

みんなの あしたに ハッピーを

Coca-Cola **West**

Results briefing for the Fiscal Year ended December 2016

February 7, 2017

Coca-Cola West Company, Limited (2579)

[Contact] Planning Department (IR team)

TEL 092-641-8774 FAX 092-632-4304

[URL] <http://www.ccwest.co.jp/> [E-mail] koji-nakagawa@ccwest.co.jp

I. 2016 Review and summary of financial results

II. 2017 Business Plan

III. Commercial strategies

[Reference]

Increase/decrease in full-year financial results (Jan-Dec)

Financial results of Q4 (Oct-Dec)

Trend of OTC market share

Mix by brand/by channel

Sales update on vending machines by segment

Sales volume actual / plan

Performance trend / KBI trend

Coca-Cola System in Japan / Affiliated companies

I. 2016 Review and summary of financial results

Sales status of FY2016 ended Dec (Jan-Dec)

Vs. PY

- Jan-Dec accumulative volume was 6.8% positive (including Shikoku CCBC).
CCW delivered 3.0% positive volume for Jan-Dec YTD.
- Value share grew ahead of the growth of volume share.

(Unit: K c/s, %)	2016 Actual	PY ^{*1}	Vs. PY	
			Diff	Diff %
CCW (excl. Shikoku CCBC)	221,603	215,048	+6,555	+3.0
Jan-Sep	170,876	163,120	+7,756	+4.8
Oct-Dec	50,727	51,928	-1,201	-2.3
CCW + Shikoku CCBC total	241,002	225,634	+15,368	+6.8

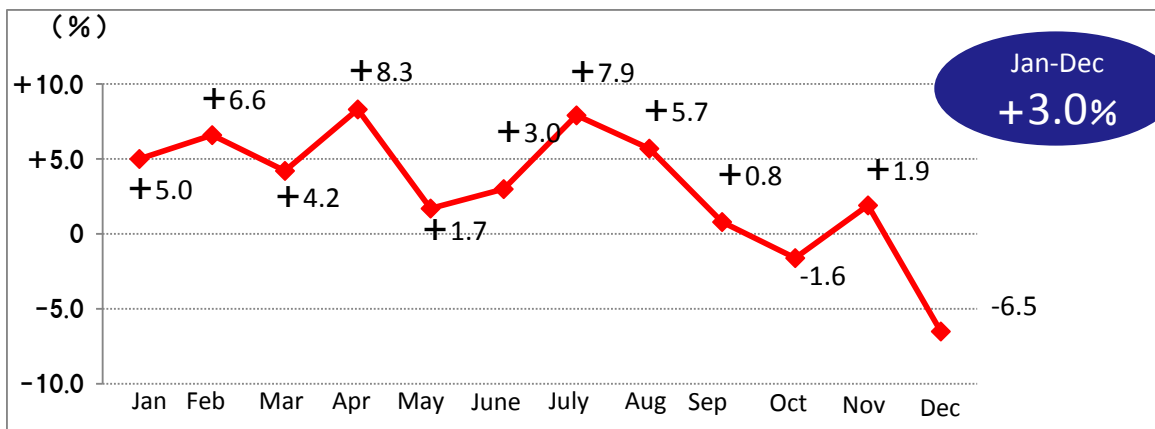
[Ref]

Plan ^{*2}	Vs. Plan	
	Diff	Diff %
219,751	+1,851	+0.8
168,842	+2,033	+1.2
50,909	-182	-0.4
239,429	+1,573	+0.7

*1 PY actual does not include actual performances of Shikoku CCBC's Jan-June results.

*2 Plan refers to values based on performance forecasts announced on Aug 12, 2016.

CCW Sales volume trend by month (Vs. PY)



CCW Share (Vs. PY)

(Unit: pts)	Volume share	Value share
	2016 OTC market share	+0.1

Source: Intage (Supermarket, Drug store and Discounter channels)

Sales volume by channel

Vs. PY

- Positive results of Supermarket and Convenience Store led the overall growth.
 - Sales of new products launched as highly value-added commodities contributed.
- Sales volume of highly profitable Vending finished at the level of prior year.
 - Volume declined along with improvement of unprofitable locations.
 - On the other hand, volume contribution from new placement of vending machines exceeded PY.
 - A smartphone app “Coke ON” which rolled out in April also began to deliver impacts.

	2016 Actual (Unit: K c/s, %)	Vs. PY ^{*1}		[Ref] Vs. Plan ^{*2}	
		Diff	Diff %	Diff	Diff %
Supermarket/Drug/Discounter	70,312	+3,489	+5.2	+504	+0.7
Convenience store	29,134	+1,990	+7.3	+678	+2.4
Chain store total	99,446	+5,479	+5.8	+1,181	+1.2
Vending	68,010	-330	-0.5	-495	-0.7
Retail	11,240	-160	-1.4	-220	-1.9
Food Service	25,668	+455	+1.8	-47	-0.2
Others	17,237	+1,111	+6.9	+1,432	+9.1
CCW total (excl. Shikoku CCBC)	221,603	+6,555	+3.0	+1,851	+0.8
CCW + Shikoku CCBC total	241,002	+15,368	+6.8	+1,573	+0.7

*1 PY actual does not include actual performances of Shikoku CCBC's Jan-June results.

*2 Plan refers to values based on performance forecasts announced on Aug 12, 2016.

Sales volume by brand

Vs. PY

- Growth of core 8 brands led the overall volume increase (core 8 brands: +5.3%)
- By brand, Coca-Cola brand, Georgia, Ayataka and I Lohas made remarkable contributions.

<Coca-Cola, Coca-Cola Zero>

Rollout of promotions linked with the Rio Olympics and introduction of a limited package “ribbon bottle” worked.

<Georgia>

Sales of new products such as “Georgia The Premium Bito” contributed.

<Ayataka>

“Ayataka Nigorihonoka” which was launched in March contributed.

<I Lohas>

New products contributed.

		2016 Actual (Unit: K c/s, %)	Vs. PY* ²		Vs. Plan* ³	
			Diff	Diff %	Diff	Diff %
Core 8	Coca-Cola	15,621	+635	+4.2	+201	+1.3
	Coca-Cola Zero	6,880	+402	+6.2	+171	+2.5
	Fanta	7,842	-62	-0.8	+67	+0.9
	Georgia	47,103	+1,888	+4.2	-265	-0.6
	Sokenbicha	10,286	+112	+1.1	-8	-0.1
	Aquarius	20,054	+562	+2.9	+691	+3.6
	Ayataka	19,387	+1,745	+9.9	+777	+4.2
	I LOHAS	15,862	+1,868	+13.3	-191	-1.2
	Sub total	143,035	+7,151	+5.3	+1,444	+1.0
Others	38,194	-1,177	-3.0	-1,118	-2.8	
RTD* ¹ total		181,229	+5,974	+3.4	+326	+0.2
Syrup & powder		40,373	+581	+1.5	+1,525	+3.9
CCW total (excl. Shikoku CCBC)		221,603	+6,555	+3.0	+1,851	+0.8
CCW + Shikoku CCBC total		241,002	+15,368	+6.8	+1,573	+0.7

*1 RTD: Packaged products

*2 PY actual does not include actual performances of Shikoku CCBC's Jan-June results.

*3 Plan refers to values based on performance forecasts announced on Aug 12, 2016.

Financial results of FY2016 ended Dec (Jan-Dec) -Consolidated

- Consolidated operating profit closed at 21.1 Billion JPY. (+6.8 Billion JPY Vs. PY)
 - On the other hand, Current net profits resulted in 5.2 Billion JPY. (-4.7 Billion JPY Vs. PY)
- 6.7 Billion JPY was booked as extraordinary loss from impairment of goodwill we executed pertaining to the field of FOSHU out of Healthcare & skincare business.

(Unit: MM JPY, %)

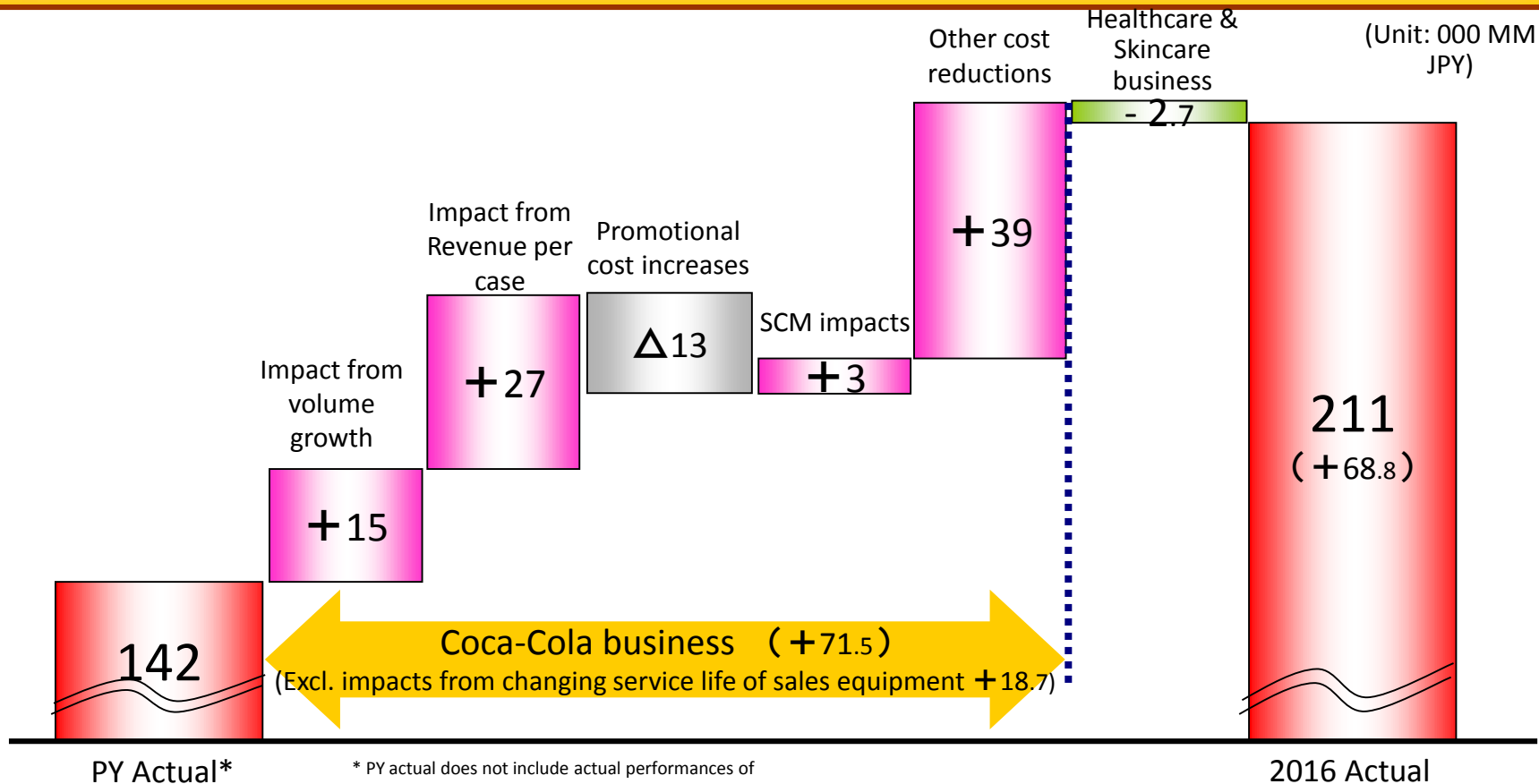
	2016 Actual	PY*1	Vs. PY		Plan*2	Vs. Plan	
			Diff	Diff %		Diff	Diff %
Revenue	460,455	440,476	+19,979	+4.5	460,200	+255	+0.1
Coca-Cola Business	428,394	407,635	+20,758	+5.1	425,600	+2,794	+0.7
Healthcare & Skincare Business	32,061	32,840	-778	-2.4	34,600	-2,538	-7.3
Gross profit	238,611	223,951	+14,659	+6.5	239,800	-1,188	-0.5
Operating income	21,143	14,262	+6,881	+48.3	20,500	+643	+3.1
Coca-Cola Business	18,369	11,209	+7,159	+63.9	17,100	+1,269	+7.4
Healthcare & Skincare Business	2,774	3,052	-277	-9.1	3,400	-625	-18.4
Ordinary profit	20,602	13,723	+6,879	+50.1	18,800	+1,802	+9.6
Current net income (attributable to shareholders)	5,245	9,970	-4,725	-47.4	10,800	-5,554	△51.4

*1 PY actual does not include actual performances of Shikoku CCBC's Jan-June results.

