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SAPPORO Group Management Plan 2015–2016
—Ensure Implementation of Our Strategies and Realize the Fruits Thereof—

Sapporo Holdings Limited (the "Company" or "we") has been striving to achieve the goals of the SAPPORO Group Medium-Term Management Plan 2014–2016 (the "Medium-Term Management Plan 2014–2016"), which was announced in February 2014. However, considering the progression of business operations during 2014 and the current business environment, the Company formulated a new management plan, the SAPPORO Group Management Plan 2015–2016 (the "Management Plan 2015–2016").

Under the Management Plan 2015–2016, the Company will further strengthen its business structure toward the realization of sustainable growth and accelerate growth investments, thereby enhancing the Company's presence as a distinctive manufacturer of food products.

1. Overview of Fiscal 2014

During 2014, the SAPPORO Group's businesses were affected by unseasonable weather and numerous changes in the economic environment, such as an increase in the consumption tax, sharp yen depreciation and a surge in the cost of ingredients. In addition, the Company recorded an extraordinary loss by making a voluntary payment of an additional liquor tax related to *Goku ZERO*. In such an environment, the SAPPORO Group implemented cost reductions across the Group and undertook strategic investments in each of its businesses and tackled other priority issues, while striving for capital efficiency, to achieve sustainable growth. Our Japanese alcoholic beverages business and real estate business, which are our revenue pillars, generated stable profitability. In our food & soft drinks business, structural reform progressed and profitability improved. However, the planned goals were not achieved in our international business, affected by the increase in selling expenses and a surge in the cost of ingredients, and in our restaurant business with the impact of increased recruiting costs and other factors.

(1) Efforts toward the Realization of Sustainable Growth

Japanese Alcoholic Beverages

・While continuing to concentrate its management resources on core brands such as *Yebisu*, *Sapporo Draft Beer Black Label* and *Mugi to Hop The Gold*, the Company created new markets leveraging *Goku ZERO* and *WHITE BELG*, fruits of Sapporo's unique product development, to increase the demand for beers.

・As part of our efforts to promote increased diversity, which supports profitability, we strove to expand sales of ready-to-drink (RTD) beverages such as *Otoko Ume Sour*; our domestic and imported wines such as *Grande Polaire* and *Yellow Tail*; Japanese sake such as blended *shochu Kokuimo*, which is selling favorably; and Western spirits such as *Bacardi* rum, which triggered the *Mojito* boom, and *Dewar's* Scotch whisky.

International Business

・In our priority geographic areas—North America and Southeast Asia, mainly Vietnam—we strove to expand sales. SLEEMAN BREWERIES LTD. in Canada achieved a sales increase for the eighth consecutive year. SAPPORO U.S.A., INC. in the United States strove to expand the Sapporo brand in the premium beer market, achieving a year-over-year increase in sales volume for the fifth consecutive year. In the U.S. soft drinks market, where there was a serious impact from a surge in the cost of ingredients for orange juice, we took measures including reviewing operations with major suppliers to improve profitability.

・In Vietnam, where we entered into local markets three years ago, we developed marketing activities to establish recognition of the Sapporo brand and improve the ratio of consumers selecting the Sapporo brand as their first choice, resulting in the Sapporo brand recognition rate in Ho Chi Minh City exceeding 90%, and achieved sales expansion.

Food and Soft Drinks

・In Japan, we made focused efforts to address managerial issues such as enhancing our marketing capability and reducing costs. We also strove to nurture our major brands and develop unique products through an alliance among Group companies.

・Overseas, construction of our new factory in Malaysia was completed in August 2014, thereby reinforcing the expansion of the soft drinks business mainly in Southeast Asia. In Hong Kong, we sold our restaurant business and concentrated on the soft drinks business.

Restaurants

・In Japan, we promoted the opening and renovation of restaurants, focusing mainly on our core Ginza Lion and YEBISU BAR brands, while closing unprofitable restaurants or changing the

format of such restaurants to improve profitability. To ensure food safety, we restructured the ingredient ordering system at all our restaurants and established an innovative menu management system that includes ingredient traceability and information on allergens that enables allergen management.

