[Translation]

January 30, 2025

Company Name	Sapporo Holdings Limited
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Stock Code	2501
Listed on	Tokyo Stock Exchange (Prime Market) Sapporo Securities Exchange
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Notice Concerning Revision of Full-Year Earnings Forecast and Recording of Impairment Loss (in Consolidated Financial Statements)

Sapporo Holdings Limited (the "Company") hereby announces that it has revised its consolidated earnings forecast for the fiscal year ended December 31, 2024, which was announced on November 12, 2024. In addition, the Company hereby announces that it expects to record an impairment loss (on a consolidated financial basis).

1. Revision of consolidated earnings forecast

(1) Forecast of consolidated earnings for the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(millions of yen, except percentages and per-share data)

	Revenue	Core operating profit	Operating profit	Profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	526,000	19,000	17,600	10,030	10,000	128.37
Current revised forecast (B)	530,000	22,000	10,500	7,530	7,500	96.25
Change (B−A)	4,000	3,000	(7,100)	(2,500)	(2,500)	
Percent change (%)	0.8	15.8	(40.3)	(24.9)	(25.0)	
For reference: Results for the fiscal year ended December 31, 2023	518,632	15,633	11,820	8,758	8,724	111.99

(2) Reason for revision

Primarily due to stronger sales in the Domestic Alcoholic Beverages and Real Estate businesses, revenue is expected to increase from the previously announced ¥526 billion to ¥530 billion, up 0.8%, and core operating profit is expected to increase from ¥19 billion to ¥22 billion, up 15.8%. On the other hand, operating profit, profit, and profit attributable to owners of parent are expected to miss the previous forecast due to the recording of an impairment loss for Stone Brewing Co., LLC ("Stone") as described below.

2. Impairment loss (on a consolidated basis)

Stone, a consolidated subsidiary of the Company, manufactures and sells beer in the United States. With respect to part of the goodwill arising from the acquisition of Stone's shares, the Company has decided to record an impairment loss of approximately ¥13.9 billion under "other operating expenses" for the current fiscal year.

Sales volume and recent profit level remained below expectations due to a decline in Stone brand sales caused by the long-term secular slowdown of the craft beer market and worsening profitability due to cost inflation.

Under these circumstances, as a result of a multi-faceted analysis of property value for re-evaluating corporate value, the Company has decided to record an impairment loss of approximately ¥13.9 billion for the fiscal year ended December 31, 2024.

* Note regarding forward-looking statements, etc.
The above statements concerning the earnings forecast are based on information available to the Company as of the date of the release of this document and are subject to potential risks and uncertainties. Actual results may differ from the stated forecast figures due to various factors. In the event that material matters requiring disclosure arise, the Company will promptly announce information concerning their impact upon earnings.

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Supplementary Explanatory Material for Timely Disclosure

*The following abbreviations are used in this document.
SB: Sapporo Breweries Limited   SPB: Sapporo Premium Beer

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Recognition of impairment in the U.S. business

- Established a local production and sales system for the growth of the Sapporo brand, but faced unexpected challenges and profitability declined significantly
- Revised business outlook and recognized impairment of goodwill due to difficulty in improving in the short term and significant deviation from the plan at the time of the acquisition of Stone Brewing

Background and developments

- Acquired Stone Brewing Co., LLC in August 2022. Shift our business model from importing products from Canada and Vietnam and selling them in the U.S. to a production and sales structure in the U.S. utilizing Stone's production facilities, aiming to further grow the Sapporo brand, which is experiencing increasing demand in the U.S.
- Started manufacturing transfers at the end of 2023. Completed the construction of a production system in the U.S. at the end of 2024

- Achievements and issues arose from the plans developed at the time of the acquisition
  →Although synergies are developed from the acquisition, there are several deviations from expectations. As a result, profitability deteriorated

