

[Translation]

February 12, 2010

Company Name	Sapporo Holdings Limited
Representative	Takao Murakami, President and Representative Director
Securities Code	2501
Listed on	Tokyo Stock Exchange Sapporo Securities Exchange
Inquiries	Yoichi Kato Director and General Manager, Corporate Planning Department Tel: +81 3-5423-7407

Sapporo Holdings' Views on Certain Shareholder's Proposal at Its Ordinary General Meeting of Shareholders

As announced on January 22, 2010 in the press release "Receipt of Documents Regarding Exercise of Shareholders' Right for Proposal," Sapporo Holdings Limited ("Sapporo Holdings"), on the same day, received documents (the "Shareholder's Proposal") from Steel Partners Japan Strategic Fund (offshore) L.P. (the "Proposing Shareholder") regarding the exercise of the shareholders' right to propose matters for consideration at the 86th ordinary general meeting of shareholders of Sapporo Holdings to be held on March 30, 2010 (the "Shareholders' Meeting"). Sapporo Holdings announces that its Board of Directors opposes the Shareholder's Proposal as follows.

1. Basic Views on What the Board of Directors of Sapporo Holdings Should Be

In order to promote the continuous improvement of its corporate value and ultimately the common interests of its shareholders, the Board of Directors of Sapporo Holdings considers it best that its Board of Directors be primarily composed of management having extensive know-how and abundant experience in each business of its group as well as deep knowledge of relationships, etc., established with the stakeholders, including customers, employees and business partners, etc., which are the sources of its corporate value and that its Board of Directors be engaged in management while taking responsibility to comply with the mandate of its shareholders, for the purpose of managing Sapporo Holdings, which as a holding company oversees the management of the entire business of its group, which group is primarily composed of the Domestic Alcoholic Beverage, International Alcoholic Beverage, Soft Drinks, Restaurant and Real Estate Businesses.

Concretely, Sapporo Holdings' current system is that three full-time directors are in charge of and divide the management strategy, financial strategy, human resources strategy, M&A/business development strategy and corporate social responsibility (CSR) strategy, etc. of the entire business of

its group, under the President and Representative Director who is serving concurrently as CEO of the group and who controls the management of the entire business of the group.

Sapporo Holdings has also established a system whereby three directors concurrently serve as the president and representative director of its main operating companies that are given an important position in its entire group under the group's management strategy, and they are in charge of business segments supporting the operating results of its entire group and are responsible for controlling each business.

In addition, Sapporo Holdings has three outside directors having abundant experience, achievements, good judgment, etc., as the business managers of one of the leading companies in Japan. Its Board of Directors makes important decisions regarding management strategy, financial strategy and businesses through lively discussion upon receiving advice and recommendations, etc., from the three outside directors on its Board of Directors based on their objective viewpoint.

In order to promote the continuous improvement of its corporate value and ultimately the common interests of its shareholders and take responsibility to comply with the mandate of its shareholders, its Board of Directors considers it best that it make important decisions on business operations and supervise such operations under the above-mentioned composition of the Board of Directors.

2. Efforts Based on the “Sapporo Group’s New Management Framework” and Recent Operating Results

In October 2007, Sapporo Holdings announced its long-term management policy entitled the “Sapporo Group’s New Management Framework,” which is targeted towards 2016, the 140th anniversary of its business, and has aimed to improve the corporate value of the group by promoting “aggressive management” that heightens its competitiveness through re-adjusting the distribution of management resources and strategic investment in addition to implementing solid management focused on long-term goals.

- Consolidated Results of Sapporo Holdings During Past Four Years -

	2006 (actual)	2007 (actual)	2008 (actual)	2009 (plan)	2009 (actual)
Consolidated Net Sales (billion yen)	435.0	449.0	414.5	408.3	387.5
Consolidated Operating Income (billion yen)	8.6	12.3	14.6	12.0	12.8
Consolidated Ordinary Income (billion yen)	5.8	8.1	10.5	8.5	10.7

Consolidated Net Income (billion yen)	2.3	5.5	7.6	3.0	4.5
Balance of Financial Debt (billion yen)	236.0	212.4	189.2	188.0	197.5
D/E Ratio	2.1	1.7	1.6	1.6	1.7
ROE	2.1%	4.6%	6.3%	2.6%	3.9%

