Corporate Governance

Corporate Governance Basic Policy
The Company’s basic policy for corporate governance is to increase management efficiency and transparency, thus raising shareholder value.

With the aim of further strengthening our governance structure, the Company has put in place an Audit & Supervisory Committee. The Company’s Audit & Supervisory Committee consists of three outside directors in addition to one full-time director. In addition to a majority of its members serving as outside directors, the oversight function of the Audit & Supervisory Committee is further enhanced by having voting rights at Board of Directors’ meetings and the right to state opinions on matters such as the nomination and remuneration of directors at General Meetings of Shareholders.

In addition, we have adopted the executive officer system in an effort to separate decision-making and supervisory functions from the execution of operations of the corporation. By delegating some of the decisions on important business execution to directors, the Company can enrich discussions on matters of special importance at the Board of Directors’ meetings, while further expediting business judgments on other matters by management under the Representative Director (the management team).

Dividend Policy and Shareholder Reward Points System

Dividend
We intend to pay an annual dividend per share of ¥44 (interim dividend of ¥22 and year-end dividend of ¥22) in 2017. This is consistent with the dividend per share paid in 2016 for Coca-Cola West and Coca-Cola East Japan prior to integration (excluding commemorative dividend at CCW).

Shareholder Reward Points System
We provide “Shareholder Reward Points” in late March of the following year to shareholders with 100 or more shares as of December 31, depending on the number of shares held and holding period. Shareholders can choose to exchange their Reward Points (one point = ¥60) by referring to the shareholder benefit site and the catalog of goods on our website, with assorted Coca-Cola products or as donations to social contribution activities, etc.

In addition, we introduced a Long-Term Holding Preferential Points System on December 31, 2015 (record date). For shareholders who continuously hold our shares for three years or longer, we will present Long-Term Holding Preferential Points System on December 31, 2017 (record date) for shareholders who hold shares for 3 years or longer, we will present Long-Term. Shareholders can choose to exchange their Reward Points (one point = ¥60) by referring to the shareholder benefit site and the catalog of goods on our website, with assorted Coca-Cola products or as donations to social contribution activities, etc. For shareholders who continuously hold our shares for three years or longer, we will present Long-Term Holding Preferential Points System on December 31, 2017 (record date).

Shareholder Reward Points System

- **Number of shares held**
  - Shareholder Reward Points
  - Long-Term Holding Preferential Points
  - Total Points

- **Holding period**
  - Less than 3 years
  - 3 years or more

- **Options for Reward Points**
  - Coca-Cola product selection
  - Social contribution activities
  - Large Bath Towels

**Trends of Annual Dividend (excluding a commemorative dividend) per Share**

- **2013** 20.0
- **2014** 41.0
- **2015** 41.0
- **2016** 41.0
- **2017 (Forecast)** 44.0

**Shareholder Reward Points**

- **Number of shares held**
  - Shareholder Reward Points
  - Long-Term Holding Preferential Points
  - Total Points

- **Holding period**
  - Less than 3 years
  - 3 years or more

- **Options for Reward Points**
  - Coca-Cola product selection
  - Social contribution activities
  - Large Bath Towels

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**Corporate Policy and Shareholder Rewards**

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