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Securities code: 2579

March 4, 2020

**NOTICE OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

Dear Shareholder,

You are cordially invited to attend the Ordinary General Meeting of Shareholders for the fiscal year ended December 31, 2019 of Coca-Cola Bottlers Japan Holdings Inc. (the “Company”), which will be held as described hereunder.

If you are unable to attend the meeting due to unavoidable reasons, including the growing need to protect against epidemic infectious diseases like the novel coronavirus, you may exercise your voting rights either by writing or via the Internet. Please review the attached Reference Materials for General Meeting of Shareholders and exercise your voting rights by 5:45 p.m., March 25 (Wednesday), 2020.

Sincerely yours,

Calin Dragan
Representative Director & President

***Coca-Cola* BOTTLEERS JAPAN HOLDINGS INC.**

Head Office: 7-9-66 Hakozaki, Higashi-ku,
Fukuoka, Japan

Headquarters: 9-7-1 Akasaka, Minato-ku, Tokyo

Matters Related to the Exercise of Voting Rights		
When attending this General Meeting of Shareholders	When not attending this General Meeting of Shareholders	
Please submit the proxy voting form enclosed herewith to the reception desk.	Exercise of voting rights by mail (writing) Please review the attached Reference Materials for General Meeting of Shareholders and indicate your approval or disapproval on the enclosed proxy voting form, and post it without affixing a postage stamp.	Exercise of voting rights via the Internet Please exercise your voting rights by the deadline.
Date and time of the General Meeting of Shareholders 10:00 a.m., March 26 (Thursday), 2020	Voting deadline Votes must arrive by 5:45 p.m., March 25 (Wednesday), 2020	Voting deadline 5:45 p.m., March 25 (Wednesday), 2020

If you are unable to attend the General Meeting of Shareholders, you may exercise your vote through a proxy. A proxy is another shareholder holding a voting right who you designate as the shareholder who may attend the General Meeting of Shareholders on your behalf and exercise your vote. However, please note that the designated shareholder is accepted as your proxy only after you submit in writing your intention of designating this shareholder as your proxy.

If you exercise your voting rights twice, both by writing and via the Internet, the voting via the Internet shall prevail. In case of multiple voting via the Internet or both through personal computer and mobile phone, the last voting shall prevail.

MEETING AGENDA

1. Date and Time: 10:00 a.m., March 26 (Thursday), 2020 (Reception starts at 9:00 a.m.)

2. Venue: Ho-Oh-No-Ma (2F), Tokyo Prince Hotel
3-3-1 Shibakoen, Minato-ku, Tokyo, Japan

3. Agenda:

Items to be reported:

1. Business report and consolidated financial statements for the fiscal year ended December 31, 2019 (January 1 to December 31, 2019); and audit reports of consolidated financial statements by Accounting Auditors and the Audit and Supervisory Committee
2. Non-consolidated financial statements for the fiscal year ended December 31, 2019 (January 1 to December 31, 2019)

Items to be proposed:

Proposal No. 1	Appropriation of surplus
Proposal No. 2	Partial amendments to Articles of Incorporation
Proposal No. 3	Election of five (5) Directors (excluding Directors Serving on the Audit and Supervisory Committee)
Proposal No. 4	Election of one (1) Director Serving on the Audit and Supervisory Committee
Proposal No. 5	Revision of amounts of compensation for Directors (excluding Directors Serving on the Audit and Supervisory Committee) and determination and revision of amounts of stock-based compensation (restricted stock units) for Executive Directors

- If we need to make any revision to the business report, consolidated financial statements, non-consolidated financial statements or Reference Materials for General Meeting of Shareholders, we will notify you through the Company's website (<https://www.ccbj-holdings.com/>).
 - In accordance with laws and regulations and the provisions of Article 16 of the Company's Articles of Incorporation, the following matters have been omitted from the attachments to the Notice of the Ordinary General Meeting of Shareholders for the fiscal year ended December 31, 2019 due to their posting on the Company's website.
- (1) "Main Businesses," "Major Locations, etc.," "Status of Employees," and "Major financial institutions providing loans to the Company" within "Current Status of the Coca-Cola Bottlers Japan Holdings Group" in the Business Report
 - (2) "Accounting Auditor," "The system to ensure business adequacy," and "Basic Policies on the Control of the Joint-stock Company" under "Current status of the Company" in the Business Report
 - (3) Consolidated Statements of Changes in Equity and Notes to Consolidated Financial Statements in Consolidated Financial Statements.
 - (4) Non-consolidated Statement of Changes in Shareholders' Equity and Notes to Non-consolidated Financial Statements in Non-consolidated Financial Statements.

Therefore, the attachments are part of the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the independent auditor when preparing the Independent Auditor's Report. Furthermore, they are part of the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit & Supervisory Committee in preparing the Audit Report.

The Company's Website	https://www.ccbj-holdings.com/
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Reference Materials for General Meeting of Shareholders

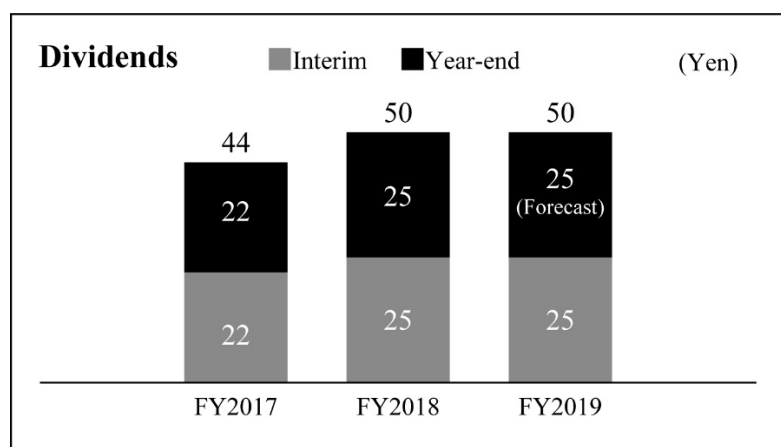
Proposal No. 1: Appropriation of surplus

Generally taking into account our business results for the fiscal year under review and our future business environment, we propose the appropriation of surplus as described below.

① Year-end dividends

①	Type of assets to be distributed	Cash
②	Allotment of assets to be distributed and the total amount	We propose to pay 25 yen per share of the Company's common stock. In this case, the dividends will total 4,483,781,825 yen. As a result, annual dividends will be 50 yen per share, including interim dividends.
③	Effective date of the dividends of surplus	We propose March 27, 2020 as the effective date of the dividends of surplus.

Reference



Dividend Policy

Regarding dividends, the Company sets its basic policy to carry out active redistribution of profits while placing the highest priority on paying stable dividends, by comprehensively reviewing the Company's business performance and level of retained earnings. The Company has set a payout ratio target of 30% or more of net profit for the year attributable to owners of the parent and pays interim and year-end dividends of surplus.

Proposal No. 2: Partial amendments to Articles of Incorporation

We propose partial amendments to the Articles of Incorporation in order to execute a change in the location of the head office of the Company.

1. Reasons for proposal

The Company proposes to relocate the location of its head office to Minato-ku, Tokyo, where the headquarters functions are located.

2. Details of proposed amendments

Details of the proposed amendments are as follows.

(Amended portions are underlined.)

Existing Articles of Incorporation	Proposed Amendments
Articles 1 to 2 (Omitted) (Location of Head Office)	Articles 1 to 2 (Same as at present) (Location of Head Office)
Article 3 The head office of the Company shall be in <u>Fukuoka-shi</u> .	Article 3 The head office of the Company shall be in <u>Minato-ku, Tokyo</u> .
Articles 4 to 34 (Omitted)	Articles 4 to 34 (Same as at present)

Proposal No. 3: Election of five (5) Directors (excluding Directors Serving on the Audit and Supervisory Committee)

All five (5) Directors (excluding Directors serving on the Audit and Supervisory Committee) will complete their terms at the end of this Ordinary General Meeting of Shareholders.


Therefore, we would like to request the election of five (5) Directors (excluding Directors serving on the Audit and Supervisory Committee).


The candidates for Directors (excluding Directors serving on the Audit and Supervisory Committee) are as follows:


No.	Name	Attributes	Current Position and Responsibility in the Company	
			Position	Responsibility
1	Calin Dragan	Reelection	Representative Director	President
2	Bjorn Ivar Ulgenes	Reelection	Representative Director	Chief Financial Officer (Head of Finance)
3	Hiroshi Yoshioka	Reelection, Outside, Independent	Outside Director	–
4	Hiroko Wada	Reelection, Outside, Independent	Outside Director	–
5	Hirokazu Yamura	New election, Outside, Independent	–	–


Reference: Guidelines and Procedures for the Nomination of Candidates for Directors


- In nominating candidates for internal Directors of the Company, the Company will judge the level of contribution and the future potential of the candidates based on the Company's evaluation system.
- Furthermore, in nominating candidates for Outside Directors, the Company will nominate persons that it judges they are expected to largely contribute to increasing the Company's corporate value.
- Moreover, in nominating candidates for Directors serving on the Audit and Supervisory Committee, at least one of the candidates must be a person with suitable knowledge regarding finance and accounting.
- Furthermore, the nomination procedures for candidates for Directors will be decided at a Board of Directors meeting. The Company is a "company with an Audit and Supervisory Committee" with an Audit and Supervisory Committee which is composed entirely of outside directors, including multiple independent outside directors, and, with a Board of Directors where multiple constituent members are Independent Outside Directors. We judge that this system ensures fairness and transparency.

