SAPPORO HOLDINGS LTD.

Sapporo Holdings Limited

Financial Results Briefing for the First Quarter of the Fiscal Year Ending December 2025

May 14, 2025

Event Summary

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[Venue]	Webcast
[Number of Speakers]	2 Takayuki Sato — Group Managing Office Yosuke Nakamura — General Manager of Corporate Planning Department

Presentation

Summary

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Revenue and core operating profit both increased. Net profit declined but remained in line with the plan.

(billions of yen)	2024Q1 Result	2025Q1 Result	YoY
Revenue	112.8	118.7	+5.9 +5.2%
Core operating profit (Revenue - Cost of sales - SG&A expenses)	(3.8)	(0.9)	+2.9 –
Operating profit	(1.9)	(2.2)	(0.3) –
Profit attributable to owners of parent	(2.0)	(4.2)	(2.2) –

- **Revenue and core operating profit increased, mainly driven by the alcoholic beverages (Japan) and real estate businesses.**
- **Operating profit declined overall, despite profit-boosting factors such as the sale of the Nasu brewery, mainly due to the impairment loss recorded following the signing of the share transfer agreement for Shinsyu-ichi Miso Co., Ltd. and the absence of gains from the land sale recorded in the previous year.**
- **Net profit declined significantly due to the negative impact of financial income and expenses caused by the stronger yen.**

Main topics

- **In alcoholic beverages (Japan), sales and profits increased, mainly in beer and RTDs, supported by last-minute demand ahead of price revisions. Our performance outpaced the overall market.**
- **In alcoholic beverages (overseas), revenue declined due to a drop in overall demand, mainly in Canada and the U.S. The key challenge of structural reforms in the U.S. are progressing steadily.**
- **We are advancing discussions to flesh out the details of our Group Medium- to Long-Term Growth Strategy, announced in February 2025. Progress is outlined on the next page.**

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For this Q1, revenue increased by JPY5.9 billion, and core operating profit increased by JPY2.9 billion. This was mainly due to the Japan alcoholic beverages and real estate businesses driving overall performance.

On the other hand, operating profit decreased by JPY0.3 billion from the previous year. This is due in part to the impact of impairment losses related to the transfer of Shinsyu-ichi Miso Co., Ltd. in the food and soft drinks business.

Profit attributable to owners of the parent also declined due to the negative impact of financial income and expenses caused by the stronger yen.

In Japan Alcoholic Beverages, sales and profits increased, mainly in beer and RTDs, supported by last-minute demand in March ahead of price revisions from April. Beer sales volume for March alone increased by 40% YoY, exceeding the market.

In Overseas Alcoholic Beverages, sales declined in Q1 due to a drop in overall demand in North America. We are making steady progress with structural reforms in the US. While the effects of these reforms have begun to emerge, we intend to accelerate the pace.

Progress Toward Implementing the Group's Medium- to Long-Term Growth Strategy

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Sapporo Group's Medium- to Long-Term Growth Strategy

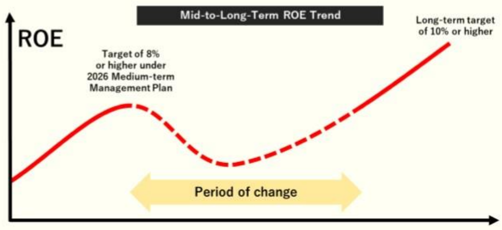
* As announced on February 14, 2025

Mid-to-Long-Term Vision

Deliver quality products and experiences to customers around the world

Outline of Mid-to-Long-Term Strategy

❶ Bonds with Community	Expand customer touchpoints and provide customers with fulfilling lifestyles
❷ Healthier Choice	Offer a wide range of healthier choices
❸ Efficient Foundation	Transition to a business holding company structure Enhance governance and management efficiency and speed
❹ Strategic Alliance	Accelerate sustainable growth and business expansion through strategic alliances
❺ Inorganic Growth	Facilitate substantial investment in the Alcoholic Beverages business Consider various strategic opportunities, including M&A



To realize the formulated medium- to long-term vision, we will focus management resources on the alcoholic beverages business based on five strategic pillars, aiming to enhance capital efficiency.

1. Formulating a Management Plan Toward 2030

- This year marks the third year of the Medium-Term Management Plan launched in 2023 (through 2026). Marketing investments in the domestic alcohol business are steadily yielding results, and based on the current situation, we will examine how best to allocate capital—including growth investments and shareholder returns—in alignment with the goals set forth in the medium- to long-term strategy.
- Going forward, we plan to launch an internal project team to formulate specific strategies aimed at achieving medium- to long-term growth, including in our overseas business.

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This growth strategy was announced at the time of the financial results briefing in February. We are currently conducting group-wide discussions on our medium-term management plan, including a growth strategy centered on the alcoholic beverages business toward 2030.

We are also considering the cash allocation method for the injection of external capital in the real estate business, and we hope to be able to make an announcement at the appropriate time.

Progress Toward Implementing the Group's Medium- to Long-Term Growth Strategy

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2. Transition to a Business Holding Company Structure

- We are planning to transition to a business holding company structure in July 2026, organized into three divisions: domestic business, overseas business, and corporate functions as the management platform. The transition aims not only to improve the appropriateness and speed of decision-making and strengthen governance, but also to enhance capabilities through continued investment in human capital.
- In terms of governance for overseas operations, we have already established an International Management Committee, which is independent from the existing SB Management Committee and consists of personnel with extensive experience in overseas business.Together with the domestic businesses, including the food & soft drinks and restaurant segments, we aim to build a cohesive group-wide organization under the banner of "One Sapporo."
- A cross-functional project has been launched this spring to prepare for the transition to a business holding company*, centered on the integration of SH and the alcoholic beverages business (SB).

* Subsidiaries in the food & soft drinks and restaurant businesses, as well as those currently under the operating companies, are planned to be reorganized under either the domestic or overseas divisions or the corporate function division.

3. Injection of External Capital into Real Estate Business

- We are currently reviewing specific proposals from domestic and international operating companies and investment funds regarding the injection of external capital into our real estate business.
- As announced in February of this year, we are considering a range of options—including the sale of shares in Sapporo Real Estate (SRE), which owns Yebisu Garden Place—with the aim of determining the optimal approach and timeline to achieve the objectives of this initiative, targeting a conclusion by the end of 2025.

