



Integrated Report 2023



“Paint it RED! Mirai o nurikaero” is the collective term for our Mission, Vision and Values. The Mission, Vision and Values state our commitment to remaining the preferred partner of our many stakeholders, especially our customers, consumers, shareholders and the communities in which we operate. The statements also represent the kind of organization we aspire to become. They focus on growing sustainably, learning—both as individuals and as an organization—and demonstrating the value of integrity and trust. We use our corporate color red, which represents passion, to express our determination to create sustainable value for the Company and our stakeholders.

Mission

Deliver happy moments to everyone while creating value

Vision

- We are the preferred partner for our customers
- We win in the market through sustainable growth
- We lead a learning culture with commitment to grow
- We are the best place to work with pride for Coca-Cola

Values

- Learning
- Agility
- Result-orientation
- Integrity



ハッピーなひとときを、
ボトルから。

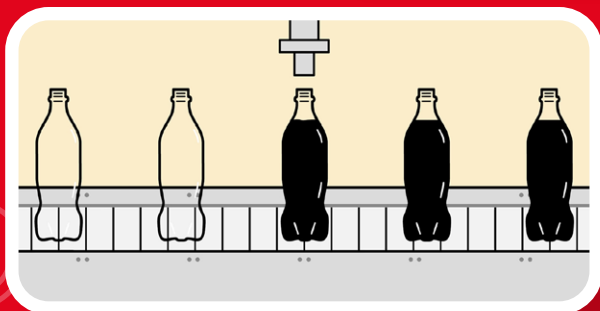
We bottle happy moments.

Coca-Cola Bottlers Japan Holdings is committed to providing quality in every bottle, delivering great new tastes and happy moments while creating value for every occasion. We are committed to conserving limited resources and achieving a sustainable cycle of production.

With diverse talents working together to accomplish transformation, we believe that we can create an overflowing of happiness that will enrich lives.

We continue to drive forward every day with pride in our work and mission to support people, communities, and the natural environment.

In August 2023, we launched a new corporate message: "We bottle happy moments." To better inform our stakeholders, this corporate message is aligned with our values and future aspirations. As a Coca-Cola bottling company engaged in manufacturing, distributing, selling, collecting, and recycling Coca-Cola products, our corporate philosophy is encapsulated in the phrase "Paint it RED! Mirai o nurikaero" Guided by this message, we will work as one to closely communicate and create value to continue to be integral to all stakeholders.



Corporate Message Concept



Our corporate message embodies our core values and our vision for the future, aiming to continuously deliver happy moments through our products.

Our corporate message emphasizes our policy of delivering safe and secure products to every customer, a fundamental aspect of our business. We are committed to conserving resources and maintaining production, promoting diversity, equity, and inclusion (DE&I), and collaborating with diverse teams to positively impact society. As essential workers in the beverage industry, we are dedicated to moving forward with our mission to support people, communities, and the natural environment through our work.



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Editorial Policy

This Integrated Report is designed to broadly communicate the value creation efforts of Coca-Cola Bottlers Japan Holdings Inc. to its stakeholders. This document is provided as a report based on the IFRS Foundation's International Integrated Reporting Framework and the Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation. For sustainability information, we have referred to the GRI Sustainability Reporting Standards of the Global Reporting Initiative and the final report of the Task Force on Climate-related Financial Disclosures (TCFD).

Period covered This report covers activities from January 1, 2023 to December 31, 2023. (Including some activities reported in 2024. Organizational structure is based on March 26, 2024. Numerical data is also for the period from January 2023 to the end of December 2023.)

Scope of the report Information presented in this report was collected from Coca-Cola Bottlers Japan Holdings Inc. and its ten consolidated subsidiaries* (See page 83 for the Group companies.)

Date of issue June 2024

Company names

CCBJH Group Coca-Cola Bottlers Japan Holdings Inc. and 10 consolidated subsidiaries*

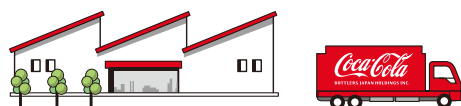
CCBJI Coca-Cola Bottlers Japan Inc.

CCBJI Group Coca-Cola Bottlers Japan Inc. and its Group companies*

* Coca-Cola Bottlers Japan Inc., Coca-Cola Customer Marketing Co., Ltd., Coca-Cola Bottlers Japan Vending Inc., FV Japan Co., Ltd., Kadiac Co., Ltd., Coca-Cola Bottlers Japan Business Services Inc., and Coca-Cola Bottlers Japan Benefit Inc., Bannai Saketen Inc., NeoArc Inc., and CCBJI INSURANCE (SINGAPORE) PTE. LTD.

Forward-Looking Statements

The plans, forecasts, business strategies, and other statements described in this document contain forecasts based on our judgment in light of the information available at the time the materials were prepared. Note that these forecasts may differ materially from actual results due to various risks and uncertainties.



At a Glance Coca-Cola Bottlers Japan by the Numbers

(Note) Results as of December 31, 2023 unless otherwise stated

Revenue

868.6 billion yen



Business Income*

2.0 billion yen



*Business Income is a measure of our underlying or recurring business performance, and it deducts cost of goods and SG&A from revenue, and includes other income and expenses which we believe are recurring in nature.

Operating Income

3.4 billion yen



Net income Attributable to Owners of the Parent

1.9 billion yen



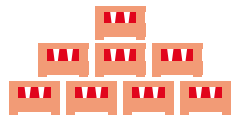
Capital Expenditure

33.7 billion yen



Sales Volume

About
500 million cases



Brands

About
40



Products

Over
600



*Achievement of the Coca-Cola System in Japan as of December 2023

Number of Sales Centers*

About **300**



*Including distribution centers

Customer Outlets*

About
340,000



*Supermarkets, drugstores, discounters, convenience stores, and restaurants

Vending Machines

About
700,000



Number of Employees*

About
14,000



*Excluding temporary employment

Ratio of Female Managers*

7.4 %



*The female manager ratio is calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015). *Excluding temporary employment

Number of SDGs Seminars Held

18 seminars
Over 3,200 participants



Water Replenishment* Rate

411 %



* Initiatives of returning an equivalent amount of water to nature as we use in our products, through forest conservation.

Recycling Rate of Coffee Grounds and Tea Grounds Generated in the Manufacturing Process

100 %



Message from the President



BOTTLERS JAPAN HOLDINGS INC.

**"We bottle happy moments."
Aiming for sustainable growth and
corporate enhancement to continue
creating value for everyone**

Calin Dragan
Representative Director, President



Message from the President

Significant progress made thanks to success of key initiatives in 2023

We have designated 2023 as the "Year of profit focus," we targeted initiatives that drove profitability, transformation, and the implementation of key business activities. As a result, business income exceeded our upwardly revised forecast for the period, showing a significant increase of 16.5 billion yen over the previous year. This success was the result of key initiatives, including price revisions and disciplined sales activities, supported by favorable conditions such as the heat wave. In addition to top-line growth, cost savings and other transformation efforts contributed to a return to full-year profitability ahead of our 2024 target. We are confident that we have made great progress towards sustainable, profitable growth.

Launch of new corporate message

Our mission is to "Deliver happy moments to everyone while creating value." We aim to be an integral part of daily life, bringing happy moments through our products and services that forge connections into the future. In recent years, I have seen how the daily dedication of all employees to our mission has accelerated our transformation and aided growth. In 2023 we introduced a new corporate message, "We bottle happy moments," to enhance communication with our stakeholders and society. Our objective is to continue creating value and ensure that this message reaches a wider audience in the future.

Formulated "Vision 2028" for sustainable profitable growth

In August 2023, we announced our strategic business plan

"Vision 2028" set to run through to 2028. It outlines targets that include 2-3% annual revenue growth along with a business income margin and return on invested capital (ROIC) of 5% or greater by 2028.

Achieving sustainable growth and meeting these goals demands multiple strategic actions. We will invest in high value-added products, target growth strategies by sales channels, adopt a flexible pricing strategy to boost profit margins, and transform vending business operations. Furthermore, we will streamline our supply chain, improve processes through digital transformation (DX), and promote ESG and our people strategy to enhance our corporate value in the medium to long term.

We have designated 2024 as the "Year of strong profit build up." To make a strong start in this first year of "Vision 2028," we have set an ambitious business income target of 10 billion yen for the full year—five times that of last year. To this end, we will implement a top-line growth strategy centered around profit maximization and further strengthen our business infrastructure.

Sustainability based on Creating Shared Value with society

We view Creating Shared Value (CSV) as central to our management and the foundation of our sustainability strategy. We aim to create both economic value from business growth and social value by addressing social issues. To enhance our sustainability strategy, we prioritize environmental conservation in areas such as packaging, water, and climate change. We have also become a TNFD^{*1} Early Adopter as part of our commitment to these efforts.

Moreover, we have established quantitative, non-financial CSV Goals to address priority issues which we have independently identified as material. We are currently analyzing various scenarios to promote initiatives that will help us achieve these goals.

Furthering human capital through a new people strategy

We recognize that strengthening human capital is vital for reinforcing our business foundation and achieving the targets defined in "Vision 2028." Starting in 2024, we are implementing a new people strategy to enhance our people, culture, and organization, which are essential to our growth. To underscore the importance of this strategy, our senior management has committed to dedicating more time to discussions of human capital during Board of Directors and Executive Leadership Team meetings. Our focus is on Diversity, Equity & Inclusion (DE&I), which aligns closely with the priority areas of our people strategy. Through our integration and consolidation processes, we have brought together people and cultures representing a multitude of values. We see the diversity of each and every employee as a critical asset. To leverage this diversity as a strength, we are focused on creating an inclusive environment where all employees can fully express their potential, regardless of differences. Our efforts include increasing the ratio of female managers, encouraging more male employees to take childcare leave, and addressing the gender pay gap. These initiatives are integral to enhancing our human capital and driving our success.

In line with our policy to consider our employees'

^{*1} Taskforce on Nature-related Financial Disclosures

Message from the President



safety and health first and foremost, we have positioned health management as our top leadership priority and are implementing a variety of initiatives to this end. We also strive to foster a "health first" corporate culture that allows our employees individually to lead active and healthy lifestyles and to work with peace of mind and enjoyment, based on the recognition of their responsibility to be self-motivated to maintain and enhance their own health.

Corporate governance supporting the realization of "Vision 2028"

Our basic policy on corporate governance is to increase management soundness, transparency, and efficiency, as well as enhance medium- to long-term corporate and shareholder value.

To further strengthen our governance structure, we have established the Audit and Supervisory Committee

(A&SC) to function as the Company's auditing body. It is comprised of multiple independent outside directors who have voting rights at the Board of Directors meetings as well as the rights to express opinions on directors' nominations and compensation at the General Meeting of Shareholders, which altogether contribute to the further strengthening of management oversight functions. In addition, the Company is implementing a corporate executive officer system as a means to separate the decision-making, business management, and business execution functions. As an approach to ensure more fruitful deliberations of highly important matters in the Board of Directors meetings, the Company also has in place a system to delegate the authority to make decisions on certain important matters that require prompt business executions to specific directors, which helps facilitate the management's speedy decision making on other matters.

To continue serving as preferred partner

We will keep striving to meet our valued customers' needs through maintaining high-quality standards while delivering safe and secure products and services. We aim to create a virtuous cycle for society by continuously providing value to stakeholders through our business activities. Our driving force is the desire to create stakeholder value, serving as the preferred partner for decades to come. We are committed to making strides toward sustainable growth and enhancing corporate value by fulfilling our corporate mission to "deliver happy moments to everyone while creating value." Thank you for your continued understanding of and support for the CCBJH Group.

Coca-Cola Bottlers Japan History

The first Japan bottler was established in 1956, and that number grew to 17 across the country. Bottler consolidation began in the 1990s. The Coca-Cola East Japan Company and the Coca-Cola West Japan Company merged in April 1997 to form Coca-Cola Bottlers Japan Inc.* in April 2017.

Currently, the Company and four other bottlers sell Coca-Cola and other beverages throughout Japan to provide value to their customers.

Examples of the value we offer to customers



*From the website of Coca-Cola (Japan)

1957

Coca-Cola delivered to Japan's first private customer, the Tokyo American Club. A happy moment provided to those visiting the club as a place for international exchange.



*From the website of Coca-Cola (Japan)

1976

A cup vending machine introduced as a hot and cold combination machine. Products consistently provided throughout the four seasons for more than 10 years since the implementation of vending machines began in 1962.



*From the website of Coca-Cola (Japan)

1982

Coca-Cola 1500ml launched as a soft drink packaged in a PET bottle. Its resealable cap, portability, and durability benefited customers with its greater versatility, providing new drinking opportunities.



2016

Launch of Coke ON®, an official Coca-Cola smartphone app that works with Bluetooth-compatible vending machines. The app allows users to purchase beverages not only for consumption and enjoyment, but also in a more economical and convenient way.



2019

The Coca-Cola System's first alcoholic beverage, Lemon-dou, launched across all areas of the Company. Differing levels of alcohol content within the same brand offered, using techniques to achieve the delicious taste found at bars.



2020

I Lohas, natural mineral water, sold in 100% recycled PET bottles, launched and was rolled out to flagship products such as Coca-Cola in 2021, helping to reduce greenhouse gases and plastic use.

1950s-

1970s-

2000s-

2010s-

2020s-

1956

Japan's first bottler established

Tokyo Inryo Co., Ltd.

Expansion of manufacturing and sales areas (17 bottlers)

Tokyo	Chukyo	Sendai
Mikuni	Tone	Fuji
Kitakyushu	Minami Kyushu	Kinki
Mikasa	Sanyo	Shikoku
Hokkaido	Michinoku	Okinawa
Hokuriku	Nagano	

1999

Improved competitiveness through streamlining (6 bottlers)

Coca-Cola East Japan	
Coca-Cola West	
Hokkaido	Michinoku
Hokuriku	Okinawa

2017

Scaling up for greater business strength (5 bottlers)

Coca-Cola Bottlers Japan	
Hokkaido	Michinoku
Hokuriku	Okinawa

2001-2015
Corporate restructure

1999-2015
Corporate restructure

1984
Merger of two companies

2017
Business integration

* Trade name changed to Coca-Cola Bottlers Japan Holdings Inc. (CCBJH) on January 1, 2018

Beverage Industry Trends and Our Approach

To expand sales and improve profitability, we are developing high value-added products and strengthening our product offerings - including brands, size, and packages - to align with our customer values and purchasing occasions.

Rising health consciousness

Reflecting growing health consciousness and customer needs, we are expanding our line-up of Foods for Specified Health Uses (FOSHU) and foods with function claims^{*1}. Our offerings include Coca-Cola Plus, a FOSHU product that reduces fat absorption and moderates the rise in blood triglycerides after meals, and as well as a functional product, Yakan no koi mugicha, a barley tea from Soukenbicha. This tea contains tiriloside derived from rose hips, which has been reported to reduce body fat in people with a high BMI.

^{*1} Please visit <https://www.coca-cola.com/jp/ja/sustainability/inryoguide> for details of FOSHU and foods with function claims



Premiumization and authenticity

We offer a range of products to meet consumers' increasing interest in unique, high-quality experiences. Using our proprietary technology, we offer Kochakaden Dessert Torokeru Peach Tea, a jelly-like product that provides a new, unprecedented texture and luxurious taste. Additionally, our offerings include barista-quality Costa Coffee, allowing customers to savor the exceptional taste and aroma of high-quality coffee on the go, catering to those with a refined palate for gourmet experiences.



Implementation of price revisions

Costs continue to rise due to the prolonged effects of increase in raw materials, supplies, and energy costs, as well as foreign exchange fluctuation. In response, we have implemented price revisions on certain products. We announced our sixth price revision since 2022, which will take place in October 2024. We will continue to improve efficiency and reduce costs, strive to sell our products at fair prices, while providing our customers with safe, reliable, and high value-added products.



リサイクルしてね
100%リサイクルペット



Sustainable packaging

We have implemented a bottle-to-bottle recycling initiative in which used PET bottles are collected and regenerated as new PET bottles. We use 100% recycled PET bottles in our flagship products, including Coca-Cola, across four brands and 38 products^{*2}. Since its launch, the popular I Lohas natural mineral water label-less, has been eliminating the need to remove labels and simplifying waste separation.

^{*2} Achievement of the Coca-Cola System in Japan as of December 2023

Value Creation Story



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- Capital and Strengths We Have Built for Continuous Value Provision
- A Value Chain That Leverages Synergy Within the Coca-Cola System
- Value to Stakeholders

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The Coca-Cola System in the Global

The Coca-Cola System in Japan

18 Material Issues and CSV Goals

Identifying Material Issues

Definitions of Material Issues

CSV Goals

Value Creation Process

Coca-Cola Bottlers Japan Holdings creates value with our unique value chain and strategy. This is done on the basis of capital and strengths that we have built up with our stakeholders.

We reinvest part of the created value to achieve sustainable growth.

Input

➤ P.13

Capital and strengths we have built for continuous value provision



Supply chain foundations supporting the stable supply of products



The Coca-Cola brand and accumulated experience and knowledge



Diverse human resources



Structure that facilitates collaboration with stakeholders



Sustainable system for conserving raw materials



Sound financial base

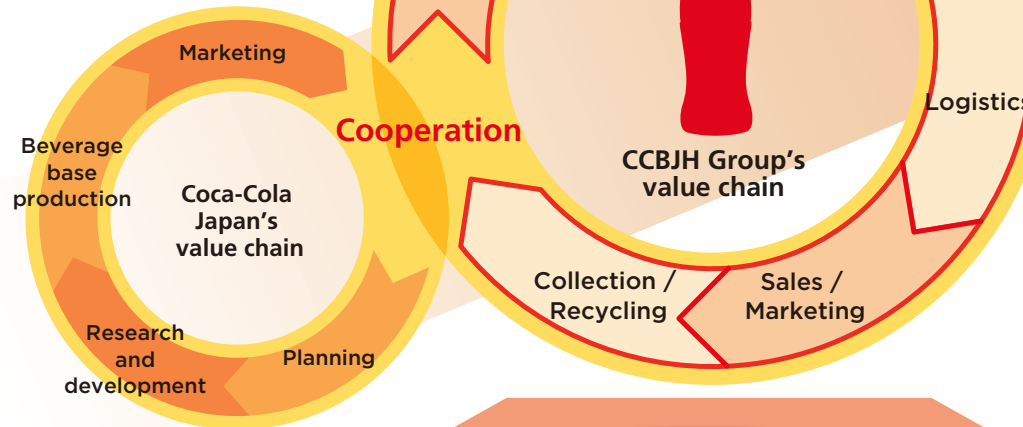
Business Model

➤ P.14

Value chain that capitalizes on synergy within the Coca-Cola System

Material Issues

➤ P.19



Output/Outcome

➤ P.15

Value to stakeholders

Mission

— Ideal Image —

Delivering happy moments to everyone while creating value

Medium-term strategic business plan

➤ P.25

Vision 2028

Non-financial targets

➤ P.20

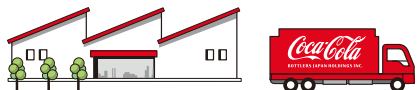
CSV Goals

Growth strategies to enhance corporate value

➤ P.21

Foundations supporting corporate value growth







➤ P.44



Details of Value Creation Process

Capital and strengths we have built for continuous value provision

We create value by continuously accumulating six types of capital and the strengths that are specific to us.

Input			
	Descriptions	Principal capital	Improvement measures, etc.
 Manufacturing & commercial capital	Supply chain foundations supporting the stable supply of products A system that sells around 500 million cases per year and consistently supplies a diverse range of products across approximately 40 brands. A proper management system has constructed a foundation that adapts effectively to change.	<ul style="list-style-type: none"> Plants 17 Sales/distribution centers About 300 Including two Mega DC*2 (Saitama and Akashi) Vehicles owned About 12,300 Vending machines About 700,000 	<ul style="list-style-type: none"> Introduction of state-of-the-art manufacturing and logistics facilities DX to accelerate automation Improve end-to-end processes Invest strategically in marketing in consideration of profitability Strategically install vending machines in superior locations
 Intellectual capital	The Coca-Cola brand, accumulated experience and knowledge The Coca-Cola brand has been beloved around the world for over 135 years. It is worth 58 billion US dollars (about 8.2 trillion yen).*1 Operations comply with the global standards of the integrated ERP system. It comprehensively handles back office operations, customer services, and other functions.	<ul style="list-style-type: none"> Collaboration with the Coca-Cola Company and the Coca-Cola Japan Company Bottling partners worldwide About 225 Brands in Japan About 40 	<ul style="list-style-type: none"> Collaborate globally centered on the Coca-Cola brand Improve customer-oriented marketing capabilities Increase ability to develop products suited to customers' diverse preferences
 Human capital	Diverse human resources Our personnel, culture, and organization impact the growth of business. Diversity, equity, and inclusion are promoted as the foundation that supports the human resources strategy People Strategy.	<ul style="list-style-type: none"> Number of employees About 14,000 (About female 1,800 employees) Wage gap between male and female employees 73.1% Percentage of female officers 33.3% Employment rate of people with disabilities 2.42% 	<ul style="list-style-type: none"> Securing a working-level workforce for the continuity of the business Efforts to recruit, develop and retain human resources Entrenchment of a culture that focuses on performance Improvement of transformation capabilities Proactive career building by individual personnel
 Social capital	Structure that facilitates collaboration with stakeholders We develop our collaboration and engagement with stakeholders, including local communities and customers through business that addresses social issues.	<ul style="list-style-type: none"> Sales area Tokyo, Osaka, Kyoto and 35 prefectures Consumers in sales area About 111 million Number of SDG seminars 18 times over 3,200 participants Donation of products to food banks over 900,000 bottles 	<ul style="list-style-type: none"> Form strategic partnerships with key customers Expand collaboration with environmental organizations and industrial associations
 Natural capital	Sustainable system for conserving raw materials Sustainable securing of biological resources, raw materials, and supplies through conservation of natural capital As a company that uses water in its business, we focus our activities particularly on the conservation of water resources.	<ul style="list-style-type: none"> Water usage 13,365,000m³ Water replenishment*3 rate 411% 	<ul style="list-style-type: none"> Sustainable conservation of water resources Preserve forests, grasslands and other water source areas, and ecosystems Enable the entire Coca-Cola System to collaboratively reduce environmental impact on a global scale
 Financial capital	Sound financial base A sound and stable financial foundation and a decisive financial structure to realize strategic investment measures	<ul style="list-style-type: none"> Total assets About 845 billion yen Total equity About 470 billion yen Rating A+ (R&I) / AA- (JCR) 	<ul style="list-style-type: none"> Increase capital efficiency to increase ROIC Maximize the improvement effect of profitability and investment efficiency

*1 Source: Interbrand: Best Global Brands 2023 (using a foreign exchange rate of 141 yen to the US dollar) *2 Abbreviation for distribution center *3 Activities involve returning an equivalent amount of water to nature as we use in our products, facilitated by forest conservation initiatives.



Details of Value Creation Process

A Value Chain That Leverages Synergy Within the Coca-Cola System

Solid collaboration with the Coca-Cola Japan Company is an element that gives us a competitive advantage. In this collaboration, we supply Coca-Cola products matched to customers' needs.

We carry out integrated operations including manufacturing, distribution, sales, marketing activities. Through these activities, we strive to increase the corporate value in the entire value chain.

1 Sales plan

We monitor market conditions and develop sales plans based on our strategy. We create highly accurate supply-demand plans through our S&OP (Sales and Operations Planning) process. We link our manufacturing and distribution capacity to our inventory policy to achieve both the stable supply of products to customers and the reduction of transport costs.

2 Procurement

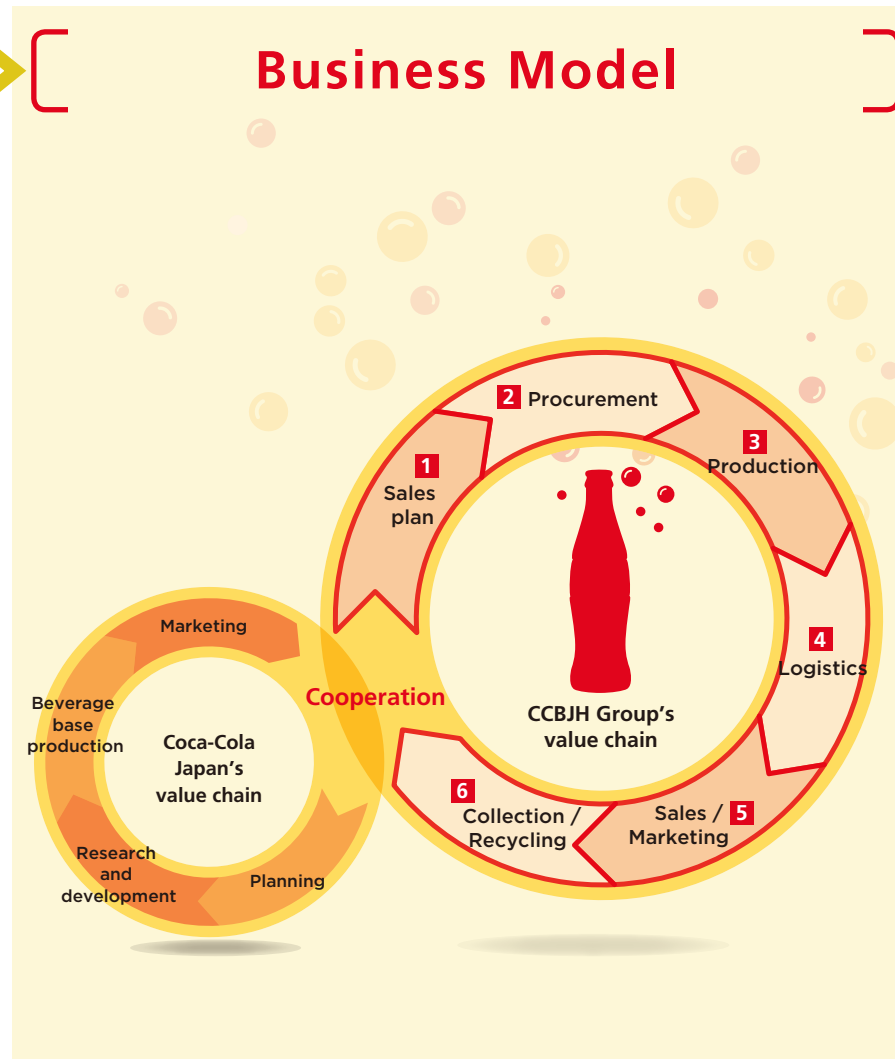
To conduct efficient procurement activities, we share best practices with the Cross Enterprise Procurement Group (CEPG)*¹ and overseas bottlers. We also increase our collaboration with Japan-based bottlers with whom we conduct joint procurement. In addition, we improve our sustainable procurement activities to help us achieve our non-financial targets.

*1 A global procurement organization of the Coca-Cola System that aims to optimize cost and quality leveraging the scale advantages of global procurement

3 Production

To achieve flexible high mix, small-lot production, we are working to improve productivity. For example, we introduce new production lines using state-of-the-art manufacturing technologies. In addition, we perform operation management using our proprietary KORE*² management system. We strive to maintain and improve quality.

*2 Coca-Cola System's proprietary management system that is shared worldwide. The system not only meets the requirements of ISO international standards and applicable laws and regulations concerning quality, food safety, the environment, and industrial safety and health, but it also sets forth more rigorous standards.



4 Logistics

We are working to build a logistics system for the efficient and stable supply of products to ensure the products sought by customers are available to them at any time and at any place. In particular, we operate Mega DC (automated distribution centers) in Saitama and in Akashi to concentrate and optimally allocate inventories. This is part of our efforts to build an efficient network.

5 Sales / Marketing

Taking advantage of the strength of the Coca-Cola brand, we develop strategies for individual channels and product categories. We carry out sales and marketing measures aligned with these strategies. We implement strategies matched to customers' needs and unique characteristics. Our sales activities emphasize profitability.

6 Collection / Recycling

We have set unique CSV goals that align with the Coca-Cola System in Japan's 2030 Packaging Vision. Through a bottle-to-bottle recycling program and other activities, we seek to fulfill the sustainable material*³ usage goal and others.

*3 Recycled PET materials from bottle-to-bottle and plant-derived PET materials



Details of Value Creation Process

Value to Stakeholders

We constructively engage with stakeholders to understand their expectations and wishes.

By working to respond to their needs, we will continue to provide value and seek to fulfill our mission.

Output

Results for FY2023 ending December

Revenue **868.6** billion yen (+7.6% YoY)

Sales volumes **492** million cases (+3% YoY)

Business income **2.0** billion yen
(+16.5 billion yen YoY)

Revenue per case by sales channel **+40-160** yen

Cost reduction through transformation **+3.7** billion yen YoY

Shareholder returns (dividend per share) **50** yen

Greenhouse gas emissions

Scope 1, 2 **-19** % (Reduction of our Scopes 1 and 2 GHG emissions by 50% and our Scope 3 emissions 30% by 2030, both are versus 2015 levels)

Scope 3 **-25** %

Cumulative total number of participants in community programs* **970,000**

Ratio of female managers **7.4** % (+0.8 point YoY)

Rate of male employees used childcare leave **83.3** %
(100% goal to be reached by 2025*)

Outcome

	Principal means of engagement	Value offered
Customers (consumers)	<ul style="list-style-type: none"> Communication through sales activities Websites, social media 	Fostering wellness by providing high-quality products and services that enrich daily life along with new occasions to enjoy beverages and refreshments
Business partners	<ul style="list-style-type: none"> Communication through sales activities Inquiry form 	Contributing to the creation of economic, social, and environmental value for customers through expansion of business opportunities and collaboration
Employees	<ul style="list-style-type: none"> Opinion exchange meetings with management Employee surveys Corporate intranet 	Improving engagement through systems and work environments that facilitate employee growth to reach their full potential, as well as through the formation of autonomous organizations
Suppliers	<ul style="list-style-type: none"> Audits guided by the Supplier Guiding Principles (SGP audits) Supplier assessments by EcoVadis 	Achieving sustainable business growth through constructive relationship building
Communities	<ul style="list-style-type: none"> Plant tours Social contribution activities Collaborations based on partnerships between industry, academia, and government 	Achieving sustainable development of local communities through collaboration for regional economic growth and community building
Natural environment	<ul style="list-style-type: none"> Development and promotion of environmentally friendly products Dialogues with environmental conservation organizations 	Mitigating environmental impact by raising consumer awareness and forming a responsible recycling/circular society
Shareholders/investors	<ul style="list-style-type: none"> General Meeting of Shareholders Quarterly earnings presentations IR/SR meeting Increase of earnings and shareholder returns 	Efforts to increase earnings and shareholder returns and engage with shareholders and investors to increase corporate value

*1 Community programs are events independently or jointly organized by Coca-Cola Bottlers Japan Holdings or events in which Coca-Cola Bottlers Japan Holdings directly communicates with participants, delivering a lecture, or the equivalent independently.

