

Quarterly Report

(Article 24-4-7, Paragraph 1 of the Financial Instruments and
Exchange Act)

Fiscal Year	From January 1, 2024
(The 1 st Quarter of the 67 th Term)	To March 31, 2024

Coca-Cola Bottlers Japan Holdings Inc.

(E00417)

Table of Contents

[Cover Page]

Part I Corporate information	1
Section 1. Corporate overview	1
1. Changes in key management indicators.....	1
2. Business content	1
Section 2. Business situations.....	2
1. Risk of business.....	2
2. Management's analysis of financial condition, results of operations and cash flows.....	2
3. Significant management contracts	7
Section 3. Status of the filing company	8
1. Status of Shares	8
2. Status of Officers.....	9
Section 4 Accounting status.....	10
1. Condensed Quarterly Consolidated Financial Statements and Notes	11
2. Others	24
Part II Information of guarantor companies of the filing company	25

This is an English translation of the original Quarterly Report (“Shihanki Hokokusho”) ended March 31, 2024 pursuant to the Japanese Financial Instrument and Exchange Law. In the event of any discrepancy between Shihanki Hokokusho and this English translation, Shihanki Hokokusho shall prevail.

【Cover Page】

[Documents to be submitted]	Quarterly Report
[Underlying article]	Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Act
[Recipient]	Director-General of the Kanto Local Finance Bureau
[Submission date]	May 9, 2024
[Quarterly accounting period]	67 th fiscal term (from January 1, 2024 to March 31, 2024)
[Company name]	Coca-Cola Bottlers Japan Holdings Inc.
[Name and position of representative]	Calin Dragan, Representative Director & President
[Address of head office]	9-7-1 Akasaka, Minato-ku, Tokyo
[Telephone number]	+81-800-919-0509
[Name of administrative contact]	Tatsuhiko Ishikawa, Head of Controllers Senior Group Division, Finance
[Closest contact point]	9-7-1 Akasaka, Minato-ku, Tokyo
[Telephone number]	+81-800-919-0509
[Name of administrative contact]	Tatsuhiko Ishikawa, Head of Controllers Senior Group Division, Finance
[Location provided for viewing]	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo)

This is an English translation of the original Quarterly Report (“Shihanki Hokokusho”) filed with the Director-General of the Kanto Local Finance Bureau via Electronic Disclosure for Investors’ NETWORK (“EDINET”) pursuant to the Financial Instruments and Exchange Act of Japan. In the event of any discrepancy between Shihanki Hokokusho and this English translation, Shihanki Hokokusho shall prevail.

For the purpose of this Quarterly Report, unless context indicates otherwise, the “Company,” “we,” and “CCBJH” refer to Coca-Cola Bottlers Japan Holdings Inc., and the “Group” refers to the Company and its subsidiaries.

Part I Corporate information

Section 1. Corporate overview

1. Changes in key management indicators

Issuance		The 66 th Term Consolidated First quarter	The 67 th Term Consolidated First quarter	The 66 th Term
Accounting period		From January 1, 2023 to March 31, 2023	From January 1, 2024 to March 31, 2024	From January 1, 2023 to December 31, 2023
Revenue	(Millions of yen)	182,063	186,528	868,581
Net income (loss) for the period before income taxes	(Millions of yen)	(9,151)	(3,342)	3,224
Net income (loss) for the period attributable to owners of the parent	(Millions of yen)	(6,459)	(2,897)	1,871
Comprehensive income for the period attributable to owners of the parent	(Millions of yen)	(6,355)	(1,765)	2,209
Equity attributable to owners of the parent	(Millions of yen)	465,238	464,005	469,847
Total assets	(Millions of yen)	819,494	830,376	844,832
Basic income (loss) per share	(Yen)	(36.02)	(16.14)	10.43
Diluted earnings per share	(Yen)	—	—	10.36
Ratio of equity attributable to owners of the parent to total assets	(%)	56.8	55.9	55.6
Cash flows from operating activities	(Millions of yen)	8,062	(7,977)	59,102
Cash flows from investing activities	(Millions of yen)	(8,062)	2,298	(14,287)
Cash flows from financing activities	(Millions of yen)	(6,295)	(3,573)	(15,229)
Cash and cash equivalents at the end of the period	(Millions of yen)	77,779	104,408	113,660

- Notes
1. Because the Company prepares condensed quarterly consolidated financial statements, changes in the key management indicators for the filing company are not described.
 2. Diluted earnings per share is not presented, as the effects of dilutive share on earnings per share are anti-dilutive for the First quarter of previous fiscal year and current fiscal year.
 3. The above indicators are based on the condensed quarterly consolidated financial statements and consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”).
 4. Fractions of one million yen are rounded to the nearest million.
 5. The Company has introduced Executive reward BIP Trust and Stock-granting ESOP Trust in the previous Second quarter, and the Company shares held by these trusts are recorded as treasury shares in the quarterly consolidated financial statements. Accordingly, the Company shares held by these trusts are included in the number of treasury shares to be deducted from the average number of shares during the period for the calculation of basic income (loss) per share and diluted earnings per share in the previous fiscal year and the First quarter of current fiscal year.

2. Business content

There were no significant changes in the businesses that the Group (the Company and its subsidiaries) is engaged in the First quarter (January 1, to March 31, 2024).

