

This is an English translation of the original Annual Securities Report (“Yukashoken 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 Yukashoken Hokokusho and this English translation, Yukashoken Hokokusho shall prevail.

Annual Securities Report

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

Fiscal Year
(68th Fiscal Term)

From January 1, 2025
to December 31, 2025

Coca-Cola Bottlers Japan Holdings Inc.

(E00417)

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[Cover Page]	Securities Report
[Underlying article]	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act
[Recipient]	Director-General of the Kanto Local Finance Bureau
[Submission date]	March 19, 2026
[Fiscal year]	68 th fiscal term (from January 1, 2025 to December 31, 2025)
[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)

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The Independent Auditor’s report that is included in Yukashoken Hokokusho is not translated into English. Therefore, it is not included in this English translation.

For the purpose of this Annual Securities 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 collectively.

Part I. Corporate Information

I. Corporate overview

1. Changes in key management indicators

(1) Consolidated business indicators

Issuance	Fiscal year	International Financial Reporting Standards				
		64th	65th	66th	67th	68th
		December 2021	December 2022	December 2023	December 2024	December 2025
Revenue	(Millions of yen)	785,837	807,430	868,581	892,681	893,805
Net income (loss) for the year before income taxes	(Millions of yen)	(21,683)	(12,491)	3,224	12,896	(72,718)
Net income (loss) for the year attributable to owners of the parent	(Millions of yen)	(2,503)	(8,070)	1,871	7,309	(50,763)
Comprehensive income attributable to owners of the parent	(Millions of yen)	780	(5,005)	2,209	8,721	(48,001)
Equity attributable to owners of the parent	(Millions of yen)	492,320	476,216	469,847	466,203	379,892
Total assets	(Millions of yen)	867,111	826,737	844,832	804,153	698,486
Equity attributable to owners of the parent per share	(Yen)	2,745.12	2,655.38	2,618.49	2,623.62	2,292.46
Earnings (Losses) per share	(Yen)	(13.96)	(45.00)	10.43	40.76	(296.51)
Diluted earnings per share	(Yen)	—	—	10.36	40.48	—
Ratio of equity attributable to owners of the parent	(%)	56.8	57.6	55.6	58.0	54.4
Ratio of income to equity attributable of the parent	(%)	(0.5)	(1.7)	0.4	1.6	(12.0)
PER	(Times)	(94.6)	(31.9)	194.2	61.3	(10.7)
Cash flows from operating activities	(Millions of yen)	35,982	42,717	59,102	48,883	61,123
Cash flows from investing activities	(Millions of yen)	15,271	(23,090)	(14,287)	(16,128)	(25,744)
Cash flows from financing activities	(Millions of yen)	(67,134)	(46,050)	(15,229)	(57,942)	(47,507)
Cash and cash equivalents at the end of the year	(Millions of yen)	110,497	84,074	113,660	88,473	76,330
Number of employees		15,083	14,484	14,010	14,084	12,667
[Average number of temporary workers]	(Persons)	[3,777]	[3,416]	[3,163]	[2,888]	[2,555]

- (Note)
1. Diluted earnings per share are not presented, as the effects of dilutive share on earnings per share are anti-dilutive in the 64th, 65th and 68th fiscal year.
 2. The above indicators are based on the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS).
 3. Fractions of one million yen are rounded to the nearest million, and percentages are rounded to the nearest unit.
 4. We have introduced an Executive reward BIP Trust and a Stock-granting ESOP Trust in FY2023, and the Company shares held by these trusts are recorded as treasury shares in the consolidated financial statements. Accordingly, the Company shares held by these trusts are included in the treasury shares to be deducted from the end of years’ shares and the average number of shares during the year for calculating the amount of Equity attributable to owners of the parent per share, Basic earnings (losses) per share, and Diluted earnings per share.

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(2) Management indicators of the Company

Fiscal term		64th	65th	66th	67th	68th
Fiscal year-end		December 2021	December 2022	December 2023	December 2024	December 2025
Operating revenue	(Millions of yen)	5,797	5,640	6,052	5,773	13,988
Recurring income	(Millions of yen)	1,201	1,869	1,301	1,332	9,519
Net income	(Millions of yen)	18,395	1,562	1,349	2,379	9,185
Capital share	(Millions of yen)	15,232	15,232	15,232	15,232	15,232
Total number of issued shares	(Thousands of shares)	206,269	206,269	206,269	183,269	171,269
Net assets	(Millions of yen)	351,812	344,402	336,844	325,751	295,152
Total assets	(Millions of yen)	543,410	502,941	498,355	449,025	418,543
Net assets per share	(Yen)	1,961.66	1,920.38	1,877.26	1,833.21	1,781.10
Dividends paid per share	(Yen)	50.00	50.00	50.00	53.00	60.00
(Interim dividends paid per share)		(25.00)	(25.00)	(25.00)	(25.00)	(28.00)
Net profit per share	(Yen)	102.57	8.71	7.52	13.27	53.65
Diluted earnings per share	(Yen)	102.33	8.68	7.47	13.17	53.25
Ratio of equity to asset	(%)	64.7	68.5	67.6	72.5	70.5
Ratio of return on equity	(%)	5.3	0.4	0.4	0.7	3.0
PER	(Times)	12.9	164.9	269.3	188.2	59.1
Dividend payout ratio	(%)	48.7	573.9	664.9	399.5	111.8
Number of the employees	(People)	—	—	—	—	—
[Average number of temporary workers]		[—]	[—]	[—]	[—]	[—]
Total Shareholder Return	(%)	85.1	95.5	135.2	167.8	213.3
[Comparative index: TOPIX Net Total Return Index]	(%)	[112.7]	[110.0]	[141.1]	[169.9]	[213.2]
Highest share price	(Yen)	2,131	1,655	2,186	2,519	3,232
Lowest share price	(Yen)	1,236	1,311	1,267	1,702	2,206

- (Note)
- The figures of less than one million yen have been rounded off to the nearest million yen.
 - The number of employees has been omitted since we are a holding company.
 - The highest and lowest share prices are from Tokyo Stock Exchange Prime Market since April 4th,2022.
 - The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and others were applied from the beginning of the 65th fiscal year. There is no impact on key management indicators for the 65th term.
 - We have introduced Executive reward BIP Trust and a Stock-granting ESOP Trust in FY2023. The Company shares held by these trusts are included in the treasury shares to be deducted from the end of years’ shares and the average number of shares during the year for calculating the amount of net assets per share, net profit per share, and diluted earnings per share.
 - Of the annual dividend per share of 60.00 yen for the fiscal year ended December 31, 2025, the year-end dividend of 32.00 per share is to be resolved at the Ordinary General Meeting of Shareholders scheduled to be held on March 26, 2026.

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2. History

Month and Year	Summary
Dec. 1960	Nichibei Inryo Co., Ltd. Established with 50 million yen in capital at 1-5 Nagahama-cho, Fukuoka City for manufacture and sale of soft drinks
Jul. 1961	Headquarters relocated to 92 Tenjin-cho, Fukuoka City
Jun. 1962	Agreement on the manufacture and sale of Coca-Cola and Fanta concluded with The Coca-Cola Company and the Coca-Cola (Japan) Company, Limited. Granting the right to manufacture and sell Coca-Cola and Fanta in Fukuoka, Saga, and Nagasaki Prefectures
Jul. 1962	Began sales
Mar. 1963	Corporate name changed to Nichibei Coca-Cola Bottling Co., Ltd.
Apr. 1963	Headquarters relocated to 4127-29 Aza Ashitsugaura, Ohaza Hakozaki, Fukuoka City (now 7-9-66, Hakozaki, Higashi-ku, Fukuoka City)
Sep. 1972	Amended the previous agreements with The Coca-Cola Company and the Coca-Cola (Japan) Company, Limited and newly concluded a license agreement with the Coca-Cola (Japan) Company, Limited.
Jul. 1973	Corporate name changed to Kitakyushu Coca-Cola Bottling Co., Ltd.
Jun. 1994	Listed on the Fukuoka Share Exchange
Nov. 1996	Listed on the second section of Tokyo Stock Exchange
Jun. 1998	Listed on the first section of the Tokyo Stock Exchange
Feb. 1999	Kitakyushu Coca-Cola Sales Co., Ltd. Established
Jun. 1999	Some business transferred to Kitakyushu Coca-Cola Sales Co., Ltd.
Jul. 1999	Consolidated with Sanyo Coca-Cola Bottling Co., Ltd. And corporate name changed to Coca-Cola West Japan Co., Ltd. With the consolidation, Sanyo Coca-Cola Bottling’s subsidiary Sanyo Coca-Cola Sales Co., Ltd. Became a subsidiary of the Company
Apr. 2001	Listed on the first section of Osaka Securities Exchange and Hiroshima Share Exchange
Apr. 2001	Acquired Mikasa Coca-Cola Bottling Co., Ltd. Share, making it a subsidiary
Feb. 2002	West Japan Products Co., Ltd. (later Coca-Cola West Japan Products, Co., Ltd.) established.
Apr. 2002	Some business transferred to Coca-Cola West Japan Products Co., Ltd. (now Coca-Cola West Products, Co., Ltd.)
Apr. 2002	Merged with both Sanyo Coca-Cola Sales Co., Ltd. And Kitakyushu Coca-Cola Sales Co., Ltd.
Jul. 2002	Four subsidiaries running vending business integrated to establish Nishinohon Beverage Co., Ltd. (made defunct through merger dated January 1, 2010)
Oct. 2002	Amended the previous agreement with Coca-Cola (Japan) Company, Limited, and newly concluded a bottler’s agreement with The Coca-Cola Company and Coca-Cola (Japan) Company, Limited.
Jan. 2005	Amended the previous agreements with The Coca-Cola Company and Coca-Cola (Japan) Company, Limited, and newly concluded a manufacturing agreement and a distributorship agreement with The Coca-Cola Company and Coca-Cola (Japan) Company, Limited.
Jul. 2006	Corporate name changed to Coca-Cola West Holdings Co., Ltd. And performed a demerger in which rights related to the sales of beverages and food products were succeeded by the newly established Coca-Cola West Japan Co., Ltd.
Jul. 2006	Implemented share exchange making Kinki Coca-Cola Bottling Co., Ltd. A wholly owned subsidiary
Jul. 2006	With the share exchange, Kinki Coca-Cola Bottling’s subsidiary Kansai Beverage Service Co., Ltd. (later Nishinohon Beverage Co., Ltd.) became a subsidiary of the Company
Apr. 2007	Invested in Minami Kyushu Coca-Cola Bottling Co., Ltd., and made it an equity-method affiliate
Jan. 2008	Integrated two subsidiaries running manufacturing business to establish Coca-Cola West Products Co., Ltd.
Apr. 2008	Integrated subsidiaries running sales equipment service business to establish Coca-Cola West Equipment Service Co., Ltd.
Jan. 2009	Merged with Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. And Mikasa Coca-Cola Bottling Co., Ltd. And changed the corporate name to Coca-Cola West Company, Limited
Jan. 2009	Amended the previous agreements with The Coca-Cola Company and Coca-Cola (Japan) Company, Limited, and newly concluded a bottler’s agreement with The Coca-Cola Company and Coca-Cola (Japan) Company, Limited.
Jan. 2010	Reorganized three subsidiaries running sales to establish West Vending Co., Ltd. (later Coca-Cola Bottlers Japan Vending Inc.), Nishinohon Beverage Co., Ltd. And Coca-Cola West Retail Service Co., Ltd. (Coca-Cola Bottlers Japan Business Services Inc.)
Oct. 2010	Acquired Q’sai CO., LTD. Share, making it a wholly owned subsidiary
Apr. 2013	Implemented share exchange making Minami Kyushu Coca-Cola Bottling Co., Ltd. A wholly owned subsidiary
Jan. 2014	Merged with Minami Kyushu Coca-Cola Bottling Co., Ltd.
May. 2015	Acquired Shikoku Coca-Cola Bottling Co., Ltd. Share, making it a subsidiary
May. 2015	Acquired RESOURCES Co.,Ltd. Shares, making it an equity-method affiliate
Apr. 2017	Implemented share exchange making Coca-Cola East Japan Co., Ltd. Later Coca-Cola Bottlers Japan Inc. a wholly owned subsidiary
Apr. 2017	Company name changed to Coca-Cola Bottlers Japan Inc.
Apr. 2017	In order to transition to a holding company structure, an absorption-type split was conducted in which businesses other than the Group Management Business and the Asset Management Business were transferred to New CCW Establishment Preparation Co., Ltd.
Jan. 2018	Corporate name changed to Coca-Cola Bottlers Japan Holdings Inc.

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Month and Year	Summary
Feb. 2021	Transferred all shares of Q’sai. Co., Ltd.
Jan. 2022	Coca-Cola Bottlers Japan Inc acquired 100% shares of Bannai Saketen Inc., making it a wholly owned subsidiary
Jun. 2022	Coca-Cola Bottlers Japan Inc established CCBJI INSURANCE (SINGAPORE) PTE. LTD., making it a subsidiary
Jan. 2024	Established NeoArc Inc., a joint venture with Accenture Japan Ltd.
Jan. 2025	Established onEQuest Co., Ltd., a joint venture with thinkrun Holdings Co., Ltd., making it an equity-method affiliate
Jan. 2025	Coca-Cola Bottlers Japan Inc established CCBJI SERVICES INDIA PRIVATE LIMITED, making it a subsidiary

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3. Description of business

The Group’s corporate group consists of the Company (Coca-Cola Bottlers Japan Holdings Inc.), 11 subsidiaries, 1 affiliate and 1 joint venture with the manufacture and sale of Coca-Cola and other beverages as its primary business.

In addition, The Coca-Cola Company is an “other affiliated company.”

The following diagram sets out the positioning and business of each company in the Coca-Cola Bottlers Japan Holdings Group’s (the “Group”) principal business activities.

Please note that the Company is a specified listed company as defined in Article 49, Paragraph 2 of the Cabinet Office Order on Restrictions on Securities Transactions. Thus, the criteria for assessing the material facts under the insider trading regulations are determined based on consolidated figures.

The following classification is the same as the segment classification. In addition, the group has changed the reportable segment classification from the current fiscal year. Please refer to “V. Accounting information, 1. Consolidated Financial Statements, (1) Consolidated Financial Statements, Notes to consolidated financial statements, 6. Business segments information” for more details.

(Manufacture and sales of Coca-Cola and other beverages)

a. Vending Business

It is conducted by Coca-Cola Bottlers Japan Inc., Coca-Cola Bottlers Japan Vending Inc., FV Japan Co., Ltd., etc.

b. OTC Business

It is conducted by Coca-Cola Bottlers Japan Inc., etc.

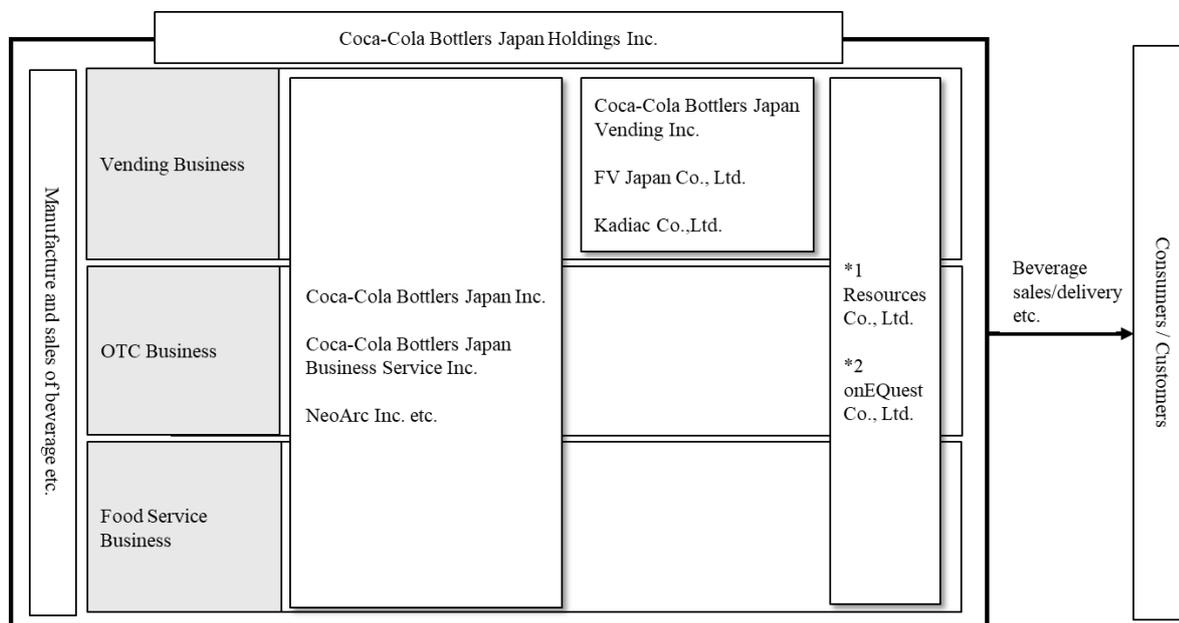
c. Food Service Business

It is conducted by Coca-Cola Bottlers Japan Inc., etc.

The Coca-Cola Company engages in sales of beverages (including beverage bases).

(Business Flow Diagram)

The matters described above are shown in the business flow diagram below.



*3 The Coca-Cola Company
 (Note)
 No mark : Consolidated subsidiary
 *1 Equity-method affiliate
 *2 Equity-method joint venture
 *3 Other affiliated company

4. Information on affiliates

(1) Consolidated Subsidiaries

Name	Address	Common shares (Millions of yen)	Principal businesses	% of voting rights interests	Relation
Coca-Cola Bottlers Japan Inc. (Note) 2,3	Minato-ku, Tokyo	100	Manufacture and sale of beverages and foods	100.0	Interlocking directorate: yes Leasing of facilities: yes
Coca-Cola Bottlers Japan Vending Inc. (Note) 1	Shinjuku-ku, Tokyo	80	Operation of vending machines	100.0 (100.0)	-----
FV Japan Co., Ltd. (Note) 1	Toshima-ku, Tokyo	100	Sale of beverages and foods	100.0 (100.0)	-----
Coca-Cola Bottlers Japan Business Services Inc. (Note) 1	Minato-ku, Tokyo	80	On-site administration related to sales of beverage/food	100.0 (100.0)	Interlocking directorate: yes
NeoArc Inc. (Note) 1	Minato-ku, Tokyo	20	Back-office operations on consignment and development of computer systems	81.0 (81.0)	Interlocking directorate: yes
Other 6 companies					

- (Note)
1. The figures in parentheses for the % of voting rights interests column indicates the % of indirect voting interests, which is a part of the total voting interest.
 2. It is classified as specified subsidiaries.
 3. As for Coca-Cola Bottlers Japan Inc., the proportion of net sales (excluding internal sales among consolidated companies) to consolidated sales exceeds 10%.

Major income statement information. (JGAAP)

(1) Net revenues	847,113 million yen
(2) Recurring income	15,784 million yen
(3) Net loss	(25,325) million yen
(4) Net assets	394,977 million yen
(5) Total assets	578,789 million yen

(2) Equity Method Affiliate

Name	Address	Common shares (Millions of yen)	Principal businesses	% of voting rights interests	Relation
Resources Co., Ltd. (Note)	Takamatsu-shi, Kagawa	40	Vending machine-related business	44.0 (44.0)	-----

- (Note) The figures in parentheses for the % of voting rights interests column indicates the % of indirect voting interests, which is a part of the total voting interest.

(3) Equity Method Joint Venture

Name	Address	Common shares (Millions of yen)	Principal businesses	% of voting rights interests	Relation
onEQuest Co., Ltd. (Note)	Kanazawa-shi, Ishikawa	51	Vending machine-related business	49.0 (49.0)	Interlocking directorate: yes

- (Note) The figures in parentheses for the % of voting rights interests column indicates the % of indirect voting interests, which is a part of the total voting interest.

(4) Other Affiliated Companies

Name	Address	Common shares (Millions of dollars)	Principal businesses	% of voting rights interests	Relation
The Coca-Cola Company (Note) 1, 2	Atlanta, Georgia, U.S. A	1,760	Sales of beverages (including concentrate)	30.18 (30.18)	Interlocking directorate: yes

- (Note)
1. The figures in parentheses for the % of voting rights owned are indirect ownership percentage.
 2. “Yukashoken Todokedesho” (Securities Registration Statement) or “Yukashoken Hokokusho” (Annual Securities Report) has been submitted.

5. Employees

(1) Consolidated Basis

As of December 31, 2025

Name	Segment	Number of employees	
Coca-Cola Bottlers Japan Holdings Inc.	Vending Business OTC Business Food Service Business Others	15	(—)
Coca-Cola Bottlers Japan Inc.		7,387	(1,216)
Coca-Cola Bottlers Japan Business Services Inc.		76	(31)
NeoArc Inc.		821	(22)
Coca-Cola Bottlers Japan Benefit Inc.		22	(52)
Coca-Cola Customer Marketing Co., Ltd. and other 3 companies		11	(—)
Coca-Cola Bottlers Japan Vending Inc.	Vending Business	3,978	(1,137)
FV Japan Co., Ltd.		336	(94)
Kadiac Co., Ltd.		21	(3)
	Total	12,667	(2,555)

- (Note)
- The number of employees excludes employees seconded from the Group to outside the Group and includes employees who are seconded from outside the Group to the Group and the number of temporary employees is shown separately in parentheses as the average number over one year.
 - Temporary employees include part-timers and casual workers, but not workers dispatched by staffing companies.
 - Coca-Cola Bottlers Japan Holdings Inc. and 8 other companies operate in the Vending, OTC and Food Service segments, making it difficult to categorize them by segment, and therefore the number of employees by segment is not stated.

(2) Parent-alone Basis

Descriptions are omitted because the Company is a holding company.

(3) Labor Unions

The Group has the Coca-Cola Bottlers Japan Group East Labor Union and the Coca-Cola Bottlers Japan Group West Labor Union, in addition to labor unions formed in certain subsidiaries, and the total number of members of the labor unions was 10,735 as of December 31, 2025.

Labor Union-management relations have remained cordial.

(4) Female Manager Ratio, Percentage of Male Employees Taking Childcare Leave, and Gender Wage Gap

Consolidated (The Company and Major Consolidated Subsidiaries) (Note) 1

	Female manager ratio (%) (Note) 2			Percentage of Male Employees Taking Childcare Leave (%) (Note) 3			Gender Wage Gap (%) (Note) 2,4,5								
							All Employees			Permanent Employees			Non-permanent Employees		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Consolidated (The Company and Major Consolidated Subsidiaries)	7.4	9.2	10.4	83.3	103.8	100.6	73.1	75.7	79.8	84.2	87.5	89.5	88.7	92.3	93.1

Consolidated Subsidiaries Required Disclosure (Note) 6

	Female manager ratio (%) (Note) 2			Percentage of Male Employees Taking Childcare Leave (%) (Note) 3			Gender Wage Gap (%) (Note) 2,4,5								
							All Employees			Permanent Employees			Non-permanent Employees		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Coca-Cola Bottlers Japan Inc.	7.3	9.6	11.1	93.0	101.1	102.2	69.8	72.7	73.2	78.7	82.2	83.2	77.9	84.9	82.5
Coca-Cola Bottlers Japan Vending Inc.	0.5	1.1	1.0	75.2	106.8	98.8	68.4	68.5	68.9	79.1	82.7	83.7	108.5	104.6	103.5
FV Japan Co., Ltd.	2.6	2.4	2.1	— (Note) 7	100.0	100.0	51.2	50.1	57.3	64.5	62.3	69.6	97.1	99.7	96.2
Coca-Cola Bottlers Japan Business Services Inc.	15.8	6.1	50.0	75.0	100.0	— (Note) 7	70.5	62.9	87.1	84.2	82.1	92.0	99.3	95.9	98.8
NeoArc Inc. (Note) 8	—	16.7	16.2	—	100.0	100.0	—	75.4	78.8	—	78.3	80.9	—	67.4	46.6

- (Note)
- The data for “Consolidated (The Company and Major Consolidated Subsidiaries)” is calculated including Coca-Cola Bottlers Japan Inc., Coca-Cola Bottlers Japan Vending Inc., FV Japan Co., Ltd., Coca-Cola Bottlers Japan Business Services Inc., NeoArc Inc. (from 2024), Coca-Cola Bottlers Japan Benefit, and Coca-Cola Customer Marketing Co, Ltd, in addition to the Company.
 - Data regarding the female manager ratio and the gender wage gap are calculated and disclosed based on the provisions of the Act on the Promotion of Women’s Active Engagement in Professional Life (Act No. 64 of 2015).
 - The percentage of male employees taking childcare leave is calculated according to the method stipulated in Article 71-6, Item 2 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991), based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

The percentage of male employees taking childcare leave = number of male employees who took childcare leave during the fiscal year ÷ number of male employees whose spouses gave birth during the fiscal year

The calculation is based on the above formula, and for example, if a male employee whose spouse gave birth in 2024 takes childcare leave for the first time in 2025, he will be included in the numerator, which may result in exceeding 100%.
 - Part-time workers are converted to a full-time worker equivalent based on their scheduled working hours.
 - The Group has an evaluation and compensation system that is commensurate with the roles and achievements of each employee, which is to ensure that there is no wage gap due to gender among employees with the same role and the same achievements. The numerical gap mainly comes from the difference in the composition of jobs and roles between genders.
 - The Company is a pure holding company, therefore the female manager ratio is not disclosed, as it is not in the scope of mandatory public announcement based on the provisions of the Act on Promotion of Women’s Active Engagement in Professional Life (Act No. 64 of 2015). Similarly, the percentage of male employees taking childcare leave is not disclosed, as it is not in the scope of mandatory public announcement based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).
 - For FV Japan Co., Ltd. and Coca-Cola Bottlers Japan Business Services Inc., a dash (“—”) is shown for fiscal years in which there are no employees subject to disclosure regarding the percentage of male employees taking childcare leave.
 - As NeoArc Inc. was established on January 4, 2024, only figures from 2024 onward are disclosed.

II. Business overview

1. Management Policy, Management Environment, and Issues to be Addressed

(1) Fundamental Management Policy of The Company

The CCBJH Group has established a corporate philosophy consisting of its “Mission,” “Vision,” and “Values.”

Our Mission is what we are in business to achieve

Deliver happy moments to everyone while creating value

Our Vision illustrates what we aspire to become

- We are the preferred partner for our customers
- We win in the market through sustainable growth
- We lead a learning culture with a commitment to grow
- We are the best place to work with pride for Coca-Cola

Our Values reflect what we consistently keep in mind and consider important in our daily activities to realize our Mission and Vision

- Learning
- Agility
- Result-orientation
- Integrity

We share our corporate message, “We bottle happy moments” with external stakeholders to highlight our core values and vision for the future.

Furthermore, we have revamped our mid-term business plan, Vision 2028, to address new opportunities and challenges, and have announced our new mid-term business plan, Vision 2030, which outlines the business goals to be achieved over the next five years and the initiatives to drive them.

We strive to achieve our mid-term business plan, Vision 2030, by implementing activities based on our corporate philosophy.

(2) Main targets

On August 1, 2025, we announced a new strategic business plan Vision 2030 as an upward revision of its ongoing plan, Vision 2028. We have set the following major goals for 2030 in order to achieve further increase in shareholder value and sustainable profitable growth.

- Business Income: 80+ billion yen
- ROIC: 10%+
- Dividend per share: 140~150 yen
- Share Buybacks: Cumulative 150 billion yen

Regarding shareholder return, we plan for the largest shareholder return measures in our corporate history. We aim to increase dividend based on the progressive dividend policy and aim to achieve and maintain a consolidated dividend payout ratio of 40% or more and a consolidated dividend on equity (DOE) ratio of 2.5% or more.

2026 will be a year of great progress toward achieving our ambitious long-term goals. As the crucial first year of Vision 2030, we will focus on earnings growth and enhanced shareholder returns to further increase shareholder value.

For the fiscal year ending December 31, 2026, consolidated revenue is forecasted to be 902,700 million yen, representing an increase of 1.0% year over year. Consolidated business income is expected to increase by 42.7% year over year to 35,000 million yen, and consolidated operating income is forecasted to reach 36,000 million yen (compared with a consolidated operating loss of 72,385 million in the current fiscal year). Net income attributable to owners of the parent is expected to be 22,500 million yen (compared with a net loss attributable to owners of the parent of 50,763 million yen in the current fiscal year).

(3) Issues to be addressed by the Company

Regarding the outlook for the overall domestic NARTD beverage market, market value is expected to increase in 2026 compared with 2025, driven by higher prices following price revisions implemented by beverage companies. Sales volume is expected to decline slightly however, due to rising prices weakening consumer sentiment, the cycling of last year’s record-breaking heat wave, and reduced demand following the price revisions. The operating environment is expected to remain challenging. Cost pressures are rising, driven by higher commodity and packaging prices, exchange rates, transportation and personnel costs.

Against this backdrop, we have positioned fiscal year 2026, the first of our new mid-term business plan, Vision 2030, announced in August 2025, as “a year of great progress toward achieving our ambitious long-term goals.” We will pursue initiatives to enhance competitiveness and profitability through business unit-driven management, while strengthening our operational foundation through transformation to improve capital efficiency. In addition, we will strive to further enhance shareholder value through business growth and expanded shareholder return initiatives.

In the Commercial area, we will focus on initiatives that enable profitable top-line growth. These include continued investment in core categories, commercial activities with a strong focus on profitability, including pricing revisions, further transformation of the vending channel through the use of advanced technologies, and enhanced market execution through optimized product portfolios and marketing plans. By business unit, in the Vending Business, we will accelerate the rebuilding of a sustainable profit base through technology-driven transformation, expanded placement of vending machines that contribute to higher profitability, operational efficiency improvements, network optimization, and digital investments that support mid- to long-term growth. In the Over the Counter (OTC) Business, we will strengthen the foundation for sustainable, high-quality profit growth by expanding selling space through enhanced core products aligned with consumer needs, implementing ROI-based promotional investments, and enhancing collaboration with key customers. In the Food Service Business, we will expand consumption occasions and pursue sustainable growth through proactive value proposals to customers as well as efficient and targeted initiatives aligned with growth opportunities in each region. Furthermore, across all business units, we will continue to reinforce our strategic partnership with Coca Cola (Japan) Co., Ltd., leveraging this collaboration as a key driver of growth.

In the Supply Chain area, we will continue to improve advancing productivity improvements through the “local production for local consumption” model in both manufacturing and logistics, while enhancing our ability to respond swiftly to demand-driven supply fluctuations. In logistics, the deployment of Integrated Distribution Centers (IDCs) will further streamline and consolidate sales and logistics operations, enabling overall network optimization. In manufacturing, a new aseptic production line at the Saitama Plant is scheduled to commence operations in the second half of the year, strengthening manufacturing capacity across the Kanto region. Moreover, in 2026, we will embed the new supply chain planning platform introduced in December 2025 as the foundation of our Sales and Operations Planning (S&OP) process. By leveraging comprehensive data and enhanced analytical capabilities, we will pursue further process improvements. In addition, we will advance the design and implementation of a new transportation management system and evaluate enhancements to our warehouse management systems. These technology platforms will serve as a foundation for advancing Vision 2030 and improving ROIC through productivity gains and process optimization.

In the Back office and IT areas, we will continue to strengthen the foundation for data-driven management through the integration of IT systems and data, as well as by promoting operational efficiency through the use of advanced technologies.

Furthermore, by ensuring appropriate management of capital investments and improving the balance sheet, we will seek to enhance capital efficiency and advance efforts to improve ROIC in line with the objectives of Vision 2030. We will also continue to focus on sustainability initiatives and human capital development to support long-term growth.

2. Approach and Initiatives to Ensure Sustainability

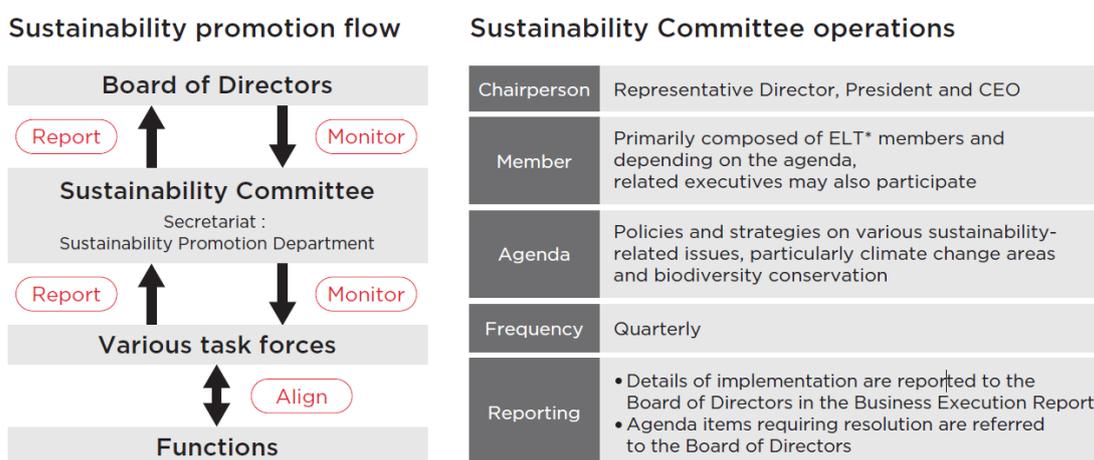
The Group's approach and initiatives regarding sustainability are as follows: Please note that matters relating to the future are based on judgments made by the Group as of the end of the fiscal year under review.

(1) Governance Related to Overall Sustainability

In January 2023, a Sustainability Committee was newly established by the Group to strengthen its structure for setting forth the policies and strategies on various challenges including climate change and biodiversity based on its non-financial CSV Goals. Through this committee, management discusses sustainability issues and promptly feeds back the determined direction and strategies to each department, ensuring thorough and smooth implementation of sustainability activities across all departments. The committee is chaired by the Representative Director and President and comprises members of the Executive Leadership Team (ELT), with relevant departments participating as needed. The meeting is held four times a year and addresses a broad range of issues, with a focus on climate change and biodiversity conservation. Various task forces operate under the committee to promote specific measures, advance practical work in collaboration with each department, and report back to the committee. In 2025, the committee discussed topics including revisions to our environmental policy, updates to our non-financial "CSV Goals" targets, and climate change mitigation and adaptation. The Board of Directors also places significant emphasis on sustainability-related risk measures and considers risk selection and growth potential when formulating management policies. In this way, each department of the Task Force Committee cooperates and builds a governance system to promote sustainability activities throughout the organization under the supervision of the Board of Directors.

(Sustainability Committee promotion system established within the Group)

Sustainability Committee promotion system



*An abbreviation for Executive Leadership Team. Management organization in CCBJI Group including CEO and function heads

(2) Overall Sustainability Strategy

Our Group upholds the mission "We deliver happy moments to everyone and create value," and positions Creating Shared Value (CSV) at the core of our management philosophy. This approach creates and enhances both economic value through business growth and its social value through the resolution of social issues.

To ensure our sustainability strategy appropriately responds to changes in the social environment, we identified 13 unique materiality issues in 2023 and developed their definitions. To prepare a materiality map that serves as the indicator of the relative importance of these 13 materiality issues, hearings with ESG-related investors, NGOs, and local governments have been conducted as well as with the management team, including the President and CEO, and an employee survey has been carried out to score the importance of each of these issues. The materiality map has been structured to show the "importance to stakeholders" as the social axis based on interviews with external experts and analysis of various reports, and the "importance to the Group" as the business axis based on the scores resulting from the hearings with the management team and the outcome of the employee survey. By plotting these scoring results on these two axes to create our materiality map, we recognized that three areas—Containers & Recycling (Circular Economy), Climate Change Mitigation and Adaptation, and Human Resource Development and Well-being—are particularly important to both stakeholders and our Group.

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The 13 materiality issues identified are organized into four frameworks: People, the natural environment, local communities, and infrastructure. These materiality issues are closely linked to our medium-term management plan, Vision 2030, and are positioned as a strategy to realize sustainable growth in an integrated manner with the value creation process. In addition, the Board of Directors, the Executive Leadership Team, and the Sustainability Committee hold ongoing discussions and update strategies as needed in response to changes in the external environment and new social issues.

(Our Group's 13 Materiality Issues and Definitions)

	CCBJH Group's material issues	Definition	SDGs
People	Employee development & Well-being	We believe that employees are important assets in conducting sustainable business. Therefore, in our human resource development system, we work to create a workplace environment that maximizes and develops the potential of each employee. We focus on our employees' safety and their physical and mental well-being by measures such as enhancing their work-life balance.	
	Diversity, Equity & Inclusion	We foster a culture that respects human rights, diversity, and fairness, and create an environment where each individual can maximize their abilities regardless of gender, age, disability, race, nationality, sexual orientation, gender identity or expression, or other attributes throughout the value chain.	
Natural environment	Packaging and recycling (Circular economy)	We will work on activities such as light-weighting, horizontal recycling, and waste reduction. By doing so, we contribute to the promotion of recycling of plastic and other materials in Japan.	
	Mitigation of and adaptation to climate change	To mitigate and adapt to climate change, we aim to reduce our environmental impact through initiatives throughout the value chain, including the reduction of our greenhouse gas emissions.	
	Water stewardship	As a company whose main product ingredient is water, we strive to reduce, reuse, and properly treat water used in manufacturing. We also work with local communities to conserve water resources in a sustainable manner to pass on abundant water resources to future generations.	
Communities	Sustainable conservation of biological resources	We conserve biodiversity and achieve sustainable business by recognizing and reducing the impact on the natural environment and ecosystems while making business decisions.	
	Healthy products and services	We contribute to consumer wellness by providing high value-added products and services that contribute to the maintenance and promotion of health and nutrition.	
Foundation	Contribution to local community development	Based on collaboration and communication with local communities and other stakeholders, we engage in activities aimed at developing sustainable local communities and solving social issues. Through our business, we contribute to the revitalization of local economies.	
	Product quality and safety	In order to provide safe, high-quality, fresh, and refreshing products and services to our consumers, we implement strict quality systems and processes in all business processes, from raw material procurement, manufacturing, distribution and transportation, to sales and service. In this way, we guarantee and improve the safety and quality of our products.	
	Resilience to natural disasters	We strive to build a system and structure that is safe and robust enough to minimize the impact on our business in the event of any injury to employees and damage to facilities for manufacturing, logistics, sales operations, and business sites caused by large-scale natural disasters such as earthquakes and typhoons.	
	Corporate governance	We strive to build and maintain a strong corporate governance structure to improve management soundness and maximize corporate and shareholder value. In accordance with the intent of the Corporate Governance Code, we strive to improve the skill sets of our directors and all employees, pursue an optimal organizational design for our company, and further strengthen our governance.	
	Sustainable supply chain	We build a sustainable supply chain through the stable procurement of materials and raw materials, addressing human rights and environmental issues in the supply chain, conducting appropriate transactions and responsible procurement.	
	Responsible commercial practices	We build our relationships with our consumers by ensuring responsible marketing of our full beverage portfolio, including alcohol, ensuring compliance with all commercial activities in line with laws and regulations. We provide our stakeholders with access to useful and sufficient information on the health and nutrition of our products through easy-to-understand communications.	

(3) Risk Management Related to Overall Sustainability

Information on risk management related to overall sustainability is described under “3. Business and Other Risks (1) Risk management structure of the CCBJH Group.”

(4) Metrics and Targets Related to Overall Sustainability

Based on the materiality, the Group has established more specific non-financial targets as the “CSV Goals,” and is implementing initiatives to build its business and a society that are sustainable, while working to fulfill its mission. Previously, our “CSV Goals” included target items through 2025, but we have revised these targets to respond to changes in the external environment and societal demands. As a result, we have newly formulated medium-term targets looking ahead to 2030 and long-term targets toward 2035 to address future materiality issues, updating our non-financial “CSV Goals.”

In this update, the task force of each division examined ways to resolve sustainability issues, and based on the content, the Sustainability Committee discussed the direction of the new “CSV Goals.” Through this process, we revised our existing targets and established new ones that align our ‘CSV Goals’ with the materiality identified in 2023, creating a unified and consistent framework.”

Going forward, we will advance initiatives across our entire value chain to achieve each target, regularly monitor progress, and steadily work toward achieving our goals.