- 1) As for the 2009 consolidated earnings, ordinary income was 10.7 billion yen, an increase of 0.2 billion yen from the previous year. On the other hand, operating income decreased by 1.8 billion yen, but Sapporo Holdings made more profit than expected in the beginning of 2009. Excluding the effect of increased depreciation expenses due to changes in accounting/tax standards as well as booking of operating costs associated with the disposal of obsolete inventories (having the effect of decreasing the operating income by 2.4 billion yen), Sapporo Holdings continued to achieve higher earnings of operating income than the previous year for the three consecutive years beginning from 2007. This is the product of efforts to strengthen its earnings base implemented as a result of its new management framework.
- 2) During these periods, Sapporo Holdings implemented a realignment of production bases and control of advertising and promotion expenses in the Domestic Alcoholic Beverage Business, acquired Sleeman Breweries Ltd. in the International Alcoholic Beverage Business, restructured the operation through a business alliance with outside partners in the Soft Drinks Business, reform of existing restaurants and increased opening of new restaurants through development of new types of restaurants in the Restaurant Business and implemented a business alliance with outside partners and developed new properties in the Real Estate Businesses. Sapporo Holdings achieved certain results by implementing such reforms and measures.
- 3) Moreover, in 2009, Sapporo Holdings started a joint venture with Marudai Food Co., Ltd., determined a strategic capital and business alliance with Pokka Corporation, advanced into the beer business in Vietnam, etc., and consistently implemented measures to ensure sustained growth.

Sapporo Holdings today announced the “Sapporo Group’s 2010-2011 Management Plan” as the rolling plan to be achieved in the two-year period starting this year based on the “Sapporo Group’s New Management Framework.” The content of the plan was announced in the press release dated today, and the plan designates this two-year period as a period for shifting from a “phase of earnings-base strengthening” to a “growth phase” to further secure the mid- to long-term enhancement of the corporate value.

Business conditions are becoming much more severe and the outlook for future conditions is still uncertain. The Board of Directors of Sapporo Holdings, therefore, believes that the entire group should continue to consistently promote management reform under the system composed of

responsible directors and should promote the continuous improvement of its corporate value and ultimately the common interests of its shareholders, and the director candidates should be selected from such point of view.

3. Sapporo Holdings' Views on Candidates for Directors to Be Elected at Shareholders' Meeting

Sapporo Holdings is planning to submit a proposal (the "Company's Proposal") at the Shareholders' Meeting for election of directors in which the ten people shown in the exhibit are the director candidates. The Board of Directors of Sapporo Holdings considers it indispensable that such ten director candidates be elected as directors in order to achieve "Sapporo Group's New Management Framework" stated above and consistently carry out management reform as a whole group.

The basic views on what the Board of Directors of Sapporo Holdings should be are as described above. As described above, Takao Murakami, one of the director candidates in the Company's Proposal, has strongly promoted the management reform of the group as President and Representative Director, serving concurrently as CEO of the Group, and who is responsible for the management of the entire business of the group.

As full-time directors, Tsutomu Kamijo, Hidenori Tanaka and Yoichi Kato have assisted the President and Representative Director, who is serving concurrently as CEO of the Group, and have been in charge of M&A/business development strategy and human resource strategy, financial strategy and CSR strategy and the integration and adjustment of management strategy of the entire group, etc., respectively, and have implemented the above-mentioned various reforms and measures as well as orchestrating cooperation within the group companies.

Yoshiyuki Mochida and Kazuo Ushio have been in charge of the main operating companies that are given important positions in the entire group under the group's management strategy as directors, each serving concurrently as president and representative director of, in the case of Mochida, Sapporo International Inc., and, in the case of Ushio, Yebisu Garden Place Co., Ltd., and they have carried out management reforms of each business segment based on strong trusting relationships with customers, employees, business partners, etc., who are supporting the group and have powered the improvement of the earnings of the entire group as described above. Fumiaki Terasaka is one of the director candidates who is expected this March to assume the office of the representative director and president of Sapporo Breweries Limited, one of the main operating companies described above. He has taken the initiative in the management reform of Sapporo Breweries Limited and achieved a boost in the earnings base as the executive managing officer of Sapporo Breweries Limited and is also expected to take responsibilities for future business growth of Sapporo Breweries Limited based on strong trusting relationships established with customers, employees, business partners, etc.

In addition, Hiroaki Eto, Hiroshi Tanaka and Nobuo Katsumata have abundant experience, achievements, good judgement, etc., which they obtained through many years as business managers of one of Japan's leading financial institutions, in the case of Eto, manufacturers, in the case of

Tanaka, and trading companies, in the case of Katsumata. The Board of Directors has received valuable advice and recommendations from Hiroaki Eto, Hiroshi Tanaka and Nobuo Katsumata based on their objective viewpoints as outside directors with respect to the management of a holding company that controls the Domestic Alcoholic Beverage, International Alcoholic Beverage, Soft Drinks, Restaurant and Real Estate Businesses, etc., and is implementing management reform.

