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Consolidated Financial Summary for Fiscal Year Ended December 31, 2021 (IFRS)



February 10, 2022

Listed company name: Coca-Cola Bottlers Japan Holdings Inc.

Listed stock exchanges: Tokyo

Code number: 2579

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

Delegate: Title: Representative Director & President

Name: Calin Dragan

Contact: Title: Head of Controllers Senior Group Division, Finance, Name: Tatsuhiro Ishikawa Phone: +81-3-6896-1707

Expected date of general shareholders meeting: March 24, 2022

Expected date of the dividend payment: March 25, 2022

Expected date of submission of annual securities report: March 25, 2022

FY 2021 supplementary information: Yes

FY 2021 financial presentation: Yes

(Fractions of one million yen are rounded)

1. Consolidated financial results for the fiscal year ended December 31, 2021 (from January 1, 2021 to December 31, 2021)

(1) Consolidated financial results

(Percentages indicate changes over the same period in the prior fiscal year)

| | Revenue | | Business Income | | Operating loss | | Net loss | | Net loss for the year attributable to owners of the parent | | Total comprehensive loss | |
|---------------|-------------|--------|-----------------|--------|----------------|---|-------------|---|--|---|--------------------------|---|
| | million yen | % | million yen | % | million yen | % | million yen | % | million yen | % | million yen | % |
| Dec. 31, 2021 | 785,837 | (0.8) | (14,662) | — | (20,971) | — | (2,525) | — | (2,503) | — | 759 | — |
| Dec. 31, 2020 | 791,956 | (11.0) | 169 | (98.5) | (11,722) | — | (4,729) | — | (4,715) | — | (2,228) | — |

| | Loss per share | Diluted earnings per share | Ratio of income to equity attributable to owners of the parent | Ratio of income before tax to total assets | Ratio of Operating income to net sales |
|---------------|----------------|----------------------------|--|--|--|
| | yen | yen | % | % | % |
| Dec. 31, 2021 | (13.96) | — | (0.5) | (2.4) | (2.7) |
| Dec. 31, 2020 | (26.29) | — | (0.9) | (1.3) | (1.5) |

Reference: Share of income (loss) of entities accounted for using equity method

Fiscal Year 2021: (162) million yen

Fiscal Year 2020: (245) million yen

*1. "Business Income" is a measure of our recurring business performance that is calculated as costs of goods and selling, general and administrative expenses are deducted from revenue, and other income and expenses which we believe are recurring in nature are added and subtracted accordingly.

2. Net loss and Net loss for the year attributable to owners of parent is a total of continuing operation and discontinued operation results.

(2) Consolidated financial position

| | Total assets | Total equity | Equity attributable to parent owners | Ratio of equity attributable to parent owners | Equity attributable to owners of the parent per share |
|---------------|--------------|--------------|--------------------------------------|---|---|
| | million yen | million yen | million yen | % | yen |
| Dec. 31, 2021 | 867,111 | 492,451 | 492,320 | 56.8 | 2,745.12 |
| Dec. 31, 2020 | 939,603 | 502,093 | 501,643 | 53.4 | 2,797.03 |

(3) Consolidated cash flows

| | Net cash from (used in) | | | Cash and cash equivalents at end of year |
|---------------|-------------------------|----------------------|----------------------|--|
| | Operating activities | Investing activities | Financing activities | |
| Year ended | million yen | million yen | million yen | million yen |
| Dec. 31, 2021 | 35,982 | 15,271 | (67,134) | 110,497 |
| Dec. 31, 2020 | 43,716 | (52,076) | 20,912 | 126,378 |

2. Dividends

| (Record date) | Dividends per share | | | | | Total dividend payments (annual) | Dividend payout ratio (consolidated) | Ratio of dividends to net assets (consolidated) |
|--------------------------|---------------------|-------|-----|----------|--------|----------------------------------|--------------------------------------|---|
| | 1Q | 2Q | 3Q | Year-end | Annual | | | |
| Year ended | yen | yen | yen | yen | yen | million yen | % | % |
| Dec. 31, 2020 | — | 0.00 | — | 25.00 | 25.00 | 4,484 | — | 0.9 |
| Dec. 31, 2021 | — | 25.00 | — | 25.00 | 50.00 | 8,967 | — | 1.8 |
| Dec. 31, 2022 (forecast) | — | 25.00 | — | 25.00 | 50.00 | | — | |

3. Forecast of consolidated financial results 2022 (from January 1, 2022 to December 31, 2022)

(Percentages indicate changes over the same period in the prior fiscal year)

| | Revenue | | Business Income | | Operating income | | Net income | | Net income for the year attributable to owners of the parent | | Earnings per share |
|----------------|-------------|---|-----------------|---|------------------|---|-------------|---|--|---|--------------------|
| | million yen | % | million yen | % | million yen | % | million yen | % | million yen | % | yen |
| Full year 2022 | — | — | — | — | — | — | — | — | — | — | — |

*The financial forecast for the fiscal year ending December 31, 2022 has not yet been determined because it is difficult to reasonably estimate at this time due to many uncertain factors such as the impact of the spread of the COVID-19 on our business activities. We will provide an update when we are able to estimate the impact to our outlook.