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CSV Goals and Achievement Status

	Materiality	Item	2025 Performance ¹¹	2030 Target	2035 Target
 People	Employee Development and Well-being	Paid leave utilization	78.6%	70%	70%
	Diversity, Equity & Inclusion	Female managers	10.4%	20%	—
		Spouse or partner taking at least five days of childcare or related leave	98.9%	100%	100%
 Natural Environment	Packaging and Recycling (Circular Economy)	Recycled materials in packaging (PET bottles, cans, glass bottles)	39%	45-50%	50-55%
		PET bottles lightweighting (vs. 2004) ¹	35%	37%	40%
		Horizontal recycling of voluntarily collected empty packages (PET bottles and cans) ²	26%	50%	100%
	Mitigation of and Adaptation to Climate Change	GHG reduction, scope 1 and 2 (vs. 2015)	21%	50%	—
		GHG reduction, scope 3 (vs. 2015)	27%	30%	—
		Net-zero greenhouse gas emissions (target year: 2050)	—	—	—
		100% renewable energy (target year: 2050)	—	—	—
	Water Stewardship	Water replenishment	391%	350%	350%
		Water usage rate reduction (vs. 2015) ³	24%	30%	35%
		Implementation of Coca-Cola Learn from the Forest projects ⁴	88%	100%	100%
Sustainable Conservation of Biological Resources	Implementation of biodiversity conservation activities in our plant water source areas ⁵	27%	60%	100%	
 Communities	Healthy Products and Services	Sales volume growth of Foods for Specified Health Uses and Foods with Functional Claims (vs. 2025)	398%	150%	200%
	Contribution to Local Community Development	Employee volunteer participation	26%	Above 20%	Above 20%
		Community engagement through company-led contribution activities ⁶	99%	Above 90%	Above 90%
		Implementation of product donations through food bank support (prefectural-level basis) ⁷	53%	75%	100%
 Foundation	Product Quality and Safety	Sustaining international food safety certifications ⁸	100%	100%	100%
	Corporate Governance	Ensuring diversity and enhancing the effectiveness of the Board of Directors and its committees ⁹	87%	100%	100%
	Sustainable Supply Chain	Supplier compliance with the Supplier Guiding Principles (SGP) ¹⁰	100%	100%	100%

¹ Percentage reduction in plastic used in PET bottles ² Percentage of used PET bottles and cans collected from recycling boxes installed at vending machines that are recycled into raw materials and reused as new PET bottles or cans ³ Covers all 17 plants ⁴ Cycles through surrounding watersheds at all plants over a two-year period. ⁵ Percentage of water source areas at all plants where either biodiversity surveys or awareness-raising activities were conducted ⁶ Percentage of participants who responded “satisfied” in surveys of company-led community programs (plant tours, Learn from the Forest projects and social contribution events) ⁷ Percentage of prefectural-level jurisdictions including Tokyo, Osaka, Kyoto, and 35 other prefectures in all sales areas where donations were made. ⁸ FSSC 22000 certification rate across all 17 plants ⁹ Calculated based on the level of achievement against company-defined indicators established for the Board of Directors, the Audit & Supervisory Committee, Nomination and the Compensation Committee ¹⁰ Percentage of suppliers of raw materials and primary packaging sourced by the Company that are deemed compliant based on audits ¹¹ For climate change mitigation and adaptation, performance figures are based on FY2024 results. Sales volume growth for Foods for Specified Health Uses and Foods with Functional Claims is measured against actual results from 2016.

(5) Initiatives to Address Climate Change and Natural Capital

Our Group supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and participates in the TCFD Consortium, the Japan Climate Initiative, and the GX League, advancing initiatives to reduce greenhouse gas emissions. To promote these initiatives, we conduct scenario analyzes that include medium-term (2030) and long-term (2050) perspectives targeting high-priority risk opportunities, and update the disclosure contents as appropriate based on the TCFD recommendations. We also support the Task Force on Nature-related Financial Disclosures (TNFD) initiative and analyze business risks and opportunities related to nature using the LEAP approach with reference to TNFD v1.0. Furthermore, we identify priority areas concerning water resources and biodiversity and are advancing the disclosure of related information.

More detailed analysis results of our Group's climate-related and nature-related risks and opportunities, as well as more specific information regarding metrics and targets, are published in the following voluntary disclosure materials:

-Disclosures under the TCFD (climate-related information): <https://www.ccbji.co.jp/csv/tcfd/>

-TNFD-based disclosures (nature-related information): <https://www.ccbji.co.jp/csv/tbfd/>

1) Governance

Governance related to climate change and natural capital is described in "(1) Governance Related to Sustainability in General."

In addition, based on the TNFD recommendations, we regard local communities as important stakeholder, and our Human Rights Policy stipulates that we engage in collaboration and dialog to reflect opinions in our business activities. We also require our suppliers to understand our Supplier Guiding Principles (SGP), which reflect our values regarding human rights, the environment, labor, and other areas, and to thoroughly respect human rights.

2) Strategy

i) Strategy related to climate change has been identified as one of the materiality issues of the Group, and we have determined that detailed analysis is necessary, therefore conducting scenario analysis. The analysis was conducted for the beverage business, which is the Group’s main line of business, in two scenarios: the 1.5/2°C scenario and the 4°C scenario. The following table shows the world view of each temperature range and the reference scenarios.

	1.5/2°C	4°C
Scenario	Climate change response progresses, intensifying the risk of regulatory and other transitions. Society where social changes associated with the transition to a decarbonized society are likely to affect business	Climate change response stalls, natural disasters and other physical risks intensify Society in which rising temperatures and other climate changes are likely to affect business
Reference	IEA: NZE, SDS IPCC: RCP1.9, 2.6, 4.5	IEA: STEPS IPCC: RCP8.5

We conducted quantitative analysis with target years of 2030 and 2050 to identify significant risks and opportunities. Described below are the main risks and opportunities that have been re-identified. When disclosing the information on expected impact, the years 2030/2050 are stated only for those estimates that are considered to be relatively reliable. Measures to address the re-identified risks and opportunities under multiple scenarios have been examined with an aim to minimize risks and maximize opportunities. They are reflected in the Group's management strategy and strategic business plan Vision 2030, and are also incorporated into the annual plans to mitigate the risks and maximize the opportunities arising from climate change.

Regarding transition risks, we have identified as highly significant the risk of cost increases due to introduction of carbon pricing, energy efficiency and GHG emission regulations, and strengthened plastic-related regulations, as well as potential declines in sales due to insufficient responses to changes in customer purchasing behavior, and reputational risks from investors and financial institutions if our responses are inadequate.

To address these risks, we are promoting improvements in energy efficiency and renewable energy adoption. We are also advancing initiatives to reduce plastic usage, resulting in reduced PET bottle weight and improved resource efficiency. Additionally, we are promoting horizontal recycling of PET bottles and aluminum cans through "bottle-to-bottle" and "can-to-can" systems, and are rolling out products made from 100% recycled PET and 100% recycled aluminum materials.

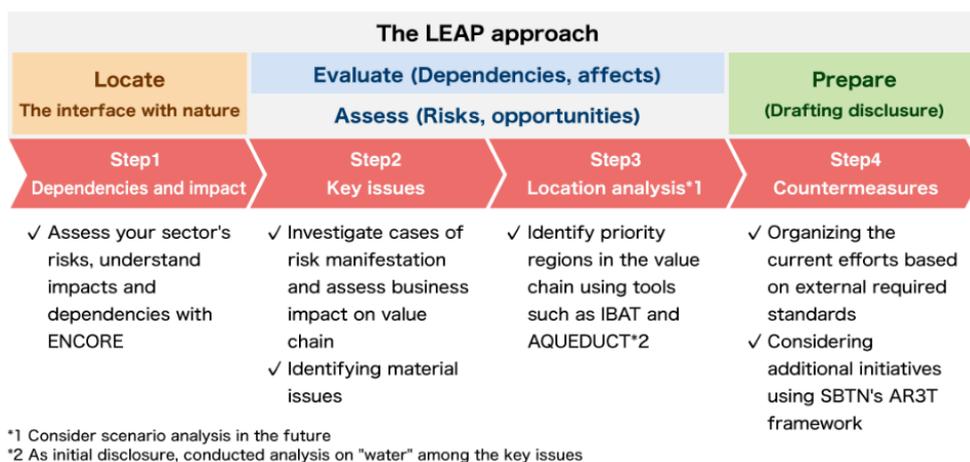
For physical risks, we have identified as highly significant both acute risks such as reduced manufacturing efficiency and production volumes or suspension of operations due to abnormal weather conditions, as well as chronic risks such as difficulties in procuring raw materials and water scarcity of water resources.

To address acute risks, in addition to strengthening our business continuity planning (BCP), we are identifying and prioritizing wind and flood risks across our manufacturing sites, sales and logistics facilities, and supply chain, and are enhancing related mitigation measures. To address chronic risks, we are working to diversify procurement sources and conserve water resources.

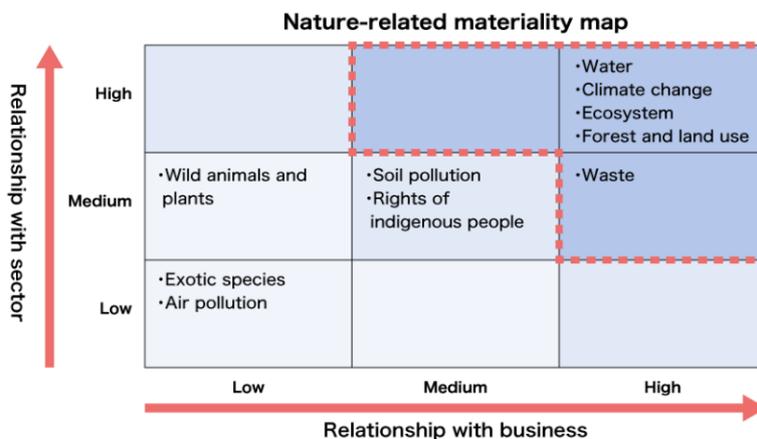
Regarding opportunities, we recognize increasing demand for products that contribute to energy efficiency and GHG emissions reductions, reductions in costs and GHG emissions through the development of more efficient supply chains, as well as changes in consumer preferences associated with global warming. Based on these opportunities, we are rolling out environmentally conscious products, including 100% recycled PET bottles, label-less products, and products made from 100% recycled aluminum materials, as well as products for heatstroke prevention and health-oriented beverages. In addition, within our manufacturing operations, we are advancing the introduction of production equipment equipped with the latest technologies and continuously improving manufacturing processes and plant facilities through monitoring initiatives.

Regarding our transition plan, we aim to achieve our 2030 emissions reduction targets by promoting initiatives such as further adoption of renewable energy and strengthening of supplier engagement.

2) Regarding our natural capital strategy, we have positioned "conservation of sustainable biological resources" as a materiality issue and are evaluating nature-related risks and opportunities based on TNFD recommendations. TNFD’s recommended LEAP approach was used to identify potential risks across the value chain. With a particular focus on water resources, we leverage public tools such as WRI aqueduct and IBAT to analyze priority areas and strengthen preventive response with business resilience programs including ERM.



To identify material issues, we assessed our dependence on and impact on nature using ENCORE, and selected our main raw materials by referring to the SBTN list. As a result, we identified five key issues: water, climate change, ecosystems, forests and land use, and waste. Risks related to these factors include rising costs and supply instability, which may affect our finances, but no significant impact has been observed at this time. On the other hand, strengthening traceability and technological development provide opportunities to contribute to biodiversity conservation.



We have reviewed the potential impact of rising costs and supply instability on our financial plans related to five key issues, including water, and have found no immediate or significant impact on our business or strategy at this time. On the other hand, we also recognize opportunities to contribute to biodiversity conservation through enhanced traceability, advanced technological development, and the provision of environmentally conscious products.

As highly significant transition risks, we have identified the introduction and strengthening of regulations related to deforestation, plastics, and water resources: increases in procurement costs resulting from responses to environmental pollution; and the destabilization of raw material supply due to droughts, water contamination, and other factors. Furthermore, we recognize as significant risks the potential for increased costs associated with the development of low-environmental-impact technologies and related capital investments, as well as the possibility that insufficient consideration for water resource use and ecosystems could lead to criticism from consumers and society, a decline in investor evaluations including divestment, and the occurrence of compensation claims.

As for transition risks, we have identified as highly significant the impacts associated with an increase in natural disasters, such as the leakage of hazardous substances caused by flooding and inundation and factory shutdowns.

On the other hand, as opportunities, we recognize the spread of efficiency-enhancing solutions through initiatives such as strengthening raw material traceability, as well as improvements in ESG ratings through the development of strategies aligned with international guidelines. Furthermore, the use of sustainable finance to fund R&D activities and the capture of demand for ethical consumption are expected to lead to expanded revenue opportunities and enhanced brand value.

Among the five key issues that have been identified, the Group conducted a value chain location analysis on “water,” which is the most important natural resource for its business, to examine the challenges related to water in further depth. For the location analysis, publicly available tools were used to identify the priority locations by assessing the risks related to water and biodiversity in sourcing countries and business sites with respect to their use of water resources and discharges of wastewater into the environment. The analysis was focused on direct operations and upstream of the value chain. No risks were identified downstream, and that was therefore excluded from the scope of the analysis. In a detailed water analysis of water, we assessed the use of water resources at 17 plants in Japan, and found no high risks. However, we are considering strengthening water management at 10 sites that are close to important ecosystems. We also assessed the water-stressed areas of corn and sugar cane, the main raw materials, and took into account the impact of climate change. In addition, for sugar cane cultivation on islands, we assessed the impact of fertilizer and pesticides on coral reefs, and identified conservation areas.

3) Risk Management

Information on risk management related to climate change is described in detail under “3. Risk factors (1) Risk management structure of the CCBJH Group.”



4) Metrics and targets

The indicators and targets for climate change mitigation and adaptation, and the conservation of sustainable biological resources related to natural capital are listed in "(4) Metrics and Targets Related to Overall Sustainability."

With regard to natural capital, our Group positions water, a key raw material for its products, as its most important natural capital. Recognizing that maintaining a sound water cycle and ecosystem in local communities is essential for business continuity, the Group has made water resource conservation a priority area in its non-financial CSV goals. Based on the three pillars of reducing water usage (Reduce), managing wastewater (Recycle), and replenishing water sources (Replenish), we set a goal of reducing water usage by 30% by 2030 and 35% by 2035 compared to 2015 levels, and have achieved a reduction of 24% as of 2025. Additionally, in accordance with agreements with local governments, forestry associations, and other organizations, we are conducting water conservation activities in approximately 8,000 hectares of water source areas in the watersheds surrounding all 17 plants, with the goal of achieving a water source conservation rate of 391% by the end of 2025, returning approximately four times the amount of water we use to the natural environment. In addition, we conduct scientific surveys and vulnerability assessments of source water at all plants, and formulate maintenance plans based on the results. Through these initiatives, we are ensuring the sustainability of water resources as natural capital, strengthening business resilience, and promoting collaboration with local communities.

(6) Approach and initiatives for People Strategy

Continuing from its strategic business plans, the Company positions “strengthening human capital” as a key foundation under Vision 2030. In order to realize the Future state of human capital, the Company will promote its initiatives through two complementary pillars: “Strengthening people and organization” and “Fostering a culture that promotes employee well-being.”

With regard to “Strengthening people and organization,” the Company will respond to changes in its organization, business processes, and ways of working arising from company-wide initiatives to optimize business processes and advance digitalization, and will drive transformation to contribute to sustainable business growth. To this end, the Company will support each employee in autonomously acquiring the new skills required, aiming to achieve both individual growth and the attainment of the Company’s objectives. On the other hand, in order to create an environment in which all employees can fully demonstrate their capabilities regardless of personal attributes such as age, race, nationality, disability, gender, sexual orientation, gender identity, gender expression, or working style, fostering a culture that promotes well-being is essential. The Company believes that enabling people with diverse values, experiences, and attributes to collaborate while respecting one another’s differences, and supporting the happiness and growth of each individual, will serve as a driving force for the Company’s sustainable growth.



1) Governance

In order to strengthen human capital and achieve Vision 2030, at regular meetings of our executive leadership team, approximately a quarter of the meeting time is devoted to discussing human capital. In addition, we set four KPIs related to strengthening human capital as targets for executive officers (female manager ratio, percentage of employees taking childcare leave for their spouse or partner, level of achieving training plans for executive leadership team successors, and percentage of improvement in engagement scores). Our executive leadership team is committed to People Strategy, and the entire company is working together to achieve the targets.

2) Priority areas of the People Strategy

In order to achieve Vision 2030, the Company has been promoting its current People Strategy since fiscal year 2024.

In fiscal year 2025, the Company is focusing on six particularly important priority areas, including the following:

- i) Recruitment and retention of diverse talent
- ii) Establishment of a performance-oriented culture
- iii) Developing talent
- iv) Improving engagement
- v) Promoting well-being
- vi) Promoting DE&I

<Initiatives in 2025>

i) Recruitment and retention of diverse talent

Amid the accelerating decline and aging of the working population in Japan, the Company also faces challenges related to the aging of its workforce as well as imbalances in gender representation. In order to achieve Vision 2030, the Company is promoting the acquisition and retention of diverse talent.

- Strengthening the recruitment of diverse talent

To support sustainable business growth, the Company is accelerating the recruitment of diverse talent, including young people, women, and foreign nationals. In 2025, in addition to its regular graduate recruitment program, the Company launched a “Second New Graduate Recruitment” program, which opens opportunities to motivated candidates regardless of prior work experience. In addition, the Company has expanded the recruitment of women in both new graduate and mid-career hiring. As a result, the proportion of women among employees who joined the Company in 2025 reached 29.4% (up 10.4 percentage points year on year). Furthermore, in order to secure talented individuals regardless of nationality, the Company has been recruiting foreign nationals mainly in back-office and sales functions, and will continue to expand the recruitment of overseas talent at manufacturing sites through the use of the Specified Skilled Worker Program.

- Strengthening retention support for mid-career hires

In 2025, the Company expanded the scope of its retention support initiatives to include mid-career hires, with the aim of enabling newly hired employees to adapt to the organization at an early stage and fully demonstrate their capabilities. Specifically, the Company reviewed its “Supporter Program” to establish a more approachable support structure, and introduced an enhanced onboarding program that strengthens support after employees join the Company. In addition, the Company conducts AI-based surveys for mid-career hires to monitor employee conditions in a timely manner and encourage self-care, thereby promoting retention and accelerating the development of new hires into productive contributors. Going forward, the Company will continue to develop an environment in which diverse talent can demonstrate their abilities and thrive over the long term.

ii) Establishment of a performance-oriented culture

In order to strengthen human resources and the organization and achieve sustainable business growth, the Company supports employees in taking proactive ownership of one’s own development and career. Through the thorough operation of performance-oriented evaluation and compensation systems, the Company aims to achieve both individual growth and the attainment of corporate objectives.

As part of these initiatives, the Company has substantially revamped its training programs for all managers who are responsible for evaluation and development. These programs include case studies designed to help participants properly understand and appropriately address unconscious bias, with the objective of eliminating the influence of personal bias and conventional practices in evaluations and promotions and ensuring fair assessments. In addition, sessions aimed at enhancing feedback skills have been incorporated to enable managers to provide maximum support for employee performance based on fair evaluations.

Furthermore, in order to enable employees to clearly understand how their performance is reflected in their compensation and to encourage them to engage proactively in maximizing their performance, the Company issues “Total Compensation Statements” and “Bonus Statements” that clearly present total compensation, including salaries, bonuses, and welfare benefits.

Going forward, through the effective operation of performance management, the Company will continue to realize fair and highly transparent evaluations, as well as promotions and compensation based on performance. By creating an environment in which each employee feels that their efforts and results are evaluated fairly and can experience personal growth and contribution, the Company will pursue the maximization of organizational performance.

iii) Developing talent

In order to achieve “Strengthening people and organization” toward the realization of Vision 2030, the Company is promoting the expansion of its talent pipeline for individuals who will drive strategically important transformations, as well as the autonomous career development of each employee.

- Expansion and accelerated development of the pipeline for next-generation management

In 2025, as part of ongoing and systematic initiatives to secure and develop future management candidates, the Company identified potential future leaders by placing emphasis not only on performance but also on future potential, based on talent review meetings and assessments conducted by each department. For the selected candidates, individual development plans are formulated and implemented after the candidates and those responsible for their development share an understanding of strengths and challenges. Looking ahead, the Company will further strengthen a systematic development approach based on the “70:20:10

rule,” which is considered an effective learning ratio in talent development. Specifically, the Company will strategically combine tough assignments through on-the-job experiences (70%), learning from others through mentoring and similar initiatives (20%), and training programs (10%), including the transformational leadership training program, Coca-Cola University Japan (CCUJ), as well as English language training, in order to accelerate the early development of future leaders who will assume management responsibilities.

- Promoting autonomous career development and creating a supportive environment

In order to build a workforce and organization capable of responding flexibly to changes in the business environment and the advancement of digital transformation, the Company is focusing on fostering a culture in which each employee demonstrates a high level of autonomy and proactively acquires the skills required. In 2025, the Company promoted a company-wide mindset shift by delivering messages from the CHRO and providing e-learning programs focused on autonomous career development. In addition, to enhance managers’ knowledge and skills in supporting their team members’ career development, the Company strengthened management training programs and rolled out career support and development guides. Furthermore, in order to encourage the realization of autonomous careers, the Company relaxed the eligibility requirements for its internal job posting system. As a result, the number of positions open for internal applications increased to 1.8 times. Going forward, the Company will continue to promote initiatives such as internal communication campaigns for the internal job posting system and further support the realization of autonomous career development.

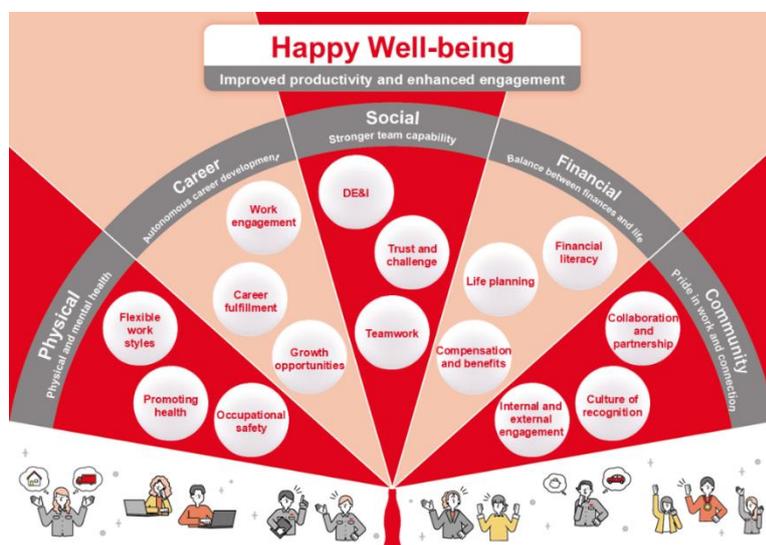
iv) Improving engagement

As part of its transformation initiatives, the Company has revamped its engagement survey with the aim of understanding the current state of the organization and implementing the most appropriate initiatives to be addressed. An engagement survey is designed to measure employees’ motivation, sense of attachment to the Company, job satisfaction, and perceptions of their supervisors and work environment, and to visualize the organizational condition in order to drive improvements.

As an initial initiative, the Company began formulating and implementing improvement actions in each department based on the results of the engagement survey. In November 2025, at a training program for all managers, the Company conducted practical exercises focused on analyzing survey results to identify organizational challenges and on formulating and executing improvement actions through dialogue with team members. In addition, the Company utilizes pulse surveys to continuously measure behavioral changes among managers. Furthermore, the rate of improvement in engagement scores has been established as an indicator for executive evaluations, thereby further clarifying management’s commitment. Through these initiatives, the Company aims to achieve improvements in engagement across the entire organization.

v) Promoting well-being

In order to fulfill the Company’s mission, it is essential that each employee is physically and mentally healthy and able to perform with a sense of fulfillment at work—that is, to enhance well-being. The Company believes that employees’ own happiness serves as a driving force for delivering positive value to society through its products and services. While well-being has traditionally focused primarily on physical and mental health, the Company has newly defined the five elements of well-being as comprising not only physical well-being, but also career, social, financial, and community well-being. Furthermore, the Company presents these elements in a user-friendly design under the name “Happy Well-being,” clearly organizing what the Company can support and what each employee should proactively address.



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- Physical well-being

In order to promote both the physical and mental health of employees and a comfortable working environment, the Company implements initiatives related to health promotion and flexible work styles. Starting in 2025, the Company set a company-wide target for annual paid leave utilization at 70% of granted days. As a result, the paid leave utilization rate reached 78.6% (up 7.0 percentage points year on year). In addition, in 2025, the Company revised the minimum working hours under its flex-time system, effectively enabling a three-day weekend, and introduced an overseas workcation program to promote flexible work styles. Furthermore, the Company continues initiatives such as walking events and smoking cessation programs, promoting lifestyle improvements and disease prevention.

- Career well-being

The Company is strengthening support for career building so that employees can take on challenges in their own way and experience personal growth. Details of these initiatives are described in section iii) Developing talent.

- Social well-being

In order to strengthen team capability based on trust, the Company has implemented initiatives to promote mutual understanding. Details of these initiatives are described below in section vi) Promoting DE&I.

- Financial well-being

In order to enable employees to continue working with peace of mind over the long term, the Company is strengthening mechanisms that allow employees to autonomously choose long-term asset-building options. In 2025, the Company introduced a workplace NISA program and conducted generation-specific financial planning seminars.

- Community well-being

The Company is enhancing employee well-being by strengthening collaboration through its corporate brand. In 2025, the Company promoted collaboration with external stakeholders through DE&I events and career-related events. Furthermore, in order to create an environment in which employees can participate in social contribution activities, the Company introduced a volunteer leave program.

vi) Promoting DE&I

In order to strengthen human capital, the Company is advancing the development of an organization in which all employees can fully realize their potential regardless of differences. Amid a declining workforce, an increase in dual-income households, and the diversification of values, creating an environment in which diverse talent can continue to thrive is essential. The Company positions the promotion of DE&I as a key priority of its People Strategy and is advancing initiatives to foster a culture that promotes employee well-being. In 2025, the Company continued to promote initiatives related to gender, support for dual-income households and shared childcare, the active participation of people with disabilities, and LGBTQ+ inclusion and allyship.

- Gender

The female manager ratio, a key indicator of women’s advancement, exceeded the Company’s 2025 target of 10% by 0.4 percentage points and was achieved above the target level. In order to achieve a target of a 20% female manager ratio by fiscal year 2030, the Company is strengthening its talent pipeline across all stages of recruitment, development, and retention. To attract talented female employees, the Company shares career stories of female employees who are active within the organization and conducts STEM education support events for junior high and high school girls. In addition, the Company continues to provide selective training programs for female managers and management candidates, while also implementing training programs for supervisors in parallel to support success in the workplace. Furthermore, as part of initiatives to encourage women to take on new career challenges, the Company has promoted internal and external communications aligned with International Women’s Day and launched an employee-led women’s advancement promotion network in December 2025.

- Support for dual-income households and shared childcare

The Company is strengthening initiatives to create an environment in which employees can balance childcare and their careers regardless of gender. The Company expanded the mandatory number of days for spouse or partner childbirth leave from three to five days, and achieved a Company-specific target of a take-up rate of five days or more of 98.9%. In addition, the take-up rate of at least one day of childcare leave by male employees, which is the government target, reached 100.6%, achieving the target for fiscal year 2025. Furthermore, in order to support the balance between childcare and employees’ career building, the Company introduced support measures to reduce childcare and household burdens for female employees who return to work early from childcare leave (within six months after childbirth).

- Advancement of people with disabilities

Amid intensifying competition for talent resulting from the increase in the statutory employment rate for people with disabilities, the Company is promoting the recruitment and retention of such talent through job design tailored to individual characteristics

and the development of appropriate working environments. In addition to assigning roles that leverage individual strengths at each business site, “Unilabo,” a dedicated team established at the Roppongi Head Office, contributes to improved productivity by providing specialized operational support that utilizes PC skills. The employment rate of people with disabilities reached 2.57% as of December 31, 2025 (2.56% as of June 1, 2025, the reference date for calculating the statutory employment rate for people with disabilities). Furthermore, in conjunction with the International Day of People with Disabilities, the Company conducted “Disability Week” to deepen understanding of and raise awareness about people with disabilities.

· LGBTQ+ and allies

In order to create an inclusive environment in which everyone can work with a sense of security and be true to themselves regardless of sexual orientation, gender identity, or gender expression, the Company is promoting initiatives to expand the circle of LGBTQ+ allies. The Company has continued internal awareness-raising and dialogue events, such as Pride Week, and has expanded internal and external networks through joint initiatives with customer companies. In addition, the Company introduced a program to subsidize a portion of the costs associated with hormone therapy for employees who experience discomfort with their gender or gender identity. As a result of these initiatives, the Company received the “Rainbow” certification for the fourth consecutive year—the first in the beverage industry—under the PRIDE Index 2025, an indicator for workplace initiatives supporting LGBTQ+ inclusion.

3) Metrics and Targets

· Female manager ratio: In order to achieve a target of a 20% female manager ratio by fiscal year 2030, the Company has been promoting development and recruitment plans for female managers as described above, and achieved its fiscal year 2025 target of 10%.

· Percentage of male employees taking childcare leave: In fiscal year 2025, we achieved 100% for our initial target of employees taking one day of paid leave. In fiscal year 2026, we continue to achieve 100% of this target. Also, as mentioned above, by extending paid spouse or partner childbirth leave from 3 days to 5 days, we will continue to recommend taking more days.

· Employment rate of people with disabilities: In anticipation of the revision of the statutory employment rate scheduled for July 2026, the Company will continue to expand employment opportunities, as described above.

· Average training and development expenditure (per regular employee): In order to systematically develop talent capable of promoting management strategies and leading transformation, the Company is enhancing its training programs, centered on its in-house corporate university, Coca-Cola University Japan (CCUJ). In addition, through “Knowledge Mall,” a platform that supports employees’ autonomous learning, the Company is promoting career building and development.

· Productivity per hour: As an indicator for measuring sustainable enhancement of corporate value, the promotion of diverse working styles, and improvements in operational efficiency, the Company has begun calculating productivity per hour using the following method.

Productivity per hour = Consolidated operating profit of the Group ÷ Total working hours of Group employees (scheduled working hours + overtime hours – hours for leave and absences such as annual paid leave)

With fiscal year 2024, in which the People Strategy was renewed, set as the base year (100), productivity per hour for fiscal year 2025 reached 223.

· Paid leave utilization rate: In line with the government target of achieving a paid leave utilization rate of 70% by fiscal year 2028, the Company has also set a target of utilizing 70% of granted paid leave days and is working to develop a workplace environment in which employees can more easily take annual paid leave.

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Indicator	Results			Target	Target Fiscal Year
	2023	2024	2025		
Female manager ratio (Note) 1	7.4%	9.2%	10.4%	10.0% 20.0%	2025 2030
Percentage of Male Employees Taking Childcare Leave (Note) 1	83.3%	103.8%	100.6%	100.0%	2026
Employment rate of people with disabilities	2.42%	2.59%	2.56% (Note) 2 (Statutory employment rate: 2.5%)	2.70%	2026
Average training and development expenditure (per regular employee) (Note) 3	85,050 yen	82,232 yen	108,664 yen	—	—
Productivity per hour (2024 = 100)	-	100	223	—	—
Paid leave utilization rate	65.7%	71.6%	78.6%	70.0%	2026

- (Note)
1. Figures shown are calculated corresponding to “(Note) 1,2,3” of “(4) Female Manager Ratio, Percentage of Male Employees Taking Childcare Leave, and Gender Wage Gap” in I. Overview, 5. Employees.
 2. Figures listed are from the “Report on the Employment Status of People with Disabilities” (June 1, 2025) submitted to the Director of the Public Employment Security Office with jurisdiction in 2025.
 3. Training and development expenditures include consulting fees and other related costs (fiscal years 2023–2025).

4) Risk management

Risk management of human capital is described in “3. Risk Factor (1) Risk management structure of the CCBJH Group.”

3. Risk factors

This section describes the principal risks assessed as having the potential to materially impact the consolidated group’s financial condition, business performance, and cash flows.

The forward looking statements and assumptions set out in this section reflect the CCBJH Group’s assessment as of the date of filing of the Securities Report.

(1) Risk management structure of the CCBJH Group

The CCBJH Group operates an integrated business resilience program designed to align the management of risk and opportunity with the delivery of sustainable and profitable growth. The program supports the protection of our people and assets, strengthens crisis response and recovery capabilities, and incorporates the strategic use of insurance as a financial risk transfer mechanism for relevant insurable exposures.

The Head of Risk Management (HRM) leads the Risk Management Senior Group (RMSG), which oversees enterprise risk management (ERM), crisis response, business continuity, security, and insurance. The HRM maintains a holistic view across all business functions to identify emerging risks and opportunities and, through regular reporting, provides transparent risk visibility to executive leadership and the Board. The RMSG works in close partnership with functional risk owners to support the identification, assessment, and management of business risks.

The Board retains ultimate accountability for the Group’s risk management and internal control framework. It defines the Group’s risk appetite and, through the Audit and Supervisory Committee, monitors and reviews the effectiveness of these systems. During the year, the Board received comprehensive reporting on the Group’s reportable risks being those with the potential to affect the achievement of strategic objectives and actively engaged in their evaluation.

Our risk management framework includes regular risk discussions at the Executive Leadership Team (ELT) level and quarterly risk management forums that bring together senior leaders to review the operational environment and overall risk profile. In addition, targeted functional deep-dive risk reviews are conducted with senior leadership teams, supported by structured risk interviews. The RMSG also collaborates with Coca-Cola system stakeholders to enhance alignment and ensure that material risks affecting the broader system are appropriately considered. Following executive review, functional risk owners are assigned to each major risk and are responsible for confirming and executing mitigation actions. Through these processes, we continually monitor changes in the internal and external operating environment, including natural disaster exposure, commodity cost volatility, talent availability, and evolving consumer preferences.

The ERM program is embedded across the business through alignment with strategic objectives and principles; integration into Group statements on strategic direction, ethics, and values; and incorporation into the annual business planning cycle. Ongoing monitoring of both internal and external risk drivers is supported by training initiatives aimed at strengthening risk management capability across functions and fostering informed risk-taking. The adequacy and scope of insurance coverage are reviewed annually to ensure appropriate financial protection.

Through regular risk discussions, ERM activities, and the application of a formal PDCA cycle, CCBJH maintains visibility of emerging trends and continuously reviews its major risks. To support execution of the Group’s growth strategy, agreed risk mitigations are embedded into the annual business plans of each function. The ERM process is subject to periodic internal audit against global best practices, with improvement recommendations provided by the Head of Audit as appropriate.

(2) Major risks

The major risks that may have a material impact on the CCBJH Group’s financial condition, business performance, and cash flows are summarized below in order of priority. The relative significance of individual risks is reviewed regularly in light of changes in the internal and external operating environment. During the year, IT and cyber security remained an elevated area of focus, reflecting the increasing frequency and severity of incidents observed across industries. In addition, climate related risks continue to evolve and remain subject to ongoing assessment.

The risks presented do not represent an exhaustive list of all risks faced by the Group. New or previously lower priority risks may emerge over time and could adversely affect the business.

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Risk category	Description and Potential Impacts	Key mitigations
Cyber Security and Systems	<p>Business activities being impacted and/or confidential information leaking caused by system failures or cyber incidents.</p> <ul style="list-style-type: none"> • Losing trust from consumers and customers • Deterioration of financial conditions 	<ul style="list-style-type: none"> • Prepare countermeasures to mitigate any damage caused by system failures • Improving and strengthening system security by proactive threat identification and conducting simulation tests of cyberattacks • Complying with laws and regulations on information and data privacy management • Establishing internal regulations related to information security supported by related employee training programs
People Talent (Attraction and Retention)	<p>Not being able to secure, retain and develop sufficient human resources and build constructive relationships with labor unions due to business performance, aging population, and a competitive employment environment.</p> <ul style="list-style-type: none"> • Slowdown or suspension of business activities • Slowdown or suspension of supply chain operations • Inability to achieve growth plans 	<ul style="list-style-type: none"> • Implement strategic people development plans and managing payment structure • Recruit diverse talent base and commitment to people development • Implement unmanned operations, online transactions, and outsourcing of shipping operations • Enhance the workplace environment to improve employee satisfaction • Strengthen communication between top management and employees
Health and Safety	<p>Lack of compliance with safety systems, ownership or accountability and awareness, mental health issues, and the use of aging equipment cause serious work-related health and safety incidents.</p> <ul style="list-style-type: none"> • Death or serious injury • Reputation damage • Prosecution and/or fines 	<ul style="list-style-type: none"> • Continue ISO45001 certification/Internal Audit strategies • Continue implementing mental health survey • Varieties of safety measures in place • Education & training to raise awareness • Remodeling of program to leverage Coca-Cola system best practices
Growth Strategies	<p>Failure to implement measures to improve our competitive advantage and grow the business through transformation (such as business integration, joint ventures, capital investments, project management etc.) due to people capabilities.</p> <ul style="list-style-type: none"> • Deterioration of financial conditions caused by loss due to impairment • Losing trust from shareholders 	<ul style="list-style-type: none"> • Building a robust system that enables the group to respond readily and flexibly to various circumstances • Formulate business integration strategies that take multiple scenarios into consideration • Talent development strategies ensuring right skill sets are available to manage projects and deliver technological transformation. • Supervision by Board of Directors and Executive Officers
Changing Consumer Mindset	<p>Changes in consumer preferences caused by concerns over sugar consumption and increased health awareness, or pricing.</p> <ul style="list-style-type: none"> • Acquisition or loss of consumer base • Winning or losing trust from consumer • Discriminatory taxation 	<ul style="list-style-type: none"> • Focus on product innovation and portfolio expansion. • Strengthen range of low and no calorie beverages. • Diversification in pack sizes. • Promote active lifestyles through consumer engagement program.
Evolving Commercial and Competitor Landscapes	<p>Inability to respond to changes in the retail and competitive environment effectively, efficiently and with agility.</p> <ul style="list-style-type: none"> • Acquisition or loss of consumer base • Winning or losing trust from consumers • Reduced sales profit • Reduced portfolio availability 	<ul style="list-style-type: none"> • Enhancing the product portfolio and accelerated productivity further to deliver products that meet the needs of retailers. • Enhancing Right Execution Daily (RED) to drive operational excellence. • Expanding online channels to respond to the surge in Internet mail orders. • People development strategies to leverage advantages in technology.
Manufacturing, Logistics & Infrastructure	<p>The stable supply of goods being impeded due to issues in production and logistics operations, or changes in weather and consumer behaviors.</p> <ul style="list-style-type: none"> • Drop in sales volume and revenue • Losing trust from customers 	<ul style="list-style-type: none"> • Building a flexible supply system to respond to changes in the market environment. • CAPEX investment in infrastructure (production lines, etc.) that will enable the group to respond to the increase in demand during the peak seasons more readily. • Systems enhancements to enable timely sharing of inventory status.
Natural Disasters	<p>Death and injury of employees, damage to business facilities for production, logistics and sales operations caused by events, such as, earthquakes and floods.</p> <ul style="list-style-type: none"> • Slowdown or suspension of business activities • Slowdown or suspension of supply chain operations • Reduced sales opportunities • Additional costs required for recovery 	<ul style="list-style-type: none"> • Strong Business Continuity Plan (BCP) and crisis response capabilities, tested annually, enabling structured and streamlined responses. • Enhance regional response capability through regular crisis and disaster response training and simulations. • Identified alternative shipping locations and secure transportation capacity in preparation for a disaster that damages the logistics centers. • Insurance coverage and specialized programs for earthquake.

