

(TRANSLATION)

[This English translation is an abridged version of the original notice in Japanese. In the event of any discrepancy, the Japanese version prevails.]

[Revised*]
(Securities code: 2501)
March 4, 2015

To Our Shareholders

Tsutomu Kamijo
President and Director
Sapporo Holdings Limited
20-1, Ebisu 4-chome, Shibuya-ku, Tokyo

Notice of Convocation of the 91st Ordinary General Meeting of Shareholders

Dear Sirs/Madams:

You are cordially invited to attend the 91st ordinary general meeting of shareholders of Sapporo Holdings Limited (the “Company”) to be held as described below.

We would be grateful if you would take the time to exercise your voting rights by one of the following methods.

Guidance Notes on the Exercise of Voting Rights

If you are able to attend the meeting

1) Submission to Receptionist at the Meeting

Please submit the enclosed voting rights exercise form to the receptionist at the place of the meeting on the day of the meeting.

If you are unable to attend the meeting

2) Exercise of Voting Rights by Mail

Please indicate your approval or disapproval in respect of each proposal on the enclosed voting rights exercise form and send the form back to us so that it reaches us by no later than 5:30 p.m. on Thursday, March 26, 2015.

3) Exercise of Voting Rights by Internet

Please access the website for exercising voting rights (<http://www.it-soukai.com>) from your personal computer and/or mobile phone. Use the “log-in ID” and “temporary password” described in the enclosed voting rights exercise form, and follow the directions on the screen to register your approval or disapproval of proposals by no later than 5:30 p.m. on Thursday, March 26, 2015.

To Institutional Investors

In addition to the above-mentioned method for exercising voting rights by Internet, the electronic platform for exercising voting rights, which is operated by Investor Communications Japan Inc. (ICJ, Inc.), is available to institutional investors who have applied to use such platform beforehand.

* The English translation has been partially revised as described below. The underlined portion has changed: The spelling of Mr. Shouji Otsaki (corrected spelling) on page 12 of the initial English Translation has been corrected.; The original Japanese is unchanged.

Description

1. Date and time of the meeting: Friday, March 27, 2015 at 10:00 a.m.
(We expect the reception desk to be very busy when the meeting is about to start. We appreciate your early arrival. The reception desk is presently scheduled to open at 9:00 a.m.)
2. Place of the meeting: Peacock Room, 2nd floor of the Main Building, Imperial Hotel
1-1, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo
3. Purpose of the meeting:
Matters to be reported:
 - (1) Reports on the business, the consolidated financial statements, and the results of audit of the consolidated financial statements by the accounting auditors and the Audit & Supervisory Board for the 91st business term (from January 1, 2014 to December 31, 2014).
 - (2) Report on the non-consolidated financial statements for the 91st business term (from January 1, 2014 to December 31, 2014).

Matters to be resolved:

- | | |
|------------------------|--|
| Proposal No. 1: | Dividends from Surplus |
| Proposal No. 2: | Election of Nine (9) Directors |
| Proposal No. 3: | Election of Two (2) Audit & Supervisory Board Members |
| Proposal No. 4: | Election of One (1) Substitute Audit & Supervisory Board Member |

Guidance Notes on the Exercise of Voting Rights

The right of shareholders to cast a vote at general meetings of shareholders is an important right of all shareholders.

We would be grateful if you would take the time to exercise your voting rights. You may exercise your voting rights by the following three methods.

If you are able to attend the meeting

Submission to Receptionist at the Meeting

Please submit the enclosed voting rights exercise form to the receptionist at the place of the meeting.

Date and time of the meeting: Friday, March 27, 2015 at 10:00 a.m.

Place of the meeting: Peacock Room, 2nd floor of the Main Building, Imperial Hotel

If you are unable to attend the meeting You may exercise your voting rights in advance by mail or by Internet

Exercise of Voting Rights by Mail

Please indicate your approval or disapproval in respect of each proposal on the enclosed voting rights exercise form and send the form back to us.

In the event that your approval or disapproval of any proposal is not indicated on the voting rights exercise form, this shall be considered as an indication of approval of the proposal or proposals.

Deadline: No later than 5:30 p.m. on Thursday, March 26, 2015

Exercise of Voting Rights by Internet Via personal computer/mobile phone

If you wish to exercise your voting rights by Internet, access the website for exercising voting rights specified by the Company from your personal computer and/or mobile phone, use the "login ID" and "temporary password" described in the enclosed voting rights exercise form and exercise your voting rights by following the directions on the screen.

Website for exercising voting rights
<http://www.it-soukai.com>

Deadline: No later than 5:30 p.m. on Thursday, March 26, 2015

If you exercise your voting rights both in writing and by Internet, we will only accept, as effective, the exercise of your voting rights via the Internet. If you exercise your voting rights more than once by Internet, we will only accept, as effective, the last exercise of your voting rights. The cost of Internet access (access fees to Internet service providers, telecommunications fees, etc.) will be borne by you, the shareholder. Depending on your Internet operating environment or other matters, you may be unable to use the website for exercising voting rights.

For Inquiries with Respect to the Exercise of Voting Rights by Internet

Please contact:

Internet Help Dial [Japanese only]
Stock Transfer Agency Department
Mizuho Trust & Banking Co., Ltd.
Telephone: 0120-768-524 (toll-free, domestic calls only)
Operating hours: 9:00 a.m. to 9:00 p.m.
(excluding Saturdays, Sundays and national holidays)

Reference Materials for the General Meeting of Shareholders

Proposal No. 1 – Dividends from Surplus

The Company considers the appropriate return of profits to its shareholders as a fundamental aspect of management policy and has adopted a basic policy to undertake stable dividend payments taking into consideration the Company's performance and financial condition.