・Overseas, we opened our second GINZA LION BEER HALL restaurant in Singapore in October 2014, thereby expanding our business base to broaden the Sapporo brand.

Real Estate

・At Yebisu Garden Place, which just celebrated its 20th anniversary, we promoted value enhancement by updating its emergency power generation facilities and other facilities and functions of office, residential and commercial areas. Furthermore, construction of Ebisu First Square was completed and its entire operation started. In addition, we launched the Ginza 5-chome redevelopment project, which is planned to be completed in May 2016.

・Designating Ebisu, Ginza and Sapporo as our priority areas, we reviewed our business and property portfolio strategically and sold a portion of our rental properties. We also transferred all the shares of SAPPORO SPORTS PLAZA CO., LTD., which operates sports facilities, to concentrate our management resources on our priority businesses.

2. SAPPORO Group Management Plan 2015–2016

(1) Outline of the 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. Under the Management Plan 2015–2016, we will continue to invest in each business toward future growth, implement further cost reductions and offer new value, aiming to realize the fruits of such efforts.

(2) Initiatives by business segment

Japanese Alcoholic Beverages

・We will continue efforts with our vision “Seek No. 1 by accumulating one-of-a-kind products,” aiming to be the “No. 1 creator of moving experiences,” as we did during the previous fiscal year.

・In the beer business, we will concentrate investments on our core brands to enhance brand value to realize growth. We will also establish a subsidiary to operate the craft beer business to develop various types of beer, by leveraging SAPPORO BREWERIES LIMITED’s long-nurtured brewing technology and using carefully selected ingredients, and offer new

ways of enjoying beer.

・In the wine and spirits business, a growth area, we will nurture our brands in line with the theme of each product category to promote further growth.

International Business

・We will promote further market penetration of the Sapporo brand in premium beer markets, chiefly North America and Southeast Asia—our priority areas.

・In North America, in the beer business, we will strengthen our area and logistics strategies in the Canadian and U.S. markets for further growth. In the U.S. soft drinks business, SAPPORO INTERNATIONAL INC. will purchase Country Pure Foods, Inc., a major commercial beverage manufacturer in the United States, with Toyota Tsusho America, Inc., seeking to maximize synergies with Silver Springs Citrus, Inc., thereby strengthening and expanding the business base of our soft drinks business.

・In Vietnam, where severe competition is predicted to continue due to continuing inflows of foreign capital, we will make efficient and effective investments in marketing and conduct marketing/sales activities with clear targets, utilizing our local business experience over three years to expand sales, improve operating income and shift to profitability.

Food & Soft Drinks

・In the domestic food & soft drinks business, we will establish our core lemon-based product and soup brands and review various types of costs to promote managerial efficiency. We will also accelerate the offering of new value, drawing on the accumulated knowledge of the SAPPORO Group and leveraging the fine characteristics of selected ingredients.

・In the restaurants business, we will accelerate the opening of Café de Crié franchised coffee shops, which have been operating favorably, promote the development of new intra-hospital format restaurants and consider the development of suburban-type restaurants.

・Overseas, through leveraging the opening of our new factory in Malaysia, we will establish our brand as a fit for Malaysian culture as we did in Singapore and strive to further expand our export business. We will also develop business in Myanmar, where we have concluded a licensed manufacturing contract, and in surrounding countries.

Restaurants

・In the domestic market, we will expand the BEER HALL restaurant format, which is our strength, to solidify our market position and improve earning capability. We will aggressively renovate existing restaurants and, in opening stores, develop our core Ginza Lion and YEBISU BAR brands. We will also strive to develop new restaurant formats.

・We will use a point card system that we introduced at the end of the previous fiscal year to strengthen our relationships with customers and strengthen our data-based marketing by area and store format.
・Overseas, we will promote the expansion of our GINZA LION BEER HALL restaurants in Singapore, which are progressing favorably.

