This document is a summary translation of the Japanese language original version. In the event of any discrepancy, errors and/or omissions, the Japanese language version shall prevail.

Summary of Consolidated Financial Statements (Japanese Standards) for the Second Quarter of the Year Ending December 31st, 2016 (Q2 2016YTD)

August 12th, 2016

Listed Company Name:	Coca-Cola East Japan Co., Ltd.		Stock Exchange:	Tokyo Stock Exchange	
Security Code:	2580		URL:	http://www.ccej.co.jp	
Representative:	title	Representative Director, President	Name:	Calin Dragan	
Contact:	title	Senior Executive Officer Finance Function	Name:	Johan Rolf	TEL: 03 (5575) 3859
Scheduled date of submission of quarterly report:		August 12, 2016	Schedule date of start of dividend payment:		September 9, 2016
Preparation of supplementary documents for quarter results:			Yes		
Quarterly earnings results presentation/conference:			Yes		

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Second Quarter Ending June 30th, 2016 (January 1st, 2016 – June 30, 2016)

(1) Consolidated Results of Operations (YTD) (Percentages show year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Net Income Belonging to parent Company Shareholders	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Q2 2016 YTD	275,528	5.1	5,852	334.8	5,651	308.5	3,224	226.2
Q2 2015 YTD	262,049	5.5	1,345	―	1,383	―	988	―

(Note) Comprehensive income: Q2 2016 YTD 1,496 Million Yen (-74.5%) Q2 2015 YTD 5,868 Million Yen (―%)

	Net Income per Share	Net Income per Share (Fully Diluted)
	Yen	Yen
Q2 2016 YTD	25.42	25.38
Q2 2015 YTD	7.98	7.97

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million Yen	Million Yen	%
Q2 2016 YTD	380,887	228,478	59.9
FY2015	371,771	230,945	62.0

(Note) Shareholders' equity: Q2 2016 : 227,998 million yen FY2015 : 230,525 million yen

2. Dividends

	Dividend Per Share				
	End of Q1	End of Q2	End of Q3	Year-end	Annual
	Yen	Yen	Yen	Yen	yen
FY2015	―	16.00	―	16.00	32.00
FY2016	―	16.00			
FY2016 (Forecast)			―	16.00	32.00

(Note) Revisions to the dividend forecast disclosed most recently No

3. The Consolidated Earnings Forecasts for the Fiscal Year Commencing January 1st and Ending December 31st ,2016

(Percentages show year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Net Income Belonging to parent Company Shareholders		Net Income per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Full-Year	571,300	1.4	14,000	29.7	13,600	30.6	7,200	34.5	57.42

(Note) Revisions to the Earnings forecasts disclosed most recently No

Notes:

(1) Changes of important subsidiaries during consolidated Q2 2016 YTD (Changes of specific subsidiaries accompanied by changes in the consolidation scope) None

(2) Application of particular accounting treatments to the preparation of quarterly consolidated financial statements None

(3) Changes in accounting policies and changes or restatement of accounting estimates

(i) Changes in accounting policies accompanied by revisions of accounting standards, etc. Yes

(ii) Changes in accounting policies other than (i) None

(iii) Changes in accounting estimates Yes

(iv) Restatement None

(4) Number of Issued Shares (Common Shares)

(i) Number of the issued shares at the end of the period (including treasury stock)	Q2 2016	127,680,144 shares	FY 2015	127,680,144 shares
(ii) Number of the treasury stock at the end of the period	Q2 2016	837,216 shares	FY 2015	855,654 shares
(iii) Average number of the shares during the period (accumulated total)	Q2 2016	126,833,542 shares	Q2 2015 YTD	123,950,109 shares

*Statement regarding the status of the quarterly review

This summary of financial statements for the second quarter of the year ending December 31st, 2016 falls outside the quarterly audit review required by the Financial Instruments and Exchange Act. The quarterly audit review of quarterly consolidated financial statements required by the Financial Instruments and Exchange Act had not been completed as of the time when this summary was disclosed.

*Explanation regarding the appropriate use of earnings forecasts and other special notes

Although the statements in this summary are prepared based on various information available to the Company and certain assumptions considered reasonable by the Company, actual results may differ significantly due to various factors. For details of assumptions for earnings forecasts and notes on the use of earnings forecasts, please see “Qualitative information on the consolidated earnings forecasts,” page 5 of the attached material of the summary.

