

Corporate Governance Report

Last Update: December 18, 2025

Sapporo Holdings Limited

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Securities Code: 2501

<https://www.sapporoholdings.jp/>

The corporate governance of Sapporo Holdings Limited (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

1. Basic Views

The Company has set forth as follows Sapporo Group’s “Management Philosophy”, “Fundamental Management Policy”, and “Fundamental Operational Principles”, and in order to realize the foregoing and strive for the sustained enhancement of the Group’s overall corporate value, will value the strengthening and enhancement of the Group’s corporate governance as a vital managerial goal, will clearly specify supervisory, executive and audit functions within the Group under a holding company structure, and will endeavor to strengthen managerial oversight with a view to greater transparency in management and the attainment of the Group’s business objectives.

(1) Management Philosophy

The Company will contribute to the evolution of creative, enriching and rewarding lifestyles

(2) 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.

(3) Fundamental Operational Principles

Under a pure holding company structure, with the fundamental operational principles for the Sapporo Group as set forth below, the Sapporo Group, while allowing the business divisions within the Sapporo Group to maintain their autonomy, will pursue optimization and the creation of synergy for the Sapporo Group as a whole, and will aim to maximize corporate value.

1) Principles for the Group’s Overall Optimization

With the maximization of Sapporo Group’s value and the Group’s overall optimization understood as goals, the Group’s companies will focus energy on their respective business activities and in turn contribute to improving the Group’s consolidated performance results.

2) Principles of Autonomy and Independence

The Sapporo Group’s companies will work to enhance their operating foundations and aim to be independent, with a view to achieving the purposes for which they were established and accomplishing their respective missions under Sapporo’s management policy.

The Company will delegate to Group company Presidents the executive authority they require to manage their businesses, and the Group company Presidents will assume responsibility for such management. Likewise, the Company will provide all support and advice necessary for the growth and development of the Group’s companies.

3) Principle of Mutual Cooperation

The Company and the Group’s companies, while taking economic feasibility into consideration, will cooperate with each other in the procurement of materials, products, services and the like, as well as in other areas of business promotion, and will endeavor to achieve synergistic effects for the Group.

The Company, with respect to its basic approach and operation policy etc. to Corporate Governance, has put in place the “Basic Policy on Corporate Governance”, which is disclosed on the Company website. Please refer to the following URL to view said policy:

<https://www.sapporoholdings.jp/en/sustainability/governance/policy/>

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

The Company has implemented all of the principles of the Corporate Governance Code.

[Disclosure Based on the Principles of the Corporate Governance Code] (Update)

[Basic Policy 1-4. Strategically-Held Shares]

[Policy on Strategic Holding of Shares]

The Company may strategically hold the shares of other companies if the Company finds that doing so will help raise corporate value over the medium-to-long term from the standpoint of facilitating business continuity and increasing profits by strengthening commercial relationships. The Board of Directors will, pursuant to the Company’s rules, annually verify whether the Company’s holding of the individual Strategically-Held Shares is appropriate. With regard to the benefits and risks associated with Strategically-Held Shares, the Company will comprehensively judge the business feasibility that evaluates qualitative aspects such as the scale of the transactions and future development potential and investment feasibility that evaluates quantitative aspects such as comparison with the cost of capital, and then reduce its holdings of those listed company stocks it has decided to sell.

The Company is steadily implementing initiatives to reduce Strategically-Held Shares based on the policy of the Medium-Term Management Plan. The Company has set the following quantitative targets in order to accelerate these initiatives and clarify its immediate policy for further reduction.

Quantitative Targets:

- Reduction of the ratio of the book value of shares held to the total equity attributable to the owners of the Parent Company to less than 20% by the end of the fiscal year ended December 2024
- Reduction of the ratio of the book value of shares held to the total equity attributable to the owners of the Parent Company to less than 10% by the end of the fiscal year ending December 2026

* With respect to the shares held that have quoted market prices, the Company records the book value of such shares based on their market value.

[Details of Verification pertaining to Strategically-Held Shares]

In FY2024, the Board of Directors verified whether the Company’s Strategically Held Shares were being appropriately retained and managed in accordance with its strategic holdings policy from the viewpoints of objectives, risks, returns and capital efficiencies, etc. As a result of the verification, the Company decided to sell a portion of Strategically-Held Shares.

The status of Strategically-Held Shares held by the Company and Sapporo Breweries, Limited (among the Company and its consolidated subsidiaries, the company with the largest amount of investment shares recorded on the balance sheet) is as follows. In FY2024, the total amount sold was 19,710 million yen; the Company held 178 issues of Strategically Held Shares; the total value of Strategically Held Shares recorded on the balance sheet was 31,902 million yen; and the percentage of Strategically Held Shares to the total equity attributable to the owners of the Parent Company was 16%, achieving the target for FY2024 of less than 20%. We intend to work on further reduction in order to achieve the target for the fiscal year ending December 2026.

[Exercise of Voting Rights pertaining to Strategically-Held Shares]

In exercising voting rights pertaining to Strategically-Held Shares, the Company shall comprehensively judge whether or not to approve, from a medium-to-long term perspective, in light of the Company’s holdings policy and the common interests of the shareholders of the investee. Details of the agenda will be discussed with the investee as necessary.

On this point, please refer to “5. Basic Policy on Strategic Holding of Shares and on the Exercise of Voting Rights Pertaining to Strategically-Held Shares” in the abovementioned “Basic Policy on Corporate Governance”, which

sets forth the policy detailed in the previous paragraph.

[Basic Policy 1-7. Transactions between Related Parties]

In cases where, pursuant to the Board of Directors Rules, it is necessary for the Company to carry out a competitive transaction, a self-dealing transaction, or a conflict-of-interest transaction with a Director, the Company shall obtain approval from the Audit & Supervisory Committee in addition to a resolution of the Board of Directors.

For transactions with major shareholders etc., internal rules are set forth elsewhere, and all officers and employees are thoroughly notified of such rules.

On this point, please refer to “7. Transactions Between Related Parties” in the abovementioned “Basic Policy on Corporate Governance”, which sets forth the policies detailed in the previous paragraph.

[Supplemental Principle 2-4① Ensuring Diversity in the Appointment, etc. of Key Personnel]

<Approach to ensuring diversity>

The Sapporo Group’s Management Philosophy is “Contributing to the evolution of creative, enriching, and rewarding lifestyles.” In order to achieve this goal, the Company has defined the basic philosophy of its personnel strategy as “Go beyond boundaries.” “Going beyond boundaries” means transcending one’s personal limits, going beyond organizational divides, and going beyond business and national borders. It is only when the Company’s employees nurture each other and acknowledge their differences to create strengths that the Company can go beyond boundaries—and the Company believes that this will lead to the realization of our Management Philosophy. To this end, the Group will continue to respect diversity* of all types to recognize and incorporate human assets with diverse ideas and thoughts, and reinforce environments that enable each employee to fulfill his or her maximum potential in a fair and equitable environment.

*Diversity means any individuality in the state where different people exist, in addition to gender, age, disability, nationality, education and work experience, employment type, values, sexual orientation and gender identity.

The Company’s approach and current status regarding the promotion of women’s participation, employment of diverse human resources, human resources development policy and policy on maintaining internal environment are as follows:

(1) Promotion of women’s participation

The Sapporo Group aims for an environment in which “women can proactively chart their own careers without being constrained by their gender and participate with a sense of satisfaction in all fields” as the gateway toward respect and application of all diversities. In addition, the Company is working on building a pipeline for managerial positions and officers by actively developing female employees who can attain positions that enable them to exercise their influence on corporate management, such as decision-making and the creation of new value, and expanding the scope of their active participation.

The status and goals for promoting female employees to managerial positions are disclosed on the Company website; please refer to the following URL

<https://www.sapporoholdings.jp/en/sustainability/policy/systems/>

(2) Employment of diverse human resources

The Sapporo Group is founded on its “Open and Fair” mentality. The hiring policies of each Group company is based on this mentality, along with individual company characteristics and environments, to hire diverse human resources without distinction of nationality, gender or education and work experience.

Aiming to “accelerate diversity and flexibility” as one of the major pillars of its human assets strategy, the Company is promoting the appointment of external human resources to key positions, such as Group Managing Officers. We have also been active in mid-career hiring since the 1990s, and working to create an environment that helps us to retain human assets and enable them to fulfill their maximum potential, and to expand their fields of active participation. As a result, the percentage of mid-career hires at the Group companies in Japan at the end of 2024 is approximately 49%, and that of mid-career hires in management positions is 42.5%.

In addition, the Sapporo Group aims to “realize growth of overseas business” and promotes business activities at

its overseas Group companies based in North America, Europe, and Asia by integrating diverse human assets, including expatriates from Japan and diverse management staff and employees who are locally hired and account for more than 90% of the workforce. The percentage of foreign nationals in managerial positions across the Company's group companies, including overseas, stood at 27.6% at the end of 2024.

We will continue to promote the employment of diverse human assets and work on initiatives aimed at improving various numerical values.

(3) Human resources development policy and policy on maintaining internal environment

The Sapporo Group believes that human assets are the source of all value creation and seeks to drive the enhancement of corporate value through the growth of its human assets.

Across the Group, we promote diversity, cultivate management human assets, and invest in human capital for rapid growth in areas such as DX and globalization, as well as encouraging an individual to demonstrate his/her strengths to the fullest for independent career development.

To realize these strategies, the Company will also support the development of human assets based on the characteristics of each Group company.

The current status regarding these policies is disclosed on the Company's website; please refer to the following URL.

<https://www.sapporoholdings.jp/en/sustainability/human/>

[Basic Policy 2-6. Performance of Function as Asset Owner of Corporate Pension]

The method of management of corporate pension fund established by the Company is set forth in "11. Management of Corporate Pension Fund" in the aforementioned "Basic Policy on Corporate Governance"; please refer to that document.

[Basic Principles 3-1. Ensuring Appropriate Disclosure of Information]

(i) The Company's "Management Philosophy" and "Fundamental Management Policy" are as follows.

1) Management Philosophy

The Company will contribute to the evolution of creative, enriching and rewarding lifestyles

2) 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.

With regard to the details of the "Medium-Term Management Plan (2023-2026)," four-year plan starting from 2023, please refer to the following URL:

<https://www.sapporoholdings.jp/en/strategy/vision/>

(ii) The Basic Approach to Corporate Governance is also set forth in this report "I. 1. Basic Views" and in "1. Basic Thinking on Corporate Governance" in the abovementioned "Basic Policy on Corporate Governance"; please refer to those documents.

(iii) The Company has established a "Compensation Committee" as an advisory body of the Board of Directors. The policies and procedures for decision-making regarding Directors' compensation are set forth in "II. 1. [Director Remuneration] Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" in this report and "13(5)②. Compensation Committee" in the abovementioned "Basic Policy on Corporate Governance"; please refer to that document.

(iv) The Company has established a "Nominations Committee" as an advisory body of the Board of Directors. The policies and procedures for appointment and dismissal of senior management and appointment of Directors are set forth in "13(5) ①. Nominations Committee" in the abovementioned "Basic Policy on Corporate Governance"; please refer to that document.

(v) The reasons for the selection or appointment of Directors and Directors who are Audit & Supervisory Committee Members are disclosed in the "Notice of Convocation of Ordinary General Meetings of Shareholders."

In the event of the dismissal of senior management, the reason for the dismissal shall be disclosed in a timely and appropriate manner.