Candidate No. 1	Calin Dragan		Reelection
 (Date of birth: October 24, 1966, 53 years old)	[Relationship of special interest in the Company]	No. of Company Shares Owned	
	None	744	
	Attendance at Board of Directors meetings		
	6/6 *Attendance rate: 100%		
	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions		
	June	1993	Joined Coca-Cola Leventis
	January	2000	Joined Coca-Cola Hellenic Bottling Company S.A.
	January	2005	General Manager and Administrator in charge of Romania and Mordovian Republic, Coca-Cola Hellenic Bottling Company S.A.
	July	2011	Executive Corporate Officer, Coca-Cola West Co., Ltd.
	March	2012	Representative Director, Coca-Cola West Co., Ltd. Vice President, Coca-Cola West Co., Ltd.
	July	2013	Representative Director & President, Coca-Cola East Japan Co., Ltd.
	May	2017	Regional Director, The Coca-Cola Company Bottling Investments Group Regional Director, Coca-Cola Far East Limited
	January	2018	President, The Coca-Cola Company Bottling Investments Group
	March	2019	Executive Officer, Coca-Cola Bottlers Japan Holdings Inc. Executive Officer, Coca-Cola Bottlers Japan Inc. 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)
[Significant Concurrent Positions] Representative Director & President, Coca-Cola Bottlers Japan Inc.			
[Reasons for nomination as candidate for Director] The Company requests the election of Calin Dragan as a Director because of his considerable experience as the Representative Director & President of Coca-Cola Bottling companies within Japan and gained at The Coca-Cola Company, his global business knowledge of Coca-Cola business operations, and how he has exercised leadership in his present position as a Senior General Manager of Business of the Company and Group, to utilize his ability and experience, etc. in the management of the Group.			

Candidate No. 2	Bjorn Ivar Ulgenes		Reelection						
	[Relationship of special interest in the Company]	No. of Company Shares Owned							
	None	297							
	Attendance at Board of Directors meetings								
	6/6 *Attendance rate: 100%								
<p>(Date of birth: April 5, 1968, 51 years old)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #cccccc;">[Significant Concurrent Positions]</td> <td></td> </tr> <tr> <td style="background-color: #cccccc;">Representative Director & Vice President, Coca-Cola Bottlers Japan Inc.</td> <td></td> </tr> <tr> <td style="background-color: #cccccc;">Representative Director & Chairman, Q'SAI CO., LTD.</td> <td></td> </tr> </table>	[Significant Concurrent Positions]		Representative Director & Vice President, Coca-Cola Bottlers Japan Inc.		Representative Director & Chairman, Q'SAI CO., LTD.		Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions		
	[Significant Concurrent Positions]								
	Representative Director & Vice President, Coca-Cola Bottlers Japan Inc.								
	Representative Director & Chairman, Q'SAI CO., LTD.								
	July	1997	Joined The Coca-Cola Company						
	August	2005	Finance Director, North & West Africa Business Unit, The Coca-Cola Company						
	May	2008	Finance Director & Executive Assistant to the Business Unit President, North & West Africa Business Unit, The Coca-Cola Company						
	June	2009	GM Innovation & EA, North & West Africa Business Unit, The Coca-Cola Company						
	February	2010	Senior Vice President Finance, The Coca-Cola (Japan) Co., Ltd.						
	January	2013	Finance Director, Central, East & West Africa Group, The Coca-Cola Company						
	April	2016	Deputy Finance Director, Europe, Middle East & Africa (EMEA) Group, The Coca-Cola Company						
	October	2018	Senior Executive Officer, Head of Finance, Coca-Cola Bottlers Japan Holdings Inc. Senior Executive Officer, Head of Finance, Coca-Cola Bottlers Japan Inc.						
	November	2018	Representative Director & President, Coca-Cola Bottlers Japan Sales Support Inc.						
January	2019	Representative Director & President, Coca-Cola Bottlers Japan Business Services Inc.							
February	2019	Executive Officer, Coca-Cola Bottlers Japan Holdings Inc. Executive Officer, Coca-Cola Bottlers Japan Inc.							
March	2019	Representative Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent) Vice President, Chief Financial Officer (Head of Finance), Coca-Cola Bottlers Japan Holdings Inc. (incumbent) Representative Director, Coca-Cola Bottlers Japan Inc. (incumbent) Vice President, Chief Financial Officer (Head of Finance), Coca-Cola Bottlers Japan Inc. (incumbent)							
December	2019	Representative Director & Chairman, Q'SAI CO., LTD. (incumbent)							
[Reasons for nomination as candidate for Director]									
<p>The Company requests the election of Bjorn Ivar Ulgenes as a Director because of his considerable experience as the Representative Director, Vice President, Chief Financial Officer (Head of Finance) of the Company and gained at The Coca-Cola Company, his global business knowledge of Coca-Cola business operations, and because of how he has exercised leadership in his present position as a Senior General Manager of Business of the Company and Group, to utilize his ability and experience, etc. in the management of the Group.</p>									

Candidate No. 3	Hiroshi Yoshioka		Reelection	Outside	Independent																																	
 (Date of birth: October 26, 1952, 67 years old)	[Relationship of special interest in the Company]	No. of Company Shares Owned																																				
	None	689																																				
	Attendance at Board of Directors meetings																																					
	8/8 *Attendance rate: 100%																																					
[Significant Concurrent Positions]	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions																																					
No significant concurrent positions to note.	<table border="0" style="width: 100%;"> <tr> <td style="width: 15%;">April</td> <td>1975</td> <td>Joined Japan Radio Co., Ltd.</td> </tr> <tr> <td>January</td> <td>1979</td> <td>Joined Sony Corporation</td> </tr> <tr> <td>October</td> <td>2001</td> <td>Representative Director and President, Sony Ericsson Mobile Communications Corporation</td> </tr> <tr> <td>April</td> <td>2003</td> <td>CVP, Sony Ericsson Mobile Communications Corporation AB</td> </tr> <tr> <td>November</td> <td>2005</td> <td>Corporate Executive, SVP, Sony Corporation</td> </tr> <tr> <td>April</td> <td>2008</td> <td>Corporate Executive, EVP, Sony Corporation</td> </tr> <tr> <td>April</td> <td>2009</td> <td>Executive Deputy President Officer, Sony Corporation</td> </tr> <tr> <td></td> <td></td> <td>*Mr. Yoshioka has resigned from the office as Executive Deputy President Officer of Sony Corporation as of December 31, 2012.</td> </tr> <tr> <td>July</td> <td>2013</td> <td>Outside Director, Coca-Cola East Japan Co., Ltd.</td> </tr> <tr> <td>April</td> <td>2017</td> <td>Outside Director, Coca-Cola Bottlers Japan Inc.</td> </tr> <tr> <td>January</td> <td>2018</td> <td>Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)</td> </tr> </table>					April	1975	Joined Japan Radio Co., Ltd.	January	1979	Joined Sony Corporation	October	2001	Representative Director and President, Sony Ericsson Mobile Communications Corporation	April	2003	CVP, Sony Ericsson Mobile Communications Corporation AB	November	2005	Corporate Executive, SVP, Sony Corporation	April	2008	Corporate Executive, EVP, Sony Corporation	April	2009	Executive Deputy President Officer, Sony Corporation			*Mr. Yoshioka has resigned from the office as Executive Deputy President Officer of Sony Corporation as of December 31, 2012.	July	2013	Outside Director, Coca-Cola East Japan Co., Ltd.	April	2017	Outside Director, Coca-Cola Bottlers Japan Inc.	January	2018	Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)
April	1975	Joined Japan Radio Co., Ltd.																																				
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October	2001	Representative Director and President, Sony Ericsson Mobile Communications Corporation																																				
April	2003	CVP, Sony Ericsson Mobile Communications Corporation AB																																				
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April	2008	Corporate Executive, EVP, Sony Corporation																																				
April	2009	Executive Deputy President Officer, Sony Corporation																																				
		*Mr. Yoshioka has resigned from the office as Executive Deputy President Officer of Sony Corporation as of December 31, 2012.																																				
July	2013	Outside Director, Coca-Cola East Japan Co., Ltd.																																				
April	2017	Outside Director, Coca-Cola Bottlers Japan Inc.																																				
January	2018	Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)																																				
[Reasons for nomination as candidate for Outside Director]																																						
The Company requests the election of Hiroshi Yoshioka as a Director (Outside Director) in order for him to utilize, for the management of the Company, the considerable experience and global knowledge he has gained thus far at the Coca-Cola bottling company within Japan and Sony Corporation.																																						