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Regarding the transition to a business holding company structure, we have already announced that the transition will take place in July next year. We are now in the process of transitioning to an organizational structure that will enable us to strengthen our governance system and enhance its functions.

In terms of governance for overseas operations, we have already established the International Management Committee consisting of personnel with extensive experience in overseas business. It started running this fiscal year.

With regard to the introduction of external capital into the real estate business, the process is currently underway, so I would like to refrain from commenting on the status. However, I would like to add that we are making good progress so far, including staying on schedule to reach a conclusion by the end of this year.

Financial Highlights 2025Q1

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(¥bn)	2024Q1 Result	2025Q1 Result	YoY changes (amount)	YoY changes (%)
Revenue	112.8	118.7	+5.9	+5.2%
Revenue（Excluding liquor tax）	88.6	91.4	+2.8	+3.1%
Overseas revenue	28.5	26.6	(1.9)	(6.8%)
EBITDA	1.3	4.6	+3.3	+255.9%
Core operating profit (Revenue - Cost of sales - SG&A expenses)	(3.8)	(0.9)	+2.9	-
Core operating profit margin	(3.4%)	(0.7%)	-	-
Other operating income (expense)	1.9	(1.4)	(3.2)	-
Operating profit	(1.9)	(2.2)	(0.3)	-
Profit attributable to owners of parent	(2.0)	(4.2)	(2.2)	-

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Revenue for Q1 of this fiscal year was JPY118.7 billion, up 5.2% from the previous year. Core operating profit also improved by JPY2.9 billion from the previous year to negative JPY0.9 billion. Domestic alcoholic beverages have been strong, leading a large increase in revenue and profit, including last-minute demand in March. Profit attributable to owners of the parent decreased from the previous year. This was due to impairment losses resulting from the review of the business portfolio, as well as foreign exchange losses.

Financial Highlights 2025Q1

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(¥ bn)	2024Q1 Result	2025Q1 Result	YoY changes (amount)	YoY changes (%)
Revenue by Segment	**112.8**	**118.7**	**+5.9**	**+5.2%**
Alcoholic Beverages	80.6	88.0	+7.4	+9.1%
Japanese	55.7	64.4	+8.7	+15.6%
Overseas	20.3	18.7	(1.6)	(7.7%)
Restaurants	4.6	4.8	+0.2	+4.5%
Food & Soft Drinks	26.6	24.4	(2.2)	(8.4%)
Japanese	19.7	18.3	(1.5)	(7.5%)
Overseas	6.8	6.1	(0.8)	(11.0%)
Real Estate	5.5	6.3	+0.8	+15.2%
Other	0.0	-	(0.0)	-

(¥ bn)	2024Q1 Result	2025Q1 Result	YoY changes (amount)	YoY changes (%)
Core Operating Profit by Segment	**(3.8)**	**(0.9)**	**+2.9**	-
Alcoholic Beverages	(0.2)	1.4	+1.6	-
Japanese	0.6	2.9	+2.3	+414.6%
Overseas	(1.0)	(1.6)	(0.7)	-
Restaurants	0.2	0.2	(0.0)	(13.8%)
Food & Soft Drinks	(0.6)	(0.4)	+0.1	-
Japanese	(0.7)	(0.7)	+0.0	-
Overseas	0.2	0.2	+0.1	+53.2%
Real Estate	(0.2)	0.3	+0.5	-
Other・General corporate and intercompany eliminations	(2.8)	(2.1)	+0.7	-

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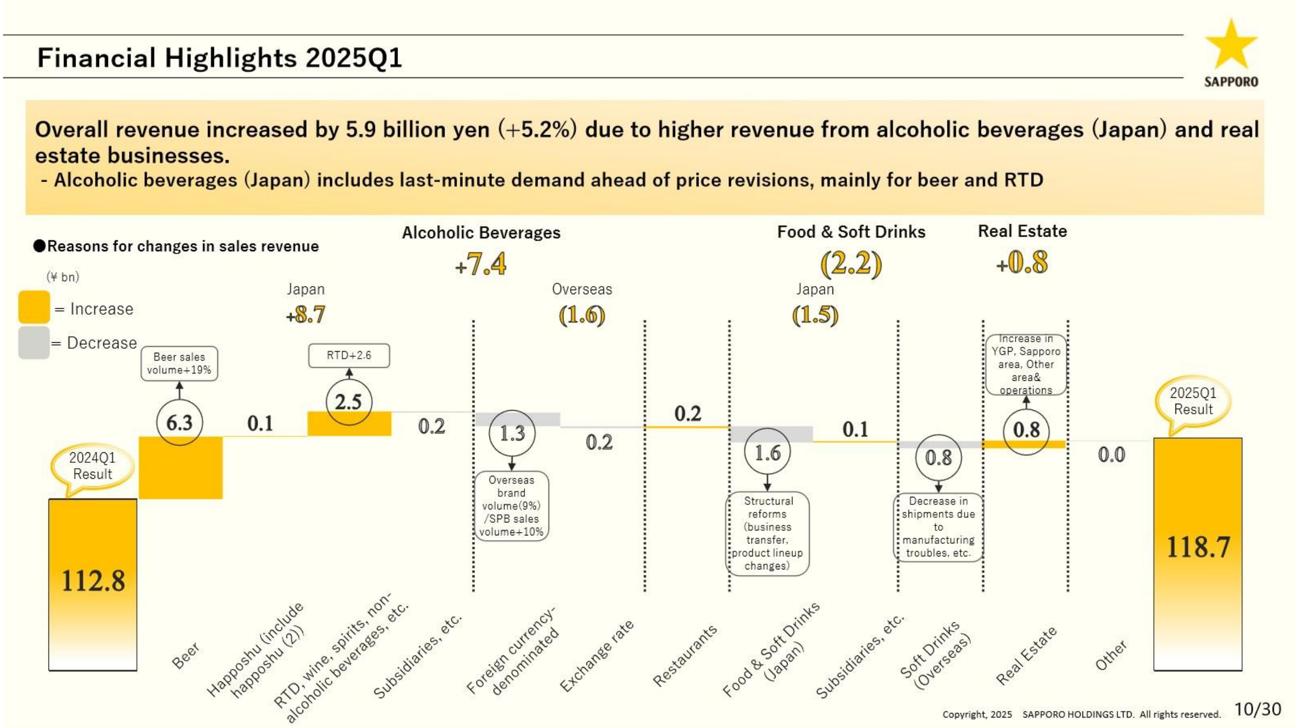
Revenue increased in the alcoholic beverages and real estate businesses, while revenue decreased in the food and soft drinks business.

