

Our Perspectives on Sapporo's February 28, 2025 Presentation

March 5th, 2025



Table of Contents

Observations on the Audit and Supervisory Committee	3
Observations on the Independence of Outside Director Mr. Makio Tanehashi	8
Observations on the Real Estate Divestment Process	11
Observations on Sapporo's Response to 3D's Shareholder Proposal	18
Observations on Sapporo's Response to 3D's Public Inquiry	26
Disclaimer	35

Observations on the Audit and Supervisory Committee

Sapporo has not sufficiently responded to the issues raised by 3D regarding the lack of independence and expertise of the Audit and Supervisory Committee

Sapporo's Materials (February 28, 2025)

The Audit and Supervisory Committee has a majority of independent outside directors, enabling it to closely monitor the execution of duties and fulfill its supervisory function appropriately.

* The red highlight added by 3D.

Issue 1

- Our Observation: Mr. Miyaishi, who lacks independence, serves as the Chairperson of the Audit and Supervisory Committee.
- Sapporo's Response / Our View: Sapporo only provides a formalistic explanation that the majority of the Audit and Supervisory Committee consists of independent outside directors.

Issue 2

- Our Observation: The Audit and Supervisory Committee lacks the necessary expertise to make critical future decisions regarding (1) maximizing the value of the proceeds from the real estate divestiture and (2) allocating those proceeds optimally.
- Sapporo's Response / Our View:
 - Sapporo touts the expertise of the Committee members, but there is no member with the necessary expertise in business and asset divestiture processes, real estate, or capital allocation—critical areas for key future decisions.
 - Regarding Ms. Tanouchi's "M&A" skills, our understanding is that she does not have experience in large-scale M&A transactions of the multi-hundred-billion-yen scale that Sapporo envisions.

Issue 3

- Our Observation: There are deficiencies in both independence and expertise, raising doubts about whether appropriate audits can be conducted for critical decisions in the future.
- Sapporo's Response / Our View: Sapporo only discloses formal figures such as the number of Audit and Supervisory Committee meetings held and the frequency of business reports collected. This makes it impossible to determine the Committee's effectiveness.

- Composition of the Audit and Supervisory Committee
- The Audit and Supervisory Committee is composed of a majority of independent outside directors.
- Chairperson: Internal Director: Chairperson, Director Miyaishi, has experience in corporate planning, human resources, and marketing in the alcoholic beverages and food & beverage businesses. He possesses skills in corporate management, human resources & talent development, marketing, DX, and IT.
- Independent Outside Director: Director Yamamoto, as a lawyer, possesses skills in legal affairs, compliance, risk management, global business, and sustainability.
- Independent Outside Director: Director Tanouchi has experience in M&A, corporate planning, and auditing in a major food business. She possesses skills in financial accounting, legal affairs, compliance, risk management, global business, and marketing.

- Number of Audit and Supervisory Committee Meetings Held: 17
- Hearings and Exchanges of Opinions on Business Reports from Directors, etc.: Directors: 30 times, Group Executive Officers: 13 times
- Investigation of Group Companies' Performance and Financial Status, and Exchanges of Opinions: Exchanges of Opinions with Key Department Heads, On-site Inspections (Domestic Business Sites, North American Alcohol Subsidiaries, Asian Food & Beverage Subsidiaries, etc.)
- Communication with Financial Auditors, Internal Audit, and Internal Control Departments: 53 times
- Others: Attendance at important meetings, Exchange of opinions with company auditors of business companies and subsidiaries

Source: February 28, 2025 「株主提案に対する当社取締役会意見並びに当社ガバナンス体制に関する補足説明（及び株主の質問状に対する当社見解）」
 Note: 3D understand that no English version of the materials has been disclosed as of March 4th, 2025

(For reference) We have pointed out deficiencies in the Audit and Supervisory Committee from the perspectives of independence and expertise (1/3): The Audit and Supervisory Committee lacks the necessary independence for auditing, as its chairperson is an internal personnel

Our Materials (February 25, 2025)

The Audit and Supervisory Committee's independence is an extremely important factor

- The Corporate Governance Code **places significant importance on the independence of company auditors and the board of company auditors**, and this is **similarly interpreted to apply to the Audit and Supervisory Committee**

"Kansayaku and the kansayaku board should bear in mind their fiduciary responsibilities to shareholders and make decisions from an independent and objective standpoint when executing their roles and responsibilities including the audit of the performance of directors' duties, appointment and dismissal of kansayaku and external auditors, and the determination of auditor remuneration."

Corporate Governance Code Principle 4-4

- It is especially required that **the chairperson of the Audit and Supervisory Committee maintain a high degree of independence**

"I believe it is necessary to consider why independence is required. For example, it is generally agreed that a director serving as the chairperson of the Audit and Supervisory Committee should possess a high level of independence."

Professor Takahito Kato, University of Tokyo

- In companies where serious past scandals have occurred, internal personnel have served as the chairpersons of the audit committee
 - For example, at Toshiba, the former head of the finance department, who was involved in fraudulent accounting, served as the chairperson of the audit committee

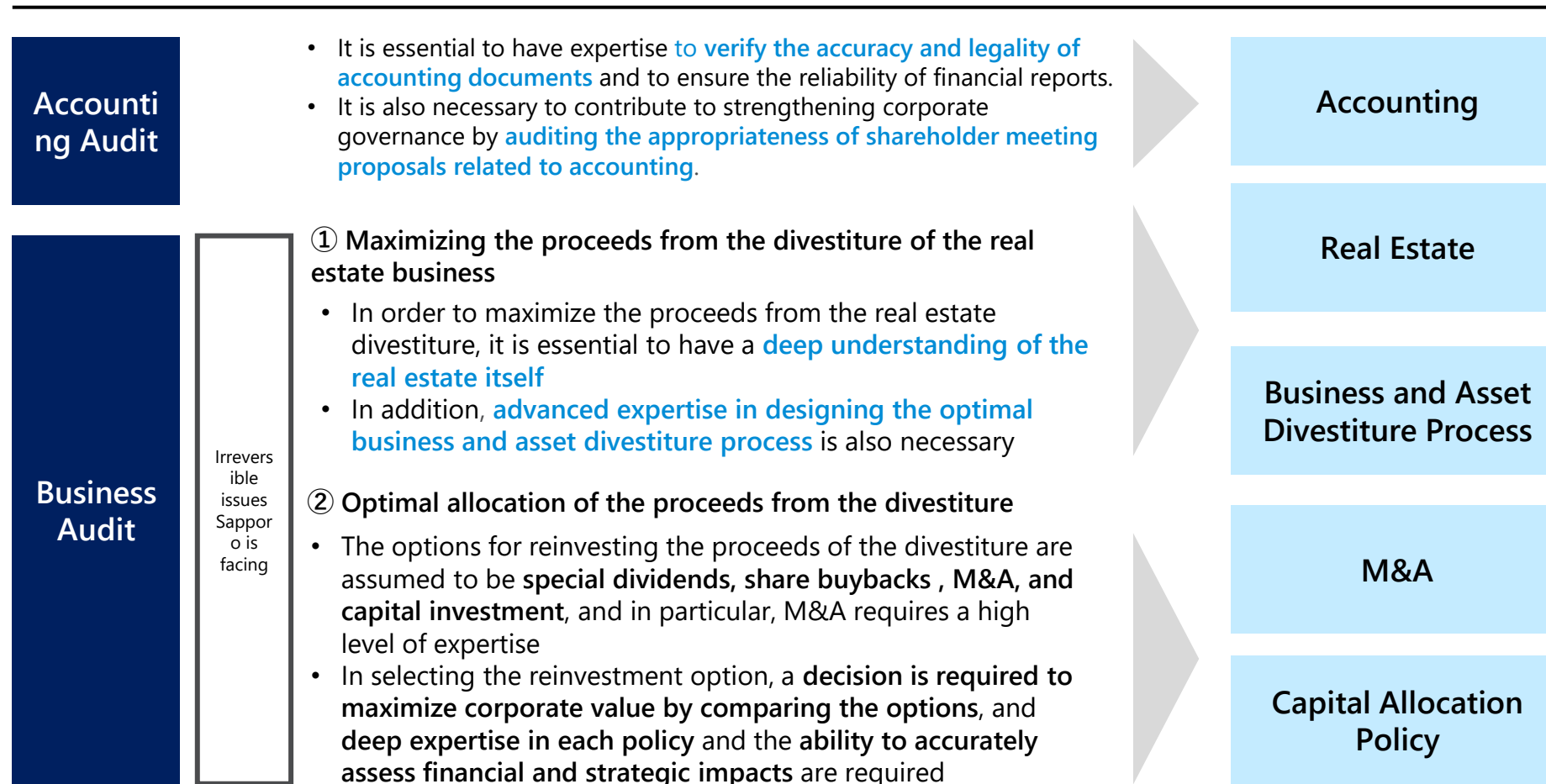
However, the chairpersons of The Audit and Supervisory Committee in the past have been internal personnel, raising concerns about their independence

