

Medium-Term Management Plan (2023 to 2026)

Sapporo Holdings Limited

Medium-Term Management Plan (2023 to 2026)Contents



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Since its foundation 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 keep demonstrating its exclusive value to society beyond 150 years, we have developed a new management plan for the four (4) year period from 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.

< 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

Review of Group Management Plan 2024

Review of Business Environment Changes



At the time we were launching Group Management Plan 2024, the COVID-19 pandemic occurred, having a massive impact on our performance. In this business environment, we proceeded with the partial reorganization of unprofitable businesses and structural reforms.

Business environment changes projected in Group Management Plan 2024

Shrinking demand in Japan

Achieving a sustainable society

Tax reforms

Increased need for health span extension

Digitization

Key business environment changes that accelerated

- Growth of EC
- Increased household consumption
- Increased mental and physical health consciousness
- Changes in the procurement environment (due to logistics and exchange rates)
- Changing demand for offices

Results and issues

- While we are responding to changes in procurement prices due to COVID and the changing global situation conditions through cost controls and price revisions, there is a need to further reinforce our response.
- Transferred the cafe business, implementing structural reforms in the restaurants and on-trade alcoholic beverages businesses
- Started work on developing the infrastructure for the next generation, including employee training to develop our digital human resources

Review of Group Management Plan 2024 ①



We worked on structural reforms as well as global expansion, including the acquisition of a production base in the U.S. However, the issues of resource allocation and speed remain, particularly in the Food & Soft Drinks business (Japan).

Basic Policy

Concentration on and strengthening of core business

Acceleration of global expansion

Establishing a simple and compact corporate structure

Promoting sustainability management

Key Findings

- Seven consecutive years of sales growth for Black Label cans
- Transfer of the Cafe business, partial reorganization of the Restaurants and Vending Machines businesses

- Growth of overseas alcoholic beverages business
- Improved profitability of overseas Soft Drinks business

- Clarifying the role of our holdings companies and transferring business promotion functions to our operating companies
- Starting work on development of DX talent

- Steady progress is being made on priority issues of each business, such as breeding varieties of ingredients adapted to the changing climate

Issues

- Acceleration of selection and concentration based on the reorganization of our business portfolio
- Resource allocation with clear priorities Concentration on and strengthening of core business

- Improving profitability of problem businesses
- Development of global management talent, continuous reinforcement of our brands

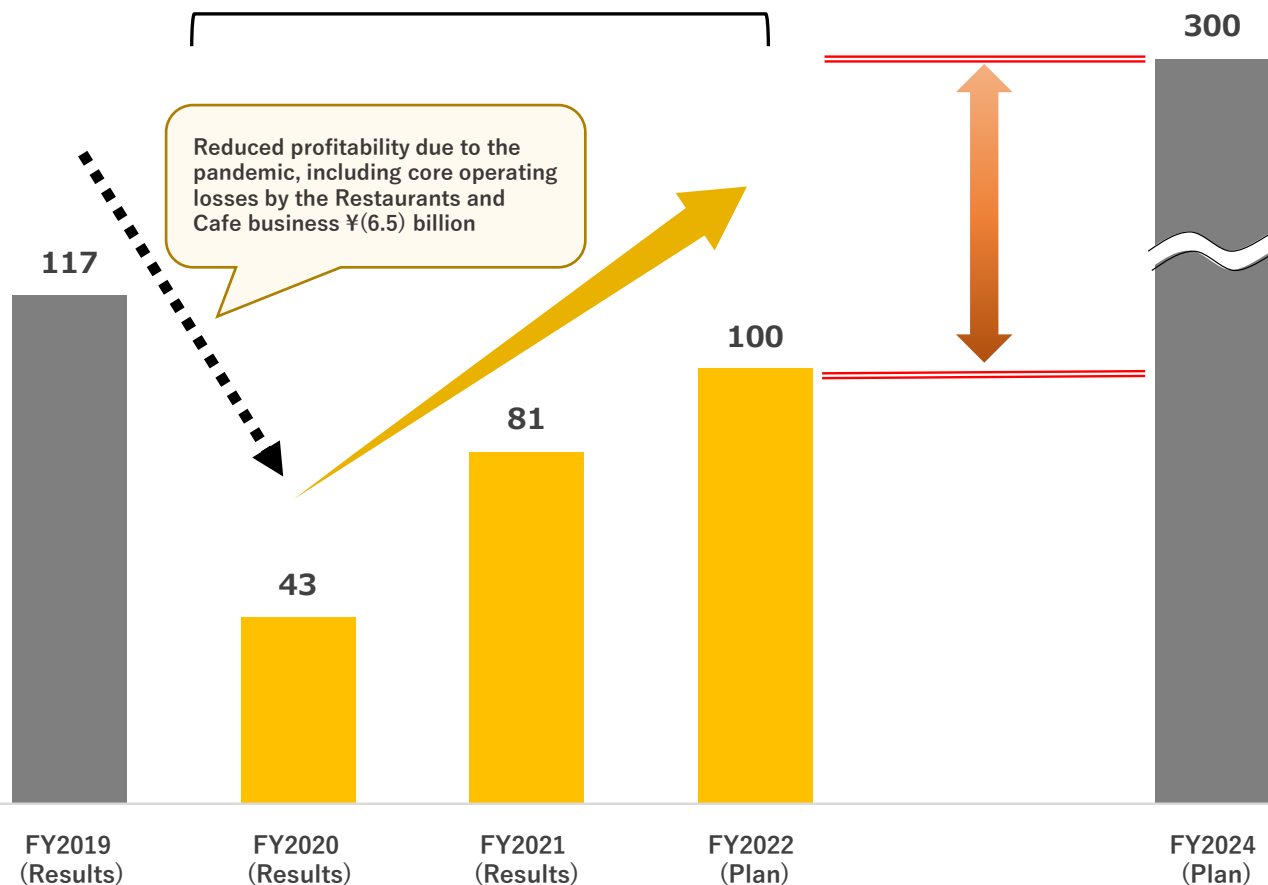
- Supporting business strategies, building a business foundation for the creation of new value

- Planning and execution that achieves both social and economic value and balances risk with opportunity from a long-term perspective

Review of Group Management Plan 2024 ②



- Executing structural reforms
- Executing reinforcement and growth



Changes in core operating profit (billions of yen)

Structural Reforms + Reinforcement & Growth / Concrete Measures and Results

Businesses	Measures	Results
Alcoholic beverages (Japan)	Reinforcement of Black Label and other canned beers	10% increase (2019 vs. 2021) *1
	Reinforcement of RTD sales, including the sale and development of Koime no Lemon Sour	31% increase (2019 vs. 2021) *1
	Beer production stop at Sendai plant (Installation of new RTD production equipment)	Announced in 2021 → Scheduled operation start in 2023
Alcoholic beverages (Overseas)	Reinforcement of SPB*2 in the United States	6% increase (2019 vs. 2021) *1
	Acquisition of Stone	Acquisition in 2022 → Contribution to profit in 2023 and beyond
Restaurants	Closing of unprofitable locations	Eliminated 34 locations (2019 vs. 2021) 196 → 162 stores
	Opening of locations with high investment efficiency	
Food & Soft Drinks (Japan)	Reinforcement of sales focused on promoting the health value of lemons and expanding their uses	26% increase (2019 vs. 2021) *1
	Reorganization of vending machine operator subsidiaries	Liquidation in 2022 → Contribution to profit in 2023 and beyond
	Transfer of cafe business (Contribution to profit from 2022)	+¥800 million (approx.) / year (vs. 2020)
Soft Drink (Overseas)	Sale of Indonesian subsidiary Reorganization of logistics subsidiaries	+¥500 million
Real Estate	YGP*3 commercial area renovations	Grand Opening in November 2022
Entire Group	Early retirement benefits system	+¥3.0 billion (approx.) / year (vs. 2020)

*1 Japan and overseas alcoholic beverages sales results were calculated from sales volume. Food & soft drinks results (Japan) were calculated from revenue.

