

2017

Annual Review



Coca-Cola Bottlers Japan Holdings Inc.

コカ・コーラ ボトラーズジャパンホールディングス株式会社

Securities Code: 2579

Pivoting to growth mindset

We are deeply grateful to all of our shareholders and investors for their continued support. This report presents information on our business conditions and performance for the year ended December 2017.

Q Please give us an overview of performance in 2017.

The soft drink industry in 2017 faced a severe environment for reasons including the impact of unfavorable weather during the summer peak demand period. Despite this, our soft drink companies undertook new product introductions that appealed to added value, including Foods for Specified Health Use (FOSHU) and Foods with Function Claims, with the result that the market remained almost flat versus prior year.

Amid this, our company, which launched under the business integration of April 1, 2017, has pursued integration with a sense of speed and the aim of establishing a base for improvement of revenue and growth in 2018, on the basis of our management principles of "community-based" and "customer-centric." As a result, despite the impact of the unfavorable weather, revenue-focused management activities and the creation of net synergies allowed us achieve operating income in excess of plans.

Q Tell us about the company's policies and performance outlook in 2018.

We position 2018 as an important year for building on the base we established in 2017 to achieve sustainable growth aimed at 2020. Three important elements in achieving growth are "national scale with local presence," "innovation acceleration," and "creation of synergies." In terms of "national scale with local presence," we will formulate detailed strategies based on local market environments, the competitive environment, customer characteristics, and so on, through the system of six regional sales organizations that we launched on January 1 of this year, and will engage in thorough "community-based" sales. At the same time, we will make use of our Group's scale in agile product introductions and procurement cost reductions for marketing materials. In terms of "innovation accelera-

tion," we will pursue innovation not only in products but also in every aspect of our business, including marketing, market execution, supply chains, and indirect business. Doing so, we will deepen our relationships with customers and business partners. In terms of "creation of synergies," we aim to create net synergies of ¥8 billion this year, centered on the supply chain area.

Through these initiatives, in 2018 we are aiming for consolidated net revenues of ¥1007.3 billion (a year-on-year increase of 15.4%), operating income of ¥49.7 billion (a year-on-year increase of 22.5%), and net profit attributable to owners of parent of ¥28.8 billion (a year-on-year increase of 14.1%). Regarding shareholder returns, we forecast a ¥6 increase in annual dividends to ¥50 per share (interim ¥25, year-end ¥25).

Q Please tell us about your progress in the Mid-Term Strategic Plan leading to 2020.

Growth Roadmap for 2020 & Beyond, the Mid-Term Strategic Plan that we began at the same time as the launch of the company, is progressing steadily. In January 2018, we conducted an integration and a reorganization of our subsidiaries with the aim of simplification and optimization of the organization. In terms of net synergies, we generated cost reduction effects of ¥4 billion in 2017 and expect further effects of ¥8 billion in 2018. To achieve our target of ¥25 billion in net synergies by 2020, we will accelerate initiatives including active investment to optimize product distribution and transport networks to improve productivity in the manufacturing area.

Furthermore, with regard to improvement of capital efficiency and maximization of returns to shareholders, we recently conducted a share repurchase and clarified our dividend policy, and also introduced a performance-based stock compensation program. We will also disclose our financial information based on International Financial Reporting Standards (IFRS) from the end of 2018.



BOTTLERS JAPAN HOLDINGS INC.

Representative Director & President

Junio Yoshimatsu



Q Do you have any message for shareholders and investors?

Being a company trusted by our consumers, customers, business partners, and all stakeholders, we will conduct our business activities following our

corporate philosophy, THE ROUTE, while building on our solid foundation for sustainable growth.

To all of our shareholders and investors, we ask for your continued understanding and support.

Message from the CFO

Establishing a solid foundation for growth

We established the Growth Roadmap for 2020 & Beyond, our mid-term strategic plan, with a financial framework based on the following priorities aimed at achieving greater corporate value:

- Stable free cash flow growth through sustainable profit growth
- Investment to achieve growth and synergies
- Building an efficient capital structure
- Enhancement of shareholder return aimed at improved ROE

Our 2017 pro forma^{*1} financial results included operating income of ¥42.1 billion and EBITDA^{*2} of ¥89.7 billion, achieved through the generation of net synergies, etc. With sustainable growth and a target of ¥25 billion in net synergies by 2020, in 2017 we made capital investments of ¥49.9 billion, equivalent to 5% of our net revenues, and generated free cash flow of ¥34.2 billion.

In "building an efficient capital structure" and "enhancement of shareholder return aimed at improved ROE," we worked to clarify our dividends policy. Under a basic policy of actively returning profits, we place a priority on the stable payment of dividends. From the end of 2018, we will disclose our financial information based on International Financial Report-

ing Standards (IFRS) as well as maintain a dividend payout ratio of 30% or higher from 2019. In addition, in April 2018 we acquired 17,075,239 shares of treasury stock (8.28% of outstanding shares).

We also adopted a performance-based stock compensation program for Directors and Executive Officers. We will reinforce the commitment of top management to greater corporate value by linking executive compensation to share price performance.

I believe it is clear that we are making good initial progress in driving shareholder value creation as part of our Growth Roadmap for 2020 & Beyond and these priorities will continue to drive our decision making and actions into the future.



Representative Director &
Vice President,
Chief Financial Officer

Vikas Tiku

^{*1} Assumes the net integration that occurred on January 1, 2017, with performance in 2016 estimated on the basis of criteria similar to 2017.

^{*2} Earnings before Interest, Taxes, Depreciation and Amortization

▶▶ Mid-Term Strategic Plan

Growth Roadmap for 2020 & Beyond

▶ Key Metrics and Picture of Success for 2020

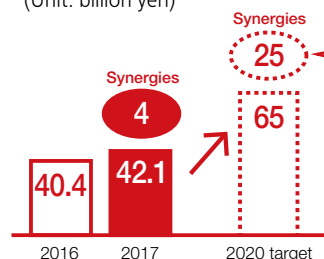
| Key metrics | Revenue Growth | Value Share | Transactions | EBITDA Margin | ROE |
|--------------------|------------------------|-----------------------|---|-------------------------|--------------|
| Picture of success | +1.8% CAGR (2016-2020) | Value ahead of volume | Growth in packaging for immediate consumption | EBITDA Margin above 10% | ROE above 6% |

Topics

▶ Creation of net synergies

In 2017, we generated cost synergies of ¥4 billion, which contributed to pro forma operating income of ¥42.1 billion (a year-on-year increase of 4%). At the same time, we executed investments of ¥49.9 billion, equivalent to 5% of our net revenues. We are making steady progress in our initiatives to reach our operating income target of ¥65 billion in 2020, with the aim of achieving sustainable growth and a target of ¥25 billion in net synergies by 2020.

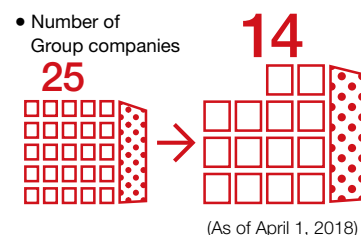
● Pro forma operating income (Unit: billion yen)



| Areas | Main measures |
|------------------------------|---|
| Supply Chain and Procurement | <ul style="list-style-type: none"> • Network optimization • Site and route optimization • Manufacturing productivity improvement • Increasing insourcing capacity • Price negotiation with suppliers |
| Commercial | <ul style="list-style-type: none"> • Standardized pricing, terms, conditions (PTC) • Optimizing route-to-market (RTM) • Vending cost-to-serve • Sharing of best practice |
| Back Office | <ul style="list-style-type: none"> • Establish integrated business support function • Integrate legacy systems into Coke One+ |

▶ Reorganization of the Group

Our Group has undertaken integration of its organizations and businesses with a sense of speed, taking "One company under one management" as our basic principle. To further drive this process and achieve greater growth, we carried out a reorganization of the Group, effective January 1, 2018. Accordingly, our company name has become Coca-Cola Bottlers Japan Holdings Inc., while the number of the Group companies has decreased from 25 on the first day of integration to the current 14.



▶ Clarification of dividends policy

We will continue to prioritize paying a stable dividend while also allowing shareholders to benefit from profit growth by holistically considering our business performance as well as capital structure. After the adoption of IFRS, we will target a dividend payout ratio of 30% or more from 2019. The company will periodically review capital structure and dividend payout ratio to maximize shareholder return while maintaining flexibility to pursue expansion opportunities. The company seeks to use retained earnings to fund investment for sustainable growth for our business and for further enhancement of corporate value.

▶ Acquisition of treasury stock and implementation of tender offer

In April 2018 we acquired 17,075,239 shares of treasury stock (8.28% of outstanding shares) by means of tender offer, as a means to improve ROE and establish an efficient capital structure as outlined in our Mid-Term Strategic Plan.

▶ Financial Information Disclosure based on International Financial Reporting Standards (IFRS)

We will start report our financial results under the International Financial Reporting Standards (IFRS) at the end of fiscal year 2018. By raising the international comparability of our financial information and by enhancing our information disclosures, we will provide more usable information for shareholders and investors.

▶ Introduction of a performance-based stock compensation program

Our company has introduced a performance-based stock compensation program by which our executive directors share the merits and risks of stock price movements with shareholders. The program will also further enhance motivation to contribute to an increased stock price and to increased corporate value in the medium to long term. This stock compensation program is a performance-based stock compensation program that awards compensation in the form of money and common shares of the company's stock in-line with the achievement of targets for the consolidated ROE and consolidated compound growth rate for revenue three consecutive business years. We also implemented the program for Executive Officers of the Company and of Coca-Cola Bottlers Japan.

▶▶2017 Highlights

▶ Financial and Non-Financial Highlights

Net Revenues

¥872.6 billion

Our net revenues were ¥872.6 billion, primarily due to the effects of business integration. Net revenues on a pro forma basis were ¥991.6 billion.

Operating Income

¥40.5 billion

Due to factors including the effects of business integration, changes to our tangible fixed asset depreciation method, and cost reductions in the soft drink business, operating income was ¥40.5 billion. Operating income on a pro forma basis was ¥42.1 billion.

Operating Income Margin

4.7 %

Due to factors including cost reduction initiatives and the creation of net synergies, operating income margin was 4.7%. Operating income margin on a pro forma basis was 4.2%.

ROE

5.7 %

ROE was 5.7%, primarily due to the effects of business integration. On a pro forma basis, ROE was 4.2%.



▶▶2017 Highlights

▶ Corporate Integration Highlights

- ▶ Approval for business integration at the Coca-Cola West and Coca-Cola East Japan General Meetings of Shareholders

- ▶ Start of the Vending Strategy Project



- ▶ Announcement of the Mid-Term Strategic Plan "Growth Roadmap for 2020 & Beyond"



- ▶ Establishment of the Key Account Management Organization

- ▶ Formulation of company philosophy "THE ROUTE"



January

February

March

April

May

June

July

August

September

October

November

December

- ▶ Launch of Coca-Cola Bottlers Japan

Coca-Cola
BOTTLERS JAPAN INC.



- ▶ Integration of IT functions
- ▶ Integration of procurement functions

- ▶ Integration of planning functions

- ▶ Reorganization (subsidiaries integration, etc.), change of name of holding company (effective January 1, 2018)

Coca-Cola
BOTTLERS JAPAN HOLDINGS INC.

- ▶ New structure of six regional sales organizations (effective January 1, 2018)

▶▶ Company Philosophy of the CCBJH (Coca-Cola Bottlers Japan Holdings Inc.) Group

THE ROUTE

The origin of our business lies in route sales. To achieve further development with our customers and business partners, we pay respect for the varied routes of our past, and intend to open up future routes that hold infinite possibilities.



Mission

Deliver happy, refreshing moments to everyone in the community, every day

Corporate Identity

Community-based

We help build and support sustainable communities, foster strong connections with them, and help protect the environment, Creating Shared Value

Customer-centric

We focus on all our consumers and customers to become their trusted partner

Hinkaku (Corporate Dignity)

We respect human rights, honor community principles, and strive to maintain the highest ethical standards

Diversity

We respect the individuality of our employees, actively incorporating diverse values and ideas so all can achieve their full potential

Culture

- ① Build on our HERITAGE as we shape our FUTURE
- ② Fuel life and work with commitment and PASSION
- ③ Base judgments on ETHICS
- ④ Think independently, take RESPONSIBILITY
- ⑤ Enjoy life and welcome CHALLENGE
- ⑥ Act with RESPECT, inspire RESPECT
- ⑦ Value COOPERATION
- ⑧ Pursue 'SIMPLE AND SPEEDY' solutions

We have formulated a code of ethics and conduct as an action policy for employees of CCBJH Group to follow when engaging in business activities that connect to THE ROUTE corporate philosophy in order to achieve the fundamental principles and policies in our corporate operations.

The Group will work each day according to these basic principles, policies, and the code of ethics and conduct to remain a company trusted by our customers, regular patrons, and all of our other stakeholders.

