



**BOTTLERS JAPAN HOLDINGS INC.**

# **NOTICE OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

## **On Attending the Virtual-Only General Meeting of Shareholders**

This general meeting of shareholders will be held exclusively on the Internet, using the virtual-only shareholders' meeting method. Shareholders who wish to participate on the day of the Meeting are requested to attend the Meeting virtually. See the "Instructions on How to Log In to the Virtual-Only General Meeting of Shareholders" on Page 7.

### **Date and Time**

**March 26,  
2024 (Tuesday)  
at 10:00 a.m.**

(Log in possible from 9:30 a.m.)

**Instructions on How to Log In  
to the Virtual-Only General  
Meeting of Shareholders**

**Page 7**

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Securities code: 2579



**BOTTLERS JAPAN HOLDINGS INC.**

**Coca-Cola**  
BOTTLETS JAPAN INC.

# Paint it RED!

## 未来を塗りかえろ。

**Mission**  
すべての人にハッピーなひとときを届け、価値を創造します。 *Deliver happy moments to everyone while creating value.*

**Vision**

- すべてのお客様さまから愛されるパートナーであり続けます。 *We are the preferred partner for our customers.*
- 持続可能な成長により、市場で勝ります。 *We win in the market through sustainable growth.*
- 常に学びながら成長します。 *We lead a learning culture with commitment to grow.*
- ココ・コーラに誇りをもち、誰もが愛されたいと思つる職場をつくれます。 *We are the best place to work with pride for Coca-Cola.*

**Values**

- ※ 学習意欲を高めません。 *Learning*
- ※ 変化を恐れず挑戦に挑戦します。 *Agility*
- ※ 結果を重視し最後までやり抜きます。 *Result-orientation*
- ※ 誠実と信頼に基づいた気遣いまで行ないます。 *Integrity*

**Coca-Cola**  
BOTTLETS JAPAN INC.

# ハッピーなひとときを、 ボトルから。

## We bottle happy moments.

安全・安心な！本をつくり続けたい、あらゆるシーンで新しい思い出やハッピーなひとときを届け、価値を創造し、限りある資源を大切に、次のつくるにつなげたい。

多様な人材が力を合わせ、さまざまな変革を起こすことで、あふれるほどのハッピーを生み出し、豊かな生活に貢献できると信じています。

人と地域社会と自然環境に寄り添う仕事をしている誇りと使命を胸に、今日も私たちは走り続けます。

Coca-Cola Bottlers Japan Holdings is committed to providing quality in every bottle, delivering great new tastes and happy moments while creating value for every occasion. We are committed to conserving limited resources and achieving a sustainable cycle of production.

With diverse talents working together to accomplish transformation, we believe that we can create an overflow of happiness that will enrich lives.

We continue to drive forward every day with pride in our work and mission to support people, communities, and the natural environment.

From the fiscal year ending December 31, 2020, the year-end “To Our Shareholders” will be integrated into the Notice of Convocation, and “To Our Shareholders” will be issued only for the interim period. Please take advantage of our website, where you can obtain major IR information.

<https://en.ccbj-holdings.com/ir/>

Coca-Cola Bottlers Japan IR

Search

## To my fellow Shareholders,

Thank you for your ongoing support and interest in our company.

2023 was a good year with several achievements. As “The Year of profit focus,” we targeted initiatives driving profitability, transformation, and implementing key business activities. As a result, I am delighted to announce that we have returned to full-year profit ahead of our 2024 target, with a significant business income increase of 16.5 billion yen over the previous year. We are confident that we have made great progress towards sustainable profit growth.

As the key initiatives of 2023, we revised product pricing and conducted disciplined sales activities to increase profitability and investment efficiency. Additionally, to capitalize on the traffic recovery, we made efforts to grow sales revenue by introducing new products, executing efficient and effective marketing activities, enhancing customer engagement, boosting sales volumes, and optimizing price-per-case. Furthermore, we focused on ensuring the stable operation of the Sales and Operations Planning process, building a supply system for each area and utilizing our automated mega-DCs.

We have made good progress in our Environmental, Social and Governance activities. We collaborated with both customers and local government to reduce environmental impact. This collaboration aims to create a recycling-oriented society and expand business opportunities through water resource conservation and greater PET bottle recycling. As a result of these efforts, we achieved the highest A List rating in both the Climate Change and Water Security categories in the 2023 sustainability survey conducted by international non-profit organization CDP. Moreover, we have been selected as a component of the DJSI Asia Pacific, a leading global ESG investment index, for six consecutive years.

In August 2023, we announced our strategic business plan “Vision 2028,” which runs until 2028. This plan established key targets for annual revenue growth of 2% to 3%, a business income margin of at least 5% and a return on invested capital of at least 5% by 2028. Additionally, it outlines key strategies and commitments to achieve the plan.

We have positioned 2024 as “The year of strong profit built up.” Our objective is to accelerate the strong momentum and achieve our ambitious target of 10 billion yen in business profit, five times that of last year. To achieve this, our strategic focus is on top-line growth with profit maximization. We will implement further transformation to strengthen our business foundation with company-wide cost savings and investment in tech infrastructure. Furthermore, in the Commercial area, we initiated an organizational restructuring at year’s outset around three channels. This reorganization aims to expedite decision making within the Commercial function and improve each channel’s ability to advance growth strategies.

We will continue to provide a high-quality supply of products while meeting the evolving needs of our customers. In order to continue as the preferred partner for decades to come, we are committed to making great strides forward toward sustainable growth and improved corporate value by delivering happy moments to everyone while creating value.

Your continued support and guidance is greatly appreciated. We sincerely wish you the best of health.



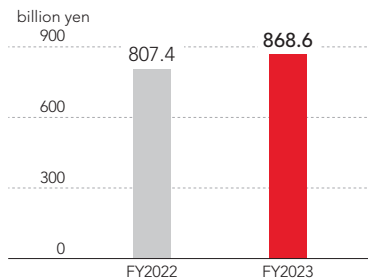
Calin Dragan  
Representative Director & President



# Consolidated Financial Highlights (IFRS)

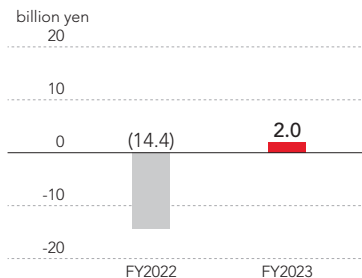
## Sales Revenue

**868.6** billion yen



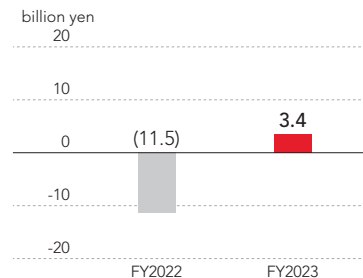
## Business Income (loss)

**2.0** billion yen



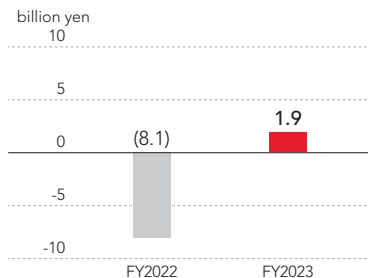
## Operating Income (loss)

**3.4** billion yen



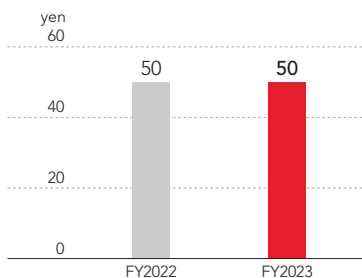
## Net Income (loss) attributable to owners of parent

**1.9** billion yen



## Dividend per Share

**50** yen



## Annual Sales Volume

**500**

million cases  
FY2022 actual



## Number of Brands

about **40**  
Brands



## Number of Products

more than **600**  
products



\*Business profit is a measure of the recurring performance of a business and is calculated by subtracting cost of sales and selling, general and administrative expenses from revenue, and adding or subtracting other income and other expenses that are incurred on a recurring basis.

Securities Code: 2579

March 4, 2024

(Start date of electronic provisioning measures: February 26, 2024)

## **NOTICE OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

Dear Shareholders,

You are hereby notified of the Ordinary General Meeting of Shareholders for the fiscal year ended December 31, 2023 of Coca-Cola Bottlers Japan Holdings Inc. (the “Company”), which will be held as described hereunder.

The Company has adopted an electronic method of providing the Notice of Convocation of the Ordinary General Meeting of Shareholders for the fiscal year 2023. For the convenience of shareholders, some of the items are provided in writing, but the entire items are posted on the following website as the “Notice of Convocation of the 2023 Ordinary General Meeting of Shareholders.”

The Company’s website: ▶ <https://en.ccbj-holdings.com/ir/stockholder/meeting.php>



In addition to the above, the information is also available on the following website on the Internet

TSE website (TSE-listed company information service):

▶ <https://www2.jpx.co.jp/tseHpFront/JJK020030Action.do>

\* Please access the above TSE website, enter or search for the issue name (company name) or securities code, and select “Basic information” followed by “Documents for public inspection/PR information” to confirm the information.



If you are unable to attend the Meeting in person, you may exercise your voting rights either by writing (by postal mail) or via the Internet, etc. When exercising your voting rights in advance either by writing or via the Internet, etc., please review the Reference Materials for Ordinary General Meeting of Shareholders listed in the matters of Electronic Provisioning Measures and exercise your voting rights by 5:45 p.m., March 25 (Monday), 2024.

Sincerely yours,

**Calin Dragan**

Representative Director & President

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

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

Matters Related to the Exercise of Voting Rights in Writing or via the Internet, etc.

Attendance on the day of the Meeting

Exercise of voting rights by **writing (by postal mail)** in advance

Please review the attached Reference Materials for the General Meeting of Shareholders, indicate your approval or disapproval to the proposals on the enclosed proxy voting form, and return it without affixing a postage stamp.

**Voting form must be arrived by 5:45 p.m., March 25 (Monday), 2024**

**Voting deadline**

Exercise of voting rights via the **Internet, etc.** in advance

Please review the “Instructions on Exercising Voting Rights Via the Internet, etc.” and exercise your voting rights by the deadline.

**By 5:45 p.m., March 25 (Monday), 2024**

**Voting deadline**

Exercise of voting rights at the **Virtual-Only General Meeting of Shareholders**

Review the section “On Attending the Virtual-Only General Meeting of Shareholders” and attend the Ordinary General Meeting of Shareholders on the day.

If no indication of approval or disapproval is made on the voting form for a proposal, it will be treated as an indication of approval.

If you exercise your voting rights duplicate in advance, both by writing and via the Internet, etc., the voting via the Internet, etc. shall prevail. In case of multiple voting via the Internet, etc. in advance or both through the personal computer and smartphone, etc. in advance, the last voting shall prevail.

## NOTES

<b>Date and Time</b>	<b>March 26, 2024 (Tuesday) at 10:00 a.m. (log in possible from 9:30 a.m.)</b> * In the unlikely event that the Ordinary General Meeting of Shareholders cannot be held on the above date and time due to communication problems or other reasons, the General Meeting of Shareholders will be postponed to 1:00 p.m., March 27 (Wednesday), 2024.	
<b>Meeting Format</b>	This Ordinary General Meeting of Shareholders will be held as a general meeting of shareholders <b>without a defined location (virtual-only general meeting)</b> in accordance with the provisions of the law and the Articles of Incorporation of the Company. Please attend through our designated website. See the “Instructions on How to Log In to the Virtual-Only General Meeting of Shareholders” described on Page 7 for further information and instructions on attending the Meeting. The Meeting will be held entirely online using only the Internet. There will be no physical venue for shareholders to attend the Meeting in person.	
<b>Agenda</b>	<b>Items to be reported</b>	1. Business report and consolidated financial statements for the fiscal year ended December 31, 2023 (January 1 to December 31, 2023); 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, 2023 (January 1 to December 31, 2023)
<b>Agenda</b>	<b>Items to be proposed</b>	Proposal No. 1 Appropriation of surplus Proposal No. 2 Election of five (5) Directors (excluding Directors serving on the Audit and Supervisory Committee)

- Please review the “Outline of the policy addressing considerations for the interests of shareholders who have difficulties using the Internet” on Page 10.
- In the event of any modifications to the matters of Electronic Provisioning Measures, we will post the modifications on the respective websites where the information is posted.
- The following matters are posted on the websites of both the Company and the TSE as the matters to be provided electronically. They are not included in the document describing matters to be provided electronically, which is sent to shareholders who have requested delivery of the document in accordance with laws and ordinances and Article 16 of the Articles of Incorporation of the Company.
  - (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 contents described in the document on the matters of Electronic Provisioning Measures 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.



## On Attending the Virtual-Only General Meeting of Shareholders

This general meeting of shareholders will be held exclusively on the Internet, using the virtual-only shareholders' meeting method. Shareholders who wish to participate on the day of the Meeting are requested to attend the Meeting virtually. See the "Instructions on How to Log In to the Virtual-Only General Meeting of Shareholders" on the next page.

### (1) Date and time:

March 26, 2024 (Tuesday) at 10:00 a.m.

(Log in possible from 9:30 a.m.)

Please note that communication problems, such as distorted images and sound or temporary disconnections of the livestream, may arise due to the communication environment.

If the Company determines that the impact of such telecommunications failures and other problems will make it difficult to hold the Ordinary General Meeting of Shareholders, then the Meeting may be postponed or continued on a later date as described on page 5 of this Notice of Convocation.

In the unlikely event that it becomes difficult to hold this Ordinary General Meeting of Shareholders, the Company will promptly notify shareholders via the Company's website (<https://en.ccbj-holdings.com/>).

Any other changes to the operation of this Ordinary General Meeting of Shareholders will also be announced on the Company's website (<https://en.ccbj-holdings.com/>).

### (2) Information required to log in (ID and Password)

In order to view the Meeting, you will need to enter your ID and Password. Please review the enclosed notice. (Refer to the following pages for other required information.)

Log in ID and password



The image shows a screenshot of a login interface. On the left, there is a large block of text in Chinese. On the right, there is a login form with a 'Log In' button. Two red boxes are overlaid on the form: one labeled 'ID' pointing to the ID input field, and another labeled 'Password' pointing to the password input field. A red line connects these labels to the respective input fields.

**ID**

**Password**

In order to view the Meeting, you will need to enter your ID and Password. Please review the enclosed notice.

## Instructions on How to Log In to the Virtual-Only General Meeting of Shareholders

1. Date and time: March 26, 2024 (Tuesday) at 10:00 a.m.

(Log in possible from 9:30 a.m.)

### 2. How to log in

(1) Use the following URL or QR code to access the livestream site

<https://web.lumiagm.com/771179505>

\* Meeting ID: 771-179-505



(2) Set the language to “Japanese” or “English”

(3) Read the “Notice regarding attendance at the Virtual General Meeting of Shareholders” to the end, check the “I agree to all of the above terms and conditions” box, and click “Accept.”

(4) Enter your ID and password : Please review the enclosed notice.

IDs and passwords are different for each shareholder.

If you have lost your enclosed notice, please contact the contact listed in 6.

Please note that we can reissue the “Notice with ID and Password”, but you must apply for it by 5:00 p.m. on Monday, March 18, 2024. Please note that we will not be able to reissue the enclosed notice or provide a verbal response after the deadline has passed.



The screenshot shows the login interface for the virtual general meeting. At the top is the Coca-Cola logo with the text 'BOTTLERS JAPAN HOLDINGS INC.' below it. There are two input fields: 'Log in ID' with a placeholder 'ログインID' and 'Log in password' with a placeholder 'ログインPW'. A red button at the bottom says 'バーチャル株主総会に参加する' (Attend Virtual General Meeting of Shareholders). The text '[Attend Virtual General Meeting of Shareholders]' is written below the button.

Please enter your ID and password described in the enclosed notice.

(5) Enter your log in ID and password, and then click “Attend Virtual General Meeting of Shareholders.”

Wait until the start time of March 26, 2024 (Tuesday) at 10:00 a.m.



## Preliminary Arrangements (Submitting Preliminary Questions and Attending by Proxy)

### 1. Submitting preliminary questions

Questions related to the points on the Meeting Agenda can be submitted in advance. Agenda items that draw significant interest from shareholders will be addressed at the Ordinary General Meeting of Shareholders.

To submit questions in advance, refer to the “Instructions on How to Log In to the Virtual-Only General Meeting of Shareholders” on the previous page and log in during the Period for Accepting Preliminary Questions indicated below.

After logging in, you can submit questions using the “Preliminary Questions” tab from among the buttons on the screen.

You may also submit preliminary questions in writing. Write down your preliminary questions and send them to the postal address given below.

(Period for Accepting Preliminary Questions)

From March 4, 2024 (Monday) at 10:00 a.m. to March 19, 2024 (Tuesday) at 5:45 p.m.

(Postal address)

General Meetings of Shareholders Secretariat

Coca-Cola Bottlers Japan Holdings Inc.

Tokyo Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo 107-6211

### 2. Attending by proxy

Shareholders who wish to attend the Ordinary General Meeting of Shareholders by proxy are requested to delegate one (1) other shareholder with voting rights to attend the Meeting in accordance with laws and ordinances and Articles of Incorporation of the Company.

If you wish to attend the Meeting by proxy, you will need to send a “document verifying the delegation of voting rights (letter of proxy)” or similar document to the Company prior to the Meeting. The document should be sent to the contact details given below.

If you would like to download a letter of proxy form, see the “Instructions on How to Log In to the Virtual-Only General Meeting of Shareholders” on the previous page and log in.

After logging in, you can download a letter of proxy form from the “Documents” tab at the far right of the buttons at the top of the screen.

(Submission deadline)

The letter of proxy must have reached us by 5:45 p.m. on March 19, 2024 (Tuesday)

(Send to)

• E-mail: BJH\_AGM@ccbji.co.jp

• Postal address: General Meetings of Shareholders Secretariat

Coca-Cola Bottlers Japan Holdings Inc.

Tokyo Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo 107-6211

## **Important Notes, Etc.**

### **1. Exercising your voting rights**

- (1) How to exercise your voting rights on the day of the Ordinary General Meeting of Shareholders

After logging in to the livestream page on the day of the Meeting, follow the Chairperson's instructions and use the "Exercise of Voting Rights" tab to indicate your approval or disapproval of the agenda items.

- (2) Exercising voting rights in advance vs. exercising voting rights on the day of the Ordinary General Meeting of Shareholders

If a shareholder who has exercised his/her voting rights in writing (by postal mail) or via the Internet, etc. in advance attends the virtual meeting on the day of the Ordinary General Meeting of Shareholders, the prior exercise of voting rights will be deemed invalid when the vote on the day is confirmed.

If you exercise your voting rights in advance and attend the virtual meeting on the day of the Ordinary General Meeting of Shareholders but the Company is unable to confirm your vote on the day of the Meeting, the Company will treat your prior exercise of voting rights as valid.

### **2. Questions and motions**

Shareholders who attend the Virtual-Only General Meeting of Shareholders may submit questions and motions online (registration is carried out by entering text on the website designated by the Company).

Due to the limited time available for questions and to ensure the smooth progression of the Meeting, we ask that each participant submit no more than three questions, at a length of no more than 1,000 characters.

Time constraints and other considerations may make it impossible to answer all questions. In that case, meeting organizers will focus on questions that both relate to the Meeting Agenda of the Ordinary General Meeting of Shareholders and do not overlap with other questions.

Please note that in order to ensure the smooth progression of the Meeting, motions should be limited to 1,000 characters or less per proposal.

### **3. Policy on measures to counteract communication failures**

- (1) As a measure to counteract communication failures, the Company will use an IT system that offers a high degree of both safety and convenience to shareholders at the time of the Meeting, for example by using more-than-sufficient capacity.

