



Part 5

Governance

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Tsuchiyu Kokeshi Doll, Tsuchiyu Hot Spring, Fukushima City, Fukushima Prefecture

Photo by Ejji Ueno
East Japan Operation Division
Coca-Cola Bottlers Japan Vending Inc.

Corporate Governance Strategy

Building a strong foundation as a trusted and honest company

Tomokazu Usagawa
Executive Officer and CLO (Chief Legal Officer)
Coca-Cola Bottlers Japan Inc.



Building a strong corporate foundation for sustainable growth: The power of proactive legal support

Our vision is to continue to be the partner of choice for all customers. We strive to be an honest and trustworthy company for all our stakeholders, including customers, business partners, shareholders, local communities, and employees.

In order to achieve this, as a division that plays a crucial role in establishing a solid corporate foundation, our Legal Division has three functions: Corporate Governance, Ethics and Compliance, and so-called Legal Affairs, and promote various initiatives in a three-pronged manner.

Another part of our vision is to triumph in the market through sustainable growth. Recently, we have been facing

rapid changes in the business environment. To triumph and grow in today's market, we must continuously evolve as a company. This type of sustainable growth and evolution is only possible when there is a solid corporate foundation in place. To achieve this, we aim to be a proactive legal division that implements proactive corporate governance. This means not only acting as a guardian but also demonstrating creation and navigation skills to anticipate environmental changes and support appropriate risk-taking for bold strategies. We actively seek opportunities for dialogue with stakeholders to increase understanding and collaboration.

Stimulating discussion for sustainable growth through institutional design that emphasizes diversity and separation of functions

Our company as an Audit and Supervisory Committee, that as a Board Committee, strengthens corporate governance. Our goal is to increase management soundness, transparency, efficiency, and enhance medium- to long-term corporate value as well as shareholder value. Our Board of Directors and Audit & Supervisory Committee are diverse and include multiple independent outside directors who facilitate transparent, fair, swift, and bold decision-making. These outside directors also have voting rights and can state their opinions on director nominations, remuneration, and other such important matters at the General Meeting of Shareholders, further strengthening

management oversight. Additionally, we have introduced an executive officer system to separate decision making and management oversight functions from business execution function, allowing for swift execution while the Board focuses on critical management issues while at the same time ensuring appropriate collaboration between directors and executive officers. In this way, we have established a system that allows the Board of Directors to concentrate on deliberation and decision-making on critical management issues while executive officers make management decisions on other matters and engage in swift business execution.



Details of our corporate governance
<https://en.ccbj-holdings.com/corporate/governance/>



Boosting sustainable growth: Strengthening corporate governance through enhanced effectiveness of the Board of Directors

Since the the business integration in 2017, we have implemented several initiatives to strengthen our corporate governance. As a company with an Audit & Supervisory Committee, we have focused on enhancing the effectiveness of the Board of Directors and reviewing the system for promoting active discussion. We have also improved the audit and supervisory functions while increasing operational flexibility. To align our directors' interests with those of our shareholders, we introduced a performance-based stock incentive system in 2018. This will increase their motivation to contribute to medium- to long-term corporate value and stock price growth. We are also implementing measures and addressing revisions based on Japan's Corporate Governance Code. We will continue to promote initiatives to enhance our corporate governance system.

Enhancing corporate governance: Key initiatives and progress made

2016	<ul style="list-style-type: none">Adopted a company with Audit & Supervisory Committee structure
2017	<ul style="list-style-type: none">Established a Board of Directors system and an executive officer system
2018	<ul style="list-style-type: none">Reorganized the GroupExamined the pros and cons of cross-shareholdings and clarified strategyIntroduced a performance-linked stock-based incentive compensation system for executive officersBegan analyzing and evaluating the effectiveness of the Board of Directors
2019	<ul style="list-style-type: none">Reorganized the Group, and reviewed the executive officer system and reduced the number of officersConducted a fundamental review of the Board of Directors Structure<ul style="list-style-type: none">Reduced the number of executive directors from four to twoIncreased the number of outside directors from four to sixHired three female directors (outside director ratio: 67%, female director ratio: 33%)Clarified dividend policy
2020	<ul style="list-style-type: none">Conducted a review of Board of Directors Structure<ul style="list-style-type: none">Increased the number of outside directors from six to seven (outside director ratio: 78%)
2021	<ul style="list-style-type: none">Revised internal Corporate Governance Regulations (Strengthened corporate governance for transition to Prime Market)Established a skills matrix for the Board of Directors
2022	<ul style="list-style-type: none">Introduced a chief officer systemTransitioned to the Tokyo Stock Exchange Prime Market

Driving corporate value: The power of stakeholder dialogue and collaboration

The cornerstone of our corporate governance is our commitment to honesty and trust, which we believe is essential to building a strong foundation for sustainable growth. By implementing a robust governance framework, our goal is to foster open communication with our stakeholders, strengthen management practices, and enhance transparency to drive corporate value and increase shareholder value over the medium to long term.