Notes

(1) Changes in significant subsidiaries during the current period: : None

(2) Changes in accounting policies, changes in accounting estimates:

1) Changes in accounting policies as required by IFRS: : None

2) Changes other than those in 1) above : None

3) Changes in accounting estimates : None

(3) Number of outstanding shares (common shares)

1) Number of outstanding shares at the end of period (including treasury shares):

FY 2021: 206,268,593 shares

FY 2020: 206,268,593 shares

2) Number of treasury shares:

FY 2021: 26,924,631 shares

FY 2020: 26,920,298 shares

3) The number of average shares outstanding:

FY 2021: 179,345,969 shares

FY 2020: 179,349,902 shares

(Reference) Summary of the Non-consolidated Financial Results

1. Non-consolidated financial results for the fiscal year ended December 31, 2021 (from January 1, 2021 to December 31, 2021)

(1) Non-consolidated financial results

(Percentages indicate changes over the same period in the prior fiscal year)

| Year ended | Operating revenue | | Operating income | | Recurring income | | Net income | |
|---------------|-------------------|--------|------------------|--------|------------------|--------|-------------|--------|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| Dec. 31, 2021 | 5,797 | (69.8) | 1,540 | (89.6) | 1,201 | (91.6) | 18,395 | 16.9 |
| Dec. 31, 2020 | 19,202 | (27.6) | 14,831 | (31.8) | 14,345 | (29.2) | 15,742 | (24.0) |

| | Earnings per share | Diluted earnings per share |
|---------------|--------------------|----------------------------|
| | yen | yen |
| Dec. 31, 2021 | 102.57 | — |
| Dec. 31, 2020 | 87.77 | — |

(2) Non-consolidated financial position

| | Total assets | Net assets | Net assets (excl. minority interests) to total assets | Net assets (excl. minority interests) per share |
|---------------|--------------|-------------|---|---|
| As of | million yen | million yen | % | yen |
| Dec. 31, 2021 | 543,410 | 351,812 | 64.7 | 1,961.66 |
| Dec. 31, 2020 | 587,306 | 342,391 | 58.3 | 1,909.09 |

Reference: Net assets (excl. minority interests)

Fiscal Year 2021: 351,812 million yen

Fiscal Year 2020: 342,391 million yen

* The consolidated financial summary is not subject to audit procedures conducted by certified public accountant or audit firm.

* Explanation regarding appropriate use of the forecast, other special instructions

Figures in the above forecast are based on information available to management at the time of issuance of this report, and the actual results may be changed due to a member of inherent uncertainties in the forecast.

Furthermore, please refer to “1. Overview of Operating Results, etc. (1) Analysis of Operating Results (Outlook for next fiscal year)” on page 5 for matters relating to performance forecasts.

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1. Overview of Operating Results, etc.

(1) Analysis of Operating Results

(Qualitative information on the Consolidated Operating Results)

(Overview of Full-year 2021 Results)

Coca-Cola Bottlers Japan Holdings Inc. (“CCBJH” or the “Company”, or “we”) announced full-year results for the fiscal year ending on December 31, 2021 (January 1, 2021 to December 31, 2021).

As the effect of the coronavirus (COVID-19) continues and the business environment remains to be challenging, the continued supply of our goods and services are essential for our customers and consumers, and the safety and health of our employees and communities are our top priorities. In accordance with our mission to provide happy moments for all, we have been operating our business to ensure safe and secure product supply while taking comprehensive measures.

In this fiscal year (January 1, 2021 to December 31, 2021), despite last year's COVID-19 impact, rebound from the initial impact, and the lifting of the state of emergency, the multiple state of emergency declarations have limited people traffic with heavy rain fall in August. As a result, the total domestic nonalcoholic ready-to-drink (NARTD) beverage industry volume growth performance was limited to about 1% versus the previous fiscal year.

Under these circumstances, we have been working on measures to minimize the impact to sales by introducing new products by responding to changing consumer and channel trends. Under the guiding principle that “business as usual is not an option”, announced as part of our mid-term strategic business plan in August 2019, we continue to drive fundamental business transformation initiatives. We have been pushing forward our transformation efforts in the further evolution of the vending channel operation model, the relocation of product inventories, the consolidation of distribution bases centered around the Saitama Mega DC to optimize the distribution network in the Kanto area, the streamlining of the supply chain system to realize low-cost operations, improving operational efficiency through company-wide digital transformation (DX), and the promotion of new work styles. While the business environment continues to be challenging, we are focused on identifying the issues and implementing short-term mitigation plans, as well as seeking new opportunities for growth and efficiency as we work to respond to changes in the business environment over the medium and long term.

We continue our activities to realize our ESG goals based on creation of shared value with society. As part of our efforts to achieve the 2030 Packaging Vision, we continue to increase the use of sustainable materials PET bottles. As part of strengthening our efforts, the Coca-Cola system in Japan has formulated targets to reduce greenhouse gas (GHG) emissions across the entire value chain in Japan by 2030. This has led to our selection as a constituent of the DJSI Asia Pacific, a leading ESG investment index for four consecutive years, and an A- score in a survey on water security conducted by CDP, an international environmental non-profit organization.

Details for the full-year are as follows.

In addition to the business update in this document, please also see our earnings presentation material posted on the Company IR website (<https://en.ccbjholdings.com/ir/library/presentation.php>) to be used in our earnings conference call on Monday, February 14, 2022 at 1:30 PM (JST). The earnings presentation and audio will be available live and on demand as an audio webcast in the IR section of the CCBJH website.

Full-year 2021 Highlights

- In the fourth quarter (Oct. 1 - Dec. 31), although there were signs of growth in sales volume with the lifting of the state of emergency declaration, the business was affected by concerns about the resurgence of the infection caused by the Omicron strain into the year-end. For the full-year, COVID-19 impact continued. Recovery of consumer traffic impacted by repeated emergency declarations and record-breaking rainfall in August.
- Full-year sales volume increased by +2% YoY. Multiple new products contributed to volume growth, but the challenging business environment continued. Full-year revenue declined by -1% YoY with the changing consumer spending patterns impacting channel and package mix and lower revenue per case. Value share continued to grow for vending, and on a recovery trend for supermarkets, drugstores and discounters.
- Business income exceeded the earnings guidance by 1.2 billion yen, supported by the slightly higher than expected volume and the effect of additional cost saving measures. Compared to the previous fiscal year, a decreased of 14.8 billion yen. Impacted by challenging business environment, cycling of significant temporary cost reduction achieved in the previous fiscal year, and rising raw material prices.
- In a challenging operating environment, with the focus on what we can control, transformation initiatives are progressing as planned, achieving approximately 9B yen of recurring cost savings for the full-year.

