

Overview of Full-Year 2022 Results

Analysis of Operating Results

Coca-Cola Bottlers Japan Holdings Inc. (“CBBJH,” the “Company,” or “we”) have announced full-year results for the fiscal year (January 1, 2022, to December 31, 2022). In this fiscal year, the total domestic nonalcoholic ready-to-drink (NARTD) beverage industry volume has grown by 4% versus the previous fiscal year. This was due to demand being supported by recovery in the number of people returning to the streets of Japan with the easing of COVID-19 restrictions, revitalization of economic activity, and a record-breaking heat wave contributing to volume growth, while the price revisions implemented by various beverage companies impacted demand.

On the other hand, the business environment remained uncertain and challenging as the severe competitive environment continued and rising commodity and utility prices, as well as the rapid acceleration of the yen's depreciation impacted business and consumer behaviors. Under these circumstances, we positioned 2022 as “The year of building a foundation for sustainable growth” and built a foundation for steady and sustainable growth as well as to promote further transformation. In commercial activities, we worked to grow sales volume and sales revenue by introducing new products, responding to diversifying consumer needs, and executing effective campaigns to capture opportunities for the recovery in traffic. In addition, to respond to current cost pressures and to strengthen the earnings foundation for the future, we revised prices for our products ahead of the industry despite the continued severe competitive environment. For the price revisions, we carefully negotiated with customers and made efforts to reflect revised prices as soon as possible, particularly for vending machines. In manufacturing and supply chain fields, while faced with rising commodity and utility prices, we built a supply chain that can flexibly respond to sudden changes in demand by revamping our Sales and Operations Planning process and leveraging our Saitama and Akashi Mega Distribution Centers, two of the largest automated distribution centers in Japan by storage and shipping capacities. Although we experienced a surge in demand during the summer-the period of peak demand- coinciding with a recovery in traffic and the heat wave, our efforts resulted in a stable supply of products. We worked to reduce costs through efficient use of manufacturing facilities and reviewing our distribution network.

In addition, we realized ESG targets that are based on creating shared value with society. To achieve our 2030 Package Vision, which aims for a World Without Waste, we worked on the design aspects of product packaging, such as expanding the use of 100% recycled PET bottles and establishing a recycling scheme in collaboration with local governments and partner companies for the steady collection of high-quality packages. In addition, for further recycling of resources, we have established the CAN to CAN horizontal recycling system of aluminum cans and started manufacturing and selling products produced from recycled materials. To reduce greenhouse gas (GHG) emissions, we enhanced our climate-related financial disclosure and promoted activities based on the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). In other efforts to contribute to local communities through business, we implemented water source conservation activities, donated products to food banks, and placed vending machines to support local activities. As part of our efforts to promote diversity, we worked to raise understanding of LGBTQ through internal and external awareness-raising opportunities to create a

better working environment. Such ESG initiatives have been positively appraised, and for the fifth consecutive year we have been selected as a component of the DJSI Asia Pacific, a leading global ESG investment index. Details for the fiscal year earnings are as follows.

Business Performance Summary			
(Unit: millions of yen)			
	2021	2022	Change (%)
Revenue	785,837	807,430	2.7
Business loss	(14,662)	(14,443)	—
Net loss attributable to owners of parent	(2,503)	(8,070)	—

*1 “Business loss” is a measure of our underlying or recurring business performance. Business Loss deducts cost of goods and selling, general and administrative expenses from revenue, and includes other income and expenses which we believe are recurring in nature.
*2 Net loss attributable to owners of parent for 2021 is a total of continuing operation and discontinued operation results.

Consolidated revenue was 807,430 million yen (2.7% increase of 21,594 million yen from the same period of the previous year). Although there was negative impact on sales volume following the price revisions, sales volume increased by 3% versus the previous year. This was due to the introduction of new products and channel-specific efforts to meet diversifying consumer needs, which supported capturing the opportunity of traffic recovery and increased demand due to the heat wave. Volume growth in the profitable vending channel and the improvement in wholesale revenue per case through price revisions contributed to the increase in revenue. In the fourth quarter (October 1, 2022 to December 31, 2022), with the price revisions implemented in October for small package products, wholesale revenue per case improved in all channels.