Corporate Governance (As of March 28, 2023)



Fundamentals of corporate governance

The basic policy of CCBJH is to increase management quality, transparency, and efficiency, while striving to enhance medium- and long-term corporate value.

To further strengthen the governance structure, the Company has put in place an audit and supervisory committee structure. The Audit & Supervisory Committee, which is responsible for the Company's auditing, consists of multiple independent outside directors. The Company's management oversight function is further strengthened by granting to these outside directors serving as Audit & Supervisory Committee members voting rights at meetings of the

Board of Directors and the right to state opinions at the General Meeting of Shareholders on matters such as the nomination and remuneration of directors.

In addition, the Company has adopted the executive officer system for the purpose of separating decision-making and management oversight from business execution. By delegating some important decisions on business execution to executive officers, the Company endeavors to enrich discussion of particularly important matters at meetings of the Board of Directors and expedite management decision-making by the management team.

Board of Directors

The Company's Board of Directors consists of nine directors, including multiple independent outside directors, and holds regular meetings once every three months in principle and extraordinary meetings as needed. The Board of Directors resolves matters concerning basic management policies and other important business issues, as well as matters prescribed by law and by the

Articles of Incorporation and receives reports on the execution of business from directors. The Company also delegates a part of decision-making on important matters of business execution to directors to further enhance deliberations on matters of special importance in the Board of Directors and to speed up decisions by the management team.

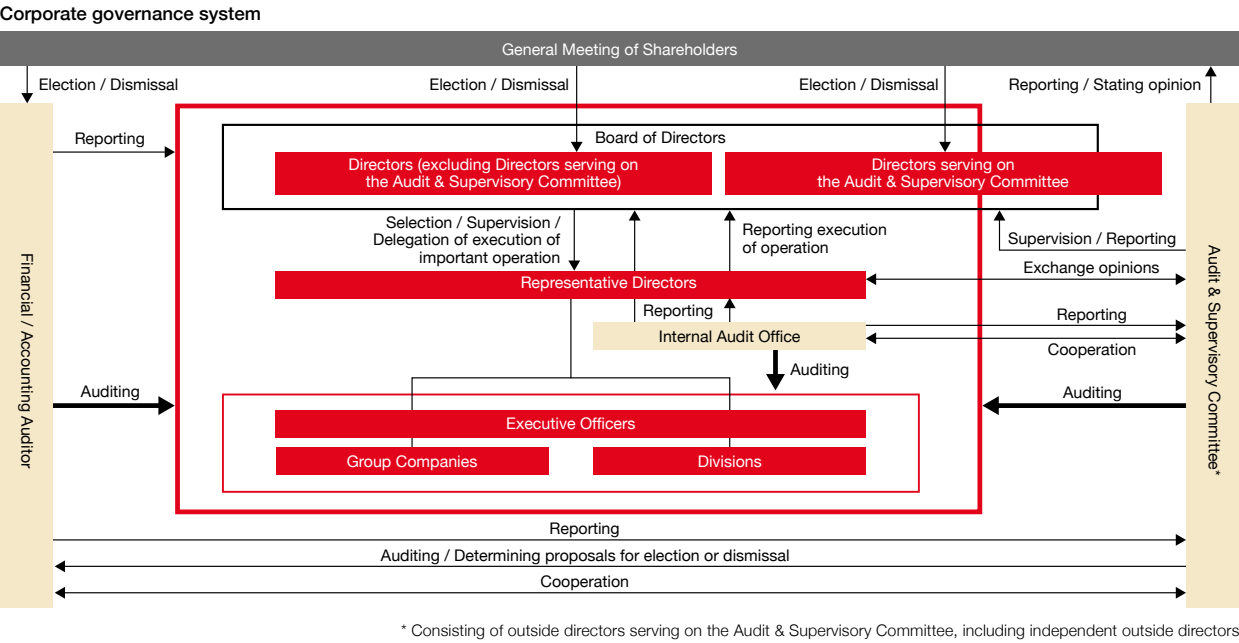
Evaluation of the effectiveness of the Board of Directors

Each year, the Board of Directors of the Company evaluates and analyzes its effectiveness based on self-evaluation by directors regarding the operation, support system, composition, etc.

Based on the self-evaluation conducted by the directors with the advice of an external third-party organization, we have received generally positive evaluations on the issues identified in the previous year, such as business updates by major divisions and efforts to explain the contents of deliberations in advance, and we

recognize that the effectiveness of the Board of Directors as a whole is improving.