Name	Tenure	Career
 Toshio Mizokami	2020/3~ 2024/3	April 1984: Joined the company (formerly Sapporo Brewery Co., Ltd.) March 2008: Manager of the Accounting Department, Sapporo Brewery Co., Ltd. (new company) March 2011: Executive Officer, Manager of the Accounting Department March 2012: Manager of the Accounting Department and Director of Sapporo Group Management Co., Ltd., Group Accounting Department Manager September 2013: Director of Sapporo Group Management Co., Ltd. March 2014: Director, General Manager of the Management Department March 2016: Senior Managing Director, Representative Director and President of Sapporo Group Management Co., Ltd. March 2017: Senior Managing Executive Officer March 2019: Full-time Audit and Supervisory Board Member March 2020: Full-time Director serving as an Audit and Supervisory Committee Member
 Toru Miyaishi	2024/3~	April 1986: Joined the company (formerly Sapporo Brewery Co., Ltd.) January 2008: Director and Executive Officer, Sapporo Beverage Co., Ltd., Marketing Department Manager September 2011: Director and Executive Officer, Sapporo Beverage Co., Ltd., General Manager of the Corporate Strategy Department March 2012: Sapporo Brewery Co., Ltd. (new company), General Manager of the Human Resources and General Affairs Department March 2013: General Manager of the Corporate Strategy Department, Sapporo Brewery Co., Ltd. March 2016: Director and Executive Officer, Sapporo Brewery Co., Ltd., Head of the Sales Division March 2017: Director and Senior Executive Officer, Head of the Sales Division, Sapporo Brewery Co., Ltd. March 2019: Director and Executive Officer, Sapporo Brewery Co., Ltd. January 2023: Director, Senior Executive Officer of Pokka Sapporo Food & Beverage Co., Ltd., and Senior Managing Director of Sapporo Group Foods Co., Ltd. November 2023: Director, Senior Executive Officer of Pokka Sapporo Food & Beverage Co., Ltd., and President & CEO of Sapporo Group Foods Co., Ltd. March 2024: Director (Full-time Audit and Supervisory Committee Member) at the company (current position)

(For reference) We have pointed out deficiencies in the Audit and Supervisory Committee from the perspectives of independence and expertise (2/3): The expertise required for accounting and business audits is as follows

Our Materials (February 25, 2025)

The expertise required for accounting and business audits



(For reference) We have pointed out deficiencies in the Audit and Supervisory Committee from the perspectives of independence and expertise (3/3): The Committee members appear to lack the necessary expertise

Our Materials (February 25, 2025)

		Mr. Miyaishi	Mr. Yamamoto	Ms. Tanouchi	
Accounting Audit	Accounting	<ul style="list-style-type: none"> His background is primarily in sales, human resources, and corporate strategy, and he lacks a certified public accountant qualification 	<ul style="list-style-type: none"> Has spent his career as a lawyer, with no experience in practical finance or management accounting 	<ul style="list-style-type: none"> Has an audit background, but no experience in finance or management accounting 	
	Business Audit	Irreversible issues Sapporo is facing	Real Estate	<ul style="list-style-type: none"> No direct involvement in key real estate practices, such as acquisition, development, management or sale 	<ul style="list-style-type: none"> No direct involvement in real estate acquisition, development, management or sale
Business and Asset Divestiture Process			<ul style="list-style-type: none"> Some experience in management strategy, but no experience large-scale selling businesses or assets 	<ul style="list-style-type: none"> No experience selling businesses or assets as an executive 	<ul style="list-style-type: none"> Some experience in corporate planning, but no experience selling businesses or assets on the scale of hundreds of billions of yen
M&A			<ul style="list-style-type: none"> Served as a director and executive officer at Sapporo Breweries at the time of the failed Stone acquisition 	<ul style="list-style-type: none"> No experience leading M&A processes as an executive 	<ul style="list-style-type: none"> Some experience in M&A, but not on the scale of hundreds of billions of yen
Capital Allocation Policy			<ul style="list-style-type: none"> Has never served in a role overseeing capital allocation or capital allocation policy 	<ul style="list-style-type: none"> Has never served in a role overseeing capital allocation or capital allocation policy 	<ul style="list-style-type: none"> Has never served in a role overseeing capital allocation or capital allocation policy

Observations on the Independence of Outside Director Mr. Makio Tanehashi

Sapporo states that Mr. Tanehashi meets formal independence criteria, but it does not address the substantive independence concerns that we have raised

Sapporo's Materials (February 28, 2025)

Issues

1-3 独立社外取締役の役割と独立性			
独立社外取締役に対して、それぞれのスキルを活かした当社の企業価値向上の実現への貢献を期待しており、全員が独立性基準を満たしております			
氏名	独立性	期待する役割	昨年賛成率
庄司 哲也	○	企業経営者としての豊富な経験、実績を有し、特に企画・人事総務・グローバル展開・DX推進に関する高い見識を有しております。事業ポートフォリオの整理、グローバル展開、DXでの業務改革等での的確な提言・助言を期待しております。	98.75%
内山 俊弘	○	企業経営者としての豊富な経験、実績を有し、特にグローバル展開・コンプライアンス・マーケティングに関する高い見識を有しております。グローバル展開、マーケティング等での的確な提言・助言を期待しております。	99.69%
種橋 牧夫	○	企業経営者としての豊富な経験、実績を有し、不動産事業・財務・コンプライアンスに関する高い見識を有しております。不動産事業での資産効率向上において、金融、不動産での豊富な経営経験に基づき的確な提言・助言を期待しております。	99.48%
岡村 宏太郎	○	投資銀行、外資系企業での豊富な業務、経営の経験、実績を有し、財務会計・グローバル展開・人事人財に関する高い見識を有しております。資本効率の向上、グローバルM&A、多様な人財活躍等に的確な提言・助言を期待しております。	99.74%
藤井 良太郎	○	プライベートエクイティファンドでの豊富な経験、実績を有し、財務会計・グローバル展開・マーケティングに関する高い見識を有しております。資本効率の向上、構造改革やグローバルM&A等の成長戦略策定・推進に的確な提言・助言を期待しております。	99.74%
山本 光太郎	○	会社法、独占禁止法、国際契約等を専門分野とし、企業法務分野に精通した弁護士としての豊富な知識と経験に基づき、職務の執行を監査・監督いただけるものと期待しております。	99.71%
田内 直子	○	大手食品企業でのM&A、経営企画、内部監査、監査役等の豊富な経験・実績・見識を有し、経営企画、内部監査、監査役、社外取締役におけるこれまでの経験に基づき、取締役の職務の執行を監査・監督いただけるものと期待しております。	99.81%

✓ 当社社外取締役は、**全員が独立性基準を満たしており**、また、金融商品取引所が定める独立性基準を満たしているため、東京証券取引所及び札幌証券取引所に対して、独立役員として届け出ております。

※当社 社外取締役独立性基準（一部抜粋）
 主要取引先（年間連結売上収益の2%以上の支払）、主要株主（総議決権の10%以上を保有）等に**現在又は過去3年間に該当していない者**

Copyright, 2025 SAPPORO HOLDINGS LTD. All rights reserved. 6

* The red highlight added by 3D.

Makio Tanehashi	Independence: ○	He has extensive experience and a proven track record as a corporate executive, with deep expertise in the real estate business, finance, and compliance. In enhancing asset efficiency in the real estate business, he is expected to provide precise recommendations and advice based on his extensive management experience in finance and real estate.	Approval rate last year: 99.48%
------------------------	------------------------	--	---------------------------------

Our Observations:

- Outside directors who represent and advocate for shareholders are required to have substantive independence, not just formal independence.
- We do not believe Mr. Tanehashi is substantively independent.
 - ✓ He is currently serving as a director of Tokyo Tatemono, a Fuyo Group company engaged in cross-shareholding, and was appointed as an outside director of Sapporo at the time when Sapporo's executive management announced a policy to increase investment in real estate business.
 - ✓ He previously served as Deputy President of Mizuho Bank, Sapporo's main bank.

Sapporo's Response / Our View:

- Sapporo merely affirms that Mr. Tanehashi formally meets both the Company's and the Tokyo Stock Exchange's independence criteria.
- Sapporo has failed to address the substantive independence issues concerning Mr. Tanehashi that we have highlighted.

(For Reference) We have disclosed our concern that Mr. Tanehashi is not substantively independent

Our Materials (February 25, 2025)

After the Mid-Term Management Plan was announced, Mr. Tanehashi was appointed as an outside director from Tokyo Tatemono to support Sapporo's real estate investment strategy

However, we have serious concerns regarding Mr. Tanehashi's independence

Candidate Number	Name (Date of Birth)	Career Summary, Position and Business Responsibility in the Company (Status of Important Concurrent Occupations or Positions at Other Organizations)
		<p>April 1979 Joined The Fuji Bank, Limited</p> <p>June 2011 Deputy President and Executive Officer, Branch Banking Division of Minsho Bank, Ltd.</p> <p>June 2011 Representative Director, Deputy President and Executive Officer, Branch Banking Division of Minsho Bank, Ltd.</p> <p>April 2012 Representative Director, Deputy President and Executive Officer, Head of Branch Banking Group of Minsho Bank, Ltd.</p> <p>March 2013 Representative Director, President & CEO of Tokyo Tatemono Real Estate Sales Co., Ltd.</p> <p>July 2015 Senior Executive Managing Officer and Division Director of Real Estate Solution Service Division of Tokyo Tatemono Co., Ltd.</p> <p>October 2015 Senior Executive Managing Officer, Division Director of Real Estate Solution Service Division, and Division Director of International Business Division of Tokyo Tatemono Co., Ltd.</p> <p>March 2016 Senior Executive Managing Officer, Director and Division Director of Real Estate Solution Service Division, and Division Director of International Business Division of Tokyo Tatemono Co., Ltd.</p> <p>January 2017 Representative Director, Chairman & Executive Officer of Tokyo Tatemono Co., Ltd.</p> <p>March 2019 Representative Director, Chairman of the Board of Tokyo Tatemono Real Estate Sales Co., Ltd. (up to the present)</p> <p>January 2021 Director of Tokyo Tatemono Real Estate Sales Co., Ltd. (up to the present)</p> <p>(Status of Important Concurrent Occupations or Positions at Other Organizations)</p> <p>Representative Director, Chairman of the Board of Tokyo Tatemono Co., Ltd.</p> <p>[Reasons for Presenting Mr. Makio Tanehashi as a Candidate for Outside Director, and an Outline of Roles He Is Expected to Play]</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 achievement of the Medium-Term Management Plan (2023 to 2026), Mr. Tanehashi is expected to offer pertinent opinions and advice regarding the important issues of creation of multilayered structure to gain profit and 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 continuous growth in corporate value, and he has thus been presented to the shareholders as a candidate for Outside Director.</p> <p>[Policy on His Independence]</p> <p>Mr. Makio Tanehashi was involved in business execution at Tokyo Tatemono Co., Ltd. until March 2019. Although there currently are no 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. Accordingly, the Company has determined Mr. Tanehashi is unlikely to have a conflict of interest with shareholders, in light of the "Standards for Independence of Outside Directors" established by the Company. In addition, the Company has notified each of the Tokyo Stock Exchange and the Sapporo Securities Exchange of his designation as an independent officer, given that he satisfies the applicable criteria of independence as stipulated by the financial instruments exchanges.</p>
8	<p>Makio Tanehashi (March 13, 1957) 66 years old</p> <p>Number of Shares Held in the Company 0 shares</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 achievement of the Medium-Term Management Plan (2023 to 2026), Mr. Tanehashi is expected to offer pertinent opinions and advice regarding the important issues of creation of multilayered structure to gain profit and 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."
[Omitted]"