Consolidated business loss was 14,443 million yen (14,662 million yen loss in prior year period) and improved versus the previous year. We have achieved profit improvement of about 20 billion yen in areas that are under our control, such as volume growth, price revisions, and cost savings through improved manufacturing, logistics efficiency and acceleration of transformation. However, external factors such as commodities, yen depreciation and higher utility costs had significant impact on our business.

Consolidated operating loss was 11,513 million yen (20,971 million yen loss in prior year period). In addition to business income improved versus the previous year, operating income improved versus the previous year due to gains on sales of fixed assets and a decrease in temporary paid leave expenses. Other income (non-recurring) for the fiscal year included gains on sales of property, plant, and equipment of 4,561 million yen and 3,329 million yen in government subsidies for employment adjustment. Other expenses (non-recurring) included 2,168 million yen in temporary paid leave expenses, 1,298 million for transformation related expense, 1,104 million yen in special retirement allowances related to the voluntary employee retirement programs, and 812 million yen in losses on sales and disposals of property, plant, and equipment.

Net income attributable to owners of the parent was a loss of 8,070 million yen (2,503 million yen loss in prior year period). While operating income improved from the previous period, income attributable to owners of the parent company got worse due to the absence of a gain on transfer of shares of subsidiary Q'sai Co., Ltd. Recorded in discontinued operations in the previous year being recorded in discontinued operations.

Analysis of Financial Position

Assets at the end of the year were 826,737million yen, a decrease of 40,375 million yen compared with the end of the prior fiscal year-end period. This is mainly due to a decrease in “cash and cash equivalents” resulting from redemption of bonds, and a decrease in “property, plant and equipment” because of balance sheet improvement through consolidation of sales centers, while the Akashi Mega DC was newly established.
Liabilities at the end of the year were 350,378 million yen which

decreased by 24,282 million yen from the end of the prior year period. This is mainly due to a decrease in “Bonds and debts” under current liabilities upon the redemption of bonds.
Equity at the end of the year was 476,358 million yen, a decrease of 16,093 million yen from the end of the prior year period. This is mainly due to a decrease in “Retained earnings” as a result of dividend payments.

Analysis of Cash Flows

The Cash Flows from Operation Activities
Net cash generated from operating activities was 41,717 million yen (35,982 million net cash generated in the previous year period). This results mainly from the 12,491 million yen net loss before tax, “Depreciation and amortization,” “Increase in other liabilities,” etc. alongside “Gain on sale of property, plant and equipment” and “Increase in other liabilities,” etc.
The Cash Flows from Investing Activities
Net cash used in from investing activities was 23,090 million yen (15,271 million yen outflow in the previous year period). This resulted mainly from “Acquisitions of property, plant and equipment and intangible assets” etc., as a result of strategic, investments that

serve as a foundation for growth, alongside “Proceeds from sales of property, plant and equipment and intangible assets” as part of the efforts to optimize the balance sheet.
The Cash Flows from Financing Activities
Net cash used in financing activities was 46,050 million yen (67,134 million yen net cash used in the previous year period), driven by “Payments for bond redemption” and “Dividends paid.”

As a result of these activities, cash, and cash equivalents at the end of the year was 84,074 million yen, a decrease of 26,422 million yen from the end of the prior fiscal year-end.

Capital Expenditures

The Group implemented capital expenditure totaling 42,540 million yen in the fiscal year ended on December 31, 2022. The expenditures were mainly for the introduction of vending machines to the market with the aim of strengthening sales capabilities, improvement of manufacturing efficiency, acquisition of new product

support facilities, and investments in Akashi Mega DC for optimization of logistics networks in the Kansai area. Capital expenditures include tangible fixed assets, right-to-use assets, and intangible assets.

Research and Development

No relevant matters apply.

Policies for Profit Distribution and Dividends

We periodically review its capital structure and dividend payout ratio to maximize shareholder returns while maintaining flexibility to pursue growth opportunities. We seek to use retained earnings to fund investment for sustainable growth for our business and further enhancement of corporate value. We set a basic policy regarding dividends, which includes active redistribution of profits while placing the highest priority on paying dividends in a stable manner, by comprehensively reviewing the business performance and level of retained earnings. In addition, we have set a payout ratio target of

30% or more for net income attributable to owners of the parent. We pay interim and year-end dividends.
We paid an interim dividend of 25 yen per share and a year-end dividend of 25 yen per share for a total annual dividend of 50 yen per share in the fiscal year ending December 31, 2022.
On future shareholder returns, we stay committed by comprehensively reviewing its business performance trends and financial conditions, and examining the best approaches that could be taken by including the share repurchase program.

