

(TRANSLATION)

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

(Securities code: 2501)

March 7, 2016

To Our Shareholders

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

Notice of Convocation of the 92nd Ordinary General Meeting of Shareholders

Dear Sirs/Madams:

You are cordially invited to attend the 92nd 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 Tuesday, March 29, 2016.

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 Tuesday, March 29, 2016.

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.

Description

1. Date and time of the meeting: Wednesday, March 30, 2016 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 92nd business term (from January 1, 2015 to December 31, 2015).
 - (2) Report on the non-consolidated financial statements for the 92nd business term (from January 1, 2015 to December 31, 2015).

Matters to be resolved:

- | | |
|------------------------|-----------------------------------------------------------------------------------------------|
| Proposal No. 1: | Dividends from Surplus |
| Proposal No. 2: | Consolidation of Shares |
| Proposal No. 3: | Partial Amendment of the Articles of Incorporation |
| Proposal No. 4: | Election of Nine (9) Directors |
| Proposal No. 5: | Election of Two (2) Audit & Supervisory Board Members |
| Proposal No. 6: | Election of One (1) Substitute Audit & Supervisory Board Member |
| Proposal No. 7: | Decision on the Amount of Stock-Based Compensation, etc. for Directors and Its Details |

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 on the day of the meeting.

Date and time of the meeting: Wednesday, March 30, 2016 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: Please post to arrive by no later than 5:30 p.m. on Tuesday, March 29, 2016

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 register your approval or disapproval of proposals by following the directions on the screen.

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

Deadline: Please register by no later than 5:30 p.m. on Tuesday, March 29, 2016

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 92nd business term are as shown in the Business Report. To provide return of profits to our shareholders while taking into consideration the reinforcement of its financial foundation as well as internal reserves, etc. required for strategic investments in the future, the Company intends to distribute the year-end dividends for the 92nd business term of the same amount as that of 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: 2,726,639,776 yen
- 3 Date on which the dividends from surplus will take effect:
March 31, 2016

Proposal No. 2 – Consolidation of Shares

1. Reasons for the Consolidation of Shares

Japanese stock exchanges have announced the Action Plan for Consolidating Trading Units, aiming to consolidate one hundred (100) shares of common stock of domestic companies listed on Japanese stock exchanges into one (1) trading unit by October 2018. As a company listed on the Tokyo Stock Exchange and the Sapporo Securities Exchange, the Company shall respect this intention, change the number of shares constituting one trading unit of our stock to one hundred (100) shares, and consolidate shares with the objectives of enhancing investment opportunities for individual investors as well as adjusting the investment unit to an appropriate level taking into consideration changes in stock prices in the medium to long term, etc.

2. Types and Ratio of Shares to Be Consolidated

On the condition that Proposal No. 3 “Partial Amendment of the Articles of Incorporation” is approved as originally proposed, we would like to consolidate five (5) shares of common stock into one (1) share of common stock. If fractional shares of less than one share arise as a result of the consolidation of shares, such shares shall be subject to a bulk sale in accordance with the provisions of the Companies Act, or the Company shall purchase them as treasury stock. The proceeds of the said sale, etc. shall be distributed to the target shareholders in proportion to their respective shareholdings.

3. Effective Date of the Consolidation of Shares

July 1, 2016

4. Total Number of Authorized Shares as of the Effective Date

200,000,000 shares

5. Others

Any other procedural issues that may need to be addressed shall be entrusted to the Board of Directors.

Proposal No. 3 – Partial Amendment of the Articles of Incorporation

1. Reason of Amendments

(1) On the condition that Proposal No. 2 “Consolidation of Shares” is approved as originally proposed, in order to adjust the total number of authorized shares to an appropriate level, the total number of authorized shares shall be amended from one billion (1,000,000,000) shares to two hundred million (200,000,000) shares in accordance with the ratio of share consolidation (one fifth), and in order to change the number of shares constituting one trading unit of our stock to one hundred (100) shares, the number of shares constituting one share unit shall be changed from one thousand (1,000) shares to one hundred (100) shares.

Supplementary Provisions shall be established to the effect that the aforementioned changes shall take effect on July 1, 2016, which is the effective date of the consolidation of shares, and the Supplementary Provisions shall be deleted on the same day. (Proposed Amendments to Articles 5 and 7, and the Supplementary Provisions)

(2) In the Company’s current Articles of Incorporation, Article 29 (Limited Liability Contracts with Outside Directors) and Article 38 (Limited Liability Contracts with Outside Audit & Supervisory Board Members) are stipulated in order to ensure that outside directors and outside audit & supervisory board members have the abilities to fully perform their expected roles.

As the recent implementation of the Act for Partial Revision of the Companies Act (Act No. 90 of 2014) has expanded the range of directors and audit & supervisory board members who can conclude limited liability contracts, Articles 29 and 38 of the current Articles of Incorporation shall be amended so that limited liability contracts can be concluded with directors who are not engaged in business execution or audit & supervisory board members who are not outside audit & supervisory board members, as necessary. The Company has obtained approvals of all audit & supervisory board members for the amendments to the Article 29 of the current Articles of Incorporation. (Proposed Amendments to Articles 28 and 38)

(3) In order to promote the establishment of an optimal and flexible management structure, the proposed amendments shall enable the Company to elect its president not only from its directors, but also from its group operating officers. While the Company introduced the group operating officer system in 2003 with the objectives of executing business quickly and clarifying responsibilities, the Company shall newly establish provisions concerning group operating officers and amend the necessary provisions for selecting the president in the Articles of Incorporation of the Company, in order to serve the said objectives by clarifying the method of electing group operating officers and their roles, etc. (Proposed Amendments to Articles 14, 23, and 29)

(4) In order to ensure that a broad range of alternatives are available for the location of the general meeting of shareholders, Article 15 (Location of Meeting) of the current Articles of Incorporation, which limits the place of convocation for general meetings of shareholders, shall be deleted.

2. Details of Amendments

The details of the amendments are as follows.