Contents of the Attached Materials

1. Qualitative information on results for the second quarter of the year ending December 31, 2016

(1) Qualitative information on the consolidated operating results

Coca-Cola East Japan Co., Ltd. (CCEJ) today announced its consolidated financial results for the second quarter and year-to-date 2016 (January 1, 2016 to June 30, 2016).

For additional details and management discussion of results, please also see the earnings presentation material posted on our Company website, which will be used for the earnings presentation and webcast on Monday, August 15, 2016 at 2:30 p.m. (JST). The webcast is available both live and on demand at http://investor.ccej.co.jp.

Key Messages

- Year-to-date volume grew 9% year-on-year. Excluding the impact of Sendai Coca-Cola Bottling Co., (Sendai) integration from April 1, 2015, volume grew 6%. Market share momentum continued, with both volume and value share growth.
- Year-to-date revenue grew 5% year-on-year, driven by continued good performance of newly launched products, volume growth, and the benefit of the integration of Sendai
- Significant year-to-date operating income growth -- over four times prior year period--, mainly driven by continuous synergy capture from supply chain efficiency and volume growth.

Operating Review

Total nonalcoholic ready-to-drink (NARTD) beverage industry volumes were generally positive in the year-to-date period. Year-to-date total BAPC (Bottler Actual Physical Cases) sales volume of CCEJ grew 9% year-on-year, led by continued good performance of newly launched products as well as the integration of Sendai. Volume excluding the integration impact (assuming previous year term volume includes Sendai) was positive 6% year-to-date.

Year-to-date volume grew across all channels, driven by growth across core beverage categories such as sparkling, non-sugar tea, coffee and waters. Volume grew in all sales channels as follows: Drug & Discounter channel +24%, Convenience Store channel +12%, Supermarket channel +8%, Eating & Drinking channel +6% and Vending channel +3%.

Sparkling beverage volume grew +5% year-to-date, led by growth of trademark Coca-Cola, Coca-Cola Zero and Fanta. In the hydration category, non-sugar tea volume grew +9% and water grew +23%, led by continued good performance of our portfolio of water brands, including new product launches of the more premium, smaller package size I LOHAS water and growth of 2L Mori-no-Mizu Dayori brand. However, sports drinks volume was negative 4%, reflecting overall category performance. Coffee volume continued to grow, up 15%, mainly driven by Georgia The Premium series and customer-exclusive branded products. Juice volume grew +7%.
Year-to-date channel and category performance were also driven by the Sendai integration.

Second quarter (April to June, Q2), total BAPC sales volume of CCEJ grew 3% year-on-year.
Volume performance by channel was led by strong growth in the Drug & Discounter channel (+20%) driven by the growth of non-sugar tea, sparkling beverages and water. Supermarket channel and Convenience Store channel volume both grew 3%, respectively. Eating & Drinking channel volume was slightly negative (-1%) and Vending channel volume declined 2%, as growth in water and coffee was offset by decrease of sparkling beverages and non-sugar tea, primarily due to cycling of prior year activities.

In terms of Q2 beverage category volume performance, sparkling beverage volume was even due to cycling of newly launched products in the previous year, and we grew market share. In the hydration category, non-sugar tea volume grew +3% led by Ayataka green tea, and water grew +18% led by continued good performance of premium I LOHAS water and strategic activation of 2L Mori-no-Mizu Dayori brand, which we pulled back on in the prior year. Sports drinks volume was negative 9% as the overall category has been weak. Coffee volume continued to grow, up 9%, and juice was slightly negative (-1%)

We have a solid marketing and innovation calendar planned for the third quarter onward together with our partners at Coca-Cola Japan (CCJC).

We will continue the global advertising campaign for Coca-Cola, "Taste the Feeling", throughout the year. In order to capture peak season demand, "Coca-Cola Summer Campaign 2016 – That's Gold!" launched on June 20 with marketing activities focusing on the 2016 Rio Olympic Games.

Also, we have been continuously working to improve profitability with a segmented approach to grow volume and revenue across channels. In the Vending channel, we have continued to deploy vending initiatives such as vending-exclusive product launches and loyalty programs for consumers using the smartphone application "Coke ON". In addition, we continue to focus on stabilizing profitability of this important channel by moving or removing unprofitable machines, prioritizing indoor machine placements and identifying cost-saving opportunities.