Key Financial and Non-Financial Data

JGAAP		2012	2013	2014	2015	2016	2017
Operating Results (Fiscal Year):							
Revenue	(Millions of yen)	386,637	431,711	424,406	440,476	460,455	872,623
Gross Profit	(Millions of yen)	190,795	215,287	212,881	223,951	238,611	450,249
Gross Profit Margin	(%)	49.3	49.9	50.2	50.8	51.8	51.6
Operating Income	(Millions of yen)	13,463	15,927	11,008	14,262	21,143	40,579
Operating Income Margin	(%)	3.5	3.7	2.6	3.2	4.6	4.7
EBITDA	(Millions of yen)	—	—	—	—	—	—
Net Income Attributable to Owners of the Parent	(Millions of yen)	6,031	13,625	4,482	9,970	5,245	25,244
Cash Flow Status (Fiscal Year):							
Cash Flows from Operating Activities	(Millions of yen)	26,324	40,082	28,628	40,422	34,388	72,450
Cash Flows from Investing Activities	(Millions of yen)	(14,243)	(16,493)	(9,590)	(24,994)	(19,921)	(41,090)
Free Cash Flow	(Millions of yen)	12,080	23,588	19,037	15,427	14,467	31,359
Cash Flows from Financing Activities	(Millions of yen)	(7,149)	(8,286)	(37,498)	22,416	(7,546)	(26,159)
Cash and Cash Equivalents at End of Fiscal Year	(Millions of yen)	39,495	60,275	41,830	79,828	86,727	118,741
Financial Position (End of Fiscal Year):							
Total Assets	(Millions of yen)	337,348	374,418	337,260	378,105	377,468	883,918
Interest-Bearing Debt	(Millions of yen)	—	—	—	—	—	—
D/E Ratio	(Times)	—	—	—	—	—	—
Net Assets	(Millions of yen)	231,056	257,936	254,150	260,878	261,173	627,485
Per-Share Information:							
Net Profit per Share (EPS)	(Yen)	60.33	128.15	41.07	91.35	48.05	144.26
Net Assets per Share (BPS)	(Yen)	2,307.44	2,359.82	2,325.19	2,386.81	2,389.28	3,070.01
Annual Dividend per Share	(Yen)	41.00	41.00	41.00	41.00	46.00	44.00
Consolidated Dividend Payout Ratio	(%)	68.0	32.0	99.8	44.9	95.7	30.5
Stock Price at End of Year	(Yen)	1,333	2,227	1,661	2,457	3,445	4,115
Other Financial Data:							
Return on Equity (ROE)	(%)	2.6	5.6	1.8	3.9	2.0	5.7
Return on Assets (ROA)	(%)	4.1	4.7	3.0	3.8	5.5	6.3
Equity Ratio	(%)	68.4	68.8	75.2	68.9	69.1	70.9
Price Earnings Ratio (PER)	(Times)	22.1	17.4	40.4	26.9	71.7	28.5
Price Book Value Ratio (PBR)	(Times)	0.6	0.9	0.7	1.0	1.4	1.3
Capital Expenditure	(Millions of yen)	20,031	20,242	22,783	16,181	25,728	42,539
Depreciation	(Millions of yen)	20,643	23,758	22,943	24,048	17,491	37,352
Non-Financial Data (End of Fiscal Year):							
Outstanding Shares at End of Year	(1,000 shares)	111,126	111,126	111,126	111,126	111,126	206,269
Treasury Stock at End of Year	(1,000 shares)	11,155	1,982	1,984	1,987	1,989	2,016
Number of Employees at End of Year		7,877	9,650	8,324	8,837	8,616	17,197
Average number of temporary employees not included in the above		1,890	2,059	1,949	2,613	2,499	4,403
Number of Directors		10	11	12	11	14	9
Number of Outside Directors		2	2	2	2	4	4