- Due to the increased uncertainty in the market returning with the resurgence of infection cases caused by the Omicron strain, we have not provided the earnings forecast for 2022 at this time.

Summary of Consolidated Financial Results

(In million JPY except sales volume)

| Full-year (January to December) | 2020 | 2021 | Change (%) |
|---|----------|----------|------------|
| Continuing Operation (Beverage Business) | | | |
| Revenue | 791,956 | 785,837 | (0.8) |
| Sales volume of beverage business (million cases) | 458 | 468 | 2 |
| Gross Profit | 362,916 | 350,505 | (3.4) |
| Selling, General & Administrative Expenses | 359,645 | 363,750 | 1.1 |
| Other income (Recurring) | 772 | 887 | 15.0 |
| Other expenses (Recurring) | 3,628 | 2,142 | (41.0) |
| Investment loss on equity method | (245) | (162) | — |
| Business Income (Loss) | 169 | (14,662) | — |
| Other income (Non-recurring) | 7,714 | 9,251 | 19.9 |
| Other expenses (Non-recurring) | 19,606 | 15,560 | (20.6) |
| Operating Loss | (11,722) | (20,971) | — |
| Net Loss Attributable to Owners of Parent | (4,715) | (2,503) | — |

| Q4 (October to December) | 2020 | 2021 | Change (%) |
|---|---------|---------|------------|
| Continuing Operation (Beverage Business) | | | |
| Revenue | 193,409 | 196,306 | 1.5 |
| Sales volume of beverage business (million cases) | 114 | 117 | 2 |
| Gross Profit | 87,423 | 89,682 | 2.6 |
| Selling, General & Administrative Expenses | 89,673 | 89,882 | 0.2 |
| Other income (Recurring) | 209 | 237 | 13.6 |
| Other expenses (Recurring) | 2,190 | 635 | (71.0) |
| Investment gain (loss) on equity method | 65 | (41) | — |
| Business Loss | (4,167) | (639) | — |
| Other income (Non-recurring) | 5,932 | 3,667 | (38.2) |
| Other expenses (Non-recurring) | 4,534 | 4,021 | (11.3) |
| Operating Loss | (2,769) | (993) | — |
| Net Loss Attributable to Owners of Parent | (71) | (968) | — |

* 1. “Business Income (loss)” is a measure of our underlying or recurring business performance. Business Income (loss) deducts cost of goods and selling, general and administrative expenses from revenue, and includes other income and expenses which we believe are recurring in nature.

2 Net Income (Loss) Attributable to Owners of Parent is a total of continuing operation and discontinued operation results.

Consolidated net revenue was 785,837 million yen (0.8% decrease of 6,119 million yen from the same period prior year). New products and initiatives responding to trend changes in channels contributed to the volume growth, but the prolonged period of state of emergency delayed the recovery of traffic, and the record rain in August lead to a volume growth of only 2% versus the previous year. In addition, the business environment has seen an increase of at-home consumption demand with people refraining from going out or working from home resulting in consumer behavior changes impacting channel and mix, and

continued severe competitive environment leading to decrease in revenue per case, impacting revenue. Although the state of emergency declaration was lifted in October, there were hopes for a recovery in people traffic that would lead to an improvement in the consumption environment. However, the business environment remained uncertain and challenging as the Omicron strain toward the end of the year raised concerns about the resurgence of infections.

Consolidated business loss was 14,662 million yen (decrease of 14,831 million yen from the same period of prior year). To minimize the impact of the decrease in revenue on profits, cost saving efforts were made in all areas, including recurring cost reductions through transformation. Factors including adverse channel and package mix, decline in revenue per case, rise in commodity prices and logistics costs, and our decision to invest at appropriate levels in marketing and human resources that would contribute to our future growth had an impact. However, with the volume slightly ahead of expansion, and additional cost saving measures being implemented, we exceeded the full-year forecast announced in November 2021 by 1.2 billion yen.

Consolidated operating loss was 20,971 million yen (decrease of 9,248 million yen from the same period of prior year). In addition to the decrease in Business Income from the prior year, there was an increase in cost due to the accounting timing of the temporary leave expenses and the timing of when the government subsidies for employment adjustment were received. Other income (non-recurring) of this fiscal year includes 6,447 million yen in government subsidies for employment adjustment to offset temporary leave expenses. Other expenses (non-recurring) include 9,001 million yen in temporary leave expenses and 1,600 million yen in business transformation-related expenses related to the implementation of transformation based on the medium-term plan, 2,437 million yen in special retirement allowances due to the voluntary employee retirement program and expenses incurred to recover the system failures that occurred in the core system used by the Group of 1,322 million yen.

Net income attributable to owners of parent for the year a total of continuing operations and discontinued operation was a loss of 2,503 million yen (2,212 million increase from the same period prior year) as a gain of 12,841 million yen was recorded in discontinued operations as gains from stock sales due to the transfer of shares in Q'sai.

Beverage volume performance

Full-year 2021 sales volume is hereinafter represented as the percentage change from the same period of the previous year. Although there were contributions from the introduction of new products and responses to changing trends in all channels, the increase was 2% compared to the same period of the previous year due to the delay in the recovery of people traffic driven by repeated emergency declarations and impacted by heavy rains in August, a peak summer month.

In terms of channel performance, although vending saw a recovery when the state of emergency was lifted, the increase was limited to 1% due to delayed recovery of people traffic and unfavorable weather in August. Although the market environment continues to be challenging, the value share of vending continued to grow for 33 consecutive months, mainly due to new products in non-sugar teas and water, contributions from new package in sport, and campaigns through the Coca-Cola official smartphone app Coke ON, which has reached 33 million downloads. In addition, we are working to strengthen the installation of vending machines in prime locations while assessing the market environment and cost-effectiveness, resulting in a net increase in the number of vending machines compared to the end of the previous fiscal year. Supermarkets, drugstores and discounters increased 5% and 8% respectively for the full-year. This is partially due to capturing demand for at home consumption and bulk purchases, as well as responding to changes in customers' purchasing patterns, and promotional activities at the point of sales. Value share that has been an issue is now on a recovery trajectory. In the CVS channel, despite contributions from new products in non-sugar teas and strategically rolled out 950ml PET, volume recovery has been delayed due to increased competition in promotions, resulting in a 2% decrease for the full-year. In retail food, sales for commercial use continued to decline due to factors such as shortened restaurant opening hours and decreased by 10%. For periods following the state of emergency being lifted, there were periods of temporary recovery. Online sales continued to grow strongly in all categories and increased by 62% for the full-year supported by the successful rollout of label-less products well received by consumers' changing purchasing behavior and environmental awareness during COVID-19.