In addition, the Company will allocate specialized staff capable of responding to communication failures on the day of the Ordinary General Meeting of Shareholders.

- (2) As a measure to counteract communication and other failures, the Company will prepare backup solutions such as additional connections.

In the event of a communication or other failure, the Meeting will swiftly be moved to such an additional connection, depending on the severity of the failure.

(3) To prepare for the event that a communication failure causes a significant disruption in the proceedings, the Company will consult with the Chairperson at the beginning of the Ordinary General Meeting of Shareholders about a resolution to entrust the Chairperson with the authority to postpone the Meeting or continue it at a later date.

If, based on such a resolution, the Chairperson decides to postpone or continue the Meeting at a later date, such information will promptly be posted on the Company's website (<https://en.ccbj-holdings.com/>) to inform shareholders.

(4) In preparation for possible communication failures, etc., the Company has prepared specific response scenarios, including policies for responding to communication failures, decision-making procedures, and the means of informing shareholders.

In the event of a significant communication failure, the Company will respond based on these scenarios to ensure the smooth operation of the Ordinary General Meeting of Shareholders.

#### **4. Outline of the policy addressing considerations for the interests of shareholders who have difficulties using the Internet as a means of communication to send and receive information on the agenda of this Ordinary General Meeting of Shareholders**

Shareholders who wish to exercise their voting rights but have difficulties using the Internet are requested to exercise their voting rights in writing in advance.

In addition, shareholders who have difficulties using the Internet will be able to follow the proceedings by calling the dedicated number for the teleconference system and receiving the audio transmission.

Those who want to use the teleconference system will need to register in advance. Please note that the teleconference system will only allow users to listen to the audio transmission and does not enable the exercise of voting rights. Shareholders who wish to exercise their voting rights are requested to do so in writing in advance.

Please note that telecommunication charges related to the audio transmission are to be borne by the shareholder.

#### **[How to register to use the teleconference system]**

Registrations are accepted by telephone or e-mail.

Those who wish to use the teleconference system should call the telephone number below and request to do so, providing shareholder number and name as given on their voting form.

The General Meetings of Shareholders Secretariat will contact them by phone separately to provide additional details.

- Registration period: From March 4, 2024 (Monday) at 10:00 a.m. to March 19, 2024 (Tuesday) at 5:45 p.m.
- Telephone: +81 120-245-022 (Virtual-Only General Meeting of Shareholders Help Desk)
- E-mail: BJH\_AGM@ccbji.co.jp

## 5. Other notes

Although the Company will take all reasonable precautions to counteract communications disruptions during the holding of this Ordinary General Meeting of Shareholders, there may be cases where a shareholder is unable to virtually attend the Meeting or exercise their voting rights, etc. due to malfunctions with the personal computer or smartphone used by the shareholder or disruptions to the shareholder's Internet connection.

Please note that the Company shall not be liable for any disadvantages incurred by shareholders as a result of such communication problems.

Please refrain from filming, recording, archiving, or posting the content of the livestream on social media or elsewhere.

This Ordinary General Meeting of Shareholders will be livestreamed in both Japanese and English.

Shareholders will be able to switch between Japanese and English on the livestream by listening to simultaneously interpreted audio.

Shareholders will be responsible for all expenses and telecommunications equipment necessary to attend the meeting.

The recommended environments for attending the Virtual-Only General Meeting of Shareholders are as follows.

	Computer		Smartphone	
	Windows	Mac	Android	iOS
OS	Windows 11 Windows 10	Latest version of macOS	Android 5 or higher	iOS11 or higher
Browser	Microsoft Edge Google Chrome Mozilla Firefox	Safari	Chrome	Safari

\* Use the latest version of your browser.

\* A stable internet connection with a minimum speed of 1 Mbps is required. A high-speed Internet connection of at least 5 Mbps is recommended for streaming high-quality video.

## 6. Contact

**For inquiries regarding attendance at this Ordinary General Meeting of Shareholders, information on how to ask questions, the system for exercising voting rights, etc.**

Virtual-Only General Meeting of Shareholders Help Desk Telephone Number: +81 120-245-022

<<Office Hours>>

9:00 a.m. to 5:00 p.m. on weekdays between March 4, 2024 (Monday) and March 25, 2024 (Monday)

\* Closed on Saturdays, Sundays, and holidays

From 9:00 a.m. until the end of the livestream on the day of the Ordinary General Meeting of Shareholders

**Inquiries about re-issuance of "Notice of ID / Password" required for log in**

Sumitomo Mitsui Trust Bank Virtual General Meeting of Shareholders Support Number: +81 120-782-041

<<Office Hours>>

9:00 a.m. to 5:00 p.m. on weekdays between March 4, 2024 (Monday) and March 25, 2024 (Monday)

\* Closed on Saturdays, Sundays, and holidays

From 9:00 a.m. until the end of the livestream on the day of the Ordinary General Meeting of Shareholders

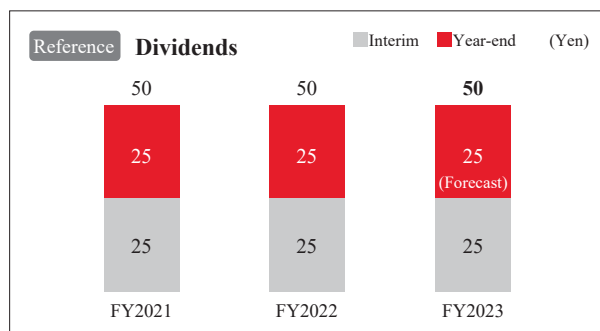
## Reference Materials for General Meeting of Shareholders

### **Proposal No. 1: Appropriation of surplus**

We place the highest priority on paying stable dividends and thus propose the appropriation of surplus as described below.

#### Year-end dividends

<b>① Type of assets to be distributed</b>	Cash
<b>② Allotment of assets to be distributed and the total amount</b>	We propose to pay <b>25 yen</b> per share of the Company's common stock. In this case, the dividends will total <b>4,562,111,025 yen</b> . As a result, including interim dividends, annual dividends per share will be 50 yen per share.
<b>③ Effective date of the dividends of surplus</b>	We propose March 28, 2024 as the effective date of the dividends of surplus.



#### **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:****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	Vice President Chief Financial Officer (Head of Finance)
3	Hiroko Wada	Reelection Outside Independent	Outside Director	–
4	Hirokazu Yamura	Reelection Outside Independent	Outside Director	–
5	Celso Guiotoko	Reelection Outside Independent	Outside Director	–

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

- In nominating Internal Director candidates for the Company, the Company's Board of Directors makes decisions by appropriately evaluating the degree of their contribution and future potential, etc. based on the Company's evaluation system from an independent and objective perspective.
- In nominating Outside Director candidates, the Company's Board of Directors nominates those who are deemed likely to make a significant contribution to enhancing the Company's corporate value from an independent and objective perspective.
- In addition, in nominating candidates for Directors who will be Audit and Supervisory Committee members, the Company makes sure that it nominates at least one (1) candidate who has appropriate knowledge of finance and accounting.
- As for the current procedures for nominating Director candidates, the report of the Audit and Supervisory Committee that consists of only Outside Directors, half of whom are Independent Outside Directors, is respected, and decisions are made by the Board of Directors, the majority of whom are constituted by Independent Outside Directors. Thus, the Company believes that transparency and fairness are ensured.

Candidate **No. 1**

# Calin Dragan

Reelection

Date of birth: October 24, 1966, 57 years old



Relationship of special interest in the Company	No. of Company Shares Owned	Attendance at Board of Directors meetings
None	<b>8,332</b> *As of December 31, 2023	<b>8/8</b> *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.
January	2022	President & Chief Executive Officer, Coca-Cola Bottlers Japan Inc. (incumbent)

## Significant Concurrent Positions

Representative Director, President & Chief Executive Officer, 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**

Date of birth: April 5, 1968, 55 years old



Relationship of special interest in the Company	No. of Company Shares Owned	Attendance at Board of Directors meetings
None	<b>3,332</b> *As of December 31, 2023	<b>8/8</b> *Attendance rate: 100%

### Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions

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.
December	2019	Representative Director & Chairman, Q'SAI CO., LTD.
January	2022	Vice President & Chief Financial Officer and Head of Finance, Coca-Cola Bottlers Japan Inc. (incumbent)
March	2022	Representative Director & Chairman, Coca-Cola Bottlers Japan Business Services Inc.
November	2022	Representative Director, Chairman and President, Coca-Cola Bottlers Japan Business Services Inc. (incumbent)
January	2024	Representative Director, NeoArc Inc. (incumbent)

### Significant Concurrent Positions

Representative Director, Vice President, Chief Financial Officer and Head of Finance, Coca-Cola Bottlers Japan Inc.  
 Representative Director, Chairman and President of Coca-Cola Bottlers Japan Business Service Inc.  
 Representative Director, NeoArc Inc.

### Reasons for nomination as candidate for Director

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.



# Candidate No. 3 Hiroko Wada

Date of birth: May 4, 1952, 71 years old

Reelection

Outside

Independent



Relationship of special interest in the Company	No. of Company Shares Owned	Attendance at Board of Directors meetings
None	- *As of December 31, 2023	8/8 *Attendance rate: 100%

## Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions

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

## Significant Concurrent Positions

Representative, Office WaDa  
Outside Director, Shimadzu Corporation

### Reasons for nomination as candidate for Outside Director and overview of expected roles

The Company requests the election of Hiroko Wada as a Director (Outside Director) in the expectation that she will 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. 4**

**Hirokazu Yamura**

Date of birth: September 28, 1977, 46 years old

Reelection

Outside

Independent



Relationship of special interest in the Company	No. of Company Shares Owned	Attendance at Board of Directors meetings
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. 0.5% of the Company's net sales; Purchases etc. 1.9% of the net revenues of Michinoku Coca-Cola Bottling Co., Ltd.)	- *As of December 31, 2023	8/8 *Attendance rate: 100%

#### Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions

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)
March	2020	Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)

#### Significant Concurrent Positions

Representative Director & President, Michinoku Coca-Cola Bottling Co., Ltd.

#### Reasons for nomination as candidate for Outside Director and overview of expected roles

The Company requests the election of Hirokazu Yamura as a Director (Outside Director) in expectation that he will 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.

Candidate **No. 5**

**Celso Guiotoko**

Date of birth: January 3, 1959, 65 years old

Reelection

Outside

Independent



Relationship of special interest in the Company	No. of Company Shares Owned	Attendance at Board of Directors meetings
None	- *As of December 31, 2023	8/8 *Attendance rate: 100%

### Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions

December	1983	Joined Banco Bradesco SA
January	1985	Senior Manager, Arthur Andersen (Accenture)
March	1996	System Director, Toshiba America Electronic Components, Inc.
December	1997	Solution Service Vice President, i2 Technologies Japan, Inc.
May	2004	Vice President & CIO (Chief Information Officer), Nissan Motor Co., Ltd.
April	2006	Corporate Vice President & CIO, Nissan Motor Co., Ltd.
April	2014	Senior Corporate Vice President & CIO, Nissan Motor Co., Ltd.
June	2017	Statutory Auditor, Nissan Motor Co., Ltd.
March	2019	Outside Director (Audit & Supervisory Committee Member), Coca-Cola Bottlers Japan Holdings Inc. Executive Officer and Global Chief Digital Officer, Nishimoto Co., Ltd.
March	2020	Director and Global Chief Digital Officer, Nishimoto Co., Ltd.
March	2023	Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent) Senior Advisor, Nishimoto Co., Ltd. (incumbent)
January	2024	Director, NeoArc Inc. (incumbent)

### Significant Concurrent Positions

Director, NeoArc Inc.  
Senior Advisor, Nishimoto Co., Ltd.

#### Reasons for nomination as candidate for Outside Director

The Company requests the election of Celso Guiotoko as a Director (Outside Director) in the expectation that he will utilize, for the management of the Company, the considerable experience and global knowledge he has gained thus far at Nissan Motor Co., Ltd. (“Nissan”) as well as Nishimoto Co., Ltd.

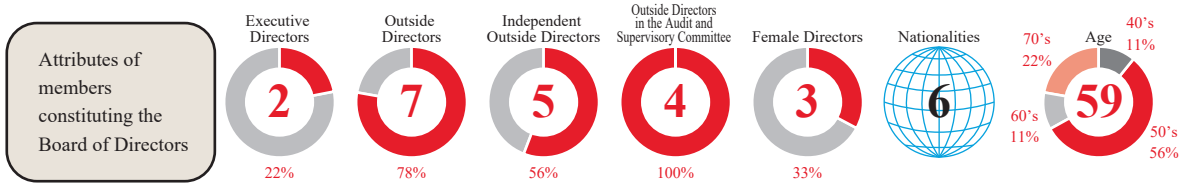
Notes:

1. Company names listed in the personal profile reflect business names at time of employment.
2. The Company has entered into officers' liability insurance agreements with Calin Dragan, Bjorn Ivar Ulgenes, Hiroko Wada, Hirokazu Yamura and Celso Guiotoko as insureds, whose insurance premiums are fully borne by the Company, and if their elections are approved, said agreements shall be renewed. The agreement will outline that, in the event of a claim for damages by a shareholder, the Company, an employee or another third party during the insurance period arising from an act done by the insureds in relation to their work as the Company's officers, such compensation for damages and legal expenses, etc. shall be compensated.
3. The Company has entered into agreements for limitation of liability with Hiroko Wada, Hirokazu Yamura and Celso Guiotoko, and if their elections are approved, said agreements shall remain in effect. 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.
4. Hiroko Wada, Hirokazu Yamura and Celso Guiotoko are candidates for Outside Director.
  - (1) Shimadzu Corporation, for which Hiroko Wada serves as an Outside Director, announced that its subsidiary Shimadzu Medical Systems Corporation had been found to have engaged in inappropriate conduct related to maintenance and inspection services for X-ray equipment installed at medical institutions with which the company does business in September 2022. In February 2023, the Company announced that it would promptly formulate and implement specific measures to prevent recurrence, based on an analysis of the causes and recommendations regarding the measures to prevent recurrence from an external investigation committee. Subsequently, in August 2023, the Company announced that the Kyushu Branch Kumamoto Office of Shimadzu Medical Systems Corporation had received a business improvement order from Kumamoto Prefecture.

Hiroko Wada has fulfilled her responsibilities such as by providing regular suggestions from the standpoint of legal compliance at the Board of Directors meetings, etc. In addition, after becoming aware of these problems, she has fulfilled her responsibilities such as by providing suggestions of ensuring legal compliance and making recommendations as appropriate for efforts to prevent recurrence.
  - (2) Celso Guiotoko will assume the Senior Managing Executive Officer, Chief Information Officer and Chief Information Security Officer of JERA Co., Inc., effective April 1, 2024.
  - (3) Hiroko Wada, Hirokazu Yamura and Celso Guiotoko are incumbent Outside Directors of the Company. At the conclusion of this General Meeting of Shareholders, Hiroko Wada and Celso Guiotoko have assumed the office as Outside Director for five (5) years, and Hirokazu Yamura has assumed the office as Outside Director for four (4) years.
  - (4) The Company has submitted a notice to Tokyo Stock Exchange, Inc., on which the Company is listed, that Hiroko Wada, Hirokazu Yamura and Celso Guiotoko are "Independent Directors" in accordance with the rules, etc. of the said securities exchange. If their elections are approved, they will continue to be Independent Directors.

# <Reference> Skill Matrix

- If proposals No. 2 is approved and resolved as originally proposed, the attributes, expertise and experience of the members constituting the Company's Board of Directors are as stated below. The Company believes that its Board of Directors has necessary skills as a whole.
- The Skill Matrix does not represent all the skills possessed by each candidate for Director.



Name	Current Status and Responsibility, etc. in the Company	Expertise				
		Corporate Management	Global Business	Food and Beverage Industry	Finance / Audit	Sustainability / CSV
Calin Dragan	Representative Director & President	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
Bjorn Ivar Ulgenes	Representative Director, Vice President, Chief Financial Officer (Head of Finance)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Hiroko Wada	Outside Director (Independent Officer)	<input type="radio"/>	<input type="radio"/>			<input type="radio"/>
Hirokazu Yamura	Outside Director (Independent Officer)	<input type="radio"/>		<input type="radio"/>		<input type="radio"/>
Celso Guiotoko	Outside Director (Independent Officer)		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Hiroshi Yoshioka	Outside Director (Audit and Supervisory Committee member) (Independent Officer)	<input type="radio"/>	<input type="radio"/>			<input type="radio"/>
Nami Hamada	Outside Director (Audit and Supervisory Committee member) (Independent Officer)	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	
Stacy Apter	Outside Director (Audit and Supervisory Committee member)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Sanket Ray	Outside Director (Audit and Supervisory Committee member)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		

Reference: Criteria for Directors' Skills

- The Company shall make decisions on the expertise and experiences of Directors based on the following criteria.

Category	Applicable Criteria for Expertise to be Indicated by ○ in the Above Chart
Corporate Management	- A person who has experience as a Representative (CEO, etc.) or a Chief Operating Officer (COO, etc.).
Global Business	- A person who has knowledge in global business as a person holding a managerial position equivalent to or higher than Department Manager or a person who has similar knowledge thereto.
Food and Beverage Industry	- A person who has experience holding a position equivalent to or higher than Department Manager at a company handling food and beverage or a person who has knowledge similar thereto.
Finance / Audit	- A person who has experience holding a position equivalent to or higher than Department Manager in a Finance and Accounting Department, or a person who has knowledge similar thereto. - A person who has a national qualification for finance or accounting, etc., such as a certified public accountant.
Sustainability / CSV	- A person who has experience holding a position equivalent to or higher than Department Manager of Sustainability or CSV Department, or a person who has knowledge similar thereto.

# **Business Report**

(From January 1 to December 31, 2023)

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

### **(1) Business Progress and Results**

Coca-Cola Bottlers Japan Holdings Inc. (“CCBJH,” the “Company,” or “we”) announced the full-year results for the fiscal year (January 1, 2023, to December 31, 2023).

In this fiscal year, the total domestic nonalcoholic ready-to-drink (NARTD) beverage industry volume is estimated to have grown by about 1% versus the previous fiscal year. Although demand continued to increase on the back of a recovery in traffic, resumption of economic activity and the heat wave, the negative impact on demand from the price revisions implemented by beverage companies had an impact. The business environment remained uncertain as the rising commodity, utility prices, and the yen’s depreciation impacted business and consumer behavior.

Under these circumstances, we have positioned 2023 as the “Year of profit focus,” and have prioritized improving profitability. In commercial activity, we implemented two price revisions as one of the most important initiatives for profitability improvement with a focus on steady implementation and maintaining shipping prices following the price revisions. In addition, we have been thoroughly implementing disciplined commercial activities throughout the year to maximize the effects of improved profitability and investment efficiency. To capture the increased demand from both the record-breaking heat wave and recovery in traffic, we have worked to grow revenue by growing sales volume and improving wholesale revenue per case by introducing new products, implementing efficient and effective marketing activities, and strengthening customer engagement. In the manufacturing and supply chain fields, while faced with rising commodity, utility prices, and the yen’s depreciation, to capture the opportunity of increased demand for sales volume and profit growth, we have worked on the stable operation of the Sales and Operations Planning process (S&OP), which was revamped in the previous year, and improved the supply network to ensure stable supply of products and reduction of total manufacturing and logistics costs. We expanded capacity with a new line at the Ebina Plant and other initiatives to improve manufacturing processes. We reduced transport distance per case by building a supply network by area and leveraging Mega Distribution Centers (DCs).

