



[Translation]

June 4, 2014

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**Notice on the Discontinuation of a Current Product and the Release of a New and Updated Product by
Sapporo Breweries Ltd., a subsidiary of Sapporo Holdings Ltd.**

Sapporo Breweries Ltd., a subsidiary of Sapporo Holdings Ltd., determined today to terminate sales of “Sapporo Goku ZERO ((1) Effervescent alcoholic beverage)” after selling the inventory produced up to the end of May 2014 and relaunch it as a sparkling liquor (with a malt ratio of less than 25%).

This change occurred due to a liquor tax-rate category-related issue. With regard to the decision-making process to discontinue the current product and release the updated product, please refer to the attached news release from Sapporo Breweries Ltd.

If after a review of the applicable liquor tax category Sapporo’s discontinued product does not fall within the category of “(1) Effervescent alcoholic beverages,” Sapporo Breweries Ltd. might need to pay an additional tax of approximately ¥11.6 billion based on the tentative calculation of the volume already sold and the inventory volume.

Verification of the appropriate liquor tax category is under way. Should any new facts arise, we will disclose such facts immediately.

(Attachment)



NEWS RELEASE

サッポロビール株式会社

Sapporo to discontinue its “Goku ZERO ((1) Effervescent alcoholic beverage)” at the end of May 2014

—Release of an updated product as a sparkling liquor (with a malt ratio of less than 25%) on July 15 (Tuesday)—

Sapporo Breweries Ltd. (hereinafter the “Company”) achieved the world’s first zero purine beer-type beverage.¹ Moreover, on July 15, 2014, it will launch “Sapporo Goku ZERO (sparkling liquor),” a new functional genre alcoholic beverage to combine the zero purine and zero carbohydrate² properties, in the category of “(1) Effervescent alcoholic beverages” (with a malt ratio of less than 25%).

Associated with this product update, the Company decided to discontinue the current “Sapporo Goku ZERO ((1) Effervescent alcoholic beverage)” after selling the inventory produced up to the end of May 2014.

We sincerely apologize for any inconvenience this may cause to customers who love Goku ZERO and all others concerned.

To address customers’ concerns about purine bodies, the Company spent nearly four years on research, drawing on its R&D capability that has produced many products to date. Such efforts came to fruition as zero purine and zero carbohydrate properties were successfully combined. Goku ZERO, the world’s first alcoholic beverage to combine zero purine and zero carbohydrate properties, was launched in June 2013 as a new addition to the existing booming new genre beverage market.

To achieve the world’s first alcoholic beverage to combine the zero purine and zero carbohydrate, Goku ZERO, the Company’s R&D directive was to avoid any purine bodies and minimize the generation of purines in the production processes for sparkling liquor, an ingredient of this product. Under this directive, the Company used its proprietary production method that optimizes the uses of malt, barley and hops and combines purine-free ingredients.

Goku ZERO, which was produced using this proprietary production method, has been well received by customers and sales have grown steadily since its release.

Meanwhile, the Company was requested by the National Tax Agency to provide information on the production method of Goku ZERO to verify the tax rate category of the product. Although the Company understood that Goku ZERO falls in the “(1) Effervescent alcoholic beverages” category, after providing the requested data and information, it has checked the legal interpretation of the Japanese Liquor Tax Law by the National Tax Agency, based on which it conducted a voluntary review on such data.

Our careful review continues, and confirmation of the product category in line with the legal interpretation of the Japanese Liquor Tax Law by the National Tax Agency has yet to be completed. If it is determined as a result of future verification that Goku ZERO does not fall in the “(1) Effervescent alcoholic beverages” category,³ many customers and our business partners could be affected.

To address this situation, the Company decided to voluntarily discontinue the current Goku ZERO, which has been sold as a product in the “(1) Effervescent alcoholic beverages” category, review part of its production method and, while maintaining its core values of zero purine and zero carbohydrate properties, which customers expect, release an updated Goku ZERO as a sparkling liquor (with a malt ratio of less than 25%).

As regards this decision by the Company, we seek the understanding of our customers who love Goku ZERO and all others concerned. Please note that there are no quality or safety issues with the current Goku ZERO.

The Company is currently putting much effort into preparing for the release of the new and updated Goku ZERO. Please continue to enjoy Goku ZERO.

1. Termination of sales of current Goku ZERO

Date of termination of sales: As soon as the inventory held by the Company runs out, estimated to be mid-June 2014 (when the Goku ZERO produced in May 2014 is all shipped)

2. Release of new and updated Sapporo Goku ZERO

- 1) Product name: Sapporo Goku ZERO
- 2) Package: 350 ml can, 500 ml can
- 3) Design: Same design as the current Goku ZERO's, expressing high quality and a refreshing feeling by gradation of the dark blue and the color contrast
- 4) Product item (tax rate category):
Sparkling liquor (with a malt ratio of less than 25%)
- 5) Alcohol: 4%
- 6) Ingredients: Malt, hops, barley, bittering agent, caramel pigment, spirits, water-soluble dietary fibers, pea protein extract, fragrance, acidifier, stabilizer (Alginate ester), sweetener (Acesulfame potassium)
- 7) Launch date and the region covered:
July 15, 2014, throughout Japan
- 8) Price: Open price
- 9) Features: Refreshingly satisfying with a clean finish, while ensuring zero purines⁴ and zero carbohydrates

Notes:

1. The product is the world's first beer-type alcoholic beverage to achieve purines of 0.00 mg per 100 ml (based on a survey conducted by the Company).
2. Based on the Nutrition Labeling Standards, the product's less than 0.5 g of carbohydrates per 100 ml can be labeled as zero.
3. In case Goku ZERO does not fall in the “(1) Effervescent alcoholic beverages” category, the “Basic taxation rate” for “Effervescent alcoholic beverages” is applied.
4. This sparkling liquor is the first in the world to achieve 0.00 mg purines per 100 ml (based on a survey conducted by the Company).

Current Sapporo Goku ZERO



New and Updated Sapporo Goku ZERO



<p>Contact for inquiries on this matter</p>	<p><For the press> Corporate Communication Department, Sapporo Holdings Limited Phone: +81-3-5423-7407</p>	
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