Section 2. Business situations

1. Risk of business

During the first quarter of the current fiscal year, there were no significant changes to the risk environment or to the business risks that were described in the Annual Securities Report for the previous fiscal year.

The company continues to monitor our operational environment for new risks and opportunities and will proactively work to mitigate risks and leverage opportunities.

2. Management's analysis of financial conditions, results of operations and cash flows

Note that matters related to future developments that are mentioned in this section are judgments of the Group that were made as of the date of quarterly securities report submission.

(1) Status of Business Performance

In this first quarter (January 1, 2024 to March 31, 2024), the total domestic nonalcoholic ready-to-drink (NARTD) beverage industry volume is estimated to have grown by about 3% versus the same period of the previous fiscal year. Despite the negative impact on demand from price revisions implemented by beverage companies in the previous fiscal year, demand increased on the back of a continued recovery in traffic. The business environment remained uncertain as rising commodity and utility prices, along with the yen's depreciation impacted business and consumer behavior.

Under these circumstances, as the first year of our strategic business plan “Vision 2028,” we have positioned 2024 as “The year of strong profit build up.” We have been working to implement top-line growth initiatives focused on profit maximization, cost savings through implementing transformation across the entire organization, and further strengthening of our business foundation. In commercial fields, in addition to striving to maintain product prices after the series of price revisions implemented to date, we have worked to launch new products, expand our sales space, and conduct effective marketing activities. Furthermore, we have been negotiating with customers for smooth implementation of the price revisions of some of our products for shipments from May 1 2024. In the manufacturing and logistics fields, we have been promoting the "local production for local consumption model" based on the concept of manufacturing products in plants close to the place of consumption. In addition to expanding manufacturing capacity and building a flexible manufacturing framework, we have worked to improve our logistics network, including the leveraging of Mega-DCs (Distribution Centers) to strengthen our supply chain foundation and reduce costs. In the areas of back-office and IT, we have worked to further promote standardization and automation of business processes. In addition, on January 4 2024, we established NeoArc Inc., a joint venture with Accenture Japan Ltd, to further promote data-driven management.

We are working continuously to realize ESG targets based on creating shared value with society. With regard to water conservation and enhanced PET bottle recycling, we have expanded our efforts to collaborate with customers and government agencies to reduce environmental impact through the formation of a recycling-based society and to expand business opportunities through collaboration. As for external recognition, CDP, an international non-profit organization, selected CCBJH to the "Supplier Engagement Leaderboard," the highest rating in its 2023 Supplier Engagement Rating and have also been selected as an A List rating, the highest rating in both the "Climate Change" and "Water Security" category in the Sustainability Survey. In addition, in February 2024, we were selected as a component of the Morningstar Japan ex-REIT Gender Diversity Tilt Index in recognition of our efforts to promote Diversity, Equity & Inclusion (DE&I).

Details for the fiscal quarter earnings are as follows.

Summary of Business Performance

The First quarter (January 1 to March 31)

(Millions of yen except sales volume)

	2023	2024	Change (%)
Revenue	182,063	186,528	2.5
Sales volume (million cases)	103	104	0
Gross profit	78,741	81,441	3.4
Selling, General & Administrative Expenses	88,002	89,288	1.5
Other income (Recurring)	186	287	54.1
Other expenses (Recurring)	369	302	(18.0)
Investment income on equity method	8	16	111.2
Business loss	(9,437)	(7,847)	—
Other income (non-recurring)	1,123	5,412	382.1
Other expenses (non-recurring)	846	635	(25.0)
Operating loss	(9,160)	(3,070)	—
Net loss attributable to owners of parent	(6,459)	(2,897)	—

- Notes
1. “Business loss” is measure of our recurring business performance. “Business loss” deduct cost of sales and selling, general and administrative expenses from revenue, and includes other income and expenses which we believe are recurring in nature.
 2. Sales volume in 2023 is revised retroactively due to changes of counting segmentation and scope in some products.

Consolidated revenue was 186,528 million yen (an increase of 4,465 million yen or 2.5% from the same period in the previous year). Despite the negative impact on volume from the price revisions implemented in the previous fiscal year and from the inclement weather in March, sales volume was flat from the same period of the previous year. This was the result of efforts to introduce new products, expand sales space, and implement effective marketing activities to capture demand with increased traffic. In addition, the series of price revisions resulted in an improved wholesale revenue per case, leading to higher revenues compared to the same period of the previous year.

Consolidated business loss improved by 1,590 million yen (loss reduced) and was a loss of 7,847 million yen (9,437 million yen loss in prior year period). In addition to the profit contribution from top-line growth, cost savings in the supply chain and back-office areas through transformation and controlling increased cost from higher commodity, utility prices and the weaker yen to a level below the previous year contributed to improved profitability.

Consolidated operating loss improved by 6,090 million yen (loss reduced) and was a loss of 3,070 million yen (9,160 million yen loss in previous year period). The primary reason is the business loss improving versus the same period of the previous year (loss reduced) and the gains from sales and disposals of property, plant, and equipment that increased other income (non-recurring). Other income (non-recurring) is 5,412 million yen in gain on sales and disposals of property, plant, and equipment, which was realized in the process of optimizing the balance sheet. Other expenses (non-recurring) include 367 million yen in business structure improvement expenses related to the implementation of fundamental transformation.