The operating results for the 91st business term are as shown in the Business Report. In accordance with the aforementioned policy to undertake stable dividend payments, the Company intends to distribute year-end dividends in the same amount as the previous business term as follows.

- 1 Category of dividend assets:
Cash
- 2 Matters relating to the allocation of dividend assets and the total amount of such allocation:
7 yen per share of the Company's common stock
The total amount of dividends: 2,727,361,259 yen
- 3 Date on which the dividends from surplus will take effect:
March 30, 2015

Proposal No. 2 – Election of Nine (9) Directors

At the conclusion of this general meeting, the terms of office of all ten (10) directors will expire. This time, the Company proposes to not elect directors who serve concurrently as Group Operating Officers of operating companies, and to elect nine (9) directors (including three (3) outside directors).

The candidates for directors are as follows:

Candidate Number	Name (Date of Birth)	Career Summary, Position and Business Responsibility in the Company (Status of Important Concurrent Occupations or Positions at Other Organizations)	
1	<p>Tsutomu Kamijo (January 6, 1954) 61 years old Incumbent</p> <p>Number of Shares Held in the Company 66,799 shares</p> <p>Number of Board of Directors' meetings attended 15/15</p>	<p>April 1976</p> <p>March 2001</p> <p>September 2003</p> <p>September 2005</p> <p>March 2007</p> <p>March 2009</p> <p>March 2011</p> <p>March 2011</p>	<p>Joined the Company</p> <p>Director (Member of the Board), Director of Sales Planning Department, of Sapporo Beverage Co., Ltd.</p> <p>Director (Member of the Board) and Managing Executive Officer, Director of Marketing Department, of Sapporo Beverage Co., Ltd.</p> <p>Director (Member of the Board) and Managing Executive Officer, Director of Management Strategy Headquarters, of Sapporo Beverage Co., Ltd.</p> <p>Director (Member of the Board), Director of Corporate Planning Department, of the Company</p> <p>Managing Director (Member of the Board) of the Company</p> <p>President of Sapporo Beverage Co., Ltd.</p> <p>President of the Company and CEO of the Group (up to the present)</p> <p>Mr. Kamijo will have served as a director of the Company for eight (8) years as of the conclusion of this general meeting.</p>
2	<p>Hidenori Tanaka (April 16, 1955) 59 years old Incumbent</p> <p>Number of Shares Held in the Company 73,706 shares</p> <p>Number of Board of Directors' meetings attended 15/15</p>	<p>April 1978</p> <p>March 2007</p> <p>March 2008</p> <p>April 2010</p> <p>September 2010</p> <p>March 2012</p> <p>March 2014</p>	<p>Joined the Company</p> <p>Director (Member of the Board) and Managing Officer, Director of Accounting & Finance Department, of Sapporo Breweries Limited</p> <p>Director (Member of the Board) of the Company</p> <p>Director (Member of the Board), Director of Accounting & Finance Department, of the Company</p> <p>Director (Member of the Board) of the Company</p> <p>Managing Director (Member of the Board) of the Company</p> <p>Representative Director and Executive Managing Director of the Company (up to the present)</p> <p>Mr. Tanaka will have served as a director of the Company for seven (7) years as of the conclusion of this general meeting.</p>

Candidate Number	Name (Date of Birth)	Career Summary, Position and Business Responsibility in the Company (Status of Important Concurrent Occupations or Positions at Other Organizations)	
3	<p>Yoichi Kato</p> <p>(July 21, 1954) 60 years old Incumbent</p> <p>Number of Shares Held in the Company 46,394 shares</p> <p>Number of Board of Directors' meetings attended 15/15</p>	<p>April 1978</p> <p>September 2003</p> <p>November 2003</p> <p>March 2007</p> <p>March 2009</p> <p>March 2011</p> <p>September 2011</p> <p>March 2012</p> <p>March 2012</p> <p>March 2014</p>	<p>Joined the Company</p> <p>Director (Member of the Board), Senior Officer, Director of Sales Administration Division, of Yebisu Garden Place Co., Ltd. (currently Sapporo Real Estate Co., Ltd.)</p> <p>Director (Member of the Board), Senior Officer, Director of Corporate Planning Department, of Yebisu Garden Place Co., Ltd.</p> <p>Director (Member of the Board), Executive Managing Officer, of Yebisu Garden Place Co., Ltd.</p> <p>Director (Member of the Board), Director of Corporate Planning Department, of the Company</p> <p>Director (Member of the Board), of the Company</p> <p>Director (Member of the Board), Director of Corporate Planning Department, of the Company</p> <p>President of Sapporo Real Estate Co., Ltd.</p> <p>Director (Member of the Board) and Group Operating Officer of the Company</p> <p>President of Sapporo Group Management Co., Ltd. (up to the present) Managing Director (Member of the Board) and Group Operating Officer of the Company (up to the present)</p> <p>[Status of Important Concurrent Occupations or Positions at Other Organizations] President of Sapporo Group Management Co., Ltd.</p> <p>Mr. Kato will have served as a director of the Company for six (6) years as of the conclusion of this general meeting.</p>
4	<p>Junji Watari</p> <p>(December 2, 1955) 59 years old Incumbent</p> <p>Number of Shares Held in the Company 40,046 shares</p> <p>Number of Board of Directors' meetings attended 13/13</p>	<p>April 1980</p> <p>March 2005</p> <p>February 2008</p> <p>March 2010</p> <p>March 2012</p> <p>March 2014</p>	<p>Joined the Company</p> <p>Director of Frontier Laboratories of Value Creation, of Sapporo Breweries Limited</p> <p>Director (Member of the Board) and Managing Officer, Deputy Director of Marketing Department, and Director of New Value Development Department, of Sapporo Breweries Limited</p> <p>Director (Member of the Board) and Managing Officer, Deputy Director of Marketing Headquarters, and Director of New Value Development Department, of Sapporo Breweries Limited</p> <p>Director (Member of the Board) and Managing Officer, Director of New Value Development Headquarters, of Sapporo Breweries Limited</p> <p>Director (Member of the Board) of the Company (up to the present)</p> <p>Mr. Watari will have served as a director of the Company for one (1) year as of the conclusion of this general meeting.</p>