Basic principles

concerning the environment

concerning the community

communication with customers

quality assurance

concerning health

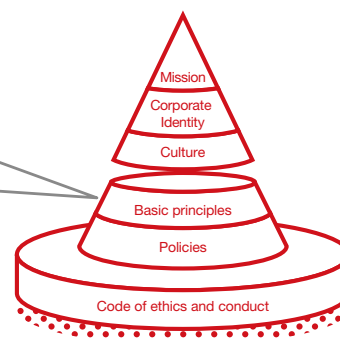
corporate governance

ethics and compliance

diversity and inclusion

organizational management

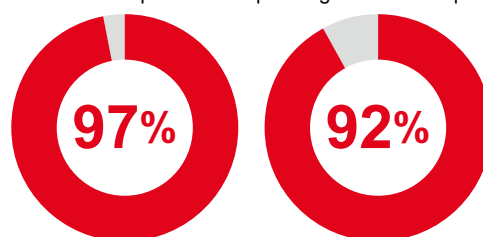
human resource management



Business Overview

Soft Drink Business

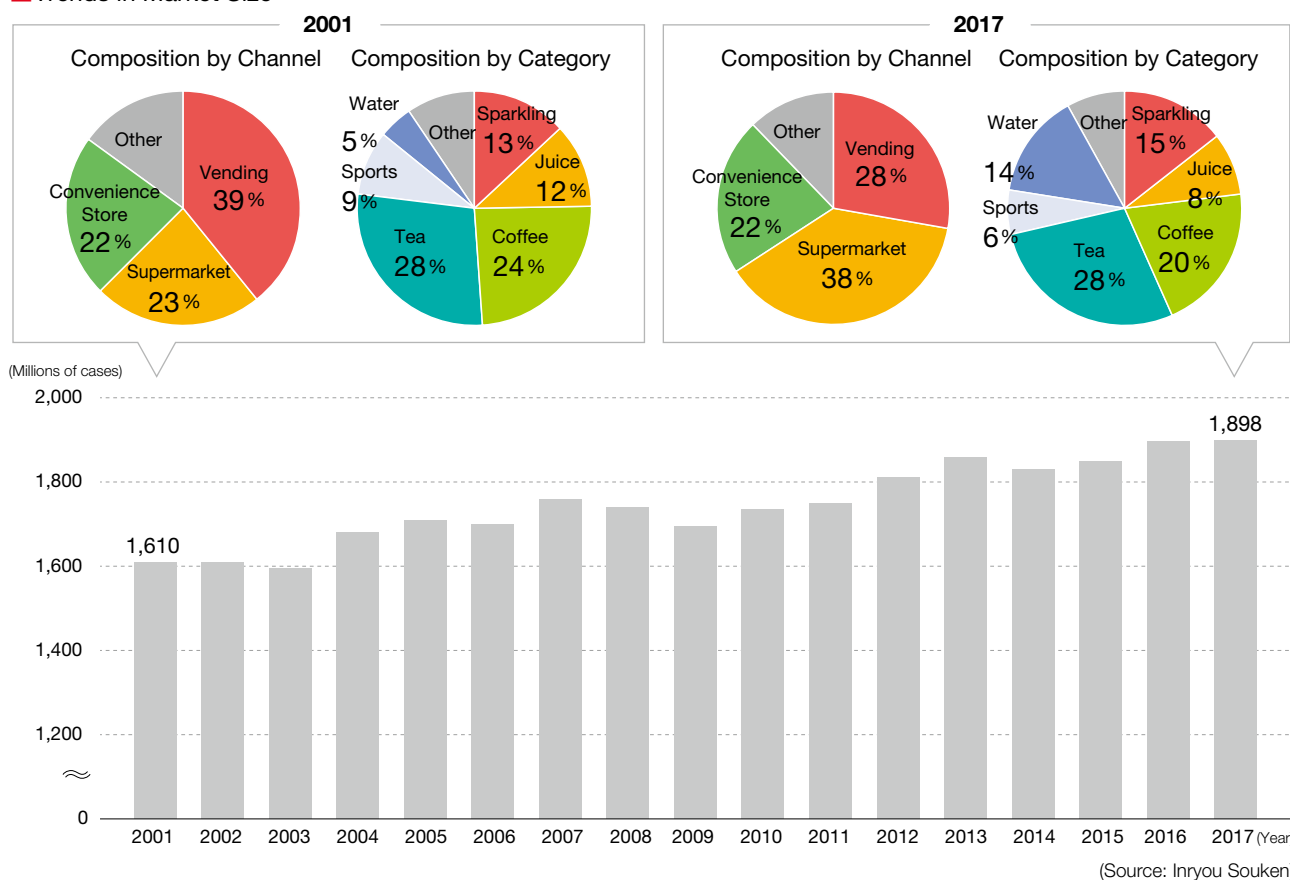
Soft Drink Business 2017 Results
Revenue Composition Operating Income Composition



The Soft Drink Market in Japan

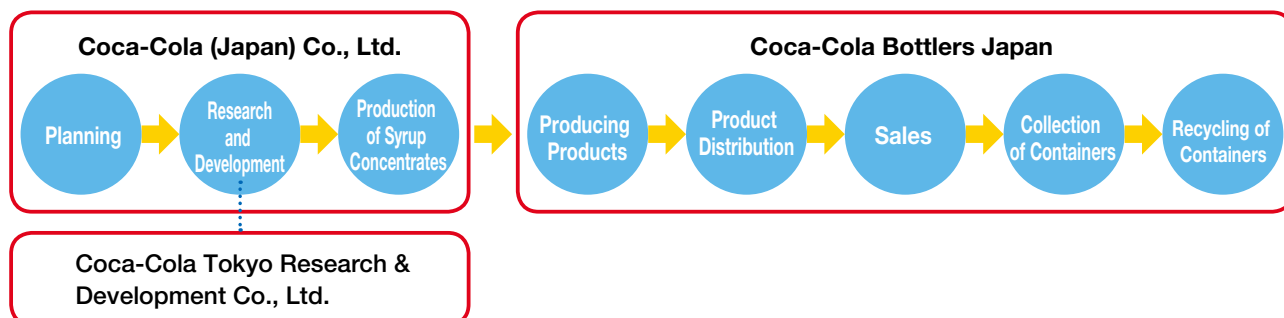
The soft drink market in Japan has been growing steadily, with market scale expanding by approximately 18% over the past 16 years.

Trends in Market Size

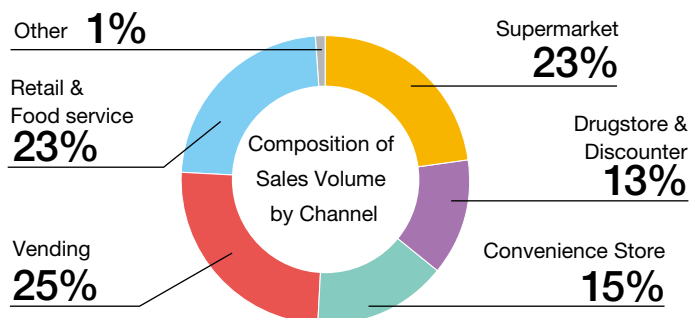


The Role of Coca-Cola Bottlers Japan in the Coca-Cola System in Japan

The Coca-Cola system operates as a franchise system. Coca-Cola Bottlers Japan Inc. plays central role in our group by engaging in manufacturing, distribution and sales of finished products as a franchisee. At the same time, Coca-Cola (Japan) Co., Ltd., the franchisor and a wholly owned subsidiary of The Coca-Cola Company, engages in operations such as product planning/development, marketing activities including advertising, etc. and supplying concentrate/beverage base.



Channel Overview



2017 pro forma results



Chain Stores

(Supermarkets, Drugstores & Discounters, and Convenience Stores)

At supermarkets, drugstores, and discounters, we actively rolled out Foods for Specified Health Use (FOSHU) and Foods with Function Claims, while working to liven up points of sales through initiatives such as campaigns tailored for each season. Additionally, we strove to increase revenue through meticulous sales activities that sell the right product (brand, volume, etc.) at the optimum wholesale price, matched to the industry and to business partners' conditions. In convenience stores, we worked to boost sales through the launch of new products and through product launches co-planned with business partners.



Display at a supermarket

Vending (Vending Machines)

To boost the appeal of vending machines, we prepared optimal product lineups for each location and developed products and campaigns exclusive to vending machines, such as Coca-Cola Coffee Plus. In addition, we worked to strengthen ties with customers and provide new value, through initiatives promotions via our Coke ON smartphone app.



Coca-Cola Coffee Plus
(vending machine exclusive)



Coke ON
a smartphone app

Click here to
download the
Coke ON
smartphone
app



Retail & Food Service

(Restaurants, Kiosks, etc.)

In restaurants, we strove to expand our product share by proposing drink menu items highlighting our products, such as "mocktail" non-alcohol cocktails. In kiosks and hotels, to satisfy the inbound tourism demand we strengthened our rollout of products such as Coca-Cola slim bottles with regional designs, illustrated with famed tourism spots.

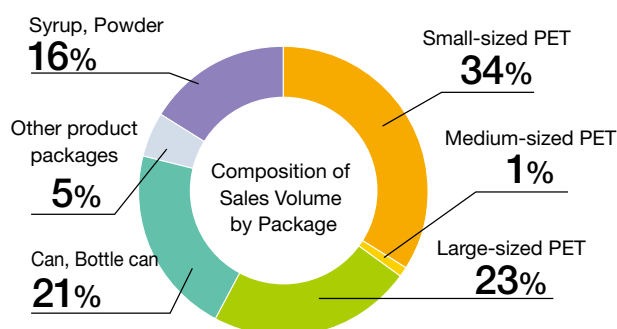
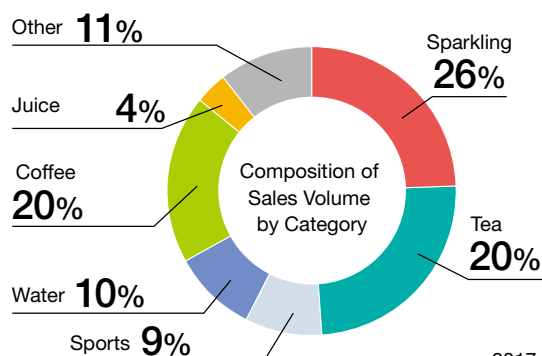


Drink menu with
our products



Creating points of sales
in souvenir shops

Product Overview



2017 pro forma results



Coca-Cola

In addition to the launch of Coca-Cola plus, the first Food for Specified Health Use (FOSHU) in the history of Coca-Cola, we launched products illustrated with depictions of seasons and regions on Coca-Cola slim bottles and worked to strengthen sales. During the winter campaign, we brought energy to the brand through a series of deployments including the Coca-Cola ribbon bottles with lottery tickets.



Georgia

We launched a variety of new products in the Georgia brand. These include the aromatic and rich-tasting Georgia European Vintage Blend within the Georgia European series, under the supervision of coffee specialty shop Sarutahiko Coffee. We worked to strengthen sales in the high-demand winter season. Our initiatives included the "Vending Machine + 2°C Campaign," offering heated products at an even more enjoyable temperature.



Sokenbicha

In the Sokenbicha brand, we renewed our Sokenbicha blended tea with a formulation that avoids the use of 27 raw materials specified as allergens. We also launched Sokenbicha Barley, a Food with Function Claims that reduces bodily fat. Efforts to increase sales included the Sokenbicha "Sound" Campaign, which allows people to listen to original Sokenbicha arrangements of Disney music.



I LOHAS

We launched I LOHAS Sparkling Grape, a product which adds extract from hand-picked Nagano Prefecture grapes to sparkling water made with select natural water from Japan. In February, we conducted a limited launch of I LOHAS Amao, made with extract from the Amao strawberry of Fukuoka Prefecture, one of the top strawberry brands in the country. Originally available in the Kyushu Area only, the product entered nationwide sales in September in response to many requests in social media for a nationwide launch.



For details of Foods for Specified Health Use (FOSHU) and Foods with Function Claims, please visit <https://www.cocacola.co.jp/brands/all-products>.

Topics

New products launched in 2017

Foods for Specified Health Use and Foods with Function Claims

As demand increases amid customers' growing health consciousness, we launched new Foods for Specified Health Use and Foods with Function Claims in 2017, centered on our sparkling beverages and sugar-free tea products. We have brought together a product line-up that includes Coca-Cola plus, a cola categorized as a Food for Specified Health Use which combines taste and functionality, as well as Sokenbicha Healthy Ingredient Mugicha under a refreshing, healthy, and delicious concept, which is a Food with Function Claims.



Vending Machine Exclusive Products

To expand sales in the highly profitable vending channel, we have been working to increase the appeal of vending machines. In terms of products, we have introduced vending machine-limited products, and strengthened our product lineups tailored to specific regions and machine locations.



Limited-Design Coca-Cola Slim Bottles

We launched the design-conscious Coca-Cola slim bottles, including "local designs" that depict famous tourism spots on special regional-oriented designs and "Cherry design" with full-bloom flower petals. In 2017, we launched eight special designs for regions (Tokyo, Kyoto, Kumamoto, etc.) and four limited seasonal bottles (cherry blossoms, fireworks, etc.). Featuring regional attractions and the sense of the seasons in Japan, the bottles have proven their appeal, especially among tourists.



Limited regional bottles

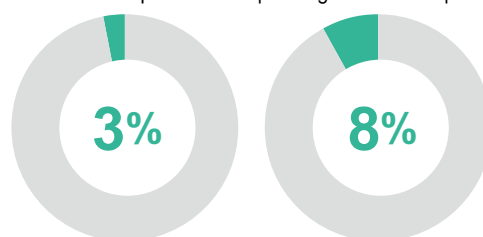


Limited seasonal bottles

Healthcare & Skincare Business

The operation of our healthcare and skincare business is centered on Q'SAI Co., Ltd., our 100% subsidiary.