In terms of beverage category performance, sparkling was flat for the full-year despite contributions from the premium-priced Fanta Premier series and other products as well as growth in supermarkets and other channels, it was not able to off-set the adverse weather in summer and drop in 500ml PET. New products such as Yakan Barley Tea from Hajime and Ayataka Cafe Matcha Latte respectively contributed to 10% increase in non-sugar tea sales for Q4 and increased 7% for the full-year. Coffee sales decreased 3% for the full-year due to a decline in sales of canned coffee in CVS and vending, despite growth in PET bottle coffee through the introduction of new products such as Costa Coffee and Georgia Shot & Break. In sports, despite the lifting of some restrictions on events, contribution of channel specific packaging products, and the improved sentiment with the Olympic Games, the category growth was 3% for the full year, as the Olympics Games were held without any spectators and the record-breaking heavy rains during the summer. Water volume increased 23% for the full year, growing in every channel, by capturing the growth of large PET with the increased demand of at-home consumption, as well as contributions from new ICY SPARK and Ilohas small PET.

The ready-to-drink alcohol category, despite the contribution from promotions of Lemon-dou and new products such as Nomel's Hard lemonade, it was not able to offset the cycling effect of the new products launched in the same period of the prior year and decreased by 2%. We are working to capture the growing non-alcohol category and created a new brand and will launch "Yowanai Lemon-dou" on February 21st, 2022.

(Outlook for next fiscal year)

Regarding the outlook for the overall Japan NARTD beverage market, although it is expected that a certain amount of consumer traffic will recover from 2021 that was under state of emergency for an extended period of time, the infection cases are increasing by the spread of Omicron variant. Due to such concerns, it is expected that the uncertain situation will continue. In addition to the continued impact of changes in consumer purchasing behavior, such as the shift from immediate consumption to at home consumption and the shift in purchasing channels, and the continued intense competitive environment due to a delayed recovery of the overall demand. The difficult environment is expected to continue from the perspective of profitability, as global raw materials and oil prices are expected to rise.

Under these circumstances, we will continue to take actions to mitigate the short-term impact of the COVID-19 and position 2022 as a "year of building a foundation for sustainable growth", we will strive to build a solid base that leads to steady sustainable growth and to promote further transformation. As important measures, we will work to 1) focus on core categories and high-quality innovations, 2) continue ROI focused, customer-oriented marketing investment and execute appropriate pricing strategies to strengthen the earnings base, and 3) strengthen collaboration between commercial and the supply chain for low-cost logistics, 4) continue transformation to establish a business model that can achieve sustainable growth, and 5) increase the rate of sustainable materials used in PET bottles.

In the commercial area, despite the difficult environment, we will strive to achieved steady sales recovery and establish a profit structure to deliver sustainable growth for the future by strengthening measures focusing on core categories, launching new products based on innovations that utilize new technologies and new knowledge to expand the product portfolio, entering into white space (new area), and executing strategic marketing investments with ROI consideration. Regarding our important vending channel, while considering the current and medium-term business environment, we are working to increase the number of vending machine placements focusing on profitability and ROI. We will work to increase sales from vending machines that contribute significantly to profits through a digital strategy such as the smartphone app "Coke ON". In addition, in the transformation of the operation model of the vending channel implemented in 2021, we have achieved a significant reduction in fixed costs by improving how we operate. In the future, we will strive for stable operation while deepening collaboration with supply chain, and will continue to improve operations by further utilizing digital technology. In the over the counter channel, changes in consumer purchasing pattern and intensified competition are expected to continue, and although there are signs of recovery in our value share, we still recognize it as an area of improvement. Regarding this, we will work to solve our issue by development of new products, expanding space to sell, ROI-conscious customer-oriented marketing investment, and appropriate pricing strategies based on the profitability. Furthermore, by expanding the area of collaboration with Coca-Cola Japan Co., Ltd., we will build a system in which the Coca-Cola system in Japan that can leverage our strength.

In supply chain, as part of a "Shinsei project" aimed at building a supply chain network that realizes high quality, low cost, and stable supply, we promote stable operation of "Saitama Mega DC" which started operation in 2021 smooth launch of "Akashi Mega DC" scheduled to start operation ahead of schedule before the 2022 peak demand season, and consolidation of sales centers and reduction and optimal distribution of product inventory by synchronizing with these mega DCs. In terms of manufacturing, we will strive to provide a stable supply of products, improve manufacturing efficiency, and reduce costs by improving manufacturing capacity and building flexible manufacturing systems. Furthermore, it is expected that demand will continue to fluctuate, but taking the learnings from FY 2021, we will strengthen the collaboration between the commercial (planning / sales) and the supply chain to work timely and low-cost supply of products adjusting to the changes in the environment. In 2022, procurement costs are expected to rise due to rising prices of raw materials and crude oil, which is expected to have a significant impact on the entire business. In the supply chain, we will strive to mitigate the impact of increased costs in the entire value chain by implementing meticulous improvement activities centered on stable and low-cost operations.

As the foundation of the entire business, we aim to further accelerate the standardization of business processes and the efficiency improvement by DX (digital transformation), and to establish a robust cost structure that can adapt to the changing environment with agility. Additionally, we will continue to promote activities to achieve ESG targets based on creating shared value with society, such as implement people development initiatives in accordance with our company "Mission, Vision and Values", "2030 Packaging Vision" aiming for a world-without-waste, and greenhouse gas (GHG) reduction target formulated and announced in 2021 as Coca-Cola system in Japan.

