its medium-term ROE target for 2030 at 8% or higher, the Company will aim to further improve capital efficiency from a medium- to long-term perspective and will strategically promote the optimization of shareholders' equity through shareholder returns.

[Financial Targets]



[Balance sheet movements during period of change]



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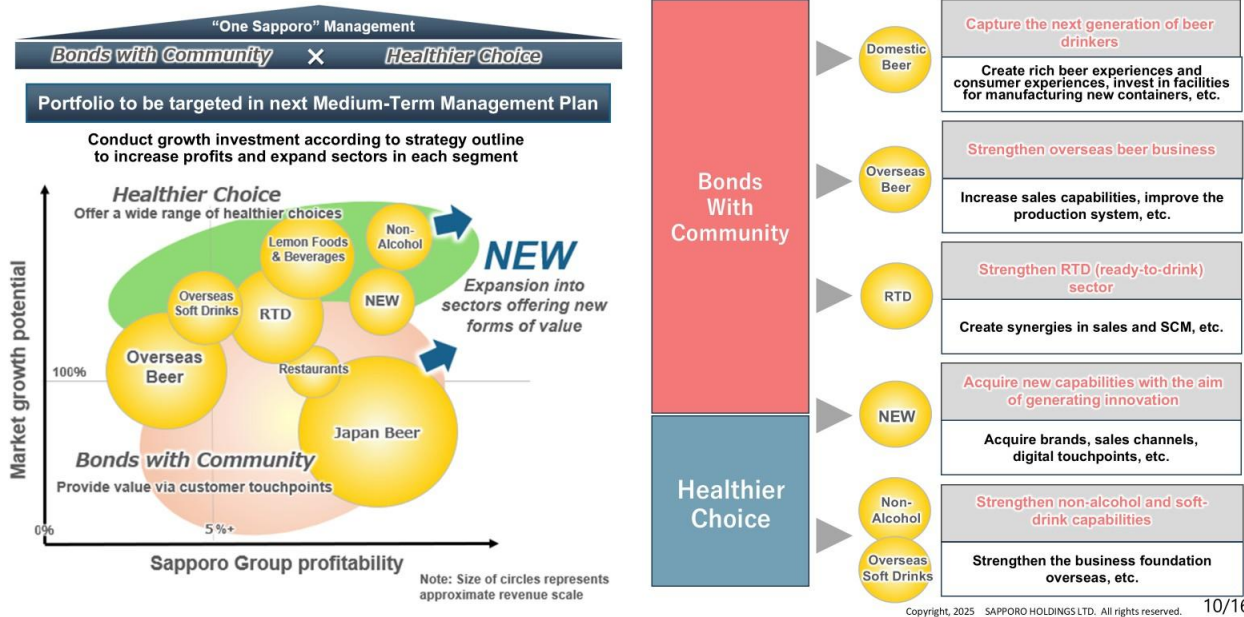
9/16

Next, I will explain medium-to-long-term growth vision and financial targets.

In the Current Plan, we have set a target of ROE of 8% or higher, and have formulated a policy to aim for 10% or higher in the long term. In this context, while the off-balance-sheet treatment of the Real Estate business will increase capital and result in a decline in ROE, we have clearly stated our medium-term goal of raising ROE to 8% or higher by 2030. Furthermore, regarding the Current Plan's target of 8% ROE, as announced in the revised earnings forecast for fiscal year 2025, we expect to achieve this target within this year.

Going forward, capital is expected to increase from the current approximately 200 billion yen to over 500 billion yen. In this context, it is necessary to firmly build revenue-generating capabilities that will enable us to achieve an ROE of over 8% in the medium term and over 10% in the long term. To this end, we plan to make growth-oriented investments, focusing primarily on the Alcoholic Beverages business.

Outline of Growth and Investment Areas



Next, I will explain about growth investments.

As indicated in the Medium- to Long-Term Growth Strategy announced in February 2025, the two main pillars are 'Bonds with Community' (expanding experiential value in the Alcoholic Beverages business) and 'Healthier Choice' (proposing health value). In terms of area, we are considering both domestic and overseas markets, as well as investment styles including both organic and inorganic approaches.