*2 Plan refers to values based on performance forecasts announced on Aug 12, 2016.

Financial results of FY2016 ended Dec (Jan-Dec)- Key drivers of OP growth (Vs. PY)

Coca-Cola business raised operating profits by 7.1 billion JPY from prior year. In addition to marginal profit increases of 1.5 billion JPY driven by volume growth in Chain store, there was a profit contribution of 2.7 billion JPY by the increase of revenue per case. Furthermore, SCM impacts in productivity enhancement and cost reductions including depreciation of sales equipment contributed to the growth of operating profits. Healthcare & Skincare business lost operating profits by 270 MM JPY Vs. PY along with sales decline of FOSHU products after September.



II. 2017 Business Plan

2017 Business Plan we disclose this time

- The performance plan we disclose this time is an estimate which does not reflect a business integration with Coca-Cola East Japan Co., Ltd. (CCEJ).
- Plans for a new company “Coca-Cola Bottlers Japan Inc. (CCBJI)” is under development in Integration Preparation Committee and scheduled to be announced in or after April.

Launch of CCBJI (April 1)

Jan Feb Mar Apr May June July Aug Sep Oct Nov Dec

This disclosure
Estimation not incorporating the business integration

CCW (Jan-Dec)



CCBJI
(To be disclosed after April)

CCW (Jan-Dec)

CCEJ (Apr-Dec)

Synergies (Apr-Dec)

Full-year (Jan-Dec) — Performance Plan (Estimate)

Plan for growth in Revenue, Operating income and Current net income from prior year (not reflecting the business integration).

Consolidated

(Unit: MM JPY, %)

	2017 Full-year Plan	Vs. PY	
		Diff	Diff %
Revenue	462,500	+2,044	+0.4
Gross profit	242,600	+3,988	+1.7
Operating income	22,000	+856	+4.0
Ordinary profit	20,600	-2	-0.0
Current net income (attributable to shareholders)	12,500	+7,254	+138.3

By business

[Coca-Cola business (CCW+Shikoku)]

(Unit: K c/s, MMJPY, %)

	2017 Plan	Vs. PY	
		Diff	Diff %
Volume	242,595	+1,595	+0.7
Revenue	428,400	+5	+0.0
Of which, revenue excluding sales to other bottlers	421,705	+4,145	+1.0
Operating income	18,500	+130	+0.7

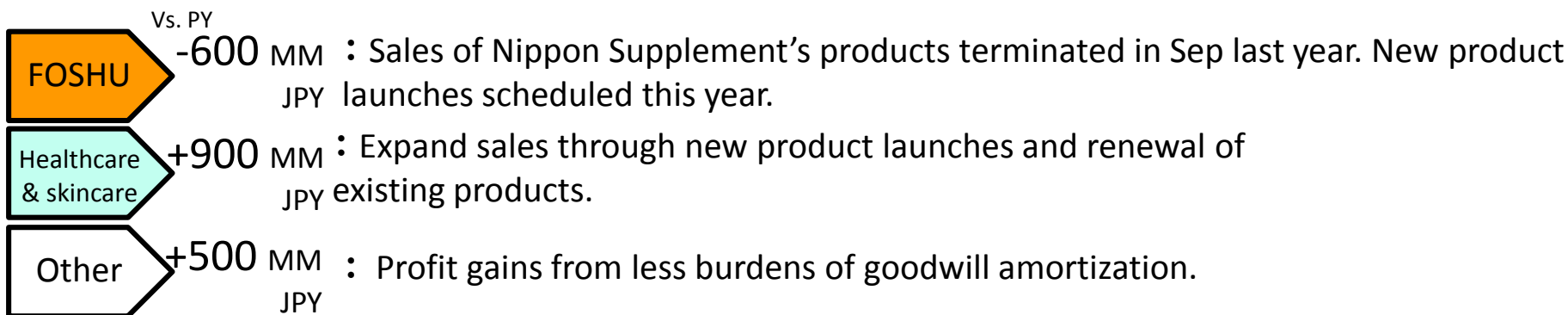
[Healthcare & skincare business]

(Unit: MMJPY, %)

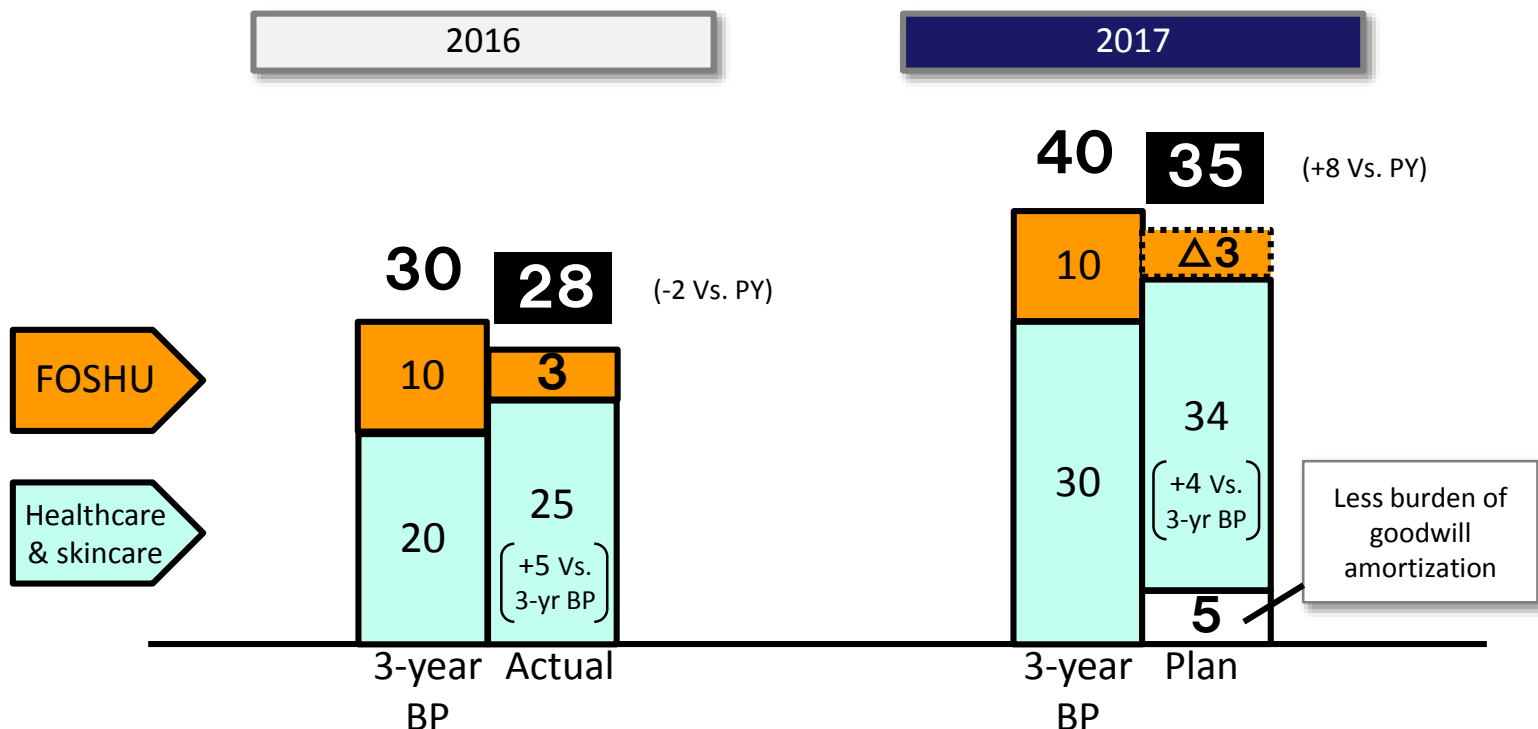
	2017 Plan	Vs. PY	
		Diff	Diff %
Revenue	34,100	+2,038	+6.4
Operating income	3,500	+725	+26.1

Healthcare & skincare business plan

Plan to deliver operating profit of 3.5 Billion JPY in 2017 (700 MM JPY Vs. PY).



[Healthcare & skincare business operating profit] (Unit: 000 MM JPY)



2017 strategies

■ Strive to strengthen existing businesses by introducing new products including foods with functional claim and by reinforcing the home shopping channels.

Healthcare products
Launch new products (with functional claim)
 → Entry to new fields after identifying market scale and growth potential
Expand Aojiru lineup



Sarcopenia market

Kobayashi HMB tablet

Skincare products
Expand Cola-rich product lineup


Home shopping channels

New acquisition
 Optimize contents of home shopping programs and on-air slots
 Reinforce web marketing

More repeaters (%) & basket size
 Enrich contents of member newsletter
 Revise point system



Acquisition of new growth opportunities



Minute Maid Oishii Fruit Aojiru

- Cultivate new businesses jointly with a venture company
- Drive M&A
- Discover new materials & technologies
- Collaborate with Coca-Cola business

Q1 (Jan-Mar) — Performance Plan

■ Aim to deliver Q1 consolidated operating profit of 2.3 billion JPY, up by 100 MM JPY from PY.