*2 SPB: SAPPORO PREMIUM BEER *3 YGP: Yebisu Garden Place

Medium-Term Management Plan (2023 to 2026)

Management Philosophy

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

Utilizing the assets of "Highly Unique Brands" and "Engaging with customers and communities,"
We have created a unique brand experience in 2 domains : "time" and "space."
With the essence of "richness" that changes with the times,
We will contribute to the "richness" of nature, society, and the spirit that will lead to tomorrow.

【Our Value】

Through the Time and Space where all our businesses is playing ,
we contribute to Well-being of People and Local Communities



The “Well-being” Provided by the Sapporo Group



We contribute to the well-being of people and regional societies by realizing the “three riches” included in our management principles.

■ The Three Riches

Riches of Nature

- Producing products with select ingredients, as typified by our contracted growing collaborations with producers
- Regional co-creation through the promotion of domestic lemon production

Riches of Society

- Community development sustainable for both people and the global environment
- Regional vitalization leveraging Group assets such as Yebisu Garden Place and Sapporo Garden Park

Riches of Spirit

- Human connections facilitated through the enjoyment of beer
- Promoting the health value of botanical materials such as lemons
- Mental and physical health and job satisfaction of employees

■ Main KPIs Being Considered

- Regional initiatives that contribute to harmony with the environment
- Certification of properties that contribute to providing health value
- Continuous development of products that contribute to customer health
- Corporate and product image according to surveys and studies
- Work engagement

Group synergy that promotes the realization of well-being



Centered around the Group's shared assets, namely our brands and our connection to customers and the regional communities, we will create synergy that deepens coordination between our businesses and contributes to well-being.

Alcoholic Beverages × Restaurants



Alcoholic Beverages × Food & Soft Drinks

- Joint research and development
- Collaboration in the value chain



- Cross-Group success of our human assets
- Sharing of data, offices, and utilities

Alcoholic Beverages × Real Estate

- Marketing strategy based on customer contact points
- Collaboration between communities and brands



Ebisu x YEBISU Sapporo x SAPPORO

< Basic Policy >

Beyond150~Transforming the business structure for new growth~

Economic Value
X
Social Value

■ Business Strategy

- Revision of business portfolio
- Accelerate Growth of Overseas Businesses
- Strengthen Profitability in core Businesses

■ Financial Strategy

- Focus on sustainable growth and capital efficiency
- Returns exceed Cost of capital
- Strengthen Cash generation
- Cash Allocation to Support Growth

■ Sustainability

- Creating a decarbonized society
- Harmonizing with local communities
- Active participation of diverse human resources

【 Management Foundation (HR · DX · R&D) 】

Our Value

Through the Time and Space where all our businesses is playing , we contribute to Well-being of People and Local Communities

Management Philosophy

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

2023-2026

★【2026】★
150th Anniversary

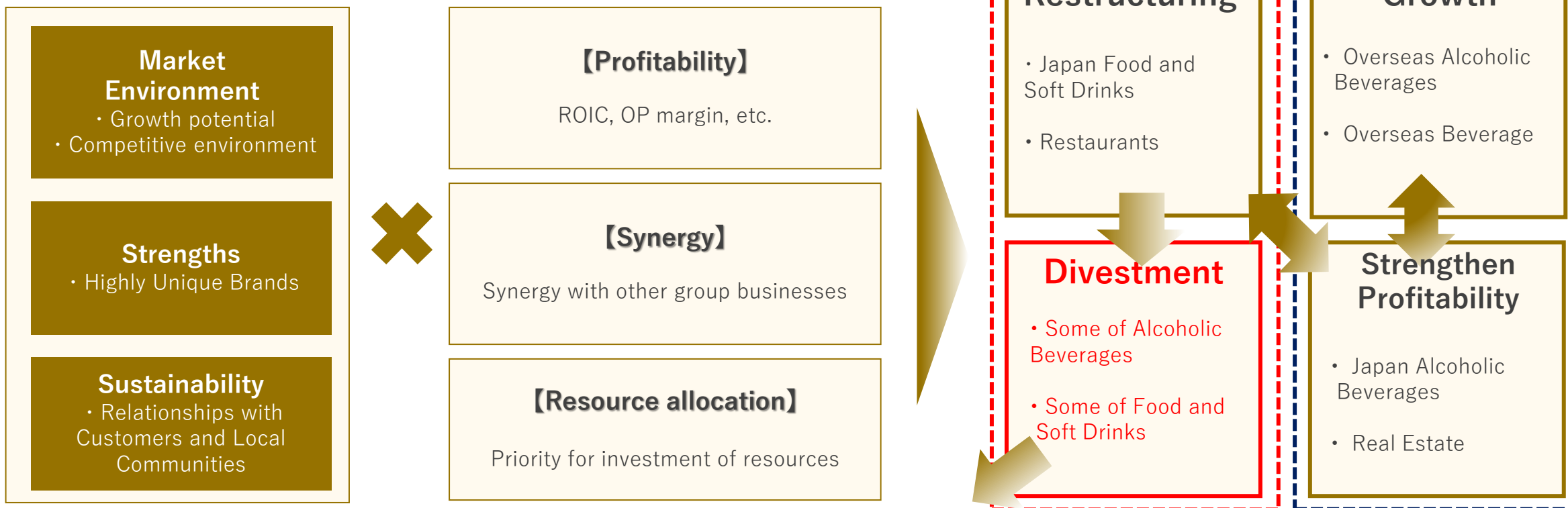
Business Strategies

Business Portfolio Management



Businesses positioned as “Disinvestment” are promptly reorganized.
In other businesses, the Company will assess the direction of ROIC and achievement of operating income each fiscal year as its main criteria.

Approach to Portfolio Consolidation



Reorganization (Food & Soft Drinks: Japan)

We will decisively implement drastic structural reforms by 2024 to focus on the lemon business and break away from low profitability.