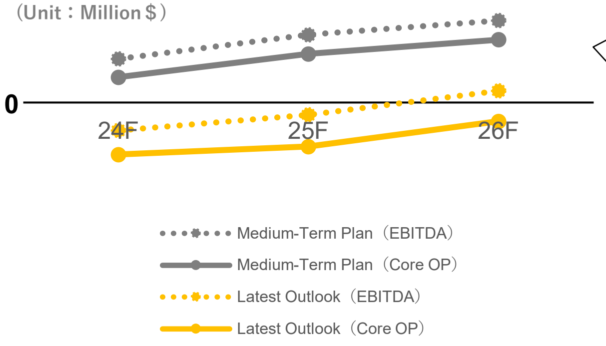
Achievements	✓ Growth of the Sapporo brand (Sales synergies) →SPB volume: +16% compared with 2022 ✓ Reduction of global logistics costs and fixed costs, etc. (Cost synergies) → End of 2024: $10 million compared with 2022
Issues (Deviation from expectations)	✓ Long-term slowdown in the craft beer market (lower sales of the Stone brand) →Stone brand volume: (16%) compared with 2022 (Full Year Comparison) ✓ Cost inflation (raw material costs, labor costs, etc.) : 10% compared with 2022 ✓ Inefficiencies in production and logistics (unexpected integration costs)

Recognition of impairment

- The Stone brand's declining sales and deterioration in profitability due to cost inflation largely depend on the external environment. Efficiency and improvement in production and logistics will take time as manufacturing transfers completed only recently
- As it is difficult to improve structural deterioration in profitability in the short term, the business outlook was revised down and approximately ¥13.9 billion ($92 million) of impairment of goodwill was recognized
- Future measures to promptly tackle fundamental improvements are presented in the next section. Already started to take some specific actions

Core Operating Profit&EBITDA Forecast (U.S.)

(Unit：Million＄)



✓ The gap between the current Medium-Term Plan and the latest outlook (forecasts for 2025 and 2026 are after implementation of structural reforms, as shown in the next page) is significant, and recovery within the current Medium-Term Plan period is difficult

✓ A difficult situation to turn a profit in 2026 (EBITDA is targeted to become profitable for 2026)

Future measures for the U.S. business

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- Restructuring the U.S. business is an urgent issue for the future growth of the overseas alcoholic beverages business
- Review overseas management not only in the U.S. but also throughout the entire Group, and carry out the reforms focusing on structural reform in the U.S. and reorganization in the headquarters in Japan within the current Medium Term Management Plan period (2026) At the same time, consider further structural reforms to rebuild management and business platform

2025

2027–

Current Medium-Term Plan period (–2026)

Milestone

Phase1 Structural reform

Phase2 Brand growth

U.S. business

Addressing issues

- ✓ Structural reforms to fundamentally review operation costs each local production base
  - Improve production efficiency and optimize logistics by optimizing operating rates at East and West production bases and by replacing SKUs
- ✓ Increasing operational efficiency through workforce optimization

Strengthening and growth of Sapporo

- ✓ Expanding sales channels by optimizing distribution
  *Continue efforts for the growth of the Sapporo brand during structural reform

Phase2:

- Further focused investment in the Sapporo brand
  (Sales, marketing, etc.)
- Strengthening production systems and capabilities

(Establishment and promotion of management system integrating local operations and headquarters)

- ✓ Considering more in-depth additional structural reforms

Group management/ Headquarters functions

- ✓ Change to management structure headed by personnel with extensive overseas business experience
  - The International Management Council was newly established in January 2025. Separate the overseas business from the existing SB Management Committee and improve the quality of decision-making through a management structure centered on personnel with extensive overseas business experience
  - Change the head of the overseas business from the above point of view and strengthen the structure. Continuously reinforce human resources

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

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This document was prepared for the purpose of providing information to serve as a reference for investors in making investment decisions and not for the solicitation of investment or any other similar such actions.

The earnings forecasts and forward-looking statements contained in this document were prepared based on the judgment of the Company as of the date of this document and include potential risks and uncertainties.

Actual published future results may therefore differ materially from the content of this document.
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