

(TRANSLATION)

[This English translation is an abridged version of the original notice in Japanese. In the event of any discrepancy, the Japanese version shall prevail.]

(Securities code: 2501)

March 5, 2008

To Our Shareholders

Takao Murakami
President and Representative Director
Sapporo Holdings Limited
20-1, Ebisu 4-chome, Shibuya-ku, Tokyo

Notice of Convocation of The 84th Ordinary General Meeting of Shareholders

Dear Sirs/Madams:

You are cordially invited to attend the 84th Ordinary General Meeting of Shareholders of Sapporo Holdings Limited (the “Company”) to be held as described below.

In case you are unable to attend the meeting, please exercise your voting rights using one of the following methods, after examining the “Reference Materials for the General Meeting of Shareholders” set forth below.

Exercise of voting rights by mail

Please indicate your approval or disapproval on the enclosed voting rights exercise form and send the form back to us so that it reaches us by no later than 5:30 p.m., Thursday, March 27, 2008.

Exercise of voting rights by electronic method (Internet etc.)

Please access the Company’s specified website for exercising voting rights via a personal computer, and register your approval or disapproval by no later than 5:30 p.m., Thursday, March 27, 2008.

Description

1. Date and time of the meeting: Friday, March 28, 2008, from 10:00 a.m.
2. Place of the meeting: The Garden Hall (inside Yebisu Garden Place)
13-2, Mita 1-chome, Meguro-ku, Tokyo

3. Purpose of the meeting:

Matters to be reported:

1. Report on the business report, the consolidated financial statements, and the results of audit of the consolidated financial statements by the accounting auditors and the Board of Corporate Auditors for the 84th business term (from January 1, 2007 to December 31, 2007)
2. Report on the non-consolidated financial statements for the 84th business term (from January 1, 2007 to December 31, 2007)

Matters to be resolved:

Proposal No. 1 –

Proposal No. 2 –

Proposal No. 3 –

Proposal No. 4 –

Proposal No. 5 –

Proposal No. 6 –

Appropriation of retained earnings

Election of ten (10) Directors

Election of four (4) Corporate Auditors

Election of one (1) Substitute Corporate Auditor

Provision of retirement benefit to retiring Director

Approval of Policy toward Large-Scale Purchase of Share Certificates, etc. of the Company.

Business Report

(From January 1, 2007 to December 31, 2007)

1. Review of Group Operations

(1) Operations in the Term under Review

(i) Operations and Operating Results

In the term under review, the Japanese economy was characterized by relatively strong corporate earnings but faltering growth in consumer spending, which resulted in a widening sense of economic slowing. The impact of the U.S. subprime mortgage crisis in the second half gave rise to rapid changes in exchange rates, share prices, crude oil prices and other areas, and significant uncertainty about the future.

The industries in which Sapporo Group is active, which comprise alcoholic beverages, soft drinks, and food services etc., were beset with multiple instances of food mislabeling scandals and other problems calling into question corporate attitudes toward food safety and security. Furthermore, competition among industry players continued to intensify amid sluggish demand growth, adding to the challenges of rising ingredient and material costs, and squeezing corporate earnings.

Meanwhile, in the real estate segment, there is a growing regional gap caused by strong demand for office space and rising lease rates in central Tokyo, and growing supply excesses in other parts of Japan.

Amid these conditions, the Group has set forth “accelerating the reform of the Group’s earnings structure and promoting sustainable future growth” as its goal for the second year of its medium-term management plan, implementation of which began in 2006.

In connection with reforming the earnings structure, the Group succeeded in minimizing its earnings decline by continuing efforts to revise cost structures from all angles and draw upon resources throughout the Group to absorb the effects of rising ingredient and material costs. Efforts in both areas were continuations of initiatives begun in the previous fiscal year.

Regarding sustainable future growth, the Group launched new high-value-added products in its alcoholic beverages and soft drinks segments, and saw steady growth in its shochu (Japanese distilled spirits) segment, which entered its second year, and its alcoholic beverages segment in Canada. In its real estate segment, the Group continued with the steady development of properties held by the Group and the pursuit of other promising opportunities in several growth areas.

For the term under review, the Group’s consolidated operating results were as follows.

In the area of sales, the sales volume for Happo-shu declined in the domestic alcoholic beverages segment, while the international alcoholic beverages segment, which includes the sales of Sleeman Breweries of Canada, a new member of the consolidated Group as of the fiscal year under review, recorded higher results for the year. Soft drink sales, in contrast, declined markedly on a significant downturn in Fujiya product sales volume. The restaurant and real estate segments, meanwhile, continued to grow at a steady pace. In total, consolidated sales came to ¥449.0 billion reflecting an increase of ¥13.9 billion, or 3%, compared with the previous fiscal year.

As for earnings, the domestic alcoholic beverages segment suffered both higher ingredient and material costs and lower sales volume. However, these negative developments were offset with higher production efficiency and cost cutting, primarily in sales promotion, allowing this segment to end the year with higher earnings. The addition of Sleeman Breweries to the international alcoholic beverages segment resulted in a major increase in earnings for the alcoholic beverages

segment as a whole. In the soft drinks segment, the Group worked to improve earnings performance by cutting haulage, sales promotion, and other costs, and through measures like revising business transactions, but was unable to cover the effects of lower sales volumes and higher ingredient and material costs and saw earnings decline. In the food service segment, the Group experienced higher store opening costs and an increase in personnel expenses brought on by hiring difficulties, but, with existing store sales continuing to grow and contributions from new stores adding to overall sales, earnings increased. Earnings also increased in the real estate segment, which benefited from the sales contributions of development projects completed in the previous fiscal year and the fiscal year under review and from rental rate revisions for properties located in Tokyo.

As a result of these factors, operating income was ¥12.3 billion (an increase of ¥3.7 billion, or 44%, from the previous fiscal year), with ordinary income of ¥8.1 billion (an increase of ¥2.2 billion, or 39%, from the previous fiscal year) and net income of ¥5.5 billion (an increase of ¥3.1 billion, or 136%, from the previous fiscal year).

(2) Issues to be addressed by the Group

Sapporo Group's management philosophy is expressed with the words "create enjoyment and contribute to enrichment" and its fundamental management policy is to "strive to maintain integrity in corporate conduct that reinforces stakeholder trust, and aim to achieve continuous growth in corporate value."

In October 2007, the Group announced the "Sapporo Group's New Management Framework," which is to be achieved by the year 2016, the 140th anniversary of the Group's founding.

Under the "Sapporo Group's New Management Framework,," the Group will make "the creation of value in food" and "the creation of comfortable surroundings" its business domains for developing businesses that make the most of the Group's assets and strengths. In these business domains, the Group aims to realize growth and improvements in profitability and establish new businesses that will sustain its growth through the next generation by unearthing new business opportunities.

Moving forward, the Group aims to enhance the Group's corporate value in accordance with the "Sapporo Group's New Management Framework," by implementing an aggressive management style under which it plans to review the allocation of management resources and carry out strategic investments to enhance competitiveness, while also putting sound management that focuses on long-term goals into practice. Additionally, the Group will redouble its efforts to implement CSR management, which the Group continues to position as one of the key strategies for supporting the sustained growth of the Sapporo Group, for the Group as a whole.

The fundamental strategy challenges under the "Sapporo Group's New Management Framework" are as follows:

(i) Create high-value-added products and services

The Group aims to maximize capital efficiency by focusing its management resources on areas that offer the greatest competitive strengths in each of its businesses and building sustainable market advantages. The Group will foster common values that focus on "providing valuable products and services that customers can identify with" and thereby create high value-added.

(ii) Form strategic alliances

Rather than focusing solely on its own operations, the Group plans to promote strategic alliances with powerful partners that will enable it to enhance the Group's strengths, complement its capabilities, and acquire know-how, so as to rapidly develop competitive advantages on a large scale.

(iii) Promote international expansion

Expand the soft drinks and food products businesses, as well as the alcoholic beverages business, in overseas markets. Aim to build brands in overseas markets by utilizing technological capabilities and business alliances.

(iv) Expand synergies among group companies

The Group will promote flexible collaboration and cooperation unconstrained by existing organizational boundaries and pursue synergies among businesses.

Consolidated Balance Sheet

(As of December 31, 2007)

(Million Yen)

Item	Amount	Item	Amount
[Assets]		[Liabilities]	
Current assets	117,717	Current liabilities	223,501
Cash and bank deposits	6,511	Notes and accounts payable	26,121
Notes and accounts receivable	69,685	Short-term bank loans	64,415
Inventories	24,041	Liquor taxes payable	38,140
Deferred tax assets	2,290	Income taxes payable	2,749
Refundable income taxes	133	Accrued bonuses	1,056
Other	15,330	Deposits received	48,725
Allowance for doubtful receivables	(275)	Other	42,292
Fixed assets	444,141	Long-term liabilities	213,168
Tangible fixed assets	338,504	Bonds	69,710
Buildings and structures	206,244	Long-term borrowings	74,339
Machinery and vehicles	51,954	Employees' retirement benefits	15,135
Land	71,153	Directors' and corporate auditors' severance benefits	115
Other	9,152	Dealers' deposits for guarantees	31,903
Intangible fixed assets	33,368	Other	21,964
Goodwill	27,614	Total liabilities	436,669
Other	5,754	[Net Assets]	
Investment and other assets	72,267	Shareholders' equity	113,641
Investment securities	37,393	Common stock	53,886
Long-term loans receivable	10,229	Capital surplus	46,310
Deferred tax assets	7,541	Retained earnings	14,292
Other	19,339	Treasury stock	(848)
Allowance for doubtful receivables	(2,235)	Valuation and translation adjustments	11,493
Total assets	561,858	Unrealized holding gains on securities	9,640
		Foreign currency translation adjustments	1,853
		Minority interests	53
		Total net assets	125,189
		Total liabilities and net assets	561,858