It has been confirmed that the Company will continue to promote ongoing efforts to further enhance discussions at the Board of Directors meetings, and to proactively improve operational aspects of the Board of Directors to further enhance and deepen discussions in line with changes in the business environment.



Structure of major meetings attended by the management team

When making decisions on important matters of the Company, the President and the Vice President with representative rights, or either of these and heads of functions including executive officers, engage in deliberation within major meeting structures and connect this to prompt decision making.

ELT ^{*1} Meeting	This meeting discusses major issues and strategic directions that span the entire company or multiple units. In addition, the meeting reviews material implied risks and evaluates ways to control and mitigate these risks.
Executive S&OP ^{*2} Meeting	Medium- to long-term strategic business decisions are made based on a series of demand and supply planning and financial information to optimize the entire supply chain in conjunction with sales operations.
Capital Committee	This committee conducts deliberation and progress management concerning capital investment plans, deliberation and approval of capital investment projects, and post-execution verification, etc. of capital investments, for the purpose of appropriate capital investment management.
SPVR ^{*3} Operational Meeting	This committee is established for a regular reporting to the management about the major activities and strategies of Coca-Cola Bottlers Japan Business Services Inc. Also, this committee evaluates the consistency of IT investment based on IT strategy and discusses IT policy and DX projects of the entire group.
Ethics and Compliance Committee	This committee engages in activities including awareness and education activities related to ethics and compliance, operation of consultation desks, handling of other compliance-related cases, and examination and implementation of measures to prevent recurrence of problems.
Sustainability Committee	This committee discusses and puts together policies and strategies related to various sustainability-related issues, particularly climate change.

^{*1} Executive Leadership Team ^{*2} Sales and Operations Planning ^{*3} Systems & Processes + Value Realization Steering

Audit & Supervisory Committee

The Audit & Supervisory Committee, which is responsible for auditing the Company, consists of four members, all of whom are Outside Directors (Audit & Supervisory Committee members), including several independent directors, and meet once every three months in principle, with special meetings as needed. In accordance with the Audit & Supervisory Committee Standards for Audits based on relevant laws and the Articles of Incorporation, the Audit & Supervisory Committee audits the execution of duties by directors, executive officers, and employees by attending meetings of the Board of Directors and examining the results of audits conducted by the division in charge of internal audits and the accounting auditor.

reappointment of accounting auditors, agreement on remuneration for accounting auditors, and providing opinions for the determination of the appointment and remuneration of directors and others. The Audit & Supervisory Committee met five times in 2022.

The members of the Audit & Supervisory Committee convey their audit opinions objectively and neutrally using their broad expertise and abundant experience, and they communicate their forthright thoughts at the Board of Directors and the Audit & Supervisory Committee meetings. In addition, we believe that the members of the Audit & Supervisory Committee are fully exercising their supervisory and oversight function with respect to the Company's management by regularly exchanging perspectives on the content with the Representative Director. The Audit & Supervisory Committee includes a member who has abundant experience and knowledge in finance, accounting and accounting procedures, including management of a finance-related consulting company.

Audit Status

The Audit & Supervisory Committee's main concerns are the formulation of audit policy, preparation of internal system, and confirmation of its operation, audit report preparation,

Executive compensation system

Basic policy

CGBJH Group have designed our executive compensation system on the basis of the following policy. Executives subject to the system in 2022 are two executive directors, seven supervisory officers (directors who are Audit & Supervisory Committee members and outside directors who are not Audit and Supervisory Committee members), and 10 executive officers.

Overview of the executive compensation system

Targets	Basic policy	Decision-making process	Level
Executive directors Executive officers	<ul style="list-style-type: none">The Company sets the level and composition of compensation to enable the hiring and retention of talented human resources who are diverse in terms of nationality, experience, etc.The composition ratio will emphasize performance-based compensation to provide sufficient incentive to achieve profitable growth.The system will promote improvement in medium- to long-term corporate value and a shared awareness of profit with shareholders.	<ul style="list-style-type: none">In order to increase the transparency and objectivity in compensation decision procedures, the content of compensation is discussed by the Audit & Supervisory Committee, composed of only outside directors, based on policies concerning the determination of compensation for directors and within the total amount determined at the General Meeting of Shareholders. Through resolution of the Board of Directors, the setting of compensation is delegated to the representative director, who determines the compensation for each executive director, including the amount of performance-based compensation.	<ul style="list-style-type: none">Compensation is decided in accordance with scale of responsibilities, utilizing data from compensation surveys performed by external research organizations and taking into account the level of compensation provided at companies such as domestic and overseas similarly-sized companies in comparable industries, with the intent of providing a level of compensation that enables recruitment and retention of talented people who are highly diverse in terms of nationality, experience, etc.
Supervisory officers	<ul style="list-style-type: none">Compensation level and structure based on role in management supervision and auditing.	<ul style="list-style-type: none">Compensation for directors who are Audit & Supervisory Committee members is proposed to the Audit & Supervisory Committee and is determined through deliberation with directors who are Audit & Supervisory Committee members, within the total amount determined at the General Meeting of Shareholders.Through resolution of the Board of Directors, compensation for outside directors who are not Audit & Supervisory Committee members is deliberated by the Audit & Supervisory Committee based on policies concerning the determination of compensation for directors. The setting of compensation is delegated to the representative director and president, who determines compensation within the total amount determined at the General Meeting of Shareholders.	<ul style="list-style-type: none">The Company makes use of compensation survey data from outside expert organizations, etc. with reference to compensation levels in domestic companies of similar scale, and sets levels in accordance with roles.

