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Coca-Cola East Japan Q1 2017 Earnings Results Supplemental Material

May 1, 2017

Coca-Cola Bottlers Japan Inc.

This supplemental material covers standalone Coca-Cola East Japan (CCEJ) Q1 2017 results before establishment of Coca-Cola Bottlers Japan Inc. (CCBJI) on April 1, 2017 as a result of the business integration between CCEJ and Coca-Cola West. CCBJI expects to host a kick-off presentation to explain its mission, vision and values, strategy and business plan and will announce these plans and presentation date once they are decided.

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 Bottlers Japan Inc. (CCBJI) and/or 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
- CCBJI/CCEJ's ability to realize production efficiencies and to implement capital expenditures at the levels and times planned by management;
- CCBJI/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.

CCBJI/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.



CCEJ: Q1 2017 Financial Results Summary

Significant Improvement of Operating Income vs. Prior Year

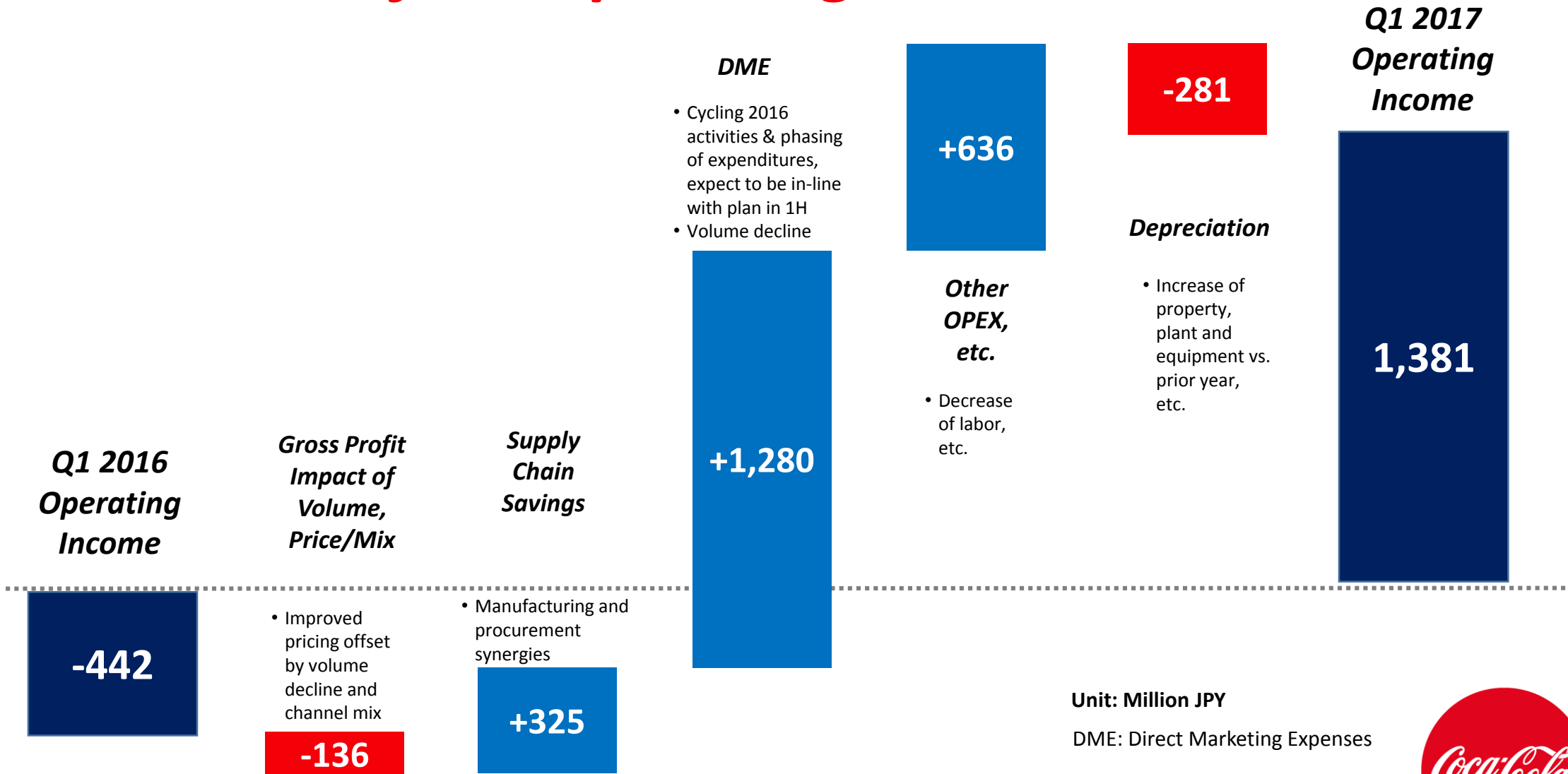
- Revenue and volume impacted by one fewer selling day in Q1 vs. prior year
- Revenue per case improvements across most channels
- SG&A decreases led by lower sales promotions and marketing due to cycling of activities in the prior year, decrease in labor, etc.
- Integration related expenses impacted net income