Notice of Convocation for the 99th Ordinary General Meeting of Shareholders

- There are Deep Connections Between Tokyo Tatemono and Sapporo
 - Cross-shareholding exists between Tokyo Tatemono and Sapporo

Report	Company	2023	2022	Notes	Existence
Sapporo HD Securities Report	東京建物㈱	115,878	115,878	取引関係の維持・強化並びに営業協力関係の構築・推進のため	有
		245	185		
Tokyo Tatemono Securities Report	サッポロホールディングス株	111,980	111,980	ビル事業における不動産取引等を維持・強化して企業価値向上に資するため。	有
		696	367		

- Both companies are part of the Fuyo Group
 - The Fuyo Group is a corporate conglomerate consisting of companies with historical ties to the Yasuda, Asano, and Okura zaibatsu, as well as those affiliated with the Fuji Bank (now Mizuho Bank) financing network
 - The Fuyo Group continues to operate as the "Fuyo Council," with both Tokyo Tatemono and Sapporo as members

- Mizuho Bank, where Mr. Tanehashi served as Deputy President, is Sapporo's primary bank
 - As of December 2023, Sapporo's largest lender was Mizuho Bank, with outstanding loans of ¥9.0 billion
 - Additionally, Mizuho Bank and Sapporo engage in cross-shareholding

Report	Company	2023	2022	Notes	Existence
Sapporo HD Securities Report	㈱みずほファイナンス	91,432	91,432	取引関係の維持・強化並びに営業協力関係の構築・推進のため	有
	ヤルグループ	221	170		
Mizuho FG Securities Report	サッポロホールディングス株式会社	1,106,584	*	発行会社との金融分野を中心とした総合的な取引関係を維持強化するため。	有
		6,673	*		

Observations on the Real Estate Divestment Process

Sapporo, despite our specific concerns, continues to reject making a direct commitment to maximizing the value of the proceeds from the divestiture of its real estate business

Sapporo's Materials (February 28, 2025)

Issues

2-5② 中長期成長戦略

■ 不動産事業への外部資本導入について

<目的>

サッポログループ

①酒類事業への経営リソース集中
②外部資本導入により捻出されることが期待される資金を酒類事業の成長投資に投下

サッポロ不動産開発株式会社(SRE)

資本収益性の向上およびグループの企業価値を向上

サッポログループからオフバランス
戦略パートナーの資本を取り入れる等により、保有物件の価値を高め、企業価値を向上

<現在の検討状況>

2024年9月 不動産事業への外部資本導入に関する提案募集開始
2024年9月19日リリース [20240819_sh_notice_ja.pdf](#)
⇒国内外の事業会社やファンド、十数社から不動産事業への外部資本導入に関する具体的な提案を受領

2025年内 プロセス進行中。恵比寿ガーデンプレイスを保有するSRE株式の譲渡を始めとした様々な選択肢の中から、最適な方策と時間軸について検討中。年内の結論を予定

※ 本プロセスの途中段階において、パートナー候補者との協議により合意あるいは確定したものではない情報を開示することは、パートナー候補者の真摯な提案及び検討における阻害要因となり、当社の企業価値の向上のために最善の結果が導き出されない可能性があります。そのため以降の検討状況の経過開示は想定しておりません。なお、開示すべき重要な事項が発生した場合には、適時適切に開示してまいります。

※ 不動産事業への外部資本導入に関して、当社不動産の価値に関する様々な報道・外部意見の公表がなされていますが、いずれも当社が発表したものではありません。当社は今後も企業価値向上に向けて、本プロセスを推進してまいります。

Copyright, 2025 SAPPORO HOLDINGS LTD. All rights reserved. 17

* The red highlight added by 3D.

Enhancing Capital Profitability and Increasing Group Corporate Value

(Sapporo Real Estate's) Off-balancing from the Sapporo Group
Increasing the value of owned properties and enhancing corporate value by incorporating capital from strategic partners

Our Observations

- Committing to maximize the value of the proceeds from the divestiture of the real estate business, which accounts for over 70% of the Company's market capitalization, is a prerequisite for an effective process to maximize corporate value and should not be controversial

Sapporo's Response / Our View

- Despite our repeated requests that the Board make a simple commitment to maximize value, the Company continues to use vague language, such as "increasing group's corporate value" and "increasing the value of owned properties and enhancing corporate value"
- Sapporo continues to refuse to explicitly commit to maximizing the value of the proceeds from the divestiture of the real estate business

Sapporo, despite our specific concerns, continues to reject even an interim report on the real estate business divestment scheme, which is a fundamental level of transparency that should naturally be ensured for shareholders

Sapporo's Materials (February 28, 2025)

* The red highlight added by 3D.

★
SAPPORO

2-5② 中長期成長戦略

■ 不動産事業への外部資本導入について

<目的>

サッポログループ

①酒類事業への経営リソース集中

②外部資本導入により捻出されることが期待される資金を酒類事業の成長投資に投下

} →

資本収益性の向上およびグループの企業価値を向上

サッポロ不動産開発株式会社(SRE)

} →

サッポログループからオフバランス戦略パートナーの資本を取り入れる等により、保有物件の価値を高め、企業価値を向上

<現在の検討状況>

2024年9月 不動産事業への外部資本導入に関する提案募集開始
2024年9月19日リリース [20240919_sh_notice_ja.pdf](#)
⇒国内外の事業会社やファンド、十数社から不動産事業への外部資本導入に関する具体的な提案を受領

2025年内 プロセス進行中。恵比寿ガーデンプレイスを保有するSRE株式の譲渡を始めとした様々な選択肢の中から、最適な方策と時間軸について検討中。年内の結論を予定

※本プロセスの途中段階において、パートナー候補者との協議により合意あるいは確定したものではない情報を開示することは、パートナー候補者の真摯な提案及び検討における阻害要因となり、当社の企業価値の向上のために最善の結果が導き出されない可能性があります。そのため以降の検討状況の経過開示は想定しておりません。なお、開示すべき重要な事項が発生した場合には、適時適切に開示してまいります。

※不動産事業への外部資本導入に関して、当社不動産の価値に関する様々な報道・外部意見の公表がなされていますが、いずれも当社が発表したものではありません。当社は今後も企業価値向上に向けて、本プロセスを推進してまいります。

Copyright, 2025 SAPPORO HOLDINGS LTD. All rights reserved. 17

Issues

■ Our Observations

- The scheme of the real estate business divestment is a crucial factor that determines the amount of proceeds, and the Company should transparently disclose the scheme to shareholders before making a final decision
- Disclosing the divestment scheme in advance would help reduce the risk that the Board arbitrarily changes the scheme and of not achieving the divestment, thereby improving deal conditions and execution certainty
- We believe the Company should disclose the divestment scheme for the real estate business itself, but need not disclose the details of discussions with potential buyers

■ Sapporo's Response / Our View

- Without providing a clear reason, Sapporo denies the need for disclosure at an intermediate stage of the process, claiming that it could hinder sincere proposals and reviews by potential buyers
- Sapporo has also explicitly stated that it does not intend to disclose updates on the progress of subsequent reviews

*We believe that disclosing information that has not been agreed upon or finalized through discussions with potential partners at an intermediate stage of this process could hinder sincere proposals and reviews by potential partners and may prevent us from achieving the best possible outcome for enhancing our corporate value. Therefore, we do not intend to disclosing updates on the progress of subsequent reviews. However, in the event that material information arises that requires disclosure, we will make timely and appropriate disclosures.

*Regarding the introduction of external capital into our real estate business, various reports and external opinions have been published concerning the value of our real estate assets, but none of them have been released by our company. We will continue to advance this process to enhance corporate value

We believe that Sapporo's response, claiming that pre-disclosure of the real estate business divestment scheme would hinder sincere proposals and reviews by potential buyers, is unreasonable

Sapporo's Materials (February 28, 2025)

Sapporo's Response: We believe that disclosing information that has not been agreed upon or finalized through discussions with potential partners at an intermediate stage of this process could **hinder sincere proposals and reviews by potential partners** and may prevent us from achieving the best possible outcome for enhancing our corporate value

Our View

- We are requesting the **pre-disclosure of the real estate business divestment scheme to shareholders**
- Sapporo unjustifiably claims that **pre-disclosure of the real estate business divestment scheme would hinder sincere proposals and reviews by potential buyers, but in reality, the opposite is true**
 - Disclosure contributes to fostering confidence in the feasibility of the transaction and reassurance that there is no risk of changes to the scheme
 - Potential buyers will find it easier to commit resources to prepare proposals, and a mindset that maximizing price is essential to winning the competition will be cultivated
 - As a result, pre-disclosure of the scheme actually promotes serious proposals and reviews by potential buyers
- The appropriate process should be: (1) finalizing the scheme, (2) ensuring a sufficient competitive environment under the same conditions, and (3) selecting the best proposal based on quantitative price comparisons. However, Sapporo's response raises **concerns about deviations from this appropriate process**



We are deeply concerned that the lack of a public commitment to disclose the real estate business divestment scheme may lead potential buyers to perceive uncertainty regarding the project and the scheme, thereby reducing their allocation of resources to proposals or even withdrawing from the bidding process altogether

(For Reference) We believe that, in order to maximize Sapporo's corporate value, the following are essential: (1) a commitment to maximizing the proceeds from the divestiture of its real estate business, (2) the selection of an appropriate method, and (3) transparent disclosure to shareholders