(Amendments are underlined)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter 2 Shares</p> <p>(Total Number of Authorized Shares) Article 5 The total number of authorized shares shall be <u>one billion (1,000,000,000)</u> shares.</p> <p>(Number of Shares Constituting One Share Unit) Article 7 The number of shares constituting one share unit of the Company shall be <u>one thousand (1,000)</u> shares.</p> <p style="text-align: center;">Chapter 3 General Meetings of Shareholders</p> <p>(Convener and Chairperson) Article 14 Unless otherwise stipulated by laws and regulations, a general meeting of shareholders shall be convened and chaired by the President and Director pursuant to resolution of the Board of Directors. When the President and Director is unable to attend, other Directors shall convene such general meetings and act as the chairperson thereof in accordance with the order determined in advance by resolution of the Board of Directors.</p> <p><u>(Location of Meeting)</u> <u>Article 15 The general meeting of shareholders may be convened within wards of Tokyo in addition to the location of the head office and its immediate vicinity.</u></p> <p>Article <u>16</u> – Article <u>18</u> (Omitted)</p>	<p style="text-align: center;">Chapter 2 Shares</p> <p>(Total Number of Authorized Shares) Article 5 The total number of authorized shares shall be <u>two hundred million (200,000,000)</u> shares.</p> <p>(Number of Shares Constituting One Share Unit) Article 7 The number of shares constituting one share unit of the Company shall be <u>one hundred (100)</u> shares.</p> <p style="text-align: center;">Chapter 3 General Meetings of Shareholders</p> <p>(Convener and Chairperson) Article 14 Unless otherwise stipulated by laws and regulations, a general meeting of shareholders shall be convened and chaired by the President and Director pursuant to resolution of the Board of Directors. When <u>the post of President and Director is not established or</u> the President and Director is unable to attend, other Directors shall convene such general meetings and act as the chairperson thereof in accordance with the order determined in advance by resolution of the Board of Directors.</p> <p>(Deleted)</p> <p>Article <u>15</u> – Article <u>17</u> (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="245 271 735 300">Chapter 4 Directors and Board of Directors</p> <p data-bbox="196 333 568 362">Article <u>19</u> – Article <u>23</u> (Omitted)</p> <p data-bbox="196 398 775 461">(Convener and Chairperson of Meetings of Board of Directors)</p> <p data-bbox="196 463 775 557">Article <u>24</u> Meetings of the Board of Directors shall be convened by the Chairperson of the Board of Directors who shall act as chairperson thereat.</p> <p data-bbox="196 560 775 813">When <u>the Chairperson of the Board of Directors is absent</u> or unable to attend, the President and Director shall convene meetings and act as chairperson thereat and when the President and Director is unable to attend, other Directors shall convene meetings and act as chairperson thereat in accordance with the order determined in advance by the Board of Directors.</p> <p data-bbox="196 913 568 943">Article <u>25</u> – Article <u>28</u> (Omitted)</p> <p data-bbox="196 978 786 1008">(Limited Liability Contracts with <u>Outside Directors</u>)</p> <p data-bbox="196 1010 775 1229">Article <u>29</u> In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into contracts with <u>outside directors</u> under which their liabilities provided for in Article 423, Paragraph 1 of the said act shall be restricted to the limits stipulated by laws and regulations.</p> <p data-bbox="196 1330 344 1359">(New article)</p>	<p data-bbox="860 271 1350 300">Chapter 4 Directors and Board of Directors</p> <p data-bbox="810 333 1220 362">Article <u>18</u> – Article <u>22</u> (Unchanged)</p> <p data-bbox="810 398 1374 461">(Convener and Chairperson of Meetings of Board of Directors)</p> <p data-bbox="810 463 1390 557">Article <u>23</u> Meetings of the Board of Directors shall be convened by the Chairperson of the Board of Directors who shall act as chairperson thereat.</p> <p data-bbox="810 560 1390 878">When <u>the post of Chairperson of the Board of Directors is not established</u> or <u>the Chairperson of the Board of Directors is unable to attend</u>, the President and Director shall convene meetings and act as chairperson thereat and when <u>the post of President and Director is not established</u> or the President and Director is unable to attend, other Directors shall convene meetings and act as chairperson thereat in accordance with the order determined in advance by the Board of Directors.</p> <p data-bbox="810 913 1220 943">Article <u>24</u> – Article <u>27</u> (Unchanged)</p> <p data-bbox="810 978 1310 1008">(Limited Liability Contracts with <u>Directors</u>)</p> <p data-bbox="810 1043 1390 1296">Article <u>28</u> In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into contracts with <u>directors (excluding directors who are engaged in business execution, etc.)</u> under which their liabilities provided for in Article 423, Paragraph 1 of the said act shall be restricted to the limits stipulated by laws and regulations.</p> <p data-bbox="810 1330 1123 1359"><u>(Group Operating Officers)</u></p> <p data-bbox="810 1361 1390 1581">Article <u>29</u> <u>The Company may decide group operating officers by the resolution of the Board of Directors, and make them execute businesses of individual group operating companies, or management issues which are especially important for the management of the group and cut across operating companies.</u></p> <p data-bbox="810 1583 1382 1713">When <u>the post of President and Director is not established</u>, <u>the Company may elect the President from group operating officers by the resolution of the Board of Directors.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="220 271 762 331">Chapter 5 Audit & Supervisory Board Members and Audit & Supervisory Board</p> <p data-bbox="194 367 770 427"><u>(Limited Liability Contracts with Outside Audit & Supervisory Board Members)</u></p> <p data-bbox="194 432 775 651">Article 38 In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into contracts with <u>outside audit & supervisory board members</u> under which their liabilities provided for in Article 423, Paragraph 1 of the said act shall be restricted to the limits stipulated by laws and regulations.</p> <p data-bbox="194 752 347 784">(New article)</p> <p data-bbox="194 848 347 880">(New article)</p>	<p data-bbox="836 271 1378 331">Chapter 5 Audit & Supervisory Board Members and Audit & Supervisory Board</p> <p data-bbox="810 367 1297 427"><u>(Limited Liability Contracts with Audit & Supervisory Board Members)</u></p> <p data-bbox="810 432 1390 651">Article 38 In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into contracts with <u>audit & supervisory board members</u> under which their liabilities provided for in Article 423, Paragraph 1 of the said act shall be restricted to the limits stipulated by laws and regulations.</p> <p data-bbox="810 721 1114 752"><u>(Supplemental Provisions)</u></p> <p data-bbox="810 757 1390 817"><u>Article 1 The amendments to Articles 5 and 7 shall take effect on July 1, 2016.</u></p> <p data-bbox="810 851 1390 911"><u>Article 2 The preceding article and this article shall be deleted as of July 1, 2016.</u></p>

