



**SAPPORO**

# **Action to Implement Management that is Conscious of Cost of Capital and Stock Price**

**(Updated February 2026)**

\*In this document, the name abbreviation is used:

SPB: SAPPORO PREMIUM BEER

Medium-term Plan: Medium-Term Management Plan (2023–2026)

Next medium-term Plan: Next Medium-Term Management Plan (2027–2030)

**February 13, 2026**

**Sapporo Holdings Limited (2501)**

**URL: <https://www.sapporoholdings.jp/en/>**

# Summary



- The recent PBR has been trending at around 3x, and the ROE for 2025 was 9.4%, which exceeds the cost of equity as recognized by the company.
- Resolved to inject external capital into the real estate business in December 2025 with the aim of improving long-term capital profitability and enhancing the corporate value of the group.
- Aiming for long-term ROE of 10% or higher by utilizing funds obtained through real estate external capital injection to strengthen cash generation capabilities and improve capital efficiency

## Current Status Analysis and Evaluation

### PBR

- ◆ Our company's recent PBR has been trending at approximately 3x.
- ◆ Based on the assumed capital for fiscal year 2026 after the injection of external capital in real estate business, the PBR is expected to be approximately 1.3x.

### ROE

- ◆ Our company's ROE for fiscal year 2025 was 9.4%, achieving our fiscal year 2026 financial target ROE of 8% one year ahead of schedule, resulting in a performance that exceeded our cost of equity capital.

### Cost of equity

- ◆ We recognize that our company's cost of equity has been trending upward to approximately 6-7% recently, in line with rising domestic interest rates.

### Future assumptions

- ◆ A temporary decline in ROE is expected due to the capital increase resulting from the injection of external capital in real estate business.
- ◆ Due to rising domestic interest rates, there is a possibility that the cost of equity may increase further in the future.

## Initiatives to Improve Capital Profitability (Financial Target: ROE of 8% or higher by 2030, aiming for ROE of 10% or higher in the long term)

### Business Portfolio Management

- ◆ Promoting further enhancement of profitability, growth, and structural reforms both domestically and internationally, with a view to the portfolio we aim to achieve in the next medium-term plan.
- ◆ Domestically, we will invest in strong core brands and growth areas, while internationally, we will complete structural reforms in North America and strengthen our profit base in APAC and Europe.

### Growth Investment

- ◆ Strategically utilize funds obtained through external capital injection in the real estate business to execute investments in priority areas centered on "Bonds with Community" and "Healthier Choice," thereby improving sales scale and profitability.

### Capital Policy and Shareholder Returns

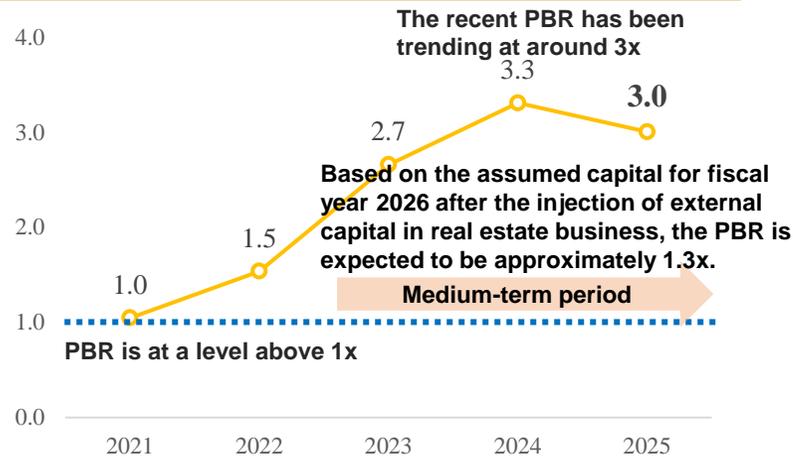
- ◆ We aim to improve capital efficiency and implement stable and sustainable profit returns through a dividend policy based on DOE.
- ◆ We will optimize shareholder equity levels through flexible share buybacks with capital efficiency in mind.

# Medium to Long-term Corporate Value Enhancement Initiative Policy

# Current Status Analysis and Evaluation

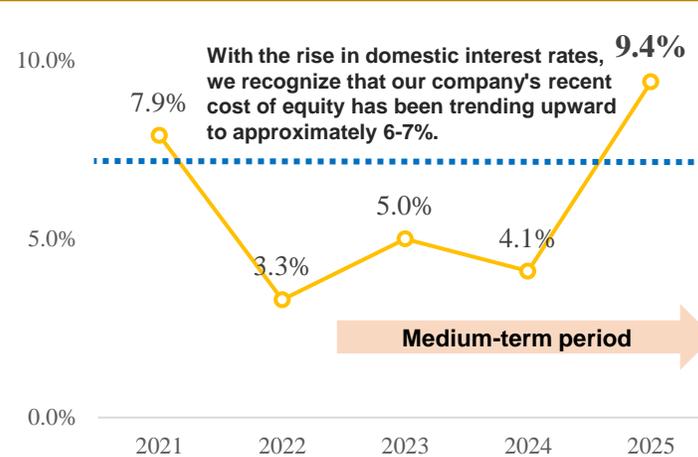
- » Our PBR has recently been around 3x. Based on the assumed capital for fiscal year 2026 after the injection of external capital in real estate business, the PBR is expected to be approximately 1.3x.
- » The core operating profit margin, which our company had previously recognized as a factor behind low ROE, improved throughout the medium-term plan period, with ROE reaching 9.4% in 2025. We achieved our 2026 target of 8% ROE one year ahead of schedule, reaching a level that exceeds the cost of equity as recognized by our company.