The Notices of Convocation of the 98th through the 101st Ordinary General Meetings of Shareholders are disclosed on the Company website; please refer to the following URL:

<https://www.sapporoholdings.jp/en/ir/event/meeting/>

[Supplemental Principle 3-1③ Sustainability Initiatives]

<Sustainability Initiatives>

The Company established “Sapporo Group Sustainability Policy” through a resolution of the Board of Directors. Under this policy, the Company identified, in developing the Medium-Term Management Plan, nine material issues covering the themes of “Harmony with the environment,” “Co-prosperity with society” and “Success of human resources” and the Company is now working on these material issues while monitoring the progress thereof to ensure that the targets of each are achieved.

Please refer to “Implementation of Environmental Activities, CSR Activities etc.” in “3. Measures to Ensure Due Respect for Stakeholders” in “III. Implementation of Measures for Shareholders and Other Stakeholders” for the sustainability initiatives of the Company.

In addition, the Sapporo Group declared its support for the recommendations of the Task Force on Climate related Financial Disclosures (TCFD) and the Nature-Related Financial Disclosure (TNFD), and endeavors to make proactive information disclosure in respect of assessment and management of risks and opportunities on corporate activities associated with climate change and nature capital.

The details are disclosed on the Company website; please refer to the following URL:

<https://www.sapporoholdings.jp/en/sustainability/environment/nature/climate/>

<Investment in Human Resources>

In order to realize the basic policy of its medium-term management plan, “Beyond150 - New Growth Through Business Structure Transformation -,” the Company and the Sapporo Group has positioned its human assets strategy as a pillar of its management platform, under the slogan “Leveraging diversity to create a go beyond Boundaries, challenging positive change.” The human assets strategy defines “Aggressive investing for speedy growth,” “Development of management talent,” “Promoting diversity,” “Agile utilization of human resources internally and externally,” and “Increasing engagement and promoting health” as important measures, and will ensure support for the execution of management strategies through more specific action plans and KPIs.

The details are disclosed on the Company website; please refer to the following URL:

<https://www.sapporoholdings.jp/en/sustainability/human/>

<Investment in Brands>

In realizing the provision of value, “Through the Time and Space where all our businesses provide, we contribute to the well-being of people and local communities,” the Company has positioned the display of its strength, “Highly Unique Brands,” and provision of a unique brand experience as a pillar of the value creation process. Accordingly, the Company focuses on activities to improve its brand value including the emotional value and functional value of the Group company and its products and aims to further improve such value through the business activities of each business company.

The Group has been involved in various facets of customers’ lives, focusing on its alcoholic beverage business originated from beer. The Group aims to resolve social issues, achieve a sustainable society and provide unique brand experience by improving its assets such as its connection to customers and regional communities backed by its corporate history of over 140 years, ability to create new value, and diverse human assets.

The measures to create value are stated in the Integrated Report of the Company.

<https://www.sapporoholdings.jp/en/ir/library/factbook/>

[Supplemental Principle 4-1① Scope of Matters Delegated to Management]

In addition to the matters set forth in laws and regulations and the Company’s Articles of Incorporation, the Company has set forth, in the “Board of Directors Rules”, the matters that are to be determined and decided by the Board of Directors, including the Group’s management policy and business plans, and other material matters relating to the conduct of corporate operations in business companies. In combination with other internal

regulations, these Rules clarify the scope of matters delegated to management, allowing management to engage in swift decision-making within the scope of its authority via the Management Council, Group Management Council, and other advisory bodies.

[Principle 4-9. Standards and Qualifications for Judging Independence of Independent Outside Directors]

The independence standards for Outside Officers of the Company are set forth in “II.1 [Independent Officers] Matters relating to Independent Officers” of this report and in “Appendix 1. Standards for Independence of Outside Directors” in the abovementioned “Basic Policy on Corporate Governance”; please refer to these documents.

[Supplemental Principle 4-10① Policies, Authority and Roles regarding the Independence of the Composition of the Nominations Committee and Compensation Committee]

In order to increase the transparency of operations related to the selection and treatment of Directors and to maintain healthy management functions, the Company has established a Nominations Committee and a Compensation Committee as advisory bodies to the Board of Directors.

The policies, authority and roles regarding the independence of each Committee are set forth in “Supplementary Explanation” of “Voluntary Establishment of Nomination/Remuneration Committee” in “1. Organizational Composition and Operation” in “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management” as well as “13(5) ①. Nominations Committee” and “13(5)②. Compensation Committee” in the abovementioned “Basic Policy on Corporate Governance”, please refer to that document.

[Supplemental Principle 4-11 ①. Approach to Balancing the Knowledge/Experience/Abilities, and to the Diversity and Scale, of the Board of Directors as a Whole]

The overall structure of the Company’s Board of Directors is set forth in “13(5)①. Nominations Committee” in the abovementioned “Basic Policy on Corporate Governance”; please refer to that document. Please refer to “2. Other Matters Concerning Corporate Governance System” in “V. Other” of this report for the skill matrix of Directors.

[Supplemental Principle 4-11②. Status of Director Concurrent Appointments as Officers of Other Listed Companies]

The Company discloses the material concurrent appointments of its Directors in the business reports and general shareholders’ reference materials indicated in Notices of Convocation of Ordinary General Meetings of Shareholders; please refer to the Company website for details. For the details, please refer to the following URL. We have judged that all such concurrent appointments are limited to a reasonable scope, in consideration of the time and effort required for appropriate performance of the duties and responsibilities of a Company Director.
https://www.sapporoholdings.jp/en/ir/event/meeting/pdf/250305_01.pdf

[Supplemental Principle 4-11③. Assessment of the Effectiveness of the Board of Directors]

As set forth in “13(6) Assessment of the Board of Directors” in the abovementioned “Basic Policy on Corporate Governance”, each year, the Company, on the basis of self-evaluations by each Director, analyzes and assesses the effectiveness of the Board of Directors and discloses a summary of the results.

(1) Initiatives in FY2024 in Response to the Results of Board of Directors Effectiveness Assessments for FY2023
In the assessments for FY2023, the evaluations with respect to the facts that information was provided to the Outside Directors in a timely manner and that the committees thereof were operated appropriately and were functioning effectively were improved in particular. In addition, it was confirmed at the interviews that the structure of the Board of Directors and active discussions being made at the meetings thereof were highly evaluated.

On the other hand, it was recognized and shared that it is necessary to narrow down the important themes and conduct more in-depth discussions in the Board of Directors and the committees thereof for the development of annual plans and material agendas and for the monitoring of the Medium-Term Management Plan.

In light of the results of the survey and interviews as well as discussions at the Board of Directors' meetings, we will select important agenda items for the Board of Directors and committee meetings and formulate an annual plan. In addition, we will establish a system to provide a briefing at the time of appointment and a briefing session prior to the Board of Directors' meetings. Also, by fundamentally reviewing the way information is shared, we will conduct more constructive and effective discussions.

Based on the progress made in the first year of the Medium-Term Management Plan, we will further focus our discussions on longer-term management policies, growth strategies for the alcoholic beverage business, and themes related to our management foundation, such as sustainability, risk management, and human assets strategy. Through this process, we will develop growth strategies that flexibly respond to changing environments and enhance corporate value. In addition, we aim to establish a system through which we promptly initiate discussions and translate the results into concrete actions when an issue arises.

(2) Results of Board of Directors Effectiveness Assessments for FY2024

With respect to the Board of Directors effectiveness assessments for FY2024, all Directors took an anonymous survey based on the method of self-evaluation, and individual interviews were held with them.

The results of the survey and interviews were compiled and analyzed, and were then reported at the Board of Directors meeting held in December 2024 together with a review by an external organization, and, having secured enough time, a discussion with a view toward ascertaining the current state of affairs and recognizing issues and challenges was conducted at the Board of Directors meeting held in January 2025.

Highly evaluated were multifaceted discussions that take advantage of knowledge, experience and abilities possessed by Outside Directors, including those at off-site MTG called "intensive discussions" that complement the Board of Directors' meetings and the establishment of theme-specific working groups on medium- to long-term strategies.

At the same time, we recognized and shared the need for more thorough management of the progress of the management plan, analysis of causes and reflection in the next plan, as well as longer-term vision and preparation in the succession plan.

By way of solving the identified issues and implementing continuous assessments that make use of appropriate methods, the Company is making an effort to further improve the effectiveness of its Board of Directors.

[Supplemental Principle 4-14②. Training Policy for Directors]

The Company is implementing the following training to enable Directors to acquire a deeper understanding of their roles and duties and fully discharge their responsibilities.

(1) Persons newly appointed as Directors will undergo training in regard to the necessary laws and regulations including the Companies Act, and in regard to corporate governance.

(2) After the appointment of any Director, the Company will continue to provide a diverse program of training activities, to be conducted internally and externally, in regard to legal amendments and business issues and challenges etc.

(3) Persons newly appointed as Independent Outside Directors will receive explanations necessary in regard to the corporate profile of Sapporo Group, the Group's management strategy and financial condition, and other important matters, and will also be provided with opportunities to observe Group company production facilities and research sites etc. for the purpose of acquiring a deeper understanding of the Sapporo Group.

With respect to this paragraph, please also refer to "13(8) Training Policy for Directors" and "14(5) Training Policy for Audit & Supervisory Board Members" in the abovementioned "Basic Policy on Corporate Governance."

[Principle 5-1. Policy on Constructive Dialogue with Shareholders]

The policy on constructive dialogue with shareholders is set forth in "16. Dialogue with Shareholders" in the abovementioned "Basic Policy on Corporate Governance"; please refer to that document.

[Initiatives for Realization of Management that Is Conscious of Cost of Capital and Stock Price] [with disclosure written in English] [Updated on February 14, 2025]

Explanation of Actions

In pursuit of sustainable enhancement of our corporate value over the medium to long term, we are promoting

initiatives not only to improve capital profitability but also to reduce our cost of capital.

Regarding ROE, a key indicator of capital efficiency, we set a target of 8% for 2026 in our Medium-Term Management Plan announced in November 2022, and aim to achieve 10% or more over the longer term. ROE for fiscal 2024 was 4.1%, falling below our estimated cost of equity of approximately 6% due to extraordinary factors such as impairment losses.

However, the operating profit margin relative to revenue, which we recognize as a primary factor behind historically low ROE, has been on an improving trend, indicating stronger profitability in our core business. In addition, our PBR, an indicator of market valuation, stood at 3.3 times at the end of fiscal 2024.

Looking ahead, we will continue to pursue a financial strategy that emphasizes sustainable growth and capital efficiency, with the aim of further enhancing corporate value.

For details on our initiatives related to “Actions to Implement Management that is Conscious of Cost of Capital and Stock Price,” please refer to the following URL:

https://www.sapporoholdings.jp/en/ir/library/description/items/20250214_sh_aim_en.pdf

[Status, etc. of Dialogue with Shareholders]

For the purpose of achieving sustained growth and the improvement of corporate value over the medium-to- long term, the Company is having dialogues with shareholders by responding to requests for interviews from shareholders or investors and by the Company proactively requesting shareholders to attend interviews, and through the holding of briefings or information sessions. For the details, please refer to the following URL.

<https://www.sapporoholdings.jp/en/sustainability/governance/policy/>

2. Capital Structure

Foreign Shareholding Ratio (Update)	From 20% to less than 30%
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[Status of Major Shareholders] (Update)

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan Ltd. (on trust)	10,916,200	13.99
Custody Bank of Japan, Ltd. (on trust)	3,821,960	4.90
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB)	3,620,600	4.64
Mizuho Trust & Banking of the employee pension trust of Custody Bank of Japan, Ltd.	2,442,400	3.13
3D OPPORTUNITY MASTER FUND	2,400,000	3.08
GOLDMAN SACHS INTERNATIONAL	2,291,800	2.94
Nippon Life Insurance Company	2,237,364	2.87
Meiji Yasuda Life Insurance Company	2,236,800	2.87
STATE STREET BANK AND TRUST COMPANY 505018	2,196,538	2.82
The Norinchukin Bank	1,875,115	2.40

Controlling Shareholder (except for Parent Company)	---
Parent Company	N/A

Supplementary Explanation (Update)

Supplementary Explanation

Notes on the abovementioned status of major shareholders* The abovementioned status of major shareholders is the status as of December 31, 2024. Treasury shares owned by the Company are excluded from the percentage above.