In August, we announced “Vision 2028,” our strategic business plan that runs from 2024 to 2028. KPI targets are annual revenue growth of 2 to 3%, a business income margin of 5% or higher, and return on invested capital (ROIC) of 5% or higher by 2028. We have outlined our key strategies and commitments to achieve this plan. Additionally, we are working to implement key transformation initiatives ahead of schedule. We are executing marketing and human capital investments to foster growth in 2024 and beyond. This effort aims to start “Vision 2028” with a strong momentum.

We are working to realize ESG targets based on creating shared value with society. We have launched several collaborative initiatives with our customers and government agencies. These include conserving water resources and enhancing PET bottle recycling. Through collaboration to foster a recycling-based society, we aim to reduce environmental impact and expand business opportunities.

To contribute to communities through business activity, we donate products to food banks and deploy vending machines that support local activities. As part of our human capital management, we promote Diversity, Equity & Inclusion (DE&I) to create a friendly working environment for employees with different backgrounds and values. Our ESG initiatives, including these efforts, have received high recognition. For the sixth consecutive year, leading global ESG investment index DJSI Asia Pacific has selected our company as a component of the index.





<Reference>

Business income(loss) is measure of our recurring business performance. Business income (loss) deduct cost of sales and selling, general and administrative expenses from revenue, and includes other income and expenses which we believe are recurring in nature. The corresponding figures for operating income (loss) are as follows.

Sales volume in 2022 is revised retroactively due to changes of counting segmentation and scope in certain products.

		FY2022	FY2023
Revenue	(Millions of yen)	807,430	868,581
Sales volume	(Million case)	478	492
Gross profit	(Millions of yen)	351,755	384,216
Selling, General & Administrative Expenses	(Millions of yen)	365,295	381,022
Other income (recurring)	(Millions of yen)	974	728
Other expenses (recurring)	(Millions of yen)	1,924	1,890
Investment income(loss) on equity method	(Millions of yen)	46	(7)
Business income (loss)	(Millions of yen)	(14,443)	2,025
Other income (non-recurring)	(Millions of yen)	8,338	4,429
Other expenses (non-recurring)	(Millions of yen)	5,408	3,012
Operating income (loss)	(Millions of yen)	(11,513)	3,441

Consolidated revenue was 868,581 million yen (an increase of 61,150 million yen or 7.6% from the previous year). Despite the negative impact on volume following price revisions, sales volume increased by 3% versus the previous year. This was achieved with the introduction of new products, effective marketing activities captured demand opportunity from recovering traffic, and the heat wave. Efforts were also made to strengthen customer engagement. Since 2022 we have implemented a series of price revisions. Our efforts to enhance and maintain revised shipping prices of products have improved wholesale revenue per-case in all channels, with revenue growth exceeding the sales volume growth rate.

Consolidated business income improved by 16,468million yen and was 2,025 million yen (14,443 million yen loss in prior year period). This improvement is attributed to profit contributions from top-line growth, sales volume, and wholesale revenue per case. A reduction in marketing expense, achieved through cost-effectiveness, also played a role. Lower logistics costs from supply chain improvements were also a factor. Despite the impact of higher commodity and utility prices, and yen depreciation, profitability improved. Commercial activities captured growth opportunities from the heat wave. The steady implementation of key transformation initiatives to improve profitability generated benefits ahead of plan. Full-year business income returned to profit and exceeded the plan that was revised upwards in November 2023.

Consolidated operating income improved by 14,954million yen and was 3,441 million yen (11,513 million yen loss in prior year period). In addition to business income growing versus the previous year being the primary reason, there was a cycling impact of gains from Government subsidies for temporary leave recorded in the previous year which lowered other income (non-recurring). Other income (non-recurring) includes 4,401 million yen in gains on sales and disposals of property, plant, and equipment, which was realized in the process of improving the balance sheet this year. Other expenses (non-recurring) include 2,491 million yen in business structure improvement expenses related to the implementation of fundamental transformation.

Net income attributable to owners of the parent improved by 9,941 million yen with operating income growing from the prior year period and was 1,871 million yen (8,070 million yen loss in prior year period).

### Sales volume trends (% change from previous year)

Sales volume grew by 3% for the full year. As a benefit of the price revisions, wholesale revenue per case improved by more than double digits versus the previous year in all channels. For the fourth quarter (October 1, 2023, to December 31, 2023), although impacted by a decrease in volume from the October price revisions for large PET bottles, sales volume increased by 1% with the cycling of the price revisions for small packages implemented in the previous fiscal year.

By channel, sales volume declined by 4% in supermarkets despite campaigns and product launches to capture opportunities for increased demand driven by recovering traffic and the heat wave. In the main this was due to a decrease in volume following the series of price revisions implemented since 2022. Sales volume at drugstores and discounters despite being impacted by price revisions increased by 2% with sales volume growth in large and medium PET bottles, reflecting market expansion in this channel as consumers become more cost-conscious. Vending sales volume grew by 1%, supported by the market share base we have built to date and by campaigns implemented through the Coke ON smartphone app, contributing to capturing demand from the heat wave and traffic recovery. The price revision of small PET bottle and can products continued to impact vending volume. Wholesale revenue per case in vending improved greatly from the previous year with the price revisions. In CVS, although the competitive environment remained severe, efforts aimed at expanding our mainstay products carried at customer stores, expanding shelf space and strengthening customer engagement, have started to show results from the third quarter onwards resulting in a 5% increase in sales volume for the full year. In retail & food, sales volume increased by 10% with the traffic returning to restaurants and amusement facilities. In online, volume grew by 12%



despite the intensifying competitive environment, strengthened product lineup and tie-up promotions implemented together with contributions from major online customers.

By beverage category performance, sparkling sales volume grew by 3%, with volume growth centered around Coca-Cola at vending and restaurants with the recovery in traffic, and contributions from product renewals such as Sprite. Sales volume of tea products declined by 1% due to impact from the price revisions, despite the contributions from Yakan no Mugicha from Sokenbicha which continues to enjoy sales growth since its launch and from the heat wave driving demand. Coffee sales volume increased by 2%, supported by the new Georgia THE Black, launched together with the Georgia rebranding. Medium PET bottle products captured at-home demand, despite volume being impacted from the price revisions. In sports, sales volume decreased by 4% due to the price revision impact, despite the contribution from new product Aquarius NEWATER. Water sales volume grew by 13% with demand driven by the heat wave and contributions from the I LOHAS Natural Water with the 2022 renewed bottle design and I LOHAS Peach. Juice sales volume increased by 13% with the recovery at restaurants as well as contributions from new product Minute Maid Gyutto! Fruits.

In the alcohol category, despite the contributions from new products such as Jack Daniel's & Coca-Cola, and non-alcoholic beverages such as Yowanai Lemon-dou which has been performing well since its launch, sales volume was impacted by the price revisions and declined by 12%



## (2) Status of Capital Investment

Total capital investment undertaken during this consolidated fiscal year amounted to 3.4 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 to improve manufacturing efficiency and new products correspond

## (3) Financial Activities

Not applicable.

## (4) Trend of Assets and Earnings

Item		FY2020	FY2021	FY2022	FY2023
		IFRS	IFRS	IFRS	IFRS
Revenue	(MM yen)	791,956	785,837	807,430	868,581
Business income (loss)	(MM yen)	169	(14,662)	(14,443)	2,025
Operating income(loss)	(MM yen)	(11,722)	(20,971)	(11,513)	3,441
Net income(loss) attributable to owners of the parent	(MM yen)	(4,715)	(2,503)	(8,070)	1,871
Earnings(losses) per share	(yen)	(26.29)	(13.96)	(45.00)	10.43
Total assets	(MM yen)	939,603	867,111	826,737	844,832
Equity attributable to parent owners	(MM yen)	501,643	492,320	476,216	469,847
Equity attributable to parent owners per share	(yen)	2,797.03	2,745.12	2,655.38	2,618.49

Notes:

1. 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 is calculated based on the total number of shares issued as of the end of the fiscal year (excluding treasury shares).
2. In the current fiscal year, we have introduced Executive reward BIP Trust and Stock-granting ESOP Trust, and the Company shares held by the trust are included in the treasury share to be deducted from the number of average shares and end of years' shares during the period for the purpose of calculating the amount of earnings(losses) per share and equity attributable to parent owners per share.

## (5) Acquisition or Disposal of Shares, Other Equity, or Stock Acquisition Rights, etc. of Other Companies

Not applicable.

## (6) Issues to be address

Regarding outlook for the total domestic NARTD beverage market, although the increase in traffic is expected to continue to contribute to an increase in demand for beverages, the market will be affected by the cycling of the heat wave in 2023 and a decline in consumer sentiment due to domestic inflation, including price revisions for beverages, we expect a slight decrease from 2023 on a volume basis in the beverage market in 2024. In addition, the outlook for commodity and utility prices, package material prices, and exchange rates remains uncertain, so due to these external factors expected to increase cost pressures, we expect the environment to remain challenging.

Under these circumstances, we have positioned 2024 as “a year to strongly build up profit,” as the first year of the strategic business plan “Vision 2028,” announced in August 2023, and we will work on top-line growth strategy focused on profit maximization, cost saving by promoting company-wide transformation and further strengthening the business foundation.

In the commercial area, we will focus on initiatives aimed at profitable top line growth, through investing in core categories, strengthening our product portfolio through innovation, further transformation of vending channels leveraging technology, thoroughly conducting commercial activities that emphasize profitability including price revisions and strengthening strategic partnerships with key customers. Regarding initiatives by channel, in the important vending channel, we will continue to push ahead with our key transformation initiatives such as placing new vending machines focusing on investment efficiency, implement various measures to increase sales revenue per vending machine and investing in technology foundation that will lead to future growth. In the over the counter channel, we will implement initiatives tailored to the industry and characteristics of our customers, such as product development and sales floor expansion to meet consumer needs and disciplined commercial activities including optimization of marketing investments. In the food service channel, we will continue to work on expanding the line of our products by customers and optimization of sales equipment and product lineup with emphasis on profitability. In January



2024, we implemented a reorganization centered on these three channels, with the aim of speeding up decision-making and improving the driving force of each channel's growth strategy in the commercial organization. In addition, as a strong partnership that will drive growth, we will continue to strengthen our partnership with Coca-Cola (Japan) Co., Ltd.

In the supply chain area, we will strive to further optimize our supply chain network by leveraging the strong infrastructure built to date. Specifically, by increasing manufacturing capacity through improved plant productivity, building a flexible manufacturing system and optimizing the logistics network, we will promote a "local production for local consumption model," manufacturing products in factories close to the place of consumption, pursue total optimization of the end-to-end process, and reduce transport distance per case to reduce costs and address social issues. Also, by improving the accuracy of the Sales and Operations Planning (S&OP) process and leveraging our mega-DCs, we aim for stable and low-cost supply. We will also work to improve asset turnover through consolidation of sales and distribution centers, effective utilization of existing facilities, and reduction of product inventories by improving the accuracy of inventory management.

In the field of back office and IT, as part of our digital transformation (DX), we will further standardize and automate business processes using technology, integrate various IT systems and data, and promote data-driven management. In addition, we will improve ROIC (return on invested capital) as stated in "Vision 2028" by improving capital efficiency through appropriate management of capital investment and improvement of the balance sheet. We will also focus on promoting sustainability strategies and human capital management that contribute to sustainable growth.

[Completion Ceremony of Ebina Plant Line No.5]



[Establishment of "NeoArc Inc." : Promoting Data-Driven Management]  
(Kick-off held for the establishment of the new joint venture company)

# NeoArc

A Group Company of Coca-Cola Bottlers Japan Inc.



# TOPICS

Excellent ESG initiatives

## Selected as a component of DJSI Asia Pacific

We have been selected as a component of the Dow Jones Sustainability Indices (DJSI) for the Asia Pacific region for the sixth consecutive year. The DJSI is a world-renowned ESG (Environment, Society, and Governance) investment index.

In 2023, 156 companies (75 of which were from Japan), including our company, were selected out of some 600 major companies in the region. We received high scores in the Environmental Policy & Management System, Initiatives for Water, etc. We are committed to evolving CSR in line with ISO26000 standards for organizational social responsibilities. We center Creating Shared Value (CSV) as the core of our business to fulfill both business growth and social sustainability as a single objective. We work to solve social issues with specific action plans under three Sustainability Frameworks, "Inclusion", "Communities", and "Resources", which has led us to be selected for DJSI Asia Pacific.



## Received the highest rating of Gold in PRIDE Index 2023

### for three consecutive years and Rainbow for two consecutive years

## Won the Special Company Award in Forbes JAPAN WOMEN AWARD 2023

In November 2023, we received the highest rating of Gold in the PRIDE Index 2023 for three consecutive years for our LGBTQ efforts. We also won the Rainbow award for two consecutive years in recognition of our cross-sectoral collaboration in promoting the understanding and advocacy of LGBTQ.

At the same time, we received the Special Company Award in Forbes JAPAN WOMEN AWARD 2023, the largest women's award in Japan, for holding "awareness-raising sessions" for 260 managers engaged in our vending machine channel.

We have actively made various efforts to address diversity and gender equality as one of our key business challenges. We are determined to further promote the understanding of LGBTQ+ and the empowerment of women

through enlightenment opportunities inside and outside the company in efforts to respect the individuality of each employee and continue to create innovation by actively building on diverse value and ideas.





## The first phase of “Connecting with Life!

## The “Myaku-myaku-ikimono Quest !” - a joint project

## for Osaka Kansai Expo Pavilion produced by Shoji Kawamori

The first phase of the joint project, “Connecting with Life! The “Myaku-myaku-ikimono Quest” for the 2025 Japan International Expo, will run until the end of March, 2024.

This project is held jointly with citizens and offers an opportunity to observe and learn about biodiversity through the use of “Biome”, an app of a collection of living things provided by Biome Inc. In the project, the three partner companies of the pavilion produced by Mr. Shoji Kawamori (our company, Toppan Holdings Inc., and Kura Sushi Inc.)



provide their own unique quests on Biome in relation to their business activities. Anyone can participate free of charge in this project that presents information about the habitats of living creatures and offers enjoyment for both adults and children while contributing to Nature Positive - the restoration of biodiversity.

# TOPICS

## Contribution to Local Communities

### Osaka Kansai Expo

Toward the EXPO 2025 OSAKA, KANSAI, JAPAN (hereinafter, Osaka Kansai Expo), Coca-Cola Bottlers Japan Inc. aims to contribute to creating momentum for the event.

In April 2022, it was decided that CCBJI will be a Gold Partner sponsor of the Signature Pavilion, a themed project for Osaka Kansai Expo. Furthermore, in July 2022, we began rolling out Expo 2025 Osaka, Kansai, Japan Support Vending Machines. Starting with the installation of the first unit at the Osaka International Convention Center (Gran Cube Osaka), the number of units installed has exceeded 500 as of the end of December.

A share of proceeds from this machine will be donated to the Japan Association for the 2025 World Exposition. Donations will support various momentum-building activities leading up to the start of the Expo. This way we hope to bring excitement to the event together with our customers through their drink purchases.

We will continue to implement measures that only the Coca-Cola system can provide.



The first Expo 2025 Osaka, Kansai, Japan Support Vending Machine (Osaka International Convention Center)



Expo 2025 Osaka, Kansai, Japan Support Vending Machine in new wrapping design (Expo '70 Pavilion at Expo '70 Commemorative Park)

### Coca-Cola Bottlers Japan Ebino Plant Resumes Plant Tours



Coca-Cola Bottlers Japan Ebino Plant

On December 2, 2020, CCBJI Ebino Plant (Ebino City, Miyazaki Prefecture) resumed its plant tours for the first time in two years and nine months. The plant began its plant tours in March 2006, and many visitors, including local residents of Ebino City, have visited the plant. However, in order to prevent the spread of COVID-19, the plant tours were suspended from the end of February 2020. Ebino Plant resumed the tours for the following reasons: The vaccination environment has been put in place nationwide, the plant is located in Ebino City, Miyazaki Prefecture, which has relatively few cases of infection, and the plant and plant tour facilities are in separate buildings.

# TOPICS

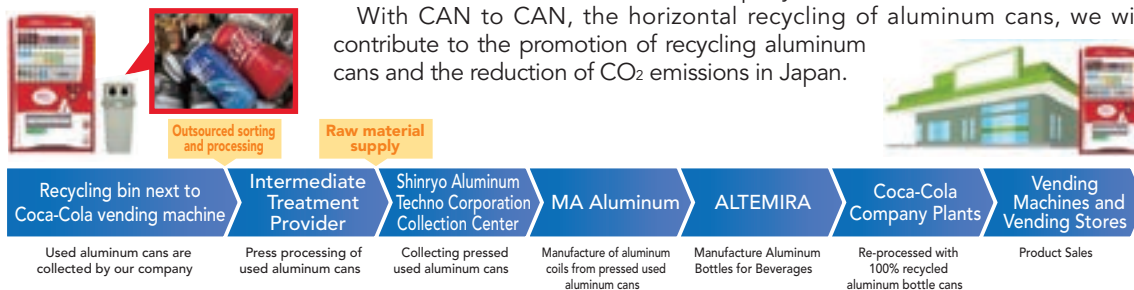
## Environmental Initiatives

### Coca-Cola Bottlers Japan Begins CAN to CAN, the Horizontal Recycling of Aluminum Cans

In cooperation with partner companies, Coca-Cola Bottlers Japan Inc. began CAN to CAN, horizontal recycling of aluminum cans. This initiative is to recycle used aluminum cans collected from recycling boxes next to vending machines managed and operated by CCBJI as containers for can products. Our three products, Georgia Kaoru Black 400ml, Georgia Kaoru Bito 370ml, and Bonaqua (Nansui) 400ml, which use 100% recycled aluminum materials including CAN to CAN for the bottle can body, are available from January 2023.

Can products made from 100% recycled aluminum materials are expected to reduce CO<sub>2</sub> emissions per can by approximately 25% compared to aluminum bottles made from virgin ingots, while also maintaining existing standards for opening and sealing performance. We plan to gradually expand the areas for collecting used aluminum cans and increase the volume of collected cans to 9,000 tons per year.

With CAN to CAN, the horizontal recycling of aluminum cans, we will contribute to the promotion of recycling aluminum cans and the reduction of CO<sub>2</sub> emissions in Japan.



### Biodiversity: Coca-Cola Bottlers Japan Joins the 30 by 30 Alliance and TNFD Forum

From July 2022, Coca-Cola Bottlers Japan Inc. joined the “30 by 30 Alliance for Biodiversity” established by 17 industry, private, and public organizations, including the Ministry of the Environment.

We have been engaged in various forest maintenance activities to preserve the water sources in all of our 17 plant areas, achieving over 353% water replenishment rate to return water to nature (actual rate in 2021). We entered into agreements with local forestry cooperatives and work on activities to bring out the multifunctional aspect of forests to the fullest. Through such efforts in forest maintenance and our participation in the Alliance, we will also contribute to the conservation of biodiversity.

And in December 2022, endorsing the initiatives of the Taskforce on Nature-related Financial Disclosures (TNFD), we also joined the TNFD Forum.

CCBJI’s environmental policies define one of our important missions as “using water and other natural resources that are indispensable for our business activities effectively.” Another important policy is passing the global environment on to the coming generations in a sustainable manner. Through our participation in this forum, CCBJI will strengthen our efforts to sustain biodiversity and contribute to the achievement of the Sustainable Development Goals (SDGs) in our business areas, and aim to realize a sustainable society.

**(7) Status of Significant Subsidiaries (As of December 31, 2023)**

Names	Paid-in Capital	Percentage of Voting Rights	Main Businesses
	Unit: MM yen	Unit: %	
Coca-Cola Bottlers Japan Inc.	100	100.0	Manufacturing 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	Office work related to sales of beverage and food 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 December 31, 2023:

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	498,355 million yen

**(8) Main Business (As of December 31, 2023)**

Our Group operates the following businesses:

**Beverage Business**

Our group manufactures and sells Coca-Cola, soft drinks, and other beverage products.