Proposal No. 4 – Election of Nine (9) Directors

At the conclusion of this general meeting, the terms of office of all nine (9) directors will expire. The Company therefore proposes the election of 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</p> <p>(January 6, 1954) 62 years old Incumbent Number of Shares Held in the Company 74,196 shares Number of Board of Directors' meetings attended 12/12</p>	<p>April 1976 Joined the Company</p> <p>March 2001 Director (Member of the Board), Director of Sales Planning Department, of Sapporo Beverage Co., Ltd.</p> <p>September 2003 Director (Member of the Board) and Managing Executive Officer, Director of Marketing Department, of Sapporo Beverage Co., Ltd.</p> <p>September 2005 Director (Member of the Board) and Managing Executive Officer, Director of Management Strategy Headquarters, of Sapporo Beverage Co., Ltd.</p> <p>March 2007 Director (Member of the Board), Director of Corporate Planning Department, of the Company</p> <p>March 2009 Managing Director (Member of the Board) of the Company</p> <p>March 2011 President of Sapporo Beverage Co., Ltd.</p> <p>March 2011 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 nine (9) years as of the conclusion of this general meeting.</p> <p>[Reasons for Presenting Mr. Tsutomu Kamijo as a Candidate for Director]</p> <p>Mr. Tsutomu Kamijo has been President of the Company and CEO of the Group since 2011, and has a wealth of experience, a rich track record and great insight as a manager. The Company has determined that he will be the right person for the post to promote the group management structure and strengthen the corporate governance of the Company, and he has thus been presented to the shareholders as a candidate for director.</p>
2	<p>Junji Watari</p> <p>(December 2, 1955) 60 years old Incumbent Number of Shares Held in the Company 44,982 shares Number of Board of Directors' meetings attended 12/12</p>	<p>April 1980 Joined the Company</p> <p>March 2005 Director of Frontier Laboratories of Value Creation, of Sapporo Breweries Limited</p> <p>February 2008 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>March 2010 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>March 2012 Director (Member of the Board) and Managing Officer, Director of New Value Development Headquarters, of Sapporo Breweries Limited</p> <p>March 2014 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 two (2) years as of the conclusion of this general meeting.</p> <p>[Reasons for Presenting Mr. Junji Watari as a Candidate for Director]</p> <p>Having been in charge of research and development as well as the product development department of operating companies, Mr. Junji Watari has a wealth of experience, a rich track record and great insight for the planning and development of new products. The Company has determined that he will be the right person for the post to promote research and development as well as quality improvement at the Sapporo Group, and he has thus been presented to the shareholders as a candidate for director.</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 style="text-align: center;">Toshio Mizokami</p> <p>(April 16, 1959) 56 years old Incumbent Number of Shares Held in the Company 14,751 shares Number of Board of Directors' meetings attended 12/12</p>	<p>April 1984 Joined the Company</p> <p>March 2008 Director of Accounting & Finance Department, of Sapporo Breweries Limited</p> <p>March 2011 Managing Officer, Director of Accounting & Finance Department, of Sapporo Breweries Limited</p> <p>March 2012 Director (Member of the Board), Director of Group Accounting & Finance Department, of Sapporo Group Management Co., Ltd.</p> <p>March 2012 Director of Accounting & Finance Department, of the Company</p> <p>September 2013 Director (Member of the Board) of Sapporo Group Management Co., Ltd. (up to the present)</p> <p>March 2014 Director (Member of the Board), Director of Corporate Finance and Business Management Department, 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. (scheduled to assume the position as of March 29, 2016)</p> <p>Mr. Mizokami will have served as a director of the Company for two (2) years as of the conclusion of this general meeting.</p> <p>[Reasons for Presenting Mr. Toshio Mizokami as a Candidate for Director] Having been in charge of corporate management department as well as accounting & finance department of the Company and operating companies, Mr. Toshio Mizokami has a wealth of experience, a rich track record and great insight for management and accounting & finance. The Company has determined that he will be the right person to promote the group management structure and improve the business efficiency of each of the group companies, and he has thus been presented to the shareholders as a candidate for director.</p>
4	<p style="text-align: center;">Hiroyuki Nose</p> <p>(February 3, 1963) 53 years old Incumbent Number of Shares Held in the Company 9,649 shares Number of Board of Directors' meetings attended 10/10</p>	<p>April 1986 Joined the Company</p> <p>March 2011 Director of Shochu Planning Department, of Sapporo Breweries Limited</p> <p>September 2012 Director of Yebisu Brand Planning Department of Sapporo Breweries Limited</p> <p>March 2013 Director of Brand Planning Department of Sapporo Breweries Limited</p> <p>March 2015 Director (Member of the Board), Director of Business Planning Department, of the Company (up to the present)</p> <p>Mr. Nose will have served as a director of the Company for one (1) year as of the conclusion of this general meeting.</p> <p>[Reasons for Presenting Mr. Hiroyuki Nose as a Candidate for Director] Having had wide experience in sales & marketing departments of operating companies and been in charge of brand planning department, Mr. Hiroyuki Nose has an experience, a track record and insight for marketing strategies. The Company has determined that he will be the right person to formulate and promote the growth strategy of the Sapporo Group, and he has thus been presented to the shareholders as a candidate for director.</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	<p>Shinichi Soya</p> <p>(September 20, 1963) 52 years old New Candidate Number of Shares Held in the Company 12,976 shares</p>	<p>April 1986 Joined the Company</p> <p>October 2006 Director of Strategic Planning Department, Hokkaido Headquarters, of Sapporo Breweries Limited</p> <p>November 2009 Director (Member of the Board) of Pokka Corporation (currently POKKA SAPPORO Food & Beverage Ltd.)</p> <p>March 2012 Director (Member of the Board), Director of Corporate Planning Department of Sapporo Beverage Co., Ltd.</p> <p>November 2012 Managing Director of POKKA SAPPORO Food & Beverage Ltd.</p> <p>March 2014 Director (Member of the Board) of Sapporo International Inc. (up to the present)</p> <p>Director (Member of Board) of Sapporo Group Management Co., Ltd. (up to the present)</p> <p>March 2015 Director (Member of the Board) and Managing Executive Officer of POKKA SAPPORO Food & Beverage Ltd. (up to the present)</p> <p>[Reasons for Presenting Mr. Shinichi Soya as a Candidate for Director] Having had wide experience in the accounting & finance departments of operating companies as well as been in charge of the corporate planning and international departments, Mr. Shinichi Soya has an experience, a track record and insight for overall corporate planning. The Company has determined that he will be the right person to strengthen the group management structure and global management of the Company, and he has thus been presented to the shareholders as a candidate for director.</p>
6	<p>Mayumi Fukuhara</p> <p>[Current surname: Kobayashi] (April 2, 1964) 51 years old New Candidate Number of Shares Held in the Company 0 shares</p>	<p>April 1988 Joined the Company</p> <p>September 2009 Group Leader of Human Resources and General Affairs Department of Sapporo Breweries Limited</p> <p>March 2013 Director of Human Resources and General Affairs Department of Sapporo Breweries Limited</p> <p>March 2014 Director of Human Resources Department of Sapporo Breweries Limited (up to the present)</p> <p>[Reasons for Presenting Ms. Mayumi Fukuhara as a Candidate for Director] Having been in charge of human resources department of operating companies, Ms. Mayumi Fukuhara has an experience, a track record and insight for overall human resources strategy. The Company has determined that she will be the right person to promote the diversity and strengthen human resources development of the Sapporo Group, and she has thus been presented to the shareholders as a candidate for director.</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)
7	<p>(Candidate for Outside Director/ Independent Director)</p> <p>Shigehiko Hattori</p> <p>(August 21, 1941) 74 years old Incumbent Number of Shares Held in the Company 0 shares Number of Board of Directors' meetings attended 12/12</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</p> <p>March 2012 Outside Director (Member of the Board) of the Company (up to the present)</p> <p>June 2015 Senior Advisor of Shimadzu Corporation (up to the present)</p> <p>[Status of Important Concurrent Occupations or Positions at Other Organizations]</p> <p>Senior Advisor of Shimadzu Corporation Outside Director of Mitsubishi Tanabe Pharma Corporation Outside Director of Brother Industries, Ltd. Outside Director of Meiji Yasuda Life Insurance Company Outside Auditor of Nikkei Inc.</p> <p>Mr. Hattori will have served as an outside director of the Company for four (4) 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 for outside director.</p> <p>[Policy on His Independence]</p> <p>Mr. Shigehiko Hattori was engaged in business execution at Shimadzu Corporation until June 2015. Although the said company's products are used in certain plants of the Company's subsidiaries, no new transaction has been made, 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 and the Sapporo Securities Exchange and has notified each of the Exchanges of his 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>69 years old</p> <p>Incumbent</p> <p>Number of Shares Held in the Company 0 shares</p> <p>Number of Board of Directors' meetings attended 12/12</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>Independent Director of NSK Ltd.</p> <p>Mr. Ikeda will have served as an outside director of the Company for four (4) 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 for outside director.</p> <p>[Policy on His Independence]</p> <p>While Mr. Teruhiko Ikeda had engaged in business execution at Mizuho Trust & Banking Co., Ltd. until June 2010, more than five years have passed since he left his executive position, and he is not in a position to directly manage Mizuho Trust & Banking Co., Ltd. nor does he have any special relationship with the said bank. In light of the standards of independence of the Exchanges on which the Company is listed, and the Company's criteria for judgment on independence, 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 and the Sapporo Securities Exchange and has notified each of the Exchanges of his 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) 70 years old Incumbent Number of Shares Held in the Company 0 shares Number of Board of Directors' meetings attended 10/10	<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 Holdings Inc.</p> <p>June 2013 Chairman & Representative Director of Nisshinbo Holdings Inc. (up to the present)</p> <p>March 2015 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 & Representative Director of Nisshinbo Holdings Inc.</p> <p>Director of Japan Radio Co., Ltd.</p> <p>Director of New Japan Radio Co., Ltd.</p> <p>Director of Nagano Japan Radio Co., Ltd.</p> <p>External Executive Director of Japan Finance Corporation</p> <p>Mr. Uzawa will have served as an outside director of the Company for one (1) year as of the conclusion of this general meeting.</p> <p>[Reasons for presenting Mr. Shizuka Uzawa as a Candidate for Outside Director]</p> <p>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 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 the Group's management structure, and he has thus been presented to the shareholders a candidate for outside director.</p> <p>[Policy on His Independence]</p> <p>Mr. Shizuka Uzawa is currently a Chairman & Representative Director of Nisshinbo Holdings Inc. No transactions have or are being made between the said company and the Company or its subsidiaries, and the Company has determined Mr. Uzawa is unlikely to have a conflict of interest with shareholders. In addition, although Mr. Uzawa is a Director of Japan Radio Co., Ltd., New Japan Radio Co., Ltd. and Nagano Japan Radio Co., Ltd., respectively, he does not execute business at these three (3) companies. The Company designated Mr. Uzawa as an independent director as provided for by the rules of the Tokyo Stock Exchange and the Sapporo Securities Exchange and has notified each of the Exchanges of his 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, because it was found out that the company had made excessive claims to the Ministry for its expenses for aircraft equipment. The company returned the amount for excessive claims on March 25, 2014, and the suspension of its designated contractor status was lifted.
- The Company has entered into limited liability contracts, as stipulated in Article 427, Paragraph 1 of the Companies Act, with Mr. Shigehiko Hattori, Mr. Teruhiko Ikeda and Mr. Shizuka Uzawa. Should the reelection of the three (3) persons be approved, the Company intends to continue the said contracts. 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.