Consolidated

(Unit: MM JPY, %)

	2017 Q1 Plan	Vs. PY	
		Diff	Diff %
Revenue	99,200	-1,345	-1.3
Operating income	2,300	+90	+4.1

By business

[Coca-Cola business (CCW+Shikoku)] (Unit: K c/s, MM JPY, %)

	2017 Q1 Plan	Vs. PY	
		Diff	Diff %
Volume	50,817	+336	+0.7
Revenue	91,600	-780	-0.8
Of which, revenue excluding sales to other bottlers	90,367	+103	+0.1
Operating income	1,500	+99	+7.1

[Healthcare & skincare business] (Unit: MM JPY, %)

	2017 Q1 Plan	Vs. PY	
		Diff	Diff %
Revenue	7,600	-565	-6.9
Operating income	800	-9	-1.2

Q1 (Jan-Mar) –Factors of Operating profit increase (Vs. PY)

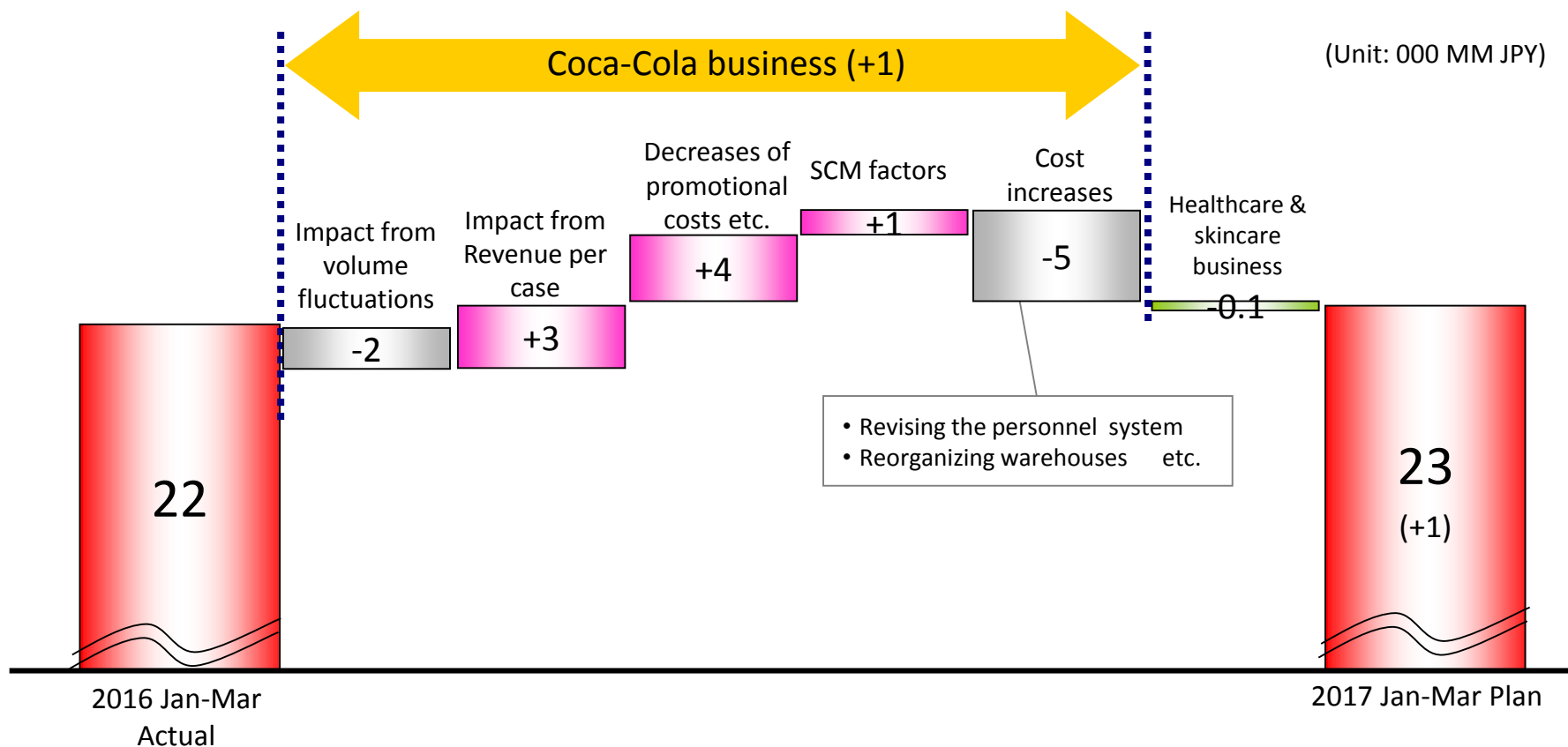
Aim to deliver consolidated operating profit of 2.3 billion JPY (+100 MM JPY Vs. PY)



While projecting negative profits of -200 MM JPY from prior year associated with changes of channel mix, strive to deliver steady profit growth with ensured initiatives for per case revenue improvements and investment efficiencies in each channel.



Aim for positive sales of good performing skincare products, despite our forecast of profit losses associated with sales declines of FOSHU products by Nippon Supplements.



III. Coca-Cola business commercial strategies

Volume plan for FY2017 ending Dec (Jan-Dec)

■ While incorporating rebound from last year's good weather, we project positive volume Vs. PY.

→ By channel, Supermarket leads overall volume growth.

→ By brand, Georgia, Ayataka and I Lohas make contributions.

Volume plan by channel

	2017 Plan	Vs. PY	
		Diff	Diff %
(Unit: K c/s, %)			
Supermarket/Drug/Discounter	72,225	+1,913	+2.7
Convenience store	29,241	+107	+0.4
Chain store total	101,466	+2,020	+2.0
Vending	67,060	-950	-1.4
Retail	11,054	-186	-1.7
Food service	26,156	+488	+1.9
Others	17,339	+102	+0.6
CCW total (excl. Shikoku CCBC)	223,075	+1,473	+0.7
CCW + Shikoku CCBC total	242,595	+1,593	+0.7

Volume plan by brand

	2017 Plan	Vs. PY	
		Diff	Diff %
(Unit: K c/s, %)			
Coca-Cola	14,990	-639	-4.1
Coca-Cola Zero	6,667	-213	-3.1
Fanta	8,449	+607	+7.7
Georgia	48,767	+1,664	+3.5
Sokenbicha	10,108	-177	-1.7
Aquarius	19,296	-758	-3.8
Ayataka	20,472	+1,085	+5.6
I Lohas	17,627	+1,765	+11.1
Sub total	146,376	+3,334	+2.3
Other	37,735	-451	-1.2
RTD* total	184,112	+2,882	+1.6
Syrup, powder	38,964	-1,410	-3.5
CCW total (excl. Shikoku CCBC)	223,075	+1,473	+0.7
CCW + Shikoku CCBC total	242,595	+1,593	+0.7

* RTD: Packaged products

Basic strategies

Growth

1. Enhance profitability by ensured reinforcing existing business

- ① Reinforce the existing fields
- ② Challenge new markets with customer-centric perspective
- ③ Expand & advance RGM
- ④ Transform VM business model
- ⑤ Maximize use of KO system's K&I and reinforce marketing according to regional characteristics
- ⑥ Strengthen marketing strategies through alliance and M&A
- ⑦ Establish competitive advantage in the areas of growth

2. Build new growth businesses

Efficiency

3. Advance value chain processes

- ① Advance supply process behind growth and implement new technologies

4. Enable high-quality, low-cost operation structure

- ① Re-allocate production and logistic sites according to changes in demand.
- ② Restructure logistic system based on distribution structure changes.
- ③ Advance high-quality, low-cost operations
- ④ Enable less-burden and labor saving operation models.
- ⑤ Expand global procurement

5. Invest right capital (people, goods, cash)

- ① Appropriately allocate business resources based on research & analysis.
- ② Allocate staff appropriately

Structural

6. Drive CSV

- ① Enable eco-friendly operations.
- ② Continue local contribution and environmental activities

7. Reinforce organizational capabilities & business foundation

- ① Improve asset efficiency
- ② Develop & execute capital strategies
- ③ Transform operation processes leveraging IT.
- ④ Revisit group organizational structure

8. Improve employee satisfaction

- ① Setup attractive HR system
- ② Enable diverse ways to work/HR activating full capacity
- ③ More female advancement
- ④ Improve FTE capabilities/self-fulfillment

Basic strategies

Growth

1. Enhance profitability by ensured reinforcing existing business

- ① Reinforce the existing fields
- ② Challenge new markets with customer-centric perspective
- ③ Expand & advance RGM
- ④ Transform VM business model
- ⑤ Maximize use of KO system's K&I and reinforce marketing according to regional characteristics
- ⑥ Strengthen marketing strategies through alliance and M&A
- ⑦ Establish competitive advantage in the areas of growth

2. Build new growth businesses

Efficiency

3. Advance value chain processes

- ① Advance supply process behind growth and implement new technologies

4. Enable high-quality, low-cost operation structure

- ① Re-allocate production and logistic sites according to changes in demand.
- ② Restructure logistic system based on distribution structure changes.
- ③ Advance high-quality, low-cost operations
- ④ Enable less-burden and labor saving operation models.
- ⑤ Expand global procurement

5. Invest right capital (people, goods, cash)

- ① Appropriately allocate business resources based on research & analysis.
- ② Allocate staff appropriately

Structural

6. Drive CSV

- ① Enable eco-friendly operations.
- ② Continue local contribution and environmental activities

7. Reinforce organizational capabilities & business foundation

- ① Improve asset efficiency
- ② Develop & execute capital strategies
- ③ Transform operation processes leveraging IT.
- ④ Revisit group organizational structure

8. Improve employee satisfaction

- ① Setup attractive HR system
- ② Enable diverse ways to work/HR activating full capacity
- ③ More female advancement
- ④ Improve FTE capabilities/self-fulfillment

Enhance profitability by ensured reinforcing existing business-Strengthen existing fields

■ Ensure sales methods not depending on prices

Chain store

Improve how we offer main brands

- Raise per case revenue of Large PET by strategically implementing Midi PET of Aquarius.

↑
Raise per case revenue



1.5LPET



1.25LPET



500ml PET

- Control prices of Aquarius during peak & off-peak seasons.
- Reinforce activities for raising per case revenue even in NST category (leveraging Midi PET etc).



Vending

Ensure optimum portfolio according to locations

- Rollout highly value-added/VM-exclusive products

Highly value-added products

VM-exclusive products



Scale “Coke ON” enable VM

- Activate various initiatives through “Coke ON”

[Deployment plan]

50,000 VMs
(110,000 in total)



Enhance profitability by ensured reinforcing existing business-Strengthen existing fields

Expand more valuable PoC by taking advantage of new products and sales equipment.

Chain store

Expand regular (handling # of) products



Capture PoC (expand sales spaces)



Checkout section



Deli section



Liquor section

Gain sales in low share market



Bottle coffee



Lactic



Juice



Tea

Vending

Capture prime locations (new placement)

	# of new VM placement	Sales volume per machine
Vs. PY	+19,500	+12%

- Reinforce activities at work with high potential (leading key accounts)
- Strengthen relationship with customers headquartered in metropolitan area in collaboration with Coca-Cola East Japan.
- Sharpen targeting by taking advantage of external data.

Investments on vending machines

of new machine implementation

30,000

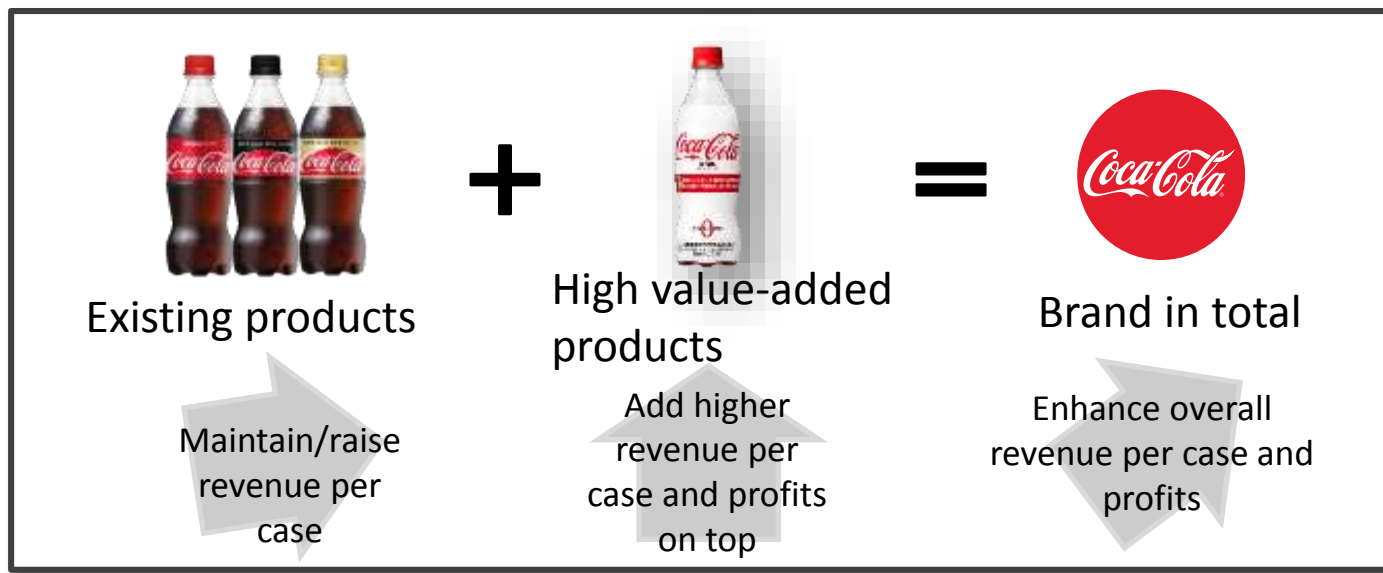
of brewed coffee machine implementation

1,500







Enhance profitability by ensured reinforcement of the existing-Challenge new markets with customer-centric perspective

■ Introduce high revenue per case, high value-added products.