Candidate No. 4	Hiroko Wada		<input type="checkbox"/> Reelection	<input type="checkbox"/> Outside	<input type="checkbox"/> Independent																								
	[Relationship of special interest in the Company]		No. of Company Shares Owned																										
	None		-																										
	Attendance at Board of Directors meetings																												
	6/6 *Attendance rate: 100%																												
(Date of birth: May 4, 1952, 67 years old)	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions																												
[Significant Concurrent Positions] Representative, Office WaDa Outside Director, Shimadzu Corporation Outside Director (Audit & Supervisory Committee Member), Unicharm Corporation	<table border="0"> <tr> <td style="padding-right: 10px;">April</td> <td style="padding-right: 10px;">1977</td> <td>Joined Procter & Gamble Sunhome Co., Ltd.</td> </tr> <tr> <td>January</td> <td>1998</td> <td>Vice President, In charge of Corporate New Ventures, Asia, The Procter & Gamble Company (U.S.)</td> </tr> <tr> <td>March</td> <td>2001</td> <td>Representative Director & President, Dyson Ltd.</td> </tr> <tr> <td>April</td> <td>2004</td> <td>Representative Director, President & COO, Toys”R”Us-Japan, Ltd.</td> </tr> <tr> <td>November</td> <td>2004</td> <td>Representative, Office WaDa (incumbent)</td> </tr> <tr> <td>May</td> <td>2009</td> <td>Outside Director, Aderans Holdings Co., Ltd.</td> </tr> <tr> <td>June</td> <td>2016</td> <td>Outside Director, Shimadzu Corporation (incumbent)</td> </tr> <tr> <td>March</td> <td>2019</td> <td>Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent) Outside Director (Audit & Supervisory Committee Member), Unicharm Corporation (incumbent)</td> </tr> </table>					April	1977	Joined Procter & Gamble Sunhome Co., Ltd.	January	1998	Vice President, In charge of Corporate New Ventures, Asia, The Procter & Gamble Company (U.S.)	March	2001	Representative Director & President, Dyson Ltd.	April	2004	Representative Director, President & COO, Toys”R”Us-Japan, Ltd.	November	2004	Representative, Office WaDa (incumbent)	May	2009	Outside Director, Aderans Holdings Co., Ltd.	June	2016	Outside Director, Shimadzu Corporation (incumbent)	March	2019	Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent) Outside Director (Audit & Supervisory Committee Member), Unicharm Corporation (incumbent)
April	1977	Joined Procter & Gamble Sunhome Co., Ltd.																											
January	1998	Vice President, In charge of Corporate New Ventures, Asia, The Procter & Gamble Company (U.S.)																											
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May	2009	Outside Director, Aderans Holdings Co., Ltd.																											
June	2016	Outside Director, Shimadzu Corporation (incumbent)																											
March	2019	Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent) Outside Director (Audit & Supervisory Committee Member), Unicharm Corporation (incumbent)																											
[Reasons for nomination as candidate for Outside Director] The Company requests the election of Hiroko Wada as a Director (Outside Director) in order for her to utilize, for the management of the Company, the considerable experience and global knowledge she has gained thus far as officer at The Procter & Gamble Company and as Representative Director at Dyson Ltd. and Toys”R”Us-Japan Ltd.																													

Candidate No. 5	Hirokazu Yamura		<input type="checkbox"/> New election	<input type="checkbox"/> Outside	<input type="checkbox"/> Independent
 (Date of birth: September 28, 1977, 42 years old)	[Relationship of special interest in the Company]	No. of Company Shares Owned			
	Hirokazu Yamura is Representative Director & President of Michinoku Coca-Cola Bottling Co., Ltd. The Company has business relations in product trading , etc. with Michinoku Coca-Cola Bottling Co., Ltd. (Sales etc. : 0.38% of the Company's net sales; Purchases etc. : 1.76% of the net revenues of Michinoku Coca-Cola Bottling Co., Ltd.)	-			
	Attendance at Board of Directors meetings				
	-				
[Significant Concurrent Positions]	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions				
Representative Director & President, Michinoku Coca-Cola Bottling Co., Ltd.	October 2006 Joined Michinoku Coca-Cola Bottling Co., Ltd. February 2009 Director, Michinoku Coca-Cola Bottling Co., Ltd. March 2012 Managing Director, Michinoku Coca-Cola Bottling Co., Ltd. March 2013 Senior Managing Director, Michinoku Coca-Cola Bottling Co., Ltd. March 2014 Representative Director & President, Michinoku Coca-Cola Bottling Co., Ltd. (incumbent)				
[Reasons for nomination as candidate for Outside Director]					
The Company requests the election of Hirokazu Yamura as a Director (Outside Director) in order for him to utilize, for the management of the Company, the considerable experience and knowledge he has gained in management and as Representative Director & President at Michinoku Coca-Cola Bottling Co., Ltd.					

Notes:

1. Company names at each time of occurrences are described within the Brief Personal Profile.
2. Hiroshi Yoshioka, Hiroko Wada and Hirokazu Yamura are candidates for Outside Director.
 - (1) Hiroshi Yoshioka and Hiroko Wada are incumbent Outside Directors of the Company. At the conclusion of this General Meeting of Shareholders, Hiroshi Yoshioka has assumed the office as Outside Director for three (3) years and Hiroko Wada has assumed the office as Outside Director for one (1) year.
 - (2) The Company has submitted notices to Tokyo Stock Exchange, Inc. and Fukuoka Stock Exchange, on which the Company is listed, that Hiroshi Yoshioka and Hiroko Wada are “Independent Directors.” in accordance with the rules, etc. of each securities exchange. If their re-elections are approved, they are scheduled to be Independent Directors continuously.

Furthermore, if the election of Hirokazu Yamura is approved, the Company plans to submit notices to Tokyo Stock Exchange, Inc. and Fukuoka Stock Exchange, on which the Company is listed, that Hirokazu Yamura is an “Independent Director.” in accordance with the rules, etc. of each securities exchange.
 - (3) Currently, the Company has concluded agreements for limitation of liability with Hiroshi Yoshioka and Hiroko Wada, and if their re-elections are approved, said agreements shall remain in effect. Furthermore, if the election of Hirokazu Yamura is approved, the Company plans to conclude said agreement with him. The agreement will outline that in cases where the Directors (excluding Executive Directors, etc.) have caused damages to the Company due to non-performance of their duties and yet they are bona fide and there is no gross negligence from them in performing their duties, they shall be liable for the damages to the limit of minimum liability set forth in Article 425, Paragraph 1 of the Companies Act.

Proposal No. 4: Election of one (1) Director Serving on the Audit and Supervisory Committee

Jennifer Mann, Director serving on the Audit and Supervisory Committee, will resign from her position at the end of this Ordinary General Meeting of Shareholders.

Therefore, we would like to request the election of one (1) Director serving on the Audit and Supervisory Committee.


We have obtained the consent of the Audit and Supervisory Committee in connection with this proposal.

The candidate for Director serving on the Audit and Supervisory Committee is as follows:

No.	Name	Attributes	Current Position in the Company
1	Enrique Rapetti	New election, Outside	–

Reference: Guidelines and Procedures for the Nomination of Candidates for Directors

- In nominating candidates for internal Directors of the Company, the Company will judge the level of contribution and the future potential of the candidates based on the Company’s evaluation system.
- Furthermore, in nominating candidates for Outside Directors, the Company will nominate persons that it judges they are expected to largely contribute to increasing the Company’s corporate value.
- Moreover, in nominating candidates for Directors serving on the Audit and Supervisory Committee, at least one of the candidates must be a person with suitable knowledge regarding finance and accounting.
- Furthermore, the nomination procedures for candidates for Directors will be decided at a Board of Directors meeting. The Company is a “company with an Audit and Supervisory Committee” with an Audit and Supervisory Committee which is composed entirely of outside directors, including multiple independent outside directors, and, with a Board of Directors where multiple constituent members are Independent Outside Directors. We judge that this system ensures fairness and transparency.

Candidate No. 1	Enrique Rapetti		<input type="checkbox"/> New election	<input type="checkbox"/> Outside
 (Date of birth: October 22, 1976, 43 years old)	[Relationship of special interest in the Company]	No. of Company Shares Owned		
	Enrique Rapetti is CFO of Latin America Group of The Coca-Cola Company. The Company has entered into contracts for manufacturing and sales of Coca-Cola and other products and use of trademarks, etc. with The Coca-Cola Company.	-		
	Attendance at Board of Directors meetings	Attendance at Board of Directors meetings		
	-	-		
[Significant Concurrent Positions]	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions December 1998 Joined Arthur Andersen May 2000 Joined The Coca-Cola Company Argentina January 2010 Controller, Mexico Latin America Group, The Coca-Cola Company August 2014 CFO, Costa Rica Latin Center Business Unit, The Coca-Cola Company September 2016 Director, Embotelladora Andina S.A. (incumbent) October 2016 CFO, Latin America Group, The Coca-Cola Company (incumbent) April 2020 CFO, Asia Pacific Group, The Coca-Cola Company (planned)			
[Reasons for nomination as candidate for Outside Director] Enrique Rapetti is CFO of the Latin America Group of The Coca-Cola Company and is planned to assume office as CFO of the Asia Pacific Group of The Coca-Cola Company on April 1, 2020. The Company requests his election as a Director serving on the Audit and Supervisory Committee (Outside Director) because he has considerable experience in the management of said company as well as considerable knowledge regarding finance and accounting. As such, we deem him suitable of providing advice on all areas of decision making related to important managerial decisions and handling of expected risks.				

Note:

1. Enrique Rapetti is a candidate for Outside Director.

If the election of Enrique Rapetti is approved, the Company plans to conclude an agreement for limitation of liability with him. The agreement will outline that in cases where the Directors (excluding Executive Directors, etc.) have caused damages to the Company due to non-performance of their duties and yet they are bona fide and there is no gross negligence from them in performing their duties, they shall be liable for the damages to the limit of minimum liability set forth in Article 425, Paragraph 1 of the Companies Act.

Proposal No. 5: Revision of amounts of compensation for Directors (excluding Directors Serving on the Audit and Supervisory Committee) and determination and revision of amounts of stock-based compensation (restricted stock units) for Executive Directors

With regard to the compensation, etc. for the Company's Directors (excluding members of the Audit and Supervisory Committee), the amount of compensation was approved as the maximum amount of 750 million yen per year (which includes the maximum amount of 50 million yen per year for outside directors) by shareholders on the 2016 Annual General Meeting of Shareholders held on March 22, 2017. In the following year, on the 2017 Annual General Meeting of Shareholders held on March 27, 2018, with regard to a performance share unit system (hereinafter called "PSU") for the Company's Directors (excluding members of Directors Serving on the Audit and Supervisory Committee and outside directors; hereinafter called "Executive Directors"), the Company received approval on the provision of monetary compensation receivables and cash as compensation for the Executive Directors related to the PSU within the above compensation and up to a maximum total of 50,000 shares.

