



October 3, 2012

[Translation]

Company name	Sapporo Holdings Limited
Representative	Tsutomu Kamijo President and Representative Director
Securities code	2501
Listed on	Tokyo Stock Exchange Sapporo Securities Exchange
Inquiries	Tatsuya Komatsu Director, Corporate Communication Department Tel.: +81 3-5423-7407

### **Sapporo Holdings Announces Absorption-type Mergers Among Consolidated Subsidiaries of the Company**

We are pleased to announce that Sapporo Holdings Limited (the “Company”), at its Board of Directors’ meeting held today, resolved a policy on absorption-type mergers among its consolidated subsidiaries in the Foods and Soft Drinks Business of the Sapporo Group.

#### 1. Purpose of the Mergers

The Sapporo Group publicly announced the integration of Sapporo Beverage Co., Ltd., and Pokka Corporation, both of which are consolidated subsidiaries in the Foods and Soft Drinks Business of the Sapporo Group, to realize a domestically and internationally competitive “food value creation group” (press release of the Company dated November 29, 2011). Thereafter, as a new company toward the integration of Sapporo Beverage Co., Ltd., and Pokka Corporation, the Company established POKKA SAPPORO FOOD & BEVERAGE LTD. on March 30, 2012 (press release of the Company dated February 10, 2012). Consequently, it has been determined that POKKA SAPPORO FOOD & BEVERAGE shall be established by the absorption of three consolidated subsidiaries, which are associated with POKKA SAPPORO FOOD & BEVERAGE, with the aim of commencing business in January 2013.

#### 2. Overview of the Mergers

##### (1) Method of Mergers

The following three mergers will be conducted with January 1, 2013, as the effective date, in order to integrate three consolidated subsidiaries that are associated with the Foods and Soft Drinks Business of the Sapporo Group into POKKA SAPPORO FOOD & BEVERAGE. After the three mergers are completed, the Company intends to keep POKKA SAPPORO FOOD & BEVERAGE as a wholly owned subsidiary, and the specific method to this end will be announced as soon as it is determined.

- 1) Absorption-type merger between Pokka Corporation (surviving company) and Hokkaido Pokka Corporation (extinct company)

- 2) Absorption-type merger between POKKA SAPPORO FOOD & BEVERAGE LTD. (surviving company) and Pokka Corporation (extinct company)
- 3) Absorption-type merger between POKKA SAPPORO FOOD & BEVERAGE LTD. (surviving company) and Sapporo Beverage Co., Ltd. (extinct company)

## (2) Schedule of Mergers

The above three absorption-type mergers are scheduled to be conducted on January 1, 2013.

- Resolution by the Board of Directors of the respective merger parties  
Beginning of November 2012 (planned)
- Date of contract of the respective merger agreements (among the merger parties)  
Beginning of November 2012 (planned)
- Scheduled date of the respective mergers (effective date)  
January 1, 2013 (planned)

As for the resolution by the general meeting of shareholders at each merger party, the pertinence of the simplified merger/short-form merger method and the scheduling of a general meeting of shareholders, if necessary, and other factors, will be announced as soon as they are determined.

## (3) Allocation of Merger Considerations

The allocation of merger considerations and other transactions for the respective absorption-type mergers will be announced as soon as each is determined, upon careful examination by and consultation with the respective parties by the beginning of November 2012.

## 3. Overview of the Merger Parties (as of June 30, 2012)

### 1) Absorption-type merger between Pokka Corporation and Hokkaido Pokka Corporation

	Surviving company	Extinct company
1. Company name	Pokka Corporation	Hokkaido Pokka Corporation
2. Head office	2-29, Sakae 4-chome, Naka-ku, Nagoya, Aichi	2-30, Higashisapporo 6-jo 1-chome, Shiraishi-ku, Sapporo, Hokkaido
3. Representatives	Akifumi Ito	Yoshiho Murata
4. Outline of businesses	Manufacture and sales of beverages and foods; Procurement/sales, etc.	Sales of soft drinks and foods
5. Capital	¥2,525 million	¥58 million
6. Fiscal year-end	March	March
7. Shareholder	Sapporo Holdings Limited: 98.6%; Others: 1.4%	Pokka Corporation: 100%

### 2) Absorption-type merger between POKKA SAPPORO FOOD & BEVERAGE LTD. and Pokka Corporation

	Surviving company	Extinct company
1. Company name	POKKA SAPPORO FOOD & BEVERAGE LTD.	Pokka Corporation