Consolidated Statement of Income

(From January 1, 2007 to December 31, 2007)

(Million Yen)

Item	Amount	
Net sales		449,011
Cost of sales		305,078
Gross profit		143,933
Selling, general and administrative expenses		131,570
Operating income		12,362
Non-operating income		2,306
Interest income	431	
Dividend income	594	
Rental income	387	
Foreign exchange gains	304	
Other	587	
Non-operating expenses		6,550
Interest expense	4,280	
Loss on disposal of inventories	858	
Equity in loss of affiliates	132	
Other	1,280	
Ordinary income		8,118
Extraordinary income		7,596
Gain on sales of fixed assets	6,769	
Gain on sales of investment securities	766	
Reversal of allowance for doubtful accounts	27	
Subsidy for automatic vending machines	32	
Extraordinary loss		15,493
Loss on disposal of fixed assets	1,300	
Loss on impairment of fixed and leased assets	6,939	
Extraordinary depreciation of fixed assets	6,583	
Goodwill amortization	276	
Loss on devaluation of investment securities	393	
Income before income taxes and minority interests		221
Current income taxes		3,040
Prior period income taxes		308
Deferred income taxes		(8,634)
Loss on minority shareholders		1
Net income		5,508

Consolidated Statement of Changes in Shareholders' Equity

(From January 1, 2007 to December 31, 2007)

(Million Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of December 31, 2006	50,066	42,484	10,472	(571)	102,451
Changes of items during the period					
New issues of stock	3,820	3,820			7,640
Dividends from surplus			(1,890)		(1,890)
Increase due to new consolidation			202		202
Net income			5,508		5,508
Acquisition of treasury stock				(284)	(284)
Disposal of treasury stock		5		7	12
Net changes of items other than shareholders' equity during the period					
Total changes of items during the period	3,820	3,825	3,820	(277)	11,189
Balance as of December 31, 2007	53,886	46,310	14,292	(848)	113,641

	Valuation and translation adjustments			Minority interests	Total net assets
	Unrealized holding gains on securities	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of December 31, 2006	11,318	(276)	11,041	2	113,495
Changes of items during the period					
New issues of stock					7,640
Dividends from surplus					(1,890)
Increase due to new consolidation					202
Net income					5,508
Acquisition of treasury stock					(284)
Disposal of treasury stock					12
Net changes of items other than shareholders' equity during the period	(1,677)	2,129	452	51	503
Total changes of items during the period	(1,677)	2,129	452	51	11,693
Balance as of December 31, 2007	9,640	1,853	11,493	53	125,189

Non-Consolidated Balance Sheet

(As of December 31, 2007)

(Million Yen)

Item	Amount	Item	Amount
[Assets]		[Liabilities]	
Current assets	56,659	Current liabilities	69,919
Cash and bank deposits	2,524	Short-term bank loans	31,750
Accounts receivable	465	Current portion of long-term debt	27,821
Prepaid expenses	15	Commercial paper	4,000
Deferred tax assets	75	Accounts payable	1,307
Accrued revenue	3,080	Accrued expenses	323
Refundable income taxes	9	Income taxes payable	1,293
Short-term loan receivables	50,481	Consumption taxes payable	20
Other	6	Deposits received	3,363
		Accrued bonuses	39
		Long-term liabilities	143,136
Fixed assets	285,954	Bonds	50,000
Intangible fixed assets	17	Convertible bonds	19,710
Trademark rights	17	Long-term borrowings	70,225
		Employees' retirement benefits	2,861
		Directors' and corporate auditors' severance benefits	10
		Deferred tax liabilities	328
Investment and other assets	285,937	Total liabilities	213,055
Investment securities	10,109	[Net Assets]	
Shares in affiliates	126,981	Shareholders' equity	127,303
Long-term loans receivable	148,379	Common stock	53,886
Long-term prepaid expenses	90	Capital surplus	46,562
Other	376	Capital reserves	46,543
		Other capital surplus	19
		Retained earnings	27,703
		Earnings reserve	6,754
		Other retained earnings	20,949
		Contingent reserve	16,339
		Unappropriated retained earnings at end of period	4,610
		Treasury stock	(848)
		Valuation and translation adjustments	2,254
		Unrealized holding gains on securities	2,254
		Total net assets	129,558
Total assets	342,614	Total liabilities and net assets	342,614

Non-Consolidated Statement of Income

(From January 1, 2007 to December 31, 2007)

(Million Yen)

Item	Amount	
Operating revenues		5,462
Managing revenue from operating companies	4,782	
Dividend income from subsidiaries and affiliates	680	
Operating expenses		3,556
General administrative expenses	3,556	
Operating income		1,906
Non-operating income		4,577
Interest and dividend income	4,561	
Other	16	
Non-operating expenses		3,513
Interest expense	3,276	
Other	236	
Ordinary income		2,970
Extraordinary income		0
Gain on sales of investment securities	0	
Income before income taxes		2,971
Current income taxes		572
Deferred income taxes		379
Net income		2,019

Non-Consolidated Statement of Changes in Shareholders' Equity

(From January 1, 2007 to December 31, 2007)

(Million Yen)

	Shareholders' equity									
	Common stock	Capital surplus			Earnings reserve	Retained earnings			Treasury stock	Total shareholders' equity
		Capital reserves	Other surplus	Total capital surplus		Other retained earnings		Total retained earnings		
					Contingent reserve	Unappropriated retained earnings				
Balance as of December 31, 2006	50,066	42,723	13	42,736	6,754	19,339	1,481	27,574	(571)	119,805
Changes of items during the period										
New issues of stock	3,820	3,820		3,820						7,640
Dividends from surplus							(1,890)	(1,890)		(1,890)
Net income							2,019	2,019		2,019
Acquisition of treasury stock									(284)	(284)
Disposal of treasury stock			5	5					7	12
Reversal of contingent reserve						(3,000)	3,000	-		-
Net changes of items other than shareholders' equity during the period										
Total changes of items during the period	3,820	3,820	5	3,825	-	(3,000)	3,128	128	(277)	7,498
Balance as of December 31, 2007	53,886	46,543	19	46,562	6,754	16,339	4,610	27,703	(848)	127,303

	Valuation and translation adjustments		Total net assets
	Unrealized holding gains on securities	Total valuation and translation adjustments	
Balance as of December 31, 2006	3,380	3,380	123,185
Changes of items during the period			
New issues of stock			7,640
Dividends from surplus			(1,890)
Net income			2,019
Acquisition of treasury stock			(284)
Disposal of treasury stock			12
Reversal of contingent reserve			-
Net changes of items other than shareholders' equity during the period	(1,125)	(1,125)	(1,125)
Total changes of items during the period	(1,125)	(1,125)	6,372
Balance as of December 31, 2007	2,254	2,254	129,558

Reference Materials for the General Meeting of Shareholders

Proposal No. 1 – Appropriation of retained earnings

The Company has positioned the appropriate return of profits to its shareholders as a fundamental management policy and has made it a policy to essentially maintain stable dividends and undertake dividend payments taking into consideration the Company's performance and financial condition. The operating results for the 84th term is as shown in the Business Report. In declaring dividends the Company further takes into account the need to maintain and strengthen the financial basis of the Company and its internal reserves which are required for strategic investments in the future. The Company therefore intends to distribute the same amount of year-end dividends as that of the previous business term as follows.

Matters relating to year-end dividends

(1) Category of dividend assets

Cash

(2) Matters relating to the allocation of dividend assets and the total amount of such allocation

The Company intends to implement a dividend of 5 yen per one share of the Company's common stock. In this event, the total dividend payment would be 1,960,927,485 yen.

(3) Date on which the dividend of retained earnings would take effect

March 31, 2008

Proposal No. 2 – Election of ten (10) Directors

At the conclusion of this General Meeting, the terms of office of all eight (8) Directors will expire. In order to increase the transparency of the Board of Directors and strengthen its supervisory functions, the Company seeks to increase the number of Directors and invite one (1) additional individual to become an Outside Director. In addition, with a view to striving to further bolster its management system, the Company, as a holding company controlling the Group and encouraging steady implementation of the Sapporo Group New Management Framework announced in October, 2007 as well as Sapporo Group management Plan announced in February, 2008, seeks to add another one (1) individual as director. The Company therefore requests the election of a total ten (10) Directors (including three (3) Outside Directors).