*2 The percentage of eligible male employees taking at least one day of childcare leave



As a Member of the Global Coca-Cola System

Global Coca-Cola System

With a history spanning 138 years, the global Coca-Cola System now supplies its products to customers in over 200 countries and regions worldwide.

Global Coca-Cola System



Source: 2022 Business & Sustainability Report of The Coca-Cola Company

Global sales ratio by region in the Coca-Cola System



In 1886, Coca-Cola was born in Atlanta, Georgia. The franchise system established by The Coca-Cola Company allowed other companies to bottle and distribute Coca-Cola, which facilitated its expansion across the United States.

In time, franchise businesses established bottling plants in leading to the worldwide distribution of Coca-Cola.

The Coca-Cola Company distributes its beverage base to authorized bottling partners in specific sales areas.

These bottling partners, also known as “bottlers,” mix the beverage base with carbonated or distilled water and sweeteners to create a finished beverage. The finished product is then packaged and sold. The Coca-Cola System today sells Coca-Cola and a range of other products in more than 200 countries and territories.

This global network, enriched with extensive knowledge and experience, is a critical source of our

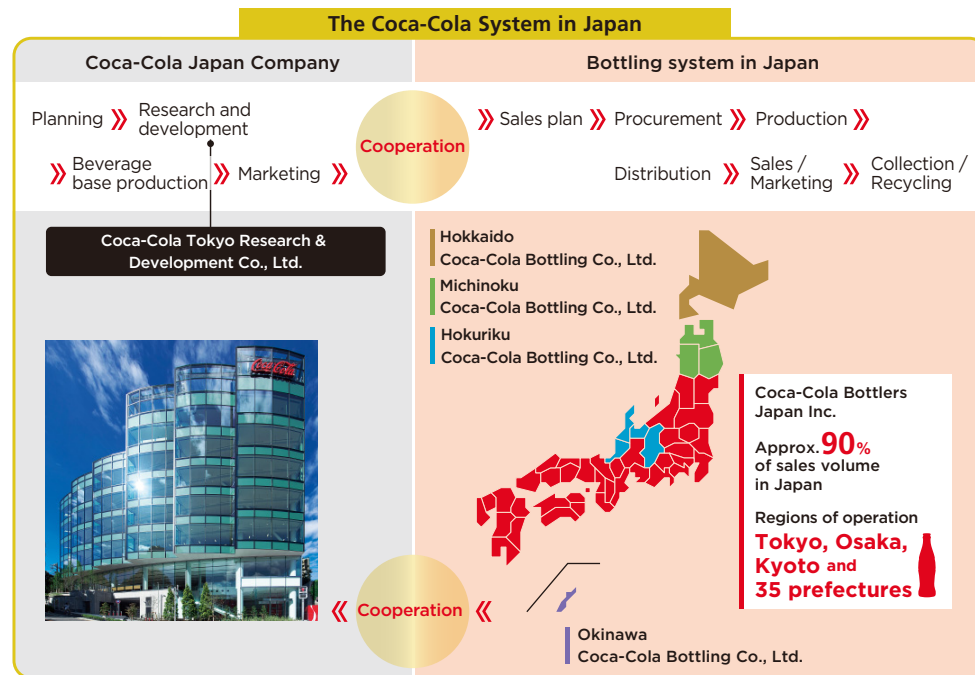
sustainable growth and competitiveness. Close collaboration within the Coca-Cola System has led to increased synergy, especially through joint efforts in product development, the implementation of globally standardized core systems, participation in global operations, and the exchange of human resources.



As a Member of the Global Coca-Cola System

The Coca-Cola System in Japan

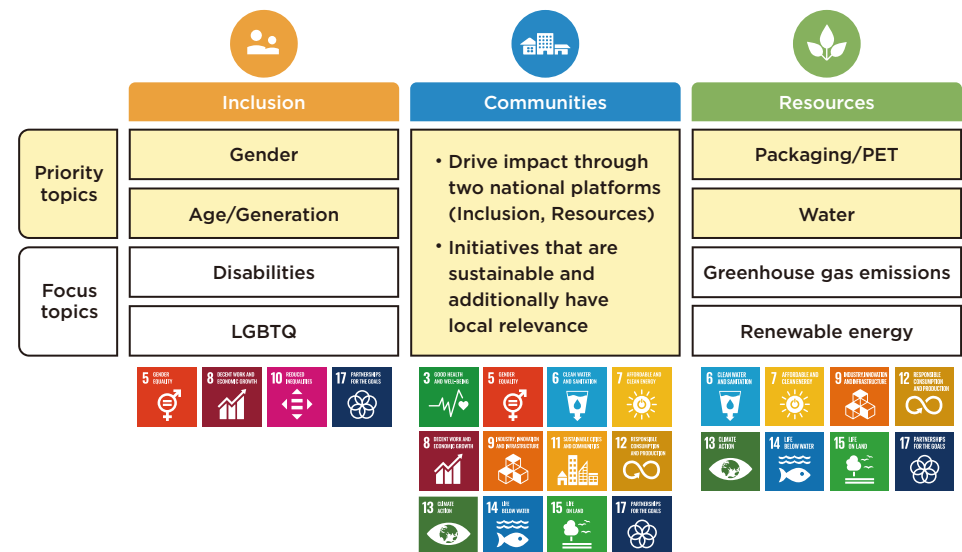
The Coca-Cola System in Japan is made-up by the Coca-Cola Japan Company which is responsible for supplying beverage bases, overseeing product planning and development, and leading marketing initiatives. Additionally, the System includes five bottlers and affiliates tasked with the production and distribution of the products.



The bottlers across the nation ensure the efficient production of safe, reliable, high-quality products. Each bottler produces products at its factories across the country and operates distribution, transportation, and sales activities.

Sustainability Framework

The Coca-Cola System in Japan has conducted a comprehensive joint study to identify its sustainability issues and priorities. The goal was to achieve global sustainability targets while also creating strategies that address Japan's specific challenges and integrating them into the Coca-Cola System's common action plan. This effort has resulted in the establishment of three key platforms: Inclusion, Communities, and Resources, in addition to nine priority issues that require immediate action. Committed to driving positive change through business operations, we address these significant challenges in the environment, daily life, and communities around us. While delivering refreshment, we are dedicated to co-creating a sustainable future.



Through strong partnerships with the Coca-Cola Japan Company and other system companies, the Coca-Cola System enhances production efficiency, adopts a consumer-oriented approach, responds swiftly to market trends, improves customer service, and maintains strict quality standards. Together, we strive for optimal system-wide performance to drive the further growth of the Coca-Cola business.

The Coca-Cola Japan Company supplies beverage bases to bottlers across the country from its base at the Moriyama Plant. Its role also involves analyzing Japanese market trends and consumer behavior to lead the development and implementation of product development and marketing strategies. The company is also responsible for enforcing global quality standards, driving technological development in production processes, supporting new product launches with production engineering, overseeing supply and demand planning, and offering academic advice on products.



Material Issues and CSV Goals

Identifying material issues

As part of Coca-Cola System in Japan's Sustainability Framework, we are committed to pursuing activities that address social issues through creating shared value (CSV). In 2023, we are working to further deepen our efforts and fulfill our mission to resolve social issues.

1 — Recognizing the current status

In 2019, the Coca-Cola System in Japan established its Sustainability Framework, which outlines three platforms - Inclusion, Communities, and Resources - and nine key issues to be addressed. Based on existing priorities and material issues, we referred to topics selected in the formulation process of the Sustainability Framework. We then identified issues by categorizing social issues taken from industry surveys, reports by ESG report guidelines (GRI, SASB) and ESG rating agencies (MSCI, FTSE), reports by external consultants including interviews with external stakeholders such as consumer groups, retailers, NPOs, academic organizations, and ESG investors, ISO26000, and government reports.

To fulfill our mission of "Delivering happy moments to everyone while creating value," we have established a group-wide, cross-divisional project team to identify our material issues.

2 — Identifying material issues

The issues identified were surveyed for their degree of importance. Based on the results of this survey, they were grouped and organized, a social axis evaluation was conducted, and we drafted a proposal of what our material issues should be. The project team conducted an internal

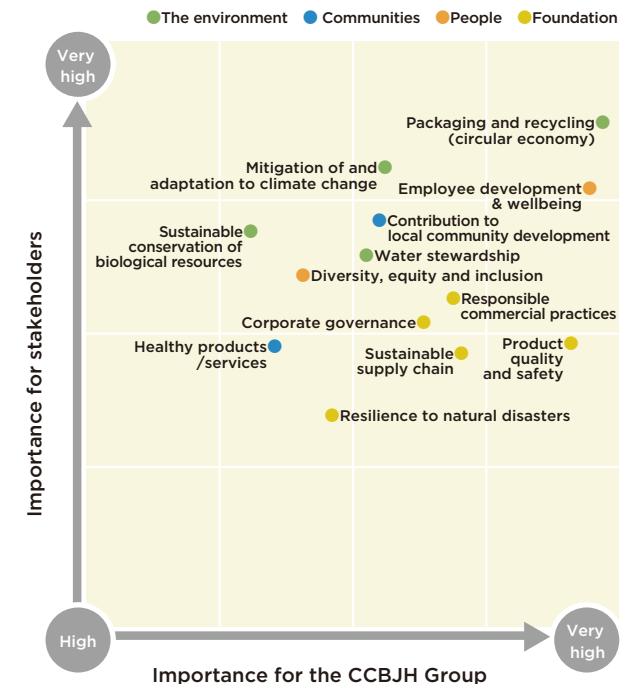
evaluation by analyzing documents such as the Annual Review and the CSV Report. It then discussed the proposed definition of material issues after checking the materiality proposal for comprehensiveness and appropriateness. Based on these discussions, we have identified and defined 13 material issues unique to the Group, covering three areas: "environmental," "social," and "governance." (See page 19)

3 — Creating a map of material issues

In mapping our 13 material issues, we scored importance based on interviews with investors focusing on ESG, NGOs, and local governments, etc., as well as our management including our Representative Director and President and employee surveys.

In mapping our material issues, for the social axis we scored importance for stakeholders based on factors such as interviews with outside experts and analysis of various reports. For the business axis, we scored importance for the CCBJH Group based on interviews with management and employee surveys. The resulting scores were plotted along the axis of importance for stakeholders and for the CCBJH Group to create a map of material issues. We have recognized the following three points as particularly important to our stakeholders and the Company: packaging and recycling (circular economy), mitigation of and adaptation to climate change, and employee development & wellbeing.

Map of material issues



Material Issues and CSV Goals

Definitions of material issues

We define material issues and clarify our approach to resolving them. Our material issues and the Sustainability Framework formulated by the Coca-Cola System in Japan are related, and we aim to resolve social issues in collaboration with the Coca-Cola System in Japan.



Resources



Communities



Inclusion

Definitions of material issues

In formulating identifications of 13 material issues, we have developed a list of issues based on the results of social axis surveys, and then organized the definitions of material issues through the analysis of internal materials. Regarding the issue granularity and definitions, we have formulated our own definition of material issues. based on discussions by a group-wide, cross-divisional project team.

CCBJH Group's material issues

We evaluate and identify our own material issues after identifying new themes that should be added as material issues based on the key issues identified in the Coca-Cola System Sustainability Framework for Japan and the key issues selected during the formulation process. The three platforms defined in the Sustainability Framework - Resource, Communities and Inclusion - are classified by CCBJH, linking to the Natural environment, Communities, and People. This demonstrates that the key issues in the Coca-Cola System for Japan and our own material issues are consistent with our sustainability activities. The Sustainability Framework is also related to the SDGs, and the resolution of our material issues is linked to our efforts to achieve the SDGs. (Refer to page 17 for details)

	Material issues	Definition	Link*
Natural environment	Packaging and recycling (Circular economy)	To achieve the Coca-Cola Company's 2030 Global Vision World Without Waste, we will work on activities such as light-weighting, horizontal recycling, and waste reduction through the three pillars of design, collection, and partnerships. By doing so, we contribute to the promotion of recycling of plastic and other materials in Japan.	
	Mitigation of and adaptation to climate change	To mitigate and adapt to climate change, we aim to reduce our environmental impact through initiatives throughout the value chain, including the reduction of our greenhouse gas emissions.	
	Water stewardship	As a company whose main product ingredient is water, we strive to reduce, reuse, and properly treat water used in manufacturing. We also work with local communities to conserve water resources in a sustainable manner to pass on abundant water resources to future generations.	
	Sustainable conservation of biological resources	We conserve biodiversity and achieve sustainable business by recognizing and reducing the impact on the natural environment and ecosystems whilst making business decisions.	
Communities	Healthy products/services	We contribute to consumer wellness by providing high value-added products and services that contribute to the maintenance and promotion of health and nutrition.	
	Contribution to local community development	Based on collaboration and communication with local communities and other stakeholders, we engage in activities aimed at developing sustainable local communities and solving social issues. Through our business, we contribute to the revitalization of local economies.	
People	Employee development & wellbeing	We believe that employees are important assets in conducting sustainable business. Therefore, in our human resource development system, we work to create a workplace environment that maximizes and develops the potential of each employee. We focus on our employees' safety and their physical and mental well-being by measures such as enhancing their work-life balance.	
	Diversity, equity and inclusion	We foster a culture that respects human rights, diversity, and fairness, and create an environment where each individual can maximize their abilities regardless of gender, age, disability, race, nationality, sexual orientation, gender identity or expression, or other attributes throughout the value chain.	
Foundation	Product quality and safety	In order to provide safe, high-quality, fresh, and refreshing products and services to our consumers, we implement strict quality systems and processes in all business processes, from raw material procurement, manufacturing, distribution and transportation, to sales and service. In this way, we guarantee and improve the safety and quality of our products.	
	Resilience to natural disasters	We strive to build a system and structure that is safe and robust enough to minimize the impact on our business in the event of any injury to employees and damage to facilities for manufacturing, logistics, sales operations, and business sites caused by large-scale natural disasters such as earthquakes and typhoons.	
	Corporate governance	We strive to build and maintain a strong corporate governance structure to improve management soundness and maximize corporate and shareholder value. In accordance with the intent of the Corporate Governance Code, we strive to improve the skill sets of our directors and all employees, pursue an optimal organizational design for our company, and further strengthen our governance.	
	Sustainable supply chain	We build a sustainable supply chain through the stable procurement of materials and raw materials, addressing human rights and environmental issues in the supply chain, conducting appropriate transactions and responsible procurement.	
	Responsible commercial practices	We build our relationships with our consumers by ensuring responsible marketing of our full beverage portfolio, including alcohol, ensuring compliance with all commercial activities in line with laws and regulations. We provide our stakeholders with access to useful and sufficient information on the health and nutrition of our products through easy-to-understand communications.	

*This shows the link with the Sustainability Framework developed by the Coca-Cola System for Japan.



Material Issues and CSV Goals

CSV Goals

We established the CSV Goals as non-financial targets as part of commitment to creating a sustainable business and society while achieving our Mission.

Levels of achievement ■■■ 80% or higher ■■■ 50%-79% ■■■ Less than 50%

(Note) The baseline year is 2015 and the target year is 2025 unless otherwise stated

CSV Goals, non-financial targets

In order to resolve the materiality identified by the CCBJH Group, we established the CSV Goals as more specific non-financial targets in an effort to create a sustainable business and society while achieving our Mission. To achieve each of the CSV Goals, we are pursuing initiatives throughout the value chain, checking our progress, and moving steadily toward achievement.

Regarding the material issue of Water stewardship, we are stepping up our collaboration with local communities, such as signing water source conservation agreements with forest conservation organizations and local governments in the water source areas of all 17 of our plants. The water replenishment rate in 2023 was 411%, well above target.

A future area of focus is Mitigation of and adaptation to climate change. As part of our efforts to reduce greenhouse gas (GHG) emissions, we aim to reduce Scope 1 (direct GHG emissions) and Scope 2 (indirect GHG emissions) emissions by 50% versus 2015 levels by 2030. We also aim to reduce Scope 3 (other indirect GHG emissions) by 30% versus 2015 levels by 2030, targeting net zero GHG emissions by 2050 across our entire value chain. We are also working to achieve our GHG reduction targets by focusing on facilitating the introduction of renewable energy.

	CCBJH Group's materiality	Category	Target numbers	As of the end of 2022	As of the end of 2023	Levels of achievement
Natural environment	Packaging and recycling (circular economy)	Sustainable materials* ¹ usage by 2030	100%	50%	42%	■■■
		Ratio of products using sustainable materials* ¹ by 2025 (number of bottles sold)	100%	About 90%	80%+	■■■
		Further lightweight PET packaging by 2030 (compared to 2004)	35%	30%+	30%+	■■■
		Collection percentage compared to sales volume by 2030* ²	100%	94.0%	94.4%	■■■
		Extensive partnerships across industry and environmental organizations by 2030		—	—	
	Water stewardship	Replenishment rate, focusing on watersheds near our plants	200%	420%	411%	■■■
		Water usage reduction by 2030	30%	19%	20%	■■■
	Mitigation of and adaptation to climate change	Scope 1 and 2 reduction in greenhouse gas emissions by 2030	50%	20%	19%	■■■
		Scope 3 reduction in greenhouse gas emissions by 2030	30%	25%	25%	■■■
		Net zero in greenhouse gas emissions by 2050		—	—	
		Promotion of renewable energy		—	—	
Communities	Healthy products and services	Low and no calorie options for core brands	100%	100%	100%	■■■
		FOSHU/functional product growth (compared to 2016)	300%	146%	226%	■■■
		Front-of-pack calorie label and straightforward nutritional information	100%	100%	100%	■■■
	Contribution to local community development	Employee volunteers	10%	20.0%	20.0%	■■■
		Participants in community programs	1,000,000	920,000	970,000	■■■
People	Diversity, equity and inclusion	Female managers by 2025	10%	6.6%	7.4%	■■■
		Female managers by 2030	20%			■■■
Foundation	Sustainable supply chain	Adherence to Supplier Guiding Principles across the CCBJH Group value chain	100%	100%	100%	■■■
		Sustainable sourcing	100%	100%	100%	■■■
		Observation of The Coca-Cola Company's Responsible Marketing Policy	100%	100%	100%	■■■

*1 Recycled PET materials from bottle-to-bottle and plant-derived PET materials

*2 PET bottle collection rate (Source: The Council for PET Bottle Recycling "2023 Annual Report of PET Bottle Recycling")



Growth Strategies to Enhance Corporate Value

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Message from the CFO

Steady profit growth and strengthen business foundation through transformation to enhance corporate value

Prioritized profitability improvement and achieved a turnaround ahead of schedule

We positioned 2023 as the "Year of profit focus" and committed to business activities focused on profitability, pushed forward with transformation, and implemented a range of important initiatives. These actions achieved great results, returning to profit despite the uncertain business

environment due to rising commodity and depreciating yen, affecting consumer behavior and business.

In commercial activity, we implemented two price revisions as one of the most important initiatives for profitability improvement with a focus on steady implementation and maintaining shipping prices following the price revisions. Additionally, to maximize the capture of increasing demand due to record-breaking heat wave and

Achieved a significant increase in business income.

YoY **+16.5** billion yen vs Initial plan **+7.0** billion yen

Key measures produced great results.

Volume growth

+3 %

Strong volume growth while improving unit prices by seizing the opportunity presented by the recovery in traffic and the heatwave.

Wholesale revenue per case

+40-160 yen

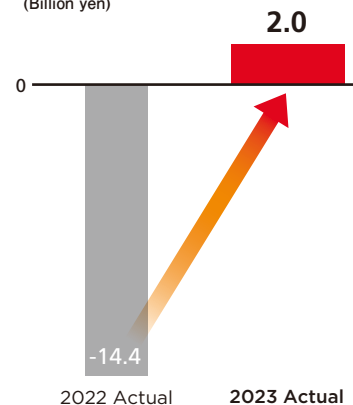
Two price revisions improved wholesale revenue per case in all channels.

Cost savings

+3.7 billion yen

Accelerated key transformation initiatives generating greater benefits than initially planned

Business income
(Billion yen)



Representative Director and
Vice President, CFO

Bjorn Ivar Ulgenes



traffic recovery, we worked to achieve revenue growth through sales volume increase and wholesale revenue per case improvement by launching new products, implementing efficient and effective marketing activities, and enhancing continuous customer engagement.

In the manufacturing and logistics area, while faced by the impact of rising commodity, utility price and depreciating yen, we worked on stabilizing the Sales and Operations Planning (S&OP) process that was revamped in the previous year to turn the increasing demand opportunity into sales volume and profit growth, as well as on ensuring stable supply of products and reduction of total manufacturing and logistics costs. We also aimed to expand manufacturing

capacity through activities such as new line starting operation at the Ebina plant and manufacturing processes improvement. Furthermore, we worked on reducing per-case transportation distances by building supply network by region and leveraging Mega DC(automated distribution center).

Regarding the business performance in 2023, sales volume increased by 3% compared to the previous year due to sales activities to capture increasing demand resulting from traffic recovery and heat wave despite the negative impact from price revisions. Revenue increased by 7.6% from the previous year to 868.6 billion yen, contributed by sales volume growth and improvement in wholesale revenue per case resulting from a series of price revisions

implemented since 2022.

Business income significantly improved by 16.5 billion yen from the previous year, enabling us to return to profit ahead of 2024 target. Amid the continued cost increases impacted by external factors such as rising commodity, utility price and depreciating yen, profit contribution from sales volume growth and wholesale revenue per case improvement, as well as marketing activities emphasizing cost-effectiveness and logistics cost reduction through improvement of supply networks, significantly contributed to the improvement in business income. Furthermore, this result exceeded the forecast we revised upward during the year. Effective sales activities seizing growth opportunities from the heat wave, steady execution of key initiatives for profitability improvement, and accelerated transformation saving benefits contributed to the delivery of business income exceeding the forecast.

Based on the strong performance in 2023, I am confident that we have been able to build a further strengthened business foundation for 2024, which is the first year of the strategic business plan "Vision 2028."

Aim for further profit growth through top-line growth and transformation cost savings in 2024

We have positioned 2024 as the "Year of strong profit build up" and set an ambitious target of a significant profitability improvement. We will focus on maximizing profit through the execution of top-line growth strategies centered on profitability, driving cost savings through company-wide

In 2024, business income surged by a factor of five compared to the previous year.

2023

Year of Profit Focus

- Announced Strategic Business Plan "Vision 2028"
- Return to profit ahead of plan through profitability focused commercial activities and drive transformation

Strategic directions for 2024

Further profit growth backed by strong 2023 achievements

- Implement top-line growth strategy focusing on profit maximization
- Build a business foundation that supports cost savings and profit growth through further transformation

A year of strongly accumulating profits

2024 Targets

Revenue Growth

+1.6%

Growth above volume
Mix improvement

Business income

10 billion yen

vs Previous year
5 times

Cost savings

6 billion yen

Transformation savings
vs previous year
1.6 times

transformation initiatives, and further strengthening our business foundation, including investment in IT infrastructure.

Sales volume in 2024 is expected to grow by 0.5% from the previous year, accounting for the cycling impact of last year's heat wave and impact of price revisions in May 2024, despite continuing traffic recovery. Revenue is expected to grow by 1.6%, exceeding the volume growth, to 882.4 billion yen driven by top-line growth with price and mix improvement. Business income is forecasted to reach 10 billion yen, an improvement of 8 billion yen from the previous year or five times that of previous year result.

For key initiatives in 2024 in commercial activities, we will focus on initiatives aimed at top-line growth strategy centered on maximizing profits, such as investment in core categories and product portfolio enhancement through innovation, further transformation in vending channel by leveraging technology, commercial activities focusing on profitability including price revisions, and enhancement of strategic partnerships with our key customers. In the manufacturing and logistics area, we will strive for further optimization of the supply networks through initiatives such as building a flexible manufacturing network and the logistics network to promote the "local production for local consumption model", focusing on manufacturing products closer to consumption market. In the back office and IT areas, we will work on standardizing and automating business processes by using technology, integrating various IT systems and data, and further promoting data-driven management.

Enhance medium- to long-term improvement of shareholders value and capital efficiency

We will strengthen initiatives for "investment for growth" and "efficient capital management" to enhance shareholder value over the medium- to long-term. Based on the strategic business plan "Vision 2028," we will enhance investment in technology and IT fields to build a foundation for promoting company-wide transformation, while control capital investment below depreciation expenses through efficient and effective investment resource allocation. Furthermore, we will continue to optimize the balance sheet by selling fixed assets and cross-held shares, as well as implementing measures to improve asset turnover and cash flow to achieve return on invested capital (ROIC) of 5% or more, as targeted in the strategic business plan "Vision 2028."

Regarding shareholder returns, while prioritizing stable dividend payments and aiming to distribute 30% or more of

the net income attributable to owners of the parent as dividends based on comprehensive considerations of business performance and retained earnings balance, we plan to pay interim and year-end dividends. We set the dividend forecast in 2024 to maintain the same annual dividend per share of 50 yen as in 2023. Furthermore, we will continue to execute financial and capital strategies toward increasing shareholder value while exploring all possibilities for further shareholder returns.

Additionally, based on the strategic business plan "Vision 2028," we will also focus on promoting strategies in non-financial areas such as ESG (environmental, social, and governance) and human capital management. By further advancing initiatives and transformations that contribute to value creation, we will strengthen the business foundation and continue efforts towards sustainable profit growth, working towards enhancing corporate value.

Strengthen initiatives for Creating shareholder value Implement initiatives to enhance capital efficiency for ROIC improvements

Capital Efficiency Improvement

Capital expenditure and depreciation

- Make capital investment based on the strategic business plan below depreciation and by focusing on investments necessary for sustainable growth.
- Strengthen IT investment to build technology foundation

Balance sheet optimization

- Continue to reduce fixed assets and cross-held shares.
- Increase the asset turnover rate and improve cash flows.

Shareholder Value Improvement

Shareholder return

- Placing priority on stable dividend payments, and the annual dividend forecast for 2024 is 50 yen per share.
- Ongoing consideration of measures to increase shareholder value

Strategic Business Plan "Vision 2028"

5 Year Strategic Business Plan Focused on Profitability and Capital Efficiency

Vision 2028 : Sustainable Profitable Growth

In August 2023, we announced a medium-term strategic business plan for 2024 through to 2028. In "Vision 2028," we will achieve profitable growth and build a cost structure that is resilient to change by leveraging the business foundations we have built through transformation efforts to date and the many insights we have gained in a rapidly changing market environment. We aim to achieve our target of a business income margin of 5% or more in 2028 by increasing revenue at an annual rate of 2-3% and reducing costs by a cumulative 25 to 35 billion yen through transformation. To achieve "Vision 2028," we will promote each strategy in collaboration with The Coca-Cola Company and Coca-Cola Japan Company. Additionally, in terms of shareholder returns, we will focus on stable dividends during this period, while constantly considering measures to increase shareholder value.

Roadmap for Growth

Returning to a growth trajectory and achieving sustainable growth

2019-2023

Driving transformation in a challenging business environment

- Responding to unprecedented circumstances with agile management decisions
- Accelerating transformation cost savings and building a resilient business foundation
- Strengthen earnings foundation with price revisions
- Promote digitalization

◎ Established foundation for growth

2024-2028

Profitable growth and building a cost structure resilient to change

- Profitability-focused commercial strategy
- Supply chain optimization
- Operational process optimization
- Financial strategies with ROIC focus
- Strengthen ESG and human capital management

- ◎ Realize growth through the foundation built
- ◎ Drive further transformation
- ◎ Achieve historically high business income in 2028

2028 Targets

Revenue	CAGR	+ 2-3%
Sales Volumes	CAGR	+ 0.5-1%
Business Income	Business Income Margin	+ 5%
		45-50 B JPY
Transformation Savings		25-35 B JPY
Capital Investment	Annual Average	30-35 B JPY
ROIC		+ 5%
Shareholder Return	Focusing on Stable Dividends	



To achieve profitable growth and a cost structure that is resilient to change, we will focus on three areas: commercial excellence, supply chain optimization, and back-office and IT functions optimization. We will also work on our ESG strategy, human resources strategy, and financial strategy to strengthen the foundation that supports these goals. Our focus in commercial activities is to achieve sustainable profitable growth. For this, we will focus on investing in high value-added products, adopting appropriate growth strategies for each sales channel, implementing flexible pricing strategies that will improve profit margins, and transforming vending channels. We will also take further steps to strengthen the supply chain and optimize back office and IT functions by promoting data-driven management. In addition, we will enhance our corporate value over the medium to long term through our business activities by promoting ESG management and human capital management and strengthening our financial base.

Key Pillars for Achieving Strategic Business Plan

Vision 2028: Sustainable Profitable Growth

Profitable growth and build a cost structure resilient to change

Commercial Excellence



- Product strategies in-line with trends
- Appropriate growth strategies by channel
- Profitability-focused commercial activities
- Vending transformation

Supply Chain Optimization



- Agile logistics
- Building flexible manufacturing structure
- End-to-end integration
- Leverage digital technology

Back-Office and IT Optimization



- Promote data-driven management
- Efficient administrative and business operations

Enhance: ESG / Human Capital / Financial Foundation



Profitability-Focused Commercial Strategy



Executive Officer,
President of Retail Company
Coca-Cola Bottlers Japan Inc.

Alejandro Gonzalez Gonzalez

Accelerate top-line growth based on profit maximization



Executive Officer,
President of Food Service Company
Chief Business Strategy Officer & Sustainability Officer
Coca-Cola Bottlers Japan Inc.

Maki Kado

Disciplined execution of profit-focused commercial strategies leading to revenue growth and profit recovery

2023 was a year of strong top-line and bottom-line growth marked by the return to full year profit one year ahead of the target set out in "Vision 2028." This was possible through the flawless execution of our profit-focused commercial strategies, while maximizing the favorable tailwinds, including the heatwave, and pushing forward our transformation. We implemented two waves of price revisions, one in May and another in October. These changes were necessary due to the prolonged impact of rising raw material and supply costs, increased energy prices, and fluctuations in foreign exchange rates.

We continued our focus behind core brands, with Coca-Cola, Ayataka, I Lohas and Georgia. We implemented a full renewal of coffee brand Georgia that led to expansion of our user base and accelerated the growth of the coffee category. We launched new products such as Aquarius New Water, Karada Refresh-cha Double, and Jack Daniel's & Coca-Cola in ARTD* category tapping into new customer needs and expanding into new segments.

We delivered solid profitable growth with wholesale revenue per case improvement across all channels. In Vending, we grew our footprint of vending machines, increasing sales per machine through pricing and product line-up management. In Convenience Stores, despite the challenging competitive environment, we expanded the availability of our core portfolio and strengthened customer engagement. In Supermarkets we continued to expand our space to sell and our efforts to improve wholesale revenue per case. In Retail and Food Service channels, we successfully captured the recovery in demand for dining out.