The Company has contracts with The Coca-Cola Company and Coca-Cola (Japan) Company that govern the production and sales of Coca-Cola and other products and the use of trademarks.

Names of segments	Description
Beverage Business	Manufacturing and sales of beverage products, the vending machine-related business, the procurement of raw materials and materials, the development, maintenance, and operations of information systems.

**(9) Major Locations, etc. (As of December 31, 2023)**

a. Location of the Company

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

b. Locations of headquarters offices of major subsidiaries:

Names	Locations
Coca-Cola Bottlers Japan Inc.	Minato-ku, Tokyo
FV Japan Co., Ltd.	Toshima-ku, Tokyo
Coca-Cola Bottlers Japan Vending Inc.	Shinjuku-ku, Tokyo
Coca-Cola Bottlers Japan Business Services Inc.	Minato-ku, Tokyo

c. Major production bases

Beverage business

Zao Plant (Miyagi), Ibaraki Plant (Ibaraki), Iwatsuki Plant (Saitama), Saitama Plant (Saitama), Tama Plant (Tokyo), Ebina Plant (Kanagawa), Hakushu Plant (Yamanashi), Tokai Plant (Aichi), Kyoto Plant (Kyoto), Akashi Plant (Hyogo), Daisen Plant (Tottori), Hiroshima Plant (Hiroshima), Komatsu Plant (Ehime), Kiyama Plant (Saga), Tosu Plant (Saga), Kumamoto Plant (Kumamoto), Ebino Plant (Miyazaki)

d. Sales bases

Beverage business

A variety of locations in 38 prefectures within Southern Tohoku, Kanto, Koshinetsu, Chubu, Kinki, Chugoku, Shikoku and Kyushu areas

**(10) Status of Employees (As of December 31, 2023)**

Names of segments	Number of employees	Year-on-year change
Beverage business	14,010	474 decrease

Note: The number of employees above shows the number of persons on active service activity.

**(11) Major Financial Institutions Providing Loans to the Company (As of December 31, 2023)**

Names of institutions	Amount of loans
MUFG Bank, Ltd.	3,688 million yen
Sumitomo Mitsui Banking Corporation	2,312 million yen

## 2. Current Status of the Company

### (1) Status of Shares (As of December 31, 2023)

a. Total number of authorized shares: 500,000 thousand

b. Total number of issued shares: 179,434 thousand

Note: The treasury shares (23,784 thousand shares) are excluded from the total number of issued shares. Also, the Company shares held by Executive reward BIP Trust (1,261 thousand shares) and Stock-granting ESOP Trust(1,789 thousand shares) are excluded from the total number of issued shares.

c. Number of shareholders: 67,097

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	15.32
The Master Trust Bank of Japan, Ltd. (Trust Account)	21,163	11.60
GOLDMAN SACHS INTERNATIONAL	7,282	3.99
Custody Bank of Japan, Ltd. (Trust Account)	6,895	3.78
Ichimura Foundation for New Technology	5,295	2.90
J.P. Morgan	4,734	2.59
Satsuma Shuzo Co., Ltd.	4,406	2.41
Senshusha Co., Ltd.	4,088	2.24
Coca-Cola Holdings West Japan Inc.	4,075	2.23
Mitsubishi Heavy Industries Machinery Systems, Ltd.	3,912	2.14

Note: The treasury shares (23,784 thousand shares) are excluded from the list above and from the calculation of ratio of shareholding because they do not have voting rights. Also, the treasury shares do not include the Company shares held by Executive reward BIP Trust(1,261 thousand shares) are and Stock-granting ESOP Trust(1,789 thousand shares).

### (2) Shares issued to corporate officers as compensation for the execution of their duties during the fiscal year (as of December 31, 2023)

Not applicable.

### 3. Company's Officers

#### (1) Status of the Company's Officers

##### a. Status of Directors (As of December 31, 2023)

Position	Name	Areas of responsibility and important concurrent positions
Representative Director	Calin Dragan	President Representative Director, President and CEO, Coca-Cola Bottlers Japan Inc.
Representative Director	Bjorn Ivar Ulgenes	Vice President and Chief Financial Officer (Head of Finance) Representative Director, Vice President, CFO, and Head of Finance of Coca-Cola Bottlers Japan Inc. Representative Chairman and President, Coca-Cola Bottlers Japan Business Services Inc.
Director	Hiroko Wada	Representative, Office WaDa Outside Director, Shimadzu Corporation
Director	Hirokazu Yamura	Representative Director & President, MICHINOKU COCA-COLA BOTTLING CO., LTD.
Director	Celso Guiotoko	Senior Advisor, Nishimoto Co., Ltd.
Director (Audit & Supervisory Committee Member)	Hiroshi Yoshioka	
Director (Audit & Supervisory Committee Member)	Nami Hamada	Co-Founder, Managing Director, Mile High Capital Inc. Outside Director (Audit committee member, nominating committee member, Compensation committee member), MetLife Insurance K.K. Outside Director, Shimadzu Corporation
Director (Audit & Supervisory Committee Member)	Stacy Apter	Vice President and Treasurer, Head of Corporate Finance, The Coca-Cola Company Synovus Financial Corp., Director
Director (Audit & Supervisory Committee Member)	Sanket Ray	President of India and Southwest Asia, The Coca-Cola Company

#### Notes:

##### 1. Transfers of Directors during the fiscal year under review as follows:

- (1) Celso Guiotoko has retired from the post of Director (Audit & Supervisory Committee Member) effective from the conclusion of the fiscal year 2022 Ordinary General Meeting of Shareholders held on March 28, 2023, and he was newly elected and assumed office as Directors at the fiscal year 2022 Ordinary General Meeting of Shareholders held on March 28, 2023.
- (2) Yoshioka Hiroshi has retired from the post of Director (excluding Directors serving on the Audit and Supervisory Committee) effective from the conclusion of the fiscal year 2022 Ordinary General Meeting of Shareholders held on March 28, 2023, and he was newly elected and assumed office as Directors (Audit & Supervisory Committee Member) at the fiscal year 2022 Ordinary General Meeting of Shareholders held on March 28, 2023.
- (3) Stacy Apter and Sanket Ray were newly elected and assumed office as Directors (Audit & Supervisory Committee Members) at the fiscal year 2022 Ordinary General Meeting of Shareholders held on March 28, 2023.

- (4) Irial Finan and Vamsi Mohan Thati have retired from the post of Director (Audit & Supervisory Committee Member) effective from the conclusion of the fiscal year 2022 Ordinary General Meeting of Shareholders held on March 28, 2023.
2. Directors Hiroko Wada, Hirokazu Yamura, and Celso Guiotoko and Directors (Audit & Supervisory Committee Members) Hiroshi Yoshioka, Nami Hamada, Stacy Apter, and Sanket Ray are Outside Directors.
  3. Directors Hiroko Wada, Hirokazu Yamura, and Celso Guiotoko and Directors (Audit & Supervisory Committee Members) Hiroshi Yoshioka and Nami Hamada have been notified to the Tokyo Stock Exchange on which the Company is listed, as “Independent Officers” as defined in the rules of the Tokyo Stock Exchange.
  4. 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. The organizational audits conducted 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.
  6. Effective January 4, 2024, the Company has changed the responsibilities of Directors at important concurrent positions as follows.

Position	Name	Areas of responsibility and important concurrent positions
Representative Director	Bjorn Ivar Ulgenes	Vice President and Chief Financial Officer (Head of Finance) Representative Director, Vice President, CFO and Head of Finance of Coca-Cola Bottlers Japan Inc. Representative Chairman and President, Coca-Cola Bottlers Japan Business Services Inc. Representative Director, NeoArc Inc.
Director	Celso Guiotoko	Director, NeoArc Inc. Senior Advisor, Nishimoto Co., Ltd.

b. Outline of Limited Liability Agreements

In its Articles of Incorporation, the Company has established allowances 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 Hiroko Wada, Hirokazu Yamura, Celso Guiotoko, Hiroshi Yoshioka, Nami Hamada, Stacy Apter and Sanket Ray 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. Outline of the Directors’ and Officers’ Liability Insurance Policy

In order to ensure that directors (including those who are members of the Audit and Supervisory Committee) and the Group’s executive officers can demonstrate the roles expected of them and the Company can select competent persons to serve as directors and executive officers, the Company has entered into a directors’ and officers’ liability insurance contract with an insurance company and the Company bears the entire premium.



The policy, which insures the nine members of the Board of Directors, namely Representative Directors Calin Dragan and Bjorn Ivar Ulgenes, and Directors Hiroko Wada, Hirokazu Yamura, Celso Guiotoko, Hiroshi Yoshioka, Nami Hamada, Stacy Apter, and Sanket Ray, as well as the executive officers of the Group, covers damages and legal expenses incurred by shareholders, the Company, employees, or other third parties during the insurance period in the event of claims for damages arising from the insured's conduct in the course of his or her duties as an officer of the Company.

**(2) Officer compensation, etc.**

a. Compensation policy and process for determining the policy

(a). Basic policy on compensation for Executive Directors and Executive Officers

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

(b). Supervisory Officers (Directors serving on the Audit and Supervisory Committee and Outside Directors not serving on the Audit and Supervisory Committee)

The compensation level and structure that is appropriate as roles in managerial supervision and audit.

(c). Process for determining the policy

The policy for determining compensation for Officers, etc. shall be determined upon deliberation by the Audit and Supervisory Committee and approval by the Board of Directors.

The current policy (policy for determining compensation for Directors, etc.) has been resolved by the Board of Directors on February 9, 2023 and February 14, 2024.

b. Details and procedures on compensation for Executive Directors and Executive Officers

(a). Compensation structure

Fixed compensation	Base salary	<ul style="list-style-type: none"> <li>Monthly payment of an amount determined based on responsibilities.</li> </ul>	<p>The portion of the compensation shown on the left provided to Directors will not exceed the following amount.</p> <p>Compensation limit for Directors (excluding Directors serving on the Audit and Supervisory Committee): 850 million yen per year (approved by resolution no. 5 of 2019 Annual General Meeting of Shareholders) (five in number at the time of the resolution, excluding Directors serving on the Audit and Supervisory Committee)</p> <p>* In case where the Audit and Supervisory Committee has deliberated and deemed it necessary, payments within 850 million yen may be made for fringe benefits such as compensation for exchange rate fluctuation between other countries and Japan, housing allowance, etc.</p>
	Retirement payments	<ul style="list-style-type: none"> <li>10% of annual base salary is retained, and the accumulated amount is calculated and paid upon their retirement.</li> <li>This payment may be reduced or withheld altogether if the recipient has caused significant damage to the CCBJH Group or been subject to disciplinary action. It may also be specially increased where the recipient has given particularly distinguished contribution. Any reduction, withholding, or special increase will be decided at the Board of Directors Meeting, based on deliberation by the Audit and Supervisory Committee.</li> </ul>	
Variable compensation	Annual bonus	<ul style="list-style-type: none"> <li>Provided at a certain point in the year as an incentive for achieving performance targets for each fiscal year.</li> <li>The target amount is set in the range of 30% to 85% of base salary, depending on their responsibilities.</li> <li>The amount of payment varies in the range of 0% to 150% of the target amount depending on the achievement of performance targets in each fiscal year (companywide performance and individual evaluations)</li> <li>To provide motivation to achieve profitable growth, business income, sales volume, and net sales have been adopted as measures for evaluating companywide performance, based on the Company's policy regarding the determination of compensation, etc. for Directors, etc.</li> <li>The amount to be paid may be adjusted if the Audit and Supervisory Committee deliberated it necessary to do so, taking into consideration the status of payment of bonuses to employees.</li> </ul>	

Variable compensation	Long-term incentives	<ul style="list-style-type: none"> <li>● Two types of stock-based compensation systems, (1) PSU and (2) RSU, are adopted as long-term incentives.</li> <li>● The basic amount of all long-term incentives (1) PSU + (2) RSU is set in the range of 15% to 100% of base salary based on the responsibilities. 50% of this basic amount is set as the basic PSU amount, and 50% is set as the basic RSU amount.</li> <li>● With regard to (2) RSU, additional grants for the purpose of retention, etc. may be made in addition to the above-mentioned basic RSU amount and in case for Directors, up to the compensation limit detailed on the right if deemed necessary by the Audit and Supervisory Committee (Special RSU).</li> </ul>	<p>The portion of the compensation shown on the left provided to Directors will not exceed the following amount.</p> <p>Compensation limit for Directors (excluding Directors serving on the Audit and Supervisory Committee): The maximum number of shares is 2,880 million yen and 1,800,000 shares for three fiscal years (approved by resolution no. 5 of 2022 Annual General Meeting of Shareholders) (five in number at the time of the resolution, excluding Directors serving on the Audit and Supervisory Committee)</p>
	(1) PSU (Performance Share Units)	<ul style="list-style-type: none"> <li>● Granted as an incentive for achieving medium to long term performance targets.</li> <li>● The number of shares to be issued shall be determined within the range of 0% to 150% of the basic PSU amount depending on the achievement of performance targets (only considering companywide performance) over the three years after the share units have been granted.</li> <li>● A part of the shares to be issued shall be paid in cash for the purpose of allocating funds for the payment of tax obligations, etc.</li> <li>● To provide motivation to enhance corporate value over the mid to long term, consolidated ROE and consolidated sales growth rate have been adopted as measures for evaluating performance, based on the Company's policy regarding the determination of compensation for Directors, etc.</li> </ul>	
	(2) RSU (Restricted Stock Units)	<ul style="list-style-type: none"> <li>● Granted for the purpose of aligning interests with shareholders, creating incentives to increase corporate value, and strengthening retention of talented people.</li> <li>● A predetermined number of shares are issued at retirement.</li> <li>● A part of the shares to be issued shall be paid in cash for the purpose of allocating funds for the payment of tax obligations, etc.</li> </ul>	

\* Regarding fringe benefits, to support the execution of assignments outside the home country, compensation for exchange rate fluctuation between other countries and Japan, housing allowance, etc. are provided in accordance with the internal regulations approved at the Board of Directors Meeting through deliberations by the Audit and Supervisory Committee.

(b). Process for determining compensation

Approval of compensation including the amount of performance-linked compensation for Executive Directors shall be delegated to a Representative Director (Calin Dragan) upon resolution by the Board of Directors, and the amount shall be determined by the Representative Director in accordance with the “Policy for Determining Compensation for Directors, etc.” approved by the Board of Directors within the total amount determined by the resolution of the General Meeting of Shareholders after the terms of compensation are deliberated by the Audit and Supervisory Committee composed solely of Outside Directors in order to enhance the transparency and objectivity of procedures for determining compensation. The reason for the delegation is that the Representative Director is deemed appropriate to determine the performance results of each Director while taking into account the overall performance of the Company. In order for the Representative Director to exercise such authority appropriately, the decision on this has been made after deliberations by the Audit & Supervisory Committee. The compensation for Executive Officers shall also be determined through deliberations by the Audit and Supervisory Committee. Therefore, the Board of Directors deems that the content of these compensations is in line with the above decision-making policy.

(i) Activities of the Board of Directors

The Board of Directors’ activities concerning the determination of Officer compensation for FY2023 are as follows.

(1) Number of meetings of the Board of Directors held over one year from January 2023 to December 2023: 8

(2) Main subjects discussed by the Board of Directors concerning Officer compensation and Officer compensation structure in FY2023:

- Payment of FY2022 Annual Incentive and Non-vesting of FY2020 Long term Incentive for Directors and Executive Officers
- FY2022 Retention measures
- FY2023 Compensation for Directors (Excluding Directors Serving on Audit and Supervisory Committee) and Executive Officers
- Report on the number of share units to be granted to the Directors and Executive Officers in FY2023
- FY2023 special RSU
- Compensation for retired Executive Officers
- Establishment of trusts for stock-based compensation

(ii) Activities of the Audit & Supervisory Committee

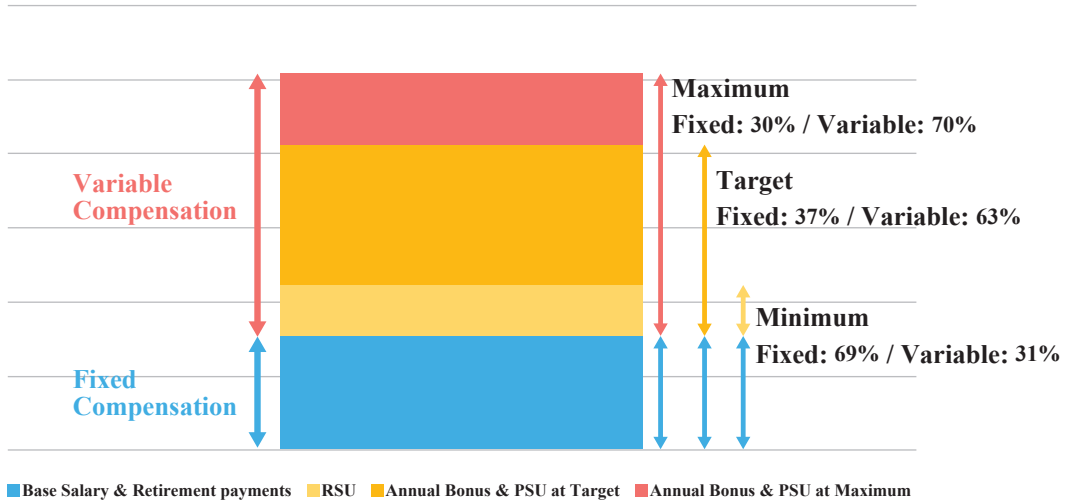
Activities of the Audit & Supervisory Committee concerning the determination of Officer compensation for FY2023 are as follows.

- (1) Number of meetings of the Audit and Supervisory Committee held over one year from January 2023 to December 2023: 5
- (2) Main subjects discussed by the Audit & Supervisory Committee concerning Officer compensation and Officer compensation structure in FY2023:
  - Payment of 2022 Annual Incentive and Non-vesting of 2020 Long term Incentive for Directors and Executive Officers
  - FY2022 Retention measures
  - FY2023 Executive Compensation Proposal
  - FY2023 Compensation for Audit and Supervisory Committee Members
  - FY2023 special RSU
  - FY2023 Individual Objectives of Directors and Executive Officers
  - Establishment of trusts for stock-based compensation

(c). 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)



c. Guidelines and procedures for determining compensation for Supervisory Officers

The compensation for Supervisory Officers (Directors who are Audit & Supervisory Committee Members and Outside Directors who are not Audit & Supervisory Committee Members) is composed of basic compensation only in view of their role as supervisors and auditors of CCBJI business. Compensation levels are set according to the role 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.