The candidates for Directors are as follows:

(The “*” symbol means new candidates)

Candidate Number	Name and Date of Birth	Career Summary, Position and Business Responsibility in the Company, and Status of Representation of Other Companies	Number of Shares Held in the Company
1	Takao Murakami August 14, 1945	<p>April 1969 Joined the Company</p> <p>September 1996 Director of Osaka Brewery</p> <p>September 1998 Director of Production & Technology Department, Production & Technology Division</p> <p>March 1999 Operating Officer, Director of Production & Technology Department, Production & Technology Division</p> <p>March 2001 Senior Officer, Director of Merchandising Department, Marketing Division</p> <p>March 2003 Senior Officer, Deputy Director of Beer Marketing & Production Division</p> <p>July 2003 Director and Executive Managing Officer of Sapporo Breweries Limited, Director of Production & Technology Division</p> <p>March 2004 Member of the Board Managing Director of the Company</p> <p>March 2005 President and CEO of the Group (Up to the present)</p>	39,000

Candidate Number	Name and Date of Birth	Career Summary, Position and Business Responsibility in the Company, and Status of Representation of Other Companies	Number of Shares Held in the Company
2	Yoshiyuki Mochida January 17, 1951	<p>April 1973 Joined the Company</p> <p>March 1991 President of SAPPORO U.S.A., INC</p> <p>January 1996 General Manager of Tokyo Chuo Branch of the Company</p> <p>November 1997 General Manager of International Division</p> <p>March 2001 Director of International Division</p> <p>July 2003 Director of International Division of Sapporo Breweries Limited</p> <p>March 2004 Director of Corporate Planning Department of the Company</p> <p>September 2004 Director of Corporate Planning Department</p> <p>March 2005 Member of the Board</p> <p> Director of Corporate Planning Department</p> <p>March 2007 Managing Director (Up to the present)</p>	9,000
3	Hiroaki Eto January 14, 1941	<p>April 1964 Joined The Fuji Bank, Ltd.</p> <p>June 1990 Director of The Fuji Bank, Ltd.</p> <p>May 1993 Managing Director of The Fuji Bank, Ltd.</p> <p>June 1996 Senior Managing Director of The Fuji Bank, Ltd.</p> <p>April 1998 Deputy President of The Fuji Bank, Ltd.</p> <p>June 1999 Deputy President of The Yasuda Trust & Banking Co., Ltd. (the current Mizuho Trust & Banking Co., Ltd.)</p> <p>April 2000 President of The Yasuda Trust & Banking Co., Ltd.</p> <p>March 2003 Member of the Board Director of the Company (Up to the present)</p> <p>June 2004 Advisor of Mizuho Trust & Banking Co., Ltd. (Up to the present)</p>	11,000

Candidate Number	Name and Date of Birth	Career Summary, Position and Business Responsibility in the Company, and Status of Representation of Other Companies	Number of Shares Held in the Company
4	Tetsuo Seki July 29, 1938	<p>April 1963 Joined Yawata Iron & Steel Co., Ltd. (current Nippon Steel Corporation)</p> <p>June 1993 Director of Nippon Steel Corporation Member of the Board</p> <p>April 1997 Managing Director of Nippon Steel Corporation Member of the Board</p> <p>April 2000 Representative Director and Executive Vice President of Nippon Steel Corporation Member of the Board</p> <p>April 2003 Director of Nippon Steel Corporation</p> <p>June 2003 Executive Advisor of Nippon Steel Corporation</p> <p>June 2004 Senior Corporate Auditor of Nippon Steel Corporation (Up to the present)</p> <p>March 2007 Member of the Board Director of the Company (Up to the present)</p>	0
5	*Hiroshi Tanaka September 23, 1941	<p>April 1964 Joined Kureha Chemical Industry Co., Ltd. (current Kureha Corporation)</p> <p>July 1988 Director of Legal & Licensing Department of Kureha Corporation</p> <p>June 1997 Director of Corporate Strategic Division of Kureha Corporation Member of the Board (Up to the present)</p> <p>June 1999 Senior Vice President of Kureha Corporation (in charge of marketing)</p> <p>June 2000 Executive Vice President of Kureha Corporation (in charge of marketing)</p> <p>June 2001 Senior Executive Vice President of Kureha Corporation (in charge of corporate strategy & marketing)</p> <p>June 2003 President & Chief Executive Officer of Kureha Corporation</p> <p>April 2007 Chairman of the Board of Directors of Kureha Corporation (Up to the present)</p>	0

Candidate Number	Name and Date of Birth	Career Summary, Position and Business Responsibility in the Company, and Status of Representation of Other Companies	Number of Shares Held in the Company
6	Tsutomu Kamijo January 6, 1954	<p>April 1976 Joined the Company</p> <p>November 1992 General Manager of Corporate Planning Department</p> <p>September 1996 General Manager of Sales Planning Department of Sapporo Beverage Co., Ltd.</p> <p>November 1997 Director of Sales Planning Department</p> <p>March 2001 Member of the Board of Sapporo Beverage Co., Ltd. Director of Sales Planning Department</p> <p>September 2003 Director and Managing Executive Officer, Director of Marketing Department</p> <p>September 2005 Director and Managing Executive Officer, Director of Management Strategy Headquarters</p> <p>March 2007 Member of the Board of the Company Director of Corporate Planning Department (Up to the present)</p>	8,000
7	* Hidenori Tanaka April 16, 1955	<p>April 1978 Joined the Company</p> <p>July 2003 Director of Accounting & Finance Department</p> <p>March 2005 Director of Accounting & Finance Department of Sapporo Breweries Limited</p> <p>March 2007 Member of the Board of Sapporo Breweries Limited Director of Accounting & Finance Department (Up to the present)</p>	21,000

Candidate Number	Name and Date of Birth	Career Summary, Position and Business Responsibility in the Company, and Status of Representation of Other Companies	Number of Shares Held in the Company
8	Masaru Fukunaga May 28, 1947	<p>April 1971 Joined the Company</p> <p>March 1998 Director of Niigata Branch</p> <p>September 2000 Director of Tohoku Branch</p> <p>March 2002 Operating Officer, Director of Tohoku Branch</p> <p>October 2002 Operating Officer, Director of Tohoku Sales & Marketing Division</p> <p>December 2002 Deputy Director of Beer Marketing & Production Division</p> <p>July 2003 Member of the Board, Director and Executive Managing Officer, Director of Corporate Planning Department of Sapporo Breweries Limited</p> <p>March 2005 President of Sapporo Breweries Limited (Up to the present)</p> <p>March 2007 Group Operating Officer of the Company</p> <p>March 2007 Member of the Board of the Company Director and Group Operating Officer of the Company (Up to the present)</p>	28,000
9	Kazuo Ushio September 8, 1950	<p>April 1973 Joined the Company</p> <p>September 2000 Managing Director of Sapporo Hotel Enterprises Limited</p> <p>March 2002 President of Sapporo Hotel Enterprises Limited</p> <p>March 2003 President of Chateau Restaurant Co., Ltd. (Concurrent)</p> <p>December 2004 Assistant to the Director, in charge of Group Strategy of the Company</p> <p>March 2005 Senior Officer of the Company Corporate Auditor of Sapporo Lion Limited</p> <p>March 2006 Member of the Board Director of the Company</p> <p>March 2007 President and Representative Director of Yebisu Garden Place Co., Ltd. (Up to the present) Director and Group Operating Officer of the Company (Up to the present)</p>	18,000

Candidate Number	Name and Date of Birth	Career Summary, Position and Business Responsibility in the Company, and Status of Representation of Other Companies	Number of Shares Held in the Company
10	* Nobuhiro Hashiba April 26, 1946	<p>April 1969 Joined the Company</p> <p>September 1996 Director of Advertising Department</p> <p>September 2000 Director of Corporate Communication Department</p> <p>March 2001 Operating Officer</p> <p>July 2003 Member of the Board of Sapporo Breweries Limited</p> <p>March 2004 Director and Senior Officer Director of International Division</p> <p>September 2004 Director and Senior Officer Director of Personnel Department</p> <p>March 2005 Director and Senior Officer Director of Corporate Planning Department</p> <p>October 2006 Director and Senior Officer (in charge of international businesses)</p> <p>December 2006 President and CEO of Sapporo International Inc. Group Operating Officer of the Company, (Up to the present)</p>	35,449

Notes:

- There are no special interests between the Company and any of the candidates.
- Mr. Hiroaki Eto, Mr. Tetsuo Seki and Mr. Hiroshi Tanaka are candidates for outside directors.
- Mr. Hiroaki Eto has a wealth of experience and a track record as the president of a financial institution and is an individual of great insight. Additionally, he will take an objective standpoint independent of the management team engaged in executing the operations of the Company. The Company has judged that he will contribute greatly to the management of the Company, and he has thus been presented to the shareholders as a candidate.
It should be noted that Mr. Eto is currently an Outside Director of the Company and that he will have served in that capacity for a period of five (5) years as of the conclusion of this General Meeting.
- Messrs. Tetsuo Seki and Hiroshi Tanaka have a wealth of experience and a track record over a number of years in the management of an operating company and are individuals of great insight. Additionally, they will take an objective standpoint independent of the management team engaged in executing the operations of the Company. The Company has judged that they will contribute greatly to the management of the Company, and they have thus been presented to the shareholders as candidates.
It should be noted that Mr. Seki is currently an Outside Director of the Company and that he will have served in that capacity for a period of one (1) year as of the conclusion of this General Meeting.
- During the time that Mr. Seki served as a permanent Corporate Auditor of Nippon Steel Corporation, Nippon Steel Corporation received an elimination order from the Japan Fair Trade Commission for breaches of the Anti-monopoly Law in relation to transactions concerning cool-extended stainless sheet and upside steel bridge construction which had been ordered by the Ministry of Land, Infrastructure, Transport and Tourism and by the Japan Highway Public Corporation. During this time, Nippon Steel also received a payment order of surcharge by the Japan Fair Trade Commission for breaches of the Anti-monopoly Law in relation to transactions

concerning gas pipe construction which had been ordered by a non-public gas corporation.

Mr. Seki consistently argued for the need to comply with regulatory laws and strongly sought re-examination of internal Anti-monopoly Law compliance and preventative procedures. He was a member of the in-company investigative committee and also participated in other compliance activities.

6. The Company has entered into limited liability agreements with both Messrs. Hiroaki Eto and Tetsuo Seki. These agreements limit the liability of Messrs. Eto and Seki to the extent permitted by laws and ordinances and are planned for extension should Messrs. Eto and Seki be reelected as directors. Additionally, if Mr. Hiroshi Tanaka is elected at this General Meeting as proposed, the Company intends to enter into a limited liability agreement that will limit Mr. Tanaka's liability to the extent permitted by laws and ordinances.

Proposal No. 3 – Election of four (4) Corporate Auditors

All the conclusion of this General Meeting, the terms of office of all four (4) Corporate Auditors will expire. Thus, the Company requests that the shareholders elect four (4) Corporate Auditors.

Additionally, with respect to this proposal, the Company has obtained the agreement of the Board of Corporate Auditors.