In summary, our strategic efforts and disciplined approach led to a strong recovery in profitability for 2023. Anticipated market resistance to additional price revisions were effectively controlled through disciplined collaboration with customers, leading to overall profit improvement.

New Commercial Organization aligned to channel characteristics

In January 2024, we restructured our commercial function to expedite decision-making and enhance efficiency, targeting channel-specific strategies in Over the Counter (OTC)*², Vending, and Food Service channels.

This approach is designed to maximize profitability by adapting to customer characteristics, consumption occasions, and changing market trends, strengthening our post-COVID-19 competitiveness.

We will maximize profitability by further advancing our Commercial Strategy pillars: Enhancing Portfolio Edge, Vending Transformation, Profitability-focused Commercial Activities and Strengthen Customer Management.

Enhancing Portfolio Edge

- Focus on core categories: sparkling, coffee, tea and water
- Offer products tailored to occasions to capture changing consumer needs
- Collaborate with Coca-Cola Japan to strengthen product line-up

Vending Transformation

- Top-line growth leveraging technology
- Leverage Coke ON* and expand QR code*³ payment functionality
- Further operation optimization

Profitability Focused Commercial Activities

- Growth strategy suited for each channel and package
- Flexible pricing strategy execution
- Marketing activities focusing on high ROI programs
- Improved profit visibility by account and accuracy of profit management process

Strengthen Customer Management

- Build strategic partnerships with key customers
- Cross-functional commercial framework to strengthen engagement
- Implement strategies tailored to customer characteristics in each channel

*1 Abbreviation for Alcohol Ready To Drink

*2 Abbreviation for Over The Counter, Supermarket, Drugstores / Discounters, Online, Convenience stores, Retail, etc

*3 QR Code is a registered trademark of DENSO WAVE INCORPORATED

For enhancing portfolio edge, we will focus on our core categories in sparkling soft drinks coffee, tea, and water through industry-leading product innovation. We will partner with Coca-Cola Japan to implement strategic marketing initiatives leveraging unique assets such as Coke STUDIO, to drive our strong brand portfolio.




In our efforts to improve profitability in the vending channel, we will focus on activities on promoting digitalization and increasing sales per vending machine.

We will implement several measures, including expanding QR code payment functions and strengthening our product line-up using AI. Additionally, we will set appropriate prices and install vending machines in high-profit locations.

In terms of profitability-focused commercial measures, we will capture growth opportunities by expanding the number of profitable transactions, implementing a flexible pricing strategy, and promoting the introduction of highly profitable packages in each channel, such as strengthening the rollout of multi-packs. In addition, we will optimize market execution by appropriately managing these measures in each category.

We will continue to work in driving strategic partnerships with our key customers while delivering appealing products and quality services that align with consumer and customer needs. In 2024, our focus remains on accelerating sustainable profitable growth while delivering happy moments to our customers and business partners.

Reorganization centered on three channels to reinforce the execution of our growth strategy

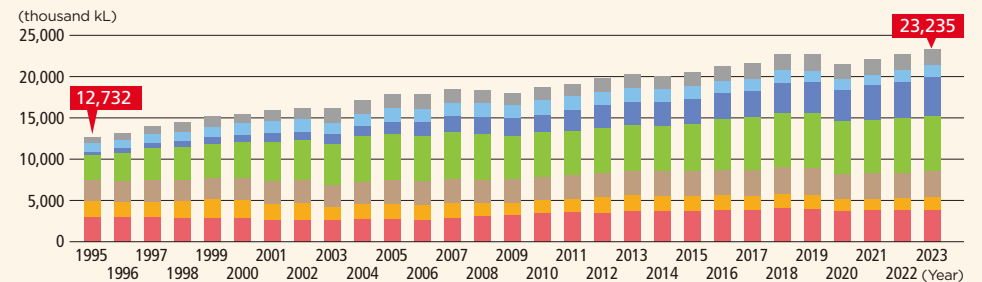
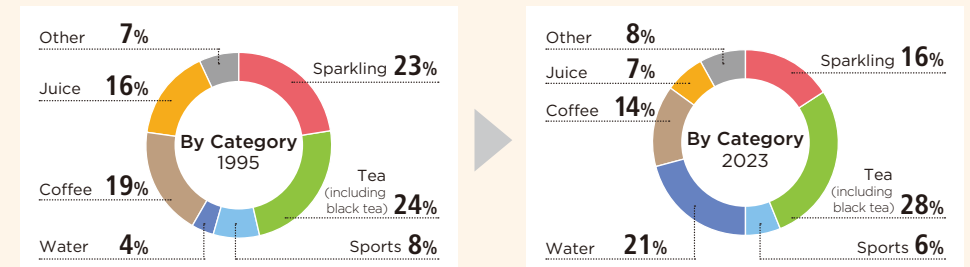
Vending	OTC	Food Service
Steady implementation of transformation to achieve profitable growth and improve efficiency	Product offerings tailored to drinking occasions, profitability-focused market execution	Expand number of stores offering our products and optimize equipment to improve profitability
		

The Japanese beverage market

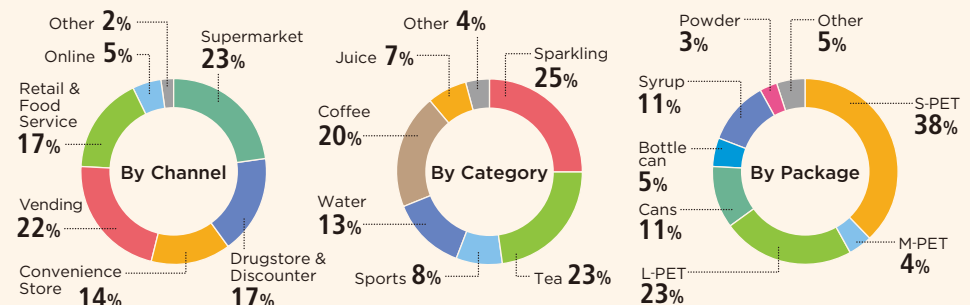
The NARTD* market in Japan has been growing steadily, with the market scale expanding by about 1.8 times over the past 29 years.

*Non-alcoholic ready-to-drink

Market Size (1995-2023 : based on production volume)



Our Sales Volume (2023 results)



Profitability-focused Commercial Strategy Initiatives by Category



In the sparkling category, we will pursue growth by focusing on our core products and the introduction of new products.

For the Coca-Cola brand in 2024, we will focus on promoting the consumption of all Coca-Cola products. We will achieve this by tapping into the demand for Coke as a drink to accompany meals through the "Niku ni wa Coke" (Coke with Meat) campaign. Additionally, we will run a campaign leveraging Coca-Cola's unique music experience.

The Fanta brand has been fully revamped for the first time in five years. This effort aims to establish new drinking habits through a new campaign titled "do as you like" in Japanese.



We aim to increase our sales and market share with a two-brand strategy centering on Georgia and Costa Coffee.

The THE series, the main products of the Georgia brand, were fully renewed in February 2024. Georgia's patented double aroma sealing technology was combined with brain science to enhance the aroma of freshly ground beans and freshly brewed coffee.

For Costa Coffee, we have worked to evolve our PET bottle coffee so that it is richer and has a higher-quality flavor in pursuit of tastiness on the level of the coffee served in a café.



In 2024, we will significantly renew existing brands and introduce new products to revitalize the tea category. This includes Ayataka, which was fully renewed in April 2024 for the first time in seven years, with changes in both flavor and packaging, we will broaden the range of users through strategic communication. A new product, Yakan no Koi Mugicha was launched from Yakan no Mugicha, barley tea brand, which is a food with function claims.

We aim to expand our product line-up and increase revenue.



In 2023, sales volume of alcohol products struggled to grow. However, Jack Daniel's & Coca-Cola, the first Coca-Cola branded ARTD was launched in April, it was a new addition that contributed to our sales. Because the unit price of this product is high, it contributed to the revenue growth of the overall alcohol category.

In 2024, we redesigned the packaging for Lemon-dou. We also launched Jack Daniel's & Coca-Cola Zero Sugar in April as part of the Jack Daniel's & Coca-Cola series, continuing to offer high value-added products to our customers.



Profitability-focused Commercial Strategy

Initiatives by Channel — Our unique vending machine services

Vending (Vending Machines)

We install vending machines in accordance with the ever-changing flow of people. We effectively introduce flagship products, new products, and products that are exclusive to vending machines. We carefully select product lines tailored the characteristics of locations. We leverage Coke ON®, Coca-Cola's official app, in our marketing activities. With these and other measures, we are working every day to make our vending machines more attractive. In addition to the use of AI and big data in commercial activities, we take steps such as shifting to on-line-connected vending machines that encourage greater use, in an effort to stimulate the growth of sales, streamline vending machine operations, and improve visiting frequency to vending machines.



● Providing an appealing buying experience through Coke ON® — Now downloaded more than 50 million times

“Coke ON®” is an official Coca-Cola smartphone app that offers both great value and convenient. Users can earn free drinks by collecting stamps through the app. Since its launch in April 2016, the app has added functionality while meeting changing consumer needs. This includes Coke ON Pay which supports various payment services, campaigns where customers can collect additional drink tickets, and the addition of a charge function to Coke ON Wallet on vending machines which began in 2024. The intent of these efforts is to offer more attractive purchase experiences.

The Coke ON app had been downloaded more than 50 million times in 2023, with more than seven million downloads over the year. This growth is helping to increase customer engagement with our products and vending machines. Looking ahead, we will continue to provide appealing services and expand functionality.

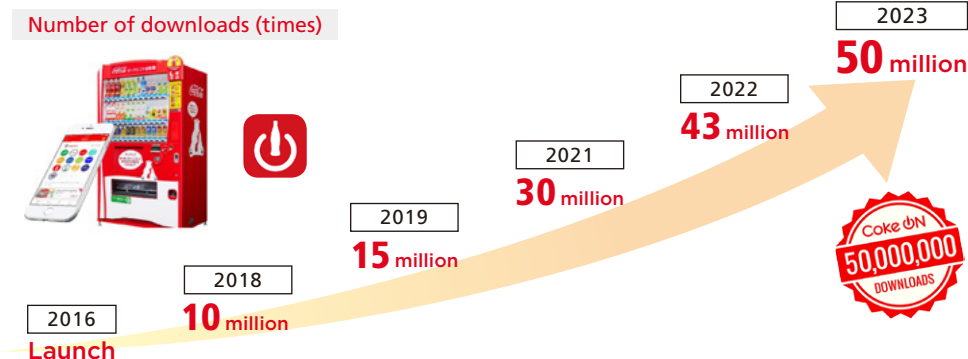
● QR de kessai payment service expands

The QR de kessai, payment service was launched in May 2023, making more than 15 QR code payment services available on vending machines. It allows customers to buy products using a smartphone to scan a QR code displayed on the vending machine.

More payment options will be added and this will help us to capture demand which will manifest in forms such as the increased use of QR code payment by inbound tourists to and residents of Japan. Our target is to offer services with about 200,000 vending machines within 2024, mainly at locations with higher needs for cashless payment.

QR^{de}決済

Purchasing products with a QR code



Profitability-focused Commercial Strategy Initiatives by Channel — OTC and Food Service

We deliver products from the Coca-Cola Company to customers via multiple sales channels.

We engage in meticulous commercial activities. Our product line-up and commercial strategy are thoroughly adapted to the sales spaces in each sales channels such as OTC channel and the food service channel.

Supermarkets, Drugstores & Discounters

We are working on proposing optimal product line-up and sales spaces in stores based on consumer insights and developing promotions that complement different seasons and events. In 2023, we captured more demand by strengthening our small-volume products to suit customers' beverage consumption occasions and needs.

In 2024, we will collaborate with various events in developing sales spaces and campaigns, aiming to revitalize our sales spaces. We will also make category growth possible by engaging in efforts such as the strengthening of our label-less products designed to meet the needs of consumers.

Online

In 2023, we introduced channel-dedicated products geared toward online customers and sold label-less products, demand for which continues to grow. This contributed to the growth of customers' and our own revenue.

As people's desire to go out increases in 2024, we pursue continued growth by launching new products that are packed label-less and are suitable for "on the go" occasions and releasing new products in the expanding market of foods with function claims. The goal of our effective investments promoted in connection with advertisements and our continued operational improvement is to increase both revenue and profit.



Convenience Stores

In 2023, we increased the line-up of Hajime, a closed-loop recycled PET bottle, and digitally promoted products using apps and in-store media, thereby capturing more demand.

In 2024, we will accelerate the growth of our convenience store channel through measures such as the introduction of a high-value added Costa Coffee 440 ml PET bottle product, the improvement of the one liter PET bottle product line to meet the changing needs of customers, the rollout of new products and products that are exclusive to customers' value chains, and products and promotions aimed at stimulating the simultaneous purchase of products in the food category.

Retail

Retail is a wholesale channel for delivering products to a broad range of customers such as stores at offices and schools, leisure facilities, and liquor shops.

Considering the characteristics of immediate consumption channels in particular, focusing on concession stands, we rolled out a digital promotion using QR code stickers enabling users to participate on the spot. In this way, we are advancing digital measures to address consumers' needs.

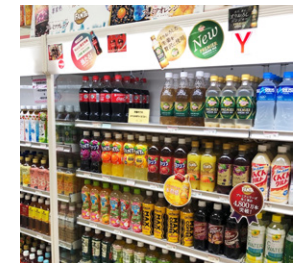
We will strive to create an optimal product line-up and sales spaces that enable consumers to pick up Coca-Cola products in many different occasions.

Food Service

Food service is a wholesale channel for selling products to restaurants and other businesses and offering products and opportunities to consume beverages to customers.

By identifying the changing needs of customers, we continue to capture demand. An example of this is our collaboration with food delivery companies. In addition, we are actively working to gain new customers by, for example, attracting Generation Z and the increasing number of tourists to Japan.

With our unique line-up of products and the measures, we deliver happy moments to everyone in an effort to enhance our brand value.



Profitability-focused Commercial Strategy

Responsible commercial practices

The Company has the mission to "Deliver happy moments to everyone while creating value." Led by the CCC & VOC* Planning Section, we are building a system to live up to customers' expectations and facilitate communication in a way that is always sincere, open to everyone and easy to understand.

*CCC (Customer Contact Center), VOC (Voice Of Customer)

Voluntary declaration of consumer-orientation

To be the partner of choice of all customers, we expressed our alignment with the "consumer-oriented business management" recommended by Consumer Affairs Agency in 2022. We also published our consumer-oriented voluntary declaration and, in May of the same year, were recognized by the Consumer Affairs Agency as a business operator that had published such a declaration. Going forward, we will continue to practice "consumer-oriented business management" based on five policies and work together with customers.

We uphold the following consumer-oriented voluntary declaration

1 Our Commitment

We deliver safe and secure products and services that provide our customers with the same happy moments as always.

2 Enhanced Governance and Cross-Functional Efforts

We treat inquiries, requests, and suggestions as opportunities to communicate with our customers, and will promptly share information internally, including with management.

3 Promotion of Employee Awareness and Activities

We build an environment that enables us to respond promptly and appropriately to customer inquiries, requests, and suggestions.

4 Active Communication

We proactively disclose information on our community initiatives and quality control to ensure the safety and security of our customers, through our website and integrated reports.

5 Systems to Capitalize on Customer Voice in the Business

We listen to and appreciate the voices of our customers. We reflect them to improve our products and services, as well as create value

To further live up to expectations

We ask customers who submit complaints to fill out questionnaires to review our services and see if they would purchase a Coca-Cola product again. We will work to become more capable of living up to customers' expectations so that they say they will buy Coca-Cola products like they have been doing.

I will continue to buy
Coca-Cola products
(2023 survey results)

97%

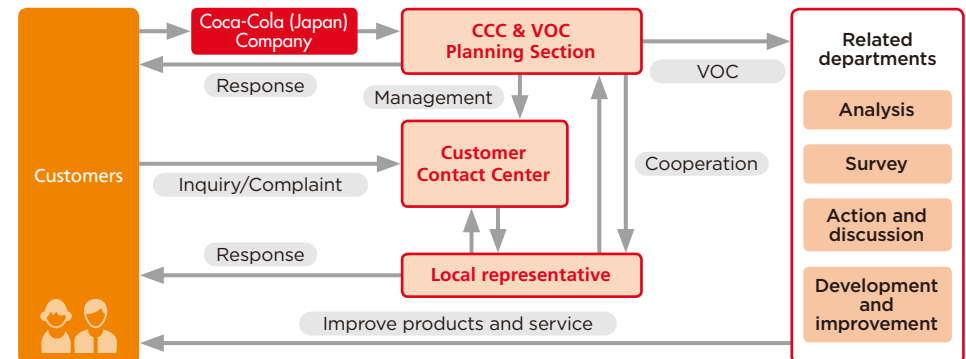


● Efforts to satisfy customers

To share customer inquiries, feedback and complaints throughout the company, the CCC & VOC Planning Section distribute "Weekly Hot Voice," a newsletter sharing the opinions of customers, via our in-house social media application and intranet.

We also ask customers who submit complaints to fill out questionnaires to review our customer service operations and see if they would purchase a Coca-Cola product again. We have built a system that our local representatives to make customer service responses to live up to the expectations of our customers. Many customers who have submitted complaints say that they would continue to buy Coca-Cola products or would buy even more Coca-Cola products.

Mechanism to ensure customer satisfaction



Our customer service processes and management system comply with the ISO 10002 (JIS Q 10002) international standard for handling complaints. The goal of the ISO 10002 (JIS Q 10002) international standard is to continually improve product and service quality and processes for handling complaints.

Responsible marketing

We comply with The Coca-Cola Company's Responsible Marketing Policy for all of our products and engage in marketing that does not directly target children under the age of 13. Our business operations are based on sustainability, our business goals, and business practices that are compatible with our values as we seek to grow in the right way and continue to fulfill our responsibilities to local communities.



Supply Chain Strategy for Greater Efficiency



SCM Evolved to Meet the Needs of "Vision 2028"

Executive Officer and CSCO (Chief Supply Chain Officer)
Coca-Cola Bottlers Japan Inc.

Andrew Ferrett

Eight Pillars of the New SCM Strategy

The SCM Division has introduced a new SCM strategy starting in 2024 that is in line with "Vision 2028," which aims to "Safely Deliver 100% Quality and Customer Service at the Optimal Cost to Serve."

This strategy consists of the following key elements.

- Creating an environment of **Zero Harm** where everyone can work safely and securely with a smile.
- Continuation of the **Active Quality** program
- Build a diverse foundation of **Inspired People** that work together to achieve profitable growth.
- **Digitally Enabled** supply chain with **Agile Logistics**, **Flexible Manufacturing**, and **End-to-End Integration** and consistent processes based on accurate and real-time data and information.
- Strengthen **Customer Back** initiatives and proactively collaborate with customers to create mutual value

We will work to transform our supply chain through the **eight strategic pillars** above.

Supply Chain "Vision 2028"

Safely Delivering 100% **Quality** and Customer Service, at the Optimal Cost to Serve

Achieving Supply Chain Excellence is built on 8 Pillars

Customer Back

Supply Chain is synchronized from the Customer Back, while cooperating to find joint value

Agile Logistics

Strategic infrastructure consolidation, asset utilization and 3PL contract management enable Agile Logistics to adapt market requirement

End-to-End Integration

End-to-End Integration to optimize Supply Chain Cost to Serve, while maintaining Customer Service objectives

Flexible Manufacturing

Responsive, Flexible Manufacturing enabling the Supply Chain, and achieving high utilization

Zero Harm

Safety is designed into facilities and embedded in people and processes to achieve Zero Harm and make a workplace employees can work with peace of mind

Active Quality

License to trade protected and enhanced through an Active Quality program which also supports Supply Chain productivity

Digitally Enabled

A Digitally Enabled, process and information driven organization designed to increase the quality and speed of decision making

Inspired People

Securing human resources and Inspired People who are highly engaged, deliver high quality outputs and who are developed as Performance and Change Leaders at all levels, are essential for business continuity

And Supported by 5 Principles

- **Commercial Collaboration** to ensure the best service and profit outcomes for CCBJI
- Productive inventory is increased throughout the Supply Chain by **improving inventory flow and velocity**
- **Costs are reduced** through efficiency improvement and waste elimination
 - Costs are eliminated, reduced or kept flat to create Lean Supply Chain
- To enhance corporate value, **Sustainability** built into all Supply Chain decisions and actions
- Transformation is delivered through **Step Change** projects and optimized through **Kaizen** activities



Supply Chain Strategy for Greater Efficiency

Stable supply / Productivity improvement

In all areas of the supply chain, we promote initiatives to ensure a stable supply of high-quality products at a optimal cost.

In product supply, we implement the Sales and Operations Planning (S&OP) process in cooperation with the sales division to improve the accuracy of demand forecasting, accelerate decision making, and reduce transportation distances by promoting local production for local consumption in product supply, thereby optimizing costs throughout the supply chain. In manufacturing, we are also making various improvements to create manufacturing available time and boost productivity to realize the flexible manufacturing of a wide variety of products in small lots while maintaining high quality. Additionally, in logistics, we are building a system that enables efficient and stable product supply by consolidating inventories stored at sales centers and promoting optimal inventory allocation and the consolidation of sites by operating mega-distribution centers in Saitama and Akashi.

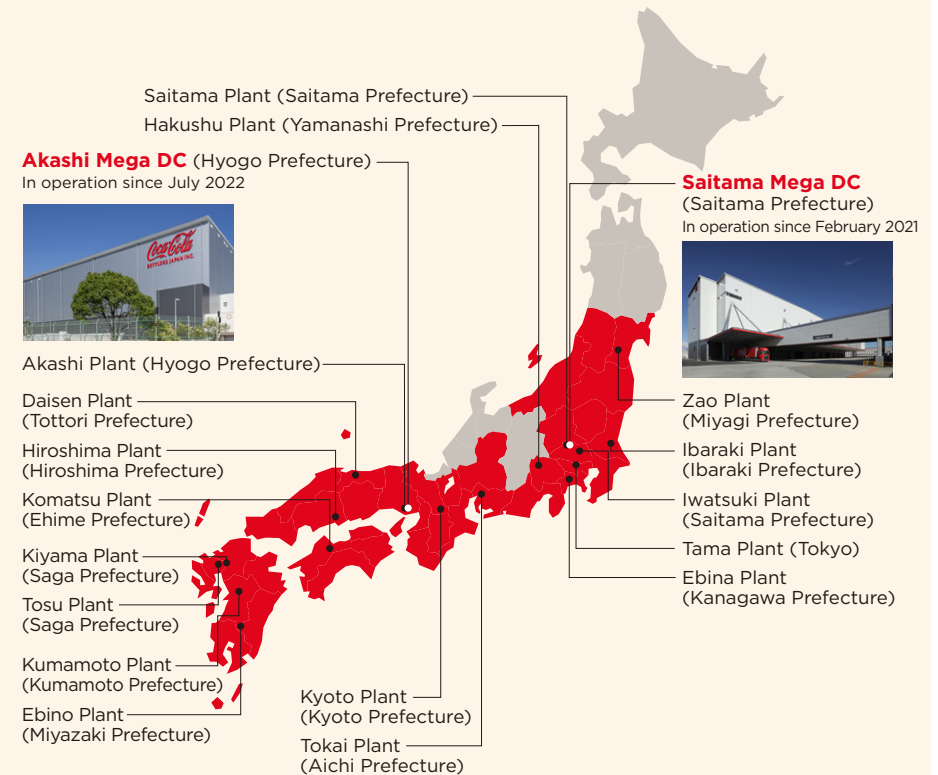
Supply chain that continues to be chosen by customers and suppliers

We are committed to creating a supply chain that continues to be chosen by our customers and suppliers. We are focusing on creating a safe and secure work environment by complying with laws, regulations, etc. and integrating sustainability into our decision-making and actions in all areas of our supply chain.

In logistics, which has been the focus of much attention this year, we are working to reduce driver workload and time restraints by reducing transportation distances through the promotion of initiatives for a local production for local consumption product supply system. Additionally, we are reducing vehicle waiting time using digital tools and the introduction of vehicle reservation management systems at warehouses. We are actively collaborating with our customers, logistics partners, different industries, and other companies on delivery and shared warehousing. We will continue to explore collaborations to build win-win relationships that create new value.

Our manufacturing and distribution sites

17 Plants **2 Mega DCs**



Details of the list of business locations
<https://en.ccbji.co.jp/corporate/locations/plant.php>

Supply Chain Strategy for Greater Efficiency

Product quality and safety

Quality assurance

In our provision of safe, high-quality, fresh, and refreshing products and services to our consumers, we believe that quality is the top priority and we strive to maintain and improve quality in all of our business processes.

In addition to adhering to national standards based on a basic approach to quality, the Coca-Cola System uses a unique management system called KORE (Cola Operating Requirements), which is common worldwide, to manage operations.

KORE is a system that encompasses standards concerning quality, food safety, the environment, and industrial safety and health throughout the process from the procurement of raw materials to manufacturing, distribution, sale, and delivery of a product to customers. It meets the requirements of ISO international standards and applicable laws and regulations while imposing more rigorous standards on Coca-Cola.*

*We comply with the ISO 9001 quality standard, the FSSC 22000 food safety standard, the ISO 14001 environmental management system standard, and the ISO 45001 occupational safety and health standard. All of our factories have acquired these certifications. Our sales centers and offices have also acquired ISO 14001 certification.

Basic approach to quality

- 1 Our divisions understand their roles and responsibilities, and implement customer-driven quality control.
- 2 We consider quality to be the top priority in our work every day.
- 3 Each one of us keeps quality in mind and acts to enhance our brand value.

Raw materials management

The coffee beans and green tea leaves we use as raw materials fully comply with the Principles for Sustainable Agriculture (PSA).^{*1} Some suppliers and brands have acquired third-party certifications including fair trade, 4C and GAP.^{*2} certifications. All of the raw materials we procure are certified by the GFSI.^{*3}

*1 PSA (Principles for Sustainable Agriculture): The new sustainable agricultural principles of Coca-Cola System reflecting the latest science and the perspectives of stakeholders. The PSA are applied for agricultural products and packaging materials.

*2 Fair trade: A system for certifying that farmers, who are in socially disadvantaged positions, are guaranteed fair prices for their agricultural products.

4C (the Common Code for the Coffee Community): A certification system for the sustainable cultivation and processing of coffee
GAP (Good Agricultural Practice): Referred to as JGAP in Japan and as ASIAGAP in other Asian countries and run by the Japan GAP Foundation. A system for certifying the management of agricultural production processes aimed at ensuring sustainability, food safety, environmental conservation, work safety and other matters. Compliant with the Ministry of Agriculture, Forestry and Fisheries Guidelines on the common Good Agricultural Practices (GAP) standards. Global GAP is run by German company FoodPLUS GmbH.

*3 GFSI (Global Food Safety Initiative) private organization of globally operating food companies designed to approve food safety management standards to enhance food safety and consumer trust. Global distribution and retail industries and their business partners advance the introduction of GFSI. The GFSI approves fourteen certification standards including the ASIAGAP standard (Ministry of Agriculture, Forestry and Fisheries).



Fostering an awareness of quality

Our employees are encouraged to increase their awareness of quality with the goal of providing safe and high-quality products to customers.

● QA (Quality Assurance) Monthly Report

A report is sent to division heads every month.

The division heads communicate information such as quality-related events and actions to correct these events.

● Sixty-second quality lessons

Periodically, we hold short lessons on product quality using the intranet, aiming to increase our employees' awareness of quality.

● Quality surveys and quality inspection

Members of our divisions supervising quality assurance visit manufacturing, logistics and sales worksites to check the status of quality control on the worksites, identify potential risks and work to prevent risks through communication to make necessary improvements.

● Videos for customer relations

In partnership with Coca-Cola (Japan) Company, Limited., we make and stream videos explaining our actions for product safety and reliability and answering simple and honest questions about our products in an easy-to-understand manner.



Videos for customer relations in Japanese
<https://en.ccbji.co.jp/csv/assurance/>



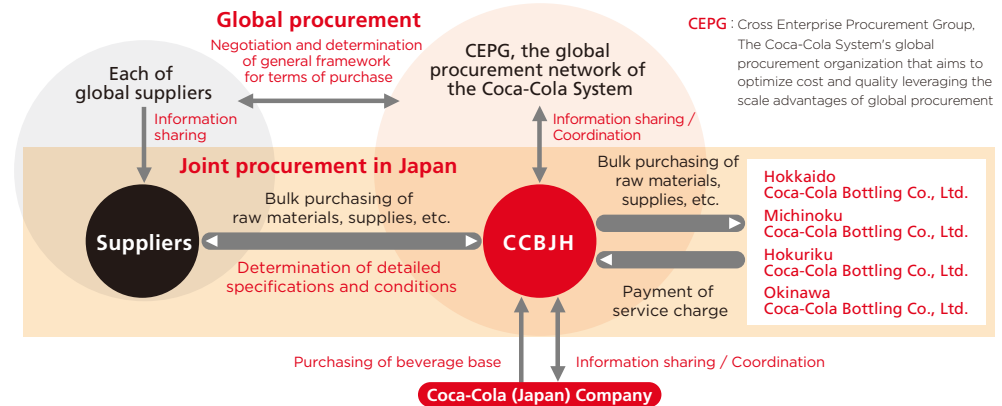
Procurement Strategy that Leverages the Strengths of the Coca-Cola's System

Contributing to the improvement of performance and value creation as a world-class procurement organization to achieve the targets of Strategic Business Plan "Vision 2028"

Executive Officer and CPO (Chief Procurement Officer)
Coca-Cola Bottlers Japan Inc.

Yoichi Nishiguchi

Procurement strategy leveraging economies of scale and the advantage of Coca-Cola System



Promoting efficient global procurement activities

The business environment is full of uncertainties, including the rising cost of raw materials and energy, the fluctuation of exchange rates, declining birthrates, aging populations, and labor shortages due to the 2024 issue in the logistics industry in Japan. These uncertainties significantly impact the performance of our business.

Regarding the impact of commodities and exchange rates, we are strongly promoting procurement cost optimization by strengthening collaboration, including sharing best practices and information with CEPG and overseas bottlers, implementing risk hedging measures at the appropriate time in collaboration with the Finance Division, cooperating with domestic bottlers implementing joint procurement,^{*1} and becoming a world-class procurement organization.

We have also built relationships of trust with our suppliers through fair and equal transactions to maximize mutual benefits and promote sustainable growth.

^{*1} An initiative centralizing procurement at CCBJH, including negotiations with suppliers, to source items that are required by all of the domestic bottlers, such as sugar and other raw materials, PET bottles, and other supplies and vending machines.