Compensation system for executive directors and executive officers

Compensation for executive directors and executive officers is composed of fixed compensation and variable compensation that varies with factors such as corporate performance, to reflect responsibilities and contribution to corporate performance. The standard amount of compensation is set according to the scale of responsibilities. The larger the responsibilities, the higher the percentage of variable compensation.

Range of standard amounts of compensation: Image when basic compensation is set to 100

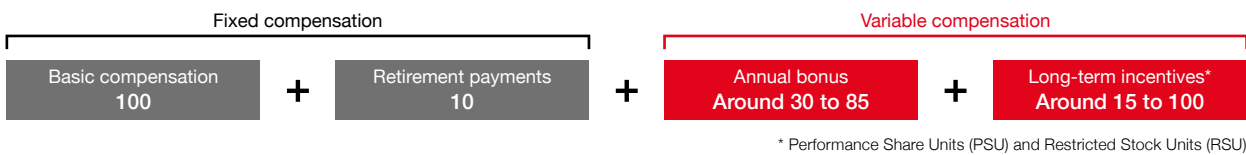
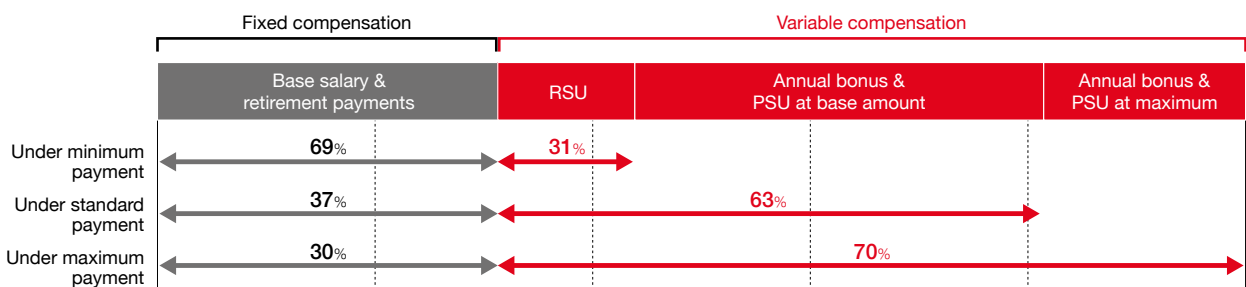


Image of compensation structure (in case of Representative Director & President)



Compensation structure for executive directors (or directors)

