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

Notes to Consolidated Financial Statements

(Notes to Important Matters as the Basis for Preparation of Consolidated Financial Statements)

1. Scope of Consolidation

(1) Consolidated Subsidiaries

・Number of consolidated subsidiaries: 8

・Name of major consolidated subsidiaries: Coca-Cola East Japan Products Co., Ltd.
FV east Japan Co.,Ltd.
Sendai Coca-Cola bottling Co.,Ltd.

(2) Non-Consolidated Subsidiaries

・Name of non-consolidated subsidiaries: FV Corporation Co., Ltd.

・Reason for exclusion from the scope of consolidation: The above company is small-scale companies and the total assets, the net sales, the current net income or loss (amount corresponding to the equity interest) and the retained earnings (amount corresponding to the equity interest), etc. do not have a significant impact on the consolidated financial statements.

2. Application of Equity Method

(1) Equity Method Non-Consolidated Subsidiaries and Affiliated Companies

・Number of equity method non-consolidated subsidiaries and affiliated companies: 3
Coca-Cola Customer Marketing Co., Ltd.
Coca-Cola Integrated Business Systems Co., Ltd.
Coca-Cola Business Sourcing Co., Ltd.

(2) Non-Consolidated Subsidiaries and Affiliated Companies Excluded from Scope of Equity Method:
FV Corporation Co., Ltd.

・Reason for exclusion from scope of the equity method: The above company is excluded from the scope of the equity method as the impact on the consolidated financial statements is minor and there is little significance in totality taking into account various factors such as the current net income or loss (amount corresponding to the equity interest) and the retained earnings (amount corresponding to the equity interest).

3. Notice Regarding Changes to the Consolidation Scope and Equity Method Affiliates

Five new companies have been included in the consolidation scope due to an integration of business through a stock swap with Sendai Coca-Cola Bottling Co. Ltd. in the second quarter consolidated accounting period.

Furthermore, at the end of the previous consolidated fiscal year consolidated subsidiary FV East Japan Co., Ltd (trade name changed from Mikuni Foods Co., Ltd) implemented absorption-type merger with former consolidated subsidiaries FV Central Co., Ltd., Urban VendX Network Co., Ltd., WEX TOKYO Co., Ltd., and EX - Service Co., Ltd, as well as former equity method affiliate and unconsolidated subsidiary Fresh Vender Service Co., Ltd, former unconsolidated subsidiary TX Campus Co., Ltd. and NITTO PACIFIC VENDING CO., LTD on April 1, 2015.

According to the split of Coca-Cola East Japan from equity method affiliate Coca-Cola Business Service Co., Ltd. in the third quarter consolidated accounting period, Coca-Cola Business Sourcing Company Limited, established on August 3, 2015, is included as an equity method affiliate. Coca-Cola Business Service Co., Ltd. also changed its name to Coca-Cola Integrated Business Systems Co., Ltd. on the same date.

4. Financial Year of Consolidated Subsidiaries

Regarding the financial year of the consolidated subsidiaries, the closing dates are the same as the consolidated closing date.

5. Accounting Standards

(1) Valuation Standards and Methods for Significant Assets

①Marketable securities: Other securities

Securities with market values: Market value method based on the market price, etc. as of the financial closing date
(Valuation differences are all reported as a component of shareholders' equity and cost of products sold is calculated by the moving average method.)

Securities without market value: Cost method based on moving average method

②Inventory assets: Mainly, cost method based on by gross average method
(Balance sheet amounts are calculated by the inventory write-down method based on decline in profitability)

(2) Depreciation Method for Significant Depreciable Assets

(1)Tangible Fixed Assets (Excluding lease assets): Straight-line method
Durable years of the major items are as follows.

Buildings and structures	2-58 years
Machinery, equipment & vehicles:	2-17 years
Sale equipment:	4-9 years

(2) Intangible fixed asset (excluding lease assets): Straight-line method
The straight-line method is applied to software based on the Company's availability period (less than 10 years).

(3) Lease assets: Lease assets in non-ownership-transfer finance lease transaction
Straight-line method setting the lease period as the durable years and the residual value as zero

(4) Long-term prepaid expenses: Fully depreciated within the period

(3) Basis for recording significant allowance

① Allowance for doubtful accounts:
In preparation for bad debts loss of receivables such as accounts receivable-trade, the unrecoverable amounts for general accounts receivables and specific receivables such as doubtful accounts receivables are recorded in consideration of the loan loss ratio and the individual collectability, respectively.