Notes: 1. The data through 2016 represents results for Coca-Cola West Co., Ltd. prior to the business integration. The data for 2017 represents results for Coca-Cola Bottlers Japan Holdings Inc. from the second quarter.
2. Amounts are rounded down to the nearest unit under Japanese standards and rounded up or down to the nearest unit under IFRS. Percentages are rounded up or down to the nearest unit.
3. In December 2020, as a result of the decision to sell all shares in Q'sai held by the Company, the Healthcare and Skincare business has been classified as a discontinued operation and assets and liabilities of the Healthcare and Skincare business have been classified as the assets held for sale and liabilities directly related to assets held for sales. Therefore, these are excluded from the above major financial data for 2020 and 2021. This sale of shares was completed on February 1, 2021.
4. Figures for percentage of women in manager positions and women in manager and leader positions refer to the beverage business.
5. Water usage is the total amount of water used in the manufacture of products (excluding water in products) in the beverage business.
6. Greenhouse gas emissions refers to the supply chain emissions (Scope 1-3) in the beverage business. Some emission factors and the scope of data were revised from the 2021 results.

IFRS		2017	2018	2019	2020	2021	2022
Operating Results (Fiscal Year):							
Revenue	(Millions of yen)	837,069	927,307	914,783	791,956	785,837	807,430
Gross Profit	(Millions of yen)	412,782	452,151	441,060	362,916	350,505	351,755
Gross Profit Margin	(%)	49.3	48.8	48.2	45.8	44.6	43.6
Business Income	(Millions of yen)	40,177	23,276	15,042	169	(14,662)	(14,443)
Business Income Margin	(%)	4.8	2.5	1.6	0.0	—	—
EBITDA	(Millions of yen)	81,560	70,807	71,993	59,083	42,498	31,343
Net Income Attributable to Owners of the Parent	(Millions of yen)	21,967	10,117	(57,952)	(4,715)	(2,503)	(8,070)
Cash Flow Status (Fiscal Year):							
Cash Flows from Operating Activities	(Millions of yen)	73,014	51,244	42,629	43,716	35,982	42,717
Cash Flows from Investing Activities	(Millions of yen)	(14,299)	(48,628)	(68,308)	(52,076)	15,271	(23,090)
Free Cash Flow	(Millions of yen)	58,715	2,616	(25,679)	(8,360)	51,253	19,628
Cash Flows from Financing Activities	(Millions of yen)	(26,717)	(55,835)	(73,994)	20,912	(67,134)	(46,050)
Cash and Cash Equivalents at End of Fiscal Year	(Millions of yen)	118,742	65,510	113,825	126,378	110,497	84,074
Financial Position (End of Fiscal Year):							
Total Assets	(Millions of yen)	929,304	877,472	952,444	939,603	867,111	826,737
Interest-Bearing Debt	(Millions of yen)	81,385	102,814	246,521	271,233	214,124	179,970
D/E Ratio	(Times)	0.1	0.2	0.5	0.5	0.4	0.4
Total Equity	(Millions of yen)	655,038	580,906	506,491	502,093	492,451	476,358
Per-Share Information:							
Basic Earnings per Share (EPS)	(Yen)	125.53	52.68	(322.22)	(26.29)	(13.96)	(45.00)
Equity Attributable to Owners of the Parent per Share (BPS)	(Yen)	3,204.90	3,163.63	2,821.27	2,797.03	2,745.12	2,655.38
Annual Dividend per Share	(Yen)	44.00	50.00	50.00	25.00	50.00	50.00
Consolidated Dividend Payout Ratio	(%)	35.1	94.9	—	—	—	—
Stock Price at End of Year	(Yen)	4,115	3,285	2,791	1,609	1,320	1,437
Other Financial Data:							
Equity Income Margin Attributable to Owners of the Parent (ROE)	(%)	4.6	1.6	(10.7)	(0.9)	(0.5)	(1.7)
Total Assets / Pre-tax Profit Ratio (ROA)	(%)	5.6	1.6	(6.1)	(1.3)	(2.4)	(1.5)
Percentage of Equity Attributable to Owners of the Parent	(%)	70.4	66.2	53.1	53.4	56.8	57.6
Price Earnings Ratio (PER)	(Times)	32.8	62.4	(8.7)	(61.2)	(94.6)	(31.9)
Price Book Value Ratio (PBR)	(Times)	1.3	1.0	1.0	0.6	0.5	0.5
Capital Expenditure	(Millions of yen)	42,539	53,136	103,882	65,521	40,184	42,540
Depreciation and Amortization Expenses	(Millions of yen)	41,383	47,531	56,951	59,583	57,160	45,786
Non-Financial Data (End of Fiscal Year):							
Outstanding Shares at End of Year	(1,000 shares)	206,269	206,269	206,269	206,269	206,269	206,269
Treasury Stock at End of Year	(1,000 shares)	2,016	22,793	26,917	26,920	26,925	26,928
Number of Employees at End of Year		17,197	17,100	16,959	16,274	15,083	14,484
Average number of temporary employees not included in the above		4,403	3,957	3,578	4,008	3,777	3,416
Number of Directors		9	9	9	9	9	9
Number of Outside Directors		4	4	6	7	7	7
Women in Manager Positions	(%)	—	3.9	4.2	5.8	6.3	6.6
Women in Manager and Leader Positions	(%)	—	6.8	7.3	9.3	9.9	10.0
Water Usage	(1,000 m³)	—	13,998	13,316	12,560	12,993	13,287
Water Replenishment Rate	(%)	—	277	322	364	353	420
Greenhouse Gas Emissions	(1,000 tons-CO₂e)	—	—	2,347	2,076	2,366	2,339