Candidate Number	Name (Date of Birth)	Career Summary, Position and Business Responsibility in the Company (Status of Important Concurrent Occupations or Positions at Other Organizations)	
5	Toshio Mizokami (April 16, 1959) 55 years old Incumbent Number of Shares Held in the Company 9,817 shares Number of Board of Directors' meetings attended 13/13	April 1984 March 2008 March 2011 March 2012 March 2012 September 2013 March 2014	Joined the Company Director of Accounting & Finance Department, of Sapporo Breweries Limited Managing Officer, Director of Accounting & Finance Department, of Sapporo Breweries Limited Director (Member of the Board), Director of Group Accounting & Finance Department, of Sapporo Group Management Co., Ltd. Director of Accounting & Finance Department, of the Company Director (Member of the Board) of Sapporo Group Management Co., Ltd. (up to the present) Director (Member of the Board), Director of Corporate Finance and Business Management Department, of the Company (up to the present) Mr. Mizokami will have served as a director of the Company for one (1) year as of the conclusion of this general meeting.
6	Hiroyuki Nose (February 3, 1963) 52 years old New Candidate Number of Shares Held in the Company 6,820 shares	April 1986 March 2011 September 2012 March 2013	Joined the Company Director of Shochu Planning Department, of Sapporo Breweries Limited Director of Yebisu Brand Planning Department of Sapporo Breweries Limited Director of Brand Planning Department of Sapporo Breweries Limited (up to the present)

Candidate Number	Name (Date of Birth)	Career Summary, Position and Business Responsibility in the Company (Status of Important Concurrent Occupations or Positions at Other Organizations)
7	<p>(Candidate for Outside Director/ Independent Director)</p> <p>Shigehiko Hattori</p> <p>(August 21, 1941) 73 years old Incumbent</p> <p>Number of Shares Held in the Company 0 share</p> <p>Number of Board of Directors' meetings attended 14/15</p>	<p>April 1964 Joined Shimadzu Corporation</p> <p>June 1989 President of Shimadzu Scientific Instruments, Inc. (seconded to the United States of America)</p> <p>June 1993 Director (Member of the Board) of Shimadzu Corporation (seconded to the United States of America)</p> <p>June 1997 Managing Director (Member of the Board) of Shimadzu Corporation</p> <p>June 2003 President and CEO of Shimadzu Corporation</p> <p>June 2009 Chairman of the Board of Directors of Shimadzu Corporation (up to the present)</p> <p>March 2012 Outside Director (Member of the Board) of the Company (up to the present)</p> <p>[Status of Important Concurrent Occupations or Positions at Other Organizations]</p> <p>Chairman of the Board of Directors of Shimadzu Corporation Outside Director of Mitsubishi Tanabe Pharma Corporation Outside Director of Brother Industries, Ltd. Outside Director of Meiji Yasuda Life Insurance Company</p> <p>Mr. Hattori will have served as an outside director of the Company for three (3) years as of the conclusion of this general meeting.</p> <p>[Reasons for Presenting Mr. Shigehiko Hattori as a Candidate for Outside Director]</p> <p>Mr. Shigehiko Hattori has a wealth of experience, a rich track record and great insight as the president of a business corporation. He also has a wealth of overseas management experience. Mr. Hattori offers pertinent opinions and advice to the Company's Board of Directors from his objective standpoint, independent of the management team engaged in executing the operations of the Company. The Company has determined that he will contribute greatly to the corporate governance of the Company, which is moving forward with overseas expansion, and he has thus been presented to the shareholders as a candidate.</p> <p>[Policy on His Independence]</p> <p>Mr. Shigehiko Hattori is currently a Chairman of the Board of Directors of Shimadzu Corporation. Although the said company's products are used at certain plants of certain subsidiaries of the Company, new transactions have not occurred, and the Company has determined Mr. Hattori is unlikely to have a conflict of interest with shareholders.</p> <p>The Company designated Mr. Hattori as an independent director as provided for by the rules of the Tokyo Stock Exchange, Inc. and the Sapporo Securities Exchange and has notified such exchanges of this designation.</p>