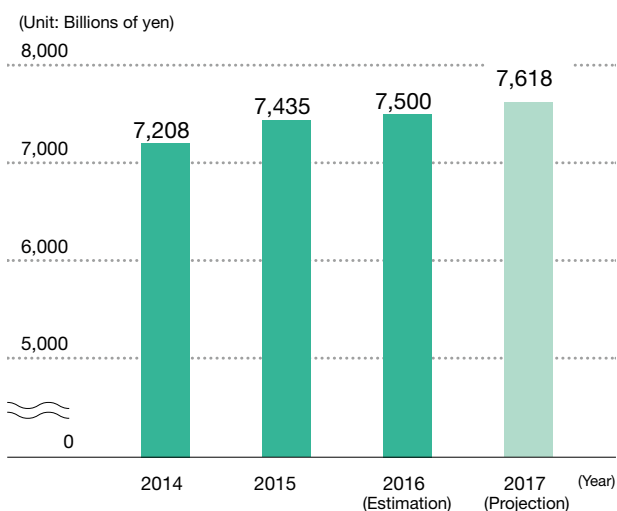
Healthcare & Skincare Business 2017 Results
Revenue Composition Operating Income Composition



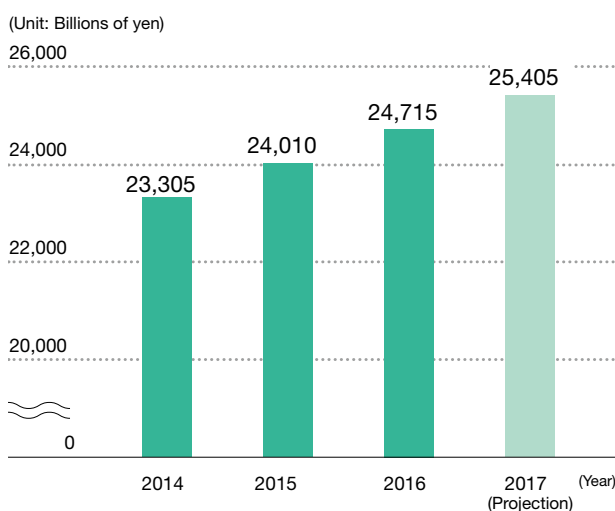
Market Sizes for Health Food and Cosmetics Products in Japan

Backed by consumers' increased consciousness toward health and beauty, the market sizes for health food and cosmetics products in Japan have seen continued growth every year.

■ Trends in Market Size of Health Food



■ Trends in Market Size of Cosmetics



(Source: Yano Research Institute Ltd., as of October 2017)

Channel Overview

Home Shopping

The home shopping channel accounts for about 90% of revenue. We continuously review our infomercial programs and broadcast slots to enhance consumer attraction. Call centers receive orders and provide guidance as a point of contact to provide sales support, spreading awareness of new products as well as proposing products that match consumer characteristics and needs. Sales promotion activities to existing consumers include value campaigns in our membership newsletter.

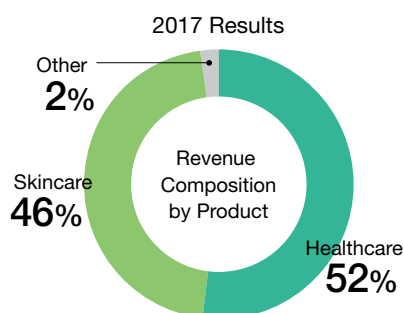


Infomercial program



At a call center

Product Overview



Healthcare Products

Kale Powder

Made with 100% domestic kale grown without agricultural chemicals or chemical fertilizers, this product is rich in β -carotene, calcium, potassium, vitamin C, dietary fiber, and other nutrients often lacking in diets. In 2017, the 35th year since the product's launch, Q'SAI Kale Powder was the No. 1¹ kale powder product for the 10th consecutive year.



^{*1} Survey by Yano Research Institute Ltd., calculating totals for product series on the basis of shipment value by manufacturers in the fiscal 2007-2016 kale powder market (as of November 2017)

Hiza Support Collagen

Foods with Function Claims

This product is Japan's first Food with Function Claims in the knee joint category. Containing the functional substance collagen peptide, Hiza Support Collagen displays effectiveness in helping knee joints bend and stretch. In the 10th year of its sales, the product took the No.1² spot in mail order sales of all collagen health food products in 2018. Many customers with knee joint-related concerns have experienced the efficacy of the product.



^{*2} Survey by Yano Research Institute Ltd., calculating totals for product series on the basis of shipment value by manufacturers in the fiscal 2007-2016 collagen health food mail order sales market (as of November 2017) (supplement types only) (including conventional products)

Skincare Products

Cola-Rich Series

The "Cola-Rich" series is a skin care series developed under the strict standard fostered in the health food field, "Only the products that customers can feel the benefits." We are striving to enrich this product line-up by launching products in 2017 such as "Cola-Rich Face Wash CC," a 5-in-1 serum face wash containing collagen, and "Placenta α ," an all-in-one beauty supplement, as well as other two products.



2017 New
products

Kobayashi HMB tablets

**Foods with
Function Claims**

Offered in an easy-to-swallow tablet form, this supplement suppresses the deterioration of muscular volume and strength to help maintain the muscular volume and strength needed in everyday living. The functional substance 3-Hydroxy 3-Methylbutyrate (HMB) is created within the body upon ingestion of leucine, a key amino acid in muscle formation, and has been reported to have functionality to help maintain the muscular volume and strength.



Cola-Rich Face Wash CC

This highly functional face wash combines five functions: cleansing, face wash, keratin care, skin treatment, and mud pack. Providing a unique balance of collagen and beauty pack mud, it yields a thick, springy, and finely creamy lather. Its four types of collagen and four types of beauty pack mud clean away every bit of dirt from the surface of skin, and supplement the moisturizing ingredients that are rinsed away by face-washing.



For details on the submitted claims of Foods for Specified Health Use, please visit <http://corporate.kyusai.co.jp/company/r-and-d/research/kinousei/>.

Initiatives Aimed at Creating Shared Value (CSV) with Society

Our Basic Thinking Concerning CSV

With Creating Shared Value (CSV) at the core of our management, and taking the respective importance of society and our business into account, our Group identifies three key themes : contribution to people's health, evolution to an environmentally leading company, and strengthening of collaboration with communities.

Contributing to
people's health

Evolution to
an environmentally
leading company

Strengthening of
collaboration with
communities

Contribution to the Achievement of SDGs

In September 2015, "Transforming our world: the 2030 Agenda for Sustainable Development" was adopted as a position document at the "United Nations Sustainable Development Summit", with over 150 participating member nations. At the center of the agenda are the Sustainable Development Goals (SDGs), consisting of 17 goals and 169 targets.

Taking on the SDGs is vital for us as we aim to achieve CSV. Under this recognition, we will accept the SDGs as new metrics and will contribute to their achievement.

SUSTAINABLE DEVELOPMENT GOALS 17 GOALS TO TRANSFORM OUR WORLD



Highest Priorities for Achieving CSV



Contributing to People's Health

Examples
of
initiatives

- Enforcement of quality control based on KORE
- Support of customers' health with diverse products
- Holding of seminars on hydration
- Activities to address the issue of lack of food

Basic principles concerning health

As a company closely tied to people's everyday lives, we provide valuable products and services matched to the needs and preferences of a range of generations, always focusing on health first. In addition, through education on proper dietary habits and opportunities to enjoy sports, we will work to maintain and promote people's health as we advocate active and healthy lifestyles.



Evolution to an Environmentally Leading Company

Examples
of
initiatives

- Implementation of water resource management
- Reduction of greenhouse gas emissions
- Promotion of recycling
- Adoption of environmentally-friendly containers

Basic principles concerning the environment

We view the effective use of natural resources, including the water that is indispensable to our business activities, and the handing down of the global environment in a sustainable form to the next generation, as our vital mission. Toward that end, by engaging in conservation of the global environment through innovation that balances the reduction of environmental burdens with business growth, and through environmental protection and awareness-building in local communities, we will achieve Creating Shared Values (CSV) together with those communities.



Strengthening of Collaboration with Communities

Examples
of
initiatives

- Sports clinics led by the Coca-Cola Red Sparks
- Family Musicals
- Summer Schools
- Environmental clean-up activities

Basic principles concerning the community

We will continue to deepen the ties to local communities that we have nurtured over the years, and will grow together with society toward a sustainable future. As a company loved by all, we will continue to address issues in society and local regions while reinvigorating those regions, and will achieve Creating Shared Value (CSV) with communities and our Group.



Contributing to People's Health

Quality Control Initiatives

We engage in rigid quality control under KORE (Coca-Cola Operating Requirements), the proprietary management system that Coca-Cola Systems operates globally. KORE is a system* covering standards related to quality, food safety, the environment, and occupational safety and health in all processes, from raw materials procurement to manufacturing, distribution and transport, and delivery to the customer through sales. It meets the requirements of laws and regulations such as ISO international standards, and incorporates proprietary content that imposes even stricter standards. We engage in initiatives for safety and security to ensure that customers can enjoy our products with peace of mind at any time.

* The system complies with ISO9001 for quality, FSSC22000 for food safety, ISO14001 for the environment, and OHSAS18001 for occupational safety and health.



Launch of Foods for Specified Health Use (FOSHU) and Foods with Function Claims

As a company closely tied to our customers' varied lifestyle scenarios, we deliver refreshing moments together with a full lineup of delicious beverages that meet the needs of the times. To address customers' growing health consciousness, in 2017 we expanded our lineup of foods for specified health use and foods with function claims. By providing products that aid the promotion of health while refreshing mind and body, we will offer support for our customers' lifestyles.



Holding of Seminars on Hydration

In order to promote proper hydration in a variety of scenarios in everyday life and sports, we hold seminars on hydration for schools, groups, and companies. In 2017, we held 33 seminars with about 5,000 participants. Comments from seminar attendees include "I realized the importance of a well-regulated life once again" "I learned the importance of minerals," and "I understood the importance of timing in hydration."



Donation of Products through Food Banks

"Food bank" refers to an activity or organization that delivers edible but discarded foodstuffs to people in need of food. We partner with food bank organizations including Second Harvest Japan and foodbankalljapan in initiatives to donate our products. We donated about 26,000 cases of drinks in 2017. Drinks contributed by our company are provided to social welfare facilities through various groups.



Evolution to an Environmentally Leading Company

Promotion of Water Resource Protection Activities

As a company that makes use of irreplaceable water in our business, we engage in Water Neutrality initiatives. Through these, we return the same volume and quality of water that we use in our products to the nature. We engage in activities centered on the reduction of water usage (Reduce), the recycling of water used in the manufacturing process (Recycle), and the protection of local water resources (Replenish). Since 2016, we have achieved effectively zero water usage.

Water Resource Protection Activities

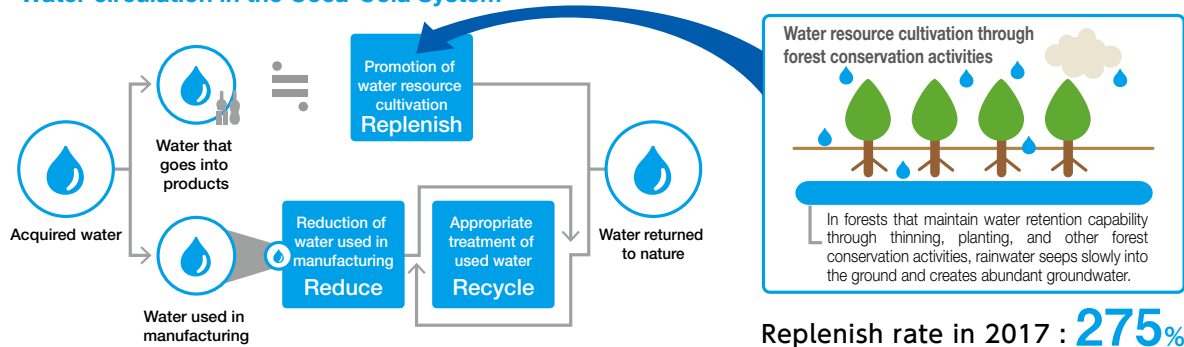
Through agreements with regional governments, forestry cooperatives, and other organizations regarding the water resource areas of the Group's plants, we engage in water resource protection activities. In 2017, we conducted such activities in 13 regions within our company areas. In the Coca-Cola Bottlers Japan water resource forests Ebino contract forest in Ebino, Miyazaki Prefecture, for example, about 100 participants consisting of our employees, their family members, and local residents took part in cutting underbrush, pruning, logging, and other activities that deepened their understanding of the importance of water resource protection.

We engage in conservation and regeneration of grasslands, as well as the flooding of rice paddy fields with high cultivation capability while focusing on forest conservation activities. We currently have about 6,583 ha of water resource cultivation.



Cutting underbrush

Water circulation in the Coca-Cola System



Working to Mitigate Climate Change

With the aim of contributing to the mitigation of climate change throughout our businesses, from procurement and manufacturing to distribution and sales, we endeavor to reduce greenhouse gas emissions.