In the alcoholic beverages business, domestic sales of beer and RTD remained strong, and the impact of last-minute demand in March before the price revision also contributed to a 15.6% increase in sales. While overseas revenue declined, overall revenue in the alcoholic beverages business increased by 9.1%.

In the food and soft drinks business, domestic revenue decreased by 7.5% YoY, partly due to the sale of the plant-based yogurt business last year. As for overseas, revenue decreased due to the impact of reduced shipments caused by manufacturing troubles at Malaysia’s plant, as well as the control of sales promotion expenses to improve profitability. Overall, overseas food and soft drinks business revenue decreased by 8.4%.

In the real estate business, the Yebisu Garden Place office tower performed well, and the Sapporo Factory and hotel business also performed well in Q1, resulting in a 15.2% YoY increase in revenue.

Alcoholic beverages business and the real estate business increased their profits, while the food and soft drinks business also improved its profits despite a decline in sales. The consolidated total improved by JPY2.9 billion from last year's negative JPY3.8 billion to negative JPY0.9 billion, an improvement of JPY2.9 billion in profit.



In the alcoholic beverages business, sales revenue increased by JPY7.4 billion.

Of this total, sales revenue of domestic alcoholic beverages increased by JPY8.7 billion. As for beer, which we are focusing on, sales increased by JPY6.3 billion, including the impact of last-minute demand, with volume up 19%. In addition, sales of happoshu also increased by JPY100 million YoY. RTD also grew significantly, resulting in a JPY2.5 billion increase in sales revenue.

As for overseas alcoholic beverages, sales revenue in foreign currencies decreased by JPY1.3 billion. On a volume basis, the Sapporo brand increased by 10%, but Sleeman and other overseas brands were affected by market conditions considerably, resulting in a 9% decrease.

Sales revenue of restaurants increased by JPY0.2 billion. On existing store basis, sales revenue increased YoY in all months from January to March, due to an increase in the average price per customer.

Next, sales revenue for the food and soft drinks business decreased, posting a negative JPY2.2 billion.

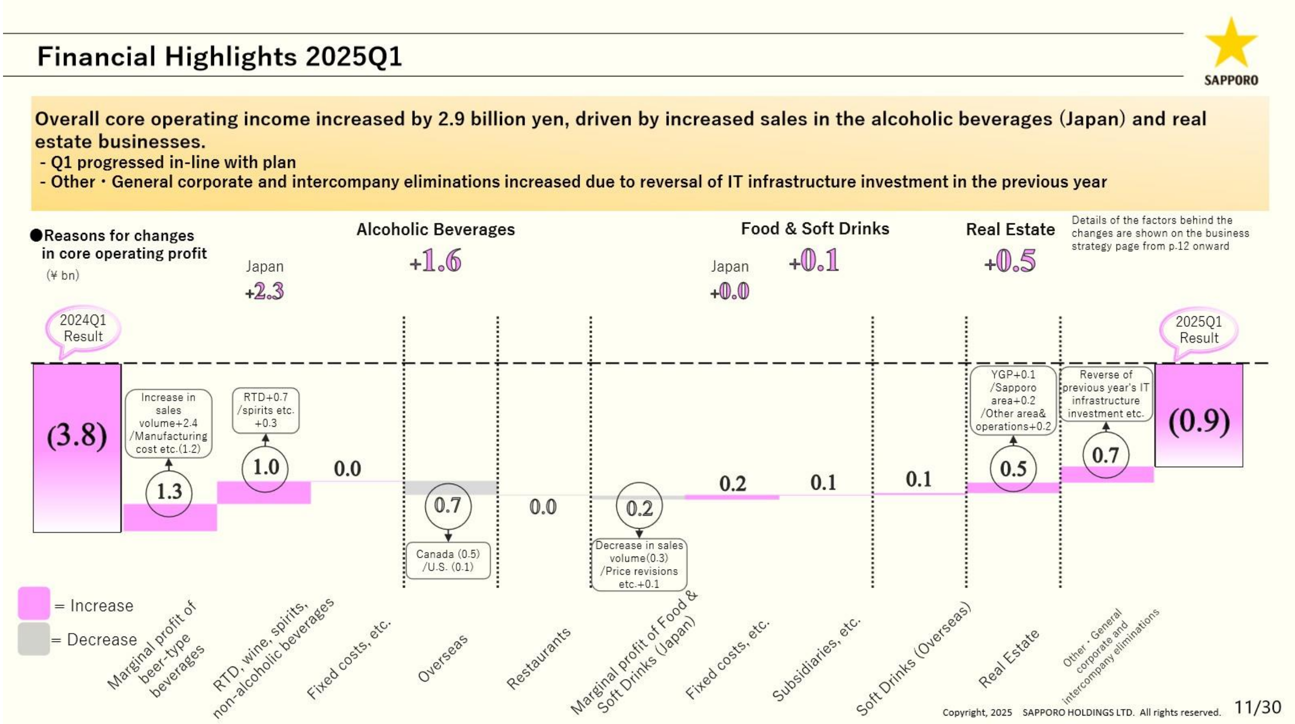
In Japan, sales revenue decreased by JPY1.5 billion, partly due to the impact of the sale of the plant-based yogurt business last year, as mentioned earlier. Sales of lemon food products and lemon beverages remained strong and increased.

On the other hand, sales revenue from soft drinks and soups decreased in Q1 due to a decline in the number of vending machines and a reactionary drop following the sales increase from last year's soup renewal.

In overseas beverages, sales declined due to reduced shipments caused by manufacturing troubles at our Malaysian plant. Although exports to the Middle East, which had been suspended last year, have now resumed and provided some uplift, the segment still recorded an overall revenue decrease of JPY0.8 billion.