Reference Judgment on Independence

In addition to requiring a candidate for independent outside director to fulfill the applicable independence criteria stipulated by financial instruments exchanges, the Nomination Committee of the Company recommends talents who have a wealth of experience and a rich track record in, and a great insight for, corporate management or specific professional areas, and are capable of offering pertinent opinions and advice on the management issues of the Company.

Proposal No. 5 – Election of Two (2) Audit & Supervisory Board Members

At the conclusion of this general meeting, audit & supervisory board member Mr. Ken Kimoto will retire by resignation. In addition, the term of office of Mr. Junya Sato will expire. The Company therefore proposes the election of two (2) audit & advisory board members (including one (1) outside audit & advisory board member).

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 scheduled to be held in March 2020.

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

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

Candidate Number	Name (Date of Birth)	Career Summary, Position, and Status of Important Concurrent Occupations or Positions at Other Organizations
1	Tetsuo Seki (July 29, 1938) 77 years old New Candidate Number of Shares Held in the Company 0 shares	<p>April 1963 Joined Yawata Iron & Steel Co., Ltd. (currently NIPPON STEEL & SUMITOMO METAL CORPORATION)</p> <p>June 1993 Director (Member of the Board) of Nippon Steel Corporation (currently NIPPON STEEL & SUMITOMO METAL CORPORATION)</p> <p>April 1997 Managing Director (Member of the Board) of Nippon Steel Corporation</p> <p>April 2000 Representative Director (Member of the Board) and Executive Vice President of Nippon Steel Corporation</p> <p>June 2003 Executive Advisor of Nippon Steel Corporation</p> <p>June 2004 Senior Corporate Auditor of Nippon Steel Corporation</p> <p>March 2007 Outside Director (Member of the Board) of the Company (until September 2008)</p> <p>October 2007 Chairperson of the [Japan Audit & Supervisory Board Members Association]</p> <p>October 2008 President and Representative Director of The Shoko Chukin Bank, Ltd.</p> <p>June 2013 General Advisor of The Shoko Chukin Bank, Ltd.</p> <p>June 2015 Honorary Advisor of The Shoko Chukin Bank, Ltd. (up to the present)</p> <p>[Status of Important Concurrent Occupations or Positions at Other Organizations] Honorary Advisor of The Shoko Chukin Bank, Ltd. Outside Director of Mizuho Financial Group, Inc.</p> <p>[Reasons for Presenting Mr. Tetsuo Seki as a Candidate for Audit & Supervisory Board Member] Having been responsible for the accounting and finance department of a business corporation, Mr. Tetsuo Seki has substantial knowledge of finance and accounting. In addition, he has a wealth of experience, a rich track record and great insight as the president of a financial institution. The Company has determined that he is capable of monitoring the activities of Directors from an objective and fair perspective, and he has thus been presented to the shareholders as a candidate for audit & supervisory board member.</p>

Candidate Number	Name (Date of Birth)	Career Summary, Position, and Status of Important Concurrent Occupations or Positions at Other Organizations
2	<p>(Candidate for Outside Audit & Supervisory Board Member/ Independent Audit & Supervisory Board Member)</p> <p>Junya Sato</p> <p>(May 4, 1953) 62 years old Incumbent Number of Shares Held in the Company 0 shares</p>	<p>April 1982 Registered as a lawyer (Daiichi Tokyo Bar Association) Joined Law Offices of Furness, Sato & Ishizawa (Current Law Offices of Ishizawa, Ko & Sato) (up to the present)</p> <p>October 1990 Registered as a lawyer in the State of New York</p> <p>April 2011 Vice President, Daiichi Tokyo Bar Association</p> <p>March 2012 Outside Audit & Supervisory Board Member of the Company (up to the present)</p> <p>[Status of Important Concurrent Occupations or Positions at Other Organizations] Lawyer at Law Offices of Ishizawa, Ko & Sato Outside Director of Nikki Co., Ltd. Outside Director of Mitsui Mining & Smelting Co., Ltd. Outside Audit & Supervisory Board Member of Taisho Pharmaceutical Holdings, Co., Ltd.</p> <p>Mr. Sato will have served as an outside audit & supervisory board member for four (4) years as of the conclusion of this general meeting.</p> <p>[Reasons for Presenting Mr. Junya Sato as a Candidate for Outside Audit & Supervisory Board Member] Although Mr. Junya Sato has no experience directly managing a company, he has a wealth of experience as outside director or outside audit & supervisory board member of other companies. In addition, the Company judged that he will be capable of monitoring the performance of duties by directors of the Company from an objective and fair perspective based on his wealth of experience as a lawyer with expertise in legal affairs in general including in the field of corporate law, and he has thus been presented to the shareholders as a candidate for outside audit & supervisory board member.</p> <p>[Policy on His Independence] Mr. Junya Sato is currently a lawyer at the Law Offices of Ishizawa, Ko & Sato. No transactions have or are being made between the said office and the Company or its subsidiaries, and the Company has determined Mr. Sato is unlikely to have a conflict of interest with shareholders. The Company designated Mr. Sato as an independent audit & supervisory board member as provided for by the rules of the Tokyo Stock Exchange and the Sapporo Securities Exchange and has notified each of the Exchanges of his designation.</p>

Notes:

1. Each candidate for audit & supervisory board member has no special interest in the Company.
2. Mr. Tetsuo Seki has experience in heading the accounting and finance department of a business corporation, and also substantial knowledge in finance and accounting.
3. Should Mr. Tetsuo Seki be elected, the Company intends to enter into a limited liability contract, as stipulated in Article 427, Paragraph 1 of the Companies Act, with him, on the condition that Proposal No. 3 "Partial Amendment of the Articles of Incorporation" is approved as originally proposed. In addition, the Company has entered into a limited liability contract of a similar kind with Mr. Junya Sato, and should his reelection be approved, the Company intends to continue the said contract. 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. 6 – 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 91st Ordinary General Meeting of Shareholders held on March 27, 2015, 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.