The candidates for Corporate Auditors are as follows:

(The “*” symbol means new candidates)

Candidate Number	Name and Date of Birth	Career Summary, Position and Business Responsibility in the Company, and Status of Representation of Other Companies	Number of Shares Held in the Company
1	* Kenichi Shishido September 10, 1949	April, 1972 Joined the Company March 2001 Director of Sendai Brewery March 2003 Director of Production & Technology Department July 2003 Operating Officer of Sapporo Breweries Limited Director of Production & Technology Department September 2004 Operating Officer, Director of Shizuoka Brewery March 2007 Senior Officer, Director of Chiba Brewery (Up to the present)	24,000
2	Isao Takehara June 28, 1947	March 1971 Joined Nippon Life Insurance Company July 1997 Director of Nippon Life Insurance Company March 2002 Managing Director of Nippon Life Insurance Company March 2005 Director of Nippon Life Insurance Company June 2005 President of NLI Research Institute (Up to the present) March 2007 Corporate Auditor of the Company (Up to the present)	0
3	Norio Henmi June 13, 1957	April 1989 Registration as lawyer (Daiichi Tokyo Bar Association) June 1993 Partner of Seiwa Kyodo Law Office (Up to the present) March 2004 Corporate Auditor of the Company (Up to the present)	0
4	* Keizo Ae December 22, 1950	April 1973 Joined the Company March 2005 Director of Accounting & Finance Department (Up to the present)	8,000

Notes:

1. There are no special interests between the Company and any of the candidates.
2. Messrs. Isao Takehara and Norio Henmi are candidates for Outside Corporate Auditors.

3. Mr. Isao Takehara has a wealth of experience and a track record in corporate management and is an individual of great insight. The Company has judged that he is suitable for the office of outside Corporate Auditor. Mr. Takehara will have served as a corporate auditor of the Company for one (1) year as of the close of this General Meeting. He previously took office as a substitute corporate auditor and inherited the term of office of his predecessor. This is the first time of his re-election to office by the shareholders at a General Meeting.
4. The Company has nominated Mr. Norio Henmi as an Outside Corporate Auditor. Mr. Henmi has not been engaged in the management of any company, but has been nominated due to his wealth of knowledge and experience as an attorney with expertise in the field of corporate law which the Company believes strengthens his ability to monitor the activities of Directors from an objective and fair perspective and makes him a suitable candidate for the office of Outside Corporate Auditor. Mr. Henmi is presently serving as an Outside Corporate Auditor and will have served in that capacity for a period of four (4) years as of the conclusion of this General Meeting.
5. During the period that Mr. Takehara served as a Director of Nippon Life Insurance Company, Nippon Life Insurance Company received an elimination order from the Japan Fair Trade Commission and a business improvement order from the Financial Services Agency in May, 2003 in relation to insurance brochures concerning cancer insurance which were assessed as possibly containing misunderstanding information for consumers.
6. The Company has entered into limited liability agreements with both Messrs. Isao Takehara and Norio Henmi. These agreements limit the liability of Messrs. Takehara and Henmi to the extent permitted by laws and ordinances and are planned for extension should Messrs. Takehara and Henmi be reelected as outside Corporate Auditors.

Proposal No. 4 – Election of one (1) Substitute Corporate Auditor

At the commencement of this General Meeting, the effectiveness of election of Mr. Tsugio Yada as a Substitute Corporate Auditor shall expire. Mr. Tsugio Yada was elected at the 83rd Ordinary General Meeting of Shareholders held on March 29, 2007. In preparation for the situation where the number of incumbent Corporate Auditors becomes less than that required by laws and ordinances, the Company requests the election of one (1) Substitute Corporate Auditor. The candidate is Mr. Yada.

With respect to this proposal, the Company has obtained the agreement of the Board of Corporate Auditors.

The candidate for Substitute Corporate Auditor is as follows:

Name and Date of Birth	Career Summary and Status of Representation of Other Companies	Number of Shares Held in the Company
Tsugio Yada July 22, 1948	April 1976 Prosecutor at the Tokyo District Public Prosecutors Office Thereafter, worked for the District Public Prosecutors Offices in Sendai, Chiba, Kushiro, Tokyo and Osaka August 1989 Retired from the Special Investigation Department of the Tokyo District Public Prosecutors Office September 1989 Registration as lawyer (Daiichi Tokyo Bar Association) Partner of Nozomi Sogo Law Office (Up to the present)	0

Notes:

1. There are no special interests between the Company and the candidate.
2. The Company has nominated Mr. Tsugio Yada as a Substitute Corporate Auditor for an Outside Corporate Auditor. Mr. Yada has not been engaged in the management of any company, but has been nominated due to his wealth of knowledge and experience as an attorney with expertise in the field of corporate law and due to his ability to monitor the activities of Directors from an objective and fair perspective.

Proposal No. 5 – Provision of retirement benefit to retiring Director

As part of its management reforms, the Company abolished the Directors' retirement benefit system as of the end of the 80th Ordinary General Meeting of Shareholders held on March 30, 2004. However, at the same General Meeting, it was determined that retirement benefits to Directors who were to be reappointed at the same General Meeting should be individually decided and that retirement benefits to those Directors would be considered at the General Meeting of Shareholders marking each Director's retirement from office.

Mr. Shinji Saito will, due to the expiration of his term of office, retire from the office of Director at the end of this General Meeting. Therefore, in accordance with certain standards of the Company, the Company would like to provide him with a retirement benefit within the range applicable from the beginning of his appointment to the end of the 80th Ordinary General Meeting held on March 30, 2004. It is further requested that decisions regarding the specific amount, the timing, method, and other matters regarding the payment of that benefit be left to the Board of Directors.

A career summary of the positions in which Mr. Saito has served is as follows.

Name	Career Summary
Shinji Saito	March 2002 Director and Senior Executive Officer, Director of Accounting and Finance Department
	July 2003 Managing Director
	March 2004 (Abolishment of Officers' retirement benefit as of the end of the 80th Ordinary General Meeting of Shareholders) Representative Director and Executive Managing Director (Up to the present)

Proposal No. 6 – Approval of Policy toward Large-Scale Purchase of Share Certificates, etc. of the Company

In relation to the “Policy toward the Large-Scale Purchase of Share Certificates, etc. of the Company” (hereinafter referred to as the “Current Policy”) which was consented to by the shareholders at the 83rd ordinary general meeting of shareholders held on March 29, 2007 and became effective on the same date (with a validity period until the end of this General Meeting), the Company has continually been assessing the role of the Current Policy, including whether or not to extend the term of the Current Policy, from the perspective of enhancing the corporate value and protecting the interests of the shareholders as a whole while at the same time considering subsequent changes in the circumstances.

As a result of these deliberations, at the Board Meeting held on February 15, 2008, by the agreement of all board directors the “Basic Policy relating to the Proper Role of Those Controlling the Decision on Financial and Business Policies of the Company” (hereinafter referred to as the “Basic Policy on Company Control”) provided for in Article 127 of the Ordinance for Enforcement of the Companies Act was re-resolved, and in addition, conditional upon consent by the shareholders at this General Meeting and with partial amendment to the Current Policy, it was decided to continue with the “Policy towards Large-Scale Purchase of Share Certificates, etc. of the Company” (hereinafter referred to as the “Policy”)

The Policy is prepared in terms of protecting the corporate value and the interests of the Company’s shareholders as a whole, and provides the “Large-Scale Purchase Rules” in order to enable shareholders to appropriately make a judgment by requiring the Large-Scale Purchaser of share certificates, etc. of the Company to provide sufficient information, including the purpose and substance of the Large-Scale Purchase, a basis for the calculation of the Company’s share price, etc. and by securing a proper assessment period, on the basis of the position that the shareholders shall be entrusted to make decisions regarding whether the Large-Scale-Purchase is beneficial. Thus, the Policy does not prevent the Large-Scale Purchase or deprive the shareholders of the opportunity to determine whether or not to accept the Large-Scale Purchase.

With regard to the continuation of the Policy, we believe that, taking the importance of the Policy into account, it is appropriate to confirm the intention of shareholders, and we hereby request their approval of the continuation of the Policy.

If this proposal is approved by the majority of voting rights of all shareholders holding shares who are present at this General Meeting, the Policy shall take effect as of the day of the approval and the expiration date shall be the end of the 85th ordinary general meeting of shareholders of the Company to be held by March 31, 2009.

In addition, as was made public in the Company’s press release entitled “Announcement pertaining to the receipt of a letter of intent in connection with the Large-Scale Purchase of shares of the Company” dated February 15, 2007, we received from Steel Partners Japan Strategic Fund (offshore) L.P. (hereinafter referred to as “SPJSF”) on the same day proposal for a Large-Scale Purchase of the shares of the Company (hereinafter referred to as the “Purchase Suggestion”). In relation to the Purchase Suggestion, we have applied and proceeded under the procedures of the “Policy toward the Large-Scale Purchase of Share Certificates, etc. of the Company” (hereinafter referred to as the “Old Policy”) which was consented to by shareholders at the 83rd ordinary general meeting of shareholders held on March 29, 2007 and expired at the end of such general meeting. As we intend to continue to apply the Old Policy after this General Meeting we set forth a supplementary provision to that effect in the Policy which we hereby request shareholders to approve. In the event that the shareholders do not approve this proposal, we will repeal the Old Policy including its connection to the Purchase Suggestion.

As for the specific contents of the Basic Policy on Company Control as well as the Policy, please see the Attachment hereto (on pages 17-35). In addition, a summary of the changes of content in the Policy from the Current Policy are set out below.