The amount of compensation etc. for the Company's Directors (excluding members of the Audit and Supervisory Committee) will be variable significantly depending on the performance. For the basic policy and the outline of compensation, please refer to "Reference" at the end of this document. It is important for the Company to take on the challenge of improving business performance in the future and to recover our business performance by recruiting capable human resources both from Japan and overseas who will be able to lead further business growth. Thus, the system of the compensation needs to contribute to motivation for not only one year but also medium-to-long-term performance improvement, and in order to flexibly respond to more variable compensation, we would like to divide the compensation for the Company's Directors (excluding members of the Audit and Supervisory Committee) into monetary and stock, as well as to revise the amount of compensation for such Directors to the maximum amount of 850 million yen per year (which includes the maximum amount of 50 million yen per year for outside directors).

Further, we would like to introduce a restricted stock unit system (hereinafter called "RSU"), with the purpose of strengthening recruitment competitiveness and retention of talented people who are highly diverse in terms of nationality, experience, etc. as well as aligning interests with shareholders and improving incentives to increase corporate value as part of the Company's efforts to achieve further growth. An outline of the RSU is provided below as "Note".

Therefore, the Company requests that the amount of compensation be approved at a maximum of 850 million yen per year (which includes the maximum of 50 million yen per year for outside directors), and, in addition to this compensation, the total amount of monetary compensation receivables and cash to be issued to Executive Directors as compensation related to the PSU and RSU be revised to an amount within the total of 200,000 shares per year (equivalent to 0.1% of the total number of shares currently issued by the Company) multiplied by the market value of the monetary compensation receivables and cash at the time of issue. The above compensation

amount is considered to set with a view to the upper limit of fluctuations, i.e. the time when the highest performance is achieved, and it is not construed that such maximum will be paid every year. In the event of poor business performance, variable compensation will be significantly reduced.

The payment of the compensation under the RSU is expected to be decided by comprehensively taking into account matters such as degree of contribution by the Executive Directors to the Company, etc., and the Company believes that such method of determination is reasonable.

There will be five Directors (two of whom are Executive Directors) other than the Directors who are members of the Audit and Supervisory Committee in the case that Proposal No. 3 is approved.

Note

(1) Outline of the RSU

The RSU is a stock-based compensation system under which Executive Directors covered by the RSU (hereinafter called “Participants”), provided that their employment has been continuous throughout the period prescribed by the Company’s Board of Directors Meeting (hereinafter called the “Applicable Term”), shall be provided an amount of the Company’s common shares and cash which has been predetermined by the Company’s Board of Directors Meeting at the conclusion of each Applicable Term as compensation for that Applicable Term. The initial Applicable Term shall be from the fiscal year ending December 31, 2020 to the fiscal year ending December 31, 2022, and the Applicable Term for the years after the one ending December 31, 2020 onwards shall also be three consecutive years.

(2) Structure of the RSU

The specific structure of the RSU is as follows.

- (a) The basic amount in accordance with the responsibilities of each Participant, as well as the number of share units to be provided to each Participant, will be decided within three months of the commencement of the Applicable Term, at the Company’s Board of Directors Meeting.
- (b) Once the Applicable Term ends, the number of common shares and cash to be provided to each Participant will be determined at the Company’s Board of Directors Meeting based on the number of share units available.
- (c) The Company will provide monetary compensation receivables, the amounts of which are determined in accordance with the number of common shares to be provided to each Participant as determined in the above (b), for each Participant for the purpose of contributing them in kind, and such Participant will receive the allotted common shares by contributing all the concerned monetary compensation receivables in kind. The paid-in amount for such common shares shall be based on the closing price of the Company’s common shares on the Tokyo Stock Exchange, Inc. on the business day before the date of the resolution of the Company’s Board of Directors Meeting on the issuance or disposal of shares (if transaction is not completed on the same day, the closing price of the most recent trading day before that).

(d) To secure the funds the Participants need for paying tax obligations in connection with the allotment of the Company's common shares in the above (c), in addition to the monetary compensation receivables determined in accordance with the above (c), the Company will pay the amount of cash decided in accordance with the above (b).

(3) Calculation methods to determine the number of the Company's common shares and cash amount to be provided to each Participant

The Company will calculate the number of the Company's common shares and cash amount to be provided to each Participant using the following formula.

(a) Number of the Company's common shares provided to each Participant

$(\text{Basic amount (*1)} \div \text{stock price at the time of grant (*2)}) \times 50\%$

Fractions less than 100 shares resulting from the calculation will be rounded up to 100 shares.

(b) Cash paid to each Participant

$\{(\text{Basic amount (*1)} \div \text{stock price at the time of grant (*2)}) - \text{No. of the Company's common shares calculated in the above (a)}\} \times \text{Stock price at the time of issue (*3)}$

Fractions less than 1 yen resulting from the calculation will be rounded up to 1 yen.

*1 The basic amount for each Participant is decided at the Company's Board of Directors Meeting in accordance with the responsibilities of each Participant.

*2 The stock price at the time of grant is the average of closing stock prices of the Company's common shares in Tokyo Stock Exchange, Inc. over the 1 month period preceding the AGM, counting from the day before the AGM.

*3 The stock prices at the time of issue shall be the closing price of the Company's common shares on the Tokyo Stock Exchange, Inc. on the business day before the date of the resolution of the Company's Board of Directors Meeting on issuance and disposal of the shares provided under the RSU (if transaction is not completed on the same day, the closing price of the most recent trading day before that).

The total amount of the above (2) (c) monetary compensation receivables and above (2) (d) cash shall be limited to a maximum of 200,000 shares of the Company's common shares per year multiplied by the stock price at the time of issue. However, if the total number of shares issued by the Company increases/decreases after the date of resolution of this agenda item due to reverse share split, share split, allocation of shares without contribution etc., the total amount of the monetary compensation receivables and cash to be provided to the Participants and the number of the Company's common shares provided to the Participants will be reasonably adjusted according to the percentage of such increase or decrease.

(4) Conditions for providing the Company's common shares to the Participants

Under the RSU, the Company's common shares and cash will be provided to the Participants if the following conditions are met after the Applicable Term ends.

(a) Continuously served as a director or executive officer of the Company or any of its

subsidiaries throughout the Applicable Term

(b) No illegal acts, as defined by the Company's Board of Directors Meeting, were conducted

(c) Other conditions that are determined by the Company's Board of Directors Meeting as necessary to achieve the objectives of the RSU are met

The Company's common shares will be provided to the Participants through the issuance of shares or the disposal of treasury stock. The Participants who will receive these common shares and the subscription requirements for such issuance of the shares or disposal of treasury stock will be decided by the Company's Board of Directors Meeting after the Applicable Term.

(5) Treatment in the case of resignation

Should a Participant lose his/her position as a director or executive officer of the Company or any of its subsidiaries during the Applicable Term only due to a certain reason which has been determined by the Company's Board of Directors Meeting in advance, such Participants will be provided with the Company's common shares and cash prorated based on a reasonable method prescribed by the Company's Board of Directors Meeting for each Participant's term of office during the Applicable Term up to such resignation.

END

<Reference>

Introduction of a stock-based compensation system for the executive officers of the Company and its subsidiaries

The Company is planning to introduce an equivalent stock-based compensation system as described in this agenda item for the executive officers of the Company and its subsidiaries, on the condition that the agenda item will be approved.

Outline of the compensation system to be introduced for the Executive Directors and executive officers in the case that this agenda item is approved

- Basic policy on compensation
 - ✓ Compensation level and structure that enable hiring and retaining high-quality talents from the perspective of diverse nationalities and experiences.
 - ✓ Compensation composition ratio emphasizing performance-linked compensation, resulting in providing sufficient incentives for profitable growth.
 - ✓ Introduce the system to further improve mid- to long-term corporate value, and reinforce alignment of interests with the shareholders.

● Compensation structure

Fixed compensation	Base salary	<ul style="list-style-type: none"> ● Monthly payment of an amount determined based on responsibilities. 	<p>Maximum 850 million yen per year (In cases where the Audit and Supervisory Committee has deliberated and deemed it necessary, payments within 850 million yen may be made for housing allowances, etc.)</p>
	Retirement payments	<ul style="list-style-type: none"> ● 10% of annual base salary is retained and paid upon their retirement. If the significant damage has caused to the CCBJH Group or been subjected to disciplinary action, this payment may be reduced or withheld altogether. 	
Variable compensation	Annual bonus	<ul style="list-style-type: none"> ● Provided as an incentive for achieving performance targets for each fiscal year. ● The standard amount is set in the range of 35% to 75% of base salary, depending on their responsibilities. ● The amount of payment varies in the range of 0% to 225% of the standard amount depending on the achievement of performance targets in each fiscal year (companywide performance and individual evaluations). ● Business income, sales volume, and net sales have been adopted as measures for evaluating companywide performance. 	<p>Compensation limit Maximum amount of 200,000 shares per year multiplied by the market value at the time of issue</p>
	Long-term incentives	<ul style="list-style-type: none"> ● Two types of stock-based compensation systems, (1) PSU and (2) RSU, are adopted as long-term incentives. ● The standard amount of all long-term incentives (PSU + RSU) is set in the range of 40% to 100% of base salary based on the responsibilities. 80% of this standard amount is set as the standard PSU amount, and 20% is set as the standard RSU amount. ● With regard to (2) RSU, additional grants for the purpose of retention may be made in addition to the above-mentioned standard RSU amount up to the compensation limit detailed on the right if deemed necessary by the Audit and Supervisory Committee. 	