## PBR



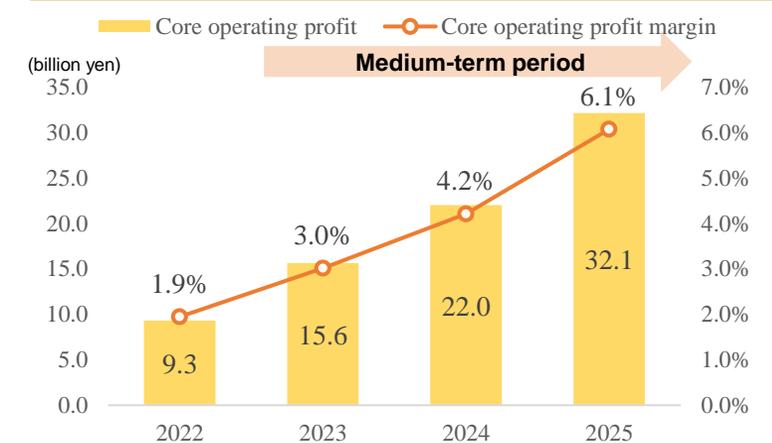
- ◆ The current PBR is trending at approximately 3x, driven by expectations for the realization of unrealized gains accompanying the injection of external capital into the real estate business and stock price increases backed by profit growth during the medium-term plan period.
- ◆ Based on the assumed capital for fiscal year 2026 after the injection of external capital in real estate business, the PBR is expected to be approximately 1.3x.

## ROE



- ◆ ROE achieved the 2026 fiscal year financial target of 8% ROE set forth in the medium-term plan one year ahead of schedule, exceeding the approximately 6% cost of equity that the company had previously recognized
- ◆ On the other hand, we recognize that domestic interest rates are currently rising, and our company's cost of equity is also trending upward to around 6-7%.

## Core operating profit · Core operating profit margin\*



\*From the perspective of comparison with previous years, operating profit and operating profit margin are calculated using figures from the real estate business before classification as discontinued operations

- ◆ Throughout the medium-term period, the profitability of each business, centered on domestic alcoholic beverages, improved significantly, and core operating profit increased along with improvements in the core operating profit margin.

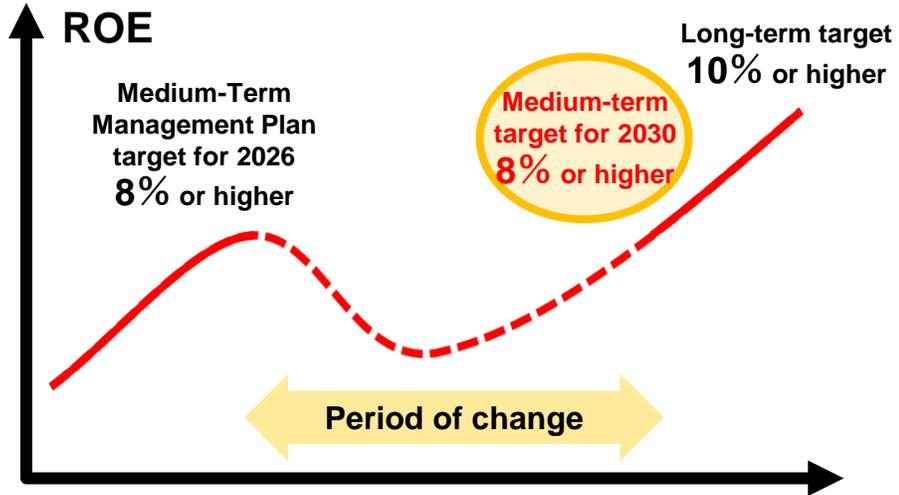
# Medium to Long-term Corporate Value Enhancement Initiative Policy

- » With the aim of enhancing the group's medium to long-term corporate value, we will concentrate management resources and focus on the growth of the alcoholic beverage business.
- » Based on that policy, we resolved to inject external capital into the real estate business in December last year.
- » Although a temporary decline in ROE is expected due to the capital increase from injecting external capital in real estate business, we aim to strategically utilize funds for growth investments in the alcoholic beverage business, targeting ROE of 8% or higher by 2030 and ROE of 10% or higher in the long term.