We will continue to execute the above initiatives, but there are many uncertainties due to the rapid spread of the Omicron strain, the expected timing of the reduction in infection rates and the impact on the market. Therefore, it is difficult to estimate and

announce our full-year forecast for 2022 at this time. We will disclose our guidance at the appropriate time assuming a certain level of COVID-19 impact subsiding. In the meantime, we will focus on what we can control in these following areas:

- Value share growth in vending, balanced approach in OTC with sustainable pricing
- Transformation that delivers recurring cost savings
- Continue to control capex and monitor market environment for expanding investments
- Stable shareholder return. Full-year dividend of 50 yen per share is planned
- Increase use of PET bottle with sustainable materials

(2) Analysis of Financial Position

As of December 31, 2021, total assets were 867,111 million yen, a decrease of 72,492 million yen to compared with the end of the prior fiscal year-end period. Primarily due to the sales of the Q'sai shares on February 1, 2021, resulting in a decrease of the assets held for sale and decrease on Property, plant and equipment as a result of restrained investment in sales equipment and selling idle assets.

Total liabilities at the end of the year were 374,660 million yen which decreased by 62,851 million yen from the end of the prior year period. This is mainly due to decrease in bonds and borrowings with the repayment of short-term loans, and the sales of the Q'sai shares which could decreasing the Liabilities directly associated with assets held for sale.

Total shareholder's equity at the end of the quarter were 492,451 million yen, a decrease of 9,642 million yen from the end of the prior year period. This mainly reflects a decrease in Retained earnings as a result of dividend payments.

The statement of cash flow conditions for the current fiscal year is as follows:

<The Cash Flows from Operations>

Net cash generated from operating activities was 35,982 million yen (43,716 million net cash generated from operations in the previous year period). This results mainly from the 21,683 million yen net loss before tax from continuing operation, depreciation, increase in trade and other payables and decrease in other assets etc., offset by gain on sale of property, plant and equipment, increase in trade and other receivables and payment of income taxes, etc.

<The Cash Flows from Investment Activities>

Net cash generated from investing activities was 15,271 million yen (52,076 million yen outflow from investing activities the previous year period), as cash used for acquisition of fixed assets was controlled, accounting for the current operating environment and sales of Q'sai share resulted in proceeds from sales of shares of subsidiaries.

<The Cash Flows from Financing Activities>

Net cash used for financing activities was 67,134 million yen (20,912 million yen net cash generated from financing activities in the previous year period), driven by decrease of short-term loans for operating capital, payment of dividends and repayments of lease liabilities.

As a result of these activities, cash and cash equivalents at the end of the year was 110,497 million yen, a decrease of 15,881 million yen from the end of the prior fiscal year-end.

(3) Basic Policies for Income Distribution and Dividends for FY2021 and FY2022

The Company periodically reviews its capital structure and dividend payout ratio to maximize shareholder returns while maintaining flexibility to pursue growth opportunities. The Company seeks to use retained earnings to fund investment for sustainable growth for our business and further enhancement of corporate value.

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

With regards to the dividends for the fiscal year ending December 2021, the Company plans to pay 25 yen per share as the year-end dividend, which as a result, will make the total amount of dividends in FY2021 reach 50 yen per share when combined with 25 yen per share already paid as the interim dividend. Despite of the slow recovery of consumer traffic due to the ongoing risks of COVID-19 and the adverse impact of unseasonable weather in August on business activities during the peak season, the Company has been able to maintain a robust financial foundation through various approaches including consistent cost reduction efforts continuing from last year, carefully planned capital expenditures considering the uncertainties of the business environment

and selling of assets. While the tough business environment remains unchanged from the previous fiscal year (ending December 2020), the Company intends to follow through its basic policy of paying dividends stably by putting the aforesaid dividend scheme into action as a plan.

As per the forecast of the dividends for the fiscal year ending December 2022, the Company seeks to maintain its basic policy on stable dividend payment by setting the same amount as in FY 2021 (annual total of 50 yen per share consisting of 25 yen per share paid as interim dividend and another 25 yen per share as year-end dividend).

On future shareholder returns, the Company stays committed to maximizing the value by comprehensively reviewing its business performance trends and financial conditions, and examining the best approaches that could be taken by including the share repurchase program.

2. Basic Concept Concerning the Selection of Accounting Standards

Coca-Cola Bottlers Japan Holdings Group (The Group) discloses consolidated Financial Statements based on International Financial Reporting Standards (IFRS) starting from the fiscal year ending December 2018, with a view to enhancing the international comparability of financial statements and contributing to the improved convenience for shareholders and investors of the Company.

3. Consolidated Financial Statements and Notes

(1) Consolidated Statement of Financial Position

| | As of December 31, 2020 | (Millions of yen) As of December 31, 2021 |
|---|----------------------------|---|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | 114,778 | 110,497 |
| Trade and other receivables | 96,009 | 105,320 |
| Inventories | 68,180 | 67,583 |
| Other financial assets | 702 | 1,320 |
| Other current assets | 17,195 | 16,275 |
| Subtotal | 296,865 | 300,995 |
| Assets of disposal groups classified as held for sale | 48,138 | — |
| Total current assets | 345,003 | 300,995 |
| Non-current assets: | | |
| Property, plant and equipment | 460,502 | 434,994 |
| Right-of-use assets | 29,810 | 25,144 |
| Intangible assets | 66,193 | 66,219 |
| Investments accounted for using the equity method | 287 | 281 |
| Other financial assets | 25,640 | 19,511 |
| Deferred tax assets | 4,986 | 13,960 |
| Other non-current assets | 7,183 | 6,006 |
| Total non-current assets | 594,601 | 566,116 |
| Total assets | 939,603 | 867,111 |