② Allowance for employees' bonuses

In preparation for employee bonus payout, the estimated amount as of the end of FY2015 is recorded..

③ Allowance for officers' bonuses:
In preparation for officer bonus payout, the estimated amount as of the end of FY2015 is recorded.

④ Allowance for environmental measures:
In preparation for disposal of polychlorinated biphenyl waste kept in storage, the estimated amount incurring as of the end of FY2015 is recorded.

⑤ Allowance for losses on contracts:
In preparation for payment of system usage fees after cancellation under the contracts, the estimated amount is recorded.

（4）Accounting treatment for retirement benefits

① Cut off for expected retirement benefit payments
When calculating retirement benefit liabilities, straight-line attribution is used as the method of attributing the expected retirement benefit payments for the period up to the end of the current fiscal year.

② Treatment of actuarial differences, past service costs and transition obligations
Actuarial differences are allocated by the straight-line method using a certain number of years within the employees' average remaining service years when the difference occurs (mainly 13 years), and the amount is treated as an expense from the following consolidated fiscal year.
Past service liabilities are allocated by the straight-line method using a certain number of years within the employees' average remaining years of service when the liability occurred (mainly 13 years), and the amount is treated as an expense.

③ Adoption of the simplified method in small companies
Part of the consolidated subsidiaries are using simplified method to calculate liabilities and retirement benefit expenses.(taking the payment balance relating retirement benefit at the year-end as the liability)

(5) Other Important Matter for Preparation of Consolidated Financial Statements
Accounting Treatment for Consumption Tax:　Tax exclusion method

（Notes on changes to the accounting policy）

1. Application of accounting standards regarding retirement benefits
The "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, issued on May 17, 2012, hereinafter referred to as "Retirement Benefit Accounting Standard") and "Guidance on Application of Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, issued on May 17, 2012, hereinafter referred to as "Retirement Benefit Guidance") have been applied from the end of the current consolidated fiscal year (excluding the provisions in the main text of paragraph 35 in the Retirement Benefit Accounting Standard and the main text of paragraph 67 of the Retirement Benefit Guidance), and the accounting method has been changed to recording the amount obtained by deducting the pension assets from the retirement benefit liabilities as the liability for retirement benefits. In addition, the unrecognized actuarial difference and unrecognized past service cost have been recorded in the liability for retirement benefits.
Concerning the application of the Retirement Benefits Accounting Standard, we are acting in accordance with the transitional handling defined in paragraph 37 of the Retirement Benefit Accounting Standard, and as of the end of the current consolidated fiscal year, the impact resulting from this change has been included in the cumulative adjustment amount for the retirement benefits in other accumulated income.
As a result, the consolidated liabilities for retirement benefits at the beginning of the fiscal year decreased by 1,425 million yen, and retained earnings increased by 917 million yen.In addition, impact on operating income ,　ordinary income and income before income taxes is immaterial
Impact on the net assets per share and net income per share for the current fiscal year is immaterial.

（Unapplied accounting standard）,

・ Accounting Standards for Business Combinations
- "Accounting Standards for Business Combinations" (ASBJ Statement No. 21, issued on September 13, 2013)
- "Accounting Standards regarding Consolidated Financial Statements" (ASBJ Statement No. 22, issued on September 13, 2013)
- "Accounting Standards for Business Divestitures" (ASBJ Statement No.7, issued on September 13, 2013)
- "Accounting Standards for Net Income Per Share" (ASBJ Statement No. 2, issued on September 13, 2013)
- "Guidance on Application of Accounting Standards for Business Combinations and Accounting Standards for Business Divestitures" (ASBJ Guidance No. 10, issued on September 13, 2013)
- "Guidance on Application of Accounting Standards for Net Income Per Share" (ASBJ Guidance No. 4, issued on September 13, 2013)