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

<p><b>Medium- to long-term vision</b></p>	<p>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 <b>a company that can create rich beer and consumer experiences on a global scale</b>, while also targeting further improvements in capital returns.</p>
<p><b>Objectives of injecting external capital into the Real Estate business</b> (Toward achieving the medium- to long-term vision)</p>	<ul style="list-style-type: none"> <li>● <b>By shifting the Real Estate business off balance sheet to concentrate management resources</b>, and investing the funds obtained into <b>the growth of the alcoholic beverages business</b>, the Group aims to <b>enhance its medium- to long-term corporate value</b>.</li> </ul>

### Illustrative Medium- to Long-Term ROE Trend

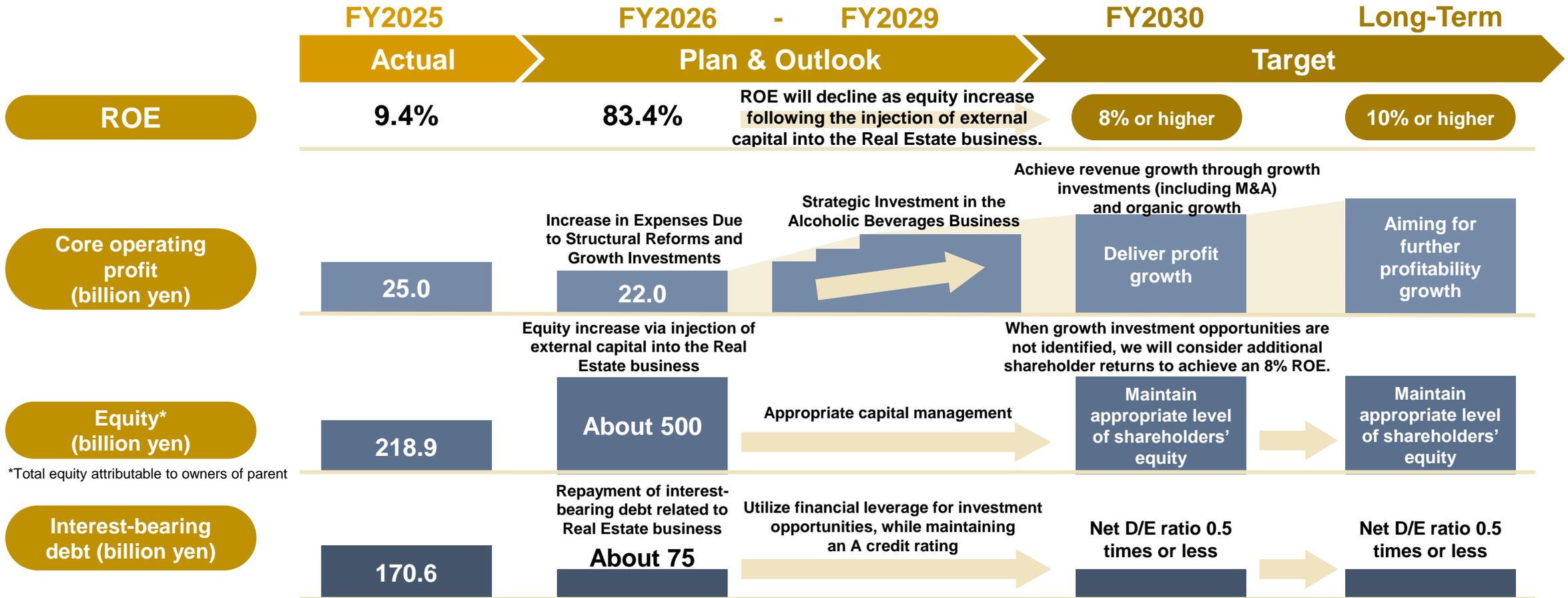


The Company will accelerate long-term profit growth by re-investing in the Alcoholic Beverages business, recognizing potential short-term fluctuations due to the injection of external capital into the Real Estate business.

**We aim to achieve medium to long-term corporate value enhancement by achieving an ROE of 8% or higher in 2030 and our long-term target of 10% or higher, and will strategically utilize the cash generated through the injection of external capital in real estate business toward realizing our company's financial scenario.**

# Financial Scenarios to Enhance Medium- to Long-Term Corporate Value

- To achieve our long-term ROE target of 10% or more, we will strategically invest the funds raised through the injection of external capital into the Real Estate business into growth initiatives in the Alcoholic Beverages business, accelerating earnings growth and strengthening medium- to long-term cash generation to enhance overall group corporate value.
- In addition, appropriate capital management will be pursued through higher dividend levels and flexible share buybacks.



◆ The cash (¥470 billion) raised through injection of external capital into the Real Estate business will primarily be allocated to ¥300–400 billion in growth investments and ¥100 billion in shareholder returns.

# 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 primarily to growth investments. In addition, based on our view of the appropriate future balance sheet, we will strategically optimize shareholders' equity and appropriately utilize financial leverage to enhance capital efficiency and ultimately increase corporate value.
- » To provide stable and sustainable shareholder returns, our dividend policy targets a DOE of 3% or higher as a guideline, with the aim of achieving 4% or higher by 2030. In addition, from the perspective of improving capital efficiency, we will also consider share buybacks.

**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**

## Priority sectors for investment

- ✓ Capture the next generation of beer drinker
  - ✓ Strengthen overseas beer business
  - ✓ Strengthen RTD sector
  - ✓ Acquire new capabilities with the aim of generating innovation
  - ✓ Strengthen non-alcohol and soft-drink capabilities
- 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.

\* North America 10%, etc.