Real Estate

・We will enhance the value of the properties we hold in our priority areas of Ebisu, Ginza and Sapporo, to contribute to the improvement of the Group's earnings base.
・For Yebisu Garden Place, we will strengthen the office, commercial and dining functions to enhance their overall value and aggressively promote our brand value. In addition, we will work on the Ginza 5-chome redevelopment project, aiming to create a commercial facility complex that can contribute to further revitalization of the Ginza area and bring a renewed energy to the area, thereby contributing to our revenues in fiscal 2016 and thereafter.
・To improve the value of the real estate business as a whole, we will review the portfolio of the properties we hold and promote strategic recombination to make our real estate business a strong backbone that can support the steady earnings of the SAPPORO Group.

(3) Financial Targets

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, we will enhance profitability and efficiency and realize a sound financial structure.

Management Plan 2015–2016 (Billions of yen, unless otherwise specified)

	2014 results	2015 targets	2016 targets	New Management Framework
Consolidated net sales (including liquor taxes)	**518.7**	**545.7**	**579.5**	**600.0**
Consolidated operating income (before amortization of goodwill)	**18.4**	**20.7**	**28.0**	**40.0**
Consolidated operating income	**14.7**	**16.3**	**23.5**	
Consolidated ordinary income	**14.5**	**15.2**	**22.1**	
Consolidated net income	**0.3**	**8.0**	**11.4**	
D/E ratio	**1.5times**	**1.3times**	**1.2times**	**around 1.0**
ROE (before amortization of goodwill)	**2.7%**	**7.8%**	**9.6%**	**8% or higher**
ROE	**0.2%**	**5.0%**	**6.9%**	

(4) The SAPPORO Group's New Management Framework

The targets under the SAPPORO Group's New Management Framework announced in October 2007 are those to be achieved by 2016, and we regard those targets as imperative managerial targets that we must meet to achieve the sustainable growth of the SAPPORO Group. With this understanding, we will strive to create profits by growing each of our businesses, implementing M&As and reducing costs throughout the Group, aiming for early achievement of these targets.

(5) R&D Strategies

Among all beer breweries in the world, we believe that the SAPPORO Group is the only one cultivating and improving species of both barley and hops. Leveraging the SAPPORO Group's long-nurtured knowledge, experience and results, we will promote R&D that can create new value. Especially, we will strive to develop valuable products utilizing the fruits of our research on lactic acid bacteria and lemon components. We will also continue our initiatives to develop technologies to create next-generation energy sources, applying fermentation technology and promoting the practical utilization of such technologies.

3. Strengthen Corporate Governance

In 1997, the Company adopted Outside Directors, who are independent from the management of the Company. Since 2009, the Company has had three Outside Directors. Each Outside Director and Outside Audit & Supervisory Board Member of the Company has been actively expressing objective opinions based on professional knowledge, significantly contributing to establishing an adequate governance structure. Moreover, we are strengthening corporate governance throughout the SAPPORO Group through various measures, such as familiarizing the SAPPORO Group Code of Corporate Conduct not only among the Company's domestic subsidiaries but also among its overseas subsidiaries, and reinforcing our operational and management structure conforming to each country's laws and regulations.

4. Policy Regarding Return of Profits to Shareholders

Providing fair returns to shareholders is a key management policy of the Company. Our basic policy is to pay stable dividends, taking our operating performance and financial condition into account. Concerning our internal reserves, based on the new management plan, we will appropriate the reserves for making strategic investments in growth fields and strengthening our financial foundation, thereby maximizing corporate value.

For the fiscal year ended December 31, 2014, based on the above policy, the Company plans to pay an annual dividend of ¥7 per share. We aim to pay dividends at favorable and appropriate

amounts in line with our achievement of the targets of the Medium-Term Management Plan.

5. Our Efforts to Formulate the Next Long-Term Management Framework

We will continue to formulate the next long-term management framework for 2017 and thereafter, targeting 2026, our 150th anniversary, in line with the following concepts.

Target of the Group:

The SAPPORO Group shall become 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, in its efforts to 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 their attainment of a richer life.
(2) We endeavor to create products and services that will engage customers.
(3) We strive to ensure efficient business operations by addressing changes in the business environment.

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The plans and targets stated in this document were based on forecasts made by the SAPPORO Group from information available at the time of publication, and therefore involve potential risks and uncertainties. Actual outcomes may differ materially from these plans and targets due to changes in various underlying factors.