Financial / Corporate Information

External Evaluations (As of May 2023)

Our initiatives to resolve social issues have been recognized by both the government and outside institutions.

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific)

FTSE Blossom Japan Sector Relative Index

FTSE Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

S&P/JPX Carbon Efficient Index

2022 ecovadis Sustainability Rating
SILVER

EcoVadis Sustainability Survey
Received Silver rating in 2022

NIKKEI SDGs
Management Survey 2022
★★★★

Nikkei SDGs Management Survey
Awarded 4.0 stars in 2022

CDP A LIST 2022 CLIMATE

CDP scores for 2022
Climate change "A"
Water security "A-"

CDP SUPPLIER ENGAGEMENT LEADER 2022

CDP 2022 Supplier Engagement Rating survey
Selected for the highest rating as a "Supplier Engagement Leader"

GREEN PARTNER 2022 JAPAN

Green Partner 2022

ECO FIRST

Eco-First Program Members
Certified in 2023

DIVERSITY MANAGEMENT SELECTION 100 2020

New Diversity Management Selection 100
Awarded in 2020

NIKKEI Smart Work
★★★★★ 2023 Best 59

Nikkei Smart Work Management Survey
Awarded 4.5 stars in 2022

L-boshi Certification

Awarded 2 stars in 2019

Tokyo Metropolitan Government Women's Participation Awards

Awarded in 2021

work with Pride Gold 2022

PRIDE Index 2022
Awarded Gold

work with Pride Rainbow 2022

PRIDE Index 2022
Awarded Rainbow

健康経営優良法人 ホワイト500
2023

Health & Productivity Management Outstanding Organization 2023
White 500

SPORTS YELL COMPANY AWARD 2023

Certified as Sports Yell Company 2023 by Japan Sports Agency

gan-ally-bu AWARD 2022 SILVER

Cancer Ally Award 2022
Received Silver

GOOD CAREER COMPANY AWARD 2022

Good Career Company Award 2022
Received Innovation Award

SSON Impact Award

Note: Awarded to CCBJH and some of its Group companies.
Also received the Director's Award for Excellence in Disability Hiring in 2019 from the Bureau of Industrial and Labor Affairs, and obtained ISO 14001 (Environmental Management System) certification and FSSC 22000 (Food Safety Management System) certification.

Participation in External Initiatives (As of May 2023)

We are working to resolve social issues through participation in a number of external initiatives.

WE SUPPORT
UN GLOBAL COMPACT

The United Nations Global Compact

WE SUPPORT
CEO WATER MANDATE

The CEO Water Mandate

TCFD
TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Task Force on Climate-related Financial Disclosures (TCFD)

TCFD Consortium

GX League

JAPAN CLIMATE INITIATIVE
(JCI)

TNF
Forum Member

Taskforce on Nature-related Financial Disclosures (TNFD)

30by30 Alliance for Biodiversity

bme
Business for Marriage Equality (BME)

Business Support for LGBT Equality in Japan

Note: In addition, we have endorsed the Leading Tenant Action Policy from the Ministry of the Environment, which summarizes companies' efforts at decarbonization. We have also formulated and published "Declaration of Partnership Building" in support of the aims of building a sustainable relationship where large corporations and small and medium-sized enterprises can grow together.

