



Coca-Cola East Japan Q4 & Full-Year 2016 Earnings Presentation

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(Posted to CCEJ Website February 9, 2017)



Forward-Looking Statements

The plans, performance forecasts, and strategies appearing in this material are based on the assumptions and judgment of the management of Coca-Cola East Japan Co. Ltd. (CCEJ) in view of data obtained as of the date this material was released. These forecasts may differ materially from actual performance due to risks and uncertain factors such as those listed below.

Risks and uncertain factors are not limited to the items listed below. They are also included in our annual securities report, or "Yuka Shoken Houkokusho".

- Intensification of price competition in the marketplace
- Change in economic trends surrounding our business
- Major fluctuations in capital markets
- Fluctuations in currency exchange rates, particularly with respect to the value of the Japanese yen and the U.S. dollar
- Increases in prices of raw materials
- Change in the tax environment
- CCEJ's ability to realize production efficiencies and to implement capital expenditures at the levels and times planned by management;
- CCEJ's ability to market and distribute effectively
- Uncertain factors other than those above

The information in this presentation is provided for informational purposes and should not be construed as a solicitation of an investment in our securities.

CCEJ undertakes no duty to update any statement in light of new information or future events. You should rely on your own independent examination of us before investing in any securities issued by our company.



Coca Cola East Japan コカ・コーライーストジャパン株式会社

Q4 & Full-Year 2016 Earnings Presentation



Introduction

Overview and Key Messages

Q4 and Full-Year Results

Volume, Share and Financial Results

2017 CCEJ Outlook

Initiatives and Plans

Creation of CCBJI - Integration with CCW

Integration Preparation Progress and Outlook

A Strong Year, Building on 3-Year Integration Experience

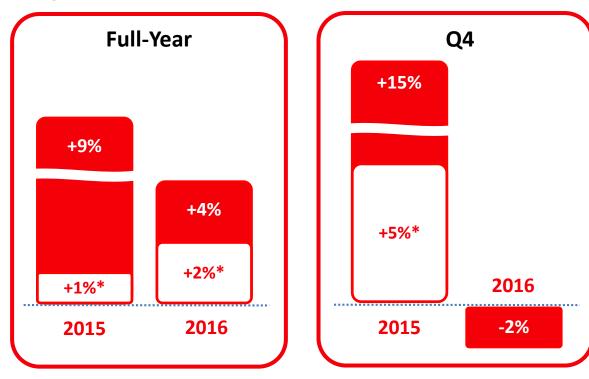
- Strong results beat September 9 upward revision of operating income forecast.

 Delivered three-year plan in one year.
 - Reported operating income grew 70% vs. prior year; Net income up 2X prior year
- Gross margins and operating margins improved, reflecting quality volume growth, strong supply chain savings, disciplined focus on profit growth
 - Revenue Growth Management (RGM) efforts and key new products successfully resulted in positive gross profit from volume, price & mix
 - Maintained value and volume market share for the full year
- Business integration planning with Coca-Cola West on track to launch "Coca-Cola Bottlers Japan Inc." (CCBJI), the world's 3rd largest Coke bottler by revenue



Full-Year Volume Growth in a Competitive Environment

Reported Volume Growth



^{*} Comparison of volume growth assuming Sendai was integrated in January 2015

Q1

- Strong start to the year– maintained positive momentum from Q4 2015 into Q1
- Benefit from Sendai acquisition in prior year

Q2

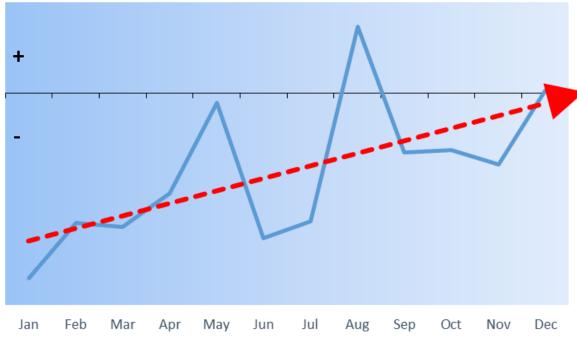
- Volume growth led by product innovation
- Growth in Drug & Discounter, Supermarket & Convenience Store (CVS) channels
- Category performance led by Water, Coffee, Tea
- Continued growth of key new products
- Vending exclusive products and Coke ON contributed to stabilized vending channel profitability