In terms of sales, we are moving ahead with the development and implementation of machinery and equipment that lightens environmental burdens, to reduce the electric power consumption and CO₂ emissions of our vending machines and other sales equipment. Our energy-conserving "peak shift" vending machines shift the use of electric power for cooling from daytime to night, cutting daytime electric power consumption by up to 95%. We began introducing these vending machines in 2013. In addition, we are moving forward with plans to make all vending machines introduced to the market HFC-free by 2020.



"Peak shift" vending machine

Toward a Recycling-Oriented Society

We are working to reduce product waste losses and wastes generated in manufacturing through careful inventory control, while also seeking to improve our empty container recycling rate and our adoption of environment-friendly containers.

Acting on the latter under the idea of "Gentle to the environment, easy to use," we are advancing the development and adoption of containers through the "Sustainable Container" concept that is shared by the Coca-Cola system worldwide. We have introduced ecoru Bottle Shiboru, a bottle which can be easily crushed after drinking, and the PEKORAKU bottle, a large-sized PET bottle that is easy to crush and easy to pour. Our goal through these is to achieve reduction of both environmental load and energy usage. We also aim to have all Coca-Cola products adopt PET bottles made with plant-derived raw ingredients or with recycled PET resin by 2020.



Strengthening of Collaboration with Communities

■ Sports Clinics Led by the Coca-Cola Red Sparks

Coca-Cola sponsors a men's rugby team and a women's hockey team (both are entitled as Coca-Cola Red Sparks), both of which compete in the country's top leagues. Through sports clinic by Coca-Cola Red Sparks, our Group contributes to the sound physical and mental development of children, while proposing active and healthy lifestyles to people in our communities. We held eight clinics in 2017, and enjoyed engaging in interactions with participants.



Hockey clinic (Yamaguchi Prefecture)



Rugby clinic (Ehime Prefecture)

Number of participants
957

■ Family Musicals

For the sound development of the youth who will shoulder the next generation, we put on a family musical during the summer holiday season. In 2017, Jijji's Wondrous Restaurant was performed at three venues within our company areas. All of the children as well as their guardians watched the original musical that addresses the modern societal issues of food poverty and eating alone with great excitement.



Number of audience members
4,763

© Jin Hidaka

■ Summer Schools

During the summer vacation, we hold summer schools for local children and their guardians to offer hands-on workshops where students learn about the various activities throughout the manufacturing process of Coca-Cola products as well as the importance of forests that provide irreplaceable water, and engage in various hands-on workshops in the rich natural environment. In 2017, summer schools were held at four of our Group plants.



Number of participants
1,786

■ Environmental Clean-up Activities

Recognizing global environmental conservation as a vital issue, our Group promotes environmental conservation activities for each region within our company areas, and we worked in environmental Clean-up activities in 17 areas around our company in 2017. For example, 50 employees engaged in environmental clean-up activities together with the local community in the All Kyoto Beautification Drive, a cleaning activity to achieve the world's most beautiful city Kyoto.



Areas of activity
17

■ Support Activities for Ichimura Shizenjyuku Kyushu

Ichimura Shizenjyuku Kyushu is a non-profit organization (NPO) that supports the growth and sound physical and mental development of children, under a basic philosophy of "learning about the power to live from Mother Nature." We provide a place to foster qualities in children that include discipline, independence, and creativity around three pillars: hands-on farming activities, nature experience activities, and communal living. Over the course of eight weeks, students from the fourth year of elementary school to the second year of junior high school spend weekends with fellow students, experiencing a variety of activities among the abundant nature of Tosu City in Saga Prefecture.



Program graduates
863

Human Resource Management to Enhance Corporate Value



Our Group values The Route corporate philosophy as an important corporate code for respecting human rights and societal norms as well as complying with laws and regulations. We stand for corporate dignity by always holding ourselves to high ethical standards while respecting the rights and individuality of each and every employee. We advocate diversity that actively incorporates a wide range of values and ideas by creating an environment where everyone can find success.

We are promoting a variety of initiatives according to these values with the goal of building an environment where our people can reach their full potential.

»»Promotion of Diversity



- Respecting human rights
- Promoting the active participation of women
- Promoting the employment and active participation of disabled persons

Our Group aims to be an excellent company that embodies corporate dignity by promoting and recognizing diversity through constructive debate. The active participation of women and disabled persons are pillars of our activities founded in our respect for human rights, which is the policy of our initiatives leading up to 2020.

We hold training and e-Learning to raise awareness about human rights, which is the bedrock for promoting diversity, as a way to heighten sensitivity and teach accurate information about the respect of human rights. We will also strengthen our awareness raising activities, especially for management, under a theme to eliminate harassment.

We are engaging in initiatives to increase the percentage of female employees and managers as well as female leadership to promote active participation of women in all facets of our corporate activities. We also hold educational programs specifically for women while introducing policies and systems to allow women to shape their careers through various life events. We are also cultivating opportunities for women who aim to become influential leaders through active promotional activities via projects to advance diversity in each key division as well as interaction between female employees throughout the Group.

We have established a section for the employment of disabled persons and furthered the setup of systems to promote the employment of disabled persons throughout the entire Group to encourage active participation. In addition to the statutory employment rate, the Group also actively builds opportunities and environments where every employee can work enthusiastically by conducting established support activities through a full-time staff in charge of the employment of disabled persons.

We are also advancing initiatives set to facilitate telecommuting and satellite offices as part of this effort to build an environment where everyone can reach their full potential.



Human Rights Training



International Women's Day Event

»»Career Support



- Career/skill development plans
- Educational programs by career stage
- Global training programs

Consultations between supervisors and their staff are conducted every year for the staff's career plans and their achievement, to develop the staff and help them grow.

Our three self-development programs focus on support through on-the-job training, group training, and self-learning programs for employees in the workplace as skill development plans that aid in employee growth and career success. Our group training provides employee education programs that aim to cultivate the best human resources for our Group by the stage of their career. The specific group training includes supervisor training to heighten organizational operation and human resource development skills, global leadership training that utilizes the Coca-Cola system, overseas training for employees to visit Atlanta, the birthplace of Coca-Cola, and Coca-Cola Bottlers overseas as well as open training that aims to nurture the next generation of leaders.



Global training programs

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.

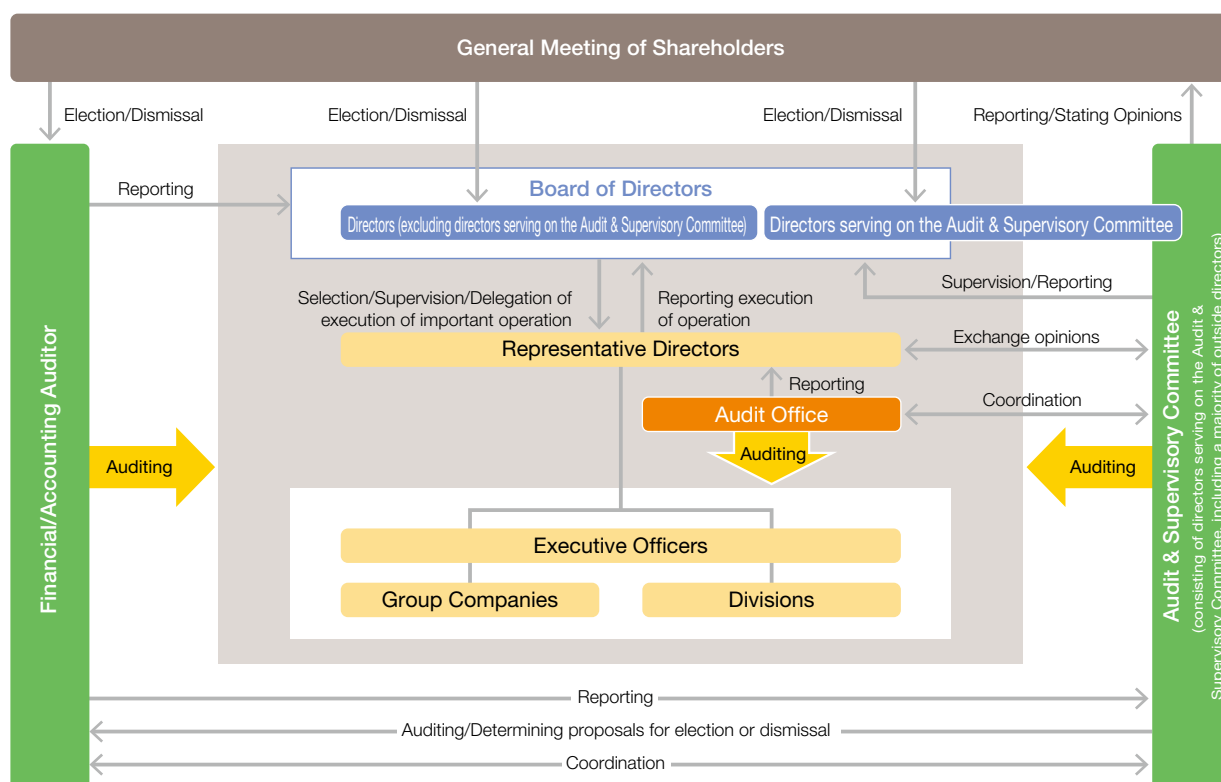
With the aim of further strengthening our governance structure, the Company has put in place an Audit & Supervisory Committee. The Company's Audit & Supervisory Committee consists of one full-time director serving on the Audit & Supervisory Committee and three outside directors, and a majority of its members are 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).

• Summary of Corporate Governance Structure

| Form of organization | Company with Audit & Supervisory Committee |
|--|--|
| Number of directors | 9 |
| Directors serving on the Audit & Supervisory Committee | 4 |
| Outside directors | 4 |
| Independent directors | 2 |
| Adoption of executive officer system | Yes |
| Financial/accounting auditor | Ernst & Young ShinNihon LLC |

Chart of Corporate Governance Structure



Board of Directors

The Board of Directors consists of up to 10 directors (the number specified in the Articles of Incorporation, excluding directors serving as Audit & Supervisory Committee members) and up to 7 directors serving as Audit & Supervisory Committee members. The composition reflects an appropriate balance of deep knowledge concerning the business of our Company's Group, along with diverse knowledge and expertise of company management, financial strategy, risk management, legal compliance, and other matters. In addition, in light of the importance of the functions of outside directors in corporate governance, several independent outside directors (based on the Company's standards for independence) are appointed among the directors.

In order to determine candidates for director, the internal directors of the Company judge candidates' future potential and degree of contribution in accordance with the Company's evaluation system. In the nomination of outside directors, the Company nominates persons who are judged to be uniquely capable in increasing the corporate value of the Company.

• Reasons for appointment of outside directors

| Name | Reason for appointment | Audit & Supervisory Committee members | Independent Director |
|------------------|--|---------------------------------------|----------------------|
| Hiroshi Yoshioka | Appointed to leverage his extensive management experience and knowledge, cultivated through experience as a Coca-Cola bottler outside director and experience in Sony Corporation | | ○ |
| Zenji Miura | Appointed to leverage his extensive management experience and knowledge as Chief Executive Officer and President of Ricoh Company Ltd. | ○ | ○ |
| Irial Finan | Appointed for his extensive management experience and knowledge as a corporate manager, with many years of involvement in the management of the Coca-Cola Company and in the Coca-Cola business as the representative of the Bottling Investments Group supervising Coca-Cola bottlers worldwide, and to provide decision-making on key management judgments and counsel on all matters, including the handling of assumed risks | ○ | |
| John Murphy | Appointed for his extensive management experience and knowledge as a corporate manager, with many years of involvement in the management of the Coca-Cola Company in Japan and globally, and to provide decision-making on key management judgments and counsel on all matters, including the handling of assumed risks | ○ | |

Executive Compensation

Compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) is determined by the Representative Directors who have authorized and empowered by the Board of Directors in accordance with criteria stipulated by the Board of Directors. This compensation is composed of fixed and variable remuneration that changes according to factors such as corporate performance to reflect the responsibility and contribution to corporate performance of each Director. The compensation for Directors who are Audit & Supervisory Committee Members is determined by deliberation with the Directors who are Audit & Supervisory Committee Member.

We implemented a performance-based stock compensation program after the approval of the proposal at the General Meeting of Shareholders in March 2018. This program shares the risks and stock price fluctuations faced by shareholders with executive directors for the purpose of improving medium- to long-term corporate value as well as further enhance motivation to contribute to an increased stock price. This stock compensation program awards compensation in the form of money and common shares of the company's stock in-line with the achievement of targets for the consolidated ROE and consolidated compound revenue growth rate for three consecutive business years.

• Director Compensation (2017 results)

| Category | Number paid | Total compensation | Basic compensation | Bonus |
|--|-------------|-------------------------------|-------------------------------|---------------------|
| Directors (Outside directors) | 12 (2) | ¥476 million (¥11 million) | ¥362 million (¥11 million) | ¥114 million (-) |
| Directors (Audit & Supervisory Committee members) (Outside directors) | 8 (6) | ¥81 million (¥42 million) | ¥81 million (¥42 million) | - (-) |
| Total (Outside directors) | 19 (7) | ¥557 million (¥54 million) | ¥443 million (¥54 million) | ¥114 million (-) |

Directors and Executive Officers (as of June 1, 2018)

Coca-Cola Bottlers Japan Holdings Inc.

Directors



Tamio Yoshimatsu

Representative Director & President;
Representative Director & President,
Coca-Cola Bottlers Japan Inc.

