



[Translation]

December 26, 2011

Company name	Sapporo Holdings Limited
Representative	Tsutomu Kamijo President and Representative Director
Securities code	2501
Listed on	Tokyo Stock Exchange Sapporo Securities Exchange
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**Sapporo Holdings Announces the Commencement of Negotiations
on the Acquisition of Trust Beneficiary Rights (Noncurrent Assets)
by a Consolidated Subsidiary**

Sapporo Holdings Limited (the “Company”) hereby announces that Yebisu Garden Place Co., Ltd. (“YGP”), a consolidated subsidiary of the Company, has agreed to negotiate with its joint holder on the acquisition of the latter’s 15% trust beneficiary rights (noncurrent assets) currently held thereby in the complex called Yebisu Garden Place (located at Ebisu, Shibuya-ku, Tokyo, and others; the “Yebisu Garden Place Complex”).

1. Reasons for Starting Negotiations on the Acquisition of the Trust Beneficiary Rights (Noncurrent Assets)

YGP is a core real estate company of the Sapporo Group. The Yebisu Garden Place Complex, which is the mainstay real estate property of YGP, is jointly owned in the form of trust beneficiary rights: 85% by YGP and 15% by Tamachi Holding Tokutei Mokuteki Kaisha (“TMK,” a special-purpose company), of which the asset adviser is Morgan Stanley Capital K.K. (“Morgan Stanley”). YGP and Morgan Stanley have previously taken specific initiatives to further enhance the real estate value of the Yebisu Garden Place Complex, and TMK recently broached the possibility of selling the above jointly held interest of 15% to YGP.

YGP addresses acquiring new real estate properties with the aim of developing and extending its real estate business. Meanwhile, judging that the profit-earning capacity of the Yebisu Garden Place Complex could be certainly demonstrated through value-up measures in the future, YGP has agreed to negotiate with TMK toward its future purchase of TMK’s trust beneficiary rights.

2. Overview of the Acquisition of the Trust Beneficiary Rights (Noncurrent Assets)

(1) Description of the assets to be acquired

Designation of real estate properties		Yebisu Garden Place (jointly held interest of 15% in land and buildings)
Location		Ebisu 4-chome, Shibuya-ku, Tokyo, and Mita 1-chome, Meguro-ku, Tokyo, Japan
Land	Area	62,571.80 m ² (actual measurement: including jointly held land lots)
Buildings	Total floor area	284,780.31 m ² (total registered area of the Office Tower and 10 other buildings)
	Completion	August 1994
Fiduciary		Mizuho Trust & Banking Co., Ltd.
Expected acquisition price		40.5 billion yen

Note: The terms and conditions of the transfer contract will be specifically negotiated subject to the above acquisition price.

3. Overview of YGP

(1) Company name	Yebisu Garden Place Co., Ltd.
(2) Representative	Kazuo Ushio, President and Representative Director
(3) Head office	20-3, Ebisu 4-chome, Shibuya-ku, Tokyo, Japan
(4) Date of establishment	June 28, 1988
(5) Outline of business	Rental management of real estate; real estate development; hotel and sport facilities operation, etc.
(6) Year end	December 31
(7) Number of employees	76
(8) Capital	2,080 million yen
(9) Number of shares issued	41,605

Note: The company name is scheduled to be changed to Sapporo Real Estate Co., Ltd., as of January 1, 2012.

4. Overview of the Acquisition Partner

(1) Company name	Tamachi Holding Tokutei Mokuteki Kaisha
(2) Director	Kazuhiro Matsuzawa
(3) Head office	56-15, Kameido 6-chome, Koto-ku, Tokyo, Japan
(4) Date of establishment	May 24, 2007
(5) Relationship between the listed company and TMK	There is no investment by the Company, its associated companies including YGP, and any persons concerned of the Company, in TMK, either directly or indirectly. Furthermore, there is no capital, personnel or business relationships between the Company, its associated companies including YGP, and any persons concerned of the Company, and the directors and any persons concerned of TMK.

5. Schedule

- Negotiations to be started today or later toward the acquisition
- A transfer contract to be concluded in or around late January 2012
- The acquisition to be executed at or around the end of February 2012 (on the premise that the conclusion of the transfer contract is completed)

6. Future Outlook

- The impact of the intended acquisition on business performance will be announced, if the transfer contract is concluded, in the performance forecast for the fiscal year ending December 31, 2012.
- Regarding the strategic business and capital alliance with Morgan Stanley, which was publicly announced on October 30, 2007, consultations on future treatment thereof are slated to be separately promoted between the Company and Morgan Stanley if the transfer contract is concluded. The result will be announced as soon as a certain outcome is produced.

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