Fixed compensation		The following are upper limits for the compensation listed at left that is paid to directors. Limit on director compensation (excluding directors who are Audit & Supervisory Committee members): 850 million yen/year (approved through resolution of Proposal No. 5 at the 2019 General Meeting of Shareholders of the Company). (Number of directors at the time of the resolution, excluding directors who are Audit & Supervisory Committee members: 5) In case where the Audit & Supervisory Committee has deliberated and deemed it necessary, housing allowances and other fringe benefits may be paid within the limit of 850 million yen ¹ .
Basic compensation	● Monthly payment of an amount determined based on responsibilities.	
Retirement payments	● An amount equal to 10% of basic compensation is accumulated every year, with the cumulative amount calculated and paid upon retirement. ● In the event that the individual has caused serious harm to the CCBJH Group or has been subjected to disciplinary measures, the Company may reduce the amount paid or withhold payment. In addition, a special increase may be made in recognition of particularly meritorious service. Reduction of amounts, non-payment, and special increases undergo approval by the Board of Directors based on deliberation by the Audit & Supervisory Committee.	
Variable compensation		The following are upper limits for the compensation listed at left that is paid to directors. Compensation framework for directors (excluding directors who are Audit & Supervisory Committee members): Up to an amount limited to 1,800,000 shares per year multiplied by the market price at the time granted (approved through resolution of Proposal No.5 at the 2022 General Meeting of Shareholders of the Company). (Number of directors at the time of the resolution, excluding directors who are Audit & Supervisory Committee members: 5)
Annual bonus	● Provided as an incentive for achieving performance targets for each fiscal year at a certain time each year. ● The target amount is set more or less in the range of 30% to 85% of base salary depending on their responsibilities. ● The amount of payment varies in the range of 0% to 150% of the target amount depending on the achievement of performance targets in each fiscal year (company-wide performance and individual evaluations). ● Business income, sales volume, and revenue have been adopted as performance indicators to drive motivation for achieving profitable growth in accordance with the policy for determining officer compensation, etc.	
Long-term incentives ²	● Two types of stock-based compensation systems, (1) PSU and (2) RSU, are adopted as long-term incentives. ● The standard amount for long-term incentives overall ((1)+(2)) is set more or less at 15% to 100% of basic compensation, according to the scale of responsibilities. The PSU standard amount is set to 50% and the RSU standard amount is set to 50% of the standard amount. ● With regard to (2) RSU, additional grants (special RSU) for the purpose of retention and other factors may be made for directors in addition to the above-mentioned basic RSU amount up to the compensation limit detailed on the right, if deemed necessary by the Audit & Supervisory Committee.	
(1) PSU	● Provided as an incentive for achieving medium- to long-term performance targets. ● The number of shares to be issued is determined within the range of 0% to 150% of the PSU standard amount depending on the achievement of performance targets (only considering company-wide performance) three years after the share units have been granted (with half of the shares to be issued paid in cash for the purpose of allocating funds for the payment of tax obligations). ● Consolidated ROE and growth rate of consolidated net revenue are used as metrics for creating motivation for medium- to long-term improvement of corporate value in accordance with the policy for determining directors' compensation, etc.	
(2) RSU	● Provided for the purpose of aligning interests with shareholders, creating incentives to increase corporate value, and strengthening retention of talented people. ● A predetermined number of shares is issued at the time of retirement (with half of the shares to be issued paid in cash for the purpose of allocating funds for the payment of tax obligations).	

^{*1} With regard to fringe benefits, the Company pays compensation for differences in tax rates between Japan and other countries, housing allowances, etc. based on CGBJH Group internal rules, deliberated by the Audit & Supervisory Committee and approved by the Board of Directors, to support international assignments.
^{*2} At the 2022 General Meeting of Shareholders (held on March 28, 2023, Proposal No. 5), the introduction of a new long-term incentive (stock-based compensation) system was approved. Under this system, the Company's shares are acquired through a trust funded by the money contributed by the Company, and these shares are issued to executive directors. The maximum amount is 2,880 million yen in total for three fiscal years, and the maximum number of shares is 1,800,000 shares for those three fiscal years. There were five directors (including two executive directors) as of the conclusion of the General Meeting of Shareholders, excluding directors who are Audit & Supervisory Committee Members.

Payment of compensation to directors in 2022

Directors' Compensation

Executive category	Total amount of compensation, etc. (million yen)	Total amount by type of compensation, etc. (million yen)					Number of eligible directors
		Basic compensation ³	Retirement payments	Annual bonus	Long-term incentives ⁴	Other ⁵	
Directors (except Audit & Supervisory Committee members) [of which, outside directors]	1,013 [43]	540 [43]	21 [—]	181 [—]	250 [—]	21 [—]	5 [3]
Directors (Audit & Supervisory Committee members) [of which, outside directors]	72 [72]	72 [72]	— [—]	— [—]	— [—]	— [—]	4 [4]
Total [of which, outside directors]	1,085 [115]	611 [115]	21 [—]	181 [—]	250 [—]	21 [—]	9 [7]

Total amount of compensation, etc. to persons for which total amount of compensation, etc. is 100 million yen or more

Name	Executive category	Total amount by type of compensation, etc. (million yen)					Total amount of compensation, etc. (million yen)
		Basic compensation ³	Retirement payments	Annual bonus	Long-term incentives ⁴	Other ⁵	
Calin Dragan	Representative Directors	317	14	127	182	14	655
Bjorn Ivar Ulgenes	Representative Directors	179	7	53	68	7	315

^{*3} Basic compensation includes amount for fringe benefits (compensation for differences in tax rates between Japan and other countries, housing allowance, etc.), etc.
^{*4} Long-term incentives include PSU, RSU, and special RSU.
^{*5} Other refers to retention awards. Considering compensation levels in each country, rising prices, and the disadvantages caused by the differences between Japan and other countries arising from the rapid depreciation of the yen, we paid a total of 21 million yen in cash as a retention award for 2022 in March 2023 to maintain motivation to lead the transformation. The Audit and Supervisory Committee discussed and reviewed the appropriateness of the payment, and has deemed to be reasonable.

Corporate Governance (As of March 28, 2023)

Board Members

Directors



Calin Dragan
Representative Director, President
Calin Dragan has nearly three decades of experience working for Coca-Cola bottlers globally, including Japan. Previously, he served as President of The Coca-Cola Company Bottling Investments Group.