	FY2021 Results	FY2026 Plan
Core operating profit margin	-	3.8%

*Negative value, therefore "-"

Topic

- 2021 saw major product brands Pokka Lemon 100 and Kireto Lemon hit new shipment records for the third year running.
- Structural reforms such as the reorganization of vending machine operator subsidiaries, transfer of the Cafe business

Major issues

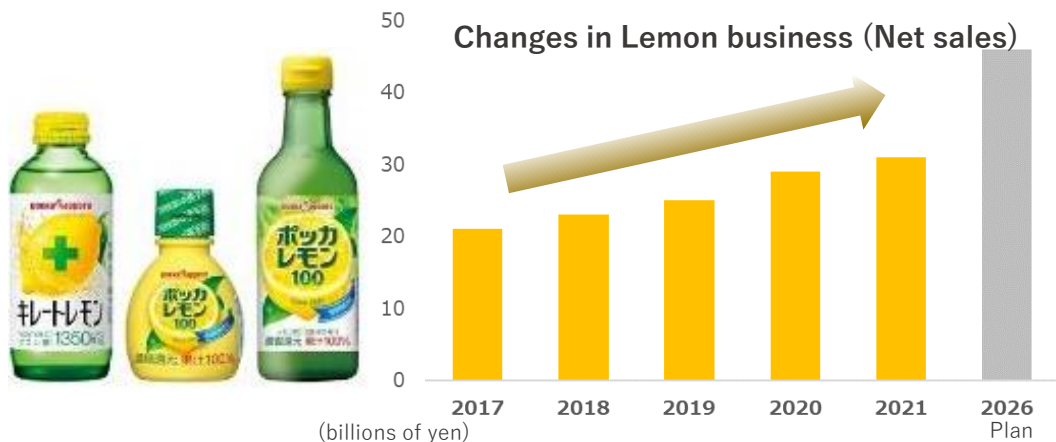
- Decisive and drastic structural reforms of our low-profitability businesses other than the lemon business
- Concentrated investment of resources into the further expansion of the lemon business, which is expected to grow

Action plan

- Sale of / withdrawal from unprofitable businesses and non-core businesses
- Solving of structural issues through business partnerships
- Further structural reform of the Vending Machine business
- Significant reduction soft drinks, soups, and other SKUs
- Reorganization of multiple production centers
- Promotion of growth strategy by shifting resources to the lemon business

Resources shift

Beverages, soups, etc. → Lemon business (Food & Soft Drink), etc.



Reorganization (Restaurants)

We will further strengthen the revenue base and focus on synergy with the Japan Alcoholic Beverages business to realize stable profit and increase brand communication. We will aim to achieve profitability in 2023 and increase the speed of the rehabilitation.

	FY2021Results	FY2026 Plan
Core operating profit margin	-	5.0%

*Negative value, therefore "-"

Topic

- Execute structural reforms in response to declining demand for the restaurant market (Closing of unprofitable locations, opening of locations with high investment efficiency)

Major issues

- Building a robust management system with an eye on a post-COVID world
- Creating synergy with the Japan Alcoholic Beverages business through shared brand contact points and sales channels

Action plan

- Further profitability improvements through a shift to key business categories
Development of “Medium, Small, and Suburban” business models
- Strengthening coordination with Japan Alcoholic Beverages business as a hub for brand communication
- Increased productivity through DX and work style reforms, further lowering of the break even point through management and indirect cost reductions
- Increased profitability through reorganization of businesses in the Hokkaido area

Resources shift

Enhancing more → **YEBISU BAR, GINZA LION**



ビヤホールライオン



銀座ライオン LEO

Growth of Overseas Business (Alcoholic Beverages)



We will aim for further growth of the Sapporo brand, especially SAPPORO PREMIUM BEER (SPB), in the United States, a growth driver, by creating synergy with Stone, which became a subsidiary in August.

	FY2021 Results	FY2026 Plan
Core operating profit margin	3.2%	6.2%

Started exporting	1964
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No. of countries sold*	33
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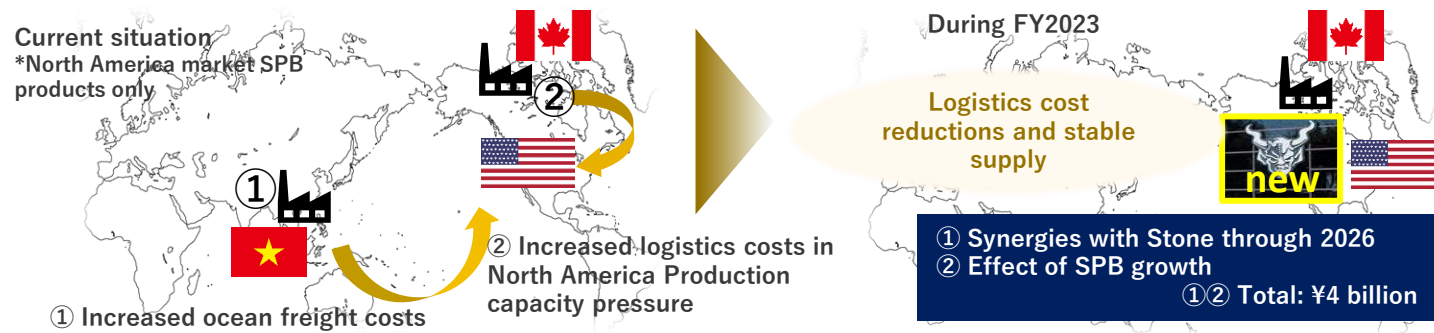
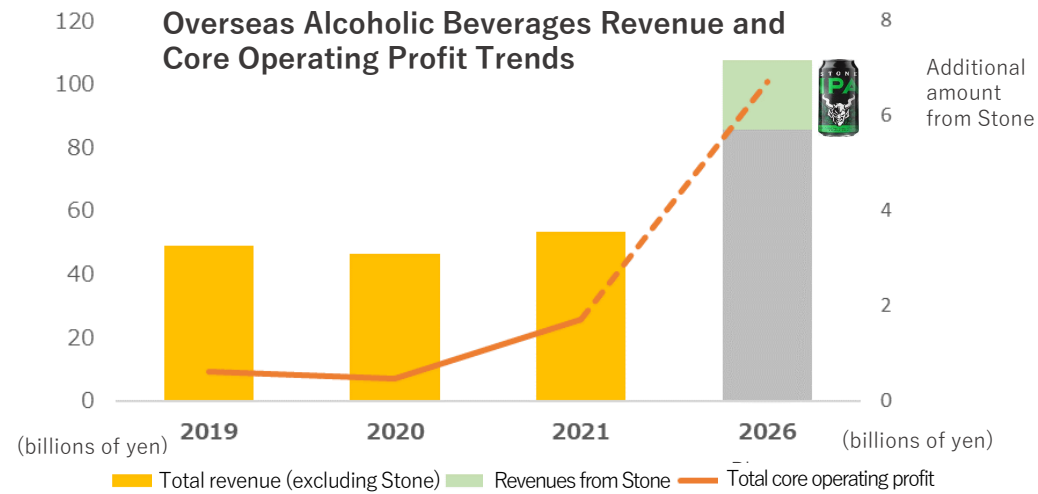
*Countries where the Sapporo brand is sold

Topic	<ul style="list-style-type: none"> Well received for its well-balanced taste and high Japanese quality, it has been the No. 1 selling Asian beer in the United States for 36 consecutive years. In 2021, we reinforced sales of canned products in the United States, where demand was on the rise, achieving best-ever sales of SPB.
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Key Issues of the North American Alcoholic Beverages Business	<ul style="list-style-type: none"> Further increasing of our American presence Insufficient production capacity, low-efficiency logistics network
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Action plan	<ul style="list-style-type: none"> ✓ Early realization of synergy with Stone Establishing an SPB production and logistics system leveraging Stone facilities Effective marketing · Building a sales system
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Growth of overseas business (Soft drinks)

We aim to turn our overseas businesses into a growth driver for the Group by expanding sales in countries and regions with growth potential, such as Malaysia and the Middle East, starting from Singapore.