Variable compensation	(1) PSU (Performance Share Units)	<ul style="list-style-type: none"> ● Provided as an incentive for achieving mid to long term performance targets. ● The number of shares to be issued shall be determined within the range of 0% to 150% of the standard PSU amount depending on the achievement of performance targets (only considering companywide performance) over the three years after the share units have been granted (half of the shares to be issued shall be paid in cash for the purpose of allocating funds for the payment of tax obligations). ● Consolidated ROE and growth rate of consolidated net sales are used as measures of performance. 	
	(2) RSU (Restricted Stock Units)	<ul style="list-style-type: none"> ● Provided for the purpose of aligning interests with shareholders, creating incentives to increase corporate value, and strengthening retention of talented people. ● Issued three years after shares have been granted (half of the shares to be issued shall be paid in cash for the purpose of allocating funds for the payment of tax obligations). 	

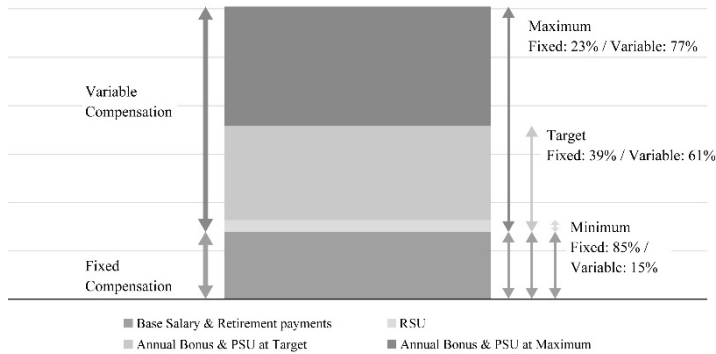
● **Process for determining compensation**

Compensation for the Company's Executive Directors shall be deliberated by the Audit and Supervisory Committee, which consists exclusively of Outside Directors, in order to enhance the transparency and objectivity of the compensation determination procedure, and be decided by the resolution of the Company's Board of Directors Meeting within the total amount determined by the resolution of the General Meeting of Shareholders. Compensation for executive officers shall also be determined through deliberations by the Audit and Supervisory Committee.

● **Compensation level**

Compensation is decided according to the responsibilities by utilizing data from compensation surveys performed by external research organizations and taking into account the level of compensation provided at companies such as domestic and overseas companies of similar scale in similar industries with the intent to provide a level of compensation that enables recruitment and retention of talented people who are highly diverse in terms of nationality, experience, etc.

Image of compensation structure (in case of Representative Director & President)



Guidelines and procedures for determining compensation for Directors serving on the Audit and Supervisory Committee and Outside Directors not serving on the Audit and Supervisory Committee

Compensation for Directors serving on the Audit and Supervisory Committee and Outside Directors not serving on the Audit and Supervisory Committee consists of only base salary, taking into account their roles in managerial supervision and audit. Compensation levels are set according to the responsibilities of the Director by utilizing data from compensation surveys performed by external research organizations and taking into account the level of compensation provided at domestic companies of similar scale.

Compensation for Directors serving on the Audit and Supervisory Committee will be determined through discussion among the Directors serving on the Audit and Supervisory Committee within the total amount decided by the resolution of the General Meeting of Shareholders. Compensation for Outside Directors not serving on the Audit and Supervisory Committee will be discussed by the Audit and Supervisory Committee and determined by the resolution of the Company’s Board of Directors Meeting within the total amount decided by the resolution of the General Meeting of Shareholders.

END

(Attachment)

Business Report (From January 1 to December 31, 2019)

1. Current Status of the Coca-Cola Bottlers Japan Group

(1) Business Progress and Results

Coca-Cola Bottlers Japan Holdings Inc. (“CCBJH” or the “Company”) announced the results of the fiscal year ending on December 31, 2019 (January 1, 2019 to December 31, 2019). In this fiscal year, total non-alcoholic ready-to-drink (NARTD) beverage industry volume performance is estimated to be slightly negative versus prior year mainly due to cycling of strong demand driven by hot summer weather last year as well as longer rainy and cool weather in July. The health food and cosmetics industries continue to grow, driven by demand from health-conscious consumers and inbound tourism, while the competitive environment has been marked by successive product launches by various industry players.

For CCBJH, 2019 has been a transition year focused on recovery from the flooding damage and disruption to product supply in 2018 and building a solid foundation for future growth. We have been making major investments to recover our supply network and progressively expand production capacity, and will continue to do so through second quarter 2020. We were the first in the beverage industry to announce and implement a wholesale price increase for large PET products in April, the first time in 27 years, as an important initiative toward achieving more balanced volume and revenue growth

We developed and announced a new five-year strategic business plan in August 2019 with targets for both Business Income margin and ROE in 2024 of 5 to 6%. The new five-year strategic business plan includes focused investments to reignite sales growth in close collaboration with Coca-Cola (Japan) Company, Limited as well as fundamental transformation to drive cost savings. Over the course of the five-year plan, we expect net cost savings of approximately 35 billion yen, representing ongoing savings initiatives and incremental programs focused on transforming our vending channel operations, evolving our frontline salesforce capabilities and identifying opportunities across procurement and our supply chain.

Our full-year results were impacted by a decline of topline revenue due to lower beverage business sales volume, reflecting supply constraints of higher-growth aseptic PET products and continued lower manufacturing efficiencies and elevated logistics and distribution expenses as we recover our supply and distribution infrastructure after the flooding in 2018. Business income for our core beverage business was ahead of the plan

we announced in May 2019, offset by weaker performance in the health and skincare segment. Consolidated year-to-date results also reflect impairment of goodwill recorded in the second quarter.

<Highlights>

- Full-year NARTD beverage volume declined 2%, reflecting unseasonably cool and rainy weather in July and the wholesale price increase in April, recovering to 1% growth in the fourth quarter (October to December). Full-year beverage business revenue declined 1% and grew 1% in the fourth quarter.
- Beverage business market share improved, with value share growth ahead of volume share in the fourth quarter led by coffee, non-sugar tea and sports category performance. Premium-priced new products contributed to value share growth
- Business Income (BI) was substantially in-line with the full-year plan announced in May 2019 led by ahead-of-plan core beverage performance despite underachievement of the health care & skin care business. Full-year Business Income decreased 35% versus prior year as we continue to recover from the supply disruption of 2018
- Full-year operating loss of 55 billion yen reflects the goodwill impairment recorded in the second-quarter.
- Continued investment for recovery of supply network, expanding production capacity and improving infrastructure. Capital investments of close to 90 billion yen in 2019, with three new manufacturing lines and two new automated warehouses, as well as completion of company-wide deployment of a new ERP system, “CokeOne”.
- Major transformational initiatives ongoing. Announced new organizational structure aligned with the strategic business plan and grounded in new corporate mission, vision and value statement. Executing transformation in vending business and investing in people capability development to achieve sustainable growth.

Full-year 2019 net revenue was 914.8 billion yen, a decrease of 12.5 billion yen, or 1.4% compared to the prior-year period. Net revenue of the beverage business decreased 9.9 billion yen (1.1%) versus the prior-year period, to 890 billion yen, reflecting a 2% volume decline offset by improved price/mix from the wholesale price increase of large PET packages in April and the national launch of Lemon dou “chu-hi” alcohol beverage

in the fourth quarter. Net revenue of the healthcare & skincare business declined 2.7 billion yen (9.7%) year-on-year to 24.8 billion yen, reflecting continued weakness of mail/web order sales with some recovery in the fourth quarter due to new product launches and marketing activities.

Full-year business income, an indicator of our recurring business performance, was 15.0 billion yen, a decrease of 8.2 billion, or 35.4% year-on-year, and substantially in line with full-year expectations. Business income of the core beverage business was 11.4 billion yen (down 6.5 billion yen or 36.2% year-on-year), which was slightly above the revised plan target announced in May driven by tight control of expenses. The beverage business performance reflects weaker topline revenue due to the sales volume decline of 2% and continued lower manufacturing efficiencies and elevated logistics and distribution expenses this year as we recover and expand supply capacity after the disruption in the second half of 2018. Partly offsetting this pressure, we achieved labor savings as a result of integrating retirement benefit programs in the first quarter and completing a voluntary employee retirement program in the second quarter. Promotional expenses in the period were also lower, in line with volume performance. Business income in the healthcare & skincare business was 3.6 billion yen, a decrease of 1.7 billion yen or 32.7% year-on-year, reflecting lower revenues while we continue to focus on promotional expense control and other cost savings opportunities.

We reported a consolidated operating loss for the fiscal year of 55.4 billion yen (14.7 billion yen operating income in prior year period), mainly driven by the impairment of goodwill recorded in the second quarter. As a reference, other expenses (non-recurring) in the prior-year period include loss on disaster of 8.9 billion yen from the flooding damage in our Hongo Plant in Mihara-city, Hiroshima Prefecture in July 2018. Other expenses (non-recurring) in 2019 include 9.2 billion yen of special retirement allowance and 655 million yen of transformation-related expenses to drive fundamental transformation of our business for sustainable growth, further value creation and efficiency improvement following our newly developed strategic business plan announced in August 2019

Net income attributable to owners of parent was a loss of 58.0 billion yen (10.1 billion yen in the prior-year period).

<Reference>

We report “Business Income” as a measure of our underlying or recurring business performance after the adoption of IFRS. Business Income deducts cost of sales and SG&A from net sales, and includes other income and expenses which we believe are not one-time in nature. The correspondence between Business Income and Operating Income (Loss) is as follows.