Candidate Number	Name (Date of Birth)	Career Summary, Position and Business Responsibility in the Company (Status of Important Concurrent Occupations or Positions at Other Organizations)
8	<p>(Candidate for Outside Director/ Independent Director)</p> <p>Teruhiko Ikeda</p> <p>(December 5, 1946)</p> <p>68 years old</p> <p>Incumbent</p> <p>Number of Shares Held in the Company 0 share</p> <p>Number of Board of Directors' meetings attended 15/15</p>	<p>April 1969 Joined The Fuji Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p>June 1996 General Manager of Branch Department of The Fuji Bank, Ltd.</p> <p>April 1998 Managing Director (Member of the Board) of The Fuji Bank, Ltd.</p> <p>May 2001 Senior Managing Director (Member of the Board) of The Fuji Bank, Ltd.</p> <p>April 2002 Deputy President of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p>June 2004 President and Chief Executive Officer of Mizuho Trust & Banking Co., Ltd.</p> <p>June 2008 Chairman of Mizuho Trust & Banking Co., Ltd.</p> <p>June 2010 Advisor of Mizuho Trust & Banking Co., Ltd. (up to the present)</p> <p>March 2012 Outside Director (Member of the Board) of the Company (up to the present)</p> <p>[Status of Important Concurrent Occupations or Positions at Other Organizations]</p> <p>Advisor of Mizuho Trust & Banking Co., Ltd.</p> <p>Outside Audit & Supervisory Board Member of TOKYO FM Broadcasting Co., Ltd.</p> <p>Mr. Ikeda will have served as an outside director of the Company for three (3) years as of the conclusion of this general meeting.</p> <p>[Reasons for Presenting Mr. Teruhiko Ikeda as a Candidate for Outside Director]</p> <p>Mr. Teruhiko Ikeda has a wealth of experience, a rich track record and great insight as the manager of a financial institution. Mr. Ikeda offers pertinent opinions and advice to the Company's Board of Directors from his objective standpoint, independent of the management team engaged in executing the operations of the Company. The Company has determined that he will contribute greatly to the corporate governance of the Company in such areas as the strengthening of risk management, and he has thus been presented to the shareholders as a candidate.</p> <p>[Policy on His Independence]</p> <p>Mr. Teruhiko Ikeda was engaged in business execution at Mizuho Trust & Banking Co., Ltd. until June 2010, and he is currently an Advisor at the said company. Although there have been transactions of trust-related business between the said company and the Company and the Company's subsidiaries, the amount of such transactions in the most recent business term was less than 1% of either consolidated net sales of the Company or gross banking profit of the said company. Accordingly, the Company has determined Mr. Ikeda is unlikely to have a conflict of interest with shareholders.</p> <p>The Company designated Mr. Ikeda as an independent director as provided for by the rules of the Tokyo Stock Exchange, Inc. and the Sapporo Securities Exchange and has notified such exchanges of this designation.</p>

Candidate Number	Name (Date of Birth)	Career Summary, Position and Business Responsibility in the Company (Status of Important Concurrent Occupations or Positions at Other Organizations)
9	(Candidate for Outside Director/ Independent Director) Shizuka Uzawa (January 30, 1946) 69 years old New Candidate Number of Shares Held in the Company 0 share	<p>April 1969 Joined Nisshinbo Industries, Inc. (currently Nisshinbo Holdings Inc.)</p> <p>June 2001 Director (Member of the Board), Chief of Accounting and Finance Division of Nisshinbo Industries, Inc.</p> <p>June 2004 Executive Director (Member of the Board) of Nisshinbo Industries, Inc.</p> <p>June 2006 Director (Member of the Board), Executive Managing Officer, and Chief of General Affairs Division, of Nisshinbo Industries, Inc.</p> <p>April 2007 Director (Member of the Board), Senior Executive Managing Officer, and Chief of Paper Products Division, of Nisshinbo Industries, Inc.</p> <p>April 2008 Director (Member of the Board), Senior Executive Managing Officer, Chief of Paper Products Division, and Chief of Business Support Center, of Nisshinbo Industries, Inc.</p> <p>June 2009 President & Representative Director of Nisshinbo Industries, Inc.</p> <p>June 2013 Chairman & Representative Director of Nisshinbo Industries, Inc. (up to the present)</p> <p>[Status of Important Concurrent Occupations or Positions at Other Organizations] Chairman & Representative Director of Nisshinbo Holdings Inc. Outside Director of Japan Radio Co., Ltd. Outside Director of New Japan Radio Co., Ltd. Outside Director of Nagano Japan Radio Co., Ltd. External Executive Director of Japan Finance Corporation</p> <p>[Reasons for presenting Mr. Shizuka Uzawa as a Candidate for Outside Director] Mr. Shizuka Uzawa has a wealth of experience, a rich track record and great insight as the president of a holding company as well as an extensive insight in treasury and corporate management fields. Mr. Uzawa can offer pertinent opinions and advice to the Company's Board of Directors from his objective standpoint, independent of the management team engaged in executing the operations of the Company. The Company has determined that he will contribute greatly to the corporate governance of the Company in such areas as the strengthening of the Group's management structure, and he has thus been presented to the shareholders as a candidate.</p> <p>[Policy on His Independence] Mr. Shizuka Uzawa is currently a Chairman & Representative Director of Nisshinbo Holdings Inc. No transactions have occurred between the said company and the Company as well as the Company's subsidiaries, and the Company has determined Mr. Uzawa is unlikely to have a conflict of interest with shareholders. The Company designated Mr. Uzawa as an independent director as provided for by the rules of the Tokyo Stock Exchange, Inc. and the Sapporo Securities Exchange and will notify such Exchanges of this designation.</p>

Notes:

- Each candidate for director has no special interest in the Company.
- The number of shares held in the Company is the effective number of shares held, including shares held through Sapporo Group's Director and Audit & Supervisory Board Member Stock Ownership Plan and its Employee Stock Ownership Plan.
- While Mr. Shigehiko Hattori was serving as a representative director of Shimadzu Corporation, Shimadzu Corporation received a suspension of its designated contractor status from the Japan Ministry of Defense on January 25, 2013 as a measure until the completion of investigations, etc. into the recording of expenses for aircraft equipment.
- Mr. Shigehiko Hattori will assume, presuming no irregular events will occur, the role of an outside audit & supervisory board member of Nikkei Inc. as of March 26, 2015.

5. The Company has entered into contracts for limitation of liability, as stipulated in Article 427, Paragraph 1 of the Companies Act, with Mr. Shigehiko Hattori and Mr. Teruhiko Ikeda. The Company intends to extend these contracts should they be re-elected as directors. In addition, should Mr. Shizuka Uzawa be elected as a director, the Company also intends to enter into a contract for the limitation of liability with him. The amount of limit of liability which is stipulated in these contracts is to be the minimum liability amount which is stipulated in Article 425, Paragraph 1 of the Companies Act.