(1) Overview
Revisions of these accounting standards mainly apply to (i) the accounting treatment of any changes in a parent's ownership interest in a subsidiary when the parent retains control over the subsidiary, (ii) the accounting for acquisition-related costs, (iii) the presentation of net income and the change of name from "minority interests" to "non-controlling interests", and (iv) the transitional treatments for these accounting standards.
(2) Scheduled date for the application
The revised accounting standards and guidance are scheduled to take effect from the beginning of the fiscal year starting on January 1, 2016. The transitional treatment will be applied to business combinations executed at or after the beginning of the year starting on January 1, 2016.
(3) Impacts of the application of the said accounting standards
The impacts on the calculating statements are under evaluation at the time of preparing the consolidated financial statements.
・"Implementation Guidance on Recoverability of Deferred Tax Assets"　(Implementation Guidance on Accounting Standard No.26 of December 28, 2015)

(1) Overview
The Implementation Guidance basically continues to apply the framework used in the Auditing Committee Report No.66 "Audit Treatment for Judgment of Recoverability of Deferred Assets" in which companies are grouped into five categories and assess the amounts of deferred tax assets based on such categories.　However, necessary review on the following treatments are being implemented.
(i) Treatment for the entities who do not fulfill the requirements of any of the five categories
(ii) Requirements for Categories 2 and 3
(iii) Treatment of unscheduled deductible temporary differences for the entities in Category 2
(iv) Treatment for the period in which a reasonable estimate is possible for the taxable income before temporary differences for the entities in Category 3
(v) Treatments for the entities who satisfy Category 4 requirements but are applicable to Category 2 or 3.

(2) Scheduled date of adoption
To be applied from the beginning of the year ending December 2017

(3) Impact of adopting these accounting standards, etc.
The impact on the calculating statements is currently being evaluated.

(Change in display method)
In previous fiscal year, gain on sales of investment securities, was included in "Other" of " Extraordinary income ", also, Lease cancellation penalty, was included in "Other" of " Extraordinary losses ".
because the amount exceeded 10% of total either extraordinary income or extraordinary loss , It has been changed to a method of presented separately.
"Gain on sale of investment securities" in the previous fiscal year was 13 million yen, and "lease cancellation penalty"was 48 million yen.

(Notes to Consolidated Balance Sheet)
1. Accumulated Depreciation of Tangible Fixed Assets 266,672 MM yen
The accumulated depreciation includes the accumulated impairment loss.
2. In this fiscal year ,since we got government subsidy , 4,033M yen has been recorded as reduction entry from Acquisition cost of Property, plant and equipment

(Notes to Consolidated Statement of income)
※ 1. Breakdown of the restructuring costs is as follows.
Expenses related to transition of mission-critical systems 331MMyen
Head office and warehouses relocation cost, etc: 48 MM yen
Special retirement benefits: 619MM yen
Special retirement benefits for officers: 20 MM yen
2. Lease cancellation penalty is due to lease cancellation of production equipments and sales equipments.

(Notes to Consolidated Statement of changes in equity)
1 Type and Total Number of Issued Shares

	Number of shares as of January 1st 2015	Increase in shares for FY2015	Decrease in shares for FY2015	Number of shares as of December 31st 2015
Issued shares Common shares	121,898,978	5,781,166	—	127,680,144
Total	121,898,978	5,781,166	-	127,680,144

The total number of shares outstanding has increased 5,781,166 shares by exchanging shares with Sendai Coca-Cola Bottling Co., Ltd. on April 1, 2015 (exchange ratio 1: 2.563)

2. Dividend
(1) Amount of Dividend Payment

Resolution	Type of Share	Total dividends (MM yen)	Dividends per Share	Base Date	Effective Date
March 30th, 2015 Annual Shareholders Meeting	Common share	1,936	16	December 31st, 2014	March 31th, 2015
August 6th, 2015 Board of Directors Meeting	Common share	2,029	16	June 30th, 2015	September 7th, 2015

(2) Of the dividends which base date is in FY2014, dividends which effective date is after the end of FY2015

Resolution	Type of Share	Dividend resource	Total dividends (MM yen)	Dividends per share (yen)	Base Date	Effective Date
March 29th, 2016 Annual Shareholders Meeting	Common share	Retained earnings	2,029	16	December 31, 2015	March 30, 2016

3. Share Acquisition Right
Share Acquisition Rights as Stock Options
Outstanding balance of share acquisition rights as of the end of FY2015 187,700shares

(Notes to Financial Instruments)
1. Status of Financial Instruments
The Group manages funds with the aim to manage extra funds limiting to highly secure and short-term financial services and deposits, etc. but conducts no speculative transactions.
The Group finances mainly by loans and bonds from financial institutions such as banks.
Notes receivable-trade, trade accounts receivable and accounts receivable-other are at credit risks of our customers but the Group manages the due date and residual value for each customer in order to estimate the collectability at an early stage and minimize bad debt risks.
Marketable securities are negotiable deposits of highly credible financial institutions, thus the credit risk is de-minimis. In addition, most investment securities are those of the companies which we have a business relationship with and we verify the market value and financial positions of the issuing companies on a regular basis.
Payment due dates for most account payable-trade, accounts payable-other and accrued expenses payable are within one year.