		FY2018	FY2019
Gross profit	(MM yen)	452,151	441,060
Selling and general administrative expenses	(MM yen)	426,195	423,685
Other income (recurring)	(MM yen)	1,635	1,083
Other expenses (recurring)	(MM yen)	4,310	3,459
Share of income (loss) of entities accounted for using equity method	(MM yen)	(5)	43
Business income	(MM yen)	23,276	15,042
Impairment losses of goodwill		—	61,859
Other income (non-recurring)	(MM yen)	481	3,045
Other expenses (non-recurring)	(MM yen)	9,075	11,617
Operating income(loss)	(MM yen)	14,682	(55,389)

(2) Status of Capital Investment

Total capital investment undertaken during this consolidated fiscal year amounted to 103.9 billion yen, which was mainly undertaken for the following elements, all of which were related to the beverage business:

- a. Acquisition of vending machines, coolers and other sales equipment
- b. Acquisition of equipment for improvement of manufacturing efficiency and correspondence of new products

The capital expenditure undertaken for each segment during this fiscal year was 102.7 billion yen for the beverage business and 1.2 billion yen for the healthcare & skincare business.

(3) Financing

During the consolidated fiscal year under review, the Company issued bonds as follows, raising a total of 150 billion yen.

Name	Name of bond	Date of issue	Issue amount (MM yen)	Due date for redemption
CCBJH	1st unsecured bond	September 19,2019	40,000	September 19,2024
CCBJH	2nd unsecured bond	September 19,2019	60,000	September 18,2026
CCBJH	3rd unsecured bond	September 19,2019	50,000	September 19,2029

(4) Trend of Assets and Earnings

Item		FY2016	FY2017		FY2018	FY2019
		JGAPP	JGAPP	IFRS	IFRS	IFRS
Net sales	(MM yen)	460,455	872,623	837,069	927,307	914,783
Business income	(MM yen)	—	—	40,177	23,276	15,042
Operating income(loss)	(MM yen)	21,143	40,579	37,594	14,682	(55,389)
Recurring income	(MM yen)	20,602	39,859	—	—	—
Income attributable to owners of the parent (loss)	(MM yen)	5,245	25,244	21,967	10,117	(57,952)
Earnings(loss) per share	(yen)	48.05	144.26	125.53	52.68	(322.22)
Total assets	(MM yen)	377,468	883,918	929,304	877,472	952,444
Equity attributable to parent owners	(MM yen)	261,173	627,485	654,611	580,448	505,999
Equity attributable to parent owners per share	(yen)	2,389.28	3,070.01	3,204.90	3,163.63	2,821.27

Notes:

- Starting in fiscal year 2018, the company has prepared consolidated financial statements based on the "International Financial Reporting Standards (IFRS)" instead of the "Japanese GAAP (JGAAP)" in the past.
- The name of each item is presented based on the terminology according to IFRS. In the terminology according to JGAAP, "net sales," "Income(loss) attributable to owners of the parent," "earnings(loss) per share," "total assets," "equity attributable to parent owners," and "equity attributable to parent owners per share" are presented as "net sales," "income attributable to owners of the parent," "net income(loss) per share," "total assets," "net assets," and "net assets per share" respectively.
- Earnings(loss) per share is calculated based on the average number of shares issued during the year while equity attributable to parent owners per share are calculated based on the total number of shares issued as of the end of the fiscal year (excluding treasury shares).
- The figures for fiscal year 2017 are inclusive of the fluctuations caused by the share exchange with Coca-Cola East Japan Co., Ltd., which was carried out as of April 1, 2017.

(5) Issues to be addressed

In 2020, we expect the overall Japan non alcoholic ready-to-drink (NARTD) beverage market volume to be flat versus 2019, cycling lower demand due to the cool and rainy summer weather in 2019 and the large PET wholesale price increase.

Under these circumstances, and reflecting the mid-term business plan's guiding principle that "business as usual is not an option", CCBJH is executing a transformation of our cost structure, including in the important vending channel and back-office routines, and increasing front-facing investments for growth in such areas as production capacity, space-to-sell and people development, and we will continue to drive fundamental business change to return to a sustainable growth trajectory.

In the beverage business segment, in order to grow together as one "Coca-Cola System" in Japan, we will work closely with Coca-Cola (Japan) Company, Ltd. with aligned investment plans and more focused innovation on "fewer, bigger bets" to drive revenue growth. And we will continue to transform the Commercial organization to realize best-in-class customer management, starting with a new organizational structure in January 2020 in order to strengthen customer relationships and sales execution. Regarding the vending channel, we aim to deliver sustainable growth by expanding the operational process reengineering we started in the Kinki region in 2019. In addition, together with The Coca-Cola Company as a world-wide partner, we will leverage the excitement of the Tokyo Olympic and Paralympic games held in Japan for the first time in 56 years, and we will implement comprehensive marketing campaigns to activate the market. Finally, the national launch of the Lemon-dou alcohol brand is performing well, and we will continue to expand our presence in this new beverage category.

Regarding our manufacturing capacity and efforts to optimize our logistics and distribution network, which are key elements of our growth plan, we will commission four new production lines in 2020, including the new Hiroshima plant, and we continue to build out the Project Shinsei logistics and distribution infrastructure, including optimization of sales centers and construction of automated warehouses and a new mega distribution center in Saitama Prefecture. We will also expand the transformation of our back office operations into what we call centers of excellence and centers of scale, including outsourcing of transactional processing where feasible. Our initiatives include people strategies aligned with our new Mission, Vision and Values as well as initiatives for ESG goals for creating shared value including World Without Waste, our 2030 Package Vision for the Coca-Cola system in Japan.

In the health food and cosmetic business, we expect continued market growth, but with intensified competition as more players seek to participate in this growing market segment. Under these circumstances, we will activate the existing main products and recent new launches with effective marketing and advertising, including expanding to internet sales and focusing on action to expand our customer base. Also, we will continue to make efforts in product development and marketing capabilities to ensure a pipeline of relevant products that meet consumers' changing needs.

(6) Status of Significant Subsidiaries (As of December 31, 2019)

Names	Paid-in Capital	Percentage of Voting Rights	Main Businesses
	Unit: MM yen	Unit: %	
Coca-Cola Bottlers Japan Inc.	100	100.0	Manufacture and sales of beverage and food products
FV Japan Co., Ltd.	100	100.0	Sales of beverage and food products
Coca-Cola Bottlers Japan Vending Inc.	80	100.0	Operation of vending machines
Coca-Cola Bottlers Japan Business Services Inc.	80	100.0	Outsourcing of office work related to sales of beverage and food products
Q'SAI CO., LTD.	350	100.0	Manufacture and sales of health food, and cosmetics and their related products

Notes:

1. The percentage of voting rights includes the portion of indirect holdings via subsidiaries
2. The status of the Specified Wholly Owned Subsidiary of the Company is as follows as of the last day of this fiscal year:

Name of Specified Wholly Owned Subsidiary	Coca-Cola Bottlers Japan Inc.
Address of Specified Wholly Owned Subsidiary	9-7-1, Akasaka, Minato-ku, Tokyo
Book value of shares of Specified Wholly Owned Subsidiary of the Company or Wholly Owned Subsidiary thereof	342,561 million yen
Total assets of the Company	549,683 million yen

2. Current Status of the Company

(1) Status of Shares (As of December 31, 2019)

- a. Total number of authorized shares: 500,000 thousand
- b. Total number of issued shares (excluding 26,917 thousand treasury shares): 179,351 thousand
- c. Number of shareholders: 69,533
- d. Major shareholders (top 10)

Names of shareholders	Number of shares held	Ratio of shareholding
	(Unit: thousand)	(Unit: %)
Coca-Cola (Japan) Co., Ltd.	27,956	15.6
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,460	4.2
Ichimura Foundation for New Technology	5,295	3.0
STATE STREET BANK AND TRUST COMPANY 505225	4,725	2.6
Satsuma Shuzo Co., Ltd.	4,699	2.6
Senshusha Co., Ltd.	4,088	2.3
Coca-Cola Holdings West Japan Inc.	4,075	2.3
Mitsubishi Heavy Industries Machinery Systems, Ltd.	3,912	2.2
Japan Trustee Services Bank, Ltd. (Trust Account)	3,747	2.1
MCA Holdings Co., Ltd.	3,408	1.9

Note: The treasury shares (26,917 thousand shares) are excluded from the list above and from the calculation of ratio of shareholding.

(2) Status of the Company's Officers

a. Status of Directors (As of December 31, 2019)

Position	Name	Areas of responsibility and important concurrent positions
Representative Director	Calin Dragan	President Representative Director & President, Coca-Cola Bottlers Japan Inc.
Representative Director	Bjorn Ivar Ulgenes	Vice President and Chief Financial Officer (Head of Finance) Representative Director of Coca-Cola Bottlers Japan Inc. Vice President and Chief Financial Officer (Head of Finance) Representative Director & Chairman of Q'SAI Co., Ltd.
Director	Tamio Yoshimatsu	Chairman Outside Director, Nishi-Nippon Railroad Co., Ltd.
Director	Hiroshi Yoshioka	
Director	Hiroko Wada	Representative, Office WaDa Outside Director, Shimadzu Corporation Outside Director (Audit & Supervisory Committee Member), Unicharm Corporation
Director (Audit & Supervisory Committee Member)	Irial Finan	Director, Coca-Cola European Partners Plc Director, Smurfit Kappa Group Plc
Director (Audit & Supervisory Committee Member)	Jennifer Mann	Senior Vice President and President of Global Ventures, The Coca-Cola Company
Director (Audit & Supervisory Committee Member)	Celso Guiotoko	Executive Officer and Global Chief Digital Officer, Nishimoto Co., Ltd.
Director (Audit & Supervisory Committee Member)	Nami Hamada	Director, Ecoplexus Japan K.K. Chief Operating Officer, Vesper Group Japan K.K.