Summary of the Changes from the Current Policy

- 1) As a check function to fairly and appropriately implement the Policy and to prevent arbitrary decision making, in addition to the establishment of the incumbent Independent Committee, we have added a provision of the following import: “Where a vote of the Board is conducted in relation to an important decision relating to the Policy, the decision will not be resolved unless there is agreement by two-thirds or more of the Outside Directors attending the meeting.”
- 2) As for time limits where the Board Assessment Period is extended following the completion of supply of Necessary Information by a Large-Scale Purchaser, we have made it clear that “the period [may be extended up] to a maximum of 90 days (including the initial set period).”
- 3) As a specific example of a countermeasure, we have added an explanation that acquisition terms and acquisition conditions may be determined in the explanation of the case where stock acquisition rights are issued based on shareholder allotment, and have also added explanations regarding acquisition conditions, etc. in the explanation of Outline of Stock Acquisition Rights in Appendix 1. We also added certain other descriptions.
- 4) In relation to Large-Scale Purchase proposals received on or prior to the end of this General Meeting, we have added in the Supplementary Provision the explanation that the Current Policy will continue to apply (the Old Policy will continue to apply in relation to Large-Scale Purchase proposals received on or prior to the end of the 83rd ordinary general meeting held on March 29, 2007).
- 5) In addition, we have made necessary amendments such as updating the “Special efforts to realize the basic policy on company control”.

(Attachment to Proposal No. 6)

I Basic policy regarding what and how a person controlling decisions on the Company's financial and business policies should be

The board of directors of the Company believes that since we, as a public corporation, allow the free purchase and sale of shares of the Company, the shareholders of the Company should be entrusted to make the final decision regarding whether or not to accept a large-scale purchase by a specific person.

However, in managing the Company that, as a holding company, controls the management of the entire business of the Group, which is primarily comprised of the domestic alcoholic beverage, international alcoholic beverage, soft drink, food service and real estate businesses, it is indispensable to have extensive know-how, abundant experience, and an understanding of the relationships established with the stakeholders including domestic and foreign customers, employees, business partners, etc. Without a sufficient understanding of the above matters by a person controlling decisions on our financial and business policies, the shareholder value that could be realized in the future by our shareholders may be damaged.

We shall make every effort to cultivate the shareholders' and the investors' understanding of the appropriate value of the Company's shares through IR activities; however, it is indispensable that the shareholders of the Company are provided with appropriate and sufficient information by both a purchaser and the board of directors of the Company in order to appropriately determine, within a short period of time, whether or not the purchase price of the Company's shares proposed by the purchaser is reasonable, when a large-scale purchase is suddenly made. In addition, we believe that information regarding the impact of the purchase on the Company, the management policy and the business plans that the purchaser wishes to adopt if the purchaser participates in the management of the Company, and the opinion of the board of directors of the Company towards the purchase, etc. is material to the decision making process of the shareholders of the Company who intend to hold the Company's shares continuously in respect of whether or not to continue to hold such shares.

Taking the above into account, we believe that it is necessary for a large-scale purchaser to commence a large-scale purchase only after the purchaser provides necessary and sufficient information regarding the purchase in advance and a certain period for the board of directors of the Company elapses, in accordance with the rules established and disclosed in advance by the Company (please refer to III 3 for details; hereinafter referred to as the "Large-Scale Purchase Rules") for the benefit of the decision making process of the shareholders of the Company.

In addition, in large-scale purchases, it cannot be said that there are never cases where the large-scale purchase in question clearly has an abusive purpose (please refer to III 4(1), Note 5) and as a result will seriously undermine the interests of the Company's shareholders as a whole. In order to protect the interests of the Company's shareholders as a whole, we believe that it is necessary to take such measures against such purchase as the board of directors deems appropriate in accordance with the Large-Scale Purchase Rules.

II Effective utilization of our assets, the formation of the 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 “Sapporo Group’s New Management Framework”

In October 2007, the Sapporo Group announced the “Sapporo Group’s New Management Framework” which is targeted towards 2016, the 140th anniversary year of the foundation of our Group.

In order to engage in business development that utilizes the strengths and assets held by the Group, the business domains under the “Sapporo Group’s New Management Framework” are “the creation of value in food” and “the creation of comfortable surroundings”. Along with planning for further growth and improved profits in these domains, we will strive to create new business opportunities and plan to build new businesses that will support the growth of the Group for the next generation.

Into the future, using the “Sapporo Group’s New Management Framework” we aim to improve the corporate value of the Group by progressing with “attacking management” that heightens our competitiveness through re-adjusting the distribution of management resources and strategic investment in addition to implementing solid management focused on long term goals. We will also further implement and position “CSR Management” as one of the “Important Strategies Supporting Continuous Growth of the Group”.

The fundamental strategy challenges under the “Sapporo Group’s New Management Framework” are as follows:

(i) Create high-value-added products and services

The Group aims to maximize capital efficiency by focusing its management resources on areas that offer the greatest competitive strengths in each of its businesses and building sustainable market advantages. The Group will foster common values that focus on “providing valuable products and services that customers can identify with” and thereby create high value-added.

(ii) Form strategic alliances

Rather than focusing solely on its own operations, the Group plans to promote strategic alliances with powerful partners that will enable it to enhance the Group’s strengths, complement its capabilities, and acquire know-how, so as to rapidly develop competitive advantages on a large scale.

(iii) Promote international expansion

Expand the soft drinks and food products businesses, as well as the alcoholic beverages business, in overseas markets. Aim to build brands in overseas markets by utilizing technological capabilities and business alliances.

(iv) Expand synergies among group companies

The Group will promote flexible collaboration and cooperation unconstrained by existing organizational boundaries, and pursue synergies among businesses.

2 Efforts toward the strengthening and reinforcing of corporate governance

We shifted to a pure holding company system in July 2003, and formulated the Group’s governance system based on the management philosophy of the Group. The basic principles and policy of

management of the Group are 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 management of the Group

Under a holding company system, Sapporo Group has established the following basic principles of group management and aims to maximize corporate value by achieving total optimization of Sapporo Group and creating synergies, while retaining the autonomy of each business segment.

<Principle of total optimization of the Group>

The Group companies shall focus on their respective business activities, on the premises of value maximization and total optimization of the Group, and contribute to the improvement of the consolidated achievements of the Group.

<Principle of autonomy>

The Group companies aim to reinforce the management basis and to be autonomous in the realization of each of their missions based on the purpose of their foundation and the management policy of Sapporo Group.

The Company, as the holding company, delegates the operating authority necessary for corporate management to the presidents of the Group companies and these presidents are responsible for the management of their companies. In addition, the Company supports and guides the Group companies in their growth and progression.

<Principle of mutual cooperation>

The Company and the Group companies cooperate with each other in promoting business, including the procurement of materials, products, services, etc., and endeavor to realize the effects of synergies in the Group, while considering economic reasonableness.

(3) Basic policy on the constitution of the system of Group 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 regard the strengthening and reinforcement of Group 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.

<Supervisory function>

The board of directors plays a role in the supervisory function in the management of the Group, makes decisions pertaining to legally stipulated items and material operating issues that are stipulated in the rules of the board of directors, elects the representative directors and Group CEO, Group operating officers and other important employees, and supervises their operation.

<Operating function>

The representative directors and Group CEO control the operations of the whole Group in accordance with the decisions of our board of directors. Group operating officers who double as Presidents of main operating companies control the operations of each of the main business segments, subject to the total control by the representative directors and Group CEO of the Company.

<Audit function>

We have chosen to be a company with company auditors who work independently of the board of directors and of each other (self-independent system) and audit the operations of the directors, and to establish the board of company auditors.

(4) Efforts toward strengthening the Group governance system

We have made positive efforts toward strengthening the governance system through adopting operating officers in March 1999 which was before our shift toward a pure holding company system, and reducing the term of office of the directors to one year as of March 2002, etc. Since we shifted to a pure holding company system on July 2003, we have endeavored to strengthen the Group governance as described in (3) above. We will present at this General Meeting a proposal that recommends the number of outside directors be increased by one. We will further endeavor to strengthen and reinforce corporate governance in the future.

We believe that efforts based on the New Management Framework improve the corporate value of the Group and reduce the risk that a large scale purchaser who will materially damage the interests of the Company's shareholders as a whole will appear. In addition, we believe that efforts toward the strengthening of corporate governance will promote the New Management Framework and will be the basis for improvements of the corporate value. Therefore, we believe that such efforts are in accordance with the Basic Policies on Company Control.

III Efforts to prevent the Company's financial and business policies from being controlled by an inappropriate party according to the basic policy on company control

In accordance with the Basic Policy on Company Control described in I above, we consider that it is the efforts to prevent the Company's financial and business policies from being controlled by an inappropriate party according to the Basic Policy on Company Control that, in the event of the implementation of any purchase of Shares and Other Securities³ of the Company by a Group of Shareholders¹ with the intent to hold twenty percent (20%) or more of the Voting Rights Ratio² of the Group of Shareholders or any purchase of Shares and Other Securities of the Company resulting in a

Group of Shareholders holding twenty percent (20%) or more of the total voting rights of the Company (we do not make any distinction based on specific means of purchase, such as market transactions or tender offers; however, the purchases to which the Company's board of directors has given prior consent, are not included. Such a purchase shall be hereinafter referred to as a "Large-Scale Purchase" and a person that conducts a Large-Scale Purchase shall be hereinafter referred to as a "Large-Scale Purchaser."), the Large-Scale Purchaser is required to follow certain reasonable rules ("Large-Scale Purchase Rules"), and that we constitute certain policies depending on whether or not the Large-Scale Purchaser observes the rules.