1. 2,442 thousand shares held by Mizuho Trust & Banking of the employee pension trust of Custody Bank of Japan, Ltd. are the trust property of the employee pension trust entrusted to Custody Bank of Japan, Ltd. by Mizuho Trust & Banking Co., Ltd., in regard to which trust Mizuho Trust & Banking Co., Ltd. retains voting rights. Mizuho Trust & Banking Co., Ltd. holds 832 thousand shares in addition to the foregoing.
2. In a Large Shareholding Report (Change in Shareholding) which was made available for public inspection as of January 23, 2025,, it is stated that 3D Investment Partners Pte. Ltd. holds the following shares as of January 16, 2025; however, since the Company could not confirm the actual number of shares owned as of the voting record date, such shares are not included in Status of Major Shareholders described above.
The content of the Large Shareholding Report (Change in Shareholding) is as follows.

【Name or Company Name/Address/Number of Shares Owned (thousand shares)/Percentage of Number of Shares Owned by Total Number of Issued Shares (%)】

3D Investment Partners Pte. Ltd./1 Temasek Avenue, #20-02A Millennia Tower, Singapore 039192/15,317/19.44

3. In a Large Shareholding Report (Change in Shareholding) which was made available for public inspection as of December 31, 2024, it is stated that Nomura Asset Management Co., Ltd. holds the following shares as of January 9, 2025; however, since the Company could not confirm the actual number of shares owned as of the voting record date, such shares are not included in Status of Major Shareholders described above.
The content of the Large Shareholding Report (Change in Shareholding) is as follows.

【Name or Company Name/Address/Number of Shares Owned (thousand shares)/Percentage of Number of Shares Owned by Total Number of Issued Shares (%)】

Nomura Asset Management Co., Ltd./2-2-1 Toyosu, Koto-ku, Tokyo/3,822/4.85

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market; Sapporo; existing market
Fiscal Year-End	December
Type of Business	Foods
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (consolidated) as of the End of the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 50 to less than 100

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

5. Other Special Circumstances which may have Material Impact on Corporate Governance

None

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Committee
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	12
Term of Office Stipulated in Articles of Incorporation	One year
Chairperson of the Board	President
Number of Directors	11
Status of Appointment of Outside Directors	Appointed
Number of Outside Directors	7
Number of Independent Directors	7

Outside Directors' Relationship with the Company (1)

Name	Attribute	Outside Directors' Relationship with the Company (*)										
		A	b	c	d	e	f	g	h	i	J	k
Tetsuya Shoji	From another company								△			
Toshihiro Uchiyama	From another company											
Makio Tanehashi	From another company								△			
Kotaro Okamura	From another company											
Ryotaro Fujii	From another company								○			
Kohtaro Yamamoto	Lawyer											
Naoko Tanouchi	From another company											

* Categories for "Relationship with the Company"

* "○" when the director currently falls or has recently fallen under the category; "△" when the director fell under the category in the past

* "●" when a close relative of the director currently falls or has recently fallen under the category; "▲" when a close relative of the director fell under the category in the past

a Executive of the Company or its subsidiaries

b Non-executive director or executive of a parent company of the Company

c Executive of a fellow subsidiary company of the Company

d A party whose major client or supplier is the Company or an executive thereof

e Major client or supplier of the listed company or an executive thereof

f Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/kansayaku

g Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

h Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)

i Executive of a company, between which and the Company Outside Directors/kansayaku are mutually appointed (the director himself/herself only)

j Executive of a company or organization that receives a donation from the Company (the director himself/herself only)

k Others

Outside Directors' Relationship with the Company (2) (Update)

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Tetsuya Shoji		○	Mr. Tetsuya Shoji was involved in business execution at NTT Communications Corporation until June 2020. Although there are currently transactions between the said company and the subsidiaries of the Company, the amount of such transactions in the most recent business term has been less than 0.2% of either the consolidated revenue of the Company or the consolidated operating revenue of the said company.	Mr. Tetsuya Shoji has a wealth of experience and a rich track record as a corporate manager. He has extensive insight for planning, human resources and general affairs, global expansion and the promotion of digital transformation (DX) in particular. For the realization of the Group Medium- to Long-Term Growth Strategy and the achievement of the Medium-Term Management Plan (2023 to 2026), Mr. Shoji is expected to offer pertinent opinions and advice regarding business portfolio streamlining, global expansion and operational reform through DX from his objective and professional standpoint. The Company has determined that he will be an appropriate person to supervise the management of the Group that is aiming to achieve continuous growth in corporate value. He is designated as an independent officer based on the Company's decision that Mr. Shoji is unlikely to have a conflict of interests with shareholders of the Company in light of the applicable criteria of independence as stipulated by financial instruments exchanges and the "Standards for Independence of Outside Directors" (see 4. Supplementary Explanation) established by the Company.
Toshihiro Uchiyama		○	Not applicable	Mr. Toshihiro Uchiyama has a wealth of experience and a rich track record as a corporate manager. He has extensive insight for global expansion, compliance and marketing in particular. For the realization of the Group Medium- to

				<p>Long-Term Growth Strategy and the achievement of the Medium-Term Management Plan (2023 to 2026), Mr. Uchiyama is expected to offer pertinent opinions and advice regarding global expansion and marketing from his objective and professional standpoint. The Company has determined that he will be an appropriate person to supervise the management of the Group that is aiming to achieve continuous growth in corporate value.</p> <p>He is designated as an independent officer based on the Company's decision that Mr. Uchiyama is unlikely to have a conflict of interests with shareholders of the Company in light of the applicable criteria of independence as stipulated by financial instruments exchanges and the "Standards for Independence of Outside Directors" (see 4. Supplementary Explanation) established by the Company.</p>
Makio Tanehashi		○	<p>Mr. Makio Tanehashi was involved in business execution at Tokyo Tatemono Co., Ltd. until March 2019. Although there are currently transactions between the said company and the subsidiaries of the Company, the amount of such transactions in the most recent business term has been less than 0.1% of either the consolidated revenue of the Company or the consolidated operating revenue of the said company.</p>	<p>Mr. Makio Tanehashi has a wealth of experience and a rich track record as a corporate manager as well as extensive insight for real estate business, finance and compliance. For the realization of the Group Medium- to Long-Term Growth Strategy and the achievement of the Medium-Term Management Plan (2023 to 2026), Mr. Tanehashi is expected to offer pertinent opinions and advice regarding improvement of asset efficiency in the real estate business based on his abundant management experience in finance and real estate, and from his objective and professional standpoint. The Company has determined that he will be an appropriate person to supervise the management of the Group that is aiming to achieve</p>

				<p>continuous growth in corporate value.</p> <p>He is designated as an independent officer based on the Company's decision that Mr. Tanehashi is unlikely to have a conflict of interests with shareholders of the Company in light of the applicable criteria of independence as stipulated by financial instruments exchanges and the "Standards for Independence of Outside Directors" (see 4. Supplementary Explanation) established by the Company.</p>
Kotaro Okamura		○	Not applicable	<p>Mr. Kotaro Okamura has a wealth of experience and a rich track record in business operations and corporate management through his work at an investment bank and a foreign affiliate. In particular, he has extensive insight in the areas of financial accounting, global expansion, and human resources and human assets. For the realization of the Group Medium- to Long-Term Growth Strategy and the achievement of the Medium-Term Management Plan (2023 to 2026), Mr. Okamura is expected to offer pertinent opinions and advice regarding capital efficiency improvement, global M&A, and active participation of diverse human assets from his objective and professional standpoint. The Company has determined that he will be an appropriate person to supervise the management of the Group that is aiming to achieve continuous growth in corporate value.</p> <p>He is designated as an independent officer based on the Company's decision that Mr. Okamura is unlikely to have a conflict of interests with shareholders of the Company in light of the applicable criteria of independence as stipulated by</p>

				financial instruments exchanges and the “Standards for Independence of Outside Directors” (see 4. Supplementary Explanation) established by the Company.
Ryotaro Fujii		○	<p>Mr. Ryotaro Fujii works as Senior Adviser of Permira Advisers LLP, but there is no business relationship. Mr. Fujii was contracted by the Company to provide his services as an external expert member of the Company’s “Sapporo Group Strategy Review Committee” from September 2023 to January 2024. At the committee, he provided his views and suggestions from a professional standpoint, as well as new neutral and objective perspectives, fulfilling the role that was different to that of an internal committee member. The annual amount of remuneration paid to Mr. Fujii as a member of the aforementioned committee was not more than five million yen.</p>	<p>Mr. Ryotaro Fujii has a wealth of experience and a rich track record at private equity funds, in addition to extensive insight in the areas of financial accounting, global expansion, and marketing. For the realization of the Group Medium- to Long-Term Growth Strategy and the achievement of the Medium-Term Management Plan (2023 to 2026), Mr. Fujii is expected to offer pertinent opinions and advice regarding the improvement of capital efficiency, structural reform and the formulation of growth strategies including global M&A from his objective and professional standpoint. The Company has determined that he will be an appropriate person to supervise the management of the Group that is aiming to achieve continuous growth in corporate value.</p> <p>He is designated as an independent officer based on the Company’s decision that Mr. Fujii is unlikely to have a conflict of interests with shareholders of the Company in light of the applicable criteria of independence as stipulated by financial instruments exchanges and the “Standards for Independence of Outside Directors” (see 4. Supplementary Explanation) established by the Company.</p>
Kohtaro Yamamoto	○	○	Not applicable	<p>Although Mr. Kohtaro Yamamoto has no experience in directly managing a company, he is expected to audit and supervise the performance of duties by Directors of the Company from an objective and fair perspective in sustainability,</p>

				<p>which is a material issue toward the achievement of the Medium-Term Management Plan (2023 to 2026), in addition to compliance and risk management for the entire corporate group, based on his wealth of knowledge and experience as a lawyer with expertise in the field of corporate law specializing in the Companies Act, Antimonopoly Act, international contracts, etc., and he has thus been appointed as an Outside Director who is an Audit & Supervisory Committee Member.</p> <p>He is designated as an independent officer based on the Company's decision that Mr. Yamamoto is unlikely to have a conflict of interests with shareholders of the Company in light of the applicable criteria of independence as stipulated by financial instruments exchanges and the "Standards for Independence of Outside Directors" (see 4. Supplementary Explanation) established by the Company.</p>
Naoko Tanouchi	○	○	Not applicable	<p>Ms. Naoko Tanouchi has a wealth of experience, abundant track records and extensive insight, including her involvement in M&A at a leading food manufacturer, corporate planning, internal auditing, and her work as a company auditor. She is expected to audit and supervise the performance of duties by Directors of the Company from an objective and fair perspective based on her experience as a company auditor and an outside director as well as her experience in the fields of corporate planning and internal auditing. She has thus been appointed as an Outside Director who is an Audit & Supervisory Committee Member.</p>

				She is designated as an independent officer based on the Company's decision that Ms. Tanouchi is unlikely to have a conflict of interests with shareholders of the Company in light of the applicable criteria of independence as stipulated by financial instruments exchanges and the "Standards for Independence of Outside Directors" (see 4. Supplementary Explanation) established by the Company.
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[Audit & Supervisory Committee]

Committee's Composition and Attributes of Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Audit & Supervisory Committee	3	1	1	2	Inside Director

Appointment of Directors and/or Staff to Support the Audit & Supervisory Committee	Appointed
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Matters Related to the Independence of Such Directors and/or Staff from Executive Directors

Committee in performing its duties, and has assigned three full-time staff members, who have extensive work experience in the Group and appropriate knowledge or abilities and are independent from the execution of the operations of the Company. The Company has ensured the independence of such staff members from the management by, among other things, obtaining the prior consent of the Audit & Supervisory Committee in relation to the assignment and evaluation of such staff members.