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Risk category	Description and Potential Impacts	Key mitigations
Sustainability	<p>Failing to respond to changes in stakeholders' awareness of sustainability including climate change risks and/or inadequately reporting on sustainability and ESG topics in line with stakeholder and regulatory requirements.</p> <ul style="list-style-type: none"> • Reputation damage with a reduction in stakeholder trust • Increase in investor activism in field of climate change • Financial impacts - loss of sales if customer expectations on climate change are not met and they shift to competitors 	<ul style="list-style-type: none"> • Sustainability Committee reviews and aligns the sustainability plans and objectives. • Achieving CSV goals contributing to the development of a sustainable society. • Coca-Cola system initiatives include increasing the use rate of recycled PET resin, developing more light-weighted packages, and collecting used PET bottles more effectively. • Proactive response in line with ESG, TCFD and TNFD reporting requirements.
Climate change	<p>Becoming short of raw materials including water and agricultural products due to climate change.</p> <ul style="list-style-type: none"> • Reduced commodity availability and product supply • Increase of production costs • Limitations to product portfolio • Discriminatory taxation 	<ul style="list-style-type: none"> • Focus on sustainable procurement. • Engagement with stakeholders. • Sourcing alternative suppliers and strengthening the selection of suppliers and their management by utilizing the performance data. • Adjust the level of raw materials that are difficult to procure, and shift to other raw materials when necessary.
Quality and Food Safety	<p>Product related quality and food safety incidents.</p> <ul style="list-style-type: none"> • Losing trust with customers and consumers • Decline in earnings due to product recall or mass disposal of defective products • Loss of opportunities due to penalties 	<ul style="list-style-type: none"> • Supplier quality audits and quality certifications. • Employee awareness of quality control in all processes from manufacturing to sales. • Enhance the quality control and reporting system so that consumer/customer complaints receive a timely response. • Robust identification and response programs that enable us to deal with quality/food safety issues quickly and efficiently.
Regulatory Compliance and Ethics	<p>Violations of laws, internal regulations, and our code of ethical conducts.</p> <ul style="list-style-type: none"> • Loss of customer and consumer trust • Damage to brand and corporate reputation • Regulatory penalties • Economic loss through fraud 	<ul style="list-style-type: none"> • Strong Tone from the Top and continued internal communication on corporate behaviors. • Ethics & Compliance Committee meetings held regularly. • Minimizing employee fraud opportunities by rebuilding the business processes, organizational structure, and IT systems.
Franchise relationships	<p>Risk related to our high dependency on, or changes to our relationship with TCCC and CCJC as trademark owners in respect to contract / relationship terms and renewals, concentrate pricing, support for product promotions.</p> <ul style="list-style-type: none"> • Decrease in sales from any suspension in the use of TM rights and/or decline in product development capabilities and brand power. • Increased COGS due to concentrate price. • Increased sales promotion expenses in event of a decrease in sales support 	<ul style="list-style-type: none"> • Maintaining and continually strengthening cooperative relationships with The Coca-Cola Company and Coca-Cola (Japan) Company.
Commodity Pricing	<p>Significant increase in procurement costs due to fluctuations in foreign exchange rates, raw material shortages, and commodity price increases.</p> <ul style="list-style-type: none"> • Increased cost base impacting profitability • Reduced product supply • Limitations to product portfolio 	<ul style="list-style-type: none"> • Mitigate the impact of exchange rate and product price fluctuations through the uses of derivative transactions and hedging. • Procure raw materials at lower costs through collective multi system company purchases leveraging Coca-Cola system.

4. Management's analysis of financial condition, results of operations and cash flows

Financial Summary

(1) Overview of Full-Year 2025 Results

During the current consolidated fiscal year (January 1, 2025 to December 31, 2025, hereinafter referred to as ‘the current fiscal year’), the total domestic nonalcoholic ready-to-drink (NARTD) beverage market is estimated to have declined by approximately 2% in volume compared to the prior fiscal year. This was due to factors such as declining consumer sentiment from rising inflation and reduced demand stemming from price revisions by soft drink companies, despite a continued gradual improvement in the domestic economy. Furthermore, the business environment remained uncertain due to cost pressures from external factors such as rising commodity and material prices and unstable foreign exchange rates.

Under these circumstances, we positioned 2025 as the year of “achieving both profit growth and strengthening foundation.” By steadily implementing top-line growth strategies focused on maximizing profits and key transformation measures, we have built a robust growth foundation capable of generating stable profits, while maintaining existing profit growth trends. In commercial areas, under our profitability-focused strategy, we have strengthened core categories, expanded sales floor space, and implemented effective marketing initiatives across all commercial channels. Furthermore, as part of major initiatives to improve profitability, we implemented two rounds of price revisions for our products in May and October. At the same time, we strived to maintain product shipment prices. We have also focused on improving the productivity of our vending machine operations. As a key initiative of our vending transformation, we revamped the assortment system that determines product selections for vending machines. By optimizing product selection based on profitability, we have improved vending machine visit frequency and product replenishment rates, thereby improving vending operation efficiencies. In the supply chain area, we have pursued further evolution of our supply chain network by building more advanced, data-driven processes. We have promoted a “local production for local consumption model,” centered on manufacturing products at plants closer to consumption areas, thereby improving transportation efficiency and reducing transport distances. Additionally, we have implemented productivity improvement initiatives at each plant, establishing flexible manufacturing systems to support the “local production for local consumption model” while expanding manufacturing capacity. To further evolve our Sales and Operations Planning (S&OP) process, we have introduced a platform for optimizing supply planning. Additionally, to further strengthen our future logistics network, we proceeded with the launch of an Integrated Distribution Center (IDC) enabling more advanced consolidation and optimal allocation of product inventory. Our first IDC in the Kyushu area commenced operations, allowing us to swiftly advance the consolidation of product inventory alongside the integration and consolidation of sales and logistics locations. In the back office and IT fields, we have worked with our joint venture company established with Accenture, NeoArc Inc., to further advance the standardization and automation of business processes. We have leveraged the capacity generated through these efficiency improvements to achieve cost savings, including appropriately bringing externalized operations in-house.

We have also continued to focus our efforts on activities to achieve ESG goals based on co-creation of value with society. Through the collaborative efforts with customers and government agencies to promote water resource conservation and PET bottle recycling, we have been aiming at reducing environmental impact through the creation of a recycling-oriented society and to expand business opportunities through collaboration. Regarding container recycling, we have been advancing to expand the implementation areas for horizontal recycling (Bottle to Bottle and CAN to CAN) of empty containers collected from recycling boxes installed alongside vending machines. We have also advanced investments aimed at reducing future environmental impact. This includes conducting road tests of large trucks utilizing “renewable diesel,” a next-generation biofuel contributing to decarbonization, and initiating demonstration experiments using tea and coffee grounds to generate clean electricity and utilize the recovered high-purity CO₂ as a manufacturing power source. To strengthen human capital, as the second year of implementing our renewed HR strategy for sustainable growth, we advanced both “strengthening talent and organization” for strategic execution and “fostering a culture that promotes employee well-being” to maximize employee potential. Through our efforts to strengthen the talent pipeline across recruitment, development, and retention in order to increase the female manager ratio, we achieved our target of a 10% female manager ratio ahead of plan. Simultaneously, by strengthening talent development and self-improvement support, we increased the average amount spent per employee on training and skill development by 32% compared to the prior period. We have also worked to advance Diversity, Equity & Inclusion (DE&I), supported working parents and shared childcare, and promoted flexible work arrangements. Our ESG initiatives, including these efforts, have been highly recognized, and we have been selected as a constituent of various indices, including the FTSE4Good Index Series and the FTSE JPX Blossom Japan Index.

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Additionally, in August, we decided to revise upward our Strategic Business Plan Vision 2028 and launched a new Strategic Business Plan, Vision 2030, aimed at further increasing shareholder value. New elements include greater collaboration with the Coca-Cola (Japan) Company, Limited, business operations conducted by multiple business units with clearly defined accountability, rebuilding the earnings base in the vending business and operating it with the mindset of the world's largest retailer, and implementing the largest shareholder return in our history. We aim to achieve ambitious targets by 2030 of business income exceeding 80 billion yen, approximately double our historical peak, and a Return on Invested Capital (ROIC) that exceeds 10%, approximately double our cost of capital.

A summary of the results for the current fiscal year is as follows.

Summary of Business Performance

(Millions of yen except sales volume)

Full Year (January to December)	2024	2025	Change (%)
Revenue	892,681	893,805	0.1
Sales volume (million cases)	501	501	(0)
Gross profit	402,450	399,304	(0.8)
Selling, general & administrative expenses	389,534	373,475	(4.1)
Other income (recurring)	927	662	(28.5)
Other expenses (recurring)	1,812	2,071	14.3
Investment income on equity method	16	105	543.7
Business income	12,046	24,525	103.6
Other income (non-recurring)	5,487	1,323	(75.9)
Other expenses (non-recurring)	4,143	98,233	—
Operating income (loss)	13,390	(72,385)	—
Net income (loss) attributable to owners of parent	7,309	(50,763)	—

(Note) “Business income” is a measure of our recurring business performance. “Business income” 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.

Consolidated revenue was 893,805 million yen (an increase of 1,124 million yen or 0.1% compared to prior fiscal year). Sales volume remained virtually flat year over year, outperforming a market experiencing negative growth as the consumption environment proved more challenging than initially anticipated. Additionally, while affected by changes in channel mix, the impact of price revisions improved wholesale revenue per case. As a result, revenue, which had been projected to decline compared to the prior period, exceeded the revised plan in November and remained at the same level as the prior fiscal year.

Consolidated business income was 24,525million yen (an increase of 12,480 million yen or 103.6%, compared to the prior fiscal year). In addition to the profit contribution from increased revenue, cost savings achieved through transformation and benefits from improved manufacturing efficiency contributed to improved profitability. Business income exceeded the initial plan by 23%, surpassing the revised plan that had been raised twice during the period, and reached a level double that of the prior fiscal year.

Consolidated operating income was a loss of 72,385 million yen, a decrease of 85,775 million yen from the prior fiscal year, when consolidated operating income was 13,390 million yen. This decline occurred despite an increase in business income compared with the prior fiscal year. During the second quarter (April 1 to June 30), the vending business revalued fixed assets to optimize future capital allocation, resulting in the recognition of a non-cash impairment loss. Other income (non-recurring) for the cumulative third quarter period included a gain of 1,250 million yen on the sale and disposal of property, plant, and equipment, recorded as part of balance sheet optimization efforts. Other expenses (non-recurring) included an impairment loss of 90,497 million yen, primarily attributable to the aforementioned impairment in the vending business, special retirement allowances of 3,433 million yen associated with the implementation of a voluntary employee retirement program, and business structure improvement costs of 3,634 million yen associated with fundamental transformation initiatives.

Net loss attributable to owners of the parent increased by 58,072 million yen (increase in loss) with operating loss expanding from the prior fiscal year. The loss was 50,763million yen (7,309 million yen profit in the prior fiscal year).

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Financial results by segment are as follows.

The reportable segment classification has been changed from the second quarter. Accordingly, the comparison and analysis of the fiscal year ended December 31, 2025 with the fiscal year ended December 31, 2024 are presented based on the new classification.

a. Vending Business

Revenue amounted to 399,880 million yen (a decrease of 11,074 million yen, or 2.7%, compared to the prior fiscal year). Segment income was 11,266 million yen (an increase of 6,077 million yen or 117.1%, compared to the prior fiscal year).

b. OTC Business

Revenue amounted to 417,949 million yen (an increase of 7,097 million yen or 1.7%, compared to the prior fiscal year). Segment income was 46,975 million yen (a decrease of 2,650 million yen or 5.3%, compared to the prior fiscal year).

c. Food Service Business

Revenue amounted to 45,323 million yen (an increase of 3,456 million yen or 8.3%, compared to the prior fiscal year). Segment income was 8,775 million yen (an increase of 1,891 million yen or 27.5%, compared to the prior fiscal year).

Sales volume trends (% change from the same period of the prior fiscal year)

Sales volume for the full year was flat year over year and outperformed overall market growth. This performance was achieved despite the negative impact of price revisions on demand, reflecting efforts to strengthen core categories, expand sales floor space, and implement effective marketing activities. In addition, wholesale revenue per case improved across all channels following the price revisions, continuing the upward trend from the prior year.

Turning to channel performance, in Supermarkets, sales volume of large PET bottle products decreased by 2% despite efforts to secure shelf space by fully leveraging new products. This decline was mainly due to price revisions and cycling of the temporary volume surge in the prior year related to the Nankai Trough earthquake alert.

At Drugstores and Discounters, similar to supermarket, sales volume was impacted by price revisions the volume decline due to price revisions and other factors. However, driven by special demand resulting from temporary supply shortages in the beverage industry during the fourth quarter (October 1 to December 31), sales volume increased by 2%.

In the Convenience Store channel, sales volume decreased by 5%. Despite this decline, the company strengthened the rollout of new products and customer-exclusive items and implemented effective, customer-focused marketing activities, which contributed to an improvement in profitability. Performance was impacted by a continued challenging competitive environment and the strategic implementation of promotion expense controls, including rebates.

In the Vending channel, initiatives to capture demand through digital applications, including effective campaigns via the smartphone app Coke ON, delivered results. However, sales volume declined by 5% due to continued market contraction and reduced sales volume following price revisions. Meanwhile, wholesale revenue per case in vending improved by 90 yen compared to the prior period due to price revisions.

Online sales volume increased by 17%, driven by successful initiatives such as strengthening product offerings and acquiring subscription service users through customer collaboration. In the Food Service channel, we achieved 9% volume growth while improving profitability through price revisions and other measures. This performance was supported by initiatives to expand product offerings for each customer and efforts to secure new business.

By product category in the nonalcoholic ready-to-drink (NARTD) beverage segment, the sparkling category saw a 5% increase in sales volume. This growth was driven by the expansion of Coca-Cola and Coca-Cola Zero in restaurants and online channels, along with contributions from Fanta and Sprite. The tea category saw volume increase by 1%, despite the impacts of price revisions. Growth was supported by the continued success of Ayataka, which achieved double-digit growth in the prior period after a full renewal and grew by 2% in this period due to the launch and renewal of multiple products including Ayataka Koi Ryokucha. Contributions from the renewed Kocha Kaden also supported this category growth. Coffee sales volume decreased by 1%, largely due to the impact of price revisions and lower sales of canned and bottle can product volumes. This decline occurred despite contributions from newly launched Georgia products, campaign effects, and growth in medium PET bottle products. Water sales volume decreased by 10%, significantly impacted by price revisions and the cycling of strong demand recorded in the prior period. The sports category saw a 4% decline, reflecting lower sales volume of large PET bottle products at supermarkets, drugstores and discounters following price revisions. This decline occurred despite sales volume growth in online channels. Juice sales volume increased by 6%, driven by expanded sales of Minute Maid Orange in restaurants and other outlets. Wholesale revenue per case also improved as a result of price revisions.

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In the alcohol category, sales volume decreased by 15% despite efforts to strengthen the category, including the renewal of multiple products under the Lemon-Dou brand and the launch of Jack Daniel's & Canada Dry Ginger Highball. This decline was mainly due to a challenging market environment.

(2) Cash Flow

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

<Cash Flows from Operating Activities >

Net cash generated from operating activities was 61,123 million yen (48,883 million yen generated from operating activities in the prior fiscal year). This was mainly due to “depreciation and amortization” and “impairment loss”, recorded in excess of the “loss for the period before income tax.”

<Cash flows from investing activities>

Net cash used in investing activities was 25,744 million yen (16,128 million yen used for investment activities in the prior fiscal year). This was mainly due to “payments for acquisitions of property, plant and equipment and intangible assets,” while “proceeds from sale of other financial assets” was recorded.

<Cash flows from financing activities>

Net cash used in financing activities was 47,507 million yen (57,942 million yen used for financing activities in the prior fiscal year). This was mainly due to “payments for purchases of treasury shares” and “dividends paid.”

As a result of these activities, cash and cash equivalents as of December 31, 2025 amounted to 76,330 million yen, a decrease of 12,143 million yen from the fiscal year ended December 31, 2024.

Overview of production, orders received and sales

The Group’s production, procurement, and sales items cover a wide and diverse range. Even for products and goods of the same type, sales channels are not uniform, and many products are not manufactured on a build-to-order basis. Accordingly, the Group does not present production scale, procurement scale, or order volume by segment in terms of monetary amounts or quantities.

For this reason, the results of production, procurement, and orders received are presented in connection with segment performance in “Financial Summary, (1) Overview of Full-Year 2025 Results.”

Sales results

Sales results for the current fiscal year are as follows:

Segment name	Amount (Millions of yen)	Year-to-year comparison (%)
Vending Business	399,880	97.3
OTC Business	417,949	101.7
Food Service Business	45,323	108.3
Other	30,652	105.7
Total	893,805	100.1

(Note) Information on sales by major customers is omitted, as there are no counterparties with whom the ratio to overall sales exceeds 10%.

Analysis of financial condition, results of operations and cash flow

(1) Materials accounting policies and estimates

The consolidated financial statements of the Group are prepared in accordance with IFRS. In preparing these consolidated financial statements, certain items, including provisions, are based on estimates made by the Group. These estimates are based on the Group’s historical results and matters that are deemed reasonable considering the future plans. The accounting standards are described in 1. Consolidated financial statements, (1) Notes to Consolidated financial statements, 4. Critical accounting judgments, estimates and assumptions under V. Accounting information.

(2) Analysis of financial position at the end of the fiscal year

The ratio of the Group's equity attributable to owners of the parent to total assets at the end of the fiscal year was 54.4%, and we believe that our financial position remains sound.

Major factors of changes from the end of the prior fiscal year for each major item in the consolidated statement of financial position are as follows:

Assets

Total assets amounted to 698,486 million yen, a decrease of 105,667 million yen from the end of the prior year. This was mainly due to a decrease in “cash and cash equivalents,” as well as reductions in “property, plant, and equipment,” and “intangible assets” resulting from the recognition of impairment losses.

Liabilities

Total liabilities amounted to 318,287 million yen, a decrease of 19,423 million yen from the end of the prior year. This was mainly due to the decrease in “lease liabilities” and “deferred tax liabilities.”

Equity

Total equity was 380,199 million yen, a decrease of 86,244 million yen from the end of the prior year. This was mainly attributable to a decrease in “retained earnings” and a reduction in “capital surplus” resulting from the cancellation of treasury shares, while “treasury shares” decreased, which means capital increased, because of the cancellation of treasury shares.

Cash and cash equivalents at the end of this year was 76,330 million yen, a decrease of 12,143 million yen (13.7%). See the consolidated statements of cash flows in “Overview of financial results, (2) Cash flows” for more details.

(3) Analysis of results of operation for the current fiscal year

An overview of results of operation for the fiscal year is as described in “Overview of financial results, (1) Results of operations.” Major changes from the prior fiscal year for each major item in the consolidated statements of profit or loss are as follows:

Revenue

Revenue for the current fiscal year increased 1,124 million yen (0.1% from the prior fiscal year) to 893,805 million yen.

Operating loss

Operating income for the current fiscal year decreased 85,775 million yen to a loss of 72,385 million yen (13,390 million yen of operating income from the prior fiscal year).

Net loss for the current fiscal year

Net income for the current fiscal year decreased 58,056 million yen to a loss of 50,668 million yen (7,389 million yen of net income from the prior fiscal year).

Net loss for the current fiscal year attributable to owners of the parent

Net income for the current year attributable to owners of the parent decreased 58,072 million yen to a loss of 50,763 million yen (7,309 million yen of net income attributable to owners of the parent from the prior fiscal year).

(4) Factors affecting financial position and results of operations

Factors that have could significantly impact the Group's financial position and results of operations are described in “3. Risk factors.”

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5. Important agreements for business

The Bottler’s Agreement

We have concluded the Bottler’s Agreement with The Coca-Cola Company and Coca-Cola (Japan) Company Limited for the manufacture and sale of Coca-Cola, I LOHAS, Ayataka, Fanta, Sprite, Real Gold, Georgia, Aquarius, Qoo, Sokenbicha, Huang, and Kochakaden, etc. and for the use of trademarks in Tokyo, Osaka, Kyoto, and 35 prefectures, including the South Tohoku, Kanto, Koshinetsu, Chubu, Kinki, Chugoku, Shikoku, and Kyushu regions. Under this agreement, we have entered into the Delegation of Manufacturing and Distribution Rights under Bottler’s Agreement with The Coca-Cola Company and Coca-Cola (Japan) Company Limited to entrust the bottling business to Coca-Cola Bottlers Japan Inc.

6. Research and development activities

Not applicable.

III. Information about facilities

1. Overview of capital expenditures

The Group implemented capital expenditures totaling 40,030 million yen during the current fiscal year. The main contents of this investment were the introduction of vending machines and other products to the market to strengthen sales capabilities, improvement of manufacturing efficiency, and acquisition of facilities for new products.

Capital expenditures include the amounts for property, plant and equipment, right-of-use assets, and intangible assets.

2. Major facilities

Major facilities in the Group are as follows: The carrying amount is presented in accordance with IFRS.

(1) Segment breakdown

As of December 31, 2025

Reportable segment	Carrying amount (Millions of yen)					
	Buildings and structures	Machinery and vehicles	Vending machines	Land	Other	Total
Vending Business	20,601	9,170	27,464	59,448	17,291	133,974
OTC Business	47,408	55,094	989	56,738	15,615	175,845
Food Service Business	3,210	2,867	10,079	5,013	1,337	22,506

(Note) The Group allocates its assets among three segments: Vending Business, OTC Business, and Food Service Business.

(2) Submitting company

As of December 31, 2025

Office Name (Location)	Reportable segment	Details of facilities	Carrying amount (Millions of yen)						Number of employees (persons)
			Buildings and structures	Machinery and vehicles	Vending machines	Land (thousand m ²)	Other	Total	
Head office and others (Minato-ku, Tokyo, other)	Others	Overall management, production, sales, logistics bases, etc.	12,092	3	—	42,276 (1,382)	823	55,194	15

(3) Domestic subsidiaries

As of December 31, 2025

Company Name (Location)	Reportable segment	Details of facilities	Carrying amount (Millions of yen)					
			Buildings and structures	Machinery and vehicles	Vending machines	Land (thousand m ²)	Other	Total
Coca-Cola Bottlers Japan Inc. (Minato-ku, Tokyo)	Vending Business, OTC Business, Food Service Business, Others	Production, sales, logistics bases, etc.	59,024	67,125	33,315	64,918 (2,014) [178]	33,418	257,801
FV Japan Co., Ltd. (Toshima-ku, Tokyo)	Vending Business	Vending machines, etc.	30	2	5,255	369 (5) [5]	—	5,656

Company Name (Location)	Reportable segment	Details of facilities	Number of employees (Persons)
Coca-Cola Bottlers Japan Inc. (Minato-ku, Tokyo)	Vending Business, OTC Business, Food Service Business, Others	Production, sales, logistics bases, etc.	7,387 [1,216]
FV Japan Co., Ltd. (Toshima-ku, Tokyo)	Vending Business	Vending machines, etc.	336 [94]

- (Note)
- “Other” in “Carrying amount” consists of “Construction in progress” in property, plant and equipment, “right-of-use assets,” and “Software” in intangible assets.
 - Figures in [] of land (thousand m²) are the area of leased land (thousand m²), which are not included in each figure.
 - Figures in [] of number of employees are the number of temporary workers, which are not included in each figure.

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3. Planned additions and disposals of facilities

The Group's capital expenditure is planned based on our budget formulation policy.

In principle, each company formulates its own facility plans, however, the submitting company makes adjustments.

The Group's significant plans for the construction, renovation, etc. of facilities as of the end of the current fiscal year are as follows:

There are no plans for significant assets sales or disposals.

Company Name (Location)	Office Name (Location)	Reportable segment	Details of Facilities	Total planned expenditures (Millions of yen)	Amount paid (Millions of yen)	Way of financing	Scheduled start date	Scheduled completion date
Coca-Cola Bottlers Japan Inc.	Each branch (—)	Vending Business	Vending machines, etc.	11,013	—	Own fund	Jan. 2026	Dec. 2026

IV. Information about the company

1. Information about shares

(1) Total number of shares

1) Total number of shares

Type	Total number of authorized shares
Common shares	500,000,000
Total	500,000,000

2) Issued shares

Class	Number of issued shares at the end of the fiscal year (As of December 31, 2025)	Number of issued shares at the filing date (As of March 19, 2026)	Name of listed share exchange or registered authorized financial instruments firms’ association	Details
Common shares	171,268,593	171,268,593	Tokyo Stock Exchange (Prime Market)	100 shares per unit
Total	171,268,593	171,268,593	—	—

(2) Share acquisition rights

1) Details of the share option plan

Not applicable.

2) Description of rights plan

Not applicable.

3) 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	(Thousands of shares)		(Millions of yen)			
	Increase (Decrease) in total no. of issued shares	Balance of total number of issued shares	Increase/decrease of capital stock	Capital stock balance	Increase/decrease of capital reserve	Capital reserve balance
November 10, 2025 (Note)	(12,000)	171,269	—	15,232	—	108,167

(Note) Decrease of cancellation of treasury shares in accordance with the provisions of Article 178 of the Companies Act.

(5) Shareholding by shareholder category

As of December 31, 2025

Category	Status of shares (number of shares constituting one unit: 100 shares)								Number of shares less than one unit (Shares)
	National and local governments	Financial institutions	Financial service providers	Other corporations	Foreigners		Individuals and others	Total	
					Other than individual	Individuals			
Number of shareholders (Persons)	—	30	31	616	325	201	55,070	56,273	—
Number of shares held (units)	—	261,590	79,948	520,524	594,996	607	248,193	1,705,858	682,793
Percentage of shareholdings (%)	—	15.334	4.686	30.513	34.879	0.035	14.549	100.000	—

(Note) 1. “Individuals and Others” and “number of shares less than one unit” column include 28,195 units and 75 shares of treasury share owned by the Company, respectively.
2. “Other corporations” and “Shares less than one unit” include 23 units and 60 shares in the name of Japan Securities Depository Center, Inc., respectively.

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(6) Major shareholders

As of December 31, 2025

Name	Address	Number of shares held (thousands of shares)	Percentage of the number of shares held to the total number of issued shares (excluding treasury share) (%)
Coca-Cola (Japan) Co., Ltd.	4-6-3, Shibuya, Shibuya-ku, Tokyo	27,956	16.60
The Coca-Cola Export Corporation (Standing proxy: Morgan Stanley MUFG Securities Co., Ltd.)	CORPORATION TRUST CENTER, 1209 ORANGE ST, WILMINGTON DELAWARE 19801 (Otemachi Financial City South Tower, 1-9-7, Otemachi, Chiyoda-ku, Tokyo)	16,919	10.04
The Master Trust Bank of Japan, Ltd. (Trust Account)	1-8-1, Akasaka, Minato-ku, Tokyo	16,260	9.65
Ichimura Foundation for New Technology	1-26-10, Kitamagome, Ota-ku, Tokyo	5,295	3.14
JP Morgan Securities Japan Co., Ltd.	Tokyo Building, 7-3 Marunouchi 2-chome, Chiyoda-ku, Tokyo	4,932	2.93
Senshusha Co., Ltd.	339 Noda, Noda-shi, Chiba	4,088	2.43
Coca-Cola Holdings West Japan Inc. (Standing proxy: Coca-Cola (Japan) Company, Limited)	1013 Wilmington Center Road, U.S.A. Delaware (4-6-3 Shibuya, Shibuya-ku, Tokyo)	4,075	2.42
Satsuma Shuzo Co., Ltd.	26 Kamimotocho, Makurazaki-shi, Kagoshima	3,848	2.28
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12, Harumi, Chuo-ku, Tokyo	3,012	1.79
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (Bldg. A, Shinagawa Intercity, 2-15-1, Konan, Minato-ku, Tokyo)	2,646	1.57
Total	—	89,031	52.85

(Note) The treasury shares (2,820 thousand shares) are excluded from the list above and from the calculation of ratio of shareholding because they do not have voting rights. Also, the treasury shares do not include the Company shares held by Executive reward BIP Trust and Stock-granting ESOP Trust.

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(7) Voting rights

1) Issued shares

As of December 31, 2025

Class	Number of shares	Number of voting rights	Details
Non-voting shares	—	—	—
Shares with restricted voting rights (Treasury Shares)	—	—	—
Shares with restricted voting rights (Others)	—	—	—
Shares with full voting rights (Treasury Shares)	Common shares 2,819,500	—	—
Shares with full voting rights (Others)	Common shares 167,766,300	1,677,663	—
Odd lot shares	Common shares 682,793	—	—
Total number of issued shares	171,268,593		—
Voting rights of all shareholders	—	1,677,663	—

- (Note)
1. “Shares with voting rights (others)” includes 2,300 shares (23 voting rights) held in the name of Japan Securities Depository Center, Inc.
 2. Common shares in the column “Shares with full voting rights (other)” includes 1,178,600 shares (number of voting rights: 11,786) held by Executive reward BIP Trust and 1,556,400 shares (number of voting rights: 15,564) held by Stock-granting ESOP Trust.

2) Treasury share

As of December 31, 2025

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	2,819,500	—	2,819,500	1.65
Total	—	2,819,500	—	2,819,500	1.65

- (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.

(8) Details of executive and employee share ownership schemes

(Executive reward BIP Trust)

1) Outline of the System

The Company has introduced a long-term incentive (share-based compensation) system for the Company's executive directors using the Executive reward BIP trust structure in accordance with the resolution at the 2023 Annual General Meeting of Shareholders held on March 28, 2023.

The Board Incentive Plan (BIP) Trust is a share-based compensation plan under which the trust established by the Company acquires the Company's shares with money contributed by the Company, and the Company's shares are delivered to the executive directors.

An overview of this system is provided in “4. Corporate Governance, (4) Officer compensation, etc.”

2) Total number or total amount of shares to be acquired by the executive directors

The Company will contribute up to 2,880 million yen as compensation to the executive directors during the initial trust period (from May 2023 to May 2026). The maximum number of points to be granted to executive directors from the ESOP Trust shall be 1,800,000 points (1 point = 1 share of Common shares) per three fiscal years.

3) Scope of persons entitled to beneficial interests and other rights under the plan

Executive directors of the Company who satisfy the requirements for beneficiaries.

(Stock-granting ESOP Trust)

1) Outline of the System

Based on the resolution of the Board of Directors meeting held on May 12, 2023, the Company introduced the Employee Stock Ownership Plan (ESOP) Trust (the "ESOP Trust") (the "Plan"), an employee incentive plan for executive officers of the Company, employees recognized by the Company and executive officers and employees of group subsidiaries determined by the Company (the "Executive Officers, etc.").

This plan is an incentive plan for employees based on the ESOP plan in the U.S., under which the Company's shares acquired by the ESOP Trust are delivered to executive officers, etc. who satisfy certain requirements in accordance with predetermined stock compensation rules.

The purpose of this plan is to increase the willingness of executive officers, etc. subject to this plan to contribute to the medium and long-term improvement of the corporate value of our group companies and to the increase in stock prices, to strengthen the competitiveness of recruitment and retention of excellent human resources with rich diversity in terms of nationality, experience, etc., and to share the awareness of profits with our shareholders and to further increase the incentive to improve the corporate value. The purpose of this plan is to further increase the incentive to share the awareness of profits with shareholders and to improve corporate value.

2) Total number or total amount of shares to be acquired by the executive directors

The Company will contribute up to 2,798 million yen as compensation to the executive directors during the initial trust period (from May 2023 to May 2026).

3) Scope of persons entitled to beneficial interests and other rights under the plan

Executive directors of the Company who satisfy the requirements for beneficiaries.

2. Acquisition of treasury shares

Classes of shares: Acquisitions of Common shares falling under Article 155 Paragraph 3 and 7 of the Companies Act.

(1) Acquisitions by resolution of shareholders’ meeting

Not applicable.

(2) Acquisitions by resolution of board of directors meeting

Category	Number of shares (Shares)	Total amount (Yen)
Resolution at the board of directors (November 6, 2024) (Period of share repurchase: November 11, 2024 to October 31, 2025) (Note) 1	20,000,000	30,000,000,000
Acquired treasury shares before the current fiscal year	1,884,400	4,560,742,283
Acquired treasury shares during the current fiscal year	10,499,300	25,439,064,204
Total numbers and amounts of remaining resolved shares	7,616,300	193,513
Unexercised ratio at the end of the current fiscal year	38.08	0.00
Acquired treasury share during the period	—	—
Unexercised ratio on submission date	38.08	0.00

(Note) 1. Based on paragraph 1 of Article 156 of the Companies Act, the repurchase of the treasury shares was resolved at the board of directors held on November 6, 2024, as follows.

- 1) Class of shares to be repurchased: Common shares
- 2) Total number of shares to be repurchased: 20 million shares (upper limit)
(11.0% of the total number of shares issued and outstanding excluding treasury shares)
- 3) Total value of shares to be repurchased: 30 billion yen (upper limit)
- 4) Period of share repurchase: November 11, 2024 to October 31, 2025
- 5) Method of repurchase: Market purchase through the Tokyo Stock Exchange

Category	Number of shares (Shares)	Total amount (Yen)
Resolution at the board of directors (August 1, 2025) (Period of share repurchase: November 11, 2025 to October 31, 2026) (Note) 2	15,000,000	30,000,000,000
Acquired treasury shares before the current fiscal year	—	—
Acquired treasury shares during the current fiscal year	1,645,500	4,664,536,408
Total numbers and amounts of remaining resolved shares	13,354,500	25,335,463,592
Unexercised ratio at the end of the current fiscal year	89.03	84.45
Acquired treasury share during the period (Note) 3	1,351,500	4,777,804,284
Unexercised ratio on submission date	80.02	68.53

(Note) 2. Based on paragraph 1 of Article 156 of the Companies Act, the repurchase of the treasury shares was resolved at the board of directors held on August 1, 2025, as follows.

- 1) Class of shares to be repurchased: Common shares
- 2) Total number of shares to be repurchased: 15 million shares (upper limit)
(8.7% of the total number of shares issued and outstanding excluding treasury shares)
- 3) Total value of shares to be repurchased: 30 billion yen (upper limit)
- 4) Period of share repurchase: November 1, 2025 to October 31, 2026
- 5) Method of repurchase: Market purchase through the Tokyo Stock Exchange

3. "Acquired treasury share during the period" does not include shares acquired by resolution of board of directors meeting for the period from March 1, 2026 to the submission date.

(3) Acquisitions not based on resolution of shareholders’ meeting or the resolution of board of directors meeting

Acquisition of shares less than one unit pursuant to the provisions of Article 192, Paragraph 1 of the Companies Act

Category	Number of shares (Shares)	Total amount (Yen)
Acquired treasury shares during the current fiscal year	2,877	7,363,804
Acquired treasury shares during the period	399	1,360,317

(Note) “Acquired treasury share during the period” does not include shares acquired due to requests for purchase of shares less than one unit from March 1, 2026, to the filing date.

(4) Disposals and holding of acquired treasury share

Category	The fiscal year		The period (January 1, 2025, to March 1, 2025)	
	Number of shares (Shares)	Total disposed amount (Yen)	Number of shares (Shares)	Total disposed amount (Yen)
Acquired treasury share for which subscribers have been solicited	—	—	—	—
Disposals of acquired treasury share by cancellation	12,000,000	29,634,395,457	—	—
Acquired treasury share transferred due to merger, share exchange, share issue, or company split	—	—	—	—
Other (Sale by request for the purchase of odd-lot shares) (Note) 1	79	197,590	—	—
Number of treasury shares held (Note) 2,3	2,819,575	—	4,171,474	—

(Note) 1. “Other (Sale by request for the purchase of odd-lot shares)” column in “The period” does not include shares sold due to request for sale of shares less than one unit from March 1, 2026, to the filing date.
 2. “Number of treasury share held” does not include the number of shares acquired by the Executive reward BIP Trust and Stock-granting ESOP Trust.
 3. “Number of treasury share held” column in “the period” does not include shares sold in response to requests for the purchase of odd-lot shares from March 1, 2026 to the filing date and requests for the sale of odd-lot shares.

3. Dividend policy

We periodically review our capital structure and dividend payout ratio to maximize shareholder returns while maintaining flexibility to pursue growth opportunities. We seek to use retained earnings to fund investments for sustainable business growth and further enhance corporate value.

With respect to dividends, our basic policy is to provide active and stable returns to shareholders. Interim and year-end dividends are determined after comprehensive consideration of business performance, growth investments, and internal reserves. Under our Strategic Business Plan Vision 2030, we aim to achieve and maintain a consolidated dividend payout ratio of 40% and a consolidated dividend on equity (DOE) ratio of 2.5%. During the relevant period, we will implement a progressive dividend, under which the annual dividend per share is maintained or increased year over year.

For the fiscal year ended December 31, 2025, we paid an interim dividend of 28 yen per share and plan to pay a year-end dividend of 32 yen per share, resulting in a total annual dividend of 60 yen per share, an increase of 7 yen compared with the prior fiscal year. For the fiscal year ending December 31, 2026, we plan to pay an interim dividend of 35 yen per share and a year-end dividend of 37 yen per share, resulting in a total annual dividend of 72 yen per share, an increase of 12 yen compared with the prior fiscal year.

Additionally, under our Strategic Business Plan Vision 2030, we have announced plans to repurchase the cumulative total of 150 billion yen in the treasury shares by 2030. Since November 2025, it has continued repurchasing 30 billion yen in the treasury shares to further enhance shareholder value.

Regarding future shareholder returns, we remain committed to comprehensively reviewing business performance trends and financial conditions and will examine the most appropriate measures.

Dividends from retained earnings for the current fiscal year are as follows:

Date of resolution	Total dividend (Millions of yen)	Amount of dividend per share (Yen)
August 1, 2025 Resolution of the Board of Directors Meeting	4,864	28
March 26, 2026 Resolution of the Ordinary General Meeting of Shareholders (scheduled)	5,390	32

4. Corporate governance

(1) Explanation about corporate governance

1) Basic stance on corporate governance

Our basic stance on corporate governance is to seek improvement of management soundness, transparency and efficiency and increase mid-to-long-term corporate value and shareholder value.

We have established the Audit and Supervisory Committee to further strengthen our governance system. The Audit and Supervisory Committee, which takes a lead role in audits, is composed entirely of Outside Directors (Audit and Supervisory Committee members), including multiple Independent Outside Directors. The Audit and Supervisory Committee members, who are outside directors, have voting rights at the Board of Directors meetings and the right to express opinions on directors' nominations and compensation at the General Meeting of Shareholders. As a result, our management oversight functions have been further strengthened.

In addition, we have adopted the executive officer system to separate decision-making and management oversight functions from business execution functions. Certain important business execution decisions are entrusted to directors, so that the Board of Directors can deliberate on matters of particular importance. For other matters, we place emphasis on swift management decisions by the Executive Leadership Teams.

2) Corporate governance structure and the reason for adopting this structure

We have established the Audit and Supervisory Committee to further strengthen our governance system. The Audit and Supervisory Committee, which takes a lead role in audits, is composed entirely of Outside Directors (Audit and Supervisory Committee members), including multiple Independent Outside Directors. The Audit and Supervisory Committee members, who are Outside Directors, have voting rights at the Board of Directors meetings and the right to express opinions on directors' nominations and compensation at the General Meeting of Shareholders. As a result, our management oversight functions have been further strengthened.

In addition, we have adopted the Executive Officer system to separate decision-making and management oversight functions from business execution functions. Certain important business execution decisions are entrusted to directors, so that the Board of Directors can deliberate on matters of particular importance. For other matters, we place emphasis on swift management decisions by the Executive Leadership Team. We believe that the following corporate governance structure can improve management efficiency and transparency, and accordingly, we have adopted this structure.

The Company has submitted a proposal titled “Election of seven (7) Directors (excluding Directors serving on the Audit and Supervisory Committee)” to the Ordinary General Meeting of Shareholders scheduled to be held on March 26, 2026. If this proposal is approved as originally proposed, the Board of Directors of the Company will consist of eleven (11) members: Calin Dragan, Bjorn Ivar Ulgenes, Maki Kado, Hiroko Wada, Hirokazu Yamura, Celso Guiotoko, Yuki Isogai, Stacy Apter, Nami Hamada, Sanket Ray, and Rika Saeki. There will be no change in the composition of the Audit and Supervisory Committee.

a. Board of Directors

The Periodic Meeting of the Board of Directors shall be held once in three months in principle and may be held as needed. The Board of Directors shall resolve items prescribed by laws and the Articles of Incorporation and other items relating to important business matters such as basic managerial policies and shall receive the Directors’ report on their execution of the duties. Certain important business execution decisions are entrusted to directors, so that the Board of Directors can deliberate on matters of particular importance. For other matters, we place emphasis on swift management decisions by the Executive Leadership Teams.