Net loss attributable to owners of the parent improved by 3,563 million yen (loss reduced). With operating loss improving from the same period of the previous year, it was a loss of 2,897 million yen (6,459 million yen loss in previous year period).

Sales volume trends (% change from same period of previous year)

Sales volume in the first quarter was flat versus the same period of the previous year. Despite the negative impact on demand from price revisions implemented in October of 2023 for large PET bottle products and from the inclement weather in March, the continued traffic recovery and effective commercial initiatives contributed. In addition, wholesale revenue per case continued to improve with the series of price revisions.

By channel, sales volume declined 11% in supermarkets, despite efforts to acquire sales space focusing on core products and executing campaigns, large PET bottle products were impacted by the price revisions implemented in the previous fiscal year and from the inclement weather in March. Sales volume at drugstores and discounters was also impacted by the price revisions and dropped by 6%. Vending sales volume grew by 1%, supported by the market share base built to date and by digital leverage such as campaigns implemented through the Coke ON smartphone app and QR payments to capture demand, despite the impact from inclement weather in March. In CVS, although the competitive environment remained severe, efforts aimed at expanding shelf space and marketing initiatives leveraging digital technology led to a sales volume increase of 8%. In retail & food service, sales volume increased by 7% with the traffic returning to restaurants and entertainment facilities. In online, volume grew by 23% despite the intensifying competitive environment, strengthened product lineup tailored to the channel characteristics and promotions implemented together with online customers contributed.

By beverage category performance, sparkling sales volume was flat versus the same period of the previous year, while volume grew for Coca-Cola at restaurants and online, sales volume for large PET bottle products declined due to price revisions. Sales volume of tea products increased by 2% driven by growth from Kocho Kaden and Ayataka. Coffee sales volume was flat versus the same period of the previous year, supported by the renewal of core products for Georgia and Costa Coffee, and medium PET bottle products targeted to capture at home demand contributed, despite volume being impacted from the price revisions implemented to can products in May of 2023. In sports, sales volume decreased by 2% despite the volume growth in small and medium PET bottle products, large PET bottle product volume declined due to price revision impact. Water sales volume also dropped by 6% due to large PET bottle product volume declining from the price revision impact. Juice sales volume increased by 11% with the recovery at restaurants and vending as well as contributions from the new product Minute Maid Qoo White Grapes.

In the alcohol category, despite the renewal of Lemon-dou and initiatives to strengthen sales for the non-alcoholic beverages such as Yowanai Lemon-dou, sales volume was impacted by the competitive environment and declined by 9%.

(2) Qualitative Information on Consolidated Financial Position

Assets at the end of the quarter were 830,376 million yen, a decrease of 14,456 million yen from the end of the previous fiscal year. This is mainly due to a decrease in “Cash and cash equivalents”, and “Property, plant, and equipment.”

Liabilities at the end of the quarter were 366,190 million yen, a decrease of 8,621 million yen from the end of the previous fiscal year. This is mainly due to the decrease in “Income tax payables.”

Equity at the end of the quarter was 464,186 million yen, a decrease of 5,835 million yen. This mainly due to a decrease in “Retained earnings” as a result of dividend payments.

(3) Qualitative Information on Consolidated Statements of Cash Flow

The cash flow conditions for the First quarter of the current fiscal year are as follows:

<Cash Flows from Operating Activities >

Net cash used for operating activities was 7,977 million yen (8,062 million yen generated from operating activities in the previous fiscal year). This is mainly due to loss for the period before income taxes and “Decrease in other liabilities.”

<Cash Flows from Investing Activities>

Net cash generated from investing activities was 2,298million yen (8,062 million yen used for investing activities in the previous fiscal year). This is mainly due to “Proceeds from sales of property, plant and equipment and intangible assets,” while “Payments for acquisitions of property, plant and equipment and intangible assets” was recorded.

<Cash Flows from Financing Activities>

Net cash used for financing activities was 3,573 million yen (6,295 million yen used for financing activities in the previous fiscal year). This is mainly due to “Dividends paid.”

As a result of these activities, cash, and cash equivalents at the end of the First quarter were 104,408 million yen, a decrease of 9,252 million yen compared to the end of the previous fiscal year.

(4) Business and financial challenges to be addressed

1. Issues to be addressed

There were no significant changes in the issues to be addressed by the Group during the consolidated First quarter of the current fiscal year.

2. Basic Policies on the Control of the Joint-share Company

a. Descriptions of basic policies

The Company believes that the persons and/or entities (hereinafter referred as “Persons”) who control decisions on the Company’s financial and business policies need to understand the source of the Company’s corporate value and will make it possible to continually and persistently ensure and enhance the Company’s corporate value and, in turn, the common interests of its shareholders. The Company believes that a decision on any proposed acquisition that would involve a change of corporate control of the Company should ultimately be made based on the intent of its shareholders as a whole. Also, the Company would not reject a large-scale acquisition of shares in the Company if it would contribute to the corporate value of the Company and, in turn, the common interests of its shareholders.