Our Materials (February 25, 2025)

1

Demonstrate a commitment to shareholders regarding the maximization of proceeds from the divestiture of the real estate business

2

Select the appropriate method to maximize the proceeds from the divestiture of the real estate business

A : Determine the assets to be divested

- Include all real estate, including properties not directly owned by Sapporo Real Estate

B : Determine the method of divestiture

- Compare a tax-qualified spin-off, individual property sales and divestiture of the business entity and select the optimal scheme

C : Determine the stake to be divested

- In principle, 100% of the stake should be sold

D : Determine the timing of divestiture

- The divestiture should be carried out quickly

3

Disclose the plan transparently to shareholders and gain their support

(For Reference) We have pointed out that Sapporo's failure to commit to maximizing the proceeds from the divestiture of its real estate business is unreasonable from the perspective of maximizing corporate value

Our Materials (February 25, 2025)

Sapporo's disclosures regarding the real estate divestiture lack a firm commitment to maximizing the proceed

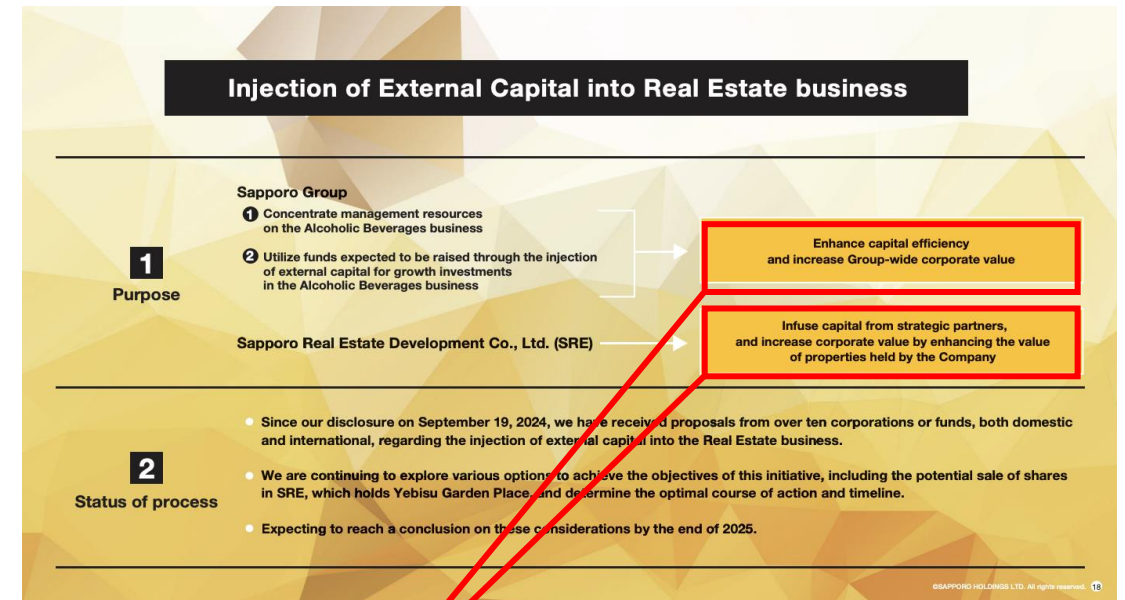
In the most recent 2024 Fiscal Year Q2 financial results, there has been no commitment to maximizing the proceeds from the real estate divestiture

"Next, with regard to the real estate business, from the perspective of increasing the value of the Group with an eye on the growth of alcoholic beverages, we are studying how to utilize this business and how to fundamentally reform our business portfolio, with experts also involved. Specifically, we are now extensively considering all options, including the introduction of external capital into Sapporo Real Estate Development Co., Ltd., the sale of individual properties, and the tax-qualified spin-offs proposed by our shareholders. We would like to refine our considerations and seek specific proposals from a wide range of potential strategic partners to increase the value of our real estate business. By considering these proposals, we would like to clarify the options that will contribute the most to increasing the value of the Group."

2024 Fiscal Year Q2 Financial Results Presentation

Mr. Oga explained that for the bidding, he requested proposals for the entire business, rather than for individual properties, with the aim of "maximizing the group's corporate value."

Nikkei December 20, 2024. (Translated)



* The red highlight added by 3D.

Sapporo's disclosures remain limited to expressions such as 'increase Group-wide corporate value' and 'enhancing the value of properties held by the Company'

(For Reference) We have pointed out that Sapporo should pre-disclose the real estate business divestment scheme to ensure transparency for shareholders and establish a fair competitive environment among potential buyers

Our Materials (February 25, 2025)

The appropriate process for the divestiture of the real estate business

(1) Publish an interim report on the real estate divestiture scheme

- Based on the proposals received after September 2024, finalize a specific real estate divestiture scheme, including the following:
 - ① Real estate to be divested
 - ② Plan of divestiture
 - ③ Stake to be divested
 - ④ Timing of divestiture
- Provide a detailed explanation to shareholders in the interim report, justifying why this scheme is expected to maximize corporate value

(2) Publish the final report on the buyer and the transfer price

- If the sale of individual properties or the divestiture of a business entity is selected, the final buyer and transfer price should be determined after soliciting proposals again following the interim report
- The final report to shareholders should include a detailed explanation of why the transfer price is considered to be the maximum, along with the disclosure of the final plan, buyer, and transfer price

The benefits of this process

(1) Ensuring transparency to shareholders

- By conducting interim and final reports, shareholders will be able to fully understand the progress and final decision-making details of the real estate divestiture

(2) Maximizing the transfer price by establishing a proper and fair competitive bidding process among potential buyers of the real estate

Establishment
of a proper
and fair
competitive
bidding
process

- If an interim report is provided, potential buyers will be able to confirm a sufficient commitment to the real estate divestiture, thus alleviating concerns about the risk of the transaction being canceled
- As a result, the allocation of resources for proposal evaluation will be strengthened, leading to higher-quality proposals
- Furthermore, demonstrating commitment will alleviate concerns that potential buyers may focus more on aspects such as the transaction scheme rather than the price itself

Maximization
of the sale
price

- By establishing a proper and fair competitive bidding process, competition among potential buyers will be focused on maximizing the price, leading to an expected increase in the transfer price

Observations on Sapporo's Response to 3D's Shareholder Proposal

Sapporo has presented four reasons why the Board of Directors is opposed to our shareholder proposal

Sapporo's Materials (February 28, 2025)

3 エグゼクティブ・サマリー

本株主提案では、提案株主の当社に対する「資本規律への疑義」「取締役会の監督機能への疑義」「取締役会の専門性への疑義」「取締役会の透明性への疑義」の4つの疑義から、(i) Paul J. Brough氏を監査等委員である取締役として選任すること、(ii) (i) が承認可決されない場合にPaul J. Brough氏を監査等委員でない取締役として選任すること、を求めています。

しかしながら、提案株主が述べる疑義の根拠となる諸事項について、当社の現体制には当たらないと考えます。当社取締役会としては、当社が目指す中長期的な企業価値向上並びに株主の皆様利益のためには、現在の取締役体制が最適と考えており、本株主提案に**反対**いたします。

当社取締役会が本株主提案に反対する理由は、以下の4点です。

- ① 当社のコーポレート・ガバナンス体制の強化への取り組み
- ② 強化されたコーポレート・ガバナンス体制の下で、企業価値向上のため諸施策の策定及び執行を適切に実行してきたこと
- ③ 現在の提案する取締役体制が最適であること
- ④ 株主提案の候補者のスキルセットや資質・経験等を踏まえ、Paul J. Brough氏を追加で取締役とすべきとは考えられないこと

Copyright, 2025 SAPPORO HOLDINGS LTD. All rights reserved. 19

Sapporo's Claims

1) Efforts to Strengthen our Corporate Governance Structure

2) Under the Strengthened Corporate Governance Structure, the Company Has Appropriately Formulated and Executed Various Measures to Enhance Corporate Value

3) The Currently Proposed Board Structure Is Optimal

4) Considering the skill set, qualifications, and experience of the shareholder proposal candidate, Mr. Paul J. Brough should not be additionally appointed as a director

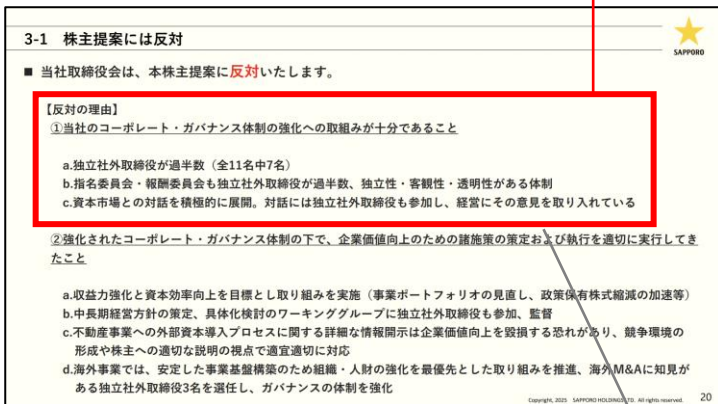
* The red highlight added by 3D.

- 1) Efforts to Strengthen our Corporate Governance Structure
- 2) Under the Strengthened Corporate Governance Structure, the Company Has Appropriately Formulated and Executed Various Measures to Enhance Corporate Value
- 3) The Currently Proposed Board Structure Is Optimal
- 4) Considering the skill set, qualifications, and experience of the shareholder proposal candidate, Mr. Paul J. Brough should not be additionally appointed as a director

① Sapporo asserts that its efforts to strengthen its corporate governance structure are sufficient; however, the Board's claim is based solely on formal requirements and fails to address any initiatives related to the Audit and Supervisory Committee

Sapporo's Materials (February 28, 2025)

Issues



* The red highlight added by 3D.

