

Beverage Business

Overview of Coca-Cola Bottlers Japan Inc. (CCBJI)


Sales area

Tokyo, Kyoto, Osaka and
35 prefectures

Consumers in sales area


About **112 million**
(About 51 million households)

Population and number of households in areas of coverage



Brands

Over **50**



SKUs

Over **800**

Sales volume

Over **500 million cases**



*2019 results

Plants


17 plants



*Including the Hiroshima Plant, which is scheduled to start operations in 2020.

Vending machines


About **700K**



*As of end of 2019

Customer outlets

About **240K**



*As of end of 2019

Sales and distribution centers

About **350**



*As of end of 2019

Fleet vehicles

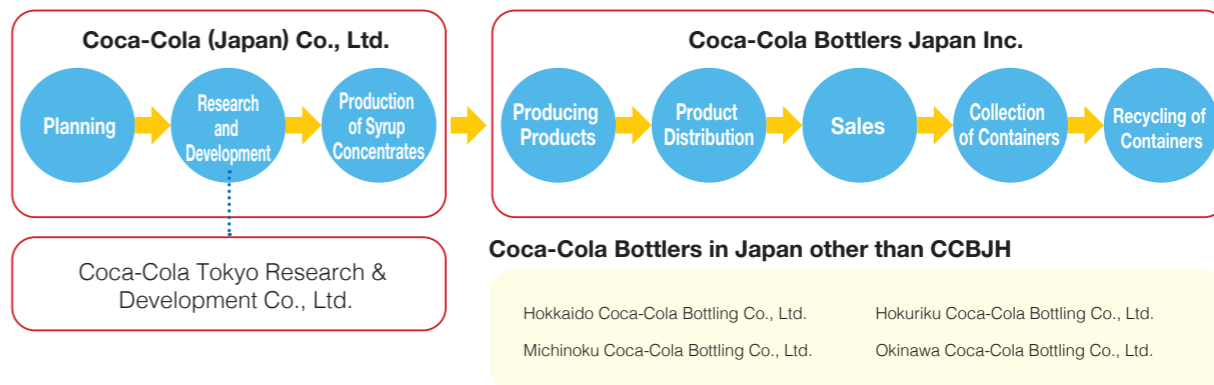
About **16,000**



*As of end of 2019

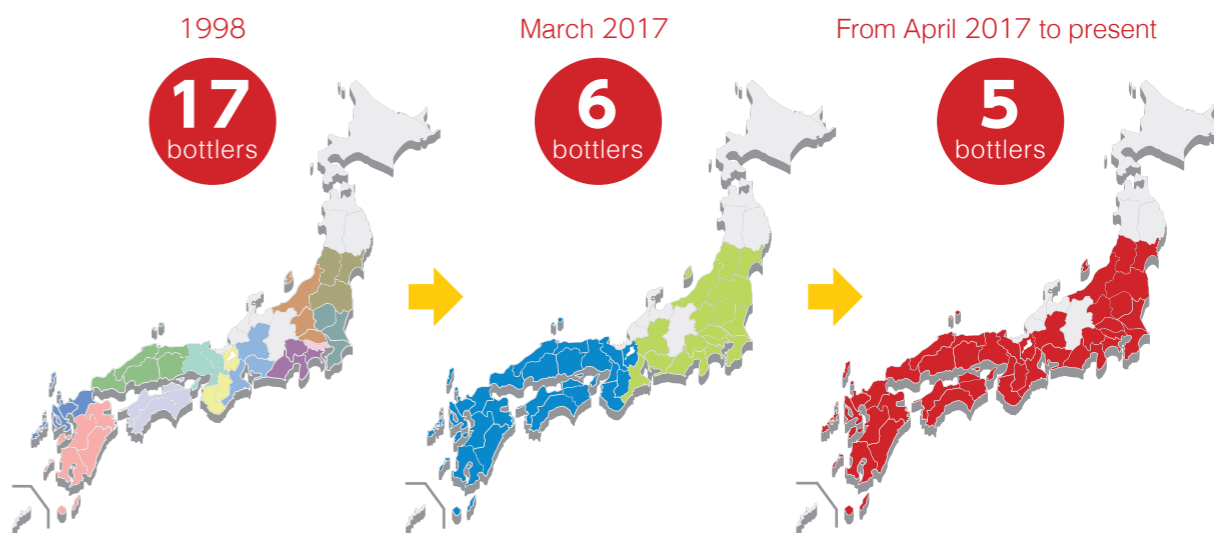
The Role of CCBJI in the Coca-Cola System in Japan

The Coca-Cola system in Japan consists of Coca-Cola (Japan) Company, Ltd., responsible for supplying concentrate, product planning/development, and marketing activities including advertising, etc., and bottler companies that produce and sell the finished products, as well as other affiliated companies. Our company and other bottler entities produce beverages under strict quality management in the respective plants and deliver Coca-Cola products to the customers through business outlets and vending machines.