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

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

Therefore, the Company believes that Persons who would make a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the Company, and, in turn, the common interests of its shareholders would be inappropriate to become Persons who would control decisions on the Company’s financial and business policies. We must secure the Company’s corporate value and, in turn, the common interests of its shareholders by taking necessary and reasonable countermeasures against a large-scale acquisition of the Company’s shares by such Persons.

b. Initiatives to realize the basic policies

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

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

Soft drink industry volume growth in Japan is expected to be muted, given the developed nature of the market as a whole. The business environment surrounding the Company is projected to become even more intense with further acceleration of the industry’s restructuring for survival, such as the expansion of business tie-ups between beverage manufacturers.

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

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

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

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

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

c. Decisions of the Board of Directors of the Company on the specific measures and the reasons

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

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

(5) Research and development activities

Not applicable.

(6) Major facilities

The new installation of the important facilities that had been planned as of the end of the previous fiscal year and completed during the First quarter of the current fiscal year is as listed below.

Name of company	Name of office / site (location)	Name of business segment	Facility description	Amount (millions of yen)	Completed in
Coca-Cola Bottlers Japan Inc.	Branches / (-)	Beverage business	Vending machines/coolers	3,986	March 2024

Note Consumption tax is not included in the above amounts.

3. Significant management contracts

There were no decisions or conclusions for significant management contracts in the First quarter of the current fiscal year.

Section 3. Status of the filing company

1. Status of Shares

(1) Total number of shares

① Total number of shares

Class	Total Number of Authorized Shares
Common shares	500,000,000
Total	500,000,000

② Issued shares

Class	No. of issued shares as of end of 1 st Quarter (March 31, 2024)	No. of issued shares as of filing date (May 9, 2024)	Name of listed share exchange or registered authorized financial instruments firms' association	Details
Common shares	206,268,593	206,268,593	Tokyo Stock Exchange (Prime Market)	100 per unit shares
Total	206,268,593	206,268,593	-	-

(2) Status of stock acquisition rights

① Status of share options

Not applicable.

② Other share acquisition rights

Not applicable.

(3) Status of exercised moving strike convertible bonds

Not applicable.

(4) Transition of total number of issued shares and capital stock

Date	Increase/decrease in total no. of issued shares (Thousand share)	Balance of total no. of issued shares (Thousand share)	Increase/ decrease of capital stock (Millions of yen)	Capital stock balance (Millions of yen)	Increase/decrease of capital reserve (Millions of yen)	Capital reserve balance (Millions of yen)
January 1, 2024 – March 31, 2024	—	206,269	—	15,232	—	108,167

This is an English translation of the original Quarterly Report (“Shihanki Hokokusho”) ended March 31, 2024 pursuant to the Japanese Financial Instrument and Exchange Law. In the event of any discrepancy between Shihanki Hokokusho and this English translation, Shihanki Hokokusho shall prevail.

(5) Major shareholder status

Not applicable as this is the First quarter of the current fiscal year.

(6) Status of voting rights

① Issued shares

As of March 31,2024

Class	Number of shares	Number of voting rights	Details
Non-voting shares	—	—	—
Shares with restricted voting right (Treasury Shares)	—	—	—
Shares with restricted voting right (Others)	—	—	—
Shares with full voting rights (Treasury Shares)	Common shares 23,785,100	—	—
Shares with full voting rights (Others)	Common shares 181,753,000	1,817,530	—
Odd lot shares	Common shares 730,493	—	—
Total number of issued shares	206,268,593	—	—
Voting rights of all shareholders	—	1,817,530	—

- Notes
1. “Shares with full voting rights (Others)” include 2,300 shares under in JASDEC’s name (23 voting rights).
 2. “Shares with full voting rights (Others)” include 1,260,900 shares (number of voting rights: 12,609) held by Executive reward BIP Trust and 1,679,400 shares (number of voting rights: 16,794) held by Stock-granting ESOP Trust.

② Treasury Shares

As of March 31,2024

Name of owner	Address of owner	No. of shares owned under own name	No. of shares owned under others’ name	Total number of shares owned	Ratio of shares owned against total no. of issued shares (%)
Coca-Cola Bottlers Japan Holdings Inc.	9-7-1, Akasaka, Minato-ku, Tokyo	23,785,100	—	23,785,100	11.53
Total	—	23,785,100	—	23,785,100	11.53

Note The Company shares held by Executive reward BIP Trust, and Stock-granting ESOP Trust are not included in the above number of shares owned.

2. Status of Officers

Not applicable.

Section 4 Accounting status

1. Preparation of Accounting methods for the quarterly consolidated financial statements

The Company’s condensed quarterly consolidated financial statements have been prepared in accordance with International Accounting Standards Article 34 “Interim Financial Reporting” based on the Ordinance on the Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements Article 93 (Cabinet Office Ordinance No. 64 of 2007).

2. Audit certification

The Company’s condensed quarterly consolidated financial statements for the First quarter of the current fiscal year (January 1, 2024 to March 31, 2024) and the First quarter of the current fiscal year (January 1, 2024 to March 31, 2024) have been reviewed by Ernst & Young ShinNihon LLC based on the provisions of Article 193-2 Paragraph 1 of the Financial Instruments and Exchange Act.

This is an English translation of the original Quarterly Report (“Shihanki Hokokusho”) ended March 31, 2024 pursuant to the Japanese Financial Instrument and Exchange Law. In the event of any discrepancy between Shihanki Hokokusho and this English translation, Shihanki Hokokusho shall prevail.