Promoting sustainable procurement in collaboration with suppliers

We are working towards a World Without Waste, the Coca-Cola Company's global Vision by developing a new model for collecting empty PET bottles and cans. We are reducing container weight and packaging volume while increasing the use of sustainable materials.

To respond to climate change, we contribute directly and indirectly to GHG reduction measures through our procurement activities, such as the utilization of renewable energy at our plants, the use of fuel-efficient vehicles, the development and introduction of sales equipment that reduces power consumption and GHG emissions, and the strengthening of the sustainable procurement of raw materials and supplies.

In carrying out these activities, we ask the suppliers we work with who are good partners to comply with our Supplier Guiding Principles which reflect our values regarding human rights, the environment, and labor.

Discovering latent needs by promoting data-driven procurement

To realize data-driven procurement, we are working to improve operational quality and efficiency by introducing the indirect materials procurement tool SAP Ariba,^{*2} improving operational efficiency using RPA,^{*3} and reviewing and standardizing the procurement process associated with the establishment of NeoArc. Furthermore, we will work together with company-wide IT strategy to promote the reform of the procurement system.

In promoting strategic procurement, we will also utilize business intelligence (BI) tools, AI, and machine learning to perform data-based analysis and forecasts, risk management, and early recognition and responses to procurement risks. These measures will help us identify potential procurement needs, formulate optimal procurement strategies, and make prompt decisions, promoting sustainable procurement strategies to achieve the targets of the Strategic Business Plan "Vision 2028."

^{*2} A cloud-based B2B transaction system

^{*3} Abbreviation for Robotic Process Automation. A technology for operating a software-type robot in substitution for a human

Optimizing back office and IT functions

IT Strategic Overview

We are leveraging technology to standardize, streamline, automate, and enhance the quality of our business processes.

By launching transformative projects, we are building platforms to revolutionize our management and work style throughout the value chain, with technology as a key enabler.

Implementing Transformation with Technology

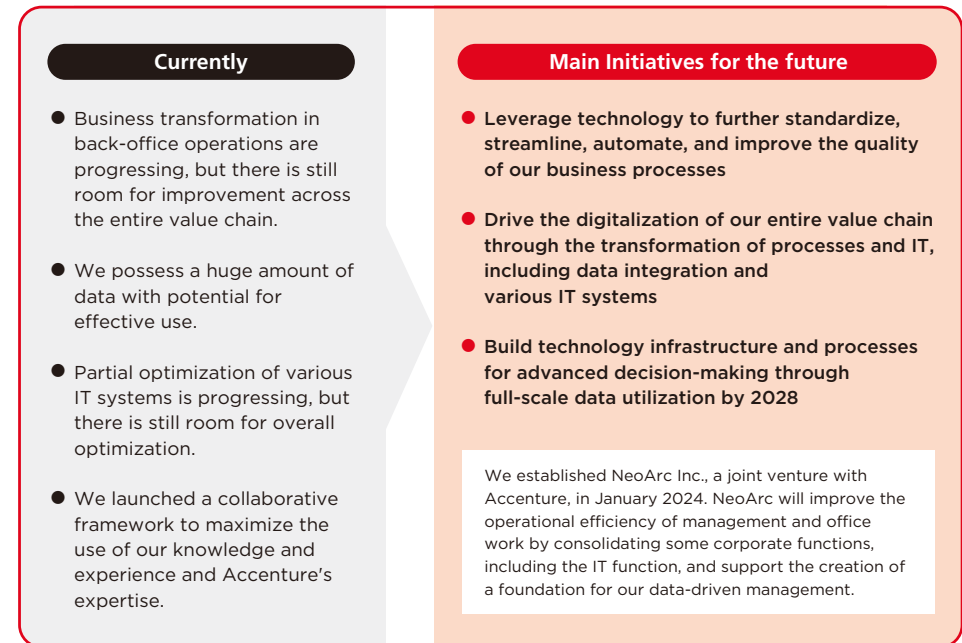
We have promoted various operational transformation, including process improvement and automation in our back office. Continuous investment and optimization of our operations have been our focus. To elevate this further, we have launched a major transformation project. We aim to define an optimal operating model for the company and design a superior business model. We believe that by leveraging cutting-edge technology and strengthening the capability of our employees to harness this technology, we will be able to realize the Strategic Business Plan.

We possess market data for our sales areas, including Tokyo, Kyoto, Osaka, and 35 other prefectures. Utilizing this vast amount of data, we will implement a series of measures based on our transformation project. Our goal is to advance data-driven management and achieve world-class operations by 2028 through building robust technology infrastructure and processes for advanced decision-making by leveraging various data.

Long-term partnership with Accenture, Inc.

In August 2023, we entered a long-term partnership with Accenture, Inc. As a result of this partnership, we established a joint venture company, NeoArc Inc. in January 2024. This joint venture consolidates back-office services, including the IT department, to further enhance operational efficiency in management and office work (See pages 39 and 40).

In addition, we will proactively incorporate outside knowledge from Accenture to carry out work style reforms that maximize the use of the company-wide technologies mentioned above.



Optimizing back office and IT functions

Driving DX with an eye on cyber risks

In addition to delivering safe products for customers to drink with peace of mind, we are also working to improve and strengthen cybersecurity measures as we make fundamental changes in our business to respond quickly to diversifying customer needs, and are advancing digital transformation (DX) in various areas.

Improving cyber security

Cybersecurity and systems are one of the major risks that could have a significant impact on the Company's financial position, business results, and cash flows. In today's digital environment, we believe it is crucial to detect cyber incidents in advance. We take various countermeasures to prevent customer loss, maintain confidence, and protect our financial stability. We identify risks that could lead to business suspension or information leaks caused by system failures and cyber incidents. For example, we prepare response plans to mitigate damage in case of system failures, identify threats in advance, and improve and strengthen system security by conducting cyber-attack simulation tests. We have established an organizational structure for security incident response.

It consists of BJI CIRT*, departments related to incident response, and external organizations.

This enables us to respond effectively to various risks.

We also work to ensure that employees are fully aware of cybersecurity. Using e-mail, our company intranet, and e-learning to share information relating to thorough observance of rules and security, we are working to raise cybersecurity awareness among all employees.

*An abbreviation for Cyber Incident Response Team

DX initiatives to support workplace operations

Commercial Division initiatives

1 Salesforce Automation (SFA)

SFA is a salesforce support system that aims to increase and improve productivity in sales. In each commercial channel (Vending, OTC, and Retail & Food Service), sales representatives use SFA on a daily basis to create customer visit plans and manage To-Do lists. They also use SFA to share customer information and business negotiation details. Confidential information such as customer information is appropriately protected and managed in accordance with Japanese laws and regulations.

2 Transforming the vending machine business (VM DX)

In the vending business domain, which is a key pillar of our profits, we are working to transform our business model by making full use of digital technologies. Examples include improving vending machine filler productivity by expanding online payment services, and introducing QR-code payment based on the cashless payment needs of users in Japan and those from overseas.

SCM Division initiatives

1 Transformation in manufacturing and logistics (SCM DX)

In SCM, we are working to digitalize S&OP with the aim of improving supply and demand forecasting from procurement and production to sales, and optimizing it using supply planning data. We are also driving DX in manufacturing and logistics by incorporating cutting-edge automated warehouse systems at our Akashi and Saitama Mega DCs.

2 Shifting delivery management operations to smartphone

Delivery management operations that were previously paper based have now been consolidated into a smartphone app, making them paperless, enabling automatic checking. By reducing the workload and time associated with deliveries, we are contributing not only to improving our own operations but also the operational efficiency of our partner companies.

3 Introducing functionality that enables remote monitoring of manufacturing processes

The status of production equipment and safety equipment at our factories is monitored in real time. In the past there were sites where all equipment and facilities had to be patrolled on an hourly basis. Since the introduction of the system, the length of time spent monitoring by human operators per day has been reduced by average 150 minutes per plant. When a problem does occur, we can respond more quickly than before, and achieve a faster recovery.

Bottom-up digital transformation (DX)

Initiatives allow employees with no previous IT experience to develop software robot and automate their operations. This effort is guided by the key phrase "citizen development of robots". As of the end of November 2023, there are around 600 software robots in operation within the Company, more than of which 300 were created through citizen development by employees. In March 2024, the number of participants in training for this citizen development has exceeded 1,000. Going forward, we aim to improve the digital literacy of the whole company, and efficiently improve operations as we seek to achieve further transformation.



Establishment of NeoArc Inc.

In our Strategic Business Plan, the Coca-Cola Bottlers Japan Group aims to grow into a world-class bottler with excellent cost efficiency and profitability. In January 2024, as part of the “Back Office and IT Function Optimization” in the plan, we established NeoArc Inc. as a joint venture company with Accenture Japan Ltd., which has deep knowledge and experience in the fields of IT consulting, digital technology, BPO*1 and, ITO*2. NeoArc is off to a good start in a large partnership between two companies that have different backgrounds and capabilities, leveraging our respective strengths to move towards a common goal.

NeoArc will provide a broad range of service functions, including human resources, general affairs, finance, procurement, customer contact centers, sales support, governance, training, and IT operations/development for the entire Group. NeoArc will transform and improve processes, streamline and standardize operations, and evolve our services into higher value-added offerings. In addition, by making thorough use of digital technology, NeoArc will be able to provide services that go a step further. Coca-Cola Bottlers Japan, NeoArc, and Accenture will work together to achieve efficient management, maintain competitiveness in the dynamically changing beverage market and rapidly evolving technology environment, and ensure sustainable growth. This collaboration will significantly contribute to the realization of the data-driven management of the Coca-Cola Bottlers Japan Group.

*1 BPO: Business Process Operations

*2 ITO: Information Technology Operations



“New,” “Next Generation,” “Future” in Greek

- Means new forms and derivations
- Introduce new approaches and innovations
- A symbol of breaking away from old concepts and being future-oriented

Innovation and evolution

- Embrace changes and drive innovation
- A symbol of changes and hopes



Architecture

- Possess deep knowledge and expertise
- Professionals who structure processes and technologies

Arch

- Connects different elements and concepts like a bridge
- Work together to create a strong bridge (company)
- A symbol of partnership



Establishment of NeoArc Inc.

Message from the President of NeoArc Inc.



Realize a New Operating Model Within a Major Partnership

Head of Finance Operations Division, Coca-Cola Bottlers Japan Inc.
President, NeoArc Inc.

Satoshi Kon

Creating the future by combining diverse human resources, extensive knowledge, and technology

In the current situation where the world is experiencing significant, discontinuous change, I feel that innovative improvements starting from the present are insufficient to provide new value and services. It is important to have a strong mindset for change, incorporate ideas and technologies from both inside and outside the Company, and create a future that does not exist today.

At NeoArc, the momentum for change is spreading, as employees are planning and organizing workshops for themselves to change their way of thinking to achieve the ideal state. They are establishing a learning community where they can learn about technology and methods of business process transformation. I am confident that, by partnering with Accenture Japan Ltd., we can create unprecedented value and a brighter future by bringing together people with diverse experiences and knowledge for meaningful debates.

First, we will focus on building effective processes and developing individual skills to improve efficiency and quality. Over the medium to long term, we will fully participate in

the initiative of the entire Coca-Cola Bottlers Japan Group to build its technology infrastructure by 2028. We will also significantly transformation our own processes.

Aiming to be a company where each individual can shine

NeoArc's greatest asset is its human capital. Enhancing the added value of our employees is directly linked to increasing the added value of the Company. Human resources development is the most important action for the Company.

We aim to become a professional group in each area by acquiring business operation skills, as well as the ability to drive change and a mindset for further growth. We will actively implement capacity building and reskilling for this purpose.

We will build an organization where each employee can grow together with the Company, their individuality and thoughts are respected, consideration is given to their career development, and they can work with enthusiasm and curiosity.

Strength of NeoArc



Reviewing business operations from scratch to achieve efficiency



Exploring new business opportunities with data analysis



Carving out careers for employees through business transformation

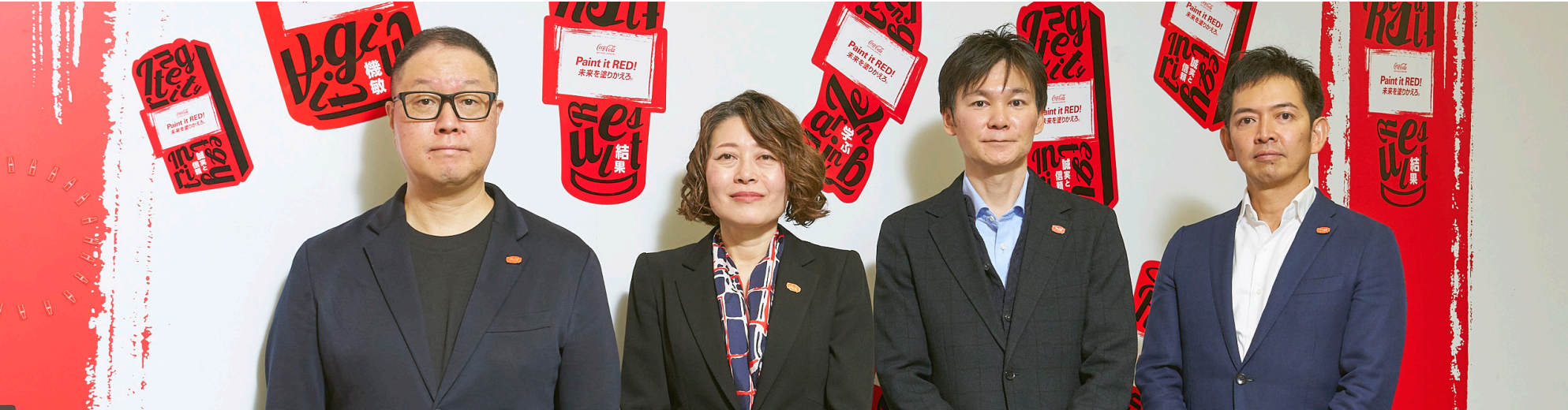


Cross-functional Project to Revamp S&OP Process

Transforming the S&OP process to ensure the stable supply of products and constructing an optimal supply chain that adapts to sudden changes in demand

In January 2022, we launched an internal project to transform the Sales and Operations Planning (S&OP) process. The goal is to rebuild the S&OP process to ensure the system can stably supply products and adapt to sudden changes in demand. Core members of the commercial, SCM, finance, procurement, corporate planning, and IT divisions participated in this project. They repeatedly discussed cross-divisional process improvement to increase the accuracy of demand forecasting and ensure the ability to flexibly supply products in the peak summer season.

As a result, the project improved the process by solidly linking cross-functional information in the abnormally hot summer of 2023. Swift recovery actions achieved the highest-ever shipment levels and reduced costs. Four key project members look back at the way our S&OP process has evolved and at what this change did for CCBJH.



Hiroshi Endo

Sales & Demand Planning Department Manager,
Sales & Demand Planning Department
Commercial

He joined the company in 1992. He is a long-serving team member who has experienced several corporate integrations and organizational changes. His current duties are to forecast demand and adjust the supply-demand balance. Another mission of his is computerizing demand forecasting.

Yumeno Yamauchi

Supply Chain Finance Director,
Supply Chain Finance Department
Finance

She worked consistently in the field of financial affairs at international companies in different business sectors. She joined CCBJI in 2021. She is general manager of the Supply Chain Finance Department in the Financial Division. As a business partner in the supply chain, she works on different company-wide projects, mainly focusing on those of financial aspects such as the improvement of capital investment efficiency and cost cutting.

Kazuaki Fukuda

Head of S&OI Department, S&OI Department,
Integrated Supply Chain Division
SCM

He joined the company in 2005 immediately after graduating from university. He was transferred to the supply chain department after five years as a salesperson. Since 2021, he has been in charge of S&OP implementation. His duties are to achieve stable supply and optimize the supply-demand balance.

Hiroshi Miyai

Head of SCM Business Process Innovation Group Division,
SCM Business Process Innovation Group Division
SCM

He was the initial leader of the S&OP Process Innovation Project. He joined CCBJI in 2021 after for both a Japanese and an international manufacturer. His mission is to maximize performance by improving operational processes in the supply chain.

Implementing a cross-functional project to address problems with the existing S&OP process

now reunited here. At the beginning, I was the leader. Starting in the second year, Mr. Fukuda has assumed the role.

Fukuda We had been working to improve the S&OP process for some time. In the past, the mechanism for orienting all of the team members with different job functions in the same direction did not work well in some parts. For this reason, it was likely that inventory adjustments were necessary in the summer. To enable the inventory to recover, we drove across the country. This increased transport expenses greatly, which was a vicious cycle. For this project, we brought together over 50 team members from various divisions within the company.

Yamauchi At the beginning, it had about 10 core members. We started by closely discussing the issue. In our company, it used to be common for individual divisions to act independently. We had few opportunities to use a cross-functional approach to take on a single issue.

Fukuda Yes. In summer, we would receive complaints about the inaccuracy of the demand forecast from the SCM Division, on the other hand we would receive a complaint from the Sales Division about having to adjust product inventory during the most important period in summer.

Endo I joined the company in the 1990s. At that time, there were 17 separate bottlers in Coca-Cola System in Japan. After several reorganizations, the size of the company increased. In this process, new problems sprang up regarding collaboration between the divisions. This instigated a review of operations from scratch.

Navigating in the hot summer 2022 with the company sharing a goal and all of the divisions cooperating



Hiroshi Miyai

plans was needed. However, how to achieve this was unclear. I suppose that the greatest achievement was building a consensus among all the divisions to act based on this single demand forecast.

Miyai Indeed, at the time the project was launched, we spent the longest time forging a shared S&OP concept. We drew up a vision of the S&OP that the project should achieve. We then established a process to realize S&OP through the collaboration of the sales, SCM

Miyai Core members at the time the S&OP Process Innovation Project was launched in January 2022 are

and financial divisions. We soon discovered problems and increased our flexibility to address them.

Yamauchi I believe all employees recognized the significant results achieved from our two-year operation based on a company-wide demand forecast. The results were evident in various KPIs. For example, we saw improvements in the accuracy of the S&OP process, a stable supply, reduced costs, and a lower disposal rate.

Endo In the commercial Division, the leader of the sales staff fully agreed to the concept of improving the S&OP process and gave instructions to their team members. I suppose that this thorough approach may have pushed the project forward.

Fukuda Calin (Representative Director and President) had long said, "Business as usual is not an option." I feel that was significant in the sense that his words created a spirit of transformation among the employees. With this spirit, the new S&OP process was put into practice in a very short period of time. In the summer of 2022, extreme heat came very early. That generated the risk that inventory adjustments would be necessary. Despite this, we managed to overcome the tough period through concerted efforts across the company.

Developing multiple scenarios using financial evaluations and building a consensus in advance

Yamauchi Before the summer of 2022, we planned several supply and demand scenarios. We reached

a consensus on the cost and extent of actions needed for a full response before summer. That was a great advancement.

Endo Inventory adjustments, especially during the summer, place significant stress on the commercial team. While our basic goal is to avoid these adjustments altogether, it is important to have pre-planned measures that enable supply to be flexible at the minimum inventory level (SKU) and to communicate these measures in advance. Successfully coordinating these strategies across different divisions of the company has greatly increased our confidence.

Yamauchi The commercial finance, supply chain finance, and financial planning and analysis (FP&A) teams worked with individual divisions to translate multiple scenarios into numbers and obtained an internal agreement in advance through S&OP process with a view towards the company's total optimization.

Fukuda You may tend to think that S&OP is only an SCM and commercial issue. However, we presented comprehensive optimization simulations created by the Finance Division regarding



Hiroshi Endo

matters that could trade off benefits and losses among divisions. This hugely improved the accuracy of planning and helped everyone understand the ideal state.

Entrenching the transformed S&OP process as a part of the organization's culture



The numbers clearly demonstrate that our financial position in 2022 and 2023 has improved due to the transformation of the S&OP process. The point of greater importance is that this was not a one-off event. The new S&OP process is a sustainable mechanism that has become entrenched as a part of our organization's culture.

Fukuda To publicize the transformed S&OP process and ensure it is understood within the company, we provided training to over 2,000 management-level personnel between the summer of 2022 and the spring of 2023. This enabled the trainees to increase their understanding of the transformed S&OP process, the proper linkage of information, and to think about what they could do for the S&OP process as a matter they could take ownership of. We also distributed an e-learning program to all of the employees. For division heads and higher-level personnel, we held an in-person workshop. A survey conducted after the training program revealed that 98% of the trainees wanted it continued.

Endo In 2022, the trend in operational improvement became observable. In 2023, we managed to maintain the supply-demand balance during the very long late summer heat. It was a symbolic achievement enabling the sales staff to realize that the operational process had really changed.

Miyai It takes about five years for companies that successfully transform their S&OP process to implement their new process at the working level. We transformed our process and produced positive results in the first year, and then took different measures in the second year. This enabled us to make the new S&OP process an entrenched part of our organization's culture. In addition, we introduced some ideas about communication, including Calin's distribution of information on our company social-media and the sharing of S&OP news on our intranet.

Continuously advancing DX and change management in the future

To push the transformation of the S&OP process one step further, we currently need to improve the reliability of the data required for decision making and the speed at which we acquire it to establish an optimal decision-making process. To achieve this, we are exploring the implementation of new demand forecasting systems and supply chain planning systems.

Endo Compared with the demand forecasting systems of bottlers around the world, our system

is very accurate. However, this is supported by the skills of our personnel. We will take on the task of making this system more versatile and digital. I suppose it is vital that we change our mindset to ensure that the personnel who possess unique skills fully leverage digital technologies.

Fukuda My division is also dependent on a limited number of members who play central roles in operations. We are considering introducing a system in the future that will give high marks to people who transform their operational knowledge in a way that enables third parties to utilize it.

Yamauchi Associating the accumulation of knowledge in a digital form with personnel evaluations is a brilliant idea.

Miyai To truly benefit from digitalization, it is crucial to transform our traditional, tacit knowledge into explicit, structured knowledge. By integrating this with best-in-class practices from outside the company, we can push forward with our unique approach to digital transformation (DX).

Yamauchi When we think of the huge size and time span of our supply chain as prerequisites for our business, we need to consciously work on change management to succeed in our organizational transformation. The whole organization needs to take the position of always seeking to evolve.

Using the results of the project for implementing the strategic business plan "Vision 2028"

After constructing a foundation by transforming the S&OP process, a system is being constructed to plan from a longer-term perspective. Guided by the strategic business plan "Vision 2028," we prioritize planned investments in accordance with the five-year business plan of the commercial Division in consideration of the opinions of the Financial Division. We are discussing a long-term infrastructure investment plan.

Miyai It is important that we incorporate the achievements of the project into our normal business operations, ensuring that these activities continue and evolve without reverting to old practices.

Yamauchi In "Vision 2028," we have established numerical targets and medium-term investment plans for individual projects. Achieving these goals requires a specific mindset and effective change management. It is remarkable to see everyone working together towards these goals.

Endo As a member of the commercial Division, I strongly feel that these results are great. Our successful response to the recent extreme changes in the climate is a testament to the valuable contribution of our improved S&OP process.



Foundations

Supporting the Growth of Corporate Value

45 Sustainability Strategy

Natural Environment

- Packaging and recycling (circular economy)
- Mitigation of and Adaptation to Climate Change
- Water Stewardship
- Sustainable Conservation of Biological Resources

Communities

- Contribution To Local Community Development
- Healthy Products/Services

56 People Strategy

People

- Diversity, Equity and Inclusion
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External Activities

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Directors

- List of Directors
- Appointment of Outside Directors and Independence Criteria
- Attributes of Directors and Skills Matrix

Messages from Outside Directors

Ethics and Compliance



Sustainability Strategy



Sustainability strategy with creating shared value (CSV) as a foundation of management

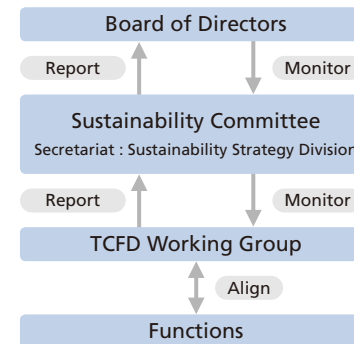
Executive Officer,
Head of Executive Officer
Coca-Cola Bottlers Japan Holdings Inc.

Executive Officer,
President of Food Service Company
Chief Business Strategy Officer & Sustainability Officer
Coca-Cola Bottlers Japan Inc

Maki Kado

Sustainability Committee promotion system

Sustainability promotion flow



Sustainability Committee operations

Chairperson	Representative Director, President and CEO
Member	Primarily composed of ELT* members and depending on the agenda, related executives may also participate
Agenda	Policies and strategies on various sustainability-related issues, particularly climate change areas and biodiversity conservation
Frequency	Quarterly
Reporting	<ul style="list-style-type: none"> Details of implementation are reported to the Board of Directors in the Business Execution Report. Agenda items requiring resolution are referred to the Board of Directors

*An abbreviation for Executive Leadership Team. Management organization in CCBJI Group including CEO and function heads

At the CCBJH Group, our mission is to deliver happy moments to everyone while creating value. This mission encapsulates our strong commitment to enriching the daily lives of people through our products and services. Every employee is dedicated to providing value that leads to joyful moments and precious events in people's lives, ultimately contributing to a better future. To achieve this, we have made creating shared value (CSV) a cornerstone of management. This means enhancing both economic value through business growth and social value through addressing social issues. This is the basis of our sustainability strategy.

To address our materiality issues, we have also set non-financial "CSV Goals" as specific numerical targets. To achieve our goals, we implement numerous initiatives and conduct scenario analyses to realize our sustainability strategy. As we pursue these measures, we continually monitor our progress and apply the Plan-Do-Check-Act (PDCA) cycle across our

entire value chain to steadily advance toward our objectives and realize our sustainability strategy.

In 2023, we identified 13 material issues unique to our Group, including Water stewardship. As a business reliant on the invaluable resource of water, our sustainability efforts focus on preserving and sustainably managing these resources.

Since 2006, we have been carrying out water conservation activities in the water source areas of our plants. We have signed agreements with local communities and municipalities to conserve water resources, promoting activities to enhance the water retention and recharge capabilities of the watersheds around our plants. In 2023, these initiatives enabled us to return more than four times the amount of water used in our products to the watersheds surrounding our plants. These comprehensive efforts earned us our first A list rating, the highest rating for water security

that we have received from the CDP*¹ in their sustainability survey.

In 2023, in line with our CSV Goals we established a Sustainability Committee to strengthen the development of policies and strategies related to various issues including climate change and biodiversity. On this committee, the ELT discuss sustainability issues then communicate the decided direction and strategies to ensure all functions carry out sustainable activities efficiently and comprehensively.

In 2023, the committee broadly discussed sustainability-related risk selection and growth opportunities as well as climate change and other sustainability topics.

Our goal is to become the company of choice for customers by collaborating closely with our clients and suppliers on sustainability initiatives. We will continue to address a range of societal challenges with a proactive and sustainable approach to enhance our corporate value.

*¹ Not-for-profit charity that runs the global system for companies and municipalities to disclose their environmental information

Sustainability Strategy

Natural Environment — Packaging and recycling (circular economy)

Achieving a World Without Waste (Zero-Waste Society)

In 2018, The Coca-Cola Company set a global target to reduce environmental impact and achieve a World Without Waste.

To support this goal, the Coca-Cola System in Japan established the 2030 Packaging Vision in January 2018, and updated it in July 2019 to be achieved ahead of schedule.

This 2030 Packaging Vision consists of three pillars: Design, Collect, and Partner.

With specific targets assigned to each pillar, our goal is to reduce packaging waste and promote the recycling of plastic resources in Japan.

2030 Packaging Vision of the Coca-Cola System in Japan—Roadmap and Results

	2019 Results	2020 Results	2021 Results	2022 Results	2023 Results	2025 Target	2030 Target
Design Initiatives to reduce environmental load	 • Established the 2030 Packaging Vision	 • I Lohas, natural mineral water, 100% Recycled PET Bottle • I Lohas, natural mineral water, label-less launched	 • 100% rPET bottles introduced for major Coca-Cola products • Lightweight packaging for Coca-Cola 700ml PET bottles 42g → 27g Sustainable materials* used in at least 90% of products	 Sustainable materials utilization 50% Target achieved 1st Quarter	 • Coca-Cola label-less bottles with stickers introduced for a limited time only  • New Coca-Cola package design displaying "100% recycled PET bottle"	Switch to recyclable materials in all packaging Sustainable materials in all PET bottles	 Sustainable material-utilization 100% Zero use of new fossil fuels • Switch to use of sustainable materials in all PET bottles  35% reduction of PET plastic used • Amount of PET plastic used per product (compared with 2004)
Collect Establish recycle scheme		 • Consortium established by Tokyo Metropolitan Government and Japan Soft Drink Association	 • "Recycle Me Again" logo introduced	 • Launched bottle-to-bottle recycling venture with Yoshimi town in Saitama Prefecture	 • Started a circular economy project with Saitama Prefecture and Urawa Reds		 • Collection of one PET bottle for every Coca-Cola product sold in Japan
Partner Various collaborations	 • Closed loop PET bottle recycling for Hajime Ryokucha Ichinichi Ippon	• Expanded to the Hajime series	 • Participated in International Coastal Cleanup	 • Participated in Plastic Circular Challenge 2025			 • Collaborate with a range of partners to build and maintain more reliable packaging collection and recycling schemes

*Recycled PET materials from bottle-to-bottle and plant-derived PET materials



Sustainability Strategy

— Packaging and recycling (circular economy)

Design

As of December 2023, we have introduced 100% recycled PET bottles for 38 products across four brands*, including our flagship product, Coca-Cola.

To make it easier for customers to choose environmentally friendly products, we introduced new packaging for Coca-Cola in September 2023. The text “100% recycled PET bottle,” previously displayed on the side, is now prominently featured on the front of the bottle.

Our label-less product range, which debuted in April 2020 with I Lohas, natural mineral water, now comprises 59 products across eight brands, including Coca-Cola, Aquarius, Ayataka, Canada Dry, Georgia, Karada Sukoyakacha, and Sokenbicha tea. We plan to continue expanding these offerings.

*Achievement of the Coca-Cola System in Japan as of December 2023

Collection and partnership

● Collaboration with local governments

We are working with local governments on “bottle-to-bottle” projects. These projects aim to bring together citizens, businesses, and governments to make used PET bottle collection and recycling more reliable. We have been working on making agreements for horizontal recycling of PET bottles since 2022. As of December 2023, we have signed agreements with 11 municipalities.

Our collaboration with local governments also takes place at public events like the February 2024 Saitama Marathon. The event, hosted by Saitama City, demonstrated a successful collaboration of bottle-to-bottle recycling. On the day of the event, we collected used PET bottles from water stations and recycled them into raw materials. These materials were then transformed into packages for Coca-Cola products at our plants.