The Board of Directors of Sapporo Holdings believes that these director candidates will demonstrate their respective strengths as much as possible, make the most of their respective abundant experiences, achievements, good judgement, etc., continue to work on management reform together with employees of the group, and, if so, Sapporo Holdings can promote the continuous improvement of its corporate value and ultimately the common interests of its shareholders. The Board of Directors, therefore, considers it best that such director candidates be elected as directors at the Shareholders' Meeting.

4. Possible Damage to Corporate Value If the Shareholder's Proposal Is Approved

The Proposing Shareholder insists, with respect to the candidates presented by the Proposing Shareholder (the "Candidates Proposed by Shareholder"), that "their discerning and innovative viewpoints are indispensable for Sapporo Holdings to recover its corporate value."

However, the Proposing Shareholder presents no concrete explanation of how the Candidates Proposed by Shareholder, if elected, can enhance the corporate value of Sapporo Holdings, such as a business plan and measures for enhancing the corporate value of Sapporo Holdings if the Candidates Proposed by Shareholder are elected, or a management structure for implementing such measures responsibly. None of the six persons among the Candidates Proposed by Shareholder who are not currently serving as a Director of Sapporo Holdings (the "Non-Current Director-Candidates Proposed by Shareholder") make an appeal to their innovative viewpoints, which the Proposing Shareholder particularly insists on, or their motivation for the further development of Sapporo Holdings.

Although some of the Non-Current Director-Candidates Proposed by Shareholder are said to have abundant experience in Japan with respect to corporate management, they have not established the same strong and trustful relationships with employees, customers and business partners, etc., who are the source of the corporate value of Sapporo Holdings, as the current management has established. If such Non-Current Director-Candidates Proposed by Shareholder were elected, most of the Directors comprising the Board of Directors would be outside directors who do not execute operations. That would mean a material change to the current governance system of Sapporo Holdings under which currently the directors who take initiatives in performing businesses under the President and Representative Director, who is serving concurrently as CEO of the Group, would constitute a majority of the Board of Directors and who involve the management in responsibly addressing the mandate of the shareholders. However, the Shareholder's Proposal does not make clear what governance system will be built up and what benefits such a change to the governance system will bring to the group. Rather, such change will bring tremendous confusion to the

operation of Sapporo Holdings and its on-site businesses. On the other hand, even though it is envisioned that, if elected as Directors, the Non-Current Director-Candidates Proposed by Shareholder will take initiatives in performing business, the situation is not made clear, with respect to business responsibility, who among the Non-Current Director-Candidates Proposed by Shareholder will assume which role, and, therefore, it can be hardly believed that such a system will lead the management of Sapporo Holdings to function more appropriately than before as compared to the current management system under which each Director, based on a well-defined role and responsibility, is involved in the management hand in hand under the President and Representative Director, who is serving concurrently as CEO of the Group, as mentioned above.

As a result, taking into consideration the above comprehensively, the Board of Directors of Sapporo Holdings believes that if the Non-Current Director-Candidates Proposed by Shareholder were elected as Directors of Sapporo Holdings, the corporate value of Sapporo Holdings, as well as the common interests of the shareholders could be damaged.

Meanwhile, the Candidates Proposed by Shareholder include Yoichi Kato, Hiroaki Eto, Hiroshi Tanaka and Nobuo Katsumata, who are Directors of Sapporo Holdings currently in office, and the Proposing Shareholder insists that their re-election will maintain the appropriate continuity with the current management. However, they have received no explanation from the Proposing Shareholder of their being presented as Candidates Proposed by Shareholder and have not indicated to the Proposing Shareholder their acceptance of taking office as Directors

As explained above, taking into consideration that (i) the Board of Directors of Sapporo Holdings truly believes that the management of Sapporo Holdings under the control of the candidates for Directors of the Company's Proposal will enhance the corporate value of Sapporo Holdings and ultimately the common interests of its shareholders, (ii) the Shareholder's Proposal is incompatible with the proposal of Sapporo Holdings, and (iii) the Shareholder's Proposal does not concretely explain how the election of the Candidates Proposed by Shareholder will enhance the corporate value of Sapporo Holdings and ultimately the common interests of its shareholders, but may rather bring damage to the corporate value of Sapporo Holdings and ultimately the common interests of its shareholders, Sapporo Holdings opposes the Shareholder's Proposal.