2. Market Value of Financial Instruments
Consolidated balance sheet book value, market value and the difference as of December 31st, 2015 are as follows.

The following chart does not include instruments which market value is extremely difficult to be estimated. (Please refer to Note 2.)

(Unit: MM yen)

	Consolidated balance sheet book value	Market Value	Difference
(1) Cash and deposit	21,578	21,578	－-
(2) Notes and accounts receivable - trade	44,565	44,565	－-
(3) Marketable securities and investment securities	8,034	8,034	－-
Total Assets	74,178	74,178	－-
(1) Account payable-trade	29,149	29,149	－-
(2) Short-term loans payable	5,160	5,160	－-
(3)Accountspayable-other and accrued expenses payable	34,986	34,986	－-
(4) Bonds	30,000	30,027	27
(5) Long-term loans payable	3,755	3,761	5
Total Liabilities	103,051	103,084	33

(Note) 1. Calculation Method of Market Value of Financial instruments and Marketable Securities

Assets

(1) Cash and deposits and (2) Notes and accounts receivable-trade:

The market value of the above instruments is almost equivalent to the book value due to the settlement in a short-term, thus the book values are presented.

(3) Marketable securities and investment securities: The market value of the listed shares is determined at the relevant stock exchange and the price of claims is determined at the relevant stock exchange or suggested by the relevant financial institutions

Liabilities

(1) Account payable-trade, (2) Short-term loans payable (3) Accounts payable-other and accrued expenses payable

The market value of the above instruments is almost equivalent to the book value due to the settlement in a short-term, thus the book values are presented.

(4) Corporate bonds – Current value of corporate bonds is determined based on the market price, etc.

(5) Long-term loans

As for the calculation of the fair value for the long-term loans, when the loan interest is fixed rate, the fair value is calculated by discounting the total principal amount and interest using the estimated interest rate should a similar new loan be made, and when the loan interest is variable rate, the fair value will be based on the book value since the value reflects market interest rate in a short period of time and therefore the fair value and the book value are almost identical. Please note that the long-term loans due within one year that are included within consolidated balance sheet are included in this item.

(Note) 2. Financial Instruments which market value is extremely difficult to be estimated.

(MM yen)

Item	Consolidated Balance Sheet Amounts
Investment Securities Unlisted Shares	1,988
Shares in the Affiliated Companies	323

The above financial instruments are included in the chart described in 2. Market Value of Financial Instruments as they have no market price and it is extremely difficult to estimate the market value.

(Note)3. Beneficiary right of accounts receivable and marketable securities with maturity's redemption amount after year end 2015

(MM yen)

Item	Within One Year	Over One Year and Within Five Year	Over Five Year and Within Ten Year	Over Ten Year
Deposit	17,009			
Notes and accounts receivable - trade	44,565			
Marketable securities and investment securities				
Other marketable securities with maturity dates				
Bonds	301		1,413	
Total	61,875		1,413	

(Note) 4.The expected refundable amount of bonds, Long-term loans payable and debt with interest after consolidated closing date.

Item	Within one year	Over one year within two years	Over two years within three years	Over three years within four years	Over four years within five years	Over five years
Short-term loans payable	5,160					
Long-term loans payable	1,234	855	799	520	274	71
Bonds		14,000			16,000	
Total	6,394	14,855	799	520	16,274	71

(Notes to Real Property)

The statement is omitted as the total amount of real property including lease has little significance as of the end of FY2015.

(Notes to Per Share Information)

1. Net asset per share	1,817.67 yen
2. Current net income per share	42.70yen

The calculation basis for the current net income per share is as follows.