The Company has obtained the approval of the Audit & Supervisory Board for 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	
(Candidate for Substitute Audit & Supervisory Board Member for Outside Audit & Supervisory Board Member) Tsugio Yada (July 22, 1948) 67 years old Incumbent Number of Shares Held in the Company 0 shares	April 1976	Prosecutor at the Tokyo District Public Prosecutors Office Thereafter, worked for the District Public Prosecutors Offices in Sendai, Chiba, Kushiro, Tokyo, Osaka and Tokyo
	August 1989	Retired from the Special Investigation Department of the Tokyo District Public Prosecutors Office
	September 1989	Registered as a lawyer (Daiichi Tokyo Bar Association) Lawyer of Nozomi Sogo Attorneys at Law (up to the present)
	[Status of Important Concurrent Occupations or Positions at Other Organizations] Lawyer of Nozomi Sogo Attorneys at Law	
	[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 for substitute audit & supervisory board member.	

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 limited liability contract, 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.

Proposal No. 7 – Decision on the Amount of Stock-Based Compensation, etc. for Directors and Its Details

1. Reasons for the Proposal and Its Appropriateness

As regards the compensation for directors and group operating officers of the Company, and some of the directors of the Company's subsidiaries (excluding outside directors, hereinafter referred to as the "Group Target Officers"), the Company intends to introduce a new stock-based compensation system (Board Benefit Trust, or BBT) (hereinafter referred to as the "System"), and the Company has thus requested approval of the compensation of the directors of the Company. The purpose of the introduction of the System is to further clarify the linkage between the corporate performance and stock value of the Company to ensure that not only the merit of the increase in the stock prices, but also the risk of the decrease in the stock prices are shared among the Group Target Officers and the shareholders, thereby strengthening the Group Target Officers' awareness toward their contributions to the mid- to long-term improvement in the corporate performance and value.

Under the "Board Benefit Trust," the Company first contributes to the trust a reasonable amount of money necessary to implement the system. The trust then acquires the Company's shares using the money as funds, and, in principle, provides the Group Target Officers upon their retirement with the Company's shares and the amount of cash equivalent to the market price of the Company's shares as of the date of their retirement (hereinafter referred to as the "Company's Shares, etc."), in accordance with the officer stock benefit rules stipulated by the Company and the Company's subsidiaries falling under the System. Considering the above objectives and the following details, the Company has determined that this proposal is appropriate.

This proposal requests the approval of the amount of compensation, etc. (upper limit) and the details in order for the Company to provide the new performance-linked stock-based compensation to directors of the Company for the three (3) fiscal years (including the year ending at the end of December 2016) separately from the compensation, etc. for directors of the Company (within 240 million yen per annum; provided, however, that the compensation from the consolidated subsidiaries, salary as an employee, etc. are excluded) which was approved at the Ordinary General Meeting of Shareholders held on March 29, 2007. The Company proposes that its Board of Directors be entrusted with the details of the System within the framework of 2. below.

If the "Election of Nine (9) Directors" in Proposal No. 4 is approved at this general meeting, the number of the Company's directors who fall under the System will be six (6) persons, excluding the three (3) outside directors.

2. The Amount of Compensation, etc. (Upper Limit) and Details of the System

(1) Summary of the System

The System is a stock-based compensation system under which, using as the funds the money the Company contributes at first, the Company's shares are acquired by the trust (hereinafter the trust which is established based on the System is referred to as the "Trust"), and the Company's Shares, etc. are provided through the trust to the Group Target Officers in accordance with the officer stock benefit rules stipulated by the Company and the Company's subsidiaries falling under the System. The Group Target Officers shall receive the Company's Shares, etc. upon their retirement in principle.

(2) Targets of the System

Directors and group operating officers of the Company, and some of the directors of the Company's subsidiaries (excluding outside directors. Audit & supervisory board members are not covered by the System.)

(3) The Calculation Method and the Upper Limit for the Number of the Company's Shares to Be Provided to the Group Target Officers

For each fiscal year, the Group Target Officers shall be granted points, the amount of which is to be decided by their respective positions and achieved performance, etc. based on the officer stock benefit rules.

The upper limit of the total points granted to the Group Target Officers for one (1) fiscal year shall be 263,900 points combined, with 92,700 points for directors of the Company, and 171,200 points

for group operating officers of the Company and directors of the Company's subsidiaries falling under the System. This has been determined, and judged appropriate by the Company, taking into consideration the current level of directors' compensation provided, the trend of the number of the Group Target Officers and their estimate in the future, etc. in a comprehensive manner. Each point granted to the Group Target Officers shall be converted into one (1) share of the Company's common stock at the time of the provision of the Company's Shares, etc. as explained in (6) below (provided, however, that, if, in regard to the Company's shares, a share split, allotment of share without contribution, or consolidation of shares, etc., is carried out after the resolution for approval by shareholders at this general meeting of shareholders, the conversion ratio shall be adjusted in a reasonable manner in proportion to the relevant ratio, etc. for the share split, allotment of share without contribution, or consolidation of shares, etc. The establishment of the Trust is scheduled for May 31, 2016. In the event that Proposal No. 2 "Consolidation of Shares" is approved as originally proposed, it is scheduled to take effect on July 1, 2016, as of which date a reasonable adjustment will be conducted in relation to the consolidation of shares.)

The points for Group Target Officers which become the bases for the provision of the Company's Shares, etc. in (6) below shall be defined as the number aggregating the points granted to Group Target Officers by the time of their retirement (hereinafter referred to as the "Defined Number of Points."

(4) The Method of Acquiring the Company's Shares

The Trust shall acquire the Company's shares through the stock market or by underwriting the disposition of the Company's treasury stock, using as the funds the money which is contributed at first by (5) below. During the initial target period (to be defined in (5) below), the Trust shall acquire shares within the upper limit of 791,700 shares without delay as the shares to be provided to the Group Target Officers, after the establishment of the Trust (May 31, 2016 (scheduled)). The details of the method for acquisition of the Company's shares by the Trust shall be announced separately once they are determined.

(5) The Amount of the Trust and the Number of Shares to Be Acquired

On the condition that this proposal is approved, the Company shall establish the Trust by contributing at first the funds necessary for the Trust to acquire in advance of a certain period the number of shares which are reasonably expected to be required to provide the Company's Shares, etc. in accordance with (3) above and (6) below. As stipulated in (4) above, the Trust shall acquire the Company's shares, using as the funds the money which is contributed at first by the Company.