[Reasons for Opposition]

1) Our efforts to strengthen the corporate governance structure are sufficient:

- Independent outside directors make up the majority (7 out of 11 members).
- The Nomination and Compensation Committees also consist of a majority of independent outside directors, ensuring independence, objectivity, and transparency.
- We actively engage in dialogue with the capital markets. Independent outside directors also participate in these discussions, incorporating their opinions into management decisions.

■ Our Observations

- Sapporo lacks discipline in capital management and commitment to shareholders, which creates a risk that the Company could (1) fail to maximize the value of proceeds of divestiture of the real estate business and (2) misallocate the proceeds, both of which could irreversibly impact corporate value
- To minimize this risk, Mr. Paul Brough should be appointed as a director who is a member of Audit and Supervisory Committee to strengthen the oversight of the Board of Directors and the Audit and Supervisory Committee

■ Sapporo's Response

- Sapporo claims that the number of outside directors is sufficient and that it engages in dialogue with capital markets, arguing—based solely on formal criteria—that their efforts to strengthen the corporate governance structure are sufficient


■ Our View

- Our proposal aims to create an effective governance structure that is necessary and adequate to maximize corporate value, not one that merely complies with formal criteria. Sapporo's declaration that its governance structure is sufficient based only on formal standards is unreasonable
- Sapporo has provided no assurance that the Audit and Supervisory Committee's oversight is effective

② Sapporo claims to have appropriately formulated and executed measures to enhance corporate value; however, Sapporo has misdirected the discussion and made claims that contradict the facts

Sapporo's Materials (February 28, 2025)

Issues

<p>3-1 株主提案には反対</p> <p>■ 当社取締役会は、本株主提案に反対いたします。</p> <p>【反対の理由】</p> <p>①当社のコーポレート・ガバナンス体制の強化への取組みが十分であること</p> <p>a.独立社外取締役が過半数（全11名中7名）</p> <p>b.指名委員会・報酬委員会も独立社外取締役が過半数、独立性・客観性・透明性がある体制</p> <p>c.資本市場との対話を積極的に展開。対話には独立社外取締役も参加し、経営にその意見を取り入れている</p> <p>②強化されたコーポレート・ガバナンス体制の下で、企業価値向上のための施策の策定および執行を適切に実行してきたこと</p> <p>a.収益力強化と資本効率向上を目標とし取り組みを実施（事業ポートフォリオの見直し、政策保有株式縮減の加速等）</p> <p>b.中長期経営方針の策定、具体化検討のワーキンググループに独立社外取締役も参加、監督</p> <p>c.不動産事業への外部資本導入プロセスに関する詳細な情報開示は企業価値向上を毀損する恐れがあり、競争環境の形成や株主への適切な説明の観点で適宜適切に対応</p> <p>d.海外事業では、安定した事業基盤構築のため組織・人材の強化を最優先とした取り組みを推進、海外M&Aに知見がある独立社外取締役3名を選任し、ガバナンスの体制を強化</p>	
---	---

* The red highlight added by 3D.

2) Under the Strengthened Corporate Governance Structure, the Company Has Appropriately Formulated and Executed Various Measures to Enhance Corporate Value

- Implemented initiatives aimed at **strengthening profitability and improving capital efficiency**, including reviewing the business portfolio and accelerating the reduction of policy shareholdings
- Formulated **medium- to long-term management policies**, with independent outside directors participating in and supervising the working groups conducting concrete discussions
- Claims that disclosing detailed information about the external capital introduction process for the real estate business could harm corporate value, and will handle the matter appropriately from the perspective of fostering a competitive environment and providing adequate explanations to shareholders
- In overseas operations, prioritized **organizational and human resource development** to establish a stable business foundation. Appointed three independent outside directors with expertise in overseas M&A to enhance governance structure

■ Our Observations

- The establishment of Sapporo's Group Strategy Review Committee, the confirmation of the real estate divestment policy, and the expansion of divestment targets were **only implemented due to our engagement**
- Pre-disclosing the real estate business divestment scheme would **enhance transparency for shareholders and encourage interest and sincere proposals from potential buyers**
- Prior to this, Sapporo should naturally commit to **maximizing the value of the proceeds from the divestiture of its real estate business**

■ Sapporo's Response

- Sapporo claims that its efforts to enhance corporate value are sufficient as if Sapporo had voluntarily carried out measures a. to d. as listed on the left.
- Sapporo claims that detailed disclosure of the real estate business divestment process would harm corporate value

■ Our View

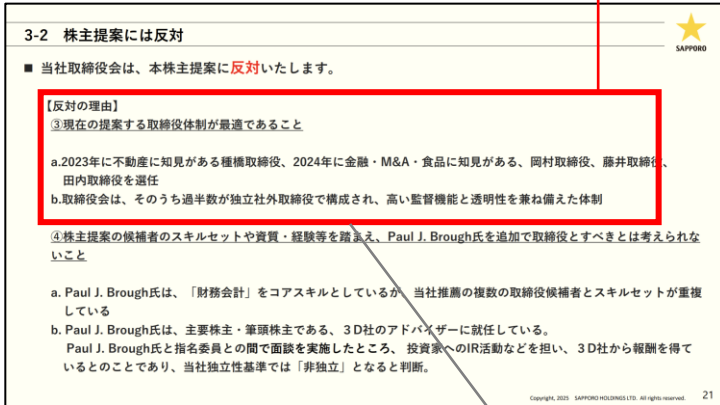
- We do not believe that Sapporo would have formulated and executed these measures to enhance corporate value without our engagement**
- Sapporo's continued refusal to commit to maximizing the value of proceeds from the divestiture of its real estate business is irrational**
- We are requesting disclosure of the divestment scheme, yet the Company arbitrarily reframes this as a demand for "detailed" disclosure and unreasonably claim—without any valid explanation—that it would harm corporate value**

Source: February 28, 2025 「株主提案に対する当社取締役会意見並びに当社ガバナンス体制に関する補足説明（及び株主の質問状に対する当社見解）」

Note: 3D understand that no English version of the materials has been disclosed as of March 4th, 2025

③ Sapporo claims that the currently proposed Board structure is optimal; however, Sapporo has misdirected the discussion and avoided addressing the issues we have pointed out

Sapporo's Materials (February 28, 2025)



* The red highlight added by 3D.

[Reason for Opposition]

3) The Currently Proposed Board Structure Is Optimal

- a. In 2023, Director Tanehashi, who has expertise in real estate, was appointed. In 2024, Directors Okamura, Fujii, and Tauchi, who have expertise in finance, M&A, and the food industry, were appointed
- b. The Board of Directors is structured so that the majority of its members are independent outside directors, ensuring strong supervisory functions and transparency

Issues

Our Observations

- As Sapporo faces two critical decisions—(1) maximizing the value of the proceeds from divestiture of its real estate business and (2) optimally allocating the divestment proceeds—it is essential to strengthen the function of the Audit and Supervisory Committee and enhance oversight in the appropriateness audits to prevent poor decision-making
- The current Audit and Supervisory Committee Chairperson, Mr. Miyaishi, was directly involved in past M&A transactions that resulted in significant impairment losses. Furthermore, the Audit and Supervisory Committee members lack the necessary expertise to audit such important future decisions, leading to a deficiency in both independence and expertise within the committee

Sapporo's Response

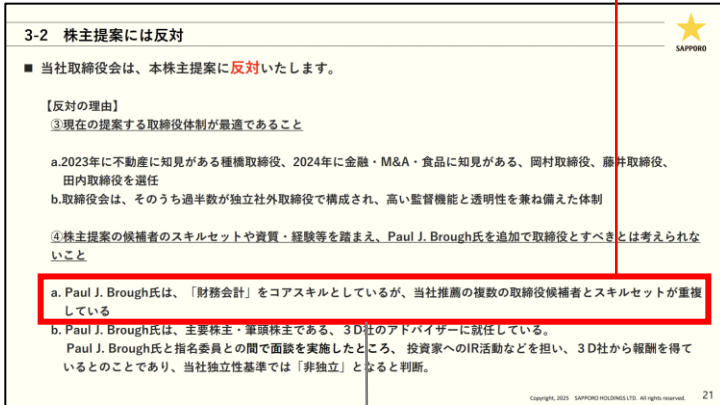
- The Company argues that expertise in real estate, finance, M&A, and the food industry exists among directors who are NOT members of the Audit and Supervisory Committee, and therefore, the Board composition is optimal
- The Company claims that the supervisory function is sufficient simply because the majority of the Board consists of outside directors, relying only on formal requirements

Our View

- The Company merely asserts that directors who are NOT members of the Audit and Supervisory Committee possess the required expertise, without addressing the lack of independence and expertise within the Audit and Supervisory Committee itself
- Because ongoing governance failures stemming from inadequate capital discipline and insufficient commitment to shareholders can be observed, it is clear that Sapporo's statement, which relies solely on formal requirements, is mistaken

④-1 Sapporo claims that Mr. Paul Brough should not be appointed as a director based on his qualifications and experience; however, this claim minimizes and misrepresents Mr. Brough's substantial expertise

Sapporo's Materials (February 28, 2025)



* The red highlight added by 3D.

a. Mr. Paul J. Brough's core skill is "financial accounting", but his skill set overlaps with multiple director candidates recommended by the company

Issues

Our Observations

- As the Company faces two critical decisions—(1) maximizing the value of the proceeds from divestiture of its real estate business and (2) optimally allocating the divestment proceeds—the Audit and Supervisory Committee must have expertise in accounting, real estate, business and asset divestment processes, M&A, and capital allocation policies
- Paul Brough possesses extensive experience directly related to these areas, making him a suitable, well-qualified candidate for appointment as a director who is a member of the Audit and Supervisory Committee