Cooperation among Audit & Supervisory Committee, Accounting Auditors and Internal Auditing Departments (Update)

1. Cooperation for Tripartite Audits

At the beginning of the current business year, the Audit & Supervisory Committee held a "tripartite audits meeting" to mutually share their audit plans and confirm the measures and the systems, etc. to improve the effectiveness of the tripartite audits.

2. Cooperation between Audit & Supervisory Committee and Accounting Auditors

The Audit & Supervisory Committee receives periodic reports on the results of quarterly reviews and those during the period, audit progress based on the audit plan formulated by the Accounting Auditor, the progress and results of on-site audits overseas, the results of internal control audits based on the Financial Instruments and Exchange Act, as well as the results of the year-end audit. With respect to the Key Audit Matters (KAM), the Audit & Supervisory Committee receives reports on the review status of identifying the KAM from priority audit items from the auditing firm, and requests explanations thereon as necessary. Additionally, prior to them, the Audit & Supervisory Committee Members serving as selected Audit & Supervisory Committee Members communicate with the Accounting Auditor, whereby they exchange views on priority audit items, whether the accounting issues have an impact on management, and the scale of such impact. In addition, the Audit & Supervisory Committee holds discussions as needed in daily audit activities and accounting audit activities.

3. Cooperation between Audit & Supervisory Committee and Auditing Department

In connection with the transition to a Company with Audit & Supervisory Committee in 2020, the Auditing Department, which is an internal auditing organization independent from business execution lines, became the “Dual Report Line,” which conducts internal audits of the entire business of the Company and its subsidiaries, under the direction of the Representative Director or the Audit & Supervisory Committee. In addition, the Company has established a system where, if an employee of the Auditing Department assists in the duties of the Audit & Supervisory Committee under the direction of the Audit & Supervisory Committee, the employee is solely subject to the directions and orders of the Audit & Supervisory Committee.

The Audit & Supervisory Committee meets regularly with the Auditing Department to collect reports on the results of internal audits, the development and status of internal control related to financial reporting and the evaluation results thereof. Prior to them, the Audit & Supervisory Committee Members and the Auditing Department hold discussions to select the departments subject to auditing in the internal audit plan for the next business year, confirm the effectiveness of the schedule, and exchange views on priority audit items of the internal audit. In addition, they hold discussions as needed in daily audit activities.

4. Cooperation between Accounting Auditor and Auditing Department

The Accounting Auditor shares the results of the internal audit by the Auditing Department and exchanges views as necessary.

[Voluntary Establishment of Nomination/Remuneration Committee]

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
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Committee’s Name, Composition, and Attributes of Chairperson (Update)

	Committee’s Name	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Committee Corresponding to Nomination Committee	Nominations Committee	9	0	2	7	0	0	Outside Director
Committee Corresponding to Remuneration Committee	Compensation Committee	9	0	2	7	0	0	Outside Director

Supplementary Explanation (Update)

In order to increase the transparency of operations related to the selection and treatment of Directors and to maintain healthy management functions, the Company has established a Nominations Committee and a Compensation Committee as advisory bodies to the Board of Directors. The membership of the Nominations Committee is composed of Independent Outside Directors, Directors who are Audit & Supervisory Committee Members, and the President (or, when the President is chosen from among Group Managing Officers, the Chairman), with the majority accounted for by Independent Outside Directors; the chairperson is chosen from among Independent Outside Directors (excluding Directors who are Audit & Supervisory Committee Members). The membership of the Compensation Committee is composed of two Independent Outside Directors (excluding Directors who are Audit & Supervisory Committee Members), two Independent Outside Directors (Directors who are Audit & Supervisory Committee Members), one Director who is an Audit & Supervisory Committee Member, and the President (or, when the President is chosen from among Group Managing Officers, the Chairman), with the majority accounted for by Independent Outside Directors; the chairperson is chosen from among Independent Outside Directors (excluding Directors who are Audit & Supervisory Committee Members).

The chairperson of the Audit & Supervisory Committee is Mr. Toru Miyaishi, by resolution of the Audit & Supervisory Committee meeting held after the conclusion of the 101st Ordinary General Meeting of Shareholders held on March 28, 2025, in accordance with the Regulations of the Audit & Supervisory Committee of the Company.

[Independent Directors]

Number of Independent Directors	7
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Matters relating to Independent Directors

The Company has appointed all seven Outside Directors (five Outside Directors and two Outside Directors who are Audit & Supervisory Committee Members) who meet the qualifications for independent officers. Our standards for independence of Outside Directors are as set forth below.

[Standards for Independence of Outside Directors]

1. In order for the Outside Directors of the Company to be Outside Directors who are independent (“Independent Officers”), any such Outside Directors shall satisfy the applicable standards of independence specified by the financial instruments exchanges and, no such Outside Directors may fall under any of the following Items (1) through (3).

(1) A person who currently is or during the past ten years was an executive officer (*gyomu shikkou sha*) of the Company or its consolidated subsidiaries (collectively, “Group”) (*1).

(2) A person who currently falls under or during the past three years has fallen under any of the following sub-items (i) through (viii).

- (i) A person having the Group as a major business partner, or its executive officer (*gyomu shikkou sha*) (*2);
- (ii) A major business partner of the Group or its executive officer (*gyomu shikkou sha*) (*3);
- (iii) A consultant, accounting professional, or legal professional who has obtained from the Group large sums of money or other property other than officer remuneration etc. (if a person who has obtained such properties is a corporation, association, or other group, this means a person who belongs to such group) (*4);
- (iv) A major shareholder of the Group (if such major shareholder is a corporation, an executive officer (*gyomu shikkou sha*) of such corporation) (*5);
- (v) In the case where the executive officer (*gyomu shikkou sha*) of the Company holds the office of Outside Directors or Outside Audit & Supervisory Board Members of another company, an executive officer (*gyomu shikkou sha*) of such other company;
- (vi) A person who has received large donations from the Group or a Director or other executive officer (*gyomu shikkou sha*) of a group that received such donations (*6);
- (vii) A member, partner, or employee of the audit corporation that is the accounting auditor for the Group; and
- (viii) A major lender of the Group or its executive officer (*gyomu shikkou sha*) (*7)

(3) A spouse or a relative in the second degree or closer of any person listed in Item (1) or Item (2) above (excluding any unimportant person).

2. An Independent Officer of the Company must be an Outside Director with respect to whom there is no likelihood of a constant and substantial conflict of interests arising with the entire general shareholders of the Company for any reason other than the reasons considered in Items (1) through (3) of Paragraph 1 above.

3. An Outside Director who falls under any of Items (1) through (3) of Paragraph 1 above may nonetheless be appointed as an Independent Officer of the Company, if the Company considers such Outside Director to be appropriate as an Independent Officer in light of such Outside Director’s personality and insight, etc., on the condition that such Outside Director satisfy the applicable standards of independence specified by the financial instruments exchanges and that a public explanation be given of the reasons why we consider such Outside Director to be appropriate as an Independent Officer of the Company.

Notes:

*1. For any person who was a non-executive Director, an Accounting Advisor (if the Accounting Advisor is a juridical person; a member who is to execute its duties) or an Audit & Supervisory Board Member of the Group at

any time over the last ten years, the ten-year period prior to assumption of such office. “Executive officer (*gyomu shikkou sha*)” means a person stipulated in Article 2, Paragraph 3, Item (6) of the enforcement regulations of the Companies Act.

*2.”Person having the Group as a major business partner” means a person who has received from the Group payment of an amount equivalent to 2% or more of its annual consolidated sales (annual consolidated revenue) in the most recent fiscal year.

*3.”Major business partner of the Group” means a person who in the most recent fiscal year made payment to the Group in an amount equivalent to 2% or more of the Company’s annual consolidated revenue.

*4.”Consultant, accounting professional, or legal professional who has obtained from the Group large sums of money or other property other than officer remuneration, etc.” means a person who in the most recent fiscal year obtained money or property, other than officer remuneration, etc., the amount or value of which is not less than the higher of (i) 2% of annual consolidated sales (annual consolidated revenue) of such person or (ii) ten million yen, or a member, partner, associate or employee of any law firm, auditing corporation, tax accountant corporation, consulting firm, or other professional advisory firm that received from the Group payment of an amount equivalent to 2% or more of that firm’s annual total sales in the most recent fiscal year.

*5.”Major shareholder of the Group” means a person or a corporation who directly or indirectly holds 10% or more of the total voting rights of a company within the Group.

*6.”Large donation” means a donation that is made in the most recent fiscal year, the amount of which is not less than the higher of (i) ten million yen or (ii) 30% of the average annual expenses for the relevant group.

*7.”Major lender of the Group” means any financial institution or other major creditor that is essential for the Company’s fund-raising, upon which the Company relies to such extent that such lender is not replaceable.

[Incentives]

Incentive Policies for Directors	Performance-linked Remuneration
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Supplementary Explanation

We have adopted, from 2016, a “Board Benefit Trust (BBT)” stock compensation plan for Directors (excluding Directors who are Audit & Supervisory Committee Members), Group Managing Officers and some Directors of subsidiaries (excluding Outside Directors; “Group Applicable Officers”) for the purpose of reinforcing attention on contributing to an increase in business results over the medium-to-long term and to raising the Company’s corporate value.

This plan is a stock compensation plan under which Company stock is acquired through the trust using funds that the Company contributed, and Company stock or the monies equivalent to the amount obtained by converting such Company stock at a market price, as of the resignation date, are provided to the Group Applicable Officers on the basis of their position and performance in accordance with the Officer Stock Benefit Rules stipulated by the Company and subsidiaries which are covered by this plan.

Other policies on performance-linked remuneration are set forth in “II.1. [Director Remuneration] Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods” in this report. Please refer thereto.

Recipients of Stock Options	
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Supplementary Explanation

[Director Remuneration]

Disclosure of Individual Directors’ Remuneration	No Individual Disclosure
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Supplementary Explanation

The Company does not disclose individual remuneration as there is no officer whose total consolidated remuneration, etc. (remuneration, etc., as an officer of the Company and as an officer of a major consolidated subsidiary) is more than one hundred million yen.

Policy on Determining Remuneration Amounts and Calculation Methods (Update)	Established
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Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

To determine remuneration in an objective and transparent manner, the Company has established, as an advisory body to the Board of Directors, a Compensation Committee composed of Independent Outside Directors (excluding Directors who are Audit & Supervisory Committee Members), Directors who are Audit & Supervisory Committee Members, and the President (or, when the President is chosen from among Group Managing Officers of the Company, the Chairman), for a total of nine people, and the amount of individual remuneration for each Director (excluding a Director who is an Audit & Supervisory Committee Member) is determined by such committee on the basis of a resolution of the Board of Directors.

Other policies for determination of the amount of remuneration of Directors or the calculation methods thereof are as follows.