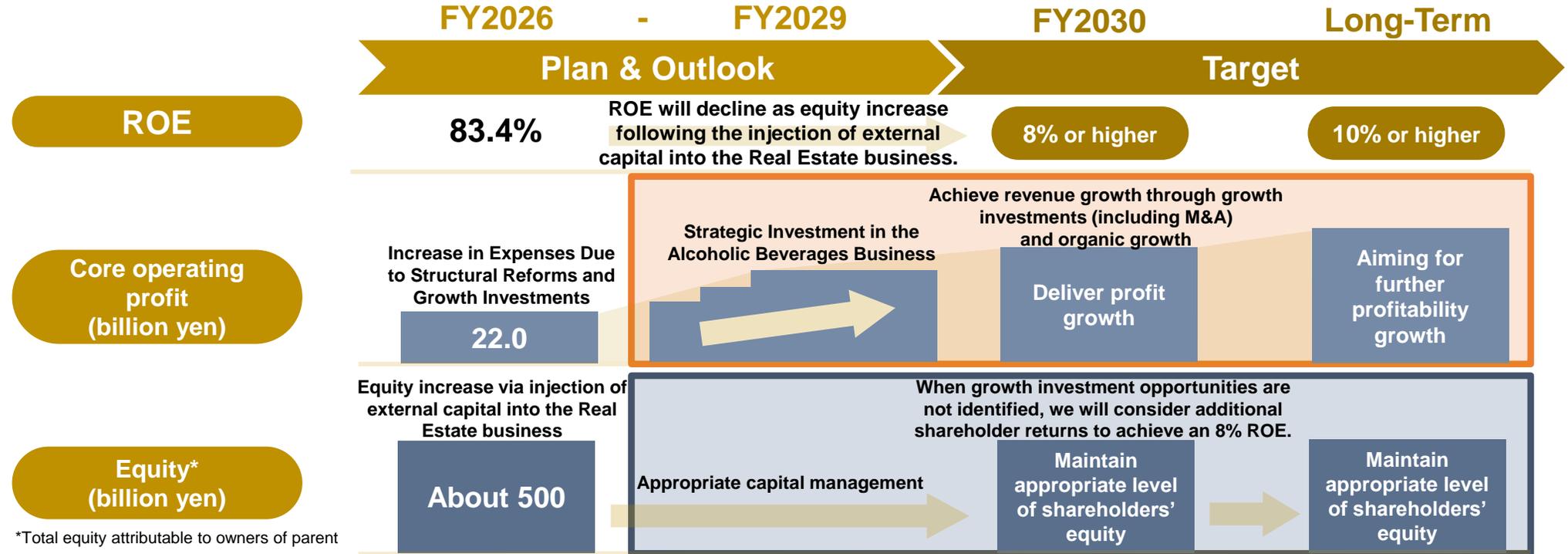
- The Company will increase capital efficiency by repaying the debt related to the Real Estate business, as well as considering additional repayment of debt during the period before making growth investments.
- The Company will use financial leverage as required at each stage of growth investment, taking care to retain its "A" rating. (Financial security aims: Control at Net D/E ratio of 0.5 times or less and Net D/EBITDA ratio of 3.0 times or less)

- 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).**

# Approach Policy for Achieving Financial Scenarios

- » As initiatives for profit growth, in addition to strengthening the revenue base through the promotion of business portfolio management, we aim to improve profitability through growth investments by strategically utilizing funds obtained from injecting external capital in real estate business.
- » Promoting capital policies and shareholder returns with a focus on capital efficiency as an initiative toward appropriate capital control.



### Profit Growth

- Strengthening Revenue Foundation through Business Portfolio Management Promotion
- Revenue Enhancement through Growth Investment

### Appropriate capital control

- Capital policy and shareholder returns with a focus on capital efficiency

# Strengthening the revenue foundation through the promotion of business portfolio management



- » With an eye toward the portfolio we aim to achieve in the next medium-term plan, we will promote further enhancement of profitability, growth, and structural reforms both domestically and internationally.
- » Domestically, we will invest in strong core brands and growth areas, while overseas we will complete structural reforms in North America and strengthen our profit base in APAC and Europe

## Business Approach for Each Business in 2026

		Bonds with Community		Healthier Choice		Structural reforms	
Domestic	Strengthen and Grow	Growth	Domestic Alcoholic Beverages (Beer)	• Growth through continued investment in flagship brands such as Black Label/Yebisu			
			Domestic Alcoholic Beverages (Non-Alcohol)	• Growth through enhanced development in the expanding non-alcoholic category market			
			Domestic Food & Beverages (Lemon)	• Further growth of the lemon business driven by increasing health needs			
	Reinforce profitability	Domestic Alcoholic Beverages (RTD)	• Strengthening profitability of core brands centered on Koime brands				
		Restaurants	• Enhancing customer experience value and pursuing synergies with Domestic Alcoholic Beverages.				
	Structural Reforms	Restructuring	Domestic Alcoholic Beverages (Others)	• Considering restructuring to strengthen the profitability of low-revenue businesses			
Domestic Food & Beverages (Soup/Beverages)			• Continuing reorganization to strengthen profitability of soup/beverage business				
Overseas	Strengthen and Grow	Growth	Overseas Alcoholic Beverages (APAC · Europe)	• Growth through building collaborative frameworks with distributors			
		Reinforce profitability	Overseas Alcoholic Beverages (Canada)	• Strategic review for enhancing the value of the Sleeman brand			
	Overseas Beverages		• Strengthening initiatives in the low/sugar-free tea category (Singapore) • Strengthening Brand Investment and Sales Agency Utilization (Malaysia)				
	Structural Reforms	Restructuring	Overseas Alcoholic Beverages (The U.S.)	• Continue structural reforms to improve the profitability of Stone Co.			