(a) Composition of the Board of Directors

The Company’s Board of Directors consists of no more than 10 Directors (excluding Directors who are Audit and Supervisory Committee members) and no more than 7 Directors who are Audit and Supervisory Committee members, which are the limits set as the number of respective members under the Articles of Incorporation. The Board of Directors, as a whole, consists of an appropriate balance of members with a wide range of knowledge and expertise on corporate management, financial strategies, risk management and legal compliance, etc. In light of the importance of the function of Outside Directors in corporate governance, the Company shall appoint, for the Directors, Outside Directors who are independent based on the Company’s independence standards and qualification, in a number that constitutes at least one third of the Directors and which shall include at least 1 person who has management experience at another company. The Board of Directors currently consists of 9 directors, including of which 7 out of the 9 members being Outside Directors. The Company has prepared a Skill Matrix in which the above-mentioned knowledge, experience, and skills, etc. are listed.

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(b) Activities of the Board of Directors

In the current fiscal year, we held the Board of Directors’ Meetings 6 times. The main items for deliberation are as follows.

Business Strategy	<ul style="list-style-type: none"> • Strategic Business Plan • Shareholder Return Program • Business Execution Status Report
Governance	<ul style="list-style-type: none"> • Election of Candidates for Directors and Selection of Representative Directors • Matters related to the Ordinary General Meeting of Shareholders • Establishment of the Nomination and Compensation Committee • Matters related to remuneration for Directors and Executive Officers • Internal Control Evaluation Report
Risk Management	<ul style="list-style-type: none"> • Business Resilience Report
Financial Statements	<ul style="list-style-type: none"> • Appropriation of Surplus • Financial Statements and Earnings Presentation

The attendance of individual directors was as follows.

Position	Name	Attendance
Representative Director	Calin Dragan	6 / 6 (100%)
Representative Director	Bjorn Ivar Ulgenes	6 / 6 (100%)
Outside Director	Hiroko Wada	6 / 6 (100%)
Outside Director	Hirokazu Yamura	6 / 6 (100%)
Outside Director	Celso Guiotoko	6 / 6 (100%)
Outside Director (Audit and Supervisory Committee Member)	Stacy Apter	6 / 6 (100%)
Outside Director (Audit and Supervisory Committee Member)	Nami Hamada	6 / 6 (100%)
Outside Director (Audit and Supervisory Committee Member)	Sanket Ray	6 / 6 (100%)
Outside Director (Audit and Supervisory Committee Member)	Rika Saeki	5 / 5 (100%)

b. Audit and Supervisory Committee

The Audit and Supervisory Committee is composed of 4 outside directors (Audit and Supervisory Committee members), including multiple independent outside directors. Meetings of the Audit and Supervisory Committee shall be held once every three months in principle and may be held, as necessary. The directors who are members of the Audit and Supervisory Committee conduct audits aimed at checking the status of business execution by the directors, executive officers and employees in accordance with related laws and regulations, the article of incorporation, and the audit standards and guidelines established for and by the Audit and Supervisory Committee, by participating in the Board of Directors meeting and reviewing the results of the audits conducted by the Internal Audit Office and Accounting Auditor.

A system to ensure sufficient oversight of business execution by executive officers has been established, which includes the regular exchange of opinions between the Representative Director and the members of the Audit and Supervisory Committee on the results of the aforesaid audit activities.

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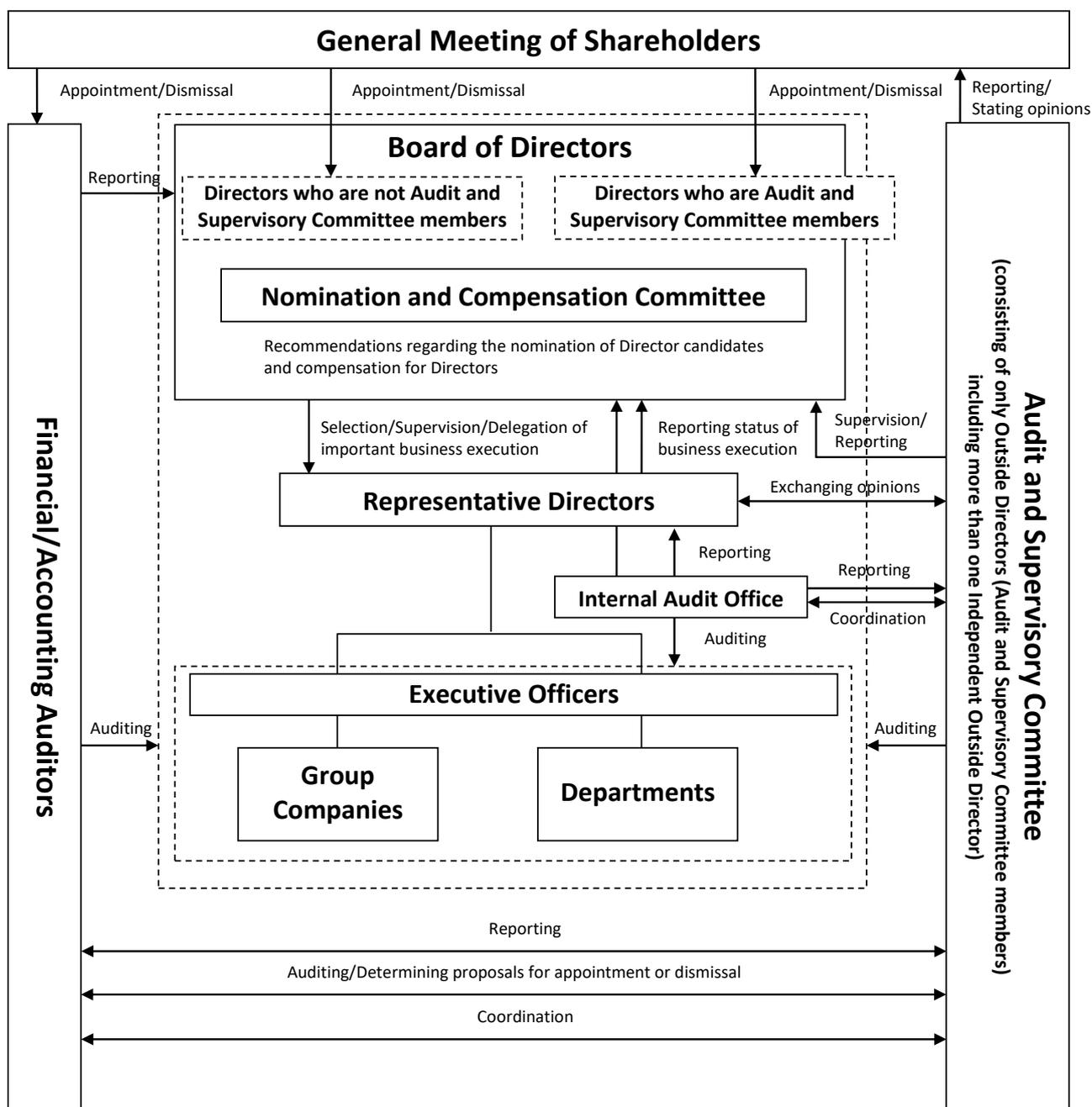
(Main institutions)

As of December 31, 2025

Institution	Purpose and authority	Chairperson	Member
Board of Directors	<p>(a) The Board of Directors shall resolve items prescribed by laws and the Articles of Incorporation and other items relating to important business matters such as basic managerial policies.</p> <p>(b) The Board of Directors shall receive Directors’ report on their execution of the duties.</p>	Calin Dragan (Representative Director)	Calin Dragan, Bjorn Ivar Ulgenes, Hiroko Wada (Outside Director, Independent Director), Hirokazu Yamura (Outside Director), Celso Guiotoko (Outside Director, Independent Director), Stacy Apter (Outside Director), Nami Hamada (Outside Director, Independent Director), Sanket Ray (Outside Director), Rika Saeki (Outside Director, Independent Director)
Audit and Supervisory Committee	<p>(a) Audit of the performance of the director’s duties and preparation of audit reports.</p> <p>(b) Determination of the contents of proposals regarding the election, dismissal, or disapproval of reappointment of accounting auditors.</p> <p>(c) Determination of opinion of the Audit and Supervisory Committee regarding the election, dismissal or resignation of directors and remuneration, etc. (excluding directors who are Audit and Supervisory Committee Members.).</p> <p>(d) Other duties provided for in applicable laws and regulations and the articles of incorporation, etc.</p>	Stacy Apter (Outside Director)	Stacy Apter (Outside Director), Nami Hamada (Outside Director, Independent Director), Sanket Ray (Outside Director), Rika Saeki (Outside Director, Independent Director)

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(Corporate governance system)



(The system to ensure business adequacy)

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

The Internal Control System Basic Policy is as shown below.

- a. System to ensure that performance of duties by Directors and employees of the CCBJH Group conforms to laws and regulations and the Articles of Incorporation
 - a) The “Code of Conduct” shall be established in order to ensure that all the Directors, Executive Officers, and employees of the Group comply with laws and regulations and the Articles of Incorporation to act in conformity with social norms. The Risk Management Committee shall be convened periodically in order to reinforce the compliance system and to prevent non-compliance.
 - b) An internal whistle-blowing system against non-compliance, namely, a reporting and consultation contact separate from the reporting line to immediate managers, shall be set up.

- c) The oversight function of the Board of Directors shall be reinforced by adopting the company system where the Audit and Supervisory Committee is established in order to ensure auditing by the Audit and Supervisory Committee where all of the constituent members are External Directors.
- d) The department in charge of internal auditing shall be established in order to audit whether business activities are conducted appropriately and effectively in conformity with laws and regulations, the Articles of Incorporation, Company Rules, and Regulations, etc.
- e) The Company clearly identifies a firm stance against anti-social forces and organizations that cause threats to the order and safety of civil society and that the Company never associates with such entities. The Company shall never accede to any illegal request and deal with any such request in cooperation with the police, lawyers, etc.
- b. System to retain and manage information related to Directors’ performance of their duties
 - a) The Company shall record information regarding minutes of General Shareholders meetings, minutes of Board of Directors meetings, documents and other materials related to important decision-makings and Directors’ performance of their duties in documents or electronic media and retain it in accordance with the Rules of Documentation Handling and Information Security Policy in a manner similar to that for statutory documents.
 - b) The Company’s Directors may inspect such documents, etc. at any time.
- c. Regulations and other systems concerning loss risk management of the Group
 - a) In accordance with the Group policy on responding to material business risks and from the viewpoint of management of other risks, significant items shall be reported to the main meetings dealing with risk management, and the main meetings shall determine policies to deal with risks as required.
 - b) The Company establishes rules, guidelines, etc. and maintains an organization to execute effective responses to material risks, and ensure the matters to be passed down by implementing training for the entire Group, etc.
 - c) The department in charge of risk management in the Company or its subsidiaries monitors the condition of company-wide risks and to take appropriate measures on a group-wide basis. The Company promptly designates who is in charge of the response to new risks that arise.
- d. System to ensure efficiency of performance of duties by the CCBJH Group Directors
 - a) The Company’s Board of Directors shall determine Group-wide management policy and goals shared by the Directors, Executive Officers, employees, and others of the Group, and determine the efficient method to achieve the goals including the allocation of authority based on the group’s decision-making rules.
 - b) In addition to Board of Directors Meetings, appropriate forums, such as the Management Meeting, shall be organized to deliberate significant matters affecting the entire Group, thereby ensuring that decisions are reached based on considerations of multi-dimensional aspects.
- e. System to ensure appropriate of operations in a corporate group, which consists of the Company and its subsidiaries

The Company shall ensure management integration of the Group through establishment of a corporate philosophy, management policy, the Code of Ethics and Conduct and Chart of Authority common throughout the Group and supervise and manage the performance of the subsidiaries’ operations.
- f. Matters concerning employees assisting the Audit and Supervisory Committee to execute the duties if the Audit and Supervisory Committee request the assignment of such employees, matters concerning the independence of such employees from directors (excluding directors serving on the Audit and Supervisory Committee) and matters related to ensuring the effectiveness of instructions given by the Audit and Supervisory Committee to such employees

The Company shall assign employees to assist the Audit and Supervisory Committee. Such employees shall execute the duties under the instructions given by the Audit and Supervisory Committee in assisting executions of duties by the Audit and Supervisory Committee and shall not receive instructions from directors (excluding directors serving on the Audit and Supervisory Committee).
- g. System for reporting by Directors and employees of the CCBJH Group to the Audit and Supervisory Committee and systems to ensure that reporting parties do not receive disadvantageous treatment as a result of such reports
 - a) Upon discovery of any incident that could cause the Group substantial damage, such as acts in violation of laws and regulations, the Directors (excluding Directors serving on the Audit and Supervisory Committee), Executive Officers, employees and others of the Company shall immediately report the matter to the Audit and Supervisory Committee.
 - b) The Internal Audit Office and the Risk Management Committee shall regularly report internal audit results and the status of other activities in the Group to the Audit and Supervisory Committee.
 - c) The department in charge of compliance shall regularly report on the status of whistleblowing in the Group to the Audit and Supervisory Committee.
 - d) The Company shall prohibit unjust treatment of the reporter to the Audit and Supervisory Committee and ensure that this matter will be informed to all the executives and employees of the group.

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- h. Matters concerning procedures for advance payment or reimbursement of expenses incurred in the course of performance of duties by Directors serving on the Audit and Supervisory Committee and policies related to processing expenses or liabilities arising from performance of duties by Directors serving on the Audit and Supervisory Committee
The Company establishes enough budget for Directors serving on the Audit and Supervisory Committee each year to fulfill the performance of their duties.
- i. other systems to ensure that the Audit and Supervisory Committee’s audit is conducted effectively
 - a) The Representative Director and the Audit and Supervisory Committee shall hold a meeting on a regular basis to exchange opinions in order to communicate with each other.
 - b) The Representative Director shall prepare an environment so that the Audit and Supervisory Committee is able to cooperate with external experts, such as lawyers and certified public accountants, in the course of its duties whenever it deems necessary.
 - c) The Audit and Supervisory Committee shall regularly provide opportunities for the exchange of opinions with the Internal Audit Office and accounting auditors.

(Design of risk management system)

The Company has developed Group Rules for Risk Management and is proactively working on preventing the occurrence of various risks that may arise for the Company together with ensuring that in the event of a risk occurrence, that response strategies exist that allow us to respond in a prompt and adequate manner thereby minimizing the damage and business disruption. Furthermore, in order to minimize damage and business impacts caused by natural disasters, etc., crisis training, disaster drills and safety confirmation drills are being held regularly thereby testing our business continuity plans in response to a large-scale disaster.”

In addition, we have developed Code of Ethics to conduct for officers and employees of the Group, which shows the Group's corporate stance of “complying with all laws and regulations, acting in good faith in society, and enhancing corporate value by earning the trust of all stakeholders,” and have been thoroughly communicating it to all officers and employees.

3) Other matters related to corporate governance

a. Number of directors

The Articles of Incorporation stipulate that the number of directors who are not members of the Audit and Supervisory Committee shall be ten or less, and the directors who are members of the Audit and Supervisory Committee shall be seven or less.

b. Requirements for election of directors

The Articles of Incorporation stipulate that the directors who are not members of the Audit and Supervisory Committee and the directors who are members of the Audit and Supervisory Committee shall be elected by a majority of the vote attended by the shareholders holding at least one-third of the voting rights of the shareholders who are entitled to exercise their voting rights, and that they shall not be elected by cumulative voting.

c. Decision-making body for acquisition of treasury shares

The Articles of Incorporation stipulate that treasury shares may be repurchased through market transactions, etc. by a resolution of the Board of Directors without a resolution of the General Meeting of Shareholders, in accordance with the provisions of Article 165, Paragraph 2 of the Companies Act. The purpose of this is to improve capital efficiency and to implement flexible capital policies in response to changes in the business environment through authorizing the Board of Directors to make a decision for the acquisition of treasury shares.

d. Decision-making body for interim dividends

The Articles of Incorporation stipulate that interim dividend defined in Article 454, Paragraph 5 of the Companies Act may be paid by the resolution of the Board of Directors without a resolution of the General Meeting of Shareholders. The purpose of this is to flexibly return profits to shareholders through authorizing the Board of Directors to make a decision for interim dividends.

e. Requirements for the special resolution at the General Meeting of Shareholders

The Articles of Incorporation stipulate that the special resolution at the General Meeting of Shareholders defined in Article 309, Paragraph 2 of the Companies Act shall be made by two-thirds of the vote attended by the shareholders holding at least one-third of the voting rights of the shareholders who are entitled to exercise their voting rights. The purpose of this is to facilitate the operation of the General Meeting of Shareholders through easing the quorum for the special resolution at the General Meeting of Shareholders.

f. Business execution and management oversight

The Representative Director monitors and supervises the business activities executed by the executive officers and employees of the operating companies by participating in major meetings and other meetings held in the operating companies. The directors who are members of the Audit and Supervisory Committee conduct audits aimed at checking the status of business execution by the directors, executive officers and employees in accordance with related laws and regulations, the article of incorporation, and the audit standards and guidelines established for and by the Audit and Supervisory Committee, by participating in the Board of Directors meeting and reviewing the results of the audits conducted by the Internal Audit Office and Accounting Auditor.

A system to ensure sufficient oversight of business execution by executive officers has been established, which includes the regular exchange of opinions between the Representative Director and the members of the Audit and Supervisory Committee on the results of the aforesaid audit activities.

4) Basic Policies on the Control of the Joint-share Company

a. Details of Basic Policy

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 the shares in the Company if it would contribute to the corporate value of the Company and, in turn, the common interests of its shareholders.

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

The Company believes that the Persons who control decisions on the Company’s financial and business policies need to be Persons who (1) 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; (2) striving aggressively to win in the market as the customers’ preferred partner with a deep understanding of the Company’s corporate philosophy; (3) appreciating employees who have a strong sense of responsibility to thoroughly pursue customer satisfaction, and proactively working on building a workplace environment that can make each and every employee feel rewarded, motivated and proud of being a member of the Coca-Cola family; and (4) contributing to local communities and proactively dealing with environmental issues with a strong sense of responsibility as a corporate citizen that continues to strive to assist in the realization of an affluent society, preserve relationships of mutual trust with customers, business partners, shareholders and employees and perform to their expectations, and make it possible to continually and persistently ensure and enhance the Company’s corporate value and, in turn, the common interests of its shareholders from a mid- to long-term perspective. Therefore, the Company believes that 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.

The Company believes that it is necessary to ensure and enhance the corporate value of the Company and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures against a large-scale acquisition of the shares in the Company by such 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 stakeholders 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, and the business environment surrounding the Company is projected to stay competitive as multiple players compete in the market.

Under such circumstances, the Group aims at becoming 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 with a voting right in the Board of Directors meetings, in addition to the right to state their opinions in shareholders’ meetings on matters pertaining to the designation of board members and their remuneration, among others. In order to separate the decision-making, business management and business execution functions, the Company is implementing a corporate executive officer system. In addition to the foregoing, for more fruitful deliberations of highly important matters in the Board of Directors meetings, the Company is delegating the authority to make decisions on certain important matters that require prompt business executions to the executive leadership teams as well as facilitating speedy decision making of other matters.

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

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

When Board Meeting determines it necessary to apply 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 Company’s Board of Directors regarding specific measures and reasons therefor

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

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

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(2) Information about officers

1) Information about officers

a. Information about officers on the submission date, March 19, 2026, is as follows

Males: 5 people, Females: 4 people (Ratio of females to total directors: 44.4%)

Position	Name	Date of birth	Brief history	Term of office	Number of shares held (Thousands of shares)
Representative Director, President	Calin Dragan	October 24, 1966	<p>June 1993 Joined Coca-Cola Leventis</p> <p>January 2000 Joined Coca-Cola Hellenic Bottling Company S.A.</p> <p>January 2005 General Manager and Administrator in charge of Romania and Mordovian Republic, Coca-Cola Hellenic Bottling Company S.A.</p> <p>July 2011 Executive Corporate Officer, Coca-Cola West Co., Ltd.</p> <p>March 2012 Representative Director, Coca-Cola West Co., Ltd.</p> <p> Vice President, Coca-Cola West Co., Ltd.</p> <p>July 2013 Representative Director & President, Coca-Cola East Japan Co., Ltd.</p> <p>May 2017 Regional Director, The Coca-Cola Company Bottling Investments Group</p> <p> Regional Director, Coca-Cola Far East Limited</p> <p>January 2018 President, The Coca-Cola Company Bottling Investments Group</p> <p>March 2019 Executive Officer, Vice President, Coca-Cola Bottlers Japan Holdings Inc.</p> <p> Executive Officer, Vice President, Coca-Cola Bottlers Japan Inc.</p> <p>March 2019 Representative Director, President, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)</p> <p> Representative Director, President, Coca-Cola Bottlers Japan Inc. (incumbent)</p> <p>January 2022 Representative Director, President and CEO, Coca-Cola Bottlers Japan Inc. (incumbent)</p>	One year from the Ordinary General Meeting of Shareholders held on March 2025	1

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Position	Name	Date of birth	Brief history	Term of office	Number of shares held (Thousands of shares)	
Representative Director, Vice President, Chief Financial Officer	Bjorn Ivar Ulgenes	April 5, 1968	July, 1997 August 2005	Joined The Coca-Cola Company Finance Director North & West Africa Business Unit, The Coca-Cola Company	One year from the Ordinary General Meeting of Shareholders held on March 2025	5
			May 2008	Finance Director & Executive Assistant to the Business Unit President, North & West Africa Business Unit, The Coca-Cola Company		
			June 2009	GM Innovation & EA, North & West Africa Business Unit, The Coca-Cola Company		
			February 2010	Senior Vice President Finance, The Coca-Cola (Japan) Co., Ltd.		
			January 2013	Finance Director, Central, East & West Africa Group, The Coca-Cola Company		
			April 2016	Deputy Finance Director, Europe, Middle East & Africa (EMEA) Group, The Coca-Cola Company		
			October 2018	Senior Executive Officer, Head of Finance, Coca-Cola Bottlers Japan Holdings Inc. Senior Executive Officer, Head of Finance, Coca-Cola Bottlers Japan Inc.		
			November 2018	Representative Director & President, Senior Executive Officer, Head of Finance, Coca-Cola Bottlers Japan Sales Support Inc.		
			January 2019	Representative Director & President, Senior Executive Officer, Head of Finance, Coca-Cola Bottlers Japan Business Services Inc. (incumbent)		
			February 2019	Executive Officer, Head of Finance, Coca-Cola Bottlers Japan Holdings Inc. Executive Officer, Head of Finance, Coca-Cola Bottlers Japan Inc.		
			March 2019	Representative Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent) Vice President, Chief Financial Officer (Head of Finance, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)) Representative Director, Coca-Cola Bottlers Japan Inc. (incumbent) Vice President, Chief Financial Officer (Head of Finance, Coca-Cola Bottlers Japan Inc.		
			December 2019	Chairman and Representative Director, Q'SAI CO., LTD		
			January 2022	Vice President and Chief Financial Officer (Head of Finance) Representative Director, Vice President, and CFO of Coca-Cola Bottlers Japan Inc. (incumbent)		
			March 2022	Representative Director & Chairman, Coca-Cola Bottlers Japan Business Services Inc.		
November 2022	Representative Director, Chairman and President, Coca-Cola Bottlers Japan Business Services Inc. (incumbent)					
January 2024	Representative Director, NeoArc Inc. (incumbent)					
January 2025	Representative Director, onEQuest Co., Ltd. (incumbent)					

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Position	Name	Date of birth	Brief history	Term of office	Number of shares held (Thousands of shares)
Director	Hiroko Wada	May 4, 1952	<p>April 1977 Joined Procter & Gamble Sunhome Co., Ltd.</p> <p>January 1998 Vice President, In charge of Corporate New Ventures, Asia, The Procter & Gamble Company (U.S.)</p> <p>March 2001 Representative Director & President, Dyson Ltd.</p> <p>April 2004 Representative Director, President & COO, Toys “R” Us-Japan, Ltd.</p> <p>November 2004 Representative, Office WaDa (incumbent)</p> <p>May, 2009 Outside Director, Aderans Holdings Co., Ltd.</p> <p>June 2016 Outside Director, Shimadzu Corporation</p> <p>March 2019 Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)</p> <p>March 2019 Outside Director (Audit & Supervisory Committee member), Unicharm Corporation</p>	One year from the Ordinary General Meeting of Shareholders held on March 2025	—
Director	Hirokazu Yamura	September 28, 1977	<p>October 2006 Joined Michinoku Coca-Cola Bottling Co., Ltd</p> <p>February 2009 Director, Michinoku Coca-Cola Bottling Co., Ltd</p> <p>March 2012 Managing Director, Michinoku Coca-Cola Bottling Co., Ltd.</p> <p>March 2013 Senior Managing Director, Michinoku Coca-Cola Bottling Co., Ltd</p> <p>March 2014 Representative Director & President, Michinoku Coca-Cola Bottling Co., Ltd. (incumbent)</p> <p>March 2020 Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)</p>	One year from the Ordinary General Meeting of Shareholders held on March 2025	—
Director	Celso Guiotoko	January 3, 1959	<p>December 1983 Joined Banco Bradesco SA</p> <p>January 1985 Senior Manager, Arthur Andersen (Accenture)</p> <p>March 1996 System Director, Toshiba America Electronic Components, Inc.</p> <p>December 1997 Solution Service Vice President, i2 Technologies Japan, Inc.</p> <p>May 2004 Vice President & CIO (Chief Information Officer), Nissan Motor Co., Ltd.</p> <p>April 2006 Corporate Vice President & CIO, Nissan Motor Co., Ltd.</p> <p>April 2014 Senior Corporate Vice President & CIO, Nissan Motor Co., Ltd.</p> <p>June 2017 Statutory Auditor, Nissan Motor Co., Ltd.</p> <p>March 2019 Outside Director (Audit & Supervisory Committee member), Coca-Cola Bottlers Japan Holdings Inc. Executive Officer, Global Chief Digital Officer, Nishimoto Co., Ltd.</p> <p>March 2020 Director, Global Chief Digital Officer, Nishimoto Co., Ltd.</p> <p>March 2023 Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)</p> <p>January 2024 Director, NeoArc Inc. (incumbent)</p> <p>April 2024 Senior Managing Executive Officer, Chief Information Officer (CIO) and Chief Information Security Officer (CISO), JERA Co., Inc. (incumbent)</p>	One year from the Ordinary General Meeting of Shareholders held on March 2025	—

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Position	Name	Date of birth	Brief history	Term of office	Number of shares held (Thousands of shares)
Director (Audit & Supervisory Committee member)	Stacy Apter	July 14, 1966	<p>2005 Joined The Coca-Cola Company</p> <p>May 2018 Director, Treasury, The Coca-Cola Company</p> <p>July 2018 Assistant Treasurer, The Coca-Cola Company</p> <p>October 2018 Chief of Staff to the Chairman and CEO, The Coca-Cola Company</p> <p>January 2021 Deputy Treasurer, The Coca-Cola Company</p> <p>March 2021 Vice President & Treasurer, The Coca-Cola Company</p> <p>October 2022 Vice President, Treasurer and Corporate Finance, The Coca-Cola Company</p> <p>March 2023 Outside Director (Audit & Supervisory Committee member), Coca-Cola Bottlers Japan Holdings Inc. (incumbent)</p> <p>April 2023 Director Synovus Financial Inc. (incumbent)</p> <p>January 2024 Senior Vice President and Treasurer, Head of Corporate Finance, The Coca-Cola Company (incumbent)</p>	Two years from the Ordinary General Meeting of Shareholders held on March 2025	—
Director (Audit & Supervisory Committee member)	Nami Hamada	August 3, 1964	<p>July 1992 Joined Lehman Brothers Holdings Inc.</p> <p>October 1996 Vice President, Lehman Brothers Japan Inc.</p> <p>June 1999 Senior Vice President, Lehman Brothers Japan Inc.</p> <p>May 2004 Representative Director, HDH Advisors Japan Limited.</p> <p>December 2006 Principal, HDH Capital Management Pte Ltd.</p> <p>March 2009 Founder, Managing Director, Mile High Capital Inc. (incumbent)</p> <p>August 2017 Director, Ecoplexus Japan K. K</p> <p>February 2019 Chief Operating Officer, Vesper Group Japan K.K.</p> <p>March 2019 Outside Director (Audit & Supervisory Committee member), Coca-Cola Bottlers Japan Holdings Inc. (incumbent)</p> <p>May 2020 Outside Director (Audit Committee Member), MetLife Insurance K.K.</p> <p>June 2022 Outside Director (Audit Committee Member, Nominating committee member, Compensation committee member), MetLife Insurance K.K. (incumbent)</p> <p>June 2022 Outside director, Shimadzu Corporation (incumbent)</p>	Two years from the Ordinary General Meeting of Shareholders held on March 2025	—
Director (Audit & Supervisory Committee member)	Sanket Ray	April 25, 1973	<p>2004 Joined The Coca-Cola Company</p> <p>2005 Joined HINDUSTAN COCA-COLA BEVERAGES PRIVATE LIMITED (INDIA)</p> <p>August 2016 CEO, COCA-COLA BEVERAGES VIETNAM LIMITED</p> <p>January 2019 Chief Operating Officer for mainland China, The Coca-Cola Company</p> <p>February 2020 President of India and Southwest Asia, The Coca-Cola Company (incumbent)</p> <p>March 2023 Outside Director (Audit & Supervisory Committee member), Coca-Cola Bottlers Japan Holdings Inc. (incumbent)</p>	Two years from the Ordinary General Meeting of Shareholders held on March 2025	—
Director (Audit & Supervisory Committee member)	Rika Saeki	January 11, 1968	<p>September 1993 Joined Masuda, Funai, Eifert & Mitchell, Ltd. (Chicago, Illinois, U.S.A.)</p> <p>November 1993 Admitted to the Illinois Bar, U.S.A.</p> <p>May 2000 Joined Morrison & Foerster LLP</p> <p>January 2008 Of Counsel, Morrison & Foerster LLP (incumbent)</p> <p>December 2013 Registered as a Foreign Special Member of the Daini Tokyo Bar Association</p> <p>June 2016 Outside Director (Audit & Supervisory Committee Member), Shinko Electric Industries Co., Ltd.</p> <p>March 2025 Outside Director (Audit & Supervisory Committee member), Coca-Cola Bottlers Japan Holdings Inc. (incumbent)</p>	Two years from the Ordinary General Meeting of Shareholders held on March 2025	—
Total					6

- (Note)
1. Hiroko Wada, Hirokazu Yamura, Celso Guiotoko, Stacy Apter, Nami Hamada, Sanket Ray and Rika Saeki are Outside Directors.
 2. Rika Saeki’s name is shown as her maiden and professional name.
 3. The Group has introduced a corporate executive officer system to accelerate the execution of business and clarify responsibilities. The total number of executive officers is 10, including representative directors.

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b. The Company has submitted a proposal titled “Election of seven (7) Directors (excluding Directors serving on the Audit and Supervisory Committee)” to the Ordinary General Meeting of Shareholders scheduled to be held on March 26, 2026. If this proposal is approved as originally proposed, the information about officers and their respective terms of office are expected to be as shown below. The titles of the officers presented below include those to be resolved at the meeting of the Board of Directors scheduled to be held immediately after the said Ordinary General Meeting of Shareholders.

Males: 5 people, Females:6 people (Ratio of females to total directors: 54.5%)

Position	Name	Date of birth	Brief history	Term of office	Number of shares held (Thousands of shares)
Representative Director, President	Calin Dragan	October 24, 1966	<p>June 1993 Joined Coca-Cola Leventis</p> <p>January 2000 Joined Coca-Cola Hellenic Bottling Company S.A.</p> <p>January 2005 General Manager and Administrator in charge of Romania and Mordovian Republic, Coca-Cola Hellenic Bottling Company S.A.</p> <p>July 2011 Executive Corporate Officer, Coca-Cola West Co., Ltd.</p> <p>March 2012 Representative Director, Coca-Cola West Co., Ltd. Vice President, Coca-Cola West Co., Ltd.</p> <p>July 2013 Representative Director & President, Coca-Cola East Japan Co., Ltd.</p> <p>May 2017 Regional Director, The Coca-Cola Company Bottling Investments Group</p> <p>January 2018 Regional Director, Coca-Cola Far East Limited President, The Coca-Cola Company Bottling Investments Group</p> <p>March 2019 Executive Officer, Vice President, Coca-Cola Bottlers Japan Holdings Inc. Executive Officer, Vice President, Coca-Cola Bottlers Japan Inc.</p> <p>March 2019 Representative Director, President, Coca-Cola Bottlers Japan Holdings Inc. (incumbent) Representative Director, President, Coca-Cola Bottlers Japan Inc. (incumbent)</p> <p>January 2022 Representative Director, President and CEO, Coca-Cola Bottlers Japan Inc. (incumbent)</p>	One year from the Ordinary General Meeting of Shareholders held on March 2026	1

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Position	Name	Date of birth	Brief history	Term of office	Number of shares held (Thousands of shares)	
Representative Director, Vice President, Chief Financial Officer	Bjorn Ivar Ulgenes	April 5, 1968	July, 1997 August 2005	Joined The Coca-Cola Company Finance Director North & West Africa Business Unit, The Coca-Cola Company	One year from the Ordinary General Meeting of Shareholders held on March 2026	5
			May 2008	Finance Director & Executive Assistant to the Business Unit President, North & West Africa Business Unit, The Coca-Cola Company		
			June 2009	GM Innovation & EA, North & West Africa Business Unit, The Coca-Cola Company		
			February 2010	Senior Vice President Finance, The Coca-Cola (Japan) Co., Ltd.		
			January 2013	Finance Director, Central, East & West Africa Group, The Coca-Cola Company		
			April 2016	Deputy Finance Director, Europe, Middle East & Africa (EMEA) Group, The Coca-Cola Company		
			October 2018	Senior Executive Officer, Head of Finance, Coca-Cola Bottlers Japan Holdings Inc. Senior Executive Officer, Head of Finance, Coca-Cola Bottlers Japan Inc.		
			November 2018	Representative Director & President, Senior Executive Officer, Head of Finance, Coca-Cola Bottlers Japan Sales Support Inc.		
			January 2019	Representative Director & President, Senior Executive Officer, Head of Finance, Coca-Cola Bottlers Japan Business Services Inc. (incumbent)		
			February 2019	Executive Officer, Head of Finance, Coca-Cola Bottlers Japan Holdings Inc. Executive Officer, Head of Finance, Coca-Cola Bottlers Japan Inc.		
			March 2019	Representative Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent) Vice President, Chief Financial Officer (Head of Finance, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)) Representative Director, Coca-Cola Bottlers Japan Inc. (incumbent) Vice President, Chief Financial Officer (Head of Finance, Coca-Cola Bottlers Japan Inc.		
			December 2019	Chairman and Representative Director, Q'SAI CO., LTD		
			January 2022	Vice President and Chief Financial Officer (Head of Finance) Representative Director, Vice President, and CFO of Coca-Cola Bottlers Japan Inc. (incumbent)		
			March 2022	Representative Director & Chairman, Coca-Cola Bottlers Japan Business Services Inc.		
November 2022	Representative Director, Chairman and President, Coca-Cola Bottlers Japan Business Services Inc. (incumbent)					
January 2024	Representative Director, NeoArc Inc. (incumbent)					
January 2025	Representative Director, onEQuest Co., Ltd. (incumbent)					

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Position	Name	Date of birth	Brief history	Term of office	Number of shares held (Thousands of shares)
Representative Director, Vice President	Maki Kado	February 16, 1969	<p>April 1992 Joined NEC Corporation</p> <p>April 1996 Joined United Feature Syndicate Inc. Japan Branch</p> <p>May 2000 Joined Microsoft Product Development Inc. Japan Branch</p> <p>April 2004 Joined Microsoft Corporation Inc. (US) Headquarters</p> <p>July 2013 General Manager of Purchasing, salesforce.com Co., Ltd.</p> <p>April 2014 Business Manager, Coca-Cola East Japan Co., Ltd.</p> <p>December 2014 Director, Coca-Cola Business Services Co., Ltd.</p> <p>January 2015 Representative Director and President, Coca-Cola Business Service Co., Ltd.</p> <p>Operating Committee member (Officer), Coca-Cola Cross Enterprise Procurement Group</p> <p>August 2015 Representative Director and President, Coca-Cola Business Sourcing Co., Ltd.</p> <p>June 2016 Budget Committee Chair (Chief Financial Officer), Coca-Cola Cross Enterprise Procurement Group</p> <p>April 2017 Executive Officer, Head of Procurement Division, Coca-Cola Bottlers Japan Inc.</p> <p>February 2019 Executive Officer, Head of Procurement, Coca-Cola Bottlers Japan Inc.</p> <p>June 2019 Executive Officer, Head of Procurement and Head of Executive Business Management, Coca-Cola Bottlers Japan Inc.</p> <p>April 2020 Executive Officer, Executive Business Manager, Coca-Cola Bottlers Japan Holdings Inc.</p> <p>June 2021 Outside Director, Idemitsu Kosan Co., Ltd.</p> <p>January 2023 Executive Officer, Chief Business Strategy Officer, Coca-Cola Bottlers Japan Inc. (incumbent)</p> <p>March 2023 Representative Director and President, Coca-Cola Customer Marketing Co., Ltd. (incumbent)</p> <p>January 2024 Executive Officer, Head of Executive Office, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)</p> <p>Executive Officer, President of Food Service Company, Coca-Cola Bottlers Japan Inc. (incumbent)</p> <p>March 2026 Representative Director, Vice President, Coca-Cola Bottlers Japan Inc. (incumbent)</p>	One year from the Ordinary General Meeting of Shareholders held on March 2026	—
Director	Hiroko Wada	May 4, 1952	<p>April 1977 Joined Procter & Gamble Sunhome Co., Ltd.</p> <p>January 1998 Vice President, In charge of Corporate New Ventures, Asia, The Procter & Gamble Company (U.S.)</p> <p>March 2001 Representative Director & President, Dyson Ltd.</p> <p>April 2004 Representative Director, President & COO, Toys “R” Us-Japan, Ltd.</p> <p>November 2004 Representative, Office WaDa (incumbent)</p> <p>May, 2009 Outside Director, Aderans Holdings Co., Ltd.</p> <p>June 2016 Outside Director, Shimadzu Corporation</p> <p>March 2019 Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)</p> <p>March 2019 Outside Director (Audit & Supervisory Committee member), Unicharm Corporation</p>	One year from the Ordinary General Meeting of Shareholders held on March 2026	—

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Position	Name	Date of birth	Brief history	Term of office	Number of shares held (Thousands of shares)
Director	Hirokazu Yamura	September 28, 1977	<p>October 2006 Joined Michinoku Coca-Cola Bottling Co., Ltd</p> <p>February 2009 Director, Michinoku Coca-Cola Bottling Co., Ltd</p> <p>March 2012 Managing Director, Michinoku Coca-Cola Bottling Co., Ltd.</p> <p>March 2013 Senior Managing Director, Michinoku Coca-Cola Bottling Co., Ltd</p> <p>March 2014 Representative Director & President, Michinoku Coca-Cola Bottling Co., Ltd. (incumbent)</p> <p>March 2020 Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)</p>	One year from the Ordinary General Meeting of Shareholders held on March 2026	—
Director	Celso Guiotoko	January 3, 1959	<p>December 1983 Joined Banco Bradesco SA</p> <p>January 1985 Senior Manager, Arthur Andersen (Accenture)</p> <p>March 1996 System Director, Toshiba America Electronic Components, Inc.</p> <p>December 1997 Solution Service Vice President, i2 Technologies Japan, Inc.</p> <p>May 2004 Vice President & CIO (Chief Information Officer), Nissan Motor Co., Ltd.</p> <p>April 2006 Corporate Vice President & CIO, Nissan Motor Co., Ltd.</p> <p>April 2014 Senior Corporate Vice President & CIO, Nissan Motor Co., Ltd.</p> <p>June 2017 Statutory Auditor, Nissan Motor Co., Ltd.</p> <p>March 2019 Outside Director (Audit & Supervisory Committee member), Coca-Cola Bottlers Japan Holdings Inc. Executive Officer, Global Chief Digital Officer, Nishimoto Co., Ltd.</p> <p>March 2020 Director, Global Chief Digital Officer, Nishimoto Co., Ltd.</p> <p>March 2023 Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)</p> <p>January 2024 Director, NeoArc Inc. (incumbent)</p> <p>April 2024 Senior Managing Executive Officer, Chief Information Officer (CIO) and Chief Information Security Officer (CISO), JERA Co., Inc. (incumbent)</p>	One year from the Ordinary General Meeting of Shareholders held on March 2026	—
Director	Yuki Isogai	August 13, 1975	<p>September 2002 Joined Kintetsu International Express</p> <p>February 2005 Joined International Development Center of Japan (IDCJ)</p> <p>October 2006 Economic Cooperation Coordinator, Embassy of Japan in Ethiopia</p> <p>November 2008 Private Sector Development Specialist, The World Bank</p> <p>March 2011 Joined PricewaterhouseCoopers Aarata</p> <p>July 2018 Partner, PricewaterhouseCoopers Aarata LLC</p> <p>July 2020 Sustainability Center of Excellence Technical Lead Partner, PricewaterhouseCoopers Aarata LLC</p> <p>July 2022 Sustainability Center of Excellence Lead Partner, PricewaterhouseCoopers Aarata LLC</p> <p>August 2024 Chief Sustainability Officer, Japan Activation Capital Inc.</p> <p>October 2025 Founder/CEO, Earth Nest LLC (incumbent)</p> <p>March 2026 Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)</p>	One year from the Ordinary General Meeting of Shareholders held on March 2026	—

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Position	Name	Date of birth	Brief history	Term of office	Number of shares held (Thousands of shares)
Director (Audit & Supervisory Committee member)	Stacy Apter	July 14, 1966	<p>2005 Joined The Coca-Cola Company</p> <p>May 2018 Director, Treasury, The Coca-Cola Company</p> <p>July 2018 Assistant Treasurer, The Coca-Cola Company</p> <p>October 2018 Chief of Staff to the Chairman and CEO, The Coca-Cola Company</p> <p>January 2021 Deputy Treasurer, The Coca-Cola Company</p> <p>March 2021 Vice President & Treasurer, The Coca-Cola Company</p> <p>October 2022 Vice President, Treasurer and Corporate Finance, The Coca-Cola Company</p> <p>March 2023 Outside Director (Audit & Supervisory Committee member), Coca-Cola Bottlers Japan Holdings Inc. (incumbent)</p> <p>April 2023 Director Synovus Financial Inc. (incumbent)</p> <p>January 2024 Senior Vice President and Treasurer, Head of Corporate Finance, The Coca-Cola Company (incumbent)</p>	Two years from the Ordinary General Meeting of Shareholders held on March 2025	—
Director (Audit & Supervisory Committee member)	Nami Hamada	August 3, 1964	<p>July 1992 Joined Lehman Brothers Holdings Inc.</p> <p>October 1996 Vice President, Lehman Brothers Japan Inc.</p> <p>June 1999 Senior Vice President, Lehman Brothers Japan Inc.</p> <p>May 2004 Representative Director, HDH Advisors Japan Limited.</p> <p>December 2006 Principal, HDH Capital Management Pte Ltd.</p> <p>March 2009 Founder, Managing Director, Mile High Capital Inc. (incumbent)</p> <p>August 2017 Director, Ecoplexus Japan K. K</p> <p>February 2019 Chief Operating Officer, Vesper Group Japan K.K.</p> <p>March 2019 Outside Director (Audit & Supervisory Committee member), Coca-Cola Bottlers Japan Holdings Inc. (incumbent)</p> <p>May 2020 Outside Director (Audit Committee Member), MetLife Insurance K.K.</p> <p>June 2022 Outside Director (Audit Committee Member, Nominating committee member, Compensation committee member), MetLife Insurance K.K. (incumbent)</p> <p>June 2022 Outside director, Shimadzu Corporation (incumbent)</p>	Two years from the Ordinary General Meeting of Shareholders held on March 2025	—
Director (Audit & Supervisory Committee member)	Sanket Ray	April 25, 1973	<p>2004 Joined The Coca-Cola Company</p> <p>2005 Joined HINDUSTAN COCA-COLA BEVERAGES PRIVATE LIMITED (INDIA)</p> <p>August 2016 CEO, COCA-COLA BEVERAGES VIETNAM LIMITED</p> <p>January 2019 Chief Operating Officer for mainland China, The Coca-Cola Company</p> <p>February 2020 President of India and Southwest Asia, The Coca-Cola Company (incumbent)</p> <p>March 2023 Outside Director (Audit & Supervisory Committee member), Coca-Cola Bottlers Japan Holdings Inc. (incumbent)</p>	Two years from the Ordinary General Meeting of Shareholders held on March 2025	—

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Position	Name	Date of birth	Brief history	Term of office	Number of shares held (Thousands of shares)
Director (Audit & Supervisory Committee member)	Rika Saeki	January 11, 1968	<p>September 1993: Joined Masuda, Funai, Eifert & Mitchell, Ltd. (Chicago, Illinois, U.S.A.)</p> <p>November 1993: Admitted to the Illinois Bar, U.S.A.</p> <p>May 2000: Joined Morrison & Foerster LLP</p> <p>January 2008: Of Counsel, Morrison & Foerster LLP (incumbent)</p> <p>December 2013: Registered as a Foreign Special Member of the Daini Tokyo Bar Association</p> <p>June 2016: Outside Director (Audit & Supervisory Committee Member), Shinko Electric Industries Co., Ltd.</p> <p>March 2025: Outside Director (Audit & Supervisory Committee member), Coca-Cola Bottlers Japan Holdings Inc. (incumbent)</p>	Two years from the Ordinary General Meeting of Shareholders held on March 2025	—
Total					6

- (Note)
1. Hiroko Wada, Hirokazu Yamura, Celso Guiotoko, Yuki Isogai, Stacy Apter, Nami Hamada, Sanket Ray and Rika Saeki are Outside Directors.
 2. Maki Kado, Yuki Isogai, Rika Saeki’s names are shown as their maiden and professional names.
 3. The Group has introduced a corporate executive officer system to accelerate the execution of business and clarify responsibilities. The total number of executive officers is 10, including representative directors.

