

[Translation]

February 24, 2009

Company Name	Sapporo Holdings Limited
Representative	Takao Murakami, President and Representative Director
Stock Code	2501
Listed on	Tokyo Stock Exchange Sapporo Securities Exchange
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Re: Letter from SPJSF dated February 17, 2009

We received from Steel Partners Japan Strategic Fund (offshore) L.P. (hereinafter referred to as “SPJSF”) a letter dated February 17, 2009. We hereby announce that today we sent to SPJSF a letter in response, communicating our thoughts.

Specifically, we have been in continuous discussions with SPJSF from the perspective of protecting the common interests of shareholders and we have made efforts to explore solutions that would satisfy SPJSF and other shareholders of the Company as well as all other stakeholders. Today we again conveyed to SPJSF our aforementioned intentions.

Moreover, with respect to SPJSF’s observation of “the Company’s ever-worsening performance” as stated in their letter, we additionally explained to SPJSF the Company’s business performance for the most recent three years and its business plan for the next two years starting this year, as set forth in the Attachment.

All of the proposals that were set forth in SPJSF’s letter as measures to improve the Company’s corporate value and shareholder value have, in fact, been examined or are being implemented by the Company, and therefore we have proposed to SPJSF to “conduct specific and constructive discussions” regarding SPJSF’s proposals. Today, we reiterated such intention to SPJSF.

We will continue to take appropriate actions from the perspective of protecting the common interests of all of our shareholders and to manage the Company for the maximization of the Company’s corporate value.

[End of this release]

Attachment

Supplemental Presentation Regarding the Company's Business Performance for the Most Recent Three Years and its Business Plan for this Year and thereafter (Summary)

1 The Company's Business Performance for the Most Recent Three Years

	2006 (Actual)	2007 (Actual)	2008 (Actual)
Net sales	435.0 billion yen	449.0 billion yen	414.5 billion yen
Operating income	8.6 billion yen	12.3 billion yen	14.6 billion yen
Ordinary income	5.8 billion yen	8.1 billion yen	10.5 billion yen
Net income	2.3 billion yen	5.5 billion yen	7.6 billion yen
Balance of financial debt	236.0 billion yen	212.4 billion yen	189.2 billion yen
D/E ratio	2.1	1.7	1.6
ROE	2.1%	4.6%	6.3%

1) With respect to the Company's business performance on a consolidated basis, we had increased net income for the two most recent consecutive years. We observed steady results of "strengthening the earnings structure" that has been implemented under the business plan. In addition, the debt-to-equity (D/E) ratio and return on equity (ROE) have been gradually improved, which shows steady results of "strengthening the financial basis" and "enhancing capital efficiency."

2) In the meantime, we implemented various reforms and measures with successful results, including a reorganization of production sites and control over sales promotion costs with respect to our domestic alcoholic beverages segment, the acquisition of Sleeman Breweries Ltd. ("Sleeman") with respect to our international alcoholic beverages segment, a business restructuring by the business alliance with an outside partner with respect to our soft drinks segment, innovative operations at existing restaurants and the further opening of newly-developed types of restaurant with respect to our restaurant segment, and a business alliance with an outside partner and the development of new real property with respect to our real estate segment.

3) Last year, sales declined with respect to our domestic alcoholic beverages segment due to lower sales of some new brands and the influence of the timing of sales price changes. However, we are endeavoring to achieve higher sales this year relative to last year by strengthening our brands, such as "Yebisu" and "Mugi-to-Hop."

4) In addition, with respect to our international alcoholic beverages segment, impairment of our equity investment in Sleeman resulted from the re-evaluation of "goodwill" to reflect an increased risk premium in the Canadian stock market due to the global financial crisis. Sleeman's sales volumes have increased at a rate greater than the growth rate of total demand in Canada.

2 Business Plan for this Year and Thereafter

	2009 (Plan)	2010 (Plan)	2016 (Target)
Net sales	408.3 billion yen	413.1 billion yen	600.0 billion yen
Operating income	12.0 billion yen	14.7 billion yen	40.0 billion yen
Ordinary income	8.5 billion yen	-	—
Net income	3.0 billion yen	-	—
Balance of financial debt	188.0 billion yen	-	—
D/E ratio	1.6	1.6	circa 1
ROE	2.6%	3.5%	8% or more

1) In the midst of an unprecedented recessionary phase worldwide, our group will have to develop the businesses of all of our segments under difficult circumstances. In the newly-prepared business plan, we regard years 2009-2010 as “the period to form the basis on which to transform ourselves for the next growth path,” and we will continue to carry out “measures for sustainable growth” and “business development by making the most of our strength and strengthening our earnings structure.”

2) We have planned for decreased net income for the year 2009. However, it is effectively a plan with increased net income if the influence of factors, such as increased depreciation expenses associated with changes in accounting principles and foreign exchange, are eliminated. We will continue our reforms with a view to constructing a basis on which to realize stable revenue even under changing circumstances.

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