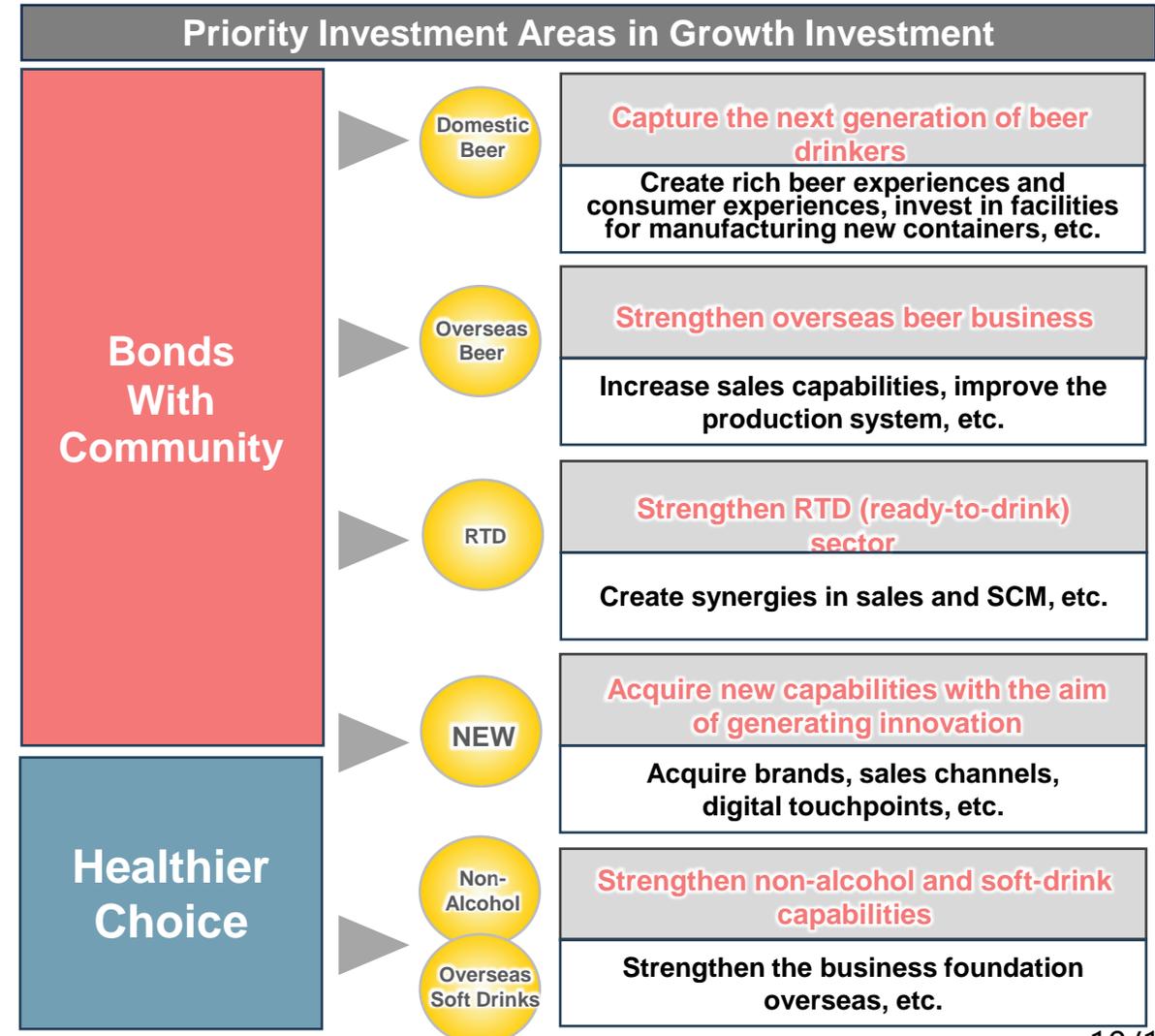
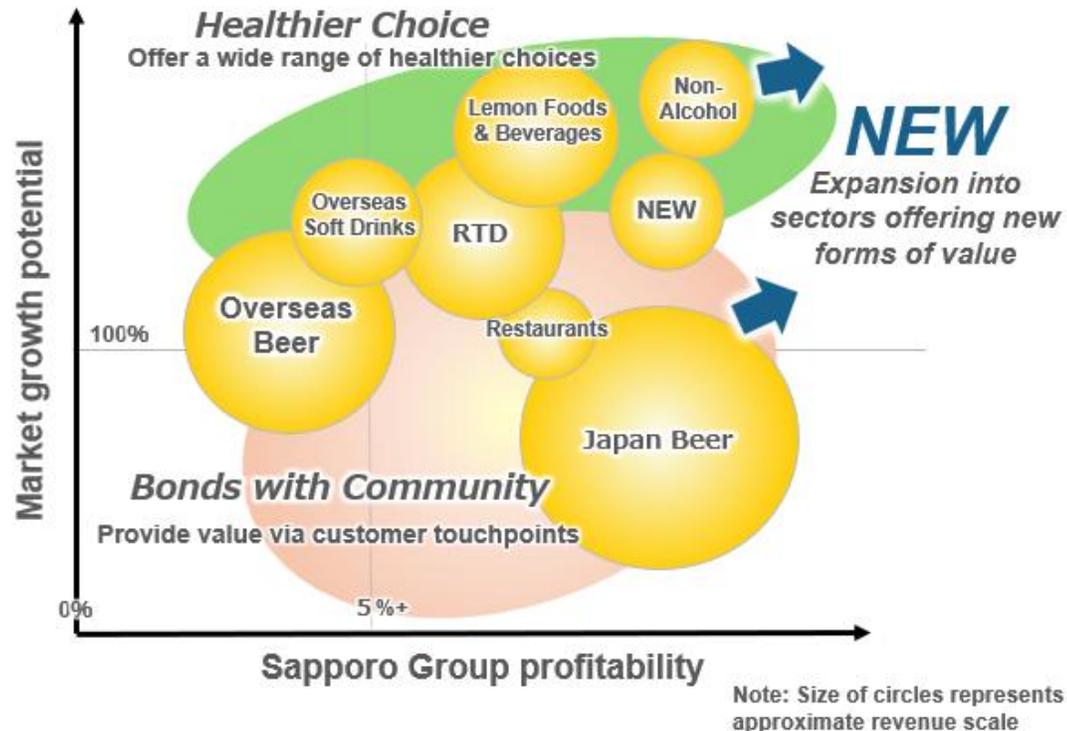
Portfolio targeted in the next medium-term plan