2. Head office	2-29, Sakae 4-chome, Naka-ku, Nagoya, Aichi	2-29, Sakae 4-chome, Naka-ku, Nagoya, Aichi
3. Representatives	Masatoshi Hori	Akifumi Ito
4. Outline of businesses	Beverage & food businesses, Restaurant business, Confectionery business, Logistics business, etc.	Manufacture and sales of beverages and foods; Procurement/sales, etc.
5. Capital	¥10 million	¥2,525 million
6. Fiscal year-end	December	March
7. Shareholder	Sapporo Holdings Limited: 100%	Sapporo Holdings Limited: 98.6%; Others: 1.4%

3) Absorption-type merger between POKKA SAPPORO FOOD & BEVERAGE LTD. and Sapporo Beverage Co., Ltd.

	Surviving company	Extinct company
1. Company name	POKKA SAPPORO FOOD & BEVERAGE LTD.	Sapporo Beverage Co., Ltd.
2. Head office	2-29, Sakae 4-chome, Naka-ku, Nagoya, Aichi	20-1, Ebisu 4-chome, Shibuya-ku, Tokyo
3. Representatives	Masatoshi Hori	Masatoshi Hori
4. Outline of businesses	Beverage & food businesses, Restaurant business, Confectionery business, Logistics business, etc.	Manufacture and sales of soft drinks, etc.
5. Capital	¥10 million	¥5,421 million
6. Fiscal year-end	December	December
7. Shareholder	Sapporo Holdings Limited: 100%	Sapporo Holdings Limited: 100%

4. After the Mergers (from January 1, 2013)

1. Company name	POKKA SAPPORO FOOD & BEVERAGE LTD.
2. Head office	2-29, Sakae 4-chome, Naka-ku, Nagoya, Aichi
3. Representatives	Masatoshi Hori
4. Outline of businesses	Beverage & food businesses, Restaurant business, Confectionery business, Logistics business, etc.
5. Capital (planned)	¥5,431 million
6. Fiscal year-end	December
7. Shareholder	Sapporo Holdings Limited: 100%

The Board of Directors, organization structure and management vision of POKKA SAPPORO FOOD & BEVERAGE, the integrated company after the mergers, are as described in a separate press release.

5. Forecast Impact of the Mergers on Business Performance

The impact of the mergers on Sapporo Holdings' consolidated business performance will be marginal, as the mergers will be conducted among its consolidated subsidiaries.

(End of document)

October 3, 2012

POKKA SAPPORO FOOD &amp; BEVERAGE LTD.

Sapporo Beverage Co., Ltd.

Pokka Corporation

**Notice of POKKA SAPPORO FOOD & BEVERAGE LTD.**

On January 1, 2013, Sapporo Beverage Co., Ltd. (“Sapporo Beverage”), and Pokka Corporation (“Pokka”) will start operating as POKKA SAPPORO FOOD & BEVERAGE LTD. (“POKKA SAPPORO FOOD & BEVERAGE”), the integrated company, formed in March 2012 as the surviving company.

POKKA SAPPORO FOOD & BEVERAGE will manage the Foods and Soft Drinks business of the Sapporo Group and endeavor to become the third business pillar of the Group, on par with the Alcoholic Beverage and Real Estate businesses, with the aim of achieving net sales of ¥170.0 billion and operating income of ¥8.5 billion (before amortization of goodwill) in 2016, the final fiscal year of the Sapporo Group New Management Plan.

To start operations of POKKA SAPPORO FOOD & BEVERAGE, we drafted the following points.

## 1. Outline of the Integration

## (1) Method of Integration

We will implement a corporate merger on January 1, 2013, whereby POKKA SAPPORO FOOD & BEVERAGE LTD. will become the surviving company and Sapporo Beverage Co., Ltd. (“Sapporo Beverage”), Pokka Corporation (“Pokka”) and Hokkaido Pokka Corporation the extinct companies.

We plan to conclude the merger agreement contract with the merging parties in early November 2012.