Notes

1 A Group of Shareholders means:

- (i) a Holder (including a person deemed as a holder pursuant to Paragraph 3, Article 27-23 of the Financial Instruments and Exchange Law. The same shall apply hereinafter) and any Joint Holders (provided in Paragraph 5, Article 27-23 of the Financial Instruments and Exchange Law, including a person deemed as a Joint Holder pursuant to Paragraph 6 thereof. The same shall apply hereinafter) of Shares and Other Securities (provided in Paragraph 1, Article 27-23 of the Financial Instruments and Exchange Law) of the Company; or
- (ii) a person who makes purchases, etc. (provided in Paragraph 1, Article 27-2 of the Financial Instruments and Exchange Law, including any purchase, etc. made on a Financial Instruments Exchange Market) of the Shares and Other Securities (provided in Paragraph 1, Article 27-2 of the Financial Instruments and Exchange Law) and any Specially Related Parties (provided in Paragraph 7, Article 27-2 of the Financial Instruments and Exchange Law).

2 Voting Rights Ratio means:

- (i) in the case of Note 1(i) above, the Share Holding Ratio (provided in Paragraph 4, Article 27-23 of the Financial Instruments and Exchange Law; in this case, the number of Shares and Other Securities Held (the number of Shares and Other Securities Held as provided in the same Paragraph. The same shall apply hereinafter) of the Joint Holders in respect of the holder shall be added) of the holder of the Shares and Other Securities of the Company; or
- (ii) in the case of Note 1(ii) above, the amount of the sum of the Shareholding Ratio (provided in Paragraph 8, Article 27-2 of the Financial Instruments and Exchange Law) of the Large-Scale Purchaser and its Specially Related Parties.

In calculating the Shareholding Ratio, the annual report, the semi-annual report or the treasury stock purchase report of the Company, whichever document has been most recently submitted to the authorities, may be referred to in deciding the Total Number of Voting Rights (provided in Paragraph 8, Article 27-2 of the Financial Instruments and Exchange Law) or Total Number of Issued Shares (provided in Paragraph 4, Article 27-23 of the Financial Instruments and Exchange Law).

3 Shares and Other Securities mean Shares and Other Securities as provided in Paragraph 1,

Article 27-23 of the Financial Instruments and Exchange Law.

1 Necessity of introducing the Policy

As described in I above, we believe that, in the event of a Large-Scale Purchase, the Large-Scale Purchaser should provide the board of directors of the Company with necessary and sufficient information regarding the Large-Scale Purchase in advance and should only be allowed to commence a Large-Scale Purchase after a certain assessment period for the board of directors of the Company elapses, in accordance with the Large-Scale Purchase Rules that the Company established and disclosed in advance, for the benefit of the decision making process of the shareholders.

After such information is provided, the board of directors of the Company will immediately start to consider the board of directors' opinion on the Large-Scale Purchase and shall subsequently form and disclose such opinion after careful consideration with advice from outside experts, etc. In addition, the board of directors may negotiate with the Large-Scale Purchaser in order to improve the proposal of the Large-Scale Purchaser or offer the shareholders alternative plans developed by the board of directors, if deemed necessary. Such process shall enable the shareholders of the Company to examine the proposal of the Large-Scale Purchaser and the alternative plans (in the case that any alternative plans are proposed) with reference to the opinion of the board of directors, and thus, the shareholders shall be given the opportunity to make the final decision as to whether or not to accept the proposal of the Large-Scale Purchaser.

When it comes to establishing such rules, the court has issued the following decision: "In the case where a hostile purchaser appears who intends to acquire control of the management, it is not an abuse of rights for the board of directors to require such hostile purchaser to propose a business plan and establish a period for assessment, to assess the business plan through discussion with the purchaser, to disclose the opinion of the board of directors, and to offer shareholders alternative plans, so long as the contents of the materials that are required to be submitted and the period for assessment are reasonable" so that establishing such rules was deemed to be legitimate. (Decision of the Tokyo District Court, July 29, 2005)

In addition, the board of directors established a certain policy to be applied depending on whether or not the Large-Scale Purchaser Rules are observed, and determined to establish the Policy as efforts in the case of a Large-Scale Purchase by an inappropriate party according to the Basic Policy on Company Control.

2 Establishment of Independent Committee

The Independent Committee is established as a body to ensure that the Policy is properly applied and to prevent arbitrary decisions by the board of directors. The Independent Committee shall have at least three members and in order to be able to judge fairly and neutrally, its members shall be elected from outside directors and outside company auditors of the Company or outside knowledgeable persons⁴ who are independent of the management team of the Company. The names and profiles of members of the Independent Committee are described in Appendix 2.

In the Policy, we set forth the objective requirements for the invocation of countermeasures, that we will not, in principle, take the countermeasures in the event the Large-Scale Purchaser observes the

Large-Scale Purchase Rules (described in III 4(1) below) and that we may take the countermeasures in the event the Large-Scale Purchaser does not observe the Large-Scale Purchase Rules (described in III 4(2) below); however, in the event the board of directors makes a significant determination pertaining to the Policy, including an event in which we make an exceptional response described in III 4(1) note 5 below and an event in which we take the countermeasures described in III 4(2) below, the board of directors shall generally consult with the Independent Committee and respect the recommendations of the Independent Committee to the utmost extent.

Furthermore, where a vote of the Board is conducted in relation to an important decision relating to the Policy, the decision will not be resolved unless there is agreement by two-thirds or more of the Outside Directors attending the meeting.

Note 4 Outside knowledgeable persons are elected from corporate managers who have sufficient experience, persons who are familiar with the investment banking business, lawyers, certified public accountants, academic experts who specialize in the Corporation Law, etc. or persons who are equivalent to these personnel.

3 Details of the Large-Scale Purchase Rules

(1) Provision of Information

The Large-Scale Purchase Rules which we hereby establish require that (i) a Large-Scale Purchaser provide, in advance, necessary and sufficient information regarding the Large-Scale Purchase to the board of directors of the Company, and that (ii) the Large-Scale Purchaser commence the Large-Scale Purchase only after a certain assessment period for the board of directors of the Company.

More specifically, first, a Large-Scale Purchaser is required to submit to the Representative Director of the Company a “letter of intent” to comply with the Large-Scale Purchase Rules, which shall specify the name, address, law governing the incorporation, name of the representative, contact details in Japan of the Large-Scale Purchaser and an outline of the proposed Large-Scale Purchase, and in addition, a Large-Scale Purchaser is required to provide the board of directors of the Company with necessary and sufficient information (hereinafter referred to as the “Necessary Information”) to allow shareholders of the Company to make their decision and the board of directors of the Company to form its opinion.

Within ten (10) business days after receipt of such letter of intent, the board of directors of the Company will deliver to the Large-Scale Purchaser a list of the Necessary Information to be initially provided by the Large-Scale Purchaser. If the information initially provided by the Large-Scale Purchaser is deemed less than as the Necessary Information as a result of the board of directors’ examination, the board of directors of the Company will require the Large-Scale Purchaser to provide additional information until the Company has received all of the Necessary Information.

Details of the Necessary Information may differ according to the characteristics of the Large-Scale Purchaser and the purpose and details of the Large-Scale Purchase; however, items to be generally included as Necessary Information shall be as follows:

- (1) An outline (including information relating to the substance of the business of the Large-Scale Purchaser, capital structure and experience in businesses similar to the Company’s business or the Group’s business) of the Large-Scale Purchaser and its group (including Joint Holders and Specially Related Parties);

- (2) The purpose and substance of the Large-Scale Purchase (including amounts/type of the consideration of the purchase, etc., timing of the purchase, etc., structure of related transactions, and legality of the means of purchase, etc., feasibility of purchase, etc. and related transactions);
- (3) The basis for the calculation of the value of the Company's shares and financial resources backing the purchase (including specific names of the financial backers (including substantial backers), financing methods, and substance of related transactions);
- (4) The candidates for the management team (including information regarding experience at businesses similar to business of the Company and the Group), management policy, business plan, capital policy, distribution policy, policy of utilization of assets, etc. (hereinafter referred to as the "Management Policy after Purchase") expected after the Large-Scale Purchaser participates in the management of the Company's business and the Group's business; and
- (5) The possibility and substance of any change of the Company's and the Group's relationship with stakeholders, such as business partners, customers, employees, etc., as planned after the completion of the Large-Scale Purchase.

We will disclose at the time the board of directors of the Company deems appropriate all or part of the fact that a Large-Scale Purchase was proposed and the Necessary Information provided to the board of directors of the Company, if such disclosure is considered necessary for the shareholders of the Company to make their decisions.

(2) Assessment period for the board of directors

Subsequent to the Large-Scale Purchaser completing its provision of the Necessary Information to the board of directors of the Company, the board of directors of the Company shall set a period equal to or less than 60 days which is necessary for the board of directors to assess, examine, negotiate, form an opinion and seek alternative plans (hereinafter referred to as the "Board Assessment Period"). The board of directors sets the specific period in consideration of the level of difficulty in making an assessment of the Large-Scale Purchase, including an assessment of the purpose of the purchase, the kind of consideration, the means of the purchase, etc., and the board of directors can extend the period to a maximum of 90 days (including the initial set period), upon consultation with the Independent Committee and giving the utmost respect to the recommendations of the Independent Committee. The Large-Scale Purchase may only be commenced after the Board Assessment Period has elapsed. Moreover, in the event the Necessary Information is completely provided, the board of directors of the Company shall promptly disclose such fact and the expiration date of the Board Assessment Period. In addition, in the event the board of directors extends the Board Assessment Period after receiving the recommendation of the Independent Committee, it promptly discloses the extended period and the reasons for the extension.

The board of directors of the Company shall thoroughly assess and examine the Necessary Information it receives, in consultation with the Independent Committee, with advice from outside experts during the Board Assessment Period as needed and giving the utmost respect to the recommendation of the Independent Committee, and shall form and disclose its opinion. In addition, the board of directors may negotiate with the Large-Scale Purchaser in order to improve the terms of the proposed Large-Scale Purchase or may offer alternative plans to shareholders of the Company, as necessary.

