Notice of Divestment of an Equity-method Affiliate

Meiji Holdings Co., Ltd. (the “Company”) hereby notifies that Meiji Seika Kaisha, Ltd. (“Meiji Seika”), which is a subsidiary of the Company, made a resolution to divest all its shares in Pokka Corporation to Sapporo Holdings Limited (“Sapporo Holdings”) at the Board of Directors meeting held on February 10, 2011.

The Company also resolved at its Board of Directors meeting held on February 10, 2011, to approve of this transaction. After the completion of this transaction, Pokka Corporation will no longer be an equity-method affiliate of the Company and Meiji Seika.

1. Reason for divestment

In January 2008, Meiji Seika obtained an approximately 20% stake in Pokka Corporation and formed a capital and business alliance, with the aim of building a strategic partnership to enhance both parties’ corporate value while maintaining Pokka Corporation’s independency. Since then, Meiji Seika has extended support to Pokka Corporation to improve its corporate value for an initial public offer (IPO). In the business alliance, the two companies have established a good relationship through activities like selling co-developed products in the vending machines operated by Pokka Corporation and co-marketing soft-drinks featuring Meiji Seika’s brands. Meiji Seika also approves of the capital and business alliance formed between Sapporo Holdings and Pokka Corporation in September 2009, because it is beneficial in terms of the improvement of Pokka Corporation’s business performance and corporate value. However, Pokka Corporation has not achieved an IPO to date and Sapporo Holdings has decided to acquire the shareholdings of Advantage Partners MBI Fund III Private Equity Investment Limited Partnership and others, thereby making Pokka Corporation a subsidiary of Sapporo Holdings. Given this change in fundamental conditions on which the original capital alliance was based, Meiji Seika has decided to divest all its shares of Pokka Corporation.
In spite of the divestment, Meiji Seika and Pokka Corporation have decided to maintain the current business alliance to work together for the improvement of both parties’ corporate value.

2. Outline of equity-method affiliate to be divested

(1) Company name: Pokka Corporation
(2) Representative: Masatoshi Hori, President & CEO
(3) Location: 2-29, Sakae 4-chome, Naka-ku, Nagoya, Aichi-ken, Japan
(4) Established: April 1968 (Founded in February 1957)
(5) Main businesses: Manufacturing, sale and wholesale of beverages and food products, etc.
(6) Paid-in capital: 2,376 million yen
(7) Consolidated sales: 97,121 million yen (Fiscal year ended March 2010)
(8) Consolidated net assets: 12,300 million yen (Fiscal year ended March 2010)

3. Information on the acquirer

(1) Company name: Sapporo Holdings Limited
(2) Representative: Takao Murakami, President and Representative Director
(3) Location: 20-1, Ebisu 4-chome, Shibuya-ku, Tokyo, Japan
(4) Established: September 1949 (Founded in September 1876)
(5) Main businesses: Holding company (alcoholic beverages, soft drinks, restaurant and real estate businesses)

4. Information on Meiji Seika’s shareholdings

(1) Number of shares held before transfer: 2,031,008 shares (holding ratio: 21.41%)
(2) Number of shares to be transferred: 2,031,008 shares (holding ratio: 21.41%)
(3) Number of shares held after transfer: 0 shares (holding ratio: 0%)

5. Schedule of transaction

(1) Execution of the share transfer agreement: February 10, 2011 (Thursday)
(2) Closing date (planned): March 29, 2011 (Tuesday)

6. Future outlook
After the completion of this transaction, Pokka Corporation will no longer be an equity-method affiliate of the Company, and this will have no significant impact on the Company’s financial position and operating results in the current consolidated fiscal year.