Financial Review

Reported Results
Year-To-Date 2016 (January to June)

In Million JPY	2015	**2016**	% Change
Net Sales	262,049	**275,528**	+5.1%
Operating Income	1,345	**5,852**	+334.8%
Net Income	988	**3,224**	+226.2%

Comparable* Results
Year-To-Date 2016 (January to June)

In Million JPY, except volume	2015	**2016**	% Change
Volume** (BAPC, in thousand)	139,801	**151,858**	+8.6%
Net Sales	262,049	**275,528**	+5.1%
Operating Income	2,640	**6,581**	+149.3%

Second Quarter 2016 (April to June)

In Million JPY, except volume	2015	**2016**	% Change
Volume** (BAPC, in thousand)	80,791	**83,509**	+3.4%
Net Sales	151,828	**151,006**	-0.5%
Operating Income	4,239	**6,975**	+64.6%

* Comparable: Presentation of results after excluding exceptional items such as charges, gains, etc. which are viewed by management as non-recurring items impacting only the current period or the comparable period, but not both. These comparability adjustments should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with JGAAP.

** Previous year volume shown above may be slightly different from what we shared in the previous year, as part of the implementation and standardization for the new ERP system, CokeOne+.

Our quarterly operating results during the year will likely exhibit seasonal variation, as the demand for nonalcoholic ready-to-drink beverages tends to be concentrated in the summer months.

Year-to-date reported revenue was JPY 275,528 million (positive 5% compared to the prior year period), mainly attributable to volume growth as well as the integration of Sendai as of April 1, 2015. Q2 comparable revenue declined slightly due to decrease in sales of finished products to other Coca-Cola bottlers in Japan.

Year-to-date reported operating income grew significantly to JPY 5,852 million (positive 335% compared to the prior year period), driven by gross profit increase reflecting continuous synergy captures from supply chain efficiency, volume growth, etc. Additionally, growth of advertisement & sales promotion expenses, sales commissions, etc. due to volume growth partially offset by lower labor expenses, etc. resulted in a moderate increase of sales, general & administrative expenses. Q2 comparable operating income grew 65%.

We reported year-to-date net income of JPY 3,224 million (positive 226% compared to the prior year period), due to the increase in operating income, decrease of extraordinary loss, etc. partly offset by higher non-operating expenses.

(2) Qualitative information on the consolidated financial positions

(i) The financial positions at the end of this quarter

Assets at the end of this quarter were JPY 380,887 million, an increase of JPY 9,116 million from the end of the previous fiscal year. This is mainly attributable due to an increase of account receivable-trade reflecting growth in revenue. In addition, merchandise and finished goods and raw material and supplies increased as a result of seasonal inventory build-up for peak sales season.

Liabilities at the end of this quarter were JPY 152,409 million, an increase of JPY 11,583 million from the end of previous fiscal year. This is mainly due to an increase of short-term loans payable, increase of account payable-trade, etc., partially offset by decrease of other current liabilities and non-current liabilities due to the decrease of lease obligations, etc.

Net assets at the end of this quarter were JPY 228,478 million, a decrease of JPY 2,467 million. This is primarily due to a decrease in retained earnings by paying dividends and decrease of total accumulated other comprehensive income, etc.

(ii) The cash flow positions

Cash and Cash Equivalents at the end of this quarter was JPY 19,406 million, a decrease of JPY 2,167 million compared with the end of last fiscal year. Cash flow by activities in this consolidated accounting period is as follows.

(Cash Flow from Operating Activities)

Cash used for operating activities was JPY 1,996 million (the cash generated JPY 984 million in the same period of last year). This results mainly from JPY 5,174 million for net income before income taxes, depreciation expenses, amortization of long-term prepaid expenses, increase of notes and accounts payable-trade, etc.

offset by increase in long-term prepaid expenses, inventories, notes and accounts payable-trade, etc.

(Cash Flow from Investing Activities)
Cash used for investing activities was JPY 13,947 million (cash out decreased JPY 4,786 million year-on-year). The outflow includes expenditure for new fixed assets such as machinery and equipment for plants, cold drink equipment, intangible fixed assets due to new development of phase two of ERP system, etc.