In the real estate business, sales revenue increased by JPY0.8 billion.

Office space at YGP was fully occupied, except for the HVAC work areas, which contributed to the increase in revenue. In addition, sales at Sapporo Factory have been strong due to inbound travel demand and other factors. The hotel in Sapporo, which was renovated last year, has maintained an occupancy rate of approximately 70%, contributing to increased revenues.



Alcoholic beverages business recorded a profit increase of JPY1.6 billion.

Alcoholic beverages in Japan increased by JPY2.3 billion, with JPY1.3 billion coming from an increase in marginal profit on beer and JPY1 billion from an increase in RTDs and other products.

Alcoholic beverages overseas reported a decrease of JPY0.7 billion. The profit decline in Canada was JPY0.5 billion due to a decrease in volume, which was partly affected by the continued deterioration of market conditions and partly due to an increase in marketing costs. In the US, sales revenue was also down due to a decline in overall demand caused by the uncertain economic outlook.

As for the Sapporo brand, shipments decreased in Q1, especially in January and February, due to the unique situation that sales were concentrated in December last year. For the trading volume in the market, it increased compared to the previous year. We are also gaining business with new chains, and we are determined to make the Sapporo brand grow again in the future.

The core operating profit in the US decreased by JPY0.1 billion, as the effects of structural reforms, which are expected to be realized in H2 of the fiscal year, will be absorbed to some extent by the steady progress of the reforms.

In restaurants, there was an increase in costs, but we also took actions, such as menu revisions, and maintained profits at the same level as the previous year.

The food and soft drinks business as a whole reported an increase of JPY0.1 billion, despite the decrease in revenue.

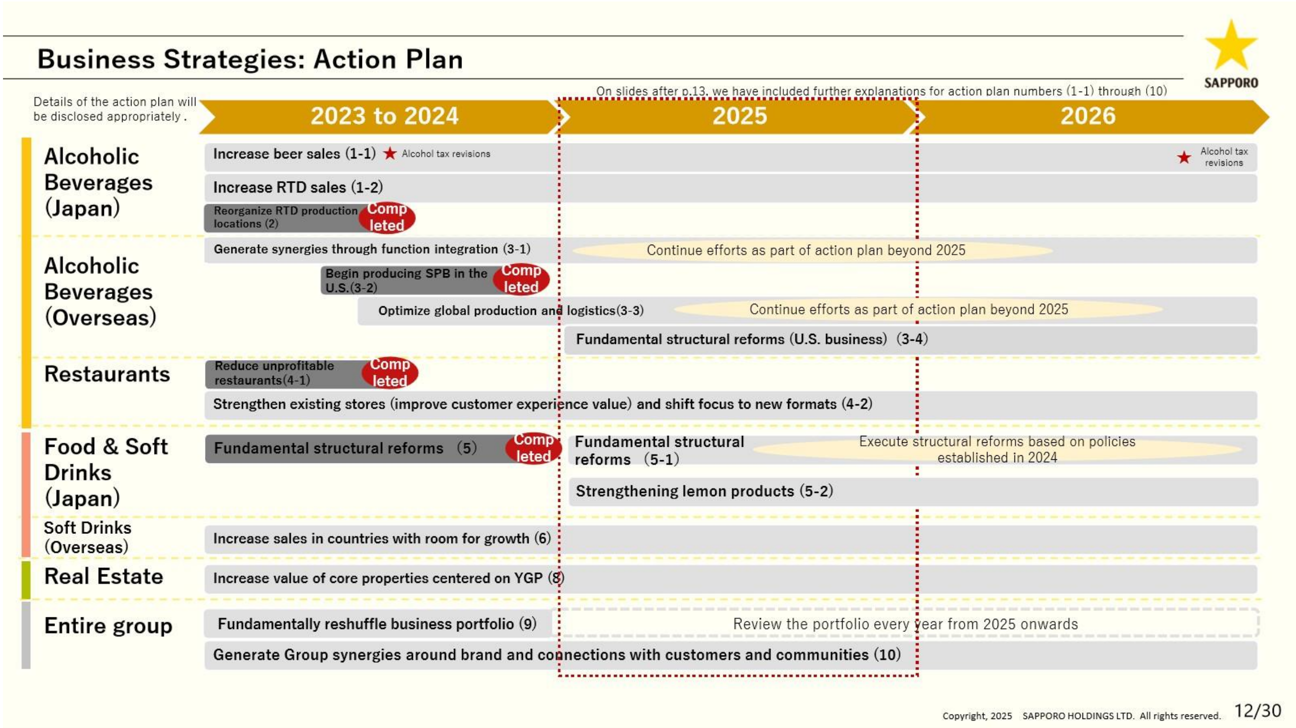
Domestic sales were on a par with the previous year, and although sales revenue declined as a result of structural reforms, the lemon business continued to perform well, absorbing the higher cost of goods sold and securing profits on a par with the previous year.

Overseas revenue increased by JPY0.1 billion. Although sales revenue has declined due to a decrease in shipments caused by manufacturing problems, we have further controlled marketing expenses to improve profitability, resulting in a decrease in sales and an increase in profit.

In the real estate business, profit increased by JPY500 million. The effect of the increase in sales has directly contributed to the increase in profit.

In addition, the company-wide expenses, including onetime costs incurred last year for the replacement of IT equipment, have been reversed, resulting in a profit improvement of JPY700 million.