Sapporo's Response

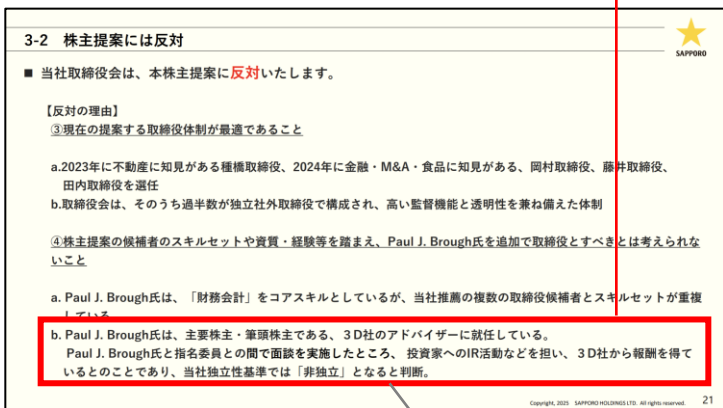
- The Company asserts that Mr. Paul Brough's core skill is limited to "financial accounting" and claims that his expertise overlaps with other director candidates

Our View

- Paul Brough's expertise is not limited to financial accounting alone. The Company's attempt to restrict his core skill to financial accounting is arbitrary and unreasonable
- In addition to financial accounting expertise, Mr. Paul Brough is also an experienced public company outside director, a turnaround expert, and has served as an advisor and corporate director in many restructurings, strategic review processes, asset sales, acquisitions, take-private transactions and real estate businesses. We believe he has more experience in these areas than any of Sapporo's incumbent directors
- Mr. Paul Brough is a Chartered Accountant (FCA) in the UK, a credential that no other director candidate holds, which illustrates that Sapporo's claim that his skill set overlaps with other candidates is also arbitrary and irrational

④-2 Sapporo claims that Mr. Paul Brough should not be appointed as a director based on his qualifications and experience; however, these claims regarding Mr. Paul Brough's independence are arbitrary and unreasonable

Sapporo's Materials (February 28, 2025)



* The red highlight added by 3D.

- b. Mr. Paul J. Brough currently serves as an advisor to 3D, the company's major and largest shareholder
In a meeting between Mr. Paul J. Brough and the **Nomination Committee**, he stated that he is engaged in **IR activities for investors** and receives compensation from 3D. Based on the company's **independence criteria**, he has been deemed "non-independent"

Issues

Our Observations

- 3D is not Sapporo's parent company and therefore does not violate any of the Tokyo Stock Exchange's independence standards
- Mr. Paul Brough does not have an executive role at 3D and is not involved in our operations, including investor relationship management, and clearly does not fall under the definition of a key shareholder's business executor. Therefore, he does not violate Sapporo's own independence standards
- If Mr. Paul Brough were to assume the position of director, his advisory contract with 3D would be immediately terminated, and restrictions would be placed on the exchange of information

Sapporo's Response

- Based on the misunderstanding that Mr. Paul Brough engages in IR activities for investors of 3D, they claim he is not independent

Our View

- Mr. Paul Brough has not engaged in IR activities for 3D's investors; Sapporo's initial response to our shareholder proposal seems to recognize this fact, but the Company has since arbitrarily adjusted its disclosure to distort Mr. Brough's role (see next page ①)
- 3D has consistently stated that Mr. Paul Brough intends to terminate his advisory contract upon his appointment as a director. Nevertheless, Sapporo has omitted this fact from its recent disclosure (see next page ②)

(For reference) Sapporo has arbitrarily altered its disclosures to distort and omit key facts regarding Mr. Brough's independence from 3D

Sapporo's Materials (February 17, 2025)

As confirmed in an interview with him [Mr. Brough] by the Nominations Committee, he [Mr. Brough] has been serving as an advisor to the proposing shareholder since February 2024 and has been receiving compensation from the proposing shareholder (2) (he has stated that he will resign from this position upon assuming office as an outside director). He is also primarily responsible for investor relations activities, including dialogue with the proposing shareholder's investors, and (1) considered to be performing duties equivalent to those of an executive officer of the proposing shareholder. In light of these circumstances, the Company has decided that, from the perspective of

* The red and blue highlight added by 3D.

Sapporo's Materials (February 28, 2025)

④株主提案の候補者のスキルセットや資質・経験等を踏まえ、Paul J. Brough氏を追加で取締役とすべきとは考えられないこと

a. Paul J. Brough氏は、「財務会計」をコアスキルとしているが、当社推薦の複数の取締役候補者とスキルセットが重複している

b. Paul J. Brough氏は、主要株主・筆頭株主である、3D社のアドバイザーに就任している。
Paul J. Brough氏と指名委員との間で面談を実施したと (1) 投資家へのIR活動などを担い、3D社から報酬を得ているとのことであり、当社独立性基準では「非独立」となると判断。

* The red highlight added by 3D.

4) Considering the Skill Set, Qualifications, and Experience of the Shareholder Proposal Candidate, Mr. Paul J. Brough Should Not Be Additionally Appointed as a Director

- Mr. Paul J. Brough's core skill is "financial accounting", but his skill set overlaps with multiple director candidates recommended by the company
- Mr. Paul J. Brough currently serves as an advisor to 3D, the company's major and largest shareholder. In a meeting between Mr. Paul J. Brough and the Nomination Committee, he stated (1) that he is engaged in IR activities for investors and receives compensation from 3D. Based on the company's independence criteria, he has been deemed "non-independent"

1 In its February 17 disclosure materials, Sapporo stated that Mr. Brough is "considered to be performing duties equivalent to those of an executive officer of the proposing shareholder." In its February 28 disclosure materials, the Company, without justification, exaggerated Mr. Brough's role, stating that he is "engaged in IR activities for investors and receives compensation from 3D"

2 The statement that Mr. Paul Brough "will resign from this position upon assuming office as an outside director," which was included in Sapporo's February 17 disclosure materials, has been removed in the Company's February 28 disclosure materials

Observations on Sapporo's Response to 3D's Public Inquiry

3D sent a public letter to Sapporo urging the Company to answer critical questions regarding the root causes of the impairment loss recorded on the multiple acquisition and issues related to capital discipline

Our Materials (February 25, 2025)

To ensure that shareholders can exercise their voting rights with sufficient information at the 101st Shareholders Meeting, 3D sent a public letter to Sapporo on February 18, 2025, requesting a public response by February 28

3D Investment Partners Issues Open Letter to Sapporo's Board of Directors Reiterating Concerns Regarding the Company's Severe Lack of Capital Discipline Amid Repeated Large-Scale M&A Impairments

Requests that Sapporo's Board of Directors Provide a Public Response to Critical Questions Concerning the Lack of Capital Discipline to Enable Shareholders to Make Informed Voting Decisions at Sapporo's Upcoming AGM

Emphasizes the Urgency for Enhanced Capital Discipline as Sapporo Prepares to Divest Real Estate Worth ~70% of Sapporo's Current Market Capitalization and Faces Crucial Decision of How to Reallocate the Proceeds

February 18, 2025 04:00 AM Eastern Standard Time

February 18, 2025

Sapporo Holdings Limited
4-20-1 Ebisu, Shibuya-ku, Tokyo
Attn: Board of Directors
(C): Mr. Haruki Takimatsu, Executive Group Managing Officer

1 Temasek Avenue
#20-02A Midland Tower, Singapore
3D Investment Partners Pte. Ltd.

Dear Board of Directors,

We write to express our continued frustration and concern with the Board's lack of a timely and substantive response to our inquiries regarding the root causes of the Company's acquisition failures and lack of capital discipline.

As we have repeatedly pointed out, Sapporo's consistent suboptimal allocation of capital has resulted in impairment losses on all of the Company's overseas alcohol beverage acquisitions. Unless Sapporo identifies the root cause of its past acquisition failures, establishes a proper oversight framework, and implements strict capital discipline, we fear that the Company will continue to misallocate capital, leading to further, and possibly irreversible, destruction of corporate value.

As one of Sapporo's largest investors, we believe we have a responsibility to work on behalf of other shareholders, with whom our interests are aligned, to ensure that the Board properly addresses this critical issue of capital discipline.

Accordingly, we initially shared in our letter dated February 6, 2025 (the "February 6 Letter") a list of questions aimed at understanding the root causes of the failed investment in Stone Brewing ("Stone") and the Company's lack of capital discipline. The Board has refused to answer those questions. The Board also failed to substantively address the requests outlined in our letter dated February 14, 2025 (the "February 14 Letter"). Then, on February 17, 2025, Sapporo published the "Notice Regarding the Board of Directors' Opinion on Shareholder Proposals," in which it formally opposed our proposals to enhance the composition of the Board at the Company's 101st Annual General Meeting of Shareholders (the "AGM").

With Sapporo planning to divest a substantial portion of its real estate assets and realize hundreds of billions of yen in proceeds in the near future, establishing strict capital discipline and formulating an appropriate capital allocation policy is more critical than ever. However, we believe the current Board, particularly the Audit & Supervisory Committee members, lacks the necessary expertise to maximize the sale price of Sapporo's real estate assets and appropriately reinvest the proceeds. We believe that many other shareholders share these concerns.

Accordingly, we are today making our concerns public and sharing our questions for the Board with other shareholders. All shareholders have a legitimate interest in receiving answers to these questions ahead of the AGM so that they have sufficient information to make informed voting decisions and, if necessary, hold the Board accountable for its failures of oversight and capital discipline.

We therefore request that Sapporo publicly respond to the attached questions by February 28, 2025. We look forward to continuing to engage with you on these critical matters.

Sincerely,

1


1 The company disclosed in its 99th Securities Report that the acquisition price for 100% of Stone's shares was approximately USD 180 million. Additionally, in the announcement dated June 21, 2022, the company disclosed that Stone's consolidated net assets as of the end of December 2021 were USD 52 million. Thus, the price-to-book ratio is estimated to be approximately 3.4x.

2

3

Sapporo published its response to the public inquiry in a document dated February 28, 2025

Sapporo's Materials (February 28, 2025)

 (別紙)

株主提案に対する当社取締役会意見並びに当社ガバナンス体制に関する補足説明
(及び株主の質問状に対する当社見解)

Board of Directors' Opinion on Shareholder Proposals and Supplementary Explanation
Regarding Our Governance Structure (and Our View on Shareholders's Questions)

2025年2月28日
URL <https://www.sapporoholdings.jp>

Copyright, 2025 SAPPORO HOLDINGS LTD. All rights reserved. 0

* The text within the square brackets added by 3D.