History of our Company (Background to major mergers and consolidation)

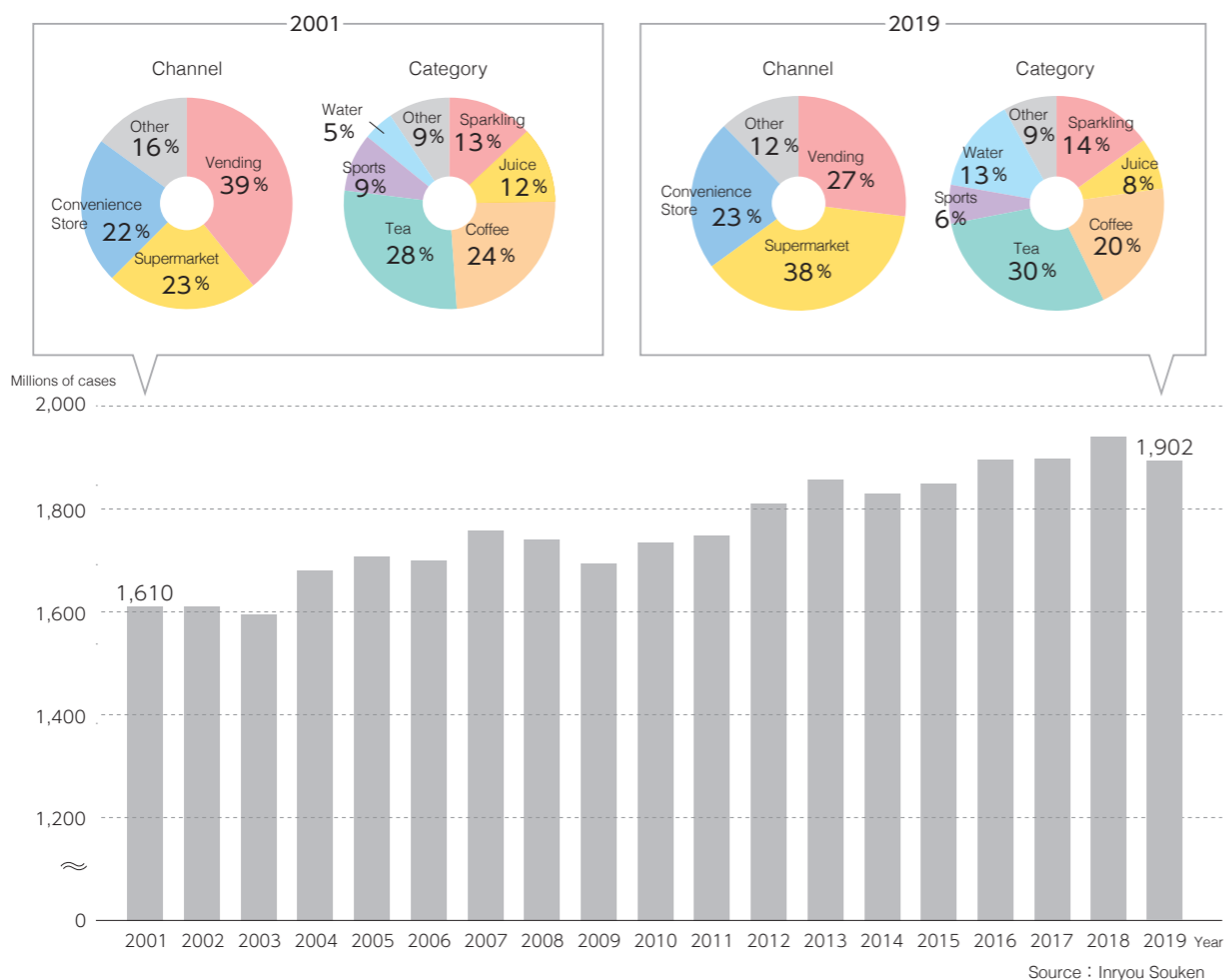
Five bottlers, including our Company, currently produce and sell Coca-Cola products in Japan. Since 1999, we have expanded the scale of our business through business integration to become Japan's largest Coca-Cola bottler handling about 90% of the sales volume in Japan.