Bjorn Ivar Ulgenes
Representative Director and Vice President, CFO
Bjorn Ivar Ulgenes has considerable financial experience in Europe, the Middle East, Africa and the Coca-Cola System in Japan. Previously, he served as Deputy Finance Director, Central, East & West Africa Group, The Coca-Cola Company.

Outside Directors



Hiroko Wada
Outside Director
Independent Director
Hiroko Wada has a wealth of experience in marketing, management, and organizational / HR development in the consumer goods industry. Previously, she has served as an executive officer for The Procter & Gamble Company (U.S.) as well as CEO of Dyson Ltd. and Toys "R" Us Japan, Ltd.

Outside Directors



Hirokazu Yamura
Outside Director
Independent Director
Hirokazu Yamura has worked for Coca-Cola Bottlers Japan Inc. for around 15 years. Currently, he serves as President and CEO of Michinoku Coca-Cola Bottling Co., Ltd.



Celso Guiotoko
Outside Director
Independent Director
Celso Guiotoko has experience in IT and supply chain with multinational corporations. He has abundant management experience and audit experience at Nissan Motor and Nishimoto.



Hiroshi Yoshioka
Outside Director (serving on the Audit & Supervisory Committee)
Independent Director
Hiroshi Yoshioka developed management experience and global knowledge at Sony and previously served as an outside director of Coca-Cola East Japan.

Outside Directors



Nami Hamada
Outside Director (serving on the Audit & Supervisory Committee)
Independent Director
Nami Hamada has a wealth of experience in finance and accounting, including leading her own financial consulting firm. She has served in management positions at Lehman Brothers Japan Inc. and as an outside director of Shimadzu Corporation and MetLife Insurance K.K.



Stacy Apter
Outside Director (serving on the Audit & Supervisory Committee)
Stacy Apter has displayed strong leadership, particularly in the areas of global financial risk supervision and corporate risk management, at the Coca-Cola Company and has global management experience, including in terms of providing support to the Board of Directors. She currently serves as Vice President, Treasurer and Corporate Finance at the Coca-Cola Company.



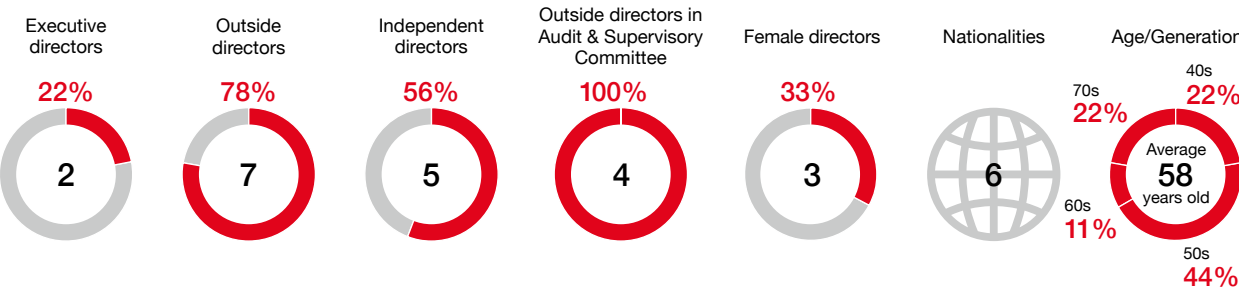
Sanket Ray
Outside Director (serving on the Audit & Supervisory Committee)
Sanket Ray has displayed strong leadership, particularly in commercial roles, at The Coca-Cola Company and has global management experience in the Asia region. He currently serves as president of the company's India and Southwest Asia Unit.



Details of our Management
<https://en.ccbj-holdings.com/corporate/management/>



Attribution of Board members



Name	Assumption of office	Term of office (Year)	Outside directors	Audit & Supervisory Committee members	Independent directors	Skills				
						Corporate management	Global business	Food and beverage industry	Finance/Audit	Sustainability and CSV
Calin Dragan	March 2019	1	—	—	—	●	●	●		
Bjorn Ivar Ulgenes	March 2019	1	—	—	—		●	●	●	
Hiroko Wada	March 2019	1	●	—	●	●	●			●
Hirokazu Yamura	March 2020	1	●	—	●	●		●		●
Celso Guiotoko	March 2023	1	●	—	●		●	●	●	
Hiroshi Yoshioka	March 2023	2	●	●	●	●	●			●
Nami Hamada	March 2019	2	●	●	●	●	●		●	
Stacy Apter*	March 2023	2	●	●	—	●	●	●	●	
Sanket Ray*	March 2023	2	●	●	—	●	●	●		

* Stacy Apter and Sanket Ray were appointed as Outside Directors serving on the Audit & Supervisory Committee at the 2022 Ordinary General Meeting of Shareholders held in March. Note: Irial Finan and Vamsi Mohan Thati resigned as Outside Directors serving on the Audit & Supervisory Committee at the 2022 Ordinary General Meeting of Shareholders held in March.