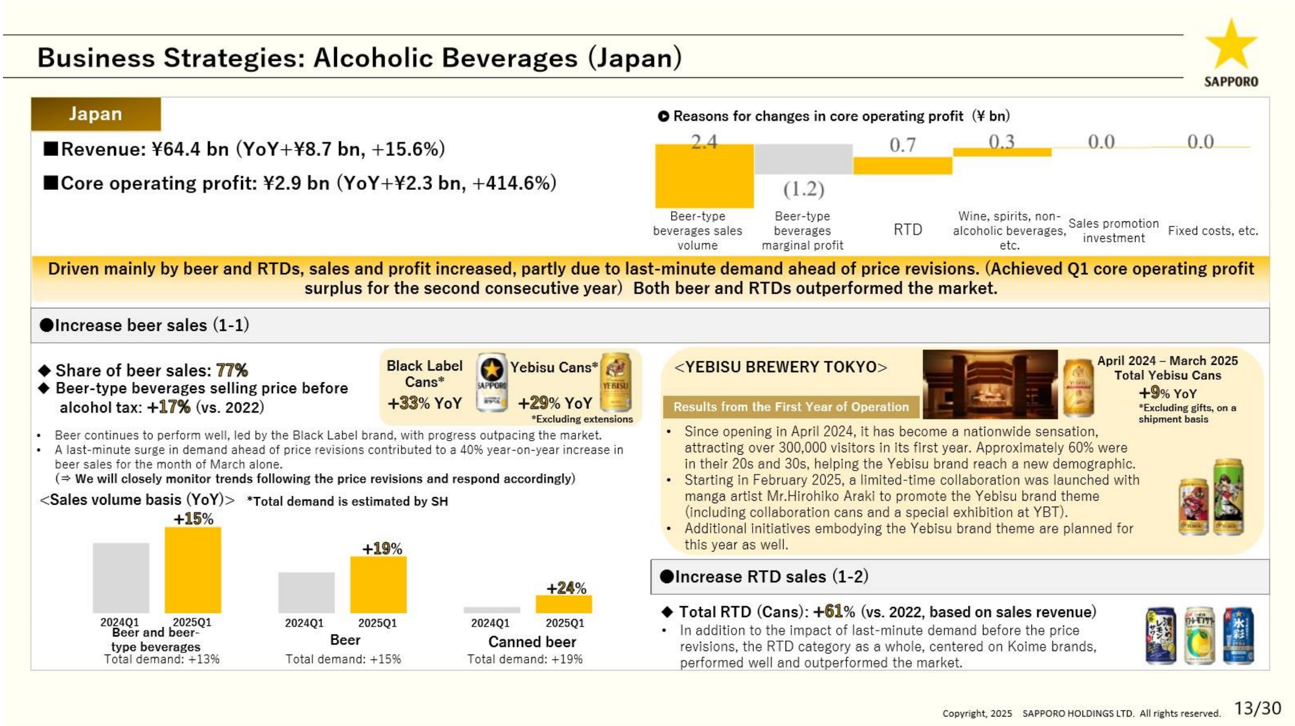
The above is a summary of the financial results.



This is a list of action plans for the Medium-term Management plan from 2023 to 2026.

In the table, there are several items marked as completed. These are items that have already been completed as initiatives. On the other hand, we have added new action plans, such as fundamental structural reforms.

Therefore, with regard to the action plans set forth in the medium-term management plan, we intend to continue building on our strategies to achieve our goals while updating and reviewing them as appropriate.



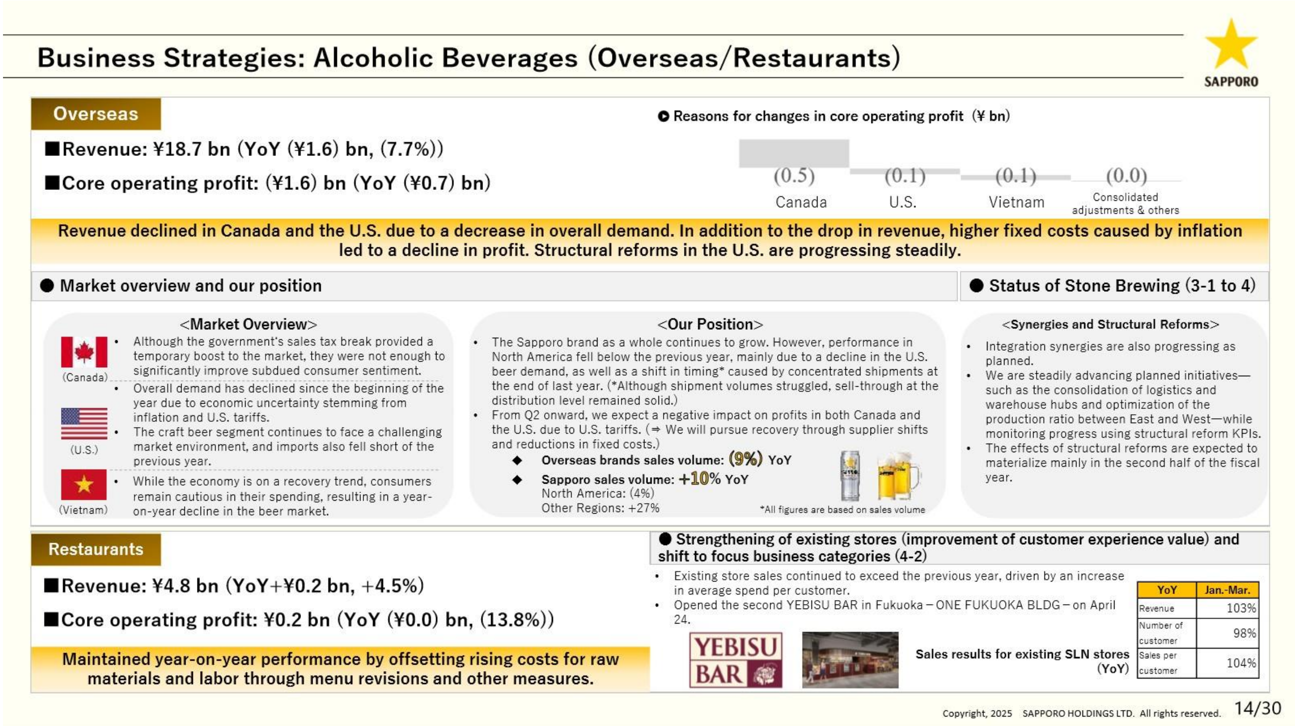
In Q1, although demand boosted volumes, total beer demand is estimated to have risen 13%, while our sales grew 15%, outperforming the market.

Beer volume itself rose 19% versus a 15% market increase, and canned beer sales jumped 24% compared to the market’s 19% growth. Our beer mix ratio was 77%, slightly below last year’s full-year level, partly because some consumers shifted to lower-priced products during the March pull-forward.

