[Translation]

May 10, 2016

Company name	Sapporo Holdings Limited
Representative	Tsutomu Kamijo President and Representative Director
Securities code	2501
Listed on	Tokyo Stock Exchange, Sapporo Securities Exchange
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Notice Concerning Disposition of Treasury Stock through Third-party Allotment

Sapporo Holdings Limited (the "Company") hereby announces that the Company, at its Board of Directors' meeting held today, resolved a policy to dispose of its treasury stock by way of third-party allotment ("Disposition of Treasury Stock").

1. Outline of Disposition

(1) Date of Disposition	Tuesday, May 31, 2016
(2) Number of Shares to be Disposed	754,600 common shares
(3) Price of Disposition	591 yen per share
(4) Amount of Proceeds	445,968,600 yen
(5) Method of Disposition	Disposition by way of third-party allotment
(6) Subscriber	Trust & Custody Services Bank, Ltd. (Trust E Account)
(7) Other	Not applicable

2. Purpose of and Reason for Disposition

The Company announced, as of February 10, 2016, the introduction of the "Board Benefit Trust, or BBT" (the "System") (the trust established based on the trust agreement executed by and between the Company and Mizuho Trust & Banking Co., Ltd., in connection with the System is hereinafter referred to as the "Trust") and, thereafter, obtained the resolution on the

compensation of directors for the System at the 92nd General Meeting of Shareholders held on March 30, 2016. (With respect to the outline of the System, please refer to the "Notice Concerning the Introduction (Determination of Details) of a Board Benefit Trust (BBT)" published as of today.)

The Disposition of Treasury Stock will be conducted by way of third-party allotment to the Trust E Account of Trust & Custody Services Bank, Ltd. that will be created at the time of the introduction of the System in order to hold and dispose of the Company shares (Trust & Custody Services Bank, Ltd. is the re-trustee that has been created by Mizuho Trust & Banking Co., Ltd. as the trustee of the System).

3. Amount of Proceeds, Use thereof, and Expected Timing of Spending thereof

(1) Amount of Proceeds (estimated net proceeds)

(i) Total amount to be paid in	(ii) Estimated amount of expenses related to the offering	(iii) Estimated net proceeds
445,968,600 yen	-	445,968,600 yen

(2) Specific Use of Proceeds

The full amount of the above-stated estimated net proceeds is to be applied as funds for, among other things, the payment of various expenses arising on or after the date of payment.

The funds will be managed in the Company's bank account until they are to be used for any of the above-stated purposes.

4. Perspective on Reasonableness of Use of Proceeds

The proceeds from the Disposition of Treasury Stock will contribute to the Company's management of its operations and the further improvement of its financial condition. Therefore, the Company believes that the use of such proceeds is reasonable.

5. Reasonableness of Terms of Disposition, etc.

(1) Basis of calculation of the price of disposition in and specific details thereof

The price of disposition has been fixed at 591 yen per share (rounded down to the nearest whole yen), which is the average closing price of the Company's shares on the Tokyo Stock Exchange, Inc. for the most recent one (1) month until the business day immediately prior to the day on which the resolution for the Disposition of Treasury Stock was passed at the Board of Directors' meeting (from April 11, 2016 through May 5, 2016).

The reason why the Company has selected the average closing price of the Company's

shares for the most recent one (1) month until just before the date of the resolution of the Board of Directors' meeting is that the Company believes it reasonable to determine the price of disposition as an average for a certain period immediately prior to the resolution date rather than to determine the price at a specific date prior to the resolution, because it can eliminate temporary stock price fluctuations or other special factors and, thus, such disposition price is highly objective and reasonable as a reliable calculation base. In addition, the reason why the Company has determined the most recent one (1) month as the calculation period is that the Company believes it is more reasonable to adopt a certain period, the average of which is closest to the most recent market price ,than to adopt the most recent three (3) or six (6) months.

The price of disposition (591 yen) represents (i) the amount obtained by multiplying the closing price (594 yen) of the Company's shares as of the business day immediately prior to the date of resolution of the Board of Directors' meeting by 99.49%, (ii) the amount obtained by multiplying the closing price (556 yen) (rounded down to the nearest whole yen) of the Company's shares for the three (3)-month period immediately prior to the date of resolution of the Board of Directors' meeting by 106.29%, or (iii) the amount obtained by multiplying the closing price (541 yen) (rounded down to the nearest whole yen) of the Company's shares for the six (6)-month period immediately prior to the date of resolution of the Board of Directors' meeting by 109.24%. As a result of considering the above-stated matters, the Company believes that the price of disposition in the Disposition of Treasury Stock is not especially favorable to the subscriber, but is reasonable.

In addition, four (4) Audit & Supervisory Board Members (including two (2) outside Audit & Supervisory Board Members), who attended the Board of Directors' meeting, have expressed that the price of disposition is not especially favorable to the subscriber.