| | As of December 31, 2020 | (Millions of yen) As of December 31, 2021 |
|---|----------------------------|---|
| Liabilities and Equity | | |
| Liabilities | | |
| Current liabilities: | | |
| Trade and other payables | 102,480 | 103,260 |
| Bonds and debts | 51,072 | 30,990 |
| Lease liabilities | 5,547 | 4,050 |
| Other financial liabilities | 408 | — |
| Income taxes payable | 3,238 | 1,139 |
| Provisions | 9 | 9 |
| Other current liabilities | 15,923 | 16,085 |
| Subtotal | 178,676 | 155,535 |
| Liabilities directly associated with assets held for sale | 7,193 | — |
| Total current liabilities | 185,869 | 155,535 |
| Non-current liabilities: | | |
| Bonds and debts | 187,514 | 156,622 |
| Lease liabilities | 25,858 | 22,462 |
| Other non-current financial liabilities | 605 | — |
| Net defined benefit liabilities | 14,876 | 17,605 |
| Provisions | 2,119 | 2,137 |
| Deferred tax liabilities | 17,296 | 17,379 |
| Other non-current liabilities | 3,375 | 2,920 |
| Total non-current liabilities | 251,641 | 219,125 |
| Total liabilities | 437,510 | 374,660 |
| Equity: | | |
| Capital stock | 15,232 | 15,232 |
| Capital surplus | 450,605 | 450,832 |
| Retained earnings | 120,473 | 109,273 |
| Treasury shares | (85,654) | (85,661) |
| Accumulated other comprehensive income | 1,095 | 2,644 |
| Accumulated other comprehensive income of disposal groups classified as held for sale | (107) | — |
| Equity attributable to owners of parent | 501,643 | 492,320 |
| Non-controlling interests | 450 | 131 |
| Total equity | 502,093 | 492,451 |
| Total liabilities and equity | 939,603 | 867,111 |

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

| | For the year ended December 31, 2020 | (Millions of yen) For the year ended December 31, 2021 |
|---|---|--|
| Continuing operations | | |
| Revenue | 791,956 | 785,837 |
| Cost of sales | 429,040 | 435,332 |
| Gross profit | 362,916 | 350,505 |
| Selling and general administrative expenses | 359,645 | 363,750 |
| Other income | 8,486 | 10,138 |
| Other expenses | 23,235 | 17,702 |
| Investment loss on equity method | (245) | (162) |
| Operating loss | (11,722) | (20,971) |
| Financial revenue | 767 | 377 |
| Finance costs | 1,110 | 1,089 |
| Loss for the year before income taxes | (12,065) | (21,683) |
| Income tax expense | (4,918) | (6,653) |
| Net loss for the year from continuing operations | (7,148) | (15,029) |
| Discontinued operations | | |
| Net income for the year from discontinued operations | 2,418 | 12,505 |
| Net loss for the year | (4,729) | (2,525) |
| Net income (loss) for the year attributable to Owners of the parent | | |
| Loss from continuing operations attributable to owners of parent | (7,130) | (15,008) |
| Profit from discontinued operations attributable to owners of parent | 2,415 | 12,505 |
| Non-controlling interests | (14) | (21) |
| Earnings (loss) per share (yen) | | |
| Continuing operations | (39.76) | (83.68) |
| Discontinued operations | 13.47 | 69.72 |
| Loss per share | (26.29) | (13.96) |

(Consolidated Statements of Comprehensive Income)

| | For the year ended December 31, 2020 | (Millions of yen) For the year ended December 31, 2021 |
|---|---|--|
| Net loss for the year | (4,729) | (2,525) |
| Other comprehensive income. | | |
| Items that will not be reclassified subsequently to income/(loss): | | |
| Remeasurements of defined benefit plans | 7,662 | (395) |
| Share of other comprehensive income of equity method investees | — | (12) |
| Net change in financial assets measured at fair value through other comprehensive income | (3,003) | 854 |
| Subtotal | <u>4,659</u> | <u>448</u> |
| Items that may be reclassified subsequently to income or loss: | | |
| Cash flow hedges | (2,157) | 2,836 |
| Subtotal | <u>(2,157)</u> | <u>2,836</u> |
| Total other comprehensive income (loss) for the year | <u>2,502</u> | <u>3,283</u> |
| Total comprehensive income (loss) for the year | <u>(2,228)</u> | <u>759</u> |
| Comprehensive income (loss) attributable to: | | |
| Owners of parent | (2,214) | 780 |
| Non-controlling interests | (14) | (21) |

(3) Consolidated Statements of Changes in Equity

For the year ended at December 31, 2020

(Millions of yen)

| | Equity attributable to owners of the parent company | | | | | Total | Non-controlling interests | Total |
|--|---|-----------------|-------------------|-----------------|--|---------|---------------------------|---------|
| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Accumulated other comprehensive income | | | |
| Balance as of January 1, 2020 | 15,232 | 450,526 | 121,372 | (85,649) | 4,517 | 505,999 | 492 | 506,491 |
| Comprehensive income for the year | | | | | | | | |
| Net loss for the year | — | — | (4,715) | — | — | (4,715) | (14) | (4,729) |
| Other comprehensive income (loss) | — | — | — | — | 2,502 | 2,502 | — | 2,502 |
| Total comprehensive income (loss) for the year | — | — | (4,715) | — | 2,502 | (2,214) | (14) | (2,228) |
| Transactions with owners, etc. | | | | | | | | |
| Dividends of surplus | — | — | (4,484) | — | — | (4,484) | (28) | (4,512) |
| Purchase of treasury stock | — | — | — | (8) | — | (8) | — | (8) |
| Disposal of treasury stock | — | (1) | — | 3 | — | 2 | — | 2 |
| Transactions of share-based payment | — | 80 | — | — | — | 80 | — | 80 |
| Reclassification from accumulated other comprehensive income to retained earnings | — | — | 8,300 | — | (8,300) | — | — | — |
| Reclassification from accumulated other comprehensive income to non-financial assets | — | — | — | — | 2,268 | 2,268 | — | 2,268 |
| Transfer to accumulated other comprehensive income of disposal groups classified as for sale | — | — | — | — | 107 | — | — | — |
| Total transactions with owners, etc. | — | 79 | 3,816 | (5) | (5,924) | (2,142) | (28) | (2,170) |
| Balance as of December 31, 2020 | 15,232 | 450,605 | 120,473 | (85,654) | 1,095 | 501,643 | 450 | 502,093 |