● Collaboration with business partners

We collaborate with our business partners to promote bottle-to-bottle recycling. In August 2023, we launched a collaborative project with Honda Mobilityland Corporation to collect used PET bottles at Suzuka Circuit and recycle them into raw materials for use in our products.

In February 2024, we implemented a bottle-to-bottle recycling system at Sanfrecce Hiroshima's new home stadium, Edion Peace Wing Hiroshima. We collect used PET bottles on match days for recycling. We also use our vending machines and recycling boxes at the stadium to raise visitor awareness about the proper separation and collection of these bottles.



Launched in September 2023, the new Coca-Cola package design prominently displays the text “100% Recycled PET Bottle” on the front.



“Bottle-to-Bottle” recycling banner displayed at water stations to promote recycling awareness among runners and spectators



Promoting proper waste separation at Sanfrecce Hiroshima's new stadium



Sustainability Strategy

— Mitigation of and Adaptation to Climate Change

Climate change action targets

The Coca-Cola Company and the Coca-Cola System in Japan are committed to reducing greenhouse gas (GHG) emissions throughout the supply chain in line with the Paris Agreement and science-based absolute reduction targets, while seeking to grow the business at the same time. As stated in our non-financial CSV Goals, we aim to reduce our Scope 1 and 2 GHG emissions by 50% and our Scope 3 emissions 30% by 2030. We also aim to achieve net-zero GHG emissions by 2050.

Specific Initiatives



Electric vehicles as part of the social implementation of energy management systems

Since April 2023, we have been working with Commercial Japan Partnership Technologies Corporation to develop and implement an energy management system in Tokyo, supporting their mission to establish a carbon-neutral society. In the same year, we introduced FC*¹ electric trucks at our Shinsuna Sales Center and battery electric vehicle trucks at our Haneda Sales Center. Our objective is to identify and address any social challenges that may arise in the implementation of electric vehicles.

*¹ Fuel Cell



<https://www.ccbji.co.jp/news/detail.php?id=1397>



Carbon offset vending machines

Since March 2023, we have introduced carbon offset vending machines that effectively reduce operational CO₂ emissions to virtually zero. With a feed-in tariff non-fossil certificate*² equal to the annual electricity consumption of the vending machines, the machines installed on our customers' sites are considered to be using electricity generated from renewable energy sources, helping to offset their CO₂ emissions. Our goal is to support our customers' efforts towards a decarbonized society by installing carbon offset vending machines that are familiar to general consumers across our areas of operation.

*² A certificate that extracts and visualizes the environmental value of electricity generated from renewable energy sources (non-fossil power sources), such as solar, geothermal, and biomass.

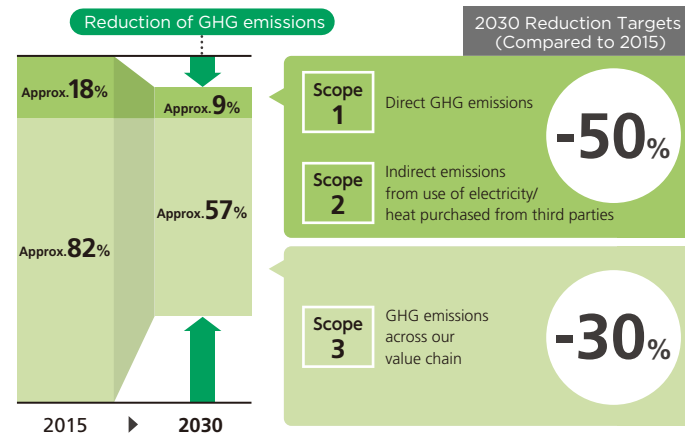


Aluminum can horizontal recycling (CAN to CAN)

The CAN to CAN initiative uses recycled aluminum material from used cans collected from recycling boxes next to our vending machines and uses them for containers. In December 2022, we began manufacturing three products using recycled aluminum material obtained through the CAN to CAN initiative for the can bodies. In April 2024, we expanded this practice to include the caps as well, using 100% recycled aluminum for both the bodies and caps of the cans. This change is expected to reduce CO₂ emissions generated in the aluminum bottle manufacturing process by about 37%* compared to conventional methods. This initiative helps promote the circular use of aluminum cans in Japan and contributes to the reduction of CO₂ emissions.

*³ Compared to the amount of CO₂ generated in the process of manufacturing conventional 400 ml aluminum bottles. Based on research by Altemira Co., Ltd., a supplier of recycled aluminum bottle cans.

Greenhouse gas reduction targets of the Coca-Cola System in Japan



Representative efforts of the Coca-Cola System

- Introduce renewable energy
- Improve energy consumption at plants and offices
- Improve distribution/transportation



- Promote introduction of bottle-to-bottle (horizontal) recycling and 100% rPET bottles
- Improve vending machine operation and optimize the value chain



* Assuming a switch from ordinary PET bottles to 100% rPET bottles

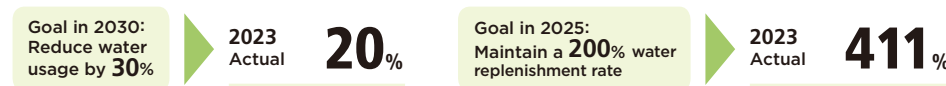


Sustainability Strategy

— Water Stewardship

Targets and progress

Understanding that water is a vital resource for our business operations, we have committed to reducing water usage by 30% by 2030 and maintaining a 200% water replenishment rate until 2025. (both compared to 2015) In our plants, we strictly control water usage to minimize waste during production. We continuously optimize our manufacturing processes and equipment, setting precise targets for lowering the water use ratio (WUR)—the amount of water used per liter of product produced. Additionally, we are dedicated to returning the same amount of water to the environment that use in our products, ensuring that we sustainably nurture forests in our water source areas and help preserve their water resources. To achieve these objectives, we collaborate with local communities and experts to promote our water conservation efforts.



GOAL 1	Plant operations
	Achieve 100% water recycling for the 175 high-risk plants by 2030 to enhance water resource sustainability.
GOAL 2	Watersheds
	Collaborate with partners to improve the health of 60 crucial watersheds for our business and our agricultural supply chain by 2030.
GOAL 3	Communities
	From 2021 to 2030, return a total of 2 trillion liters of water to nature and to communities worldwide.

Global vision for water security strategy

Water is not only the primary ingredient in many of our products but also central to the sustainability of our operations and community hygiene.

In March 2021, The Coca-Cola Company announced the global framework for its water conservation strategy through 2030, Water Security Strategy 2030. Additionally, in March 2023, the Company disclosed the details of its global goals related to its focus areas. Under this strategy, we promote activities based on three pillars—plant operations, watersheds and local communities—in various countries and regions worldwide.

 <https://en.ccbji.co.jp/csv/environment/?id=tab2>

Coca-Cola System water cycle concept

We categorize water at our facilities into two main groups: water used for manufacturing and water contained in our products, and we manage both types appropriately.

To ensure that our business activities are sustainable within the natural water cycle, it is crucial to maintain and improve the health of entire watersheds. Our efforts are centered around three key practices: reducing water consumption in manufacturing (reduce), managing wastewater in factories (recycle), and researching and conserving local water sources (replenish).

Major water indicators and results

Water used for manufacturing

13,365 thousand m³
YoY +0.6%

Water used in products

4,165 thousand kL
YoY +1.9%

Amount of water used to produce 1 L of product (WUR: Water Use Ratio)

3.20L/L
Change from the previous year -0.05L/L

Replenishment area

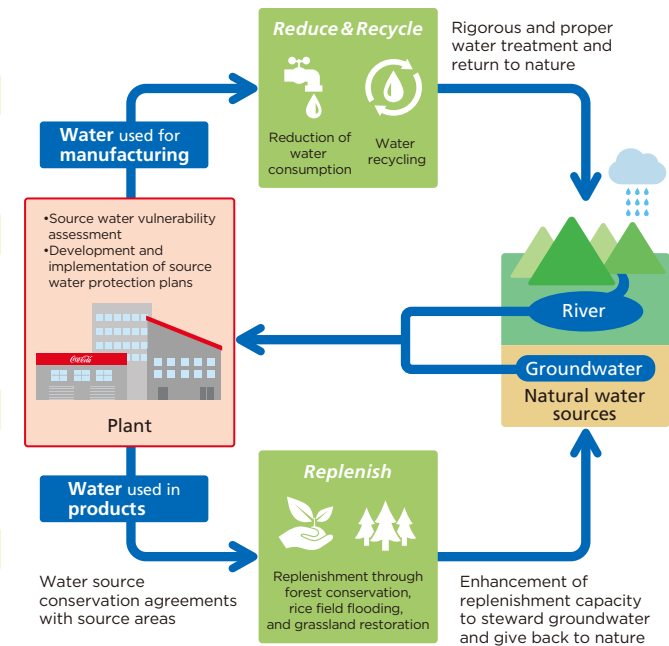
Approx. 8,135 ha
Change from the previous year -1 ha

Water replenishment rate

411%
YoY -2.1 point

Water source conservation agreements

Total 17 plants



Water used for manufacturing : Water is used in the manufacturing process for cleaning and cooling purposes, which is then collected, treated and recycled. After rigorous and proper water treatment, it is discharged into rivers.

Water used in products : Through conservation activities, such as afforestation, thinning, rice field flooding and grassland restoration, we improve the replenishment capability of water sources and help steward groundwater to ensure its abundance, ultimately returning water to nature.



Sustainability Strategy

— Water Stewardship

Reduce: Water usage reduction in plants

In our factories, we prioritize the efficient use of water during manufacturing while adhering strictly to the quality standards set by the Coca-Cola System's unique management system, KORE. To achieve this, we have introduced cutting-edge technologies and equipment that effectively conserve water. We also collect, treat, and recycle water used in the cleaning and cooling processes during manufacturing, enabling its circular reuse.

These initiatives have reduced the water use ratio (WUR)—the amount of water used per liter of product produced—to 3.20 liters by the end of 2023, a steady decrease of 20% from 2015.

Recycle: Wastewater management in plants

After circulating within the factory, water is purified using the activated sludge method with microorganisms. Our wastewater management strictly adheres to the most rigorous standards, whether required by local laws such as the Water Pollution Control Law, or the internal guidelines of KORE.

Once we rigorously and properly treated the water, and returned it to rivers as clean water, restoring it to the natural environment.



Wastewater treatment facility and regulating pond (Ebino Plant, Miyazaki Prefecture)

Replenish:

Investigation and conservation of local water sources

In the Coca-Cola System, we work with specialized institutions to scientifically identify the water sources of all of our plants. After assessing the vulnerability of these water sources, we develop conservation plans for them and review them regularly. Based on our conservation plans, we implement disaster response measures and carry out replenishment activities in the water source areas of our plants.

● Replenishment activities in plant water source areas

At all 17 of our plants, we conduct replenishment activities to nurture and maintain healthy water sources. These initiatives are carried out in forests and other water source areas of our plants, in collaboration with landowners, municipal governments, and forestry associations through conservation contracts.

Since 2006, we have been proactively engaged in water resource conservation. Currently, we are working with 52 organizations, including 23 municipal governments, in 15 watersheds to conduct replenishment activities.

● New initiatives in Tama Plant's watershed

In June 2023, CCBJH and the Coca-Cola (Japan) Company, signed agreements with Tabayama in Yamanashi Prefecture and Hachioji in Tokyo to protect the sustainable water resources in the watershed around the Tama Plant. Through the collaborations with both municipal governments, we aim to achieve a 100% replenishment rate for the Tama Plant's water sources by 2030. Additionally, we aim to improve the health of the watershed and protect its biodiversity.



Tabayama, Yamanashi



Agreement with Tabayama, Yamanashi and Hachioji, Tokyo



Water source conservation agreements and replenishment rates

Plants*	Conservation watersheds	Partner municipalities	Partner organizations
17	15	23	29

Plant	Water source agreement area	Replenishment rate	Area
Zao	Zao, Katta-gun, Miyagi Prefecture	100% or more	239ha
Iwatsuki, Saitama	Katashina, Tone-gun, Gunma Prefecture	500% or more	1,747ha
Ibaraki	Ishioka, Ibaraki Prefecture	500% or more	1,000ha
Tama	Hinode, Tokyo	Less than 100%	1ha
Ebina	Atsugi and Ebina, Kanagawa Prefecture	500% or more	1,487ha
Shirasu	Hokuto, Yamanashi Prefecture	100% or more	282ha
Tokai	Ena, Gifu Prefecture	100% or more	211ha
Kyoto	Ujitawara, Tsuzuki-gun, Kyoto Prefecture	100% or more	307ha
Akashi	Tambasayama, Hyogo Prefecture	300% or more	655ha
Daisen	Houki, Saihaku-gun, Tottori Prefecture	500% or more	427ha
Hiroshima	Mihara, Hiroshima Prefecture	500% or more	705ha
Komatsu	Saijo, Ehime Prefecture	100% or more	100ha
Tosu and Kiyama	Tosu, Saga Prefecture / Kiyama, Miyaki-gun, Saga Prefecture	100% or more	451ha
Kumamoto	Aso, Kumamoto Prefecture / Ozu, Kikuchi-gun, Kumamoto Prefecture	300% or more	320ha
Ebino	Ebino, Miyazaki Prefecture	500% or more	203ha

*Coca-Cola Bottlers Japan's 17 plants as of the end of 2023



Sustainability Strategy

— Sustainable Conservation of Biological Resources

Biodiversity conservation

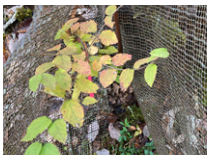
The CCBJH Group's environmental policy states that one of our critical missions is to efficiently utilize water and natural resources and preserve a sustainable global environment for future generations. As a business that relies on water, it is imperative that we conserve forests, grasslands, and other water source areas and ecosystems. Under our CSV Goals, we are committed to reducing and optimizing water usage and maintaining water replenishment rates. By promoting water conservation and replenishment in our priority areas, we strive to preserve biodiversity.

● Wildlife damage control and biodiversity conservation in Tambaasayama

Since 2008, following an agreement with Hyogo Prefecture on corporate forestation activities, we named part of the Prefectural Sasayama Forest Park, that has long served as a crucial water source for our Akashi Plant as "Water Source Forest Tambaasayama", and we have engaged in ongoing conservation efforts in this area. In collaboration with the Hyogo Prefectural Government, Hyogo Prefecture Greening Promotion Association, Tamba-Sasayama City, Tamba-



Kinran



Viburnum dilatatum

Sasayama City Property District, Hyogo Tamba Forest Association, and Hyogo Prefectural Federation of Forest Owners Cooperative Associations, we launched the "Learn from the Forest" project in November 2022. Employees from Akashi Plant and their families. Participants, including employees from our Akashi Plant, learned about the significance of community forest conservation in

restoring biodiversity. They also received lectures from experts to deepen their understanding of the serious consequences of deer overgrazing, which had resulted in the deterioration of underlying vegetation in the forest. Participants also set up protective fences around kinran, an endangered orchid species classified as vulnerable II (VU) by the Ministry of the Environment, to protect it from deer, helping the plant survive and aiding the restoration of the local flora. Participants also set up protective fences around kinran, an endangered orchid species, to protect it from deer, helping the plant survive and the restoration of the local flora.

In November 2023, one year after the installation of the fence, we observed a significant increase in vegetation diversity within the fenced area—from approximately ten to about thirty species. Notably, the population of kinran, an indicator species, increased from four to eight plants. New species, such as *Viburnum dilatatum* and *Callicarpa japonica*, also appeared, indicating steady progress in the recovery of biodiversity.

*1 Deer grazing intensity increases as deer populations grow, resulting in deer consuming plants that would have been left untouched.

● Participation in the 30by30 Alliance for Biodiversity

In July 2022, we joined the 30by30 Alliance for Biodiversity, a collaborative platform supporting the global mission to halt and reverse the decline of biodiversity, reflecting our dedication to achieving sustainability. The alliance, consisting of volunteer corporations, municipal governments, and organizations from both the private and public sectors in Japan, was established to conserve and protect at least 30% of the world's land and marine areas by 2030, promoting the global 30by30 conservation target.

● "Water Source Forest Ebino" recognized as a Nature Symbiosis Site by the Ministry of the Environment

In March 2024, the CCBJI Forest of Water Sources in Ebino, associated with our Ebino Plant in Miyazaki



Prefecture, was designated as a Nature Symbiosis Site by the Ministry of the Environment in support of the achievement of the 30by30 target.

"Water Source Forest Ebino" is a roughly 203-hectare community forest that serves as the water source for our Ebino Plant. In 2014, we signed a forest conservation agreement with Miyazaki Prefecture, Foothill Common Forest, and the Nishimoro District Forestry Association to carry out replenishment activities. The forest is home to a rich and diverse group of species, including freshwater crabs, Indian rice frogs, black kites, green pigeons, and damselflies. Our ongoing water replenishment activities here aim to contribute to the conservation of this biologically diverse woodland.



Promoting biodiversity using an app



As part of our biodiversity conservation efforts we have introduced the Biome app provided by Biome Inc. as a corporate mobile application. This interactive wildlife collection app allows users to experience the importance of biodiversity in an engaging way. By collecting and analyzing data on local animal and plant species using the app, we also aim to contribute to the achievement of the 30by30 conservation targets.



Sustainability Strategy

Communities — Collaborative activities in plants watershed

Coca-Cola Learn from the Forest project



To preserve water resources, an important resource for our business, we are dedicated to water replenishment projects in the watersheds surrounding our 17 plants.

The watersheds around the plants not only store water but also play a crucial role as habitats for flora and fauna. We have enacted the Coca-Cola Learn from the Forest project. The goal of the project is to educate both community members and employees about the importance of this irreplaceable resource and the preservation of the biodiversity unique to each region.

The Coca-Cola Learn from the Forest project is a hands-on environmental education program that enables participants to learn about the importance of nature and water, human interactions with nature, and environmental protection.



This learning experience is made possible through partnerships with local governments, forestry associations, and community organizations.

In 2023, approximately 700 people participated in the project, which was expanded to include Yamanashi and Saitama Prefectures for the first time, in addition to 12 other locations, Miyagi, Ibaraki, Tokyo, Kanagawa, Gifu, Hyogo, Tottori, Hiroshima, Kumamoto, and Miyazaki Prefectures.

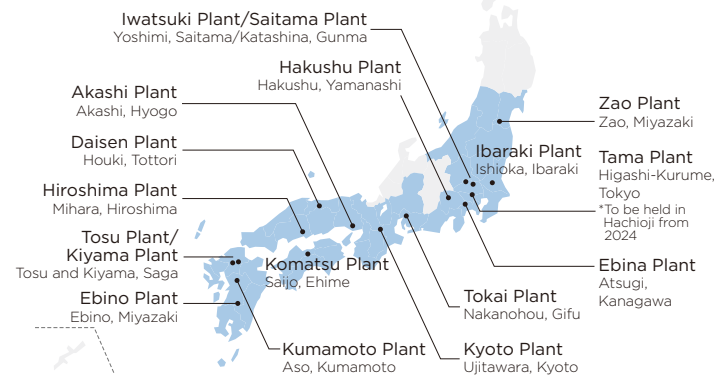


Learn from the Forest in Yoshimi, Saitama



Learn from the Forest in Hakushu, Yamanashi

Manufacturing plants and "Learn from the Forest" projects names



Cleanup activities

In collaboration with our partners, we are committed to achieving the 2030 Packaging Vision through local cleanup efforts.

We participate in river and ocean cleanups to improve the health of the watersheds surrounding our plants.



Community cleanup activities

As part of the global vision of a World Without Waste, the Coca-Cola System in Japan has been participating in the International Coastal Cleanup (ICC) since 2007.*

In 2023, we held a cleanup event in Yoshimi-machi, Saitama, near our Saitama Plant. Nearly 50 CCBJI members participated in the event, including Representative Director and president Calin Dragan. About 40 members of the Coca-Cola (Japan) Company also participated, led by Vice President Miyoko Tanaka. Also in attendance were the Town Mayor, Yoshio Miyazaki, officials from Yoshimi town hall and representatives from nonprofit organization greenbird and

FamilyMart Co., Ltd.

Altogether, around 100 participants collaborated as one team, working towards the realization of a World Without Waste.



*International Coastal Cleanup (ICC) is the world's largest coastal cleanup campaign. It was established by the largest marine conservation organization in the United States as an environmental education center for marine life. ICC is known for its worldwide reach and standardized approach to promote gathering data on marine debris which is used to address global waste issues.



Sustainability Strategy

— Contribution to local community development

Joint community projects between industry, academia, government, and the private sector

We partner with local governments, educational institutions and community organizations to implement regional cooperation projects that assist youth initiatives to address social challenges and contribute to achieving the SDGs.

Miyagi In partnership with Sendai and the non-profit organization Wakatsuku, we organize the Sendai Youth Awards, which recognizes the contributions of youth organizations to solve social issues.

Fukushima In partnership with Fukushima Prefecture and Saposen, a regional support center in Fukushima, we run the Challenge Internship Project. This project aims to educate young people about regional issues and the appeal of Fukushima.

Mie In collaboration with Mie Prefecture, Dr. Masao Aoki's research lab at the Faculty of Humanities, Law and Economics at Mie University and the non-profit corporation M-Bridge, we organize the SDGs workshop, Mie Mirai. This workshop explores challenges and opportunities to enhance Mie's appeal.

Miyazaki We support Miyazaki SDGs Action, a project that brings together businesses, students, businesses people of different generations and from different backgrounds to learn and discuss sustainable economies and societies.

By participating in these diverse projects, we collaborate with local communities to create a society that can empower young individuals to embrace new challenges.



Company sports

● Red Sparks Hockey Team

The CCBJH Group contributes to regional economic revitalization through its business. It also values the role that sports play in bringing excitement to communities and fostering communication with local residents. Our Coca-Cola Red Sparks Hockey Team strives to win throughout the season while also proactively participating in community events to promote a bright and vibrant community where everyone can thrive. The team offers sports clinics to encourage physical activity, enhance skills, and provide safe coaching methods for young people. We will continue to aim to be a team beloved by the community. Our sports clinics create opportunities for young individuals to work out their bodies with safe and effective coaching methods.

Sports clinic and hockey classes

Number of clinics held **21** Number of participants **3,034**

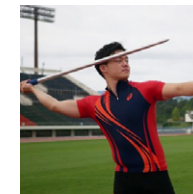
Official results for 2023

Winner of the Prince Takamado Cup Hockey Japan League
Winner of the All Japan Women's Hockey Championship
National Sports Festival Runners Up

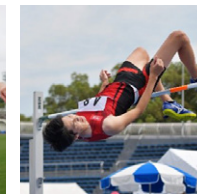


● Para-athletes and deaf athletes

We recruit para-athletes and deaf athletes to support endeavors of people with disabilities. In addition to pursuing both sports and professional careers, our athletes contribute widely to the community through classes for creating a shared future, such as providing, as a group, disability awareness classes and barrier-free sports experiences.



Haruki Masanari
(Para Athletics
Javelin Throw)



Kazuhiro Takai
(Deaf Athletics High Jump)



Class for creating
a shared future

Future co-creation classes/disability awareness programs

Classes we give by visiting schools **7** times **1,110** participants
Events **5** times **1,300** participants

● Company ambassador

The CCBJH Group has appointed Shotaro Tsuoka to be a company ambassador. Tsuoka is a Japan national rugby sevens team player. Our goal is to create an environment that enables Tsuoka to concentrate on his competing as a member of the national team playing on the world stage.



Sustainability Strategy

— Contribution to local community development

Food bank and scholarship program

Since 2016, we have partnered with Second Harvest Japan, a member of the Alliance of Japan Foodbanks, and the Food Bank All Japan Association to regularly donate beverages to children's cafeterias and social welfare institutions through local food bank organizations. In 2023, we donated 35,443 cases (911,140 bottles) of Coca-Cola products to 26 organizations in the area.

As an affiliate of the Coca-Cola Educational & Environmental Foundation, we offer a grant-based scholarship program that aims to empower young individuals to become active members of their local communities. Our scholarship program is open to students who are continuing their education at university or graduate school, with a focus on promoting sustainability and the Sustainable Development Goals (SDGs).



First donation to the Hinokuni Smile Project (Hinokuni Smile Cafeteria)

Plant tours

We value plant tours as a way to directly communicate with customers, clients, and other stakeholders. Tour facilities are available at six of our 17 domestic plants: Zao Plant (Miyagi Prefecture), Tama Plant (Tokyo), Tokai Plant (Aichi Prefecture), Kyoto Plant (Kyoto Prefecture), Hiroshima Plant (Hiroshima Prefecture), and Ebino Plant (Miyazaki Prefecture).^{*} We had suspended plant tours due to the spread of the COVID-19 but have resumed them in December 2022. We aim to be our stakeholders' trusted partner by sharing information about Coca-Cola's manufacturing processes, stringent quality control standards, and environmental and community initiatives during these tours.



The mayor of Mihara and local elementary schools participated in a ribbon-cutting ceremony for plant tour at the Hiroshima Plant in April 2023.

In-person plant tours restarted

After restarting plant tours at the Ebino Plant in Miyazaki Prefecture in December 2022, from 2023 we have resumed tours at Zao Plant in Miyagi Prefecture, Tama Plant in Tokyo, Kyoto Plant in Kyoto Prefecture, and Hiroshima Plant in Hiroshima Prefecture.

^{*}The Tokai Plant in Aichi Prefecture is scheduled to resume tours in 2024.

Summer School held online

In addition to our regular plant tours, we hosted a summer school focused on our initiatives to achieve the SDGs so that people who live far from the event venue can also participate. A total of 1,387 people participated in events over four days in 2023.



Tama Plant tour



Sustainability Strategy

— Healthy products/services

We respond to the diverse needs of our customers by offering an extensive product line-up. To meet the growing demand for health-conscious options, we offer natural waters, unsweetened teas and zero-calorie products. Recently, we have expanded our line-up of Foods for Specified Health Uses (FOSHU) and Foods with Function Claims. Our products not only enrich and nourish the well-being of our customers' bodies and minds, but also complement their individual lifestyles. In addition to our products, we offer health-related seminars and other services. In addition to product offerings, we also host related seminars and provide high value-added products and services that help maintain and promote good health and nutrition, enhancing our customers' wellness.

External seminars

Hydration / In Iku, drink education / visiting lectures

The recent increase in heatstroke and other health issues related to hot and humid conditions underscores the critical importance of maintaining proper hydration throughout the

day and various situations. As a beverage manufacturer and seller, we organize hydration seminars to help prevent dehydration.

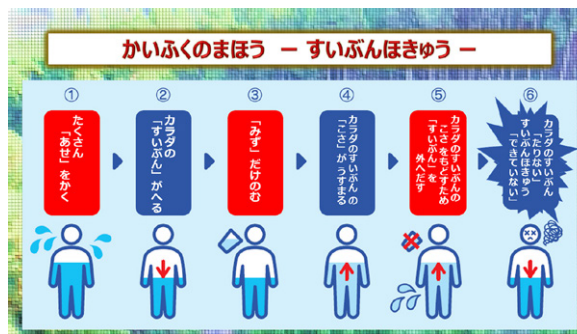
We also provide educational seminars on drinking habits (*In Iku*) to help customers choose beverages that suit their lifestyle and health condition. These workshops emphasize the importance of staying hydrated and provide valuable information on various beverage options. Participants learn how to read labels, including ingredients, nutritional facts, calories and expiration dates, empowering them to make informed choices.

In 2023, we hosted an online Summer School that featured a special factory tour session tailored for families. This session delved into important topics, such as hydration and the safety and reliability of our product manufacturing, providing participants with an engaging and informative experience.

We will continue to provide valuable seminars that promote wellness among our customers.



Our Summer School features a role-playing game-style seminar, merging education with entertainment.



Employee sustainability awareness-raising initiatives

We believe that fostering employee awareness and behavioral change not only helps address challenges that society is facing but also promotes the growth and enhances the corporate value of the CCBJH Group. To improve employees awareness of sustainability, we regularly hold educational sessions focused on the non-financial CSV Goals of the CCBJH Group. These sessions are designed to increase our employee understanding of our initiatives. Specifically, in the Products category of the CSV Goals, we have established sales targets for FOSHU and Foods with Function Claims, and we clarify our strategic approaches during these sessions.

Additionally, we have incorporated ESG investment options into our defined contribution plan to increase our employees' awareness and understanding of sustainability.



Regular study sessions on a variety of topics are hosted throughout the year



People Strategy



Contributing to sustained business growth through the goal of human capital and our personnel, culture and organization

Executive Officer and CHRO
(Chief Human Resources Officer) and Head of HR&GA
Coca-Cola Bottlers Japan Inc.

Yuki Higashi

		People		Culture		Organization	
Future state of human capital		<ul style="list-style-type: none"> Drive change through strong ownership of personal development, careers, and collaboration with diverse individuals Realize a sense of fulfillment and happiness through business success and personal growth 		<ul style="list-style-type: none"> Embrace new challenges and a growth mindset that values a performance-driven culture Leverage diversity as a strength by fostering an inclusive environment 		<ul style="list-style-type: none"> Become a lean organization through business process optimization and digitalization 	
People Strategy	Priority areas	Securing a front-line workforce	Attracting, developing, and retaining talent	Developing capabilities for change	Performance-driven culture	Proactive ownership of one's own career	
	Initiatives	DE & I <ul style="list-style-type: none"> Increase the number of women in managerial positions Encourage male employees to take childcare leave Proactively hire more people with disabilities Promote LGBTQ+ initiatives 	Talent development <ul style="list-style-type: none"> Develop next-generation talent Proactive career-building program 	Growth and career development <ul style="list-style-type: none"> Foster a performance-driven culture Career development based on personal needs and growth Expand the role of managers to strengthen the organization 	Wellbeing <ul style="list-style-type: none"> Promote physical wellbeing 		

Driving a new people strategy aimed at maximizing the capabilities of talent and the organization

To accomplish the CCBJH Group's mission, delivering happy moments to everyone while creating value, it is vital for each employee to feel a sense of fulfillment and happiness. This should be achieved by leveraging their full potential, contributing to the company's success and their own personal growth. We incorporated strengthening human capital into the foundation of our strategic business plan, "Vision 2028" as one of our important measures. To accomplish this, we have developed our people strategy and entered an implementation phase in 2024. Our new people strategy defines a future state of human capital. It aims to strengthen human capital to achieve our goals in "Vision 2028."

Future state of human capital

The future state of human capital necessary to achieve our goals in "Vision 2028" was discussed at management

meetings, while multiple strategic options were considered. Consequently, the future state of our people, culture, and organization was defined. Regarding people, we aim to create an environment where each employee has strong ownership of their personal development and career, and collaborates with diverse individuals. It will enable them to feel a sense of fulfillment and happiness through business success and personal growth. In terms of culture, we will seek to foster a performance-driven culture where, encouraging employees to embrace new challenges and have a growth mindset. We will also aim to foster an inclusive workplace where employees' diverse values and capabilities are utilized as advantages for success. Regarding the organization, we envision the advancement of business process optimization and digitalization through "Vision 2028" in the future. This will free our employees from routine operations, enabling them to concentrate on tasks in which human capabilities are valued such as more creative and strategic duties, human

relationships through communication and innovation. By doing this we will become a lean organization.