Criteria for determining the necessary skills possessed by directors

The Company assesses the expertise and experience possessed by directors based on the following criteria.

Items	Criteria for ● (Applicable)
Corporate management	● A person who has experience as a representative such as CEO or COO.
Global business	● A person who has global business or equivalent knowledge as a division director or above.
Food and beverage industry	● A person who has experience as a division director or above in a company handling beverages or food products, or who has equivalent knowledge.
Finance/Audit	● A person who has experience as a division director or above in a Finance / Accounting Division, or who has equivalent knowledge. ● A person who has a national qualification in finance and accounting, such as a CPA.
Sustainability and CSV	● A person who has experience as a director or above in Sustainability / CSV Division, or who has equivalent knowledge.

Corporate Governance (As of March 28, 2023)

Appointment of outside directors

Three of the Company's five directors (excluding directors who are Audit & Supervisory Committee members), and the four directors who are Audit & Supervisory Committee members, are outside directors.

As outside directors, the Company nominates persons who are considered to contribute significantly to increasing the corporate value of the Company. Moreover, if it has been determined through investigation by the Company within the scope of reason that none of the criteria apply to the Company's outside directors, the Company will deem outside directors to possess sufficient independence from the Company.

Standards for determination of independence of outside directors

If none of the criteria below apply, the Company considers the director to have sufficient independence.

- An employee and/or executive of the Company and/or a subsidiary within the past 10 years
- A person and/or executive who had a significant business relationship with the Company within the past one year^{*1}
- An employee and/or executive of the company who had a significant business relationship with the Company within the past one year^{*1}
- A consultant, certified public accountant, attorney, etc. who has received significant compensation from the Company other than executive compensation within the past one year^{*2}
- An entity or executive thereof who has received a significant donation from the Company within the past one year^{*2}
- A close relative of any of the above^{*3}

^{*1} If the transaction between the Company and the person and/or the company exceeds 2% of the Company's consolidated revenue in the latest fiscal year, this will be considered significant

^{*2} If the annual amount of compensation or donation to the person/entity exceeds JPY 10 million, this will be considered significant