Current net income	5,354 MM yen
Amount not belong to ordinary shareholders	- MM yen
Current net income pertaining to common shares	5,354 MM yen
Average number of common shares during period	125,399,031shares

（(Notes to business combination)

Business combination by acquisition

1. Summary of business combination

(1) Name and business of the acquired company

Name of the acquired company: Sendai Coca-Cola Bottling Co., Ltd and its subsidiaries.

Business: Manufacture and sales of soft drinks

(2) Main reason for business combination

This stock-swap integration of business was carried out to drive both the optimization of business in the Kanto/East Japan region, and the strengthening of customer service.

(3) Date of business combination

April 1, 2015

(4) Legal form of business combination

Stock swap

(5) Post-merger company name

The name remains the same.

(6) Acquired ratio of voting rights

100%

(7) Main basis for selecting the acquiring company

In addition to Coca-Cola East Japan becoming the wholly owning parent company through the stock swap, multiple factors, including the size of the relative ratio of voting rights accounted for by the stock holders as a whole, and whether there was a significantly marked difference in company scale were collectively taken into consideration and Coca-Cola East Japan was selected as the acquiring company.

2. Period of results of the acquired firm included in the quarterly consolidated income statement pertaining to the quarterly consolidated cumulative period

April 1, 2015 to December 31, 2015

3. Cost of acquisition of the acquired firm and breakdown of costs

Acquisition cost (price of common stocks issued on the day of business combination):	14,175 million yen
Costs related directly to the acquisition (advisory fees, etc.):	89 million yen
Total acquisition cost:	14,265 million yen

4. Ratio of exchange by stock type, calculation method, and number of stocks issued

(1) Ratio of exchange of common stocks

1 Sendai Co., Ltd common stock: 2.563 Coca-Cola East Japan common stocks

(2) Ratio of exchange calculation method

Coca-Cola East Japan asked third party appraiser Nomura Securities Co., Ltd. to calculate the stock swap ratio, and used those calculation results as a reference while considering the financial condition, performance and share price trends of both Coca-Cola East Japan and Sendai Co., Ltd., and calculated the ratio after consultation with Sendai Co., Ltd.

(3) Number of stocks issued

5,781,166

5. Amount of gain on negative goodwill and cause

(1) Amount of gain on negative goodwill

84 million yen

(2) Cause As the net amount of assets received and liabilities undertaken exceeded the acquisition cost, the difference has been processed as negative goodwill.

6. Amount of assets and liabilities and their details on the date of combination are as below

(MMyen)

Current assets	13,290
Non-current assets	22,677
Total assets	35,968
Current liabilities	11,299
Non-current liabilities	10,408
Total liabilities	21,708

Notes to Non-Consolidated Financial Statements

(Notes to Important Accounting Policy)

1. Valuation Standards and Methods for Assets
   (1) Valuation Standards and Methods for Marketable Securities
   Shares in Subsidiaries and
   Affiliated Companies: Cost method based on moving average method
   (2) Valuation Standards and Methods for Inventory assets:
   Supplies: Cost method based on moving average method
   (Balance sheet amounts are calculated by the inventory write-down method based on decline in profitability)
   Goods: Cost method based on gross everage method.
   (Balance sheet amounts are calculated by the inventory write-down method based on decline in profitability)

2 Depreciation Method for Fixed Assets

(1)Tangible Fixed Assets	straight-line method		
(excluding lease assets):	Durable years of the major items are as follows.		
		Buildings:	3-58 years
		Machinery, equipment & vehicles:	4-17 years
		Sale equipment:	4-9 years
(2) Intangible fixed asset	Straight-line method		
(excluding lease assets):	The straight-line method is applied to software based on the Company's availability period (within 10 years).		
(3) Lease assets:	Lease assets in non-ownership-transfer finance lease transaction Straight-line method setting the lease period as durable years and the residual value as zero		

2. Basis for recording significant allowance

・Allowance for doubtful accounts: In order to prepare for bad debts loss of receivables such as accounts receivable-trade, we have reviewed general accounts receivables and specific receivables such as doubtful accounts receivables based on the loan loss ratio and individual collectability, respectively, and recorded the unrecoverable amounts.

・Allowance for employees' bonuses:
In preparation for employee bonus payout, the estimated amount as of the end of FY2015 is recorded

・Allowance for officers' bonuses:
In preparation for officer bonus payout, the estimated amount as of the end of FY2015 is recorded.