4. 株主の質問状に対する当社見解

4. Sapporo's View on Shareholder Questions

※文中に記載の【取締役会への質問】【監査等委員会への質問】の各番号は、3D社が公表した質問の番号に該当いたします。

Copyright, 2025 SAPPORO HOLDINGS LTD. All rights reserved. 23

* The text within the square brackets added by 3D.

However, we believe that these responses do not align with the intent of our inquiries, which is to clarify the fundamental causes of this series of problems and identify where responsibility lies

We kindly request that shareholders exercise the voting rights after engaging in dialogue with Sapporo and obtaining sufficient responses to these questions (1/6)

Our Materials (February 25, 2025)

Question to the Sapporo Board of Directors

Purpose of the Question

- | | |
|--|---|
| <p>1</p> <ul style="list-style-type: none">What measures did the Board take at each stage of the Stone Brewing (“Stone”) acquisition process (identification, evaluation, negotiation, approval, execution, and integration) to minimize potential losses and maximize the likelihood of success? | <ul style="list-style-type: none">The question aims to confirm how risks were identified at each stage of the Stone acquisition process (identification, evaluation, negotiation, approval, execution, and integration) and what measures were taken to address the identified risks. |
| <p>2</p> <ul style="list-style-type: none">At the time of the 2022 acquisition of Stone, the U.S. craft beer market was already in decline, and the failure of Sapporo’s previous acquisition of the U.S. craft beer company Anchor Brewing was evident. Given this situation, please explain, using quantitative data, the basis on which the Board was convinced that acquiring Stone would contribute to corporate value enhancement. | <ul style="list-style-type: none">The question asks for a quantitative explanation of the basis on which the Board was convinced that the acquisition of Stone would contribute to corporate value enhancement, despite the fact that, at the time of acquisition of Stone, market trends and past track records already indicated significant risks associated with acquiring Stone. |
| <p>3</p> <ul style="list-style-type: none">Despite Stone’s declining sales and continued unprofitability at the time of the acquisition, Sapporo acquired the company at a price-to-book ratio of approximately 3.4 times. How did the Board justify this acquisition price? Additionally, please describe the company’s post-acquisition profitability plan, its projected timeline, and the reasons why this plan ultimately failed. | <ul style="list-style-type: none">The question seeks to understand how the acquisition price of Stone—at approximately 3.4 times its price-to-book ratio—was justified despite the recognized reasonable risks at the time of acquisition. Additionally, it asks for details on the post-acquisition profitability plan, its projected timeline, and the reasons why the plan failed. |
| <p>4</p> <ul style="list-style-type: none">The Board insisted that thorough due diligence was conducted on the Stone acquisition, synergies were identified, and past failures would not be repeated. However, in January 2025, Sapporo recorded an impairment loss of JPY 13.9 billion related to the acquisition. What specific actions did the Board take to prevent this impairment loss? | <ul style="list-style-type: none">The question seeks to confirm the specific measures the Board took to prevent impairment losses resulting from the acquisition of Stone. |

We kindly request that shareholders exercise the voting rights after engaging in dialogue with Sapporo and obtaining sufficient responses to these questions (2/6)

Our Materials (February 25, 2025)

Question to the Sapporo Board of Directors

Purpose of the Question

- | | |
|--|---|
| <p>5</p> <ul style="list-style-type: none">▪ Sapporo has recorded impairment losses on all of its overseas acquisitions, including Sleeman Breweries, Sapporo Vietnam, Anchor Brewing, and Stone. Given these past failures, why was the Board confident in the success of the Stone acquisition? Furthermore, compared to previous failed acquisitions, what additional measures did the Board implement in the evaluation and execution process of the Stone acquisition? Why did these additional measures fail to produce effective results? | <ul style="list-style-type: none">▪ The question is based on suspicions that the acquisition was carried out without learning from past failures. It seeks to confirm the differences between past failures and the acquisition of Stone by asking: (1)The reasons why the Board was confident in the success of the Stone acquisition despite past failures. (2)Additional measures the Board implemented in the evaluation and execution process of the Stone acquisition, based on lessons learned from past failures. (3)The reasons why these additional measures failed to produce effective results. |
| <p>6</p> <ul style="list-style-type: none">▪ Sapporo has incurred impairment losses on every overseas M&A deal. What are the root causes of these failures? From the perspectives of human resources, expertise, strategy, process, and oversight mechanisms, what corrective actions should be taken to prevent future capital allocation failures? How does the Board plan to address these issues? Additionally, what specific preventive measures has the Board implemented based on past capital allocation failures? | <ul style="list-style-type: none">▪ The question is regarding the fact that impairment losses have been recorded in all overseas M&A cases. It seeks to confirm: (1)The root causes of the impairment losses recorded in all overseas M&A cases. (2)Based on this, what corrective actions should be taken to prevent future capital allocation failures. (3)The Board's plan to address these issues. (4)The specific preventive measures the Board has implemented based on past capital allocation failures. |
| <p>7</p> <ul style="list-style-type: none">▪ Has the Board held any members of management accountable for failed acquisitions? Are any current directors responsible for these failures? What actions has Sapporo taken regarding the management and divisions responsible for these losses? Furthermore, what additional measures does the Board plan to take to prevent repeated acquisition failures and capital allocation missteps? | <ul style="list-style-type: none">▪ The question is to confirm whether there has been any pursuit of accountability towards the management regarding previous failed acquisitions. |

We kindly request that shareholders exercise the voting rights after engaging in dialogue with Sapporo and obtaining sufficient responses to these questions (3/6)

Our Materials (February 25, 2025)

Question to the Sapporo Board of Directors

Purpose of the Question

- | | | |
|---|--|--|
| 8 | ▪ Given the large amount of capital that will be available from the planned real estate divestiture, how does Sapporo intend to revise its M&A evaluation process, capital allocation decision-making framework, and personnel in charge of these areas? | ▪ The question is to confirm whether the decision-making regarding the reallocation of the large amount of capital that will be available from the planned real estate divestiture will be appropriately made, by inquiring about the M&A evaluation process, the capital allocation decision-making framework, and any planned changes to the personnel in charge of these areas. |
| 9 | ▪ How can shareholders be assured that the Board will establish strict capital discipline and prevent the recurrence of past capital allocation failures? | ▪ The question is intended to confirm whether there are circumstances that would assure shareholders that the Board will establish strict capital discipline and prevent the recurrence of past capital allocation failures. |

We kindly request that shareholders exercise the voting rights after engaging in dialogue with Sapporo and obtaining sufficient responses to these questions (4/6)

Our Materials (February 25, 2025)

Question to Sapporo's Audit and Supervisory Committee

Purpose of the Question

- | | |
|---|--|
| <p>1</p> <ul style="list-style-type: none">What role did the Audit and Supervisory Committee play in the Stone acquisition process? Please describe the specific activities conducted by the Committee in connection with this acquisition. Furthermore, why did the audit at the time of the acquisition fail to prevent the impairment loss recorded after the acquisition? | <ul style="list-style-type: none">The question asks for an explanation of the Audit and Supervisory Committee's role and specific activities in relation to the Stone acquisition, given that the acquisition has led to impairment losses. It seeks clarification on whether the audit at the time of the acquisition was insufficient and, if it functioned adequately, the reasons why it was unable to prevent the recognition of impairment losses. |
| <p>2</p> <ul style="list-style-type: none">What due diligence did the Audit and Supervisory Committee conduct when approving the acquisition of Stone? In particular, please explain the results of the accounting audit related to intangible fixed assets and goodwill. | <ul style="list-style-type: none">The question aims to confirm whether the Audit and Supervisory Committee conducted sufficient due diligence when approving the acquisition of Stone, given that the acquisition was made at approximately 3.4 times the price-to-book ratio (PBR). Specifically, it seeks to understand how the committee evaluated the accounting audit results related to intangible fixed assets and goodwill. |
| <p>3</p> <ul style="list-style-type: none">How did the Audit and Supervisory Committee evaluate Stone's past and future business performance and corporate value? How did the Committee verify the appropriateness of the acquisition price determined by the Board? Additionally, did the Committee identify any discrepancies, impairment risks, or other concerns during the evaluation process? When and how did the Committee recognize the impairment risk? | <ul style="list-style-type: none">The question aims to determine whether the Audit and Supervisory Committee effectively functioned in the acquisition of Stone, specifically assessing whether the appropriateness audit was properly conducted given that the acquisition ultimately resulted in an impairment loss. |

We kindly request that shareholders exercise the voting rights after engaging in dialogue with Sapporo and obtaining sufficient responses to these questions (5/6)

Our Materials (February 25, 2025)

Question to Sapporo's Audit and Supervisory Committee

Purpose of the Question

- | | |
|---|---|
| <p>4</p> <ul style="list-style-type: none">▪ In light of Sapporo's upcoming multi-billion-yen real estate divestiture and capital reallocation, what additional measures will the Audit and Supervisory Committee implement to ensure proper oversight, considering past failures? | <ul style="list-style-type: none">▪ The question seeks to confirm the specific additional measures that the Audit and Supervisory Committee plans to implement to ensure that the same mistakes are not repeated in the ongoing real estate divestment process, based on lessons learned from past failures. |
| <p>5</p> <ul style="list-style-type: none">▪ Toru Miyaishi, the Chairman of the Audit and Supervisory Committee, specializes in corporate management, human resources, marketing, and DX/IT. Given these limited areas of expertise, does the Committee believe it possesses sufficient expertise, appropriate leadership, and a well-structured organization to effectively fulfill its oversight duties and reduce future losses and impairment risks? Please explain why the Committee believes this to be the case. | <ul style="list-style-type: none">▪ The question aims to determine Director Miyaishi's suitability as the Audit and Supervisory Committee Chairperson, given that the Chair's qualifications significantly impact the effectiveness of the committee's auditing function. Specifically, it seeks to understand how the Audit and Supervisory Committee evaluates Director Miyaishi's qualifications for the role. |
| <p>6</p> <ul style="list-style-type: none">▪ Why was Mr. Miyaishi selected as Chairman of the Audit and Supervisory Committee? Mr. Miyaishi is an internal director who held key positions at Sapporo Breweries during past failed acquisitions. Given his involvement in these failed deals, he bears significant responsibility. Typically, the Audit and Supervisory Committee requires a high degree of independence, and the same principle applies to the Committee Chair. How does the Committee assess Mr. Miyaishi's lack of independence? | <ul style="list-style-type: none">▪ The question aims to confirm the reason for appointing Director Miyaishi as the Audit and Supervisory Committee Chairperson, despite his involvement in past failed cases, given that a high degree of independence is particularly required for this position. Additionally, it seeks to clarify the assessment of his lack of independence—or, if the Audit and Supervisory Committee considers him independent, the rational basis for such an evaluation. |