Q4

- Cycling 2015 Q4 good performance (CVS, Water, Coffee)
- Focus on value growth, less pricing promotion

Product Mix Drives Improving per Case Trends

Selling Price per Case (YoY, Monthly)



YoY variance of per case selling price from CCEJ to customers

VM Exclusive





OTC Retail Price

- CCEJ average retail price continues above market average for both large and small packages.
- Trend versus prior year moderating through the year.

| CCEJ OTC Retail Price (YTD, as of December 2016) | vs. Market Average | vs. Prior Year |
|--|-----------------------|----------------|
| Large PET | +11.9 | -2.9 |
| 500ml PET | +0.9 | -0.4 |

Unit: JPY

Source: Intage Weekly (Supermarket and Drug & Discounter)

Value-Added





Maintained Market Share in the Full-Year

| Market | vs. Prior Year | | |
|--------|----------------|-----------|--|
| Share | Q4 2016 | FY 2016 | |
| Value | -0.9 | +0.0 | |
| Volume | -0.8 | ·.+0.3.·· | |

Full-Year

- Maintained value and volume share
- Share gains in Drug & Discounter; Cola, Coffee & Water

Q4

- Balancing value and volume performance
- Cycling prior year strong new launches and current year competitive activities

Value Share vs. Prior Year



Volume Share vs. Prior Year

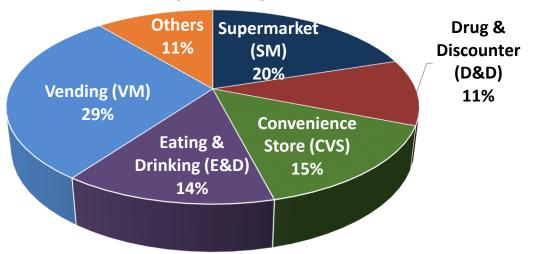


Source: Intage, OTC channel, NARTD beverages



Performance by ChannelSolid full-year growth; Impact of cycling in fourth quarter

Q4 Volume by Channel (% of total)



Volume YoY: Q4 -1.7%; FY +3.9% (+2.1%*)

Q4 Performance Drivers

- Growing share in Drug & Discounter; Growth led by Sparkling & NST
- Supermarkets growth in smaller packages; Cycling NST & Water
- I LOHAS **Water** and **Sparkling** growth in **Vending**. Smartphone-enabled machines and exclusive products contributed to stabilize profitability
- CVS impacted by cycling of prior year strong new launches

Channel Volume Growth

| vs. PY | CVS | D&D | Nat'l SM | Local SM | VM | E&D |
|---------|-----|------|-------------|-------------|-----|------|
| Q4 2016 | -5% | +3% | +2% | -1% | -6% | Even |
| FY2016 | +5% | +15% | +4% | +4% | -1% | +3% |

*Comparison of volume growth assuming Sendai was integrated in Jan. 2015

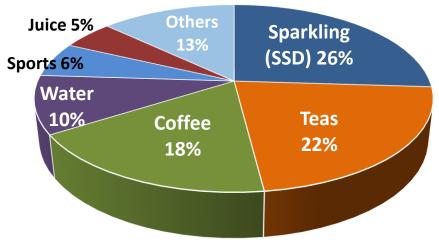
| vs. PY | cvs | D&D | Nat'l SM | Local SM | VM | E&D |
|--------|-----|------|-------------|-------------|-----|-----|
| FY2016 | +3% | +12% | +2% | +3% | -3% | +1% |

* NST (Non-Sugar Tea)



Performance by Category Balanced full-year volume growth across portfolio

Q4 Volume by Category (% of total)



Volume YoY: Q4 -1.7%; FY +3.9% (+2.1%*)