^{*3} Within the second degree of kinship

Reasons for appointment of outside directors

Category/Name	Independent outside directors	Reasons for appointment (Positions etc. are as of the time of appointment)
Hiroko Wada Outside Director Attendance Board meeting 7/7	●	The Company has appointed Hiroko Wada as a Director (Outside Director) in order for her to utilize, for the management of the Company, the considerable experiences and global knowledge she has gained thus far as officer at The Procter & Gamble Company and as Representative Director at Toys"R"Us Japan Ltd. As no special vested interest exists between the individual and the Company, the Company deems that no risk of conflict of interest with general shareholders exists and has appointed the individual as an independent director.
Hirokazu Yamura Outside Director Attendance Board meeting 7/7	●	The Company proposes to appoint Hirokazu Yamura as a director (outside director) with the expectation that he will apply his wealth of management expertise and global understanding obtained as Representative Director & President of Michinoku Coca-Cola Bottling Co., Ltd. While the Company has the business relationship noted below with the corporate group of said company, the transaction value is small and transaction prices and other conditions are conducted under appropriate conditions in the same manner as with other business partners. The Company believes that its free business activities will not be hindered by the corporate group of said company. Accordingly, as there is no risk of significant impact from said company, the Company deems that no risk of conflict of interest with general shareholders exists and has appointed the individual as an independent director. Relationship with the Company: The Company has a business relationship with Michinoku Coca-Cola Bottling Co., Ltd. that includes buying and selling of products. (Sales, etc.: 0.4% of the consolidated revenue of the Company; Purchasing, etc.: 0.3% of the consolidated revenue of said company)
Celso Guiotoko Outside Director Attendance Board meeting 7/7	●	The Company has appointed Celso Guiotoko as a director (outside director) in order for him to utilize, for the management of the Company, the considerable experiences and global knowledge he has gained thus far at Nissan Motor Co., Ltd. and Nishimoto Co., Ltd. As no special vested interest exists between the individual and the Company, the Company deems that no risk of conflict of interest with general shareholders exists and has appointed the individual as an independent director.
Hiroshi Yoshioka Outside Director (serving on the Audit & Supervisory Committee) Attendance Board meeting 7/7	●	Hiroshi Yoshioka has extensive management experience and global knowledge cultivated at Coca-Cola Bottler in Japan and at Sony Corporation. He is expected to offer advice based on his abundant experience as a company manager and his knowledge, in areas of important management decisions of the Company, response to foreseeable risks, internal control systems, etc. Accordingly, the Company has appointed him as an outside director who is an Audit & Supervisory Committee member. As no special vested interest exists between the individual and the Company, the Company deems that no risk of conflict of interest with general shareholders exists and has appointed the individual as an independent director.
Nami Hamada Outside Director (serving on the Audit & Supervisory Committee) Attendance Board meeting 7/7 Audit and Supervisory Committee meeting 5/5	●	Nami Hamada has extensive experience in finance and accounting, including managing a finance-related consulting company herself, and has abundant experience and global insights cultivated on the corporate management team of Lehman Brothers Japan as well as management oversight experience as an outside director of SHIMADZU CORPORATION and MetLife Insurance K.K. She is expected to offer advice based on her abundant experience as a company manager and her knowledge in the field of finance, in areas of important management decisions, response to foreseeable risks, internal control systems, etc. Accordingly, the Company has appointed her as an outside director who is an Audit & Supervisory Committee member. As no special vested interest exists between the individual and the Company, the Company deems that no risk of conflict of interest with general shareholders exists and has appointed the individual as an independent director.
Stacy Apter Outside Director (serving on the Audit & Supervisory Committee) New appointment	—	Stacy Apter is Vice President, Treasurer and Corporate Finance at The Coca-Cola Company. She has displayed strong leadership, particularly in the areas of global financial risk supervision and corporate risk management and has abundant management experience as part of the company's management team, including in terms of providing support to the Board of Directors. She is expected to offer advice based on her abundant experience in finance and risk management, in areas of important management decisions, response to foreseeable risks, internal control systems, etc. Accordingly, the Company has appointed her as an outside director who is an Audit & Supervisory Committee member. Relationship with the Company: The Company has concluded contracts concerning the production, sales, trademark usage, etc. of Coca-Cola, etc., with The Coca-Cola Company.
Sanket Ray Outside Director (serving on the Audit & Supervisory Committee) New appointment	—	Sanket Ray is president of the India and Southwest Asia Unit at The Coca-Cola Company. He has displayed strong leadership, particularly in commercial roles, at the company and has extensive management experience at the Company's business units in Asia. He is expected to offer advice based on his abundant experience as a global company manager, in areas of important management decisions, response to foreseeable risks, internal control systems, etc. Accordingly, the Company has appointed him as an outside director who is an Audit & Supervisory Committee member. Relationship with the Company: The Company has concluded contracts concerning the production, sales, trademark usage, etc. of Coca-Cola, etc., with The Coca-Cola Company.

Policy regarding cross-shareholdings

In principle, it is the Company's policy to refrain from cross-shareholdings. However, there are cases in which the Company acquires and holds such shares to create business opportunities and maintain and strengthen its relationships with

business partners and local communities. The Company shall evaluate and report on the cost of holding major cross-shareholdings and the return on investment thereof in Board Meetings, and work on reducing the cross-shareholdings based on such evaluations.

Number of companies and the amount recorded in the balance sheet

	Number of companies	Total book value of shares (million yen)
Unlisted stocks	105	2,909
Stocks other than unlisted stocks	45	8,358

Brands that the Company increased the number of shares in 2022

	Number of companies	Total amount spent to increase the number of shares held (million yen)	Reason for increase in the number of shares
Unlisted stocks	—	—	—
Stocks other than unlisted stocks	13	17	The Company increased the number of shares of this company brand as it is a member of the shareholding association of the counterparty company.

Brands that the Company increased the number of shares in 2022

	Number of companies	Total amount by selling and decreasing the number of shares (million yen)
Unlisted stocks	5	913
Stocks other than unlisted stocks	11	1,422


 Securities Report
<https://en.ccbj-holdings.com/ir/library/securities.php>



Responsible dialogue with stakeholders through IR Activities

With the goal of timely and appropriate information disclosure and constructive dialog with shareholders and investors, we engage in a variety of Investor Relations (IR) activities in which we explain our business strategies, business activities, financial and non-financial information, and other information through quarterly earnings presentations and IR meetings.

Main IR activities in 2022

Activity	2022 results	Details
Earnings Presentation	Four times	Quarterly earnings presentations were held by the President and CFO. The briefing content is available via Webcast on the Company's website. (https://en.ccbj-holdings.com/ir/library/presentation.php) 
IR meetings with analysts and institutional investors	About 250 times; about 390 persons	Meetings and conference calls were held with analysts and institutional investors. Top management took part as required.
Participation in domestic and overseas conferences	Six times	Five times in Japan, and once overseas. Top management took part as required.
Other IR briefings	Four times	Held small meetings and IR briefings with participation by top management.
Delivery of video message from the President	Four times	Video messages from the President were delivered to investors. The latest video messages are available from the Investor Relations page of our website. (https://en.ccbj-holdings.com/ir/) 