We expect the trend of beer returning to favor to continue and will keep focusing on raising the share of our high-margin beer in the mix.

Located in Yebisu Garden Place, YEBISU BREWERY TOKYO marked its first anniversary this April, attracting over 300,000 visitors in its inaugural year. 60% of whom were in their 20s and 30s, thereby helping us engage a new customer segment for the Yebisu brand.

We’re also strengthening our RTD lineup, which has expanded 61% since 2022 (the start of our mid-term plan). While Q1 volumes may have been partly influenced by last-minute demand, our “Koime” brand has continued to perform strongly.



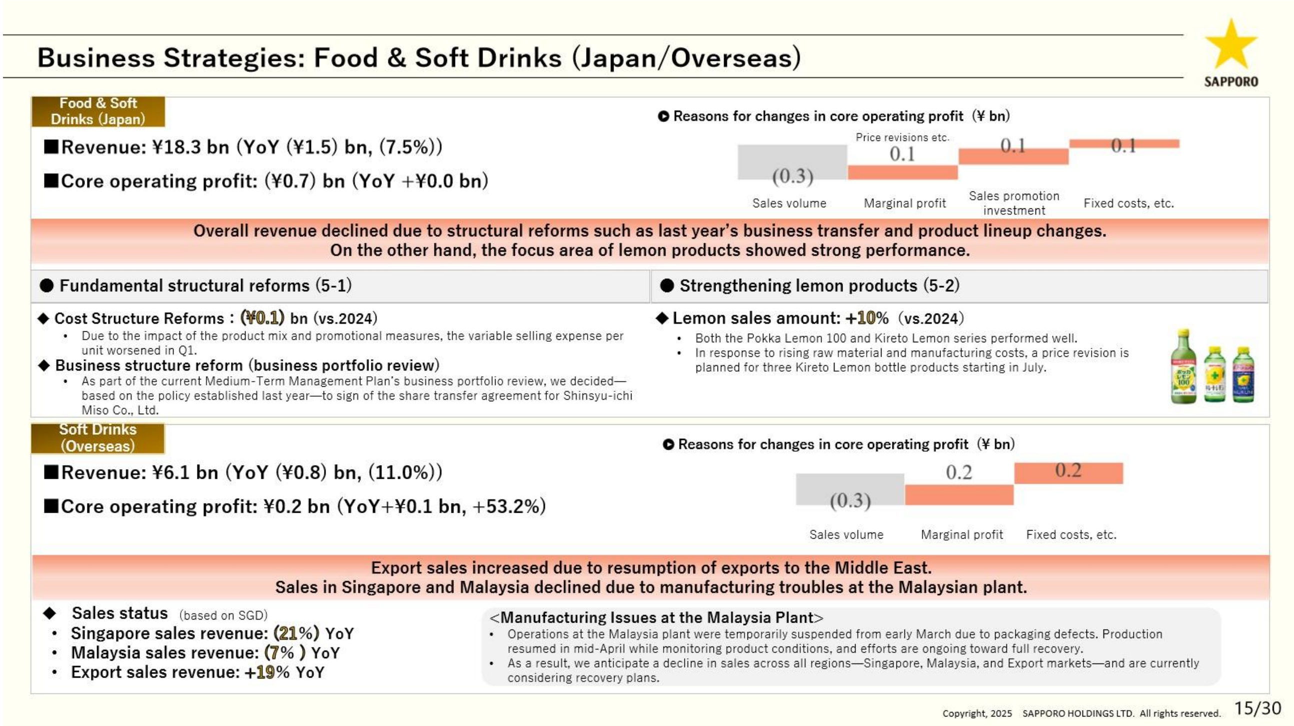
In the Canadian beer market, there was a temporary recovery due in part to a reduction in consumption tax, but overall demand in Q1 remained below the previous year's level. Although sales volume declined, we are continuing to invest in marketing in Canada as we pursue entry into the non-alcoholic segment.

In the U.S., overall demand fell amid an uncertain economic outlook, leading to lower revenues. We are implementing structural reforms in our U.S. operations to improve profitability rapidly and have begun optimizing logistics and production. We expect these initiatives to yield results in the second half of the fiscal year.

In Vietnam, while the beer market as a whole was down year-on-year, our performance remained strong, including during the Lunar New Year sales season.

In other regions, alongside steady sales growth in Korea and China, we are working with Carlsberg to expand outlets serving draft beer. As a result, the Sapporo brand outside North America grew by 27% year-on-year.

In the restaurant business, we delivered existing store sales growth and continued enhancing the customer experience for both the Sapporo and Yebisu brands.



In food and soft drinks business, some of the cost structure reforms were completed last year, but we are continuing these reforms as a new initiative.

In Q1 of this fiscal year, there was a temporary increase in unit variable selling expenses due to sales promotion measures. However, we intend to work on expanding the results of our cost structure reforms over the full year.

