

FACT BOOK

Updated in May 2025

Sapporo Holdings Ltd.

Materials

1 Sapporo Group Overview

- Sapporo Group Overview
- Sapporo Group Main Companies & Main Products
- Sapporo Group History

2 Medium-Term Management Plan

- Basic Policy
- Business Strategy
- Financial Strategy
- Sustainability
- Strengthening of management foundation

3 Group Medium- to Long-Term Growth Strategy

4 Business overview

- Alcoholic Beverages
- Food & Soft Drinks
- Real Estate

Data

5 Financial Data

- Profit and loss statement/Balance sheet
- Segment Information
- Cash flows/Information of per share/Indicators

Online Graph

<https://www.sapporoholdings.jp/en/ir/financial/graph/>

6 Non-Financial Data

For more information regarding financial and non-financial matters, please visit the Company website.

- Investor Relations Website
<https://www.sapporoholdings.jp/en/ir/>
- IR Library
<https://www.sapporoholdings.jp/en/ir/library/>
- Sustainability Website
<https://www.sapporoholdings.jp/en/sustainability/>
- Sustainability Book (Japanese only)
https://www.sapporoholdings.jp/sustainability/sustainability_book/

～Materials～

Sapporo Group Overview

Company Overview

Company Name
Sapporo Holdings Limited

Business Description
Holding Company
(Formulation and management of the group's business strategy)

Head Office
20-1, Ebisu 4-chome, Shibuya-ku, Tokyo
150-8522, Japan

Date of Establishment
September 1, 1949

Founded
1876

Company Representative
Hiroshi Tokimatsu President and Representative Director

Capital
¥53,887 million



Management Philosophy

**As an intrinsic part of people's lives,
Sapporo will contribute to the evolution of creative, enriching and
rewarding lifestyles.**

Fundamental Management Policy

**The Sapporo Group strives to maintain integrity in corporate conduct that
reinforces stakeholder trust and aims to achieve continuous growth in
corporate value.**

Since we began brewing beer with the establishment of the Kaitakushi Brewery in 1876, the Sapporo Group has been committed to providing products and services that satisfy our customers through a sincere commitment to craftsmanship that focuses on raw materials.

We have pursued innovation and quality improvement based on "communication" with customers through the products and services we offer, expanding our scope to include the beer business, general alcoholic beverages, food & soft drinks, restaurants, and real estate. Brand is our important asset which we have been established with our customers.

By responding to change and taking on new challenges, we will further let this brand shine domestically and internationally, and aim for solid growth as a "brand company with individuality."

In addition, we recognize that the promotion of sustainability management, which tackles various issues in the global environment and society facing the entire world, is a role that a company should naturally play.

We believe that "contributing to Well-being of People and Local Communities" will lead to the realization of our management philosophy of "As an intrinsic part of people's lives, Sapporo will contribute to the evolution of creative, enriching and rewarding lifestyles" and the creation of "economic and social value."



Sapporo Group Overview

Security Code
2501

Number of Shares Issued (As of Dec 31, 2024)
78,794,298

Ratings(As of Dec 31, 2024)
Japan Credit Rating Agency, Ltd. (JCR) A-

Shareholder Register Manager
Stock Transfer Agency Department
Mizuho Trust & Banking Co.,Ltd

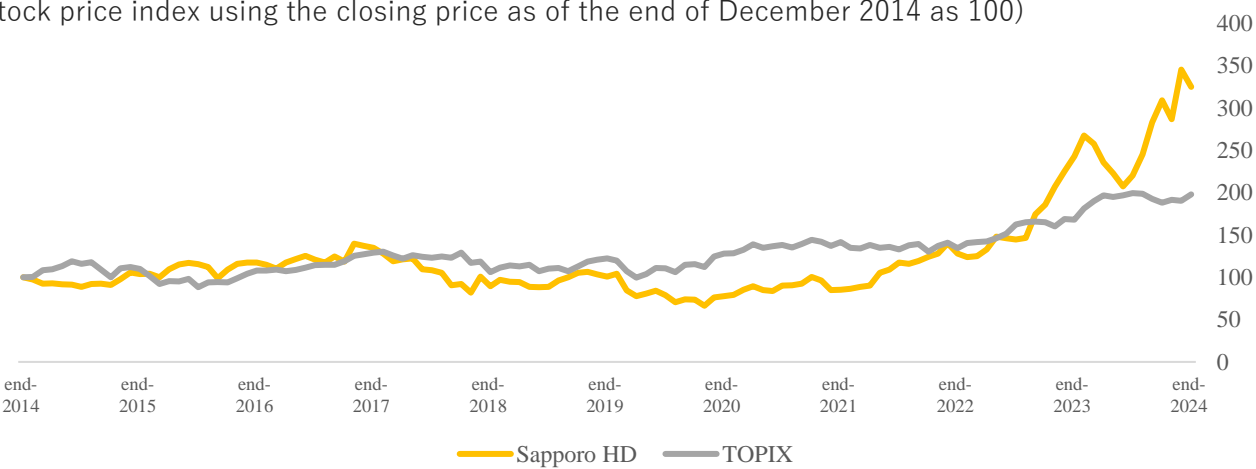
Major Shareholders (As of Dec 31, 2024)

*Shareholding ratios are calculated after deduction of treasury stock.

Shareholders Name	Number of Shares (thousands)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,916	13.99
Custody Bank of Japan, Ltd. (Trust Account)	3,821	4.90
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB)	3,620	4.64
Custody Bank of Japan, Ltd.,as trustee for Mizuho Bank Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and banking Co., Ltd.	2,442	3.13
3D OPPORTUNITY MASTER FUND	2,400	3.08
GOLDMAN SACHS INTERNATIONAL	2,291	2.94
Nippon Life Insurance Company	2,237	2.87
Meiji Yasuda Life Insurance Company	2,236	2.87
STATE STREET BANK AND TRUST COMPANY 505018	2,196	2.82
The Norinchukin Bank	1,875	2.40

Stock price data

(stock price index using the closing price as of the end of December 2014 as 100)



Sapporo Group Overview

We have developed three business areas: “Alcoholic Beverages”, “Food and Soft Drinks” and “Real Estate”.

Alcoholic Beverages

We offer alcoholic beverages such as beer and RTDs both domestically and overseas. Building on diverse portfolio of beer brands led by Yebisu, each with its own unique history and story and leveraging the brand-personality marketing we’ve honed with Black Label, we aim to become an “Alcoholic Beverage Brand Company Where Distinctive Personalities Shine,” pioneering the future of the beer market.

Food & Soft drinks

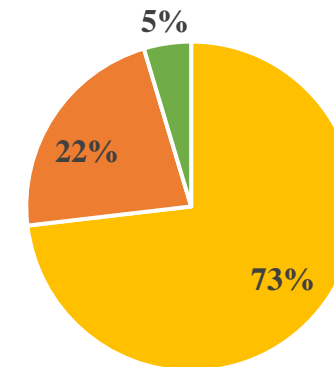
We are developing our business centered on the lemon business, including "Pokka Lemon," "Kireto Lemon," as well as beverage and soup businesses. While valuing connections with local communities, we will continue to leverage our technologies and ideas to provide customers with vibrant, enjoyable, and happy moments every day through food & soft drinks.

Real Estate

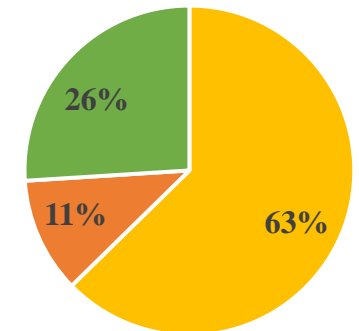
Focusing on Ebisu, Sapporo, and Ginza, which have deep connections with the group, we are developing real estate management, operation, and development businesses. By operating landmark facilities in each of our ancestral business areas and creating and nurturing "rich time" and "rich spaces" through town development integrated with the group's brand, we aim to contribute to the creation of a sustainable local society.

	Main financial figures in 2024				
	Consolidated total	Alcoholic Beverages	Food & Soft Drinks	Real Estate	Others
(Billion of yen)					
Revenue	530.8	388.2	117.9	24.6	0.1
Core Operating profit	22.0	18.8	3.4	7.8	(8.0)
Core Operating profit margin	4.2%	4.8%	2.9%	31.9%	-
EBITDA	44.0	30.4	6.3	14.0	(6.7)

Revenue
composition



Core operating profit
composition

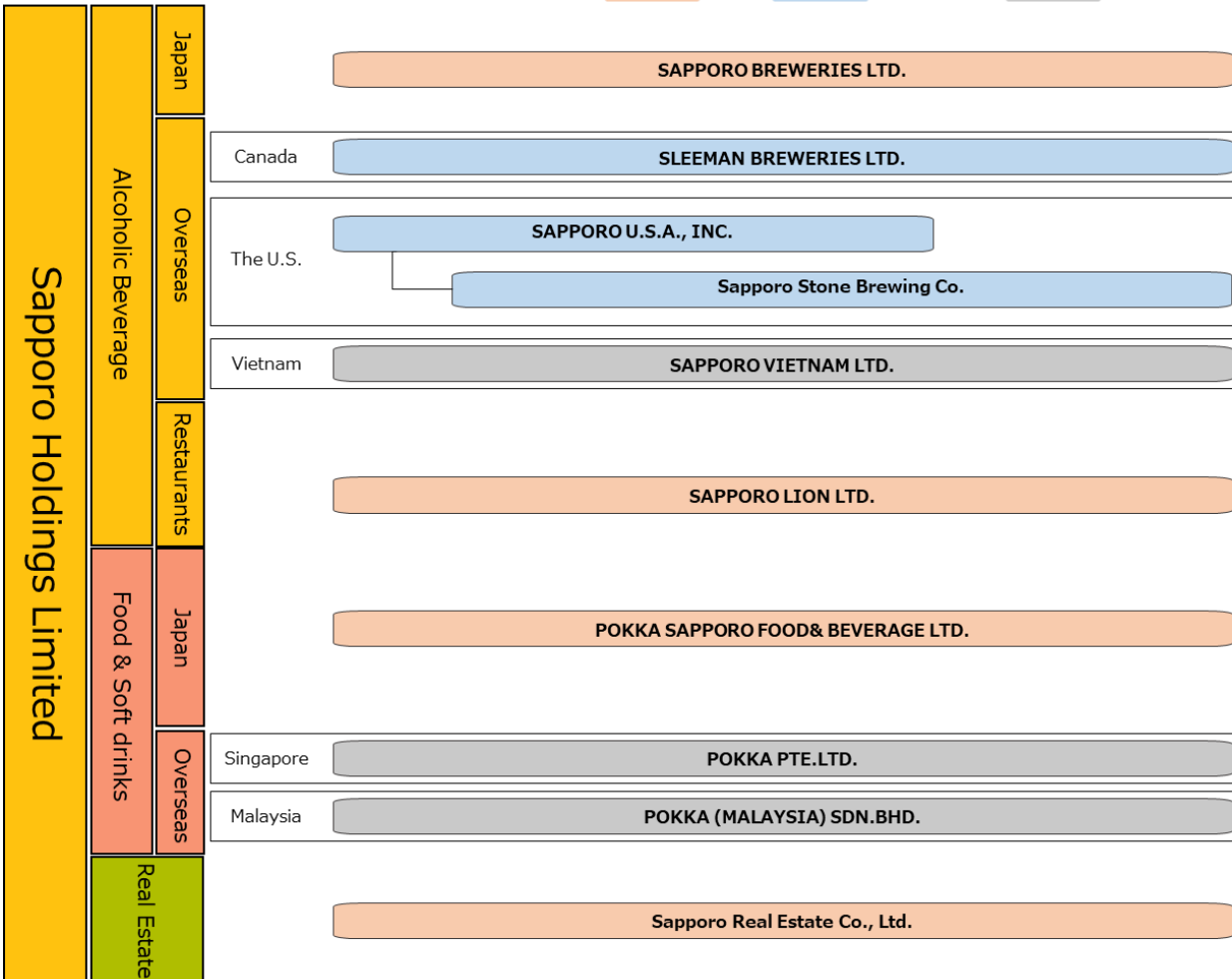







■ Alcoholic Beverages ■ Food & Soft Drinks ■ Real Estate ■ Alcoholic Beverages ■ Food & Soft Drinks ■ Real Estate

Sapporo Group Main Companies & Main Products

As of the end of December 2024

Japan North America South East Asia



Alcoholic Beverage	Japan	<p>SAPPORO BREWERIES LTD.</p> 	Overseas	<p>SLEEMAN BREWERIES LTD.</p>  <p>Sapporo Stone Breweries Co.</p> 	<p>SAPPORO LION LTD.</p> 
	Food & Soft drinks	Japan	<p>POKKA SAPPORO FOOD& BEVERAGE LTD.</p> 	Overseas	<p>POKKA PTE.LTD.</p> 

Sapporo Group History



year	business	main topic
1876	Alcoholic Beverage	【Japan】 Established the Kaitakushi (the national government Hokkaido development commission) Brewery, later Sapporo Beer Company
1877	Alcoholic Beverage	【Japan】 Launched Sapporo Lager Beer
1887	Alcoholic Beverage	【Japan】 Established Japan Beer Brewery Company
1890	Alcoholic Beverage	【Japan】 Launched Yebisu Beer
1899	Alcoholic Beverage	【Japan】 "First in Japan" Yebisu beer hall in Ginza opened for business.
1957	Food & Soft drinks	【Japan】 Launched bottled lemon (later renamed POKKA Lemon)
1964	Alcoholic Beverage	【The U.S.】 Began exporting beer to the United States.
1977	Alcoholic Beverage	【Japan】 Launched Sapporo Bin-Nama (unpasteurized bottled beer, now known as Sapporo Black Label)
1977	Food & Soft drinks	【Singapore】 Established POKKA Corporation (Singapore) Pte. Ltd.
1984	Alcoholic Beverage	【The U.S.】 Established Sapporo U.S.A., Inc.
1993	Real Estate	【Japan】 Completed Sapporo Factory (Commercial complex, the former site of Sapporo Brewery)
1994	Real Estate	【Japan】 Completed Yebisu Garden Place (the former site of Yebisu Brewery)
2003	Others	Started operation under a holding company framework, with Sapporo Holdings Limited as a pure holding company
2006	Alcoholic Beverage	【Canada】 Acquired SLEEMAN BREWERIES LTD. of Canada
2011	Alcoholic Beverage	【Vietnam】 Completed brewery
2011	Food & Soft drinks	【Japan】 Started Pokka Sapporo Food & Beverage business
2014	Food & Soft drinks	【MALAYSIA】 Pokka Malaysia factory completed
2016	Real Estate	【Japan】 Opened Ginza Place
2019	Others	Supported the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
2019	Others	Formulated Sapporo Group Sustainability Policy
2020	Others	Transitioned to the corporate structure of a company with an Audit and Supervisory Committee
2021	Others	Formulated Sapporo Group global slogan to alcohol-related problems, "Promote Responsible Drinking".
2022	Alcoholic Beverage	【The U.S.】 Acquired membership interest in Stone Brewing Co.,LLC
2024	Alcoholic Beverage	【Japan】 Opened YEBISU BREWERY TOKYO



【Basic Policy】 Beyond150 ~Transforming the business structure for new growth~

Since our establishment in 1876, we have constantly innovated and delivered products and services that have enriched customers' lives. In 2026, we will mark our 150th anniversary. In order to continue to demonstrate our unique purpose after over 150 years, we have developed a new Medium-Term Management Plan for the four years of 2023 to 2026.

The key points of this plan are a revision of our business portfolio, realizing group management aligned with the positioning of each of our businesses, and increasing our corporate value through higher capital efficiency. We look to reliably meet the expectations of stakeholders during these four years.

In order for our Group to demonstrate its unique value and continue growing, we will complete the transition of our business structure and build a foundation for sustainable growth under this plan, which is organized into three strategic pillars: business strategy, financial strategy, and sustainability.