For the year ended at December 31, 2021

(Millions of yen)

| | Equity attributable to owners of the parent company | | | | | | | Total | Non-controlling interests | Total |
|--|---|-----------------|-------------------|-----------------|--|---|----------|-------|---------------------------|-------|
| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Accumulated other comprehensive income | Accumulated other comprehensive income of disposal groups classified as held for sale | Total | | | |
| Balance as of January 1, 2021 | 15,232 | 450,605 | 120,473 | (85,654) | 1,095 | (107) | 501,643 | 450 | 502,093 | |
| Comprehensive income for the year | | | | | | | | | | |
| Net income (loss) for the year | — | — | (2,503) | — | — | — | (2,503) | (21) | (2,525) | |
| Other comprehensive income (loss) | — | — | — | — | 3,283 | — | 3,283 | — | 3,283 | |
| Total comprehensive income (loss) for the year | — | — | (2,503) | — | 3,283 | — | 780 | (21) | 759 | |
| Transactions with owners, etc. | | | | | | | | | | |
| Dividends of surplus | — | — | (8,967) | — | — | — | (8,967) | — | (8,967) | |
| Purchase of treasury stock | — | — | — | (8) | — | — | (8) | — | (8) | |
| Disposal of treasury stock | — | (0) | — | 1 | — | — | 0 | — | 0 | |
| Transactions of share-based payment | — | 227 | — | — | — | — | 227 | — | 227 | |
| Reclassification from accumulated other comprehensive income to retained earnings | — | — | 378 | — | (378) | — | — | — | — | |
| Reclassification from accumulated other comprehensive income to non-financial assets | — | — | — | — | (1,356) | — | (1,356) | — | (1,356) | |
| Changes from loss of control | — | — | (107) | — | — | 107 | — | (297) | (297) | |
| Total transactions with owners, etc. | — | 227 | (8,697) | (7) | (1,734) | 107 | (10,103) | (297) | (10,400) | |
| Balance as of December 31, 2021 | 15,232 | 450,832 | 109,273 | (85,661) | 2,644 | — | 492,320 | 131 | 492,451 | |

(4) Consolidated Statements of Cash Flows

| | (Millions of yen) | |
|--|---|---|
| | For the year ended December 31, 2020 | For the year ended December 31, 2021 |
| Cash flows from operating activities | | |
| Income (loss) before income taxes from continuing operations | (12,065) | (21,683) |
| Income for the year before income taxes from discontinued operations | 3,545 | 12,841 |
| Adjustments for: | | |
| Depreciation and amortization | 59,583 | 57,160 |
| Impairment loss | 1,057 | 744 |
| Gain on sales of subsidiaries' stock | — | (12,841) |
| Gain on sales of stocks of subsidiaries and affiliates | — | (708) |
| Change in allowance for doubtful accounts | 88 | 235 |
| Interest and dividends income | (432) | (261) |
| Interest expenses | 1,095 | 928 |
| Investment loss on equity method | 245 | 162 |
| Gain on sale of property, plant and equipment | (5,201) | (1,519) |
| Loss on disposal and sale of property, plant and equipment and intangible assets | 3,728 | 1,604 |
| Decrease (increase) in trade and other receivables | 1,043 | (9,320) |
| Decrease (increase) in inventories | 3,909 | 597 |
| Decrease (increase) in other assets | (5,196) | 3,568 |
| Increase (decrease) in trade and other payables | (9,277) | 9,426 |
| Increase (decrease) in net defined benefit liabilities | 2,038 | 2,126 |
| Increase (decrease) in other liabilities | (1,904) | 749 |
| Other operating activities | 318 | (74) |
| Subtotal | 42,573 | 43,735 |
| Interest received | 0 | 1 |
| Dividends received | 431 | 259 |
| Interest paid | (945) | (844) |
| Income taxes paid | (6,022) | (10,122) |
| Income taxes refund | 7,678 | 2,953 |
| Net cash provided by operating activities | 43,716 | 35,982 |
| Cash flows from investing activities | | |
| Acquisitions of property, plant and equipment and intangible assets | (67,565) | (39,263) |
| Proceeds from sales of property, plant and equipment and intangible assets | 12,325 | 4,377 |
| Proceeds from collection of loans receivable resulting from sales of stock in subsidiaries | — | 7,400 |
| Purchases of other financial assets | (55) | (53) |
| Proceeds from sale of other financial assets | 3,237 | 7,614 |
| Proceeds from sale of stock of subsidiaries | — | 34,490 |
| Other investing activities | (17) | 705 |
| Net cash used in investing activities | (52,076) | 15,271 |

| | For the year ended December 31, 2020 | For the year ended December 31, 2021 |
|--|---|---|
| Cash flows from financing activities | | |
| Increase (decrease) in short-term loans payable | 50,000 | (50,000) |
| Repayments of long-term loans payable | (1,274) | (1,072) |
| Proceeds from issuance of bonds | — | — |
| Bond redemption | (16,000) | — |
| Dividends paid | (4,484) | (8,967) |
| Dividends paid to non-controlling interests | (28) | — |
| Proceeds from disposal of treasury stock | 2 | 0 |
| Purchases of treasury stock | (8) | (8) |
| Repayments of lease liabilities | (7,296) | (7,088) |
| Net cash provided by (used in) financing activities | <u>20,912</u> | <u>(67,134)</u> |
| Net increase (decrease) in cash and cash equivalents | 12,553 | (15,881) |
| Cash and cash equivalents at the beginning of the year | 113,825 | 126,378 |
| Cash and cash equivalents at the end of the year | <u>126,378</u> | <u>110,497</u> |

(5) Notes to Consolidated Financial Statements
 (Notes Relating to Going Concern Assumption)
 Not applicable.