The individual compensation for Directors serving on the Audit and Supervisory Committee is proposed to the Audit and Supervisory Committee and determined upon consultation with Directors serving on the Audit and Supervisory Committee within the total amount determined by the resolution of the General Meeting of Shareholders. The compensation for Outside Directors not serving on the Audit and Supervisory Committee shall be delegated to a Representative Director (Calin Dragan) upon resolution by the Board of Directors, and the amount shall be determined by the Representative Director in accordance with the “Policy for Determining Compensation for Directors, etc.” approved by the Board of Directors after the terms of compensation are deliberated by the Audit and Supervisory Committee. The reason for delegating these authorities to the President and Representative Director is that the President and Representative Director is considered to be the most appropriate person to evaluate the responsibilities of each Director. To ensure that such authority is appropriately exercised by the President and Representative Director, decisions on the details of compensation for outside directors who are not members of the Audit and Supervisory Committee are made after deliberation by the Audit and Supervisory Committee. Therefore, the Board of Directors deems that the content of these remunerations is in line with the above decision-making policy.

d. Details of compensation for Officers for FY2023

(a). Total amount of compensation, etc. by position, total amount of compensation, etc. by category and headcount of Officers

Positions	Total remuneration (Million yen)	Types of remuneration				Headcount of Officers (people)
		Basic compensation (Note 4)	Retirement payments	Annual bonuses	Long-term incentives (Note 5)	
Directors (excluding Directors serving on the Audit and Supervisory Committee) (of which Outside Directors)	1,076 (44)	490 (44)	23 (-)	271 (-)	292 (-)	6 (4)
Directors (serving on the Audit and Supervisory Committee) (of which Outside Directors)	71 (71)	71 (71)	- (-)	- (-)	- (-)	7 (7)
Total (of which Outside Directors)	1,147 (115)	561 (115)	23 (-)	271 (-)	292 (-)	13 (11)

Note 1: In accordance with the resolution passed at the 62nd Annual General Meeting of Shareholders held on March 26, 2020, the upper limit of compensation for Directors (five in number at the time of the resolution, excluding Directors serving on the Audit and Supervisory Committee) shall be 850 million yen per year (of which 50 million yen per year for Outside Directors (two in number at the time of the resolution)); in accordance with the resolution passed at the 58th Annual General Meeting of Shareholders held on March 23, 2016, the upper limit of compensation for Directors serving on the Audit and Supervisory Committee (five at the time of the resolution) shall be 100 million yen per year.

Note 2: The above table includes remuneration, etc. paid to one director (excluding directors who are members of the Audit and Supervisory Committee) and 3 directors who retired due to the expiration of their terms of office at the conclusion of the FY2022 Ordinary General Meeting of Shareholders held on March 28, 2023.

Note 3: Apart from Note 1 above, the amount of remuneration, etc. to be paid to directors (excluding directors who are members of the Audit and Supervisory Committee) The total amount of monetary compensation claims and cash to be delivered to executive directors as stock-based compensation (PSUs and RSUs) is determined by resolution of the 65th Company's Annual General Meeting of Shareholders held on March 28, 2023 as the amount of compensation, etc. for directors (excluding directors who are members of the Audit Committee), not exceeding 2,880 million yen and 1,800,000 shares for three fiscal years.

Note 4: Basic compensation includes an amount equivalent to fringe benefits (compensation for exchange rate fluctuation between other countries and Japan, housing allowance, etc.), etc.

Note 5: Long-term incentives include PSU, RSU and Special RSU.



(b). Significant employee salary received by the officer concurrently serving as an employee  
Not applicable

(c) Payment rate, etc. of incentive compensation

(i) Annual Incentive

In alignment with the mid-term management plan and the goal of achieving it, business income, sales volume and net sales are set as proper performance metrics of Annual Bonus to measure company performance of the Company in the previous years. Performance is calculated based on predetermined targets and actual achievement, weighted average achievement for FY2023. The achievement level of the company's business performance for the period under review was 132%. Sales volume grew and both sales and income increased due to the success of sales activities to seize opportunities for increased demand against the backdrop of a recovery in the workforce, revitalization of economic activities, and the extremely hot summer, etc. The effects of cost reduction efforts were realized ahead of schedule, and the impact of soaring raw material, material, and energy prices, etc. was suppressed. The individual performance evaluation-based payout rate for Executive Directors was 120%. Based on the company performance, individual performance evaluation and the status of payment of bonuses to employees, the Audit and Supervisory Committee discussed and reviewed the final payout rate (rate of actual annual incentive paid against target payout) for FY2023. As a result, it determined that 136% is reasonable.

(ii) PSU

The PSUs for FY2021 were evaluated for the three-year period from 2021 to 2023. The consolidated ROE and consolidated sales revenue growth rate were selected as performance evaluation indicators, and performance was evaluated based on the degree of achievement of these targets, and the performance achievement, which is the weighted average of the degree of achievement of each indicator target for the relevant period, was 29.1%.

The vesting rate of PSU granted against target value fluctuates between 0 - 150% depending on achievement levels of performance targets. Based on the above-mentioned result, the payout rate of the PSU (rate of PSU's granted against target) is 0%.

The vesting rate of PSU granted in 2022 and 2023 are calculated based on ROE for the final fiscal year of the relevant performance period and the annual average sales growth rate for the relevant performance period. Therefore, we are making a reasonable estimate based on our earnings forecast at this time.

### (3) Outside Officers

#### a. 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, 2023)

Position	Name	Important concurrent positions
Outside Director	Hiroko Wada	Representative, Office WaDa Outside Director, Shimadzu Corporation
Outside Director	Hirokazu Yamura	Representative Director & President, MICHINOKU COCA-COLA BOTTLING CO., LTD.
Outside Director	Celso Guiotoko	Senior Advisor, Nishimoto Co., Ltd.
Outside Director (Audit & Supervisory Committee Member)	Hiroshi Yoshioka	
Outside Director (Audit & Supervisory Committee Member)	Nami Hamada	Co-Founder, Managing Director, Mile High Capital Inc. Outside director (Audit committee member, Nominating committee member, Compensation committee member), MetLife Insurance K.K. Outside director, Shimadzu Corporation.
Outside Director (Audit & Supervisory Committee Member)	Stacy Apter	Vice President and Treasurer, Head of Corporate Finance, The Coca-Cola Company Synovus Financial Corp., Director
Outside Director (Audit & Supervisory Committee Member)	Sanket Ray	President of India and Southwest Asia, The Coca-Cola Company

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) The Company and our group's companies and MICHINOKU COCA-COLA BOTTLING CO., LTD. have a trading relationship (sales, 0.5% of consolidated sales revenue of the Company and our group's companies; purchases, 1.9% of consolidated sales revenue of MICHINOKU COCA-COLA BOTTLING CO., LTD.
- (4) There is no business relationship to be disclosed between the Company and Nishimoto Co., Ltd.
- (5) There is no business relationship to be disclosed between the Company and Mile High Capital Inc.
- (6) There is no business relationship to be disclosed between the Company and MetLife Insurance K.K.
- (7) THE COCA-COLA COMPANY is an "Other Related Company" of the Company, and the Company has entered into agreements with it concerning the manufacture and sale of Coca-Cola and other products and the use of its trademarks.
- (8) There is no business relationship to be disclosed between the Company and Synovus Financial Corp.

(b) Main activities during the fiscal year under review

Position	Name	Main activities
Outside Director	Hiroko Wada	She attended all the 8 Board of Directors' meetings held during the fiscal year under review and provided advice as appropriate based on her considerable experience and global knowledge gained as officer at The Procter & Gamble Company and as Representative Director at Dyson Ltd. and Toys"R"Us-Japan Ltd.
Outside Director	Hirokazu Yamura	He attended all the 8 Board of Directors' meetings held during the fiscal year under review after he assumed Director of the Company and provided advice as appropriate based on his considerable experience and knowledge gained in management and as Representative Director & President at Michinoku Coca-Cola Bottling Co., Ltd..
Outside Director	Celso Guiotoko	He attended all the 8 Board of Directors' meetings held during the fiscal year under review and provided advice as appropriate based on his considerable experiences and global expertise gained at Nissan Motor Co., Ltd. ("Nissan") as well as Nishimoto Co., Ltd.
Outside Director (Audit & Supervisory Committee Member)	Hiroshi Yoshioka	He attended all the 8 Board of Directors' meetings and 4 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 considerable experience and global knowledge gained at the Coca-Cola bottling companies as an outside director in Japan and Sony Corporation.
Outside Director (Audit & Supervisory Committee Member)	Nami Hamada	She attended all the 8 Board of Directors' meetings and 5 Audit & Supervisory Committee's meetings held during the fiscal year under review and provided advice as appropriate based on her considerable experiences on Finance and Accounting gained as a proprietor of her own finance consulting company and her considerable experiences and global knowledge gained as a corporate executive at Lehman Brothers Japan Inc..
Outside Director (Audit & Supervisory Committee Member)	Stacy Apter	She attended all the 6 Board of Directors' meetings and 4 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 considerable experience and global knowledge on Finance and Risk Management gained as a Senior Vice President and Treasurer, Head of Corporate Finance of The Coca-Cola Company.
Outside Director (Audit & Supervisory Committee Member)	Sanket Ray	He attended all the 6 Board of Directors' meetings and 4 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 considerable experience and global knowledge gained as a President of India and Southwest Asia, The Coca-Cola Company.

## 4. Company Structure and Policies

### (1) Accounting Auditor

#### a. Name

Ernst & Young ShinNihon LLC

#### b. Amount of Remuneration

Categories	Amount paid	Remarks
Remuneration for services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act	68 million yen	(Note)
Remuneration for services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act	– million yen	
Remuneration by the Company and/or its subsidiaries to the Accounting Auditor	182 million yen	

#### Notes:

1. The audit contract between the Company and the accounting auditor does not distinguish between remuneration paid for the audit conducted in accordance with the Companies Act and remuneration paid for the audit conducted in accordance with Financial Instruments and Exchange Act. Accordingly, the amount above is the aggregate amount.
2. The Audit and Supervisory Committee confirmed and reviewed the appropriateness and adequacy of the audit plans, audit hours, implementation status and grounds for the estimate of the remuneration as submitted by the accounting auditor before granting approval to the remuneration payable to the accounting auditor.

#### c. Policy on Decisions on Dismissal or Non-Reappointment of Accounting Auditor

In the case that it is reasonably judged that the accounting auditor falls under any of the dismissal events listed in the items of Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Committee will remove the accounting auditor with the consent of all members. In this case, a Committee member selected by the Audit and Supervisory Committee will disclose the removal and its reason at the Meeting of Shareholders convened for the first time after the removal.

Additionally, concerning dismissal or non-reappointment of the accounting auditor, the Audit and Supervisory Committee shall decide contents of a proposed resolution they submit to the General Meeting of Shareholders, in the event they judge it necessary to do so in cases such as where the accounting auditor is recognized to have difficulty in properly fulfilling its auditing duties.

## **(2) The System to Ensure Business Adequacy**

### **a. Overview of the system to ensure business adequacy**

In order to establish the system to ensure that the jobs conducted by the Directors comply with the laws and regulations and the Articles of Incorporation, and other systems to ensure appropriateness of operation (to be referred to as “internal control” hereinafter), the Company has made a resolution on “the Internal Control System Basic Policy” at the Board of Directors Meeting.

“The Internal Control System Basic Policy” is as shown below.

### **(a) System to ensure that performance of duties by Directors and employees of the Group conforms to laws and regulations and the Articles of Incorporation**

- ① The “Code of Conduct” shall be established in order to ensure that all the Directors, Executive Officers, and employees of the Group comply with laws and regulations and the Articles of Incorporation to act in conformity with social norms. The Ethics & Compliance Committee shall be convened periodically in order to reinforce the compliance system and to prevent non-compliance.
- ② An internal whistle-blowing system against non-compliance, namely, a reporting and consultation contact separate from the reporting line to immediate managers, shall be set up.
- ③ The oversight function of the Board of Directors shall be reinforced by adopting the company system where Audit and Supervisory Committee is established in order to ensure auditing by the Audit and Supervisory Committee, which is comprised exclusively of Outside Directors.
- ④ The department in charge of internal auditing shall be established in order to audit whether business activities are conducted appropriately and effectively in conformity with laws and regulations, the Articles of Incorporation, Company Rules and Regulations, etc.
- ⑤ The Company clearly identifies the firm stance against anti-social forces and organizations that cause threats to the orders and safety of civil society and that the Company never ties with such entities. The Company shall never accede to any illegal request and deal with any such request in cooperation with the police, lawyers, etc.

### **(b) System to retain and manage information related to Directors’ performance of their duties**

- ① The Company shall record information regarding minutes of General Shareholders meetings, minutes of Board of Directors meetings, documents and other materials related to important decision-makings and Directors’ performance of their duties in documents or electronic media and retain it in accordance with the Rules of Documentation Handling and Information Security Policy in a manner similar to that for statutory documents.
- ② The Company’s Directors may inspect such documents, etc. at any time.

**(c) Regulations and other systems concerning loss risk management of the Group**

- ① In accordance with the Group policy on responding to material business risks and from the viewpoint of management of other risks, significant items shall be reported to the main meetings dealing with risk management, and the main meetings shall determine policies to deal with risks as required.
- ② The Company establishes rules, guidelines, etc. and maintains an organization to execute effective response to material risks, and ensure the matters to be passed down by implementing training for the entire Group, etc.
- ③ The department in charge of risk management in the Company or its subsidiaries is to monitor the condition of company-wide risks and to take appropriate measures on a group-wide basis. The Company promptly designates who is in charge of the response to new risks that arise.

**(d) System to ensure efficiency of performance of duties by the Group Directors**

- ① The Company's Board of Directors shall determine Group-wide management policy and goals shared by the Directors, Executive Officers, employees and others of the Group, and determine the efficient method to achieve the goals including the allocation of authority based on the group's decision-making rules.
- ② In addition to Board of Directors meetings, appropriate forums, such as the main meetings held within the operating companies, shall be organized to deliberate significant matters affecting the entire Group, thereby ensuring that decisions are reached based on considerations of multi-dimensional aspects.

**(e) System to ensure appropriateness of operations in a corporate group, which consists of the Company and its subsidiaries**

The Company shall ensure management integration of the Group through establishment of a corporate philosophy, management policy, the Code of Business Conduct & Ethics and Chart of Authority common throughout the Group and supervise and manage the performance of the subsidiaries' operations.

**(f) Matters concerning employees assisting the Audit and Supervisory Committee to execute the duties if the Audit and Supervisory Committee request the assignment of such employees, matters concerning the independence of such employees from Directors (excluding Directors serving on the Audit and Supervisory Committee) and matters related to ensuring the effectiveness of instructions given by the Audit and Supervisory Committee to such employees**

The Company shall assign employees assisting the Audit and Supervisory Committee. Such employees shall execute the duties under the instructions given by the Audit and Supervisory Committee in assisting executions of duties by the Audit and Supervisory Committee and shall not receive instructions from Directors (excluding Directors serving on the Audit and Supervisory Committee).

**(g) System for reporting by Directors and employees of the Group to the Audit and Supervisory Committee and systems to ensure that reporting parties do not receive disadvantageous treatment as a result of such reports**

- ① Upon discovery of any incident that could cause the Group substantial damage, such as acts in violation of laws and regulations, the Directors (excluding Directors serving on the Audit and Supervisory Committee), Executive Officers, employees and others of the Company shall immediately report the matter to the Audit and Supervisory Committee.
- ② The Internal Audit Department shall regularly report internal audit results and the status of other activities in the Group to the Audit and Supervisory Committee.
- ③ The department in charge of compliance shall regularly report the status of whistle-blowing in the Group to the Audit and Supervisory Committee.
- ④ The Company shall prohibit unjust treatment of the reporter to the Audit and Supervisory Committee, and ensure that this matter would be informed to all the Executive Officers and employees of the Group.

**(h) Matters concerning procedures for advance payment or reimbursement of expenses incurred in the course of performance of duties by Directors serving on the Audit and Supervisory Committee and policies related to processing expenses or liabilities arising from performance of duties by Directors serving on the Audit and Supervisory Committee**

The Company establishes enough budget for Directors serving on the Audit and Supervisory Committee each year to fulfill the performance of their duties.

**(i) Other systems to ensure that the Audit and Supervisory Committee's audit is conducted effectively**

- ① The Representative Director and the Audit and Supervisory Committee member shall hold meetings on a regular basis to exchange opinions in order to communicate with each other.
- ② The Representative Director shall prepare an environment so that the Audit and Supervisory Committee members are able to cooperate with external experts, such as lawyers and certified public accountants, in the course of its duties whenever the Audit and Supervisory Committee members deem it necessary.
- ③ The Audit and Supervisory Committee shall regularly provide opportunities for the exchange of opinions with the Internal Audit Department and accounting auditor.

**b. Overview of the operational status of the system to ensure business adequacy**

**(a) Initiative for ensuring compliance**

The Company has developed its corporate philosophy and Code of Business Conduct & Ethics for the entire Group so that all officers and employees will comply with laws and regulations and the Articles of Incorporation to act in conformity with social norms, and notifications are being ensured.

Additionally, CCBJH Group Ethics & Compliance Committee, chaired by the President, is held to work upon reinforcement of the compliance structure and prevention of occurrence of non-compliance cases.

Furthermore, Regulations for Handling Whistleblowing have been developed, and an internal whistle-blowing system is being operated by establishing Ethics & Compliance Reporting Hotline internally and at an external law office and specialized agencies to work upon early detection and improvement of non-compliance cases.

(b) Initiative on loss risk management

The Company has developed CCBJH Group Rules of Risk Management and is working upon preventing the occurrence of various risks that may arise for the Company. At the same time, the Company has formulated a response strategy implemented in the eventuality of risk materialization and developed a system to minimize damage and confusion for business by responding to the risk promptly and adequately.

Furthermore, in order to minimize damage and impact on business caused by natural disasters, etc., the Company periodically holds risk management drills, disaster response drills and safety confirmation drills, verifying the effectiveness of its business continuity plan that helps to deal with large-scale disasters.

(c) Initiative on ensuring adequacy and efficiency of the jobs conducted

The Company has established the Audit and Supervisory Committee in order to further enrich deliberation on matters with particular importance at the Board of Directors Meeting, whereas determination on conduct of other businesses is entrusted to the Directors.

Additionally, authority is delegated to Executive Officers and Heads of Functions / Departments so that decisions are made regarding business conduct based on the approval authority standard in accordance with the Group operational structure to ensure acceleration and streamlining of management decisions made by the management members.

(d) Initiative on ensuring that audit by the Audit and Supervisory Committee be conducted in an effective manner

The Audit and Supervisory Committee members audit the status of business conduct by the Directors, Executive Officers, and employees in accordance with relevant laws and regulations, the Articles of Incorporation, and the Regulations of the Audit & Supervisory Committee prepared by the Audit and Supervisory Committee by attending the Board of Directors meeting, and by referring to the audit results, etc. provided by the department in charge of internal audit and the accounting auditor.

The Audit and Supervisory Committee members periodically exchange opinions regarding such audit results with the Representative Directors.



### **(3) Basic Policies on the Control of the Stock Company**

Basic Policies on the Control of the Stock Company as follows.

#### **a. Details of Basic Policy**

The Company believes that the persons who control decisions on the Company's financial and business policies need to understand the source of the Company's corporate value to make it possible to continually, persistently ensure and enhance the Company's corporate value and, in turn, the common interests of its shareholders. The Company believes that a decision on any proposed acquisition that would involve a change of corporate control of the Company should ultimately be made based on the intent of its shareholders as a whole. In addition, the Company would not reject a large-scale acquisition of the shares in the Company if it would contribute to the corporate value of the Company and, in turn, the common interests of its shareholders.

However, there are some forms of large-scale acquisition of shares that benefit neither the corporate value of the target company nor the common interests of its shareholders: those with a purpose that would obviously harm the corporate value of the target company and, in turn, the common interests of its shareholders; those with the potential to substantially coerce shareholders into selling their shares; those that do not provide sufficient time or information for the target company's board of directors and shareholders to consider the terms of the large-scale acquisition of shares, or for the target company's board of directors to present a business plan or an alternative proposal; and those that require the target company to discuss or negotiate with the acquirer in order to procure more favorable terms for shareholders than those presented by the acquirer.