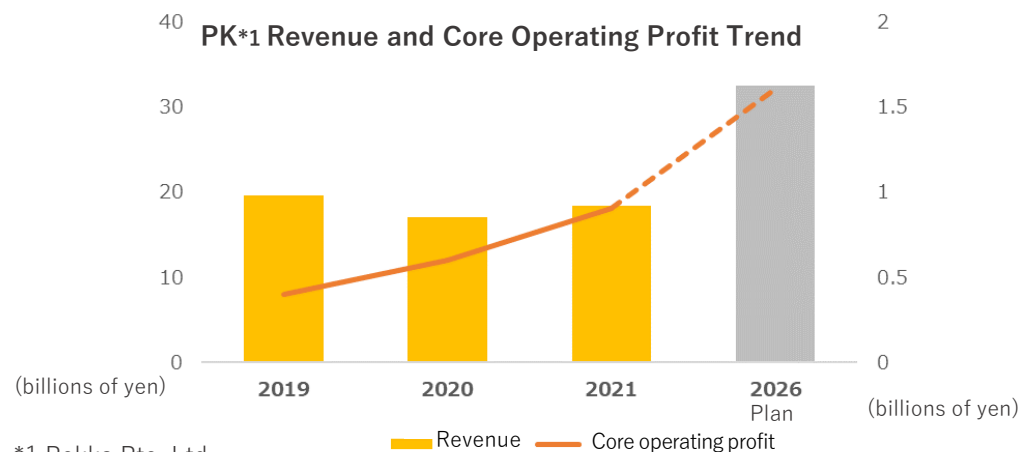
	FY2021 Results	FY2026 Plan
Core operating profit margin	4.7%	5.0%

Founded	1977
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No. of countries sold	60 or more
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We completed structural reforms in 2018-2019 and returned to a growth trajectory thanks to contributions by our existing brand strength and various business initiatives.



*1 Pokka Pte. Ltd

Topic	<ul style="list-style-type: none"> • No. 1 share in tea beverages in Singapore • Growing presence of the POKKA brand in Malaysia and other neighboring countries • No. 1 share in energy drinks in the UAE
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Major issues	<ul style="list-style-type: none"> • Maintaining the high market share established in Singapore and expanding into the surrounding areas • Reinforcing our sales system in Malaysia • Marketing in the Middle East, where we have a strong presence in energy drinks • Streamlining of operations by consolidating dispersed warehouses and offices
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Action plan	<ul style="list-style-type: none"> ✓Singapore <ul style="list-style-type: none"> • Stimulating demand through new value propositions centered on health and wellness ✓Malaysia <ul style="list-style-type: none"> • Expanding brand recognition and distribution ✓Middle East, etc. <ul style="list-style-type: none"> • Establishing a new marketing hub to expand exports ✓Footing <ul style="list-style-type: none"> • Consolidation of logistics, office, and R&D functions through establishing a new Pokka Logistics Hub (Singapore)*2
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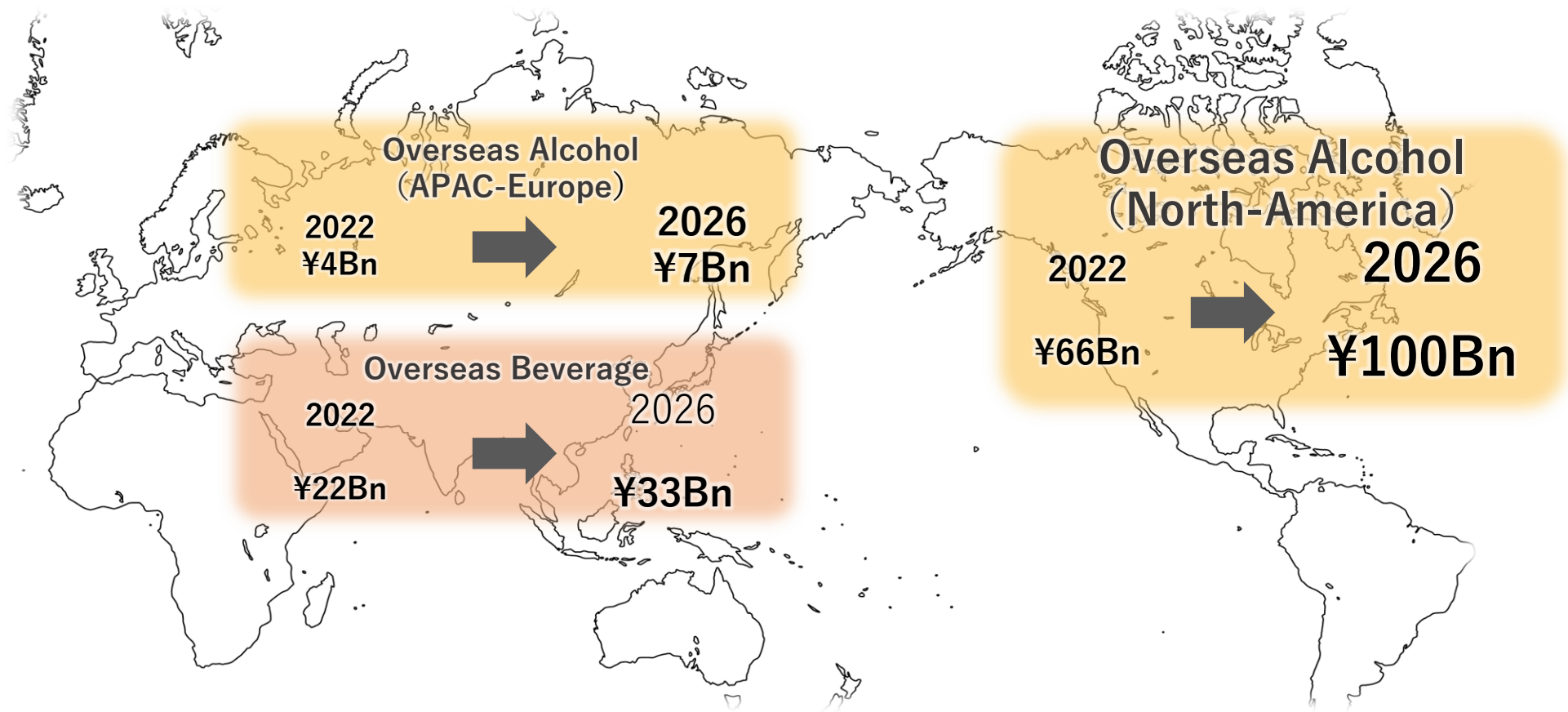


*2 Scheduled completion in Q1 2024

Revenue growth for Overseas Business



	2022	2026	CAGR Target
Overseas Alcohol	¥ 70 billion	¥107 billion	approximately 10%
Overseas beverage	¥22 billion	¥33 billion	



Reinforcing Profitability of Core Businesses (Japan Alcoholic Beverages ①)