2) Information of outside directors

Currently, 3 of the 5 directors (excluding directors who are members of the Audit and Supervisory Committee) and all 4 directors who are members of the Audit and Supervisory Committee are outside directors. In addition, the Company has submitted a proposal titled “Election of seven (7) Directors (excluding Directors serving on the Audit and Supervisory Committee)” to the Ordinary General Meeting of Shareholders scheduled to be held on March 26, 2026. If this proposal is approved as originally proposed, 4 of the 7 Directors (excluding Directors serving on the Audit and Supervisory Committee) and all 4 Directors who are Audit and Supervisory Committee Members will be Outside Directors. The reasons for the appointment of each Outside Director, assuming that the proposal is approved as originally proposed, are as follows.

a. Appointment of outside directors

Category	Name	Relationship with the Company	Status of appointment
Outside Director	Hiroko Wada	—	<p>The Company has appointed Hiroko Wada as a Director (Outside Director) in order for her to utilize, for the management of the Company, the considerable experiences and global knowledge she has gained thus far as officer at The Procter & Gamble Company and as Representative Director at Toys “R” Us Japan Ltd.</p> <p>There is no relationship of special interest between her and the Company, and no risk that conflicts of interest with general shareholders. Therefore, the Company has designated her as an independent director.</p>
Outside Director	Hirokazu Yamura	Hirokazu Yamura is the Representative Director and President of Michinoku Coca-Cola Bottling Company, Co., Ltd. (hereafter “Michinoku CCBC),” which is a trading partner of the Group. The amount of sale of products, etc. to Michinoku CCBC is equivalent to 0.5% of the Company’s consolidated net revenue, and the amount of purchase of products, etc. from Michinoku CCBC is equivalent to 1.6% of the consolidated revenue of Michinoku CCBC.	<p>The Company has appointed Hirokazu Yamura as a Director (Outside Director) in order for him to utilize, for the management of the Company, the considerable experiences and knowledge he has gained thus far as the Representative Director and President of Michinoku CCBC.</p> <p>The Company also has transactions with the group companies of Michinoku CCBC. In addition, the trading prices and other terms and conditions applied to these transactions are fair and consistent with the trading prices and other terms and conditions applied to transactions with other trading partners. We therefore believe that these group companies of Michinoku CCBC pose no risk of obstruction of our free and fair business activities.</p> <p>Accordingly, as the Company has determined that there is no risk that it will be subject to significant influence from Michinoku CCBC, the Company has concluded that there is no risk of a conflict of interest with general shareholders and has therefore designated him as an Independent Officer.</p>
Outside Director	Celso Guiotoko	—	<p>The Company has appointed Celso Guiotoko as a Director (Outside Director) in order for him to utilize, for the management of the Company, the considerable experiences and global knowledge he has gained thus far as Nissan Motor Co., Ltd. (“Nissan”), Nishimoto Co., Ltd. as well as JERA Co., Inc.</p> <p>There is no relationship of special interest between him and the Company, and no risk that conflicts of interest with general shareholders. Therefore, the Company has designated him as an independent director.</p>

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Outside Director	Yuki Isogai	—	The Company requests the election of Yuki Isogai as a Director (Outside Director) in the expectation that her significant experience and global expertise in the sustainability field, gained at The World Bank, PricewaterhouseCoopers Aarata LLC (now PricewaterhouseCoopers Japan LLC) and Japan Activation Capital Co., Ltd. Currently, she has established Earth Nest LLC and serves as its Founder/CEO, providing broad support for the realization of sustainability management. She is expected to contribute her extensive experience and insights in sustainability management to the management of the Group.
Outside Director (Audit & Supervisory Committee member)	Stacy Apter	Stacy Apter is Senior Vice President and Treasurer, Head of Corporate Finance, The Coca-Cola Company. The Company has entered into contracts for manufacturing and sales of Coca-Cola and other products and use of trademarks, etc. with The Coca-Cola Company.	Stacy Apter is Senior Vice President and Treasurer, Head of Corporate Finance of The Coca-Cola Company, who has demonstrated strong leadership and support to the Board of Directors, particularly in a variety of fields such as global financial risk oversight and enterprise risk management at The Coca-Cola Company. Based on her extensive experience as a global corporate executive, she is expected to provide advises as a Director serving on the Audit and Supervisory Committee on all areas including decision making related to important managerial decisions, handling of expected risks and the internal control system, and the Company has appointed Apter as a Director serving on the Audit and Supervisory Committee (Outside Director).
Outside Director (Audit & Supervisory Committee member)	Nami Hamada	—	Nami Hamada has considerable experiences on Finance and Accounting gained as a proprietor of her own finance consulting company and considerable experiences and global expertise gained as a corporate executive at Lehman Brothers Japan Inc. and possesses management supervisory experience as Statutory Auditor at Shimadzu Corporation and MetLife Insurance K.K. Based on her extensive experience as a corporate executive and her expertise in the field of finance, she is expected to provide advice as a Director serving on the Audit and Supervisory Committee on all areas including decision making related to important managerial decisions, handling of expected risks and the internal control system, and the Company has appointed Hamada as a Director serving on the Audit and Supervisory Committee (Outside Director). There is no relationship of special interest between her and the Company, and no risk that conflicts of interest with general shareholders. Therefore, the Company has designated her as an independent director.
Outside Director (Audit & Supervisory Committee member)	Sanket Ray	Sanket Ray is President of India and Southwest Asia of The Coca-Cola Company. The Company has entered into contracts for manufacturing and sales of Coca-Cola and other products and use of trademarks, etc. with The Coca-Cola Company.	Sanket Ray is President of India and Southwest Asia of The Coca-Cola Company, who has demonstrated strong leadership in mainly commercial at The Coca-Cola Company and has considerable management experiences as a manager at business units in the Asia region. Based on his extensive experience as a global corporate executive, he is expected to provide advises as a Director serving on the Audit and Supervisory Committee on all areas including decision making related to important managerial decisions, handling of expected risks and the internal control system, and the Company has appointed Ray as a Director serving on the Audit and Supervisory Committee (Outside Director).
Outside Director (Audit & Supervisory Committee member)	Rika Saeki	—	Rika Saeki is an attorney licensed to practice law in the State of Illinois, U.S.A., and is registered in Japan with the Daini Tokyo Bar Association as a Foreign Special Member. She has considerable experience at Masuda Funai Eifert & Mitchell and Morrison & Foerster with mergers and acquisitions and international alliances involving companies in a variety of sectors including food, pharmaceuticals, and technology, as well as providing critical advice on corporate governance and other matters. She also possesses management supervisory experience with respect to domestic companies based on her position as an Outside Director serving on the Audit and Supervisory Committee of Shinko Electric Industries Co., Ltd. Based on her extensive experience as an foreign attorney and an Outside Director serving on an Audit and Supervisory Committee, she is expected to provide advice as a Director serving on the Audit and Supervisory Committee on all areas including decision making related to important managerial decisions, handling of expected risks, corporate governance and internal control system, and the Company has appointed Saeki as a Director serving on the Audit and Supervisory Committee (Outside Director). There is no relationship of special interest between her and the Company, and no risk that conflicts of interest with general shareholders. Therefore, the Company has designated her as an independent director.

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b. Criteria or policies for independence when appointing an outside director

We consider our outside director (including candidates) sufficiently independent when all of following criteria are found to be irrelevant to him/her as a result of our reasonably possible range of investigation:

- (a) Currently and in the past 10 years, the person works/worked in the Company or its subsidiary.
- (b) Currently and in the past one year, the person is/was a major business partner (the Group accounts for 2% or more of whose consolidated net sales in the most recent fiscal year) or works/worked in the business partner.
- (c) Currently and in the past one year, the person is/was a major business partner (which accounts for 2% or more of our consolidated net sales in the most recent fiscal year) or works/worked in the business partner.
- (d) Currently and in the past one year, the person is/was a consultant, a certified public accountant, an attorney, or other receiving annual compensation of 10 million yen or more from the Company, in addition to officers' compensation.
- (e) Currently and in the past one year, the person is/was a recipient of donations of 10 million yen or more per year from the Company, or works/worked in the recipient entity; and
- (f) Relatives within the second degree of kinship of those falling under (a) to (e) above.

c. Functions and roles of outside directors in corporate governance

The Audit and Supervisory Committee is composed entirely of outside directors, so that the system to monitor the execution of duties by directors has been established. We receive appropriate advice from outside directors (excluding directors who are members of the Audit and Supervisory Committee) who are knowledgeable other than our Group, and outside directors who are members of the Audit and Supervisory Committee in a third-party perspective.

d. Collaboration of outside directors' supervision or audit with internal audits and external accounting audits, as well as its relationship with internal control department

Outside directors who are not members of the Audit and Supervisory Committee receive reports and express their opinion on internal audit, external accounting audit and internal controls at the Board of Directors meetings. Also, outside directors who are members of the Audit and Supervisory Committee receive reports and express their opinion on them at the meetings of Board of Directors and the Audit and Supervisory Committee.

e. Outline of Limited Liability Agreements

In its Articles of Incorporation, the Company has established provisions concerning limited liability agreements with Directors (excluding those who is not an Executive Director, etc.) in order to ensure that Directors (excluding those who is not an Executive Director, etc.) can demonstrate the roles expected of them and the Company can invite and select competent persons as Directors (including, not limited to, Outside Directors).

The Company has entered into limited liability agreements with seven Directors to limit their liability for damages in the event that he/she fails to perform his/her duties stipulated in Article 427, Paragraph 1 of the Companies Act. In addition, the Company has submitted a proposal titled “Election of seven (7) Directors (excluding Directors serving on the Audit and Supervisory Committee)” to the Ordinary General Meeting of Shareholders scheduled to be held on March 26, 2026. If this proposal is approved as originally proposed, the Company intends to renew the said agreement. In addition, if the appointment of Yuki Isogai is approved, the Company intends to enter into the said agreement with her. The limit of liability in the Agreement shall be equal to the minimum liability limit stipulated by laws and ordinances.

f. Outline of the Directors’ and officers’ Liability Insurance Policy

In order to ensure that directors (including those who are members of the Audit and Supervisory Committee) and the Group’s executive officers can demonstrate the roles expected of them and the Company can select competent persons to serve as directors and executive officers, the Company has entered into a directors’ and officers’ liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company and the Company bears the entire premium.

The policy covers the nine members of the Board of Directors, namely Calin Dragan (Representative Director) Bjorn Ivar Ulgenes (Representative Director), Hiroko Wada, Hirokazu Yamura, Celso Guiotoko, Stacy Apter, Nami Hamada, Sanket Ray and Rika Saeki and, as well as the Executive Officers of the Group, as insured, in the event of claims for damages by shareholders, the Company, employees or other third parties arising from acts in the course of their duties as directors and officers of the Company during the term of the policy. In addition, the Company has submitted a proposal titled “Election of seven (7) Directors (excluding Directors serving on the Audit and Supervisory Committee)” to the Ordinary General Meeting of Shareholders scheduled to be held on March 26, 2026. If this proposal is approved as originally proposed, the Company intends to renew the said insurance policy, under which the above

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Representative Director and Directors, as well as Executive Officers, are insured persons. In addition, if the appointments of Maki Kado and Yuki Isogai are approved, the Company intends to enter into the said agreement with them.

g. Assignment of support staff for outside directors

Outside directors (excluding those who are not members of the Audit and Supervisory Committee) are supported by staff from the corporate governance department, and outside directors who are members of the Audit and Supervisory Committee members are supported by the secretariat of the Audit and Supervisory Committee (assistant employees).

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(3) Audit Status

a. Audit and Supervisory Committee Audit Status

The Audit and Supervisory Committee serves as the auditing body of the Company that is comprised exclusively of external directors, including multiple independent external directors. To strengthen the management oversight function, these external directors that serve as the member of the Audit and Supervisory Committee have been granted with a voting right in the Board of Directors meetings, in addition to the right to state their opinions in shareholders’ meetings on matters pertaining to the designation of board members and their remuneration, among others.

The four directors who are members of the Audit and Supervisory Committee audit the execution of duties by directors and executive officers based on relevant laws and regulations, the Articles of Incorporation, and the audit standards for our Audit and Supervisory Committee, through periodic meetings with representative directors and reports on the results of audits conducted by the Audit Office. One of four directors who is a member of the Audit and Supervisory Committee runs a finance consulting company herself and has extensive experience in finance and accounting and therefore possesses considerable knowledge of finance and accounting.

In the current fiscal year, we held the Audit and Supervisory Committee Meetings 5 times with the following attendance of each member.

Name	Number of times held	Number of attendances
Nami Hamada	5	5
Stacy Apter	5	5
Sanket Ray	5	5
Rika Saeki	4	4

As Rika Saeki was elected at the 67th Ordinary General Meeting of Shareholders held on March 26, 2025, only the meetings of the Audit and Supervisory Committee held after her appointment are included. She attended all four meetings of the Audit and Supervisory Committee held during the fiscal year ended December 31, 2025 following her appointment.

The matters mainly handled by the Audit and Supervisory Committee during the fiscal year under review were as follows.

Agenda items	Description
Matters to be resolved	Formulation of audit policy, preparation of audit reports, reappointment of accounting auditors, agreement on the remuneration of accounting auditors, formation of opinions on appointment and remuneration of directors, etc.
Matters for discussion	Remuneration of Audit and Supervisory Committee members, etc.
Matters to be reported	Confirmation of the development and operation of the internal audit system (status of activities related to internal audit, finance governance, business systems, risk management, ethics, and compliance, etc.), reports from the accounting auditor on the results of the accounting audit, etc.

The members of the Audit and Supervisory Committee use their broad knowledge and extensive experience to express objective audit opinions from an independent and neutral standpoint and to present candid opinions at the Board of Directors Meetings and Audit and Supervisory Committee Meetings.

b. Internal Audit Status

(a) Internal audit organization, members, and procedures

The Group’s internal audits are conducted from an independent and objective standpoint to ensure the Company’s compliance with laws and regulations, proper activities and operations, preservation of assets, effectiveness and efficiency of operations, and financial reliability. Management audits and operational audits of operating organizations and affiliated companies are conducted in accordance with its annual audit policies and plans. As of December 31, 2025, the Internal Audit Office had 12 members including 6 qualified members related to internal audit, such as CIA, USCPA, CFE, CISA, and QISIA.

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(b) Collaboration between Internal Audit office, Audit and Supervisory Committee and accounting auditors, and the relationship between these audit bodies and Internal Control Division

The Internal Audit Office collaborates with the Audit and Supervisory Committee and the accounting auditors to further enhance the effectiveness of audits. The Internal Audit Office discusses the annual audit policy and plans with Supervisory Committee. In addition, the Audit and Supervisory Committee and the Internal Audit Office receive explanations of the audit plan from the external accounting auditor at the beginning of the fiscal year, and request explanations and reports from time to time regarding the progress status of the audits during the fiscal year and the results of year-end audits, among others. Furthermore, close collaboration with the Internal Control Division is maintained by holding regular meetings to exchange opinions and information. Specific details of collaboration between the Internal Audit Office and the Board of Directors, Audit & Supervisory Committee, accounting auditors, and Internal Control Division are as follows.

Department	Name of meeting	Summary	Period
Board of Directors	Report	Report on evaluation of internal control over financial reporting	February
Audit and Supervisory Committee	Report	Report on the annual activity plan for internal audits	October
	Report	Report on the results of internal audits	February, April, July, October
	Report	Report on the status of follow-up on past audit findings	February, April, July, October
	Exchange of information and opinions	Exchange of opinions pertaining to the reports on the results of internal audits	February, April, July, October
	Exchange of information and opinions	Exchange of opinions pertaining to the report on the status of follow-up on past audit findings	February, April, July, October
Accounting auditors	Exchange of information and opinions	Exchange of opinions on evaluation of internal control over financial reporting	Monthly
Internal Control Division	Exchange of information and opinions	Exchange of opinions on evaluation of internal control over financial reporting	Monthly

(c) Initiatives to ensure the effectiveness of internal audits

To fully demonstrate the independent function of internal audit to ensure its effectiveness, a dual reporting relationship is maintained, which consists of a reporting route to the Board of Directors and to the Audit and Supervisory Committee as described above, in addition to the reporting route to the representative director. As indicated above, the Internal Audit Office promptly reports the follow-up status of past audit findings through dual reporting lines.

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c. Accounting Audit Status

(a) Name of audit firm

Ernst & Young ShinNihon LLC

(b) Continuous audit period

8 years

(c) The certified public accountants who performed the accounting audit

Certified public accountant who performed the accounting audits		
Designated Limited Liability Partner	Engagement Partner	Makoto Matsumura
Designated Limited Liability Partner	Engagement Partner	Keita Tsujimoto
Designated Limited Liability Partner	Engagement Partner	Keisuke Kishi

(d) Composition of assistants involved in audit work

10 certified public accountants and 42 others were involved as audit assistants.

(e) Audit firm selection policy and reasons

(Evaluation of the audit firm by Audit & Supervisory Committee)

The Audit and Supervisory Committee evaluates the accounting auditor’s quality control structure, global auditing system, and appropriateness, independence, etc. of the audit comprehensively, confirms that the audit by Ernst & Young ShinNihon LLC is appropriate and reasonable, and passes a resolution for its reappointment.

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

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

(f) Evaluation of the Accounting Auditor by the Audit and Supervisory Committee

The Audit and Supervisory Committee evaluates the accounting auditor’s quality control structure, global auditing system, and appropriateness, independence, etc. of the audit comprehensively, confirms that the audit by Ernst & Young ShinNihon LLC is appropriate and reasonable, and passes a resolution for its reappointment.

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(g) Details of remuneration to independent auditors

i) Compensation for auditing certified public accountants

Category	Prior fiscal year		Current fiscal year	
	Remuneration for on-audit assurance services (Millions of yen)	Remuneration for non-audit assurance services (Millions of yen)	Remuneration for on-audit assurance services (Millions of yen)	Remuneration for non-audit assurance services (Millions of yen)
The Company	69	—	71	—
Consolidated subsidiaries	120	14	159	10
Total	189	14	230	10

Non-audit services to consolidated subsidiaries for prior fiscal year was an advisory service for disclosing information on Science Based Targets (target setting for decarbonization). Non-audit services to consolidated subsidiaries for current fiscal year was an advisory and assurance service for sustainability.

ii) Remuneration for organizations belonging to the same network as auditing certified public accountants (excluding “i”)

Category	Prior fiscal year		Current fiscal year	
	Remuneration for on-audit assurance services (Millions of yen)	Remuneration for non-audit assurance services (Millions of yen)	Remuneration for on-audit assurance services (Millions of yen)	Remuneration for non-audit assurance services (Millions of yen)
The Company	—	—	—	—
Consolidated subsidiaries	5	—	4	—
Total	5	—	4	—

iii) Other material remuneration to independent auditors

Prior fiscal year (January 1, 2024, to December 31, 2024)

Not applicable.

Current fiscal year (January 1, 2025, to December 31, 2025)

Not applicable.

iv) Details of non-audit services rendered by independent auditors

Prior fiscal year (January 1, 2024, to December 31, 2024)

Not applicable.

Current fiscal year (January 1, 2025, to December 31, 2025)

Not applicable.

v) Reason for the Audit and Supervisory Committee to Have Agreed the Amount of Remuneration Payable to the Accounting Auditor, etc.

The Audit and Supervisory Committee confirmed and reviewed the appropriateness and adequacy of the audit plans, audit hours, implementation status and grounds for the estimate of the remuneration as submitted by the accounting auditor before granting approval to the remuneration payable to the accounting auditor.

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(4) Officer compensation, etc.

1) Compensation policy and process for determining the policy

a. Policy and Method of Determination of Remuneration, etc. for Directors

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

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

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

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

(c) Process for determining the policy

The policy for determining compensation for Officers, etc. shall be determined upon deliberation by the Nomination and Compensation Committee and approval by the Board of Directors. The current policy (policy for determining compensation for Directors, etc.) has been resolved by the Board of Directors on February 9, 2023, February 13, 2025 and August 1, 2025.

The Company has submitted a proposal (items to be proposed) titled “Amendment of Maximum total compensation, etc. for Directors (including Directors serving on the Audit and Supervisory Committee)” (Proposal No. 3) to the Ordinary General Meeting of Shareholders scheduled to be held on March 26, 2026.

2) Details and procedures on compensation for Executive Directors and Executive Officers

a) Compensation structure

Fixed compensation	Base salary	<ul style="list-style-type: none"> Monthly payment of an amount determined based on responsibilities. 	<p>The portion of the compensation shown on the left provided to Directors will not exceed the following amount.</p> <p>Compensation limit for Directors (excluding Directors serving on the Audit and Supervisory Committee): 850 million yen per year (approved by resolution no. 5 of 2019 Annual General Meeting of Shareholders) (five in number at the time of the resolution, excluding Directors serving on the Audit and Supervisory Committee)</p> <p>* In case where the Nomination and Compensation Committee has deliberated and deemed it necessary, payments within 850 million yen may be made for fringe benefits such as compensation for exchange rate fluctuation between other countries and Japan, housing allowance, etc.</p>
	Retirement payments	<ul style="list-style-type: none"> 10% of annual base salary is retained, and the accumulated amount is calculated and paid upon their retirement. This payment may be reduced or withheld altogether if the recipient has caused significant damage to the CCBJH Group or been subject to disciplinary action. It may also be specially increased where the recipient has made particularly distinguished contribution. Any reduction, withholding, or special increase will be decided at the Board of Directors Meeting, based on deliberation by the Nomination and Compensation Committee. 	
Variable compensation	Annual bonus	<ul style="list-style-type: none"> Provided at a certain point in the year as an incentive for achieving performance targets for each fiscal year. The target amount is set in the range of 30% to 85% of base salary, depending on their responsibilities. The amount of payment varies in the range of 0% to 150% of the target amount depending on the achievement of performance targets in each fiscal year (companywide performance and individual evaluations). The payout rate is based on a baseline of 100% when the achievement rate against the performance target is 100%. For business income, the payout rate is set at 0% when the achievement rate is below 70% (lower threshold) and varies from 50% at 70% achievement to 150% at 130% achievement (upper threshold). For sales volume and revenue, the payout rate is set at 0% when the achievement rate is below 90% (lower threshold) and varies from 50% at 90% achievement to 150% at 110% achievement (upper threshold). For companywide performance, in order to provide motivation to achieve profitable growth, business income (50%), sales volume (20%), and revenue (30%) have been adopted as measures for evaluating companywide performance, based on the Company’s policy regarding the determination of compensation, etc. for Directors, etc. For individual performance, evaluation metrics based on top-line growth strategies, business foundations supporting cost reduction and profit growth, and initiatives to enhance shareholder value have been adopted as well as metrics contributing to human capital management. The amount to be paid may be adjusted if the Nomination and Compensation Committee deliberated it necessary to do so, taking into consideration the status of payment of bonuses to employees. 	

Variable compensation	<p>Long-term incentives</p> <ul style="list-style-type: none"> ● Two types of stock-based compensation systems, (1) PSU and (2) RSU, are adopted as long-term incentives. ● The basic amount of all long-term incentives (1) PSU + (2) RSU is set in the range of 15% to 100% of base salary based on the responsibilities. 50% of this basic amount is set as the basic PSU amount, and 50% is set as the basic RSU amount. ● With regard to (2) RSU, additional grants for the purpose of retention, etc. may be made in addition to the above-mentioned basic RSU amount and in case for Directors, up to the compensation limit detailed on the right if deemed necessary by the Nomination and Compensation Committee (Special RSU). 	<p>The portion of the compensation shown on the left provided to Directors will not exceed the following amount.</p> <p>Compensation limit for Directors (excluding Directors serving on the Audit and Supervisory Committee):</p> <p>The maximum number of shares is 2,880 million yen and 1,800,000 shares for three fiscal years (approved by resolution no. 5 of 2022 Annual General Meeting of Shareholders) (five in number at the time of the resolution, excluding Directors serving on the Audit and Supervisory Committee)</p>
	<p>(1) PSU (Performance Share Units)</p> <ul style="list-style-type: none"> ● Granted as an incentive for achieving medium to long term performance targets. ● The number of shares to be issued shall be determined within the range of 0% to 150% of the basic PSU amount depending on the achievement of performance targets (only considering companywide performance) over the three years after the share units have been granted. The payout rate is based on a baseline of 100% when the achievement rate against the performance target is 100%. The payout rate is set at 0% when the achievement rate is below 75% (lower threshold) and varies from 50% at 75% achievement to 150% at 125% achievement (upper threshold). ● A part of the shares to be issued shall be paid in cash for the purpose of allocating funds for the payment of tax obligations, etc. ● To provide motivation to enhance corporate value over the mid to long term, consolidated ROE (50%) and consolidated revenue growth rate (50%) have been adopted as measures for evaluating performance, based on the Company’s policy regarding the determination of compensation for Directors, etc. 	
	<p>(2) RSU (Restricted Stock Units)</p> <ul style="list-style-type: none"> ● Granted for the purpose of aligning interests with shareholders, creating incentives to increase corporate value, and strengthening retention of talented people. ● A predetermined number of shares are issued at retirement. ● A part of the shares to be issued shall be paid in cash for the purpose of allocating funds for the payment of tax obligations, etc. 	

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

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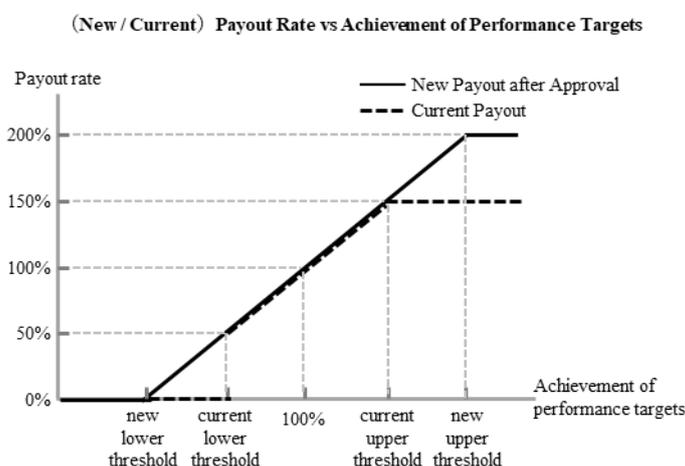
The Company has resolved to submit to the Ordinary General Meeting of Shareholders scheduled to be held on March 26, 2026 a proposal (items to be proposed) titled “Amendment of Maximum total compensation, etc. for Directors (including Directors serving on the Audit and Supervisory Committee)” (Proposal No.3). If approved at the General Meeting of Shareholders, the compensation structure will be scheduled to be as follows.

Fixed compensation	Base salary	<ul style="list-style-type: none"> Monthly payment of an amount determined based on responsibilities. 	The portion of the compensation shown on the left provided to Directors will not exceed the following amount.
Variable compensation	Annual variable pay	<ul style="list-style-type: none"> Provided at a certain point in the year as an incentive for achieving performance targets for each fiscal year. The target amount is set in the range of 30% to 85% of base salary, depending on their responsibilities. The amount of payment varies in the range of 0% to 200% of the target amount depending on the achievement of performance targets in each fiscal year (companywide performance and individual evaluations). The payout rate is based on a baseline of 100% when the achievement rate against the performance target is 100%. For business income, the payout rate is set at 0% when the achievement rate is below 40% (lower threshold) and varies from 0% at 40% achievement to 200% at 160% achievement (upper threshold). For sales volume and revenue, the payout rate is set at 0% when the achievement rate is below 80% (lower threshold) and varies from 0% at 80% achievement to 200% at 120% achievement (upper threshold). For companywide performance, in order to provide motivation to achieve profitable growth, business income (50%), sales volume (20%), and revenue (30%) have been adopted as measures for evaluating companywide performance, based on the Company’s policy regarding the determination of compensation, etc. for Directors, etc. For individual performance, evaluation metrics based on top-line growth strategies, business foundations supporting cost reduction and profit growth, and initiatives to enhance shareholder value have been adopted as well as metrics contributing to human capital management. The amount to be paid may be adjusted if the Nomination and Compensation Committee deliberated it necessary to do so, taking into consideration the status of payment of bonuses to employees. 	<p>Compensation limit for Directors (excluding Directors serving on the Audit and Supervisory Committee and Outside Directors not serving on the Audit and Supervisory Committee): <u>3,200 million yen per year (three in number at the time of the resolution, excluding Directors serving on the Audit and Supervisory Committee and Outside Directors not serving on the Audit and Supervisory Committee)</u></p> <p>* In case where the Nomination and Compensation Committee has deliberated and deemed it necessary, payments within <u>3,200 million yen</u> may be made for fringe benefits such as compensation for exchange rate fluctuation between other countries and Japan, housing allowance, etc.</p>

Variable compensation	Long-term incentives	<ul style="list-style-type: none"> Two types of stock-based compensation systems, (1) PSU and (2) RSU, are adopted as long-term incentives. The basic amount of all long-term incentives (1) PSU + (2) RSU is set in the range of 15% to 100% of base salary based on the responsibilities. 50% of this basic amount is set as the basic PSU amount, and 50% is set as the basic RSU amount. With regard to (2) RSU, additional grants for the purpose of retention, etc. may be made in addition to the above-mentioned basic RSU amount and in case for Directors, up to the compensation limit detailed on the right if deemed necessary by the Nomination and Compensation Committee (Special RSU). 	<p>The portion of the compensation shown on the left provided to Directors will not exceed the following amount.</p> <p>Compensation limit for Directors (excluding Directors serving on the Audit and Supervisory Committee and Outside Directors not serving on the Audit and Supervisory Committee): The maximum number of shares is <u>6,782 million yen and 2,600,000 shares for three fiscal years (seven in number at the time of the resolution, excluding Directors serving on the Audit and Supervisory Committee and Outside Directors not serving on the Audit and Supervisory Committee)</u></p>
	1) PSU (Performance Share Units)	<ul style="list-style-type: none"> Granted as an incentive for achieving medium- to long-term performance targets. The number of shares to be issued shall be determined within the range of 0% to 200% of the basic PSU amount depending on the achievement of performance targets [over a three-month period] (only considering companywide performance) over the three years after the share units have been granted. The payout rate is based on a baseline of 100% when the achievement rate against the performance target is 100%. The payout rate is set at 0% when the achievement rate is below 50% (lower threshold) and varies from 0% at 50% achievement to 200% at 150% achievement (upper threshold). A part of the shares to be issued shall be paid in cash for the purpose of allocating funds for the payment of tax obligations, etc. To provide motivation to enhance corporate value over the medium- to long-term, consolidated ROE (50%) and consolidated revenue growth rate (50%) have been adopted as measures for evaluating performance, based on the Company’s policy regarding the determination of compensation for Directors, etc. 	
	2) RSU (Restricted Stock Units)	<ul style="list-style-type: none"> Granted for the purpose of aligning interests with shareholders, creating incentives to increase corporate value, and strengthening retention of talented people, etc. A predetermined number of shares are issued after three years of vesting period. A part of the shares to be issued shall be paid in cash for the purpose of allocating funds for the payment of tax obligations, etc. 	

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

Image of the annual variable pay and PSU payout rate against company performance (current and after approval of Proposal No.3)



b) Process for determining compensation

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

(a) Activities of the Board of Directors

The Board of Directors' activities concerning the determination of Officer compensation for FY2025 are as follows.

- (i) Number of meetings of the Board of Directors held over one year from January 2025 to December 2025: 6
- (ii) Main subjects discussed by the Board of Directors concerning Officer compensation and Officer compensation structure in FY2025:
- Payment of 2024 Annual Incentive and Vesting of 2022 Performance Share Unit for Directors and Executive Officers
 - FY2025 Compensation for Directors (Excluding Directors Serving on Audit and Supervisory Committee) and Executive Officers
 - Report on the number of share units to be granted to the Directors and Executive Officers in FY2025
 - Establishment of the voluntary Nomination & Compensation Committee (NCC)
 - Compensation policy along with the establishment of Nomination and Compensation Committee
 - Personnel Changes of Executive Officers
 - Revision of Rewards for Internal Directors
 - Payment of Special RSU
 - Compensation of New Executive Officer

(b) Activities of the Audit & Supervisory Committee

Activities of the Audit & Supervisory Committee concerning the determination of Officer compensation for FY2025 are as follows.

- (i) Number of meetings of the Audit and Supervisory Committee held over one year from January 2025 to December 2025: 5
- (ii) Main subjects discussed by the Audit & Supervisory Committee concerning Officer compensation and Officer compensation structure in FY2025:
- Payment of 2024 Annual Incentive and Vesting of FY2022 Performance Share Unit for Directors and Executive Officers
 - FY2024 Extended Bonus Payment
 - FY2025 Executive Compensation Proposal
 - FY2025 Compensation for Audit and Supervisory Committee Members
 - FY2025 Individual Objectives of Directors and Executive Officers
 - Compensation policy along with the establishment of Nomination and Compensation Committee (NCC)

(c) Activities of the Nomination & Compensation Committee

Activities of the Nomination & Compensation Committee concerning the determination of Officer compensation for FY2025 are as follows.

- (i) Number of meetings of the Nomination & Compensation Committee held over five months from August 2025 to December 2025: 6
- (ii) Main subjects discussed by the Nomination & Compensation Committee concerning Officer compensation and Officer compensation structure in FY2025:
- Rewards for Directors
 - Revision of the Cap on Director's Monetary Compensation

c) Compensation level

Compensation is decided according to the responsibilities by utilizing data from compensation surveys performed by external research organizations and taking into account the level of compensation provided at companies such as domestic and overseas companies of similar scale in similar industries with the intent to provide a level of compensation that enables recruitment and retention of talented people who are highly diverse in terms of nationality, experience, etc.

Main image of compensation structure (in case of Representative Director)



d) Malus and Clawback Provisions in Long-Term Incentive (LTI) Plans

In the event of serious fraud or violation of the Eligible Directors, the Eligible Directors may confiscate the beneficial rights of the shares to be vested under the Plan (malus) and demand the return of money equivalent to the vested shares, etc. (clawback).

3) Guidelines and procedures for determining compensation for Supervisory Officers

The compensation for Supervisory Officers (Directors who are Audit & Supervisory Committee Members and Outside Directors who are not Audit & Supervisory Committee Members) is composed of basic compensation only in view of their role as supervisors and auditors of CCBJI business. Compensation levels are set according to the role of the Director by utilizing data from compensation surveys performed by external research organizations and taking into account the level of compensation provided at domestic companies of similar scale. The individual compensation for Directors serving on the Audit and Supervisory Committee is proposed to the Audit and Supervisory Committee and determined upon consultation with Directors serving on the Audit and Supervisory Committee within the total amount determined by the resolution of the General Meeting of Shareholders. The compensation for Outside Directors not serving on the Audit and Supervisory Committee shall be delegated to a Representative Director (Calin Dragan) upon resolution by the Board of Directors, and the amount shall be determined by the Representative Director in accordance with the “Policy for Determining Compensation for Directors, etc.” approved by the Board of Directors after the terms of compensation are deliberated by the Nomination and Compensation Committee. The reason for delegating these authorities to the President and Representative Director is that the President and Representative Director is considered to be the most appropriate person to evaluate the responsibilities of each Director. To ensure that such authority is appropriately exercised by the President and Representative Director, decisions on the details of compensation for outside directors who are not members of the Audit and Supervisory Committee are made after deliberation by the Nomination and Compensation Committee. Therefore, the Board of Directors deems that the content of these remunerations is in line with the above decision-making policy.

