

Press release

Steel Partners Japan Strategic Fund (Offshore), L.P.

Japan Proxy Governance and Proxy Governance Recommend Sapporo Shareholders Vote FOR Steel Partners' Director Nominees, REJECT Management Nominees

Steel Partners Received Support from All Leading Japanese and International Proxy Advisors

TOKYO – March 18, 2010 - Steel Partners Japan Strategic Fund (Offshore), L.P. (“Steel Partners” or “SPJSF”) today announced that Japan Proxy Governance, Inc., Japan’s leading proxy advisory firm, and PROXY Governance, Inc. (“Proxy Governance”), a leading independent proxy advisory firm, have each recommended that shareholders vote FOR the election of ALL of Steel Partners’ nominees to the Board of Directors of Sapporo Holdings Limited (TSE:2501) (“Sapporo” or the “Company”) at the Company’s upcoming annual general meeting of shareholders on March 30, 2010. The two advisory firms also recommended shareholders vote AGAINST six incumbent management directors nominated by Sapporo, including Mr. Takao Murakami, Sapporo’s current President and CEO.

Today’s announcement means that Steel Partners’ director nominees have received support from all leading independent proxy advisory firms, both in Japan and internationally.

In its analysis, Proxy Governance said it “has concerns regarding the company’s financial performance over the sustained period during which the current management team has been in place, and particularly the pattern Steel Partners has identified of rewriting objectives in order to make them achievable, rather than writing a realistic strategic plan and holding itself accountable for that plan.” As a result, the advisory firm stated: “We believe that shareholders are likely to be better served by electing the nominees Steel Partners has proposed.”

Japan Proxy Governance informed Steel Partners that it will issue a report recommending that Sapporo shareholders vote FOR Steel Partners’ six director-nominees and vote AGAINST six of the Company’s nominees, including current CEO Murakami. Japan Proxy Governance did not provide additional details, pending issuance of its report to its clients.

Proxy Governance cited the experience of Steel Partners’ slate, noting that several of Steel Partners nominees “are current or former executives in the food and beverage industry, with experience growing similar businesses in the Southeast Asian market and in alliances with overseas food and drinks manufacturers.”

Steel Partners is seeking the support of Sapporo shareholders for Steel Partners’ six director-nominees (the “Shareholder Nominees”) and four incumbent directors (the “Independent Nominees”) whom Steel Partners supports for re-election to the Board. Japan Proxy Governance and Proxy Governance’s recommendations follow similar recommendations by leading independent proxy advisory firms, RiskMetrics and Glass Lewis. Glass Lewis recommended that shareholders vote for all six Shareholder Nominees and RiskMetrics supported five of Steel

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Partners' six Shareholder Nominees. Both RiskMetrics and Glass Lewis recommended that shareholders REJECT six of management's nominees, including CEO Mr. Murakami.

"Four leading independent proxy advisory firms, both in Japan and internationally, have each separately agreed that Sapporo has suffered, underperformed and lost market share under the management of Mr. Murakami and the current Board," commented Warren Lichtenstein of Steel Partners. "These independent and highly respected advisory firms are unanimous in their belief that new management is required to reverse the Company's decline, and that electing Steel Partners' slate of nominees is the best first step towards improving the Company's performance and value."

"As Sapporo's largest shareholder, our interests are aligned with other shareholders as we work towards the long-term success of the Company. As a long-term shareholder of Sapporo since 2004, Steel Partners would support the new Board of Directors and management team as it implements their multi-year business restructuring" added Mr. Lichtenstein "We urge Sapporo's shareholders to vote FOR Steel Partners' slate of director-nominees and AGAINST the six management nominees, including Mr. Murakami, who was rejected by all four leading independent proxy advisory firms. New leadership is needed to restore Sapporo's corporate value."

Japan Proxy Governance and Proxy Governance also recommended that shareholders REJECT the Company's proposal to renew its "advance-warning style" poison pill. Proxy Governance stated: "there is strong evidence the incumbent board has used the existing AWS plan as a shield, rather than a mechanism to advance the interests of all shareholders." RiskMetrics and Glass Lewis also recommended shareholders REJECT the AWS.

Additional information regarding Steel Partners' recommendations, director nominees and long-term track record of value creation is available to the public on the Steel Partners website at <http://spjsf.weblogs.jp/en/>.

Steel Partners is the largest shareholder of Sapporo, owning, together with its joint holder, approximately 18% of the Company's outstanding shares and has been the Company's largest shareholder since June 2004.

About SPJSF

Steel Partners Japan Strategic Fund (Offshore), L.P. is a long-term relationship/active value investor that seeks to work with the management of its portfolio companies to increase corporate value for all stakeholders and shareholders.

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