Proposal No. 3 – Election of Two (2) Audit & Supervisory Board Members

At the conclusion of this general meeting, the term of office of audit & supervisory board member Mr. Ryoichi Yamada will expire, and Mr. Keiji Iida will retire by resignation. The Company therefore proposes the election of two (2) new audit & supervisory board members. The term of office of the newly elected audit & supervisory board member at this general meeting will be until the conclusion of the general meeting planned to be held in March 2019.

Additionally, the Company has obtained the approval of the Audit & Supervisory Board on submitting this proposal to this general meeting.

The candidates for audit & supervisory board members are as follows:

Name (Date of Birth)	Career Summary, Position, and Status of Important Concurrent Occupations or Positions at Other Organizations
<p style="text-align: center;">Shouji Osaki</p> <p style="text-align: center;">(August 17, 1955) 59 years old New Candidate</p> <p style="text-align: center;">Number of Shares Held in the Company 17,487 shares</p>	<p>April 1979 Joined the Company</p> <p>September 2004 Director of Marketing Department, Tokyo Metropolitan District Headquarters, of Sapporo Breweries Limited</p> <p>March 2005 Director of Wine and Liquor Division, of Sapporo Breweries Limited</p> <p>October 2007 Director of Naka-Shikoku District Headquarters, of Sapporo Breweries Limited</p> <p>September 2009 Director of Tokai Hokuriku District Headquarters, of Sapporo Breweries Limited</p> <p>March 2010 Managing Officer and Director of Tokai Hokuriku District Headquarters, of Sapporo Breweries Limited</p> <p>March 2012 Standing Audit & Supervisory Board Member, of Sapporo Beverage Co., Ltd.</p> <p>March 2013 Standing Audit & Supervisory Board Member, of POKKA SAPPORO Food & Beverage Ltd. (up to the present)</p>
<p style="text-align: center;">Ken Kimoto</p> <p style="text-align: center;">(October 11, 1956) 58 years old New Candidate</p> <p style="text-align: center;">Number of Shares Held in the Company 16,832 shares</p>	<p>April 1980 Joined the Company</p> <p>March 2006 Director (Member of the Board), Chief of Quality Assurance Department, of Sapporo Beverage Co., Ltd.</p> <p>March 2011 Director (Member of the Board), Managing Executive Officer, of Sapporo Beverage Co., Ltd.</p> <p>January 2013 Director (Member of the Board) of POKKA SAPPORO Food & Beverage Ltd. (up to the present)</p>

Notes:

1. Each candidate for audit & supervisory board members has no special interest in the Company.
2. Mr. Ken Kimoto is currently a Director (Member of the Board) of POKKA SAPPORO Food & Beverage Ltd. However he is scheduled to retire from that position before the conclusion of this general meeting.

Proposal No. 4 – Election of One (1) Substitute Audit & Supervisory Board Member

At the commencement of this general meeting, the effect of the election of Mr. Tsugio Yada as a substitute audit & supervisory board member, who was elected as substitute audit & supervisory board member at the 90th ordinary general meeting of shareholders held on March 28, 2014, expires. In case of the number of incumbent outside audit & supervisory board members becomes less than that is required by laws and ordinances, the Company proposes the election of one (1) substitute audit & supervisory board member for outside audit & supervisory board member.

Additionally, the Company has obtained the approval of the Audit & Supervisory Board on submitting this proposal to this general meeting.

The candidate for substitute audit & supervisory board member is as follows:

Name (Date of Birth)	Career Summary, Position, and Status of Important Concurrent Occupations or Positions at Other Organizations
<p>(Candidate for Substitute Audit & Supervisory Board Member for Outside Audit & Supervisory Board Member) Tsugio Yada</p> <p>(July 22, 1948) 66 years old Incumbent Number of Shares Held in the Company 0 share</p>	<p>April 1976 Prosecutor at the Tokyo District Public Prosecutors Office Thereafter, worked for the District Public Prosecutors Offices in Sendai, Chiba, Kushiro, Tokyo and Osaka</p> <p>August 1989 Retired from the Special Investigation Department of the Tokyo District Public Prosecutors Office</p> <p>September 1989 Registered as a lawyer (Daiichi Tokyo Bar Association) Lawyer of Nozomi Sogo Attorneys at Law (up to the present)</p> <p>[Status of Important Concurrent Occupations or Positions at Other Organizations] Lawyer of Nozomi Sogo Attorneys at Law</p> <p>[Reasons for Presenting Mr. Tsugio Yada as a Candidate for Substitute Audit & Supervisory Board Member] Although Mr. Tsugio Yada has no experience directly managing a company, the Company has judged that he will be able to monitor the performance of duties by directors of the Company from an objective and fair perspective based on his wealth of knowledge and experience as an attorney with expertise in the field of corporate law, and he has thus been presented to the shareholders as a candidate.</p>

Notes:

1. The candidate for substitute audit & supervisory board member has no special interest in the Company.
2. Should Mr. Tsugio Yada assume the position of audit & supervisory board member, the Company intends to enter into a contract for limitation of liability, as stipulated in Article 427, Paragraph 1 of the Companies Act, with him. The amount of limit of liability which is stipulated in this contract is to be the minimum liability amount which is stipulated in Article 425, Paragraph 1 of the Companies Act.

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Business Report

(From January 1, 2014 to December 31, 2014)

1. Review of Sapporo Group Operations

(1) Operations and Operating Results

In 2014, the Japanese economy embarked on a gradual recovery against the backdrop of monetary easing and economic measures by the government and the Bank of Japan. However, the situation regarding consumer spending continued to be unclear due to the effect of rising prices resulting from the consumption tax hike and yen depreciation. More specifically, conditions in the industries in which the Sapporo Group (the “Group” or “Sapporo Group”) conducts its operations were as follows.