4 Policy toward Large-Scale Purchases

(1) In the event a Large-Scale Purchaser observes the Large-Scale Purchase Rules

If a Large-Scale Purchaser observes the Large-Scale Purchase Rules, the board of directors of the Company, even if it disagrees with the proposed Large-Scale Purchase, will not in principle take countermeasures against the Large-Scale Purchase, while it may attempt to persuade the shareholders of the Company by expressing an objection to the proposal of the Large-Scale Purchase or by offering alternative plans. The board of directors believes that the shareholders of the Company should make their own decision as to whether or not they accept the proposal of the Large-Scale Purchaser upon consideration of such proposal and the opinion on such proposal and alternative plans provided by the Company.

However, in the event that it is considered that the Large-Scale Purchase will seriously undermine the interests of the Company's shareholders as a whole, including the case where the Large-Scale Purchase clearly has abusive purposes⁵ and will cause irreparable damage to the Company, the board of directors of the Company may take any measures considered to be appropriate, as exceptional measures, in order to protect the interests of the Company's shareholders as a whole.

In addition, in order to secure the objectiveness and reasonableness of the decisions made in the event that the exceptional measures described above are taken, the board of directors of the Company shall assess the specific details of the Large-Scale Purchaser and the Large-Scale Purchase and the influence of the Large-Scale Purchase on the interests of the Company's shareholders as a whole by taking into account the Necessary Information, including the Management Policy after Purchase, provided by the Large-Scale Purchaser, the advice of outside experts, etc. and give utmost respect to the recommendations of the Independent Committee, before making judgment.

Note 5 Abusive purposes are considered to include, for example, where a Large-Scale Purchaser:

- (1) intends to purchase the shares for the sole purpose of forcing the relevant parties related to the company to purchase the shares at higher price, by boosting the share price of the company, even though the Large-Scale Purchaser does not have a real intention to participate in the management of the company;
- (2) purchases the shares for the purpose of a so-called scorched-earth management, which includes having the company transfer the intellectual property rights, know-how, corporate secrets, main clients, customers, etc. necessary for the business and management of the company to such Large-Scale Purchaser or its group companies, etc., by temporarily controlling the management of the company;
- (3) purchases the shares of the company and plans to divest the assets of the company with the intention of using such assets as security or the source of repayment of the debt of such Large-Scale Purchaser or its group companies, etc. after controlling the management of the company;
- (4) purchases the shares of the company for the purpose of having the company sell or otherwise dispose of its valuable assets, including real property or securities that have no immediate relationship with the businesses of the company, and temporarily pay large dividends against the profits gained from such disposition, or for the purpose of taking the opportunity to rapidly increase the share price influenced by the payment of large dividends and then sell such shares at a higher price, by temporarily controlling

- the management of the company;
- (5) the method proposed by the Large-Scale Purchaser for purchase of the shares of the company is the purchase of the shares through a takeover bid, etc. without soliciting the purchase of all shares at the initial purchase and with terms and conditions for a second purchase that are less favorable or that are unclear (a so-called two-tier coercive takeover);
- etc.

(2) In the event a Large-Scale Purchaser does not observe the Large-Scale Purchase Rules

If a Large-Scale Purchaser does not observe the Large-Scale Purchase Rules, regardless of the specific method of purchase, the board of directors of the Company may take countermeasures against the Large-Scale Purchase to protect the corporate value of the Company and the interests of the Company's shareholders as a whole. Countermeasures include the issuance of stock acquisition rights or any other measures that the board of directors is permitted to take under the Corporation Law or other laws and the Articles of Incorporation of the Company. The board of directors of the Company shall decide whether or not a Large-Scale Purchaser observes the Large-Scale Purchase Rules and whether it is appropriate to take countermeasures by taking into account the opinions of outside experts, etc. and by giving the utmost respect to the recommendations of the Independent Committee.

The board of directors will adopt the specific countermeasures that it deems most appropriate at that time. In the event the board of directors elects to issue stock acquisition rights as a specific countermeasure, the outline of such stock acquisition rights shall be as described in Appendix 1 attached hereto; however, if the board of directors actually elects to issue stock acquisition rights as a countermeasure, it may determine the exercise period and the conditions for exercise, acquisition terms and acquisition conditions etc., of the stock acquisition rights considering the effectiveness thereof as a countermeasure, including, for instance, the condition not to belong to a specific Group of Shareholders with a 20% or more Voting Rights Ratio. In addition, the Company registered the issuance of certificates of stock acquisition rights on November 30, 2006, and it became effective on December 8, 2006.

(3) Cessation, etc. of taking countermeasures

When the board of directors, after having decided to take the exceptional measures described in III 4(1) above or the countermeasures described in III 4(2) above, judges that it is no longer appropriate to take countermeasures in such an event as the withdrawal or change by the Large-Scale Purchaser of the Large-Scale Purchase, it may cease to take or change countermeasures upon giving the utmost respect to the recommendations of the Independent Committee.

For example, when the board of directors judges that it is no longer appropriate to take countermeasures in such an event as the withdrawal or change by a Large-Scale Purchaser of the Large-Scale Purchase in the case of the gratuitous allotment of stock acquisition rights, even after shareholders who are entitled to receive stock acquisition rights have been determined, the board of directors may cease the countermeasures, as follows:

- (1) Until the effective date of the stock acquisition rights, the board of directors may cease the gratuitous allotment of stock acquisition rights upon the recommendation of the Independent Committee; or

- (2) After the gratuitous allotment of stock acquisition rights and until the exercise period begins, the board of directors may acquire stock acquisition rights gratuitously upon the recommendation of the Independent Committee.

In the event of such cessation of countermeasures, the board of directors shall disclose the information that the Independent Committee believes necessary.

5 Influence, etc. on Shareholders and Investors

(1) Influence, etc. of the Large-Scale Purchase Rules on Shareholders and Investors

The purpose of the Large-Scale Purchase Rules is to provide the shareholders of the Company with the information necessary for them to determine whether or not to accept a Large-Scale Purchase in addition to the opinion of the board of directors of the Company that is actually in charge of the Company's management, and to ensure that the shareholders of the Company have opportunities to receive any alternative plans. The board of directors believes that under the Large-Scale Purchase Rules, the shareholders of the Company, with sufficient information, will be able to make appropriate decisions as to whether or not to accept the Large-Scale Purchase, whereby the interests of the Company's shareholders as a whole shall be protected. Accordingly, the board of directors believes that the establishment of the Large-Scale Purchase Rules is a prerequisite for appropriate investment decisions of the shareholders of the Company and investors and is for the interest of the shareholders of the Company and investors.

The board of directors hereby advises the shareholders of the Company and investors to observe carefully any actions by a Large-Scale Purchaser, because the policy of the Company will differ depending on whether or not a Large-Scale Purchaser complies with the Large-Scale Purchase Rules, as described in III 4 above.

(2) Influence, etc. of Countermeasures on Shareholders and Investors

If a Large-Scale Purchaser does not observe the Large-Scale Purchase Rules, the board of directors of the Company may take countermeasures, which the board of directors is permitted to take under the Corporation Law or other laws and the Articles of Incorporation of the Company, to protect the corporate value of the Company and the interests of the Company's shareholders as a whole. However, given the structure of the countermeasures, the board of directors does not expect that taking such countermeasures will cause any legal or economic damage or loss to the shareholders of the Company (excluding a Large-Scale Purchaser who does not observe the Large-Scale Purchase Rules or implements a Large-Scale Purchase which is considered to materially damage the interests of the Company's shareholders as a whole, such as causing the unrecoverable damage to the Company). When the board of directors elects to take any specific countermeasure, the board of directors will make an appropriate disclosure in a timely manner in accordance with the relevant laws, regulations and stock exchange regulations.

The procedures related to the shareholders of the Company in respect of the issuance of stock acquisition rights, as one of the possible countermeasures, are as follows.

With respect to the issuance of stock acquisition rights, it may be necessary for the shareholders to make a payment of certain amount of money within a specific period in order to acquire new shares upon exercising his/her stock acquisition rights. When the board of directors decides to acquire stock

acquisition rights, it may issue new stock to shareholders without paying the amount equivalent to the exercise price, in exchange for the acquisition of the stock acquisition rights. Details of these procedures will be informed in accordance with the laws and regulations in the event of actual issuance of stock acquisition rights. However, with respect to shareholders who do not complete the registration of their shares, it may be necessary to complete such registration by the date of the allotment of the stock acquisition rights to be separately decided upon and publicly announced by the board of directors of the Company.

In addition, in the event the board of directors of the Company ceases to issue stock acquisition rights or acquire issued stock acquisition rights gratuitously, upon the recommendation of the Independent Committee, the share value shall not be diluted, so that shareholders and investors, who purchased or sold shares after the date of the expiration of the gratuitous allotment of stock acquisition rights on the assumption that the stock value of the Company would be diluted do not suffer unexpected losses because of movements in share price.

6 Starting date of application and period of validity of the Policy

The Policy will become effective upon the approval thereof at this General Meeting; provided it is approved, the Policy will remain effective until the close of the Company's 85th ordinary general meeting of shareholders to be held on or before March 31, 2009. However, if the Policy is approved to be continued at the 85th ordinary general meeting of shareholders the effective term of the Policy will be extended for another one year and the same shall apply thereafter. If the continuation of the Policy is approved, the board of directors shall promptly give notice of such fact.

In addition, from the viewpoint of the improvement of corporate value and shareholder value, in the event the Policy is decided to be continued, the board of directors will review the Policy from time to time from the viewpoint of improvement of related laws and regulations and the listing system of the Tokyo Stock Exchange and the Sapporo Stock Exchange, and may change the Policy upon the approval of the Company's general meeting of shareholders. In such case, the board of directors will promptly disclose such fact.