## (2) Outline of the Company after Integration

1.	Company name	POKKA SAPPORO FOOD & BEVERAGE LTD.
2.	Outline of businesses	Beverage & food businesses, Restaurant business, Confectionery business, Logistics business, etc.
3.	Established	March 30, 2012
4.	Head office	2-29, Sakae 4-chome, Naka-ku, Nagoya, Aichi
5.	Capital (planned)	¥5,431 million
6.	Number of employees (planned)	1,004
7.	Fiscal year-end	December
8.	Shareholder and ownership interest	Sapporo Holdings Limited: 100%

## 2. Board of Directors as of January 1, 2013

The following Board of Directors was informally nominated at the meeting of the Board of Directors of Sapporo Holdings Limited held today.

The appointments are to become effective upon approval at the extraordinary general meeting of

shareholders of POKKA SAPPORO FOOD & BEVERAGE, which is scheduled to be held in December 2012.

President and Representative Director	Masatoshi Hori
Senior Managing Director	Koji Yamauchi
Managing Director	Yuji Ishiguro
Managing Director	Shinichi Soya
Director	Teruji Tsuyuki
Director	Ken Kimoto
Director	Yoshio Tomi
Standing Corporate Auditor	Seiji Ozaki
Corporate Auditor	Tomoitsu Yoshida
Corporate Auditor	Hidenori Tanaka (Outside Corporate Auditor)
Corporate Auditor	Shuichi Hattori (Outside Corporate Auditor)

### 3. Management Vision

POKKA SAPPORO FOOD & BEVERAGE's management vision, based on the Sapporo Group's management philosophy "To make people's lives richer and more enjoyable," is as follows.

We at POKKA SAPPORO FOOD & BEVERAGE  
nurture the

**Power to Discover**  
**Power to Develop Concepts**  
**Power to Create New Ideas**

Further refining these capabilities and valuing the ties with our customers that we have built to date, we will continue to create new delicious products that enrich and brighten people's lives.

The management vision rests on "the strength of a new company" resulting in "value offered to customers." With the Power to Discover, the Power to Develop Concepts and the Power of New Ideas as its bases for growth, the new company will not only offer delicious products but also aim to create the "deliciousness" that can spice up and brighten everyone's day and bring joy to any moment through our products.

#### 4. Logo and Tagline

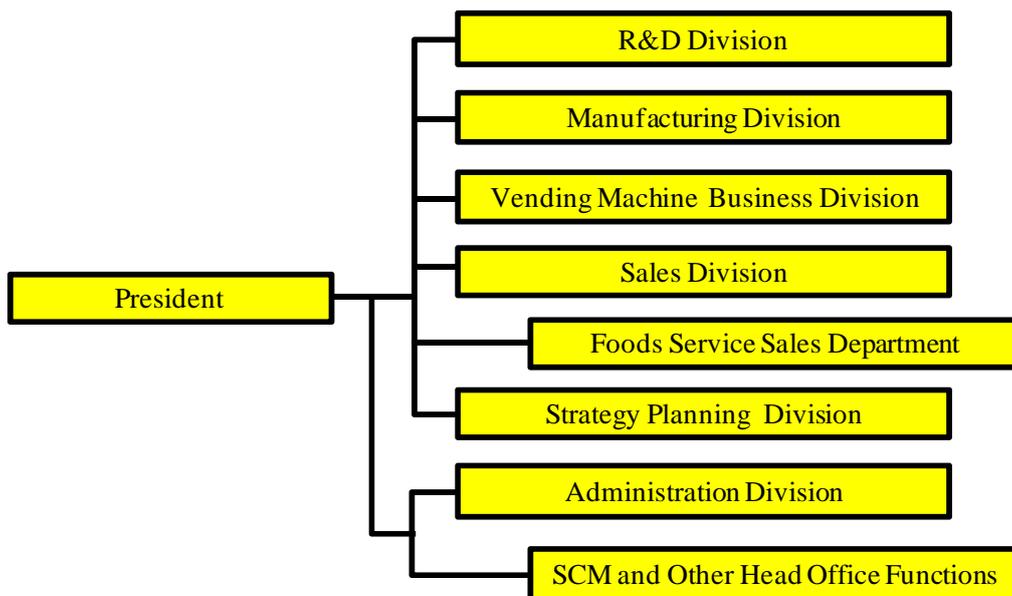


The corporate identity (CI) of POKKA SAPPORO FOOD & BEVERAGE is reflected in its logo and tagline (a catchphrase that expresses the corporate concept and mission). The logo's slightly rounded font expresses the affinity and warmth of a corporation that handles food and beverages, while the color red is suited to a food company and shows passion as well as the spirit to face challenges.