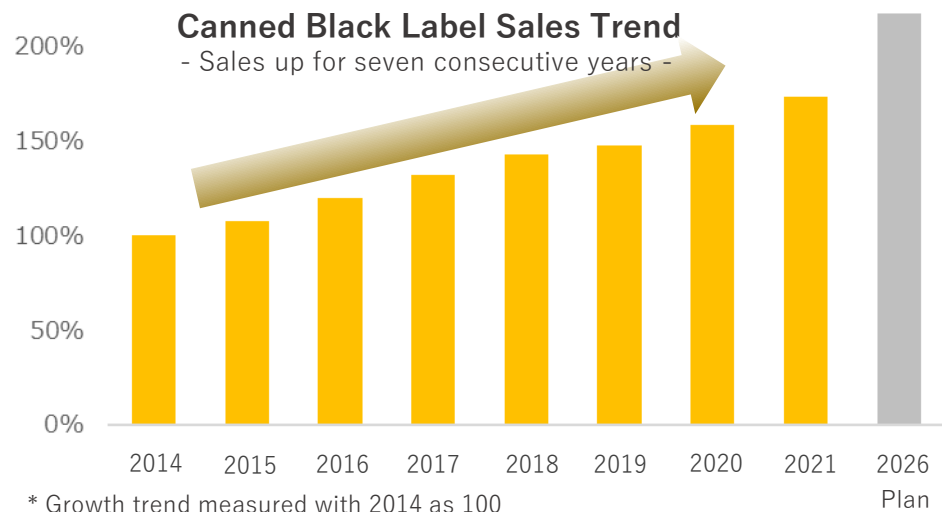


These four years will be a period in which we structurally shift away from low profitability by, among other things, reorganizing our product categories, and put the Company on a growth trajectory by continuing the strong trend in categories such as Beer and RTDs.

	FY2021 Results	FY2026 Plan
Core operating profit margin	3.5%	5.7%

Topic

- Seven consecutive years of sales growth for Black Label cans
- Establishing core brands such as Koime no Lemon Sour and Otoko Ume Sour in the RTD and RTS*1 business
- Beer production stop at Sendai plant, shifting to RTD production facility



Major issues

- Structural shift away from low profitability
- Focus on areas where we can leverage our strengths towards growth

■ Structural shift away from low profitability

Action plan

- ✓ Reorganization of product categories
 - Increase revenue by reinforcement of high-unit-price, high-profit products
 - Scaling back of happoshu and "new genre" beer-type beverages, domestic table wines
- ✓ Cost reductions and recomposition
 - Cost reductions through the expansion of RTD production center (Sendai plant) and construction of flexible production system
 - Review sales expenses and promote strategic resource allocation based on sales data (Brands, Channels, Areas)
 - Continuous reduction of fixed and variable costs, including a review of our personnel structure and facilities

*1 RTS: Ready to serve
Liqueur that only needs to be mixed with ice, soda, etc. before serving.



We will turn our core businesses into the Group’s growth drivers by improving revenue and creating a market through marketing leverages our strengths to the maximum in clear areas of focus.

■ Focus on areas where we can leverage our strengths towards growth

Beer	<ul style="list-style-type: none"> ✓ We will further increase the appeal, premium status, and profitability of the Black Label and Yebisu brands, which we have been reinforcing ahead of the alcohol tax revisions. <ul style="list-style-type: none"> • Communications that facilitate the penetration of the Black Label world view we have spent so long fostering • Development of a unique Yebisu brand product line that colors the times customers spend enjoying beer ✓ Reinforcing our relationships with customers <ul style="list-style-type: none"> • Expanding customer contact points through the effective utilization of the real, e.g. restaurants, and the digital • Creating more fans of the Black Label brand by linking our on-trade and off-trade products
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RTD	<ul style="list-style-type: none"> • Sale and concentrated marketing of the new market-creating products that will become mainstay brands • Reinforcement of Koime no Lemon Sour and Otoko Ume Sour
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Creation of new value	<ul style="list-style-type: none"> • Accelerated development of appealing RTS products that broaden the scope of enjoyment • Proposal of diverse products and services to meet changing lifestyles
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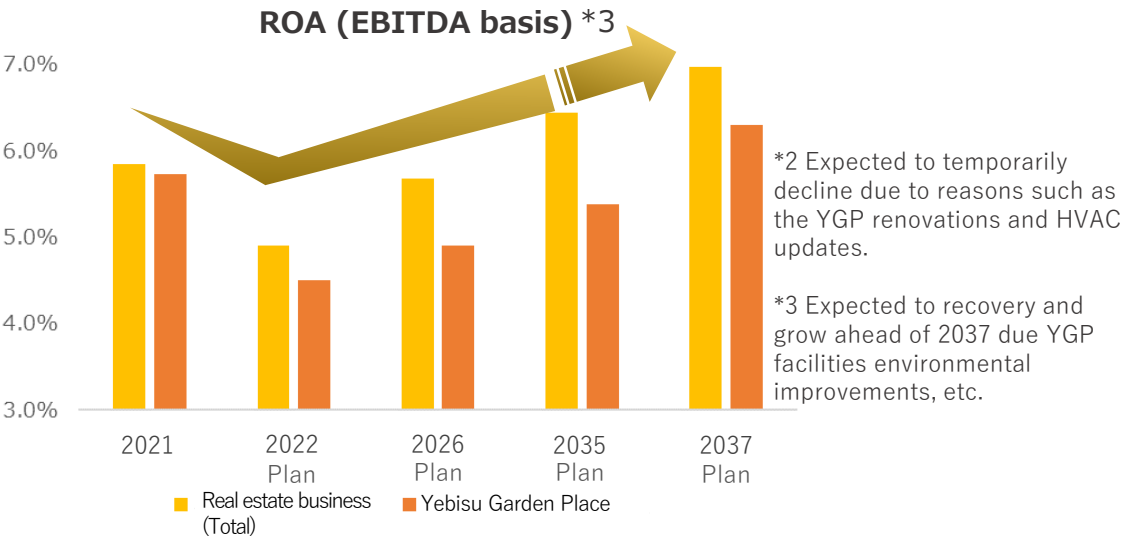
Reinforcing Profitability of Core Businesses (Real Estate ①)



We will improve profitability and asset efficiency over a long-term time horizon by transforming from a business entity focused on rentals to one that comprehensively enhances asset value.

	FY2021 Results	FY2022 Plan*2	FY2026 Plan
ROA*1	5.7%	4.9%	5.7%

*1 EBITDA basis



Topic
<ul style="list-style-type: none"> Increasing the property value of Yebisu Garden Place (YGP) (Introduction of renewable energy, HVAC updates, etc.) Grand opening of YGP Center Plaza in November 2022 Expand efforts in asset turnover businesses

Major issues
<ul style="list-style-type: none"> Responding to changes in the revenue structure of the leasing business, especially YGP Further reinforcement of our relationship with the region through community building

Action Plan For Beyond 2026 (2037)

Core property value enhancement and community building

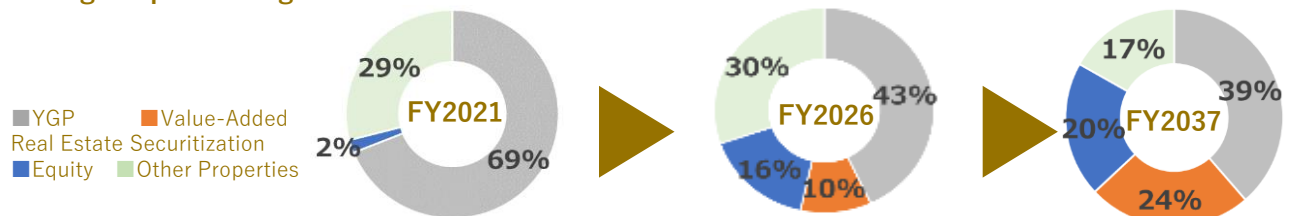
- Enhancing our competitiveness by increasing the value of YGP and promoting community building
- Improving the value of Sapporo area assets ahead of the extension of the Hokkaido Shinkansen line to Sapporo

Building an asset turnover business model (Diversification of revenue structure and improvement of asset efficiency)

- Promote real estate equity investment and value-added real estate securitization businesses *Investing with asset ratios of up to 30%
- Aim to build an asset turnover business model by establishing an investment boutique in 2023 and preparing to form private placement funds and/or private placement REITs by 2025

*Private placement funds and private placement REIT will cover properties other than YPG and other core properties.