7 Supplementary Provision

On the condition that shareholders approve at this General Meeting, we will continue to apply the Current Policy in relation to the response to any Large-Scale Purchase based on a "letter of intent" that we receive on or before the end of this General Meeting and, in addition, in relation to the response to the Large-Scale Purchase based on the "letter of intent" that we received on or before the end of the Company's 83rd ordinary general meeting of shareholders held on March 29, 2007, we will continue to apply the Old Policy.

IV The Policy will comply with the basic policy on company control, so as not to damage the common interests of shareholders and not to pursue the maintenance of the status of directors and reasons therefor

(1) The Policy will comply with the Basic Policy on Company Control

The Policy sets forth matters such as the substance of the Large-Scale Purchase Rules, the policy

toward a Large-Scale Purchase, the establishment of the Independent Committee, and the influence on shareholders and investors.

In the Policy, it is stipulated that a Large-Scale Purchaser is required to provide the board of directors of the Company with all necessary and sufficient information concerning the Large-Scale Purchase in advance and that it may commence the Large-Scale Purchase only after a certain assessment period for the board of directors of the Company has elapsed, and that the board of directors of the Company may take countermeasures against any Large-Scale Purchaser who does not observe these rules.

In addition, it is stipulated that, even if the Large-Scale Purchaser observes the Large-Scale Purchase Rules, in the event that the board of directors of the Company judges that the Large-Scale Purchase by the Large-Scale Purchaser will materially damage the interests of the Company's shareholders as a whole, the board of directors of the Company may take countermeasures against the Large-Scale Purchaser that are considered necessary in order to protect the interests of the Company's shareholders as a whole.

As set forth above, the Policy is consistent with the Basic Policy on Company Control.

(2) The Policy will not damage the common interests of shareholders of the Company

As described in I, the Basic Policy on Company Control is based on the assumption that the common interests of shareholders of the Company should be respected. The Policy is consistent with the Basic Policy on Company Control and intended to ensure that shareholders of the Company are provided with the information necessary to decide whether or not to accept a Large-Scale Purchase, the opinion of the board of directors of the Company and the opportunity to receive alternative plans. Because the shareholders of the Company and investors can make proper investment judgments through the Policy, it does not damage the common interests of the shareholders of the Company, but rather contributes to their interests.

In addition, we believe that the facts that the implementation and extension of the Policy depend on the approval of shareholders of the Company and that the shareholders can abolish the Policy if they so desire ensure that the Policy will not damage the common interests of shareholders of the Company.

(3) The Policy will not pursue the maintenance of the status of directors

The Policy has a broad principle that leaves the final decision whether or not a Large-Scale Purchase shall be accepted to the judgment of the shareholders, requires compliance with the Large-Scale Purchase Rules and allows countermeasures to the extent necessary to protect the interests of the Company's shareholders as a whole. The Policy discloses the condition that the board of the directors of the Company may take countermeasures in advance and in detail, and countermeasures by the board of directors of the Company may be taken in accordance with the provisions of the Policy. The board of directors of the Company cannot solely implement and extend the Policy, and the approval of shareholders of the Company is necessary.

In addition, in relation to a Large-Scale Purchase, the board of directors of the Company assesses and reviews the purchase, forms opinions, may suggest alternative plans, and may negotiate with the Large-Scale Purchaser. Furthermore, in the event that the board of directors takes countermeasures, it

requests advice from outside experts, etc., consults with the Independent Committee consisting of members who are independent of the management team operating businesses of the Company, and gives utmost respect to the recommendation of the Independent Committee. As mentioned above, the Policy includes procedures through which the appropriate operations by the board of directors of the Company are ensured.

As described above, we believe that it is clear that the Policy does not pursue the maintenance of the status of directors.

End of document

Outline of Stock Acquisition Rights**1. Shareholders who are entitled to receive stock acquisition rights and conditions of issuance thereof:**

One (1) stock acquisition right shall be allotted to a shareholder for each share of common stock of the Company held by such shareholder (excluding the Company's common stocks held by the Company), whose name is inscribed or recorded in the register of shareholders or the register of beneficial shareholders as of the end of the date of allotment to be specified by the board of directors of the Company.

2. Type and number of shares to be acquired upon exercise of the stock acquisition right:

The type of shares to be acquired upon exercise of the stock acquisition right shall be common stock of the Company, and the total number of such shares shall be up to 580,000,000. The number of shares to be acquired upon exercise of one (1) stock acquisition right shall be separately determined by the board of directors of the Company; provided, however, that such number shall be adjusted to the extent necessary if the Company performs a stock split or a stock consolidation.

3. Total number of stock acquisition rights to be issued:

The total number of stock acquisition rights to be allotted shall be separately determined by the board of directors of the Company. The board of directors of the Company may allot stock acquisition rights in installments.

4. Issuance price of stock acquisition rights:

The issuance price of the stock acquisition right is nil.

5. Amount to be paid upon exercise of stock acquisition rights:

The amount to be paid upon exercise of a stock acquisition right shall be an amount to be determined by the board of directors of the Company which shall be at least one (1) Japanese yen.

6. Restriction on transfer of stock acquisition rights:

Stock acquisition rights may not be transferred without the approval of the board of directors of the Company.

7. Conditions of exercise, terms of acquisition and conditions of acquisition of stock acquisition rights:

Certain conditions of exercise shall be provided, including a condition that a person belonging to a Group of Shareholders that holds at least 20% of the Voting Rights Ratio may not exercise stock acquisition rights. Details of the conditions shall be separately determined by the board of directors of the Company.

In addition, there could be terms of acquisition and conditions of acquisition established. As between certain shareholder groups holding at least 20% of the Voting Rights Ratio and other shareholders, there could be differences in treatment relating to the price of the acquisition, and the

stock acquisition rights held by people belonging to a certain group of shareholders holding at least 20% of the Voting Right Ratio will not be within the class that can acquire. Further details will be decided separately by the Board.

8. Exercise period, etc. of stock acquisition rights:

The exercise period, extinguishment grounds, extinguishment conditions and other necessary subject matter of the stock acquisition rights shall be separately determined by the board of directors of the Company.

End of document

Name and personal history of the members of Independent Committee**Shunko Muto**

Mar. 1929 Born
 Apr. 1953 Assistant judge, the Yokohama District Court
 Apr. 1963 Judge, the Tokyo District Court
 Apr. 1966 Instructor, the Legal Training and Research Institute
 Apr. 1982 Judge, the Tokyo High Court
 Apr. 1984 President, the Niigata District Court
 May 1991 President, the Hiroshima High Court
 Sep. 1992 Registered as lawyer (Daiichi Tokyo Bar Association)
 Oct. 1992 Professor, Faculty of Law, Teikyo University (Professor Emeritus since Mar. 2003)

Hiroshi Oura

Feb. 1934 Born
 Apr. 1956 Joined Fuji Tsushinki Manufacturing Corporation (now Fujitsu Limited)
 July 1978 Chief of General Planning Office, Fuji Tsushinki Manufacturing Corporation
 June 1985 Director, Fuji Tsushinki Manufacturing Corporation
 June 1988 Executive Director, Fuji Tsushinki Manufacturing Corporation
 June 1989 Representative Director, President and CEO, Advantest Corporation
 June 2001 Representative Director and Chairman of the Board, Advantest Corporation
 June 2003 Director, Fujitsu Limited (up to the present)
 June 2005 Director and Senior Executive Advisor, Advantest Corporation
 June 2007 Senior Executive Advisor, Advantest Corporation (up to the present)

Iwao Nakatani

Jan. 1942 Born
 Apr. 1965 Joined Nissan Motor Co., Ltd.
 July 1973 Lecturer and Researcher, The Graduate School of Arts and Sciences, Harvard University
 July 1974 Associate Professor, Faculty of Economics, Osaka University
 Apr. 1984 Professor, Faculty of Economics, Osaka University
 Oct. 1991 Professor, Faculty of Commerce and Management, Hitotsubashi University
 Oct. 1999 Professor, Department of Management and Information Sciences, Tama University
 Apr. 2000 Chairman, Sanwa Research Institute Corporation (now Mitsubishi UFJ Research and Consulting Co., Ltd.) (up to the present)
 Sep. 2001 President, Tama University (up to the present)
 Apr. 2005 Professor Emeritus, Hitotsubashi University (up to the present)

End of document

The major shareholders of the Company

The major shareholders of the Company as of December 31, 2007 were as below.

Name of Shareholder	Shareholder Investment in the Company	
	Number of Shares Held (thousands of shares)	Percentage of Shares Held
Steel Partners Japan Strategic Fund (Offshore), L.P.	69,150	17.6
Nippon Life Insurance Company	12,332	3.1
Meiji Yasuda Life Insurance Company	10,434	2.7
Mizuho Trust & Banking Co., Ltd.	10,162	2.6
Citibank New York Third Avenue Small Cap Value Fund	10,148	2.6
The Norinchukin Bank	9,375	2.4
Mizuho Corporate Bank, Ltd.	8,698	2.2
Marubeni Corporation	8,246	2.1
Morgan Stanley Japan Securities Co., Ltd	7,689	2.0
The Master Trust Bank of Japan, Ltd. (on trust)	7,170	1.8
TOTAL	153,404	39.1

Note

1 The total number of the issued and outstanding shares of the Company is 393,971,493. The Percentage of Shares Held is calculated after deducting the Shares held by the Company as treasury stock (1,785,996 shares).

2 Other than the shares described above, Mizuho Trust & Banking Co., Ltd. has 6,212,000 shares in the account of Mizuho Trust & Banking of the employee pension trust of Trust and Custody Service Bank, Ltd. and has 16,374,000 shares in total (the Percentage of Shares Held is 4.2%).

3 Other than the shares described above, Mizuho Corporate Bank, Ltd. has 4,702,000 shares in the account of Mizuho Corporate Bank of the employee pension trust of Mizuho Trust and has 13,400,000 shares in total (the Percentage of Shares Held is 3.4%).

End of document