Notes:

- Transfers of Directors during the fiscal year under review were as follows:
 - Vikas Tiku, Yasunori Koga and Costel Mandrea have retired from the post of Directors effective from the conclusion of the FY2018 Ordinary General Meeting of Shareholders held on March 26, 2019.
 - Tadanori Taguchi has resigned from the post of Director (Audit & Supervisory Committee Member), and Zenji Miura and John Murphy have resigned from the post of Director (Audit & Supervisory Committee Member) effective from the conclusion of the FY2018 Ordinary General Meeting of Shareholders held on March 26, 2019.
 - Calin Dragan, Bjorn Ivar Ulgenes and Hiroko Wada were newly elected and assumed office as Directors at the FY2018 Ordinary General Meeting of Shareholders held on March 26, 2019.
 - Jennifer Mann, Celso Guiotoko and Nami Hamada were newly elected and assumed office as Directors (Audit & Supervisory Committee Members) at the FY2018 Ordinary General Meeting of Shareholders held on March 26, 2019.
- Directors Hiroshi Yoshioka and Hiroko Wada, and Directors (Audit & Supervisory Committee Members) Irial Finan, Jennifer Mann, Celso Guiotoko and Nami Hamada are Outside Directors.
- Directors Hiroshi Yoshioka and Hiroko Wada, and Directors (Audit & Supervisory Committee Members) Celso Guiotoko and Nami Hamada have been notified to the Tokyo Stock Exchange and the Fukuoka Stock Exchange, on which the Company is listed, as "Independent Officers" as defined in the rules, etc. of each exchange.
- Director (Audit & Supervisory Committee Member) Nami Hamada has accumulated a wealth of experience in finance and accounting by running her own financial consulting company, and is therefore highly knowledgeable about finance and accounting.

5. Thanks to the organizational audits carried out through an internal control system under the lead of the Audit & Supervisory Committee, the Company does not need to appoint full-timers, and has therefore not appointed any full-time members to the Audit & Supervisory Committee.

b. Outline of Limited Liability Agreements

In its Articles of Incorporation, the Company has established provisions concerning limited liability agreements with Directors (excluding those who are not Executive Directors, etc.) in order to ensure that Directors (excluding those who are not Executive Directors, etc.) can demonstrate the roles expected of them and the Company can invite and select competent persons as Directors (including, not limited to, Outside Directors).

The Company has entered into limited liability agreements with Directors, Hiroshi Yoshioka, Hiroko Wada, Irial Finan, Jennifer Mann, Celso Guiotoko, and Nami Hamada to limit their liability for damages in the event that he/she fails to perform his/her duties stipulated in Article 427, Paragraph 1 of the Companies Act. The limit of liability in the Agreement shall be equal to the minimum liability limit stipulated by laws and ordinances.

c. Total Amount of Remuneration to Directors for this Fiscal Year

Positions	Number of persons remunerated	Types of remuneration			Total remuneration	Remarks
		Basic remuneration	Bonuses	Performance-linked stock-based incentive compensation		
Directors (of which Outside Directors)	8 (2)	436 million yen (23 million yen)	96 million yen (-)	50 million yen (-)	582 million yen (23 million yen)	(Note)1,2,3
Directors (Audit & Supervisory Committee Members) (of which Outside Directors)	7 (6)	71 million yen (62 million yen)	- (-)	- (-)	71 million yen (62 million yen)	(Note)1,3
Total (of which Outside Officers)	15 (8)	508 million yen (85 million yen)	96 million yen (-)	50 million yen (-)	653 million yen (85 million yen)	

Notes:

1. According to the resolution that was adopted at the FY2016 Ordinary General Meeting of Shareholders held on March 22, 2017, the upper limit of the remuneration payable to Directors (excluding those who are not Audit & Supervisory Committee members) is 750 million yen per year (of which 50 million yen per year is the upper limit for Outside Directors). According to the resolution that was adopted at the FY2015 Ordinary General Meeting of Shareholders held on March 23, 2016, the upper limit of the remuneration payable to Directors serving on the Audit & Supervisory Committee is 100 million yen per year.
2. At the FY2017 Ordinary General Meeting of Shareholders held on March 27, 2018, as a reward for the four directors with executive authority over operations, was approved as compensation based on the performance-linked stock compensation plan within the range of the remuneration limit of the directors (Excluding Directors serving on the Audit & Supervisory Committee).
3. Above includes three Directors who retired at the conclusion of the FY2018 Ordinary General Meeting of

Shareholders held on March 26, 2019, and three Directors (Audit & Supervisory Committee Members) (including two Outside Directors).

d. Matters relating to Outside Officers

- (a) Positions held concurrently as Directors with executive authority over operations, etc. at other corporations, etc. and Outside Officers, etc. at other corporations, etc. (As of December 31, 2019)

Position	Name	Important concurrent positions
Outside Director	Hiroshi Yoshioka	
Outside Director	Hiroko Wada	Representative, Office WaDa Outside Director, Shimadzu Corporation Outside Director (Audit & Supervisory Committee Member), Unicharm Corporation
Outside Director (Audit & Supervisory Committee Member)	Irial Finan	Director, Coca-Cola European Partners Plc Director, Smurfit Kappa Group Plc Director, Fortune Brands Home & Security, Inc
Outside Director (Audit & Supervisory Committee Member)	Jennifer Mann	Senior Vice President and President of Global Ventures, The Coca-Cola Company
Outside Director (Audit & Supervisory Committee Member)	Celso Guiotoko	Executive Officer and Global Chief Digital Officer, Nishimoto Co., Ltd.
Outside Director (Audit & Supervisory Committee Member)	Nami Hamada	Director, Ecoplexus Japan K.K. Chief Operating Officer, Vesper Group Japan K.K.

Note: The Company's relationships with other corporations where the Company's Outside Officers serve concurrently as Directors with executive authority over operations, etc. are as follows:

- (1) There is no business relationship to be disclosed between the Company and Office WaDa.
- (2) There is no business relationship to be disclosed between the Company and Shimadzu Corporation.
- (3) There is no business relationship to be disclosed between the Company and Unicharm Corporation.
- (4) There is no business relationship to be disclosed between the Company and Coca-Cola European Partners Plc.
- (5) There is no business relationship to be disclosed between the Company and Smurfit Kappa Group Plc.
- (6) There is no business relationship to be disclosed between the Company and Fortune Brands Home & Security, Inc.
- (7) The Coca-Cola Company is classified under the Company's "Other affiliates", and the Company has concluded agreements with The Coca-Cola Company regarding the manufacture and sale of Coca-Cola, etc. and the use of trademarks, etc.
- (8) There is no business relationship to be disclosed between the Company and Nishimoto Co., Ltd.
- (9) There is no business relationship to be disclosed between the Company and Ecoplexus Japan K.K.
- (10) There is no business relationship to be disclosed between the Company and Vesper Group Japan K.K.

(b) Main activities during the fiscal year under review

Position	Name	Main activities
Outside Director	Hiroshi Yoshioka	He attended all the 8 Board of Directors' meetings held during the fiscal year under review and provided advice as appropriate based on his extensive experience and insights primarily in corporate management.
Outside Director	Hiroko Wada	She attended all the 6 Board of Directors' meetings held during the fiscal year under review after she assumed Director of the Company and provided advice as appropriate based on her extensive experience and insights primarily in corporate management.
Outside Director (Audit & Supervisory Committee Member)	Irial Finan	He attended all the 8 Board of Directors' meetings and 8 Audit & Supervisory Committee's meetings held during the fiscal year under review and provided advice as appropriate based on his extensive experience and insights primarily in corporate management.
Outside Director (Audit & Supervisory Committee Member)	Jennifer Mann	She attended all the 6 Board of Directors' meetings and 6 Audit & Supervisory Committee's meetings held during the fiscal year under review after she assumed Director of the company (Audit & Supervisory Committee Member) and provided advice as appropriate primarily on corporate management based on her extensive experience and insights.
Outside Director (Audit & Supervisory Committee Member)	Celso Guiotoko	He attended all the 6 Board of Directors' meetings and 6 Audit & Supervisory Committee's meetings held during the fiscal year under review after he assumed Director (Audit & Supervisory Committee Member) of the Company and provided advice as appropriate based on his extensive experience and insights primarily in corporate management.
Outside Director (Audit & Supervisory Committee Member)	Nami Hamada	She attended all the 6 Board of Directors' meetings and 6 Audit & Supervisory Committee's meetings held during the fiscal year under review after she assumed Director (Audit & Supervisory Committee Member) of the Company and provided advice as appropriate based on her extensive experience and insights primarily in corporate management finance and accounting.

(Note: Amounts, number of shares and ratios in the business report are rounded off to the nearest unit.)

Consolidated Statement of Financial Position
As of December 31, 2019

	Millions of yen
Assets	
Current assets:	
Cash and cash equivalents	113,825
Trade and other receivables	98,528
Inventories	74,120
Other financial assets	752
Other current assets	17,587
Total current assets	304,812
Non-current assets:	
Property, plant and equipment	467,136
Right-of-use assets	39,629
Goodwill	27,021
Intangible assets	67,123
Investments accounted for using the equity method	310
Other financial assets	33,499
Deferred tax assets	6,093
Other non-current assets	6,820
Total non-current assets	647,632
Total assets	952,444

Note: Amounts less than one million yen are rounded.