[End of document]

<p>This document was prepared solely for the purpose of presenting to the public the attitude of the Board of Directors of Sapporo Holdings towards the Shareholder's Proposal and does not constitute, and shall not be construed to constitute, a solicitation from the shareholders of Sapporo Holdings to exercise their voting rights by proxy, by Sapporo Holdings or any third party, for any agenda proposed by Sapporo Holdings at the ordinary general meeting of shareholders of Sapporo Holdings.</p>

(Exhibit)

Candidates for Directors at the 86th Ordinary General Meeting of Shareholders

Candidate Number	Name and Date of Birth	Career Summary, Position and Business Responsibility 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</p> <p> Managing Director of the Company</p> <p>March 2005 President and CEO of the Group (Up to the present)</p>
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</p> <p>March 2009 Managing Director and Group Operating Officer (Up to the present)</p> <p> President of Sapporo International Inc. (Up to the present)</p>

Candidate Number	Name and Date of Birth	Career Summary, Position and Business Responsibility in the Company
3	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 of Sapporo Breweries Limited</p> <p>March 2001 Member of the Board of Sapporo Beverage Co., Ltd. Director of Sales Planning Department of Sapporo Beverage Co., Ltd.</p> <p>September 2003 Director and Managing Executive Officer, Director of Marketing Department of Sapporo Beverage Co., Ltd.</p> <p>September 2005 Director and Managing Executive Officer, Director of Management Strategy Headquarters of Sapporo Beverage Co., Ltd.</p> <p>March 2007 Member of the Board of the Company Director of Corporate Planning Department of the Company</p> <p>March 2009 Managing Director (Up to the present)</p>
4	*new candidate Fumiaki Terasaka April 12, 1949	<p>April 1972 Joined the Company</p> <p>September 1998 Advertisement General Manager of Sales Department</p> <p>September 2000 Marketing General Manager of Sales Department</p> <p>October 2002 General Manager of Kyushu</p> <p>July 2003 General Manager of Kyushu of Sapporo Breweries Limited</p> <p>March 2004 Operating Officer, General Manager of Kyushu of Sapporo Breweries Limited</p> <p>September 2004 Director and Senior Officer, General Manager of Marketing Department of Sapporo Breweries Limited</p> <p>March 2005 Director and Executive Managing Officer, General Manager of Marketing Department of Sapporo Breweries Limited</p> <p>March 2009 Executive Managing Officer of Sapporo Breweries Limited (Up to the present)</p>
5	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 Director and Group Operating Officer (Up to the present) President and Representative Director of Yebisu Garden Place Co., Ltd. (Up to the present)</p>

Candidate Number	Name and Date of Birth	Career Summary, Position and Business Responsibility in the Company
6	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</p> <p>March 2008 Director of the Company(Up to the present)</p>
7	Yoichi Kato July 21, 1954	<p>April 1978 Joined the Company</p> <p>September 2003 Member of the Board, Senior Officer, Director of Sales Administration Division of Yebisu Garden Place Co., Ltd.</p> <p>November 2003 Director and Senior Officer, Director of Corporate Planning Department of Yebisu Garden Place Co., Ltd.</p> <p>March 2007 Director and Executive Managing Officer of Yebisu Garden Place Co., Ltd.</p> <p>March 2009 Director, Director of Management Strategy Headquarters of the Company (Up to the present)</p>
8	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>
9	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</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> <p>March 2008 Director of the Company(Up to the present)</p>

Candidate Number	Name and Date of Birth	Career Summary, Position and Business Responsibility in the Company
10	<p style="text-align: center;">Nobuo Katsumata</p> <p>December 5, 1942</p>	<p>April 1966 Joined Marubeni-Iida Co., Ltd. (current Marubeni Corporation)</p> <p>June 1996 Director, General Manager of Pulp & Paper Division of Marubeni Corporation</p> <p>April 1999 Corporate Vice President, Director and Chief Operating Officer of Marubeni Corporation</p> <p>April 2001 Senior Vice President, Director and Executive Corporate Officer of Marubeni Corporation</p> <p>April 2003 President and CEO, Member of the Board of Marubeni Corporation</p> <p>April 2008 Chairman, Member of the Board of Marubeni Corporation (Up to the present)</p> <p>March 2009 Director of the Company (Up to the present)</p>