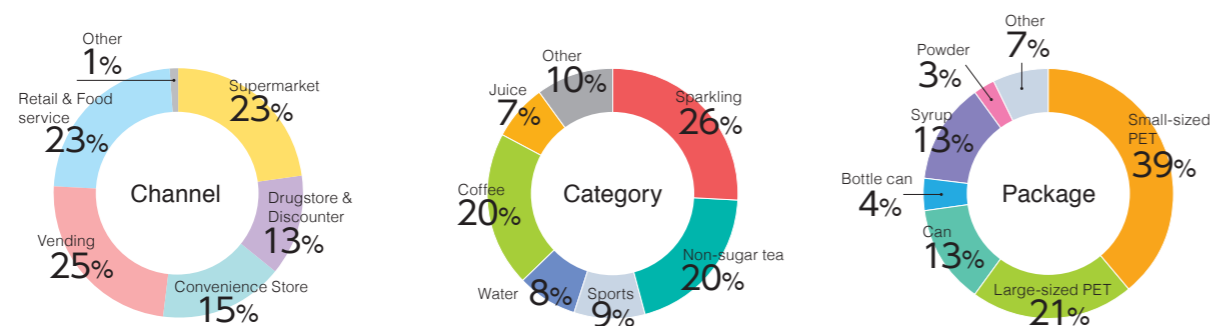
The NARTD Market in Japan

The NARTD market in Japan has been growing steadily, with market scale expanding by 20% over the past 18 years.

■ Trends in Market Size (Shipment volume - physical case)



CCBJI Sales Volume (2019 results)



Channel Overview

Chain Stores (Supermarkets, Drugstores & Discounters, Convenience Stores)

In supermarkets, we are working to energize sales floors by actively rolling out new products and conducting campaigns geared to seasons and events. Additionally, we are undertaking careful sales activities, including selling the right products (brand, volume, etc.) at optimal wholesale prices to satisfy customers' circumstances and consumer demand. At convenience stores, we are driving sales growth by introducing new products and products that meet the needs of convenience store users.



Vending (Vending Machines)

We are preparing product lineups optimized for the locations of vending machines, and are rolling out new products and campaigns exclusive to vending machines. We are carrying out exclusive campaigns through our Coke ON smartphone app, while providing new value to consumers through Coke ON Walk, which lets users earn drinks just by walking, and Coke ON Pay, which enables cashless settlement.



Making Coca-Cola vending machines more beloved. "Smiles begin here." Campaign

In the vending channel, one of the cornerstones of our business, we launched the "Smiles begin here" campaign in October 2019. In commercials and promotions, the campaign expresses life's "happy moments" that take place around Coca-Cola vending machines. Through our 700,000 vending machines found in every region, we will continue offering a full lineup of products, convenient cashless payment, campaigns through the Coke ON smartphone app, and other forms of value that our vending machines make possible.



Retail & Food Service (Restaurants, Kiosks, Online etc.)

In restaurants, we are expanding our product lineup by proposing drinks using our products, such as "mocktail" non-alcohol cocktails. At kiosks and hotels, we are working with customers to improve services to consumers, offering new and core brand products and proposing sales approaches tailored to customers' businesses. In addition, we are focusing on sales activities to online shops in response to growing consumer demand.



Product Overview

As a "Total Beverage Company", we offer products across a wide variety of categories such as Sparkling, Non-sugar tea, Coffee, Water, Sports and more.

Key brands by beverage category:



Sparkling

Coca-Cola is the number one brand in the carbonated soft drinks market. In 2019, we launched "Coca-Cola Energy" which is the first energy drink from brand Coca-Cola and we worked to revitalize the brand by launching campaigns to build excitement ahead of the planned Tokyo 2020 Olympic Games as well as seasonal marketing communications. In 2020, we launched in the Tokyo region Coca-Cola 350 ml and 700 ml PET bottles as new container sizes suitable for take-out at supermarkets, drug stores and discount stores. And also, we launched "Coca-Cola Frozen Lemon" that allows consumers to enjoy a special taste with a new texture.



Non-sugar Tea

Made with carefully selected domestic tea leaves, Ayataka is a tea with the authentic flavor of cloudy, teapot-brewed green tea. In 2019, we strengthened sales by renewing Ayataka sub brands and launched the "Ayataka Tokyo 2020 Olympic Memorial Design Bottle" to commemorate Ayataka's status as the official green tea for the Tokyo 2020 Olympic Games. In 2020, we launched "Wagara Design" bottles for the brand featuring traditional, colorful Japanese motifs, along with Ayataka Koi Ryokucha, which features a rich taste and cloudy goodness from matcha tea. We also renewed Ayataka Tokusencha, a Food for Specified Health Use (FOSHU) that works on fat and sugar in foods.



