

[Translation]

February 23, 2009

Company Name	Marudai Food Co., Ltd.
Representative	Tokuo Kudara President and Representative Director
Stock Code	2288
Listed on	Tokyo Stock Exchange Osaka Securities Exchange
Inquiries	Yoshikazu Sawanaka Executive Managing Director Accounting Department Tel: 81-72-661-2518
Company Name	Sapporo Holdings Limited
Representative	Takao Murakami President and Representative Director
Stock Code	2501
Listed on	Tokyo Stock Exchange Sapporo Securities Exchange
Inquiries	Tsutomu Kamijo Director, Corporate Planning Department Tel: 81-3-5423-7407

Progress Report on the Business Alliance Between
Marudai Food Co., Ltd. and Sapporo Holdings Limited

We hereby notify you that Marudai Food Co., Ltd., along with its subsidiary (hereinafter referred to as the “Marudai Group”), and Sapporo Holdings Limited, along with its subsidiary (hereinafter referred to as the “Sapporo Group”), have agreed as follows on a joint venture in the yogurt, dessert and chilled beverage business, etc., the basic terms of which have been agreed on as of October 20, 2008, and have decided to promote such business.

1. Agreed Matters Concerning the Outline of Joint Venture Company

With respect to the joint venture in the yogurt, dessert and chilled beverage business, etc., between the Marudai Group and the Sapporo Group, the parties have basically agreed that such joint venture business shall be conducted through Azumino Food Co., Ltd., a subsidiary of Marudai Food Co., Ltd., and the Sapporo Group shall contribute capital to Azumino Food Co., Ltd. after Marudai Food Co., Ltd. transfers the business assets relating to the joint venture to Azumino Food Co., Ltd., and that the ratio of issued shares of the joint venture company held by both groups shall be initially 51% for the Marudai Group and 49% for the Sapporo Group. As a result of the discussion after such basic agreement, the outline of the joint venture company has been decided as follows:

(1) Corporate Name	Azumino Food Co., Ltd.
(2) Number of Shares to be Acquired Upon Capital Increase, etc.	Marudai Food 9,800 shares 490 million yen Sapporo Group 9,600 shares 480 million yen
(3) Number of Issued Shares After Capital Increase	19,600 shares (Marudai Food 10,000 shares, Sapporo Group 9,600 shares)
(4) Capital	495 million yen
(5) Total Assets	2,875 million yen

In addition, it has been informally decided that Mr. Koichi Mihara from the Sapporo Group will assume office as the president and representative director of the joint venture company.

The head office of the joint venture company is intended to be located at Matsumoto City in Nagano, and the headquarters of the joint venture company is intended to be located at Ebisu in Shibuya-ku, Tokyo.

The joint venture company will start its business with the corporate name, Azumino Food Co., Ltd. However, with the aim of developing the joint venture company into a company supported by customers by demonstrating new value, we intend to determine a new corporate name by about this fall.

It is anticipated that the joint venture business, at its commencement, will achieve net sales of 5 billion yen and operating income of 200 million yen. Aiming for net sales of 10 billion yen for the fiscal year ending in March 2012, which will be three

years after the commencement of the joint venture, the Marudai Group and the Sapporo Group will determine the business plan upon further review and discussion.

2. Future Schedule

March 31, 2009	Transfer of business assets from Marudai Food Co., Ltd. to Azumino Food Co., Ltd.
April 1, 2009	Capital increase in the joint venture company; commencement of joint venture business

<Brief Background Description of the Candidate for the President and Representative Director of the Joint Venture Company>

Name: Koichi Mihara
Date of Birth (Age): November 4, 1957 (51 years old)
Academic Background: Graduated Faculty of Law at Hitotsubashi University (Graduated in March 1981)

Brief Background Description:

April 1981	Joined Sapporo Breweries Limited
November 1997	Assumed the position of General Manger of Distribution and Sales Department at Yokohama Branch
September 2000	Assumed the position of General Manger of Osaka Distribution and Sales in Wide Area Distribution and Sales Department at Kinki Area Headquarters
September 2004	Assumed the position of Third General Manger of Sales in Distribution and Sales Department at Tokyo Area Headquarters
October 2006	Assumed the position of Controlling General Manger of Distribution and Sales Department at Tokyo Area Headquarters
January 2009	Joined Corporate Planning Department of Sapporo Holdings Limited

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