<Basic Policy> Beyond150 ~Transforming the business structure for new growth~

Structural Reforms

Decisive action based on portfolio management

- Businesses positioned as “Restructuring” and “Divestment” are drastically managed by 2024

Strengthen and Grow

Realize growth in overseas and core businesses

- Accelerate North American Alcoholic Beverage and Overseas Soft Drinks
- Focus on domestic beer and cultivate RTD brands
- Diversification of the profit structure of the Real estate business

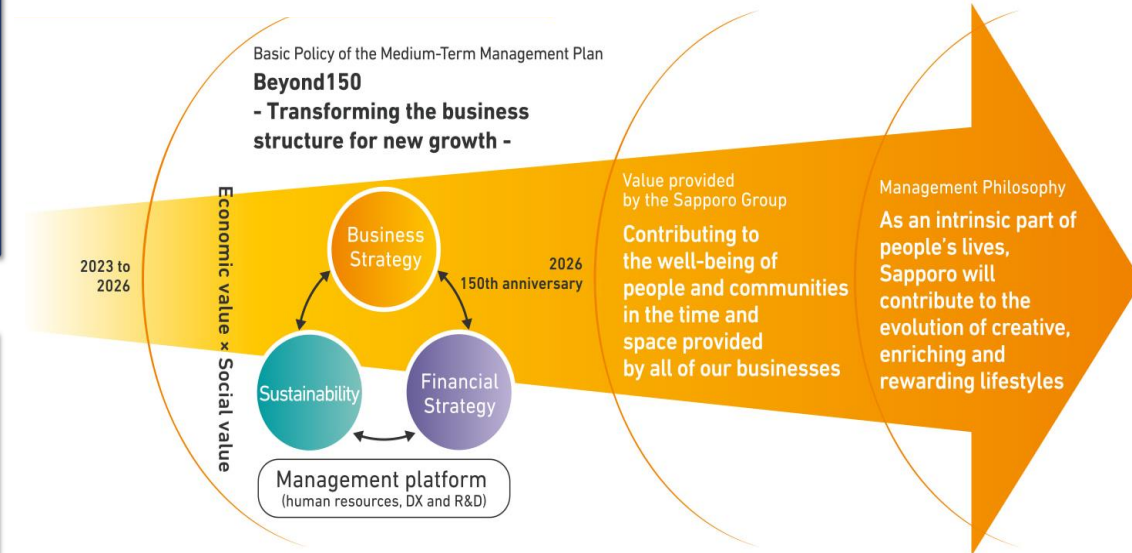
Financial Targets

- ROE : 8%
- EBITDA : approximately 10%
Compound Annual Growth Rate (CAGR)
- Overseas Sales : approximately 10%
Compound Annual Growth Rate (CAGR)

Non-Financial Targets

- CO2 reduction
Scope 1, 2 SBT *1 certification level (4.2% per year reduction)
Scope 3 SBT certification level (2.5% per year reduction)
※Submitted and accepted commitment letter to SBTi
- Ratio of female directors and female managers: 12% or more*2

※1 SBT(Science Based Targets) The greenhouse gas emission reduction target set by a company consistent with the level required by the Paris Agreement.
※2 22-year results: 8.3% for female executives and 5.4% for female managers

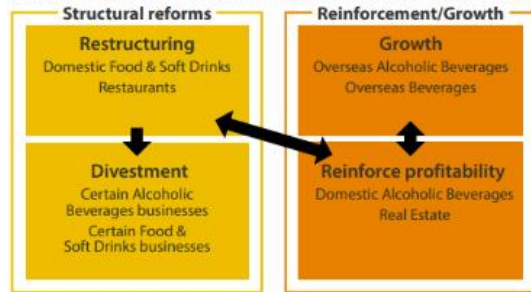


Business strategy

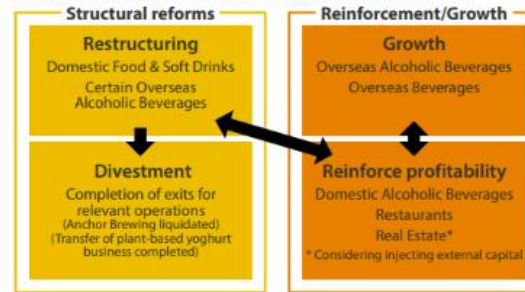
In our "Business Strategy," we have clarified the challenges of each business by organizing the business portfolio and are advancing our initiatives. Regarding structural reforms, we have largely completed the planned reforms by 2024, including the dissolution of the U.S. Anchor Company and the transfer of the plant-based yogurt business. From fiscal year 2025 onwards, we will implement a fundamental structural reform in response to the new challenge of deteriorating profitability at U.S. Stone Company, while further improving cash generation and capital efficiency across domestic and international businesses, and concentrating management resources on growth areas centered on the alcoholic beverage business.

Status of Business Portfolio Reorganization

Portfolio status at the start of the Medium-Term Management Plan



Portfolio transformation status as of the end of fiscal 2024



< Primary results and issues through fiscal 2024 >

Restructuring : Structural reforms in the Restaurants segment have been completed.

Divestment : Business exits for certain alcoholic beverages(Anchor Brewing)and a part of the Food & Soft Drinks segment(plant-based yogurt) have been completed.

Growth : Recording of impairment loss and commencement of structural reforms in Overseas Alcoholic Beverages(U.S. business).

Reinforce profitability : Initiation of process to inject external capital into the Real Estate business.

Aim to improve the core operating profit margin with a focus on each business and key actions.

Alcoholic Beverage Japan

Reinforcement & Growth

Core operating profit margin 3.5% (FY2022Results) ⇒ 5.7% (FY2026Plan)

Strengthen beer and RTD in anticipation of the unification of liquor taxes

Alcoholic Beverage Overseas

Reinforcement & Growth

Core operating profit margin (0.4)% (FY2022Results) ⇒ 6.2% (FY2026Plan)

We will aim for further growth of SAPPORO PREMIUM BEER (SPB), in the United States, a growth driver, by creating synergy with Stone at an early stage.

Restaurants

Structural reform

Reinforcement & Growth

Core operating profit margin (3.3)% (FY2022Results) ⇒ 5.0% (FY2026Plan)

Opening of locations with high investment efficiency, Closing of unprofitable locations
Strengthening coordination with Japan Alcoholic Beverages business as a hub for brand communication

Food & Soft drinks Japan

Structural reform

Core operating profit margin 0.9% (FY2022Results) ⇒ 3.8% (FY2026Plan)

Rebuilding the earnings base by implementing structural reforms
Concentrated investment of resources in the lemon business

Overseas soft drinks

Reinforcement & Growth

Core operating profit margin 3.6% (FY2022Results) ⇒ 5.0% (FY2026Plan)

Expand sales in countries and regions with growth potential, such as Malaysia and the Middle East, starting from Singapore

Real Estate

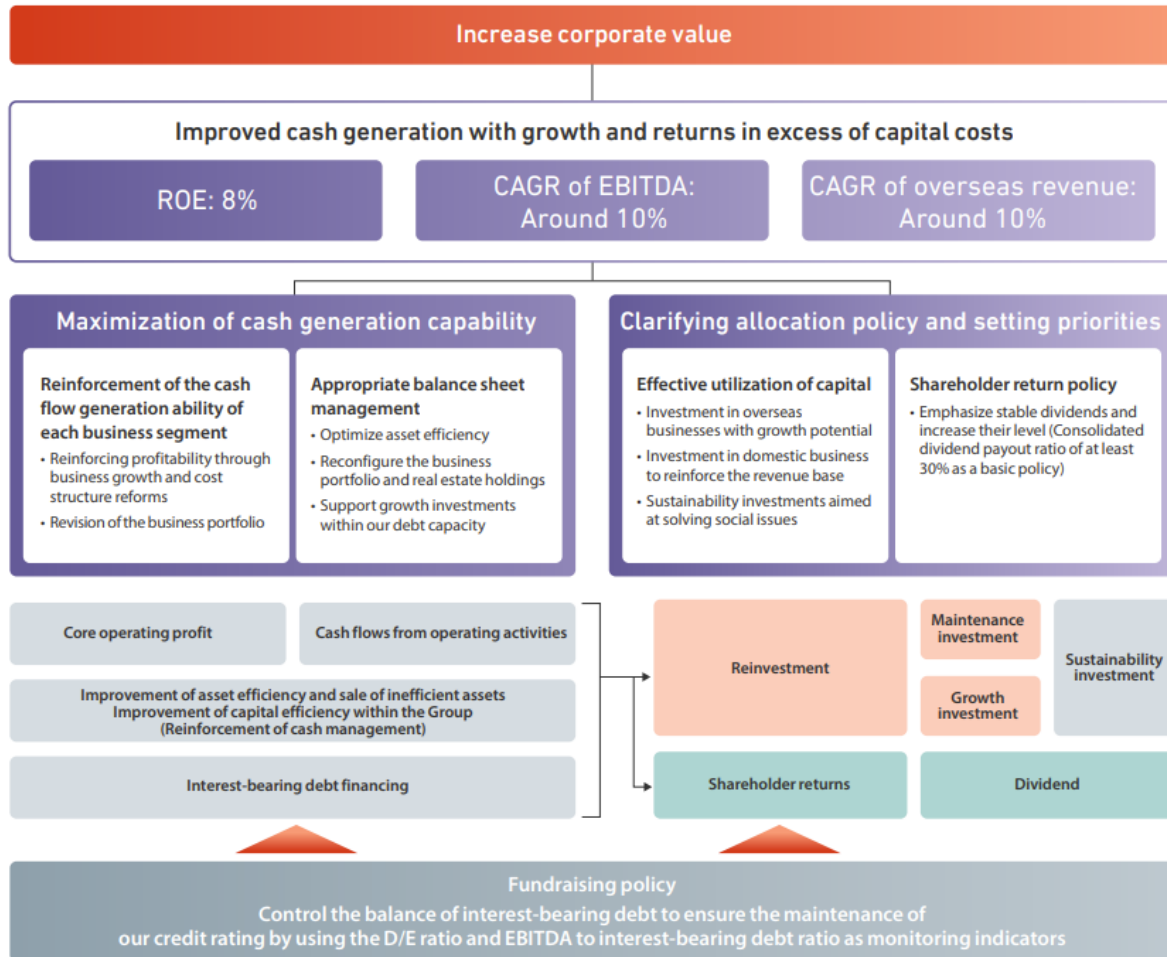
Reinforcement & Growth

ROA(EBITDA basis) 4.9% (FY2022Results) ⇒ 5.7% (FY2026Plan)

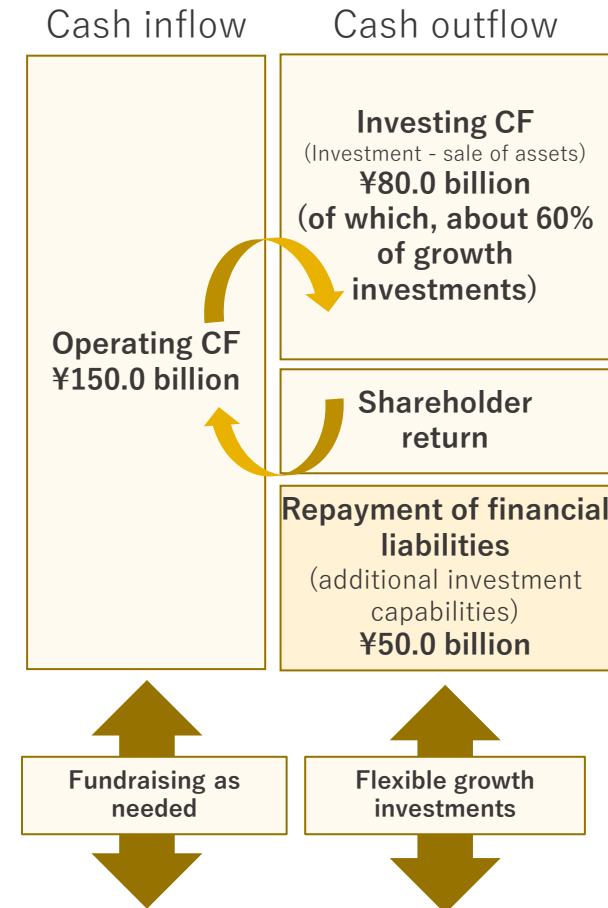
Enhance property value and build community

Financial Strategy

Ensure increased corporate value by advancing a financial strategy which emphasizes sustainable growth and capital efficiency.
Improve cash generation and pursue returns in excess of capital costs with the target of 8% ROE.



4-year cash allocation (planned for 2023-2026)

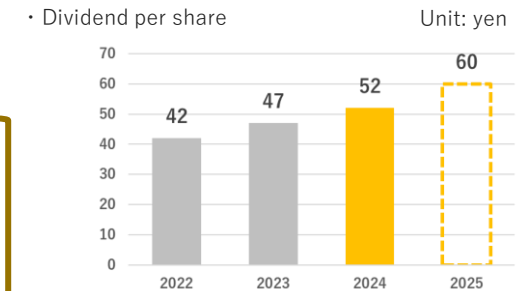


Reduction of cross-shareholdings

- ◆ Target until 2024: less than 20% of capital
→ **Achieved**
- ◆ Target until 2026: less than 10% of capital

Dividends

For 2024, an increase in dividends has been decided in line with profit growth.
For 2025, an increase in dividends is planned for the third consecutive fiscal year.



Securement of financial flexibility

- Strengthening of financial security through reduction of financial liabilities
- Flexible response to profitable growth investment opportunities by leveraging additional investment capabilities

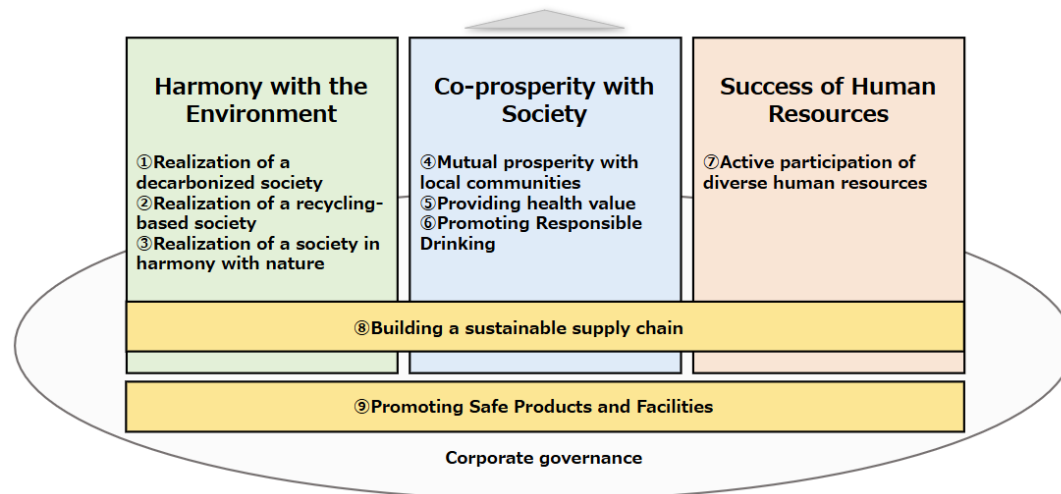
Use of leverage to the extent possible to ensure maintenance of credit ratings

Sustainability

The Sapporo Group evaluates “the degree of impact of our business on society and the environment” and the degree of impact of society and the environment on our finances in terms of risks and opportunities designating nine Sustainability Material Issues that the Group considers particularly important and will focus on in its business activities. In response to changes in the social and business environment surrounding the Group, we periodically review these material issues, and some have been updated for 2025.

Among these, we have positioned “realization of a decarbonized society,” “realization of a society in harmony with nature,” “mutual prosperity with local communities,” “promoting responsible drinking,” and “active participation of diverse human resources” as issues of particular importance in our management.

**Through the Time and Space Where All Our Businesses Are Playing,
We Contribute to Well-being of People and Local Communities**



Strengthening of management foundation

In order to steadily implement the three basic strategies and achieve our management targets, we will work to strengthen management foundations including human resources, DX, and R&D.