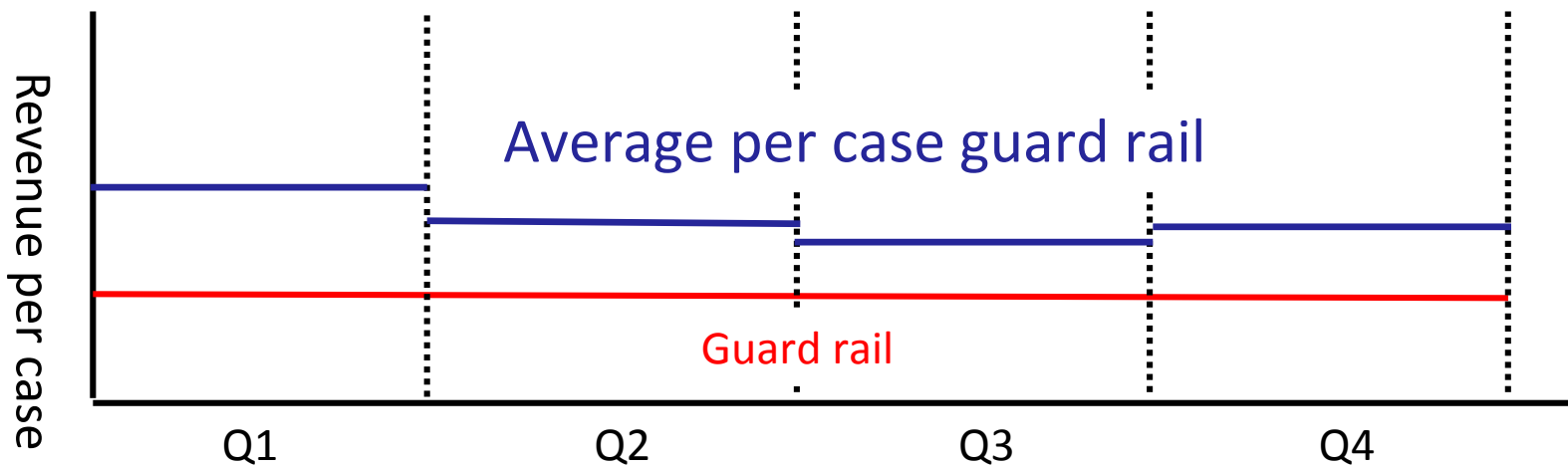
High value-added new products (launched at the end of PY until the end of Q 1)

Dec	Jan	Feb	Mar
<u>CCW area-exclusive</u>	<u>Functional claim</u>	<u>CCW area-exclusive</u>	<u>FOSHU</u>
<p>Launch on Dec 12</p>  <p>Minute Maid Oishii Fruit Aojiru (190ml CAN)</p>	<p>Launch on Jan 30</p>  <p>Karadameguricha Advance (410ml PET)</p>	<p>Launch on Feb 13</p>  <p>I Lohas Amaou (350ml PET)</p>	<p>Launch on Mar 27</p>  <p>Coca-Cola Plus (500ml PET)</p>

Enhance profitability by ensured reinforcing existing business-Expand & evolve RGM

- Newly set and operate “Average per case guard rail”.

Set “Average per case guard rail” by combining the 3 elements



Basic strategies

Growth

1. Enhance profitability by ensured reinforcing existing business

- ① Reinforce the existing fields
- ② Challenge new markets with customer-centric perspective
- ③ Expand & advance RGM
- ④ Transform VM business model
- ⑤ Maximize use of KO system's K&I and reinforce marketing according to regional characteristics
- ⑥ Strengthen marketing strategies through alliance and M&A
- ⑦ Establish competitive advantage in the areas of growth

2. Build new growth businesses

Efficiency

3. Advance value chain processes

- ① Advance supply process behind growth and implement new technologies

4. Enable high-quality, low-cost operation structure

- ① Re-allocate production and logistic sites according to changes in demand.
- ② Restructure logistic system based on distribution structure changes.
- ③ Advance high-quality, low-cost operations
- ④ Enable less-burden and labor saving operation models.
- ⑤ Expand global procurement

5. Invest right capital (people, goods, cash)

- ① Appropriately allocate business resources based on research & analysis.
- ② Allocate staff appropriately

Structural

6. Drive CSV

- ① Enable eco-friendly operations.
- ② Continue local contribution and environmental activities

7. Reinforce organizational capabilities & business foundation

- ① Improve asset efficiency
- ② Develop & execute capital strategies
- ③ Transform operation processes leveraging IT.
- ④ Revisit group organizational structure

8. Improve employee satisfaction

- ① Setup attractive HR system
- ② Enable diverse ways to work/HR activating full capacity
- ③ More female advancement
- ④ Improve FTE capabilities/self-fulfillment

Invest right capital (people, goods, cash)

- Enhance investment efficiency of promotional costs and sales equipment.

Chain store

Conduct promotions being conscious of ROI

- Make investments to urge customers to take initiatives (volume, revenue achievement conditions/coverage etc).
- Make investments to encourage consumers to purchase (non-price promotions/coupons/events).
- Make investments to areas with high growth (categories etc).



Vending

Improve unprofitable locations

	CAN	CVM	Paper pack
Subject to improvement	83,800 VM	4,580 VM	2,450 VM
2017 plan	18,500 VM	3,360 VM	640 VM

of VM withdrawal
22,500

2015 actual
17,500
2016 actual
15,500

■ Improve unprofitable trade deals

- Promotional costs, commissions etc.
 - Target # of deals (agreements to be updated this year): 171

Basic strategies

Growth

1. Enhance profitability by ensured reinforcing existing business

- ① Reinforce the existing fields
- ② Challenge new markets with customer-centric perspective
- ③ Expand & advance RGM
- ④ Transform VM business model
- ⑤ Maximize use of KO system's K&I and reinforce marketing according to regional characteristics
- ⑥ Strengthen marketing strategies through alliance and M&A
- ⑦ Establish competitive advantage in the areas of growth

2. Build new growth businesses

Efficiency

3. Advance value chain processes

- ① Advance supply process behind growth and implement new technologies

4. Enable high-quality, low-cost operation structure

- ① Re-allocate production and logistic sites according to changes in demand.
- ② Restructure logistic system based on distribution structure changes.
- ③ Advance high-quality, low-cost operations
- ④ Enable less-burden and labor saving operation models.
- ⑤ Expand global procurement

5. Invest right capital (people, goods, cash)

- ① Appropriately allocate business resources based on research & analysis.
- ② Allocate staff appropriately

Structural

6. Drive CSV

- ① Enable eco-friendly operations.
- ② Continue local contribution and environmental activities

7. Reinforce organizational capabilities & business foundation

- ① Improve asset efficiency
- ② Develop & execute capital strategies
- ③ Transform operation processes leveraging IT.
- ④ Revisit group organizational structure

8. Improve employee satisfaction

- ① Setup attractive HR system
- ② Enable diverse ways to work/HR activating full capacity
- ③ More female advancement
- ④ Improve FTE capabilities/self-fulfillment

Drive CSV (Creating Shared Value)

■ Conduct activities with “Health”, “Environment” and “Communities” as priority tasks of CSV.

Priority tasks in CSV


Health	Food shortages
	Aging measures
	Minimization of life style diseases

Environment	Water source protection
	Actions against global warming
	Prevention of resource depletion

Communities	Activation of local communities
	Healthy development of youth
	Promotion of sports

Sales activities

- Extension of product lineup and sales expansion of FOSHU and functionally claimed foods



- Promotion of energy-saving and HFC-free sales equipment



- Children's 110 Hotline
- Watching VM



Drive CSV (Creating Shared Value)

■ Contribute to local communities & society by fusing VM with new technologies.

“CokeOn” enabled vending machines



New technology

Next generation marketing platform using Beacon developed by unerry

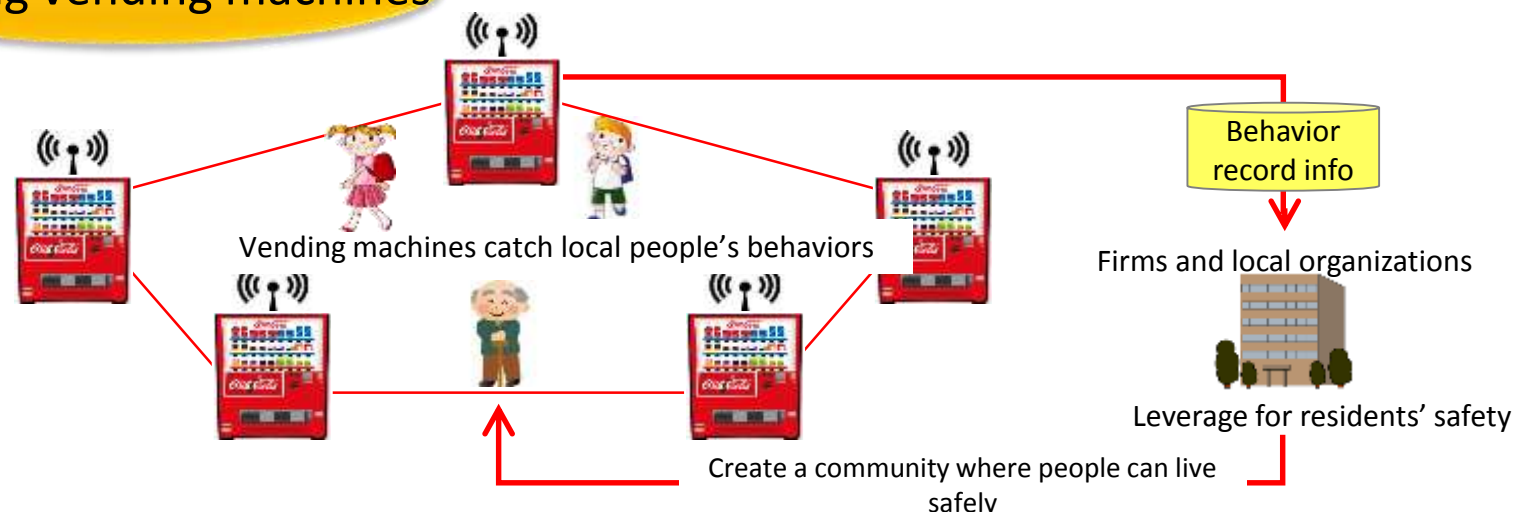
Beacon Bank



Optimize portfolio based on consumer behavior data

Contribute to activating economies of local communities via information distribution business

Watching vending machines



[Reference]

Financial results of FY2016 ended Dec (Jan-Dec) -Key drivers (Vs. PY)

(Unit: 100MM JPY)

	PY Actual*	2016 Actual	Diff
Revenue	4,404	4,604	+199
Gross profit	2,239	2,386	+146
Operating income	142	211	+68
Ordinary profit	137	206	+68
Current net income (attributable to shareholders)	99	52	-47

Key drivers	Diff
•Coca-Cola Business (CCW +Shikoku CCBC)	+207.5
•Healthcare & Skincare Business	-7.7
•Coca-Cola Business (CCW +Shikoku CCBC)	+154.0
•Healthcare & Skincare Business	-7.4
•Increase of SG&A Expenses	-77.7
•Coca-Cola Business (CCW +Shikoku CCBC)	-82.4
<Key drivers>	
Increase of labor costs	-53.6
Increase of promotion/advertising costs	-30.0
Increase of sales commissions	-13.0
Decrease of sales equipment costs	+1.8
Increase of operation outsourcing costs	-28.6
Increase of repair costs	-4.8
Decrease of depreciation costs	+59.1
•Healthcare & Skincare Business	+4.6
•Decrease of extraordinary profits (gain on negative goodwill etc)	-70.4
•Increase of extraordinary losses (due to impairment loss of goodwill, losses from disaster etc)	-23.5
•Corporate tax	-21.6

*PY actual does not include actual performances of Shikoku CCBC's Jan-June results.