Specifically, the Company shall establish the Trust by contributing the money with the upper limit of 446,000,000 yen as the necessary funds for three (3) fiscal years from the fiscal year ending at the end of December 2016 to the fiscal year ending at the end of December 2018 (hereinafter referred to as the "Initial Target Period").

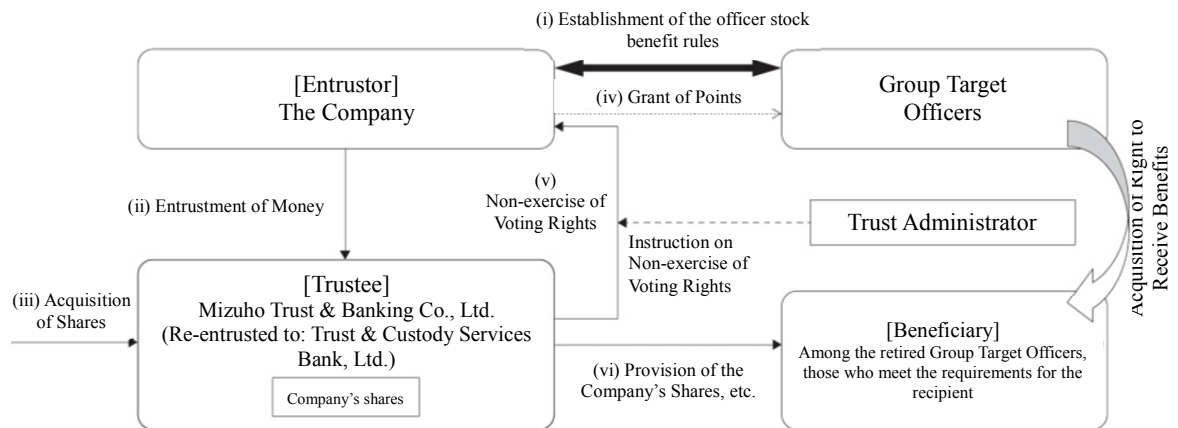
After the elapse of the Initial Target Period, the Company shall make additional contributions to the Trust, with the upper limit of 446,000,000 yen, for the following three (3) fiscal years (hereinafter referred to as the "Next Target Period"), in every three (3) fiscal years in principle until the termination of the System. Provided, however, if, at the time of such additional contributions, there remain the Company's shares (excluding the Company's shares corresponding to the points granted to the Group Target Officers but not yet given to the Group Target Officers) and money (hereinafter referred to as the "Remaining Shares, etc.") in the trust assets on the date immediately before the start of the Next Target Period during which the said additional contributions are to be made, the Remaining Shares, etc. shall be allocated to the funds for the provision based on the System during the Next Target Period, and the upper limit of the monetary amount which the Company may additionally contribute during the Next Target Period shall be calculated by deducting the monetary amount of the Remaining Shares, etc. (for shares, the monetary amount converted to the market value equivalent on the date immediately before the start of the Next Target Period) from 446,000,000 yen. When the Company determines additional contributions, we will make an appropriate disclosure in a timely manner.

(6) Timing for the Provision of the Company's Shares, etc.

When the Company's Group Target Officers retire, and meet the requirements for the beneficiary stipulated in the officer stock benefit rules, the said Group Target Officers may receive the number of the Company's shares from the Trust in accordance with the "Defined Number of Points" after their

retirement by taking the stipulated procedures to define the beneficiary. Provided, however, that, if the requirements separately stipulated in the officer stock benefit rules in addition to the requirements for the beneficiary are fulfilled, the said Group Target Officers may receive in respect of a certain percentage of the points granted to them an amount of cash equivalent to the market price of the Company's shares as of the date of their retirement in lieu of the Company's shares. The Trust may sell the Company's shares in order to make the monetary provisions.

[Reference] Structure of the System



- (i) The Company shall stipulate the “officer stock benefit rules” within the framework approved by this general meeting, by obtaining the resolution on the compensation of directors for the System at this general meeting.
- (ii) The Company shall entrust the money within the limit approved by this general meeting as set forth in (i).
- (iii) The Trust shall acquire the Company's shares through the stock market or by underwriting the disposition of the Company's treasury stock, using as the funds the money entrusted in the manner set forth in (ii).
- (iv) The Company shall grant points to the Group Target Officers based on the “officer stock benefit rules.”
- (v) In accordance with the instructions from the independent trust administrator, the Trust shall not exercise the voting rights concerning the Company's shares in the Trust's account.
- (vi) The Trust shall provide the Company's shares to retired Group Target Officers who meet the requirements stipulated in the “officer stock benefit rules” (hereinafter referred to as the “Beneficiaries”), in proportion to the points granted to the said Beneficiaries. Provided, however, that, if the Group Target Officers meet the requirements separately stipulated in the officer stock benefit rules, they may receive in respect of a certain percentage of the points granted to them an amount of cash equivalent to the market price of the Company's shares as of the date of their retirement, in lieu of the Company's shares.

Business Report

(From January 1, 2015 to December 31, 2015)

1. Review of Sapporo Group Operations

(1) Operations and Operating Results

In 2015, the Japanese economy was on track for a moderate recovery in the first half, while the economy in foreign countries such as China slowed down in the second half. As a consequence, the situation for 2015 was a series of ups and downs. Consumer spending remained weak despite some signs of improvement with the economic recovery. More specifically, conditions in the industries in which the Sapporo Group (the “Group” or “Sapporo Group”) conducts its operations were as follows.

In the alcoholic beverages and food & soft drinks industries in Japan, demand was affected by unseasonable summer weather and a mild winter. 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.

Amid this environment, the Group accelerated the growth strategies based on “SAPPORO Group Management Plan 2015-2016” to demonstrate its presence as a distinctive “manufacturer of food products”, with an aim to achieve its financial targets for 2016.

In the Japanese alcoholic beverage business, the Group continued to invest in its core brands in domestic beer and beer-type beverage market. The Group released the improved version of Sapporo Draft Beer Black Label, which is its core brand, to enhance its presence in the household market. In non-beer growth categories, the Group started offering a world-class brand of imported wine to promote further diversification.

In the international business, SLEEMAN BREWERIES LTD. in Canada and Sapporo U.S.A., INC. in the United States of America aggressively implemented sales promotions in the premium beer markets in North America. In the American beverage market, the Group recorded Country Pure Foods, Inc. as a consolidated subsidiary of the Group to expand sales. In Vietnam, the Group continued marketing investments to establish the Sapporo brand, and released the improved version of bottled products and canned products in November.

The food & soft drinks business endeavored to strengthen marketing and lower costs at its Japan operations as part of our management initiative while concentrating investment on core brands, especially the lemon-based and soup products, two areas where the Group has a strong competitive edge. Overseas, the Group established a joint-venture company that is engaged in production and sales in Indonesia to strengthen its soft drinks business from its Southeast Asian base. The Group also entered the soy milk business to expand its business area.

In the restaurant business in Japan, the Group continued to open outlets, focusing on its key Ginza Lion and YEBISU BAR formats, while closing or changing the formats of unprofitable outlets in a bid to improve profitability. In Singapore, the Group improved its restaurants to meet regional demand by changing the formats.

In the real estate business, the high occupancy rates at our rental properties remained. We enhanced the property value of Yebisu Garden Place, which is our core property, by improving the dining area to raise the attraction level of the city area. With regard to the Ginza 5-chome Redevelopment Project, we decided on "GINZA PLACE" as the facility name and made progress with redevelopment work with a view to opening in summer 2016.