The Company believes that the persons who control decisions on the Company's financial and business policies need to be persons who fully understand the importance of (i) providing freshness and refreshment to people around the world and embedding the "Coca-Cola" brand, which is now a part of our life style, in local communities; (ii) striving aggressively to win in the market as the customers' preferred partner with a deep understanding of the Company's corporate philosophy; (iii) appreciating employees who have a strong sense of responsibility to thoroughly pursue customer satisfaction, and proactively working on building a workplace environment that can make each and every employee feel rewarded, motivated and proud of being a member of the Coca-Cola family; and (iv) contributing to local communities and proactively dealing with environmental issues with a strong sense of responsibility as a corporate citizen that continues to strive to assist in the realization of an affluent society, preserve relationships of mutual trust with customers, business partners, shareholders and employees and perform to their expectations, and make it possible to continually and persistently ensure and enhance the Company's corporate value and, in turn, the common interests of its shareholders from a mid- to long-term perspective.

Therefore, the Company believes that a person who would make a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the Company and, in turn, the common interests of its shareholders would be inappropriate to become a person who would control decisions on the Company's financial and business policies.

The Company believes that it is necessary to ensure and enhance the corporate value of the Company and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures against a large-scale acquisition of the shares in the Company by such a person.

b. Initiatives to realize the basic policies

(a) Summary of special initiatives that contribute to realizing the basic policies

The Group not only assumes a leading role in transforming the Coca-Cola business in Japan by deploying various joint initiatives such as product development and test marketing with The Coca-Cola Company and Coca-Cola (Japan) Company, Limited (100% funded by The Coca-Cola Company) as a business strategic partner, but also strives to become a company trusted by the stakeholders of consumers, customers, shareholders and employees.

While major growth of the soft drink industry cannot be expected as the market has already matured, the business environment surrounding is projected to become harsher as competition intensifies among soft drink companies.

Under such circumstances, the Group aims to become the preferred partner of our customers and consumers in all drinking occasions by establishing a robust and sustainable operating model, pursuing success in high-priority areas, and drastically transforming the business to ensure growth.

In addition, the Company has adopted the company system with an Audit and Supervisory Committee in order to further reinforce the governance system. The Audit and Supervisory Committee serves as the auditing body of the Company that is comprised exclusively of external directors, including multiple independent external directors. To strengthen the management oversight function, these external directors that serve as the member of the Audit and Supervisory Committee have each been granted a voting right in the Board of Directors meetings, in addition to the right to state their opinions in shareholders' meetings on matters pertaining to the designation of board members and their remuneration, among others. In order to separate the decision-making, business management and business execution functions, the Company is implementing a corporate executive officer system. In addition to the foregoing, for more fruitful deliberations of highly important matters in the Board of Directors meetings, the Company is delegating the authority to make decisions on certain important matters that require prompt business executions to specific directors as well as facilitating speedy decision making of other matters.

(b) Outline of measures to prevent inappropriate persons from controlling the finance and business policy decisions of the Company in light of the basic policy

Upon any substantial acquisition of the Company shares, the Company strives to proactively collect and timely disclose information in order to ensure and improve the corporate value of the Company and the common interest of shareholders as well as make appropriate measures as needed under the scope permitted by laws and regulations and the Articles of Incorporation.

When Board Meeting determines it necessary to reapply anti-takeover measures in order to ensure and improve the corporate value of the Company and the common interest of shareholders, taking into considerations of the future trend of the society, the Company consults with shareholders at the Meeting of Shareholders as stipulated in the Articles of Incorporation for decision of the implementation.

c. Decisions of the Company's Board of Directors regarding specific measures and reasons therefor

The measure described in the previous b. (a) was introduced as a specific measure to continuously and sustainably improve the corporate value of the Company and the common interest of shareholders and is consistent with the Company's basic policy.

In addition, the measure described in the previous b. (b) was introduced as a specific measure to ensure and improve the corporate value of the Company and the common interest of shareholders as needed under the scope permitted by laws and regulations and the Articles of Incorporation focusing on the intention of shareholders, and it is not intended to undermine the shareholders' common interests or preserve the positions of the Company officers.

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(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, 2023

(Millions of yen)

Assets		Liabilities	
<b>Current assets:</b>	<b>313,756</b>	<b>Current liabilities:</b>	<b>197,443</b>
Cash and cash equivalents	113,660	Trade and other payables	116,612
Trade and other receivables	120,069	Bonds and debts	40,979
Inventories	71,651	Lease liabilities	5,267
Other financial assets	88	Income taxes payable	4,176
Other current assets	8,288	Other financial liabilities	1,111
<b>Non-current assets:</b>	<b>531,077</b>	Other current liabilities	29,297
Property, plant, and equipment	401,687	<b>Non-current liabilities:</b>	<b>177,369</b>
Right-of-use assets	23,894	Bonds and debts	114,802
Intangible assets	63,819	Lease liabilities	20,349
Investments accounted for using the equity method	310	Other non-current financial liabilities	15
Other financial assets	11,898	Net defined benefit liabilities	19,856
Deferred tax assets	25,222	Provisions	1,781
Other non-current assets	4,245	Deferred tax liabilities	16,757
<b>Total assets</b>	<b>844,832</b>	Other non-current liabilities	3,809
		<b>Total liabilities</b>	<b>374,812</b>
		<b>Equity</b>	
		<b>Equity attributable to owners of the parent (total)</b>	<b>469,847</b>
		<b>Capital stock</b>	<b>15,232</b>
		<b>Capital surplus</b>	<b>451,389</b>
		<b>Retained earnings</b>	<b>88,365</b>
		<b>Treasury shares</b>	<b>(85,362)</b>
		<b>Accumulated other comprehensive income</b>	<b>223</b>
		<b>Non-controlling interests</b>	<b>174</b>
		<b>Total equity</b>	<b>470,021</b>
		<b>Total liabilities and equity</b>	<b>844,832</b>

Note: Amounts less than one million yen are rounded.

# Consolidated Statement of Income

For the fiscal year ended December 31, 2023

(Millions of yen)

<b>Revenue</b>	<b>868,581</b>
<b>Cost of sales</b>	<b>484,364</b>
Gross profit	<b>384,216</b>
<b>Selling and general administrative expenses</b>	381,022
<b>Other income</b>	5,156
<b>Other expenses</b>	4,902
<b>Investment gain(loss) on equity method</b>	(7)
Operating income	<b>3,441</b>
<b>Financial revenue</b>	535
<b>Finance expense</b>	753
Income for the year before income tax	<b>3,224</b>
<b>Income tax benefit</b>	1,321
<b>Net income for the year from continuing operations</b>	<b>1,903</b>
<b>Net income for the year attributable to:</b>	
<b>Net income Attributable to Owners of Parent</b>	1,871
Non-controlling interests	32

Note: Amounts less than one million yen are rounded.

# Consolidated Statement of Changes in Shareholders' Equity

For the fiscal year ended December 31, 2023

(Millions of yen)

	Equity attributable to owners of the parent					
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income (loss)	Total
Balance as of January 1, 2023	15,232	451,264	94,209	(85,667)	1,177	476,216
Comprehensive income for the period						
Net income for the period	–	–	1,871	–	–	1,871
Other comprehensive income	–	–	–	–	338	338
Total comprehensive income for the period	–	–	1,871	–	338	2,209
Transactions with owners						
Dividends of surplus	–	–	(8,967)	–	–	(8,967)
Purchase of treasury shares	–	–	–	(5)	–	(5)
Disposal of treasury shares	–	(149)	–	310	–	162
Transactions of share-based payment	–	273	–	–	–	273
Reclassification from accumulated other comprehensive income to retained earnings	–	–	1,252	–	(1,252)	–
Reclassification from accumulated other comprehensive income to non-financial assets	–	–	–	–	(41)	(41)
Total transactions with owners	–	125	(7,715)	305	(1,293)	(8,579)
Balance as of December 31, 2023	15,232	451,389	88,365	(85,362)	223	469,847

	Non-controlling interests	Total
Balance as of January 1, 2023	142	476,358
Comprehensive income for the period		
Net income for the period	32	1,903
Other comprehensive income	–	338
Total comprehensive income for the period	32	2,241
Transactions with owners		
Dividends of surplus	–	(8,967)
Purchase of treasury shares	–	(5)
Disposal of treasury shares	–	162
Transactions of share-based payment	–	273
Reclassification from accumulated other comprehensive income to retained earnings	–	–
Reclassification from accumulated other comprehensive income to non-financial assets	–	(41)
Total transactions with owners	–	(8,579)
Balance as of December 31, 2023	174	470,021

Note: Amounts less than one million yen are rounded.

# Notes to Consolidated Financial Statements

## **(Notes to significant matters as the basis for preparation of consolidated financial statements)**

### 1. Accounting standards of consolidated financial statements

The consolidated financial statements of the Company Group are prepared in accordance with International Financial Reporting Standards (IFRS) pursuant to Article 120, Paragraph 1 of the Rules of Corporate Accounting.

For the consolidated financial statements, certain disclosure items required by IFRS have been omitted pursuant to the provision of the latter part of that paragraph.

### 2. Matters on the scope of consolidation

(1) Number of consolidated subsidiaries: 9 subsidiaries

(2) Names of major consolidated subsidiaries

The names of major consolidated subsidiaries are as described in “(7) Status of Significant Subsidiaries” of “1. Current Status of the Coca-Cola Bottlers Japan Group” in the Business Report.

### 3. Matters on the application of the equity method

(1) Number of affiliates accounted for using the equity method: 1

(2) Names of affiliates accounted for using the equity method

Resources Co., Ltd.

### 4. Matters on accounting standards

(1) Measurement of financial assets

a. Classification and measurement of financial assets

At initial recognition, financial assets are classified as subsequently measured at amortized cost or fair value.

Financial assets measured at fair value through profit or loss are initially measured at fair value. Financial assets measured at fair value through other comprehensive income and financial assets measured at amortized cost are initially measured at fair value plus transaction costs directly attributable to the acquisition.

The Group’s classification under IFRS 9 is based on facts and circumstances, and the Group designates equity instrument as an equity instrument measured at fair value through other comprehensive income.

(a) Financial assets measured at amortized cost

Financial asset is classified as measured at amortized cost if both of the following conditions are met: - if the objective of our business model is to hold financial asset in order to collect contractual cash flows; and - if, by contract terms, the condition that a cash flows that is solely payment of principal and interest on the principal amount outstanding gives rise on a specified date.

(b) Financial assets measured at fair value

If any of the above two conditions are not met, the financial asset is classified as measured at fair value. For financial assets measured at fair value, the Group decided whether to make an irrevocable designation for each financial instrument, except for the equity instrument held for trading purposes that must be measured at fair value through the profit or loss, or at fair value through other comprehensive income.

For derivatives, see “c. Derivatives and hedging activities.”

Financial assets are subsequently measured as follows according to their classification.

(a) Financial assets measured at amortized cost

They are measured at amortized cost based on effective interest method and if any, impairment loss is deducted. Gains or losses arising from effective interest method or derecognition are recognized in profit or loss.

(b) Financial assets measured at fair value

They are measured at fair value as of the reporting date. Changes in fair value are recognized in profit or loss or other comprehensive income, depending on the classification of the financial asset. Dividends income arising from the equity instrument designated as measured at fair value through other comprehensive income is recognized in profit or loss. In addition, in the event the derecognition of equity instrument designated as measured at fair value through other comprehensive income, the cumulative changes in fair value recorded in accumulated other comprehensive income are reclassified to retained earnings.

b. Impairment

The Group makes expected credit loss estimates on the reporting date basis on the recoverability of financial assets measured at amortized cost. For financial instruments, whose credit risk has not increased significantly since initial recognition, an expected credit loss of 12 months is recognized as allowance for credit loss. For financial instruments, whose credit risk has increased since initial recognition, lifetime expected credit loss is recognized as allowance for credit loss. However, allowance for credit loss for trade receivables is always measured at an amount equal to the lifetime expected credit losses.

For financial assets, whose credit risk has increased significantly, if there is evidence of credit impairment, interest income is measured multiplied by effective interest rate by the net amount of carrying amount less allowance for credit loss. The indicators used by the Group in determining if objective evidence of impairment exists include the following

- Significant financial difficulty of the issuer or the borrower.
- A breach of contract, such as a default or delinquency in the payment of interest or principal.
- Granting of concession for economic or legal reasons related to the borrower’s financial difficulty that the Group would not otherwise consider.
- Increased likelihood of bankruptcy or other financial reorganization of the borrower; or
- The disappearance of an active market for that financial asset because of financial difficulty.



If the Group does not have a reasonable expectation of collecting the entire or a portion of the financial asset, the amount is deducted directly from the carrying amount of the financial asset (write-off). If the credit risk is subsequently reduced and clearly distinguishable from events that occurred after direct write-offs (e.g., improved credit ratings of the obligor), the reversal of write-offs is recognized in profit or loss.

c. Derivative and hedge accounting

Derivative is initially recognized at the fair value of the date the derivative contract is concluded, and after initial recognition, it is remeasured at fair value on the reporting date. Recognition of gains or losses resulting from remeasurement depends on whether the derivative is designated as hedging instrument and, if specified as hedging instrument, the nature of the hedged item. The Group designates certain derivatives as hedging instruments for cash flow hedges (certain risks related to asset or liability, or highly probable forecast transaction hedges).

At the inception of the hedging relationships, the Group documents the relationships between hedging instrument and hedged item, as well as our risk management objectives and strategies for executing these hedging transactions. The Group also documents the assessment, at the hedge's inception and on an ongoing basis, of whether the derivative used in the hedge transaction is effective to offset changes in the cash flows of the hedged item.

The Group evaluates the hedge effectiveness on an ongoing basis and judges that it is effective when all of the following conditions are met "there is the economic relationship between hedged item and hedging instrument," "the impact of credit risk is not materially superior to changes in value arising from economic relationships," and "the hedge ratio of hedging relationships is the same as the ratio resulting from the volume of hedged item and hedging instrument actually being hedged."

The effective portions of changes in the fair value of derivative which is designated and qualifying as a hedging instrument for cash flow hedge are recognized in other comprehensive income. Gains or losses on the ineffective portion are recognized in profit or loss immediately.

Accumulated gains or losses recognized in other comprehensive income are reclassified to profit or loss in the period in which the cash flows arising from the hedged item affects profit or loss. However, if the forecast transaction which is a hedged item results in the recognition of a non-financial asset (e.g., inventories), the gain or loss previously recognized in other comprehensive income is reclassified into the measurement of the initial cost of the related asset. Such amounts are ultimately recognized as the cost of goods sold in the case of inventories.

Hedge accounting is discontinued prospectively if the hedge relationship no longer meets the qualifying criteria due to the extinction or sale of hedging instrument. If the hedged cash flows are expected to be incurred in the future, the accumulated gains or losses recognized in other comprehensive income will continue to be recognized as an accumulated other comprehensive income. If a forecast transaction is no longer expected to occur, the cumulative gains or losses recognized in other comprehensive income is reclassified to profit or loss.

## (2) Measurement of inventories

Inventories are measured at the lower cost and net realizable value. Discounts, rebates, other similar items and interest rates until the par value is reached are deducted from its cost. Manufacturing costs include direct materials, direct labor, and manufacturing overhead. Net realizable value is calculated at estimated selling prices less estimated selling costs and estimated selling expenses. The Group typically calculates the cost of inventories based on the weighted-average method. If the net realizable value of inventories is less than its cost, the difference is recognized as expense in the consolidated statements of profit or loss.

## (3) Measurement and depreciation or amortization of property, plant and equipment and intangible assets

### a. Property, plant, and equipment

After initial recognition, property, plant, and equipment is measured at cost less accumulated depreciation and impairment losses. Expenditures incurred to expand, improve, or improve asset productivity, allowances, or efficiencies, or to extend the useful life of an asset are included in cost of the related asset as capital expenditures, while repairs and administrative expenses are recognized as expenses when incurred.

Depreciation is principally calculated using the straight-line method over the estimated useful life for each item of property, plant and equipment as follows:

	<u>Years of estimated useful lives</u>
Buildings and Structures	2 – 60
Machinery, Equipment and Vehicles	3 – 20
Vending machines	2 – 11

Depreciation methods, estimated useful life, and estimated residual values are reviewed at the end of each fiscal year, and any changes are applied prospectively as a change in accounting estimate.

Gains and losses from the sale or disposal of asset are measured as the difference between carrying amount and sale value in “Other income” or “Other expense” in the consolidated statements of profit or loss.

### b. Intangible assets

Intangible assets are initially recognized at cost or manufacturing cost. Subsequent to initial recognition, intangible assets are measured at cost less accumulated amortization and impairment losses. The Group evaluates intangible asset’s useful life to determine whether it is finite or indefinite and, if it is finite, evaluates useful life based on the expected usable period.

The principal intangible asset with finite useful life is software, and amortization is calculated using the straight-line method over the estimated useful life (5-10 years).

The amortization method, estimated useful life, and estimated residual value are reviewed at the end of each fiscal year and applied prospectively as a change in accounting estimate in the event of any change.

#### Contract related intangible asset

In connection with the acquisition of the former Coca-Cola East Japan Co., Ltd., the Group's contract related intangible asset is concluded with The Coca-Cola Company. This contract relates to the exclusive rights to manufacture, distribute, and sell the Coca-Cola brand products in certain areas.

The contract is for 10 years and will be renewed without consideration of renewals or extensions.

The Group accounts for contract related intangible asset attributable to bottling contract as an intangible asset with indefinite useful life. The Group believe that it is unlikely that we will not renew or extend the contract due to our historical relationship with The Coca-Cola Company and the possible adverse impact on our franchisors from the nonrenewal of the contract. Therefore, it is difficult to predict the periods during which assets may generate net cash flows.

Contract related intangible assets are not amortized but are assessed for impairment annually and whenever events or changes in circumstances indicate a potential impairment may occur.

#### c. Leases (as a lessee)

The Group recognizes Right-of-use assets and lease liabilities at the commencement date of the lease. Right-of-use assets are measured at cost on the commencement date. After the commencement date, the Right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses using a cost model. The lease period of the right-of-use asset is estimated as the non-cancellable lease period, together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. Right-of-use assets are depreciated by using the straight-line method, generally over 15 years from the commencement date.

Lease liabilities are measured on the commencement date at the present value of the lease payments that have not been made as of that date. After the commencement date, the carrying amount of the lease liabilities are adjusted to reflect the interest rate on the lease liabilities and the lease payments made. If the lease liabilities are revised or the terms of the lease are changed, the lease liabilities will be remeasured, and the right-of-use asset will be revised.

#### (4) Criteria for recording significant provisions

Provision is measured at the present value of the best estimate of the amount that would be required to pay or transfer the obligation, taking into account probability that event occurs and its impact. The reversal of the discount by passage of time is recognized as financial expense.

(5) Employee benefits

a. Short-term employee benefits

Short-term employee benefit is recognized as expense when the related services are rendered.

b. Defined contribution plans

Contributions to the defined contribution plans are recognized as expenses in the period in which the employee renders the services.

c. Defined benefit plans

The Group's net obligation related to defined benefit plans is calculated for each plan by estimating the number of future benefits earned by employees prior to the current period, discounting the amount to the present value, and deducting the fair value of plan asset.

Defined benefit plans obligations are calculated annually by actuaries using the projected unit credit method.

Remeasurement of defined benefit obligations, consisting of the actuarial gains and losses, return on plan asset (excluding interest) and impact of asset ceiling, is recognized in other comprehensive income, and immediately reclassified from accumulated other comprehensive income to retained earnings. The Group calculates net interest expense (income) for the fiscal year by multiplying the discount rate used to measurement the defined benefit plans obligation (asset) at the beginning of the fiscal year by the defined benefit plans obligation (asset) and the plan asset at the beginning of the period.