Financial / Corporate Information

Company Overview and Stock Information (As of December 31, 2022)

Corporate Profile

Company name	Coca-Cola Bottlers Japan Holdings Inc.	Securities code	2579
Headquarters	Tokyo Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo 107-6211, Japan	Authorized shares	500,000 thousand shares
Founded	December 20, 1960	Outstanding shares	206,269 thousand shares (Common share)
Capital	15,232 million yen	Number of shareholders	77,268 (Shareholders with voting rights excluding treasury stock: 60,500)
Number of employees	14,484	Number of shares per trading unit	100 shares

Note: The Company has issued only common shares, and has not issued any class shares or preferred shares

Major shareholders (As of December 31, 2022)

Shareholder	Number of shares owned (thousands)	Percentage of voting rights (%)
Coca-Cola (Japan) Company, Limited	27,956	15.59
The Master Trust Bank of Japan, Ltd. (Trust Account)	19,404	10.82
Custody Bank of Japan, Ltd. (Trust Account)	5,755	3.21
Ichimura Foundation for New Technology	5,295	2.95
Satsuma Shuzo Co., Ltd.	4,736	2.64
Senshusha Co., Ltd.	4,088	2.28
Coca-Cola Holdings West Japan, Inc.	4,075	2.27
Mitsubishi Heavy Industries Machinery Systems, Ltd.	3,912	2.18
MCA Holdings Co., Ltd.	3,408	1.90
Bnymsnvas Agent/Clients Lux Ucits Non Treaty 1	3,192	1.78

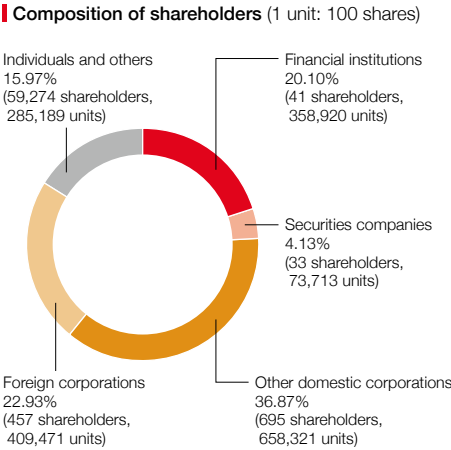
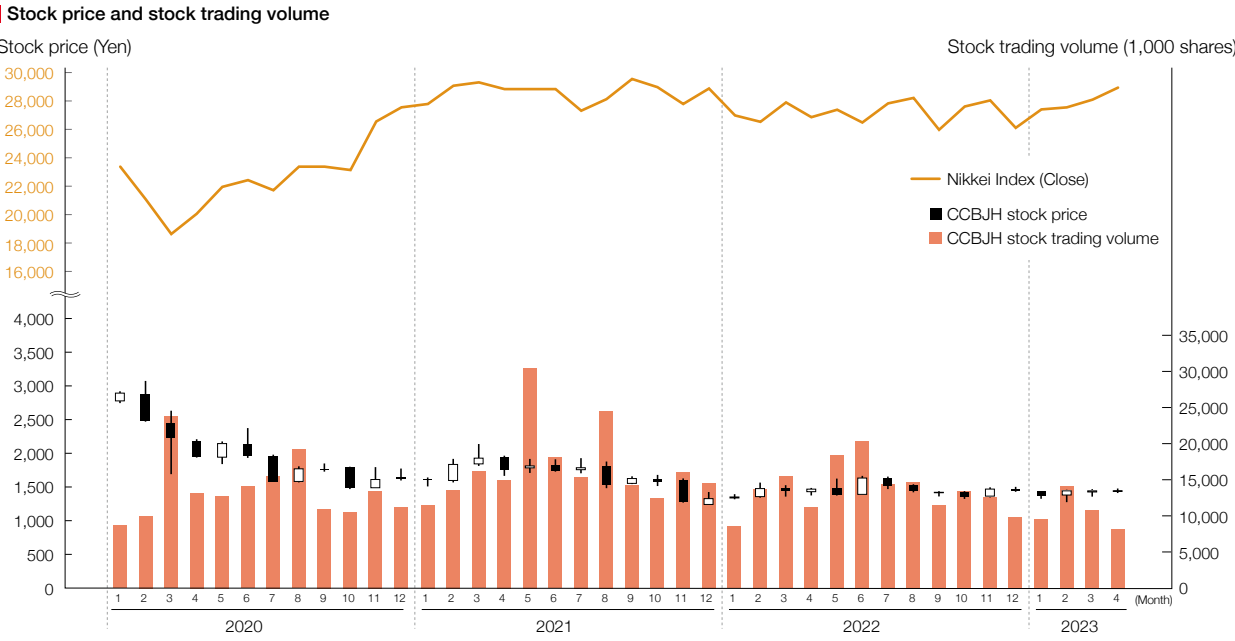
Note: Figures related to major shareholders, above, and composition of shareholders are calculated and presented excluding 26,928 thousand shares of treasury stock held by the Company.