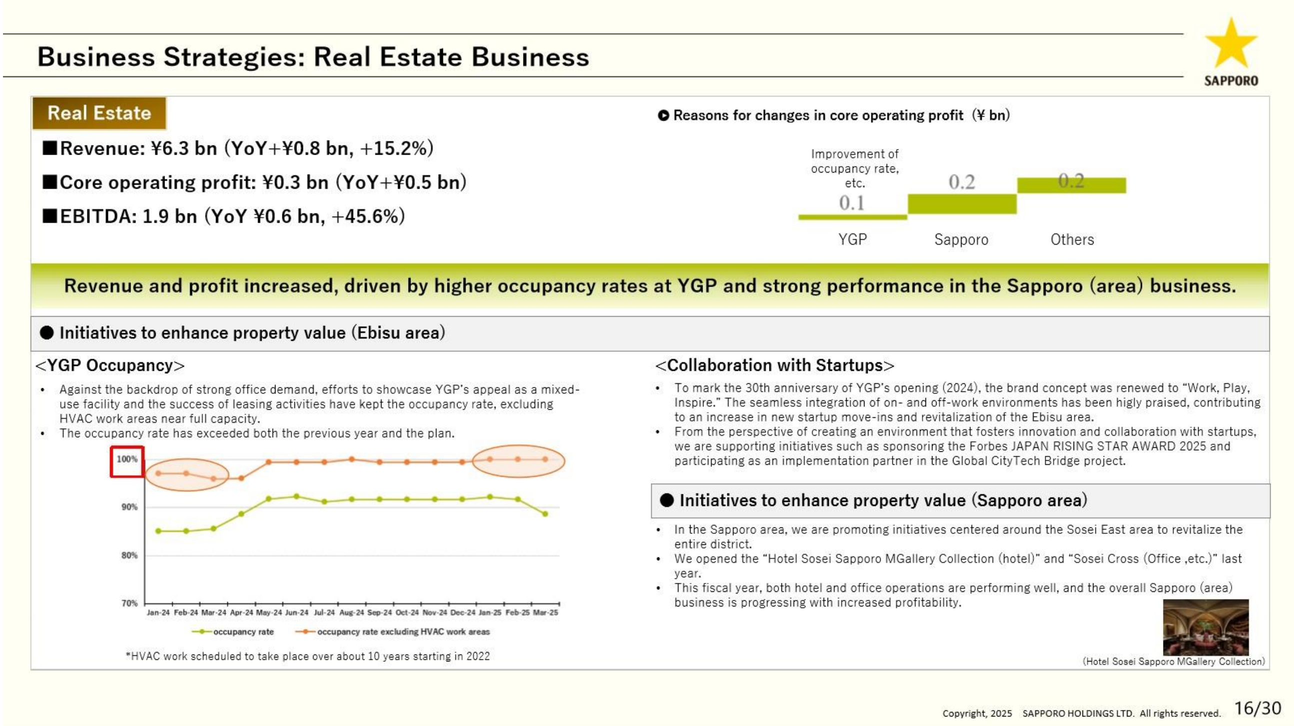
As for business restructuring, we made a decision to transfer Shinsyu-ichi Miso to another company in Q1 of this fiscal year. We are in the process of transforming our business portfolio with a greater awareness of synergies with the alcoholic beverages business.

Although not mentioned in these materials, we have made a decision to sell our POKKA SAPPORO beverage factory in Gunma, Japan, which is a factory for soft drinks, as we announced at 16:00 yesterday.

Although sales have been somewhat challenging due in part to our ongoing efforts in recent years to reduce SKUs, our aim is not to boost sales merely to raise the operating rate. Instead, we intend to improve profitability by concentrating resources on products where we have a stronger competitive advantage.

As a result, the manufacturing of canned and bottled drinks will be outsourced, and they will continue to be sold under our brand name. On the other hand, production of bottled products, such as Kireto Lemon, will continue to be manufactured at our plant.

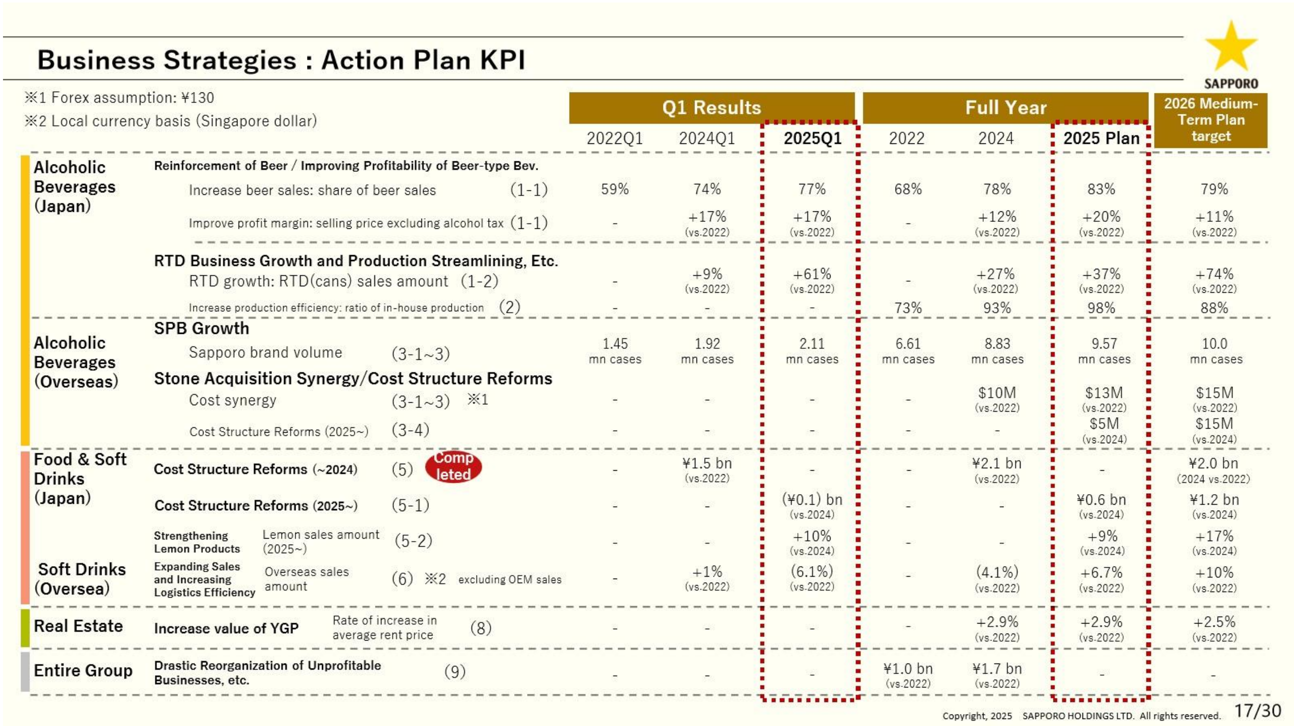
Overseas, exports to the Middle East resumed in August last year, driving revenue growth this fiscal year. Conversely, production issues at our Malaysia plant caused shipment declines, leading to lower sales in Singapore and Malaysia. Despite these challenges, we improved core operating profit year-on-year by controlling promotional expenses to enhance profitability.



For real estate business, although air conditioning work is still ongoing, YGP is currently operating at almost 100% occupancy except for the HVAC work area,

Last year marked the 30th anniversary of the opening of YGP, and we took this opportunity to renew the brand concept and contribute to the revitalization of the town through new tenants, such as start-up companies.

