



[Translation]

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Stock code	2501
Listed on	Tokyo Stock Exchange (Prime Market), Sapporo Securities Exchange
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### **Notice Concerning Partial Revision of the Board Benefit Trust Plan**

Sapporo Holdings Limited (the “Company”) hereby announces that the Company, at its Board of Directors’ meeting held today, resolved to partially revise the stock-based compensation plan (Board Benefit Trust, or BBT) (the “BBT Plan”) for Directors, Group Operating Officers of the Company, and certain Directors of the Company’s subsidiaries introduced at the 92<sup>nd</sup> Ordinary General Meeting of Shareholders held on March 30, 2016, as described below. With respect to the BBT Plan, the Company received approval for the renewal of the remuneration framework relating to the BBT Plan at the 96th Ordinary General Meeting of Shareholders held on March 27, 2020.

For summary of the BBT Plan, please refer to the “Notice Concerning the Introduction of a Board Benefit Trust” dated February 10, 2016 and the “Notice Concerning the Introduction (Determination of Details) of a Board Benefit Trust (BBT)” dated May 10, 2016 (collectively, the “Initial Notices”).

#### **1. Reason for the partial revision of the BBT Plan**

At the time of the introduction of the BBT Plan, the points per fiscal year corresponding to the maximum limit for the number of Company shares to be provided under the BBT Plan was set as stated in the Initial Notices, in consideration of the positions and achieved performance levels of persons subject to the BBT Plan. However, in association with the Company’s transition to a Company with Audit & Supervisory Committee, the remuneration framework relating to the BBT Plan was established anew at the 96th Ordinary General

Meeting of Shareholders held on March 27, 2020, as follows: With the maximum limit set at 52,780 points per fiscal year (of which 18,540 points are allocated as the portion for the Directors (excluding Directors who are Audit & Supervisory Committee Members) of the Company and 34,240 points are allocated as the portion for Group Operating Officers of the Company, and certain Directors of the Company's subsidiaries (in all cases, excluding Outside Directors)).

In light of the status of the review of the composition of the Boards of Directors of the Company's subsidiaries, which was undertaken for the purpose of strengthening corporate governance, the Company determined to partially revise the BBT Plan, as described in 2. below.

## 2. Partial Revision of the BBT Plan

The Company determined to revise the maximum limit for the points per fiscal year corresponding to the maximum limit for the number of Company shares to be provided to Group Operating Officers of the Company and certain Directors of the Company's subsidiaries (in all cases, excluding Outside Directors), as follows. As a result, the maximum limit for the total points per fiscal year corresponding to the maximum limit for the number of Company shares to be provided to persons subject to the BBT Plan will also be revised as described below (the underlines indicate the major changes from the current BBT Plan).

Meanwhile, there is no change to the maximum limit for the number of Company shares to be provided to Directors (excluding Directors who are Audit & Supervisory Committee Members) of the Company.

Details of the BBT Plan (Major revisions are underlined.)

(1)	Persons subject to the BBT Plan (the "Group Target Officers")	The Directors (excluding Directors who are Audit & Supervisory Committee Members) of the Company, Group Operating Officers, and certain Directors of the Company's subsidiaries (in all cases, excluding Outside Directors).
(2)	Maximum amount of the trust (maximum amount of remuneration, etc.)	446 million yen per each Target Period. (*1) (*2)
(3)	Calculation method and maximum limit for the number of the Company's shares to be provided	With the maximum limit set at <u>70,640</u> points per fiscal year (of which 18,540 points are allocated as the portion for the Directors (excluding Directors who are Audit & Supervisory Committee Members) of the Company and <u>52,100</u> points are allocated as the portion for Group Operating Officers of the Company, and certain Directors of the Company's subsidiaries (in all cases, excluding Outside Directors)), the number of points granted shall be decided according to the Group Target

		Officer's respective position, achieved performance level and other factors, based on the Corporate Officer Share-Based Payment Regulations. Each point granted to a Group Target Officer shall be converted into one (1) share of the Company's common stock at the time of the provision of the Company's shares, etc. described in (5) below. (*3)
(4)	Method of acquiring the Company's shares	The shares shall be acquired through the stock market or by underwriting the disposition of the Company's treasury shares, using the money contributed in the manner set forth in (2) as funds. (*4)
(5)	Provision of the Company's shares, etc.	When a Group Target Officer retires and meets the beneficiary requirements stipulated in the Corporate Officer Share-Based Payment Regulations, the number of the Company's shares calculated in accordance with (3) above shall be provided to such Group Target Officer after retirement if such Group Target Officer completes the stipulated procedures to define the beneficiary. (*5)

- (\*1) The Company established a trust (the "Trust") by contributing the funds (445,968,600 yen) necessary to acquire the required shares to provide the Company's shares, etc. to the Group Target Officers pertaining to the three (3) fiscal years from the fiscal year ended at the end of December 2016 to the fiscal year ended at the end of December 2018 (the "Initial Target Period"; Each of the Initial Target Period and subsequent periods of three (3) fiscal years in principle, the "Target Period"), within the scope approved at the 92nd Ordinary General Meeting of Shareholders. The Trust has acquired the Company's shares using the money that is contributed by the Company as funds. With the Company's transition to a Company with Audit & Supervisory Committee in March 2020, the Company has continued the Trust as a trust whereby the Group Target Officers who meet beneficiary requirements are made beneficiaries.
- (\*2) In the case of making additional contributions in the future, if the Company's shares (excluding the number of the Company's shares equivalent to points granted to the Group Target Officers that have not been provided to such Group Target Officers) and money remain as trust assets as of the day immediately preceding the start of each Target Period (the "Remaining Shares, etc."), the monetary value of the Remaining Shares, etc. (the value of the Company's shares shall be the market value on the day immediately preceding the start of the Target Period) and the additionally contributed money, together, shall not exceed 446,000,000 yen. When the Company determines to make additional contributions, the Company will make an appropriate disclosure in a timely manner.
- (\*3) If the Company's stock undergoes an event such as a share split, allotment of shares without contribution, or consolidation of shares, after the approval of proposal concerning the BBT Plan

at the relevant Ordinary General Meeting of Shareholders, the Company will carry out a reasonable adjustment concerning the maximum limit for the number of points to be granted, the number of points already granted, or the conversion ratio.

(\*4) Currently, there are no specific plans for the Trust to acquire the Company's shares. However, if the Company determines to make additional contributions and the Trust intends to acquire the Company's shares, the Company will make an appropriate disclosure of the details in a timely manner.

(\*5) If the requirements separately stipulated in the Corporate Officer Share-Based Payment Regulations are met, in respect of a certain percentage of the number of points granted to the relevant Group Target Officer, the Company will pay an amount of cash equivalent to the market value of the Company's shares as of the retirement date of such Group Target Officer in lieu of the Company's shares.

The Trust may sell the Company's shares in order to make the monetary provisions.

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