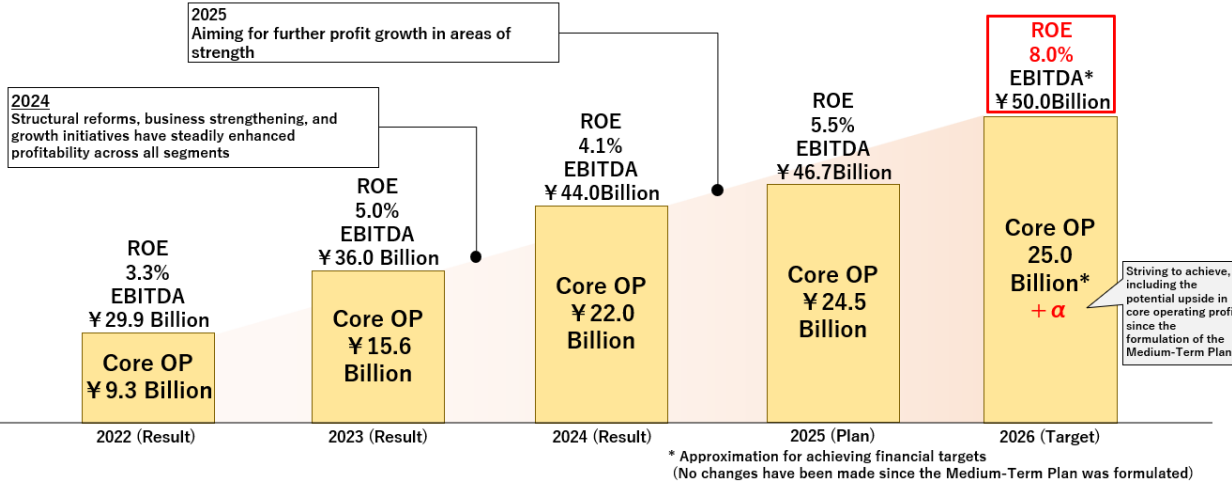
Important measures		Specific initiatives (up to 2026) <small>Scope: Sapporo Holdings and its main operating companies</small>
Human resources	(1) Aggressive investment for speedy growth (2) Promoting diversity (3) Increasing engagement and promoting health (4) Development of management talent	(1) Active investment in development/securing of and strategic allocation of human resources based on a global human resource development system (2) Creating an environment conducive to promoting D&I, achieving a female executive/management ratio of at least 12% (3) Improving work engagement by reinforcing supportive management skills and supporting mental toughness (4) Growth support and placement based on Group-wide Succession Plan
DX	(1) Building a system for the promotion of DX/IT strategies (2) Improvement of organizational and human resource management (3) Success of developed human resources, development/operation of environment	(1) Creation of multifaceted operational synergies through the organizational and functional integration of DX and IT (2) Increasing the level of human resources of the entire Group through systematic development, hiring, and utilization (3) Facilitation of a new environment for creating business process reform and the development of new business realms

Goal image		Important measures	
R&D	<ul style="list-style-type: none"> Converting our strengths into value that the world demands and providing it on an ongoing basis Creation of new categories and markets 	Alcoholic Beverages	Developing technologies for sustainable raw material procurement --- Climate change-ready barley and hops Pursuit of the taste and function of alcoholic beverages --- Scientific clarification and business application of "Intoxication and Health" Pursuit of new drinking experiences --- Fostering empathy through the use of the digital, providing entertainment, etc.
		Food & Soft Drinks	Research on the health functions and improving the quality of lemons --- Expanding the uses for lemon juice Creating new value from untapped resources --- Utilization of whole lemons as ingredients

Progress of the Medium-Term Management Plan

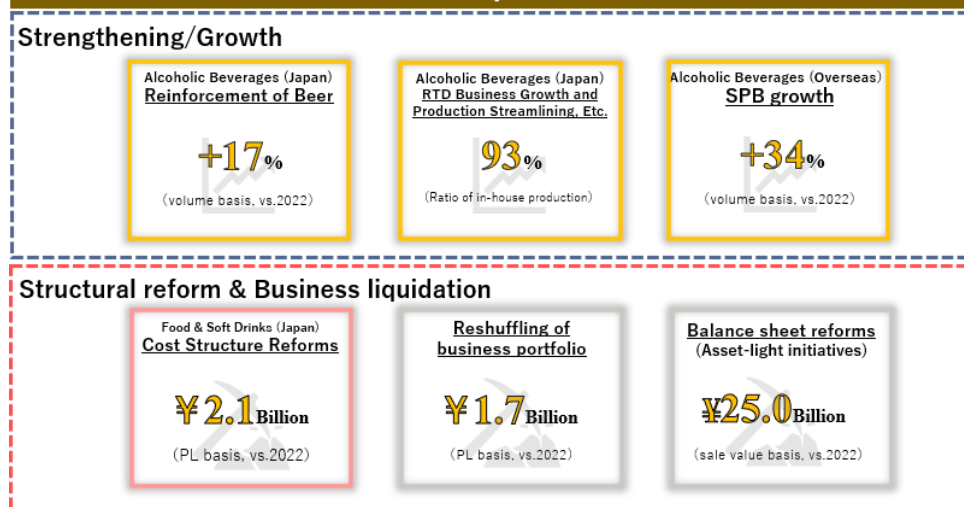
Core operating profit is steadily increasing through improvements in the profitability of each business. The company is now at a stage where achieving an ROE of 8% in 2026 is well within sight.

Core operating profit trend



In 2024, initiatives were implemented on both fronts: strengthening & growth, and structural reforms & business liquidation

Results up to 2024



Progressing steadily towards financial targets and target for core operating profit. Core operating profit margins are improving, centered on domestic alcoholic beverages, while overseas alcoholic beverage are struggling.

[Financial Targets]

	2022 Result	2024 Result	2025 Plan	2026 Medium-Term Plan target	Progress towards Medium-Term Plan targets*2
ROE	3.3%	4.1%	5.5%	8.0%	→
(Approximation) Core operating profit*1	9.3billion yen	22.0billion yen	24.5billion yen	25.0billion yen	↗
EBITDA Average growth rate (CAGR)		21.4%	16.0%	About 10%	→
(Approximation) EBITDA*1	29.9billion yen	44.0billion yen	46.7billion yen	50.0billion yen	→
Overseas revenue Average growth rate (CAGR)		12.1%	8.4%	About 10%	↘
(Approximation) Overseas revenue*1	102.2billion yen	128.5billion yen	130.3billion yen	140.0billion yen	↘

*1 A reference point for achieving financial targets (unchanged from the time of Medium-Term plan formulation).

*2 Outlook as for now. A horizontal arrow indicates performance in line with expectations, an upward arrow indicates potential upside, and a downward arrow indicates a higher likelihood of downside.

[Target for core operating profit]

	2022 Result	2024 Result	2025 Plan	Outlook for 2026*1	2026 Medium-Term Plan target*2
Alcoholic beverages (Japan)	3.5%	6.0%	7.0%	7.5%	5.7%
Alcoholic beverages (Overseas)	(0.4%)	0.4%	0.4%	2.8%	6.2%
Restaurants	(3.3%)	9.3%	9.1%	9.0%	5.0%
Food & Soft Drinks (Japan)	0.9%	2.5%	3.4%	4.4%	3.8%
Soft Drinks (Overseas)	3.6%	4.3%	4.7%	5.6%	5.0%
Real Estate (※EBITDA-based ROA)	4.9%	5.5%	5.2%	6.0%	5.7%

Sapporo Group Medium- to Long-Term Growth Strategy

< Issue Recognition >

① Low Profitability

The average core operating profit margin over the past 10 years (2013-2022) is 2.5%, and the average ROE is 3.0%, both at low levels.

② Diversification of Business Portfolio

A diversified business portfolio leads to dispersion of management resources and creates investment conflicts.

③ Necessity of a Long-Term Vision

It is necessary to present a medium to long-term management policy for the group beyond the current medium-term management plan.

< Medium- to Long-Term Growth Strategy >

Focusing management resources on growth sectors, centered on domestic and international alcoholic beverage businesses.

To enhance the ability to execute transformation, we are working on reconstructing organizational structures and operational approaches.

We consider improving capital efficiency as a critical issue and aim to achieve an ROE of 10% or higher.

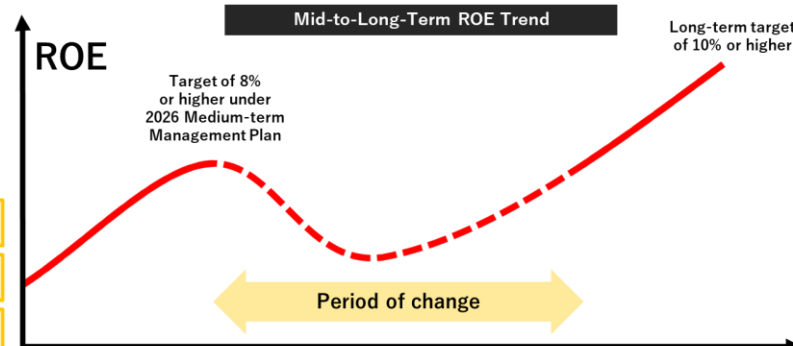
< Group Medium- to Long-Term Growth Strategy >

Mid-to-Long-Term Vision

Deliver quality products and experiences to customers around the world

Outline of Mid-to-Long-Term Strategy

① Bonds with Community	Expand customer touchpoints and provide customers with fulfilling lifestyles
② Healthier Choice	Offer a wide range of healthier choices
③ Efficient Foundation	Transition to a business holding company structure Enhance governance and management efficiency and speed
④ Strategic Alliance	Accelerate sustainable growth and business expansion through strategic alliances
⑤ Inorganic Growth	Facilitate substantial investment in the Alcoholic Beverages business Consider various strategic opportunities, including M&A



We 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.

< Injection of External Capital into Real Estate business > Separate from the Group's balance sheet

Sapporo Group's purpose

Concentrate the Group's management resources on the Alcoholic Beverages business and to invest the expected funds into growth investments in the Alcoholic Beverages business.

Improve capital profitability and increase the corporate value of the entire Sapporo Group.

Sapporo Real Estate Development Co., Ltd. (SRE)

Incorporate capital from external partners, and increase corporate value by enhancing the value of properties.

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.

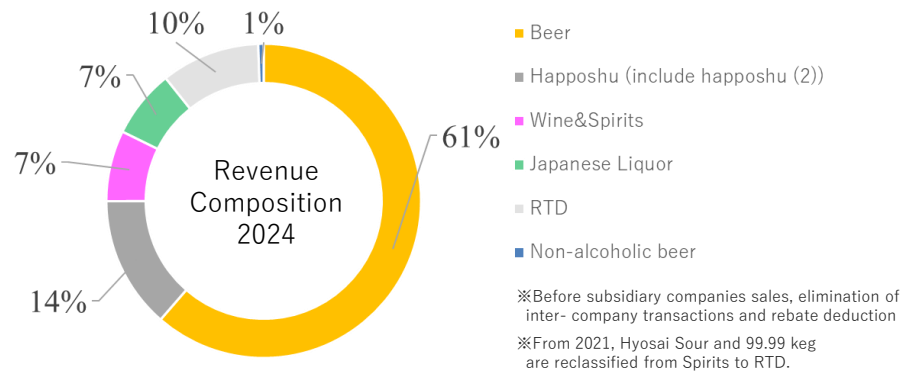
SAPPORO BREWERIES LTD.

Basic Information

Founded in 1876, Sapporo Breweries, Ltd. has always been committed to manufacturing, and have developed two brands, "Black Label" and "Yebisu Beer," together with our customers. On the other hand, We are also contributing to the development of Japanese beer culture through "The Sapporo Beer Museum", the only beer museum in Japan, "YEBISU BREWERY TOKYO", a real experience facility for Yebisu Brand, which is the origin of the name of Ebisu, and Japan Beer Test, which was launched in 2012 with the aim of promoting the healthy development of Japanese beer culture. We will continue to refine all of our products and services, and aim to become an alcoholic beverage brand company that creates the future of alcoholic beverages and people.

Business

Production and sales of beer-type beverages, RTD, wine, Japanese liquor, etc.



Main Products



History

- Sep. 1876 Established the Kaitakushi Brewery
- Sep. 1949 Established Nippon Breweries, Ltd.
(Jan. 1964 Nippon Breweries, Ltd., renamed Sapporo Breweries Ltd.)
- Jul. 2003 Started operation under a holding company framework,
with Sapporo Holdings Limited as a pure holding company
Newly established Sapporo Breweries Ltd.

Production base • Museum

Breweries		Museums	
Hokkaido Brewery	Hokkaido	Sapporo Beer Museum	Hokkaido
Chiba Brewery	Chiba	YEBISU BREWERY TOKYO	Tokyo
Shizuoka Brewery ※1	Shizuoka	Winery	
Kyushu Hita Brewery	Oita	Okayama Winery	Okayama
RTD Plant			
Sendai Brewery ※2	Miyagi		

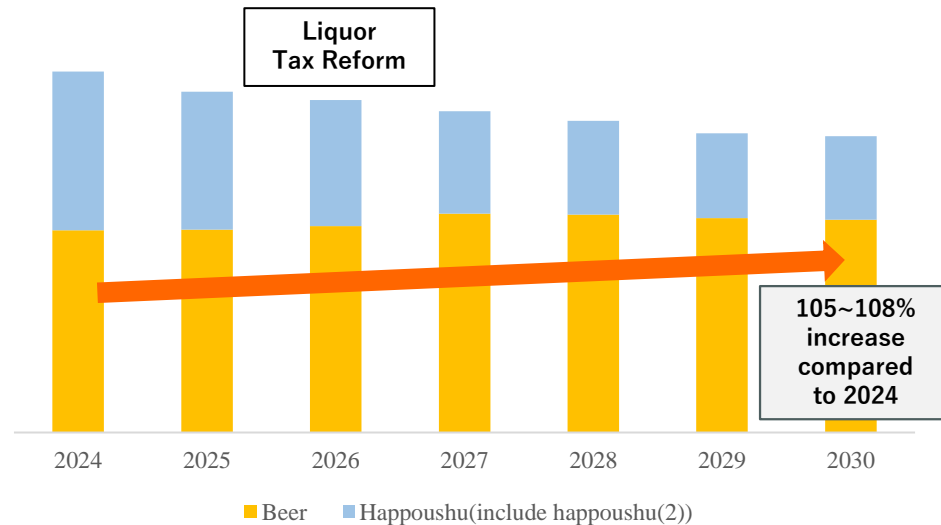
※1 Including RTD production.

※2 Start manufacturing of RTD from around Oct. 2023.

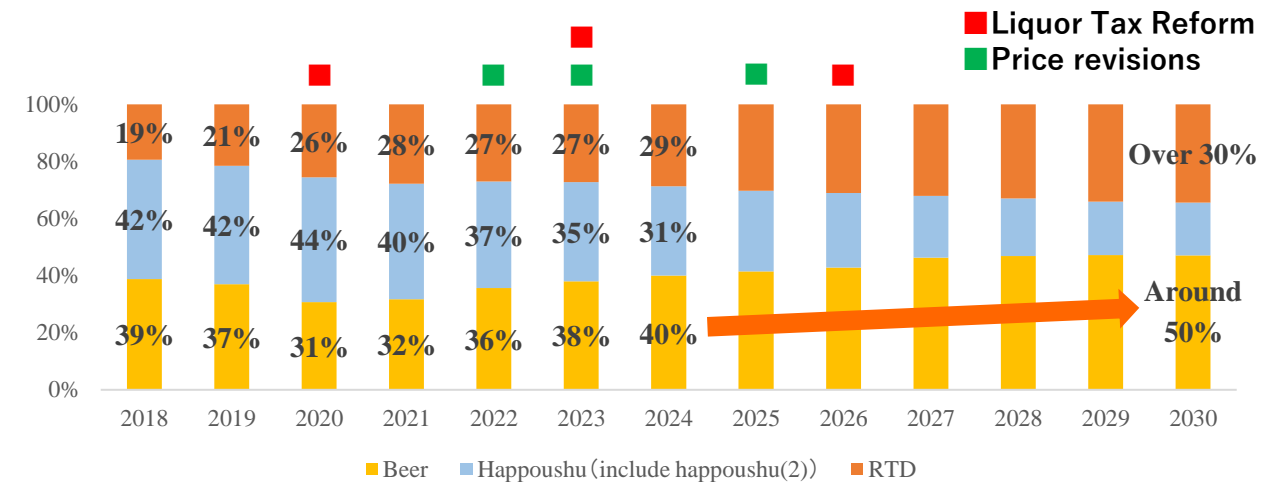
Japan Alcoholic Beverages: Market Trends

The market for beer-type beverages is expected to continue on the downward trend, but with the revision of liquor taxes, a shift from Happoshu to beer and an increase in the RTD market are anticipated. Particularly within the beer category, the market share of beer is expected to expand to around 70% by 2030.