・Allowance for retirement benefits for employees:
In preparation for employee retirement benefits payout, the estimated amount incurred as of the end of the FY2015 is recorded based on estimated amounts of retirement benefit obligations and pension assets as of the end of FY2015.
Actuarial differences are divided by the straight-line method using a specific number of years (13 years) within the employees' average remaining service years calculated at the end of the corresponding financial year and recorded as an expense in FY2015.
Past service liabilities are divided by the straight-line method using a specific number of years (13 years) within the employees' average remaining service years calculated at the end of the corresponding financial year and recorded as expense.

・Allowance for environmental measures:
In preparation for disposal of polychlorinated biphenyl waste kept in storage, the estimated amount incurring as of the end of FY2015 is recorded.

・Allowance for losses on contracts: In preparation for payment of system usage fees after cancellation under the contracts, the estimated amount is recorded.

4. Other Important Matter as the Basis for Preparation of Non-Consolidated Financial Statements
   Accounting Treatment for Consumption Tax: Tax exclusion method

(Notes on changes to the accounting policy)

The "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, issued on May 17, 2012, hereinafter referred to as "Retirement Benefit Accounting Standard") and "Guidance on Application of Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, issued on May 17, 2012, hereinafter referred to as "Retirement Benefit Guidance") have been applied from the end of the current consolidated fiscal year (excluding the provisions in the main text of paragraph 35 in the Retirement Benefit Accounting Standard and the main text of paragraph 67 of the Retirement Benefit Guidance), and the accounting method has been changed to recording the amount obtained by deducting the pension assets from the retirement benefit liabilities as the liability for retirement benefits. In addition, the unrecognized actuarial difference and unrecognized past service cost have been recorded in the liability for retirement benefits.

Concerning the application of the Retirement Benefits Accounting Standard, we are acting in accordance with the transitional handling defined in paragraph 37 of the Retirement Benefit Accounting Standard, and as of the end of the current consolidated fiscal year, the impact resulting from this change has been included in the cumulative adjustment amount for the retirement benefits in other accumulated income.

As a result, the impact on the consolidated provisions for retirement benefits at the beginning of the fiscal year and Retained earnings brought forward is immaterial.
Impact on operating income ,ordinary income and net income is immaterial
Impact on the net assets per share and net income per share for the current fiscal year is immaterial.

(Change in display method)

In previous fiscal year, provision for contract loss was included in "Other" of "Noncurrent liabilities" ,since it became important in this year ,we presented separately ." gain on sales of investment securities, was included in "Other" of " Extraordinary income ", because the amount exceeded 10% of total extraordinary income It has been changed to a method of presented separately.
"Provision for contract loss" was 1million yen, "Gain on sale of investment securities" was 13 million yen in the previous fiscal year.

(Notes to Non-Consolidated Balance Sheet)

1. Accumulated Depreciation of Tangible Fixed Assets 210,800 MM yen

The accumulated depreciation includes the accumulated impairment loss.

2. Monetary Claim and Obligation against Affiliated Companies

Short-Term Monetary Claims	12,871 MM yen
Short-Term Monetary Obligations	44,432 MM yen
Long-Term Monetary Obligations	361MM yen

(Notes to Non-Consolidated Statement of income)

1. Trading Volume with Affiliated Companies

Sales	21,521MM yen
Purchase of goods	309,864MMyen
Other Business Transactions	30,579MM yen
Non-Business Transactions	902MM yen

2. Breakdown of Costs for Restructuring is as follows.

Head office and warehouses relocation cost, etc.:	26 MM yen
Special retirement benefits:	305MM yen
Special retirement benefits for officers:	11 MM yen

(Notes to Non-Consolidated Statement of changes in equity)

Type and Total Number of Treasury Shares

	Number of shares as of January 1st 2015	Increase in shares for FY2015	Decrease in shares for FY2015	Number of shares as of December 31st 2015
Treasury shares common shares	854,430 shares	6,590 shares	5,366 shares	855,654 shares
Total	854,430	6,590	5,366	855,654

1. The increase in the number of treasury shares is due to purchase of odd lot shares.
2. The decrease in the number of treasury shares is due to sale by the Company of odd lot shares and exercise of stock options.