In the Japanese alcoholic beverages, soft drinks, and restaurant industries, demand was affected by unseasonable summer weather. In addition, the soft drinks and restaurant industries were affected by stagnant consumer spending as a result of the consumption tax hike, although the effects are seen as limited. In the real estate industry, vacancy rates in the Greater Tokyo office leasing market improved, while rent levels rose gradually. Overseas, the North American beer market remained generally flat, but the Asian beer market continued to grow steadily.

Amid this environment, the Group strove to meet the financial targets for 2016 set in the “Sapporo Group’s New Management Framework.” To this end, the Group followed the “SAPPORO Group Medium-Term Management Plan 2014-2016” to accelerate its growth strategies as a “manufacturer of food products” and achieve sustainable growth.

In its Japanese alcoholic beverages business, the Group sought to expand sales by continuing its investment in core brands Yebisu, Sapporo Draft Beer Black Label, and Mugi to Hop The gold. Having launched the popular Goku Zero new-genre beer product in 2013, the Group relaunched the product as a happoshu in July 2014 and strove to establish it within the market. Sales also expanded steadily in the non-beer growth categories of ready-to-drink (RTD*) cocktails, wine, western spirits, and Japanese liquors, and the Group pursued further diversification of offerings in these categories.

In the international business, the Group worked to strengthen its production capacity in North American beer operations. At the same time, in the soft drinks business, the Group endeavored to further bolster its North American fruit juice beverage operations with a resolution to acquire Country Pure Foods, Inc., a major U.S. foodservice fruit juice beverage manufacturer, through Silver Springs Citrus, Inc., which is a joint venture company between a Group company and Toyota Tsusho America, Inc. Meanwhile, in Vietnam, where it was the third year since entering the market in earnest, the Group achieved sales expansion by building the Sapporo brand and conducting marketing to increase core-drinkers ratio.

In the food & soft drinks business in Japan, the Group addressed management issues, working to enhance its marketing capability and reduce costs. It also endeavored to expand sales in categories where the Group has competitive edge and to nurture key brands. Overseas, the new plant in Malaysia commenced production in October, and in addition to expanding and consolidating the soft drinks business from its Southeast Asian base, the Group sold its Hong Kong restaurant business to concentrate on its soft drinks business.

In the restaurant business in Japan, the Group continued to open and renovate outlets, focusing on its key Ginza Lion and YEBISU BAR formats, while closing or changing the format of unprofitable outlets in a bid to improve profitability. Overseas, the Group opened its second GINZA LION BEER HALL in Singapore in October.

The real estate business continued to pursue its value-enhancement plan for Yebisu Garden Place, which celebrated its 20th anniversary in 2014. In addition, Ebisu First Square was completed in September. Expected to be a new center of activity within the Ebisu district, it started operation with full occupancy. The Group also commenced demolition work in preparation for redevelopment of the Sapporo Ginza Building located at the Ginza 4-chome intersection. Meanwhile, it concentrated its management resources by selling some of its rental properties taking into consideration the revived activity in the real estate market, and selling all its shares in Sapporo Sports Plaza Co., Ltd., a sports facility operator.

As a result of the above, the Sapporo Group's consolidated operating results for the term under review were as follows.

Net sales

In the Japanese alcoholic beverages business, sales volumes exceeded the previous term in all categories: beer and beer-type beverages, RTD* cocktails, wine, western spirits and Japanese liquors. Meanwhile, in the international business, beer sales volume in Vietnam also exceeded the previous term, as did overseas soft drink sales volume in the food & soft drinks business. Yen depreciation also contributed to considerable sales increases in these businesses. In contrast, the restaurant business recorded decreased sales as a result of suspension of operations in key outlets during reconstruction of the buildings in which they were located. In addition, the real estate business suffered a temporary drop in occupancy rates when the lease of a major tenant in Yebisu Garden Place terminated, while rental income was reduced during the periods when properties undergoing redevelopment were unoccupied. Overall, however, the Group achieved an increase in sales. The Japanese alcoholic beverages business contributed to this increase with the recording of income statement items for Shinseien Co. Ltd., which began contributing to the consolidated account from January 2014.

As a result, consolidated net sales came to ¥518.7 billion, reflecting an increase of ¥8.9 billion or 2% compared with the previous term.

Operating income

The Japanese alcoholic beverages business achieved increased profit despite higher marketing expenses, partly reflecting the effect of a decrease in other fixed costs. The international business saw profit decrease, reflecting escalating raw material costs and higher marketing expenses in North America, as well as higher marketing expenses in Vietnam. The food & soft drinks business recorded increased profit due to cost reductions following measures to improve efficiency in the Japanese soft drinks, as well as increased revenues from overseas soft drinks. Profit was down in the real estate business as a result of reduced rental income.

As a result, consolidated operating income amounted to ¥14.7 billion, reflecting a decrease of ¥0.6 billion or 4% compared with the previous term.

Ordinary income

As a result of the decrease in consolidated operating income, consolidated ordinary income amounted to ¥14.5 billion, reflecting a decrease of ¥0.5 billion or 4% compared with the previous term.

Net income

A ¥3.5 billion gain on sales of property, plant and equipment was recorded under extraordinary gains,

but under extraordinary losses the Company recorded ¥2.3 billion of costs for demolition, removal, etc. associated with the redevelopment of the Sapporo Ginza Building, and ¥11.6 billion for the difference in liquor tax amount (including overdue tax) associated with the voluntary filing of an amended return revising the tax rate category for Goku Zero in the Japanese alcoholic beverages business.

As a result, consolidated net income amounted to ¥0.3 billion, reflecting a decrease of ¥9.1 billion or 96% compared with the previous term.