Q4 Performance Drivers

- Sparkling soft drink growth led by Ribbon Bottle Coke, Fanta, Canada Dry
- Decline of **Water** and **Coffee** due to cycling of prior year strong new launches
- NST impacted by competitor launches, partially offset by renewed Sokenbicha
- Sports recovery in Supermarket, Drug & Discounter and Convenience Stores

Category Volume Growth

| vs. PY | NST | Water | Coffee | SSD | Sports | Juice |
|---------|-----|-------|--------|-----|--------|-------|
| Q4 2016 | -1% | -10% | -5% | +2% | +2% | -5% |
| FY2016 | 4% | 11% | 6% | 3% | -5% | +2% |

* Comparison of volume growth assuming Sendai was integrated in Jan. 2015

| vs. PY | NST | Water | Coffee | SSD | Sports | Juice |
|--------|-----|-------|--------|-----|--------|-------|
| FY2016 | +3% | +9% | +3% | +2% | -5% | even |

^{*} NST (Non-Sugar Tea)





Drivers of Full-Year Operating Income Growth

Full-Year 2015
Comparable
Operating
Income

11,902

Gross Profit Impact of Volume, Price/Mix

+1,120

- Organic volume growth +2.1%
- New products, better pricing/mix environment

Supply Chain Savings

+10,406

 Delivering strong manufacturing, logistics & distribution and procurement

synergies

DME

-4,819

- Higher volume
- 2016 global campaign, Coca-Cola Summer campaign and investments to drive 2017 growth initiatives
- Investing in more profitable vending placements

Other OPEX

-166

 Labor, pensions, etc. decreased, partially offset by increased delivery, outsourcing expenses, etc. associated with volume growth Other Subsidiaries

-792

 Adjusting for impact of Q1 2015 Sendai OI
 FVEJ Depreciation

+2,518

- CAPEX timing and plan review
- Full-year capex was 34.5B
- Includes benefit of change of useful lives for Production equipment (1.8B)

Full-Year 2016
Comparable
Operating
Income

20,169

Unit: Million JPY

DME: Direct Marketing Expenses

First year of positive Commercial Gross Profit; Supply Chain savings ahead of plan; Marketing investments for new campaigns, quality vending locations



Full-Year 2016 Financial Results Summary Significant Operating Income Growth vs. Prior Year

• Revenue impacted by lower sales to other bottlers • Improved gross margin & operating margin from significant supply chain savings • SG&A led by decrease in labor and logistic/distribution, partially offset by marketing investment

| Full-Year 2016 Reported in million yer | | |
|--|---------|--|
| Sales Volume (BAPC) (,000 cases) | 317,991 | |
| Net Revenue | 572,496 | |
| COGS | 299,604 | |
| Gross Profit | 272,892 | |
| SG&A | 254,402 | |
| Operating Income | 18,489 | |
| OI Margin | 3.2% | |
| Profit Before Tax | 17,472 | |
| Net Income | 10,718 | |

| Full-Year 2016 One-time | Full-Year 2016 Comparable | Full-Year 2015 Comparable | , |
|----------------------------|------------------------------|------------------------------|--------|
| items | | | Di |
| - | 317,991 | 305,945 | +12,04 |
| - | 572,496 | 563,162 | +9,33 |
| -116 | 299,488 | 302,087 | -2,59 |
| +116 | 273,008 | 261,075 | 11,93 |
| -1,563 | 252,839 | 249,173 | +3,66 |
| +1,679 | 20,168 | 11,902 | 8,20 |
| - | 3.5% | 2.1% | +1.4p |
| | | | |

[•] Capital Expenditure: 34,591 M JPY / Reported Depreciation and Amortization: 22,287 M JPY

Note: Previous year volume shown above may be slightly different from what we shared in the previous year, as part data standardization related to the implementation of the new ERP system, CokeOne+.