Financial results of FY2016 ended Dec (Jan-Dec) -Key drivers (Vs. Plan)

(Unit: 100MM JPY)

	Plan*	2016 Actual	Diff
Revenue	4,602	4,604	+2
Gross profit	2,398	2,386	-11
Operating income	205	211	+6
Ordinary profit	188	206	+18
Current net income (attributable to shareholders)	108	52	-55

Key drivers	Diff
•Coca-Cola Business (CCW + Shikoku CCBC)	+27.9
•Healthcare & Skincare Business	-25.3
•Coca-Cola Business (CCW + Shikoku CCBC)	+11.9
•Healthcare & Skincare Business	-23.8
•Decrease of SG&A Expenses	+18.3
•Coca-Cola Business (CCW + Shikoku CCBC)	+0.7
<Key drivers>	
Increase of labor costs	-4.9
Decrease of promotion/advertising costs	+1.0
Decrease of sales commissions	+3.6
Increase of repair costs	-1.7
Decrease of depreciation costs	+1.1
•Healthcare & Skincare Business	+17.5
•Increase of extraordinary profits (gain on sales of fixed assets etc)	+11.3
▪ Increase of extraordinary losses (due to impairment loss of goodwill etc)	-83.2
•Corporate tax etc	-2.0

*Plan refers to values based on performance forecasts announced on Aug 12, 2016.

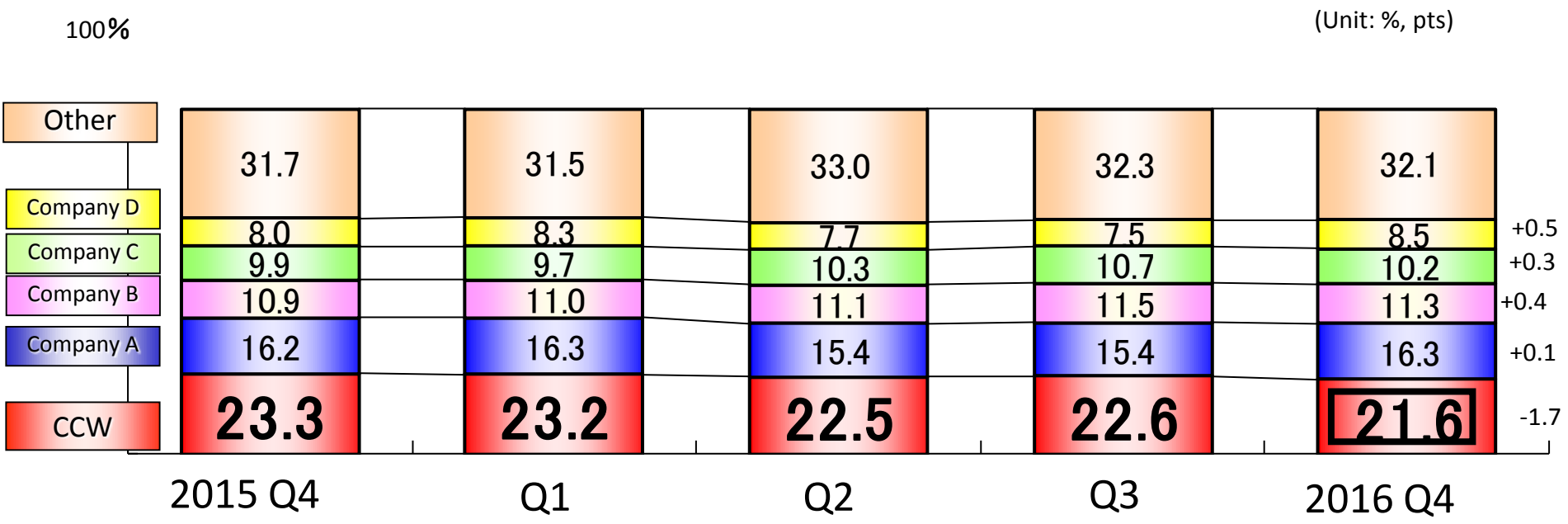
Financial results of Q4 (Oct-Dec)

(Unit: MM JPY, %)

	2016 Q4 Actual	2015 Q4 Actual	Vs. PY		Plan*	Vs. Plan	
			Diff	Diff %		Diff	Diff %
Revenue	106,745	110,814	-4,069	-3.7	108,900	-2,154	-2.0
Coca-Cola Business	99,132	102,372	-3,239	-3.2	99,700	-567	-0.6
Healthcare & Skincare Business	7,612	8,442	-829	-9.8	9,200	-1,587	-17.3
Gross profit	55,113	56,436	-1,322	-2.3	56,800	-1,686	-3.0
Operating income	2,117	2,754	-636	-23.1	2,300	-182	-7.9
Coca-Cola Business	1,859	1,840	+19	+1.1	1,600	+259	+16.2
Healthcare & Skincare Business	257	914	-656	-71.8	700	-442	-63.2
Ordinary profit	2,281	2,429	-147	-6.1	1,200	+1,081	+90.2
Current net income (attributable to shareholders)	-5,382	-4,376	-1,005	-	500	-5,882	-

*Plan refers to values based on performance forecasts announced on Aug 12, 2016.

Trend of OTC market share (excl. VM)



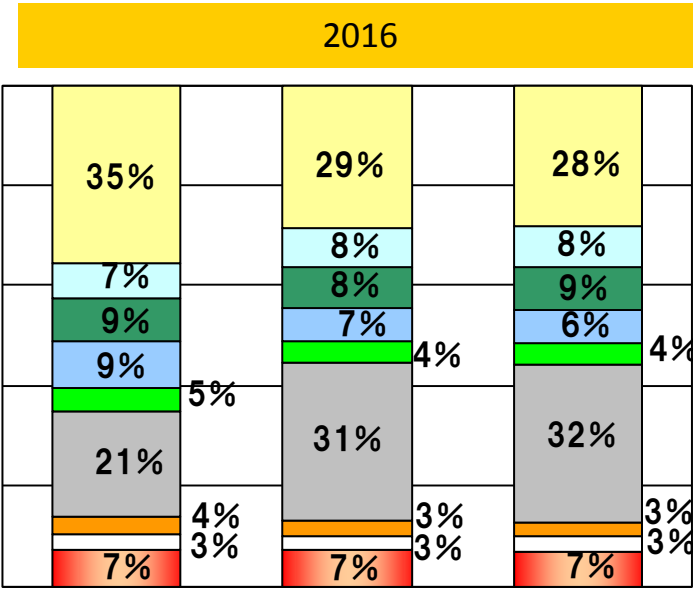
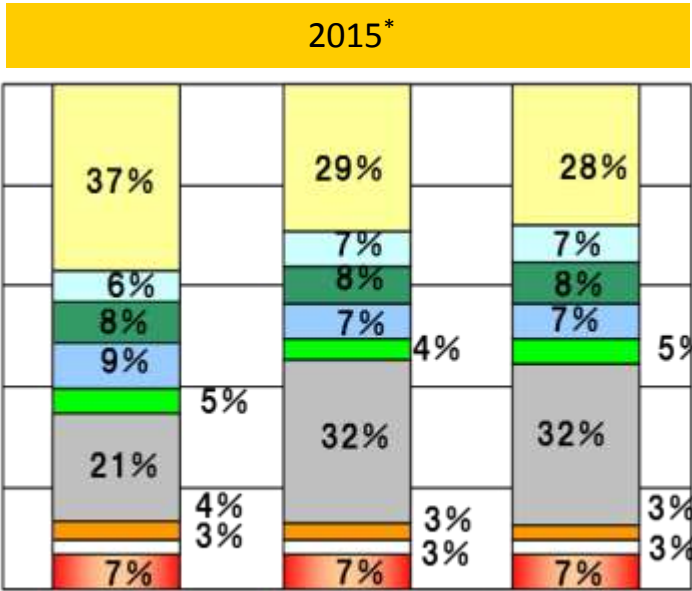
- Values outside the graph show year-over-year differences.
- Along with changes in data aggregation targets by the research company, 2015 Q4 Actual was retroactively revised.

(Source: Intage)

2016 (Jan – Dec) – Mix by brand/channel

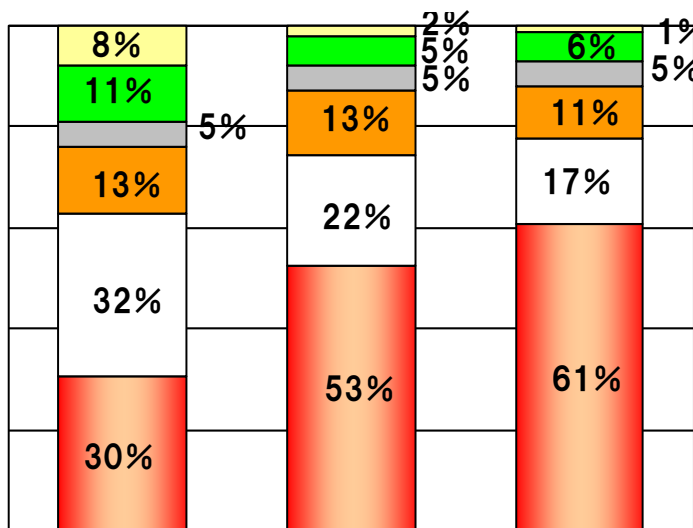
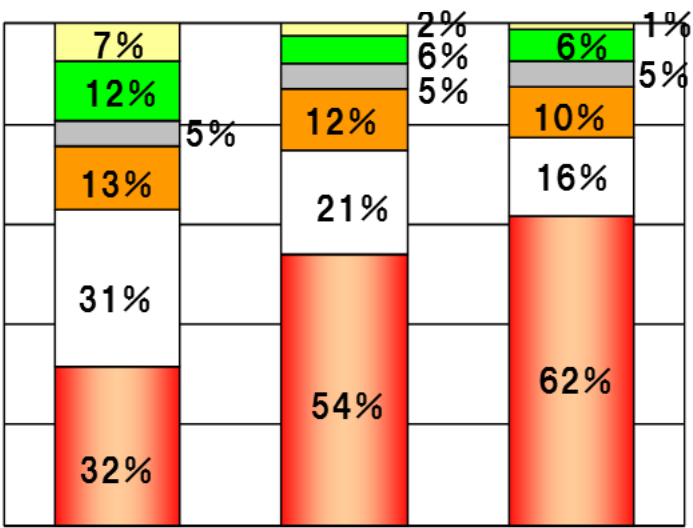
Brand