* RTD, or ready-to-drink, beverages are already-mixed, low-alcohol content cocktail-like beverages that can be consumed as is immediately after opening.

(2) Issues to be Addressed by the Group

The Sapporo Group's management philosophy is "As an intrinsic part of people's lives, Sapporo will contribute to the evolution of creative, enriching and rewarding lifestyles," and we strive to increase stakeholder satisfaction by maintaining integrity in corporate conduct that reinforces stakeholder trust and by aiming to achieve continuous growth in corporate value.

In view of the social environment and progress made in managing the business during 2014, the Group recently formulated "SAPPORO Group Management Plan 2015–2016" (the "Management Plan 2015–2016") as its new management plan.

Under the Management Plan 2015–2016 the Group will continue to demonstrate its presence as a distinctive "manufacturer of food products" by further strengthening itself as an organization and accelerating investment for growth in order to realize sustainable growth. An outline of the plan is detailed below.

<<Outline of Management Plan 2015–2016>>

- The Sapporo Group has been investing in its Japanese alcoholic beverages and real estate businesses, which are pillar businesses that generate steady profits; the international business and the food & soft drinks business, for future growth; and R&D, which leads to future growth.
- The Group regards the "Sapporo Group's New Management Framework" targeting 2016 as a managerial goal that must be met in order to achieve sustainable growth. With an eye toward its next long-term management framework, the Group will endeavor to meet that goal early, working to generate profits through growth in each of its businesses, as well as by M&A, and cost reductions.

Management Indicator Targets of Management Plan 2015–2016

- ROE: 8% or higher in 2016
- D/E ratio: around 1.0 in 2016

Note: With ROE as our highest priority indicator, the Group strives to enhance profitability and efficiency and realize a sound financial structure.

In October 2007, the Group announced the "Sapporo Group's New Management Framework," (the "New Management Framework"), which is to be achieved by the year 2016, marking 140 years since the Group was founded. The Group is now pursuing measures required to enhance corporate value.

The fundamental strategic challenges under the New Management Framework are as follows:

- (i) Create high value-added products and services
- (ii) Form strategic alliances
- (iii) Promote international expansion
- (iv) Expand group synergies

The Group is continuing to develop the next long-term management framework targeted at guiding it from 2017 to its 150th anniversary in 2026. The thinking behind the new framework is as follows:

- Target of the Group:

The Sapporo Group will be a group of companies that is essential for customers to enjoy rich lives throughout the world by continuing the creation and supply of new products and services that become No. 1 in the market.

- Guidelines for corporate behavior:

1. We seek continued innovation and provide customers with valuable No. 1 products and services to contribute to ensuring their richer life.
2. We endeavor to create products and services that will activate communications among customers.
3. We strive to ensure the efficient business operations by addressing changes in the business environment.

Consolidated Balance Sheet

(As of December 31, 2014)

(Million Yen)

Item	Amount	Item	Amount
[Assets]		[Liabilities]	
Current assets	156,372	Current liabilities	211,771
Cash and cash equivalents	9,781	Notes and accounts payable – trade	35,534
Notes and accounts receivable – trade	89,245	Short-term bank loans	31,446
Merchandise and finished products	22,431	Commercial paper	30,000
Raw materials and supplies	14,108	Current portion of bonds	12,000
Deferred tax assets	5,000	Lease obligations	3,067
Other	15,971	Liquor taxes payable	33,602
Allowance for doubtful receivables	(165)	Income taxes payable	724
		Accrued bonuses	2,115
		Deposits received	9,650
		Other	53,629
Fixed assets	469,066	Long-term liabilities	253,662
Property, plant and equipment	350,597	Bonds	50,000
Buildings and structures	176,327	Long-term bank loans	124,110
Machinery and vehicles	43,878	Lease obligations	6,101
Land	115,290	Deferred tax liabilities	22,617
Lease assets	8,922	Net defined benefit liability	4,510
Construction in progress	2,617	Dealers' deposits for guarantees	32,336
Other	3,560	Other	13,986
Intangible assets	35,991	Total liabilities	465,434
Goodwill	29,966	[Net Assets]	
Other	6,025	Shareholders' equity	133,168
Investments and other assets	82,477	Common stock	53,886
Investment securities	59,968	Capital surplus	45,912
Long-term loans receivable	9,150	Retained earnings	34,913
Deferred tax assets	1,090	Treasury stock, at cost	(1,544)
Other	13,572	Accumulated other comprehensive income	23,135
Allowance for doubtful receivables	(1,305)	Unrealized holding gain on securities	20,112
		Deferred hedge gains (losses)	(0)
		Foreign currency translation adjustments	2,582
		Remeasurements of defined benefit plans	440
		Minority interests	3,700
		Total net assets	160,004
Total assets	625,439	Total liabilities and net assets	625,439

Consolidated Statement of Income

(From January 1, 2014 to December 31, 2014)

(Million Yen)

Item	Amount	
Net sales		518,740
Cost of sales		336,388
Gross profit		182,352
Selling, general and administrative expenses		167,623
Operating income		14,728
Non-operating income		2,811
Interest income	229	
Dividend income	831	
Equity in income of affiliates	225	
Foreign exchange gains	576	
Other	948	
Non-operating expenses		2,973
Interest expense	2,399	
Other	573	
Ordinary income		14,565
Extraordinary gains		4,724
Gain on sales of property, plant and equipment	3,528	
Gain on sales of investment securities	230	
Gain on sales of consolidated subsidiaries	966	
Extraordinary losses		16,595
Loss on disposal of property, plant and equipment	2,142	
Loss on sales of property, plant and equipment	108	
Loss on impairment of property, plant and equipment	893	
Loss on devaluation of investment securities	11	
Loss on sales of investment securities	0	
Additional liquor tax paid and other	11,685	
Compensation expenses	1,753	
Income before income taxes and minority interests		2,694
Income taxes: current		1,624
Income taxes: deferred		975
Income before minority interests		94
Minority interests in losses		(245)
Net income		340