Bond Information

	Total amount issued (Million yen)	Coupon rate (%)	Maturity date
CCBJH 1st Series of Unsecured Straight Bond	40,000	0.100	September 19, 2024
CCBJH 2nd Series of Unsecured Straight Bond	60,000	0.200	September 18, 2026
CCBJH 2nd Series of Unsecured Straight Bond	50,000	0.270	September 19, 2029

Rating Information

	2020	2021	2022
Japan Credit Rating Agency, Ltd. (JCR) long-term issuer rating	AA-	AA-	AA-
Rating and Investment Information, Inc. (R&I) issuer rating	A+	A+	A+



Group Companies

Coca-Cola Bottlers Japan Inc.

Principal business	Manufacturing, distribution, and sales of beverage products and alcoholic products
Head office	Tokyo Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo 107-6211, Japan
Representative	Calin Dragan, Representative Director, President and CEO

Coca-Cola Customer Marketing Co., Ltd.

Principal business	Sales and export / import of beverage products, nonessential beverage products, and other beverage products
Head office	Roppongi Hills North Tower, 6-2-31, Roppongi, Minato-ku, Tokyo 106-0032, Japan
Representative	Maki Kado, Representative Director and President

Coca-Cola Bottlers Japan Vending Inc.

Principal business	Operational business of vending machines
Head office	Sumitomo Fudosan Shinjuku Central Park Building, 6-18-1 Nishishinjuku, Shinjuku-ku, Tokyo 160-0023, Japan
Representative	Takahide Baba, Representative Director and President

FV Japan Co., Ltd.

Principal business	Manufacturing, processing, and sales of beverage products and office coffee service business, etc.
Head office	Sunshine 60 Bldg., 3-1-1 Higashi-Ikebukuro, Toshima-ku, Tokyo 170-6018, Japan
Representative	Tatsuhiko Sano, Representative Director and President

Kadiac Co., Ltd.

Principal business	Operational business of vending machines
Head office	1 Senshu Airport Minami, Sennan, Osaka 549-0021, Japan
Representative	Hisashi Terahara, Representative Director and President

Coca-Cola Bottlers Japan Business Services Inc.

Principal business	Shared service business to support the sales of beverage, nonessential beverage, alcoholic beverage, dairy beverage, and food products, Management of beverage sales equipment
Head office	Tokyo Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo 107-6211, Japan
Representative	Bjorn Ivar Ulgenes, Representative Director and Chairman, President

Coca-Cola Bottlers Japan Benefit Inc.

Principal business	Operation of Special subsidiary company, recruitment of persons with disabilities within the group, support for retention, and related office work operations, etc.
Head office	180, Kano, Okegawa-shi, Saitama 363-8601, Japan
Representative	Narihiko Uemura, Representative Director and President

Bannai Saketen Inc.

Principal business	Distribution and sales of alcoholic products
Head office	5-2, Jyoto-cho 2, Maebashi City, Gunma 371-0016, Japan
Representative	Kengo Takenaka, Representative Director

Glossary

ELT	An abbreviation for Executive Leadership Team. Management organization in CCBJI Group including CEO and function heads.
S&OP	An abbreviation for Sales and Operations Planning. S&OP is a method for optimizing the entire supply chain by sharing information among related divisions, such as manufacturing and sales, to accelerate decision-making.
CSV	An approach to resolving social problems through business and creating both economic value and social value.
DC	An abbreviation for distribution center.
Best practices	Refers to the most efficient techniques, methods, processes, or activities to achieve a certain result. It also refers to the idea that there is a single technique or method that is the most efficient way to do a job.
Bottle-to-bottle	Collection, processing, and recycling of used PET bottles, which are then regenerated as PET bottles and used as beverage containers.
SCM	An abbreviation for supply chain management. Refers to management methods that aim for total optimization of efficiency in the flow of goods from production to final demand, including material procurement, manufacturing, distribution, and sales. Can also refer to the overall mechanisms from production to final demand.
“Learn from the Forest” Project	A nationwide environment protection & education program implemented by the Coca-Cola System in 2006. The purpose is to have people experience different activities such as planting trees in the forest or in source water areas and nature programs to understand the importance of nature and water, the relationship between people and nature, and the significance of protecting the environment by coming in contact with the forest and living things. This project is also positioned as one of Coca-Cola’s global source water protection activities.
Labelless products	Products sold without labels on containers. These products eliminate the effort required to remove labels, making garbage separation easier and reducing plastic waste, making it convenient to the home as well as friendly to the environment.
World Without Waste	The Coca-Cola Company announced in 2018 that it would work toward a “world without waste” by launching a global initiative to reduce its environmental impact.