To achieve this future state of human capital, we have determined priority areas in our people strategy. These areas are associated with issues facing our businesses. For initiatives planned in each priority areas, we have defined key performance indicators (KPIs) and targets for them. These targets are incorporated into the targets of executive officers. We will thus be united as a whole company to accelerate our initiatives for our goals. In addition to Board of Directors' meetings, we allocate approximately one-quarter of the regular meetings of our executive leadership team to discussion of our people agenda. This ensures our executive leadership team's commitment to people strategy.

We will carry out these activities with a view toward sustainable growth and keep creating value for diverse stakeholders through our business activities.

People Strategy

People — Diversity, Equity and Inclusion

Be COLORFUL! Let's continue to create new value together.

Our mission is to "Deliver happy moments to everyone while creating value." To achieve this mission, we prioritize, above all else, ensuring that each employee works happily in a fair culture. The driving force for creating new value is the fusion of colorful values and ideas, woven together by our personnel with differences in age, race, nationality, disability, gender, sexual orientation, gender identity, gender expression and work style. We will continue to be a company that connects with our customers and society in our own way, with diverse personalities working together.



Promoting women's active participation

To help women build their careers, we provide development measures tailored to different career stages. Our Sponsorship Program is designed to match female division heads, according to their development needs, with executive officers to learn management viewpoints through regular dialogue. We also provide selective female leadership training in which managers also take part, aiming to promote the significance of women's participation and support the growth of subordinates. Furthermore, we designate the week in March that includes International Women's Day as a International Women's Week to provide opportunities for thinking, learning, and gaining insight into women's careers and work styles.



Tokyo Metropolitan Government Women's Participation Awards
Awarded in 2021

Encouraging men to take paternity leave

We engage in creating an environment and culture where male employees' participation in child-rearing and taking paternity leave become the norm. Managers present our originally-designed aprons to their male employees who have become fathers at meetings to encourage them to take

paternity leave. We also have launched a website on our intranet featuring interviews with long-term paternity leave takers and their supervisors to show examples of extended leave taken across various departments. This ensures that tips and methods for achieving long-term paternity leave are accessible to everyone at any time.



*Calin Dragan, Representative Director and President, actively encourages employees to take paternity leave.

Employment of people with disabilities

In 2019, our group company has been certified as a special-purpose subsidiary, to create a work environment where individuals with disabilities can demonstrate their own strengths. The subsidiary offers a variety of work positions, including laundry, administrative, and equipment parts washing to allow each person to demonstrate their unique qualities and



Uniform laundry duties, one of the major tasks of the special-purpose subsidiary



Athlete with hearing loss Kazuhiro Takai (left)
Para-athlete Haruki Masanari (right)

abilities. We also support the activities of para-athletes and deaf athletes. As a result of these initiatives, we maintain an employment rate of people with disabilities that is above the government guidelines.

LGBTQ+

We are working on creating an environment where all employees have accurate knowledge of LGBTQ+ issues and diversity is respected without discrimination, both inside and outside the company. In terms of systems, we are developing childcare and family care systems to allow all employees to take advantage of welfare benefits, regardless of the gender of their partners or their marital status. We are also considering establishing leave for medical treatment for gender transition. From the viewpoint of fostering a diversity-oriented culture, we launched an ally* network in 2022, in which employees voluntarily take part in activities. Since 2023, we have designated the last week of June as PRIDE Week, providing employees with opportunities to learn and deepen their understanding of LGBTQ+ issues and allies.



*An ally is a person who thinks about the issues faced by LGBTQ+ people and proactively works together with people, regardless of whether or not they are a part of a sexual minority.



People Strategy

— Talent Development and Wellbeing

Accelerating challenges and growth

Our mission is to "Deliver happy moments to everyone while creating value." This mission cannot be achieved without talent development. We strongly support employees who take ownership of their personal development and careers by providing diverse learning and growth opportunities tailored to their individual needs and life stages. We also aim to fulfill our responsibilities as a company contributing to the creation of a sustainable society and environment by developing talent with broad perspectives and flexible thinking who are capable of providing new value to customers and society.

Next-generation development programs

● Coca-Cola University Japan (CCUJ) for training prospective business leaders

In 2020, we established Coca-Cola University Japan (CCUJ) as an internal university to nurture next-generation leaders who will drive the transformation and future growth of the Coca-Cola system and create new value in the beverage market. CCUJ comprises five leadership levels: the next generation of prospective management executives, department managers, section managers, leaders (general staff members), and general staff members. Participants from each division will undertake a six-month



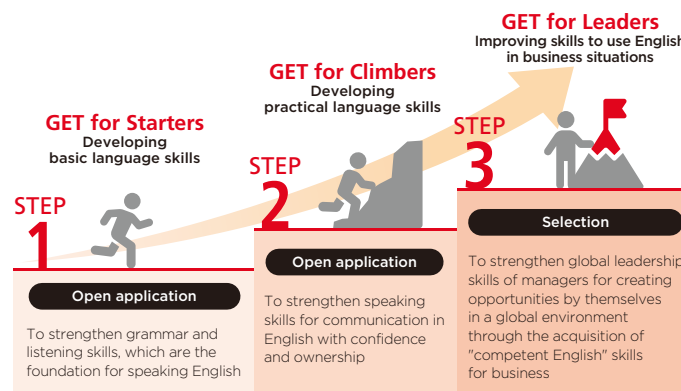
program to grow as leaders for the next generation through enhancement of their strengths and solution of their issues.

● English language proficiency enhancement program Global English Transformation (GET)

We provide the Global English Transformation (GET) English proficiency program for employees in their 20s and 30s to enhance proactive communication of CCBJH Group's initiatives overseas while also absorbing knowledge from outside Japan, applying it to our daily activities, and creating business growth. Participants compete



English language proficiency enhancement program Global English Transformation (GET)



and encourage each other to progress throughout the six-month intensive program, steadily strengthening their English language skills.

● Exchange program

We offer short-term assignments to each Coca-Cola Group company operating in regions outside of Japan. The aim is to provide opportunities for young employees to broaden their perspectives and grow by gaining new insights and learnings from initiatives and best practices in other countries.



● Self-development support program

We implement a self-development support program called Knowledge Mall, which provides various learning opportunities and supports personal career development and self-improvement to meet the self-growth motivation of our employees.

We provide, in conjunction with tuition assistance, 297 material-based courses with content for DX talent development, online English conversation, and business schools, as well as 23,100 videos. This reflects our commitment to ensuring that each employee can access development opportunities according to their individual needs and timing.



People Strategy

— Talent Development and Wellbeing

Maximizing the growth of the organization and individuals

To achieve "Vision 2028" and the sustainable growth of the company, a mindset and culture that embraces new challenges and growth are necessary. We will achieve both individual growth and company goals by supporting employees to have a strong ownership of their personal development and careers, ensuring thorough evaluation and compensation systems that emphasize individual and organizational performance.

Fostering a performance-driven culture

To maximize the potential of employees and enable them to play an active role within the organization, it is necessary to set individual goals aligned with organizational ones, and to establish development plans aimed at achieving these goals and realizing future career aspirations. For this realization, it is important for supervisors and subordinates to have conversation throughout the year and understand their strengths and areas for improvement through feedback.

We have introduced an effective performance management process in a healthy competitive environment that prioritizes a performance-driven culture, with the aims of connecting the contributions of each individual to the achievement of organizational goals and ensuring fair and transparent evaluation and performance-based promotion and compensation.

Developing careers based on personal needs and growth

To support learning and proactive career development by employees, we have established a system where employees create their own "Career Plan" and "Development Plan" annually and receive necessary support from their supervisors to achieve these plans.

With "Career Plan", employees consider the careers they are aiming for in the short and medium term, taking into account factors such as desired transfers, health-related

aspects, and work-life balance. With "Development plan", employees identify areas requiring development based on their strengths they have understood and develop action plans together with their supervisors.

By having each employee create their plans and communicate their short and medium-term aspirations, the specific learning required to achieve their career aspirations is clarified. Supervisors extract the learning necessary to achieve the individual's aspirations and support the individual's actions with concrete feedback.

Through the execution of clarified plans, employees feel their growth, while the possibility of achieving their goals and career aspirations increases.

Role of managers in strengthening the organization

To enhance the quality of a series of these cycles and maximize the growth of the organization and individuals, direct supervisors play a crucial role. Supervisors define team goals based on larger organizational goals and lead their achievement by responding accurately and promptly to business changes and opportunities.

As a prerequisite for this, supervisors are required to respect each individual's personality and take into account their wellbeing and engagement. In this healthy team environment, trust-based relationships and communication skills are necessary to enable appropriate and constructive feedback as well as setting roles and goals that contribute to

employees' growth.

We will strengthen the organization by redefining skills and actions required for these managers, providing training and other enhancements, and reflecting them in the evaluation of managers themselves.



People Strategy

— Talent Development and Wellbeing

Happy wellbeing

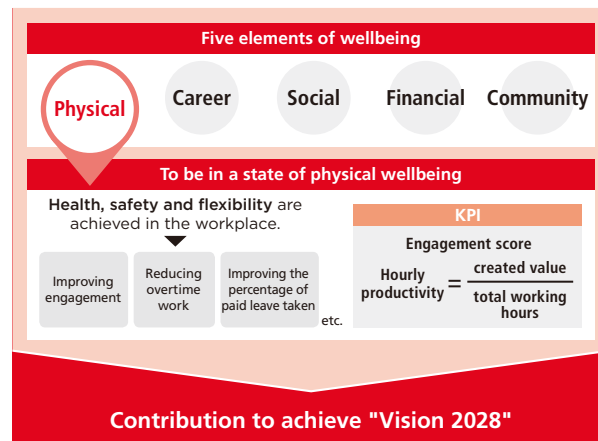
To achieve CCBJH's mission, "deliver happy moments to everyone while creating value," each employee needs to be happy. For this realization, we are working on improving the wellbeing of diverse human individuals.

CCBJH's concept of wellbeing

CCBJH Group defines wellbeing across five domains.

Among them, physical wellbeing will be the foundation for human capital.

By creating a culture and organization that facilitates comfortable working and the achievement of results, we will improve the hourly productivity of each employee and contribute to the achievement of "Vision 2028."



*The five elements above are based on the definition by Gallup, Inc.
Source: <https://www.gallup.com/workplace/237020/five-essential-elements.aspx>

Health management

We think that health and safety are not personal matters but should be addressed as organizational ones, thereby positioning them as important measures linked to our management strategies. By fostering a culture of working

healthily, we have been improving our engagement score and productivity. We have been certified as a White 500 Health & Productivity Management Outstanding Organization for the fifth consecutive year, as our particularly excellent initiatives in health management, including the cases shown below, have been recognized.



● Sample initiative in health management (1) Walking events

Since 2019, we have held walking events for all employees three times a year. These events, called Sawayaka Walk, attract approximately 8,000 participants annually, contributing to the initiation and maintenance of regular exercise.

Through walking, which is easy to start, we provide opportunities for individuals to experience the joy of exercise and focus on their own health, while supporting their healthy working.

● Sample initiative in health management (2) Promoting non-smoking

To aim for a healthy and comfortable workplace environment and a smoke-free society, we have gradually strengthened our non-smoking rules since 2020 and started a complete smoking ban on our premises in 2023.

Thinking it is important for managers to lead smoking cessation,



we have set a goal to achieve a 0% manager smoking rate by 2025. We promote smoking cessation among employees by covering the full cost of online smoking cessation clinics as requested.

Occupational safety

We engage in activities based on our Life Saving Rules, which are the global safety behavior guidelines of Coca-Cola. These consist of 14 rules and we review as many as 163 items quarterly to ensure compliance.

To further promote understanding of safety behavior, we also launched a learning center where employees can experience simulated entanglement accidents and falls, providing education for enhancing the safety awareness of employees.

Flexible work styles

We offer various options for employees to flexibly change their work styles. In addition to promoting teleworking, including working from home, in satellite offices, and working during vacations, we also encourage flexible work styles in our Commercial Division by allowing employees to have business meetings online and also to go straight to clients and back home.

Furthermore, we focus on work-life balance and have maintained a workplace environment where taking paid leave is encouraged by setting specific targets for using accrued paid leave in each organization. As a result of these initiatives, we have been recognized externally as a leading company in wellbeing.



Risk Management Strategy



Head of the Risk Management Senior Group
Coca-Cola Bottlers Japan Inc.

Gerold Knight

Creating a Resilient Business

At CCBJH we have implemented a business resilience program that integrates the ways in which we manage risk and opportunity to enable profitable growth, protect our people and assets, enhance our capabilities to respond in a crisis, and leverage insurance to protect us financially. Central to our program is having empowered teams that understand and respond with agility to risks and opportunities, adaptable leadership that responds to a crisis, and programs that develop our people and process capabilities to support both a short-term response and long-term resiliency strategy.

The process incorporates the review of our constantly changing business environment and the assessment of current and over-the-horizon risks and associated opportunities. Our people develop and implement plans to manage key risks and we maintain a focus on being able to continue operations and serve our customers in the event of

disruptions. For that purpose we have well-established crisis management and business continuity plans and a program that trains our crisis leaders at least annually through interactive simulations.

Accountabilities

The CCBJH Board has overall responsibility for our business resilience strategies with enterprise risk management (ERM) being a central pillar. The Board is closely involved in overseeing our current and over-the-horizon risks, the strategic response to them, and monitoring management actions that strengthen resilience in support of our strategic business plan "Vision 2028" objectives. Our business resilience programs are led by our Head of Risk Management, who as a member of the ELT works in close collaboration with the function heads and risk owners across our business on the response to specific business risks. He is tasked with maintaining a wide-angled view of our business streams

for emergent risks and opportunities and through regular reporting ensures that risk visibility is provided to our ELT, the Audit and Supervisory Committee and the full Board.

Our ERM framework has adopted the core elements of COSO and ISO 31000 to provide a PDCA risk framework aimed at driving profitable growth by leveraging opportunities and promoting appropriate risk-based decision-making, as well as strong capabilities in the identification and response to foreseeable risks.

The ERM program incorporates a variety of elements that enable us to ensure alignment to our business strategies, objectives, and principles; drives integration with our strategic direction, ethics and values; links into the business planning cycle; continually monitors our internal and external environment for factors that may change our risk profile and create opportunities; and conducts an annual evaluation of the type and amount of insurance we should purchase. Our approach to insurance risk transfer is influenced by the availability of insurance cover and cost, measured against the probability and magnitude of the relevant risks.

Our risks and the associated mitigation and response initiatives are constantly evaluated. The Audit and Supervisory Committee are provided quarterly updates on the full program with the Board of Directors receiving biannual updates. The program is regularly audited by our Internal Audit team and external auditors against global best practice.

In 2023, we continued to strengthen the integration of ERM and Smart Risk program into our corporate culture and business DNA through the roll out of training and awareness courses. We have maintained the visibility of risks and opportunities through regular ELT dialogue and quarterly senior manager participation in facilitated functional risk and opportunity identification and review sessions.

Risk Management Strategy

Enterprise Risk Management (ERM) Processes

ELT discusses risks and opportunities as part of regular business routines. Senior leaders undertake timely responses.

External risk monitoring supported by regular discussions within the Coca-Cola system in Japan.

Bottom up review through HRM* facilitated sessions with senior leaders to identify risks and mitigations together with potential opportunities. 1:1 ELT deep dives provided a topdown evaluation.

In quarterly ELT updates, members engage in detailed review and discussion to validate the key risks and implemented mitigations.

Quarterly the HRM briefed the Committee on material risks, management actions, and process compliance with the risk management elements of regulatory Code.

Biannual briefings provided by the HRM ensuring full visibility of the business resilience processes.

* HRM: Head of Risk Management

ELT Focus

Active Risk Monitoring by Coca-Cola system

Functional Business Reviews and ELT 1:1 Deep Dives

Quarterly ELT Risk Updates

Review by the Audit and Supervisory Committee

Review by Board of Directors

Major Risks

Our integrated business resilience program enables us to be vigilant to uncertainties in our operating environment and proactively identify new risks and profitable growth opportunities.

The cyclic review of our key risks involves an assessment of their likelihood of occurrence, potential consequences and speed of onset, and evaluation of the strategies to manage them. Our list does not include all risks that could ultimately affect us as there are risks that are not yet known to us, and risks currently evaluated as immaterial that could ultimately impact on our business or financial performance.

Climate change is a key risk to our operations over the longer term but while a risk, it can present significant opportunities that we can leverage through proactive preparation of our business with well-thought-out adjustments to strategy and capital investments. Climate risk is integrated into our risk management dialogue at all levels and a priority focus are of our Risk Management Forum and Sustainability Committee which drive alignment to TCFD and TNFD strategies.

While in 2023 we did not see material changes in our reportable risks, we did see reprioritization of risks as illustrated in our key risk table.(Refer to pages 63-64 for details)



In May 2023, our HRM, Dr. Knight was awarded the Risk Management Institute of Australasia's 2022 Risk Leader of the Year (Asian Region) .



Major Risks

Risk category	Description and potential impact	Key mitigations
Cyber Security and System Availability	<p>Business activities being suspended, and confidential information leaking caused by system failures or cyber incidents.</p> <ul style="list-style-type: none"> ● Losing trust from consumers and customers ● Deterioration of financial conditions 	<ul style="list-style-type: none"> ● Prepare countermeasures to mitigate any damage caused by system failures ● Improving and strengthening system security by proactive threat identification and conducting simulation tests of cyberattacks ● Complying with laws and regulations on information management ● Establishing internal regulations related to information security supported by related employee training program
Commodity Cost Increase	<p>Significant increases in procurement costs due to fluctuations in exchange rates, raw material shortages, commodity prices increase impact on profitability</p> <ul style="list-style-type: none"> ● Increased cost base ● Reduced product supply and limitations to product portfolio 	<ul style="list-style-type: none"> ● Mitigate the impact of exchange rate and product price fluctuations through the uses of derivative transactions ● Procure raw materials at lower costs through collective multisystem company purchases leveraging Coca-Cola system
Health and Safety	<p>Lack of compliance with safety systems, ownership or accountability and awareness, mental health issues, use of aging equipment cause serious work-related health and safety incidents.</p> <ul style="list-style-type: none"> ● Death or serious injury ● Reputation damage ● Prosecution and/or fines 	<ul style="list-style-type: none"> ● Continue ISO 45001 certification/Internal Audit strategies ● Continue implementing mental health survey ● Varieties of safety measures in place ● Education & training to raise awareness ● Remodeling of program to leverage Coca-Cola System best practices
People Talent (Attraction and Retention)	<p>Not being able to secure, retain and develop enough human resources and build constructive relationships with labor unions due to poor business performance and a competitive employment environment.</p> <ul style="list-style-type: none"> ● Slowdown or suspension of business activities ● Slowdown or suspension of supply chain operations ● Inability to achieve growth plans 	<ul style="list-style-type: none"> ● Implement strategic people development plans and develop a new salary payment structure ● Recruit diverse talent and commitment to people development (including overseas) ● Implement unmanned plant operations, online transactions, and outsourcing of shipping operations ● Enhance the workplace environment to improve employee satisfaction ● Strengthen communication between top management and employees
Changing Consumer Mindset	<p>Changes in consumer preferences caused by growing concerns over sugar consumption and increased health awareness, or pricing.</p> <ul style="list-style-type: none"> ● Acquisition or loss of consumer base ● Winning or losing trust from consumer ● Discriminatory taxation 	<ul style="list-style-type: none"> ● Focus on product innovation and portfolio expansion ● Strengthen range of low and no calorie beverages ● Diversification in pack sizes ● Promote active lifestyles through consumer engagement program
Natural Disasters	<p>Death and injury of employees, damage to business facilities for production, logistics and sales operations caused by events, such as earthquakes and floods.</p> <ul style="list-style-type: none"> ● Slowdown or suspension of business activities ● Slowdown or suspension of supply chain operations ● Reduced sales opportunities ● Additional costs required for recovery 	<ul style="list-style-type: none"> ● Strong Business Continuity Plan (BCP) and crisis response capabilities enabling structured and streamlined responses ● Enhance regional response capability through regular crisis and disaster response training and simulations ● Identified alternative shipping locations and secure transportation capacity in preparation for a disaster that damages the logistics centers ● Insurance earthquake coverage
Evolving Commercial and Competitor Landscape	<p>Inability to respond to changes effectively and efficiently in the retail environment.</p> <ul style="list-style-type: none"> ● Acquisition or loss of consumer base ● Winnig or losing trust from consumers ● Reduced sales profit ● Reduced portfolio availability 	<ul style="list-style-type: none"> ● Enhancing the product portfolio and accelerated productivity further to deliver products that meet the needs of the retailers ● Enhancing Right Execution Daily (RED) to drive operational excellence ● Expanding the online channels to respond to the surge in Internet mail orders



Risk category	Description and potential impact	Key mitigations
Growth Strategies	<p>Risk of failing to implement measures to improve our competitive advantage and grow the business (such as, through business integration, capital investments, product development, etc.)</p> <ul style="list-style-type: none"> ● Deterioration of financial conditions caused by loss due to impairment ● Losing trust of shareholders 	<ul style="list-style-type: none"> ● Building a robust system that enables the group to respond readily and flexibly to various circumstances ● Formulate business integration strategies that take multiple scenarios into consideration ● Supervision by Board of Directors and Executive Officers
Sustainability	<p>Failing to respond to changes in stakeholders' awareness of sustainability including climate change risks and/or adequately report on sustainability and ESG topics in line with stakeholder and regulatory requirements</p> <ul style="list-style-type: none"> ● Reputation damage with a reduction in stakeholder trust ● Increase in investor activism in the area of climate change ● Financial impacts - Loss of sales if customer expectations on climate change are not met and they shift to competitors 	<ul style="list-style-type: none"> ● Achieving CSV goals contributing to the development of a sustainable society ● "World Without Waste" initiatives including, increasing the use rate of recycled PET resin, developing more light-weighted packages, and collecting used PET bottles more effectively ● Proactive response in line with ESG, TCFD and TNFD reporting requirements
Quality and Food Safety	<p>Product related quality and food safety incidents</p> <ul style="list-style-type: none"> ● Losing trust of consumers ● Decline in earnings due to product recall or mass disposal of defective products ● Loss of opportunities due to penalties 	<ul style="list-style-type: none"> ● Supplier quality audits and quality certifications ● Employee awareness of quality control in all processes from manufacturing to sales ● Enhance the quality control and reporting system so that consumer/customer complaints receive a timely response ● Robust identification and response programs that enable us to quickly and efficiently deal with quality/food safety issues
Regulatory Compliance and Ethics	<p>Violations of laws, internal regulations, and our code of ethical conduct</p> <ul style="list-style-type: none"> ● Loss of customer and consumer trust ● Damage to brand and corporate reputation ● Regulatory penalties ● Economic loss through fraud 	<ul style="list-style-type: none"> ● Strong Tone from the Top and continued internal communication on corporate behaviors ● Ethics & Compliance Committee meetings held regularly ● Minimizing employee fraud opportunities by rebuilding the business processes, organizational structure and IT systems
Manufacturing, Logistics & Infrastructure	<p>The stable supply of goods being impeded due to issues in production and logistics operations, or changes in weather and consumer behaviors</p> <ul style="list-style-type: none"> ● Drop in sales volume and revenue ● Losing trust from customers 	<ul style="list-style-type: none"> ● Building a flexible supply system to respond to changes in the market environment ● CAPEX investment in infrastructure (production lines, etc.) that will enable the group to respond to the increase in demand during the peak seasons more readily ● Systems enhancements to enable timely sharing of inventory status
Climate change	<p>Becoming short of raw materials including water and agricultural products due to climate change</p> <ul style="list-style-type: none"> ● Reduced commodity availability and product supply ● Increase of production costs ● Limitations to product portfolio ● Discriminatory taxation 	<ul style="list-style-type: none"> ● Focus on sustainable procurement ● Engagement with stakeholders ● Sourcing alternative suppliers, and strengthening the selection of suppliers and their management by utilizing the performance data ● Adjust the level of raw materials that are difficult to procure, and shift to other raw materials when necessary
Franchise Relationships	<p>Risk related to our high dependency on, or changes to our relationship with The Coca-Cola Company (TCCC) and Coca-Cola (Japan) Company (CCJC) as trademark owners in respect to contract/relationship terms and renewals, concentrate pricing, support for product promotions</p> <ul style="list-style-type: none"> ● Decrease in sales from any suspension in the use of TM rights and/or decline in product development capabilities and brand power ● Increased COGS due to beverage base price ● Increased sales promotion expenses in event of any decrease in sales support 	<ul style="list-style-type: none"> ● Maintaining and improving cooperative relationships with TCCC and CCJC



Risk Management Strategy

Responding to climate change and natural capital

We recognize the importance of identifying risks and opportunities from climate change and incorporate our responses into our business strategies.

Climate change and the sustainable conservation of biological resources are material issues for our business. We align our information disclosures with Task Force on Climate-related Financial Disclosures (TCFD) recommendations and are also conducting a review based on the Task Force on Nature-Related Financial Disclosures (TNFD) recommendations.

● Climate change

Regarding the reduction of greenhouse gas (GHG) emissions, we aim to reduce Scope 1 and 2 emissions by 50% and Scope 3 emissions by 30% by 2030 (compared to 2015). In addition, we strive for net-zero GHG emissions by 2050. To mitigate and adapt to climate change, we are strengthening our governance system based on the TCFD recommendations, considering scenario analysis and strategies, and working to achieve our goals, while promoting risk management.

● Natural capital

Our environmental policy states that one of our critical missions is to efficiently utilize water and natural resources and preserve a sustainable global environment for future generations. We are currently identifying dependencies and impacts, and evaluating important issues in upstream, direct operations, and downstream. This is being done in accordance with the LEAP approach and with reference to TNFD v1.0, published in September 2023. We are also preparing to disclose the results of this review.

LEAP approach: The LEAP approach is an integrated approach to assessing nature-related issues, including interactions with nature, dependencies on nature, the impact of each issue, risks and opportunities.

Initiatives based on the TCFD recommendations

We will promote initiatives and information disclosure for the mitigation of and adaptation to climate change through consideration in accordance with the TCFD framework.

Governance	We discuss sustainability issues including climate change and formulate strategies at the Sustainability Committee, which consists of ELT. Ultimately, strategies, etc. are decided after the approval by the Board of Directors.	For details ▶ P.45 Sustainability strategy
Strategies	We are expanding the target years to 2030 and 2050. Performing scenario analysis by including items that were not subject to analysis, and re-identifying key risks and opportunities. We are also considering a transition plan.	This page Initiatives based on the TCFD recommendations
Risk management	Risks are discussed weekly by the ELT, and risks and opportunities are discussed by the ELT on a weekly basis and analyzed in detail at the risk management forum held quarterly.	For details ▶ P.61 Risk Management Strategy
Metrics and targets	As medium- to long-term targets, we have established CSV Goals, our own non-financial targets that aim to reduce GHG emissions throughout the supply chain by 2030 and achieve net zero GHG emissions by 2050. We are implementing initiatives while checking the progress.	For details ▶ P.18 Material issues and CSV Goals

● Scenario analysis

Determining that more detailed analysis of climate change is necessary, we have been conducting scenario analysis since 2022. The analysis focused on the beverage business, the main business of the Group, and examined two scenarios: a 1.5/2°C scenario and a 4°C scenario.

	1.5/2°C	4°C
Worldview	<ul style="list-style-type: none"> Response to climate change will progress, and transition risks such as regulations will increase. Build a society where social changes accompanying the transition to a decarbonized society are highly likely to influence business operations. 	<ul style="list-style-type: none"> Response to climate change will stagnate, and physical risks such as natural disasters will increase. A society where a rise in temperature and other changes in climate are highly likely to influence business operations
Reference scenarios	IEA: NZE, SDS IPCC: RCP1.9, 2.6, 4.5	IEA: STEPS IPCC: RCP8.5

● Re-performance of quantitative analysis, and re-identification of key risks and opportunities

In 2023, we expanded the target years of scenario analysis to 2030 and 2050, and re-performed the quantitative analysis and re-identified key risks and opportunities after including items that had been judged to be of low importance and excluded from the analysis in 2022. To minimize risks and maximize opportunities under multiple scenarios, we will reduce the risk of climate change and maximize opportunities by reflecting the countermeasures considered this time in management strategies and medium-term strategic business plans, and incorporating them into annual plans.

<https://en.ccbji.co.jp/csv/tcfd/>



Risk Management Strategy

Responding to climate change and natural capital

Identified risks and opportunities and countermeasures

Definition

Financial impact High: Over 10.0 billion yen/Medium: 1.0 billion yen or more and 10.0billion or less/Low: less than 1.0 billion yen
Time of occurrence Short-term: May occur by 2025. Medium-term: May occur by 2030. Long-term: May occur by 2050.