Q1 2017 in million yen		Q1 2016 in million yen	Vs. PY	
			Diff	%
Sales Volume <i>(BAPC) (,000 cases)</i>	67,423	68,349	-927	-1.4
Net Revenue	122,737	124,522	-1,785	-1.4
COGS	64,223	65,818	-1,595	-2.4
Gross Profit	58,513	58,703	-190	-0.3
SG&A	57,131	59,145	-2,013	-3.4
Operating Income	1,381	-442	+1,823	-
Profit Before Tax	664	-1,105	+1,770	-
Net Income	585	-838	+1,424	-

Capital Expenditure: 3,980M JPY / Depreciation and Amortization: 5,816M JPY



CCEJ: Drivers of Q1 Operating Income Growth



Unit: Million JPY

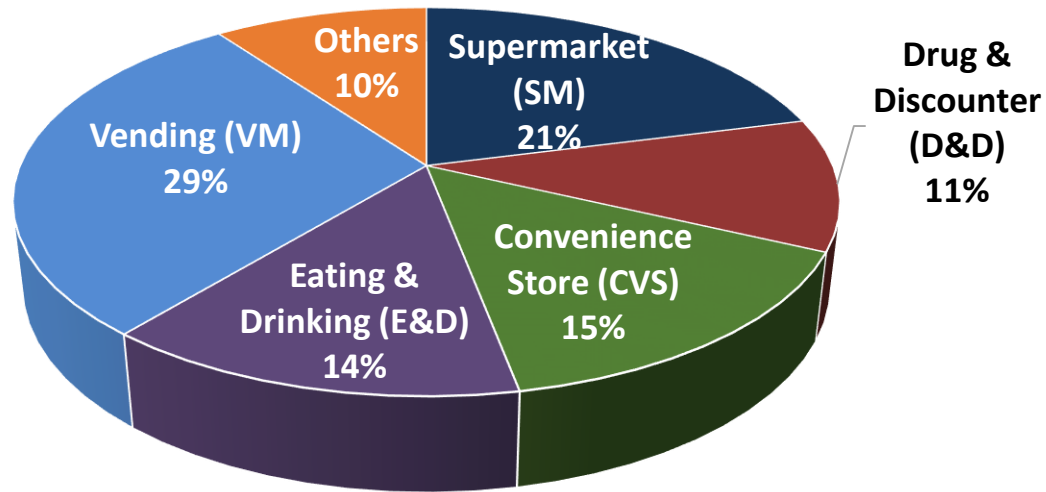
DME: Direct Marketing Expenses



CCEJ: Q1 Performance by Channel

Improvement in profitability across the channels

Q1 Volume by Channel
(% of total)



Volume YoY: -1.4%

Channel Volume Growth

vs. PY	CVS	D&D	Nat'l SM	Local SM	VM	E&D
Q1 2017	-3%	even	+2%	+1%	-6%	+4%

Q1 Performance Drivers

- *Sparkling & NST* grew in *Drug & Discounter*
- *Growth in Sparkling and smaller packages* in *Supermarkets*
- *Growth in sparkling and I LOHAS Water* offset by *Coffee and NST* in *Vending*
- *CVS* impacted by *cycling of prior year new launches* in *Coffee and Water*

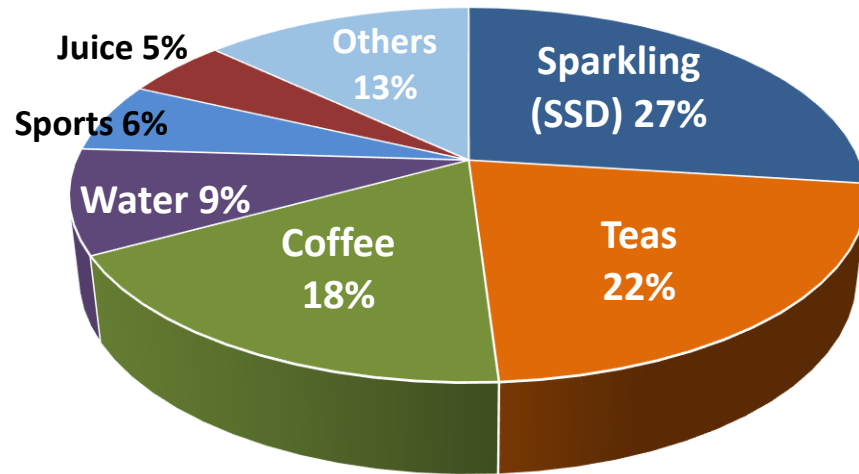
* NST (Non-Sugar Tea)



CCEJ: Q1 Performance by Category

Growth in sparkling led by new launches, mixed results by category

Q1 Volume by Category
(% of total)



Volume YoY: -1.4%

Category Volume Growth

vs. PY	NST	Water	Coffee	SSD	Sports	Juice
Q1 2017	even	-11%	-9%	+7%	-8%	+1%

* NST (Non-Sugar Tea)

Q1 Performance Drivers

- **Sparkling** grew in all channels, led by **brand Coca-Cola**, newly launched **Coca-Cola Plus (FOSHU)**, **Fanta**, etc.
- Decline of **Water** and **Coffee** due to cycling of prior year strong new launches. Growth of bottle can in Coffee continued
- Renewed **Sokenbicha** continued good performance in **NST**