Consolidated Statement of Financial Position
As of December 31, 2019

	Millions of yen
Liabilities and equity	
Liabilities	
Current liabilities:	
Trade and other payables	122,364
Bonds and debts	17,261
Lease liabilities	6,634
Other financial liabilities	916
Income taxes payable	1,104
Provisions	20
Other current liabilities	19,886
Total current liabilities	168,186
Non-current liabilities:	
Bonds and debts	188,487
Lease liabilities	34,138
Obligations for retirement pay	24,908
Provisions	2,104
Deferred tax liabilities	24,876
Other non-current liabilities	3,254
Total non-current liabilities	277,767
Total liabilities	445,953
Equity:	
Capital stock	15,232
Capital surplus	450,526
Retained earnings	121,372
Treasury shares	(85,649)
Accumulated other comprehensive income	4,517
Equity attributable to owners of the parent (total)	505,999
Non-controlling interests	492
Total equity	506,491
Total liabilities and equity	952,444

Note: Amounts less than one million yen are rounded.

Consolidated Statement of Income
For the fiscal year ended December 31, 2019

	Millions of yen
Net sales	914,783
Cost of sales	473,723
Gross profit	441,060
Selling and general administrative expenses	423,685
Impairment losses of goodwill	61,859
Other income	4,127
Other expenses	15,076
Share of income (loss) of entities accounted for using equity method	43
Operating income(loss)	(55,389)
Financial revenue	1,145
Finance costs	1,175
Income(loss) for the year before income tax	(55,419)
Income tax expense	2,476
Net income(loss) for the year	(57,895)
Net income(loss) for the year attributable to:	
Owners of the parent	(57,952)
Non-controlling interests	56

Note: Amounts less than one million yen are rounded.

Non-consolidated Balance Sheet
As of December 31, 2019

	Millions of yen
Assets	
Current assets:	
Cash and deposits	94,504
Prepaid expenses	47
Accrued income	315
Other current assets	3,895
Total current assets	98,760
Fixed assets:	
Property, plant and equipment:	
Buildings	18,436
Structures	1,274
Tools, instruments and fixtures	23
Land	51,329
Total property, plant and equipment	71,061
Intangible assets:	
Leasehold right	27
Software	3
Total intangible assets	30
Investments and other assets:	
Investment securities	379,043
Deferred tax assets	245
Other assets	543
Total investments and other assets	379,831
Total fixed assets	450,922
Total assets	549,683

Note: Amounts less than one million yen are rounded.

Non-consolidated Balance Sheet
As of December 31, 2019

	Millions of yen
Liabilities	
Current liabilities:	
Bonds due within one year	16,000
Other accounts payable	448
Accrued expenses	11
Money entrusted	20,522
Allowance for bonuses	8
Allowance for officers' bonuses	96
Other current liabilities	247
Total current liabilities	37,332
Long-term liabilities:	
Bonds payable	180,000
Assets retirement obligation	1,013
Provision for performance-linked compensation	64
Other long-term liabilities	135
Total long-term liabilities	181,211
Total liabilities	218,543
Net assets	
Shareholders' equity:	
Common stock	15,232
Additional paid-in capital:	
Capital reserve	108,167
Other additional paid-in capital	158,784
Total additional paid-in capital	266,951
Retained earnings:	
Legal reserve	3,317
Other retained earnings:	
Reserve for advanced depreciation	761
General reserve	110,388
Retained earnings to be carried forward	20,140
Total other retained earnings	131,289
Total retained earnings	134,606
Treasury stock (at cost)	(85,649)
Total shareholders' equity	331,139
Total net assets	331,139
Total liabilities and net assets	549,683

Note: Amounts less than one million yen are rounded.

Non-consolidated Statement of Income
For the fiscal year ended December 31, 2019

	Millions of yen
Net revenues	26,517
Operating expenses	4,787
Operating income	21,730
Non-operating income:	
Interest and dividend received	5
Other non-operating income	26
Total non-operating income	31
Non-operating expenses:	
Interest expenses	602
Bond issuance costs	559
Other expenses	328
Total non-operating expenses	1,489
Recurring income	20,273
Extraordinary profit:	
Gain on sale of fixed assets	1,052
Total extraordinary profit	1,052
Extraordinary losses:	
Impairment loss	231
Fixed asset procurement loss	155
Special retirement allowance	74
Total extraordinary losses	460
Income before income taxes	20,865
Income taxes	114
Income taxes deferred	49
Income	20,702

Note: Amounts less than one million yen are rounded.

Independent Auditor's Report

February 20, 2020

The Board of Directors

Coca-Cola Bottlers Japan Holdings, Inc.

Ernst & Young ShinNihon LLC
Tokuya Takizawa (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Kazuhiko Yamazaki (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Takahiro Saga (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Miyuki Nakamura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of Coca-Cola Bottlers Japan Holdings, Inc. as at December 31, 2019 and for the year from January 1, 2019 to December 31, 2019 in accordance with Article 444-4 of the Companies Act.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of Coca-Cola Bottlers Japan Holdings, Inc. and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Independent Auditor's Report

February 20, 2020

The Board of Directors
Coca-Cola Bottlers Japan Holdings, Inc.

Ernst & Young ShinNihon LLC
Tokuya Takizawa (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Kazuhiko Yamazaki (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Takahiro Saga (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Miyuki Nakamura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the financial statements, comprising the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules of Coca-Cola Bottlers Japan Holdings, Inc. as at December 31, 2019 and for the year from January 1, 2019 to December 31, 2019 in accordance with Article 436-2-1 of the Companies Act.

Management's Responsibility for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of Coca-Cola Bottlers Japan Holdings, Inc. for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Audit Report

We, as the Audit & Supervisory Committee (“A&S Committee”) conducted audits relating to the execution of duties by directors during FY 2019 business year from January 1, 2019 to December 31, 2019, and hereby report the method of audits and results as follows.

1. Method of audits and the details

A&S Committee received regular reports from directors and employees on the content of resolutions of the board of directors regarding matters prescribed in Paragraph 1 (i) (b) and (c) of Article 399-13 of the Companies Act and the status of building and operation of the internal control system which had been developed based on the board resolutions, requested further explanations as needed, explained its opinions and conducted audits as below:

- ① A&S Committee members participated in important meetings in accordance with the audit policy specified by the Committee in cooperation with the company’s internal control department. A&S Committee received reports relating to the execution of duties by directors from directors and employees, requested further explanations as needed, and examined the process and details of decision-making at important meetings, etc. as well as the status of business and assets. A&S Committee also received reports on the status of subsidiaries’ business as needed by communicating and exchanging information with directors, auditors, etc. of the subsidiaries.
- ② A&S Committee examined the basic policies (specified according to Article 118 (iii)(a) of the Companies Act) and the special efforts (specified according to Article 118 (iii)(b) of the Companies Act) described in the business reports in light of the status of deliberations at the board of directors and other meetings.
- ③ A&S Committee members conducted audits to ensure that accounting auditors kept independence and conducted appropriate accounting audits, while receiving reports on the execution of duties by them and requesting further explanations as needed. In addition, A&S Committee received notification by accounting auditors that they were developing a “structure to secure appropriate execution of duties by directors” in accordance with the “quality control standards relating to audits”, etc., and requested further explanations as needed.

Based on the above outlined method, we examined the business reports and their detailed statements, the financial statements and their detailed statements, as well as the consolidated financial statements relating to the business year in question.

2. Audit Results

(1) Result of Audit of Business Reports, etc.

- ① We acknowledge that the business reports and detailed statements correctly indicate the company's situation in accordance with laws and regulations and the Articles of Incorporation.
- ② We do not acknowledge any improper acts relating to the directors' execution of duties or any significant facts that violate laws and regulations or the Articles of Incorporation
- ③ We acknowledge that the details of resolutions of the board of directors relating to the internal control system are appropriate. Furthermore, we do not acknowledge that there are any matters to indicate regarding the details stated in business reports relating to such internal control systems and the execution of duties by the directors. We also received reports from directors and ERNST & YOUNG SHIN NIHON LLC that they acknowledged the internal control relating to financial reporting was valid as of preparation of this Audit Report.
- ④ We do not acknowledge that there are any matters to indicate regarding the basic policies relating to control of the company described in the business reports. We acknowledge that the special effort described in the business reports (specified according to Article 118 (iii) (b) of the Companies Act) is consistent with the basic policies, does not harm the common interests of shareholders of the company, and is not intended to maintain the position of officers of the company.

(2) Results of Audit of Financial Statements and Detailed Statements

We acknowledge that the method and results of the audit by ERNST & YOUNG SHIN NIHON LLC are appropriate.

(3) Results of Audit of Consolidated Financial Statements

We acknowledge that the method and results of the audit by ERNST & YOUNG SHIN NIHON LLC are appropriate.

February 21, 2020

Audit & Supervisory Committee, Coca-Cola Bottlers Japan Holdings Inc.

Audit & Supervisory Committee Member	Irial Finan
Audit & Supervisory Committee Member	Jennifer Mann
Audit & Supervisory Committee Member	Celso Guiotoko
Audit & Supervisory Committee Member	Nami Hamada

(Note) Audit & Supervisory Committee Member Irial Finan, Audit & Supervisory Committee Member Jennifer Mann, Audit & Supervisory Committee Member Celso Guiotoko and Audit & Supervisory Committee Member Nami Hamada are External Auditors provided for in Article 2-15 and Article 331-6 of the Companies Act.