	Risks and opportunities of high importance	Details of major risks and opportunities	Impact	Time of occurrence	Countermeasures
Transition risks	Cost increase due to introduction of carbon pricing	<ul style="list-style-type: none"> Cost increase due to introduction of carbon tax and strengthening of emissions trading system, etc. Increased costs due to price shifting of carbon tax at supplier 	Medium	Within the medium to long term	<ul style="list-style-type: none"> Active adoption of recycled materials, promotion of weight reduction Reduction of raw material consumption through lighter containers/packages, etc.
	Cost increase due to energy conservation and GHG emission regulations	<ul style="list-style-type: none"> Cost increase due to capital investment for energy conservation and renewable energy, etc. Increased procurement costs due to increased production costs at suppliers 	Medium	Within the medium to long term	<ul style="list-style-type: none"> Reduce dependence on external power supply by introducing renewable energy Shift to use of alternative raw materials (in collaboration with Coca-Cola Japan)
	Decline in sales due to an inadequate response to changes in customer behavior	<ul style="list-style-type: none"> Sales suspension of our products at retail stores, etc. 	Medium	Within the short to medium term	<ul style="list-style-type: none"> Expansion of products in accordance with sustainable procurement Promote environmentally friendly products (e.g., 100% recycled PET/label-less)
	Cost increase due to tighter plastics-related regulations	<ul style="list-style-type: none"> Increase in procurement costs for recycled PET resin, etc. 	Medium	Within the medium to long term	<ul style="list-style-type: none"> Shift to use of alternative materials, active use of recycled materials Promote lighter containers
	Loss of reputation among investors and financial institutions due to inadequate response	<ul style="list-style-type: none"> Decrease in stock price and increase in financing costs in case of inadequate response 	Low	Within the short to medium term	<ul style="list-style-type: none"> SBT certification and participation in RE100 (TBC) Active and continuous information disclosure and external dissemination based on TCFD and TNFD, etc.
Physical Risks	Decrease in manufacturing efficiency and manufacturing volumes due to extreme weather conditions	<ul style="list-style-type: none"> Increased quality maintenance costs due to deteriorating water quality Increased response costs due to increased risk of illness 	Low	Within the medium to long term	<ul style="list-style-type: none"> Strengthening of BCP response
	Business shutdown due to extreme weather conditions	<ul style="list-style-type: none"> Impact of restoration cost and lost sales due to shutdown of factories and other company-owned facilities due to hazardous weather conditions 	Medium	Within the short to medium term	<ul style="list-style-type: none"> Identify and prioritize wind and flood risks in manufacturing sites, sales/distribution sites, and supply chain, and enhance mitigation plans
	Scarcity of water-based materials	<ul style="list-style-type: none"> Increase in procurement costs resulting from a rise in the market price of water Increase in response costs due to plant shutdowns caused by drought 	Low	Within the medium to long term	<ul style="list-style-type: none"> Improvement of WUR Strengthening of S&OP response
	Procurement risk of raw materials	<ul style="list-style-type: none"> Increase in procurement costs of agricultural produce and other raw materials 	Medium	Within the short to medium term	<ul style="list-style-type: none"> Diversification of procurement sources Collaboration with suppliers (e.g., development of agricultural methods,)
Opportunities	Customer demand increase for products that contribute to energy conservation and GHG reduction	<ul style="list-style-type: none"> Increase in sales due to environmentally friendly raw materials and packaging 	Medium	Within the medium to long term	<ul style="list-style-type: none"> Develop and expand environmentally friendly products (e.g., 100% recycled PET bottle, label-less, reusable, package-less)
	Cost and GHG emissions reduction through efficient use of renewables	<ul style="list-style-type: none"> Reduction of electricity costs and GHG emissions by introducing renewable energy and energy-saving equipment (facilities, logistics, etc.) Cost reduction through enhanced water efficiency 	Medium	Within the medium to long term	<ul style="list-style-type: none"> Installation of manufacturing equipment equipped with the latest technology, continuous improvement of manufacturing processes and plant equipment through monitoring Further promotion of water source replenishment capacity improvement
	Changing customer preferences due to global warming	<ul style="list-style-type: none"> Increase in sales of heat stroke prevention and healthy beverages 	Low	Within the medium to long term	<ul style="list-style-type: none"> Develop and promote heat stroke prevention and healthy beverage products

● Transition planning for decarbonization

We will achieve our 2030 GHG reduction targets by implementing measures toward decarbonization. It is difficult to clearly foresee the state of progress of infrastructure and technology development over the medium to long term. However, we will consider and implement measures that are appropriate for the Company through research and other means.

● **Major measures for GHG emissions reduction** ● Upgrading exiting facilities / Increasing the percentage of sustainable material usage / Implementation of Carbon offset vending machines / Expanding the adoption of next-generation automobiles / Review delivery routes / Lightweighting of PET products / CAN-to-CAN promotion, etc.,



Corporate Governance Strategy



We aim to enhance corporate value by building a strong foundation and maintaining our position as a trustworthy company.

Executive Officer, Head of Legal
Coca-Cola Bottlers Japan Holdings Inc.
Executive Officer and CLO (Chief Legal Officer)
Coca-Cola Bottlers Japan Inc.

Tomokazu Usagawa

Our mission and corporate governance strategy

Mission Realization

Management Foundation: Increase the soundness, transparency and efficiency					
Organizational Design	Increase management soundness, transparency and efficiency	➤ P.68	External Activities	Enhance dialogue with shareholders and investors	➤ P.72
Operation of the Meeting Bodies	Effective operation of meeting bodies	➤ P.69	Directors	Participation of diverse directors	➤ P.73
Executive Compensation System	Improve corporate value and share profit consciousness with shareholders	➤ P.70	Compliance	Strengthening ethics and compliance Appropriate risk taking	➤ P.78



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

Corporate Governance Strategy

Our vision is to continue to be the preferred partner for our customers and to win in the market through sustainable growth. Based on this vision, we strive to be an honest and trustworthy company for all of our stakeholders, including customers, business partners, shareholders, communities, and employees, and to achieve sustainable growth and enhance our corporate value. We believe that realizing this vision is only possible when there is a solid management foundation in place.

With the aim of increasing the soundness, transparency, and efficiency of management and enhancing medium- to long-term corporate value and shareholder value, we are engaged in the following initiatives to enhance corporate governance and strengthen a management foundation.

Efficient and effective organizational design

- Adopting the form of a company with an Audit and Supervisory Committee to strengthen the functions to audit and supervise the Board of Directors
- Adopting an executive officer system to separate the decision making and management supervisory functions of the company from business execution functions

Effective operation of the meeting bodies

- Adopting Virtual-Only General Meeting of Shareholders to provide more equal participation opportunities
- Having the Board of Directors and an Audit and Supervisory Committee that are specialized in the deliberation of critical management issues
- Improvement based on board effectiveness evaluations conducted by independent third parties

Executive compensation system

- Performance-linked stock-based incentive compensation system to share profit consciousness with shareholders as well as to increase officers' motivation to contribute to medium to long term corporate value and the increase in the stock price

- Stock-based incentive compensation system to strengthen recruitment competitiveness and retention

External activities

- Promoting active dialogues with shareholders and investors
- Enhancing the timely and appropriate disclosure of information

Directors

- Emphasis on diversity in board composition, including nationality, gender, and skills
- Having a majority of the Board of Directors being independent outside directors to ensure the Board is highly independent

Commitment to compliance

- Promoting a corporate culture that emphasizes ethics and compliance
- Appropriate risk taking to fulfill the Group's roles and responsibilities in society and aim to develop sustainably together with society

The Group is committed to building a strong foundation to realize sustainable growth while earning the trust of all.

Corporate Governance Strategy Organizational Design

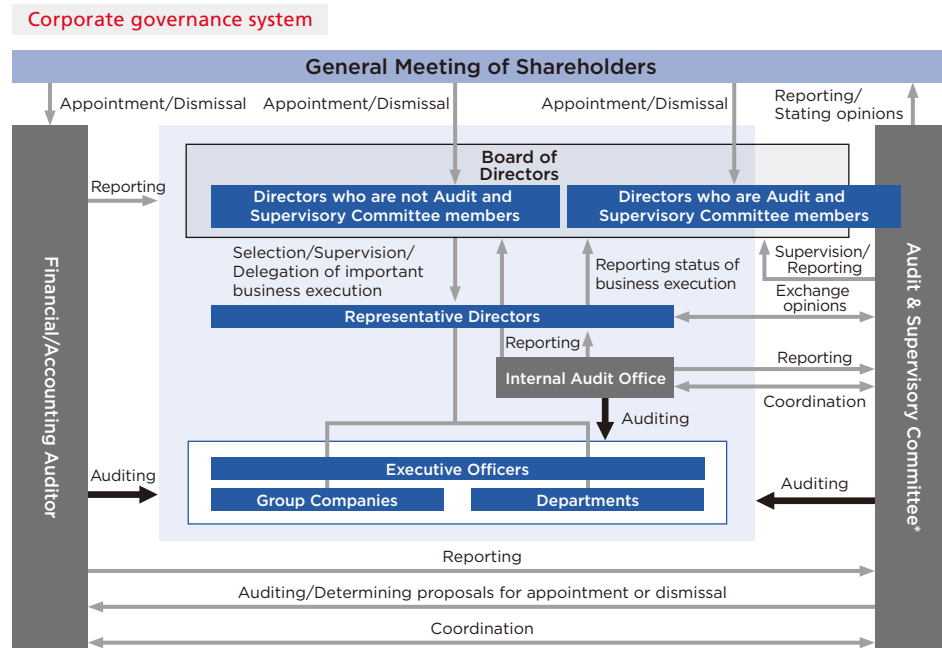
The Company's basic principles on corporate governance are to strive toward enhancing the Company's corporate value and increasing shareholder value over the medium to long term by improving management soundness, transparency, and efficiency.

We have adopted an executive officer system to separate decision-making and management supervisory functions from business execution functions.

Strengthening management supervisory functions

The Company has taken the form of a company with an Audit and Supervisory Committee, intending to further strengthen the governance system.

The Audit & Supervisory Committee has members consisting of multiple Independent Outside Directors, and the management supervisory function is further strengthened by the Audit & Supervisory Committee members, who are Outside Directors, having voting rights at Board of Directors meetings and the right to state their opinions concerning the nomination of and compensation, etc. for Directors at General Meeting of Shareholders.



* Consisting of only Outside Directors (Audit and Supervisory Committee members) including more than one Independent Outside Director

Separation of management supervisory functions from business execution functions

We have adapted an executive officer system to separate the decision-making and management supervisory functions from business execution functions. Certain decisions on important business execution are delegated to Directors so that the Board of Directors can deliberate more fully on matters of particular importance and the management team can expedite the decision-making.

In addition, material matters of the Company are deliberated at key meetings by President and/or Vice President and head of divisions including executive officers to expedite the decision-making.

Examples of key meetings attended by the management team

ELT Meeting	At these meetings, major issues and strategic directions of the Company or cross-function are discussed, especially on the topics of human resources based on the perspective of human capital management.
Executive S&OP Meeting	At these meetings, medium- to long-term strategic business decisions are made based on supply and demand plans and financial information to optimize the entire supply chain in conjunction with sales operations.
Capital Committee	This committee manages the progress of capital investment plans, deliberates and approves capital investment projects, as well as performs post-implementation verification for the purpose of appropriate management.
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 compliance-related cases, and examination and implementation of measures to prevent recurrence of problems.
Sustainability Committee	This committee discusses and develops policies and strategies, etc. regarding various issues around sustainability, particularly climate change.



Corporate Governance Strategy

Operation of the Meeting Bodies

We operate each meeting body to ensure the effectiveness of our decision-making and auditing bodies.

We introduce the General Meeting of Shareholders, the Board of Directors and the Audit & Supervisory Committee among others.

General Meeting of Shareholders

As the highest management decision-making body, we hold an ordinary general meeting of shareholders in March every year. The meeting decides on important matters such as the appointment of directors and the appropriation of surplus funds, with easy-to-understand reports on an overview of major business activities, the financial status, and issues that need to be addressed in the future.

We also strive to sincerely respond to the opinions and questions we receive from our shareholders.

We held the 2023 Ordinary General Meeting of Shareholders in March 2024 as a so-called "virtual-only shareholders' meeting", the first of its kind in the Company. The meeting was held entirely online via the Internet, with no fixed location, in order to provide all shareholders with a more equal opportunity to attend the meeting.



Board of Directors

The Company's Board of Directors consists of nine directors, including multiple independent outside directors. It holds regular meetings once every three months in principle, with extraordinary meetings as needed. The Board of Directors resolves matters concerning important business issues and receives reports on the execution of business. The Company also delegates a part of decision-making on important matters of business execution to directors to enhance deliberations on matters of special importance in the Board of Directors and to speed up decisions by the management team. In fiscal 2023, the Board of Directors met eight times, and the attendance rate of all directors was 100%.

Evaluation of Effectiveness

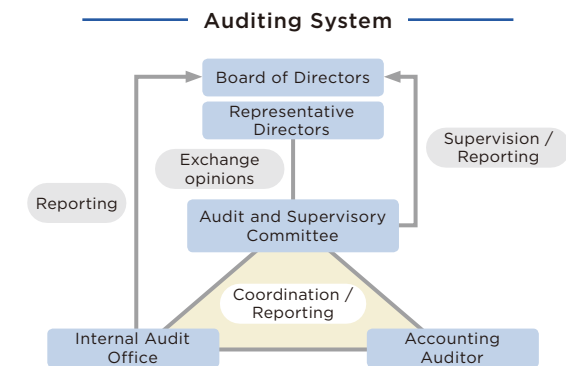
Each year, we evaluate the effectiveness of the Board of Directors based on evaluations by directors regarding its operation, support system, composition, etc., with the support of a third-party organization.

In the most recent evaluation, the issues from the previous year were improved, and the results greatly exceeded the average for other companies. We will continue our efforts to improve the effectiveness of the Board of Directors, by enhancing deliberations on topics in response to changes in the business environment, providing Board of Directors materials at appropriate times and formats, and conducting evaluations and making improvements after each Board meeting.

Audit and Supervisory Committee

The Company's Audit & Supervisory Committee consists of four members, all of whom are outside directors, including independent outside directors. In principle, the Audit & Supervisory Committee meet once every three months, 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.

The Audit and Supervisory Committee members also exchange opinions regularly with the representative directors regarding the content of the audit.



Corporate Governance Strategy

Executive Compensation System

We decide on policies regarding the determination of executive remuneration, etc. based on deliberations by the Audit and Supervisory Committee and after approval by the Board of Directors. The current policy (policy for determining compensation for directors, etc.) was resolved at the Board of Directors meetings on February 9, 2023 and February 14, 2024.

Basic policy

CBBJH Group have designed our executive compensation system on the basis of the following policy. Subject to the system at the end of December, 2023 are two executive directors, seven supervisory officers (directors who are Audit & Supervisory Committee members and outside directors who are not Audit & Supervisory Committee members), and nine executive officers.

Overview of the executive compensation system

Targets	Basic policy	Decision-making process	Level
Executive directors	<ul style="list-style-type: none"> The Company sets the level and composition of compensation to enable the hiring and retention of talented people who are diverse in terms of nationality, experience, etc. The composition ratio will emphasize performance-based compensation to provide a 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 and President, 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 consists 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 greater the responsibilities, the higher the percentage of variable compensation.

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

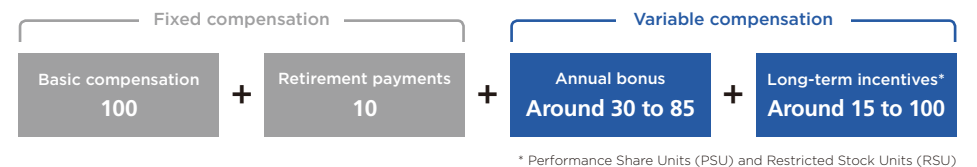
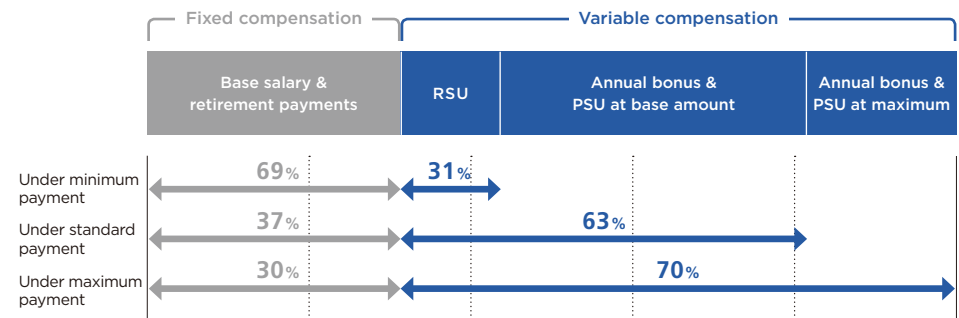


Image of compensation structure (in case of Representative Director & President)



Corporate Governance Strategy

Executive Compensation System

Compensation structure for executive directors (or directors)

Fixed compensation

Basic salary	<ul style="list-style-type: none"> Monthly payment of an amount determined based on responsibilities.
Retirement payments	<ul style="list-style-type: none"> 10% of annual base salary is retained, and the accumulated amount is calculated and paid upon their retirement. This payment may be reduced or withheld altogether if the recipient has caused significant damage to the CCBJH Group or been subject to disciplinary action. It may also be specially increased where the recipient has given particularly distinguished contribution. Any reduction, withholding, or special increase will be decided at the Board of Directors Meeting, based on deliberation by the Audit and Supervisory Committee.

Variable compensation

Annual bonus	<ul style="list-style-type: none"> Provided at a certain point in the year as an incentive for achieving performance targets for each fiscal year. The target amount is set 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 (companywide performance and individual evaluations) To provide motivation to achieve profitable growth, business income, sales volume, and net sales have been adopted as measures for evaluating companywide performance, based on the Company's policy regarding the determination of compensation, etc. for Directors, etc. The amount to be paid may be adjusted if the Audit and Supervisory Committee deliberated it necessary to do so, taking into consideration the status of payment of bonuses to employees.
Long-term incentives	<ul style="list-style-type: none"> Two types of stock-based compensation systems, (1) PSU and (2) RSU, are adopted as long-term incentives. The basic amount of all long-term incentives (1) PSU and (2) RSU is set in the range of 15% to 100% of base salary based on the responsibilities. 50% of this basic amount is set as the basic PSU amount, and 50% is set as the basic RSU amount. With regard to (2) RSU, additional grants for the purpose of retention, etc. may be made in addition to the abovementioned basic RSU amount and in case for Directors, up to the compensation limit detailed on the right if deemed necessary by the Audit and Supervisory Committee (Special RSU).
(1) PSU (Performance Share Units)	<ul style="list-style-type: none"> Granted as an incentive for achieving medium to long term performance targets. The number of shares to be issued shall be determined within the range of 0% to 150% of the basic PSU amount depending on the achievement of performance targets (only considering companywide performance) over the three years after the share units have been granted. A part of the shares to be issued shall be paid in cash for the purpose of allocating funds for the payment of obligations, etc. To provide motivation to enhance corporate value over the mid to long term, consolidated ROE and consolidated sales growth rate have been adopted as measures for evaluating performance, based on the Company's policy regarding the determination of compensation for Directors, etc.
(2) RSU (Restricted Stock Units)	<ul style="list-style-type: none"> Granted 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 are issued at retirement. A part of the shares to be issued shall be paid in cash for the purpose of allocating funds for the payment of tax obligations, etc.

The portion of the compensation shown on the left provided to Directors will not exceed the following amount.

Compensation limit for Directors (excluding Directors serving on the Audit and Supervisory Committee): 850 million yen per year (approved by resolution no. 5 of 2019 Annual General Meeting of Shareholders) (five in number at the time of the resolution, excluding Directors serving on the Audit and Supervisory Committee)

In case where the Audit and Supervisory Committee has deliberated and deemed it necessary, payments within 850 million yen may be made for fringe benefits such as compensation for exchange rate fluctuation between other countries and Japan, housing allowance, etc.*.

The portion of the compensation shown on the left provided to Directors will not exceed the following amount.

Compensation limit for Directors (excluding Directors serving on the Audit and Supervisory Committee): The maximum number of shares is 2,880 million yen and 1,800,000 shares for three fiscal years (approved by resolution no. 5 of 2022 Annual General Meeting of Shareholders) (five in number at the time of the resolution, excluding Directors serving on the Audit and Supervisory Committee)

Payment of compensation to directors in 2023

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* ²	Retirement payments	Annual bonus	Long-term incentives* ³	
Directors (except Audit & Supervisory Committee members) [of which, outside directors]	1,076 [44]	490 [44]	23 [—]	271 [—]	292 [—]	6 [4]
Directors (Audit & Supervisory Committee members) [of which, outside directors]	71 [71]	71 [71]	— [—]	— [—]	— [—]	7 [7]
Total [of which, outside directors]	1,147 [115]	561 [115]	23 [—]	271 [—]	292 [—]	13 [11]

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* ²	Retirement payments	Annual bonus	Long-term incentives* ³	
Calin Dragan	Representative Director	263	15	190	212	680
Bjorn Ivar Ulgenes	Representative Director	183	8	81	80	352

*1 Regarding fringe benefits, to support the execution of assignments outside the home country, compensation for exchange rate fluctuations between other countries and Japan, a housing allowance, etc. are provided in accordance with the internal regulations approved at the Board of Directors meeting through deliberations by the Audit & Supervisory Committee.

*2 Basic compensation includes an amount equivalent to fringe benefits (compensation for exchange rate fluctuation between other countries and Japan, housing allowance, etc.), etc.

*3 Long-term incentives include PSU, RSU, and special RSU.



Corporate Governance Strategy

External Activities

Through constructive dialogues with shareholders and investors, we shall promote their understanding of the Company, leading to sustainable growth and enhanced corporate value over the medium to long term.

To this end, we carry out a variety of IR and SR activities*, including the timely and appropriate disclosure of information and constructive dialogues with our shareholders and investors.

Dialogue with stakeholders

In 2023, as part of our IR activities, we held over 300 meetings with investors, including the analysts and shareholders who make up the capital market. Additionally, we held dialogues with institutional investors as part of our SR activities.

In these dialogues, we exchanged opinions on the overview of our strategic business plan "Vision 2028", sustainability initiatives such as ESG initiatives, governance systems, and other matters to promote mutual understanding. We also received opinions on improvements that investors would like to see and how information should be provided.

Through constructive discussions with investors, we will continue to actively engage in activities that will lead to enhanced corporate value by increasing mutual understanding and trust.

In addition to meetings, senior management and directors regularly provide information at earnings presentations and through other methods. We also webcast our earnings presentations in Japanese and English, and strive to participate in investor conferences held both domestically and internationally.

When engaging in dialogue with shareholders, the corporate governance department shares information with relevant departments within the Company to ensure a coordinated response. We also report the opinions obtained during our meetings with shareholders to senior management and the Board of Directors in a timely and appropriate manner to resolve issues.

*IR: Investor Relations

*SR: Shareholder Relations

Main IR activities in 2023

Category	2023 results	Details
Earnings Presentations	4 times	Quarterly earnings presentations were held by the president and CFO. The presentation 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 310 times; for approx. 520 people	Meetings and conference calls were held with analysts and institutional investors. Top management took part as needed.
Participation in domestic and overseas conferences	5 times	Four times in Japan, and once overseas. Top management took part as needed.
Other IR briefings	4 times	IR briefings including small meetings and facility tours participated by top management.
Delivery of video message from the President	4 times	Video messages from the President were delivered to investors. The latest message is available from the IR website. (https://en.ccbj-holdings.com/ir/)

Policy on 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.

Shareholdings of CCBJI

Number of companies and the amount recorded in the balance sheet

	Number of companies	Total book value of shares (million yen)
Unlisted stocks	89	2,778
Stocks other than unlisted stocks	17	4,513

Brands that the Company increased the number of shares in 2023

	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	5	10	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 decreased the number of shares in 2023

	Number of companies	Total amount by selling and decreasing the number of shares (million yen)
Unlisted stocks	16	303
Stocks other than unlisted stocks	29	4,928



Corporate Governance Strategy

Directors: List of Directors (As of March 26, 2024)



Directors

A Representative Director, President Calin Dragan

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.

Attendance at the
Board of Directors
meetings

8/8

Number of shares
of the
Company held

8,573 shares

B Representative Director and Vice President, CFO Bjorn Ivar Ulgenes

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, of Europe, Middle East & Africa (EMEA) Group, The Coca-Cola Company.

Attendance at the
Board of Directors
meetings

8/8

Number of shares
of the
Company held

3,429 shares

Outside Directors

C Outside Director Hiroko Wada

Hiroko Wada has rich 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.

Attendance at the
Board of Directors
meetings

8/8

Number of shares
of the
Company held

- shares

Independent
director

Outside Directors

D Outside Director Hirokazu Yamura

Hirokazu Yamura has worked for Coca-Cola bottlers in Japan for around 15 years. Currently, he serves as President and CEO of Michinoku Coca-Cola Bottling Co., Ltd.

Attendance at the
Board of Directors
meetings

8/8

Number of shares
of the
Company held

- shares

Independent
director

E Outside Director Celso Guiotoko

Celso Guiotoko has experience in IT and supply chain with multinational corporations. He has abundant management experience and audit experience at Nissan Motor Co., Ltd. and Nishimoto Co., Ltd.

Attendance at the
Board of Directors
meetings

8/8

Number of shares
of the
Company held

- shares

Independent
director

F Outside Director (serving on the Audit & Supervisory Committee) Hiroshi Yoshioka

Hiroshi Yoshioka developed management experience and global knowledge at Sony Corporation and previously served as an outside director of Coca-Cola East Japan Co., Ltd.

Attendance at the
Board of Directors
meetings

8/8

Number of shares
of the
Company held

3,854 shares

Independent
director

G Outside Director (serving on the Audit & Supervisory Committee) Nami Hamada

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.

Attendance at the
Board of Directors
meetings

8/8

Number of shares
of the
Company held

- shares

Independent
director

H Outside Director (serving on the Audit & Supervisory Committee) Stacy Apter

Stacy Apter has global corporate management experience in financial risk supervision, corporate risk management, and support of the Board of Directors at The Coca-Cola Company. She currently serves as Senior Vice President, Treasurer, and Head of Corporate Finance of The Coca-Cola Company.

Attendance at the
Board of Directors
meetings

6/6

Number of shares
of the
Company held

- shares

I Outside Director (serving on the Audit & Supervisory Committee) Sanket Ray

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.

Attendance at the
Board of Directors
meetings

6/6

Number of shares
of the
Company held

- shares



Corporate Governance Strategy

Directors: Appointment of Outside Directors and Independence Criteria

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 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
Outside Director Hiroko Wada	●	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 Dyson Ltd. and 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.
Outside Director Hirokazu Yamura	●	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.: 0.5% of the consolidated revenue of the Company; Purchasing, etc.: 1.9% of the consolidated revenue of said company)
Outside Director Celso Guiotoko	●	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.
Outside Director (serving on the Audit & Supervisory Committee) Hiroshi Yoshioka	●	Hiroshi Yoshioka has extensive management experience and global knowledge cultivated at Coca-Cola bottlers 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.
Outside Director (serving on the Audit & Supervisory Committee) Nami Hamada	●	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.
Outside Director (serving on the Audit & Supervisory Committee) Stacy Apter		Stacy Apter is Senior Vice President, Treasurer and Head of 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.
Outside Director (serving on the Audit & Supervisory Committee) Sanket Ray		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.



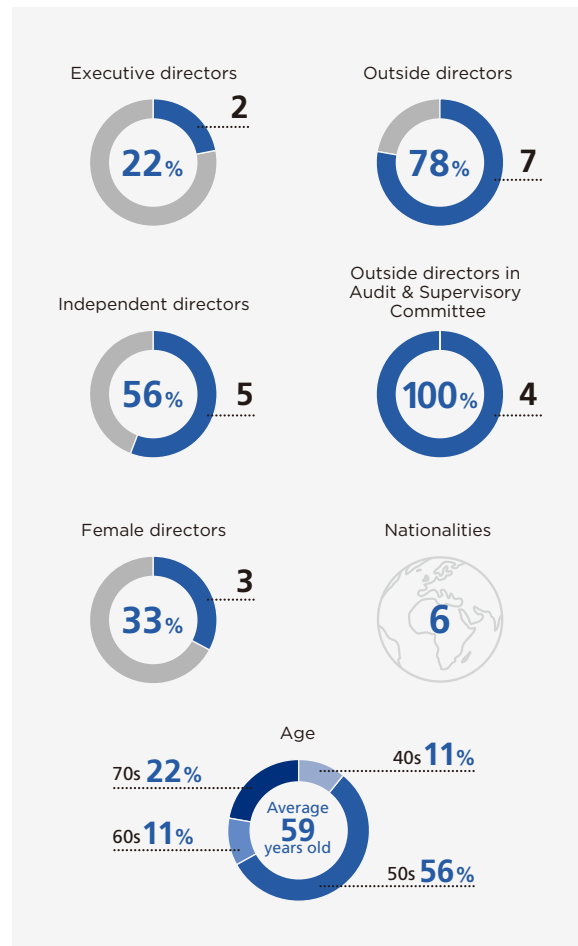
Corporate Governance Strategy

Directors: Attributes of Directors and Skills Matrix

Our Board of Directors consists of individuals who bring expertise in a variety of areas, including business management, finance and sustainability, as well as global insight, to ensure a well-balanced overall structure.

Attributes of Board Members

(As of March 26, 2024)



Skills Matrix

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/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	●	●		●	●	●		

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
Corporate management	<ul style="list-style-type: none"> A person who has experience as a representative such as CEO or COO
Global business	<ul style="list-style-type: none"> A person who global business experience equivalent knowledge as a division director or above
Food and beverage industry	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> A person who has experience as a division director or above in a Finance/Accounting Division, or who has the equivalent knowledge A person who has a national qualification in finance and accounting, such as a CPA
Sustainability/CSV	<ul style="list-style-type: none"> A person who has experience as a director or above in Sustainability/CSV Division, or who has equivalent knowledge



Corporate Governance Strategy

Messages from Outside Directors

CCBJH's governance built on its unique nature of rich diversity

Outside Director
(Audit and Supervisory
Committee member) and
Independent Officer

Hiroshi Yoshioka



Diversity drives transformation

Compared to many companies in Japan, I believe CCBJH is a unique company with people of different nationalities and a good fusion of diverse cultures. This has been one of the enablers for their agile business processes and transformations. I have many opportunities to speak with people of other companies and often mention CCBJH as an example of a company who well capitalizes on diversity.

The digital transformation (DX) is one of the fast transformations they have put in place. While many companies recognize the importance of DX, it hasn't made much progress in many Japanese companies due to various factors. In this regard, CCBJH's management team has a strong understanding of digitalization and makes agile decisions, creating a system that endorses logic-based actions to move forward. One such example is the early introduction of the smart phone app, Coke ON®, which offers a range of industry-leading services.

In the meantime, the mixture of different cultures puts the company in a challenging situation at times. I feel they understand each other and fuse the cultures well so that

they successfully create a positive impact together. It is important to continue these efforts.

Key points for future growth

The Board of Directors is also diverse in terms of nationality, gender, and expertise. It is also characterized by a number of independent directors with extensive business experience.

Some of them have built experience in global business management like myself, while others are well versed in marketing, finance, and so forth. In meetings of these diverse directors, they share opinions from many viewpoints, and sometimes they discuss so vigorously that they run out of time.

I assumed the chair of the Audit & Supervisory Committee in March 2023. At the time, I discussed with the secretariat that I wanted to further deepen the understanding of governance and held a session for directors to learn with lawyers and other specialists. Based on what was discussed then, I made several improvements to further clarify the respective roles of the Board of Directors and the Audit & Supervisory Committee and to promote appropriate communication while ensuring independence. I am committed to constantly making improvements going forward as necessary.

Communication and roles of the Board of Directors

I believe an important factor for sustainable growth is to sell good products. Working closely with Coca-Cola Japan, who takes charge of product planning and development, is the source of CCBJH's growth. The two parties have been working well together at the employee level. To build on this, we now create opportunities for CCBJH directors and Coca-Cola Japan management team to share their views openly. Under this collaboration across the Coca-Cola System, I hope we can offer as many products as possible that the employees are proud to talk about with their families and friends.