1969 Joined Kinki Coca-Cola Bottling Co., Ltd.
2000 Director, Kinki Coca-Cola Bottling Co., Ltd.
2004 Managing Director, Kinki Coca-Cola Bottling Co., Ltd.
2006 Senior Managing Director, Kinki Coca-Cola Bottling Co., Ltd.
Executive Corporate Officer, Kinki Coca-Cola Bottling Co., Ltd.
Director, Coca-Cola West Holdings Co., Ltd.
Executive Corporate Officer, Coca-Cola West Holdings Co., Ltd.
2007 Representative Director, Kinki Coca-Cola Bottling Co., Ltd.
President, Kinki Coca-Cola Bottling Co., Ltd.
2009 Director, Coca-Cola West Co., Ltd.
Executive Vice President, Coca-Cola West Co., Ltd.
Representative Director, Coca-Cola West Co., Ltd.
2010 President, Coca-Cola West Co., Ltd.
2017 Representative Director, Coca-Cola Bottlers Japan Inc.
President, Coca-Cola Bottlers Japan Inc.
Representative Director, Coca-Cola East Japan Co., Ltd.
President, Coca-Cola East Japan Co., Ltd.
2018 Representative Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)
President, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)
Representative Director, Coca-Cola Bottlers Japan Inc. (incumbent)
President, Coca-Cola Bottlers Japan Inc. (incumbent)



Vikas Tiku

Representative Director & Vice President, Chief Financial Officer;
Representative Director & Vice President, Chief Strategy and Financial Officer,
Coca-Cola Bottlers Japan Inc.

1988 Joined Diageo plc (The Pillsbury Company, USA)
1996 CFO, Diageo plc (The Pillsbury Company, Australia)
1998 CFO, Diageo plc (The Pillsbury Company, Asia-Pacific)
2000 Senior Vice President and COO, SOURCE MDx (USA)
2005 Managing Director in charge of Asia-Pacific, The Hershey Company (USA)
Group Manager, Manager and Acquisitions, The Coca-Cola Company
2006 CFO, Coca-Cola Africa Group, The Coca-Cola Company
2009 Executive Vice President and CFO, Coca-Cola (Japan) Co., Ltd.
Representative Director, Executive Vice President and CFO, Coca-Cola (Japan) Co., Ltd.
2011 Outside Director, Coca-Cola West Co., Ltd.
2015 CFO, Coca-Cola Asia Pacific Group, The Coca-Cola Company
2016 Vice President and Executive officer, Coca-Cola East Japan Co., Ltd.
2017 Representative Director, Coca-Cola Bottlers Japan Inc.
Vice President and CFO, Coca-Cola Bottlers Japan Inc.
Director, Coca-Cola East Japan Co., Ltd.
2018 Representative Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)
Vice President and CFO, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)
Representative Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)
Vice President and, Chief Strategy and Financial Officer, Coca-Cola Bottlers Japan Inc. (incumbent)



Yasunori Koga

Director;
Senior Executive Officer,
Head of Administrations,
Coca-Cola Bottlers Japan Inc.

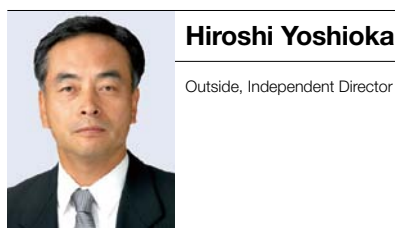
1985 Joined Kitakyushu Coca-Cola Bottling Co., Ltd.
2010 Corporate Officer, Coca-Cola West Co., Ltd.
2012 Senior Corporate Officer, Coca-Cola West Co., Ltd.
2014 Director, Coca-Cola West Co., Ltd.
2017 Director, Coca-Cola Bottlers Japan Inc.
Senior Executive Officer, Coca-Cola Bottlers Japan Inc.
2018 Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)
Senior Executive Officer and Head of Administration, Coca-Cola Bottlers Japan Inc. (incumbent)
Representative Director, Coca-Cola Bottlers Japan Benefit Inc.
President, Coca-Cola Bottlers Japan Benefit Inc.



Costin Mandrea

Director;
Senior Executive Officer,
Head of Commercial and Head of Marketing,
Coca-Cola Bottlers Japan Inc.

1998 Trade Manager (in charge of Romania and Moldova), Coca-Cola Morino Beverages (Timisoara)
2006 Director in charge of Commercial Headquarters, Central Office (Athens), Coca-Cola Hellenic Bottling Company
2010 Key Account Director, Coca-Cola Hellenic Bottling Company Eurasia (Moscow)
2013 Director in charge of RTM, Headquarters, Coca-Cola Hellenic Bottling Company
2015 Senior Executive Officer, Coca-Cola East Japan Co., Ltd.
Vice President and Executive Officer, Coca-Cola East Japan Co., Ltd.
2016 Director, Coca-Cola East Japan Co., Ltd.
2017 Director, Coca-Cola Bottlers Japan Inc.
Senior Executive Officer, Coca-Cola Bottlers Japan Inc.
2018 Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)
Senior Executive Officer, Head of Commercial and Head of Marketing, Coca-Cola Bottlers Japan Inc. (incumbent)



Hiroshi Yoshioka

Outside, Independent Director

1975 Joined Japan Radio Co., Ltd.
1979 Joined Sony Corporation
2001 Representative Director and President, Sony Ericsson Mobile Communications Corporation
2003 ABCVP, Sony Ericsson Mobile Communications Corporation
2005 Corporate Executive, SVP, Sony Corporation
2008 Corporate Executive, EVP, Sony Corporation
2009 Executive Deputy President Officer, Sony Corporation
2013 Outside Director, Coca-Cola East Japan Co., Ltd.
2017 Outside Director, Coca-Cola Bottlers Japan Inc.
2018 Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)



Tadanori Taguchi

Director,
Audit & Supervisory
Committee Member (full-time)

1970 Joined Nichibei Coca-Cola Bottling Co., Ltd.
2005 Corporate Officer, Coca-Cola West Japan Co., Ltd.
2006 Corporate Officer, Coca-Cola West Holdings Co., Ltd.
2007 Group Corporate Officer, Coca-Cola West Holdings Co., Ltd.
2009 Group Corporate Officer, Coca-Cola West Co., Ltd.
2011 Senior Corporate Officer, Coca-Cola West Co., Ltd.
2012 Group Senior Corporate Officer, Coca-Cola West Co., Ltd.
Corporate Officer, Minami Kyushu Coca-Cola Bottling Co., Ltd.
2013 Senior Corporate Officer, Minami Kyushu Coca-Cola Bottling Co., Ltd.
Auditor & Supervisory Board Member, Coca-Cola West Co., Ltd. (full-time)
2016 Director serving on the Audit and Supervisory Committee, Coca-Cola West Co., Ltd. (full-time)
2017 Director serving on the Audit and Supervisory Committee, Coca-Cola Bottlers Japan Inc. (full-time)
2018 Director serving on the Audit and Supervisory Committee, Coca-Cola Bottlers Japan Holdings Inc. (full-time) (incumbent)



Zenji Miura

Outside, Independent Director,
Audit & Supervisory
Committee Member

1976 Joined RICOH Company, Ltd.
1993 Director and President of RICOH France S.A.
2000 Executive Officer of RICOH Company, Ltd.
2003 Senior Executive Officer of RICOH Company, Ltd.
2004 Executive Director of RICOH Company, Ltd.
2005 Director of RICOH Company, Ltd.;
Senior Managing Executive Officer of RICOH Company, Ltd.
2008 Outside Auditor of Coca-Cola West Co., Ltd.
2011 Representative Director of RICOH Company, Ltd.;
Executive Vice President of RICOH Company, Ltd.
2013 Executive President of RICOH Company, Ltd.;
CEO of RICOH Company, Ltd.
2016 Outside Director of Coca-Cola West Co., Ltd.
2017 Special advisor of RICOH Company, Ltd.
Outside Director (Audit and Supervisory Committee Member), Coca-Cola Bottlers Japan Inc.
2018 Outside Director (Audit and Supervisory Committee Member), Coca-Cola Bottlers Japan Holdings Inc. (incumbent)



Irial Finan

Outside Director,
Audit & Supervisory
Committee Member

1984 Finance Director, Coca-Cola Bottlers Ireland, Ltd.
1991 Managing Director, Coca-Cola Bottlers Ulster, Ltd.
2001 CEO, Coca-Cola Hellenic Bottling Company S.A.
2004 Senior Vice President (President of Bottling Investment Group), The Coca-Cola Company
2012 Outside Director, Coca-Cola Central Japan Co., Ltd.
2013 Outside Director, Coca-Cola East Japan Co., Ltd.
2017 Outside Director (Audit & Supervisory Committee Member), Coca-Cola Bottlers Japan Inc.
2018 Executive Advisor, The Coca-Cola Company
Outside Director (Audit & Supervisory Committee Member), Coca-Cola Bottlers Japan Holdings Inc. (incumbent)



John Murphy

Outside Director,
Audit & Supervisory
Committee Member

1988 Joined The Coca-Cola Company
1991 Joined Coca-Cola (Japan) Co., Ltd.
2000 Vice President and CFO, Coca-Cola (Japan) Co., Ltd.
2004 Deputy President, Coca-Cola (Japan) Co., Ltd.
2005 Vice President in charge of management strategy at The Coca-Cola Company
2008 President, Coca-Cola Latin Center Business Unit, The Coca-Cola Company
2013 President, Coca-Cola South Latin Business Unit, The Coca-Cola Company
2016 President, Coca-Cola Asia Pacific Group, The Coca-Cola Company
2017 Outside Director (Audit and Supervisory Committee Member), Coca-Cola Bottlers Japan Inc.
2018 Outside Director (Audit & Supervisory Committee Member), Coca-Cola Bottlers Japan Holdings Inc. (incumbent)

Coca-Cola Bottlers Japan Holdings Inc.

Executive Officers

Jawahar Solai Kuppuswamy

Senior Executive Officer,
Head of Finance

Kyoichi Takagi

Executive Officer,
Head of Corporate Planning

Haruko Ozeki

Executive Officer,
Head of Legal

Raymond Shelton

Executive Officer,
Head of Investor Relations

Coca-Cola Bottlers Japan Inc.

Directors

Tamio Yoshimatsu

Representative Director &
President

Vikas Tiku

Representative Director & Vice President,
Chief Strategy and Financial Officer

Auditors

Yutaka Sugita

Auditor

Toshio Fukami

Auditor

Executive Officers

Yasunori Koga

Senior Executive Officer,
Head of Administrations

Shunichi Nasu

Senior Executive Officer,
Head of IMO

Jawahar Solai Kuppuswamy

Senior Executive Officer,
Head of Finance

Jun Kato

Senior Executive Officer,
Head of Business Systems

Bruce Herbert

Senior Executive Officer,
Head of SCM

Masanori Ichihara

Senior Executive Officer,
Head of Key Account Management and
Head of Key Account Management Marketing

Costin Mandrea

Senior Executive Officer,
Head of Commercial and Head of Marketing

Yoshiki Fujiwara

Senior Executive Officer,
Head of Region Sales

Kyoichi Takagi

Executive Officer,
Head of Corporate Planning

Toyoji Okada

Executive Officer,
Head of Human Resources

Haruko Ozeki

Executive Officer,
Head of Legal

Shigeki Okamoto

Executive Officer,
Head of Corporate Communications

Asako Aoyama

Executive Officer,
Transformation Project Leader

Maki Kado

Executive Officer,
Head of Procurement

Edward Walters

Executive Officer,
Head of Logistics

Yoichi Nishiguchi

Executive Officer,
Head of Manufacturing

Takeshi Narishige

Executive Officer,
Head of CVS Sales

Kimiya Kuraya

Executive Officer,
Head of SM Sales

Yukinobu Kawamura

Executive Officer,
Head of Food Service and Drug Store Sales

Kotaro Endo

Executive Officer,
Head of Channel Planning

Yoshiaki Murata

Executive Officer,
Head of Regional Key Account Management

Yasuhiro Shiba

Executive Officer,
Head of East Japan Region

Yutaka Inoue

Executive Officer,
Head of Kanto Region

Kazuhito Sato

Executive Officer,
Head of Tokyo Region

Keisuke Seki

Executive Officer,
Head of Central Japan Region

Teruyuki Suzuki

Executive Officer,
Head of Kinki/Shikoku Region

Shunichiro Hombo

Executive Officer,
Head of West Japan Region

Takahide Baba

Executive Officer;
Representative Director & President,
Coca-Cola Bottlers Japan Vending Inc.

Mikihiro Hara

Executive Officer;
Representative Director & President,
FV Japan Co., Ltd.

Q'SAI Co., Ltd.

Representative Director

Satoshi Kambe

Representative Director & President

CQ Ventures Co., Ltd.