(2) Basis for believing that the number of shares to be disposed of, and the level of share dilution, is reasonable

The total number of shares of treasury stock to be disposed of is equal to the number of shares expected to be provided to the Company's Directors and Group Operating Officers and some of the directors of the Company's subsidiaries (excluding outside directors) (these directors and officers being hereinafter referred to as the "Group Target Officers"), pursuant to the officer stock benefit rules, and the ratio as against the total number of shares issued and outstanding as of December 31, 2015, will be 0.19% (rounded to the second decimal place)(the ratio as against the total number of voting rights (386,794) effective as of December 31, 2015 will be 0.19%). In addition, the System is aimed at providing the Company's shares, etc., to the Group Target Officers upon their retirement and it is not

expected that the shares subject to the Disposition of Treasury Stock will be sold in the stock market in one lump-sum. Moreover, the Disposition of Treasury Stock aims to make clearer the linkage between the compensation of the Group Target Officers and the Company's performance and stock value to ensure that the Group Target Officers will share not only the merit of the increase in the stock prices but also the risk of the decrease in the stock prices with 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. For these reasons, the Company believes that the extent of share dilution is reasonable and its effect on the secondary market will be insignificant.

6. Reason for Selecting Subscriber, and Other Related Matters

(1) Overview of the subscriber

(i)	Company name:	Trust & Custody Services Bank, Ltd. (Trust E Account)

(ii) Details of the trust agreement (the Board Benefit Trust (BBT) agreement)

Type of trust:	Money trust other than cash trusts (third party benefit trust)
Purpose of trust:	To provide the Company's shares, which are trust assets, to beneficiaries pursuant to the officer stock benefit rules
Trustor:	The Company
Trustee:	Mizuho Trust & Banking Co., Ltd. Mizuho Trust & Banking Co., Ltd. will execute a comprehensive trust agreement with Trust & Custody Services, Bank Ltd., under which Trust & Custody Services, Bank Ltd. will become a re-trustee.
Beneficiaries:	Retired Group Target Officers who meet the beneficiary requirements set forth in the officer stock benefit rules
Date of the Trust Agreement:	May 31, 2016 (tentative)
Date of establishment of the Trust:	May 31, 2016 (tentative)
Period of the Trust:	From May 31, 2016 (tentative) until the Trust is

terminated

(iii) Relationship between the Listing Company and the subscriber

There is no capital, personnel or business relationship between the Company and the subscriber. Furthermore, the subscriber does not fall under the category of our related parties.

(1) Company name	Trust & Custody Services Bank, Ltd.
(2) Address	Tower Z, Harumi Triton Square, Harumi 1-8-12, Chuo-ku, Tokyo
(3) Name and title of representative	President & CEO Akira Moriwaki
(4) Outline of businesses	Master trust services, asset administration services for securities, asset administration services for defined contribution pensions
(5) Capital	50,000 million yen
(6) Date of establishment	January 22, 2001
(7) Number of shares issued and outstanding	1,000,000 shares
(8) Fiscal year-end	March 31
(9) Number of employees	603 (as of March 31, 2015)
(10) Main business partners	Business corporations and financial institutions
(11) Main banks	-
(12) Major shareholders and shareholding ratios	Mizuho Financial Group, Inc. 54% The Dai-ichi Life Insurance Company, Limited 23% Asahi Mutual Life Insurance Company 10%
(13) Relationship between the parties	
Capital relationship	Not applicable.
Personnel relationship	Not applicable.
Business relationship	Not applicable.
Applicability as related party	Not applicable.

(14) Results of operations and financial conditions for the last three (3) years (millions of yen, except as noted otherwise)

Fiscal year	March 2013	March 2014	March 2015
Net assets	57,545	58,535	59,419
Total assets	2,900,354	735,648	1,993,528

Net assets per share (yen)	57,545	58,535	59,419
Ordinary income	21,526	22,651	23,785
Operating profit	1,296	1,911	1,792
Net income	794	1,169	1,129
Net income per share (yen)	794.26	1,169.04	1,129.20
Dividends per share (yen)	160.00	240.00	230.00

* Trust & Custody Services Bank, Ltd. is a subsidiary of Mizuho Financial Group, Inc. ("MFG") and the Company has confirmed through its investigation based on MFG's public information (Code of Corporate Conduct, etc.) on its website and disclosure reports that the subscriber, its officers, and its major shareholders (major investors) do not have any relationships with anti-social forces, and the Company has submitted a written confirmation thereof to the Tokyo Stock Exchange, Inc.

(2) Reason for selecting the subscriber

Upon the introduction of the Trust, the Company will conduct the disposition, pursuant to the above-stated Trust Agreement, to the Trust E Account at Trust & Custody Services Bank, Ltd. as the re-trustee.

(3) Subscriber's shareholding policy

Trust & Custody Services Bank, Ltd. (Trust E Account) as the subscriber will, pursuant to the above-stated Trust Agreement, hold the Company's shares that are the trust assets in order to provide such shares to the beneficiaries during the trust period pursuant to the officer stock benefit rules.

We have obtained such subscriber's informal consent of executing an agreement that (i) if all or part of the disposed shares are transferred within two (2) years after the date of payment (May 31, 2016), the names and addresses of the transferees, number of shares transferred, date of transfer, transfer price, reason for transfer, and method of transfer, etc., will be immediately reported to the Company in writing, (ii) the Company will report the details of such report to the Tokyo Stock Exchange, Inc. and (iii) the details of such report will be made publicly available.