In conclusion, it is critical for the company to accelerate its current transformation efforts in order to achieve sustainable profit growth. I believe the promotion of DX plays an important part of such efforts. The key is to drive DX in manufacturing, logistics, sales, and other various areas and to go beyond mere digitalization so that we can make a difference in the way we do business. I hope the Company will continue to take on the challenges of bold transformations.

Corporate Governance Strategy

Messages from Outside Directors

To achieve sustainable growth, it is important to keep transforming with a steady sense of speed

Outside Director
(Audit and Supervisory
Committee member)

Stacy Apter



CCBJH is unique among the global bottlers in the Coca-Cola System

In the global Coca-Cola system, CCBJH stands out as a bottler offering a truly diverse range of products and operating under a fast cycle of new product launches. This partly owes to the distinctive characteristics of the Japanese market, which demands a broad variety of products. The company has been responding to these market demands with agility in various aspects, including manufacturing and distribution. I see this as a key feature.

In addition, the size of the business it operates and the drive to improve efficiency are also its defining attributes. CCBJH has undergone numerous mergers and consolidations of legacy bottlers to become what it is today, operating as one of the largest bottling companies in the Coca-Cola System worldwide. It is worth noting how efficiently the company manages this large-scale business.

Future agenda

I feel that it is vital for this company to continue with the business transformation that it has been implementing, while

maintaining the same sense of speed going forward. By formulating a series of strategic plans, the company is working to improve its profitability, operate more efficiently and effectively, and increase sales, which are all easier said than done. In this context, CCBJH is continuously driving change based on the concept of data-driven management, including the launch of NeoArc, a joint venture established with Accenture Japan in January 2024.

Governance structure

In 2023, I joined CCBJH as a director serving on the Audit and Supervisory Committee. At CCBJH, the Board of Directors and the Audit and Supervisory Committee are each functioning well to fulfill their respective roles, which make me feel assured that governance is working effectively in this company under clear rules. The company also lays out its strategic direction and the responsibilities of the directors clearly. When I attend the meetings of the Board of Directors and the Audit and Supervisory Committee, I provide input based on my experience and knowledge in personnel affairs and human resource development, as well as from a financial

perspective that in my view would help promote efficient management and solid financial controls so that our shareholders and investors can keep placing their trust in CCBJH.

What to expect from CCBJH

In order to achieve sustainable growth, it will require this organization to further advance the transformation journey it has embarked on to date. I think the company has now entered a new phase in its strategic business plan. In conjunction with the ongoing efforts to improve profitability and save costs, promoting data-driven management will also be a high priority. To grasp the market trends and behaviors accurately, there is a need to gather detailed information and analyze them in depth. Moreover, the insightful approach to get the most out of the market in collaboration with Coca-Cola (Japan) Company (CCJC) will continue to be imperative.

The ability to achieve them all through repetitive demonstration of excellence and brilliance at execution is embedded in CCBJH's DNA, and I believe it is important that we capitalize on this inherent strength.

Corporate Governance Strategy

Ethics and Compliance

We value integrity—acting with noble intentions based on sincerity and trust.

Regardless of the situation, we expect everyone to act correctly and honestly, with integrity, and be responsible for their own actions in accordance with standards and laws.

Ethics and compliance policies

To remain a company that sustainably develops together with society, the CCBJH Group must fulfill its social responsibilities, and every individual employee should always act appropriately. As part of this, we have established the Code of Business Conduct and Ethics and foster a corporate culture that emphasizes ethics and compliance. Additionally, in line with one of our Values, we value integrity—acting with noble intentions based on sincerity and trust. The Code of Business Conduct and Ethics covers four areas: appropriate conduct, respect for human rights, relationship with stakeholders, and conflicts of interest. All employees are expected to observe all laws and regulations as well as the Code, internal rules and workplace principles. They are also expected to act with integrity and honesty, to think before acting and to seek guidance when in doubt.

Compliance education

To further foster and instill high ethical standards and compliance awareness within the Group, we regularly disseminate ethics and compliance bulletins to all employees, and implement awareness and education activities, including training for specific groups, such as management or new employees, and e-learning programs for all employees.

Ethics and compliance reporting systems

We have established the Ethics & Compliance Reporting Hotline (a dedicated email address and telephone number) to enable employees to directly consult the hotline about matters that may conflict with the Code of Business Conduct and Ethics. It is possible to consult the hotline anonymously, and we are striving to increase awareness of the hotline and create an environment that facilitates employees' consulting the hotline using a variety of methods including publishing ethics and compliance bulletins, posting the contact details of the hotline on our intranet, and displaying posters in workplaces. When a report is received, it is investigated, and if a violation is deemed to have occurred, it is dealt with appropriately and corrective measures are taken. We also strive to protect employees throughout the consultation process, and prohibit the disadvantageous treatment of any employee who initiates a report.

Anti-bribery policy

The goal of the anti-bribery policy is to provide all employees, including directors and officers, with a certain awareness of anti-bribery laws and regulations in order to prevent inadvertent violations and identify potential problems that should be properly addressed. We are educating employees to not only understand and recognize the importance of this policy, but also to comply with this policy when working every day.

We also prohibit fraudulent payments or the provision or receipt of any other illicit benefits to or from private individuals or corporations.

Let's observe the Code Of Business Conduct & Ethics

As declared in MVV, we CCBJH Group puts value on acting with integrity (sincerity and trust.)

Requirements for all employees

- ◆ Observing the laws and regulations, the Code of Business Conduct & Ethics, as well as internal rules and workplace disciplines.
- ◆ Judging sensibly, and avoiding behaviors that can be regarded as inappropriate.
- ◆ Also in private life, strictly refraining from actions that can damage the company's honor and profit.

Self-checking behaviors When in doubt, please ask yourself before taking actions.

Is what you are trying to do....

- in accordance with the laws and regulations? **Yes?**
- in accordance with the corporate philosophy and the COBCE? **a behavior considering other people's situation?**
- will be supported by the customers and the public? **Really?**
- an action that lives up to reputation of yourself and the company?

If your answer to any of the above is **"No"**, please **do not take the action.**

Ethics and compliance poster

The Code of Business Conduct & Ethics



https://en.ccbji.co.jp/vision/pdf/en/CCBJIgroup_Ethics_en.pdf

Anti-Bribery Policy



https://en.ccbj-holdings.com/corporate/compliance/pdf/Anti-Bribery-Policy_en.pdf



Data Section

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		JGAAP				IFRS						
Items for which JGAAP and IFRS have differing notations are marked "JGAAP/IFRS,"		2014	2015	2016	2017	2017	2018	2019	2020	2021	2022	2023
▼												
Operating results (Fiscal year):												
Revenue/Revenue	(Millions of yen)	424,406	440,476	460,455	872,623	837,069	927,307	914,783	791,956	785,837	807,430	868,581
Gross profit	(Millions of yen)	212,881	223,951	238,611	450,249	412,782	452,151	441,060	362,916	350,505	351,755	384,216
Gross profit margin	(%)	50.2	50.8	51.8	51.6	49.3	48.8	48.2	45.8	44.6	43.6	44.2
Operating income/Business income	(Millions of yen)	11,008	14,262	21,143	40,579	40,177	23,276	15,042	169	(14,662)	(14,443)	2,025
Operating income margin/Business income margin	(%)	2.6	3.2	4.6	4.7	4.8	2.5	1.6	0.0	—	—	0.2
EBITDA	(Millions of yen)	—	—	—	—	81,560	70,807	71,993	59,083	42,498	31,343	48,485
Net income attributable to owners of the parent	(Millions of yen)	4,482	9,970	5,245	25,244	21,967	10,117	(57,952)	(4,715)	(2,503)	(8,070)	1,871
Cash flow status (Fiscal year):												
Cash flows from operating activities	(Millions of yen)	28,628	40,422	34,388	72,450	73,014	51,244	42,629	43,716	35,982	42,717	59,102
Cash flows from investing activities	(Millions of yen)	(9,590)	(24,994)	(19,921)	(41,090)	(14,299)	(48,628)	(68,308)	(52,076)	15,271	(23,090)	(14,287)
Free cash flow	(Millions of yen)	19,037	15,427	14,467	31,359	58,715	2,616	(25,679)	(8,360)	51,253	19,628	44,815
Cash flows from financing activities	(Millions of yen)	(37,498)	22,416	(7,546)	(26,159)	(26,717)	(55,835)	73,994	20,912	(67,134)	(46,050)	(15,229)
Cash and cash equivalents at end of fiscal year	(Millions of yen)	41,830	79,828	86,727	118,741	118,742	65,510	113,825	126,378	110,497	84,074	113,660
Financial position (End of fiscal year):												
Total assets	(Millions of yen)	337,260	378,105	377,468	883,918	929,304	877,472	952,444	939,603	867,111	826,737	844,832
Interest-bearing debt	(Millions of yen)	—	—	—	—	81,385	102,814	246,521	271,233	214,124	179,970	181,397
D/E ratio	(Times)	—	—	—	—	0.1	0.2	0.5	0.5	0.4	0.4	0.4
Net assets/Total equity	(Millions of yen)	254,150	260,878	261,173	627,485	655,038	580,906	506,491	502,093	492,451	476,358	470,021
Per-share information:												
Net profit per share (EPS)/Basic earnings per share (EPS)	(Yen)	41.07	91.35	48.05	144.26	125.53	52.68	(322.22)	(26.29)	(13.96)	(45.00)	10.43
Net assets per share (BPS)/Equity attributable to owners of the parent per share (BPS)	(Yen)	2,325.19	2,386.81	2,389.28	3,070.01	3,204.90	3,163.63	2,821.27	2,797.03	2,745.12	2,655.38	2,618.49
Annual dividend per share	(Yen)	41.00	41.00	46.00	44.00	44.00	50.00	50.00	25.00	50.00	50.00	50.00
Consolidated dividend payout ratio	(%)	99.8	44.9	95.7	30.5	35.1	94.9	—	—	—	—	479.4
Stock price at end of year	(Yen)	1,661	2,457	3,445	4,115	4,115	3,285	2,791	1,609	1,320	1,437	2,025
Other financial data:												
Return on equity (ROE)/Equity income margin attributable to owners of the parent (ROE)	(%)	1.8	3.9	2.0	5.7	4.6	1.6	(10.7)	(0.9)	(0.5)	(1.7)	0.4
Return on assets (ROA)/Total assets/Pre-tax profit ratio (ROA)	(%)	3.0	3.8	5.5	6.3	5.6	1.6	(6.1)	(1.3)	(2.4)	(1.5)	0.4
Equity ratio/Percentage of equity attributable to owners of the parent	(%)	75.2	68.9	69.1	70.9	70.4	66.2	53.1	53.4	56.8	57.6	55.6
Price earnings ratio (PER)	(Times)	40.4	26.9	71.7	28.5	32.8	62.4	(8.7)	(61.2)	(94.6)	(31.9)	194.2
Price book value ratio (PBR)	(Times)	0.7	1.0	1.4	1.3	1.3	1.0	1.0	0.6	0.5	0.5	0.8
Capital expenditure	(Millions of yen)	22,783	16,181	25,728	42,539	42,539	53,136	103,882	65,521	40,184	42,540	33,668
Depreciation/Depreciation and amortization expenses	(Millions of yen)	22,943	24,048	17,491	37,352	41,383	47,531	56,951	59,583	57,160	45,786	46,460
Equity-related data:												
Outstanding shares at end of year	(1,000 shares)	111,126	111,126	111,126	206,269	206,269	206,269	206,269	206,269	206,269	206,269	206,269
Treasury stock at end of year	(1,000 shares)	1,984	1,987	1,989	2,016	2,016	22,793	26,917	26,920	26,925	26,928	26,834

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.

Notes: 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.

Notes: 3. In December 2020, as a result of the decision to sell all shares in Q'sai Co.,Ltd 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.

■ Environment

Environment		2019	2020	2021	2022	2023	
Intensity of product							
Water used per 1L of product		(L/L)	3.26	3.23	3.24	3.25	3.20
Energy used per 1L of product ^{*1}		(MJ/L)	0.87	0.88	0.87	0.87	0.86
Water use / Replenishment							
Water use volume		(1,000 m ³)	13,316	12,560	12,993	13,287	13,365
Replenishment area		(ha)	7,613	7,963	8,117	8,136	8,135
Replenishment rate		(%)	322	364	353	420	411
Energy use ^{*2}							
Manufacturing	Electricity	(1,000 kWh)	316,543	308,052	314,017	322,219	326,716
	City gas	(1,000 m ³)	47,716	44,672	45,766	46,306	46,968
	Liquefied natural gas (LNG)	(t)	10,350	9,309	9,642	9,933	9,904
Logistics	Fuel oil	(KL)	1,396	1,036	1,126	1,091	1,100
	Gasoline	(KL)	8,445	6,044	5,315	5,782	5,990
	Diesel	(KL)	57,641	53,646	59,376	49,856	48,077
	Liquefied petroleum gas (LPG)	(t)	824	848	745	720	813
Offices ^{*5}	Electricity	(1,000 kWh)	56,425	64,903	68,420	68,766	66,990
	City gas	(1,000 m ³)	102	184	116	105	113
	Liquefied petroleum gas (LPG)	(t)	111	93	90	99	96
	Liquefied natural gas (LNG)	(t)	—	574	187	201	269
	Kerosene	(KL)	17	15	13	16	15
Sales (Cold & hot drink equipments) ^{*4}	Electricity	(1,000 kWh)	788,508	749,257	927,984	895,240	849,989
Greenhouse gas emissions ^{*2}							
Manufacturing	(1,000 tons CO ₂ equivalent)	265	272	269	270	277	
Logistics	(1,000 tons CO ₂ equivalent)	174	155	168	144	144	
Offices ^{*5}	(1,000 tons CO ₂ equivalent)	24	33	32	33	31	
Sales (Cold & hot drink equipments) ^{*6}	(1,000 tons CO ₂ equivalent)	332	352	402	389	372	
Manufacturing waste							
Total amount of manufacturing waste		(t)	108,440	105,508	103,590	105,701	104,952
Recycled amount of manufacturing waste		(t)	108,095	105,364	103,499	104,093	104,477
Recycling rate of waste from plants		(%)	99.68	99.90	99.90	98.50	99.50
Recycling rate of coffee grounds constitute the bulk of our generated waste materials		(%)	100	100	100	100	100
Recycling rate of tea leaves constitute the bulk of our generated waste materials		(%)	100	100	100	100	100
Social		2019	2020	2021	2022	2023	
Employee							
Number of employees (Average number of temporary workers) ^{*5}		(Persons)	16,959 (3,578)	15,772 (4,008)	15,083 (3,777)	14,484 (3,416)	14,010 (3,163)
Female employees ^{*6}		(%)	12.6	19.5	19.4	18.6	18.3
Females in all management positions, including junior, middle and senior management (as % of total management workforce) ^{*7}		(%)	4.6	5.8	6.1	6.6	7.4
Females in junior management positions, i.e. first level of management (as % of total junior management positions)		(%)	4.8	5.9	6.3	7.0	7.6
Females in management and leader positions		(%)	—	9.3	9.7	10.0	10.4
Females in board of directors		(%)	22.2	22.2	22.2	33.3	33.3
Rate of Employment of persons with disabilities ^{*8}		(%)	—	2.45	2.39	2.48	2.42
Engagement rate based on employee survey		(%)	—	61.4	68.9	66.8	70.7
Occupational safety							
Lost time injury frequency rate (LTIFR) ^{*9}			1.35	1.06	1.20	1.13	1.11
Lost time injury frequency rate of contractors (LTIFR) ^{*10}			—	0.71	1.03	0.38	0.76
Total incident rate (TIR) ^{*11}			—	0.41	0.55	0.51	0.46
Lost time incident rate (LTIR) ^{*12}			—	0.21	0.24	0.23	0.22
Training/Program							
Number of participants in personnel trainings and education programs sponsored by the company		(Persons)	—	20,755	41,736	49,150	180,984
Average hours per FTE of training and development		(Hours)	—	8.1	11.9	10.8	15.8
Average expense per FTE of training and development ^{*13}		(Yen)	—	58,932	67,760	74,442	85,050

■ Social

Social

2019

2020

2021

2022

2023

Corporate Citizenship/Philanthropic Program

Cash contributions**4

(Yen)

436,588,000

685,231,000

163,572,000

107,478,000

105,721,158

Time of employee volunteering during paid working hours (The amount equivalent in currency)

(Yen)

4,714,000

1,289,000

119,000

1,276,000

1,353,000

In-kind giving of product or services donations, projects/partnerships or similar (The amount equivalent in currency)

(Yen)

17,036,000

257,322,000

34,110,000

150,056,000

145,782,000

Management overheads

(Yen)

1,320,133,000

1,081,898,000

786,000,000

726,222,000

592,637,000

Number of employee volunteer participants

(Persons)

1,898

432

551

3,579

3,438

Occupational Health & Well-being

Employees making use of flexible working hours

Number

(Persons)

3,706

9,726

9,812

9,409

10,000

Implementation rate

(%)

35.3

100

100

100

100

Employees making use of working from home arrangements

Number

(Persons)

1,967

2,787

2,861

2,439

2,711

Implementation rate

(%)

18.7

90

95

98

97

Number of employees used of childcare leave

Female

(Persons)

135

136

137

138

125

Male

(Persons)

9

17

27

30

57

Return rate of employees used childcare leave

(%)

—

97

99

100

98

■ Governance

		2019	2020	2021	2022	2023
Independence of Board of Directors^{*15}						
Ratio of Independent Directors	(%)	56	56	56	56	56
Number of Board of Directors meetings held/ Term of Office	(Times/Year)	8/1	8/1	8/1	7/1	8/1
Audit and supervisory committee^{*15}						
Ratio of Outside Directors in Audit & Supervisory Committee	(%)	100	100	100	100	100
Number of Audit & Supervisory Committee meetings held/Term of Office	(Times/Year)	8/2	8/2	8/2	5/2	5/2
Main Investor Relations activities						
Earnings Presentation	(Times)	4	4	4	4	4
IR meetings with analysts and institutional investors (Approximate number of events/ participants)	(Times/People)	Over 200 companies	150/270	230/340	250/390	310/520
Participation in conferences (Domestic/Overseas)	(Times)	8	4	6	6	5
Other IR briefings	(Times)	2	3	3	4	4
Ethics and Compliance						
Critical violations of the Code of Business Conduct and Ethics		None	None	None	None	None
Payment of critical environment or ecological fines or penalties over the past four years		None	None	None	None	None
Political contributions/Donations or spending for lobbyists/lobbyist organizations		None	None	None	None	None

*1 The CCBJH Group uses the Coca-Cola system's global thermal conversion factors in accounting.

*2 Accounting process is here. Third-party assurance report and Accounting process ▶ <https://en.ccbji.co.jp/csv/esg/assurance/>

*3 In regard to calculating the electricity use and associated greenhouse gas emissions of office activity, the calculations were conducted by estimation based on the purpose and the number of employees for 15 out of 359 business locations. This was due to reasons such as being unable to obtain an accurate measurement of electricity use at leased office locations.

*4 In addition to vending machines, coolers and dispensers are included in 2021.

*5 The number includes employees at all levels, except partner employees, part-time employees, executives, and temporary employees.

*6 Female employees (% of total workforce as of December 1, 2023) includes partner employees and part-time employees/ Female rate in all permanent employees 12.7% (December 1, 2023)

*7 Managers refer to employees in the top five of nine grades determined by organizational and job roles and responsibilities.

*8 The figure is in the "Employment Report for Persons with Disabilities" (June 1st) submitted to the Director of Public Employment Security Office.

*9 Number of lost-time incidents ÷ total no. of working hours x 1,000,000 targeting permanent/non-permanent employees of CCBJH group.

*10 Number of lost-time incidents ÷ total no. of working hours x 1,000,000 targeting subcontractors of CCBJH group. (vendors outside the system, contractors, visitors)

*11 Number of incidents ÷ total no. of working hours x 200,000 targeting permanent/non-permanent employees of CCBJH group.

*12 Number of lost-time incidents ÷ total no. of working hours x 200,000 targeting permanent/non-permanent employees of CCBJH group.

*13 Training and capability development cost includes consulting fees, etc.

*14 Contribution as Coca-Cola system partly included.

*15 The figures in the annual securities report of each fiscal year.

Company Overview and Stock Information

(As of December 31, 2023)

Corporate Profile

Company name	Coca-Cola Bottlers Japan Holdings Inc.
Headquarters	Tokyo Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo 107-6211, Japan
Founded	December 20, 1960
Capital	15,232 million yen
Number of employees	14,010
Securities code	2579
Authorized shares	500,000 thousand shares
Outstanding shares	206,269 thousand shares (common stock: 1,817,428 shares)
Number of shareholders	67,097(Shareholders with voting rights excluding treasury stock: 51,539)
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.

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 3rd Series of Unsecured Straight Bond	50,000	0.270	September 19, 2029

Rating Information

	2021	2022	2023
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+

Introduction

Value Creation Story

Growth Strategies to Enhance Corporate Value

Foundations Supporting the Corporate Value Growth

Data Section

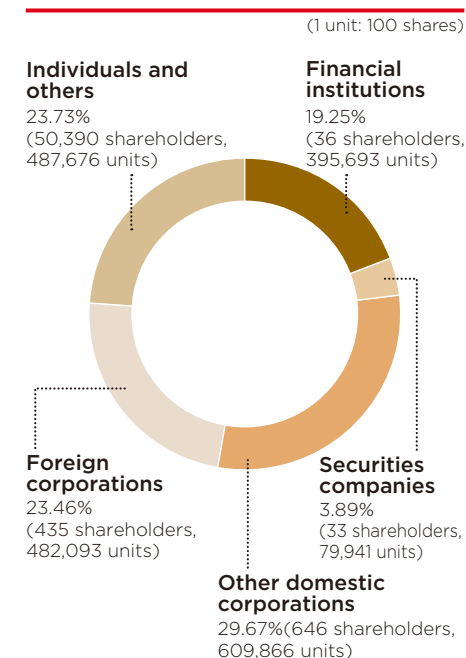
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Major shareholders (As of December 31, 2023)

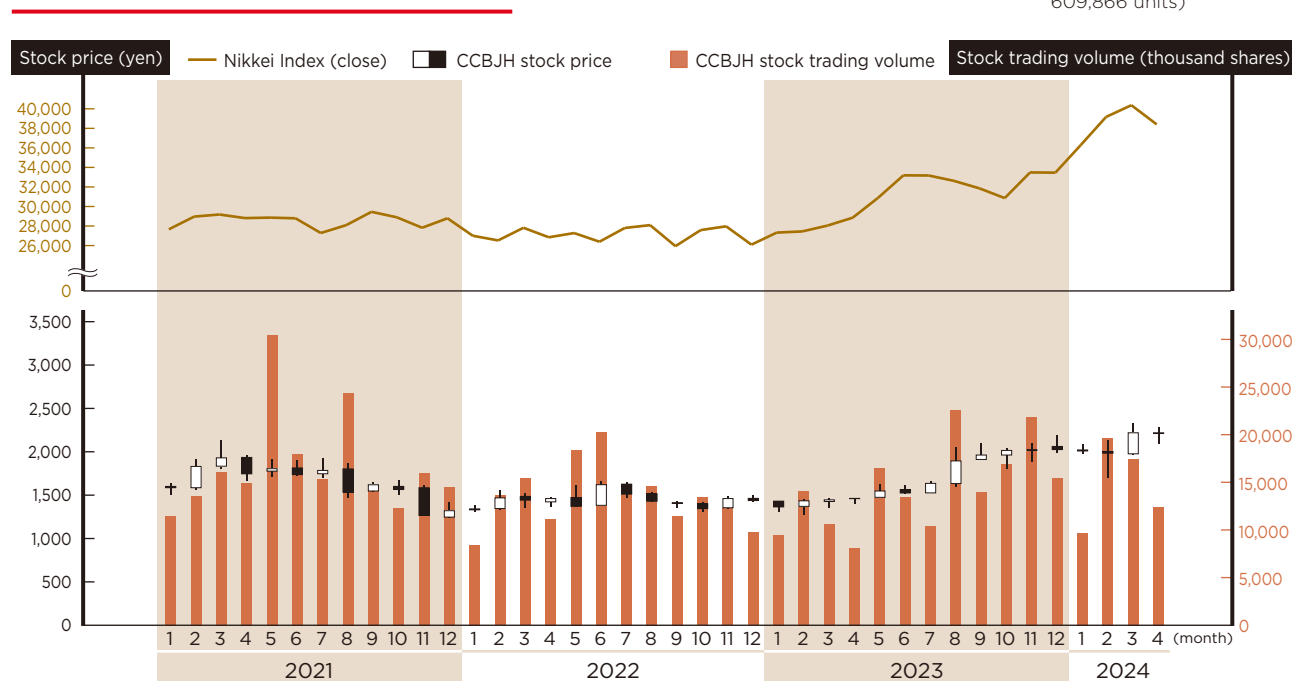
Shareholder	Number of shares owned (thousands)	Percentage of voting rights (%)
Coca-Cola (Japan) Co., Ltd.	27,956	15.32
The Master Trust Bank of Japan, Ltd. (Trust Account)	21,163	11.60
Goldman Sachs International	7,282	3.99
Custody Bank of Japan, Ltd. (trust account)	6,895	3.78
Ichimura Foundation for New Technology	5,295	2.90
JPMorgan Securities Japan Co., Ltd.	4,734	2.59
Satsuma Shuzo Co., Ltd.	4,406	2.41
Senshusha Co., Ltd.	4,088	2.24
Coca-Cola Holdings West Japan Inc.	4,075	2.23
Mitsubishi Heavy Industries Machinery Systems, Ltd.	3,912	2.14

Note:The treasury shares (23,784 thousand shares) are excluded from the list above and from the calculation of ratio of shareholding because they do not have voting rights. Also, the treasury shares do not include the Company shares held by Executive reward BIP Trust and Stock-granting ESOP Trust.

Composition of shareholders



Stock price and stock trading volume



Coca-Cola Bottlers Japan Inc.

Principal Business	Manufacturing, distribution, and sales of beverage products and alcoholic products
Head Office	Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo
Representative	Representative Director, President and CEO Calin Dragan

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
Representative	Representative Director and President Maki Kado

Coca-Cola Bottlers Japan Vending Inc.

Principal Business	Vending machine operation business
Head Office	Sumitomo Fudosan Shinjuku Central Park Building, 6-18-1 Nishishinjuku, Shinjuku-ku, Tokyo
Representative	Representative Director and President Takahide Baba

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
Representative	Representative Director and President Tatsuhiko Sano

Kadiac Co., Ltd.

Principal Business	Vending machine operation business
Head Office	1 Senshu Airport Minami, Sennan, Osaka
Representative	Representative Director and President Hisashi Terahara

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	Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo
Representative	Representative Director and Chairman, President Bjorn Ivar Ulgenes

Coca-Cola Bottlers Japan Benefit Inc.

Principal Business	Operation of Special subsidiary company, recruitment of people with disabilities within the group, support for retention, and related office work operations, etc.
Head Office	180, Kano, Okegawa, Saitama
Representative	Representative Director and President Yuki Higashi

Bannai Saketen Inc.

Principal Business	Operation of ordering and invoicing system for alcoholic beverage distribution industry, distribution and sales of alcoholic products
Head Office	2-29-10, Motosojamachi, Maebashi-shi, Gunma
Representative	Representative Director Kengo Takenaka

NeoArc Inc.

Principal Business	Providing human resources, general affairs, finance, procurement, customer service sales support on consignment, development, installation, operation, maintenance, and provision of repair services for computer hardware, computer software, computer systems, and computer networks
Head Office	Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo
Representative	Representative Director Bjorn Ivar Ulgenes

CCBJI INSURANCE (SINGAPORE) PTE. LTD.

Principal Business	A captive insurance entity that only insures risks of the CCBJI group
Head Office	2 Shenton Way, #26-01 SGX Centre I, Singapore
Representative	Director Bjorn Ivar Ulgenes

External Evaluations and Participation in Initiatives

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Incorporation into SRI indices

In recent years, in both the domestic and international capital markets, there has been a growing interest in ESG investments where non-financial initiatives alongside the financial indicators are considered as evaluation criteria for investment judgement. We have been included in multiple ESG indices.

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



FTSE Blossom Japan Sector Relative Index



S&P/JPX Carbon Efficient Index

MORNINGSTAR GenDi J
Japan ex-REIT Gender Diversity Tilt Index
TOP CONSTITUENT 2024

Morningstar Japan ex-REIT Gender Diversity Tilt Index

Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific)

FTSE Blossom Japan Sector Relative Index

General

We have received excellent ratings from external evaluation agencies due to our sustainability practices in different sectors.



EcoVadis Sustainability Survey

NIKKEI SDGs
経営調査2023 ★★★★★

Nikkei SDGs Management Survey

Environment

We strive to disclose information about our environmental initiatives and have received recognition from administrative agencies and external evaluators for our efforts.



CDP Climate Change and Water Security surveys



CDP Supplier Engagement Rating



Green Partner



Eco-First program member

Social

We have received certifications and high ratings from government and external evaluators for our approach of addressing social issues.



Health and Productivity Management Outstanding Organizations (White 500)



Nikkei Smart Work Management Survey



Forbes JAPAN WOMEN AWARD



PRIDE Index Rainbow and Gold



Eruboshi Certification

Participation in outside initiatives

We actively participate in various outside initiatives to address societal challenges.



United Nations Global Compact



Task Force on Climate-related Financial Disclosures (TCFD)



Climate Change Initiative (Japan Climate Initiative)



GX League



Task Force on Nature-related Financial Disclosures (TNFD)



The 30by30 Alliance for Biodiversity



BME (Business for Marriage Equality)



Business Support for LGBT Equality in Japan



Declaration of Partnership Building

<https://en.ccbji.co.jp/csv/evaluation/>

CCBJH Group's Information Disclosure

We disclose information in a timely and appropriate manner to enable stakeholders to better understand our business and to place their trust in the CCBJH Group. This Integrated Report is produced to broadly communicate financial and non-financial information to our stakeholders. Comprehensive information on investor relations and our environmental, social and governance (ESG) initiatives are available on our website.

Financial information

Investor Relations

- Earnings Presentation
- Earnings Release
- Securities Report and others

Shareholder Information



Investor Relations

<https://en.ccbj-holdings.com/ir/>

Non-Financial information

Sustainability

- Corporate Governance Report
- TCFD
- GRI Content Index
- ESG Data
- GHG Emissions Results
Based on the GHG Protocol
- External Evaluation and others



Sustainability

<https://en.ccbji.co.jp/csv/>



Coca-Cola Bottlers Japan Holdings Inc.

Tokyo Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo 107-6211

For inquiries

Please use the Inquiries form on the Coca-Cola Bottlers Japan Holdings Inc. website.

<https://en.ccbj-holdings.com/inquiry/>