In Sapporo, the reopening of a hotel and the opening of an office building last year, mainly in the Sosei East area, helped revitalize the area.



Business Strategies : Action Plan KPI

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※1 Forex assumption: ¥130
※2 Local currency basis (Singapore dollar)

Segment	KPI	Q1 Results 2022Q1	Q1 Results 2024Q1	Q1 Results 2025Q1	Full Year 2022	Full Year 2024	Full Year 2025 Plan	2026 Medium-Term Plan target
Alcoholic Beverages (Japan)	**Reinforcement of Beer / Improving Profitability of Beer-type Bev.**							
	Increase beer sales: share of beer sales (1-1)	59%	74%	77%	68%	78%	83%	79%
	Improve profit margin: selling price excluding alcohol tax (1-1)	-	+17% (vs.2022)	+17% (vs.2022)	-	+12% (vs.2022)	+20% (vs.2022)	+11% (vs.2022)
	RTD Business Growth and Production Streamlining, Etc. RTD growth: RTD(cans) sales amount (1-2)	-	+9% (vs.2022)	+61% (vs.2022)	-	+27% (vs.2022)	+37% (vs.2022)	+74% (vs.2022)
	Increase production efficiency: ratio of in-house production (2)	-	-	-	73%	93%	98%	88%
Alcoholic Beverages (Overseas)	**SPB Growth** Sapporo brand volume (3-1~3)	1.45 mn cases	1.92 mn cases	2.11 mn cases	6.61 mn cases	8.83 mn cases	9.57 mn cases	10.0 mn cases
	Stone Acquisition Synergy/Cost Structure Reforms Cost synergy (3-1~3) ※1	-	-	-	-	$10M (vs.2022)	$13M (vs.2022)	$15M (vs.2022)
	Cost Structure Reforms (2025~) (3-4)	-	-	-	-	-	$5M (vs.2024)	$15M (vs.2024)
Food & Soft Drinks (Japan)	**Cost Structure Reforms (~2024)** (5) Completed	-	¥1.5 bn (vs.2022)	-	-	¥2.1 bn (vs.2022)	-	¥2.0 bn (2024 vs.2022)
	Cost Structure Reforms (2025~) (5-1)	-	-	(¥0.1) bn (vs.2024)	-	-	¥0.6 bn (vs.2024)	¥1.2 bn (vs.2024)
	Strengthening Lemon Products Lemon sales amount (2025~) (5-2)	-	-	+10% (vs.2024)	-	-	+9% (vs.2024)	+17% (vs.2024)
Soft Drinks (Oversea)	**Expanding Sales and Increasing Logistics Efficiency** Overseas sales amount (6) ※2 excluding OEM sales	-	+1% (vs.2022)	(6.1%) (vs.2022)	-	(4.1%) (vs.2022)	+6.7% (vs.2022)	+10% (vs.2022)
Real Estate	**Increase value of YGP** Rate of increase in average rent price (8)	-	-	-	-	+2.9% (vs.2022)	+2.9% (vs.2022)	+2.5% (vs.2022)
Entire Group	**Drastic Reorganization of Unprofitable Businesses, etc.** (9)	-	-	-	¥1.0 bn (vs.2022)	¥1.7 bn (vs.2022)	-	-

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See page 17 for the list of KPIs for the action plan.

We are on track to achieve our 2026 target for strengthening beer and improving beer profit margins in the Japan alcoholic-beverages business. We view next fall’s liquor-tax revision as a major opportunity and will intensify efforts to further increase sales and profits.

We have set an ambitious 2026 growth target for our RTD business. While a gap remains, we achieved significant Q1 growth—especially in our “Koime” brands—and are rolling out further initiatives to sustain that momentum.

We are also making steady progress growing the Sapporo brand in overseas alcohol markets. Although we revised our cost-synergy target, we remain fully committed to the current goal.

Since the beginning of this year, market deterioration has challenged our top line even as we advance cost-structure reforms. We will accelerate these efforts.

In the Food & Soft Drinks business, after completing last year’s cost-structure reforms, we launched new domestic initiatives this year. Although overseas beverage sales started the fiscal year in negative territory, we will first stabilize our manufacturing platform and then transition the business into a growth phase.

Question & Answer

Japan Alcoholic Beverages

Q1. Since April, there has been an increase in new product launches by competitors. What impact has this had on your beer sales, and are there any concerns going forward?

A1. In April, sales were around 70% year on year due to a reactionary decline following last-minute demand before the price revision. However, the cumulative results for March and April have been better than expected. In addition to Black Label, initiatives for Yebisu have also been effective, and we believe things are progressing well. There was some initial impact from competitors' new products, but this has not had a major effect since then, and we have been able to respond with our own measures. As for concerns, we recognize the potential for a downturn in the overall economic environment and consumer behavior in the market, and we will need to keep a close eye on these developments.

Q2. Can you explain the impact of the price increases by category?

A2. During the last-minute demand in March, we saw a greater-than-expected shift in demand toward happoshu (including happoshu (2)), indicating a trend toward more budget-conscious choices. However, based on the situation in April and May, we do not see any significant change in the overall trend, and we believe the shift back to beer—driven in part by the liquor tax revision—remains intact. While competition in the beer category is intensifying across the industry, we remain committed to focusing on beer, especially Black Label and Yebisu.

Overseas Alcoholic Beverages

Q3. What is the estimated financial impact of U.S. tariffs (on cans, malt, etc.), and what is your outlook from the second quarter onward?

A3. We expect to see an impact in both Canada and the United States. Since cans and aluminum are procured across the border between the two countries, the timing of price increases from suppliers is uncertain. Even with cost reduction measures in place, we currently estimate the impact to be approximately 400 million yen in Canada and around 300 million yen in the U.S., based on the current situation. In addition to these cost increases, we are also closely monitoring the impact on consumer sentiment in both countries.

Q4. Will you respond to the tariff impact by passing the costs on through price revision?

A4. Passing on the costs through price revision is one option, but we need to make decisions while keeping an eye on competitors' actions. We are also considering procurement routes that are not subject to tariffs. However, some level of impact is unavoidable regardless of the approach, so we will make decisions based on market conditions.