The symbol that bridges “pokka” and “sapporo” represents new products, innovative ideas, insights, passions and dreams that will emerge through the synergy of the two companies. The symbol also represents a splash or a sprouting leaf, both positive images and beneficial to a food company.

The distinctive tagline reads, “We have delicious ideas!” and looks handwritten to convey friendliness and rapport. This tagline conveys the ongoing creation of “delicious products,” as stated in our management vision.

#### 5. Organizational Structure



The new organization is structured by function to enhance each function's specialization.

For the prompt execution of our strategies, we have newly organized the Strategy Planning Division, which

integrates the management strategy department and the marketing department.

The sales function is structured by sales channel, and we have established the Sales Division, mainly handling household sales channels, and the Vending Machine Business Division, handling sales from vending machines. To further reinforce the commercial-use sales channel, the Food Services Sales Department is specializing in commercial-use products.

In addition, to reinforce technological development and R&D, which are the source of *monozukuri* or craftsmanship, the new organization has an R&D Division.

## 6. Business Development into 2016

### (1) Product Strategy

We will concentrate management resources on the competitive and unique brands of Sapporo Beverage and Pokka.

We will mainly develop the Sapporo Beverage brands like the Ribbon series, the Gerolsteiner and the *Gabu-nomi* series of carbonated beverages, and tea and fruit juice categories in the beverage business.

In coffee, lemon beverage and canned soup categories, we will develop mainly Pokka brands, such as the Pokka Coffee series, Aromax series, Chelate Lemon and *Jikkuri Kotokoto* series.

We will also develop and nurture new brands and products combining each company's technologies and ingredients.

We will reinforce and nurture such Pokka brands as Pokka Lemon, the *Jikkuri Kotokoto* series, *Kantan Bimi* and Sunsweet Prunes in Food business, as part of the driving force of growth of POKKA SAPPORO FOOD & BEVERAGE. Furthermore, we will aggressively pursue the development and expansion of new food categories such as foods for healthcare needs and natural foods.

### (2) Sales Strategy

The new sales function is structured by sales channel, where each channel develops its own strategies, thereby more widely disseminating Pokka Sapporo-brand products.

#### Household and Commercial-use Products:

Leveraging Pokka's food products sales channel and Sapporo Beverage's alcoholic beverage sales channel, we will strive for product development in each channel.

#### Vending Machines:

The corporate integration leads to a total exceeding 100,000 vending machines. We will increase sales staff to explore and develop new locations to install vending machines and use management resources for further expansion and reinforcement.

#### Channel Exploration:

We will aggressively develop sales channels that neither Sapporo Beverage nor Pokka could develop on their own. We will also strive to explore non-store sales channels such as mail-order.

Sales Bases:

We will deploy 19 sales bases nationwide including Pokka’s bases. We will strive to enhance efficiency by sharing the sales bases with Sapporo Breweries Ltd. in some areas, aiming to create synergies among the Group companies.

In Okinawa, Okinawa Pokka Corporation, a sales subsidiary of Pokka, continues regional product development of the Pokka brand as the surviving sales company.

Regional Contribution Activities:

In Hokkaido and Nagoya, where Sapporo and Pokka originated, the entire Sapporo Group develops activities with local communities.

We plan to newly establish a regional marketing company to pursue Group synergies leveraging the name recognition of the Sapporo brand in Hokkaido.

POKKA SAPPORO FOOD & BEVERAGE will promote alliances with local municipalities and locally based activities, continuing to utilize Pokka’s Nagoya Strategy Department to promote collaboration with local communities in Nagoya.

(3) Overseas Strategy

POKKA CORPORATION (SINGAPORE) PTE LTD. functions as the headquarters of our overseas business as a subsidiary of POKKA SAPPORO FOOD & BEVERAGE. With Singapore as its operational base, the company promotes product development in the surrounding countries of Asia and the Middle East.

We will continue to use Pokka for the products to be developed overseas. We will promote mainly Jasmine Green Tea, which boasts top share in green tea beverages in Singapore, and nurture and expand new categories such as carbonated beverages.

In addition, we will aggressively expand to regions where the Pokka brand is recognized and where there are prospects for future growth. Furthermore, we will consider not only exporting our products from Singapore but also manufacturing locally via business alliances.

Inquiries	Enomoto PR & CSR Team, Corporate Planning Group Pokka Corporation Tel.: +81 3-5634-1502
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