- Others
- I LOHAS
- Ayataka
- Aquarius
- Soukenbicha
- Georgia
- Fanta
- Coca-Cola Zero
- Coca-Cola



Channel

- Others
- Food Service
- Retail
- CVS
- SM
- Vending



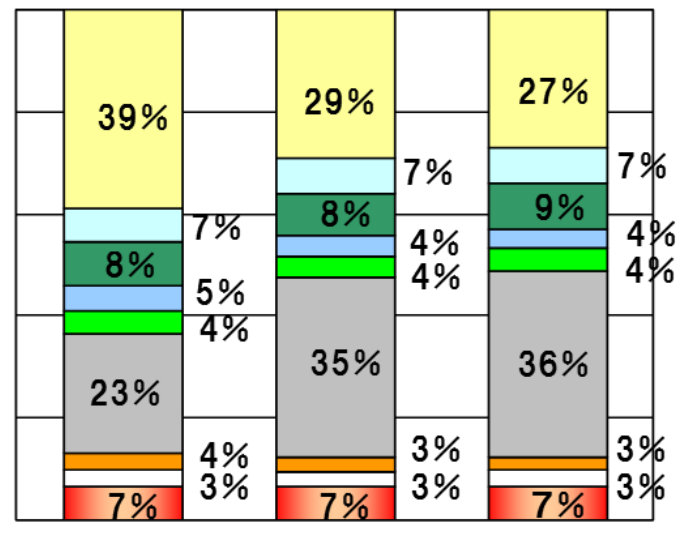
* Due to some changes in sales channel categories, PY actual is retroactively revised

Q4 (Oct – Dec) – Mix by brand/channel

Brand

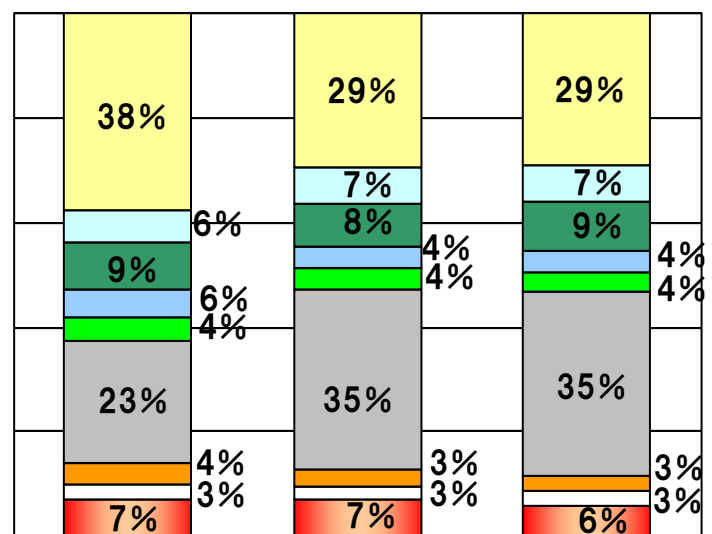
- Others
- I LOHAS
- Ayataka
- Aquarius
- Soukenbicha
- Georgia
- Fanta
- Coca-Cola Zero
- Coca-Cola

2015*



Sales Vol. Revenue Gross profit

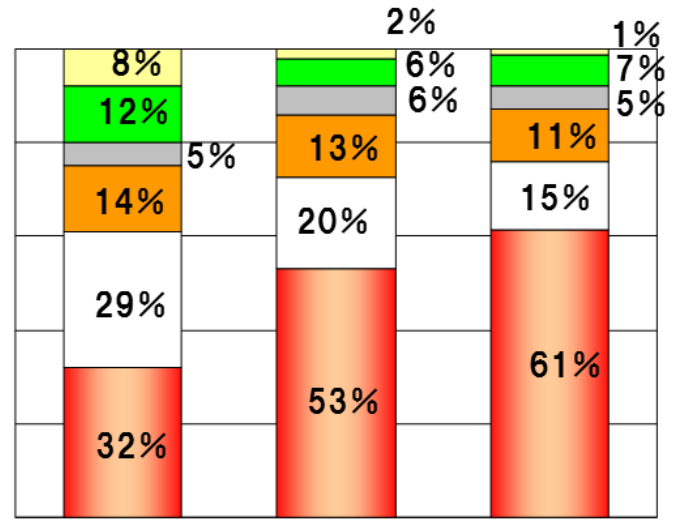
2016



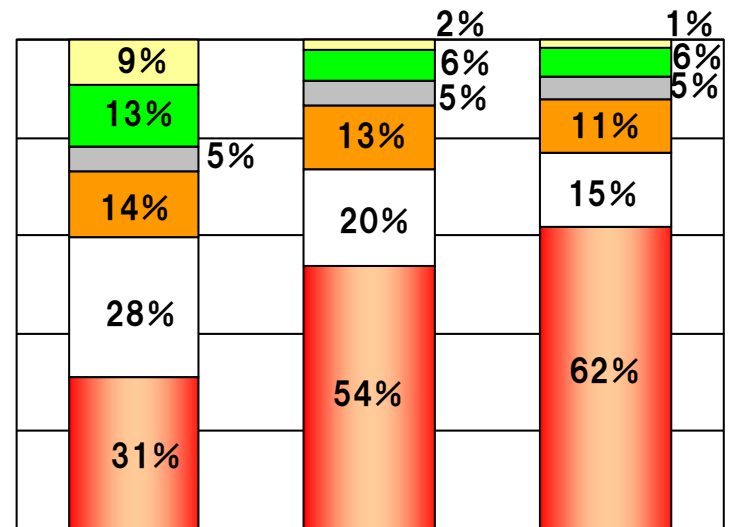
Sales Vol. Revenue Gross profit

Channel

- Others
- Food Service
- Retail
- CVS
- SM
- Vending



Sales Vol. Revenue Gross profit



Sales Vol. Revenue Gross profit

* Due to some changes in sales channel categories, PY actual is retroactively revised

Sales update on vending machines by segment

Vending machine full service CAN VPM* Vs. PY

【CCW area】

	Vs. PY (%)												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
At work (office etc)	-2.2	+2.1	+0.0	-2.5	-1.6	-1.4	-1.3	+4.4	+0.6	-3.8	-0.7	-5.4	-1.0
At work (plant etc)	-2.8	+1.9	+1.8	-3.0	-2.5	-1.4	-2.8	+6.0	+0.8	-4.7	+0.8	-4.7	-0.9
Mass retailers	-2.4	+1.6	-2.6	-4.2	-2.2	-2.9	+1.9	+3.6	-1.6	-2.6	-2.3	-5.7	-1.6
Transportation	+1.2	+3.8	+1.3	+1.1	-0.8	+0.6	+5.2	+6.3	+0.6	-1.3	-1.6	-3.0	+1.2
School	-0.8	+5.7	+3.2	-1.1	-1.6	+3.3	+5.8	+11.3	+6.8	-5.8	-1.7	-7.8	+1.4
Leisure facilities	-3.7	+0.6	-3.4	-4.6	-1.3	-9.1	+3.8	+5.9	-10.8	-2.0	-4.3	-5.9	-2.6
Pachinko	-5.8	-1.8	-6.8	-5.8	-0.9	-3.6	-1.7	-2.6	-2.2	-0.8	-5.8	-4.5	-3.5
Sports facilities	-4.2	+0.6	-1.0	-1.4	-0.9	-4.0	+8.2	+6.1	-1.9	-0.7	-3.6	-3.8	-0.2
Hospitals	-3.0	+3.0	+1.1	-1.4	-1.6	-0.6	+0.4	+4.1	+0.6	-2.9	-0.1	-4.2	-0.3
Accommodations	-4.2	+2.8	-1.9	-4.6	-5.2	-2.9	+0.6	+4.4	-2.0	-1.3	-4.0	-3.3	-1.7
Other (indoor)	-2.7	+0.9	+0.8	-2.3	-3.8	-0.6	+3.6	+7.3	-1.6	-4.6	-2.5	-6.7	-0.8
Outdoor	-1.6	+1.3	+2.6	-0.9	-3.9	-2.1	+4.3	+5.5	-1.9	-4.8	-1.2	-5.1	-0.7
Total	-2.5	+1.5	-0.1	-2.4	-2.3	-1.9	+1.5	+4.7	-0.9	-3.4	-1.9	-5.3	-1.0

*Sales Volume per vending machine

FY2016 ended Dec (Jan-Dec) — Sales Volume by package

		2016 Actual	Vs. PY	
			Diff	Diff %
(Unit: K c/s, %)				
PET	Small (less than 850 ml)	64,755	+3,625	+5.9
	Medium (less than 1,500 ml)	2,967	+1,465	+97.5
	Large (1,500 ml or more)	45,632	+628	+1.4
	Total	113,354	+5,717	+5.3
Can (incl. bottle can)		53,652	-368	-0.7
Others		14,223	+625	+4.6
Syrup & powder		40,373	+581	+1.5
CCW total (excl. Shikoku CCBC)		221,603	+6,555	+3.0
CCW + Shikoku CCBC total		241,002	+15,368	+6.8

[Ref]		Vs. Plan	
Diff	Diff %	Diff	Diff %
+108	+0.2		
+456	+18.2		
-135	-0.3		
+429	+0.4		
+41	+0.1		
-144	-1.0		
+1,525	+3.9		
+1,851	+0.8		
+1,573	+0.7		

2016 Q4 (Oct-Dec) — Sales Volume by channel

	Q4 Actual	Vs. PY	
		Diff	Diff %
(Unit: K c/s, %)			
Supermarket/Drug/Discounter	14,320	-632	-4.2
Convenience store	6,946	-161	-2.3
Chain store total	21,265	-793	-3.6
Vending	15,904	-683	-4.1
Retail	2,500	-183	-6.8
Food Service	6,546	+37	+0.6
Others	4,511	+421	+10.3
CCW total (excl.Shikoku CCBC)	50,727	-1,201	-2.3
CCW + Shikoku CCBC total	55,209	-1,473	-2.6

[Ref]

Vs. Plan	
Diff	Diff %
-394	-2.7
+523	+8.1
+129	+0.6
-577	-3.5
-317	-11.3
-164	-2.5
+747	+19.9
-182	-0.4
-418	-0.8

2016 Q4 (Oct-Dec) — Sales Volume by brand

(Unit: K c/s, %)		Q4 Actual	Vs. PY ^{*2}	
			Diff	Diff %
Core 8	Coca-Cola	3,629	-6	-0.2
	Coca-Cola Zero	1,534	-7	-0.5
	Fanta	1,752	-74	-4.0
	Georgia	11,867	-180	-1.5
	Sokenbicha	2,243	-35	-1.5
	Aquarius	2,823	+107	+3.9
	Ayataka	4,483	+127	+2.9
	I LOHAS	3,266	-235	-6.7
	Sub total	31,597	-303	-1.0
	Others	8,794	-1,099	-11.1
RTD ^{*1} total		40,390	-1,403	-3.4
Syrup & powder		10,336	+201	+2.0
CCW total (excl. Shikoku CCBC)		50,727	-1,201	-2.3
CCW + Shikoku CCBC total		55,209	-1,473	-2.6

*1 RTD: Packaged products

*2 Along with changes in the scope of data aggregation for actual sales performances, PY Actual was retroactively revised.