Consolidated Statement of Changes in Shareholders' Equity

(From January 1, 2014 to December 31, 2014)

(Million Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of January 1, 2014	53,886	45,911	37,409	(1,311)	135,896
Changes during period					
Cash dividends			(2,731)		(2,731)
Net income			340		340
Purchase of treasury stock				(239)	(239)
Disposition of treasury stock		1		5	6
Changes in scope of consolidation / Changes in scope of associates accounted for using equity method			(104)		(104)
Net change in items other than shareholders' equity during period					
Total changes during period	-	1	(2,495)	(233)	(2,728)
Balance as of December 31, 2014	53,886	45,912	34,913	(1,544)	133,168

	Accumulated other comprehensive income					Minority interests	Total net assets
	Unrealized holding gain on securities	Deferred hedge gains	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of January 1, 2014	15,467	4	314	-	15,786	3,683	155,366
Changes during period							
Cash dividends							(2,731)
Net income							340
Purchase of treasury stock							(239)
Disposition of treasury stock							6
Changes in scope of consolidation / Changes in scope of associates accounted for using equity method							(104)
Net change in items other than shareholders' equity during period	4,645	(4)	2,267	440	7,349	17	7,366
Total changes during period	4,645	(4)	2,267	440	7,349	17	4,638
Balance as of December 31, 2014	20,112	(0)	2,582	440	23,135	3,700	160,004

Non-Consolidated Balance Sheet

(As of December 31, 2014)

(Million Yen)

Item	Amount	Item	Amount
[Assets]		[Liabilities]	
Current assets	49,549	Current liabilities	73,203
Cash and cash equivalents	2,209	Short-term bank loans	15,000
Accounts receivable	405	Current portion of bonds	12,000
Prepaid expenses	9	Current portion of long-term debt	8,138
Deferred tax assets	298	Commercial paper	30,000
Accrued revenue	1,436	Current portion of lease obligations	3
Refundable income taxes	2,614	Accounts payable	1,510
Short-term loan receivables	42,574	Accrued expenses	289
Other	0	Income taxes payable	3
		Consumption taxes payable	55
		Deposits received	6,114
		Accrued bonuses	88
Fixed assets	340,269	Long-term liabilities	170,949
Property, plant and equipment	50	Bonds	50,000
Tools, furniture and fixtures	0	Long-term bank loans	117,685
Lease assets	7	Lease obligations	4
Construction in progress	42	Employees' retirement benefits	1,355
Intangible assets	0	Deferred tax liabilities	1,903
Software	0		
Trademark rights	0		
Investments and other assets	340,219	Total liabilities	244,153
Investment securities	12,502	[Net Assets]	
Shares in affiliates	173,395	Shareholders' equity	141,704
Long-term loans receivable	157,563	Common stock	53,886
Long-term prepaid expenses	14	Capital surplus	46,544
Other	274	Capital reserves	46,543
Allowance for investment loss	(3,532)	Other capital surplus	1
		Retained earnings	42,817
		Earnings reserve	6,754
		Other retained earnings	36,063
		Contingent reserve	16,339
		Unappropriated retained earnings at end of period	19,724
		Treasury stock, at cost	(1,544)
		Valuation and translation adjustments	3,961
		Unrealized holding gain on securities	3,961
		Total net assets	145,665
Total assets	389,818	Total liabilities and net assets	389,818

Non-Consolidated Statement of Income

(From January 1, 2014 to December 31, 2014)

(Million Yen)

Item	Amount	
Operating revenues		9,401
Managing revenue from operating companies	3,854	
Dividend income from subsidiaries and affiliates	5,547	
Operating expenses		3,895
General administrative expenses	3,895	
Operating income		5,506
Non-operating income		3,222
Interest and dividend income	3,204	
Other	17	
Non-operating expenses		1,760
Interest expense	1,648	
Bad debts expenses	10	
Other	101	
Ordinary income		6,969
Income before income taxes		6,969
Income taxes: current		(97)
Income taxes: deferred		655
Net income		6,411

Non-Consolidated Statement of Changes in Shareholders' Equity

(From January 1, 2014 to December 31, 2014)

(Million Yen)

	Shareholders' equity									
	Common stock	Capital surplus			Earnings reserve	Retained earnings			Treasury stock	Total shareholders' equity
		Capital reserves	Other capital surplus	Total capital surplus		Other retained earnings		Total retained earnings		
						Contingent reserve	Unappropriated retained earnings			
Balance as of January 1, 2014	53,886	46,543	-	46,543	6,754	16,339	16,044	39,137	(1,311)	138,257
Changes during period										
Cash dividends							(2,731)	(2,731)		(2,731)
Net income							6,411	6,411		6,411
Purchase of treasury stock									(239)	(239)
Disposition of treasury stock			1	1					5	6
Net changes of items other than shareholders' equity during period										
Total changes during period	-	-	1	1	-	-	3,679	3,679	(233)	3,447
Balance as of December 31, 2014	53,886	46,543	1	46,544	6,754	16,339	19,724	42,817	(1,544)	141,704

	Valuation and translation adjustments		Total net assets
	Unrealized holding gain on securities	Total valuation and translation adjustments	
Balance as of January 1, 2014	3,278	3,278	141,535
Changes during period			
Cash dividends			(2,731)
Net income			6,411
Purchase of treasury stock			(239)
Disposition of treasury stock			6
Net changes of items other than shareholders' equity during period	683	683	683
Total changes during period	683	683	4,130
Balance as of December 31, 2014	3,961	3,961	145,665