Third-Party Opinion

We asked Professor Ishikawa, Specially Appointed Professor of Eikei University of Hiroshima and Professor Emeritus of Kobe University, an expert in 3R (Reduce, Reuse, Recycle), waste policy and LCA (Life Cycle Assessment), for his opinion on the report.



Masaki Ishikawa

Specially Appointed Professor and Assistant to the President, Eikei University of Hiroshima
Professor Emeritus, Kobe University

Professor Ishikawa specializes in environmental economics/environmental systems analysis. Has served as an expert on the 3Rs, waste policy, and LCA at government and municipal councils. Specially Appointed Professor, Department of Social System Design, Eikei University of Hiroshima since 2019. Established the NPO Gomi-Japan in 2006 to reduce the generation of waste. Engaged in various initiatives as representative director of Gomi-Japan such as a program to reduce packaging. The program was awarded the Good Design Prize (New Area Design Division) in 2007, the 3Rs Distinguished Service Prize, Prime Minister’s Award and the Kobe Youth Prize 2012, the Low Carbon Cup, Minister of the Environment Prize Gold Award (Community Activity Category) in 2015 and the 18th Green Purchasing Prize, Grand Award in 2017.

My impression after reading the integrated report was that CCBJH is making steady efforts to realize the goal of a “World Without Waste (Zero-Waste Society)” and is achieving results despite major external impacts to management, such as the COVID-19 disaster and the sharp rise in raw material prices.

Since the success of Coca-Cola’s I LOHAS, reduced container weight has been promoted by many companies, and is now making even greater progress, since it offers both environmental benefits and reduced production costs. This is due to the fact that I LOHAS has changed consumer perception of extremely thin bottles from being difficult to use to a container that is easy to crush. In the Integrated Report, I learned that the fruits of this success are being harvested even more significantly with the increase in lightweight products.

In order to realize the goal of switching all PET bottles to sustainable materials by 2030, as set forth in the “2030 Packaging Vision,” it is essential to collaborate and cooperate

with various stakeholders, including consumers, local governments, and distribution businesses. In this regard, the promotion of horizontal recycling, in which used PET bottles are collected and recycled into PET bottles in cooperation with Mitsubishi Estate Co., Ltd., Sugi Pharmacy Co., Ltd. and local governments around the country, is particularly highly regarded from the perspective of promoting voluntary collection by businesses and reducing CO2 emissions over the life cycle.

In addition, the fact that activities aimed at horizontal recycling are not limited to “bottle-to-bottle” recycling of PET bottles, but have been expanded to “CAN to CAN” recycling of aluminum cans, pallets and shells used in logistics, and I think it is an activity that should be expanded not only to the beverage industry but also to other consumer goods in the future. In this respect, Coca-Cola Bottlers Japan Holdings, Inc. is a pioneer in expanding the scope of its activities to address the plastics issue for businesses, and is highly commendable.

In response to the third-party opinion

We would like to express our sincere gratitude to Professor Ishikawa for his valuable feedback. As the first year of publication of the Integrated Report, this document clearly lays out our financial and non-financial strategies to achieve profitable growth for the CCBJH Group, placing the highest priority on improving structural profitability. We are grateful for the recognition we have received for our efforts based on these strategies, particularly the strengthening of our sustainability strategy promotion. Going forward, we will

steadily implement each of these strategies and, with regard to sustainability, we will work to achieve the non-financial goal of “CSV Goals” and creating shared value (CSV) with society, which is at the core of our management.

Our desire is to create value for our stakeholders and continue to be the preferred partner for decades to come. We will continue our journey toward sustainable growth and increased corporate value by delivering happy moments to everyone while creating value.