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 dropped from the previous term in beer and beer-type beverages. However, in the international business, beer sales volume in North America and Vietnam exceeded the previous term, and the inclusion of Country Pure Foods, Inc. in the consolidated subsidiaries led to a sharp gain in sales value. The food & soft drinks business increased sales volumes in its Japanese food & soft drinks and overseas soft drinks business from the previous term. The stronger sales volumes combined with the benefit of a weaker yen contributed to the sales increase in the international business and food & soft drinks business. The real estate business saw sales decrease, owing to selling our equity stake in Sapporo Sports Plaza Co., Ltd. and several rental properties.

As a result, consolidated net sales came to ¥533.7 billion, reflecting an increase of ¥15.0 billion or 3% compared with the previous term.

Operating income

In the Japanese alcoholic beverage business, a decline in sales of beer and beer-type products outweighed the positive impact of further cuts to fixed costs. The food & soft drinks business posted higher profits, thanks to increased sales of its food and soft drinks in Japan and its soft drinks in overseas markets. The restaurants business achieved profit growth as it boosted sales at existing stores. Lastly, the real estate business also achieved profit growth, thanks to an increase in rental income from core properties.

As a result, consolidated operating income amounted to ¥13.9 billion, reflecting a decrease of ¥0.7 billion or 5% compared with the previous term.

Ordinary income

Due to the drop in consolidated operating income and the increase in foreign exchange losses resulting from the weaker yen, consolidated ordinary income amounted to ¥13.2 billion, reflecting a decrease of ¥1.3 billion or 9% compared with the previous term.

Net income

A ¥7.4 billion gain on sales of property, plant and equipment was recorded under extraordinary gains, but ¥5.9 billion of loss on impairment of property, plant and equipment and ¥1.7 billion of loss on devaluation of investment securities were recorded under extraordinary losses.

As a result, consolidated net income amounted to ¥6.1 billion, reflecting an increase of ¥5.7 billion or 1,697% compared with the previous term.

(2) Issues to be Addressed by the Group

a. Sapporo Group's Management Framework

In October 2007, in order to develop our growth strategy, the Sapporo Group formulated the new Sapporo Group management framework (hereinafter, "New Management Framework") for achieving the goals set for 2016, which is the 140th anniversary since the foundation of the Group. Since that time, we have been dealing with these strategic issues.

We also formulated "SAPPORO Group Management Plan 2015-2016" (hereinafter, the "Management Plan 2015-2016") in 2015.

In 2016, the final year of the "New Management Framework, Management Plan 2015-2016", the Sapporo Group will make further progress in demonstrating 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. The Sapporo Group is earnestly working to develop the next long-term management framework to guide it from 2017 to its 150th anniversary in 2026, in line with the following concepts.

● 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.

<<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.
 - 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.

b. Corporate Governance System

The Company recognizes the importance to the management of the Company of enhancing corporate governance, and dedicates itself to clarify the supervisory, business execution and auditing functions throughout the Group under the holding company structure, and to increase transparency as well as the supervisory functions of management activities related to achieving management goals, in order to achieve continuous growth in corporate value while adhering to the Sapporo Group’s management philosophy, fundamental management policy, etc. The Company established the Basic Policy on Corporate Governance in December 2015, and posted it on the Company’s website.

Consolidated Balance Sheet

(As of December 31, 2015)

(Million Yen)

Item	92nd business term (As of December 31, 2015)	(Reference) 91st business term (As of December 31, 2014)	Item	92nd business term (As of December 31, 2015)	(Reference) 91st business term (As of December 31, 2014)
[Assets]			[Liabilities]		
Current assets	156,364	156,372	Current liabilities	233,643	211,771
Cash and cash equivalents	10,430	9,781	Notes and accounts payable – trade	36,772	35,534
Notes and accounts receivable – trade	92,335	89,245	Short-term bank loans	65,822	31,446
Merchandise and finished products	24,912	22,431	Commercial paper	17,000	30,000
Raw materials and supplies	13,722	14,108	Current portion of bonds	10,000	12,000
Deferred tax assets	4,457	5,000	Lease obligations	2,932	3,067
Other	10,570	15,971	Liquor taxes payable	33,903	33,602
Allowance for doubtful receivables	(64)	(165)	Income taxes payable	6,114	724
			Accrued bonuses	2,219	2,115
			Deposits received	8,824	9,650
			Other	50,054	53,629
Fixed assets	464,023	469,066	Long-term liabilities	222,921	253,662
Property, plant and equipment	337,042	350,597	Bonds	50,000	50,000
Buildings and structures	169,519	176,327	Long-term bank loans	91,919	124,110
Machinery and vehicles	44,368	43,878	Lease obligations	5,353	6,101
Land	105,121	115,290	Deferred tax liabilities	21,216	22,617
Lease assets	7,758	8,922	Net defined benefit liability	7,636	4,510
Construction in progress	6,637	2,617	Dealers' deposits for guarantees	32,833	32,336
Other	3,636	3,560	Other	13,963	13,986
Intangible assets	40,978	35,991	Total liabilities	456,565	465,434
Goodwill	30,235	29,966	[Net Assets]		
Other	10,743	6,025	Shareholders' equity	133,394	133,168
			Common stock	53,886	53,886
			Capital surplus	45,913	45,912
			Retained earnings	35,189	34,913
Investments and other assets	86,002	82,477	Treasury stock, at cost	(1,595)	(1,544)
Investment securities	61,848	59,968	Accumulated other comprehensive income	24,533	23,135
Long-term loans receivable	9,016	9,150	Unrealized holding gain on securities	23,926	20,112
Deferred tax assets	1,009	1,090	Deferred hedge gains (losses)	(11)	(0)
Other	15,362	13,572	Foreign currency translation adjustments	(1,255)	2,582
Allowance for doubtful receivables	(1,234)	(1,305)	Remeasurements of defined benefit plans	1,874	440
			Minority interests	5,894	3,700
			Total net assets	163,822	160,004
Total assets	620,388	625,439	Total liabilities and net assets	620,388	625,439

Consolidated Statement of Income

(From January 1, 2015 to December 31, 2015)

(Million Yen)

Item	92nd business term (From January 1, 2015 to December 31, 2015)	(Reference) 91st business term (From January 1, 2014 to December 31, 2014)
Net sales	533,748	518,740
Cost of sales	352,808	336,388
Gross profit	180,940	182,352
Selling, general and administrative expenses	166,990	167,623
Operating income	13,950	14,728
Non-operating income	2,921	2,811
Interest income	252	229
Dividend income	1,123	831
Equity in income of affiliates	17	225
Foreign exchange gains	—	576
Gain on valuation of derivatives	468	—
Other	1,059	948
Non-operating expenses	3,659	2,973
Interest expense	2,279	2,399
Foreign exchange losses	537	—
Other	842	573
Ordinary income	13,211	14,565
Extraordinary gains	7,895	4,724
Gain on sales of property, plant and equipment	7,453	3,528
Gain on sales of investment securities	46	230
Gain on sales of consolidated subsidiaries	72	966
Subsidy income	322	—
Extraordinary losses	9,415	16,595
Loss on disposal of property, plant and equipment	1,534	2,142
Loss on sales of property, plant and equipment	24	108
Loss on impairment of property, plant and equipment	5,956	893
Loss on devaluation of investment securities	1,758	11
Loss on sales of investment securities	—	0
Additional liquor tax paid and other	—	11,685
Compensation expenses	142	1,753
Income before income taxes and minority interests	11,690	2,694
Income taxes: current	7,409	1,624
Income taxes: deferred	(1,830)	975
Income before minority interests	6,112	94
Minority interests in income (loss)	3	(245)
Net income	6,108	340