[Ref]		Vs. Plan	
Diff	Diff %	Diff	Diff %
		+83	+2.3
		+13	+0.9
		+14	+0.8
		-160	-1.3
		-138	-5.8
		-264	-8.5
		+372	+9.1
		+24	+0.8
		-54	-0.2
		-749	-7.9
		-804	-2.0
		+622	+6.4
		-182	-0.4
		-418	-0.8

2016 Q4 (Oct-Dec) — Sales Volume by package

		Q4 Actual	Vs. PY		[Ref] Vs. Plan	
			Diff	Diff %	Diff	Diff %
(Unit: K c/s, %)						
PET	Small (less than 850 ml)	14,495	-174	-1.2	-170	-1.2
	Medium (less than 1,500 ml)	583	+254	+77.4	+113	+23.9
	Large (1,500 ml or more)	9,133	-888	-8.9	-488	-5.1
	Total	24,212	-808	-3.2	-545	-2.2
Can (incl. bottle can)		12,948	-618	-4.6	-135	-1.0
Others		3,231	+24	+0.7	-124	-3.7
Syrup & powder		10,336	+201	+2.0	+622	+6.4
CCW total (excl. Shikoku CCBC)		50,727	-1,201	-2.3	-182	-0.4
CCW + Shikoku CCBC total		55,209	-1,473	-2.6	-418	-0.8

FY2017 ending Dec (Jan-Dec) — Sales Volume Plan by package

		2017 Plan	Vs. PY	
			Diff	Diff %
(Unit: K c/s, %)				
PET	Small (less than 850 ml)	67,313	+2,558	+3.9
	Medium (less than 1,500 ml)	3,747	+780	+26.3
	Large (1,500 ml or more)	44,565	-1,067	-2.3
	Total	115,625	+2,271	+2.0
Can (incl. bottle can)		53,615	-37	-0.1
Others		14,872	+649	+4.6
Syrup & powder		38,964	-1,410	-3.5
CCW total (excl. Shikoku CCBC)		223,075	+1,473	+0.7
CCW + Shikoku CCBC total		242,595	+1,593	+0.7

FY2017 Q1 (Jan-Mar) — Sales Volume Plan by channel

		Q1 Plan	Vs. PY	
			Diff	Diff %
(Unit: K c/s, %)				
	Supermarket/Drug/Discounter	13,519	+501	+3.9
	Convenience store	6,527	-143	-2.1
	Chain store total	20,046	+359	+1.8
	Vending	14,912	-628	-4.0
	Retail	2,126	-89	-4.0
	Food Service	5,630	+139	+2.5
	Others	4,097	+521	+14.6
	CCW total (excl. Shikoku CCBC)	46,811	+300	+0.6
	CCW + Shikoku CCBC total	50,817	+336	+0.7

FY2017 Q1 (Jan-Mar) — Sales Volume Plan by brand

		Q1 Plan	Vs. PY	
			Diff	Diff %
		(Unit: K c/s, %)		
Core 8	Coca-Cola	3,045	-72	-2.3
	Coca-Cola Zero	1,342	-64	-4.5
	Fanta	1,649	+128	+8.4
	Georgia	11,798	+126	+1.1
	Sokenbicha	1,861	-3	-0.2
	Aquarius	2,616	+15	+0.6
	Ayataka	4,143	+329	+8.6
	I LOHAS	3,278	+194	+6.3
	Sub total	29,731	+653	+2.2
Others	8,198	-428	-5.0	
RTD* total		37,929	+225	+0.6
Syrup & powder		8,882	+75	+0.9
CCW total (excl. Shikoku CCBC)		46,811	+300	+0.6
CCW + Shikoku CCBC total		50,817	+336	+0.7

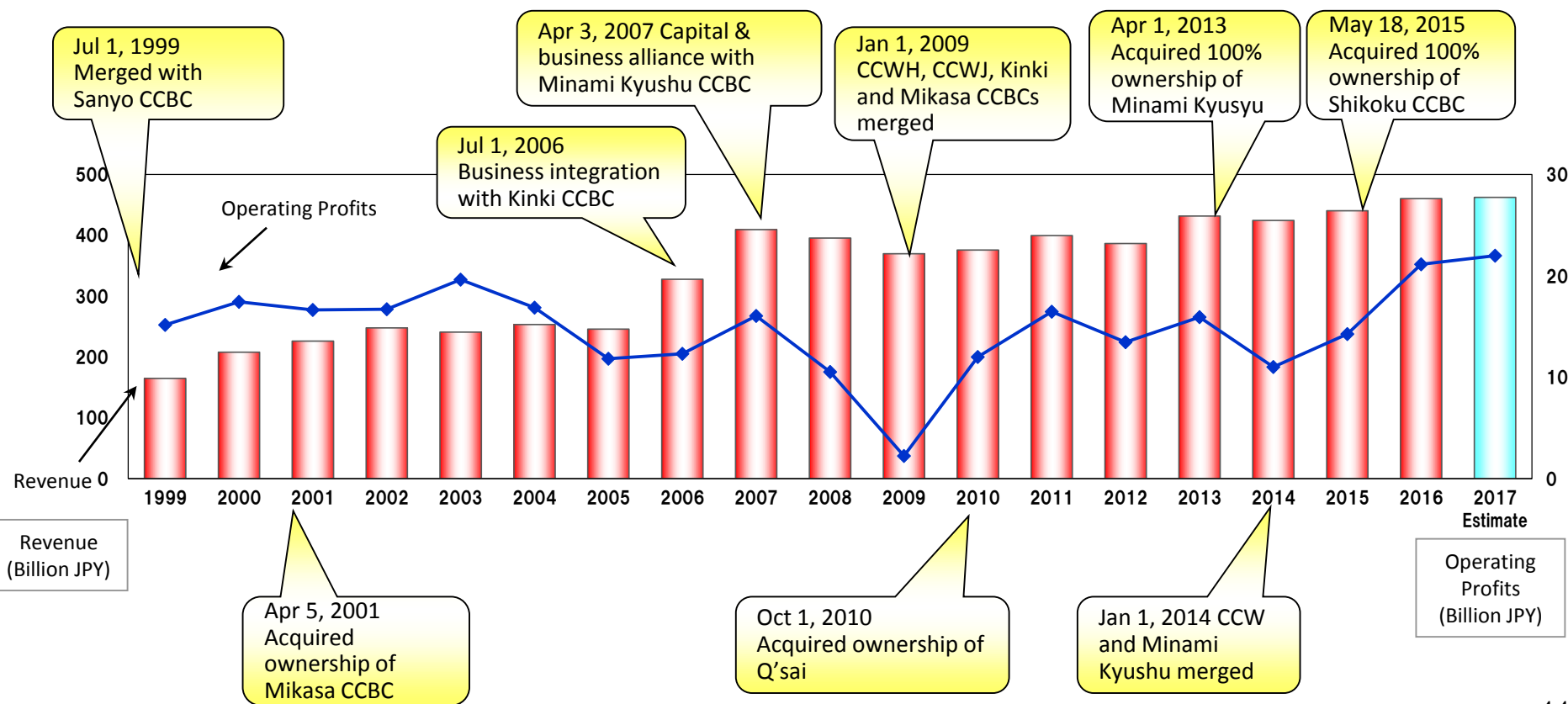
FY2017 Q1 (Jan-Mar) — Sales Volume Plan by package

		Q1 Plan	Vs. PY	
			Diff	Diff %
(Unit: K c/s, %)				
PET	Small (less than 850 ml)	13,678	+401	+3.0
	Medium (less than 1,500 ml)	632	+263	+71.5
	Large (1,500 ml or more)	8,315	-132	-1.6
	Total	22,625	+532	+2.4
Can (incl. bottle can)		12,211	-379	-3.0
Others		3,094	+72	+2.4
Syrup & powder		8,882	+75	+0.9
CCW total (excl. Shikoku CCBC)		46,811	+300	+0.6
CCW + Shikoku CCBC total		50,817	+336	+0.7

Performance Trend

(Unit: MM JPY)

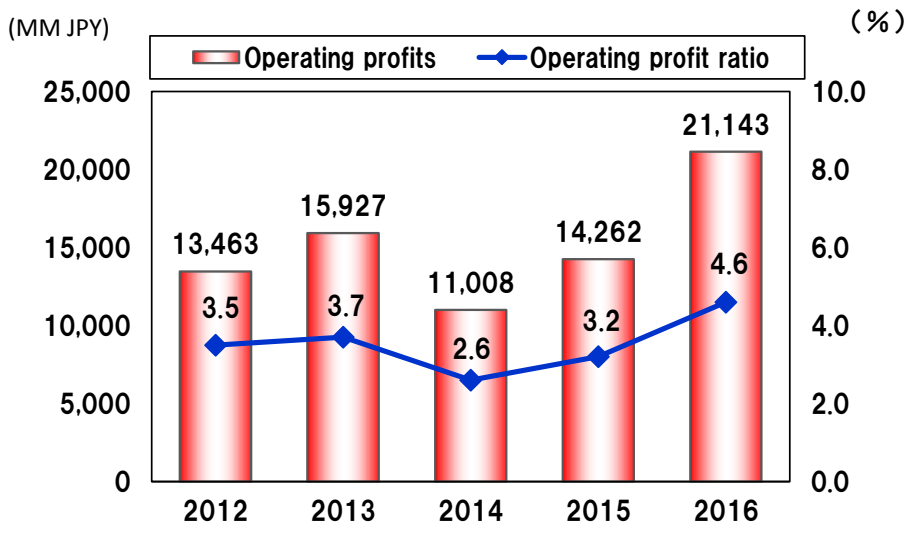
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 Estimate
Revenue	164,731	207,827	226,111	247,737	240,825	253,248	245,874	327,821	409,521	395,556	369,698	375,764	399,717	386,637	431,711	424,406	440,476	460,455	462,500
Operating Income	15,160	17,449	16,634	16,704	19,638	16,860	11,830	12,321	16,056	10,521	2,242	12,003	16,469	13,463	15,927	11,008	14,262	21,143	22,000
Ordinary Profit	15,889	18,516	16,021	17,005	19,895	17,065	12,256	13,225	17,493	11,048	2,085	12,659	16,044	13,845	16,606	10,609	13,723	20,605	20,600
Current net profit	6,823	5,700	1,420	7,086	9,380	8,564	7,305	7,570	9,375	129	-7,594	7,582	6,997	6,031	13,625	4,482	9,970	5,244	12,500



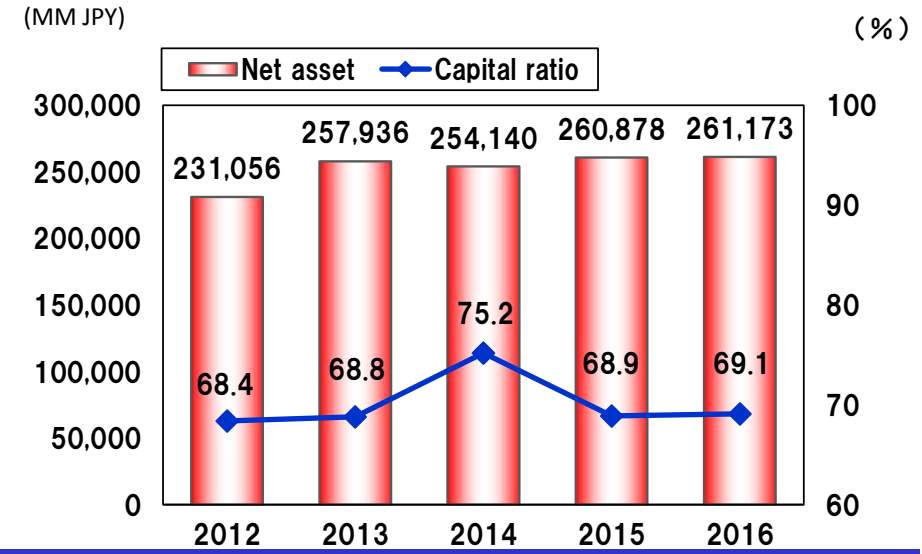
Remark) 2017 estimate does not take into account the business integration with Coca-Cola East Japan Co., Ltd.