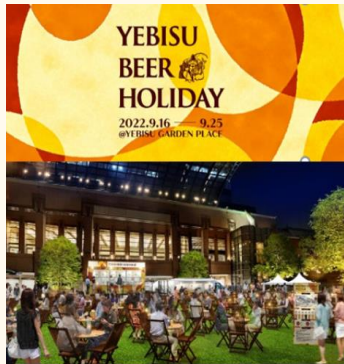
Change in profit margin ratio



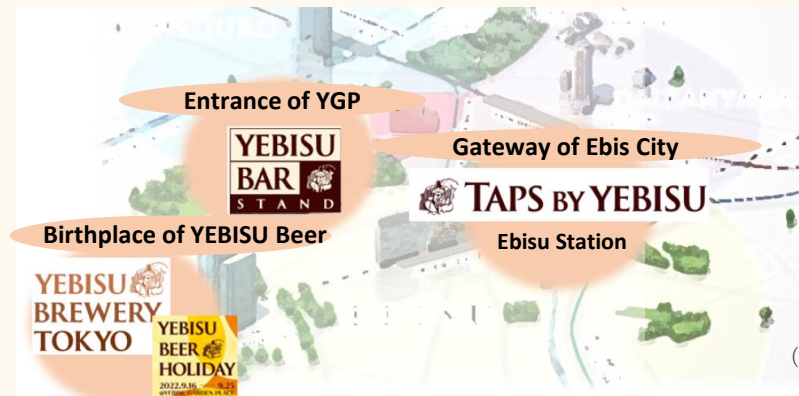


We will leverage our strengths as the owner of the historic brands and assets that bear the names of the cities of Sapporo and Ebisu to promote integrated community development through co-creation with local governments and partners to enhance value.

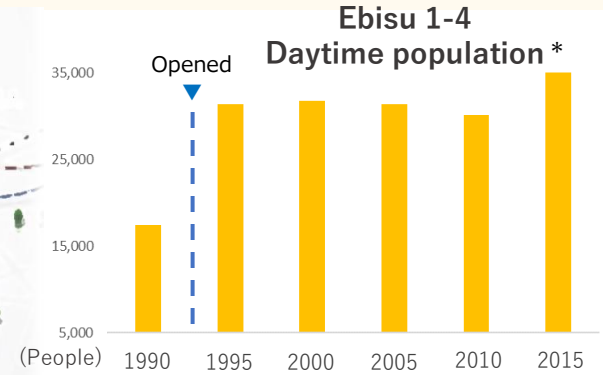
-Community Building With Beer and People- Ebisu, Sapporo



YEBISU BEER HOLIDAY
Held in September 2022



We created a brand experience throughout the entire Ebisu area.



The opening of YGP increased the daytime population and contributed to the presence and value of Ebisu.



We will redevelop Sapporo Garden Park, the origin of the brand, to attract customers and reinforce our brand communication ability.

Our Connection to the Regions

1876
1889
1899
1928
1994
2022

Hokkaido Development Commission Beer Brewery Opens in Sapporo (now SAPPORO FACTORY)

Yebisu Beer Brewery Completed (now Yebisu Garden Place)

Yebisu Beer Hall Opens in Ginza

The neighborhood's name changes to Ebisu

Opened Yebisu Garden Place

Yebisu Garden Place Commercial Building Renovation

Sapporo Garden Park Renovation (scheduled)

*Source: "Daytime Population of Tokyo (by Workplace and Commuting Area) According to the Population Census," Tokyo Metropolitan Government, General Affairs Bureau, Statistics Department

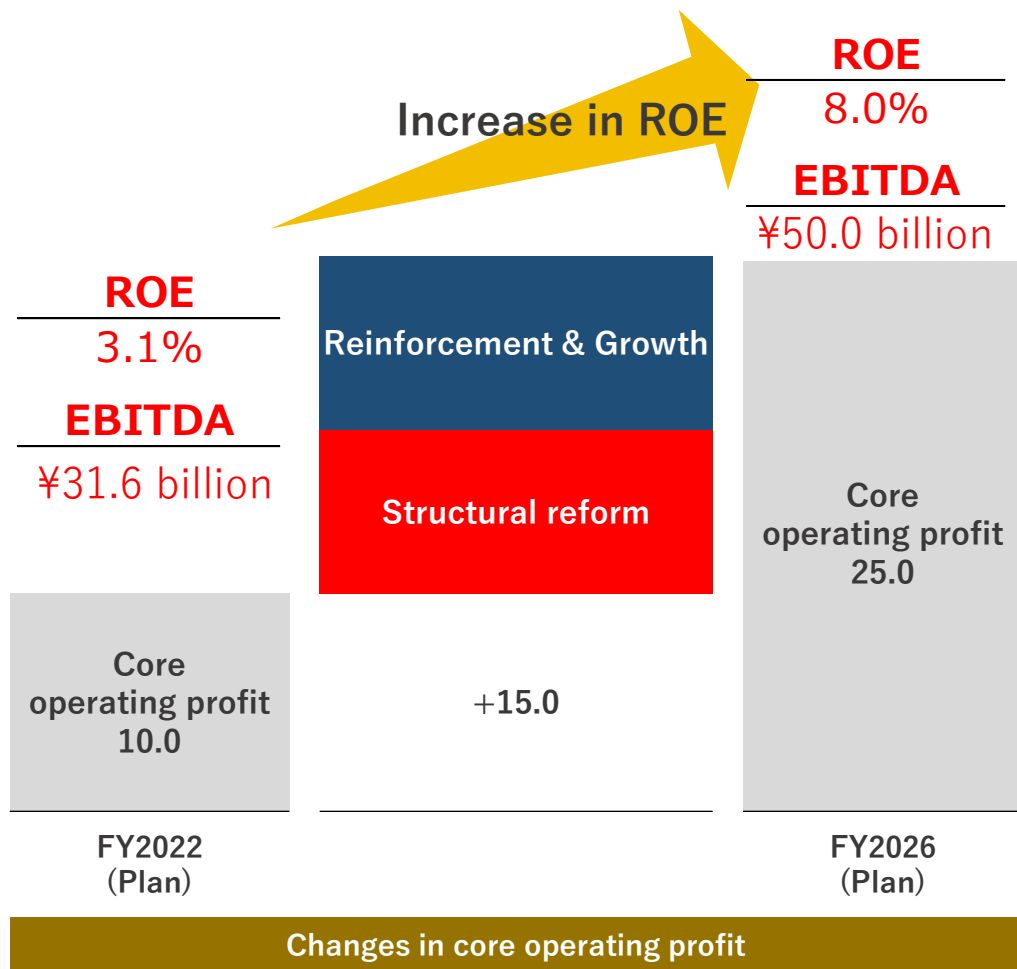
Summary of Business Strategies

Structural reform

Reinforcement & Growth



By making decisive structural reforms, we will accelerate growth, strengthen our profitability, and realize an ROE of 8%.