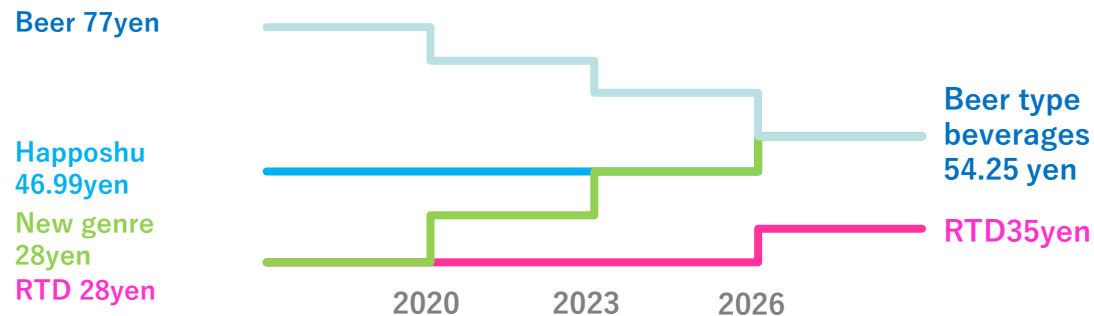
Forecast of Total Demand for Beer-type beverages※



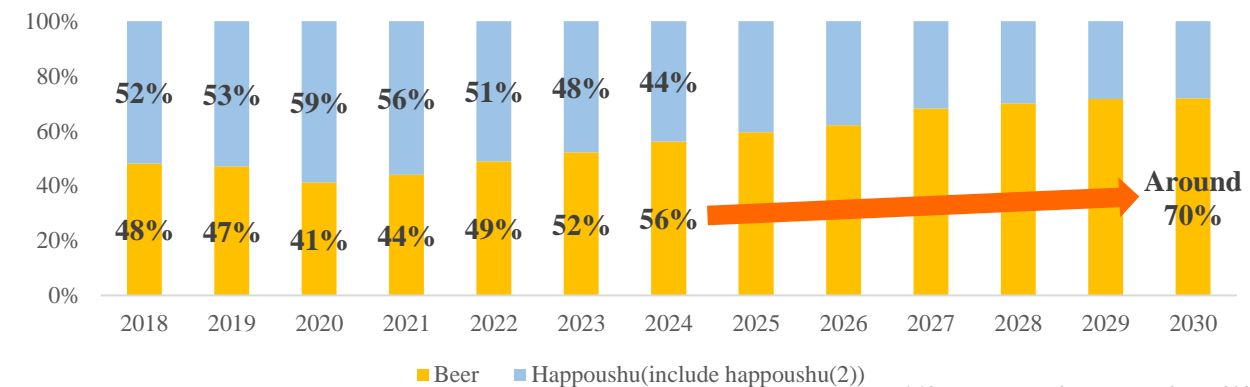
Composition Ratio by Category for Beer-type beverages and RTD



Changes in the amount of liquor tax per 350 ml



Composition Ratio by Category for Beer-type beverages



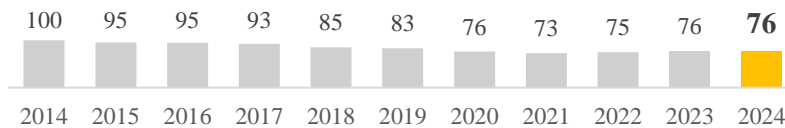
※Our company's forecast as of May 2025

Japan Alcoholic Beverages: Our Company's Performance

Compared to the market, our beer composition is around 80% of the overall beer category, indicating a strong presence in beer.
In terms of sales volume, our Canned beer have grown approximately 1.5 times over the past 10 years, with canned Black Label in particular growing about twofold.

Trend in sales volume (the growth rate when standardized as 100 for 2014)

Beer-type beverages

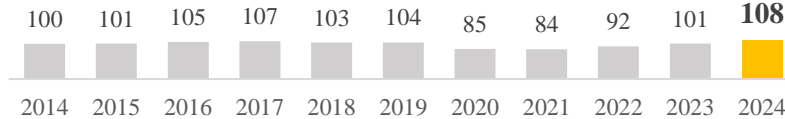


(reference) YoY

Our performance : +0%
Total demand ※ : (3%)

※ Our Estimated

Beer

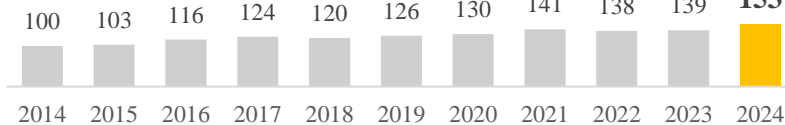


(reference) YoY

Our performance : +7%
Total demand ※ : +5%

※ Our Estimated

Canned Beer

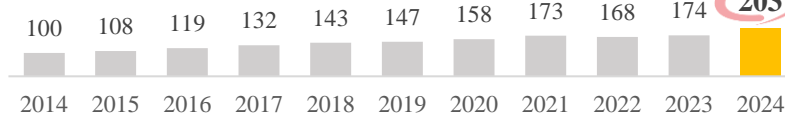


(reference) YoY

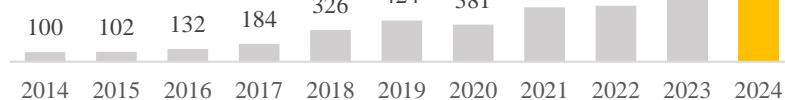
Our performance : +10%
Total demand ※ : +7%

※ Our Estimated

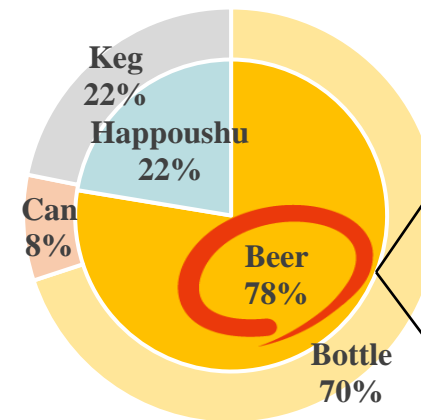
Canned Black Label



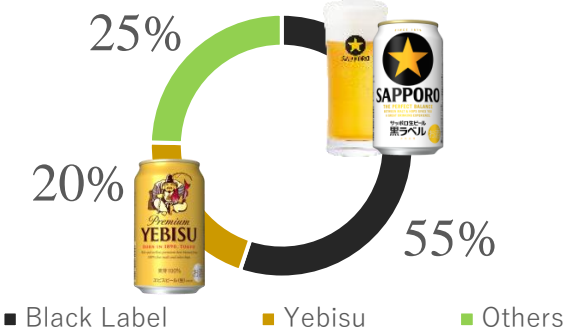
RTD



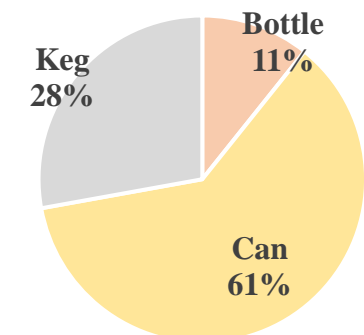
Beer-type beverages Composition of sales volume
by product category/container type (2024)



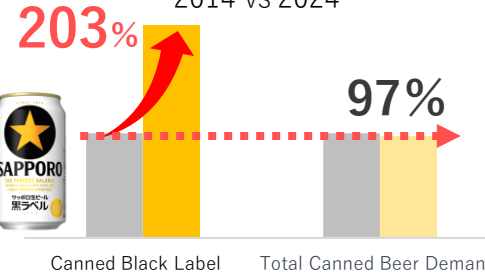
Beer
Composition of sales volume by Brands(2024)



Beer
Composition of sales volume by container type(2024)



Canned Black Label Sales Volume
Performance
2014 vs 2024



(Source) Left: Our Actual Performance, Right: Our Estimated

Overseas Expansion in the Alcoholic Beverage Business (Canada, United States, Vietnam, APAC, Europe)

Basic Information

We began exporting beer to the United States in 1964, and we now operate in about 45 countries, primarily the United States, Canada, and Vietnam. Revenue has approximately doubled over the last 10 years, and we have positioned this business as a growth driver for the Group.

Business

Production, import, and sale of beer

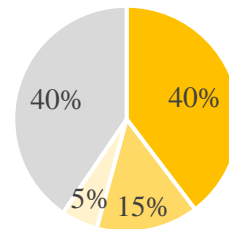
(based on 2024 volume/cases)



*APAC and Europe are classified in the Japan Alcohol Beverages segment because they are exports from Japan.



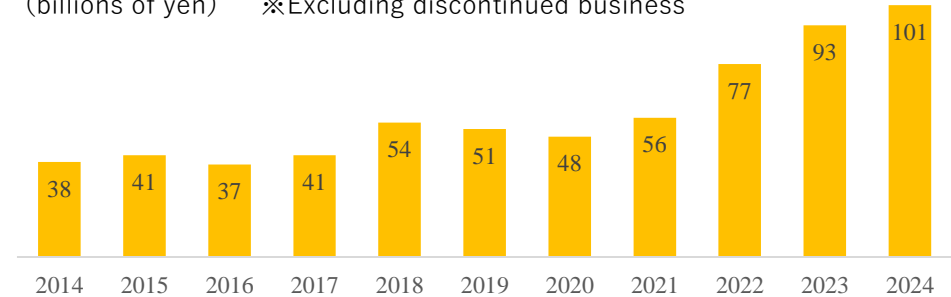
Sapporo brand
Composition of sales volume by area



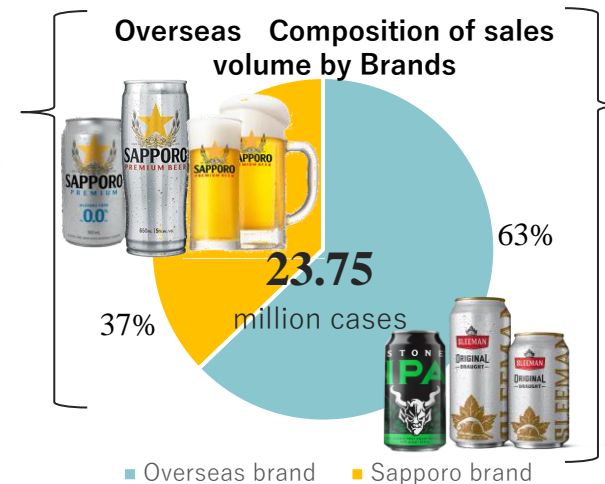
■ The U.S. ■ Canada ■ Vietnam ■ Export

Overseas revenue (including liquor tax)

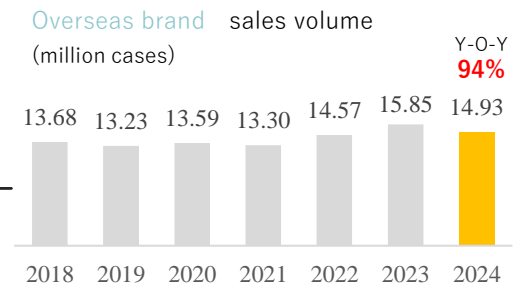
(billions of yen) ※Excluding discontinued business



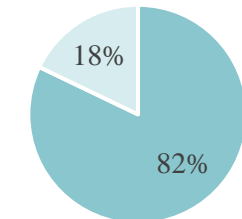
Overseas Composition of sales volume by Brands



* One case = 20 × 633ml bottles



Overseas brand
Composition of sales volume by Brands



■ Sleeman ■ Stone

CANADA : SLEEMAN BREWERIES LTD.

Overview

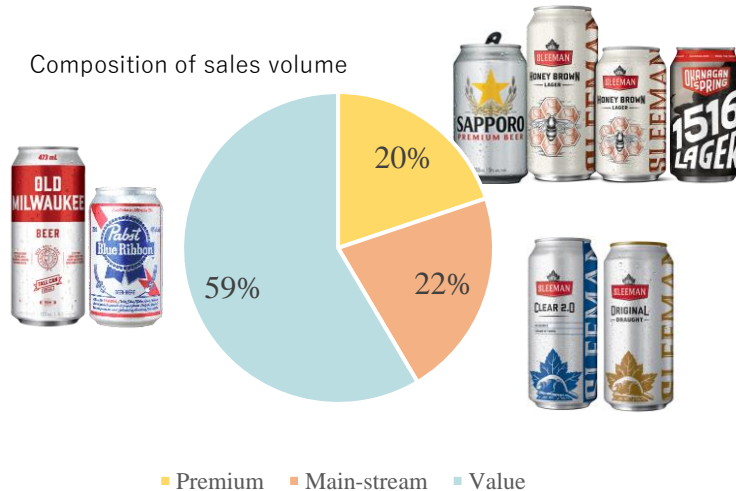
- The third-largest beer manufacturer in Canada
- Since the acquisition, SLEEMAN has increased about 2.5 times of revenue.

History

- 1834 Founding
- 1988 Establishment of SLEEMAN BREWERIES LTD.
- 2006 The Sapporo Group acquires SLEEMAN

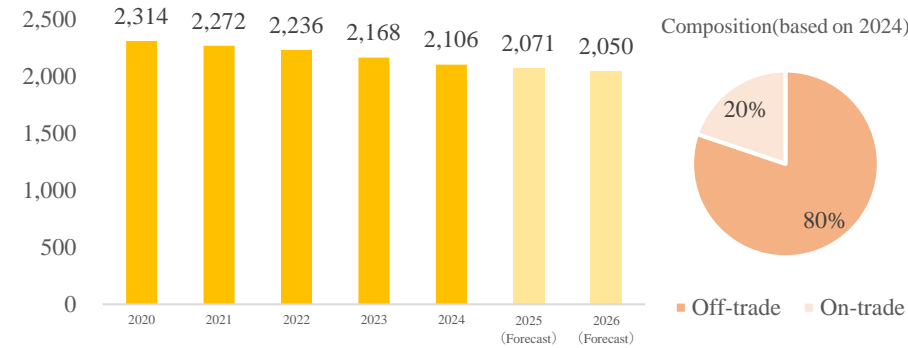
Main Products

Composition of sales volume



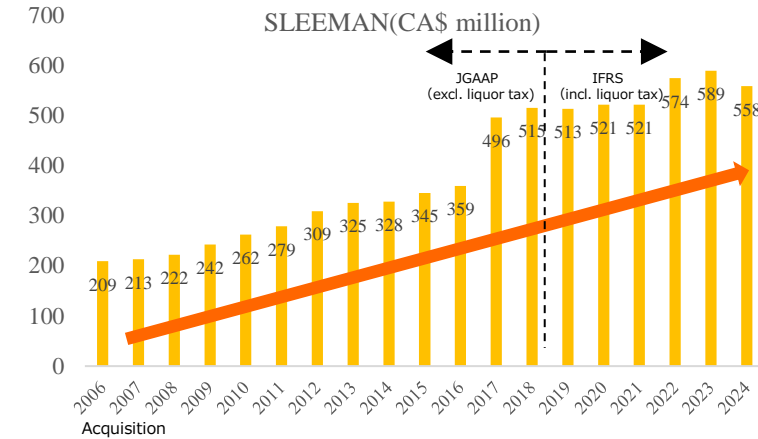
Canada- Beer Market sizes (million litres)

Source: Euromonitor (Calculated by Sales Volume)



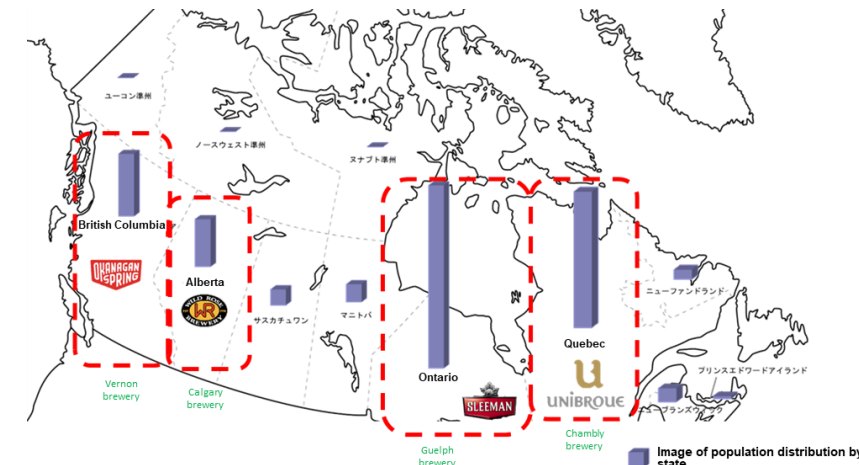
SLEEMAN Revenue (before elimination of inter-company transactions) in local currency

Steady growth since 2006



Production base

Production base 4places
(Guelph, Vernon, Chambly and Calgary)
Capacity 230,000KL
(Guelph 127,000KL • Vernon 75,000KL
• Chambly 23,000KL • Calgary 3,000KL)





The.U.S. : SAPPORO U.S.A.,INC./Sapporo Stone Brewing Co.