1. Condensed Quarterly Consolidated Financial Statements and Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

	Notes	Previous fiscal year As of December 31, 2023	(Millions of yen) The First quarter As of March 31, 2024
Assets			
Current assets:			
Cash and cash equivalents		113,660	104,408
Trade and other receivables		120,069	113,206
Inventories		71,651	75,926
Other financial assets	9	88	637
Other current assets		8,288	10,177
Total current assets		313,756	304,353
Non-current assets:			
Property, plant, and equipment		401,687	390,778
Right-of-use assets		23,894	28,282
Intangible assets		63,819	63,609
Investments accounted for using the equity method		310	326
Other financial assets	9	11,898	12,350
Deferred tax assets		25,222	25,780
Other non-current assets		4,245	4,899
Total non-current assets		531,077	526,023
Total assets		844,832	830,376

This is an English translation of the original Quarterly Report (“Shihanki Hokokusho”) ended March 31, 2024 pursuant to the Japanese Financial Instrument and Exchange Law. In the event of any discrepancy between Shihanki Hokokusho and this English translation, Shihanki Hokokusho shall prevail.

		Previous fiscal year As of December 31, 2023	(Millions of yen) The First quarter As of March 31, 2024
Liabilities and equity			
Liabilities			
Current liabilities:			
Trade and other payables		116,612	114,946
Bonds and debts	9	40,979	40,986
Lease liabilities		5,267	6,138
Other financial liabilities	9	1,111	949
Income taxes payables		4,176	665
Other current liabilities		29,297	21,071
Total current liabilities		197,443	184,756
Non-current liabilities:			
Bonds and debts	9	114,802	114,314
Lease liabilities		20,349	23,501
Other financial liabilities	9	15	6
Net defined benefit liabilities		19,856	20,548
Provisions		1,781	1,757
Deferred tax liabilities		16,757	16,649
Other non-current liabilities		3,809	4,659
Total non-current liabilities		177,369	181,434
Total liabilities		374,812	366,190
Equity:			
Capital stock		15,232	15,232
Capital surplus		451,389	451,367
Retained earnings	6	88,365	81,270
Treasury shares		(85,362)	(85,015)
Accumulated other comprehensive income		223	1,151
Equity attributable to owners of parent		469,847	464,005
Non-controlling interests		174	181
Total equity		470,021	464,186
Total liabilities and equity		844,832	830,376

(2) Condensed Quarterly Consolidated Statements of Income

【The First quarter】

	Notes	The First quarter of previous fiscal year (Three months ended March 31, 2023)	(Millions of yen) The First quarter of current fiscal year (Three months ended March 31, 2024)
Revenue	7	182,063	186,528
Cost of sales		103,322	105,087
Gross profit		78,741	81,441
Selling and general administrative expenses		88,002	89,288
Other income	8	1,309	5,698
Other expenses	8	1,214	937
Investment income on equity method		8	16
Operating loss		(9,160)	(3,070)
Financial income		170	131
Financial expenses		162	403
Loss for the period before income taxes		(9,151)	(3,342)
Income tax benefit		(2,697)	(466)
Net loss for the period		(6,454)	(2,877)
Net loss for the period attributable to			
Owners of parent		(6,459)	(2,897)
Non-controlling interests		5	20
Basic loss per share (yen)	10	(36.02)	(16.14)

This is an English translation of the original Quarterly Report (“Shihanki Hokokusho”) ended March 31, 2024 pursuant to the Japanese Financial Instrument and Exchange Law. In the event of any discrepancy between Shihanki Hokokusho and this English translation, Shihanki Hokokusho shall prevail.

(3) Condensed Quarterly Consolidated Statements of Comprehensive Income
 【The First quarter】

	Notes	The First quarter of previous fiscal year (Three months ended March 31, 2023)	(Millions of yen) The First quarter of current fiscal year (Three months ended March 31, 2024)
Net loss for the period		(6,454)	(2,877)
Other comprehensive income			
Items that will not be reclassified subsequently to income or loss:			
Net changes in financial assets measured at fair value through other comprehensive income		36	827
Subtotal		36	827
Items that may be reclassified subsequently to income:			
Cash flow hedges		68	305
Subtotal		68	305
Total other comprehensive income for the period		104	1,132
Total comprehensive income for the period		(6,350)	(1,745)
Comprehensive income attributable to:			
Owners of parent		(6,355)	(1,765)
Non-controlling interests		5	20

(4) Condensed Quarterly Consolidated Statements of Changes in Equity
The First quarter of previous fiscal year (Three months ended March 31, 2023)

(Millions of yen)

	Notes	Equity attributable to owners of the parent					Total	Non-controlling interests	Total
		Capital share	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income			
Balance as of January 1, 2023		15,232	451,264	94,209	(85,667)	1,177	476,216	142	476,358
Comprehensive income for the period									
Net income (loss) for the period		—	—	(6,459)	—	—	(6,459)	5	(6,454)
Other comprehensive income		—	—	—	—	104	104	—	104
Total comprehensive income for the period		—	—	(6,459)	—	104	(6,355)	5	(6,350)
Transactions with owners									
Dividends of surplus	6	—	—	(4,484)	—	—	(4,484)	—	(4,484)
Purchase of treasury shares		—	—	—	(1)	—	(1)	—	(1)
Transactions of share-based payment		—	121	—	—	—	121	—	121
Reclassification from accumulated other comprehensive income to retained earnings		—	—	(1)	—	1	—	—	—
Reclassification from accumulated other comprehensive income to non-financial assets		—	—	—	—	(260)	(260)	—	(260)
Total transactions with owners		—	121	(4,484)	(1)	(259)	(4,623)	—	(4,623)
Balance as of March 31, 2023		15,232	451,386	83,266	(85,668)	1,022	465,238	147	465,385