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4) Details of compensation for Officers for FY2025

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

Positions	Total remuneration (Million yen)	Types of remuneration				Headcount of Officers (people)
		Basic compensation (Note 3)	Retirement payments	Annual bonuses	Long-term incentives (Note 4)	
Directors (excluding Directors serving on the Audit and Supervisory Committee) (of which Outside Directors)	1,584 (49)	547 (49)	25 (-)	253 (-)	759 (-)	5 (3)
Directors (serving on the Audit and Supervisory Committee) (of which Outside Directors)	71 (71)	71 (71)	- (-)	- (-)	- (-)	5 (5)
Total (of which Outside Directors)	1,655 (120)	618 (120)	25 (-)	253 (-)	759 (-)	10 (8)

- (Note)
- In accordance with the resolution passed at the 62nd Annual General Meeting of Shareholders held on March 26, 2020, the upper limit of compensation for Directors (five in number at the time of the resolution, excluding Directors serving on the Audit and Supervisory Committee) shall be 850 million yen per year (of which 50 million yen per year for Outside Directors (two in number at the time of the resolution)); in accordance with the resolution passed at the 58th Annual General Meeting of Shareholders held on March 23, 2016, the upper limit of compensation for Directors serving on the Audit and Supervisory Committee (five at the time of the resolution) shall be 100 million yen per year.
 - Apart from Note 1 above, the amount of remuneration, etc. to be paid to directors (excluding directors who are members of the Audit and Supervisory Committee) The total amount of monetary compensation claims and cash to be delivered to executive directors as stock-based compensation (PSUs and RSUs) is determined by resolution of the 65th Company's Annual General Meeting of Shareholders held on March 28, 2023 as the amount of compensation, etc. for directors (excluding directors who are members of the Audit Committee), not exceeding 2,880 million yen and 1,800,000 shares for three fiscal years.
 - Basic compensation includes an amount equivalent to fringe benefits (compensation for exchange rate fluctuation between other countries and Japan, housing allowance, etc.), etc.
 - Long-term incentives include PSU, RSU and Special RSU.
 - This amount includes compensation, etc. for the Outside Director who served as an Audit and Supervisory Committee Member and retired upon the conclusion of the FY2024 Annual General Meeting of Shareholders held on March 26, 2025.

b. Total amount of compensation, etc. for those whose total compensation, etc. amounts to 100 million yen or more

Name	Position	Company category	Total compensation based on each category (millions of yen)				Total compensation (millions of yen)
			Basic compensation (Note 1)	Retirement payments	Annual bonus	Long-term incentives (Note 2)	
Calin Dragan	Representative Director	Filing company	295	17	179	577	1,067
Bjorn Ivar Ulgenes	Representative Director	Filing company	200	9	55	182	445

- (Note)
- Basic compensation includes an amount equivalent to fringe benefits (compensation for difference in tax rates between other countries and Japan, housing allowances, etc.), etc.
 - Long-term incentives include PSU, RSU and Special RSU.

c. Significant employee salary received by the officer concurrently serving as an employee

Not applicable.

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d. Payment rate, etc. of incentive compensation

(a) In alignment with the strategic business plan and the goal of achieving it, business income, sales volume and revenue are set as proper performance metrics of Annual Bonus to measure company performance of the Company in the previous years. Performance is calculated based on predetermined targets and actual achievement, weighted average achievement for FY2025. For the nine months ended September 30, 2025, both revenue and business income exceeded the same period of the prior year, showing steady progress. However, revenue showed limited growth, reflecting the impact of a reactionary decline from the rebound seen in the same period of the prior year in the third quarter (July 1 to September 30, 2025), as well as the effects of the current consumer environment. On the other hand, business income benefitted from profitability-focused sales activities and cost reductions achieved through transformation efforts, resulting in a company performance achievement rate of 122.5% for the period. The individual performance evaluation-based payout rate for Executive Directors was 120.0%. Based on the company performance, individual performance evaluation and the status of payment of bonuses to employees, the Audit and Supervisory Committee discussed and reviewed the final payout rate (rate of actual annual incentive paid against target payout) for FY2025. As a result, it is determined that 121.2% is reasonable.

(b) The PSUs for FY2023 were evaluated for the three-year period from 2023 to 2025. The consolidated ROE and consolidated revenue growth rate were selected as performance evaluation indicators, and performance was evaluated based on the degree of achievement of these targets, and the performance achievement, which is the weighted average of the degree of achievement of each indicator target for the relevant period, was 117.7%. The vesting rate of PSU granted against target value fluctuates between 0 - 150% depending on achievement levels of performance targets. Based on the above-mentioned result, the payout rate of the PSU (rate of PSU’s granted against target) is 135.4%.

The vesting rate of PSU granted in 2024 and 2025 are calculated based on ROE for the final fiscal year of the relevant performance period and the annual average sales growth rate for the relevant performance period. Therefore, we are making a reasonable estimate based on our earnings forecast at this time.

(5) The Company's shareholding status

1) Standards and concept applied to the classification of investment shares

The Company holds shares of other companies (hereafter “investment shares”) either for the purpose of pure investment or other purpose that is strictly not for pure investment and classifies them separately according to this difference. The shares classified as shares for pure investment are held for the purpose of gaining benefit when they are sold at the timing the stock price fluctuates favorably or when the company that issued the shares pays the dividend to the shareholders. The Company also holds shares of other companies that are not strictly for pursuing such returns from investment.

2) Shareholding status of Coca-Cola Bottlers Japan Inc.

Among the Company and its consolidated subsidiaries, the company that records the largest amount of investment shares in the balance sheet (the largest shareholding company) is Coca-Cola Bottlers Japan Inc. (hereafter “CCBJI”), and its shareholding status is as follows:

a. Investment shares that are not held for pure investment purpose

(a) The policy of shareholding, method of verifying the rationality of holding the shares, and the result of the verification by the Board of Directors, etc. on the validity of holding the shares of individual company brands

In principle, the Company has a policy of not owning the so-called crossholding shares.

However, there are cases in which the Company acquires and holds such shares to create business opportunities and maintain and strengthen its relationships with business partners and local communities. The Company shall evaluate and report on the cost of holding major cross-shareholdings and the return on investment thereof in Board Meeting, and work on reducing the cross-shareholdings based on such evaluation.

(b) Number of company brands and the amount recorded in the balance sheet

	Number of company brands (Brand)	Total amount recorded on the balance sheet (in million yen)
Non-listed shares	78	2,163
Shares other than non-listed shares	8	3,014

(Brands that the Company increased the number of shares in this fiscal year)

	Number of company brands (Brand)	Total amount spent to increase the number of shares held (in million yen)	Reason for increasing the number of shares
Non-listed shares	—	—	—
Shares other than non-listed shares	2	3	The Company increased the number of shares of this company brand as it is a member of the shareholding association of the counterparty company.

(Brands that the Company decreased the number of shares in this fiscal year)

	Number of company brands (Brand)	Total amount received from selling and decreasing the number of shares (in millions of yen)
Non-listed shares	3	16
Shares other than non-listed shares	2	4,160

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(c) Information on specified investment shares, the number of shares of each brand of deemed holding shares, amount recorded in the balance sheet, etc.

Specified investment shares

Brand	Current fiscal year	Previous fiscal year	Purpose and quantitative effect of holding the shares, and reason for increasing the number of shares (Note 1, 2)	Whether the counterparty company is holding the Company’s shares or not
	Number of shares	Number of shares		
	Amount recorded in the balance sheet (in million yen)	Amount recorded in the balance sheet (in million yen)		
Central Japan Railway Company	270,500	270,500	The Company is mainly a trading partner of the vending channel and holds these shares for the purpose of creating business opportunities and building, maintaining, and strengthening relationships.	No
	1,173	802		
AEON CO., LTD.	337,001	112,214	The Company is mainly a trading partner of the over the counter channel and holds these shares for the purpose of creating business opportunities and building, maintaining, and strengthening relationships. The number of shares has increased due to a stock split and membership in the Shareholding Association.	No
	835	415		
Japan Airport Terminal Co., Ltd.	100,000	100,000	The Company is mainly a trading partner of the vending channel and holds these shares for the purpose of creating business opportunities and building, maintaining, and strengthening relationships.	No
	439	500		
Trial Company, Inc.	100,000	100,000	The Company is mainly a trading partner of the over the counter channel and holds these shares for the purpose of creating business opportunities and building, maintaining, and strengthening relationships.	No
	310	270		
Valor Holdings Co., Ltd.	31,200	31,200	The Company is mainly a trading partner of the over the counter channel and holds these shares for the purpose of creating business opportunities and building, maintaining, and strengthening relationships.	No
	105	68		
DAISYO CORPORATION	48,100	48,100	The Company is mainly a trading partner of the food channel and holds these shares for the purpose of creating business opportunities and building, maintaining, and strengthening relationships.	No
	56	52		
WDI Corporation.	16,000	16,000	The Company is mainly a trading partner of the food channel and holds these shares for the purpose of creating business opportunities and building, maintaining, and strengthening relationships.	No
	52	53		
Misumi Co., Ltd.	26,334	25,102	The Company is mainly a trading partner of the vending channel and holds these shares for the purpose of creating business opportunities and building, maintaining, and strengthening relationships. The number of shares has increased due to membership in the Shareholding Association.	No
	45	43		
Mitsubishi Heavy Industries, Ltd.	—	900,000	—	No
	—	2,001		
Hankyu Hanshin Holdings, Inc.	—	10,800	—	No
	—	44		

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- (Note)
1. The results of the assessment of the quantitative effect of holding the shares of individual company brands are omitted from this document for the purpose of maintaining confidentiality. The Company, however, is regularly verifying the effect of holding these shares from the standpoint of business interests and costs, etc.
 2. “—” means that the Company does not hold any shares of the brand indicated by this mark. In accordance with the Company's policy of not holding so-called crossholding shares in principle, the Company sold all shares of such brands in the current fiscal year.

Deemed holding shares

Not applicable.

b. Investment shares held for the purpose of pure investment

No shares fall under this category.

c. Investment shares initially held for the purpose of pure investment that the Company changed to investment shares held not for the purpose of pure investment during this fiscal year

No shares fall under this category.

d. Investment shares initially held not for the purpose of pure investment that the Company changed to investment shares held for the purpose of pure investment during this fiscal year and the prior 4 fiscal years

No shares fall under this category.

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V. Accounting information

1. Preparation of consolidated financial statements and financial statements

(1) The Group’s consolidated financial statements has been prepared in accordance with IFRS pursuant to the provisions of Article 312 of the “Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements” (Ordinance of the Ministry of Finance No. 28 of 1976; hereinafter referred to as the “Ordinance on Consolidated Financial Statements”).

(2) The Company’s financial statements have been prepared in accordance with the “Regulations on Terminology, Forms and Preparation Methods of Financial Statements” (Ordinance of the Ministry of Finance No. 59 of 1963; hereinafter referred to as the “Ordinance on Financial Statements”).

The Company qualifies as a company submitting special financial statements and prepares the financial statements in accordance with the provisions of Article 127 of the Ordinance on Financial Statements, etc.

2. Note on independent audit

The Company has been audited by Ernst & Young ShinNihon LLC for the consolidated financial statements and the financial statements as of and for the year ended December 31, 2025, pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

3. Remarkable efforts to ensure the presentation of consolidated financial statements, etc. and the establishment of structures to appropriately prepare consolidated financial statements, etc. in accordance with IFRS

The Company has been continuing special efforts to ensure the appropriateness of consolidated financial statements and the establishment of a system to appropriately prepare consolidated financial statements based on IFRS. The details are as follows:

(1) In order to properly understand the contents of accounting standards and to establish structures that can respond to changes in accounting standards, the Company has become a member of the Financial Accounting Standards Foundation and actively participated in training sessions held by the bodies that set accounting standards.

(2) With respect to the adoption of IFRS, the Company has obtained from time-to-time press releases and statements issued by the International Accounting Standards Board and ascertained the current standards.

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1. Consolidated Financial Statements

(1) Consolidated Financial Statements

1) Consolidated Statement of Financial Position

(Millions of yen)

	Notes	As of December 31, 2024	As of December 31, 2025
Assets			
Current assets:			
Cash and cash equivalents	7,32	88,473	76,330
Trade and other receivables	8,32	119,551	114,385
Inventories	9	73,890	71,622
Other financial assets	32	688	1,172
Other current assets	14	9,856	8,584
Subtotal		292,458	272,092
Assets held for sale	10	—	2,634
Total current assets		292,458	274,726
Non-current assets:			
Property, plant and equipment	11	382,794	299,336
Right-of-use assets	11,18	26,930	19,761
Intangible assets	12	63,273	48,951
Investments accounted for using the equity method		326	451
Other financial assets	32	10,908	9,682
Deferred tax assets	29	22,933	41,288
Other non-current assets	14	4,531	4,291
Total non-current assets		511,695	423,760
Total assets		804,153	698,486

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(Millions of yen)

	Notes	As of December 31, 2024	As of December 31, 2025
Liabilities and equity			
Liabilities			
Current liabilities:			
Trade and other payables	15,32	120,367	123,236
Bonds and debts	17,32	1,000	63,978
Lease liabilities	18,32	5,765	6,364
Other financial liabilities	32	947	478
Income taxes payable		2,374	1,527
Other current liabilities	20	27,488	24,531
Total current liabilities		157,943	220,115
Non-current liabilities:			
Bonds and debts	17,32	113,852	49,924
Lease liabilities	18,32	22,047	13,595
Net defined benefit liabilities	19	21,803	19,670
Provisions	16	1,506	1,541
Deferred tax liabilities	29	16,405	10,904
Other non-current liabilities	20	4,155	2,538
Total non-current liabilities		179,767	98,172
Total liabilities		337,710	318,287
Equity			
Capital Stock	21	15,232	15,232
Capital surplus	21	378,459	347,743
Retained earnings	21	87,317	30,156
Treasury share	21	(16,297)	(14,810)
Accumulated other comprehensive income	21	1,492	1,571
Equity attributable to owners of the parent		466,203	379,892
Non-controlling interests		240	307
Total equity		466,443	380,199
Total liabilities and equity		804,153	698,486

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2) Consolidated Statements of Income

(Millions of yen)

	Notes	Year ended December 31, 2024	Year ended December 31, 2025
Revenue	6,24	892,681	893,805
Cost of sales		490,231	494,501
Gross profit		402,450	399,304
Selling and general administrative expenses	25	389,534	373,475
Other income	27	6,414	1,985
Other expenses	27	5,955	100,303
Investment income on equity method		16	105
Operating income (loss)		13,390	(72,385)
Financial revenue	28	337	444
Financial expense	28	832	778
Income (loss) for the year before income taxes		12,896	(72,718)
Income tax expense	29	5,507	(22,051)
Net income (loss) for the year		7,389	(50,668)
Net income (loss) for the year attributable to			
Owners of the parent		7,309	(50,763)
Non-controlling interests		79	95
Basic earnings (losses) per share (yen)	37	40.76	(296.51)
Diluted earnings per share (yen)	37	40.48	—

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3) Consolidated Statements of Comprehensive Income

		(Millions of yen)	
	Notes	Year ended December 31, 2024	Year ended December 31, 2025
Net income (loss) for the period		7,389	(50,668)
Other comprehensive income	30		
Items that will not be reclassified subsequently to income or loss:			
Remeasurements of defined benefit plans		248	966
Net change in financial assets measured at fair value through other comprehensive income		1,023	1,957
Subtotal		<u>1,272</u>	<u>2,923</u>
Items that may be reclassified subsequently to income or loss:			
Cash flow hedges		140	(161)
Subtotal		<u>140</u>	<u>(161)</u>
Total other comprehensive income for the period		<u>1,411</u>	<u>2,761</u>
Total comprehensive income for the period		<u><u>8,800</u></u>	<u><u>(47,906)</u></u>
Comprehensive income attributable to:			
Owners of parent		8,721	(48,001)
Non-controlling interests		79	95

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4) Consolidated Statements of Changes in Equity

Year ended December 31, 2024

		Equity attributable to owners of the parent					(Millions of yen)		
		Capital stock	Capital surplus	Retained earnings	Treasury shares	Accumulated other Comprehensive income	Total	Non-controlling interests	Total
	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 for the period	—	—	7,309	—	—	7,309	79	7,389
	Other comprehensive income	30	—	—	—	1,411	1,411	—	1,411
	Total comprehensive income for the period								
	—	—	—	7,309	—	1,411	8,721	79	8,800
	Transactions with owners								
	Dividends of surplus	23	—	(8,975)	—	—	(8,975)	(17)	(8,993)
	Purchase of treasury shares	21	—	(0)	(4,568)	—	(4,569)	—	(4,569)
	Disposal of treasury shares	21	—	(183)	472	—	289	—	289
	Cancellation of treasury shares	—	—	(73,161)	73,161	—	—	—	—
	Transactions of share-based payment	22	—	415	—	—	415	—	415
	Reclassification from accumulated other comprehensive income to retained earnings	21	—	—	618	(618)	—	—	—
	Reclassification from accumulated other comprehensive income to non-financial assets	21	—	—	—	476	476	—	476
	Other	—	—	—	—	—	—	4	4
	Total transactions with owners								
	—	—	(72,930)	(8,357)	69,065	(142)	(12,365)	(13)	(12,378)
	Balance as of December 31, 2024	15,232	378,459	87,317	(16,297)	1,492	466,203	240	466,443

Year ended December 31, 2025

		Equity attributable to owners of the parent					(Millions of yen)		
		Capital stock	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income	Total	Non-controlling interests	Total
	Balance as of January 1, 2025	15,232	378,459	87,317	(16,297)	1,492	466,203	240	466,443
	Comprehensive income for the period								
	Net loss for the period	—	—	(50,763)	—	—	(50,763)	95	(50,668)
	Other comprehensive income	30	—	—	—	2,761	2,761	—	2,761
	Total comprehensive income for the period								
	—	—	—	(50,763)	—	2,761	(48,001)	95	(47,906)
	Transactions with owners								
	Dividends of surplus	23	—	(9,763)	—	—	(9,763)	(29)	(9,791)
	Purchase of treasury shares	21	—	(54)	(30,111)	—	(30,165)	—	(30,165)
	Disposal of treasury shares	21	—	(209)	455	—	246	—	246
	Cancellation of treasury shares	—	—	(31,143)	31,143	—	—	—	—
	Transactions of share-based payment	22	—	706	—	—	706	—	706
	Reclassification from accumulated other comprehensive income to retained earnings	21	—	—	3,365	(3,365)	—	—	—
	Reclassification from accumulated other comprehensive income to non-financial assets	21	—	—	—	697	697	—	697
	Other	—	—	(15)	—	(15)	(30)	—	(30)
	Total transactions with owners								
	—	—	(30,716)	(6,398)	1,487	(2,683)	(38,309)	(29)	(38,338)
	Balance as of December 31, 2025	15,232	347,743	30,156	(14,810)	1,571	379,892	307	380,199

5) Consolidated Statements of Cash Flows

		(Millions of yen)	
	Notes	Year ended December 31, 2024	Year ended December 31, 2025
Cash flows from operating activities			
Income (loss) before income taxes		12,896	(72,718)
Adjustments for:			
Depreciation and amortization		45,460	39,655
Impairment loss	13	651	90,497
Increase (decrease) in allowance for doubtful accounts		(37)	67
Interest and dividends income		(115)	(86)
Interest expenses		769	655
Shares of income of entities accounted for using equity method		(16)	(105)
Gain on sale of property, plant and equipment and intangible assets		(5,501)	(1,251)
Loss on disposal and sale of property, plant and equipment and intangible assets		1,396	972
Decrease in trade and other receivables		512	5,107
Decrease (increase) in inventories		(2,238)	2,268
Decrease (increase) in other assets		(946)	708
Increase in trade and other payables		2,460	1,636
Increase in net defined benefit liabilities		2,311	999
Decrease in other liabilities		(1,009)	(3,687)
Others		(49)	620
Subtotal		56,541	65,337
Interest received		3	24
Dividends received		112	62
Interest paid		(704)	(600)
Income taxes paid		(7,069)	(4,563)
Income taxes refund		1	862
Net cash generated from operating activities		48,883	61,123
Cash flows from investing activities			
Payments for acquisitions of property, plant and equipment and intangible assets	11,12	(28,158)	(29,792)
Proceeds from sales of property, plant and equipment and intangible assets	11,12	9,665	2,702
Payments for purchases of other financial assets		(7)	(7)
Proceeds from sale of other financial assets		2,460	4,184
Payments for sale of shares of subsidiaries due to change in scope of consolidation	33	—	(2,757)
Others		(88)	(74)
Net cash used for investing activities		(16,128)	(25,744)

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	No tes	Year ended December 31, 2024	Year ended December 31, 2025
Cash flows from financing activities			
Repayments of long-term loans payable	31	(1,000)	(1,000)
Payments for bond redemption	31	(40,000)	—
Repayments of lease liabilities	31	(6,420)	(6,797)
Proceeds from disposal of treasury shares		289	246
Payments for purchases of treasury shares		(4,569)	(30,165)
Dividends paid	23	(8,975)	(9,763)
Dividends paid to non-controlling interests		(17)	(29)
Proceeds from sale and leaseback transactions		2,747	—
Others		4	—
Net cash used for financing activities		(57,942)	(47,507)
Effect of exchange rate change on cash and cash equivalents		—	(15)
Net change in cash and cash equivalents (decrease)		(25,187)	(12,143)
Cash and cash equivalents at the beginning of the year		113,660	88,473
Cash and cash equivalents at the end of the year	7	88,473	76,330

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【Notes to consolidated financial statements】

1. Introduction of reporting company

The Company is a holding company domiciled in Japan and is listed on the Tokyo Stock Exchange Prime Market. Under the Coca-Cola brand, the Company, and its subsidiaries (collectively, the “Group”) engage in purchases, sales, bottling, packaging, distribution and marketing of carbonated beverages, coffee beverages, tea-based beverages, mineral water, and other soft drinks in Japan. After 1999, we integrated our operations with five Coca-Cola bottlers, and became a Coca-Cola bottler with a business covering approximately 45 million people in 22 prefectures in the Kinki, Chugoku, Shikoku, and Kyushu regions. In April 2017, the Company entered into a share exchange contract whereby Coca-Cola West Co., Ltd. became the sole parent company and Coca-Cola East Japan Co., Ltd. became a wholly owned subsidiary. Coca-Cola West Co., Ltd. changed its trade name to Coca-Cola Bottlers Japan Inc., and its entire business, excluding the group operational management business and assets management business, was inherited by its wholly-owned subsidiary “New CCW Establishment Preparation Company Co., Ltd.” (whose trade name changed to Coca-Cola West Co., Ltd.), and Coca-Cola West Co., Ltd. had its corporate form transferred to a holding company. In January 2018, Coca-Cola Bottlers Japan Inc. was renamed Coca-Cola Bottlers Japan Holdings Inc. to clarify its role as a holding company.

The Group’s consolidated financial statements consist of the Company, subsidiaries, associates and joint ventures. The consolidated financial statements were approved by our Representative Director & President, Calin Dragan and our Representative Director Vice President and Chief Financial Officer, Bjorn Ivar Ulgenes on March 19, 2026, and are considering the events after the reporting period to that date (see Notes 40, “Subsequent events”).

2. Basis of preparation

(1) Framework for application of financial reporting

The Group’s consolidated financial statements have been prepared in accordance with the IFRS established by International Accounting Standards Board. The Group meets all of the requirements of a designated international accounting standard specified company as set forth in Article 1-2 of the consolidated financial statements Regulations, so the provisions of Article 312 of the said Regulations are applied.

(2) Functional currency and presentation currency

Consolidated financial statements are stated in Japanese yen, the currency of the Company's principal economic environment (“functional currency”). All consolidated financial information is rounded to the nearest million yen unless otherwise stated.

3. Material accounting policies

The material accounting policies and the basis of measurement used by the Group for the preparation of the consolidated financial statements are as follows. Unless otherwise indicated, these accounting policies are applied continuously for all reporting periods presented.

(1) The basis of consolidation

(a) Subsidiary

Consolidated financial statements consist of the financial statements of the Company and companies controlled by the Company's groups (“subsidiary”). The Group controls an investee when the Group has power over the investee, has exposure or rights to change returns arising from its involvement with the investee, and has the ability to affect those returns through its power in the investee. If any of these events or changes in the environment occur, the Company will reassess the control of the investee.

Transactions with non-controlling interest that do not involve a loss of our control are accounted for as equity transactions. The difference between the fair value of consideration paid and the amount equivalent to the acquisition or loss equity in the carrying amount of subsidiary's net assets is recognized in equity. If the Group loses control of the subsidiary, the remaining interest in the entity is remeasurement at the fair value of the date of loss of control, and all changes in carrying amount are recognized in profit or loss.

All intercompany transactions, outstanding and unrealized gains have been eliminated in consolidation.

(b) Investment in associate accounted for using equity method

In consolidated financial statements, investments in associate are accounted for using the equity method. Under equity method, investments in associate are initially recognized at cost, and subsequently, the Group's share of profit or loss after the associate share acquisition is recognized in profit or loss, while changes in the Group's share of associate's other comprehensive income are recognized in other comprehensive income. Dividend income or dividends receivable from associate is deducted from carrying amount of its investments.

(c) Joint arrangements

Joint control is the contractually agreed sharing of control of an arrangement and exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method.

(2) Business Combination

For each business combination, the Group recognizes non-controlling interest of acquiree in either fair value or a proportionate share of acquiree's identifiable net assets. If the sum of the consideration transferred, the non-controlling interest of acquiree and the fair value in the acquisition date of the previously owned equity interest in acquiree exceeds the fair value of identifiable net assets, the difference is recognized as goodwill in assets.

(3) Foreign currency translation

(a) Foreign currency denominated transactions

Foreign currency transactions are translated into the work functional currency of each group company at the exchange rate of the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of each company at the exchange rate of the reporting date. Non-monetary assets and liabilities denominated in foreign currencies for measurement in fair value are translated at the exchange rate on the date determined by fair value. Non-monetary items denominated in foreign currencies and measured at cost are translated at the exchange rate of the transaction date. Foreign currency translation gains and losses are recognized in profit or loss.

(a) Foreign operations

Assets and liabilities of foreign operations are translated into Japanese yen using the exchange rates at the end of the reporting period. Income and expenses are translated into Japanese yen using the average exchange rates for the fiscal year unless exchange rates significantly fluctuate during the period. Exchange differences on translation of foreign operations are recognized in other comprehensive income. Such translation differences of foreign operations are recognized in profit or loss for the period in which the foreign operations concerned are disposed of.

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(4) Business segments information

Operating segment is reported in a manner consistent with the internal reporting presented to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and evaluating the performance of the operating segment. The Board of Directors is positioned as the chief operating decision maker in the Group.

(5) Cash and cash equivalents

Cash and cash equivalents consist of cash, demand deposits, and short-term investments with a maturity of three months or less from acquisition date, which are readily convertible into cash and bear insignificant risks of changes in value.

(6) Inventories

Inventories are measured at the lower cost and net realizable value. Discounts, rebates, other similar items and interest rates until the par value is reached are deducted from its cost. Manufacturing costs include direct materials, direct labor, and manufacturing overhead. Net realizable value is calculated at estimated selling prices less estimated selling costs and estimated selling expenses.

The Group typically calculates the cost of inventories based on the weighted-average method. If the net realizable value of inventories is less than their cost, the difference is recognized as expense in the consolidated statements of profit or loss.

(7) Property, plant, and equipment

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

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

	Estimated useful life (Years)
Buildings and structures	2 - 60
Machinery and vehicles	3 - 20
Sales equipment	2 - 11

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

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

(8) Intangible assets

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

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

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

Contract-related intangible assets

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

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

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

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

(9) Leases (as a lessee)

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

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

(10) Impairments of property, plant and equipment, intangible assets, and Right-of-use assets

The Group performs impairment tests for intangible assets with indefinite useful life annually or for events or changes in circumstances that may indicate a potential impairment. Other non-monetary assets are tested for impairment when there is an indication that the carrying amount of asset or cash-generating unit exceeds recoverable amount.

The recoverable amount of individual assets or cash-generating units is the higher of fair value, less costs of disposal or value in use. Value in use is determined as the present value of the future cash flow expected to be generated by the related assets. If the recoverable amount of an individual asset cannot be estimated, the recoverable amount of the cash generating unit to which the asset belongs is estimated. The discount rate reflects the current market valuation of the time value of money and the risks inherent in the assets. In determining the fair value less costs of disposal, the Group also considers recent market transactions conditions. If such transactions are not identifiable, an appropriate valuation model is used to determine the fair value less costs of disposal.

If the carrying amount of assets or cash-generating unit exceeds recoverable amount, the carrying amount is reduced to its recoverable amount and the impairment loss is recognized in profit or loss. The impairment loss of cash-generating units is allocated based on the carrying amount of each relevant asset.

(11) Financial instruments

(a) Financial assets and financial liability - recognition and derecognition

The Group initially recognizes trade and other receivables on the date they are incurred. Other financial assets and financial liability are initially recognized on the transaction date on which they become contract parties.

Financial assets are derecognized if the contract rights to the cash flows arising from the financial assets expires, if the financial assets are transferred and substantially all the risks and rewards of ownership of the financial assets are transferred, or if control over the transferred assets are lost. Financial assets created or retained by the Group are derecognized and recognized as a separate asset or liability.

Financial liability is derecognized from contract obligations upon discharge, cancellation, or expiration. Financial assets and financial liability are offset and presented on a net basis in the consolidated statements of financial position only if they have a legally enforceable right to offset the recognized amounts and intend to settle on a net basis or to simultaneously cash the asset and settle the liability.

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(b) Classification and measurement of financial assets

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

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

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

(i) Financial assets measured at amortized cost

Financial assets are classified as measured at amortized cost if both of the following conditions are met:

- if the objective of our business model is to hold financial assets in order to collect contractual cash flows; and
- if, by contract terms, the condition that cash flows are solely payments of principal and interest on the principal outstanding amount gives rise on a specified date.

(ii) Financial assets measured at fair value

If any of the above two conditions are not met, the financial assets are classified as measured at fair value. For financial assets measured at fair value, the Group decided whether to make an irrevocable designation for each financial instrument, except for the equity instrument held for trading purposes that must be measured at fair value through the profit or loss, or at fair value through other comprehensive income. For derivatives, see “(e) Derivative and hedge accounting.”

Financial assets are classified into the following categories for subsequent measurement.

(i) Financial assets measured at amortized cost

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

(ii) Financial assets measured at fair value

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

(c) Classification and measurement of financial liability

At initial recognition, financial liability is classified as financial liability that is subsequently measured at fair value through profit or loss or at amortized cost. Financial liability measured at fair value through profit or loss is initially measured at fair value, but financial liability measured at amortized cost is initially measured at the fair value less costs directly attributable to the acquisition.

Financial liability is classified into the following categories for subsequent measurement.

(i) Financial liability measured at fair value through profit or loss

They are measured at fair value as of the reporting date. Changes in fair value are recognized in profit or loss. Derivative liability is classified as the financial liability measured at fair value through profit or loss. At initial recognition, no irrevocable designation is made as a financial liability measured at fair value through profit or loss. For derivative, see “(e) Derivative and hedge accounting.”

(ii) Financial liabilities measured at amortized cost

They are measured at amortized cost based on effective interest method. Gains or losses arising from effective interest method or derecognition are recognized in profit or loss.

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(d) Impairment

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

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

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

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

(e) Derivative and hedge accounting

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

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

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

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

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

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

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(12) Provision and contingent liabilities

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

(13) Employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plans

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

(c) Defined benefit plans

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

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

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

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

(d) Other long-term employee benefits

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

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

(14) Income taxes

Tax expenses consist of current tax and deferred tax. These are recognized in profit or loss except for items related to business combination and items recognized directly in equity or other comprehensive income.

If income taxes relate to items that are directly recognized in equity or other comprehensive income, such taxes are also recognized directly in other comprehensive income.

(a) Current tax

Current tax is the estimated amount of income tax payable or refund receivable in respect to the current taxable income or loss, adjusted for income taxes payable and refund receivable through the previous year. The amount of current tax is due to our best estimate of the amount of taxes reflecting uncertainties related to income taxes. Current tax also includes taxes arising from dividends.

(b) Deferred tax

Deferred tax is recognized for the temporary differences between the carrying amount of asset and liability in consolidated financial statements and its tax basis. Deferred tax assets and liability are recognized for the temporary differences between the carrying amount of asset and liability and their tax bases at the reporting date, the carryforward of unused tax losses and the carryforward of unused tax credits. The amounts are calculated based on the tax rates expected to apply to the period in which the asset is realized or the liability is settled.

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Deferred tax is not recognized in the following cases:

- temporary differences related to a transaction other than business combination, that does not affect either income in accounting basis or taxable income, and does not cause the same amount of taxable temporary difference and deductible temporary difference; or
- temporary differences related to investments in subsidiary, the associate and the joint arrangement, which the Group will be able to control the timing of the reversal of the temporary difference and which it is probable that the temporary differences will not reverse in the foreseeable future; or
- taxable temporary differences arising from initial recognition of goodwill.

Deferred taxes are recognized in the following cases:

- temporary differences arising from investments in consolidated subsidiary, associate, and joint venture is recognized to the extent that it is probable that it will be reversed and taxable income will be available.

Deferred tax assets are recognized as unused tax losses, unused tax credits and deductible temporary differences to the extent that future taxable income is available. Future taxable income is calculated based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced for the portion that it is no longer probable that the tax benefit will be realized. Such reductions are reversed when the likelihood of earning sufficient taxable income improves.

Unrecognized deferred tax assets are reviewed at each reporting date and recognized to the extent that they are probable to be available for future taxable income. Deferred taxes are measured using the tax rates expected to apply when the temporary differences are reversed under laws enacted or substantively enacted at the reporting date.

Deferred tax assets and liability are offset if there is a legally enforceable right to offset current tax asset against current tax liability and deferred tax assets and liability are related to income taxes levied by the same taxing business by the same taxing authority.

(15) Equity

(a) Ordinary share

Ordinary shares are classified as equity. The incremental costs directly attributable to the issuance of ordinary shares are deducted from equity, net of tax.

(b) Purchase and disposal of ordinary share (treasury share)

When the Group acquires treasury share, the consideration paid including direct transaction costs (net of tax) is recognized as a deduction of shareholders' equity under the presentation of “Treasury share.” When the Group sells treasury share, the difference between the sales price and the carrying amount is recognized as “Capital surplus.”

(16) Dividends

Dividends to the Company’s owners are recognized as a liability of the period in which it is approved by the Company’s owners.

(17) Revenue recognition

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

Step 1: Identifying contract with customer

Step 2: Identifying performance obligation in contract

Step 3: Determining the transaction price

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

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

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

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

(18) Stock-based compensation

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

(19) Non-current assets held for sale

Non-current assets that are not for continuing use but will be recovered primarily through sale transactions are classified as held for sale. To be classified as held for sale, an asset must be highly probable of sale, be available for immediate sale in its current state, have the Group's management committed to implementing a plan to sell the asset, and expect the sale to be completed within one year.

Once classified as held for sale, the asset is measured at the lower of its carrying amount or fair value less costs to sell.

4. Critical accounting judgments, estimates and assumptions

In preparing the 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.

Information regarding assumptions and estimates which have a significant impact on the amounts recognized in the consolidated financial statements is as follows:

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

Property, plant, and equipment are depreciated over the estimated useful lives, which is the period over which the future economic benefits of the asset are expected. If property and equipment are obsolescent in the future or reused for other purposes, depreciation expense may increase, and the estimated useful life may be shorter. Details of useful life are provided in Notes 3(7) “Property, plant and equipment.”

The right-of-use asset is estimated for the lease term with a non-cancellable period plus a reasonably certain period of time to exercise the option to extend or not to cancel the lease. Details of the useful life are described in Note 3(9) “Leases (as a lessee)”.

Intangible assets are evaluated whether the useful life is definite or indefinite, based on the analyzing of all relevant factors and predictability of the period over which such intangible asset is expected to result in cash inflows. Intangible assets with definite useful life are amortized using the estimated useful life, which is the period over which the future economic benefits are expected. Amortization expense is subject to risks that may increase as a result of changes in the estimated useful life caused by external factors, such as changes in business conditions. Details of useful life are provided in Notes 3(8) “Intangible assets.”

(The Change in useful life of right-of-use assets)

The Group had been depreciating right-of-use assets related to sales bases, etc. by using the straight-line method, generally over 15 years from the commencement date. However, in line with our initiatives to build a flexible and responsive supply chain, we are working on consolidating existing sales bases, shifting away from long-term contracts for sales bases due to customer service approaches diversification, and putting Integrated Distribution Centers (IDC) into operation from the fiscal year ended December 2025 to strengthen our logistics network. For those reasons, the useful life (lease period) has been revised from the current fiscal year.

As a result of this change, compared with those based on the previous useful life, the right-of-use assets have been decreased by 9,689 million yen and the lease liabilities have been decreased by 9,655 million yen as of December 31, 2025. Also, loss before income taxes for the current fiscal year has increased by 35 million yen.

(b) Impairment test of non-financial assets, including property, plant and equipment, goodwill, and intangible assets

In performing impairment tests, the recoverable amount of a cash-generating unit is calculated based on the higher of value in use or fair value less costs of disposal. Fair value less costs of disposal is calculated based on the real estate appraisals, etc. Value in use is mainly estimated by discounting the estimated cash flow to its present value. Key assumptions in estimating recoverable amounts include future cash flows, discount rates, and long-term average growth rates. Mid-term plans, which are the basis for future cash flows, are based on sales and cost plans for the relevant period. While such assumptions are based on management’s best estimates and judgments, these assumptions may also be affected by changes in economic conditions that have a significant impact on future consolidated financial statements. Details of cash-generating unit’s and recoverable amount’s decisions are provided in Notes 3(10) “Impairments of property, plant and equipment, intangible asset, goodwill and lease asset” and Notes 13 “Impairment of non-financial assets.”

(c) Provision

In the consolidated statements of financial position, the Group recognizes mainly provision on asset retirement obligations and environmental measures provision. Provision is measured based on the best estimate of the expenditure required to settle the obligation. Expenditures required to settle obligations are calculated by considering all factors affecting future results but may be affected by unforeseeable events and changes in the environment assumed.

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The accounting policies and reported amounts of provision are described in Notes 3(12) “Provision and contingent liabilities” and Note 16 “Provisions,” respectively.

(d) Recoverability of deferred tax assets

At recognition of deferred tax assets, the Group estimates the timing and amount of future taxable income based on the Group’s mid-term plans. Estimates of future taxable income are based on mid-term plans. The main assumptions are the sales plan and cost plan for the period. In assessing the recoverability of deferred tax assets, the Company considers the expected reversal of deferred tax liabilities, projected future taxable income, and tax planning including assets sales etc. While such assumptions are based on management's best estimates and judgments, these assumptions may also be affected by changes in economic conditions that have a significant impact on future consolidated financial statements Further information regarding the recoverability of deferred tax assets is provided in Notes 3(14), “Income taxes” and Notes 29, “Income taxes.”

(e) Measurement of defined benefit plans obligation

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

Further information on the actuarial projections for the measurement of defined benefit obligations is provided in Notes 19 “Post-employment benefits”.

(f) Measurement of financial instruments without quoted prices in active market

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

Details related to the assessment of financial assets are provided in Notes 32, “Financial instruments (7) Fair value of financial instruments.”

5. New accounting standard not yet adopted

As of the approval date of the Consolidated Financial Statements, the following standard was newly issued but the Group has decided not to adopt it early. The Group is currently evaluating the impact of the adoption of this standard.