We kindly request that shareholders exercise the voting rights after engaging in dialogue with Sapporo and obtaining sufficient responses to these questions (6/6)

Our Materials (February 25, 2025)

Question to Sapporo's Audit and Supervisory Committee

Purpose of the Question

- | | |
|--|---|
| <p>7</p> <ul style="list-style-type: none">Is the selection process and criteria for the Audit and Supervisory Committee Chair appropriate? What should be the required level of independence and expertise for the Committee Chair? Similarly, what should be the required level of independence and expertise for Committee members? | <ul style="list-style-type: none">The question seeks to confirm the level of independence and expertise required for the Audit and Supervisory Committee Chairperson and members, given that the Chairperson's suitability has a significant impact on the effectiveness of the committee's auditing function. |
| <p>8</p> <ul style="list-style-type: none">To properly audit the legitimacy and appropriateness of decisions related to the maximum price realization of the real estate divestiture and the allocation of the proceeds, Audit and Supervisory Committee members must have high independence and expertise in real estate, asset sales, M&A, and capital allocation. How does the Committee plan to address the current lack of independence and expertise within its members? | <ul style="list-style-type: none">The question seeks to confirm how the Audit and Supervisory Committee plans to compensate for its lack of independence and expertise to properly conduct appropriateness audits on the divestiture of real estate at the highest possible price and the proper reallocation of the substantial proceeds gained. |
| <p>9</p> <ul style="list-style-type: none">How can shareholders be assured that the Audit and Supervisory Committee will effectively fulfill its oversight function and prevent the Board from repeating past capital allocation failures? | <ul style="list-style-type: none">The question aims to confirm whether there are clear and convincing measures that assure shareholders that the Audit and Supervisory Committee will effectively perform its audit function, based on reflections on past capital allocation failures. |

Disclaimer

Disclaimer

This presentation and the information contained herein (collectively "this presentation") is for the purpose of exchanging views on Sapporo Holdings Limited ("Sapporo"). 3D Investment Partners Pte. Ltd. is the investment manager of funds ("3D Funds") that hold shares in Sapporo.

This presentation represents the views, estimates and opinions of 3D Investment Partners Pte. Ltd. exclusively, with regards to the business, capital structure, board of directors and governance structure of Sapporo. 3D Investment Partners Pte. Ltd. represents such views, estimates and opinions solely in its capacity as investment manager to the 3D Funds.

This presentation should not be construed as a solicitation or request for other shareholders or any third party to jointly exercise together with 3D Investment Partners Pte. Ltd. and its affiliates (collectively "3DIP"), their rights as a shareholder (including, but not limited to, voting rights) with respect to the election of directors or any other proposal to be presented to shareholders at Sapporo's general meeting of shareholders or the undertaking of any other action. 3DIP disclaims any intention or agreement to be treated as a joint holder (kyodo-hoyusha), a specially related party (tokubetsu-kankeisha), or closely related party (missetsu-kankeisha) with other shareholders under any Japanese law (or other applicable law) by virtue of its action to express its views, estimates and opinions or otherwise to engage in dialogue with other shareholders in or through this presentation.

3DIP does not have any intention to receive any power to represent other shareholders who hold the shares of Sapporo in relation to the exercise of their voting rights.

3DIP does not have any intention to make a proposal, by itself or with or through other shareholders, to transfer or abolish the business or assets of Sapporo and group companies of Sapporo at the general meeting of shareholders, nor does 3DIP have any intention or purpose to engage in any conduct to make the implementation of continuous and stable business of Sapporo and group companies of Sapporo difficult.

Nothing in this presentation should be construed as an offer, invitation, marketing of any transactions, services or products, advertisement, inducement, or representation of any kind, nor as investment advice or a recommendation to buy or sell any investment products or to make any type of investment, to enter into or conclude any transaction or take or refrain from taking any other course of action (whether on the terms shown therein or otherwise), or as an opinion on the merits or otherwise of any particular investment or investment strategy. Any examples of strategies or trade ideas are intended for illustrative purposes only and are not indicative of the historical or future strategy or performance or the chances of success of any particular strategy.

This presentation is for informational purposes only and should not be relied on by any person for any purpose and is not, and should not be construed as transactional, investment, financial, legal, tax or other advice, proposal or invitation.

This presentation has been prepared based on publicly available information (which have not been independently verified by 3DIP) and does not purport to be complete, timely or comprehensive. 3DIP has not received any inside information as defined in the Financial Instruments and Exchange Act of Japan ("Inside Information") and has not included any Inside Information in this presentation.

This presentation contains "forward-looking statements." Specific forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts and include, without limitation, words such as "may," "will," "expects," "believes," "anticipates," "plans," "estimates," "projects," "targets," "forecasts," "seeks," "could" or the negative of such terms or other variations on such terms or comparable terminology.

Similarly, statements that describe 3DIP's objectives, plans, business strategy or goals are forward-looking. Any forward-looking statements are based on 3DIP's intent, beliefs, expectations, estimates, assumptions and projections, taking into consideration all information available to 3DIP at such point in time. These statements are not guarantees of future performance and involve risks, uncertainties, assumptions and other factors that are difficult to predict, are not within the control of 3DIP and that could cause actual results to differ materially. Accordingly, you should not rely upon forward-looking statements as a prediction of actual results and actual results may vary materially from what is expressed in or indicated by the forward-looking statements. 3DIP undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments, or otherwise.

Disclaimer

Although 3DIP believes the information contained in this presentation to be accurate and reliable when made, 3DIP makes no representation or warranty, express or implied, as to the accuracy, completeness or reliability of those statements or any other written or oral communication it makes with respect to Sapporo and any other companies mentioned, and 3DIP expressly disclaims any liability relating to those statements or communications (or any inaccuracies or omissions therein). With respect to any public company referred to herein, there may be non-public information in the possession of the public companies or insiders thereof that has not been publicly disclosed by those companies. Therefore, all information contained in this presentation is presented "as is," without warranty of any kind, whether express or implied, and 3DIP makes no representations, express or implied, as to the accuracy, timeliness, or completeness of any such information or with regard to the results to be obtained from its use. You should obtain your own professional advice and conduct your own independent evaluation with respect to the subject matter therein. 3DIP expressly disclaims any responsibility or liability for any loss howsoever arising from any use of or reliance on the information contained in this presentation (or any inaccuracies or omissions therein) in whole or in part by any person, or otherwise howsoever arising in connection with the same. Any investment involves substantial risks, including complete loss of capital. Any forecasts or estimates are for illustrative purposes only and should not be taken as limitations of the maximum possible loss or gain. 3DIP may without notice to any person change all or any part of this presentation, but is not under any obligation to provide any amended, updated or additional information or materials or to correct any inaccuracies in this presentation.

This presentation may include content or quotes from, or hyperlinks to, news coverage or other third-party public sources ("Third-Party Materials"). Permission to quote from Third-Party Materials in this presentation may neither have been sought nor obtained. The content of the Third-Party Materials has not been independently verified by 3DIP and does not necessarily represent the views of 3DIP. The authors and/or publishers of the Third-Party Materials are independent of, and may have different views to 3DIP. The making available of Third-Party Materials in this presentation does not imply that 3DIP endorses or concurs with any part of the content of the Third-Party Materials or that any of the authors or publishers of the Third-Party Materials endorses or concurs with any views which have been expressed by 3DIP on the relevant subject matter. The Third-Party Materials may not be representative of all relevant news coverage or views expressed by other third parties on the stated issues.

In respect of information that has been prepared by 3DIP (and not otherwise attributed to any other party) and which appear in the English language version of this presentation, in the event of any inconsistency between the English language version and the Japanese language version of this presentation, the meaning of the Japanese language version shall prevail unless otherwise expressly indicated.

3DIP currently beneficially owns and/or has an economic interest in and may in the future beneficially own and/or have an economic interest in, Sapporo group securities. 3DIP intends to review its investments in Sapporo group on a continuing basis and depending upon various factors, including without limitation, Sapporo group's financial position and strategic direction, the outcome of any discussions with Sapporo, overall market conditions, other investment opportunities available to 3DIP, and the availability of Sapporo group securities at prices that would make the purchase or sale of Sapporo group securities desirable, 3DIP may from time to time (in the open market or in private transactions, including since the inception of 3DIP's position) buy, sell, cover, hedge or otherwise change the form or substance of any of its investments (including Sapporo group securities) to any degree in any manner permitted by any applicable law and expressly disclaims any obligation to notify others of any such changes. 3DIP also reserves the right to take any actions with respect to its investments in Sapporo as it may deem appropriate, including, but not limited to, communicating with the board of directors, management and other investors.

This presentation and the content thereof are the copyrighted works of 3DIP. All registered or unregistered service marks, trademarks and trade names referred to in this presentation are the property of their respective owners and 3DIP's use thereof does not imply an affiliation with, or endorsement by, the owners of these service marks, trademarks and trade names.

In no event shall 3DIP be liable to any party for direct, indirect, special, incidental, or consequential damages, including lost profits, arising out of the use of this presentation.

Please note that this presentation may be altered or updated without notice. You should read it in full each time you read this presentation.