+3.9

+1.7

-0.9

+4.6

+1.5

+69.5

[•] One-time items mainly integration related expenses



Full-Year CCEJ 2017 Plan Overview

| Reported Operating Income | 20 Billion Yen | +8.2% |
|---------------------------|----------------|-------|
| Revenue Growth | | +1.4% |
| Operating Income Margin | | 3.4% |

NARTD Market Environment

- Increasing focus on value growth, slower industry volume growth in 2017
- Ongoing channel mix shift and pressure on retail pricing
- Headwind for input costs; weaker yen, fuel and commodity prices

CCEJ Initiatives

- Lead industry through innovation
- Focus on profitable growth, optimize cost-to-serve and continue to invest in capability development
- Continue to focus on supply chain efficiency incremental synergy capture gradually progressing to logistics/distribution

We Have Built a World-Class Supply Chain for Japan Planned & Progressive Changes Over 4 Years

2014

2015

NET SYNERGIES

2016

2017

One+ Roadmap for Growth

2013

5.4B JPY 2.2B JPY 10.4B JPY

Manufacturing Master Plan

- 10 New Production Lines
- Insourcing Production Volume
- Significant Cost Reduction



2. **Operational** Excellence

- One Integrated System New CokeOne+ ERP
- Data Driven Management Reporting
- Continuous Improvement "KAIZEN" Culture



Logistics **Optimization Project**

- Logistic/Distribution Efficiency **Improvement**
- Inventory Reduction/Optimization
- Investment in Network **Optimization**

Operational Excellence: -> Please refer to glossary page at the end of this presentation.

Commercial: Building on 2016 Foundation Focus on Productivity and Capabilities Building



Focus on Profitable Growth

- Superior Marketing
- Revenue Growth Management
- Shopper centric activities
- Category
- Focus on high-value products, smaller package sizes and growing categories
- Explore white space
- Channel
- OBPPC segmentation
- Enhancing value of Vending
- Strengthen store execution





Optimize Cost-to-Serve

- Higher productivity culture
- Ongoing initiatives : RTM, Equipment, Vending







World Class Capabilities

- People development programs
- Best practice sharing within Coca-Cola system





RGM: Revenue Growth Management **OBPPC**: Occasion, Brand, Package, Price, Channel **RTM:** Route-To-Market -> Please refer to glossary page at the end of this presentation.



New Products and Marketing Activities in Q1

Products

- Lead industry through innovation
- Focusing on higher value, premium and immediate consumption packaging





1/30 Karadameguricha Advance (Functional)



2/6 Georgia Emerald Mountain Renewal



Coca-Cola Slim Bottle Cherry Blossom Design





2/13 Canada Dry Renewal

ドライな味わい、大人の強炭酸。

3/27 Coca-Cola Plus (Foshu)



3/6 Coca-Cola TM New Package (Coke TM, Zero, Zero Caffein)



Promotions

Rhythm of Nation



Coke in Home / Taste The Feeling



Valentine's Day Promotion





Girls Festival Cross Brands Promotion



VM Merchandising for Spring

VM/Coke ON









2017 Forecast (CCEJ Consolidated - Reported)

Unit: Million JPY

| 2017 Forecast | | | | |
|-----------------------------------|---------|--|--|--|
| Sales Volume* (BAPC) (,000 cases) | 323,278 | | | |
| Net Revenue | 580,400 | | | |
| Gross Profit | 279,200 | | | |
| Operating Income | 20,000 | | | |
| OI Margin | 3.4% | | | |

| 2016 Results | Vs. | PY |
|---------------------|---------|------|
| 2010 Results | Diff | % |
| 317,991 | 5,287 | +1.7 |
| 572,496 | 7,904 | +1.4 |
| 272,892 | 6,308 | +2.3 |
| 18,489 | 1,511 | +8.2 |
| 3.2% | +0.2pts | • |

2017: Major Drivers for Operating Income

• Gross profit impact of volume/price/mix: +3.2 B

• Supply chain savings: +1.3 B

DME: -0.3B JPYOther OPEX: -1 BDepreciation: -1.7B

(+: Positive impact to OI / -: Negative impact to OI)



^{*}Previous year volume shown above may be slightly different from what we shared in the previous year, as part data standardization related to the implementation of the new ERP system, CokeOne+.