Standard	Standard name	Mandatory adoption (From fiscal years beginning on or after)	Scheduled adoption by the Group	Overview
IFRS 18	Presentation and disclosure in financial statements	January 1, 2027	Fiscal year ending December 31, 2027	New standard to replace IAS 1, the current accounting standard for the presentation and disclosure of financial statements.

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6. Business segments information

(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 chief operating decision maker in making resource allocation decisions and in assessing performance. The group is organized and managed based on its major products, services, or business activities, and has established three business and reportable segments: "Vending Business," "OTC (Over the Counter) Business," and "Food Service Business." There are no business segments that are not included in the reportable segments, nor are there any aggregated segments.

The accounting methods used for operating segment reported are the same as those described in Note 3 “Materials accounting policies.”

Reportable Segments	Major products, services or business activities
Vending Business	Procurement, manufacturing and sales, bottling, packaging, distribution, marketing as well as other operations related to vending machines of beverages in Japan's vending channel
OTC Business	Procurement, manufacturing and sales, bottling, packaging, distribution, and marketing of beverages in Japan's OTC (Over the Counter) channels such as supermarkets, drugstores, discount stores, convenience stores and online channels
Food Service Business	Procurement, manufacturing and sales, bottling, packaging, distribution, and marketing of beverages in Japan's restaurants and food service channels

(Change in reportable segments, etc.)

While the Group had previously operated as a single segment, the “Beverage Business,” it has now established an operational structure aligned with the characteristics of each business unit to facilitate the execution and achievement of the objectives of Vision 2030. Furthermore, with the establishment of a management reporting structure by business unit, the reportable segments have been changed, effective from the current semi-annual consolidated fiscal period, to the “Vending Business,” “OTC Business,” and “Food Service Business.”

Accordingly, the segment information for the prior fiscal year has been prepared based on the revised reportable segment classification.

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(2) Information about reportable segments

Information by reportable segments of the Group is as follows.

Year ended December 31, 2024

	(Millions of yen)				
	Reportable segment			Others (Note 1)	Total
	Vending	OTC	Food Service		
Revenue from external customers	410,954	410,852	41,867	29,008	892,681
Intersegment sales or transfer	—	—	—	—	—
Total revenue	410,954	410,852	41,867	29,008	892,681
Segment income (loss) (Note 2)	5,189	49,625	6,884	(49,652)	12,046
Other information					
Depreciation and amortization	18,384	16,791	4,900	5,384	45,460
Impairment losses	—	—	—	651	651
Investment income on equity method	—	—	—	16	16

- Notes
- The “Others” category is defined as follows.
 - “Others” of revenue from external customers represents revenues generated from business activities that are not attributable to any reportable segment, which include sales to other Coca-Cola bottlers in Japan.
 - “Others” of segment income (loss) includes 2,145 million yen of income that is not attributable to any reportable segment and 51,797 million yen of corporate overhead expenses. Corporate overhead expenses mainly consist of general and administrative expenses not allocated to any reportable segments.
 - “Others” of depreciation and amortization represents depreciation and amortization expenses of assets which are not attributable to any reportable segment.
 - “Others” of impairment losses represents impairment losses of idle assets which are not attributable to any reportable segment.
 - “Others” of investment income on equity method represents investment income on equity method which are not attributable to any reportable segment.
 - Segment income (loss) is based on business income. “Business income” deducts cost of sales and selling, general and administrative expenses from revenue, and includes other income and expenses which we believe are recurring in nature.

Year ended December 31, 2025

	(Millions of yen)				
	Reportable segment			Others (Note 1)	Total
	Vending	OTC	Food Service		
Revenue from external customers	399,880	417,949	45,323	30,652	893,805
Intersegment sales or transfer	—	—	—	—	—
Total revenue	399,880	417,949	45,323	30,652	893,805
Segment income (loss) (Note 2)	11,266	46,975	8,775	(42,491)	24,525
Other information					
Depreciation and amortization	13,047	16,358	5,128	5,122	39,655
Impairment losses	88,368	—	—	2,129	90,497
Investment income on equity method	—	—	—	105	105

- Notes
- The “Others” category is defined as follows.
 - “Others” of revenue from external customers represents revenues generated from business activities that are not attributable to any reportable segment, which include sales to other Coca-Cola bottlers in Japan.
 - “Others” of segment income (loss) includes 2,549 million yen of income that is not attributable to any reportable segment and 45,039 million yen of corporate overhead expenses. Corporate overhead expenses mainly consist of general and administrative expenses not attributable to any reportable segments.
 - “Others” of depreciation and amortization represents depreciation and amortization expenses of assets which are not attributable to any reportable segment.
 - “Others” of impairment losses represents impairment losses of idle assets which are not attributable to any reportable segment.

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(5) “Others” of investment income on equity method represents investment income on equity method which are not attributable to any reportable segment.

2. Segment income (loss) is based on business income. “Business income” deducts cost of sales and selling, general and administrative expenses from revenue, and includes other income and expenses which we believe are recurring in nature.

Adjustments from the total of segment income to income for the period before income taxes of the prior fiscal year and the current fiscal year are as follows.

	(Millions of yen)	
	Year ended December 31, 2024	Year ended December 31, 2025
Total segment income	12,046	24,525
Gains on sales of property, plant, and equipment	5,429	1,250
Losses on sales and disposals of property, plant, and equipment	(119)	(410)
Gain on sales of shares of subsidiaries	—	23
Transformation-related expenses	(3,333)	(3,634)
Impairment loss	(651)	(90,497)
Special retirement allowance	(17)	(3,433)
Other	36	(209)
Operating income (loss)	13,390	(72,385)
Financial income	337	444
Financial expenses	(832)	(778)
Income (loss) for the period before income taxes	12,896	(72,718)

(3) Information about each product and service

This information is omitted because the same information is disclosed in “(2) Information about reportable segments.”

(4) Information about 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.

(5) Major customers

There is no customer to which sales exceed 10% of the Group’s total revenue.

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7. Cash and cash equivalents

The breakdown of cash and cash equivalents for the prior fiscal year and the current fiscal year are as follows:

	(Millions of yen)	
	As of December 31, 2024	As of December 31, 2025
Cash and demand deposits	88,473	76,330
Total	<u>88,473</u>	<u>76,330</u>

The balance of “Cash and cash equivalents” in the consolidated statements of financial position for the prior fiscal year and the current fiscal year coincides with the balance of “Cash and cash equivalents” in the consolidated statements of cash flows.

8. Trade and other receivables

Trade and other receivables for the prior fiscal year and the current fiscal year are as follows:

	(Millions of yen)	
	As of December 31, 2024	As of December 31, 2025
Accounts and Notes receivable	85,715	94,071
Accounts receivable - other	33,971	20,527
Allowance for credit losses	(135)	(213)
Total	<u>119,551</u>	<u>114,385</u>

9. Inventories

The breakdown of inventories for the prior fiscal year and the current fiscal year are as follows:

	(Millions of yen)	
	As of December 31, 2024	As of December 31, 2025
Raw material	5,259	4,941
Merchandise and finished products	58,599	57,514
Supplies	10,032	9,166
Total	<u>73,890</u>	<u>71,622</u>

The amount of inventory recorded in “Cost of goods sold” for the prior fiscal year and the current fiscal year was 490,226 million yen and 494,496 million yen, respectively.

The amount of the write-down of inventory in the prior fiscal year and the current fiscal year was 138 million yen and 929 million yen, respectively, which are included in “Cost of goods sold” and “Other” of “Other expenses”.

10. Assets held for sale

The breakdown of assets held for sale for the prior fiscal year and the current fiscal year are as follows:

	(Millions of yen)	
	As of December 31, 2024	As of December 31, 2025
Property, plant and equipment	—	2,634
Total	<u>—</u>	<u>2,634</u>

The assets held for sale as of the end of the current fiscal year relate to sales centers owned by the Group, and have been classified as assets held for sale due to the decision to sell them. The sales of these assets is expected to be completed within the next fiscal year.

11. Property, plant and equipment and eight-of-use assets

Changes in the cost, accumulated depreciation, and accumulated impairment losses and the carrying amount of property, plant and equipment for the prior fiscal year and the current fiscal year are as follows:

Acquisition cost

	Property, Plant and Equipment					(Millions of yen)	
	Buildings and structures	Machinery and vehicles	Vending machine	Land	Construction in progress	Total	Right-of-use assets
Balance as of January 1, 2024	182,049	247,811	248,660	134,699	930	814,149	45,648
Acquisition	3,237	6,084	16,769	13	334	26,437	12,977
Disposal and sale	(2,679)	(23,022)	(13,161)	(3,353)	(2)	(42,217)	(7,218)
Transfer from construction in progress	178	679	—	—	(857)	—	—
Other (Note)	(82)	606	—	(324)	(7)	193	195
Balance as of December 31, 2024	182,704	232,158	252,269	131,035	397	798,562	51,602
Acquisition	3,313	6,867	14,587	9	1,126	25,903	8,714
Disposal and sale	(1,476)	(2,650)	(12,286)	(1,153)	—	(17,565)	(11,740)
Transfer from construction in progress	81	319	—	—	(400)	—	—
Transfer to assets held for sale	—	—	—	△2,634	—	(2,634)	—
Others (Note)	(34)	(45)	0	(120)	132	(68)	—
Balance as of December 31, 2025	184,588	236,649	254,570	127,136	1,255	804,198	48,576

Accumulated depreciation and impairment losses

	Property, Plant and Equipment					(Millions of yen)	
	Buildings and structures	Machinery and vehicles	Vending machine	Land	Construction in progress	Total	Right-of-use assets
Balance as of January 1, 2024	(96,778)	(151,715)	(162,081)	(1,887)	—	(412,462)	(21,754)
Depreciation	(6,762)	(12,582)	(17,008)	—	—	(36,351)	(5,714)
Impairment losses	(268)	—	—	(327)	—	(595)	(56)
Disposal and sale	1,665	20,259	12,037	—	—	33,962	2,870
Other (Note)	88	(782)	—	372	—	(322)	(17)
Balance as of December 31, 2024	(102,055)	(144,820)	(167,051)	(1,842)	—	(415,768)	(24,672)
Depreciation	(6,618)	(11,120)	(12,677)	—	—	(30,415)	(5,992)
Impairment losses	(5,863)	(15,954)	(47,986)	(4,212)	—	(74,015)	—
Disposal and sale	1,131	2,375	11,677	(47)	—	15,134	1,848
Others (Note)	37	1	—	165	—	202	—
Balance as of December 31, 2025	(113,369)	(169,518)	(216,038)	(5,937)	—	(504,862)	(28,815)

(Note) Others are transfers of subjects, etc.

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Carrying amount

	Property, Plant and Equipment					(Millions of yen)	
	Buildings and structures	Machinery and vehicles	Vending machine	Land	Construction in progress	Total	Right-of-use assets
December 31, 2024	80,649	87,339	85,218	129,192	397	382,794	26,930
December 31, 2025	71,219	67,131	38,532	121,200	1,255	299,336	19,761

Depreciation of property, plant and equipment is included in “Cost of goods sold” and “Selling, general and administrative expenses” in the Consolidated Statements of Income.

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12. Goodwill and intangible assets

Changes in the cost, accumulated amortization and accumulated impairment losses and carrying amounts of goodwill and intangible assets for the prior fiscal year and the current fiscal year are as follows:

Acquisition cost

	(Millions of yen)				
	Goodwill	Intangible assets with indefinite useful lives	Intangible assets with finite useful lives		Intangible assets total
		Contract related intangible asset	Software	Other	
Balance as of January 1, 2024	61,859	52,050	27,154	367	79,571
Acquisition	—	—	2,930	1	2,931
Disposal and sale	—	—	(441)	(3)	(444)
Other	—	—	(46)	2	(44)
Balance as of December 31, 2024	61,859	52,050	29,596	368	82,014
Acquisition	—	—	5,405	8	5,413
Disposal and sale	—	—	(74)	—	(74)
Other	—	—	38	—	38
Balance as of December 31, 2025	61,859	52,050	34,966	376	87,392

Accumulated amortization and impairment losses

	(Millions of yen)				
	Goodwill	Intangible assets with indefinite useful lives	Intangible assets with finite useful lives		Intangible assets total
		Contract related intangible asset	Software	Other	
Balance on January 1, 2024	(61,859)	—	(15,431)	(320)	(15,752)
Depreciation	—	—	(3,390)	(5)	(3,394)
Impairment losses	—	—	—	—	—
Disposal and sale	—	—	403	3	406
Other	—	—	1	(3)	(2)
Balance on December 31, 2024	(61,859)	—	(18,417)	(325)	(18,741)
Depreciation	—	—	(3,246)	(2)	(3,249)
Impairment losses	—	(16,375)	(107)	—	(16,482)
Disposal and sale	—	—	31	—	31
Other	—	—	—	—	—
Balance on December 31, 2025	(61,859)	(16,375)	(21,739)	(327)	(38,441)

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Carrying amount

	(Millions of yen)				
	Goodwill	Intangible assets with indefinite useful lives	Intangible assets with finite useful lives		Intangible assets total
		Contract related intangible asset	Software	Other	
December 31, 2024	—	52,050	11,180	43	63,273
December 31, 2025	—	35,675	13,227	49	48,951

Software at the end of the prior fiscal year and the end of the current fiscal year includes internally generated intangible assets of 403 million yen and 399 million yen, respectively.

Amortization of intangible assets is included in “Cost of goods sold” and “Selling, general and administrative expenses” in the Consolidated Statements of Income.

Individually significant goodwill was mainly due to the business integration with Coca-Cola East Japan Co., Ltd., and the resulting consolidation of associates as consolidated subsidiaries in the 2017 but an impairment loss was recognized in prior fiscal year.

Details of the contract related intangible assets are included in Note 3 (8) “Intangible assets”.

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13. Impairment of non-financial assets

(1) Impairment losses

The impairment losses recognized for the prior fiscal year and the current fiscal year by the Group were as follows. The impairment losses are recorded in “Other expenses” in the consolidated statements of profit or loss.

Year ended December 31, 2024

				(Millions of yen)
Use	Reportable segments	Type	Impairment loss	
Idle assets	Beverage business	Buildings and structures	268	
		Land	327	
		Right-of-use assets	56	
		Total	651	

In applying impairment accounting in accordance with IAS 36 Impairment of Assets, we identify the Group as a single cash-generating unit. As to the lease assets and idle assets, we determine their potential impairment by grouping individual assets as a minimum unit.

In the prior fiscal year, we reduced the book value of idle assets to the recoverable amounts and recorded such decrease as the impairment losses. The recoverable amount of idle assets, including buildings, structures, and land, is measured at fair value less costs of disposal. The recoverable amounts of the idle assets are calculated based on the real estate appraisals, etc. The fair value hierarchy is classified as Level 3. Among such idle assets, the recoverable amount of right-of-use assets are measured by value in use, and the value is set at zero.

Year ended December 31, 2025

				(Millions of yen)
Use	Reportable segments	Type	Impairment loss	
Business assets	Vending Business	Buildings and structures	5,728	
		Machinery and vehicles	14,563	
		Vending machines	47,986	
		Land	3,716	
		Contract related intangible asset	16,375	
		Subtotal	88,368	
Idle assets	Other	Buildings and structures	135	
		Machinery and vehicles	1,391	
		Land	496	
		Software	107	
		Subtotal	2,129	
Total			90,497	

As stated in “II. Business overview 4. Management's analysis of financial condition, results of operations and cash flows, Financial Summary, (1) Overview of Full-Year 2025 Results,” the Group formulated a new mid-term business plan, “Vision 2030,” which was announced on August 1, 2025. In applying impairment accounting in accordance with IAS 36 Impairment of Assets, we had previously identified the Group as a single cash-generating unit. However, in light of the execution of achieving Vision 2030, including the establishment of a management reporting structure by business unit, the Group has identified three cash-generating units: “Vending,” “OTC,” and “Food Service”, from the current fiscal year.

In the current fiscal year, indications of possible impairment were identified for the “Vending” cash-generating unit, and accordingly, an impairment test was performed. As a result, the carrying amount of the assets of this cash-generating unit was reduced to their recoverable amount (147,469 million yen), and the resulting decrease of 88,368 million yen was recognized as an impairment loss, included in “Other expenses” in the Consolidated Statements of Income.

Furthermore, the recoverable amount is measured at fair value less costs of disposal, which is calculated based on the real estate appraisals, etc. The fair value hierarchy was classified as Level 3.

As to the lease assets and idle assets, we determine their potential impairment by grouping individual assets as a minimum unit. In the current fiscal year, we reduced the book value of idle assets to the recoverable amounts and recorded such decrease as the

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impairment losses. The recoverable amount of idle assets, including buildings, structures, and land, is measured at fair value less costs of disposal. The recoverable amounts of the idle assets are calculated based on the real estate appraisals, etc. The fair value hierarchy is classified as Level 3.

(2) Impairment testing of a cash-generating unit or cash-generating unit group, including intangible assets with indefinite useful lives

Intangible assets (contract related intangible asset) with indefinite useful lives are allocated to cash-generating unit or cash-generating unit group for which synergies were expected. Amounts of intangible asset with indefinite useful lives allocated to cash-generating unit or cash-generating unit group for the prior fiscal year and the current fiscal year are as follows:

As of December 31, 2024

Use	Reportable segments	Cash-generating unit or cash-generating unit group	(Millions of yen)
			Carrying amount
Intangible assets with indefinite useful lives (Contract related intangible asset)	Beverage business	Beverage	52,050
		Total	52,050

The cash-generating units or groups of cash-generating units to which goodwill or intangible assets are allocated shall be tested for impairment annually or if there are events or changes in circumstances that indicate a potential impairment. No impairment losses were recognized in the prior fiscal year.

The recoverable amount of cash-generating unit or cash-generating unit group to which goodwill and intangible assets with indefinite useful life have been allocated is calculated based on its value in use. Value in use is calculated by discounting future cash flows to present value. Value in use was calculated by applying the appropriate discount rate to those future cash flows to the present value. Future cash flows were calculated using the medium-term plan, budget and, for periods after those indicated in the plan, the going value, which takes the long-term average growth rate of the market into account.

When assets were grouped for recoverability assessments, they were used to estimate recoverable amounts, including future cash flows, discount rates, and long-term average growth rates. However, the medium-term plan, which is the basis for future cash flows, is based on sales and cost plans etc., for the relevant period regarding the estimation of future cash flows.

The amount which is based on these assumptions reflects management's assessment of future trends in the relevant industries and is based on historical data from both external and internal information.

The discount rate before-tax and growth rates used to calculate the value in terms of the cash-generating unit or group of cash-generating units to which the goodwill and intangible assets were allocated at the end of the prior fiscal year are as follows:

Cash-generating unit or cash-generating unit group	As of December 31, 2024	
	Discount rate	Growth rate
Beverage	5.8%	0.5%

- (Note)
1. The discount rate was the pre-tax discount rate, which is adjusted for the risk premium reflecting the increased risk of investing in equity and the market-related risk of the specific cash-generating unit, based on the rate of 10-year government bonds issued by the Japanese government in the same currency-denominated market as the cash flows (Japanese yen).
 2. The Group estimates the cash flow by using growth rates expected from the market and our businesses. The growth rate was determined based on the long-term average growth rates of the markets consistent with the assumptions assumed to be used by the market participants.

As of December 31, 2025

Use	Reportable segments	Cash-generating unit or cash-generating unit group	(Millions of yen)
			Carrying amount
Intangible assets with indefinite useful lives (Contract related intangible asset)	Vending Business	Vending	8,320
	OTC Business	OTC	24,727
	Food Service Business	Food service	2,628
		<u>Total</u>	<u>35,675</u>

The cash-generating units or groups of cash-generating units to which goodwill or intangible assets are allocated shall be tested for impairment annually or if there are events or changes in circumstances that indicate a potential impairment. In the current fiscal year, indications of possible impairment were identified for the “Vending” cash-generating unit, and accordingly, an impairment test was performed. As a result, the carrying amount of the assets of this cash-generating unit was reduced to their recoverable amount, and the resulting decrease was recognized as an impairment loss.

For the “Vending” cash-generating unit to which goodwill or intangible assets are allocated, as the fair value less costs of disposal exceeded the value in use, the recoverable amount is measured at fair value less costs of disposal as a result of calculating both fair value less costs of disposal and value in use.

The recoverable amounts of the cash-generating unit of OTC and food service to which goodwill and intangible assets with indefinite useful life have been allocated in calculated based on its value in use.

Fair value is calculated based on the real estate appraisals, etc. The fair value hierarchy was classified as Level 3. Value in use is calculated by discounting future cash flows to present value. Future cash flows were calculated using the medium-term plan, budget and, for periods after those indicated in the plan, the going value, which takes the long-term average growth rate of the market into account.

When assets are grouped for recoverability assessments, they are used to estimate recoverable amounts, including future cash flows, discount rates, and long-term average growth rates. However, the medium-term plan, which is the basis for future cash flows, is based on sales and cost plans etc., for the relevant period regarding the estimation of future cash flows.

The amount which is based on these assumptions reflects management's assessment of future trends in the relevant industries and is based on historical data from both external and internal information.

The discount rate before-tax and growth rates used to calculate the value in terms of the cash-generating unit or group of cash-generating units to which the goodwill and intangible assets were allocated at the end of the prior fiscal year are as follows:

Cash-generating unit or cash-generating unit group	As of December 31, 2025	
	Discount rate	Growth rate
OTC	6.1%	0.5%
Food service	7.5%	0.5%

- (Note)
1. The discount rate was the pre-tax discount rate, which is adjusted for the risk premium reflecting the increased risk of investing in equity and the market-related risk of the specific cash-generating unit, based on the rate of 10-year government bonds issued by the Japanese government in the same currency-denominated market as the cash flows (Japanese yen).
 2. The Group estimates the cash flow by using growth rates expected from the market and our businesses. The growth rate was determined based on the long-term average growth rates of the markets consistent with the assumptions assumed to be used by the market participants.

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(3) Sensitivity analysis

The following table shows the values where each of the key assumptions has been independently replaced to match the recoverable amount to the book value.

As of December 31, 2024

Cash-generating unit or cash-generating unit group	Discount rate	Growth rate
Beverage	7.6%	(1.6) %

For Beverage, the recoverable amount exceeded the book value of 185,552 million yen in the prior fiscal year. However, if the discount rate is greater than 7.6% or the growth rate is less than (1.6)%, an impairment loss may occur.

As of December 31, 2025

In the current fiscal year, the recoverable amounts of the cash-generating unit of OTC and food service significantly exceed their book values. Accordingly, even if the key assumptions used in the impairment test were to change within a reasonably possible range, it is unlikely that the recoverable amounts would fall below the book values.

14. Other current assets and other non-current assets

Other current assets and other non-current assets for the prior fiscal year and the current fiscal year are as follows

	(Millions of yen)	
	As of December 31, 2024	As of December 31, 2025
Current		
Prepaid expenses	7,542	7,705
Income tax receivable	849	37
Consumption tax receivable	813	600
Other	652	242
Total	9,856	8,584
Non-current		
Long-term prepaid expenses	4,531	4,291
Other	—	—
Total	4,531	4,291

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15. Trade and other payables

Trade and other payables for the prior fiscal year and the current fiscal year are as follows:

	(Millions of yen)	
	As of December 31, 2024	As of December 31, 2025
Trade payables	44,680	47,124
Accounts payable - other	71,429	72,460
Accrued expenses	4,259	3,653
Total	120,367	123,236

16. Provisions

Changes in provision for the current fiscal year were as follows:

	(Millions of yen)
	Asset retirement obligations
Balance as of December 31, 2024	1,506
Provision	116
Decrease during the fiscal year (intended use)	(86)
Reversal	—
Increase due to passage of time and change in discount rate	5
Other	—
Balance as of December 31, 2025	1,541
Current	—
Non-current	1,541
Total	1,541

Asset retirement obligations

Asset retirement obligations are recognized based primarily on the estimated future expenditures calculated by using historical experience in cases where the Group has legal obligations in laws or contracts related to remove the fixed assets for normal use, such as obligations of removal hazardous materials for construction facilities and offices used by the Group or restoration of the original condition associated with the leased contract. These expenses are expected to be paid in the future, but the amount paid may change due to future business plans and other factors.

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17. Bonds and loans payable

Bonds and loans payable for the prior fiscal year and the current fiscal year are as follows:

	(Millions of yen)			
	As of December 31, 2024	As of December 31, 2025	Average interest rate (%)	Maturity
Current				
Current portion of bonds	—	59,978	0.20	—
Current portion of long-term loans payable	1,000	4,000	0.15	—
Subtotal	1,000	63,978		
Non-current				
Bond	109,852	49,924	0.27	2029
Long-term loans payable	4,000	—	—	—
Subtotal	113,852	49,924		
Total	114,852	113,903		

The average interest rate is the weighted average interest rate to the balance as of the current fiscal year, and maturity is the maturity of the balance as of the current fiscal year. The principal terms of the issuance of the debentures were as follows:

		Carry amount				Interest rate (%)	Collateral	(Millions of yen)
Name	Name of bond	Date of issue	Issue amount	As of December 31, 2024	As of December 31, 2025			Due date for redemption
The Company	2 nd unsecured bond	September 19, 2019	60,000	59,948	59,978 (59,978)	0.20	None	Sep 18, 2026
The Company	3 rd unsecured bond	September 19, 2019	50,000	49,904	49,924	0.27	None	Sep 19, 2029
	Total			109,852	109,903			

- (Note)
1. The amount in parentheses is the redemption amount due within one year.
 2. All interest rates are fixed rates.

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18. Leases

The Group mainly rents offices and other facilities in the beverage business, and leases buildings and structures related to it. There are no special restrictions on lease contracts (such as restrictions on dividends, additional borrowings, and additional leases).

The breakdown of profits and losses related to leases for the prior fiscal year and the current fiscal year are as follows:

	(Millions of yen)	
	Year ended December 31, 2024	Yer ended December 31, 2025
Depreciation of right-of-use assets		
Buildings and structures	5,261	5,417
Vehicles	453	575
Total	5,714	5,992
Interest expense on lease liabilities	380	337
Total cash outflows related to leases	(6,420)	(6,797)
Gain (loss) from sale and leaseback transactions	2,979	—

The breakdown of the books of right-of-use assets for the prior fiscal year and the current fiscal year are as follows:

	(Millions of yen)	
	As of December 31, 2024	As of December 31, 2025
Right-of-use assets		
Buildings and structures	20,563	13,283
Land	518	466
Vehicles	5,849	6,011
Total	26,930	19,761

The increase in right-of-use assets for the end of the prior fiscal year and the end of the current fiscal year was 12,977 million yen and 8,714 million yen.

19. Retirement benefits

Regarding retirement benefit plans for employees of the Group, some subsidiaries are to adopt defined contribution pension plans and defined benefit pension plans, which calculate the number of contributions and benefits based on their position, years of services and other factors. However, as of April 1, 2019, the beverage business was unified into a defined contribution pension plan and a lump-sum retirement plan, and the conventional defined benefit plan was frozen. The frozen defined benefit pension liability is calculated based on the retirement benefits determined at the time of the freeze and is recognized as a defined benefit obligation until the employee is paid a pension or lump-sum payment upon future retirement.

(1) Defined benefit plans

(a) Increase (decrease) in present value of a defined benefit obligation

Changes in present value of a defined benefit obligation for the prior fiscal year and the current fiscal year are as follows:

	(Millions of yen)	
	Year ended December 31, 2024	Year ended December 31, 2025
Balance at the beginning of the year	101,185	97,978
Service expense	2,794	2,532
Interest expense	1,937	2,065
Remeasurement:		
Actuarial gains arising from changes in demographic assumptions	797	(7,346)
Actuarial gains arising from changes in financial assumptions	(2,476)	1,501
Experience adjustment	190	95
Benefit payments	(6,450)	(8,609)
Impact of business combinations and disposals	—	(3,262)
Others	—	0
Balance at the end of the year	<u>97,978</u>	<u>84,954</u>

The weighted-average lives of defined benefit plans obligations at the end of the prior fiscal year and the end of the current fiscal year were 9.1 years and 8.6 years, respectively.

(b) Changes in fair value of plan assets

Changes in the fair value of plan assets for the prior fiscal year and the current fiscal year are as follows:

	(Millions of yen)	
	Year ended December 31, 2024	Year ended December 31, 2025
Balance at the beginning of the year	93,036	94,407
Interest revenue	1,717	2,017
Remeasurement:		
Return on plan asset	5,179	2,294
Contributions by employer	—	—
Benefit payments	(5,525)	(6,681)
Impact of business combinations and disposals	—	(1,936)
Balance at the end of the year	<u>94,407</u>	<u>90,101</u>

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(c) Change in adjustment due to asset ceiling

Changes in adjustments due to asset ceiling for the prior fiscal year and the current fiscal year are as follows:

	(Millions of yen)	
	Year ended December 31, 2024	Year ended December 31, 2025
Balance at the beginning of the year	11,706	18,231
Remeasurement:		
Effect of limiting the amount of net plan assets to the amount of asset ceiling	6,303	6,567
Interest revenue	222	393
Impact of business combinations and disposals	—	(374)
Balance at the end of the year	18,231	24,818

Adjustments due to asset ceiling are adjustments that made due to a partial limitation on the amount recorded as asset, although the amounts which the plan asset exceeds present value of a defined benefit obligation under “Employee Benefits” (IAS 19) are recognized as “Defined benefit asset”.

(d) Adjustments of defined benefit plans Obligations and Plan assets

The relationships between defined benefit plans obligations and plan assets and net defined benefit liability and asset recorded in the consolidated statements of financial position for the prior fiscal year and the current fiscal year are as follows:

	(Millions of yen)	
	As of December 31, 2024	As of December 31, 2025
Defined benefit plans obligations (funded)	76,175	65,284
Plan assets	94,407	90,101
Net deficit of funded defined benefit plans	(18,231)	(24,818)
Adjustments due to asset ceiling	18,231	24,818
Subtotal	—	—
Defined benefit plans obligations (unfunded)	21,803	19,670
Total	21,803	19,670
Net defined benefit liabilities	21,803	19,670
Net defined benefit assets	—	—
Net defined benefit liabilities recognized in the consolidated statements of financial position	21,803	19,670

(e) Major items of plan assets

The plan assets of the Group’s retirement benefit plans include marketable equity securities and receivables and are exposed to share price and interest rate and foreign exchange risks. The investment of plan assets management aims to maximize the value of the plan assets over the medium-to-long term in order to ensure that defined benefit plans beneficiaries receive future benefits within acceptable risks. The plan assets diversify its investments into a variety of domestic and international equities and bonds based on asset allocation targets to reduce risks. With regard to asset allocation, the Group has set medium-to-long term allocation targets based on forecasts of returns, long-term risks, and past performance. The asset allocation targets are reviewed as appropriate in the event of a significant change in the operational environment of the plan assets.

The major categories of plan assets for the prior fiscal year and the current fiscal year are as follows:

	(Millions of yen)					
	As of December 31, 2024			As of December 31, 2025		
	With quoted prices in active market	Without quoted price in active market	Total	With quoted prices in active market	Without quoted price in active market	Total
Equity instrument						
Domestic securities	—	7,841	7,841	—	7,169	7,169
Foreign securities	—	20,540	20,540	—	16,630	16,630
Debt instrument						
Domestic bonds	—	3,410	3,410	—	2,466	2,466
Foreign bonds	—	21,055	21,055	—	19,009	19,009
General account	—	23,827	23,827	—	25,579	25,579
Alternative	—	16,078	16,078	—	19,281	19,281
Other (Note)	0	1,657	1,657	0	(34)	(34)
Total	<u>0</u>	<u>94,407</u>	<u>94,407</u>	<u>0</u>	<u>90,101</u>	<u>90,101</u>

(Note) The amount for the current fiscal year that does not have quoted prices in an active market includes a fair value valuation of foreign exchange forward contracts of (147) million yen.

The majority of plan assets are managed through commingled funds. Commingled funds are pool of assets that are gathered to benefit from professional management and economies of scale. Investors have interest in the funds and measure the fair value of their interests based on the net asset value of the investments provided by the fund administrators. The plan assets managed by the funds are invested in marketable securities, such as domestic or foreign shares and debts in active markets. Alternatives include investments in funds of funds, etc.

There is no estimated amount of contribution to the plan assets in the next fiscal year because the plan assets exceed the minimum required reserve amount.

(f) Significant actuarial assumptions

Significant actuarial assumptions for the prior fiscal year and the current fiscal year are as follows:

	As of December 31, 2024	As of December 31, 2025
Discount rate	2.20%	3.16%
Rate of salary increase	2.00%	2.00%

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(g) Sensitivity analysis

The following table presents the monetary impact of changes in significant actuarial assumptions on defined benefit plans obligations for the prior fiscal year and the current fiscal year.

	(Millions of yen)			
	As of December 31, 2024		As of December 31, 2025	
	Increasing	Reduction	Increasing	Reduction
Discount rate				
0.25% decrease	2,228	—	1,810	—
0.25% increase	—	2,144	—	1,746
Rate of salary increase				
0.5% decrease	—	180	—	159
0.5% increase	191	—	169	—

The sensitivity analysis in the table above assumes that all actuarial assumptions other than the assumptions under which the analysis was performed remain constant. This sensitivity analysis represents the changes in the defined benefit obligation as of the end of the prior fiscal year and the end of the current fiscal year and is the result of changes in actuarial assumptions that we believe are reasonable. This analysis is based on provisional calculations and actual results may differ from the analysis.

(2) Defined contribution plans

Expenses for the defined contribution plans of the Group for the prior fiscal year and current fiscal years were 9,971 million yen and 9,163 million yen, respectively.

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20. Other current liabilities and other non-current liabilities

Other current liabilities and other non-current liabilities for the prior fiscal year and the current fiscal year are as follows:

		(Millions of yen)	
		As of December 31, 2024	As of December 31, 2025
Current			
Deposit received		4,396	5,187
Accrued paid leave		5,316	5,566
Consumption tax payable		1,686	835
Accrued bonuses		12,484	9,584
Other		3,607	3,359
	Total	27,488	24,531
Non-current			
Long-term deposits received		533	472
Other long-term employee benefits obligations		1,953	1,593
Other		1,669	472
	Total	4,155	2,538

21. Equity

(1) Capital share

Changes in the number of shares authorized and outstanding for the prior fiscal year and the current fiscal year are as follows:

(Thousands of shares)

	Year ended December 31, 2024	Year ended December 31, 2025
Number of shares authorized		
Ordinary share with no-par value	500,000	500,000
Number of issued shares (ordinary share)		
Outstanding at the beginning of the fiscal year	206,269	183,269
Increase during the fiscal year	—	—
Decrease during the fiscal year (Note)	(23,000)	(12,000)
Outstanding at the end of the fiscal year	<u>183,269</u>	<u>171,269</u>

(Note) The decrease of the number of shares outstanding in the prior fiscal year and the current fiscal year is due to cancellation of treasury shares.

(2) Capital surplus

Capital surplus represents surplus that is derived from capital transactions and includes capital legal reserve which is not designated as stated capital. Under the Companies Act of Japan (“the Companies Act”), at least one-half of the issue price of shares is required to be accounted for as capital share, and the remainder of the paid-in capital is accounted for as capital surplus. The Companies Act also permits companies to transfer a portion of capital surplus to the capital share by resolution of the shareholders’ meeting.

(3) Retained earnings

Retained earnings consist of legal reserve and other retained earnings. The Companies Act stipulates that one-tenth of the amount of surplus reduced by the dividends of surplus shall be set aside as capital legal reserve or earned legal reserve until the sum of capital legal reserve and earned legal reserve equals one-fourth of the amount of stated capital. The earned legal reserve may be used to reduce or eliminate a deficit by resolution of the shareholders meeting.

(4) Treasury shares

Changes in treasury share for the prior fiscal year and the current fiscal year are as follows:

(Thousands of shares)

	Year ended December 31, 2024	Year ended December 31, 2025
Number of treasury share		
Outstanding at the beginning of the fiscal year	26,834	5,574
Increase during the fiscal year	1,888	12,148
Decrease during the fiscal year	(23,148)	(12,167)
Outstanding at the end of the fiscal year	<u>5,574</u>	<u>5,555</u>

(Note) 1. The ending balance of the prior fiscal year includes 1,261 thousand shares of Executive reward BIP Trust, and 1,641 thousand shares of Stock-granting ESOP Trust. The ending balance of the current year includes 1,179 thousand shares of Executive reward BIP Trust, and 1,556 thousand shares of Stock-granting ESOP Trust.

2. The increase in the prior year is due to the purchase of 1,884 thousand shares based on a resolution of the Board of Directors Meeting and the purchase of 4 thousand shares constituting less than one unit. The increase in the current year is due to the purchase of 12,145 thousand shares based on a resolution of the Board of Directors Meeting and the purchase of 3 thousand shares constituting less than one unit.

3. The decrease in the prior fiscal year is due to the cancellation of 23,000 thousand treasury shares based on a resolution of the Board of Directors Meeting and the disposal of treasury shares by 148 thousand shares. The decrease in the current fiscal year is due to the cancellation of 12,000 thousand treasury shares based on a resolution of the Board of Directors Meeting, the delivery of 82 thousand shares held by the BIP trust, the delivery of 85 thousand shares held by the ESOP trust, and the sales of 0 thousand shares constituting less than one unit.

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(5) Accumulated other comprehensive income

Changes in accumulated other comprehensive income for the prior fiscal year and the current fiscal year are as follows:

(Millions of yen)

	Remeasurement of defined benefit plans	Net changes in financial assets measured at fair value through other comprehensive income	Cash flow hedges	Exchange differences on translation of foreign operations	Share of other comprehensive income of equity method investees	Total
Balance as of January 1, 2024	—	1,015	(792)	—	—	223
Amount arising during the year	248	1,023	140	—	—	1,411
Changes in owners’ interest in subsidiaries	(248)	(370)	—	—	—	(618)
Reclassification from accumulated other comprehensive income to retained earnings	—	—	476	—	—	476
Balance as of December 31, 2024	—	1,668	(176)	—	—	1,492
Amount arising during the year	966	1,957	(161)	—	—	2,761
Reclassification from accumulated other comprehensive income to retained earnings	(966)	(2,399)	—	—	—	(3,365)
Reclassification from accumulated other comprehensive income to non- financial assets	—	—	697	—	—	697
Other	—	—	—	(15)	—	(15)
Balance as of December 31, 2025	—	1,226	359	(15)	—	1,571

All amounts above are net of taxes.

22. Stock-based compensation

The Group has introduced a performance-linked share-based incentive compensation system for the Company’s directors (excluding members of the Audit and Supervisory Committee and outside directors) and the executive officers and employees of the Company and its subsidiaries (“the target employees”).

(1) Performance-linked share-based incentive compensation system (“LTI”)

1) Outline of the LTI

The Company's Common shares (“the Company's share”) and cash will be paid under the performance-linked share compensation plans consisting of the Performance Share Unit (“PSU”) plan and the Restricted Share Unit (“RSU”) plan for the evaluation periods of January 1, 2023 to December 31, 2025, January 1, 2024 to December 31, 2026, and January 1, 2025 to December 31, 2027. The purpose of LTI is to share the benefits and risks of share price fluctuations with shareholders and to motivate the target employees more than ever to contribute to the enhancement of the Company's corporate value over the medium to long term and to the increase in the Company's share price.

2) Vesting conditions

- (PSU)
- The number of shares to be issued shall be determined within the range of 0% to 150% of the basic PSU amount depending on the achievement of performance targets (only considering companywide performance) over the three years after the share units have been granted (half of the shares to be issued shall be paid in cash for the purpose of allocating funds for the payment of tax obligations).
 - To provide motivation to enhance corporate value over the mid to long term, consolidated ROE and consolidated revenue growth rate have been adopted as measures for evaluating performance, based on the Company’s policy regarding the determination of compensation for Executive Directors and Executive Officers, etc.
- (RSU)
- Provided for the purpose of aligning interests with shareholders, creating incentives to increase corporate value, and strengthening retention of talented people.
 - A predetermined number of shares are issued at retirement (half of the shares to be issued shall be paid in cash for the purpose of allocating funds for the payment of tax obligations).

3) Fair value and fair value measurement methods

The fair value on the grant date of this plan for the prior fiscal year and the current fiscal year were as follows:

	(yen)	
	As of December 31, 2024	As of December 31, 2025
PSU	2,142	2,207
RSU	2,142	2,207
	(Note 1) 2,080	(Note) 1 2,316
		(Note) 2 2,696

- Note
1. Fair value for RSU covering employees.
 2. Fair value for special RSU granted additionally for retention and similar purposes.