Businesses	Structural Reforms, Reinforcement & Growth / Specific Measures	Amount*
Alcoholic beverages (Japan)	Reinforcement of Beer / Improving Profitability of Beer-type Bev.	+5.0
	RTD Business Growth and Production Streamlining, Etc.	+4.0
Alcoholic beverages (Overseas)	Stone Acquisition Synergy / SPB Growth	+4.0
Food & Soft Drinks (Japan)	Cost Structure Reforms	+2.0
Businesses	Other Major Measures	+2.0
Real Estate	Revenue Structure Diversification	
Soft Drink (Overseas)	Expanding Sales and Increasing Logistics Efficiency	
Entire Group	Drastic Reorganization of Unprofitable Businesses, Etc.	

*Net amount reflecting the impact of cost increases, etc. shown

Sustainability

< Value Provided >

Through the Time and Space where all our businesses is playing ,
we contribute to Well-being of People and Local Communities



Sustainability (most important issue)



Facilitate improvements in corporate value by addressing global and regional issues and working in collaboration with stakeholders,.

Most important issue	Specific Initiatives	Major KPI
Realization of a decarbonized society	<ul style="list-style-type: none"> Reducing CO2 emissions in In-house bases, Supply Chains 	<ul style="list-style-type: none"> CO2 reduction Scope 1,2 SBT certification (4.2%/year reduction) Scope 3 SBT authorization-level (2.5%/year reduction) <p>※Submitted and accepted commitment letter to SBTi</p>
Mutual Prosperity with Local Communities	<ul style="list-style-type: none"> Enhancing Regional Value By utilizing our own resources Solving Regional Issues 	<ul style="list-style-type: none"> Enhancing the value of owned properties and creating livelihood Promoting Regional Revitalization Projects Supporting lemon production in Japan
Active participation of diverse human resources	<ul style="list-style-type: none"> Promoting D&I Improving productivity of Human capital investments 	<ul style="list-style-type: none"> Ratio of female executives and managers: 12% or more*1 Work engagement: Over 54*2 <p>※1 22-year results: Female officers 8.3%, Female managers 5.4% ※2 Employee Awareness through Advantage Risk Management Co., Ltd. Work Engagement Deviation Value of the Survey 22-year results... 53.6 Reference. Average of enterprises surveyed: 50.2</p>

Creating Economic Value

- Reduction in energy consumption by energy conservation, etc.
- Control of cost increases when carbon tax is introduced
- Enhancing area brand value and Robust profitability from owned property
- New Sales Opportunities by Regional Co-Creation initiatives
- Enhancing work engagement, Productivity improvement

Financial Strategies

Financial Strategy Focused on Sustainable Growth and Capital Efficiency

- Strengthening cash generation capabilities and improving capital efficiency to ensure increased corporate value -

Generation of cash flow

- Maximizing Cash Generation Capability -

■ Reinforcement of the cash flow generation ability of each business

- Reinforcing profitability through business growth and cost structure reforms
- Revision of the business portfolio

■ Appropriate balance sheet management

- Optimize asset efficiency *Cross-shareholdings: Less than 20% of capital
- Reconfigure the business portfolio and real estate holdings
- Support growth investments within our debt capacity

Core operating profit

Operating cash flow

Improvement of asset efficiency and sale of inefficient assets
Improvement of capital efficiency within the Group
(Reinforcement of cash management)

Interest-bearing debt financing

Cash Allocation Policy

- Clarifying allocation policy and setting priorities -

■ Effective utilization of capital

- Investment in overseas businesses with growth potential
 - Investment in domestic business to reinforce the revenue base
 - Sustainability investments aimed at solving social issues *1
- *1 Sustainability-related facilities investment, etc.

■ Policy on shareholder returns

- Emphasize stable dividends and increase their level
(Consolidated dividend payout ratio of at least 30% as a basic policy*2)
- *2 Excludes temporary special factors such as the reorganization of the business portfolio and the sale of real estate holdings

Reinvestment

Maintenance investment

Growth Investment

Sustainability Investment*1

Shareholder returns

Dividends

Fundraising policy

Control the balance of interest-bearing debt to ensure the maintenance of our rating by using the D/E ratio and EBITDA to interest-bearing debt ratio as monitoring indicators

Corporate value improvement

Financial targets and indicators

Improved cash generation with growth and returns in excess of capital costs

ROE : 8%

CAGR of EBITDA: Around 10%
(compound annual growth rate)
(CAGR)

CAGR of Overseas Net Sales: Around 10%
(compound annual growth rate)
(CAGR)

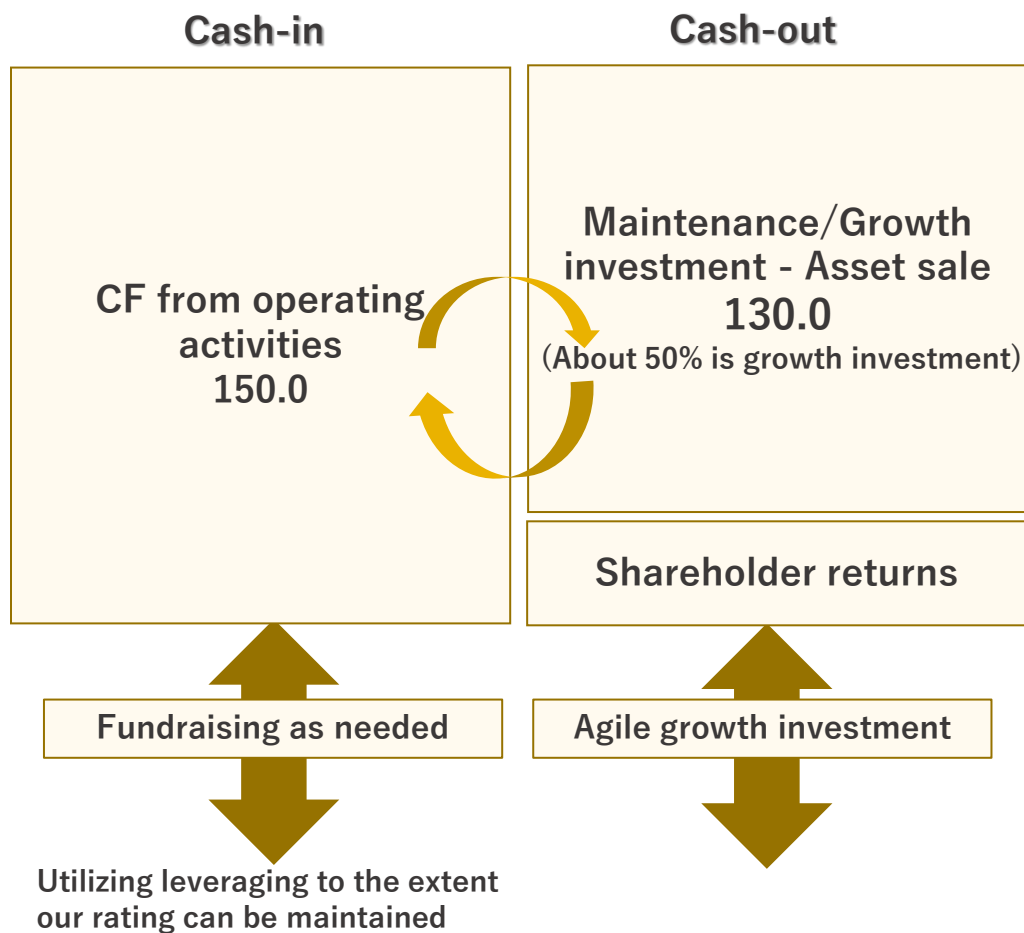
Financial Strategies (Cash Allocation Policy)



We will maintain financial soundness by balancing operating and investment cash flows.