Defined benefit plans obligations at the beginning of the fiscal year take into account all changes in defined benefit plans obligations (asset) during the fiscal year due to contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

d. Long-term employee benefits

The Group's long-term employee benefits is calculated by discounting the estimated future benefit to its present value.

The discount rate is determined based on the market yield on AA-rated corporate bonds at the reporting date, which approximates the average remaining service period.

#### (6) Recognition of revenue

Revenue is recognized for the contract with customer under IFRS 15 excluding interest and dividends income by applying the following five steps

Step 1: Identifying contract with customer

Step 2: Identifying performance obligation in contract

Step 3: Determining the transaction price

Step 4: Allocating the transaction price to performance obligation in contract

Step 5: Recognizing revenue when (or as) performance obligation is met

The Group sells soft drinks such as carbonated beverages, coffee beverages, tea-based beverages and mineral water, and alcohol. For sales of these products, revenue is recognized primarily at the time of delivery as the customer has obtained control over the products and believes that the performance obligation is satisfied.

In addition, revenue is measured at consideration promised in the contract with customer, less discounts, rebates, returns and other items. In addition, the Company has a point system for its customers, whereby points awarded for the purchase of products can be used for future purchases of the Company's products. The Company identifies points as a performance obligation and allocates the transaction price based on the earned sales price, taking into account the expected use and execution of the points, and recognizes revenue when the points are used. The transaction price allocated to the point performance obligation is recorded as "Other current liabilities" in the consolidated statement of financial position.

#### (7) Stock-based compensation

We have introduced Executive reward BIP Trust and Stock-granting ESOP Trust for its directors (excluding directors who are members of the Audit and Supervisory Committee and outside directors), executive officers, and employees for the purpose of sharing the benefits and risks of stock price fluctuations with shareholders and to increase their willingness to contribute to medium- to long-term improvement in corporate value and stock price appreciation. The Company's shares held by the trust are recognized as treasury shares. The remuneration calculated under the plans is recognized as an expense and the corresponding amount is recognized as an increase in equity.

## 5. Critical accounting estimates

In preparing the condensed consolidated financial statements in accordance with IFRS, management is required to make judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, revenue, and expenses. Actual results may differ from these estimates. The estimates and the assumptions underlying the estimates are continually reviewed and are based on historical experience and other factors, including future events, which are believed to be reasonable under the circumstances. Accounting estimates are based on the most appropriate information at the time the condensed consolidated financial statements are released.

If there are changes to any future estimates, the impact of the revision is recognized in the condensed consolidated statements of income and condensed consolidated financial statements of comprehensive income subsequent to the reporting period in which they are revised.

Accounting judgments, estimates and assumptions that have a significant impact on the condensed consolidated financial statements will be revised based on the same concept as in the consolidated financial statements for the previous consolidated fiscal year. Information about processes and estimates that have a significant effect on the amounts recognized in the Consolidated Statement of Financial Position is presented below.

### (1) Useful lives of property, plant and equipment and intangible assets

#### a. Amount recorded in the Consolidated Statement of Financial Position for the current fiscal year

Property, plant, and equipment	401,687 million yen
Right-of-use assets	23,894 million yen
Intangible assets	63,819 million yen

#### b. Information that contributes to an understanding of the content of accounting estimates

Property, plant, and equipment are depreciated over the estimated useful lives, which is the period over which the future economic benefits of the asset are expected. If property and equipment is obsolescent in the future or reused for other purposes, depreciation expense may increase, and the estimated useful life may be shorter. Details of useful life are provided in notes 4 (3) a. "Property, plant and equipment."

The right-of-use asset is estimated for the lease term with a non-cancellable period plus a reasonably certain period of time to exercise the option to extend or not to cancel the lease. Details of the useful life are described in note 4 (3) c. "Leases (as a lessee)".

Intangible assets are evaluated whether the useful life is definite or indefinite, based on the analyzing of all relevant factors and predictability of the period over which such intangible asset is expected to result in cash inflows. Intangible assets with definite useful life are amortized using the estimated useful life, which is the period over which the future economic benefits are expected. Amortization expense is subject to risks that may increase as a result of changes in the estimated useful life caused by external factors, such as changes in business conditions. Details of useful life are provided in notes 4 (3) b. "Intangible assets."

(2) Information that contributes to an understanding of the content of accounting estimates

a. Amount recorded in the Consolidated Statement of Financial Position for the current fiscal year

Property, plant, and equipment	401,687 million yen
Right-of-use assets	23,894 million yen
Intangible assets	63,819 million yen
Other	11,266 million yen

b. Information that contributes to an understanding of the content of accounting estimates

In performing impairment tests, the recoverable amount of a cash-generating unit is calculated based on its value in use. Value in use is mainly estimated by discounting the estimated cash flows to its present value. Key assumptions in estimating recoverable amounts include future cash flows, discount rates, and long-term average growth rates. Mid-term plans, which are the basis for future cash flows, are based on sales and cost plans for the relevant period. While such assumptions are based on management's best estimates and judgments, these assumptions may also be affected by changes in economic conditions that have a significant impact on future consolidated financial statements.

(3) Provision and contingent liabilities

a. Amount recorded in the Consolidated Statement of Financial Position for the current fiscal year

Provision (Current)	– million yen
Provision (Non-current)	1,781 million yen

b. Information that contributes to an understanding of the content of accounting estimates

In the consolidated statements of financial position, the Group recognizes mainly provision on asset retirement obligations and environmental measures provision. Provision is measured based on the best estimate of the expenditures required to settle the obligation. Expenditures required to settle obligations are calculated by considering all factors affecting future results but may be affected by unforeseeable events and changes in the environment assumed. The accounting policies and reported amounts of provision are described in notes 4 (4) "Accounting standards for significant provision"

(4) Recoverability of deferred tax assets

a. Amount recorded in the Consolidated Statement of Financial Position for the current fiscal year

Deferred tax assets	25,222 million yen
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b. Information that contributes to an understanding of the content of accounting estimates

At recognition of deferred tax assets, the Group estimates the timing and amount of future taxable income based on the Group's mid-term plans. Estimates of future taxable income are based on mid-term plans. The main assumptions are the sales plan and cost plan for the period. In assessing the recoverability of deferred tax assets, the Company considers the expected reversal of deferred tax liabilities, projected future taxable income, and tax planning including assets sales etc. While such assumptions are based on management's best estimates and judgments, these assumptions may also be affected by changes in economic conditions that have a significant impact on future consolidated financial statements.

(5) Measurement of defined benefit plans obligation

a. Amount recorded in the Consolidated Statement of Financial Position for the current fiscal year

Retirement benefit liability	19,856 million yen
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b. Information that contributes to an understanding of the content of accounting estimates

The Groups adopts a variety of retirement benefit plans, including defined benefit plans. The present value and service cost of defined benefit obligations for all plans are based on actuarial projections. Actuarial projections require estimates and judgments related to variable factors such as discount rates, rates of salary increase and inflation. The Group is advised by external actuaries as to the adequacy of actuarial projections, including these variable factors. While actuarial projections are determined based on management's best estimates and judgments, they may be affected by changes in uncertain future economic conditions and the establishment and revise of related laws and regulations that could have a material effect on future consolidated financial statements.

(6) Measurement of financial instrument without quoted prices in active market

a. Amount recorded in the Consolidated Statement of Financial Position for the current fiscal year

Other financial assets (Current)	88 million yen
Other financial assets (Non-current)	11,898 million yen

b. Information that contributes to an understanding of the content of accounting estimates

The Group applies valuation techniques that use unobservable inputs in the market to evaluate the fair value of financial instruments without quoted prices in an active market. Unobservable inputs may be impacted by uncertain future changes in economic conditions that could have a material impact on future consolidated financial statements. Details related to the assessment of financial asset are provided in (Notes regarding financial instruments)

**(Notes regarding Consolidated Statement of Financial Position)**

Accumulated depreciation of property, plant and equipment and right-of-use assets:	431,530 million yen
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**(Notes regarding Consolidated Statement of Income)**

Other income includes 4,425 million yen of gain on sale of property, plant, and equipment. Other expenses include 1,825 million yen of loss on sales of tangible fixed assets, 2,491 million yen of transformation-related expenses.

**(Notes regarding Consolidated Statement of Changes in Shareholders' Equity)**

## 1. Matters related to the total number of issued and outstanding shares

Type of shares	Number of shares as of January 1, 2023	Number of increased shares for the current consolidated fiscal year	Number of decreased shares for the current consolidated fiscal year	Number of shares at the end of current consolidated fiscal year
Common stock	206,269 thousand shares	–	–	206,269 thousand shares

## 2. Matters concerning dividends of surplus

## (1) Dividends paid

Resolution	Type of shares	Total amount of dividends (million yen)	Dividend per share amount (Yen)	Reference date	Effective date
March 28, 2023 Ordinary general meeting of shareholders	Common shares	4,484	25	December 31, 2022	March 29, 2023
August 9, 2023 Board of Directors	Common shares	4,562	25	June 30, 2023	September 1, 2023

Note: The total amount of dividends includes 79 million yen for the Company shares held by Executive reward BIP Trust and Stock granting ESOP Trust.

## (2) Among the dividends whose reference dates belong to the current consolidated fiscal year, the dividends whose effective date come after the end of the current consolidated fiscal year.

Resolution	Type of shares	Total amount of dividends (million yen)	Source of dividends	Dividend per share amount (Yen)	Reference date	Effective date
March 26, 2024 Ordinary general meeting of shareholders	Common shares	4,562	Retained earnings	25	December 31, 2023	March 28, 2024

Note: The total amount of dividends includes 76 million yen for the Company shares held by Executive reward BIP Trust and Stock granting ESOP Trust.

## (Notes regarding revenue)

### (1) Information disaggregating revenue arising from contracts with customers

The Group's organizational structure is based on the single beverage business segment. Discrete financial information is available for the components of the Group, and operating results are regularly reviewed by the Board of Directors (chief operating decision makers) to make decisions about the allocation of business resources. As such, the earnings recorded under the beverage business are presented as Revenue.

In the beverage business, the Group purchases, manufactures, and sells carbonated beverages such as Coca-Cola, coffee beverages, tea-based beverages, mineral water, alcohol, and other beverages in Japan. Revenue for sales of these products is recognized primarily at the time of delivery as the customer has obtained control over the products and the performance obligation is satisfied.

Payments relating to such performance obligations are received generally within two months of delivery. The contracts with customers do not include any material financial elements.

	(Millions of yen)	
	<b>Current fiscal year (From January 1, 2023 To December 31, 2023)</b>	
Revenue		
Goods or services transferred at a point in time		868,581
Other revenue arising from customers and contracts		
Beverages		868,560
Others		20
<b>Total</b>		<b>868,581</b>

### (2) Information that forms the basis for understanding revenue from contracts with customers

As stated in notes 4. Significant accounting policies (6) Revenue recognition.

### (3) Contract balances

①Receivables (accounts and notes receivable) arising from contracts with customers are as follows.

	(Millions of yen)	
	<b>Previous fiscal year (From January 1, 2022 To December 31, 2022)</b>	<b>Current fiscal year (From January 1, 2023 To December 31, 2023)</b>
Receivables arising from contracts with customers		
Accounts and notes receivable	77,105	79,994
<b>Total</b>	<b>77,105</b>	<b>79,994</b>
Contract liabilities (Other current liabilities)	1,147	1,135

Note: Contract liabilities based on a point system for its customers. When we assume that customer will use the points, we recognized as performance obligation and recorded in contract liabilities. Whereby points awarded for the purchase of products can be used for future purchases of the Company's products. The amount of revenue recognized in the current fiscal year that was included in the contract liabilities at the beginning of the period was 1,147 million yen. The amount of revenue recognized from performance obligations in prior periods was not material in the current fiscal year.

②Transaction price allocated to the remaining performance obligation

Information regarding the remaining performance obligation is omitted as there are no significant transactions in which the estimated individual contract periods exceed one year in the Group.

**(Notes regarding financial instruments)**

1. Matters concerning the situation of financial instruments

(1) Financial risk management

The Groups are exposed to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Group faces a variety of financial risks (credit risk, liquidity risk and market risk (equity price risk, interest rate risk, currency risk and commodity price risk) in the course of conducting business and manages risks in accordance with certain policies to avoid and mitigate these financial risks. The Group's risk management policies are formulated after identifying and analyzing the risks faced by the Group with the aim of appropriately identifying risks and controls and monitoring risks and complying with controls. Risk management policies and systems are reviewed periodically to reflect market conditions and the Group's business activities. The Group conducts training and develops manuals and procedures to maintain a control environment in which all employees understand their roles and disciplines.

Based on our risk management policies, the group utilizes derivative transactions to hedge certain risk exposures. The Group's policy is to utilize derivative transactions to hedge foreign currency exchange and commodity price risks and not to engage in speculative transactions. Our finance division identifies, evaluates, and hedges financial risk.

a. Credit risk

Credit risk is the risk that one party to the financial instrument will be unable to fulfil its obligations and another party will incur financial losses. In the course of our business, the Group is exposed to counterparty credit risk with respect to trade and other receivables and other financial assets (including deposits, securities, and other receivables). The carrying amount after impairment for financial assets presented in the consolidated financial statements is the maximum exposure of the Group of financial assets to credit risk, without taking into account of any collateral held. In addition, the Group has no significant credit risk exposure to any particular counterparty and has no excessive concentration of credit risk with specific managements.

In order to manage credit risk, the Group manages payment due dates and outstanding for each customer in accordance with our internal customer control regulations and monitors the credit standing of our major customer on a regular basis. In order to mitigate the credit risk of derivative transactions, in principle, transactions are limited to financial institutions with high credit ratings.

In addition, the Group calculates allowance for credit loss by classifying receivables based on credit risk characteristics. For trade and lease receivables, the Group always measures allowance for credit loss at the same amount as lifetime expected credit losses. Receivables other than trade and lease receivables, in principle, are measured

the allowance for credit loss at the same amount as the 12-month expected credit losses. However, if credit risk increases significantly from the initial recognition date, the Group recognizes the allowance for credit losses at the same amount as the lifetime expected credit losses. The Group determines whether or not the credit risk has increased significantly based on fluctuations in the risk of default, and consideration of the passage of time and deterioration in the financial condition of the obligor. All receivables other than trade receivables for which the Group measures the allowance for credit loss at the same amount as the 12-month expected credit losses are measured on a collective basis.

The amount of expected credit losses related to trade receivables is calculated based on simplified approaches by classifying receivables according to the credit risk characteristics of the counterparty and multiplying by the provision rate reflected historical credit loss rate calculated for each category and forecasts of future economic conditions. The amount of expected credit losses related to receivables other than trade receivables whose credit risk has not increased significantly is calculated based on the principle approach by multiplying by provision rate reflected the historical rate of credit loss of the same type of asset by its carrying amount.

The amount of expected credit losses related to asset whose credit risk has been increased significantly and credit-impaired financial asset is calculated as the difference between the present value of estimated future cash flows discounted by the asset's initial effective interest rate and carrying amount.

#### b. Liquidity risk

Liquidity risk is the risk that the Group will be unable to pay its obligations on the due date for repayment in the financial liabilities when such obligations become due. The Group manages to secure sufficient funds to meet payment due dates under any circumstances that do not affect the Group's conditions of loss or reputation. Our financial division manages our liquidity risk by maintaining adequate levels of net income and cash balances within our line of credit with banks and by comparing and analyzing actual cash flows and forecast cash flows.

#### c. Market risk

Market risk is the risk of fluctuations in interest rates, stock prices and other market prices that may affect the value of the Group's revenue and value of securities held by the Group. While optimizing profits, the Group manages market risk exposures to acceptable levels.

##### (a) Interest rate risk

Loans payable and bonds are fixed interest rates. Accordingly, the impact of changes in interest rates on profit or loss is limited and the Group believes that our interest rate risk is insignificant and has not performed sensitivity analyses such as basis point values.

##### (b) Stock price risk

The Group is exposed to the risk of fluctuations in stock prices because the Group holds a large number of securities with quoted market prices. Securities with quoted market prices are held for purposes other than trading and are designated primarily as financial assets measured at fair value through the other comprehensive income.

(c) Currency risk

The Coca-Cola Bottlers Japan Co., Ltd., a consolidated subsidiary, purchases raw materials denominated in foreign currencies and is therefore exposed to currency risk, mainly in U.S. dollars. Currency risk arises from forecast transactions, such as future purchases, or from assets and liabilities that are already recognized. The Group utilizes foreign currency forward contracts to hedge its currency risk. Hedge accounting is applied to transactions that meet the criteria for hedge accounting. Receivables and payables denominated in foreign currencies are exposed to the risk of exchange rate fluctuations, but the impact of this risk is limited as it is offset by forward exchange contracts.

(d) Commodity price risk

The Coca-Cola Bottlers Japan Co., Ltd., a consolidated subsidiary, purchases raw materials that are subject to fluctuations in prices due to weather and natural disasters. As a result, the Group is exposed to the commodity price risk of raw materials. The Group enters into commodity swap contracts to hedge the risk of fluctuations in the prices of these raw materials.

2. Classification by level of the fair value hierarchy

(1) Classification by level of the fair value hierarchy

Financial instruments measured at fair value on a recurring basis after initial recognition are classified into three levels of the fair value hierarchy, depending on the observability and significance of the inputs used in the measurement. The fair value hierarchy is defined as follows:

Level 1: Fair value (unadjusted) in the active market of the same asset or liability

Level 2: Fair value based on inputs other than quoted prices included in Level 1, either directly observable inputs or indirectly, of observable inputs for asset or liability

Level 3: Fair value based on unobservable inputs for asset or liability

When more than one input is used to measure the fair value, the level of the fair value hierarchy is determined based on the lowest level of input that is significant to the fair value measurement as a whole. Transfers between levels of the fair value hierarchy are recognized as having occurred at the beginning of each fiscal year. There was no transfer between Level 1 and Level 2.

## (2) Fair value measurement

Securities are classified as Level 1 of the fair value hierarchy by the measurement of share prices, if any, in an active market for the same asset or liability. If there is no active market share price for the same asset or liability, the Group uses valuation techniques such as share prices in non-active markets, and quoted market prices of similar companies. If significant inputs, such as quoted market prices and discount rates used in measurement are observable, such financial instruments are classified as Level 2, but are classified as Level 3 if inputs used in its measurement include significant unobservable inputs.

Unlisted securities are classified into Level 3 of the fair value hierarchy using valuation techniques based on quoted market prices of similar companies, valuation techniques based on net asset value, and other valuation techniques. In the fair value measurement of unlisted securities, the Group uses unobservable inputs such as valuation multiples and considers certain illiquidity discounts and non-controlling interest discounts as needed. The measurement methods for such fair value are determined by the Finance division in accordance with the Group's accounting policies. The valuation techniques and significant unobservable inputs used in Level 3 fair value measurement are as follows:

Type	Valuation technique	Significant unobservable inputs	Interactions between significant unobservable inputs and fair value measurement
Financial instrument measured at fair value through other comprehensive income (Securities)	Comparison of similar companies	EBIT Multiple: 26.8 times PER: 5.8—6.5 times PBR: 1.1—2.4 times	Estimated fair value increases (decreases) when equity indices of comparable listed companies of the target are high (low)

EBIT Multiple: Corporate Value/EBIT

PER: Price-Earnings Ratio

PBR: Price Book Value Ratio

(3) Financial instrument measured fair value on a recurring basis

The breakdown of financial instrument measured at fair value on a recurring basis is as follows

(Millions of yen)

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial instrument measured at fair value through profit or loss:				
Derivative assets	–	80	–	80
Subtotal	–	80	–	80
Financial instrument measured at fair value through other comprehensive income:				
Securities	4,542	–	2,921	7,463
Other	–	–	92	92
Subtotal	4,542	–	3,013	7,555
<b>Total</b>	<b>4,542</b>	<b>80</b>	<b>3,013</b>	<b>7,635</b>
<b>Financial liabilities</b>				
Financial instrument measured at fair value through profit or loss:				
Derivative liabilities	–	1,127	–	1,127
<b>Total</b>	<b>–</b>	<b>1,127</b>	<b>–</b>	<b>1,127</b>

A reconciliation of the beginning and ending balances of financial instrument classified as Level 3 is as follows:

(Millions of yen)

	Financial assets measured at fair value through other comprehensive income
Balance in January 1, 2023	3,135
Purchase	3
Disposals	(217)
Gains recognized in other comprehensive income	92
Balance in December 31, 2023	3,013

Gains or losses recognized in other comprehensive income are recognized in “Net changes in financial asset measured at fair value through other comprehensive income” in the consolidated statements of comprehensive income.