# Revenue Enhancement through Growth Investment

- » Strategically utilize funds obtained through external capital injection in the real estate business to execute investments in priority areas centered on "Bonds with Community" and "Healthier Choice," thereby improving sales scale and profitability.



Conduct growth investment according to strategy outline to increase profits and expand sectors in each segment

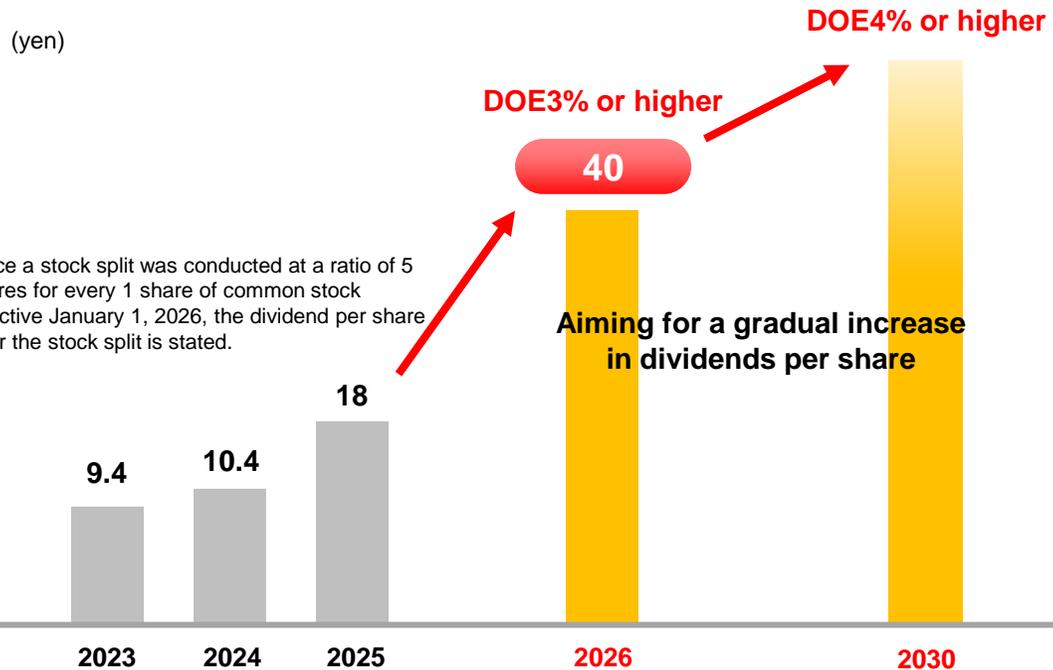


# Capital policy and shareholder returns with a focus on capital efficiency

- » We aim to improve capital efficiency and implement stable and sustainable profit returns through a dividend policy based on DOE.
- » We will optimize shareholder equity levels through flexible share buybacks with capital efficiency in mind.