Managerial KPI trend

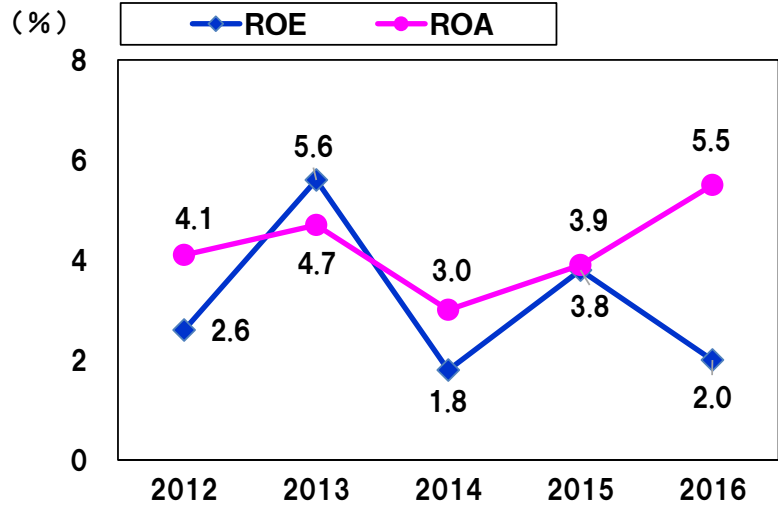
<Operating profits/Operating profit ratio>



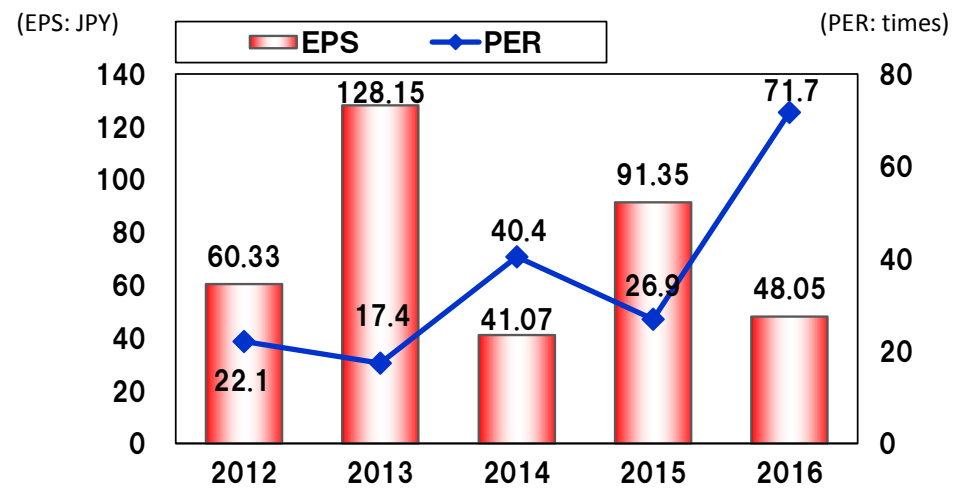
<Net asset/capital ratio>



<ROA/ROE>



<EPS/PER>

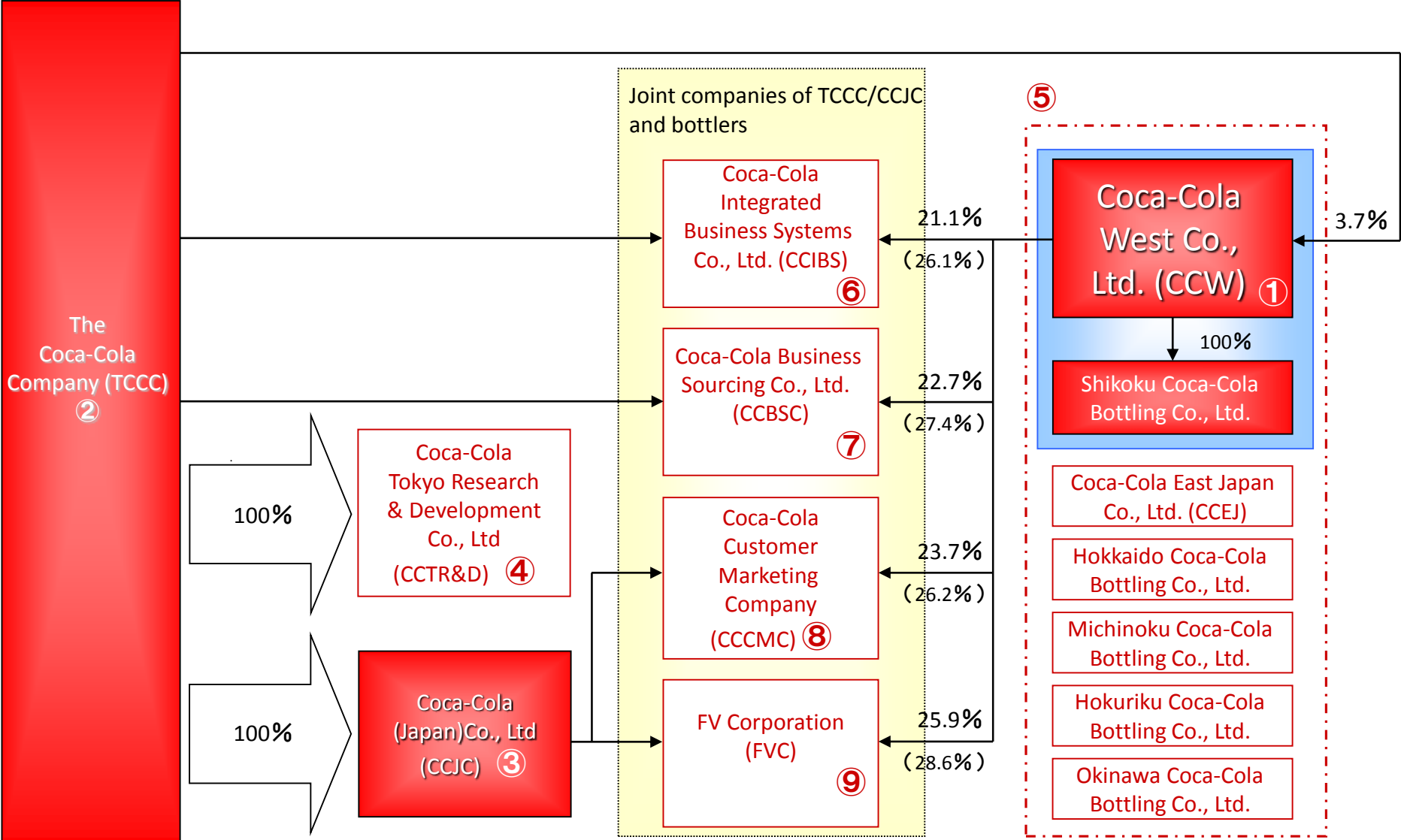


EPS=Current net profits divided by interim ave. # of shares
 PER=Year-end share price divided by EPS

Coca-Cola System in Japan – Capital Relationship

Investments with figures indicate %; () in total by CCW+ Shikoku

(As of Jan 1, 2017)



Coca-Cola affiliated companies and their roles

1. Coca-Cola West Co., Ltd. (CCW)

Coca-Cola West Japan (CCWJ) was established in 1999 by merging Kitakyushu CCBC and Sanyo CCBC. CCWJ acquired ownership of Mikasa CCBC in 2001. In 2006, CCWJ and Kinki CCBC merged the management of both companies, and in 2009 Coca-Cola West Co., Ltd. was established. CCW acquired 100% ownership of Minami Kyushu CCBC in 2013 and merged in 2014. Furthermore, CCW made Shikoku CCBC its wholly-owned subsidiary as of May 18, 2015.

Coca-Cola Bottlers Japan Inc. is to be launched effective April 1, 2017 through business integrations with Coca-Cola East Japan Co., Ltd.

2. The Coca-Cola Company (TCCC)

Established in 1892 in Atlanta, Georgia of the U.S.A. It carries the rights to grant a license to manufacture and sell Coca-Cola products to the bottlers. TCCC (or its subsidiary) makes franchise agreements with the bottlers.

3. Coca-Cola (Japan) Co., Ltd. (CCJC)

Established in 1957 in Tokyo, as “Nihon Inryo Kogyo K.K.,” a wholly-owned subsidiary of The Coca-Cola Company. The company name was changed in 1958 to Coca-Cola (Japan) Company, Limited. CCJC is responsible for marketing, product planning as well as manufacturing of beverage base in Japan.

4. Coca-Cola Tokyo Research & Development Co., Ltd. (CCTR&D)

Established in January 1993 as a wholly-owned subsidiary of The Coca-Cola Company. After separating and becoming independent from the traditional R&D department that revolved around the headquarters in the U.S., it handles product development and technical support to respond to the needs of Japan.

5. Coca-Cola bottlers (CCBCs)

There are 7 bottlers in Japan responsible for manufacturing and selling products in the respective commercial territories.

6. Coca-Cola IBS Co., Ltd. (CCIBS)

Established through joint investments by TCCC and all bottlers in Japan in June 1999. It assumes business consulting to the Coca-Cola system in Japan, as well as development of the supporting information systems and the overall maintenance operations.

7. Coca-Cola Business Service Co., Ltd. (CCBSC)

Established through joint investments by TCCC and all bottlers in Japan in August 2015. It is in charge of overall procurement operations of raw materials, packaging materials, equipment and indirect materials.

8. Coca-Cola Customer Marketing Company (CCCMC)

Established through joint investments by Coca-Cola (Japan) Co., Ltd. and all bottlers in Japan in January 2007. In addition to handling sales negotiations with major retailers such as nationwide supermarkets and convenience stores as a main window, it makes propositions for sales promotions and in-store activities.

9. FV Corporation Co., Ltd. (FVC)

Established through joint investments by Coca-Cola (Japan) Co., Ltd. and all bottlers in Japan in May 2001. FVC conducts sales to key accounts in vending machine operation, handling non Coca-Cola products also.

Glossary

Term	Explanation
Business (segment)	
• Coca-Cola business (soft drink business)	Business to manufacture and sell soft drink beverages including Coca-Cola
• Healthcare & skincare business	Business to manufacture and sell health food and cosmetics operated by Q'sai and their 5 subsidiaries
Channel	
• Vending	Business to deliver products to customers & consumers via vending machines (retail)
• Supermarket/Drug store/Discount store	Business with Supermarket, Drug store and Discount store (wholesale)
• Convenience store (CVS)	Business with Convenience chain store (wholesale)
• Chain store	Collective term for Supermarket, Drug store, Discount store and Convenience store
• Retail	Business with general grocery and liquor stores (wholesale)
• Food service	Business to offer syrup etc. in E&D market (wholesale)
Vending related	
• VPM (Volume Per Machine)	Volume sold per vending machine
• Indoor (market)	Indoor vending machines (whose users are relatively specific)
• Outdoor (market)	Outdoor vending machines (whose users are relatively unspecific)
Other	
• RGM (Revenue Growth Management)	(Initiatives) to raise profits through revenue growth ahead of sales volume
• OBPPC	Occasion, Brand, Package, Price, Channel
• HORECA	Business format of Hotel, Restaurant and Café

Forward-looking statement

The plans, performance forecasts, and strategies appearing in this material are based on the judgment of the management in view of data obtained as of the date this material was released. Please note that these forecasts may differ materially from actual performance due to risks and uncertain factors such as those listed below.

- Intensification of market price competition
- Change in economic trends affecting business climate
- Major fluctuations in capital markets
- Uncertain factors other than those above