1 Basic Policy

To contribute to the sustainable growth of the Company, the remuneration of the Company's Directors (excluding Directors who are Audit & Supervisory Committee Members, the same applies hereinafter) shall be a combination of monetary remuneration and stock-based remuneration, and is linked to performance and medium-to-long-term corporate value. When determining the amount of individual remuneration for each Director, the basic policy is to set an appropriate level based on such Director's work responsibilities. Specifically, the remuneration of the executive directors shall be monetary remuneration and stock-based remuneration. Of these, monetary remuneration consists of ① basic remuneration as fixed remuneration and ② performance-linked remuneration within the maximum ceiling for remuneration payment decided at a General Meeting of Shareholders, and stock-based remuneration has performance-linked remuneration as its basis. Outside Directors will only be paid basic remuneration.

2 Policy on decision of the amount of individual of basic remuneration (including policy on decision of the time or terms for granting such remuneration, etc.)

The basic remuneration of the Company's Directors shall be a fixed monthly monetary remuneration. The amount of the basic remuneration shall be determined by comprehensively taking into account the ranking, public standards, and the Company's performance, among other matters.

3 Policy on decision of performance indicators pertaining to performance-linked remuneration and the calculation methods of the amount of performance-linked remuneration (including the policy on decision of the time or terms for granting remuneration, etc.)

Performance-linked remuneration shall be paid in money in accordance with the performance for the preceding year (provided, however, that the remuneration shall be within the maximum ceiling for remuneration payment decided at a General Meeting of Shareholders in conjunction with 2 above). In the calculation thereof, the amount computed by the job position, according to the degree of attainment of the target ROE and EBITDA for each fiscal year, and which reflects the assessment in respect of each Director, is to be paid in a lump sum in April of each year.

4 Policy on decision of the content and amount of, or number in respect of stock-based remuneration or the calculation methods thereof (including policy on decision of the time or terms for the granting of remuneration, etc.)

Stock-based remuneration shall be performance-linked. In the calculation thereof, points are awarded, computed by the job position according to the degree of attainment of evaluation indicators which leads to medium-to-long-term growth in corporate value, such as medium-to-long-term financial indicators, ESG indicators and employee engagement, and the assessment in respect of each Director, and after the retirement of the particular Director, stock in a number corresponding to the points awarded is provided. Other details in respect of monetary payment of a certain percentage in respect of performance-linked remuneration shall be set forth in the Officer Stock

Benefit Rules to be separately stipulated.

5 Policy on decision of the ratio of the amount of basic remuneration, of performance-linked remuneration, or of stock-based remuneration to the amount of individual Director's remuneration, etc.

The remuneration ratio with respect to each category, in respect of the remuneration of executive directors shall be determined by the Compensation Committee, an advisory body of the Board of Directors, based on the ratio of compensation levels and performance-linked remuneration pertaining to companies of the same business scale as the Company as indicated by data from external research organizations. Where the attainment of the performance target is of the highest degree, the ratio in respect of basic remuneration, performance-linked remuneration, and stock-based remuneration is set at 5:3:2.

6 Method for determining the contents of individual Director's remuneration, etc.

(i) Person to be delegated in cases where delegation is to be made to a third party (name or position and person in charge) Delegate to the Compensation Committee.

The members are Independent Outside Directors (excluding Directors who are Audit & Supervisory Committee Members), Directors who are Audit & Supervisory Committee Members, and the President.

(ii) Delegation Authority

The Compensation Committee determines the amount of basic remuneration and performance-linked remuneration for individual Directors and the number of points granted for performance-linked stock remuneration based on delegation by the Board of Directors.

(iii) Content of measures for the proper exercise of authority

The Compensation Committee shall consist of Independent Outside Directors (excluding Directors who are Audit & Supervisory Committee Members) and Directors who are Audit & Supervisory Committee Members and the President, and one chairperson of the Compensation Committee shall be appointed from among the Independent Outside Directors (excluding Directors who are Audit & Supervisory Committee Members).

Supplementary provisions (in accordance with revisions to these guidelines on February 14, 2024)

This policy, as revised on February 14, 2024, will become effective on April 1, 2024.

(Other) Variable remuneration system and evaluation indicators and results in 2024, etc.

See Appendix.

[Supporting System for Outside Directors]

The Company does not assign full-time staff for Outside Directors. However, the Company has appointed staff in charge of the Board of Directors in the General Affairs Department and established the Board of Directors Office, which provide support to Outside Directors. Neither does the Company assign full-time staff for Outside Directors who are Audit & Supervisory Committee Members. However, to address this, the Company has assigned staff to the Audit & Supervisory Committee as employees who are to support the Audit & Supervisory Committee Members in performing their duties. The Board of Directors Office distributes materials and provides explanations of the agenda to Outside Directors who are Audit & Supervisory Committee Members prior to Board of Directors meetings.

[Status of Persons Who Retired from the Position of President and Representative Director, Etc.] (Update)

Names, etc., of counselors/advisors, etc., who are former President and Representative Director, etc. (Update)

Name	Position / Status	Duties	Work Format and Conditions (Full-time/Part-time, Compensation, Etc.)	Date of Retirement as President, Etc.	Term of Office
Masaki Oga	Special Advisor	External activities (not involved in management)	Part-time, with compensation	March 28, 2025	One-year term

Total number of counselors/advisors, etc., who are former President and Representative Director, etc. (Update)	1
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Other Matters (Update)

- (i) The Company abolished the counselor system effective on March 29, 2018.
- (ii) After March 29, 2018, any appointment of a former President and Representative Director, etc., or other person to an advisory or other position is subject to resolution by the Board of Directors after consultation with the Nomination Committee. In addition, the person's compensation is to be determined by the Compensation Committee. For details regarding the Company's Nomination Committee and Compensation Committee, please refer to section II.1. [Voluntary Establishment of Nomination/Remuneration Committee].

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) (Update)

(1) Overview of corporate governance system for corporate operations

The Company has a system in which the Board of Directors adopts resolution with respect to matters that are stipulated in laws and regulations or Articles of Incorporation, or material operational matters in accordance with the "Board of Directors Rules."

For other corporate operations, based on the "table for decision-making authority of the Regulations for the Conduct of Business (Appendix)," the Company has clarified the scope of corporate operations delegated to the management, and the management engages in swift decision-making within the scope of its authority through advisory bodies such as the Management Council and the Group Management Council.

Group Managing Officers of the Company, who at the same time serve as President and representative director of key business companies of the Group shall, to the President of the Company, make commitment to the managerial goals of their division and clarifying their responsibility for the Group managerial goals, give monthly report regarding the business conditions of their division.

(2) Overview of corporate governance system for supervision and auditing (Supervisory function)

In order to reinforce the management monitoring functions for the purpose of improving the transparency of the management and achieving management goals under the holding company system, the Company has the Board of Directors made up of eleven Directors, and more than half of whom, seven Directors, have been appointed as Independent Outside Directors.

Three of eleven Directors are Directors who are Audit & Supervisory Committee Members, and they constitute the Audit & Supervisory Committee.

The Board of Directors shall, in addition to making decisions on statutory matters and material corporate operations matters stipulated in the Board of Directors Rules, appoint the President who controls the overall business execution of the Group, the Group Managing Officers who control the corporate operations of each major business division, etc., and shall monitor their business execution. From an objective and independent position, seven Independent Outside Directors provide valuable advice and appropriate oversight regarding the deliberation of agenda items for the Board of Directors to the management engaged in the conduct of the Company's corporate operations as Directors.

(Auditing function)

The Company has an Audit & Supervisory Committee that consists of three Directors who are Audit & Supervisory Committee Members (two Outside Directors and one Inside Director), and audits the status of Directors' (excluding Directors who are Audit & Supervisory Committee Members) performance of duties and other performance of duties relating to Group management in general.

By (i) collecting and sharing information by attending the meetings of the Board of Directors, the Management Council and the Group Management Council and other important meetings, and (ii) establishing close cooperation with the Auditing Department and other internal control departments, to ensure the effectiveness of the audit and supervisory function of the Audit & Supervisory Committee, the Audit & Supervisory Committee has appointed one Internal Director as a Standing Audit & Supervisory Committee Member, and mainly through such Standing Audit & Supervisory Committee Member, periodically exchanges opinions with the Representative Director and seeks to communicate with the Auditing Department and Internal Control Department, as well as with the

Accounting Auditors; in this way, the Audit & Supervisory Committee is working to collect information and develop an audit environment. The Company established the “Audit & Supervisory Committee Office” as an office for assisting the Audit & Supervisory Committee in performing its duties, and has assigned three full-time staff members, who have extensive work experience and knowledge, or abilities in the Group and are independent from the management, to assist the Audit & Supervisory Committee.

In accordance with audit plans including audit policy, priority items for audit, assignments of duties and other matters stipulated by the Audit & Supervisory Committee, in cooperation with the Auditing Department and internal control departments as well as the Accounting Auditors, Directors who are Audit & Supervisory Committee Members attend meetings of the Board of Directors, the Nomination Committee, the Compensation Committee, the Management Council and the Group Management Council, and other important meetings, receive reports from Directors and employees regarding the status of performance of their duties, request explanations as needed, review important documents in respect of decisions relating to the execution of operations such as requests for approval (*ringisho*), and audit the business and assets at main offices of the Company and other subsidiaries, etc. With respect to the subsidiaries, the Company seeks to communicate and exchange information with, and receives reports on the business as necessary from, the Board of Directors and the Audit & Supervisory Board Members, and the Company has implemented a system where the Audit & Supervisory Committee can thoroughly audit and supervise the status of the Company Directors’ performance of their duties.

Two Independent Outside Directors who are Audit & Supervisory Committee Members audit the Company Directors’ performance of their duties from their objective, fair and neutral position.

The Company executes limitation of liability agreements that limit liabilities under the provisions of Article 423, Paragraph 1 of the Companies Act with all Outside Directors who are not Audit & Supervisory Committee Members and Directors who are Audit & Supervisory Committee Members in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of their liability under such agreements is the amount set forth in laws and regulations.

The Auditing Department (consisting of 15 members) implements internal audits for the business companies, subsidiaries, and the Group as a whole. The Auditing Department and the Audit & Supervisory Committee periodically hold meetings and exchange opinions regarding the results of the internal audits and the status of internal controls.

Mr. Masayuki Kaida and Mr. Yuichiro Tamaki, two certified accountants from Ernst & Young ShinNihon LLC, perform the accounting audits. In addition, assistants concerning the accounting audits of the Company consist of 10 certified accountants and 20 others.

(3) Overview of corporate governance system related to nomination and remuneration decisions

In order to increase the transparency of operations related to the selection and treatment of Directors and to maintain healthy management functions, the Company has established a Nominations Committee and a Compensation Committee as advisory bodies to the Board of Directors.

Please refer to “II.1 [Directors] Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee” of this report and “13(5) ① Nomination Committee” and “13(5) ② Compensation Committee” of the “Basic Policy on Corporate Governance” for details regarding each committee.

3. Reasons for Adoption of Current Corporate Governance System

The Company considers the strengthening and reinforcement of Group governance as an important management issue, and, as described in 2. above, is working to clarify the supervisory function, operating functions and audit functions throughout the Group under the holding company system and to strengthen management monitoring functions in order to increase transparency in management and achieve management goals.