(Notes to Tax Effect Accounting)

1. Breakdown of Deferred Tax Assets and Deferred Tax Liabilities by Cause for Occurrence

(1) Current Assets

Deferred tax assets	
Amount of loss carried forward	332MMyen
Provision for bonuses	209MMyen
Accrued business tax	66MMyen
Others	250 MMyen
Total Deferred tax assets	858 MM yen

(2) Fixed liabilities

Deferred tax assets	
valuation difference on land	3,236MMyen
Loss on valuation of shares of subsidiaries and associates	895MMyen
Provision for retirement benefits	2,662MMyen
Allowance for contract loss	525 MM yen
Allowance for environmental measures	101 MMyen
Excess amount of depreciation	1,683MMyen
Excess amount of software depreciation	276MMyen
Excess amount of amortization for long-term prepaid expenses	266MMyen
Asset retirement obligation	209 MM yen
Impairment loss	106 MM yen
other	1,046MMyen
Subtotal deferred tax assets	11,010MMyen
valuation difference on land	3,236MMyen
valuation reserve	−5,070MMyen
Total deferred tax assets	5,939MMyen
Deferred tax liabilities	
valuation difference on land	−5,124MMyen
Valuation difference on available-for-sale securities	−1,427MMyen
Expenses for asset retirement obligations	−25MMyen
Total deferred tax liabilities	−6,576MM yen
Net deferred tax liabilities	−637MM yen

2. Breakdown of major factors for significant variances between statutory effective tax ratio and burden ratio of corporate income tax, etc. after tax effect accounting

Effective statutory tax rate	35.6%
（Adjustment）	
Gain on extinguishment of tie-in shares	−30.0
Items not qualifying gross revenue such as dividend income	−7.0
Items such as entertainment expenses not qualifying for deduction	1.9
Inhabitation tax on per capita basis	2.1
Impacts of tax rate change	3.0
valuation reserve	4.9
Other	0.6
Burden ratio of corporation tax, etc. after application of tax effect accounting	11.1%

(Notes to Transactions with Related Parties)

1. Subsidiaries and Affiliated Companies

Affiliation	Name of Company	Voting rights (Owned) (%)	Business	Relationship		Transaction	Transaction value (MM yen)	Item	Closing balance (MM yen)
				Concurrent duties	In Business				
Subsidiary	Coca-Cola East Japan Products Co., Ltd.	Direct 100	Beverage business	2	Purchase beverage, transport freight, Maintenance fix of equipment	Purchase products (Note1)	298,953	Account payable-trade	29,046
						transport freight(Note2)	18,134	Account payable-other	4,845
						maintenance of equipment (Note2)	10,306		
						Cash return(Note3)	5,391	Short-term loans receivable from subsidiaries and affiliates	51,438
						Receive interest (Note3)	236	–	–
Subsidiary	Sendai Coca-Cola bottling Co., Ltd.(Note 4)	Direct 100	Beverage business	2	Lending Funds	Lending Funds(Note3)	5,400	loans receivable from subsidiaries and affiliates	5,400
						Receive interest (Note3)	0	Other	0
Affiliate	Coca-Cola Integrated Business Systems Co., Ltd. (Note 5)	Direct 38.5	Beverage business	2	Purchase of sales equipments	Purchase of sales equipments (Note2)	14,114	–	–

Consumption tax, etc. is not included in the above transaction values, but included in the closing balance.

Transactions Terms and Conditions and Policy for the Decision, etc.

(Note) 1. Product purchase is based on the Management Agreement concluded with Coca-Cola East Japan Products Co., Ltd.
2. Each purchase is determined through respective discussions in consideration of the market price etc.
3. We use CMS (Cash Management System) for efficient management of the Group's funds. Capital loan interest rates are determined logically in view of the market interest rate. The transaction price is net based.
4. Since Sendai Coca-Cola Bottling Co., Ltd. became our consolidated subsidiary on April 1, 2015 through exchanging stocks ,the FY2015 transaction value with Sendai CCBC is for the period of April 1, 2015 – Dec. 31, 2015.
5. On August 3, 2015, Coca-Cola Business Service Co., Ltd. carried out an incorporation-type company split with Coca-Cola Business Sourcing Co., Ltd. as the successor company and changed its name to Coca-Cola IBS Co., Ltd. after the split. The transaction value with Coca-Cola Business Sourcing Co., Ltd. is for the period from August 3, 2015 – Dec. 31, 2015.