Coffee

Georgia is a coffee brand which is beloved by a wide range of consumers. The brand delivers distinctive and varied tastes through its commitment to high-quality coffee beans and manufacturing processes. In 2019, we launched new products including Georgia Japan Craftsman Bito, which offers cold-brew deliciousness in a PET bottle. We also marked 25 years of our core brand Georgia Emerald Mountain Blend by launching Georgia Emerald Mountain Blend Premium, along with canned coffee featuring a design made in collaboration with the popular comic Mobile Suit Gundam, as efforts to energize the brand. Also in 2020, we launched Georgia Latte Nista, a latte specialty coffee with the milky taste of café drinks.



For details on label permissions and submitted claims of FOSHU beverages, see <https://www.cocacola.co.jp/inryoguide/lineup> (in Japanese only).

Marketing Topics

Launched Coca-Cola Olympic Games Tokyo 2020 Design Bottles

Together with the Coca-Cola Company, a Worldwide Olympic Partner and Worldwide Paralympic partner, we are working to revitalize the market through marketing campaigns that leverage the assets of the Tokyo 2020 Games. Although the Olympic and Paralympic Games Tokyo 2020 have been postponed to 2021, we will continue to promote the Games through our sales activities.



Company-wide launch of "Lemon-dou" lemon sour



We launched four flavors of Lemon-dou, a lemon sour alcohol brand inspired by the deliciousness of sours in bars, across all our sales territories. Adopting a preparation method that soaks whole, grated lemon in alcohol ahead of serving, we have created a lineup of four lemon sours in flavors popular at bars, differing by percentage of alcohol and lemon juice.

New Products in 2020

Fanta Premier Grape



Fanta is the number one* brand in the fruit carbonated soft drink category and remains much loved especially among teens. We launched Fanta Premier Grape, specially made with grape juice pressed within 24 hours of harvesting and with mashed grape puree for a taste that adults love.

*Survey by INTAGE Inc. SRI® (Nationwide Retail Store Panel Survey): Most recent 12-month (February 2019 to January 2020) aggregate sales share and unit share of fruit carbonated soft drink category

Georgia Latte Nista Cafe Latte and Bitter Latte



We launched Georgia Latte Nista Cafe Latte and Georgia Latte Nista Bitter Latte, latte specialty coffee in PET bottles with the milky taste of café drinks. These products offer a rich milk taste in a simple, smaller-sized bottle for latte enjoyment whenever and wherever consumers like.

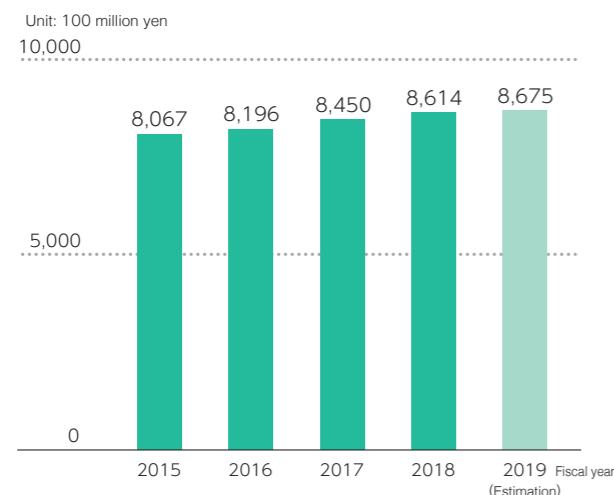
Healthcare & Skincare Business

The operation of our healthcare and skincare business is centered on Q'SAI Co., Ltd., our wholly-owned subsidiary.