Overview

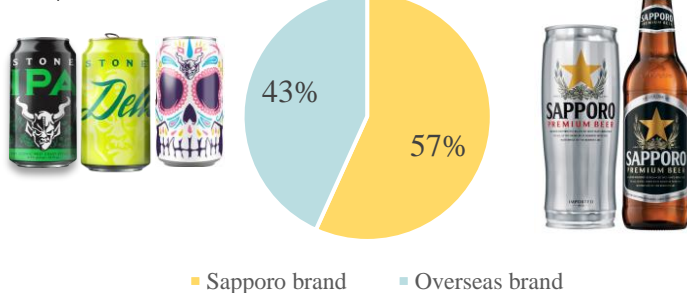
- Began exporting beer to the US from 1964.
- Since then, expanded sales channels and continued to grow.
- The growing Sapporo brand is manufactured at the two plants of Stone Brewing, which was acquired in 2022, accelerating growth.

History

- 1964 Began exports to US
- 1984 Established SAPPORO U.S.A.,INC
- 2016 Established STONE BREWING CO., LLC (founded in 1996)
- 2022 Sapporo Group acquired all equity interests of Stone Brewing
- 2023 Established Sapporo Stone Brewing Co.

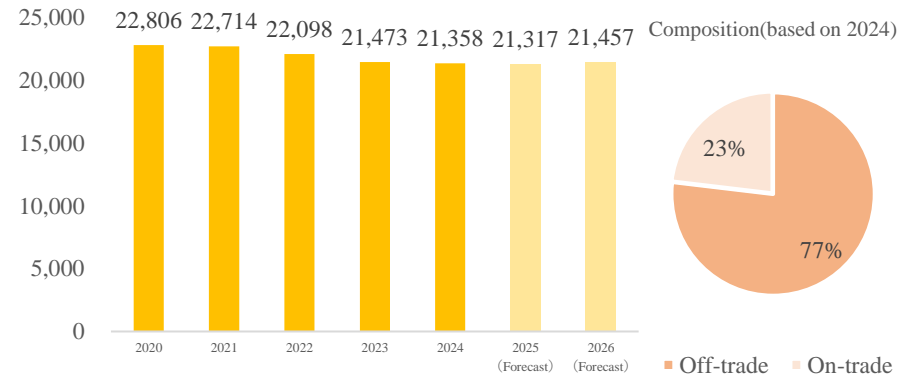
Main Products

Composition of sales volume



The.U.S. - Beer Market sizes (million litres)

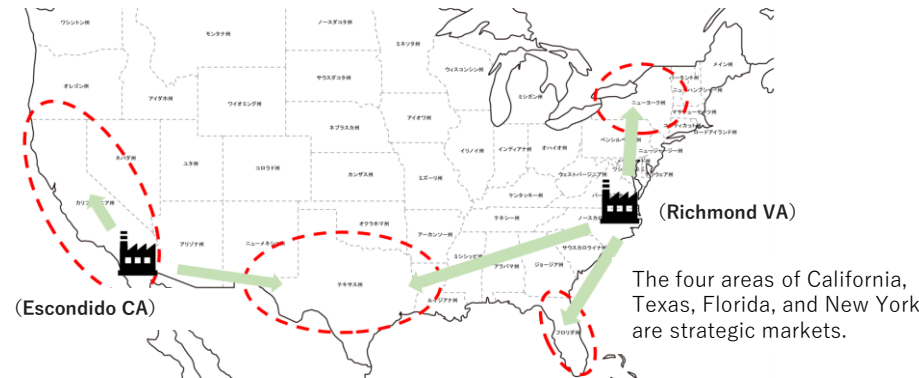
Source: Euromonitor (Calculated by Sales Volume)



Production base

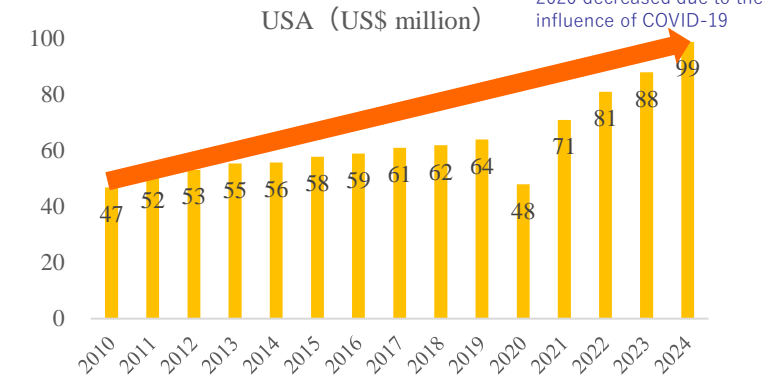
Escondido CA, Richmond VA

Previously, products were imported from Canada and Vietnam, but from 2024 we have begun production in Stone Brewing's plants in the Eastern and Western US.



Sapporo U.S.A. Revenue

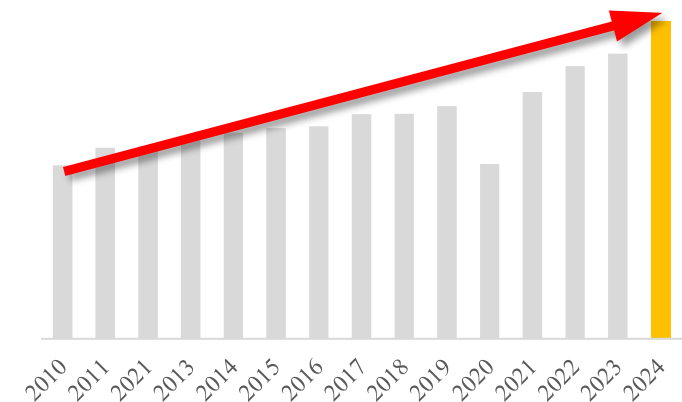
(before elimination of inter-company transactions)
in local currency *Sapporo brand only



Growth of SPB* in the U.S.

(sales volume)

vs2010
1.8× growth



VIETNAM : SAPPORO VIETNAM LTD.

Overview

- Became the first Japanese beer maker to build a brewery in Vietnam and enter the market.
- A springboard for expanding sales of the Sapporo brand in Southeast Asia.

History

- 2010 Establishment of SAPPORO VIETNAM LTD.
- 2011 Completed construction of Sapporo Long An Brewery

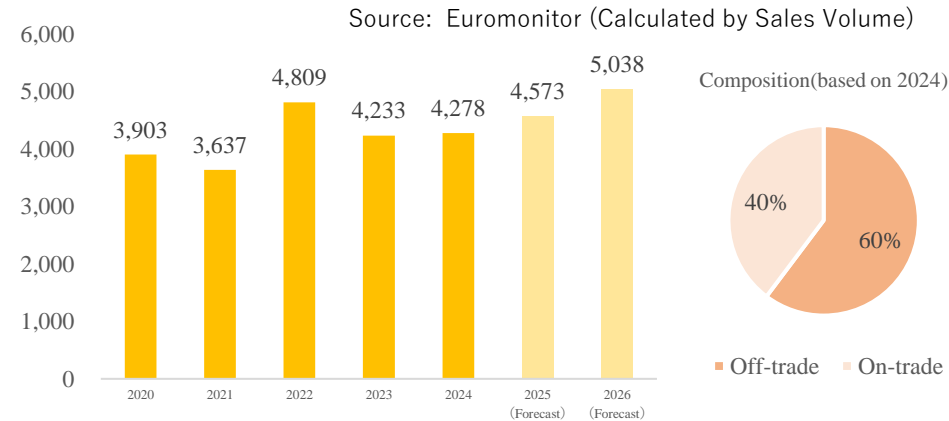
Main Products



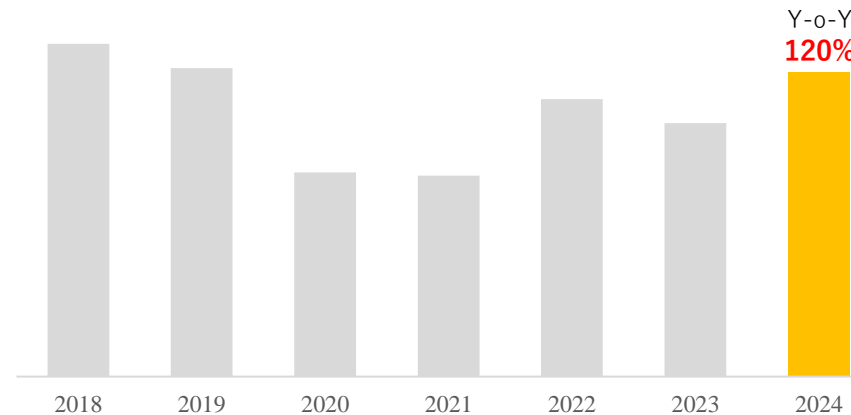
Production base

Capacity 60,000KL

Vietnam- Beer Market sizes (million litres)



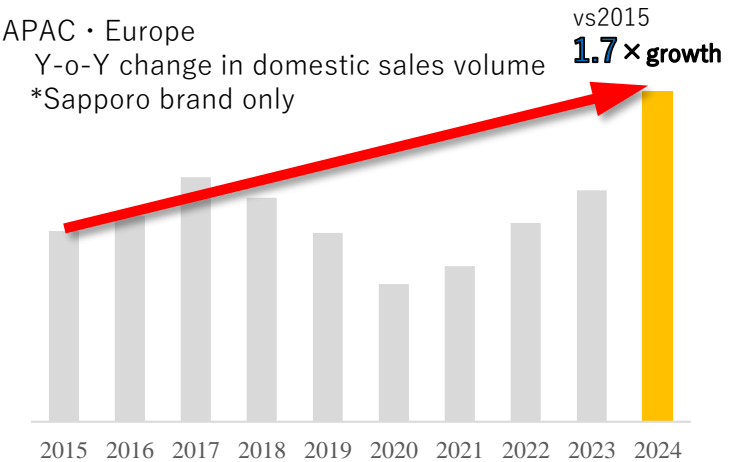
Sapporo Vietnam Y-o-Y change in domestic sales volume



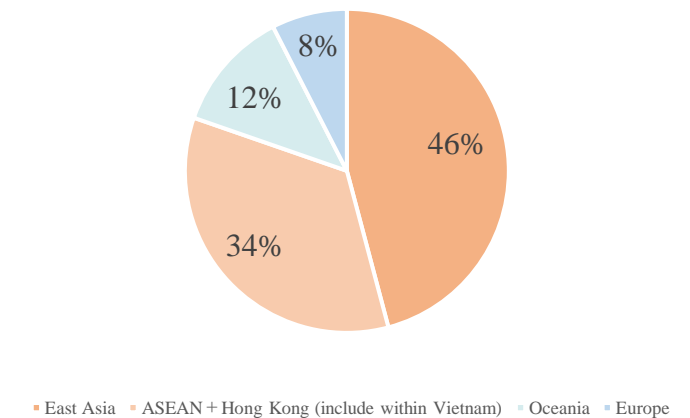
APAC • Europe[※]

※APAC and Europe are classified in the Japan Alcohol Beverages segment because they are exports from Japan.

APAC • Europe
Y-o-Y change in domestic sales volume
*Sapporo brand only



Sapporo brand
Composition of sales volume by area in APAC • Europe



Sapporo Lion Ltd.

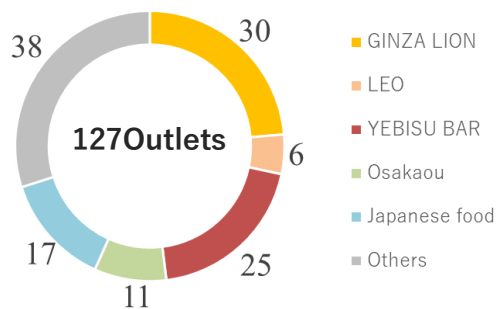
Basic Information

Since opening Japan's first beer hall in 1899 in Tokyo's Ginza district, Sapporo has been a pioneer in the restaurant industry with a range of innovative drinking venues. With the philosophy of "JOY OF LIVING WITH BEER - Providing the 'joy of living' to all people through the deliciousness of beer," we are strengthening collaboration with domestic alcohol businesses, serving as a brand communication point of contact within the group and connecting with our customers.

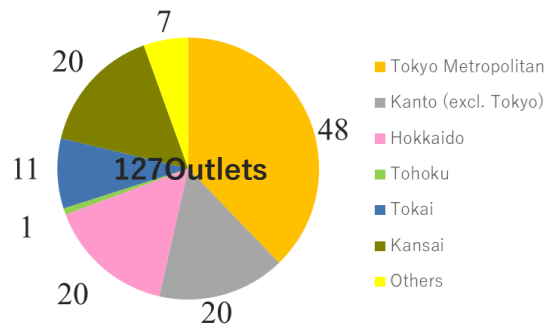
Business

Operating beer hall, and restaurants, mainly GINZA LION and YEBISU BAR

Composition of
Restaurants by Format



Composition of
Restaurants by Region



※As of Dec. 31, 2024

History

Aug. 1899

Opened YEBISU BEER HALL in Ginza, Tokyo as Japan's first beer hall

Sep. 1949

Established Nippon Kyoei Ltd., later Sapporo Lion Ltd.

Main Products

★Beer Hall Lion Ginza 7-Chome



Opened in 1934. Oldest existing beer hall in Japan
This beer hall has remained unchanged since its opening.
The "Ginza Lion Building" where this beer hall is located was registered as a national tangible cultural property (building) in 2022.