(Changes in Accounting Policies)
 Not applicable.

(Segment Information, etc.)

(1) Reportable segments

Operating segments are defined as the components of the Group for which separate financial information is available that is evaluated regularly by the Board of Directors which the (chief operating) decision maker in making resource allocation decisions and in assessing performance.

The Group has established an organizational management structure by product and each service, and is organized in a single segment, "beverage business," based on the type and nature of products and the markets in which they are sold.

| Reportable segments | Principal Products and Services |
|---------------------|---|
| Beverage Business | Purchase, manufacture and sale of carbonated beverages such as Coca-Cola, coffee and black tea beverages, mineral water, etc., bottling, packaging, distribution and marketing, vending machine-related business in Japan |

The Board of Directors evaluates the performance of each segment compared to other companies in the same industry by using operating income as reported in accordance with generally accepted accounting principles (IFRS).

(2) Information for each product and service

This information is omitted which could be find the same information disclosed in "(1) Reportable Segments."

(3) Information for each region

Sales revenue by geographic region is omitted because the revenue of domestic sales to external customer accounts for the majority of sales revenue in the consolidated statements of income.

Since the carrying amount of non-current assets in Japan accounts for the majority of non-current assets in the consolidated statement of financial position, the description of non-current assets by region is omitted.

(4) Major customer

There is no customer to which sales exceeds 10% of the Group's total revenue. Therefore, the major customer does not exist.

(Stock per share information)

The calculation of basic earnings per share is based on the net income for the year attributable to owners of the Company and the weighted-average number of ordinary shares outstanding during the years.

The basis for calculating basic and diluted earnings per share is as follows.

| | <u>For the year ended December 31, 2020</u> | <u>For the year ended December 31, 2021</u> |
|--|---|---|
| Loss from continuing operations attributable to owners of parent | (7,130) | (15,008) |
| Profit from discontinued operations attributable to owners of parent | 2,415 | 12,505 |
| Weighted-average shares of ordinary share outstanding (in thousands) | 179,350 | 179,346 |
| Earnings (Loss) per share (yen) | | |
| Continuing operations | (39.76) | (83.68) |
| Discontinued operations | 13.47 | 69.72 |
| Loss per share (yen) | (26.29) | (13.96) |

*Note: In the current fiscal year, 415 thousand shares of stock-based compensation were accounted for antidilutive, "Diluted earnings per share" is not shown.

(Significant Subsequent Events)

Not applicable

4. Others

Changes in Key Consolidated Management Indicators

| | Japanese Standard | IFRS | | | | |
|--|-------------------|----------|----------|----------|----------|----------|
| | FY2017 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
| Net revenues / Net sales (million yen) | 872,623 | 837,069 | 927,307 | 890,009 | 791,956 | 785,837 |
| Net revenues growth rate / Net sales growth rate (%) | 89.5 | — | 10.8 | (4.0) | (11.0) | (0.8) |
| Operating income (million yen) | 40,579 | 37,594 | 14,682 | (58,904) | (11,722) | (20,971) |
| Operating margin (%) | 4.7 | 4.5 | 1.6 | (6.6) | (1.5) | (2.7) |
| Recurring income (million yen) | 39,859 | — | — | — | — | — |
| Recurring income margin (%) | 4.6 | — | — | — | — | — |
| Income before income taxes and minority interests / Income for the year before income tax (million yen) | 39,240 | 37,914 | 14,767 | (58,922) | (12,065) | (21,683) |
| Ratio of income before income taxes to sales / Ratio of income for the year before income tax to net sales (%) | 4.5 | 4.5 | 1.6 | (6.6) | (1.5) | (2.8) |
| Net income attributable to owners of the company (million yen) | 25,244 | 21,967 | 10,117 | (57,952) | (4,715) | (2,503) |
| Net income attributable to owners of the company/Net revenues attributable to owners of the company (%) | 2.9 | 2.6 | 1.1 | (6.5) | (0.6) | (0.3) |
| Comprehensive income / Total comprehensive income (million yen) | 31,976 | 30,065 | 3,197 | (52,108) | (2,228) | 759 |
| Earnings per share (yen) | 144.26 | 125.53 | 52.68 | (322.22) | (26.29) | (13.96) |
| Diluted earnings per share (yen) | — | — | — | — | — | — |
| ROE (%) | 5.7 | 4.6 | 1.6 | (10.7) | (0.9) | (0.5) |
| ROA (%) | 6.3 | 5.6 | 1.6 | (6.4) | (1.3) | (2.4) |
| Total assets (million yen) | 883,918 | 929,304 | 877,472 | 952,444 | 939,603 | 867,111 |
| Net assets / Total equity (million yen) | 627,485 | 655,038 | 580,906 | 506,491 | 502,093 | 492,451 |
| Net assets (excl. minority interests) to total assets / Ratio of equity attributable to parent owners (%) | 70.9 | 70.4 | 66.2 | 53.1 | 53.4 | 56.8 |
| Net assets (excl. minority interests) per share / Equity attributable to owners of the parent per share (yen) | 3,070.01 | 3,204.90 | 3,163.63 | 2821.27 | 2,797.03 | 2,745.12 |
| Price earnings ratio / Ratio of equity attributable to parent owners (times) | 28.5 | 32.8 | 62.4 | (8.7) | (61.2) | (94.6) |

*1. Items with "/" will be named "Japanese Standard / IFRS".

*2. As for the amount, Japanese Standards are rounded down, and IFRS is rounded off. In addition, the ratio is rounded off.

*3. In the fiscal year ending 31 December 2020, the Healthcare and Skincare business has been classified as a discontinued operation as a result of the decision to sell all shares in Q'sai held by the Company. As a result, revenue, Business Income and operating loss for the previous financial year have been reclassified to the amounts for continuing operations excluding discontinued operations

End of document