(4) Confirmed facts regarding existence of assets necessary for payment by the subscriber

With respect to the money equivalent to the funds required for the payment by the

subscriber, we have confirmed through the Board Benefit Trust Agreement that the initial trust fund that is to be contributed by the Company to the System is expected to be a part of the trust assets on the date of disposition.

7. Major Shareholders and Shareholding Ratio after Disposition

Before Disposition (As of December 31, 2015)		After Disposition	
The Master Trust Bank of Japan, Ltd. (Trust Account)	4.89%	The Master Trust Bank of Japan, Ltd. (Trust Account)	4.89%
Japan Trustee Services Bank, Ltd. (Trust Account)	3.91%	Japan Trustee Services Bank, Ltd. (Trust Account)	3.91%
Trust & Custody Services Bank, Ltd., as retirement benefit trust assets Mizuho Trust and Banking Co., Ltd.	3.10%	Trust & Custody Services Bank, Ltd., as retirement benefit trust assets Mizuho Trust and Banking Co., Ltd.	3.10%
Nippon Life Insurance Company	2.83%	Nippon Life Insurance Company	2.83%
Meiji Yasuda Life Insurance Company	2.65%	Meiji Yasuda Life Insurance Company	2.65%
The Norinchukin Bank	2.38%	The Norinchukin Bank	2.38%
Mizuho Bank, Ltd.	2.29%	Mizuho Bank, Ltd.	2.29%
Marubeni Corporation	2.09%	Marubeni Corporation	2.09%
Trust & Custody Services Bank, Ltd. as trustee for Mizuho Bank, Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.	2.02%	Trust & Custody Services Bank, Ltd. as trustee for Mizuho Bank, Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.	2.02%
Taisei Corporation	1.78%	Taisei Corporation	1.78%

(Notes)

1. The Company held 4,451,525 shares of the treasury stock (1.13%) before the disposition (as of December 31, 2015), but it is excluded from the above-stated major shareholders.
2. The major shareholders and shareholding ratio after the disposition are based on the record of shareholders as of December 31, 2015.

8. Future Outlook

The Company believes that the impact of the Disposition of Treasury Stock on the estimate

of operating results for the current fiscal year will be insignificant.

(Procedures under the Code of Corporate Conduct)

The Disposition of Treasury Stock does not require the acquisition of an opinion from an independent third party or require procedures for confirming the intent of shareholders, which are provided under Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc., because (i) the dilution ratio is less than 25% and (ii) the disposition does not involve a change in controlling shareholders.

9. Results of Operations and Status of Equity Finance for the Last Three (3) Years

(1) Results of operations for the last three (3) years (consolidated basis)

(millions of yen)

	Fiscal year ended December 31, 2013	Fiscal year ended December 31, 2014	Fiscal year ended December 31, 2015
Net sales	509,834	518,740	533,748
Operating income	15,344	14,728	13,950
Ordinary income	15,130	14,565	13,211
Net income	9,451	340	6,108
Net income per share	24.20	0.87	15.68
Dividends per share (yen)	7	7	7
Net assets per share (yen)	388.77	401.17	405.44

(2) Current status of the number of shares issued and outstanding and the number of potential shares (as of December 31, 2015)

	Number of shares	Ratio to shares issued and outstanding
Number of shares issued and outstanding	393,971,493 shares	100.00%
Number of potential shares at the current conversion price (exercise price)	- shares	- %
Number of potential shares at the lowest conversion price (exercise price)	- shares	- %

Number of potential shares at the highest conversion price (exercise price)	- shares	- %

(3) Status of recent stock prices

(i) Status over the last three (3) months

(yen)

	Fiscal year ended December 31, 2013	Fiscal year ended December 31, 2014	Fiscal year ended December 31, 2015
Opening price	284	439	509
High price	473	552	565
Low price	278	353	423
Closing price	442	512	532

(ii) Status over the last six (6) months

(yen)

	November	December	January	February	March	April
Opening price	495	541	530	535	515	559
High price	559	565	545	553	589	619
Low price	482	512	458	490	515	528
Closing price	542	532	534	513	560	589

(iii) Stock price on the trade date immediately prior to the date of resolution for the disposition

(yen)

	As of May 9, 2016
Opening price	589
High price	597
Low price	586
Closing price	594

(iv) Status of equity finance for the last three (3) years

Not applicable.

10. Summary of Disposition

(1) Number of Shares to be Disposed	754,600 shares of common stock
(2) Price of Disposition	591 yen per share
(3) Amount of Proceeds	445,968,600 yen
(4) Method of Disposition	Disposition by way of third-party allotment
(5) Subscriber	Trust & Custody Services Bank, Ltd. (Trust E Account)
(6) Date of Application	Tuesday, May 31, 2016
(7) Date of Payment	Tuesday, May 31, 2016
(8) Number of Shares of Treasury Stock After Disposition	3,696,925 shares

* The number of shares of treasury stock after disposition is stated based on the number of shares of treasury stock as of December 31, 2015.