The First quarter of current fiscal year (Three months ended March 31, 2024)

(Millions of yen)

	Notes	Equity attributable to owners of the parent					Total	Non-controlling interests	Total
		Capital share	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income			
Balance as of January 1, 2024		15,232	451,389	88,365	(85,362)	223	469,847	174	470,021
Comprehensive income for the period									
Net income(loss) for the period		—	—	(2,897)	—	—	(2,897)	20	(2,877)
Other comprehensive income		—	—	—	—	1,132	1,132	—	1,132
Total comprehensive income for the period		—	—	(2,897)	—	1,132	(1,765)	20	(1,745)
Transactions with owners									
Dividends of surplus	6	—	—	(4,486)	—	—	(4,486)	(17)	(4,503)
Purchase of treasury shares		—	—	—	(2)	—	(2)	—	(2)
Disposal of treasury shares		—	(126)	—	349	—	223	—	223
Transactions of share-based payment		—	105	—	—	—	105	—	105
Reclassification from accumulated other comprehensive income to retained earnings		—	—	288	—	(288)	—	—	—
Reclassification from accumulated other comprehensive income to non-financial assets		—	—	—	—	84	84	—	84
Other change		—	—	—	—	—	—	4	4
Total transactions with owners		—	(22)	(4,198)	347	(204)	(4,076)	(13)	(4,090)
Balance as of March 31, 2024		15,232	451,367	81,270	(85,015)	1,151	464,005	181	464,186

This is an English translation of the original Quarterly Report (“Shihanki Hokokusho”) ended March 31, 2024 pursuant to the Japanese Financial Instrument and Exchange Law. In the event of any discrepancy between Shihanki Hokokusho and this English translation, Shihanki Hokokusho shall prevail.

(5) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

Notes	The First quarter of previous fiscal year (Three months ended March 31, 2023)	The First quarter of current fiscal year (Three months ended March 31, 2024)
Cash flows from operating activities		
Loss for the period before income taxes	(9,151)	(3,342)
Adjustments for:		
Depreciation and amortization	11,415	11,585
Impairment loss	7	245
Change in allowance for doubtful accounts (decrease)	(51)	2
Interest and dividends income	(6)	(1)
Interest expenses	160	199
Share of income of entities accounted for using equity method	(8)	(16)
Gain on sale of property, plant, and equipment	(1,128)	(5,483)
Loss on disposal and sale of property, plant, and equipment, and intangible assets	263	204
Decrease in trade and other receivables	5,436	6,854
Increase in inventories	(5,779)	(4,275)
Increase in other assets	(53)	(2,588)
Increase in trade and other payables	10,504	605
Increase in net defined benefit liabilities	470	692
Decrease in other liabilities	(2,576)	(8,017)
Others	(20)	(154)
Subtotal	9,483	(3,492)
Interest received	1	0
Dividends received	6	1
Interest paid	(216)	(254)
Income taxes paid	(1,213)	(4,241)
Income taxes refund	1	8
Net cash generated from (used for) operating activities	8,062	(7,977)
Cash flows from investing activities		
Payments for acquisitions of property, plant and equipment and intangible assets	(10,002)	(7,881)
Proceeds from sales of property, plant and equipment and intangible assets	1,938	9,583
Payments for purchases of other financial assets	(5)	(1)
Proceeds from sale of other financial assets	7	646
Others	1	(49)
Net cash generated from (used for) investing activities	(8,062)	2,298

This is an English translation of the original Quarterly Report (“Shihanki Hokokusho”) ended March 31, 2024 pursuant to the Japanese Financial Instrument and Exchange Law. In the event of any discrepancy between Shihanki Hokokusho and this English translation, Shihanki Hokokusho shall prevail.

(Millions of yen)

Notes	The First quarter of previous fiscal year (Three months ended March 31, 2023)	The First quarter of current fiscal year (Three months ended March 31, 2024)
Cash flows from financing activities		
Repayments of long-term loans payable	(500)	(500)
Repayments of lease liabilities	(1,311)	(1,541)
Proceeds from disposal of treasury shares	—	223
Payments for purchases of treasury shares	(1)	(2)
Dividends paid	(4,484)	(4,486)
Dividends paid to non-controlling interests	—	(17)
Proceeds from sale and leaseback	—	2,747
Others	—	4
Net cash used for financing activities	(6,295)	(3,573)
Decrease in cash and cash equivalents	(6,295)	(9,252)
Cash and cash equivalents at the beginning of the year	84,074	113,660
Cash and cash equivalents at the end of the period	77,779	104,408

Notes to condensed quarterly consolidated financial statements

1. Introduction

Coca-Cola Bottlers Japan Holdings Inc. (hereinafter referred to as “the Company”) is a holding company located in Japan and is listed on the Prime Market of the Tokyo Stock Exchange. Under the Coca-Cola brand, the Company, and its subsidiaries (collectively, the “Group”) engage in purchases, sales, production, bottling, packaging, distribution and marketing of carbonated beverages, coffee beverages, tea-based beverages, mineral water, alcohol, and other soft drinks in Japan.