To achieve further growth in corporate value through efforts to further enhance corporate governance and enable the Company to make decisions in a more flexible manner with enhanced management transparency and efficiency, the Company made a transition from a Company with an Audit & Supervisory Board to a Company with an Audit & Supervisory Committee, upon obtaining approval at the 96th Ordinary General Meeting of Shareholders held on March 27, 2020.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholders Meetings and Smooth Exercise of Voting Rights (Update)

Early Notification of General Shareholder Meeting	On the occasion of the 101st Ordinary General Meeting of Shareholders to be held on March 28, 2025, the Company has sent out the convocation notice on March 7, 2025 (21 days prior to the date of the meeting).
Allowing Electronic Exercise of Voting Rights	The exercise of voting rights via the internet (i.e., using a website for the exercise of voting rights operated by securities agents designated by the Company) has been adopted.
Participation in Electronic Voting Platform and Other Measures for Improving the Environment for Exercising Voting Rights by Institutional Investors	The Company has participated in a platform for exercise of voting rights that is operated by ICJ, Inc.
Providing Convocation Notice (Summary) in English	The Company prepares an English version (abridged translation) of convocation notices and posts the same on the English websites of the Company and the Tokyo Stock Exchange.
Others	Together with the delivery of the (written) convocation notice, pursuant to the laws and regulations, and the provisions of Article 15 of the Articles of Incorporation, the Company takes measures to electronically provide information that forms the content of general shareholders' reference materials (matters to be provided electronically). The convocation notice appears as the "Notice of Convocation of the 101st Ordinary General Meeting of Shareholders" on the Company website and the Tokyo Stock Exchange website.

2. IR Activities (Update)

	Supplementary Explanation	Explanation by Representative
Preparation and Publication of Disclosure Policy	Posted on the Company's website.	
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds investor briefings, by the President and officers in charge of IR, for analysts and institutional investors when making important announcements such as announcements of financial (quarterly) results and medium-term management plans. The Company also distributes videos of the investor briefings on the Company's website to investors who cannot attend the briefings.	Provided
Regular Investor Briefings for Overseas Investors	The Company holds individual face-to-face briefings or online briefings in major cities in Europe, the U.S., Asia, by the President and officers in charge of IR, for overseas investors three to four times per year.	Provided
Posting of IR Materials on Website	The Company endeavors to enhance the contents of IR website and posts "Financial Results," "Presentation Materials," "Integrated Reports," "Annual Reports and Quarterly Reports," "Materials of Timely Disclosure," "Notices of Convocation of General Meetings of Shareholders," etc. In addition, the Company strives for fullness in disclosure of information in English.	
Establishment of Department and/or Manager in Charge of IR	A section responsible for Investor Relations (IR) is positioned within the Accounting Department.	
Others	In principle, financial results and supplementary information are translated into English and posted on the Company's website at the same time as the Japanese version. https://www.sapporoholdings.jp/en/	

3. Measures to Ensure Due Respect for Stakeholders (Update)

	Supplementary Explanation
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Company has stipulated its fundamental management policy as “striving to maintain integrity in corporate conduct that reinforces stakeholder and aiming to achieve continuous growth in corporate value” and is endeavoring to achieve continuous growth and increase corporate value for the entire Group and to respond to stakeholders’ expectations into the future.
Implementation of Environmental Activities, CSR Activities, etc.	<p>In order to vigorously promote initiatives through its business to address social issues such as climate change, biodiversity conservation, and regional revitalization as the “Sustainability Management,” pursuant to the “Sapporo Group Sustainability Policy,” the Company is working to realize a sustainable society by aiming at both solving social issues and sustainable growth of the Company. In addition, the Company has set targets for each of the nine material issues covering “harmony with the environment,” “co-prosperity with society,” and “active participation of human resources,” which the Company identified in formulating the present medium-term management plan; and to achieve said targets, the Board of Directors is monitoring progress and promoting engagement. With respect to the environmental issues, the Company declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in May 2019, and in December 2019 formulated its “Sapporo Group Environmental Vision 2050” aiming at “1.Establishment of a decarbonized society,” “2. Realization of a recycling society,” and “3. Creation of a society in harmony with nature.” In 2023, the Company updated “1. Establishment of a decarbonized society” by adding the target “Achieve net-zero greenhouse gas emissions under Scope 1, 2, and 3.” Furthermore, in 2024, the Company endorsed the TNFD (Nature-Related Financial Disclosure) and disclosed information in a manner integrated with that for climate change. The Company has set medium- and long-term goals for each target, and each employee of the Company is promoting initiatives aimed at realization of a sustainable society.</p> <p>With respect to the sustainability information, please see the Company’s websites below.</p> <p>https://www.sapporoholdings.jp/en/sustainability/Integrated Report: https://www.sapporoholdings.jp/en/ir/library/factbook/Sustainability Book: https://www.sapporoholdings.jp/en/sustainability/sustainability_book/</p>
Development of Policies on Information Provision to Stakeholders	The Company has provided the item “Proper Disclosure and Management of Corporate Information” in the Sapporo Group Code of Corporate Conduct and has stipulated that information needed by the public is to be disclosed in a timely and proper manner, and that investor relations activities for shareholders and investors is to be enhanced. The Company manages the use of insider information properly, in accordance with the Rules for Preventing Insider Trading.

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

As set forth below, the Board of Directors of the Company has stipulated “Guidelines on the Construction of an Internal Control System” relating to “A Development of Systems Necessary to Ensure the Properness of Operations of a Stock Company and Operations of Group of Enterprises Consisting of said Stock Company and its Subsidiaries” under Article 399-13, Paragraph 1, Item 1, Sub-Item (b) and (c) of the Companies Act and Article 110-4, Paragraphs 1 and 2 of the Ordinance for Enforcement of the Companies Act, and the Board of Directors of the Company has also stipulated a “Basic Policy on Framework toward Eliminating Anti-Social Forces” and a “Basic Policy on Ensuring Credibility of Financial Reports.” Necessary resolutions have been passed at Board of

Directors meetings of each business company.

In order to make an effort to enforce the basic policies passed at the Company's Board of Directors meetings and to continuously develop and reinforce the system for the Group as a whole, based on "Guidelines on the Construction of an Internal Control Systems at Sapporo Group" which specifically stipulates the construction of the Group's internal control system, the Company provides management and guidance to its subsidiaries and confirms the operation of their internal control systems.

[Guidelines on the Construction of an Internal Control System]

(1) The system for ensuring the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation

1) The Board of Directors shall prevent actions which violate laws and regulations and the Articles of Incorporation (i) by making decisions or giving approval for statutory matters, management policies and other material matters relating to corporate operations, in accordance with laws and regulations, the Articles of Incorporation and the Board of Directors Rules, and (ii) by monitoring each other's performance of duties as Directors.

2) The Company has stipulated the "Sapporo Group Code of Corporate Conduct" as a code for encouraging all of the Group's officers and employees to take actions based on concrete ethical views, and has constructed a compliance system for the entire Group in cooperation with its subsidiaries, with the General Affairs Department as a point of contact. The Company has also established a corporate ethics hotline for the prevention and early discovery of wrongdoing.

3) Under the instruction of the Representative Director or Audit & Supervisory Committee, the Internal Audit Division, which is an internal audit body independent from the corporate operations line, shall audit, in the whole operations of the Company and its subsidiaries, the status of compliance with laws and regulations, the Articles of Incorporation and internal company rules.

(2) System regarding retention and management of information relating to Directors' execution of operation

1) With respect to the retention and management of information relating to Directors' execution of operation, the Company shall properly retain and manage the following documents (including electromagnetic records) in accordance with applicable laws and regulations and internal company rules, and shall make such documents available as needed.

- a. Minutes of General Shareholders Meetings, minutes of Board of Directors and related materials
- b. Minutes of the Management Council, minutes of the Group Management Council and related materials
- c. Requests for Approval (ringisho), accompanying documents and other material documents relating to Directors' job performance

2) The department in charge shall stipulate the method for the retention and maintenance of other material documents, in accordance with applicable laws and regulations.

(3) Rules and other systems for the management of risk of loss

1) The risk inherent in material decision-making in corporate operations or the conduct of business shall be managed at the Management Council, and each management division, such as Management Strategy, Accounting and Legal Affairs, shall analyze the possible risk and makes necessary reports with respect to matters to be discussed or reported at the Council.

2) As a risk management in the event of an emergency or when a fact that could lead to a state of emergency comes to light, the Group Risk Management Committee shall discuss solutions including information disclosure in cooperation with subsidiaries' risk management body etc. and handle such cases promptly and appropriately.

(4) System for ensuring efficient performance of duties by Directors

1) The Board of Directors shall appoint a Representative Director, President and officers with titles, as well as the Group Managing Officers assigned to control key business divisions of the Group or handle key management goals for the entire Group of the Company, and shall ensure that these individuals execute the business for which they are responsible.

2) The President oversees the execution of Group corporate operations as a whole. The Management Council and

the Group Management Council are established as advisory bodies for the President, and the President shall gain an understanding of the status of business execution by each division, discuss material matters and make expeditious decisions.

3) The President shall formulate a management plan for the entire Group and obtain approval therefor from the Board of Directors. Reports on the state of execution of these plans by the entire Group shall be made to the Board of Directors quarterly.

4) The Group Managing Officers who are in charge of key business divisions shall make a commitment, to the President, for the management goals of their division, and shall report the management status every month. They shall also attend Board of Directors meetings every quarter and provide reports on the business performance in their division.

5) In order to establish responsibility in business execution and to ensure smooth and efficient operation, the Company stipulates standards for administration, organization, and division of duties and authorities, etc. in the Regulations for the Conduct of Business, and as supplemental provisions, the Company stipulates standards for division of duties in the Division of Duties Regulations, and standards for authority in the Table for Decision-Making Authority.

(5) System for ensuring appropriate execution of duties in the corporate group consisting of the Company, and its subsidiaries

1) The Board of Directors shall secure systems of receiving periodic reports from Directors and employees of subsidiaries with respect to matters relating to the performance of their duties.

2) The Board of Directors shall stipulate policies under Paragraph 1, 3 and 4 of the Guidelines on the Construction of an Internal Control System, and ensure that subsidiaries establish a required system for their Board of Directors in accordance with these basic policies.

3) General Affairs Department shall be in charge of controlling subsidiaries and shall control the corporate operations of subsidiaries in accordance with the “Sapporo Group Company Management Operation Rules.” Material matters relating to the entire Group shall be discussed at Board of Directors meetings, the Management Council and committee meetings ancillary thereto.

(6) Matters relating to employees to assist with the duties of the Audit & Supervisory Committee in the case where the Audit & Supervisory Committee request the assignment of such employees, matters relating to the independence of such employees from Directors (excluding Directors who are Audit & Supervisory Committee Members), and matters relating to ensuring the effectiveness of instructions given by the Audit & Supervisory Committee to such employees

1) If Audit & Supervisory Committee requests the assignment of employees to support its duties, Audit & Supervisory Committee assistant staff shall be assigned.

2) In cases where Audit & Supervisory Committee assistant staff is put in place for Audit & Supervisory Committee, the Company shall ensure the independence of such staff from Directors by respecting the opinions of Audit & Supervisory Committee in relation to the assignment and evaluation of such staff etc., and the Company shall also ensure the effectiveness of instructions given by the Audit & Supervisory Committee to such staff.

(7) Structure for reporting from Directors and employees to Audit & Supervisory Committee and other structures regarding reports to Audit & Supervisory Committee

1) Audit & Supervisory Committee shall be provided with reports from Directors or employees regarding the following matters.

a. Matters to be reported regularly

- Management, business and financial status, risk management and compliance status

b. Matters to be reported in special circumstances

- Matters which may cause serious damage to the Company and other material facts related to management
- Fraud in relation to Directors’ performance of their duties and material breaches of laws and regulations or the Articles of Incorporation

2) In order that the Audit & Supervisory Committee gain an understanding of the status of Directors’ performance of their duties in addition to the report of 1) above, the Company shall maintain a system in which Directors who are Audit & Supervisory Committee Members attend Board of Directors, Management Council and Group Management Council meetings, and other important meetings, review important documents relating to business

execution of operation such as requests for approval (ringisho), and in which Directors and employees otherwise make reports to Audit & Supervisory Committee.