★Yebisu bar



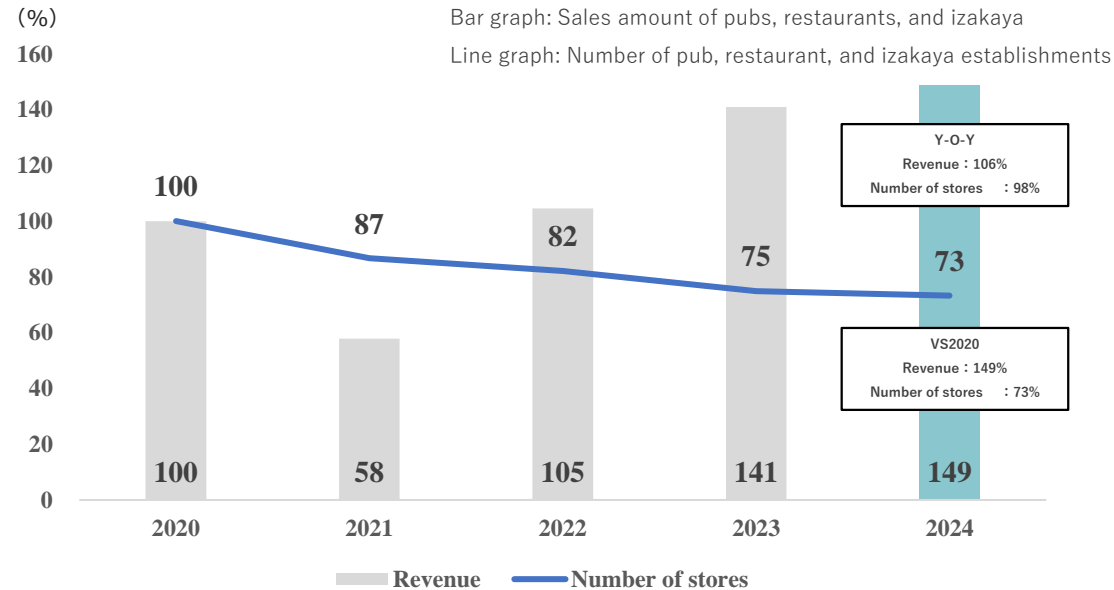
Specializing in Yebisu beer under the concept "ALL FOR YEBISU".

Restaurants_Market Trends

Trends in Restaurants Industry

(the growth rate when standardized as 100 for 2020)

Source : Japan Food Service association



Sales performance of all pubs, restaurants, and izakaya (year-on-year)

(Y-o-Y)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Revenue	110%	111%	106%	106%	106%	107%	103%	104%	104%	105%	107%	101%
Number of customer	107%	108%	102%	104%	105%	104%	101%	100%	101%	103%	104%	99%
Sales per customer	103%	103%	104%	102%	100%	102%	102%	104%	103%	102%	103%	102%

Restaurants_Our Company's Performance

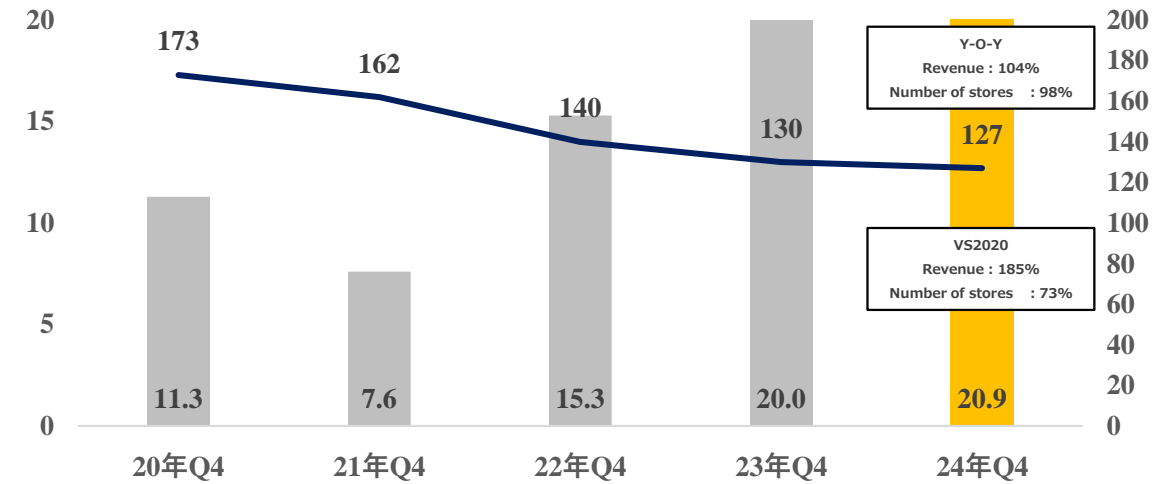
Trend in Revenue and Number of Restaurants

(billions of yen)

Bar graph: Trend in Restaurant business revenue

(Restaurants)

Line graph: Trend in number of Sapporo Lion Group restaurants



Sales results for existing SLN stores (Y-o-Y)

(Y-o-Y)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Revenue	119%	118%	110%	106%	103%	108%	102%	105%	106%	104%	110%	103%
Number of customer	113%	112%	105%	103%	99%	103%	98%	100%	102%	103%	104%	99%
Sales per customer	105%	105%	105%	103%	104%	105%	104%	105%	105%	102%	105%	104%

Highlighted cells indicate figures exceeding the sales performance of all pubs, restaurants, and izakaya.

POKKA SAPPORO FOOD & BEVERAGE LTD.

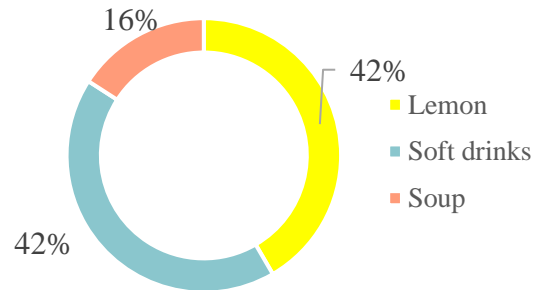
Basic Information

POKKA SAPPORO Food & Beverage is responsible for the food and soft drink businesses of Sapporo Group, and is developing the food and soft drink businesses on a broad scale both inside and outside Japan. In Japan, POKKA SAPPORO Food & Beverage develops unique products, such as soft drinks, and soups, using various ingredients with a focus on lemons.

Business

Manufacture and sales of food& soft drinks and others

★Pokka Sapporo Domestic Revenue Composition of the Main 3 Categories



History

- 1957 Jan. Japan Beer Brewery Ltd. established Kokusai Beverage Co., Ltd.
- 1957 Feb. Established Nikka Lemon Co., Ltd.
for the production and distribution of lemon beverages.
- 2013 Jan. Business commenced as Pokka Sapporo Food & Beverage Ltd.

Main Products



Production base

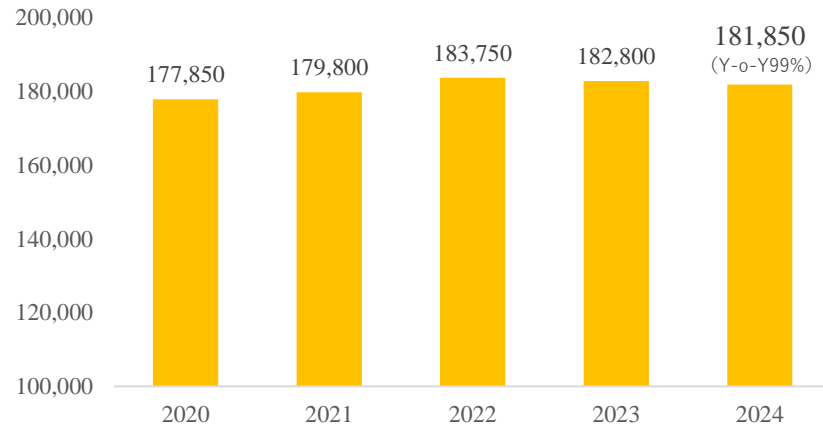
Foods & Soft drinks plant(Nagoya, Gunma, Sendai)
Food Manufacturing Related Company (Iwata)



Soft drinks_Market Trends

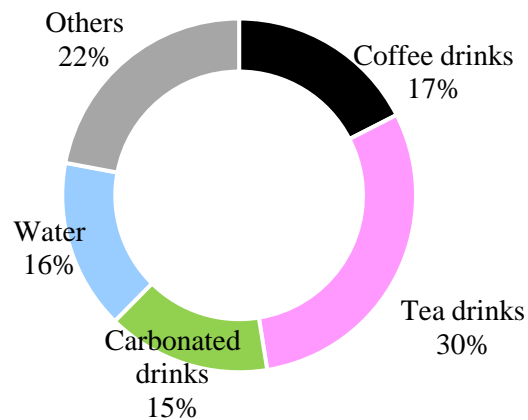
★Japan Soft drinks market scale (Unit: 10,000 cases) 2024

Source: Inryoshoken- Soft drinks market data (Calculated by Sales Volume)



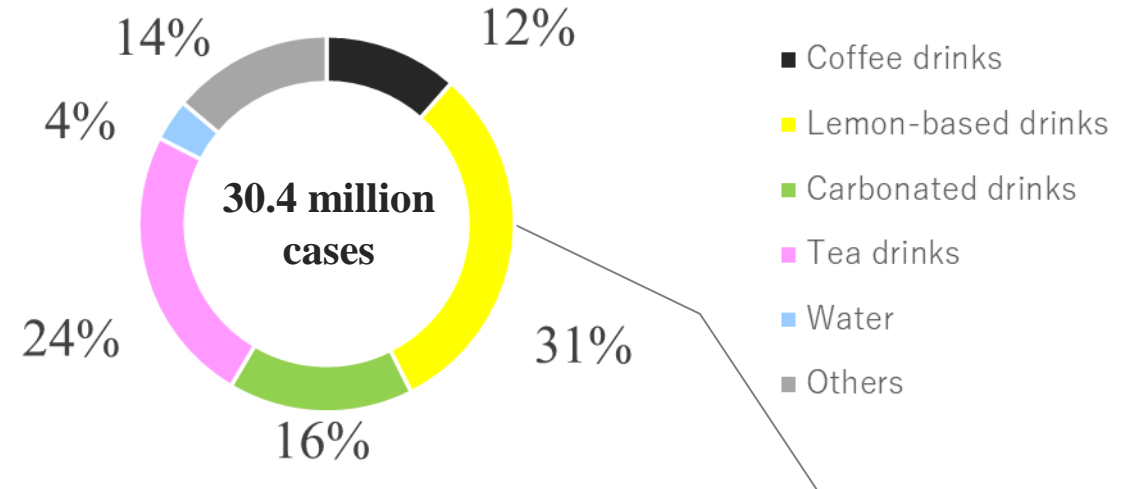
★Japan Composition of Soft Drinks Market by category (2024)

Source: Inryoshoken- Soft drinks market data (Calculated by Sales Volume)



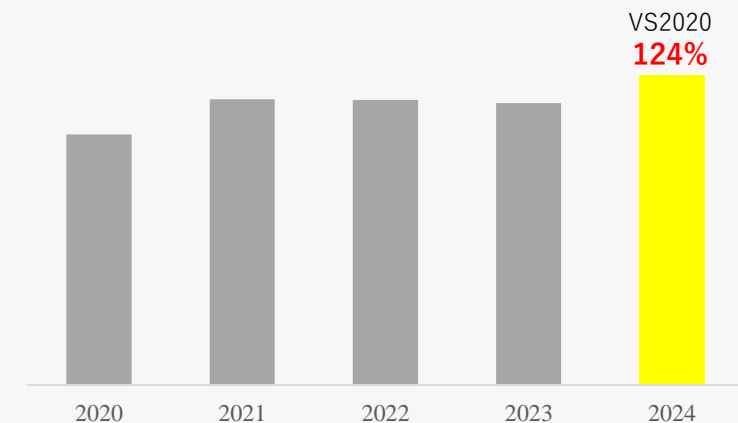
Soft drinks_Our Company's Performance

★Pokka Sapporo- Japan Sales Volume Composition by Category (2024)



★Lemon Beverage Sales Trends

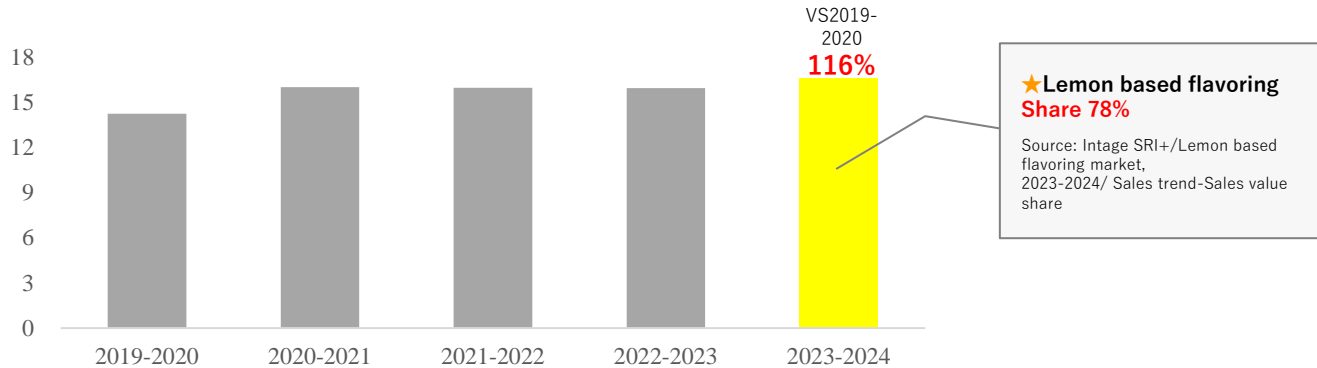
※the growth rate when standardized as 100 for 2020



Lemon Foods_ Market Trends

★Lemon based flavoring market scale (billions of yen) 2024

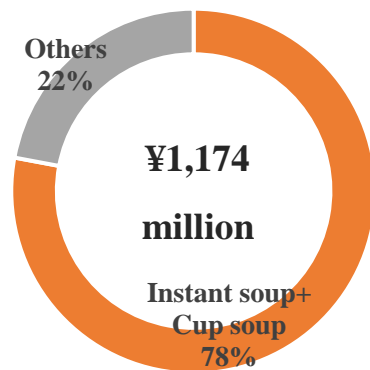
In addition to deliciousness, we expect the lemon-based product market to continue expanding due to the functionality of these products.



Soup_ Market Trends

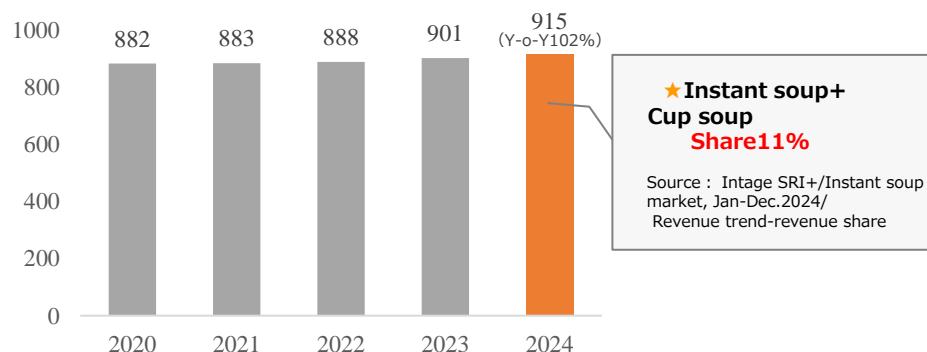
★Japan- Sales breakdown by category of Soup market in 2024

Source : Intage SRI+/Soup market 2024/Revenue



★Japan- Instant soup+ Cup soup market sizes (million of yen)

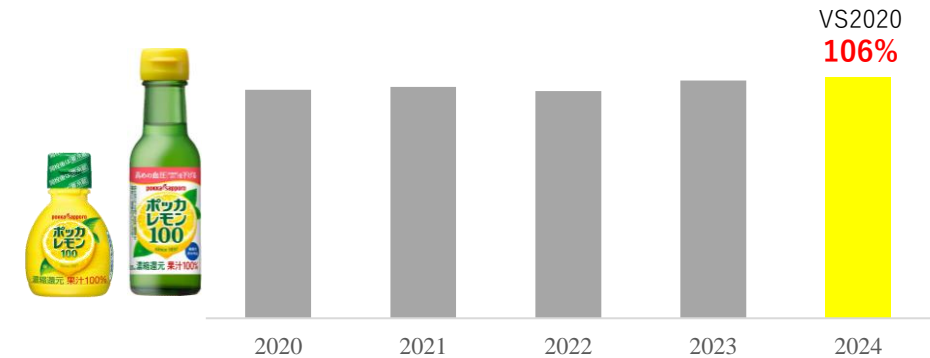
Source : Intage SRI+/Instant Soup market 2020-2024/Sales Value



Lemon Foods_ Our Company's Performance

★Lemon Foods Sales Trends ※the growth rate when standardized as 100 for 2020

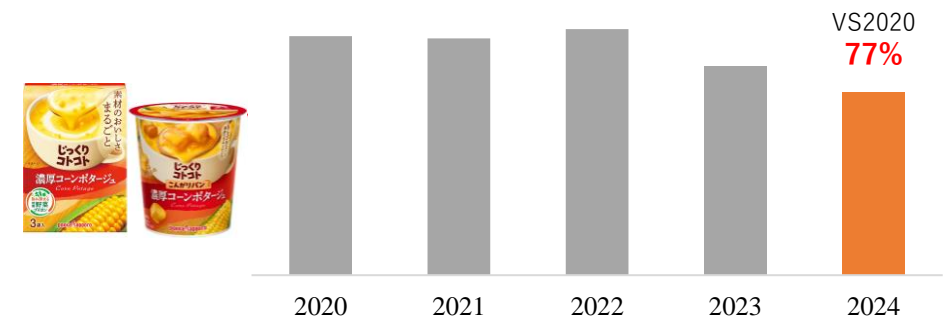
We are focused on expanding the demand for lemon-based products as the No.1 lemon maker



Soup_ Our Company's Performance

★Soup Sales Trends ※the growth rate when standardized as 100 for 2020

Sales decreased as a result of SKU reductions undertaken to improve profitability.