Representative Director

Kyoichi Takagi

Representative Director & President

Consolidated Financial Indices

Financial data through fiscal 2016 indicates results for Coca-Cola West Co., Ltd. prior to the business integration.
Financial data for fiscal 2017 indicates results for Coca-Cola Bottlers Japan Holdings Inc. from 2Q.

| Item | | 2007 | 2008 | 2009 | 2010 | 2011 |
|--|-------------------|----------|----------|----------|----------|----------|
| Net Revenues | (Millions of yen) | 409,521 | 395,556 | 369,698 | 375,764 | 399,717 |
| Growth Rate in Net Revenues | (%) | 24.9 | (3.4) | (6.5) | 1.6 | 6.4 |
| Operating Income | (Millions of yen) | 16,056 | 10,521 | 2,242 | 12,003 | 16,469 |
| Operating Income / Net Revenues | (%) | 3.9 | 2.7 | 0.6 | 3.2 | 4.1 |
| Recurring Income | (Millions of yen) | 17,493 | 11,048 | 2,085 | 12,659 | 16,044 |
| Recurring Income / Net Revenues | (%) | 4.3 | 2.8 | 0.6 | 3.4 | 4.0 |
| Income (Loss) before Income Taxes | (Millions of yen) | 14,254 | 2,402 | (10,446) | 12,982 | 14,013 |
| Income before Income Taxes / Net Revenues | (%) | 3.5 | 0.6 | (2.8) | 3.5 | 3.5 |
| Net Profit (Loss) Attributable to Owners of Parent | (Millions of yen) | 9,375 | 129 | (7,594) | 7,582 | 6,997 |
| Return on Sales | (%) | 2.3 | 0.0 | (2.1) | 2.0 | 1.8 |
| Comprehensive Income | (Millions of yen) | — | — | — | — | 5,605 |
| Earnings (Loss) Per Share | (Yen) | 88.29 | 1.25 | (75.96) | 75.84 | 69.99 |
| Return on Equity | (%) | 3.7 | 0.1 | (3.3) | 3.4 | 3.1 |
| Return on Assets | (%) | 5.6 | 3.7 | 0.7 | 3.8 | 4.7 |
| Total Assets | (Millions of yen) | 315,672 | 277,696 | 326,818 | 346,032 | 342,560 |
| Net Assets | (Millions of yen) | 254,025 | 234,521 | 222,816 | 226,267 | 227,864 |
| Equity Ratio | (%) | 80.5 | 84.4 | 68.2 | 65.3 | 66.4 |
| Net Assets per Share | (Yen) | 2,391.83 | 2,345.03 | 2,227.96 | 2,260.03 | 2,275.55 |
| Price Book Value Ratio (PBR)*1 | (times) | 1.0 | 0.8 | 0.7 | 0.7 | 0.6 |
| Price Earnings Ratio (PER)*2 | (times) | 28.0 | 1,549.5 | (21.6) | 19.4 | 19.1 |
| Cash Flow from Operating Activities | (Millions of yen) | 33,000 | 16,180 | 28,747 | 31,732 | 39,960 |
| Cash Flow from Investing Activities | (Millions of yen) | (23,306) | 2,153 | (23,447) | (49,203) | (34,050) |
| Cash Flow from Financing Activities | (Millions of yen) | 3,586 | (31,486) | 43,297 | (16,316) | (8,780) |
| Cash and Cash Equivalents at End of Fiscal Year | (Millions of yen) | 35,564 | 22,412 | 71,221 | 37,434 | 34,564 |
| Dividend Payout Ratio (Consolidated) | (%) | 48.7 | 3,440.0 | — | 52.7 | 58.6 |
| Dividend per Share | (Yen) | 43.00 | 43.00 | 42.00 | 40.00 | 41.00 |
| [Interim Dividend Amount per Share] | (Yen) | (21.00) | (21.00) | (21.00) | (20.00) | (20.00) |
| Interest Coverage Ratio*3 | (times) | 285.4 | 462.7 | 97.2 | 35.4 | 58.1 |
| Depreciation and Amortization | (Millions of yen) | 22,533 | 21,741 | 24,069 | 22,405 | 21,371 |
| Capital Expenditure | (Millions of yen) | 19,951 | 18,032 | 25,201 | 16,524 | 21,201 |

*1 Price Book Value Ratio (PBR) = Market Value at End of Period ÷ Equity per Share

*2 Price Earnings Ratio (PER) = Market Value at End of Period ÷ Earnings per Share

*3 Interest Coverage Ratio = Operating Cash Flow ÷ Interest Paid

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| | 386,637 (3.3) | 431,711 11.7 | 424,406 (1.7) | 440,476 3.8 | 460,455 4.5 | 872,623 89.5 |
| | 13,463 3.5 | 15,927 3.7 | 11,008 2.6 | 14,262 3.2 | 21,143 4.6 | 40,579 4.7 |
| | 13,845 3.6 | 16,606 3.8 | 10,609 2.5 | 13,723 3.1 | 20,602 4.5 | 39,859 4.6 |
| | 12,186 3.2 | 18,730 4.3 | 8,409 2.0 | 15,228 3.5 | 12,707 2.8 | 39,240 4.5 |
| | 6,031 1.6 | 13,625 3.2 | 4,482 1.1 | 9,970 2.3 | 5,245 1.1 | 25,244 2.9 |
| | 7,326 | 16,332 | 6,931 | 11,217 | 5,022 | 31,976 |
| | 60.33 | 128.15 | 41.07 | 91.35 | 48.05 | 144.26 |
| | 2.6 | 5.6 | 1.8 | 3.9 | 2.0 | 5.7 |
| | 4.1 | 4.7 | 3.0 | 3.8 | 5.5 | 6.3 |
| | 337,348 | 374,418 | 337,260 | 378,105 | 377,468 | 883,918 |
| | 231,056 | 257,936 | 254,150 | 260,878 | 261,173 | 627,485 |
| | 68.4 | 68.8 | 75.2 | 68.9 | 69.1 | 70.9 |
| | 2,307.44 | 2,359.82 | 2,325.19 | 2,386.81 | 2,389.28 | 3,070.01 |
| | 0.6 | 0.9 | 0.7 | 1.0 | 1.4 | 1.3 |
| | 22.1 | 17.4 | 40.4 | 26.9 | 71.7 | 28.5 |
| | 26,324 | 40,082 | 28,628 | 40,422 | 34,388 | 72,450 |
| | (14,243) | (16,493) | (9,590) | (24,994) | (19,921) | (41,090) |
| | (7,149) | (8,286) | (37,498) | 22,416 | (7,546) | (26,159) |
| | 39,495 | 60,275 | 41,830 | 79,828 | 86,727 | 118,741 |
| | 68.0 | 32.0 | 99.8 | 44.9 | 95.7 | 30.5 |
| | 41.00 (20.00) | 41.00 (20.00) | 41.00 (20.00) | 41.00 (20.00) | 46.00 (22.00) | 44.00 (22.00) |
| | 41.8 | 66.0 | 50.8 | 97.2 | 72.6 | 128.3 |
| | 20,643 | 23,758 | 22,943 | 24,048 | 17,491 | 37,352 |
| | 20,031 | 20,242 | 22,783 | 16,181 | 25,728 | 42,539 |

Consolidated Financial Statements

Consolidated Balance Sheets (As of December 31)

Financial data through fiscal 2016 indicates results for Coca-Cola West Co., Ltd. prior to the business integration.
Financial data for fiscal 2017 indicates results for Coca-Cola Bottlers Japan Holdings Inc. from 2Q.

(Unit: Millions of yen)

| Item | 2015 | 2016 | 2017 |
|--|----------------|----------------|----------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Deposits | 49,955 | 63,849 | 101,858 |
| Trade Notes and Accounts Receivable | 30,086 | 29,649 | 69,266 |
| Marketable Securities | 30,001 | 23,112 | 17,000 |
| Merchandise and Finished Goods | 27,735 | 27,279 | 54,357 |
| Work in Process | 600 | 652 | 267 |
| Raw Materials and Supplies | 2,305 | 1,998 | 7,323 |
| Deferred Tax Assets (Current Portion) | 2,817 | 2,572 | 3,777 |
| Other | 14,758 | 14,761 | 32,499 |
| Allowance for Doubtful Accounts | (372) | (287) | (376) |
| Total Current Assets | 157,888 | 163,587 | 285,974 |
| Fixed Assets | | | |
| Property, Plant and Equipment | | | |
| Buildings and Structures, net | 33,230 | 31,162 | 73,145 |
| Machinery, Equipment, Vehicles, net | 21,381 | 22,688 | 67,382 |
| Sales Equipment, net | 30,313 | 39,999 | 111,800 |
| Land | 63,204 | 62,128 | 151,375 |
| Construction in Progress | 69 | 5 | 591 |
| Other, net | 1,978 | 1,829 | 5,897 |
| Total Property, Plant and Equipment | 150,178 | 157,815 | 410,192 |
| Intangible Assets | | | |
| Goodwill | 31,762 | 22,668 | 76,557 |
| Franchise Intangible | — | — | 50,098 |
| Other | 6,638 | 4,889 | 14,437 |
| Total Intangible Assets | 38,401 | 27,557 | 141,092 |
| Investments and Other Assets | | | |
| Investment Securities | 22,382 | 20,144 | 31,792 |
| Deferred Tax Assets | 1,512 | 1,367 | 2,448 |
| Retirement Benefit Assets | — | 123 | 257 |
| Other | 8,317 | 7,392 | 13,119 |
| Allowance for Doubtful Accounts | (574) | (519) | (958) |
| Total Investments and Other Assets | 31,637 | 28,508 | 46,659 |
| Total Fixed Assets | 220,217 | 213,881 | 597,944 |
| Total Assets | 378,105 | 377,468 | 883,918 |

(Unit: Millions of yen)

| Item | 2015 | 2016 | 2017 |
|---|----------------|----------------|----------------|
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade Notes and Accounts Payable | 19,532 | 15,990 | 40,496 |
| Current Portion of Long-Term Borrowings | 2,517 | 17 | 1,817 |
| Accrued Income Taxes | 2,112 | 5,717 | 8,356 |
| Other Accounts Payable | 21,426 | 25,042 | 55,410 |
| Provision for Sales Promotion Expenses | 355 | 308 | 427 |
| Provision for Bonuses | — | — | 2,521 |
| Provision for Directors' Bonuses | — | — | 134 |
| Other | 10,061 | 8,662 | 17,193 |
| Total Current Liabilities | 56,006 | 55,739 | 126,357 |
| Non-Current Liabilities | | | |
| Bonds Payable | 50,000 | 50,000 | 66,000 |
| Long-Term Loans Payable | 201 | 183 | 12,031 |
| Deferred Tax Liabilities | 3,381 | 2,965 | 26,198 |
| Net Defined Benefit Liability | 3,375 | 3,505 | 20,358 |
| Provision for Directors' Retirement Benefits | 163 | 191 | 30 |
| Provision for Environmental Measures | — | — | 90 |
| Other | 4,099 | 3,709 | 5,365 |
| Total Non-Current Liabilities | 61,221 | 60,556 | 130,075 |
| Total Liabilities | 117,227 | 116,295 | 256,432 |
| NET ASSETS | | | |
| Shareholders' Equity | | | |
| Capital Stock | 15,231 | 15,231 | 15,231 |
| Capital Surplus | 109,072 | 109,072 | 450,568 |
| Retained Earnings | 136,851 | 137,404 | 155,535 |
| Treasury Stock | (4,586) | (4,593) | (4,692) |
| Total Shareholders' Equity | 256,569 | 257,114 | 616,642 |
| Accumulated Other Comprehensive Income | | | |
| Net Unrealized Gain (Loss) on Other Marketable Securities | 5,217 | 4,092 | 6,886 |
| Deferred Gains or Losses on Hedges | (177) | 77 | 590 |
| Foreign Currency Translation Adjustments | 17 | (3) | 12 |
| Cumulative Adjustments for Retirement Benefits | (1,132) | (522) | 2,926 |
| Total Accumulated Other Comprehensive Income | 3,924 | 3,643 | 10,416 |
| Non-Controlling Interests | 384 | 414 | 426 |
| Total Net Assets | 260,878 | 261,173 | 627,485 |
| Total Liabilities and Net Assets | 378,105 | 377,468 | 883,918 |

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (January 1 to December 31)

Financial data through fiscal 2016 indicates results for Coca-Cola West Co., Ltd. prior to the business integration.

Financial data for fiscal 2017 indicates results for Coca-Cola Bottlers Japan Holdings Inc. from 2Q.