(Cash Flow from Financing Activities)
Cash generated from financing activities was JPY 13,777 million (decreasing JPY 10,426 million year-on-year). The inflow is attributable to net increase of short-term loans. The outflow includes payment of the dividends, repayment of lease obligations, etc.

(3) Qualitative information on the consolidated earnings forecast

No change from the forecast for the fiscal year ending December 2016, issued on February 12, 2016.

Additionally, on April 26, 2016, CCEJ and Coca-Cola West Co., Ltd. agreed to proceed with discussions/review of a business integration and have entered into a non-binding Memorandum of Understanding between the two parties. For details, please refer to “Announcement of Memorandum of Understanding Regarding Business Integration between Coca-Cola East Japan Co., Ltd. and Coca-Cola West Co., Ltd.” on April 26, 2016. If further disclosure concerning this matter shall be required and/or any impact to the forecast of this fiscal year expected, we will disclose accordingly.

2. Matters relating to summary information (notes)

(1) Change of important subsidiaries during the consolidated Q2 2016 YTD
There is no matter applicable

(2) Application of particular accounting treatments to preparation of quarterly consolidated financial statements
There is no matter applicable.

(3) Changes in accounting policies, accounting estimate or restatement
Changes in accounting policies
(Application of accounting standards regarding business combinations)

The Policy has been modified to apply the “Accounting Standard for Business Combination” (Accounting Standards Board of Japan Statement No.21, Sept. 13, 2013. Hereinafter referred to as “Accounting Standard for Business Combination”), the “Accounting Standard for Consolidated Financial Statements” (Accounting Standards Board of Japan Statement No.22, Sept. 13, 2013. Hereinafter referred to as “Accounting Standard for Consolidated Financial Statements”), and the “Revised Accounting Standard for Business Divestures” (Accounting Standards Board of Japan Statement No.7, Sept. 13, 2013. Hereinafter referred to as “Revised Accounting Standard for Business Divestures”), etc. from the first quarter of the consolidated accounting period concerned, and to post the difference due to this company’s change in equity of a subsidiary, when control of the subsidiary continues, as capital surplus and as expense in the consolidated accounting year in which acquisition-related expenses were incurred. Furthermore, with regard to the business combination executed at the beginning of the first quarter of the concerned consolidated accounting period or thereafter, revisions to the allotment of the acquisition cost as a result of finalized accounting processes shall be reflected in the Quarterly Consolidated Financial Statements of the quarterly consolidated accounting period in which the business combination date is referred. In order to reflect these changes, the Quarterly Consolidated Financial Statements and the Consolidated Financial Statements for the previous second quarter of the cumulative consolidated period and the previous consolidated accounting year have been reclassified.

In the consolidated statement of cash flows for the 2nd quarter, the cash flows related to the acquisition or sale of subsidiary shares that have not been affected by the changes in the scope of consolidation are entered under “Cash flows in financial activities” and the costs related to the acquisition of subsidiary shares affected by the changes in the scope of consolidation or the costs related to the acquisition or sale of subsidiary shares that have not been affected by the changes in the scope of consolidation are entered under “Cash flows in sales activities”.

The application of the Accounting Standard for Business Combination etc. follows the transitional process defined in the Accounting Standard for Business Combination Statement No.58-2(A), Accounting Standard for Consolidated Financial Statements Statement No.44 -5 (4) and Revised Accounting Standard for Business Divestures Statement 57-4 (4) and is effective as of the start of the first quarter of the concerned consolidated accounting period and shall persist into the future.

As a result of this change, in the first half of the current fiscal year, there is no impact on the quarterly consolidated financial statements

Changes in accounting estimates

(Change of useful lives of fixed assets)

The useful lives of machinery and equipment used for production purposes had been previously defined as 10 years. Prompted by events such as the creation of a systematic maintenance policy for the CCEJ group’s machinery and equipment and the progress of internalization of maintenance activities, as well as the commencement of a new production structure for the entire CCEJ group in response to the legal entity integration of Sendai Coca-Cola Bottling Co., Ltd. effective January, 2016, we revisited the physical durability and lifecycle of production machinery, etc. As a result, we have prospectively changed the useful lives to a range of 7 to 20 years, which more accurately reflects the economical useful lives effective the first quarter of the concerned consolidated accounting period.