We will respond flexibly to growth investment opportunities such as M&A by utilizing financial leveraging to the extent that our current rating can be maintained.

■ Cash allocation during the four-year period (2023-2026 plan)



Policy on investment

- Actively promote growth investment to accelerate the speed of business growth
- Priority targets for growth investments are the overseas Alcoholic Beverages and overseas Soft Drinks businesses
- Sustainability-related investment will be promoted while considering the return on investment from a long-term perspective
- Agile growth investment(e.g., M&A)
 - Respond flexibly to profitable growth investment opportunities

Asset reduction policy

- Real Estate
 - Promote securitization through the advancement of the Value-Added Real Estate Securitization business and reconfiguration of the property portfolio
- Cross-shareholdings
 - Achieve a ratio of less than 20% of capital to capital ratio and continuously improve the ratio

Policy on shareholder returns

- We will aim to increase the dividend level in line with profit growth over the medium to long term while maintaining stable dividend with the current dividend level as the lower limit.

(Consolidated dividend payout ratio of at least 30% as a basic policy*)

*Excludes temporary special factors such as the reorganization of the business portfolio and the sale of real estate holdings

Management Platform, etc.

Initiatives for Management Platform



We will strengthen the management foundation that supports business and financial strategies and sustainability in order to achieve business structure transformation and new growth.

We will identify priority activities and allocate resources in the areas of Human Assets, DX, and R&D.

Important measures		Specific policies (-2026)	Target: Holdings Companies and Major Group Companies
Human assets	<ul style="list-style-type: none"> ① Aggressive investment for speedy growth ② Promoting diversity ③ Increasing engagement and promoting health ④ Development of management talent 	<ul style="list-style-type: none"> ① Active investment in development/securing of and strategic allocation of human resources based on a global human asset development system ② Creating an environment conducive to 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 	* Results as of the end of September 2022: Female executives 8.3%, Female managers 5.4%
DX	<ul style="list-style-type: none"> ① Building a system for the promotion of DX/IT strategies ② Improvement of organizational and human asset management ③ Success of developed human assets, development/operation of environment 	<ul style="list-style-type: none"> 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 	Alcoholic Beverages	<ul style="list-style-type: none"> • 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.
	<ul style="list-style-type: none"> • Creation of new categories and markets 	Food & Soft Drinks	<ul style="list-style-type: none"> • 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

Toward Creating New Value



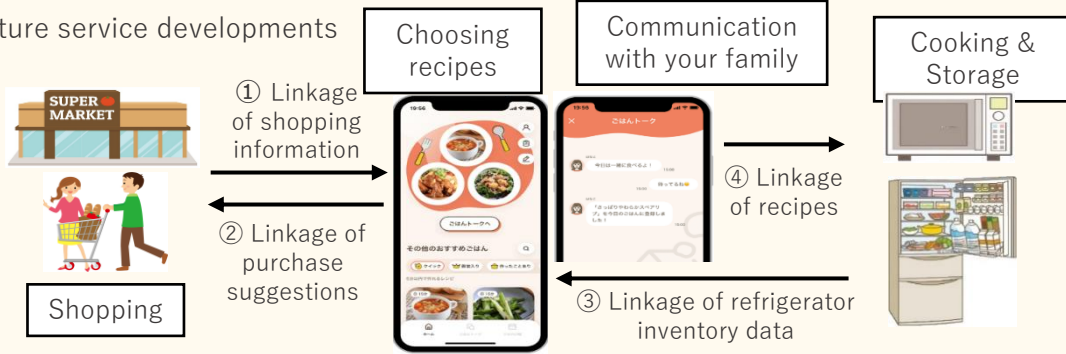
We will aim to create value as an opportunity for new growth through efforts including collaboration with external parties.

Major Initiatives

Uchi-repi (An app that allows intra-family communicate through cooking)

- Our goal is to provide consumers with a convenient and comfortable smart lifestyle by establishing an ecosystem for family meals that encompasses everything from shopping to cooking.
- We will build a cross-industry platform in collaboration with companies in different fields and monetize the platform through promotions such as sending customers to stores.

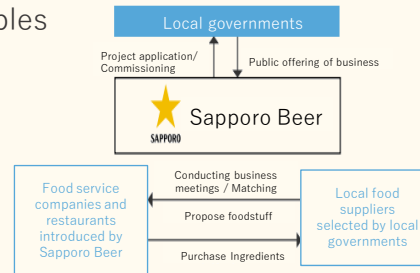
Future service developments



Regional Development Projects

- We will create new value in the form of contributing to the resolution of ongoing local issues through a business that undertakes municipal proposals.

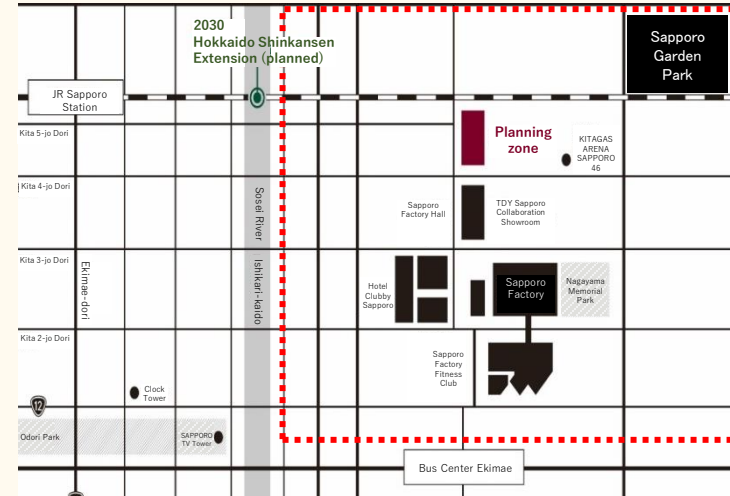
Examples



Our Community Building Efforts in Sapporo's Sosei East Area

- We have started a project to redevelop Sapporo Factory Parking Lot No. 4 into a new hub connecting the Sosei East Area*.
- Through co-creation with local governments and partners in the area, and with the collaboration with the Sapporo Factory and Sapporo Garden Park, we aim to create a creative community where the "work, live, and play" of the people who live there are all within walking distance.

Map



Sapporo Factory Parking Lot No. 4 Redevelopment Project



* The Sosei East Area is attracting attention as an area with a concentration of cafes and restaurants that make use of historical buildings, theaters and galleries where the art scene gathers, and offices with a strong creative flavor.

We will contribute to the well-being of people and regional societies through the times and spaces provided by all of our businesses.

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



The performance forecasts and forward-looking statements contained in this document were determined by the Company in light of currently available information, and are subject to potential risks and uncertainties. As such, please be aware that changes in various factors may cause actual results to differ significantly from the forward-looking statements included in this document.