Consolidated Statements of Income

(Unit: Millions of yen)

| Item | 2015 | 2016 | 2017 |
|---|---------|---------|---------|
| Net Revenues | 440,476 | 460,455 | 872,623 |
| Cost of Goods Sold | 216,524 | 221,844 | 422,373 |
| Gross Profit | 223,951 | 238,611 | 450,249 |
| Selling, General and Administrative Expenses | 209,689 | 217,467 | 409,669 |
| Operating Income | 14,262 | 21,143 | 40,579 |
| Non-Operating Income | 1,209 | 1,239 | 1,475 |
| Interest Income | 53 | 48 | 17 |
| Dividends Income | 370 | 410 | 453 |
| Share of Profit of Investees Equity-method | 88 | 199 | 61 |
| Gain on Sales of Property, Plant and Equipment | 120 | 27 | 46 |
| Profit on Sale of Valuable Materials | 112 | 116 | 296 |
| Rent Income | 101 | 124 | 354 |
| Other Non-Operating Income | 362 | 311 | 246 |
| Non-Operating Expenses | 1,748 | 1,780 | 2,195 |
| Interest Expenses | 416 | 468 | 539 |
| Loss on Disposal of Property, Plant and Equipment | 726 | 746 | 940 |
| Expense for Bond Issuance | 133 | — | — |
| Other Non-Operating Expenses | 472 | 565 | 715 |
| Recurring Income | 13,723 | 20,602 | 39,859 |
| Extraordinary Income | 8,177 | 1,131 | 910 |
| Gain on Sales of Property, Plant and Equipment | — | 921 | 489 |
| Gain on Sales of Investment Securities | 78 | 209 | 368 |
| Gains on Negative Goodwill | 8,099 | — | — |
| Gain on Step Acquisitions | — | — | 53 |
| Extraordinary Losses | 6,672 | 9,025 | 1,530 |
| Impairment Loss | 5,191 | 6,857 | 598 |
| Loss from Disaster | — | 1,081 | — |
| Loss on Disposal of Property, Plant and Equipment | 1,113 | — | — |
| Write-down of Investment Securities | 78 | 156 | — |
| Loss on Valuation of Golf Club Memberships | — | — | 28 |
| Loss on abandonment of inventories | — | 930 | — |
| Loss on Withdrawal from Pension Fund | 289 | — | — |
| Business Integration-Related Expenses | — | — | 903 |
| Income before Income Taxes | 15,228 | 12,707 | 39,240 |
| Income Taxes | 3,211 | 7,039 | 12,985 |
| Income Tax Adjustments | 2,028 | 364 | 1,051 |
| Total Income Taxes | 5,239 | 7,404 | 14,036 |
| Net Profit | 9,989 | 5,303 | 25,203 |
| Net Profit (loss) Attributable to Non-Controlling Interests | 18 | 58 | (40) |
| Net Profit Attributable to Owners of Parent | 9,970 | 5,245 | 25,244 |

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

| Item | 2015 | 2016 | 2017 |
|---|--------|---------|--------|
| Net Profit | 9,989 | 5,303 | 25,203 |
| Other Comprehensive Income | | | |
| Net Unrealized Gain (Loss) on Other Marketable Securities | 1,827 | (1,125) | 2,794 |
| Deferred Gains or Losses on Hedges | — | — | 537 |
| Foreign Currency Translation Adjustments | 1 | (20) | 15 |
| Adjustments for Retirement Benefits | (114) | 592 | 3,416 |
| Share of Other Comprehensive Income of Associates Accounted for Using Equity Method | (486) | 272 | 8 |
| Total Other Comprehensive Income | 1,228 | (280) | 6,772 |
| Comprehensive Income | 11,217 | 5,022 | 31,976 |
| (Breakdown) | | | |
| Comprehensive Income Attributable to Shareholders of the Parent | 11,198 | 4,964 | 32,017 |
| Non-Controlling Interests | 18 | 58 | (40) |

Consolidated Statements of Changes in Equity (January 1 to December 31)

(Unit: Millions of yen)

| | Shareholders' Equity | | | | | Accumulated Other Comprehensive Income | | | | | Non-Controlling Interests | Total Net Assets |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|---|-----------------------------------|--|--|--|---------------------------|------------------|
| | Capital Stock | Capital Surplus | Retained Earnings | Treasury Stock | Total Shareholders' Equity | Net Unrealized Gain (Loss) on Other Marketable Securities | Deferred Gains (Losses) on Hedges | Foreign Currency Translation Adjustments | Cumulative Adjustments for Retirement Benefits | Total Accumulated Other Comprehensive Income | | |
| Balance as of January 1, 2017 | 15,231 | 109,072 | 137,404 | (4,593) | 257,114 | 4,092 | 77 | (3) | (522) | 3,643 | 414 | 261,173 |
| Changes of Items during the Fiscal Year 2017 | | | | | | | | | | | | |
| Dividends of Surplus | — | — | (7,113) | — | (7,113) | — | — | — | — | — | — | (7,113) |
| Net Profit Attributable to Owners of Parent | — | — | 25,244 | — | 25,244 | — | — | — | — | — | — | 25,244 |
| Acquisition of Treasury Stock | — | — | — | (111) | (111) | — | — | — | — | — | — | (111) |
| Cancellation of Treasury Stock | — | 5 | — | 11 | 17 | — | — | — | — | — | — | 17 |
| Change in Parent Equity Involving Transactions with Non-Controlling Shareholders | — | (72) | — | — | (72) | — | — | — | — | — | — | (72) |
| Increase by Stock Exchanges | — | 341,562 | — | — | 341,562 | — | — | — | — | — | — | 341,562 |
| Net Changes of Items Other than Shareholders' Equity | — | — | — | — | — | 2,794 | 512 | 15 | 3,449 | 6,772 | 12 | 6,785 |
| Total Changes of Items during the Fiscal Year | — | 341,496 | 18,131 | (99) | 359,527 | 2,794 | 512 | 15 | 3,449 | 6,772 | 12 | 366,312 |
| Balance as of December 31, 2017 | 15,231 | 450,568 | 155,535 | (4,692) | 616,642 | 6,886 | 590 | 12 | 2,926 | 10,416 | 426 | 627,485 |

Consolidated Statements of Cash Flows (January 1 to December 31)

Financial data through fiscal 2016 indicates results for Coca-Cola West Co., Ltd. prior to the business integration.

Financial data for fiscal 2017 indicates results for Coca-Cola Bottlers Japan Holdings Inc. from 2Q.

(Unit: Millions of yen)

| Item | 2015 | 2016 | 2017 |
|---|-----------------|-----------------|-----------------|
| Cash Flows from Operating Activities | | | |
| Income before Income Taxes | 15,228 | 12,707 | 39,240 |
| Depreciation | 24,048 | 17,491 | 37,352 |
| Impairment Loss | 5,191 | 6,857 | 598 |
| Amortization of Goodwill | 2,649 | 2,302 | 3,989 |
| Increase (Decrease) in Provision for Directors' Bonuses | — | — | 124 |
| Increase (Decrease) in Provision for Directors' Retirement Benefits | 14 | 27 | (297) |
| Increase (Decrease) in Net Defined Benefit Liability | (610) | 1,003 | (215) |
| Decrease (Increase) in Net Defined Benefit Asset | 24 | (123) | (134) |
| Interest and Dividends Income | (423) | (459) | (470) |
| Interest Expense | 416 | 468 | 539 |
| Equity in Losses (Earnings) of Associates | (88) | (199) | (61) |
| Loss (Gain) on Sales of Marketable and Investment Securities | (78) | (209) | (368) |
| Write-down of Marketable and Investment Securities | 78 | 156 | — |
| Loss (Gain) on Sales of Fixed Assets | (118) | (893) | (525) |
| Loss on Disposal of Fixed Assets | 1,538 | 875 | 585 |
| Gains on Negative Goodwill | (8,099) | — | — |
| Loss(Gain) on Step Acquisitions | — | — | (53) |
| Decrease (Increase) in Accounts Receivable | 262 | 437 | (3,826) |
| Decrease (Increase) in Inventories | 2,491 | 711 | 8,611 |
| Decrease (Increase) in Other Assets | 1,936 | (128) | 282 |
| Increase (Decrease) in Accounts Payable | (1,447) | (3,542) | (3,274) |
| Increase (Decrease) in Other Liabilities | 721 | 160 | (881) |
| Other | 336 | (89) | 591 |
| Sub-total | 44,073 | 37,553 | 81,807 |
| Interest and Dividends Received | 425 | 459 | 470 |
| Interest Expenses Paid | (415) | (473) | (564) |
| Income Taxes Paid | (3,862) | (3,918) | (10,488) |
| Income Taxes Refunded | 202 | 767 | 1,225 |
| Net Cash Provided by Operating Activities | 40,422 | 34,388 | 72,450 |
| Cash Flows from Investing Activities | | | |
| Acquisition of Marketable and Investment Securities | (20) | (257) | (130) |
| Proceeds from Sales of Marketable Securities and Investment Securities | 272 | 876 | 608 |
| Acquisition of Fixed Assets | (16,576) | (23,347) | (43,104) |
| Proceeds from Sales of Fixed Assets | 863 | 2,304 | 1,605 |
| Acquisition of Shares of Subsidiaries and Associates | — | (3) | — |
| Acquisition of Shares of Subsidiaries | (20) | — | — |
| Acquisition of Shares of Subsidiaries with Change in Scope of Consolidation | (10,124) | — | — |
| Payments of Long-Term Loans Receivable | (441) | (453) | (79) |
| Proceeds from Collection of Long-Term Loans Receivable | 923 | 959 | 44 |
| Payments into Time Deposits | (160) | (160) | (155) |
| Proceeds from Withdrawal of Time Deposits | 296 | 167 | 165 |
| Other | (7) | (6) | (44) |
| Net Cash Used in Investing Activities | (24,994) | (19,921) | (41,090) |
| Cash Flows from Financing Activities | | | |
| Proceeds from Short-Term Loans | — | — | 8,000 |
| Expenses for Repayment of Short-Term Loans | (50) | — | (10,000) |
| Proceeds from Long-Term Loans | — | — | 28 |
| Expenses for Repayment of Long-Term Loans | (2,517) | (2,517) | (2,070) |
| Proceeds from Issuance of Bonds | 29,866 | — | — |
| Redemption of Bonds | — | — | (14,000) |
| Purchase of Treasury Stock | (6) | (6) | (111) |
| Proceeds from Sales of Treasury Stock | 0 | 0 | 21 |
| Expenses for Acquisition of Subsidiaries' Treasury Stock | — | — | (7) |
| Dividends Paid | (4,474) | (4,692) | (7,113) |
| Dividends Paid to Non-Controlling Interests | (34) | (28) | (29) |
| Expenses for Acquisition of Subsidiaries' Stock Not Accompanying Change in Scope of Consolidation | — | — | (409) |
| Other | (366) | (300) | (470) |
| Net Cash Provided by (Used in) Financing Activities | 22,416 | (7,546) | (26,159) |
| Translation Differences for Cash and Cash Equivalents | 1 | (20) | 15 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 37,845 | 6,899 | 5,215 |
| Cash and Cash Equivalents at Beginning of Year | 41,830 | 79,828 | 86,727 |
| Increase in Cash and Cash Equivalents Associated with New Consolidation | 152 | — | 26,798 |
| Cash and Cash Equivalents at End of Year | 79,828 | 86,727 | 118,741 |

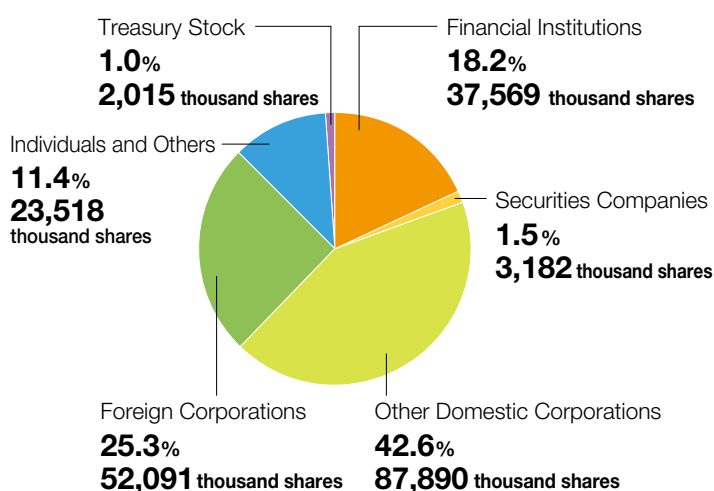
Company Profile / Stock Information (As of December 31, 2017)

Company Profile

| | | | |
|---|---|--|--|
| Company name | Coca-Cola Bottlers Japan Holdings Inc. | Securities Code | 2579 |
| Headquarters | Tokyo Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo, Japan | Authorized Shares | 500,000 thousand shares |
| Registered office | 7-9-66 Hakozaki, Higashi-ku, Fukuoka, Japan | Outstanding Shares | 206,268 thousand shares |
| Establishment | December 20, 1960 [※] | Number of Shareholders | 60,437 |
| Paid-in capital | ¥15,231 million | Number of Shares per Trading Unit | 100 shares |
| Number of employees (consolidated) | 17,197 | Stock Exchange Listings | Tokyo Stock Exchange (First Section) Fukuoka Stock Exchange |

※As of January 1, 2018, the company name was changed to Coca-Cola Bottlers Japan Holdings Inc.

