



[Translation]

December 24, 2019

Company Name	Sapporo Holdings Limited
Representative	Masaki Oga President and Representative Director
Securities code	2501
Listed on	Tokyo Stock Exchange Sapporo Securities Exchange
Inquiries	Yuru Kobayashi Director of Corporate Communication Department Tel: 81-3-5423-7407

Notice of Change (Transfer of Shares) regarding Consolidated Subsidiary

Sapporo Holdings Limited (the “Company”), at its Board of Directors’ meeting held today, resolved to transfer all the shares held by the Company in Country Pure Foods, Inc. (“CPF”), a holding company controlling the non-alcoholic beverage business in the United States in which the Company holds 51% of the shares to BPCP CPF Holdings Inc. as follows.

1. Reasons for the transfer of shares

The Sapporo Group has positioned this year as a year of change, and promoted reforms to our management base toward a growth stage by strengthening the efforts to clearly select businesses to focus on.

We entered the beer market in the United States in 1964, and entered the non-alcoholic beverage market in 2012 with the aim of further expanding our businesses. These attempts have steadily contributed to the Sapporo Group's revenues. That said, in light of recent environmental changes in the fruit juice market in the United States, we have considered various options in parallel with having discussions with our joint venture partner, Toyota Tsusho America, Inc. (“Toyota Tsusho America”). As a result, in order to concentrate on the alcoholic beverage business in accordance with the above policy, we have decided to transfer CPF, which has been the base for our non-alcoholic beverage business in the United States, to a third party with which CPF can aim at continuous growth.

2. Overview of changing subsidiary

Company name	Country Pure Foods, Inc.	
Address	1209 Orange Street, Wilmington, Delaware 19801	
Name and title of representative	CEO Kenichiro Sadai	
Outline of business	A holding company holding a subsidiary engaging in manufacturing and sales of chilled beverages, and commissioned manufacturing	
Capital	2,812 USD	
Date of establishment	May 25, 1995	
Major shareholders and shareholding ratio	Sapporo Holdings Limited 51.0% Toyota Tsusho America, Inc. 49.0%	
Relationship between the listed company and this company	Capital relationship	The Company holds 51% of CPF’s issued shares.
	Personnel relationship	One (1) employee of the Company is seconded to CPF as its CEO. Two (2) officers of the Company concurrently serve as officers of CPF.

	Business relationship	The Company provides finance to CPF and its subsidiary.		
Results	Consolidated results of operations and financial conditions for the last three (3) years			
	Fiscal year	Fiscal year ended December 2016	Fiscal year ended December 2017	Fiscal year ended December 2018
	Net assets	68 million USD	62 million USD	52 million USD
	Total assets	205 million USD	207 million USD	189 million USD
	Revenue	261 million USD	267 million USD	256 million USD
	Operating profit	3 million USD	(12) million USD	(7) million USD
	Profit for the period	(2) million USD	(5) million USD	(9) million USD

(Note) Figures above are before IFRS adjustment.

3. Overview of the share transfer receiving company

Company name	BPCP CPF Holdings Inc.	
Address	Ohio, United States	
Name and title of representative	John LeMay, Partner	
Outline of business	An affiliate of Blue Point Capital Partners LLC, a private equity firm that invests in lower middle-market manufacturing, business services, consumer or value-added distribution companies	
Date of establishment	December 12, 2019	
Relationship between the parties	Capital relationship	Not applicable.
	Personnel relationship	Not applicable.
	Business relationship	Not applicable.

(Note) Some information is omitted because the share transfer receiving company is a private company.

4. Number of shares to be transferred, transfer price, and the number of shares held before and after transfer

Number of shares held before transfer	143,424.75 shares (Number of voting rights: 143,424.75) (Percentage of voting rights held: 51%) (Note) Number of issued shares: 281,225 shares
Transfer price	Approx. 37 million USD (Approx. 4 billion yen) (Note) 1 USD = 109 yen
Number of shares held after transfer	0 shares (Number of voting rights: 0) (Percentage of voting rights held: 0%)

(Note) The transfer price above corresponds to the transfer price for 51.0% of the shares held by the Company. The 49.0% of the outstanding shares of CPF held by Toyota Tsusho America will also be transferred to the same share transfer receiving company pursuant to the same share transfer agreement which the Company executed with such receiving company.

5. Schedule

Date of Board of Directors' resolution	December 24, 2019
Date of share transfer agreement	December 24, 2019
Date of share transfer	December 24, 2019 (Scheduled) (December 24, 2019 in the United States)

6. Impact on business performance

The losses arising from this share transfer are expected to be approximately five (5) billion yen and will be recorded in the fiscal year ending December 31, 2019. There are no changes to the consolidated financial results forecasts for the fiscal year ending December 31, 2019 because these losses are reflected in such forecasts announced on November 6, 2019.

End