The Group’s condensed quarterly consolidated financial statements consist of equities of the Company, subsidiaries, and associates. The condensed quarterly consolidated financial statements were approved by our Representative Director & President, Calin Dragan and our Representative Director, Vice President, and Chief Financial Officer (Head of Finance), Bjorn Ivar Ulgenes on May 9, 2024 and take into account events after the reporting period to that date (see Note 11, “Subsequent events”).

2. Basis of preparation

The Company’s condensed quarterly consolidated financial statements have been prepared in accordance with International Accounting Standards Article 34 “Interim Financial Reporting” based on Article 93 of the Ordinance on the Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements (Cabinet Office Ordinance No. 64 of 2007), upon meeting the requirements of a designated international accounting standard specified company as set forth in Article 1-2 of the aforementioned Ordinance.

Condensed quarterly consolidated financial statements should be used in conjunction with consolidated financial statements for the previous fiscal year as they do not include all the information required in the annual consolidated financial statements.

Condensed quarterly consolidated financial statements are stated in Japanese yen. All condensed quarterly consolidated financial statements are rounded to the nearest million yen unless otherwise stated.

3. Material accounting policies

The material accounting policies applied by the Group in the condensed quarterly consolidated financial statements are the same as the accounting policies applied in the consolidated financial statements for the previous fiscal year.

Income tax benefit for the First quarter of current fiscal year has been calculated on the basis of the annual estimated effective tax rate.

4. Significant accounting judgments, estimates and assumptions

In preparing the condensed quarterly consolidated financial statements in accordance with IFRS, management is required to make judgments, estimates and assumptions that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, revenue, and expenses. Actual results may differ from these estimates. The estimates and the assumptions underlying the estimates are continually reviewed and are based on historical experience and other factors, including future events, which are believed to be reasonable under the environment. Accounting estimates are based on the most appropriate information at the time the consolidated financial statements are filed, but if any estimates in further into the future changes, the impact of the revises is recognized in the consolidated statements of profit or loss and consolidated statements of comprehensive income subsequent to the reporting period in which they are revised

Accounting judgments, estimates and assumptions that have a significant impact on the condensed quarterly consolidated financial statements will be revised based on the same concept as in the consolidated financial statements for the previous consolidated fiscal year.

5. Segment Information

The Group has a single segment as Beverage Business. Refer to Note 7 Revenue for the products and services of the reported segment.

6. Dividends

Dividend payments in the First quarter of previous fiscal year and current fiscal year were as follows:

The First quarter of previous fiscal year (January 1, 2023 – March 31, 2023)

Resolution	Type of share	Total amount of dividends paid (Millions of yen)	Dividends per share (Yen)	Dividend record date	Effective date
March 28, 2023 Ordinary General Meeting of Shareholders	Common shares	4,484	25	December 31, 2022	March 29, 2023

The First quarter of current fiscal year (January 1, 2024 – March 31, 2024)

Resolution	Type of share	Total amount of dividends paid (Millions of yen)	Dividends per share (Yen)	Dividend record date	Effective date
March 26, 2024 Ordinary General Meeting of Shareholders	Common shares	4,562	25	December 31, 2023	March 28, 2024

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

7. Revenue

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

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

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

	(Millions of yen)	
	The First quarter of previous fiscal year (Three months ended March 31, 2023)	The First quarter of current fiscal year (Three months ended March 31, 2024)
Revenue		
Revenue from contracts with customers		
Beverage	182,059	186,524
Other	4	4
Total	182,063	186,528

8. Other income and other expenses

The breakdown of other income and other expenses in the First quarter of previous fiscal year and current fiscal year are as follows:

	(Millions of yen)	
	The First quarter of previous fiscal year (Three months ended March 31, 2023)	The First quarter of current fiscal year (Three months ended March 31, 2024)
Other income		
Gains on sales of property, plant, and equipment (Note 1)	1,128	5,483
Rent income	55	44
Other	126	171
Total	<u>1,309</u>	<u>5,698</u>
Other expenses		
Impairment loss	7	245
Losses on sales and disposals of property, plant, and equipment	340	275
Transformation related expenses (Note 2)	787	367
Special retirement allowance (Note 3)	52	19
Other	29	31
Total	<u>1,214</u>	<u>937</u>

- Notes
- Gains on sales of property, plant, and equipment represent gains on sales of land and other assets for the First quarter of previous fiscal year and current fiscal year.
 - Transformation related expenses are consulting expenses related to measures aimed at building an efficient new system with the aim of creating more value and further improving productivity for the sustainable growth of the Group for the First quarter of previous fiscal year and current fiscal year.
 - Special retirement allowances are allowances and outplacement support expenses incurred in the implementation of the voluntary retirement program for the First quarter of previous fiscal year and current fiscal year.