Composition of Shareholders

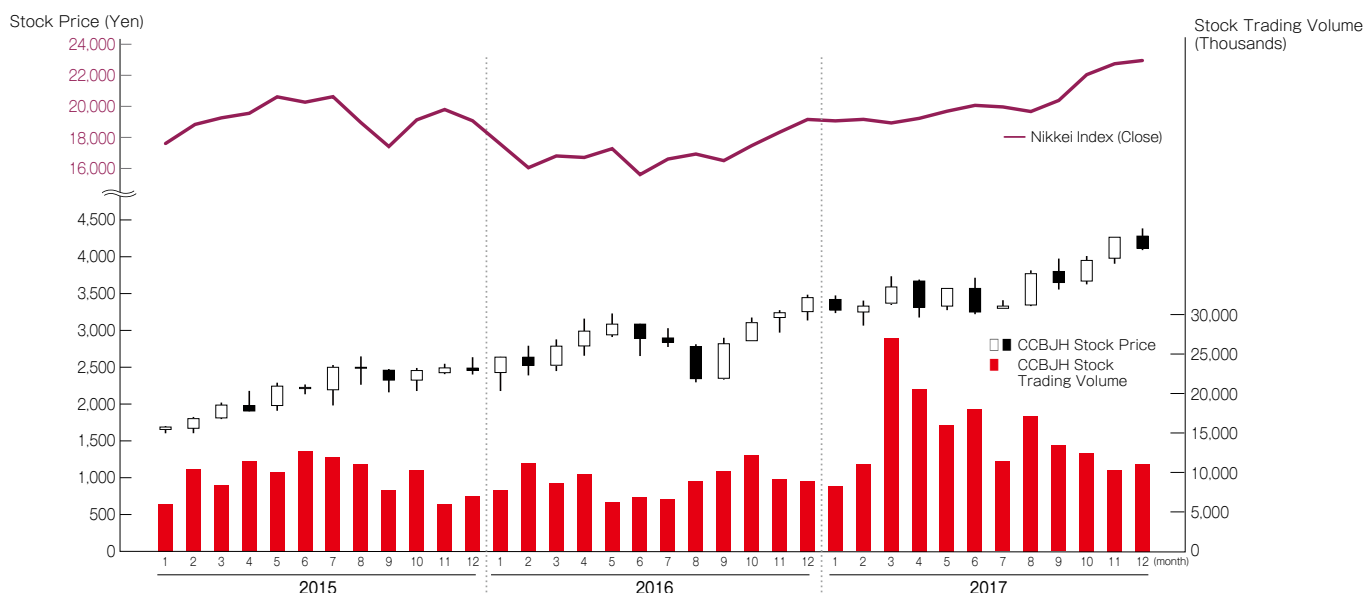


Major Shareholders

| Shareholder | Number of Shares Held (Thousands) | Shareholding Ratio (%) |
|--|-----------------------------------|------------------------|
| Coca-Cola (Japan) Co., Ltd. | 27,956 | 13.7 |
| Ricoh Company, Ltd. | 17,075 | 8.4 |
| Japan Trustee Services Bank, Ltd. (Trust Account) | 7,376 | 3.6 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 6,039 | 3.0 |
| Toyo Seikan Group Holdings, Ltd. | 5,604 | 2.7 |
| The New Technology Development Foundation | 5,294 | 2.6 |
| Satsuma Shuzo Co., Ltd. | 4,699 | 2.3 |
| Senshusha Co., Ltd. | 4,088 | 2.0 |
| Coca-Cola Holdings West Japan, Inc. | 4,074 | 2.0 |
| Mitsubishi Heavy Industries Machinery Systems, Ltd. | 3,912 | 1.9 |

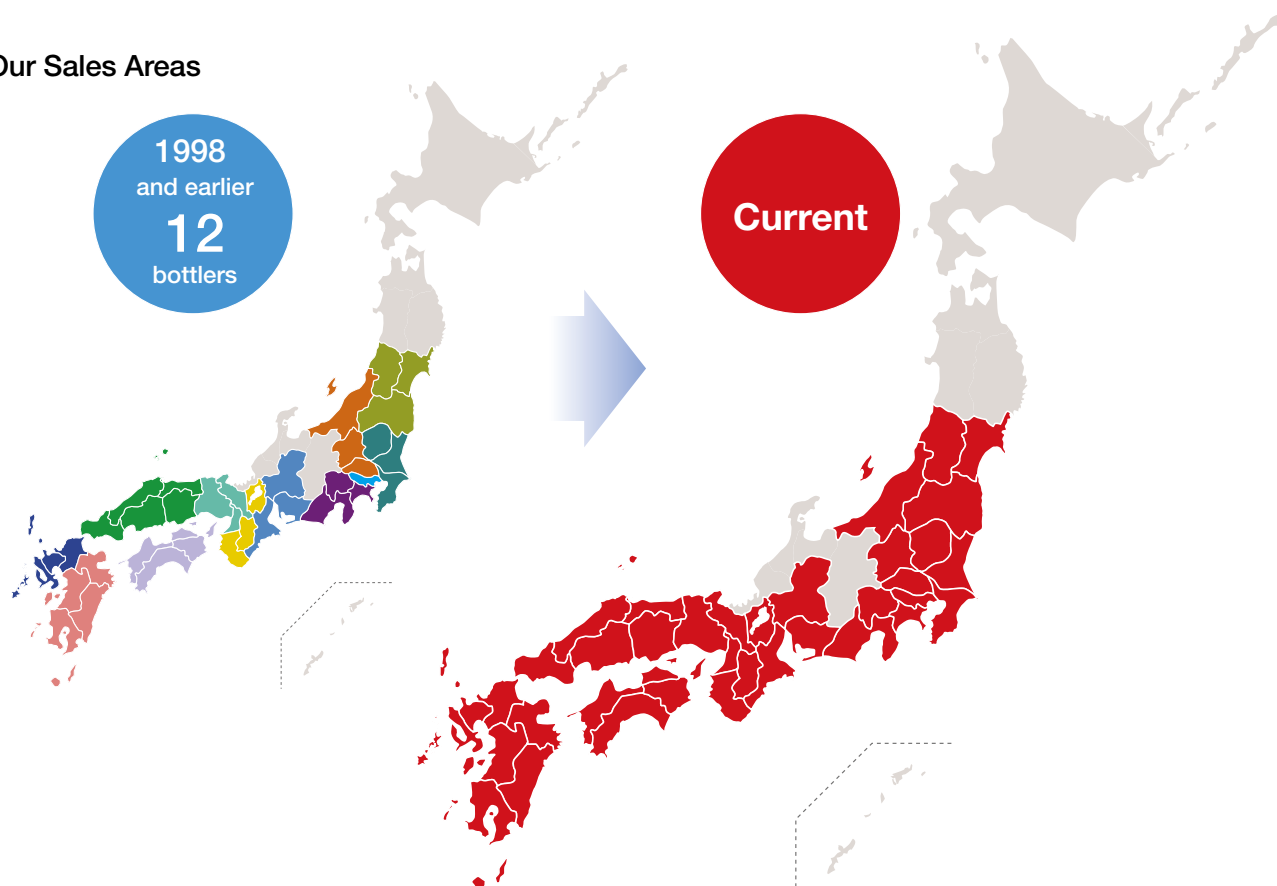
Note 1: 2,015 thousand shares of treasury stock are not shown in the table above and are excluded from the calculation of shareholding ratios.
Note 2: The Coca-Cola Company holds 16.5% through Coca-Cola (Japan) Co., Ltd., Coca-Cola Holdings West Japan, Inc., and other subsidiaries.
Note 3: Effective April 13, 2018, 17,075 thousand shares of the company's stock held by Ricoh Company, Ltd. were acquired through tender offer.

Stock Price and Trends in Stock Trading Volume

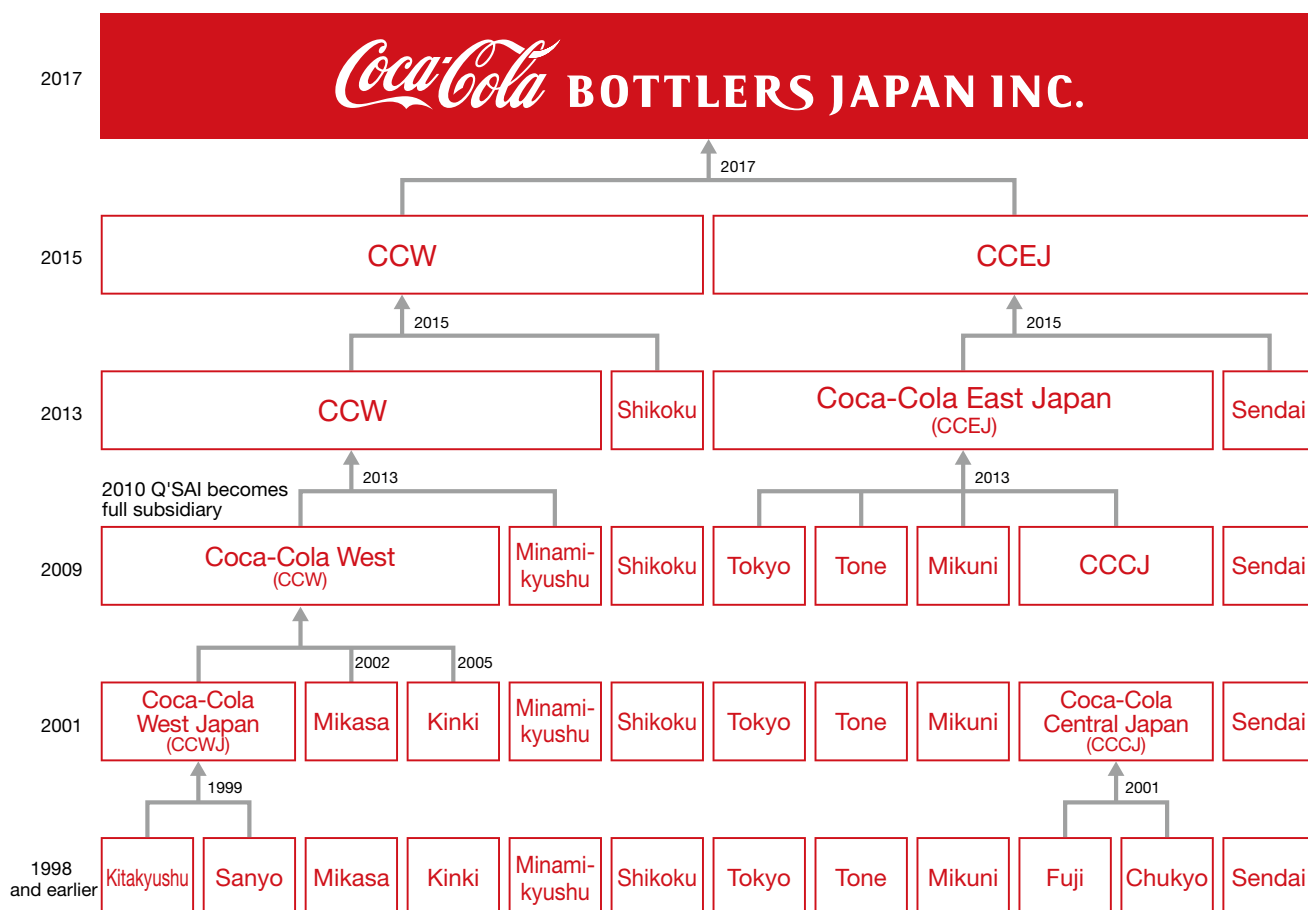


Our History

Our Sales Areas



History of our Company (Background to mergers and consolidation)



Communication Tools

Through the timely and appropriate disclosure of information, we seek to be a company that is correctly understood and trusted by all of our stakeholders. We report financial information primarily using various IR tools, while reporting ESG information (non-financial information concerning the environment, society, and governance), the target of much attention in recent years, primarily through our CSV Report. We also report wide-ranging corporate information on our website.

IR tools

Our IR tools report primarily financial information for our investors.



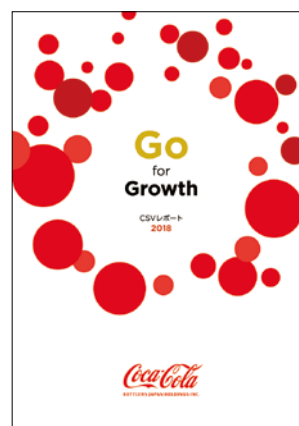
ANNUAL REVIEW



TO OUR SHAREHOLDERS

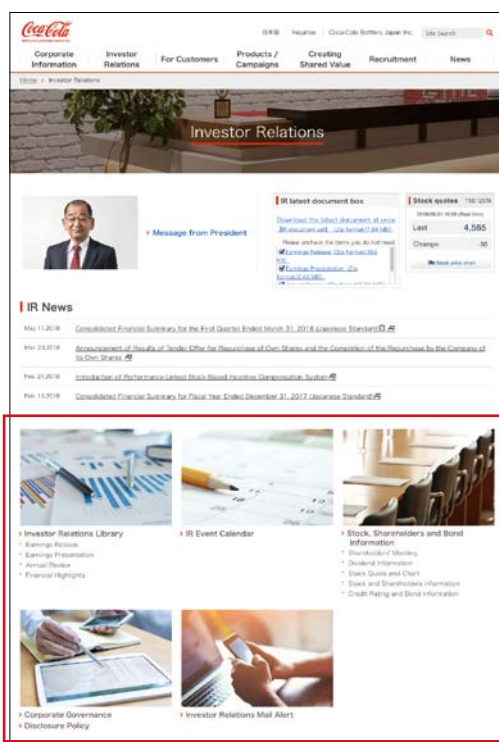
CSV Report

We communicate information concerning sustainability to our stakeholders.



Website for shareholders and investors

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



Our website provides financial information, IR event schedules, IR materials, and other extensive IR information for shareholders and investors. We also provide timely earnings announcements, news releases, and other notifications to registered users.

| | | |
|--|--------------------------------------|--|
| Investor Relations Library <ul style="list-style-type: none"> ▶ Earnings Release ▶ Earnings Presentation ▶ Annual Review ▶ Financial Highlights | IR Event Calendar | Stock, Shareholders and Bond Information <ul style="list-style-type: none"> ▶ Shareholders' Meeting ▶ Dividend Information ▶ Stock Quote and Chart ▶ Stock and Shareholders Information ▶ Credit Rating and Bond Information |
| Corporate Governance Disclosure Policy | Investor Relations Mail Alert | |



Coca-Cola Bottlers Japan Holdings Inc.

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