As a result of this change, gross profit, operating income, ordinary income and quarterly income before income taxes increased by JPY857million, respectively.

(4) Additional information

(Modification of the amount of deferred tax assets and deferred tax liabilities due to changes of corporate tax rate)

The “Law Revising a Portion of the Income Tax Law” (2016, Law No. 15) and “Law Revising a Portion of Local Tax” (2016, Law No. 13) were promulgated on March 31, 2016, which amends corporate tax rate, etc. from the consolidated fiscal year starting on April 1, 2016 onwards. Consequently, the effective statutory tax rates to be used for the calculation of deferred tax assets and deferred tax liabilities shall be as follows, according to the periods for the settlement of temporary differences:

33.0% up to December 31, 2016
30.8% from January 1, 2017 to December 31, 2018
30.6% from January 1, 2019 onwards

As a result of these tax rate changes, deferred tax assets (the amount after subtracting deferred tax liabilities) decreased by 136 million yen, Income Taxes-Deferred increased by 106 million yen, while Valuation Difference on Available-for-Sale Securities increased by 34 million yen, respectively. Remeasurements of defined benefit plans decreased by 63 million yen.

3. Consolidated financial statements

(1) Consolidated Balance Sheets

(MM yen)

	FY2015	Q2 2016 YTD
Assets		
Current assets		
Cash and deposits	21,578	19,411
Notes and accounts receivable-trade	44,565	49,163
Short-term investment securities	301	―
Merchandise and finished goods	34,359	36,515
Work in process	―	161
Raw materials and supplies	3,377	7,062
Others	23,227	27,872
Allowance for doubtful accounts	(67)	(81)
Current assets	127,343	140,104
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	45,861	44,734
Machinery, equipment and vehicles,net	37,652	43,538
Sale equipment, net	66,112	66,360
Land	50,883	50,908
Other, net	9,808	2,682
Property, plant and equipment	210,318	208,224
Intangible assets	8,361	8,744
Investments and other assets		
Other	25,973	24,029
Allowance for doubtful accounts	(225)	(215)
Investments and other assets	25,748	23,813
Noncurrent assets	244,428	240,782
Assets	371,771	380,887
Liabilities		
Current liabilities		
Accounts payable-trade	29,149	31,424
Short-term loans payable	5,160	29,000
Current portion of long-term loans payable	1,234	1,040
Income taxes payable	1,100	2,135
Provision for bonuses	1,364	55
Provision for directors' bonuses	37	48
Provision for environmental measures	―	0
Provision for early contract termination	963	1,017
Asset retirement obligations	33	30
Other	43,624	35,063
Current liabilities	82,668	99,817
Noncurrent liabilities		
Bonds payable	30,000	30,000
Long-term loans payable	2,520	2,028
Provision for environmental measures	335	320
Provision for early contract termination	1,392	982
Net defined benefit liability	17,597	17,483
Asset retirement obligations	776	769
Other	5,533	1,007
Noncurrent liabilities	58,156	52,592
Liabilities	140,825	152,409

Consolidated Balance Sheets

(MM yen)

	FY2015	Q2 2016 YTD
Net assets		
Shareholders' equity		
Capital stock	6,499	6,499
Capital surplus	157,313	157,323
Retained earnings	68,454	67,620
Treasury stock	(1,178)	(1,153)
Shareholders' equity	231,089	230,290
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,151	1,454
Deferred gains or losses on hedges	(463)	(1,071)
Remeasurements of defined benefit plans	(2,251)	(2,674)
Total accumulated other comprehensive income	(564)	(2,291)
Subscription rights to shares	420	480
Net assets	230,945	228,478
Liabilities and net assets	371,771	380,887

(2) Consolidated Profit and Loss Statement and Comprehensive Profit and Loss Statement

(Consolidated Profit and Loss Statement)

(MM yen)