9. Fair value of financial instruments

(a) Classification by level of the fair value hierarchy

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

The fair value hierarchy is defined as follows:

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

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

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

When more than one input is used to measure the fair value, the level of the fair value hierarchy is determined based on the lowest level of input that is significant to the fair value measurement as a whole. Transfers between levels of the fair value hierarchy are recognized as having occurred at the beginning of each quarter.

There was no transfer between Level 1, Level 2, and Level 3 during the previous fiscal year and the First quarter of current fiscal year.

(b) Fair value measurement

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

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

The valuation techniques and significant unobservable inputs used in Level 3 fair value measurement are as follows:

As of December 31, 2023

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

As of March 31, 2024

Type	Valuation technique	Significant unobservable inputs	Interactions between significant unobservable inputs and fair value measurement
Financial instrument measured at fair value through other comprehensive income (Securities)	Comparison of similar companies	EBIT Multiple: 25.8 times PER: 6.8- 7.6 times PBR: 1.2-2.5 times	Estimated fair value increases (decreases) when equity indices of comparable listed companies of the target are high (low)

EBIT Multiple: Corporate Value/EBIT

PER: Price Earnings Ratio

PBR: Price Book Value Ratio

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

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

As of December 31, 2023

	(Millions of yen)			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial instrument measured at fair value through profit or loss:				
Derivative assets	—	80	—	80
Subtotal	—	80	—	80
Financial instrument measured at fair value through other comprehensive income:				
Securities	4,542	—	2,921	7,463
Other	—	—	92	92
Subtotal	4,542	—	3,013	7,555
Total	4,542	80	3,013	7,635
Financial liabilities				
Financial instrument measured at fair value through profit or loss:				
Derivative liabilities	—	1,127	—	1,127
Total	—	1,127	—	1,127

As of March 31, 2024

	(Millions of yen)			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial instrument measured at fair value through profit or loss:				
Derivative assets	—	579	—	579
Subtotal	—	579	—	579
Financial instrument measured at fair value through other comprehensive income:				
Securities	4,976	—	2,976	7,952
Other	—	—	92	92
Subtotal	4,976	—	3,068	8,044
Total	4,976	579	3,068	8,623
Financial liabilities				
Financial instrument measured at fair value through profit or loss:				
Derivative liabilities	—	956	—	956
Total	—	956	—	956

This is an English translation of the original Quarterly Report (“Shihanki Hokokusho”) ended March 31, 2024 pursuant to the Japanese Financial Instrument and Exchange Law. In the event of any discrepancy between Shihanki Hokokusho and this English translation, Shihanki Hokokusho shall prevail.

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

	(Millions of yen)
	Financial assets measured at fair value through other comprehensive income
Balance as of January 1, 2023	3,135
Disposals	(8)
Gains (Losses) recognized in other comprehensive income	25
Balance as of March 31, 2023	3,152
Balance as of January 1, 2024	3,013
Disposals	(28)
Gains (Losses) recognized in other comprehensive income	83
Balance as of March 31, 2024	3,068

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

(d) Financial instrument measured at amortized cost

The components of carrying amount and fair value of financial instruments measured at amortized cost are as follows:

As of December 31, 2023

	(Millions of yen)		
	Carrying amount	Fair value	Difference
Long-term loans payable and bonds	155,781	154,547	1,234

As of March 31, 2024

	(Millions of yen)		
	Carrying amount	Fair value	Difference
Long-term loans payable and bonds	155,301	153,518	1,783

Long-term loans payable and bonds include the current portion. Cash and cash equivalents, trade and other receivables, trade and other payables are not included in the above table as their fair value approximates their carrying amount due to the short collection and settlement period.

The main valuation techniques used to measure fair value of the financial instrument in the table above are as follows:

a. Loans payable

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

b. Bonds

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

10. Earnings per share

The calculation of basic loss per share attributable to owners of the parent is based on the quarterly net loss attributable to owners of the parent and the weighted average number of common shares issued.

The basis for calculating the basic loss per share and diluted earnings per share for the First quarter of previous fiscal year and current fiscal year are as follows:

	The First quarter of previous fiscal year (Three months ended March 31, 2023)	The First quarter of current fiscal year (Three months ended March 31, 2024)
Loss attributable to owners of parent (millions of yen)	(6,459)	(2,897)
Weighted-average number of common shares issued (in thousands)	179,340	179,515
Basic loss per share (yen)	(36.02)	(16.14)

- Notes
1. “Diluted earnings per share” is not shown in the First quarter of the previous fiscal year and current fiscal year, as 1,033 thousand shares and 1,222 thousand shares of share-based compensation have an antidilutive effect.
 2. We have introduced Executive reward BIP Trust and Stock-granting ESOP Trust in the Second quarter of previous fiscal year. The Company shares held by these trusts are included in the treasury shares to be deducted from the weighted-average number of common shares during the period for calculating the amount of basic loss per share. The weighted-average number of common shares deducted was 26,753 thousand shares for the First quarter of current fiscal year.

11. Subsequent events

Not applicable.

2. Others

Not applicable.

This is an English translation of the original Quarterly Report (“Shihanki Hokokusho”) ended March 31, 2024 pursuant to the Japanese Financial Instrument and Exchange Law. In the event of any discrepancy between Shihanki Hokokusho and this English translation, Shihanki Hokokusho shall prevail.

Part II Information of guarantor companies of the filing company

Not applicable.