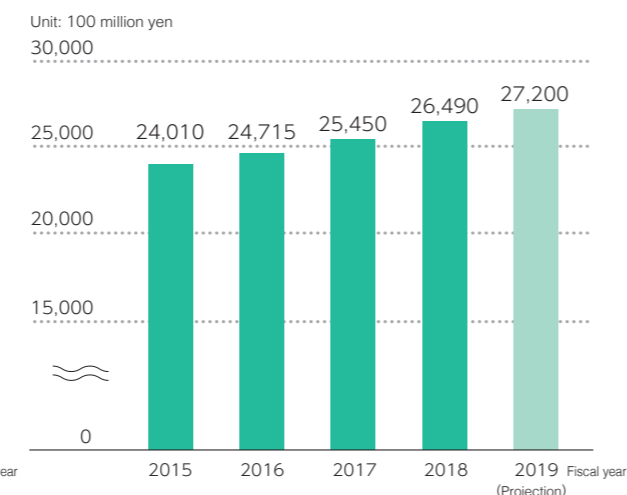
Market Size for Health Food and Cosmetics Products in Japan

Driven by consumers' increased consciousness toward health and beauty, the market size for health food and cosmetics products in Japan has seen steady growth.

■ Trends in Market Size of Health Food



■ Trends in Market Size of Cosmetics



*The market size is based on the shipment values at makers. 2019 estimation is as of December 2019. Source: Survey on the Health Food Market, 2020, Yano Research Institute Ltd.

*The market size is based on the shipment values at brand makers. 2019 projection is as of September 2019. Source: Survey on the Cosmetics Market, 2019, Yano Research Institute Ltd.

TOPICS

Celebrating our 55th Anniversary with a New Logo and Corporate Slogan!

In October 2019, Q'SAI unveiled a new logo and corporate slogan. Through this, the brand is shifting its image from that of a kale juice (aojiru) company to one that enables and supports consumers' flexible lifestyles.

Q'SAI also launched a new skincare brand Skinkalede, refreshed the names and packaging of core products, and renewed the design of its website. Q'SAI will continue providing new value to ever more consumers.



New logo, new corporate slogan



THE KALE (Kale Aojiru) Series new packaging

Channel Overview

Home Shopping

In the home shopping channel, which accounts for about 90% of revenue, we made efforts to enhance consumer attraction through television infomercials and the official shopping site. Also, we are working to expand our sales channel by launching channel-exclusive products as well as selling our products to the food service industry such as hotels and restaurants, and retail channels such as supermarkets and drugstores.

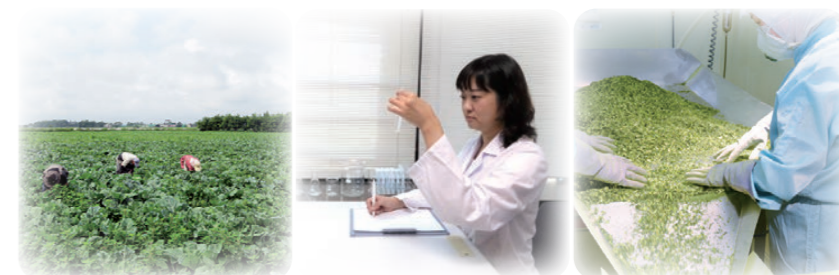
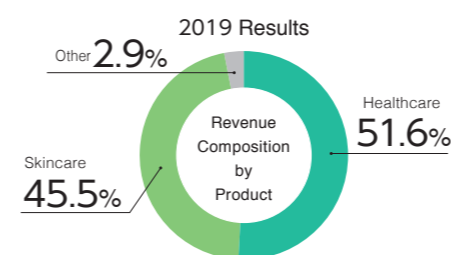


Infomercial program

Official shopping site

Aojiru server for food service industry

Product Overview



Healthcare Products

THE KALE Series

Made with 100% domestic kale grown without agricultural chemicals and chemical fertilizers, this product is rich in beta-carotene, calcium, potassium, vitamin C, dietary fiber, and other nutrients often lacking in diets. Consumers can choose not only powder type but also frozen type and tablet type according to their preference.



Major new products

Launched April 1, 2020

Kale de Kirei

- ✓ Delicious, fun and easy to drink for those who dislike kale juice
- ✓ Supporting inner beauty in a sustainable way
- ✓ Four themes and tastes: probiotic health, muscle development, body warming and beauty support, all with the power of kale

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. We are enriching the line-up with beauty products such as BB Cream and the all-in-one Cola-rich beauty gel cream that brings together the functions of lotion, milky lotion, serum, moisturizing serum and cream.



Major new products

Skinkalede Balancing Lotion

Launched October 16, 2019

- ✓ With extract* of kale leaves
- ✓ Made with luxurious beauty-enhancing ingredients that keep skin healthy
- ✓ A fresh and refreshing Mediterranean aroma

*Moisturizing ingredients



Order by phone

0120-09-5555
[Time] 9:00~21:00 Open all-year-round

Official shopping site
<https://www.kyusai.co.jp/>



(Japanese language only)