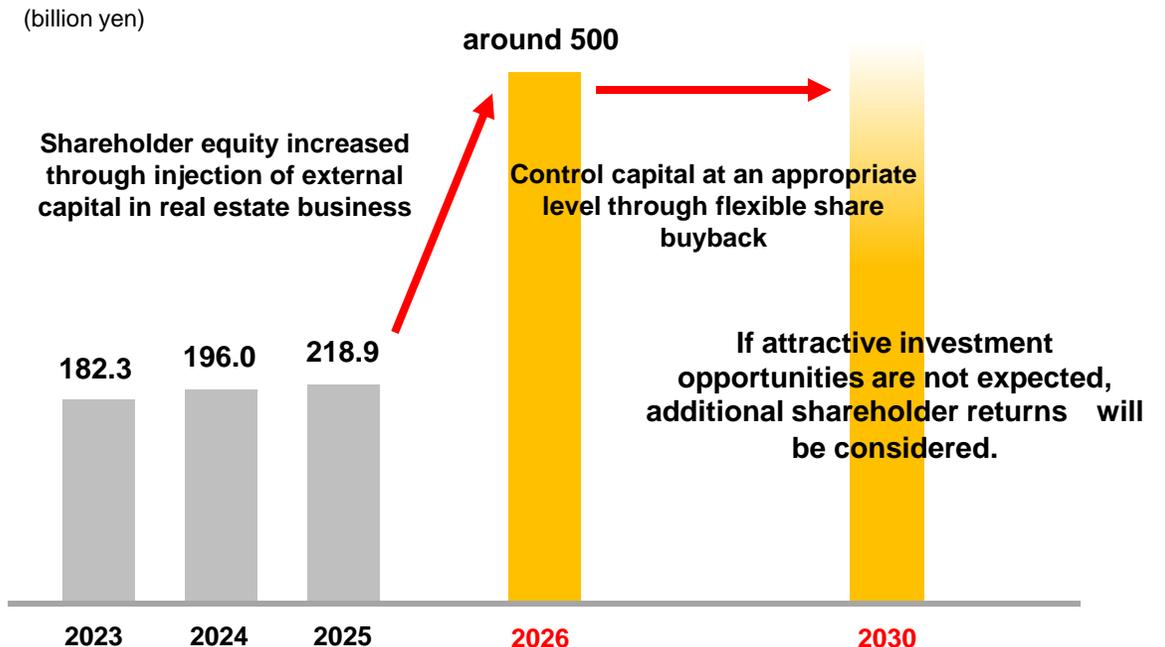
## Stable and sustainable dividends (DOE 3% or higher)

We will further enhance profit distribution and improve capital efficiency, aiming for DOE of 3% or higher as a guideline, with a target of achieving DOE of 4% or higher by 2030



## Flexible share buyback

Optimize shareholder equity through share buybacks with capital efficiency in mind  
Consider additional returns if investment opportunities are not foreseeable by 2030



# Appendix

## 2025 Initiatives and Review for Corporate Value Enhancement

## (Reference Materials) Key Strategic Initiatives for Corporate Value Enhancement in 2025

### Policy

To promote a financial strategy that emphasizes "sustainable growth" and "capital efficiency," which we have been working on for some time, and to achieve an increase in corporate value

- Aim to achieve Medium-Term Management Plan financial targets (ROE of at least 8% in 2026, overseas sales revenue and EBITDA growth of 10%/year)
- Promote both growth investment and shareholder returns based on cash allocation policy

#### For the realization of sustainable growth

- **Enhance the earning capacity of each business**
  - **Realization of business growth**  
Proactively develop areas of strength
  - **Cost-related structural reforms**  
Create business structures that can respond to changes in the environment

#### ● **Growth investment**

- **Investment in overseas businesses with growth potential**
- **Investment in domestic business to strengthen the earnings base**  
Respond flexibly to growth investment opportunities by utilizing financial leverage to the extent that our current credit rating can still be guaranteed

#### For the enhancement of capital efficiency

- **Thorough business monitoring with ROIC as an indicator**
  - **Entire company managed by ROE and per-business ROIC**  
Execution of streamlined initiatives toward enhancement using ROIC tree

#### ● **Balance sheet reforms**

- **Review of assets held**  
Improve or sell underutilized assets and assets with low turnover
- **Reduce cross-shareholdings**  
Reduction of the ratio of book value of cross-shareholdings to total equity attributable to owners of parent to less than 20% by 2024 and less than 10% by 2026

- **Review of business portfolio**
  - **Fundamental review of businesses positioned for restructuring/divestment**  
Exit businesses that cannot be expected to improve and focus on growth areas