2017 CCEJ Modeling Reminders

✓ 2017 forecast and plan are based on current consolidation scope of CCEJ

✓ CAPEX and Depreciation

2017 Capex plan includes incremental investment (CokeOne+ ERP phase 2 deployment, logistics/distribution optimization, upgrade/conversion of production lines) as well as regular investment for cold drink equipment, fleet, etc.

| Unit: Billion JPY | Car | оех |
|---------------------|-------------|-----------|
| Onic. Billion 31 1 | 2016 Actual | 2017 Plan |
| Capitalized in COGS | 18.9 | 8 |
| Capitalized in SG&A | 15.6 | 25 |
| TOTAL | 34.5 | 33 |

| Unit: Billion JPY | Depreciation | |
|--------------------|--------------|-----------|
| Oint. Billion Jr 1 | 2016 Actual | 2017 Plan |
| In COGS | 6.2 | 6 |
| In SG&A | 16.1 | 18 |
| TOTAL | 22.3 | 24 |





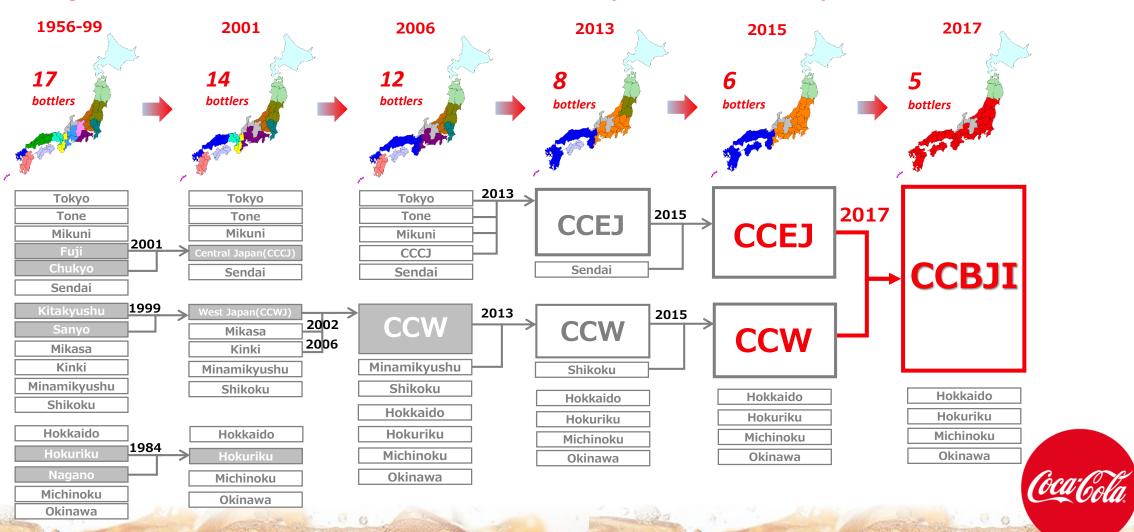
CCBJI: Kicking off a New Era in the Beverage Industry

Building on strong momentum, integration work progressing and on schedule for smooth Day-One start

- JFTC approval received November 2016
- U.S. SEC Form F-4 expected by end of February
- Annual shareholders' meetings to approve the integration
 - CCEJ: March 23 / CCW: March 22
 - BOD nominees for new CCBJI announced on February 6 by CCW
- CCBJI Day One: April 1, 2017
- CCBJI business plan
 - Integration planning team is developing CCBJI's business plan

The Japan Coca-Cola System Continues to Evolve

Together with the customer, consumer, competitive landscape



CCEJ One+ Roadmap for Growth

2015-2016

Norming

Refine & optimize new business model

Process re-engineering & launch of ERP system while delivering first results

2016-2017

Performing

Approaching global bottler performance levels

Exploiting new architecture as competitive advantage to drive synergies & growth

2018- Tokyo Olympic Games & Beyond

Accelerating

Meet & exceed world-class bottler levels

A world-class
Japanese bottler on
the world stage



Coca:Cola.