POKKA PTE. LTD.

POKKA (MALAYSIA) Sdn. Bhd.

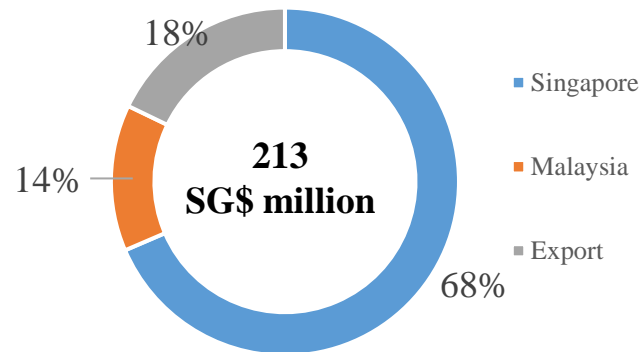
Basic Information

In 1977, we established Pokka Corporation (Singapore) Pte. Ltd. to become the first Japanese beverage manufacturer to found a base overseas. In Singapore, lead by our JASMINE GREEN TEA products, we boast an overwhelming share of the tea beverages market. We are also increasing the presence of the POKKA brand through fruit juice beverages and coffee beverages.

In addition, we export POKKA brand beverages from Singapore to more than 60 countries around the world, including Southeast Asia and the Middle East, and aim for further growth.

Business

Production and sales of Soft Drinks



History

Jan.1977 Establishment of POKKA CORPORATION(SINGAPORE)PTE. LTD.
(now : POKKA PTE. LTD.)

Aug.2014 Establishment of POKKA (MALAYSIA) Sdn. Bhd.

Main Products



Sapporo Real Estate Co., Ltd.

Basic Information

We are involved in real estate business, primarily with regard to Yebisu Garden Place and Sapporo Factory. Since the establishment in 1988, we have developed this business primarily in two locations with historic ties to the Group: Ebisu and Sapporo. Going forward, we will work to implement attractive urban development and make the most of the know-how we have accumulated thus far to promote the increased value of our properties.

Business

Real estate leasing, administration, operation and development services

(billions of yen)	Core operating profit			EBITDA		
	2023	2024	Change	2023	2024	Change
Yebisu Garden Place, etc.	4.7	5.9	1.2	8.5	9.9	1.5
Other area & other operations	2.0	2.2	0.3	2.3	2.9	0.5
Hokkaido	0.5	0.6	0.1	1.0	1.2	0.2
Equity investment, etc	(1.3)	(0.8)	0.4	(0.5)	(0.0)	0.5
Total	5.8	7.8	2.1	11.3	14.0	2.7

History

1988 Establishment
 1993 Opened SAPPORO FACTORY
 1994 Opened Yebisu Garden Place
 2005 Opened Sapporo Garden Park
 2016 Opened GINZA PLACE
 2024 Opened HOTEL SOSEI SAPPORO – MGALLERY
 2024 Opened SOSEI CROSS

Major Real Estate Owned by the Sapporo Group

YEBISU GARDEN PLACE (The former site of Sapporo Breweries' Ebisu Brewery)



Address 20, Ebisu 4-chome, Shibuya-ku, Tokyo
 4・13, Mita 1-chome, Meguro-ku, Tokyo
 Site area Approx.83,000㎡ (25,200 tsubo)
 *Sapporo owns 56,943㎡
 Building area Approx.32,000㎡ (9,700 tsubo)
 Floor area Approx.478,000㎡ (144,600 tsubo)
 *Sapporo owns 298,007㎡
 No. of floors 40 floors above ground, 5 below
 Opened Oct. 1994

Sapporo Garden Park (The former site of Sapporo Breweries' Sapporo Brewery(No.2 Brewery))



Address Kita 7-jo Higashi 9-chome,
 Higashi-Ku, Sapporo-Shi,
 Hokkaido
 Commercial area Approx.123,121㎡
 Floor area Approx.119,731㎡
 Opened 2005

SAPPORO FACTORY (The former site of Sapporo Breweries' Sapporo Brewery(No.1 Brewery))



Address Kita 2 Jo Higashi 4-chome, Chuo-ku,
 Sapporo-shi, Hokkaido
 Site area Approx. 47,000㎡ (14,300 tsubo)
 Building area Approx. 32,400㎡ (9,800 tsubo)
 Floor area Approx. 160,000㎡(48,400 tsubo)
 Opened Apr. 1993

GINZA PLACE (Redevelopment of the Home of Ginza Lion)

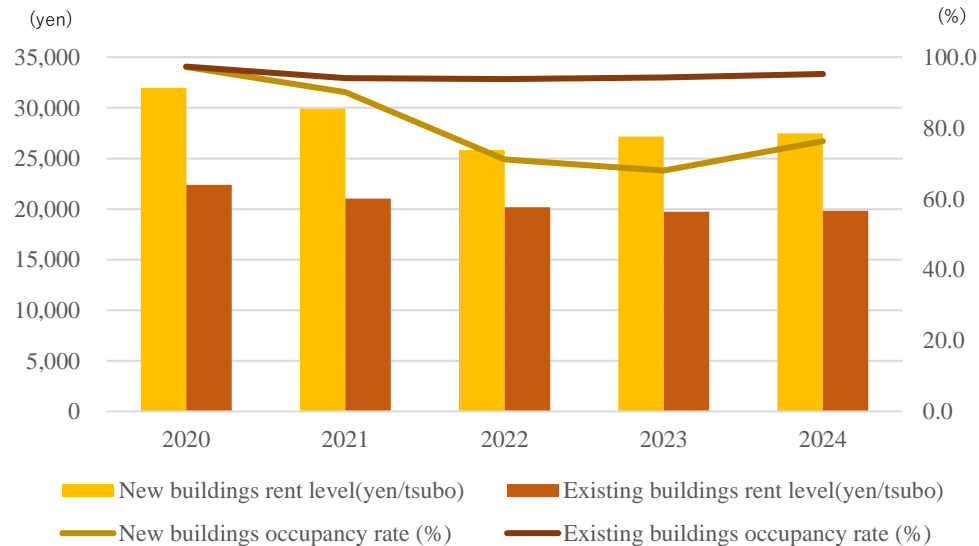


Address 8-1, Ginza 5-chome,
 Chuo-ku, Tokyo
 Site area Approx.645㎡
 Floor area Approx.7,350㎡
 No. of floors 11 floors above ground,
 2 below
 Opened Sep. 2016

Real Estate: Market Trends

Japan- The Greater Tokyo Area Office Leasing Market
Annual average of occupancy rates & rent level

(Source: Miki Shoji Co., Ltd.)



	2020	2021	2022	2023	2024
Rent level average (yen/tsubo)	22,613	21,150	20,261	19,849	20,005
New buildings rent level (yen/tsubo)	31,985	29,909	25,841	27,172	27,486
Existing buildings rent level (yen/tsubo)	22,381	21,031	20,168	19,727	19,830
Occupancy rate average (%)	97.4	94.1	93.6	93.8	95.0
New buildings occupancy rate (%)	97.3	90.2	71.2	68.0	76.3
Existing buildings occupancy rate (%)	97.4	94.1	93.8	94.3	95.3

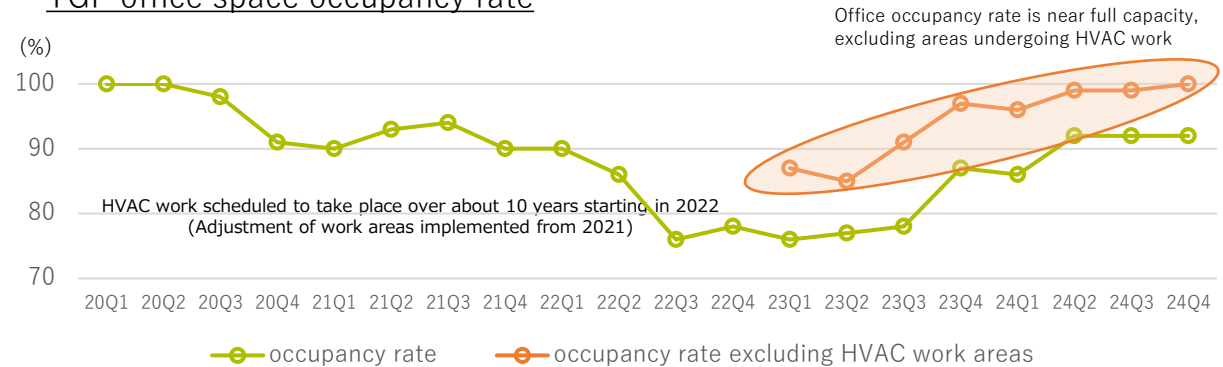
Real Estate: Our Company's Performance

Sapporo Real Estate

Major rental properties & annual average of occupancy rates

	2020	2021	2022	2023	2024
Yebisu Garden Place (%)	98	92	83	79	90
GINZA PLACE (%)	99	94	97	93	100
Strata Ginza (%)	100	100	100	100	100

YGP office space occupancy rate



Sapporo Real Estate Investment property (millions of yen)

	2020	2021	2022	2023	2024
Carrying value on the consolidated statement of financing position at the fiscal year end date	218,574	203,224	209,628	211,164	209,176
Fair value at the fiscal year end date	408,141	382,928	385,682	382,970	402,982

～Data : Financial Data～

Profit and loss statement/Balance sheet

Profit and loss statement

(millions of yen)

	2018/12	2019/12	2020/12	2021/12	2022/12	2023/12	2024/12
Revenue	493,908	491,896	434,723	437,159	478,422	518,632	530,783
Revenue(Excluding Liquor Tax)	370,796	371,100	328,583	331,191	364,240	400,770	412,984
Cost of sales	335,631	336,682	302,593	303,380	339,180	361,793	365,865
Selling, general and administrative expenses	143,118	143,490	127,869	125,637	129,931	141,206	142,881
Core Operating Profit	15,159	11,723	4,261	8,142	9,312	15,633	22,038
Operating Profit	11,588	12,208	(15,938)	22,029	10,106	11,820	10,416
EBITDA	39,751	35,971	27,351	28,639	29,879	36,029	44,047
Profit attributable to owners of parent	8,521	4,356	(16,071)	12,331	5,450	8,724	7,714
Overseas sales ratio(Excluding tax)(%)	15.0	14.5	15.1	17.0	21.4	23.1	24.2
Cost of sales to revenue(%)	32.0	31.6	30.4	30.6	29.1	30.2	31.1
Selling, general and administrative expenses ratio (%)	29.0	29.2	29.4	28.7	27.2	27.2	26.9
Core Operating profit margin(%)	3.1	2.4	1.0	1.9	1.9	3.0	4.2

Balance sheet

(millions of yen)

	2018/12	2019/12	2020/12	2021/12	2022/12	2023/12	2024/12
Total assets	639,692	638,722	616,349	594,551	639,118	663,573	664,963
Total equity	164,735	174,524	149,551	163,327	167,201	183,248	197,157
Total current assets	153,544	155,765	160,829	167,806	179,431	176,353	193,918
Total non-current assets	486,148	482,957	455,520	426,745	459,687	487,220	471,045
Total current liabilities	214,591	210,472	216,243	210,535	219,515	191,204	207,007
Total non-current liabilities	260,367	253,725	250,555	220,688	252,402	289,121	260,799
Balance of debt :Net	218,358	212,126	221,534	180,730	226,513	205,399	180,972
Ratio of equity attributable to owners of parent to total assets(%)	25.2	27.3	24.3	27.3	26.0	27.5	29.5
EBITDA interest-bearing debt ratio(times)	5.5	5.9	8.1	6.3	7.6	5.7	4.1
D/E ratio(times)	1.4	1.2	1.5	1.1	1.4	1.1	0.9

Segment Information

Segment Information

(millions of yen)

	2018/12	2019/12	2020/12	2021/12	2022/12	2023/12	2024/12
Revenue-Consolidated total	493,908	491,896	434,723	437,159	478,422	518,632	530,783
Alcoholic beverages(Including tax)	330,009	330,178	285,427	289,678	334,644	376,862	388,162
Japanese	252,108	254,656	227,943	228,621	245,387	268,302	272,980
Overseas	50,332	48,257	46,203	53,439	73,950	88,593	94,308
Restaurants	27,569	27,265	11,281	7,617	15,307	19,967	20,874
Food & Soft drinks	133,384	136,876	125,861	125,453	122,914	119,922	117,950
Japanese	-	-	-	-	98,330	93,484	90,737
Overseas	-	-	-	-	24,584	26,437	27,213
Real estate	24,483	24,690	23,262	21,863	20,724	21,702	24,602
Others	6,033	152	172	166	140	146	69
Core Operating profit-Consolidated total	15,159	11,724	4,261	8,142	9,312	15,633	22,038
Alcoholic beverages	8,952	8,520	2,368	5,441	7,730	16,016	18,797
Japanese	7,166	8,003	6,660	7,916	8,471	14,185	16,401
Overseas	1,473	199	467	1,727	(261)	(301)	385
Restaurants	381	388	(5,022)	(4,238)	(513)	2,105	1,940
Food & Soft drinks	1,409	(470)	(2,621)	712	1,767	1,634	3,429
Japanese	-	-	-	-	789	2,164	2,248
Overseas	-	-	-	-	882	(573)	1,183
Real estate	11,136	10,737	10,853	8,226	6,459	5,784	7,849
Others	(6,338)	(7,064)	(6,339)	(6,237)	(6,644)	(7,801)	(8,037)
Core Operating profit margin-Consolidated total(%)	3.1	2.4	1.0	1.9	1.9	3.0	4.2
Alcoholic beverages	2.7	2.7	0.8	1.9	2.3	4.2	4.8
Japanese	2.8	3.3	3.1	3.5	3.5	5.3	6.0
Overseas	2.9	0.4	0.7	3.2	(0.4)	(0.3)	0.4
Restaurants	1.4	1.4	(44.5)	(55.6)	(3.3)	10.5	9.3
Food & Soft drinks	1.1	(0.3)	(2.1)	0.6	1.4	1.4	2.9
Japanese	-	-	-	-	0.8	2.3	2.5
Overseas	-	-	-	-	3.6	(2.2)	4.3
Real estate	45.5	43.5	46.7	37.6	31.2	26.7	31.9
Others	-	-	-	-	-	-	-

※Silver Spring Citrus・Country Pure Foods (North America Business)
 : ~12/2017→International business
 2018~12/2019→Food & Soft drinks (12/2019 Sell-off)

※Effective from the fiscal year 2020, the logistics businesses were listed under “Alcoholic Beverages”.

