

## **Key Questions & Answers from conference call for 2026Q1**

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\*In this document, the name abbreviations and terms are used:

PS: Pokka Sapporo Food & Beverage Ltd.

next Mid-Term Plan: next Medium-Term Management Plan (2027-30)

Beer: Beer within beer-type beverages

### **<Medium- to Long-Term Strategy (Status of Discussions on the next Mid-Term Plan (2027–2030))>**

**Q1** Regarding the next Mid-Term Plan, what are the anticipated plans in terms of business performance and capital efficiency? Please also specify the timing of the disclosure.

**A1** The Sapporo Group plans to announce the next Mid-Term Management Plan within 2026, and the specific timing of the announcement is currently being finalized. The plan covers the four-year period from 2027 to 2030. A decision was made at the end of last year to inject external capital for the Real Estate Business, and it is believed that under the next Mid-Term plan, both domestic and overseas businesses will enter an investment phase. In Japan, performance is strong, particularly in the beer segment, aided by the revision of liquor taxes, and the intention is to continue accelerating beer growth. In the medium to long term, the policy is to strengthen not only beer but also adjacent areas such as non-alcoholic beverages and Healthier Choices. Overseas, the decision to transfer the Stone brand has brought the structural reforms in the U.S. to a certain conclusion, so the organization is now entering a phase of enhancing profitability. The intention is to expand the rapidly growing Sapporo brand not only in North America but also in other regions (APAC and Europe).

**Q2** Regarding structural reforms, the Sapporo Group is actively proceeding with the transfer of the Stone brand in the U.S., the transfer of the PS Gunma plant, and the transfer of beverage vending machine business. Are you considering any structural reforms that would fundamentally change the portfolio under the next Mid-term plan?

**A2** The Sapporo Group is currently discussing how to translate the vision for 2035 into a business portfolio plan for 2030 through a back casting approach. Further details, including the design of the business portfolio, will be provided when the next Mid-term plan is announced. Rather than focusing primarily on structural reforms, the growth of existing businesses is being prioritized. Regarding growth investments under the next mid-term management plan, a strategic allocation across four quadrants is being considered: Bonds with Community, Healthier Choice, Domestic, and Overseas.

**Q3** It is understood that there will be a significant cash inflow on June 1, 2026, following the injection of external capital into the Real Estate Business. Regarding the cash allocation policy, are there any changes from the policy announced at the end of

last year? It is assumed that funds will be prioritized for growth investments, but could you also share your views on the allocating fund to shareholder returns?

**A3** The cash allocation outlined at the time of the external capital injection into the Real Estate Business serves as the basic policy. However, the Financial Strategy Working Group—which includes outside directors—is discussing allocation that incorporates regular operating cash flow and other factors. Further details will be provided at the announcement of the next Mid-Term plan.

#### <Impact of the Situation in the Middle East>

**Q4** You mentioned that the cost increase due to the situation in the Middle East is estimated to be between ¥1 billion and ¥2 billion. I would like to ask about the impact by segment, as well as the basis for the calculation and your reasoning. Also, while I understand that this amount is not particularly large relative to other companies, is this estimate based on the assumption that current crude oil prices and material market prices will continue? I would like to confirm the details, including whether hedging has been taken into account.

**A4** Regarding the situation in the Middle East, the Company is currently gathering information and making forecasts, and the estimated impact of ¥1 to ¥2 billion is a preliminary projection. By segment, there will be an impact on both domestic and overseas operations. In particular, regarding the surge in aluminum prices and aluminum can costs, the Company is already seeing a significant impact overseas and expects prices to rise domestically as well in the future due to the situation in the Middle East. In addition, fuel and logistics costs are expected to rise. While hedging is factored in, these estimates are based on the assumption that current price and market conditions will persist; they do not incorporate maximum risks such as difficulties in procuring materials or disruptions to factory production. Regarding the timing, the impact is expected to materialize gradually starting in Q2, with the greatest impact expected in the second half of the year.

**Q5** The financial results presentation materials state that, due to the situation in the Middle East, the resumption of overseas beverage exports is expected to be delayed until October or later. While the plan for this fiscal year was to increase export volumes (up 6.6% year-on-year), will it be possible to offset this decline with growth in regions other than the Middle East? Or will this have a negative impact on sales and profits?

**A5** The situation in the Middle East is expected to continue to reduce overseas beverage profits from Q2 onward. Offsetting the effect within the overseas beverage segment is unlikely; however, the impact on consolidated results is anticipated to be limited, and recovery will be pursued through other business segments. The target date for resuming exports is October, but the exact timing remains fluid.

**<Domestic Business (Alcoholic Beverages (Japan))>**

**Q6** I would like to ask about sales trends for domestic alcoholic beverages in April. It appears that the Company's beer continues to perform better than the market, but is it being affected by competitors resuming sales or intensifying promotional activities?

**A6** Competitors are intensifying their efforts in the beer sector in anticipation of the October liquor tax revision. However, at this point, there has been no change in the strong sales trend of the beer brands, particularly Black Label and Yebisu, and it is believed that this positive momentum can be maintained going forward.

**<Overseas Business (Alcoholic Beverages (Overseas))>**

**Q7** How do you assess the consumption environment in North America (including the impact of the situation in the Middle East)? I would also like to ask about the likelihood of achieving this fiscal year's targets.

**A7** In both Canada and the U.S., consumer sentiment toward beer remains weak. Following the impact of various policies under the Trump administration in the previous two years, which had already dampened consumer sentiment, the situation was further compounded by the impact of the situation in the Middle East. Total beer demand is also trending downward, and Sleeman, the Canadian local brand, is expected to continue facing challenges. On the other hand, the Sapporo brand continues to grow even within this difficult market environment. This positive trend is expected to continue, and our business will be advanced using the Sapporo brand as a breakthrough.