3) Employees who belong to the Internal Auditing Department shall exclusively follow the instructions and orders of the Audit & Supervisory Committee if such employees assist Audit & Supervisory Committee in performing their duties upon receiving instructions from Audit & Supervisory Committee.

4) A system shall be in place such that Directors, Audit & Supervisory Board Members or employees of the Company's subsidiaries or persons who are reported by these persons report to the Audit & Supervisory Committee.

5) A system shall be in place such that whistleblowers who report to Audit & Supervisory Committee are not treated unfavorably.

(8) Other systems ensuring efficient audits by Audit & Supervisory Committee

1) The Board of Directors shall attempt to acquire a better understanding of the auditing of Directors and employees by the Audit & Supervisory Committee, and to create an environment for auditing by the Audit & Supervisory Committee.

2) The Board of Directors shall put a system in place such that the Audit & Supervisory Committee can collect necessary information, including by holding occasional meetings with Representative Directors, obtaining reports from the Internal Audit Division, and periodically exchanging opinions with Accounting Auditors.

3) The Company shall bear fees and liabilities arising from the job performance by Audit & Supervisory Committee, unless such fees or liabilities are not needed the job performance by in the Audit & Supervisory Committee.

2. Basic Views on Eliminating Anti-Social Forces

(1) The Group, as a code of conduct, is not and will not be engaged in any relationship with anti-social forces and organizations which could pose a threat to the order or the safety of civil society, and shall implement such code of conduct thoroughly.

(2) Under this Basic Policy, the Company shall create an administrative division which handles matters relating to anti-social forces and organizations, and shall appoint a person in charge of preventing undue claims, collect and manage information within the Group, and develop and enhance the system for eliminating such anti-social forces and organizations by cooperating with police, organized crime group elimination organizations, lawyers, and other outside specialized organizations.

V. Others

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	N/A
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Supplementary Explanation

The "Basic Policy Regarding What and How a Person Controlling Decisions on a Stock Company's Financial and Business Policies Should Be" provided for in the Ordinance for Enforcement of the Companies Act was resolved at the Board of Directors held on February 15, 2023, and the content is as set forth below.

I Basic Policy on Company Control

Sapporo Holdings Limited (the "Company") will not reject proposals for large-scale purchases of the Company's share certificates if they contribute to the corporate value and common interests of the shareholders of the Company. In addition, the Company's Board of Directors believes that in the event of a proposal for a large-scale purchase by a large-scale purchaser, whether or not to sell share certificates, etc. of the Company should ultimately be left to the judgment of the shareholders of the Company who hold the Company's share certificates, etc.

However, the possibility cannot be denied that a large-scale purchase by a large-scale purchaser may impair the corporate value and ultimately the common interests of the shareholders of the Company because judging from the purposes, etc. thereof, there are more than a few proposals for large-scale purchases in which the purchaser

does not understand the sources of the Company's specific corporate value and the purchase does not contribute to the corporate value and ultimately the common interests of the shareholders, including those which do not provide adequate information and time for the shareholders of the Company and the Board of Directors to examine the details of the purchase and make a decision, and those in which the purchase conditions, etc. are extremely inadequate or inappropriate in light of the corporate value of the target company and ultimately the common interests of the shareholders. For example, it is possible to implement short-term policies, such as the purchasers demanding the gradual sale of the brands that underpin the corporate value of the Company, unilateral reduction of human resources and realization of unrealized gains from the sale of core properties. Such policy may result in the impairment of the brand value, and create financial risks that could weaken the company base in the future, as well as risks that could impair confidence in the business.

In light of the above, the Company formerly adopted the "Policy toward the Large-Scale Purchase of Share Certificates, etc., of the Company" (the "Policy") for the share certificates of the Company as a response policy in the event of a proposal for a large-scale purchase.

At present, there are still risks of a large-scale purchase that could impair the corporate value of the Company and ultimately the common interests of the shareholders, and the Board of Directors recognizes that it is its important responsibility to make adequate preparations for such risks.

However, in light of the recent trends in anti-takeover measures and the state of engagement with the shareholders, including domestic and overseas institutional investors, the Company decided to discontinue the Policy for general purposes at the stage where no specific purchasers appear, and abolish the Policy at the closing of the 99th Ordinary General Meeting of Shareholders which was then to be held in March 2023 (the "General Meeting"), which is the expiration date thereof.

The Company will further strengthen its corporate governance system after the abolition of the Policy and make efforts to maximize the corporate value of the Company and ultimately the common interests of the shareholders by establishing a monitoring system to steadily promote the Sapporo Group "Medium-Term Management Plan (2023 to 2026)" (the "Medium-Term Management Plan (2023 to 2026)") as well as implementing the measures set forth in the "Medium-Term Management Plan (2023 to 2026)" and achieving the target thereof.

In addition, in the event of a proposal for a large-scale purchase of share certificates of the Company that could impair the corporate value or common interests of the shareholders, the Company will require the purchaser to provide adequate time and information for the shareholders to decide whether or not to accept such large-scale purchase, and take appropriate measures from time to time to the extent permissible under the Financial Instruments and Exchange Act, the Companies Act, and other related laws and regulations, while respecting the opinions of independent outside directors.

II Effective Utilization of the Company's Assets, Formation of an Appropriate Corporate Group, and Other Special Efforts to Realize the Basic Policy on Company Control

In addition to the efforts set forth in III below, we will make every special effort to realize the Basic Policy on Company Control as follows.

1. Efforts based on the "Medium-Term Management Plan (2023 to 2026)"

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. To keep demonstrating our exclusive value to society beyond 150 years, we have developed a new management plan for the four-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.

2. Efforts toward the Strengthening and Reinforcing of Corporate Governance

We shifted to a pure holding company system in July 2003, established the management philosophy and basic management policy of the Group as well as the basic principles of the operation of the Group, and formulated the corporate governance system based on the "Basic Policy on Corporate Governance" (the "Basic Policy") as follows:

(1) Management Philosophy of the Group and Basic Policy on Our Management

Sapporo Group states its management philosophy to be "create enjoyment and contribute to enrichment" and its basic management policy is "strive to maintain integrity in corporate conduct that reinforces stakeholder trust and aim to achieve continuous growth in corporate value", and is focused on improving the corporate value of the

whole Group by achieving continuous growth and revenue and to contribute to the stakeholders in the future.

(2) Basic principles of the Operation of the Group

Under a pure holding company system, Sapporo Group has established the basic principles of group operation (the total optimization of the Group, the maintenance of autonomy of each Group company and the mutual cooperation among Group companies) and aims to maximize corporate value by achieving total optimization of Sapporo Group and creating synergies, while retaining the autonomy of each business segment.

(3) Basic Policy on the Constitution of the System of Corporate Governance

In order to realize the management philosophy and the basic policy of management and to promote the continuous improvement of the corporate value of the whole Group, we established the “Basic Policy” in December 2015. We, in accordance with this Basic Policy, regard the strengthening and reinforcement of corporate governance as an important management issue. We are clarifying the supervisory function, operating function and audit function of our Group under the holding company system, and are endeavoring to improve the transparency of the management and to reinforce the management monitoring function toward the achievement of management goals.

(4) Efforts toward Strengthening the Corporate Governance System

We have made positive efforts toward strengthening the corporate governance system as follows:

In November 1998, we have voluntarily established a “nominating committee” and a “compensation committee” (each of such committees consists of the Independent Outside Directors and the Director and President, and one chairman is elected from the Independent Outside Directors) to enhance the transparency of the operations concerning personnel and the treatment of Directors and made efforts to maintain and improve the soundness of management organizations.

In March 1999, the Managing Officer System was adopted.

In March 2002, the term of office of the Directors was reduced to one year.

In July 2003, we shifted to a pure holding company system, and since then we have gradually increased the number of Independent Outside Directors, and we have elected three Independent Outside Directors since 2009.

In December 2015, we set up an “Independent Outside Directors Committee” (which consists of the Independent Outside Directors) to encourage the Independent Outside Directors to exchange information and share their thoughts with regard to the Company and the Group’s management strategy and matters relating to corporate governance, etc.

In March 2020, to increase management efficiency and transparency, we transitioned to a Company with an Audit & Supervisory Committee, and enhanced corporate governance by increasing the percentage of the Independent Outside Directors to 50% of the Board of Directors.

In addition, we will further enhance our corporate value by further enhancing our corporate governance, enhancing management transparency and efficiency, and enabling flexible decision-making by way of increasing the percentage of the Independent Outside Directors to constitute more than 50% of the Board of Directors upon obtaining the approval of the General Meeting.

We will continue to properly establish and operate the corporate governance system of the Company, and further endeavor to strengthen and reinforce corporate governance in order to realize continuous growth and improve corporate value in the medium-to-long term.

III Efforts to Prevent the Company’s Financial and Business Policies from Being Controlled by Inappropriate

The Company has resolved, at the Board of Directors meeting held on February 15, 2023, to discontinue the Policy, and abolish the Policy at the closing of the General Meeting, on which the Policy will expire. However, in the event of a proposal for a large-scale purchase of share certificates of the Company that could impair the corporate value or common interests of the shareholders, to maximize the corporate value of the Company and ultimately the common interests of shareholders of the Company, the Company will require the purchaser to provide adequate time and information for the shareholders to decide whether to accept such large-scale purchase, and take other appropriate measures from time to time to the extent permissible under the Financial Instruments and Exchange Act, the Companies Act, and other related laws and regulations, including the timely and appropriate disclosure to be made by the Company of such information provided by the purchaser.

IV Efforts set forth in II. And III. Will Comply with the Basic Policy on Company Control, Will Not Impair the

Common Interests of the Shareholders and Will Not Pursue the Maintenance of the Status of Directors, as well as the Reasons Therefor

The efforts set forth in II above aim to enhance the corporate value and ultimately the value of the share certificates pursuant to the “Medium-Term Management Plan (2023 to 2026)” and the Basic Policy, and therefore, they comply with the Basic Policy on Company Control.

In addition, the efforts set forth in III above aim for requests to provide information regarding large-scale purchases and implementation of appropriate measures to the extent permissible under the related laws and regulations for the purpose of maximizing the corporate value of the Company and ultimately the common interests of the shareholders in the event of a proposal for a large-scale purchase of share certificates of the Company that could impair the corporate value of the Company and common interests of the shareholders. Therefore, the efforts comply with the concept of the Basic Policy on Company Control.

Accordingly, the efforts set forth in II and III above do not impair the common interests of the shareholders and do not pursue the maintenance of the status of Directors.

2. Other Matters Concerning to Corporate Governance System (Outline of Timely Disclosure System)

1. Basic Stance Regarding Timely Disclosure by the Company

The Company conducts corporate operations having stipulated, as a fundamental management policy, that it is “striving to maintain integrity in corporate conduct that reinforces stakeholder trust and aiming to achieve continuous growth in corporate value.” The Company recognizes that the timely and appropriate disclosure of information requested by the public is an essential responsibility for a corporation, and endeavors to disclose such information in a timely manner.

The Company stipulates as follows regarding the “Proper Disclosure and Management of Corporate Information” in the “Sapporo Group Code of Corporate Conduct”, for the Company, each Group and employees, and strives to act in compliance with such code.

Proper Disclosure and Management of Corporate Information, from “Sapporo Group Code of Corporate Conduct”

- The Company must properly disclose, in a timely manner, management information regarding the Company’s corporate financial condition, business activities and similar matters, and must take measures to help shareholders and investors understand Sapporo Group more deeply through investor relations activities.
- The Company must properly manage the use of insider information in accordance with the Sapporo Group Rules for Preventing Insider Trading.