2012-2014

Forming & Storming

Define & deploy new business model

Speed of integration: 250+ projects

Identifying synergies & positioning for growth

コカ・コーライーストジャパン株式会社

Delivering Tangible Results from Transformation

Successful bottler integration model built on speed, scale, capabilities and synergy capture

• A Solid Foundation for Growth •

2018- Tokyo Olympic Games & Beyond

2012-2014

Forming & Storming

Define & deploy new business model

2015-2016

Norming

Refine & optimize new business model

2016-2017

Performing

Approaching global bottler performance levels

Accelerating

Meet & exceed world-class bottler levels

~2015 Built Solid Foundation

- 10 new production lines
- 30+ legal entities consolidation
- New ERP system
- Standarized Route-to-Market (RTM)
- Sendai acquisition
- Investment for talent and capability

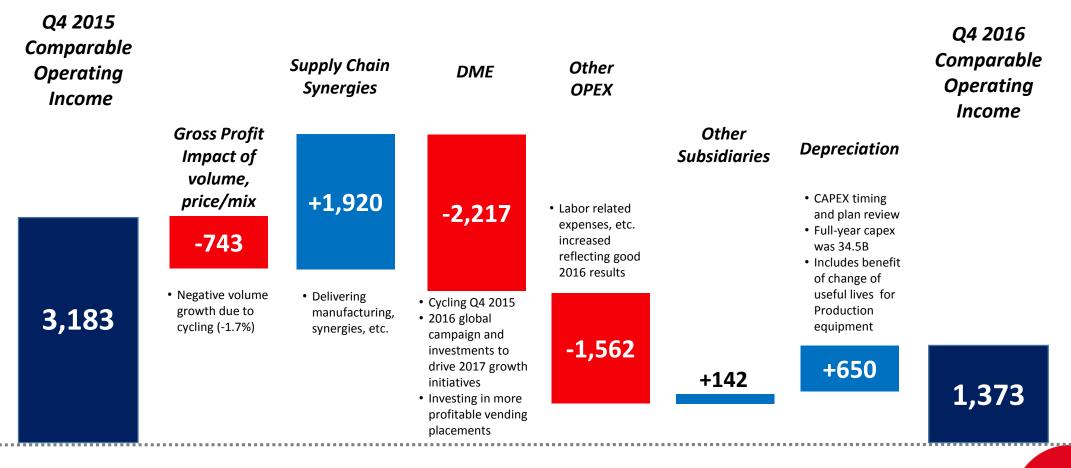
2016 Encouraging Results

- Delivered significant operating income& net income growth
- Improved margins; Balanced value & volume share
- Strong supply chain synergies
- Stabilizing profitability

Strong
Momentum
for 2017
onward



Drivers of Q4 2016 Operating Income



Unit: Million JPY

DME: Direct Marketing Expenses

Q4 2016 Financial Results Summary

• In-line with plan • Revenue reflects decrease of sales to other Coca-Cola bottlers • Improved gross margin driven by continued supply chain efficiency improvement • SG&A increase led by marketing investment, performance-related compensation and cycling of PY savings

| | Q4 2016 Reported in million yen |
|-------------------------------------|---------------------------------------|
| Sales Volume (BAPC) (,000 cases) | 74,040 |
| Net Revenue | 133,851 |
| COGS | 69,796 |
| Gross Profit | 64,054 |
| SG&A | 63,310 |
| Operating Income | 743 |
| Profit Before Tax | 346 |
| Net Income | -420 |

| Q4 2016 One-time items | Q4 2016 Comparable | Q4 2015 Comparable |
|------------------------------|-----------------------|-----------------------|
| - | 74,040 | 75,358 |
| - | 133,851 | 137,632 |
| - | 69,796 | 74,089 |
| - | 64,054 | 63,543 |
| -630 | 62,680 | 60,360 |
| +630 | 1,373 | 3,183 |

- Capital Expenditure: 6,976 M JPY / Reported Depreciation and Amortization: 5,760 M JPY
- One-time items mainly integration related expenses

Note: Previous year volume shown above may be slightly different from what we shared in the previous year, as part data standardization related to the implementation of the new ERP system, CokeOne+.