CCEJ: Market Share and Retail Pricing Trend

CCEJ Market Share

	Q1 2017 vs. Prior Year
Value	-0.7
Volume	-0.7

- Value share grew in Cola, other sparkling and water category
- Convenience store channel mainly impacted value and volume share performance

Source: Intage, OTC channel, NARTD beverages

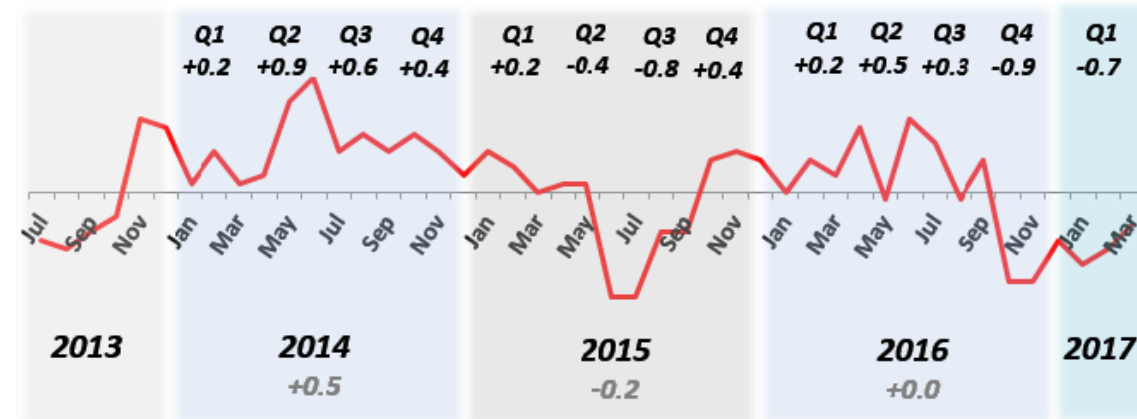
- CCEJ average retail price continues above market average for both large and small packages
- Versus prior year turns to positive in Q1

CCEJ OTC Retail Price (YTD, as of March 2017)	vs. Market Average	vs. Prior Year
Large PET	+1.8	+0.7
500ml PET	+14.3	+1.8

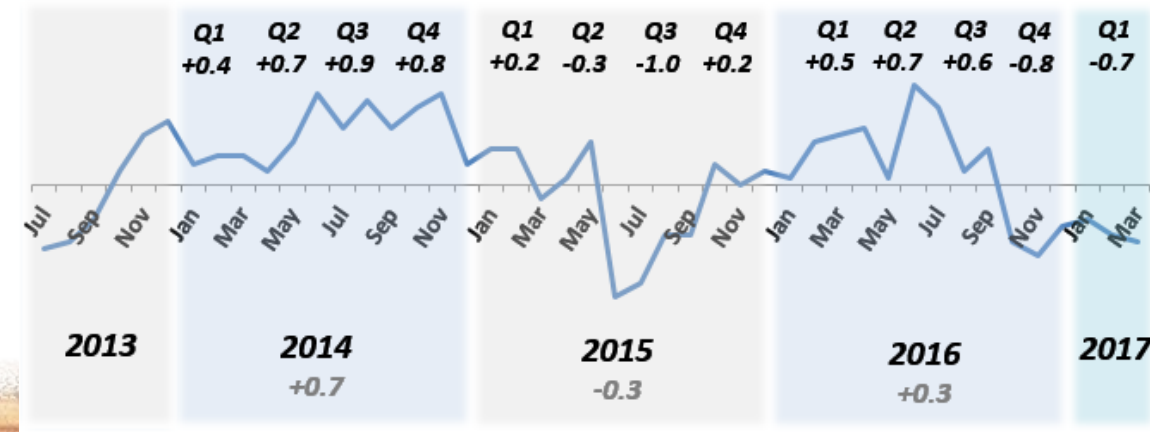
Unit: JPY

Source: Intage Weekly (Supermarket and Drug & Discounter)

Value Share Growth vs. Prior Year



Volume Share Growth vs. Prior Year





Appendix

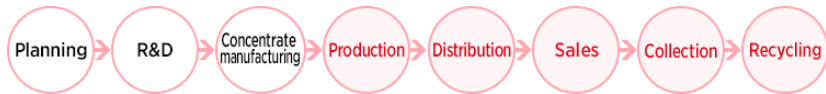
The Coca-Cola System

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 Coca-Cola Bottlers Japan Inc., 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.



Coca-Cola (Japan) Company
<ul style="list-style-type: none"> • Brands • Innovation • Global perspective • Consumer focus • Superior insights

Coca-Cola Bottlers Japan Inc.
<ul style="list-style-type: none"> • Supply chain • Cost optimization • Local expertise • Customer focus • World-class execution

Other Coca-Cola System Related Companies in Japan

Coca-Cola Tokyo Research & Development Co., Ltd. (CTTR&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.).
OBPPC	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.
PTC	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.



THANK YOU

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