2. Affiliate company

Relationship	Name	Voting rights (Owned)(%)	Business	Relationship		Transaction	Transaction value (MM yen)	Item	Closing balance (MM yen)
				Concurrent duties	In Business				
Subsidiary ofother affiliate company	Coca-Cola (Japan) Co., Ltd	13.83 (owned direct)	Beverage business	–	–	Receive rebates	64,580	Accounts receivable-other	81,24

Consumption tax, etc. is not included in the above transaction values, but included in the closing balance.

(Note)
we are dealing on the basis of the agreement for Coca-cola products,sale and trademark registration fee which is the contact between the Coca-Cola Company and Coca-Cola (Japan) Co., Ltd.,

(Notes to Per Share Information)

1. Net assets per share	1,787.73yen
2. Current net income per share	48.64 yen
The calculation basis for the current net income per share is as follows.	
Current net income	6,099 MM yen
Amount not belong to ordinary shareholders	- MM yen
Current net income pertaining to common shares	6,099 MM yen
Average number of common shares during period	125,399,031shares

(Notes regarding major subsequent events)
Merger between Coca-Cola East Japan and Consolidated Subsidiary
Based on corporate resolutions of June 15, 2015 and November 6, 2015, Coca-Cola East Japan implemented absorption-type merger with its wholly-owned subsidiary Sendai Coca-Cola Bottling Co. Ltd on January 1, 2016.

1. Name of the company involved in the business combination and its business, the date of business combination, the legal form of business combination, the post-merger company name, and overview of the transaction including the aim of said transaction

(1) Name and business of the merged company
Name of the merged company: Sendai Coca-Cola Bottling Co., Ltd.
Business: Manufacture and sales of soft drinks

(2) Date of business combination: January 1, 2016

(3) Legal form of business combination
The form was an absorption-type merger with Coca-Cola East Japan as the surviving company, Sendai Coca-Cola Bottling Co. Ltd. has been dissolved and ceases to exist.

(4) Post-merger company name
Coca-Cola East Japan Co., Ltd.

(5) Overview of the transaction including the aim of said transaction
Sendai Coca-Cola Bottling Co. Ltd. was merged with and absorbed by Coca-Cola East Japan with the aim of further strengthen the market competitiveness of the group

2. Overview of accounting undertaken
Processed as a jointly managed transaction, based on "Accounting Standards for Business Combinations" (Accounting Standards Board of Japan (ASBJ) Statement No. 21, issued on September13, 2013) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, issued on September13, 2013).

(Notes on business combinations)

・Merger between Coca-Cola East Japan Co., Ltd. and consolidated subsidiaries

At the Board of Directors Meeting on May 12, 2014 and Nov 6, 2014, it was resolved that Coca-Cola East Japan Co., Ltd. would merge with its 100% subsidiaries Coca-Cola Central Japan Co., Ltd., Mikuni Coca-Cola Bottling Co., Ltd., Tokyo Coca-Cola Bottling Co., Ltd. and TONE Coca-Cola Bottling Co., Ltd. (hereinafter referred to as the “4 subsidiaries”), and this merger was executed on January 1, 2015.

（1）Overview of the corporate group

① Name and business of the group companies

a. Name: Coca-Cola Central Japan Co., Ltd.
Business: Manufacture and sales of soft drinks

b. Name: Mikuni Coca-Cola Bottling Co., Ltd.
Business: Manufacture and sales of soft drinks

c. Name: Tokyo Coca-Cola Bottling Co., Ltd.
Business: Manufacture and sales of soft drinks

d. Name: Tones Coca-Cola Bottling Co., Ltd.
Business: Manufacture and sales of soft drinks

② Merger date: January 1, 2015

③ Legal form of the merger

Absorption-type merger with Coca-Cola East Japan Co., Ltd. remaining as the surviving entity and the 4 subsidiaries annihilated through dissolution.

④ Corporate name after merger

Coca-Cola East Japan Co., Ltd.

⑤ Overview of the transaction, including the objective of the transaction

In order to accelerate efficient corporate management through the central operation of the group and with the objective of merging the commercial and corporate divisions, we decided to merge the 4 subsidiaries into our company.

（2）Overview of the accounting treatments implemented

Based on the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, issued on December 26, 2008) and “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestures” (ASBJ Guidance No. 10, issued on December 26, 2008), they have been treated as transactions under common control.