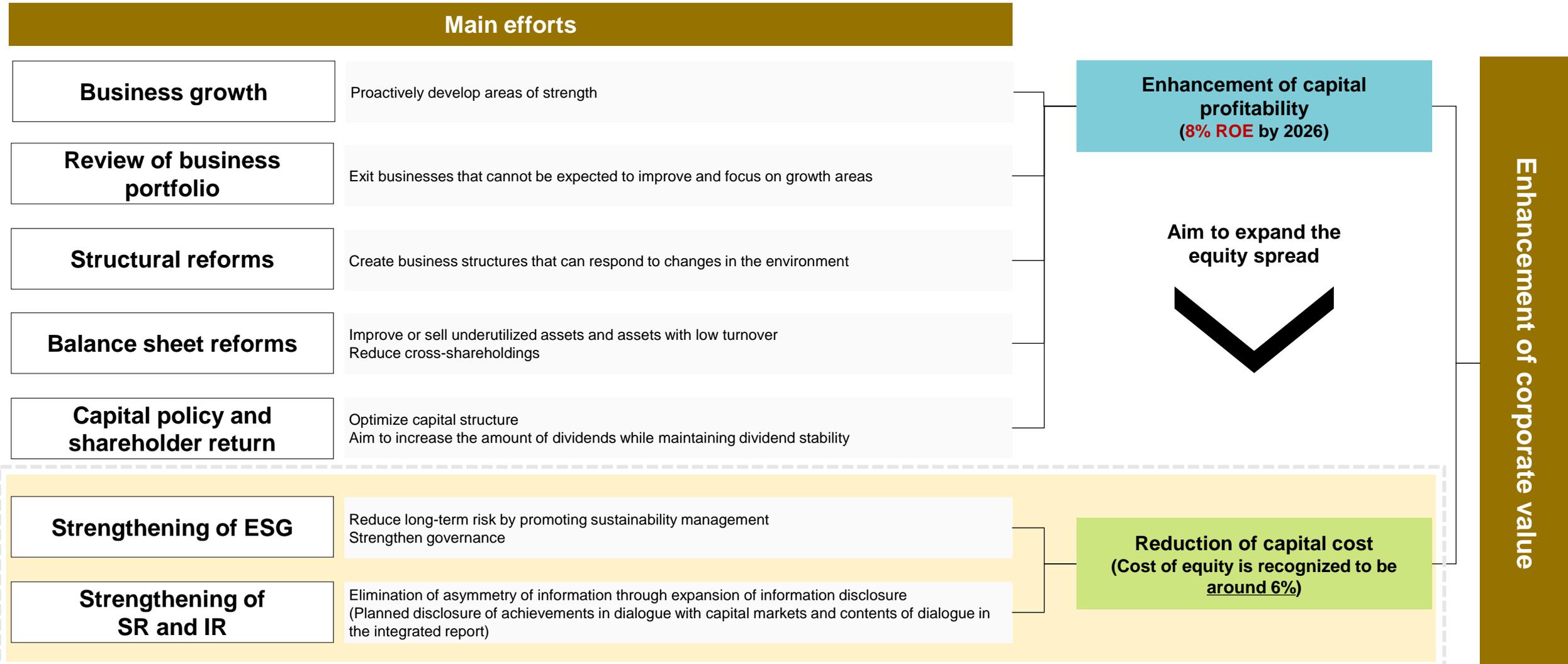
### Efforts to enhance ROE

#### ● **Shareholder returns**

- **Increase the level of dividends in accordance with profit growth**  
Aim to increase the amount of dividends while maintaining dividend stability

# (Reference Materials) Key Initiatives for Corporate Value Enhancement in 2025

## Promotion of efforts to enhance capital profitability and decrease capital cost



# (Reference Materials) 2025 Initiatives and Review for Corporate Value Enhancement



» ROE reached 9.4% through strengthening domestic beer operations and structural reforms across each business segment, achieving the 2026 financial target one year ahead of schedule

Main efforts to enhance corporate value	2025 Initiatives and Reflection	
Enhancement of capital profitability	Business growth	In the domestic market, we achieved growth exceeding total demand through concentrated investment in our flagship beer brands, and by focusing on lemon products, our lemon business achieved record-high sales. Overseas, SPB continued to grow in both North America and other regions.
	Review of business portfolio	Resolution on the injection of external capital into the real estate business. Completed the transfer of Shinsyu-ichi Miso Co., in the domestic food and beverage sector. Continue to strengthen monitoring by business and set ROIC targets based on WACC plus spread.
	Structural reforms	Implemented initiatives to improve profitability of domestic food and beverages vending machine business / soup business. The US business is advancing structural reforms to improve profitability and proceeding with the restructuring of management and business foundations.
	Balance sheet reforms	In 2025, we sold 23 stocks of cross-shareholdings worth 9.1 billion yen, reducing the book value ratio of cross-shareholdings to capital from 16% to 14%. We will proceed with further reduction of policy-held shares toward the new target of less than 5% book value ratio in 2026.
	Capital policy and shareholder return	The dividend is expected to increase for the third consecutive year in 2025 (dividend per share: 52 yen → 90 yen). The projected dividend has also been revised upward from the initial 60 yen. Shifted to a dividend policy focused on capital efficiency. Aim for DOE3% or higher as a guideline, and target DOE4% or higher by 2030.
Reduction of capital cost	Strengthening of ESG	Addition of “Realization of a society in harmony with nature” and “Promoting of responsible drinking” as new “most important issues” in line with changes in the social conditions and business environment. Strengthened TCFD/TNFD compliance, achieved triple A rating in external CDP evaluation.
	Strengthening of SR and IR	In 2025, the number of SR/IR meetings was 179 (IR 151), continuing active dialogue. Enhancing information disclosure through simultaneous Japanese-English disclosure of integrated reports and other disclosure materials, shortening lead times to disclosure, etc.