	Q2 2015 YTD	Q2 2016 YTD
Net sales	262,049	275,528
Cost of sales	140,051	145,418
Gross profit	121,997	130,109
Selling, general and administrative expenses	120,651	124,256
Operating income	1,345	5,852
Non-operating income		
Interest income	51	34
Dividends income	95	82
Share of profit of entities accounted for using equity method	70	86
Rent income	157	192
Gain on sales of valueable wastes	137	210
Other	136	149
Non-operating income	649	756
Non-operating expenses		
Interest expenses	210	76
Loss on sales and retirement of noncurrent assets	265	773
Rent Expenses	18	37
Other	118	70
Non-operating expenses	611	958
Ordinary Income	1,383	5,651
Extraordinary income		
Gain on sales of investment securities	—	75
Gain on bargain purchase	84	—
Gain on sales of noncurrent assets	3	1
Others	357	0
Extraordinary income	445	77
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	699	46
Lease contract cancellation penalty	174	341
Impairment loss	8	4
Restructuring cost	319	112
Others	495	48
Extraordinary loss	1,697	553
Income before income taxes	131	5,174
Income taxes-current	428	2,331
Income taxes-deferred	(1,285)	(381)
Income taxes	(856)	1,950
Net income	988	3,224
Net income belonging to parent company shareholders	988	3,224

(Consolidated Comprehensive Profit and Loss Statement)

(MM yen)

	Q2 2015 YTD	Q2 2016 YTD
Net income	988	3,224
Other comprehensive income		
Valuation difference on available-for-sale securities	1,016	(696)
Remeasurements of defined benefit plans	4,187	(423)
Share of other comprehensive income of associates accounted for using equity method	(323)	(607)
Other comprehensive income	4,880	(1,727)
Quarterly comprehensive income	5,868	1,496
Quarterly comprehensive income attributable to owners of the parent company	5,868	1,496

(3) Consolidated Statement of Cash Flow

(MM yen)

	Q2 2015YTD	Q2 2016YTD
Cash Flows from Operating Activities:		
Income (loss) before income taxes	131	5,174
Depreciation and amortization	10,929	10,970
Amortization of long-term prepaid expenses	6,630	6,059
Increase (decrease) in allowance for doubtful accounts	39	3
Increase (decrease) in net defined benefit liability	(919)	(650)
Increase (decrease) in provision for directors' bonuses	(0)	11
Increase (decrease) in provision for directors' retirement benefits	(2)	－
Interest income and dividends income	(147)	(116)
Interest expenses paid	210	76
(Profit) loss of entities accounted for using equity method	(70)	(86)
Loss (gain) on sales of investment securities	－	(75)
Special retirement expenses paid	250	109
Loss (gain) on sales of noncurrent assets	32	28
Loss on retirement of noncurrent assets	921	787
Impairment loss	8	4
(Increase) decrease in notes and accounts receivable-trade	(9,224)	(4,597)
(Increase) decrease in inventories	(14,237)	(6,001)
(Increase) decrease in long-term prepaid expenses	(6,936)	(6,274)
Increase (decrease) in notes and accounts payable-trade	12,135	2,274
Changes in other assets and liabilities, net	(4,007)	(7,976)
Other	124	107
Subtotal	(4,132)	(171)
Interest and dividends income received	148	120
Interest expenses paid	(210)	(75)
Special retirement expenses paid	(107)	(381)
Income taxes paid	(2,646)	(2,230)
Income taxes returned	7,932	741
Net cash derived from operating activities	984	(1,996)

Consolidated Statement of Cash Flow

Cash Flows from Investing Activities:		
Purchase of property, plant and equipment	(23,783)	(13,284)
Proceeds from sales of property, plant and equipment	146	82
Purchase of Intangible assets	(2,417)	(1,515)
Proceeds from sales and redemption of investment securities	0	479
Purchase of investment securities	(76)	(20)
Proceeds from acquisition of investments in subsidiaries resulting in change in scope of consolidation	3,138	–
Net increase (decrease) in short-term loans receivable	(68)	6
Payments of loans receivable	(130)	(136)
Collection of loans receivable	446	461
Governmental subsidy	4,033	–
Other	(22)	(19)
Net cash used in investing activities	(18,734)	(13,947)
Cash Flows from Financing Activities:		
Net increase (decrease) in short-term loans payable	28,800	23,840
Repayment of long-term loans payable	(253)	(686)
Proceeds from sales of treasury stock	0	0
Purchase of treasury stock	(8)	(1)
Repayments of lease obligations	(2,396)	(7,345)
Cash dividends paid	(1,938)	(2,029)
Other	0	0
Net cash derived from financing activities	24,204	13,777
Net Increase (Decrease) in Cash and Cash Equivalents	6,454	(2,167)
Cash and Cash Equivalents at Beginning of Period	24,971	21,573
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	509	–
Cash and Cash Equivalents at End of Period	31,935	19,406

(4) Notes relating to quarterly consolidated financial statements

(Notes relating to assumptions for the going concern)

None

(Notes in the event of significant changes in amount of shareholders' equity)

None

(Segment information and others)

(Segment information)

YTD Q2 2015 (January 1 to June 30, 2015)

1. Information regarding the amounts of sales, profit or loss by reportable segment

The Group has sole segment of beverage business, thus the description by each reporting segment is omitted.