Consolidated Statement of Changes in Shareholders' Equity

(From January 1, 2015 to December 31, 2015)

(Million Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of January 1, 2015	53,886	45,912	34,913	(1,544)	133,168
Cumulative effects of changes in accounting policies			(3,105)		(3,105)
Restated balance as of January 1, 2015	53,886	45,912	31,808	(1,544)	130,062
Changes during period					
Cash dividends			(2,727)		(2,727)
Net income			6,108		6,108
Purchase of treasury stock				(54)	(54)
Disposition of treasury stock		1		3	4
Net change in items other than shareholders' equity during period					
Total changes during period	-	1	3,381	(51)	3,331
Balance as of December 31, 2015	53,886	45,913	35,189	(1,595)	133,394

	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, 2015	20,112	(0)	2,582	440	23,135	3,700	160,004
Cumulative effects of changes in accounting policies							(3,105)
Restated balance as of January 1, 2015	20,112	(0)	2,582	440	23,135	3,700	156,899
Changes during period							
Cash dividends							(2,727)
Net income							6,108
Purchase of treasury stock							(54)
Disposition of treasury stock							4
Net change in items other than shareholders' equity during period	3,813	(11)	(3,838)	1,434	1,397	2,193	3,591
Total changes during period	3,813	(11)	(3,838)	1,434	1,397	2,193	6,922
Balance as of December 31, 2015	23,926	(11)	(1,255)	1,874	24,533	5,894	163,822

Non-Consolidated Balance Sheet

(As of December 31, 2015)

(Million Yen)

Item	92nd business term (As of December 31, 2015)	(Reference) 91st business term (As of December 31, 2014)	Item	92nd business term (As of December 31, 2015)	(Reference) 91st business term (As of December 31, 2014)
[Assets]			[Liabilities]		
Current assets	170,393	49,549	Current liabilities	96,786	73,203
Cash and cash equivalents	2,069	2,209	Short-term bank loans	16,000	15,000
Accounts receivable	405	405	Current portion of bonds	10,000	12,000
Prepaid expenses	7	9	Current portion of long-term debt	40,805	8,138
Deferred tax assets	82	298	Commercial paper	17,000	30,000
Accrued revenue	6,201	1,436	Current portion of lease obligations	3	3
Refundable income taxes	—	2,614	Accounts payable	2,940	1,510
Short-term loan receivables	161,607	42,574	Accrued expenses	247	289
Other	20	0	Income taxes payable	2,850	3
Allowance for doubtful receivables	(1)	—	Consumption taxes payable	37	55
			Deposits received	5,565	6,114
			Unearned revenue	1,252	—
			Accrued bonuses	83	88
Fixed assets	214,737	340,269	Long-term liabilities	141,314	170,949
Property, plant and equipment	76	50	Bonds	50,000	50,000
Buildings	60	—	Long-term bank loans	86,862	117,685
Machinery	5	—	Lease obligations	0	4
Tools, furniture and fixtures	5	0	Employees' retirement benefits	2,926	1,355
Lease assets	4	7	Deferred tax liabilities	1,515	1,903
Construction in progress	—	42	Asset retirement obligations	9	—
Intangible assets	—	0	Total liabilities	238,101	244,153
Software	—	0	[Net Assets]		
Trademark rights	—	0	Shareholders' equity	141,900	141,704
Investments and other assets	214,661	340,219	Common stock	53,886	53,886
Investment securities	13,803	12,502	Capital surplus	46,545	46,544
Shares in affiliates	173,395	173,395	Capital reserves	46,543	46,543
Long-term loans receivable	30,722	157,563	Other capital surplus	2	1
Long-term prepaid expenses	16	14	Retained earnings	43,064	42,817
Other	255	274	Earnings reserve	6,754	6,754
Allowance for investment loss	(3,532)	(3,532)	Other retained earnings	36,310	36,063
			Contingent reserve	16,339	16,339
			Unappropriated retained earnings at end of period	19,971	19,724
			Treasury stock, at cost	(1,595)	(1,544)
			Valuation and translation adjustments	5,128	3,961
			Unrealized holding gain on securities	5,128	3,961
			Total net assets	147,029	145,665
Total assets	385,130	389,818	Total liabilities and net assets	385,130	389,818

Non-Consolidated Statement of Income

(From January 1, 2015 to December 31, 2015)

(Million Yen)

Item	92nd business term (From January 1, 2015 to December 31, 2015)	(Reference) 91st business term (From January 1, 2014 to December 31, 2014)
Operating revenues	6,987	9,401
Managing revenue from operating companies	3,830	3,854
Dividend income from subsidiaries and affiliates	3,146	5,547
Other	10	—
Operating expenses	4,087	3,895
General administrative expenses	4,087	3,895
Operating income	2,900	5,506
Non-operating income	2,948	3,222
Interest and dividend income	2,911	3,204
Other	36	17
Non-operating expenses	1,479	1,760
Interest expense	1,402	1,648
Bad debts expenses	—	10
Provision for allowance for doubtful accounts	1	—
Other	75	101
Ordinary income	4,369	6,969
Extraordinary gains	0	—
Gain on sales of investment securities	0	—
Extraordinary losses	150	—
Loss on disposal of property, plant and equipment	0	—
Loss on devaluation of investment securities	149	—
Income before income taxes	4,219	6,969
Income taxes: current	153	(97)
Income taxes: deferred	95	655
Net income	3,970	6,411

Non-Consolidated Statement of Changes in Shareholders' Equity

(From January 1, 2015 to December 31, 2015)

(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		Contingent reserve	Unappropriated retained earnings	Total retained earnings		
Balance as of January 1, 2015	53,886	46,543	1	46,544	6,754	16,339	19,724	42,817	(1,544)	141,704
Cumulative effects of changes in accounting policies							(996)	(996)		(996)
Restated balance as of January 1, 2015	53,886	46,543	1	46,544	6,754	16,339	18,727	41,821	(1,544)	140,707
Changes during period										
Cash dividends							(2,727)	(2,727)		(2,727)
Net income							3,970	3,970		3,970
Purchase of treasury stock									(54)	(54)
Disposition of treasury stock			1	1					3	4
Net changes of items other than shareholders' equity during period										
Total changes during period	-	-	1	1	-	-	1,243	1,243	(51)	1,193
Balance as of December 31, 2015	53,886	46,543	2	46,545	6,754	16,339	19,971	43,064	(1,595)	141,900

	Valuation and translation adjustments		Total net assets
	Unrealized holding gain on securities	Total valuation and translation adjustments	
Balance as of January 1, 2015	3,961	3,961	145,665
Cumulative effects of changes in accounting policies			(996)
Restated balance as of January 1, 2015	3,961	3,961	144,668
Changes during period			
Cash dividends			(2,727)
Net income			3,970
Purchase of treasury stock			(54)
Disposition of treasury stock			4
Net changes of items other than shareholders' equity during period	1,166	1,166	1,166
Total changes during period	1,166	1,166	2,360
Balance as of December 31, 2015	5,128	5,128	147,029