※The Vietnam and Europe businesses which were previously listed under “Japan & Asia business”, but has been classified under “Overseas business” in 2021.
 With the change of the classification, the name of “Japan & Asia business” changed to “Japanese business”.

To enable year-on-year comparisons, figures for the previous fiscal year have been adjusted to reflect the new reportable segments.

(= ~12/2019 → 「Japan & Asia」 、 「North America」 、 2020~ → 「Japanese」 、 「Overseas」)

Cash flows

(millions of yen)

	2018/12	2019/12	2020/12	2021/12	2022/12	2023/12	2024/12
Operating activities CF	30,830	36,069	16,466	30,308	7,814	45,446	36,109
Investing activities CF	(18,727)	(24,930)	(16,000)	20,729	(46,137)	(16,439)	(5,836)
Financing activities CF	(14,521)	(5,984)	4,138	(53,080)	36,465	(27,140)	(25,372)
Free CF	12,103	11,140	466	51,037	(38,323)	29,007	30,273
Cash and cash equivalents at end of year	9,989	15,215	19,734	17,368	15,380	17,204	24,140
Capital expenditures	23,036	29,912	16,109	21,241	22,326	28,923	36,957
Depreciation and amortization	24,591	24,248	23,089	20,496	20,567	20,395	22,009

Information of per share

	2018/12	2019/12	2020/12	2021/12	2022/12	2023/12	2024/12
Basic earnings per share (yen)	109.40	55.92	(206.31)	158.30	69.96	111.99	99.00
Cash dividends per share(yen)	42	42	42	42	42	47	52
Equity per share attributable to owners of parent(yen)	2,073.54	2,234.65	1,922.80	2,086.96	2,134.98	2,340.41	2,515.68
Payout ratio(%)	38.4	75.1	-	26.5	60.0	42.0	52.5
Stock price(yen)	2,293	2,579	1,991	2,183	3,280	6,218	8,318

Indicators

	2018/12	2019/12	2020/12	2021/12	2022/12	2023/12	2024/12
Ratio of Core Operating profit to total assets	2.3	1.8	0.7	1.4	1.5	2.4	3.3
Ratio of profit to equity attributable to owners of parent	5.1	2.6	(9.9)	7.9	3.3	5.0	4.1
Total asset turnover(times)	0.7	0.8	0.7	0.7	0.7	0.8	0.8

～Data : Non-Financial Data～

Sustainability Material Issues: Progress and Achievements(as of August 2024)

*We have submitted a commitment letter to the SBT Initiative, and it has been accepted.

* Target setting company notation SH: Sapporo Holdings, SB: Sapporo Breweries, PS: Pokka Sapporo, SRE: Sapporo Real Estate, SLN: Sapporo Lion, SGF: Sapporo Group Foods, SBL: Sleeman, SUSA: Sapporo USA, SVL: Sapporo Vietnam, PK: Pokka,YSM: Yasuma, FBS: Foremost Blue Seal, SSI: Shinsyu-ichi Miso

Classification	Most Important Issues	Material Issues	Specific Initiatives	Indicators	Targets Setting Companies	Target Year	Targets	Latest achievements and progress through the first half of 2024
Harmony with the Environment	<div></div>	Realization of a decarbonized society	Reduction greenhouse gas emissions at company sites and supply chains	・ Greenhouse gas emissions reduction	Sapporo Group	2030	Scope 1,2: Reduce greenhouse gas emissions by 42% compared to 2022	【2023 Achievements】 175.0 thousand tons (92.5% compared to 2022)
					Sapporo Group (SB,SBL,PS)		Scope 3: Reduce greenhouse gas emissions by 25% compared to 2022	【2023 Achievements】 1,104.6 thousand tons (97% compared to 2022)
							FLAG Scope 1,3: Reduce greenhouse gas emissions by 31% compared to 2022	【2023 Achievements】 64.7 thousand tons (90% compared to 2022)
		Realization of a recycling-based society	・ Realization of containers and packaging compatible with a recycling-oriented society ・ Reduction and recycling of plastic resources	・ Usage rate of recycled materials in PET bottle products	SB	2030	Domestic production wine PET: 50% recycled material usage rate	【2023 Achievements】 Recycling material usage rate: 50.87%
				・ Reduction of plastic used in advertisement products	PS	2030	Domestic sales PET products: 50% recycled material usage rate	【2023 Achievements】 Recycling material usage rate: 9.7%
					SB	2030	Eliminate single-use plastic advertising materials derived from fossil fuels in Japan as a general rule	【2023 Achievements】 72,649kg
			Reduction of waste and food loss	・ Implementation rate of food recycling, etc	SLN	2024	Achieve a 50% rate of food recycling and other measures	【FY2023 (2023.4～2024.3) result】 50.6%
				・ Waste recycling rates at production sites	SB,PS		Achieve a 100% recycling rate of waste at domestic production sites	【FY2023 (2023.4～2024.3) result】 100%
			Conservation of water resources	・ Water usage reduction rate	SB,PS	2030	Reduce water usage at domestic production sites by 10% compared to 2013	【FY2023 result】 ・ Group (SB+PS): 18.0% reduction
				・ Water risk management	SB,SBL,SUSA,SVL,PS,PK,YSM,SSI		・ Investigate water risks at all production sites once every three years ・ Efficient use of water	【FY2023 result】 ・ Selected as CDP Water Security A-list company through disclosure of information on water risks, etc.
		Realization of a society in harmony with nature	Developing ingredients that respond to climate change and developing facilities/communities that coexist with nature	・ Progress in developing ingredients to respond to climate change	SB	2030	Apply for domestic variety registration of barley and hops with climate change-resistant traits	【FY2024 first half result】 (Barley) ・ Candidate varieties resistant to Fusarium head blight were submitted for public evaluation trials, and sowing has been completed. ・ Breeding materials related to pre-harvest sprouting tolerance were submitted for breeding trials in both Hokkaido and Canada, and sowing has been completed. (Hops) ・ Tests are underway to establish DNA-based identification techniques for resistance to powdery mildew and downy mildew. ・ A preliminary investigation is underway regarding genes involved in root system development.

Classification	Most Important Issues	Material Issues	Specific Initiatives	Indicators	Targets Setting Companies	Target Year	Targets	Latest achievements and progress through the first half of 2024
Co-prosperity with Society	●	Mutual prosperity with local communities	・ Improvement of regional value ・ Resolution of local issues using company resources	・ Progress in sustainable urban development that contributes to improving area brand value	SRE		・ Enhance the value of owned properties and create vibrant areas ・ Form, strengthen, and expand communities with stakeholders in property areas ・ Create facilities that are accessible to everyone	【FY2024 first half result】 ・ Number of events contributing to community building: 26 (Ebisu: 21, Sapporo: 5)
				・ Progress of our “regional revitalization business”	SB		・ Collaborate with local governments to create sustainable communities by matching local food suppliers with companies at food trade fairs ・ Achieve a satisfaction rate of 75.0% or higher among municipalities, suppliers, and buyers at trade fairs	【2024 first half results】 Contracts have been awarded for 11 projects in 10 municipalities, and efforts are ongoing.
				・ Progress in building an environment for lemon production in Japan	PS		Long-term goals: ・ Pass on the rich land and bounty of Japanese lemon cultivation to future generations and communities Short-term goals: ・ Increase farmland by a minimum of 2,000 square meters each year ・ Expand cultivated land in collaboration with partners, not just within the company ・ Take over farmland with no successors and revitalize abandoned farmland	【FY2023 result】 ・ Conducted contract cultivation with farmers on the island ・ Conducted interviews with several other lemon producing regions ・ 1,659㎡ converted to contract farmland
				・ Number of regional learning programs (food education, on-site classes, factory tours, etc.) related to the food and beverage business	PS,SGF	2030	Increase by 10 times compared to 2021 (to a scale of 400 cases)	【FY2023 result】 ・ 250 cases (Approx. 6.8% times more compared to FY2021)
		Providing health value	Providing health value through our business	“POKKA Lemon” brand aggregation [annual purchase rate (%), annual purchase quantity (units per buyer)].	PS	2030	Contribute to people's well-being by expanding the total demand for lemons through promoting the health benefits of lemons and proposing their various uses and occasions	【FY2023 result】 1. Annual purchase rate 14.34 (%) 2. Annual purchase volume 1.91 (number of bottles per purchaser)
				・ Development status of products that contribute to customer health	PK	2030	Develop and market new products focused on health, aiming for a 10% share of sales composition (limited to POKKA products)	【FY2023 result】 ・ 2.7%(Sales in Singapore only)
				・ Status of acquisition of certifications for properties that contribute to the provision of health value	SRE		Obtain certifications for properties that contribute to providing health value	【2024 first half results】 2024/5 : Center Plaza Office (B1 and 2F) received the highest rank of “S” in CASBEE-Wellness Office Evaluation Certification. *Jointly acquired with Plus Corporation
		Building a sustainable supply chain	・ Respect for Human Rights in the Supply Chain ・ Reduction of environmental impact in the supply chain ・ Stable procurement	・ Compliance rate with the Sustainable Procurement Guidelines	SB,SBL,SUSA,SVL,P S,PK,YSM,FBS, SSI,SLN		Implement initiatives to promote and disseminate the “Procurement Basic Policy” and “Sustainability Procurement Guidelines”	【FY2024 first half result】 ・ Working to engage the major suppliers of each company and are gradually expanding the number of targeted suppliers to obtain agreements. ・ Conducted Sustainability Procurement Survey No currently problematic issues have been identified.
					SB,PS		Achieve a 100% compliance rate with the Sustainability Procurement Guidelines among major suppliers	【FY2023 result】 ・ Achieved a 100% compliance rate
				・ Progress of human rights DD process	SB,SBL,SUSA,SVL,P S,PK,YSM,FBS, SSI,SLN		Establish and implement a scheme to verify respect for human rights in the supply chain (*). (Prioritize implementation for major raw materials and high-risk raw materials) *1. List the supply chain for each raw material 2. Verify daily activities through surveys, etc. 3. Conduct situation investigations as necessary 4. Verify corrections as necessary	【FY2024 first half result】 ・ Identify each company's major raw materials and high-risk raw materials ・ Listing the supply chain and Sustainability Procurement Survey is underway Regarding point 2, we are currently progressing towards the establishment and operation of the Sedex assessment scheme.
					SB,PS	2025	Verify that the procurement of major raw materials and high-risk raw materials respects human rights	【FY2024 first half result】 ・ Visualization of the supply chain from second-tier suppliers onward: In progress. ・ Conducted Sustainability Procurement Survey
					SRE		Understand the actual situation regarding respect for human rights in the value chain of the real estate business	【FY2024 first half result】 ・ Continued Group-wide collaborative efforts

Classification	Most Important Issues	Material Issues	Specific Initiatives	Indicators	Targets Setting Companies	Target Year	Targets	Latest achievements and progress through the first half of 2024
Success of Human Resources		Active participation of diverse human resources	Promotion of DE&I (Diversity, Equity, and Inclusion)	Development status of systems and environments that match diverse values and new work styles	SH,SB,PS,SRE,SLN	2026	Work Engagement (*) 54 or higher * Indicator based on stress checks and employee awareness surveys <deviation value>	【FY2024 survey result】 ・ Work Engagement 54 (Achieved the goal of 54 or more, continuing from the previous year)
					SBL		Percentage of employees who have received DE&I training: 100%	【FY2023 result】 Percentage of employees who have received DE&I training: 94%
							Percentage of employment leaders who have taken Conscious Inclusion training: 100%	【FY2023 result】 ・ Conducted for 17% of the leader group and members of the HR department
					SVL		DE&I understanding: 6.0 points (*)	【FY2023 result】 ・ 5.74 points
							Number of local employees among the executives: 2	【FY2024 result】 ・ 1
							Organizational Culture Survey: 6.00 points (*) * Indicator based on the "Organizational Culture Survey" conducted by SVL (out of 7 points)	【FY2023 result】 ・ 5.96 points
					PK		Engagement (*) : 80% * Indicator based on the "Employee Survey" conducted by PK (Benchmark: 76%)	【FY2023 result】 ・ 77%
			Progress status of promotion of women's empowerment	SH,SB,PS,SRE,SLN SH	2026	Female directors ratio: 12% or more, female managers ratio: 12% or more	【As of June 30, 2024】 ・ Female directors ratio: 14.7% (SH non-consolidated 18.2%) ・ Female managers ratio: 6.6	
				SH,SB,PS,SRE,SLN	2030	Female managers ratio: 20% or more		
				Investing in human capital for growth and productivity	Progress in fostering a challenging culture for future value creation	SH,SB,PS,SRE,SLN	2026	Integrated Survey "Challenges for Creating Future Value" (*) 3.0 or higher * Unique survey indicator of the Sapporo Group based on stress checks and employee awareness surveys <quantified on a scale of 1.0 to 4.0>
			Progress status of human resource development through active investment (management human resources/global core human resources/DX, IT core human resources)		SH,SB,PS,SRE,SLN	2026	Fulfillment of management talent successors	【FY2024 first half result】 Conduct management talent development meetings and company-wide management talent liaison meetings at all operating companies
							100 core global talents	【FY2023 result】 ・ Global talents: More than 100 people are secured on a steady basis
							200 DX, IT core talents	【FY2023 result】 ・ DT, IT core talents: Completed developing 200 talents
			Degree of improvement in productivity due to improved mental and physical health		SH,SB,PS,SRE,SLN	2026	Presenteeism loss rate (*) 33.4% or less * Indicator based on stress checks and employee awareness surveys	【FY2024 survey result】 ・ Presenteeism loss rate 33.9% (Goal of below 33.4% not achieved)
Promoting Responsible Drinking	Awareness of responsible drinking	Progress in the labeling of pure alcohol content	SB		2025	Display the amount of pure alcohol per can (g) on domestically produced and sold canned alcoholic beverages and low-alcohol beverage containers: 100% implementation rate	【As of June 30, 2024】 ・ 94%	
		Percentage of employees participating in awareness-raising activities related to responsible drinking through e-learning, etc.	SB,SLN			100% participation in awareness programs such as e-learning for all domestic employees (once or more per year)	【FY2023 result】 ・ September e-learning for all employees Implemented promoting responsible drinking Employee participation rate 99.4%	
		Number of incidents of accidental ingestion of alcohol at restaurants	SLN		0 incidents	【FY2024 first half result】 ・ Number of incidents of accidental ingestion of alcohol at restaurants: 0 incidents		
		Percentage of restaurant menus and POPs displaying messages to prevent under-20s from drinking alcohol	SLN		100%	【FY2024 first half result】 ・ Percentage of restaurant menus and POPs displaying messages to prevent under-20s from drinking alcohol 100%		
Providing safe products and facilities	Food safety	Operation and continuous improvement of the food safety assurance system Number of serious food accidents	SB,SBL,SUSA,SVL,P S,PK,FBS,SSI,SLN		Reflect voices of stakeholders, including customers and internal stakeholders, in the food safety assurance system. Suppress the occurrence of serious food incidents	【FY2024 first half result】 ・ Four external notification incidents occurred (SB: two cases of incorrect wine labeling, SSI: one case of incorrect labeling for commercial products, SLN: one case of incorrect labeling for EC products); however, no serious food incidents have occurred. <Improvements based on customer feedback> There were no cases reflecting feedback from stakeholders, including customers and internal parties.		
		Building safe facilities	Status of initiatives for promoting facility safety	SRE		Ensure proper emergency power supply for owned properties Ensure reliable seismic performance for owned properties Regularly review and conduct drills for emergency response plans	【FY2024 first half result】 Implemented as planned	

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Sapporo will contribute to the evolution of creative,
enriching and rewarding lifestyles.



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