



[Translation]

June 24, 2022

Company Name	Sapporo Holdings Limited
Representative	Masaki Oga President and Representative Director
Stock Code	2501
Listed on	Tokyo Stock Exchange (Prime Market) Sapporo Securities Exchange
Inquiries	Satoshi Funakoshi Director of Corporate Planning Department Tel: 81-3-5423-7407

Notice regarding Acquisition of Membership Interest (Consolidation) in Stone Brewing Co., LLC

Sapporo Holdings Limited (the “Company”) hereby announces that the Company, at the Board of Directors’ meeting held today, resolved that Sapporo U.S.A., Inc., a consolidated subsidiary of the Company, would enter into a membership interest purchase agreement with Stone Brewing Holdings, LLC (“Stone Holdings”) to make Stone Brewing Co., LLC (“Stone”) a subsidiary of the Company.

Stone operates a beer and beer-type beverages manufacturing and sales business, a restaurant business, and a liquor wholesale business. Sapporo U.S.A., Inc. will acquire a membership interest in Stone after the liquor wholesale business of Stone is carved out and transferred to the newly established subsidiary of Stone Holdings.

As a result, the capital amount of Stone will become equivalent to ten hundredths (10/100) or more of the capital amount of the Company and Stone will qualify as a specified subsidiary.

1. Objectives of the Acquisition of Membership Interest

In the Sapporo Group’s long-term management vision for 2026, which is the 150th anniversary of its foundation, it has set the goal of becoming “a company with highly unique brands in the fields of ‘Alcoholic Beverages,’ ‘Food,’ and ‘Soft Drinks’ around the world.” The “Group Management Plan 2024” includes, in its basic policies, “Acceleration of Global Expansion.” Sapporo Breweries, which is in charge of the alcoholic beverages business of the Sapporo Group, has positioned North America, which is the foundation of our overseas business, and Southeast Asia, which is experiencing remarkable growth, as priority areas where our global expansion is being promoted. In particular, in the U.S., the Sapporo Group has been considering acquiring production bases for further growth of the Sapporo brand and expanding its beer business by acquiring new brands. In terms of product strategy, the Sapporo Group aims to develop products adapted to the local markets by developing brands along both the national and regional axes. In terms of its supply chain strategy, the Sapporo Group aims to reduce logistics costs and stabilize quality by acquiring production bases in areas close to consumer markets.

This transaction is in line with such strategies. Acquisition of two of Stone’s plants, one each in the East and the West, should strongly support the growth of the Sapporo brand; in addition, through the acquisition of Stone’s “Stone

IPA” and other leading brands, we aim to further expand our alcoholic beverage business in North America.

2. Overview of Sapporo U.S.A.

(1) Name	Sapporo U.S.A., Inc.
(2) Location	303 South Broadway Suite G40, Tarrytown, NY 10591 USA
(3) Job title and name of representative	President/CEO: Masashi Minami
(4) Business	Manufacture and sale of beer
(5) Capital stock	7,200 thousand USD (as of December 31, 2021)

3. Overview of the company to become a subsidiary (second-tier subsidiary)

(1) Name	Stone Brewing Co., LLC		
(2) Location	1999 Citracado Parkway, Escondido, CA 92029 USA		
(3) Job title and name of representative	CEO: Maria Stipp		
(4) Business	Manufacture and sale of beer and beer-type beverages, etc.		
(5) Capital stock	54,671 thousand USD (as of December 31, 2021)		
(6) Date of establishment	June 16, 2016		
(7) Membership interest holder and ratio of membership interest	Stone Brewing Holdings, LLC	100%	
(8) Relationship between the Company and the said company	Capital relationship	None	
	Personnel relationship	None	
	Business relationship	None	
(9) Consolidated operating results and financial position over the last three years (in thousands of USD)			
Fiscal Year	FY Ended December 2019	FY Ended December 2020	FY Ended December 2021
Consolidated net assets	84,501	64,482	53,168
Consolidated total assets	177,039	150,965	155,544
Consolidated net sales	250,736	219,851	230,130
Consolidated operating income	-12,381	-15,923	-9,639
Profit attributable to owners of parent	-14,054	-19,075	-11,921

* The above is the operating results of Stone before carving out of the newly established subsidiary of Stone Holdings (i.e., beer and beer-type beverages manufacturing and sales business, restaurant business, and liquor wholesale business).

4. Overview of the counterparty to the acquisition of membership interest

(1) Name	Stone Brewing Holdings, LLC	
(2) Location	1999 Citracado Parkway, Escondido, CA 92029 USA	
(3) Job title and name of representative	Manager: Gregory Koch	
(4) Date of establishment	May 24, 2016	
(5) Membership interest holders and ratios of membership interests	Stone Brewing Investments, Inc.	61.2%
	VMG Stone Brewing Holdings, LLC	19.5%

	Stone Employee Holdings, LLC	15.0%
	HH Stone Holdings, LLC	4.3%
(6) Relationship between the Company and the said company	Capital relationship	None
	Personnel relationship	None
	Business relationship	None
	Whether the said company falls under a Related Party	None

5. Membership interest to be acquired, acquisition cost, and ratio of membership interest held before and after the acquisition

(1) Ratio of membership interest before the acquisition	0%
(2) Membership interest to be acquired	100%
(3) Acquisition costs	Membership interests in Stone: 165,000 thousand USD (Estimated amount) Advisory fees, etc.: 3,000 thousand USD (Estimated amount) Total: 168,000 thousand USD (Estimated amount)
(4) Ratio of membership interest held after the acquisition	100%

* Note: Sapporo USA Inc. may make additional payments to Stone Holdings as consideration for the acquisition of its membership interest in Stone depending on Stone's business performance.

6. Schedule

(1) Date of Board of Directors' resolution	June 24, 2022
(2) Date of execution of agreement	June 24, 2022 (To be executed on June 23, 2022 in the United States)
(3) Effective date of membership interest transfer	August 2022 (Scheduled)

7. Future Outlook

The impact of this transaction on the Company's consolidated operating results is currently under review. Announcements will be made promptly if any matters that need to be disclosed arise in the future.

8. Others

Please also refer to the "[Supplementary Explanatory Materials Concerning the Timely Disclosure](#)" and "[Sapporo Breweries' news release](#)" announced today.

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