We have recorded impairment losses from past M&A activities and has received strict feedback from investors. We also recognize this as a critical issue. With this in mind, especially regarding inorganic growth investments, we will proceed with implementation while establishing a sufficient capability.

Policy for Allocation of Cash Raised Through Injection of External Capital into Real Estate Business



- Cash raised through injection of external capital into the Real Estate business will be allocated mainly to growth investments. Moreover, repaying debt relating to the Real Estate business will increase financial security and ensure debt capacity for undertaking future investments.
- To ensure stable and sustained return of profits to shareholders, the Company's dividend policy will be to aim for a DOE of 3% or higher, targeting 4% or higher by 2030. In addition, the Company will consider share buybacks as a means of improving capital efficiency.

<p>Growth investments (including M&A, etc.) Approx. 300–400 billion yen</p>	<p>Priority sectors for investment</p> <ul style="list-style-type: none"> ✓ Capture the next generation of beer drinkers ✓ Strengthen overseas beer business ✓ Strengthen RTD sector ✓ Acquire new capabilities with the aim of generating innovation ✓ Strengthen non-alcohol and soft-drink capabilities <ul style="list-style-type: none"> • When making major investments including M&A, the Company will set hurdle rates for each business and area (Japan: 7%; overseas: 10%) and make comprehensive decisions before investing. • If attractive investment opportunities are unlikely before FY2030, the Company will consider additional shareholder returns.
<p>Debt repayment (repayment of temporary debt) Approx. 100 billion yen</p>	<ul style="list-style-type: none"> • The Company will increase capital efficiency by repaying the debt relating to the Real Estate business, as well as considering additional repayment of debt during the period before making growth investments. • The Company will use financial leverage as required at each stage of growth investment, taking care to retain its "A" rating. (Financial security aims: Control at D/E ratio of 0.5 times or less and D/EBITDA ratio of 3.0 times or less)
<p>Shareholder returns (total value of returns until FY2030) Approx. 100 billion yen</p>	<ul style="list-style-type: none"> • The Company will aim for a DOE of 3% or higher, targeting 4% or higher by 2030. • The Company will consider timely share buybacks aimed at increasing ROE and EPS.

The Company plans to disclose a more detailed policy, including cash from operations, in the next Medium-Term Management Plan (for 2027–2030), due to be announced in 2026.

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Finally, I will explain the policy for allocating the cash obtained through the Transactions.

The primary objective is to allocate the majority of cash to growth investments centered on the Alcoholic Beverages business. Regarding investment discipline, aiming to contribute to the strengthening of our profitability currently underway, we have set hurdle rates of 7% for domestic and 10% for overseas investments, and will proceed only with investments that meet these criteria. The investment consideration period is assumed to be until 2030, which is the period of the next mid-term management plan. I would like to reiterate that if there are no attractive investment opportunities during this period, we will also consider additional shareholder returns.

In addition, considering the existence of liabilities derived from the Real Estate business and the necessity to utilize a certain degree of leverage to enhance capital efficiency in future growth investments, we plan to allocate approximately 100 billion yen primarily for the repayment of liabilities for the time being. Regarding future financial discipline, we will control the D/E ratio at 0.5 times or less and D/EBITDA at 3.0 times or less, aiming to maintain an appropriate balance sheet structure as a liquor manufacturer.

Regarding shareholder returns, we plan to utilize approximately 100 billion yen from the cash obtained through the Transactions. In addition, please note that shareholder returns funded by cash generated from businesses after 2026 will be added to this. This time, we have also set forth a policy and level for dividends, aiming for a DOE of 3% or higher as a benchmark, and targeting 4% or higher by 2030. We have already announced an upward revision of the dividend forecast for shareholder returns at the end of fiscal year 2025 financial results. Once again, we would like to reiterate our intention to steadily provide dividends with a DOE of 3% or higher, even if capital increases by approximately 2.5 times in the future.

In addition to shareholder returns through dividends, we also plan to conduct flexible treasury share buybacks, allocating a total of approximately 100 billion yen to shareholder returns. In this way, we will implement optimal cash allocation among growth investments, repayment of liabilities (including temporary repayments), and shareholder returns, aiming to achieve ROE of 8% or higher by 2030 and 10% or higher after 2030.