Vs. PY

-1.7

-2.7

-5.8

+0.8

+3.8

-56.9

Diff

-1,318

-3,781

-4,293

+511

+2,320

-1,810

The Coca-Cola System

A powerful partnership driving growth of the Coca-Cola business

The Coca-Cola system in Japan consists of the Coca-Cola (Japan) Company (CCJC), bottlers and other related companies.

CCJC, as the franchise owner, is responsible for supplying concentrate and beverage bases (coffee beans, tea leaves, juices, etc.) for all of Coca-Cola's brands, as well as R&D, innovation, and marketing and brand development.

The bottlers, including CCEJ, as franchisees, are responsible for manufacturing, distribution and selling the finished products. We all are working together with our system partners to grow the Coca-Cola business by optimizing our overall operations through more efficient production and distribution, marketplace execution that is firmly focused on the consumer, faster response to market preferences, enhanced customer service, and rigorous quality control.



Other Coca-Cola System Related Companies in Japan

| Coca-Cola Tokyo Research & Development Co., Ltd. (CCTR&D) | Product development and technical support to respond to the needs of the customer in Japan. A wholly owned subsidiary of The Coca-Cola Company. |
|---|--|
| Coca-Cola IBS Co., Ltd. (CCIBS) | Providing business consulting services, as well as developing and maintaining the information systems to support Coca-Cola System companies in Japan. Jointly owned by The Coca-Cola Company and all the bottlers in Japan. |
| Coca-Cola Business Sourcing Co., Ltd. (CCBSC) | Providing joint procurement of raw materials, packaging, equipment, indirect material, etc., for Coca-Cola System companies in Japan. Jointly owned by The Coca-Cola Company and all the bottlers in Japan. |
| Coca-Cola Customer Marketing Company (CCCMC) | Business negotiations window for nationwide retail, convenience stores, supermarket and food-service chains as well as developing proposals for sales promotions and storefront activities. Jointly owned by CCJC and all the bottlers in Japan. |
| FV Corporation Co., Ltd. (FVC) | Sales negotiations window for national chain vending operators, and deals non-Coca-Cola products as well as Coca-Cola branded products. Jointly owned by CCJC and all the bottlers in Japan. |



Glossary of Frequently Used Terms

| CDE | Abbreviation of Cold Drink Equipment . Vending machines, coolers and beverage dispensers, etc. |
|-----------------------------------|--|
| DME | Abbreviation of Direct Marketing Expenses . Sales promotion-related expenses reported in advertisement & sales promotion expenses and partly in sales commissions of SG&A. |
| FC | Abbreviation of Future Consumption . Purchase or sell beverage for future consumption in home, etc. It also means the products / SKUs for FC (for example, single packages 1L or more and multi-pack of IC packages) and channels that consumers purchase the beverages for FC. (for example, supermarket, drug & discounter channels, etc.). |
| HORECA | Abbreviation of Hotel, Restaurants and Cafeteria. Generally means sales channels of these kinds. |
| IC | Abbreviation of Immediate Consumption . Purchase or sell beverage for consuming it immediately. It also means the products / SKUs for IC (for example, single packages less than 1L as well as fountain) and channels that consumers purchase the beverages for IC (for example, vending machines, convenience store channel, etc.). |
| ОВРРС | Abbreviation of Occasion, Brand, Package, Price, Channel . A segmentation strategy tailored to consumption opportunities to drive revenue growth in five areas: occasion, brand, package, price and channel. |
| Operational Excellence (OE) | The Coca-Cola System's way to develop people and culture around productivity which allows higher financial value achievement by driving sustainable improvement using common language and tools as well as focusing on business priorities. |
| PicOS | Abbreviation of Picture of Success , which outlines standards and examples for making ideal market place execution and market place activities including product deployment, CDE and advertisement placement, vending machine faces and column management, etc. |
| РТС | Abbreviation of Price, Terms and Conditions , an internal guideline for setting appropriate transaction conditions with customers, frequently used in conjunction with RGM. |
| RGM | Abbreviation of Revenue Growth Management, an overall strategy and process to grow revenue and profit |
| RTM | Abbreviation of Route-to-Market . A framework, a process, a philosophy, a proven approach for driving profitable growth. |
| | |