(4) Financial instrument measured at amortized cost

The amount recorded on consolidated statement of financial position as of December 31, 2023 fair values and the difference between these amounts are as follows.

(Millions of yen)

	Amount recorded on consolidated statement of financial position	Fair values	Difference in amount
Long-term loans payable and bonds	155,781	154,547	1,234

(Note) Long-term loans payable and bonds include the current portion. Cash and cash equivalents, trade and other receivables, trade and other payables are not included in the above table as their fair value approximates their carrying amount due to the short collection and settlement period. The main valuation techniques used to measure fair value of the financial instrument in the table above are as follows:

Loan payable

Loans payable with variable interest rates are calculated using the carrying amount as its fair value because interest rates are considered to reflect market interest rates in the short term. Loans payable with fixed interest rates are calculated based on the present value of future cash flows discounted using interest rates adjusted for the remaining term and credit risk. Loans payable with fixed interest rates are classified into Level 2 of the fair value hierarchy.

Bonds payable

For bonds with quoted market prices, the fair value is estimated based on quoted market prices. For bonds without quoted market prices, the fair value is calculated based on the present value of future cash flows discounted using interest rates adjusted for the remaining term and credit risk. Bonds with quoted market prices are classified into Level 1 of the fair value hierarchy and bonds without quoted market prices are classified into Level 2.

**(Earning per share information)**

Equity attributable to owners of the parent per share	2,618.49 yen
Earnings per share	10.43 yen
Diluted earnings per share	10.36 yen

Note: We have introduced Executive reward BIP Trust and Stock-granting ESOP Trust. The Company shares held by these trusts are included in the treasury shares to be deducted from end of years' shares and the average number of shares during the year for calculating the amount of equity attributable to owners of the parent per share, earnings per share, and diluted earnings per share. The average number of treasury shares deducted was 26,886 thousand shares for current fiscal year.

**(Subsequent events)**

Not applicable.



# Non-consolidated Balance Sheet

As of December 31, 2023

(Millions of yen)

Assets		Liabilities	
<b>Current assets:</b>	<b>96,710</b>	<b>Current liabilities:</b>	<b>49,859</b>
Cash and deposits	6,999	Current portion of bonds payable	40,000
Operating accrued income receivable	482	Other accounts payable	284
Prepaid expenses	571	Accrued expenses payable	3
Short-term loan receivable of subsidiaries and affiliates	88,650	Money entrusted	8,526
Accrued income receivable	9	Allowance for bonuses	13
<b>Fixed assets:</b>	<b>401,644</b>	Allowance for bonuses to directors	271
<b>Property, plant, and equipment:</b>	<b>58,640</b>	Income tax payable etc.	601
Buildings	10,911	Other current liabilities	161
Structures	716	<b>Long-term liabilities:</b>	<b>111,651</b>
Tools, instruments, and fixtures	6	Bonds payable	110,000
Land	47,006	Allowance for retirement benefit	2
<b>Intangible assets:</b>	<b>27</b>	Assets retirement obligation	668
Leasehold right	27	Deferred tax liabilities	21
<b>Investments and other assets:</b>	<b>342,978</b>	Provision for performance-linked compensation	813
Investment securities of subsidiaries and affiliates	342,561	Other long-term liabilities	147
Other assets	417	<b>Total liabilities</b>	<b>161,510</b>
<b>Total assets</b>	<b>498,355</b>	<b>Net assets</b>	
		<b>Shareholders' equity:</b>	<b>336,844</b>
		<b>Common stock</b>	<b>15,232</b>
		<b>Additional paid-in capital</b>	<b>261,604</b>
		Capital reserve	108,167
		Other additional paid-in capital	153,438
		<b>Retained earnings:</b>	<b>140,190</b>
		Legal reserve	3,317
		Other retained earnings:	136,873
		Reserve for advanced depreciation	674
		General reserve	110,388
		Retained earnings to be carried forward	25,811
		<b>Treasury shares</b>	<b>(80,182)</b>
		<b>Total net assets</b>	<b>336,844</b>
		<b>Total liabilities and net assets</b>	<b>498,355</b>

Note: Amounts less than one million yen are rounded.

## Non-consolidated Statement of Income

For the fiscal year ended December 31, 2023

(Millions of yen)

<b>Net operating revenues</b>		<b>6,052</b>
<b>Operating expenses</b>		<b>4,504</b>
<b>Operating income</b>		<b>1,548</b>
<b>Non-operating income:</b>		
Interest and dividend received	116	
Other non-operating income	7	<b>123</b>
<b>Non-operating expenses:</b>		
Interest expenses	296	
Other expenses	75	<b>370</b>
<b>Recurring income</b>		<b>1,301</b>
<b>Extraordinary profit:</b>		
Gain on sale of fixed assets	1,083	<b>1,083</b>
<b>Extraordinary losses:</b>		
Impairment loss	103	<b>103</b>
<b>Income before income taxes</b>		<b>2,281</b>
Income taxes	890	
Income taxes deferred	42	
<b>Net income</b>		<b>1,349</b>

Note: Amounts less than one million yen are rounded.

# Non-consolidated Statement of Changes in Shareholders' Equity

For the fiscal year ended December 31, 2023

(Millions of yen)

	Shareholders' equity									Total net assets
	Common stock	Additional paid-in capital			Retained earnings			Treasury shares	Total shareholders' equity	
		Capital reserve	Other additional paid-in capital	Total additional paid-in capital	Legal reserve	Other retained earnings (Note 1)	Total retained earnings			
Balance as of Jan. 1, 2023	15,232	108,167	158,783	266,949	3,317	144,570	147,887	(85,667)	344,402	344,402
Changes during this term										
Dividends of surplus	–	–	–	–	–	(9,046)	(9,046)	–	(9,046)	(9,046)
Income	–	–	–	–	–	1,349	1,349	–	1,349	1,349
Withdrawal of reserves	–	–	–	–	–	–	–	–	–	–
Acquisition of treasury shares	–	–	–	–	–	–	–	(5)	(5)	(5)
Disposal of treasury shares	–	–	(5,345)	(5,345)	–	–	–	5,490	145	145
(Net) Changes in items other than shareholders' equity during this term	–	–	–	–	–	–	–	–	–	–
Total changes during this term	–	–	(5,345)	(5,345)	–	(7,697)	(7,697)	5,484	(7,557)	(7,557)
Balance as of Dec. 31, 2023	15,232	108,167	153,438	261,604	3,317	136,873	140,190	(80,182)	336,844	336,844

Note 1: Breakdown of other retained earnings (Millions of yen)

	Other retained earnings			
	Reserve for advanced depreciation	General reserve	Retained earnings to be carried forward	Total other retained earnings
Balance as of Jan. 1, 2023	675	110,388	33,507	144,570
Changes during this term				
Dividends of surplus	–	–	(9,046)	(9,046)
Income	–	–	1,349	1,349
Withdrawal of reserves	(1)	–	1	–
Acquisition of treasury share	–	–	–	–
Disposal of treasury share	–	–	–	–
(Net) Changes in items other than shareholders' equity during this term	–	–	–	–
Total changes during this term	(1)	–	(7,696)	(7,697)
Balance as of Dec. 31, 2023	674	110,388	25,811	136,873

Note 2: Amounts less than one million yen are rounded.

## Notes to Non-Consolidated Financial Statements

### (Notes on matters concerning significant accounting policies)

#### 1. Accounting policy for measuring securities

##### (1) Bonds held to maturity

These are measured at amortized cost (straight-line method).

##### (2) Investment securities of subsidiaries and associates

These are measured at cost determined mainly by the moving-average method

##### (3) Other securities

With market value:

These are measured by the market value method based on market prices as of the end of the fiscal year (valuation differences are all included in net assets, and the sold cost of securities is determined by the moving-average method).

Without market value:

These are measured at cost determined principally by the moving-average method.

#### 2. Depreciation method used for fixed assets

##### (1) Tangible fixed assets

Depreciation is calculated by the straight-line method. The main useful life is as follows:

Buildings	2-50 years
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##### (2) Intangible fixed assets

Amortization is calculated by the straight-line method.

#### 3. Basis for recording provision

##### (1) Allowance for bonuses

Bonus provision is recognized at the estimated amount to be paid as of the fiscal year, in order to prepare for the payment of bonuses to employees.

##### (2) Allowance for officers' bonuses

Provision of directors' bonuses is recognized as the estimated amount to be paid as of the fiscal year, in order to prepare for the payment of bonuses to directors and corporate auditors.

##### (3) Allowance for performance-linked compensation

Performance-linked compensation provision is recognized the estimate amount to be paid as of the fiscal year, in order to prepare for the payment of shares and cash to executive directors and executive officers.

(4) Allowance for retirement benefit

In order to prepare for the payment of retirement benefit, the company records an estimate payment amount as of the end of year. Actuarial gains and losses are amortized from the following fiscal year by the straight-line method over a fixed number of years within the average remaining service period of employees.

4. Accounting standards for income and expenses

The Company's operating revenue consists of real estate rents and dividends income from subsidiaries. The main performance obligation in real estate rents is the provision of goods or services to subsidiaries. Since the performance obligation is satisfied when control of these promised goods or services is transferred to the customer, revenue is recognized when the performance obligation is satisfied. Dividends income is recognized as of the effective date of dividends.

5. Other important matters that form the basis for the preparation of financial statements

Not applicable.

**(Notes to the Non-Consolidated Balance Sheet)**

1. Amount of accumulated depreciation of tangible fixed assets	63,727 million yen
2. Monetary receivables from or payables to subsidiaries and affiliates (excluding the items stated separately in the Balance Sheet)	
Short-term monetary receivables	491 million yen
Short-term monetary payables	8,553 million yen

**(Notes to Non-Consolidated Statement of Income)**

Transaction amount with affiliated company	
Net revenues	6,052 million yen
Others (operating transactions)	365 million yen
Others (non-operating transactions)	116 million yen

**(Notes to Non-Consolidated Statement of Changes in Shareholders' Equity)**

Matters concerning class and total number of treasury shares

Type of shares	Shares as of January 1, 2023	Increase in shares for fiscal year 2023	Decrease in shares for fiscal year 2023	Shares as of December 31, 2023
Common shares	26,928thousand shares	3 thousand shares	98 thousand shares	26,834thousand shares

1. The increase of 3 thousand shares in the common shares of treasury share is due to the purchase of shares based on a resolution of the Board of Directors and the purchase of shares constituting less than one unit.
2. The decrease of 98 thousand shares in the common shares of treasury share are due to delivery of ESOP Trusts 97 thousand shares and additional purchase of 0 thousands shares constituting less than one unit.
3. Common shares at the end of fiscal year included 3,050 thousand shares of BIP Trusts and ESOP Trusts.

**(Notes on deferred tax accounting)****Breakdown of deferred tax assets and deferred tax liabilities by main cause**

Deferred tax assets	
Depreciation	1,679 million yen
Impairment loss	249 million yen
Other	779 million yen
Sub-total of deferred tax assets	2,706 million yen
Allowance for evaluation losses	(660) million yen
Total deferred tax assets	2,046 million yen
Deferred tax liabilities	
Reserve for advanced depreciation	(908) million yen
Valuation difference on land	(1,115) million yen
Other	(45) million yen
Total deferred tax liabilities	(2,067) million yen
Net deferred tax liabilities	(21) million yen

**(Notes on transactions with related parties)**

Subsidiaries, etc.

Type	Name of company	Address	Capital or investment amount (million yen)	Line of business	Ownership of voting rights (%)	Relationship		Description of transaction	Transaction amount (million yen)	Accounting item	Year-end balance (million yen)
						Interlocking directorate	Business relationship				
Subsidiary	Coca-Cola Bottlers Japan Inc.	Minato-ku, Tokyo	100	Manufacture and sales of beverage and food products	Owned 100.0	Concurrent post 2	Lending of funds	Lending of funds	6,052	Receivables – from subsidiaries and affiliates	88,650
							Net revenues	Net revenues		Operating accrued income receivable	482

(Notes)

1. The transaction amount does not include consumption tax. Year-end balance includes consumption tax, etc.
2. Transaction terms and conditions and the policy for deciding on these terms and conditions

Terms and conditions for the transaction with Coca-Cola Bottlers Japan Inc.

With regard to the lending of funds, the interest rate on loans is determined in consideration of market interest rates. In addition, the Company has adopted a cash management system for the purpose of improving the group's funds efficiency. Also, transaction amounts are stated in net value.

Regarding net revenues, it is accompanied by real estate leasing and is determined based on certain rational standards.

**(Notes on impairment loss)**

In the fiscal year under review, the Company recorded an impairment loss on the following asset groups.

Region	Use	Number of locations	Type	Impairment loss (million yen)
Kinki	Idle asset	2	Buildings	0
			Land	43
Chugoku	Idle asset	3	Buildings	8
			Constructions	0
			Land	51

The Company has divided assets for business use into groups by business unit that generates cash continuously based on management accounting system. As for rental property and idle assets, each individual property is recognized as the smallest grouping unit in order to detect and judge any sign of impairment.

For the current fiscal year, of the idle assets of which market value, etc. decreased, the book values of certain pieces of land, buildings, and structures in the target locations are reduced to their recoverable amounts, and the amount of reduction is recognized as impairment loss.

The recoverable amounts of idle assets are calculated based on the valuation by real estate appraiser, etc.

**(Notes on per share information)**

Net assets per share 1,877.26 yen

Income per share 7.52 yen

Note: We have introduced Executive reward BIP Trust and Stock-granting ESOP Trust. The Company shares held by these trusts are included in the treasury shares to be deducted from end of years' shares and the average number of shares during the year for calculating the amount of net assets per share and income per share. The average number of treasury shares deducted was 26,886 thousand shares for current fiscal year.

**(Revenue Recognition Related)**

Information that forms the basis of understanding revenue arising from contracts with customers is as stated in “(Notes on matters concerning significant accounting policies) 4. Accounting standards for income and expenses.”

**(Significant subsequent events)**

Not applicable.



# Independent Auditor's Report

## Independent Auditor's Report

February 15, 2024

The Board of Directors

Coca-Cola Bottlers Japan Holdings, Inc.

Ernst & Young ShinNihon LLC  
Tokyo Office

Makoto Matsumura (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Keita Tsujimoto (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Keisuke Kishi (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Opinion**

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. for the fiscal year from January 1, 2023 to December 31, 2023 in accordance with Article 444, Paragraph 4 of the Companies Act.

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 the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting which allows companies to prepare consolidated financial statements with the omission of some disclosure items required under Designated International Financial Reporting Standards.

### **Basis for the Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### **Other Description**

The other description consists of the business report and the supplementary schedules. Management is responsible for preparing and disclosing the other description. The Audit & Supervisory Committee is responsible for monitoring the execution of the duties of the Directors related to designing and operating the reporting process of the other description.

Our audit opinion on the consolidated financial statements does not include any other description and we express no opinion on such other description.

In auditing the consolidated financial statements, we are responsible for reading through the other description, and in the process of reading it through, reviewing whether there are any material discrepancies between the other description and the consolidated financial statements or the knowledge that we gained during our auditing process, and paying attention to any signs of material misstatement in other description in addition to such material discrepancies.

When we judge that there is any material misstatement in other description based on the tasks that we performed, we are required to report such fact.

We have found no matters to report with regard to the other description.

### **Responsibilities of Management and the Audit & Supervisory Committee for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting which allows companies to prepare consolidated financial statements with the omission of some disclosure items required under Designated International Financial Reporting Standards, 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.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting which allows companies to prepare consolidated financial statements with the omission of some disclosure items required under Designated International Financial Reporting Standards.

The Audit & Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting which allows companies to prepare consolidated financial statements with the omission of some disclosure items required under Designated International Financial Reporting Standards, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to the Audit & Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit & Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence, and if any measures have been taken to remove disincentives and any safeguards that are applied to reduce disincentives to an acceptable level.

### **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

## Independent Auditor's Report

February 15, 2024

The Board of Directors

Coca-Cola Bottlers Japan Holdings, Inc.

Ernst & Young ShinNihon LLC  
Tokyo Office

Makoto Matsumura (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Keita Tsujimoto (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Keisuke Kishi (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Opinion**

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. for the fiscal year from January 1, 2023 to December 31, 2023 in accordance with Article 436, Paragraph 2-(i) of the Companies Act.

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.

### **Basis for the Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### **Other Description**

The other description consists of the business report and the supplementary schedules. Management is responsible for preparing and disclosing the other description. The Audit & Supervisory Committee is responsible for monitoring the execution of the duties of the Directors related to designing and operating the reporting process of the other description.

Our audit opinion on the financial statements and the accompanying supplementary schedules does not include the other description and we express no opinion on the other description.

In auditing the financial statements and the accompanying supplementary schedules, we are responsible for reading through the other description, and in the process of reading it through, reviewing whether there are any material discrepancies between the other description and the financial statements and the accompanying supplementary schedules or the knowledge that we gained during our auditing process, and paying attention to any signs of material misstatement in other description in addition to such material discrepancies.

When we judge that there is any material misstatement in other description based on the tasks that we performed, we are required to report such fact.

We have found no matters to report with regard to the other description.

### **Responsibilities of Management and the Audit & Supervisory Committee for the Financial Statements and the Accompanying Supplementary Schedules**

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.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules**

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.
- To express an opinion on the financial statements and the accompanying supplementary schedules, obtain sufficient and appropriate audit evidence relating to the financial information on components, which is included in the financial statements and the accompanying supplementary schedules. The auditor is responsible for giving instructions on, monitoring, and performing audits relating to the financial information on components. The auditor is solely responsible for audit opinions.

The auditor reports to the Audit & Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit & Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence, and if any measures have been taken to remove disincentives and any safeguards that are applied to reduce disincentives to an acceptable level.

### **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

### Audit Report

We, as the Audit & Supervisory Committee (“A&S Committee”) conducted audits relating to the execution of duties by directors during FY 2023 business year from January 1, 2023 to December 31,2023, 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 acknowledge that there is no misconduct relating to the director's 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 acknowledge that there is no point of concern to be indicated regarding the details stated in business reports relating to internal control systems and the execution of duties by the director. 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 acknowledge that there is no point of concern to be indicated 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 15, 2024

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

Audit & Supervisory Committee Member Hiroshi Yoshioka

Audit & Supervisory Committee Member Nami Hamada

Audit & Supervisory Committee Member Stacy Apter

Audit & Supervisory Committee Member Sanket Ray

(Note) Audit & Supervisory Committee Member Hiroshi Yoshioka, Audit & Supervisory Committee Member Nami Hamada, Audit & Supervisory Committee Member Stacy Apter and Audit & Supervisory Committee Member Sanket Ray are External Auditors provided for in Article 2-15 and Article 331-6 of the Companies Act.

**We bottle happy moments.**

*Coca-Cola*

**BOTTLERS JAPAN HOLDINGS INC.**