2. Information regarding impairment loss, goodwill, etc. of fixed assets by reportable segment

(Material change to the amount of goodwill)

Segment information is omitted as we have a single segment. Our consolidated subsidiary, FV East Japan Co., Ltd, (formally named Mikuni Foods Co., Ltd.), has merged, as of April 1, 2015, FV Central Co., Ltd., Urban Vend-x Network Co., Ltd., Wex Tokyo Co., Ltd., and EX-Service Co., Ltd., all of which were consolidated subsidiaries in the previous consolidated accounting year; Fresh Vendor Service Co., Ltd. who was a non-consolidated subsidiary accounted for by the equity method; and TX Campus Co., Ltd. and Nitto Pacific Vending Co., Ltd. who were non-consolidated subsidiaries. The increased amount of goodwill caused by this event is 633 MM yen.

(Material gain on negative goodwill)

Segment information is omitted as we have a single segment. A summary is provided in the quarterly consolidated financial statements of "Note to Quarterly Consolidated Financial Statements(business combination, etc.).

YTD Q2 2016 (January 1 to June 30, 2016)

The Group has sole segment of beverage business, thus the description by each reporting segment is omitted.

(Business combination, etc.)

Q2 2015 (April 1 to June 30, 2015)

Business combination by acquisition

1. Overview of business combination

(1) Name of acquired company and description of business

Name of acquired company: Sendai Coca-Cola Bottling Co., Ltd. (hereafter "Sendai CCBC")

Description of business: Manufacture and sales of soft drinks

(2) Main reason for business combination

Integrated the business with the acquired company through share exchange to streamline the regional business operations in Kanto and eastern Japan and promote further improvements in customer service.

(3) Date of business combination

April 1, 2015

(4) Legal form of business combination

Share exchange

(5) Name of company after business combination

Company name is the same with before.

(6) Acquired ratio of voting rights

100%

(7) Main grounds for deciding on the acquiring company

CCEJ has been decided to be the acquiring company after taking account of multiple factors comprehensively, including the relative large ratio of voting rights held by shareholders considered in the aggregate and the difference in relative corporate sizes, in addition to the fact that CCEJ will be the sole parent company through the share exchange.

2. Period of the acquired company's operating results included in the quarterly consolidated profit-and-loss statement for the second consolidated cumulative quarter

April 1, 2015 to June 30, 2015

3. Breakdown of each cost for acquisition and type of consideration for the acquisition of the acquired company

Consideration for the acquisition (market value of common shares issued on the effective date of business combination)	14,175 million yen
Direct costs required for acquisition (advisory fee, etc.)	89 million yen
Total acquisition costs	14,265 million yen

4. Share exchange ratio by type of share, the method of calculating the share exchange ratio, and the number of issued shares

(1) Common share exchange ratio

1 common share of Sendai CCBC: 2.563 common shares of CCEJ

(2) Method of calculating the share exchange ratio

CCEJ requested Nomura Securities Co., Ltd., an independent calculation agent, to calculate the share exchange ratio, and, after negotiating and consulting sincerely with Sendai CCBC, calculated the share exchange ratio by using the result of this agent's calculation as a reference and taking the financial conditions and performance trends of CCEJ and Sendai CCBC, and the market trend, among others, into consideration.

(3) Number of issued shares

5,781,166 shares

5. Amount of gain on negative goodwill and the reason for negative goodwill to arise

(1) Amount of gain on negative goodwill that arose

84 million yen

(2) Reason for negative goodwill to arise

Since the total assets and liabilities that CCEJ took over exceeded the acquisition price of the shares, the amount of difference has been written off as the gain on negative goodwill.

Q2 2016 (April1 to June 30, 2016)

Not applicable