2. The Company’s Internal System for Timely Disclosure

The Director of General Affairs Department is the person responsible for handling information, and the actual practices related to information disclosure such as timely disclosure are handled by the General Affairs Department as set forth below.

(1) Information collection and timely disclosure determinations

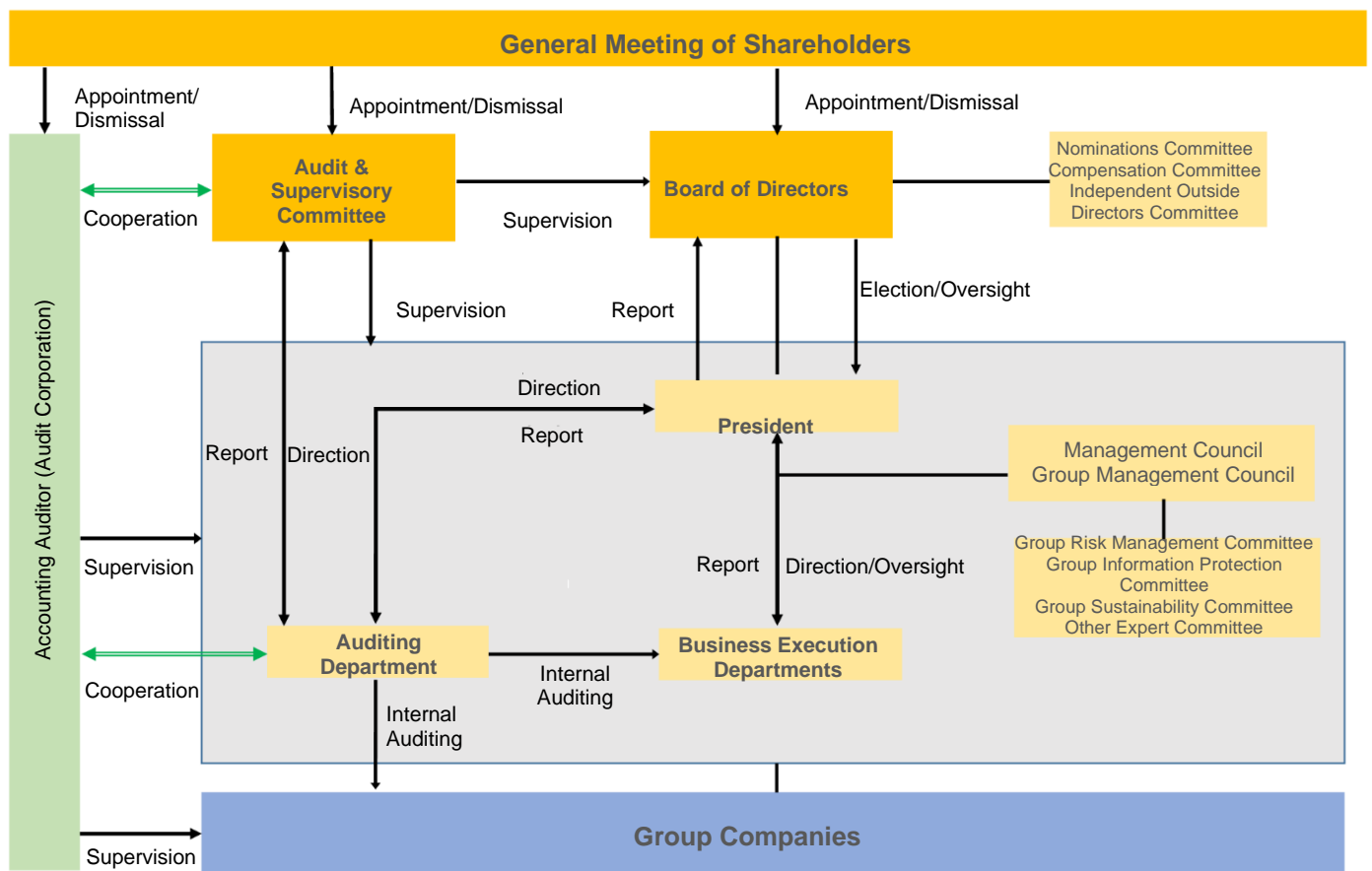
- Information collection from each division and each Group company is handled by Accounting Department (1. Financial statement information); and General Affairs Department (2. Decisions, 3-1. Facts that have arisen other than risk matters and 3-2. Risk matters).
- With respect to 1. Financial statement information, 2. Decisions, and 3-1. Facts that have arisen other than risk matters, General Affairs Department passes information on to the Timely Disclosure Consideration Meeting (handling office: General Affairs Department), which analyzes such information, and in light of the Timely Disclosure Rules, etc., prior consideration is made regarding whether to disclose and the content and method of disclosure.
- With respect to 3-2. Risk matters, the Group Risk Management Committee (administration office: General Affairs Department) analyzes the relevant risk information, considers whether to disclose the same in a timely manner, and refers the matter to the Timely Disclosure Consideration Meeting, if it is deemed necessary.

(2) Public announcement

- With respect to 1. Financial statement information, 2. Decisions, 3-1. and 3-2. Facts that have arisen including risk matters, matters are discussed or reported at the Management Council or Group Management Council (chair: President; administrative office: Director of General Affairs Department) after prior consideration at the

Timely Disclosure Consideration Meeting as set forth in (1) above, and in addition to decision-making and approval regarding such matter, the content and method, etc., of timely disclosure are determined.

- For 1. Financial statement information, and 3-1 and 3-2. Facts that have arisen including risk matters, disclosure will be made promptly after the report to the Management Council or Group Management Council is made. For 2. Decisions, disclosure will be made promptly after decision-making at the Management Council (resolution by the Board of Directors for important matters).



Skills Matrix for the Candidates for Director

With the Medium-Term Management Plan (2023 to 2026), the Company defined the basic policy to revise our business portfolio and transform the business structure for new growth. We are aiming to contribute to the well-being of people and local communities through the time and space where all our businesses provide.

For the steady promotion of the Medium-Term Management Plan and further strengthening of the supervisory function to achieve our goals, we have classified the knowledge, experience and abilities required for the Board of Directors into eight categories.

Regarding the skills of each candidate for Director, for clearer disclosure of the diversity of the Company's Directors and the efficacy of the Board of Directors, we show those particularly expected by the Company with the maximum number limited to four categories.

Corporate management	For the realization of the Group's management philosophy, we need Directors who have sufficient experience and track records as managers in order to supervise profitability improvement through business structure transformation, such as the revision of our business portfolio based on the Medium-Term Management Plan.
Financial accounting	For financial policy planning for sustainable growth in corporate value supported by the establishment of a strong financial foundation base, investment for growth with capital control, and the provision of stable shareholder returns, we need Directors who have knowledge and experience in accounting and finance.
Legal compliance Risk management	For the sustainable growth of the Group, we need Directors who have knowledge and experience in laws and corporate governance in order to improve the effectiveness of business execution based on laws, compliance, corporate governance, and risk management.
Human resources Human assets*	For the maximization of the value of human assets, which constitute as an important management base, we need Directors who have knowledge and experience in the management of diverse human assets in order to achieve our human assets strategy that accelerates the promotion of strategies and build an organization to which each employee can contribute while demonstrating their individuality.
Global operation	For the development of overseas business, which is the core of the growth strategy set forth in the Medium-Term Management Plan, we need Directors who have knowledge and experience in overseas business in order to make business decisions based on an understanding of foreign cultures, foreign market trends, country risks, etc.
Marketing	For the promotion and supervision of business utilizing our assets such as our brand, we need Directors who have experience in improving profitability and implementing a growth strategy with brand strategy, market creation, customer value development, etc., and have knowledge and experience in research and development, production engineering and consumer goods market that enables such way of manufacturing.
DX & IT	For "New Growth Through Business Structure Transformation" described in the Medium-Term Management Plan, we need Directors who have knowledge and experience in DX and IT to realize "Increase of customer touch points," "Expansion of existing and new businesses," and "Workstyle reforms" as set forth in our DX policy.
Sustainability	For ensuring both the Group's sustainable growth and CSR compliance, we need Directors who have knowledge and experience in sustainability in order to address top priority issues such as the "Realization of a decarbonized society" and "Mutual prosperity with local communities" based on the Sustainability Policy.

* The Group uses the term "human assets" (using the Chinese characters "人財," which mean "human" and "assets") to represent human resources and disseminates our belief that all employees are a company's treasure.

Name	Independence	Knowledge and experience of each director							
		Corporate management	Financial accounting	Legal compliance Risk management	Human resources Human assets	Global operation	Marketing	DX & IT	Sustainability
Hiroshi Tokimatsu		○	○	○			○		
Yoshitada Matsude		○	○		○				○
Rieko Shofu		○	○			○	○		
Tetsuya Shoji (Outside)	○	○			○	○		○	
Toshihiro Uchiyama (Outside)	○	○		○		○	○		
Makio Tanehashi (Outside)	○	○	○	○					○
Kotaro Okamura (Outside)	○	○	○		○	○			
Ryotaro Fujii (Outside)	○	○	○			○	○		
Toru Miyaishi		○			○		○	○	
Kohtaro Yamamoto (Outside)	○			○		○			○
Naoko Tanouchi (Outside)	○		○	○		○	○		

(Notes)

1. The above information is applicable to the case where all the candidates are elected at this General Meeting of Shareholders.
2. The matrix is intended to clarify the balance of skills of the Board of Directors and focuses on the skills particularly expected by the Company among those possessed by each candidate for Director. It does not represent all the skills (knowledge, experience, and capabilities) possessed by each candidate.
3. Mr. Toru Miyaishi, Mr. Kohtaro Yamamoto and Ms. Naoko Tanouchi are Audit & Supervisory Committee Members.

Variable Compensation System and Evaluation Indicators and Results, Etc. in FY2024

Classification	Indicator (Note 1)		Results, Etc.
Performance-Linked Compensation	ROE (vs. plan)	Degree of achievement of actual results relative to the targets for the fiscal year	Results: 4.1% Plan: 5.5%
	EBITDA (vs. plan)	Degree of achievement of actual results relative to the targets for the fiscal year	Results: 44.05 billion yen/ Plan: 40.70billion yen
Performance-Linked Stock Compensation	Medium to long-term financial target	“ROE” Establishment and evaluation of annual evaluation criteria against the target of the Medium-term Management Plan (8%)	Results in 2024: 4.1%
	ESG indicators	1. FTSE Russell ESG Score (Note 2) 2. MSCI ESG Rating (Note 2) Establishment of annual evaluation criteria for the scores and ratings in each indicator above 3. Amount of reduction in greenhouse gas emissions (Scopes 1 and 2)Actual results relative to the targets for the fiscal year	Results in 2024 1. 3.3 2. AA 3. Evaluation based on March 2025 preliminary figures (2024 target = 10.5% or more reduction from 2022 level)
	Employee engagement	“Work Engagement” (Note 3) Establishment of annual evaluation criteria with the results of external institutional surveys	Results in 2024: A
	Individual evaluation	Performance of each officer	Determined by the Compensation Committee based on the evaluation indicators for each individual

Notes:

- 1 The Company selected these indicators because the Company aims to contribute to its sustainable growth by basing performance-linked compensation on the results of the execution of duties in each fiscal year and by linking performance-linked stock compensation to the Company's medium to long-term corporate value.
- 2 Scores and ratings by an international external evaluation institution that collects, analyzes and evaluates ESG-related information on companies.
- 3 A state in which employees feel positive about their work and feel fulfilled.