(2) Share compensation Expenses

For the prior and current fiscal year, expenses of share-based payment included in “Selling, general and administrative expenses” in the consolidated statements of profit or loss are 501 million yen and 971 million yen.

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23. Dividends

Dividends payments for the prior fiscal year and the current fiscal year are as follows:

Year ended December 31, 2024

Resolution	Type of shares	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 share	4,562	25	December 31, 2023	March 28, 2024
August 2, 2024 Board of Directors Meeting	Common share	4,562	25	June 30, 2024	September 2, 2024

(Note) The total amount of dividends resolved on March 26, 2024, Ordinary general meeting of shareholders includes 76 million yen for the Company shares held by Executive reward BIP Trust and Stock granting ESOP Trust. The total amount of dividends resolved on August 2, 2024, Board of Directors Meeting includes 73 million yen for the Company shares held by Executive reward BIP Trust and Stock granting ESOP Trust.

Year ended December 31, 2025

Resolution	Type of shares	Total amount of dividends paid (Millions of yen)	Dividends per share (Yen)	Dividend record date	Effective date
March 26, 2025 Ordinary General Meeting of Shareholders	Common share	5,057	28	December 31, 2024	March 28, 2025
August 1, 2025 Board of Directors Meeting	Common share	4,864	28	June 30, 2025	September 1, 2025

(Note) The total amount of dividends resolved on March 26, 2025, Ordinary general meeting of shareholders includes 81 million yen for the Company shares held by Executive reward BIP Trust and Stock granting ESOP Trust. The total amount of dividends resolved on August 1, 2025, Board of Directors Meeting includes 77 million yen for the Company shares held by Executive reward BIP Trust and Stock granting ESOP Trust.

Among the dividends whose record date belongs to the current fiscal year, those whose effective date falls in the following fiscal year are as follows:

Scheduled resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividends resources	Dividends per share (Yen)	Dividend record date	Effective date
March 26, 2026 Ordinary General Meeting of Shareholders	Common share	5,390	Retained earnings	32	December 31, 2025	March 30, 2026

(Note) The total amount of dividends includes 88 million yen for the Company’s shares held by the Executive reward BIP Trust and Stock-granting ESOP Trust.

24. Revenue

(1) Revenue Decomposition

The Group separates revenue by three reportable segments, “Vending Business,” “OTC Business,” and “Food Service Business”, for the chief operating decision maker in making resource allocation decisions and in assessing performance.

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

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

Revenue in the semi-annual consolidated accounting period for both the prior fiscal year and the current fiscal year are recognized from the contracts with customers.

	(Millions of yen)	
	Year ended December 31, 2024	Year ended December 31, 2025
Reportable segment		
Vending Business	410,954	399,880
OTC Business	410,852	417,949
Food Service Business	41,867	45,323
Other	29,008	30,652
Total	<u>892,681</u>	<u>893,805</u>

(2) Contract balances

The Group’s contract balance for the prior fiscal year and the current fiscal year are as follows.

	(Millions of yen)		
	As of January 1, 2024	As of December 31, 2024	As of December 31, 2025
Receivables arising from contracts with customers			
Accounts and Notes receivable	79,994	85,715	94,071
Total	<u>79,994</u>	<u>85,715</u>	<u>94,071</u>
Contract liabilities (Other current liabilities)	1,135	1,424	1,372

Note Contract liabilities are due to the point system. Points expected to be exercised by customers in the future are recognized as a performance obligation and recorded as a contract liability and are recognized as revenue when the points are used. The amount of revenue recognized for the prior fiscal year and the current fiscal year, which was included in the contract liability balance at the beginning of the period was 1,135 million yen and 1,424 million yen. The amount of revenue recognized from performance obligations satisfied in prior periods was not material for both the prior fiscal year and the current fiscal year.

(3) Transaction price allocated to the remaining performance obligation

Information regarding the remaining performance obligation is omitted as there are no significant transactions in which the estimated individual contract periods exceed one year in the Group. In addition, there are no significant amounts of consideration arising from contracts with customers that are not included in the transaction price.

(4) Assets recognized from the costs of obtaining or performing contracts with customers

The contracts with customers do not include any material financial elements.

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25. Selling, general, and administrative expenses

Selling, general and administrative expenses for the prior fiscal year and the current fiscal year are as follows:

	(Millions of yen)	
	Year ended December 31, 2024	Year ended December 31, 2025
Depreciation	28,399	24,078
Amortization	3,244	3,067
Sales commissions and promotional expenses	120,497	120,435
Employee benefits expenses	105,912	97,579
Shipping and commissions	80,045	78,265
Maintenance fee	17,460	16,877
Other	33,977	33,175
Total	389,534	373,475

26. Employee benefits expenses

Employee benefits expenses for the prior fiscal year and the current fiscal year are as follows:

	(Millions of yen)			
	Year ended December 31, 2024		Year ended December 31, 2025	
	Cost of goods sold	Selling, general and administrative expenses	Cost of goods sold	Selling, general and administrative expenses
Salaries and wages	9,971	64,933	10,102	62,145
Welfare and legal welfare expenses	1,259	8,220	1,343	7,642
Bonus	2,532	20,829	2,615	16,931
Retirement benefit costs	1,573	11,930	1,627	10,861
Total	15,335	105,912	15,688	97,579

27. Other income and other expenses

Other income and other expenses for the prior fiscal year and the current fiscal year are as follows:

		(Millions of yen)	
		Year ended December 31, 2024	Year ended December 31, 2025
Other income			
	Gains on sales of property, plant, and equipment (Note 1)	5,501	1,251
	Rent income	173	161
	Gain on sales of shares of subsidiaries (Note 2)	—	23
	Other	740	550
	Total	6,414	1,985
Other expense			
	Impairment losses (Note 3)	651	90,497
	Losses on sales and disposals of property, plant, and equipment	1,778	1,485
	Transformation-related expenses (Note 4)	3,333	3,634
	Special retirement allowance (Note 5)	17	3,433
	Other	175	1,254
	Total	5,955	100,303

- Notes
1. Gains on sales of property, plant, and equipment represent gains on sales of land and other assets for prior fiscal year and current fiscal year. The total amount of gains on sales of property, plant, and equipment includes 2,979 million yen of gains from sale and leaseback transactions for the prior fiscal year.
 2. Gain on sales of shares of subsidiaries represents gains from the transfer of 51% equity interest in onEQuest Co., Ltd.
 3. Please refer to “Note 13. Impairment of non-financial assets” for more details about “Impairment loss.”
 4. 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 prior fiscal year and current fiscal year.
 5. Special retirement allowances are allowances for special retirements and outplacement support expenses incurred in the implementation of early retirement for prior fiscal year and current fiscal year.

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28. Financial income and financial expenses

Financial income and finance expenses for the prior fiscal year and the current fiscal year are as follows:

	Year ended December 31, 2024	(Millions of yen) Year ended December 31, 2025
Financial income		
Interest income		
Financial assets measured at amortized cost	3	24
Dividends income		
Financial assets measured at fair value through other comprehensive income	112	62
Foreign exchange profits	13	358
Other	209	—
Total	<u>337</u>	<u>444</u>
Finance expense		
Interest expenses		
Financial liabilities measured at amortized cost.	769	655
Foreign exchange losses	37	87
Other	26	36
Total	<u>832</u>	<u>778</u>

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29. Income taxes

(1) Deferred tax assets and deferred tax liabilities

The breakdown of major causes of deferred tax assets and deferred tax liabilities in the prior fiscal year and the current fiscal year are as follows:

	The consolidated statement of financial position		Consolidated statement of profit or loss	
	As of December 31,	As of December 31,	Year ended	Year ended
	2024	2025	December 31, 2024	December 31, 2025
	(Millions of yen)			
Deferred tax assets				
Property, plant and equipment and intangible assets	6,902	6,964	462	63
Impairment loss	286	20,997	(69)	20,712
Lease	6,450	4,442	(859)	(2,007)
Financial assets	941	747	(215)	(21)
Employee benefits	14,668	12,744	(648)	(1,447)
Inventories	1,057	923	(129)	(134)
Carryforwards of unused tax losses	15,002	14,472	(2,002)	(531)
Other	1,540	2,014	(330)	490
Subtotal	46,845	63,304	(3,789)	17,125
Deferred tax liabilities				
Property, plant and equipment and intangible assets	(31,214)	(25,937)	1,726	5,276
Lease	(6,382)	(4,572)	681	1,809
Financial assets	(2,037)	(1,891)	60	91
Employee benefits	(101)	—	(101)	91
Other	(584)	(520)	105	64
Subtotal	(40,317)	(32,921)	2,472	7,332
Total deferred tax expense	—	—	(1,317)	24,456
Total deferred taxes	6,528	30,384		

The Company has incurred a loss carried forward for tax purposes. The loss carried forward for tax purposes mainly resulted from a consolidated subsidiary, Coca-Cola Bottlers Japan Inc., which is a consolidated subsidiary of the Company. Deferred tax assets of 13,236 million yen were recognized for the tax loss carryforwards. Note 4 “Critical Accounting Judgments, Estimates, and as described in Assumptions and Liabilities”, in recognizing deferred tax assets, the Group has recognized deferred tax assets based on the medium-term plan. The timing and amount of the accrual are estimated. Estimates of future taxable income are based on the medium-term plan, and the main assumptions used are as follows the sales plan and cost plan for the relevant period are used as the basis for the calculation. In assessing the recoverability of deferred tax assets, the Company considers the planned reversal of deferred tax liabilities, future taxable income, and tax planning including asset sales.

In addition, the uncertainty of estimating future taxable income may increase due to changes in the economic environment surrounding the Group, market conditions and other factors.

(Changes in presentation)

In the previous fiscal year, “impairment losses,” which were included in “property, plant and equipment and intangible assets” within “deferred tax assets,” are presented separately from the current fiscal year due to their increased monetary significance. To reflect this change in presentation, the notes for the prior fiscal year have been reclassified.

As a result, in the notes for the prior fiscal year, the amount of 7,187 million yen recognized in the consolidated statement of financial position, which had been included in “property, plant and equipment and intangible assets” within “deferred tax assets,” has been reclassified as “property, plant and equipment and intangible assets” of 6,902 million yen and “impairment losses” of 286 million yen. In addition, in the notes for the prior fiscal year, the amount of 392 million yen recognized in the consolidated statement of profit or loss, which had been included in “property, plant and equipment and intangible assets” within “deferred tax assets,” has been reclassified as “property, plant and equipment and intangible assets” of 462 million yen and “impairment losses” of negative 69 million yen.

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Details of changes in deferred tax assets and deferred tax liabilities (net) in the prior fiscal year and the current fiscal year are as follows:

	Year ended December 31, 2024	(Millions of yen) Year ended December 31, 2025
Balance at the beginning of the fiscal year (liabilities)	8,465	6,528
Amounts recognized in deferred tax expense	(1,317)	24,456
Amounts recognized in other comprehensive income	(619)	(586)
Others	—	(15)
Balance at the end of the year (liabilities)	<u>6,528</u>	<u>30,384</u>

(2) Unrecognized deferred tax assets and deferred tax liabilities

As a result of our assessment of the recoverability of the deferred tax assets described above, the Group does not recognize the deferred tax assets for a portion of deductible temporary differences. The amounts of deductible temporary differences which no deferred tax assets have been recognized as of the end of the prior fiscal year and the end of the current fiscal year are as follows:

	As of December 31, 2024	(Millions of yen) As of December 31, 2025
Deductible temporary differences	15,516	40,259

Taxable temporary differences regarding investments in subsidiaries, associates and joint ventures for which deferred tax liabilities were not recognized at the end of the prior fiscal year and at the end of the current fiscal year are as follows:

	As of December 31, 2024	(Millions of yen) As of December 31, 2025
Investments in subsidiaries, associates and joint ventures	38,399	4,764

(3) Income tax expenses

Income tax expenses for the prior fiscal year and the current fiscal year are as follows:

	Year ended December 31, 2024	(Millions of yen) Year ended December 31, 2025
Current tax expenses	4,190	2,405
Deferred tax expenses (profit)		
Incurrence and reversal of temporary difference	594	(25,763)
The change in tax rate	723	1,307
Subtotal	<u>1,317</u>	<u>(24,456)</u>
Total	<u>5,507</u>	<u>(22,051)</u>

(4) Reconciliation of effective tax rate

The group mainly levies on corporate tax, inhabitant’s tax, and enterprise tax. The statutory tax rate based on those taxed of prior fiscal year and current fiscal year are both 31.46%.

A reconciliation of the statutory tax rate to the applicable tax rate in the consolidated statements of profit or loss for the prior fiscal year and the current fiscal year are as follows:

	Year ended December 31, 2024	Year ended December 31, 2025
Statutory tax rate	31.46 %	31.46%
Items which are not taxable or deductible	1.79 %	(0.48)%
Changes in unrecognized deferred tax assets	0.82 %	(1.30)%
Tax rate difference between the Company and subsidiaries	3.27 %	2.14%
Impact from the change in tax rate	5.61 %	(1.80)%
Other	(0.25) %	0.30%
Applicable tax rate	<u>42.70 %</u>	<u>30.32%</u>

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30. Other comprehensive income

The components of other comprehensive income and related tax effects (including non-controlling interest) for the prior fiscal year and the current fiscal year are as follows:

	Year ended December 31, 2024	(Millions of yen) Year ended December 31, 2025
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans:		
Amount arising during the year	364	1,432
Tax effect	(116)	(467)
Net of tax	<u>248</u>	<u>966</u>
Share of other comprehensive income in equity method investees:		
Amount arising during the year	—	—
Tax effect	—	—
Net of tax	<u>—</u>	<u>—</u>
Financial assets measured at fair value through other comprehensive income:		
Amount arising during the year	1,408	3,062
Tax effect	(385)	(1,104)
Net of tax	<u>1,023</u>	<u>1,957</u>
Subtotal	<u>1,272</u>	<u>2,923</u>
Items that may be reclassified to profit or loss		
Cash flow hedge:		
Amount arising during the year	213	(247)
Tax effect	(74)	85
Net of tax	<u>140</u>	<u>(161)</u>
Subtotal	<u>140</u>	<u>(161)</u>
Total other comprehensive income	<u><u>1,411</u></u>	<u><u>2,761</u></u>

31. Reconciliation of changes in liabilities related to cash flows arising from financing activities

Changes in liabilities related to financing activities for the prior fiscal year and the current fiscal year are as follows:

	Long-term loans payable (Note)	Bonds (Note)	Lease liabilities
Balance as of January 1, 2024	6,000	149,781	25,616
Changes with cash flows	(1,000)	(40,000)	(6,420)
Changes without cash flows	—	71	8,617
Balance as of December 31, 2024	5,000	109,852	27,812
Changes with cash flows	(1,000)	—	(6,797)
Changes without cash flows	—	50	(1,056)
Balance as of December 31, 2025	4,000	109,903	19,959

(Millions of yen)

(Note) These include amounts of long-term loan and bond due within one year.

32. Financial instruments

(1) Financial risk management

The Group is exposed to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

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

(2) Credit risk

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

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

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

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

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

(a) Credit risk exposure

The Group’s credit risk exposure for the prior fiscal year and the current fiscal year are as follows:

Trade and other receivables

The Group evaluates the credit risk of trade and other receivables based on past due information.

As of December 31, 2024

	Financial assets assessed by 12-month expected credit losses	Financial assets assessed by an amount equal to lifetime expected credit losses	Financial assets of applying simplified approaches	Total
Unexpired	33,946	19	79,151	113,116
Within 60 days of the due date	11	—	6,531	6,542
More than 60 days from the due date	—	4	24	28
Total	33,956	23	85,706	119,685

Financial assets assessed by an amount equal to lifetime expected credit losses is primarily credit-impairment financial assets.

As of December 31, 2025

	Financial assets assessed by 12-month expected credit losses	Financial assets assessed by an amount equal to lifetime expected credit losses	Financial assets of applying simplified approaches	Total
Unexpired	20,454	39	85,994	106,487
Within 60 days of the due date	34	—	7,932	7,966
More than 60 days from the due date	—	1	145	145
Total	20,488	40	94,071	114,598

Financial assets assessed by an amount equal to lifetime expected credit losses is primarily credit-impairment financial assets.

Other financial assets

The Group evaluates the credit risk of other financial assets according to the credit risk rating grades of the other party. The credit risk rating grades of financial asset assessed by an amount equal to lifetime expected credit losses is relatively low compared to the credit risk rating grades of financial asset’s expected credit losses, which assessed by a 12-month expected credit losses, and the credit risk rating grades of financial assets in the same category is generally the same.

No other financial assets that are past due have significant credit risk exposure.

As of December 31, 2024

	Financial assets assessed by 12-month expected credit losses	Financial assets assessed by an amount equal to lifetime expected credit losses	Total
Other financial asset	3,921	838	4,760

Financial assets assessed by an amount equal to lifetime expected credit loss are primarily credit-impairment financial assets.

As of December 31, 2025

	Financial assets assessed by 12-month expected credit losses	Financial assets assessed by an amount equal to lifetime expected credit losses	Total
Other financial asset	4,244	397	4,641

Financial assets assessed by an amount equal to lifetime expected credit loss are primarily credit-impairment financial assets.

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(b) Allowance for credit losses

Changes in allowance for credit losses for the prior fiscal year and the current fiscal year are as follows:

Trade and other receivables

Year ended December 31, 2024

				(Millions of yen)
	Financial assets assessed by 12- month expected credit losses	Financial assets assessed by an amount equal to lifetime expected credit losses	Financial assets of applying simplified approaches	Total
Balance as of January 1, 2024	46	17	87	150
Provision	34	20	81	135
Reduction during the period (purpose use)	—	—	—	—
Reduction during the period (reversal)	(46)	(17)	(87)	(150)
Balance as of December 31, 2024	34	20	81	135

Year ended December 31, 2025

				(Millions of yen)
	Financial assets assessed by 12- month expected credit losses	Financial assets assessed by an amount equal to lifetime expected credit losses	Financial assets of applying simplified approaches	Total
Balance as of January 1, 2025	34	20	81	135
Provision	8	35	170	213
Reduction during the period (purpose use)	—	—	—	—
Reduction during the period (reversal)	(34)	(20)	(81)	(135)
Balance as of December 31, 2025	8	35	170	213

The Group does not anticipate that any cash flows will be collected in the future from trade receivables written-off in the past and will not collect any cash flows.

Other financial assets

Year ended December 31, 2024

			(Millions of yen)
	Financial assets assessed by 12-month expected credit losses	Financial assets assessed by an amount equal to lifetime expected credit losses	Total
Balance as of January 1, 2024	0	382	382
Provision	0	70	70
Decrease during the period (intended use)	—	(26)	(26)
Reduction during the period (reversal)	(0)	(65)	(66)
Balance as of December 31, 2024	0	360	360

Year ended December 31, 2025

			(Millions of yen)
	Financial assets assessed by 12-month expected credit losses	Financial assets assessed by an amount equal to lifetime expected credit losses	Total
Balance as of January 1, 2025	0	360	360
Provision	0	113	113
Decrease during the period (intended use)	—	(46)	(46)
Reduction during the period (reversal)	(0)	(78)	(79)
Balance as of December 31, 2025	0	349	349

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(c) Impact of significant changes in the gross carrying amount of financial instruments during the year

There were no significant changes in the gross carrying amount affecting changes in allowance in the prior fiscal year or the current fiscal year.

(3) Liquidity risk

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

The balances of financial liabilities (including derivative liabilities) by maturity for the prior fiscal year and the current fiscal year are as follows:

As of December 31, 2024

	(Millions of yen)				
	Carrying amount	Cash flows on contract	Not later than 1 year	Later than 1 year and not later than 5 years	More than 5 years
Non-derivative financial liabilities					
Trade and other payables	120,367	120,367	120,367	—	—
Bonds and loans payable	114,852	115,927	1,262	114,665	—
Finance lease liabilities	27,812	29,443	6,198	12,144	11,100
Derivative financial liabilities					
Forward exchange contracts	—	—	—	—	—
Commodity swap	947	947	947	—	—
Total	<u>263,979</u>	<u>266,685</u>	<u>128,775</u>	<u>126,809</u>	<u>11,100</u>

As of December 31, 2025

	(Millions of yen)				
	Carrying amount	Cash flows on contract	Not later than 1 year	Later than 1 year and not later than 5 years	More than 5 years
Non-derivative financial liabilities					
Trade and other payables	123,236	123,236	123,236	—	—
Bonds and loans payable	113,903	114,665	64,260	50,405	—
Finance lease liabilities	19,959	20,796	6,766	10,283	3,747
Derivative financial liabilities					
Forward exchange contracts	—	—	—	—	—
Commodity swap	478	478	478	—	—
Total	<u>257,576</u>	<u>259,176</u>	<u>194,741</u>	<u>60,688</u>	<u>3,747</u>

(4) Market risk

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

(a) Interest rate risk

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

(b) Share price risk

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

Assuming that all other variables are constant, if the price of listed securities held by the Group as of the end of the fiscal year increases or decreases by 10%, the impact on the other comprehensive income (before tax effects) is 428 million yen and 306 million yen, respectively, for the prior fiscal year and current fiscal years.

(c) Currency risk

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

(d) Commodity price risk

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

(5) Capital management

The Group’s fundamental capital management policy is to improve capital efficiency through long-term improvements through business growth while maintaining a stable financial position.

The Group’s indicators for capital management are return on equity attributable to owners of the parent (“ROE”) and return on assets (“ROA”). ROE is the ratio of net profit to equity attributable to owners of the parent, and ROA is the ratio of income before tax to total assets.

	Year ended December 31, 2024	Year ended December 31, 2025
ROE	1.56%	(12.00)%
ROA	1.56%	(9.68)%

The Group does not have any significant capital controls imposed by external parties.

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(6) Classification of financial instruments

Balances by financial assets and financial liabilities classification for the prior fiscal year and the current fiscal year are as follows:

Financial assets

As of December 31, 2024

	(Millions of yen)			
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortized cost	Total
Cash and cash equivalents	—	—	88,473	88,473
Trade and other receivables	—	—	119,551	119,551
Other financial assets (current)				
Derivative assets	672	—	—	672
Term deposits which mature due within three months	—	—	10	10
Current portion of long-term loans receivable	—	—	6	6
Other	—	—	—	—
Subtotal	672	—	16	688
Other financial assets (non-current)				
Derivative assets	18	—	—	18
Securities	—	6,411	—	6,411
Long-term loans receivable	—	—	12	12
Other	—	96	4,372	4,468
Subtotal	18	6,507	4,384	10,908
Total	690	6,507	212,423	219,620

As of December 31, 2025

	(Millions of yen)			
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortized cost	Total
Cash and cash equivalents	—	—	76,330	76,330
Trade and other receivables	—	—	114,385	114,385
Other financial assets (current)				
Derivative assets	1,155	—	—	1,155
Term deposits which mature due within three months	—	—	12	12
Current portion of long-term loans receivable	—	—	5	5
Other	—	—	—	—
Subtotal	1,155	—	17	1,172
Other financial assets (non-current)				
Derivative assets	16	—	—	16
Securities	—	5,292	—	5,292
Long-term loans receivable	—	—	6	6
Other	—	98	4,269	4,367
Subtotal	16	5,390	4,276	9,682
Total	1,171	5,390	195,007	201,568

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Financial liabilities

As of December 31, 2024

	(Millions of yen)		
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortized cost	Total
Trade and other payables	—	120,367	120,367
Bonds and loans payable	—	114,852	114,852
Lease liabilities	—	27,812	27,812
Other financial liabilities (current)			
Derivative liabilities	947	—	947
Subtotal	947	—	947
Other financial liabilities (non-current)			
Derivative liabilities	—	—	—
Subtotal	—	—	—
Total	947	263,032	263,979

As of December 31, 2025

	(Millions of yen)		
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortized cost	Total
Trade and other payables	—	123,236	123,236
Bonds and loans payable	—	113,903	113,903
Lease liabilities	—	19,959	19,959
Other financial liabilities (current)			
Derivative liabilities	478	—	478
Subtotal	478	—	478
Other financial liabilities (non-current)			
Derivative liabilities	—	—	—
Subtotal	—	—	—
Total	478	257,098	257,576

Since the Group holds securities for strategic investment purposes, these securities are designated as equity instruments measured at fair value through the other comprehensive income.

The following is the fair value of the major issues of equity instruments measured at fair value through other comprehensive income.

	(Millions of yen)	
Issue	As of December 31, 2024	As of December 31, 2025
Central Japan Railway Company	802	1,173
AEON CO., LTD.	415	835
Japan Airport Terminal Co., Ltd	500	439
Trial Company, Inc.	270	310
Valor Holdings Co., Ltd.	68	105
Mitsubishi Heavy Industries, Ltd.	2,001	—

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Dividends income related to investments held at the reporting date for the prior fiscal year and the current fiscal year are as follows:

	(Millions of yen)	
	Year ended December 31, 2024	Year ended December 31, 2025
Dividends income	58	40

The Group disposed of a part of the equity instrument designated as measurement at fair value through other comprehensive income during the fiscal year from the viewpoint of reviewing business relationships. The fair value, the cumulative gains, or losses (before tax effects) at the time of disposition and the dividends income were as follows:

			(Millions of yen)		
Year ended December 31, 2024			Year ended December 31, 2025		
Fair value	Cumulative gain (loss)	Dividends income	Fair value	Cumulative gain (loss)	Dividends income
2,461	700	54	4,182	3,698	22

Cumulative gains or losses recognized in accumulated other comprehensive income are reclassified from accumulated other comprehensive income to retained earnings at the time of disposition. Reference: Note 21. Equity (5) Accumulated other comprehensive income.

(7) Fair value of financial instruments

(a) Classification by level of 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 were no transfers between Level 1, Level 2, and Level 3 during the prior fiscal year and current fiscal years.

(b) Fair value measurement

Securities are classified as Level 1 of the fair value hierarchy by the measurement of share prices, if any, 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, quoted market prices of similar companies and discounted future cash flow models. 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 discounted future cash flows, 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 discount rates and valuation multiples and considers certain illiquidity discounts and noncontrolling 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.

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The valuation techniques and significant unobservable input used in Level 3 fair value measurement for the prior fiscal year and the current fiscal year are as follows:

As of December 31, 2024

Type	Valuation technique	Significant unobservable inputs	Interactions between significant unobservable inputs and fair value measurement
Financial instruments measured at fair value through other comprehensive income (Securities)	Comparison of similar companies	EBIT Multiple: 10.7 times PBR: 1.0-2.3 times	Estimated fair value increases (decreases) when equity indices of comparable listed companies of the target are high (low)

As of December 31, 2025

Type	Valuation technique	Significant unobservable inputs	Interactions between significant unobservable inputs and fair value measurement
Financial instruments measured at fair value through other comprehensive income (Securities)	Comparison of similar companies	EBIT Multiple: 10.4-14.3 times PBR: 1.1-2.4 times	Estimated fair value increases (decreases) when equity indices of comparable listed companies of the target are high (low)
EBIT Multiple:	Corporate Value/EBIT		
PBR:	Price Book Value Ratio		

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

The breakdown of financial instruments measured at fair value on a recurring basis for the prior fiscal year and the current fiscal year are as follows:

As of December 31, 2024

				(Millions of yen)			
				Level 1	Level 2	Level 3	Total
Financial assets							
Financial instruments measured at fair value through profit or loss:							
Derivative assets			—	690	—	—	690
	Subtotal		—	690	—	—	690
Financial instruments measured at fair value through other comprehensive income:							
Securities			4,275	—	2,136	—	6,411
Other			—	—	96	—	96
	Subtotal		4,275	—	2,231	—	6,507
	Total		4,275	690	2,231	—	7,197
Financial liabilities							
Financial instruments measured at fair value through profit or loss:							
Derivative liabilities			—	947	—	—	947
	Total		—	947	—	—	947

As of December 31, 2025

				(Millions of yen)			
				Level 1	Level 2	Level 3	Total
Financial assets							
Financial instruments measured at fair value through profit or loss:							
Derivative assets			—	1,171	—	—	1,171
	Subtotal		—	1,171	—	—	1,171
Financial instruments measured at fair value through other comprehensive income:							
Securities			3,061	—	2,231	—	5,292
Other			—	—	98	—	98

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Subtotal	3,061	—	2,329	5,390
Total	3,061	1,171	2,329	6,561

Financial liabilities

Financial instruments measured at fair value through profit or loss:

Derivative liabilities	—	478	—	478
Total	—	478	—	478

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

a. Securities

Listed securities are measured based on quoted market prices and are classified into fair value hierarchy level 1.

b. Derivatives

The fair value of foreign currency forward contracts is calculated by discounting the value calculated using the forward exchange rate as of the end of the reporting period to the present value. As a result, foreign currency forward contracts are classified into fair value hierarchy level 2.

A reconciliation of the beginning and ending balances of financial instruments classified as Level 3 for the prior fiscal year and the current fiscal year are as follows:

	(Millions of yen)
	Financial assets measured at fair value through other comprehensive income
Balance as of January 1, 2024	3,013
Purchase	—
Disposals	(720)
Gains or losses recognized in other comprehensive income	(46)
Other	(16)
Balance as of December 31, 2024	2,231
Purchase	—
Disposals	(6)
Gains or losses recognized in other comprehensive income	104
Other	—
Balance as of December 31, 2025	2,329

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

(d) Financial instruments measured at amortized cost

The components of carrying amount and fair value of financial instruments measured at amortized cost are for the prior fiscal year and the current fiscal year as follows:

As of December 31, 2024

	(Millions of yen)		
	Carrying amount	Fair value	Difference
Long-term loans payable and bonds	114,852	112,240	2,612

As of December 31, 2025

	(Millions of yen)		
	Carrying amount	Fair value	Difference
Long-term loans payable and bonds	113,903	110,791	3,112

Long-term loans payable and bonds include current portion. Cash and cash equivalents, trade and other receivables, trade and other payables are not included in the above table because their fair value approximates it carrying amount because they are collected and settled in a short period of time.

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

a. Loans payable

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Loans payable with variable interest rates are calculated as 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 remaining term and credit risk. Loans payable with variable interest rates and 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.

(8) Derivatives and hedge accounting

The management of hedge accounting for the risk management of the Group is described in “(1) Financial risk management”. Derivative transactions are conducted by Coca-Cola Bottlers Japan Inc.

(a) Impacts on the consolidated statements of financial position

The impact of hedging instrument designated as hedges on the consolidated statements of financial position was as follows: The carrying amount (fair value) of assets related to hedging instrument is included in “Other financial assets” and the carrying amount (fair value) of liabilities related to hedging instrument is included in “Other financial liabilities.”

As of December 31, 2024

Hedge type	Risk category	Hedging instrument	Notional amount	(Millions of yen)	
				Carrying amount (fair value)	
				Assets	Liabilities
Cash flow hedges	Currency risk	Forward exchange contracts	7,605	370	—
	Price risk	Commodity swap	12,612	320	947
	Total		20,217	690	947

The average exchange rate used for forward exchange contracts was 147.21 yen per U.S. dollar.

As of December 31, 2025

Hedge type	Risk category	Hedging instrument	Notional amount	(Millions of yen)	
				Carrying amount (fair value)	
				Assets	Liabilities
Cash flow hedges	Currency risk	Forward exchange contracts	7,257	525	—
	Price risk	Commodity swap	6,829	539	478
	Total		14,086	1,064	478

The average exchange rate used for forward exchange contracts was 143.42 yen per U.S. dollar.

In hedging transactions conducted by the Group, the entire hedged items are hedged, and there are no transactions to hedge certain risk elements.

The periods of hedge for cash flows movements of foreign currency forward contracts and commodity swaps are from January 2026 to December 2026.

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The impact of derivative assets not designated as hedges on the Group’s consolidated statement of financial position for the prior and current fiscal years is as follows. Such derivative assets are included in “Other financial assets” at their carrying amount (fair value).

As of December 31, 2024

Not applicable.

As of December 31, 2025

	(Millions of yen)	
	Carrying amount (fair value)	
	Assets	Liabilities
Other	106	—
Total	106	—

Accumulated other comprehensive income related to cash flow hedges was as follows: There were no accumulated other comprehensive income related to cash flow hedges arising from hedge relationships that discontinued hedge accounting.

	(Millions of yen)	
	As of December 31, 2024	As of December 31, 2025
Forward exchange contracts	175	241
Commodity swap	(352)	118
Total	(176)	359

(b) Impact on the consolidated statements of profit or loss and consolidated statements of comprehensive income

The impacts on profit or loss and other comprehensive income related to hedging instruments designated as cash flow hedges for the prior fiscal year and the current fiscal year are as follows:

Year ended December 31, 2024

Risk category	Amount of hedging gains or losses recognized in other comprehensive income	Hedge ineffectiveness recognized in profit or loss	Changes in fair value of hedging instrument used as the basis for recognizing the hedge ineffective	(Millions of yen)
				Amounts reclassified from accumulated other comprehensive income to profit or loss as reclassification adjustments
Currency risk	793	66	370	—
Price risk	(579)	—	(469)	—
Total	213	66	(99)	—

Year ended December 31, 2025

Risk category	Amount of hedging gains or losses recognized in other comprehensive income	Hedge ineffectiveness recognized in profit or loss	Changes in fair value of hedging instrument used as the basis for recognizing the hedge ineffective	(Millions of yen)
				Amounts reclassified from accumulated other comprehensive income to profit or loss as reclassification adjustments
Currency risk	(119)	122	525	—
Price risk	(128)	—	250	—
Total	(247)	122	775	—

Changes in the value of the hedged item used as the basis for recognizing the hedge ineffectiveness approximate changes in the fair value of hedging instrument.

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There are no reclassification adjustments due to discontinuation of hedges, etc. If hedged item is a forecast transaction, such as acquisition of inventories, accumulated gains, or losses on hedges in “Accumulated other comprehensive income” are reclassified to cost of inventories and other.

The hedge ineffective portion recognized in profit or loss and the amount reclassified to profit or loss as reclassification adjustments are included in finance income and finance expenses.

Because the terms between hedged item and hedging instrument are not perfectly matched, the differences in terms result in the hedge ineffective portion.

33. Sales of subsidiaries

Year ended December 31, 2024

There was no sales of subsidiaries during the prior fiscal year.

Year ended December 31, 2025

1. Transfer of shares of onEQuest Co., Ltd.

In January 2025, the Group transferred 51% of the shares of onEQuest Co., Ltd. (EQ Operation Preparation Company prior to share transfer), which were held by our group, to Thinkrun Holdings Co., Ltd. As a result, the company changed from a subsidiary to a joint venture accounted for using the equity method.

The relationship between the consideration received from the transfer and the proceeds or payments on the sale, as well as the major components of the subsidiary's assets and liabilities at the time control was lost, are as follows.

(1) Payments related to the sale of the subsidiary

	(Millions of yen)
<u>Consideration</u>	
Cash proceeds received as consideration	49
Cash and cash equivalents of the subsidiary	(2,367)
<u>Payments related to the sale of the subsidiary</u>	<u>(2,318)</u>

(2) Assets and liabilities of the subsidiary on the date of the sale

	(Millions of yen)
Current Assets	2,367
Non-current assets	45
<u>Total assets</u>	<u>2,411</u>
Current liabilities	818
Non-current liabilities	1,542
<u>Total liabilities</u>	<u>2,360</u>

(3) Gains or loss

In the current fiscal year, the gain on the sale of the consolidated subsidiary was 23 million yen, which is included in "Other income" in the consolidated statements of income.

2. Transfer of shares of Genpact Japan Smart Command Center K.K.

In January 2025, the Group transferred all of its shares in Genpact Japan Smart Command Center K.K. (EQ Admin Preparation Company prior to share transfer) to Genpact Co., Ltd.

The relationship between the consideration received from the transfer and the proceeds or payments on the sale, as well as the major components of the subsidiary's assets and liabilities at the time control was lost, are as follows.

(1) Payments related to the sale of the subsidiary

	(Millions of yen)
<u>Consideration</u>	
Cash proceeds received as consideration	51
Cash and cash equivalents of the subsidiary	(490)
<u>Payments related to the sale of the subsidiary</u>	<u>(439)</u>

(2) Assets and liabilities of the subsidiary on the date of the sale

	(Millions of yen)
Current Assets	490
Non-current assets	—
<u>Total assets</u>	<u>490</u>
Current liabilities	151
Non-current liabilities	288
<u>Total liabilities</u>	<u>439</u>

(3) Gains or loss

There were no gains or losses on the sale of the consolidated subsidiaries during the semi-annual consolidated accounting period of the current fiscal year.

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34. Specified subsidiaries

Specified subsidiaries at the end of the current fiscal year are described in detail under “I. Corporate overview 4. Information on affiliates.”

35. Investments accounted for using the equity method

The primary associates and joint ventures of the Group are as follows. The principal business locations are the same as those of the Company. There is no individually significant associate.

Name of associate	Location of head office	The details of the business	Percentage of voting right (Note 1)		
			As of December 31, 2024	As of December 31, 2025	
Affiliated company	Resources Inc.	Takamatsu-shi, Kagawa	Vending machine-related business	44.0%	44.0%
Joint venture	onEQuest Co., Ltd.	Kanazawa-shi, Ishikawa	Vending machine-related business	100%	49.0% (Note 2)

Note 1. Percentage of voting rights include indirect holdings through subsidiary.
 2. As described under “Note 33. Sale of subsidiaries,” the Group transferred 51% of the shares of onEQuest Co., Ltd. (EQ Operation Preparation Company prior to share transfer) in January 2025, to Thinkrun Holdings Co., Ltd. As a result, the company changed from a subsidiary to a joint venture accounted for using the equity method.

36. Commitment

Purchase commitments

Commitments related to acquisition of property, plant and equipment and intangible asset after the reporting date for the prior fiscal year and the current fiscal year are as follows:

	(Millions of yen)	
	As of December 31, 2024	As of December 31, 2025
Property, plant, and equipment	1,841	2,844
Intangible assets	—	31
Total	1,841	2,876

Purchase commitments excluding the above amounts were 4,093 million yen and 8,699 million yen for the prior fiscal year and the current fiscal year, respectively. Primarily due to the contract of outstanding obligations related to the gas purchasing contract.

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37. Earnings per share

The computation of basic earnings (loss) per share attributable to owners of the parent is based on net profit for the year attributable to owners of the parent and the weighted-average number of shares of ordinary share outstanding.

The basis for calculating basic earnings (loss) per share and diluted earnings per share for the prior fiscal year and the current fiscal year are as follows:

	Year ended December 31, 2024	Year ended December 31, 2025
Income attributable to owners of parent (millions of yen)	7,309	(50,763)
Weighted-average number of common shares issued (in thousands)	179,341	171,199
Increase in common shares		
Share of share-based compensation (in thousands)	1,246	—
Diluted weighted-average number of shares (in thousands)	180,587	—
Basic earnings per share (yen)	40.76	(296.51)
Diluted earnings per share (yen)	40.48	—

- Note
1. “Diluted earnings per share” is not shown in the current fiscal year, as 1,312 thousand shares of share-based compensation have an anti-dilutive effect.
 2. We have introduced an Executive Reward BIP Trust and Stock-granting ESOP Trust. The Company shares held by these trusts are included in the treasury shares to be deducted from the weighted average number of common shares during the year for calculating the amount of basic earnings per share and diluted earnings per share. The weighted average number of common shares deducted was 23,389 thousand shares for the prior fiscal year and 10,223 thousand shares for the current fiscal year.

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38. Related party transactions

Transaction amounts and amounts outstanding with the related parties were as follows. Transactions with subsidiaries are not disclosed as they have been eliminated in consolidated financial statements.

Year ended December 31, 2024

Relationship with affiliated companies	Name	Transaction	(Millions of yen)	
			The amount of the transaction	Amount outstanding
Subsidiary of other subsidiaries and associates	Coca-Cola (Japan) Company, Limited	Income from rebates of sales promotion	129,988	26,675
		Purchase of concentrate	317,704	16,969
An officer of the parent company holds a majority of the voting rights in another company, etc.	MICHINOKU COCA-COLA BOTTLING CO., LTD.	Sale of soft drinks	4,340	316
		Purchase of soft drinks	1,011	30

Year ended December 31, 2025

Relationship with affiliated companies	Name	Transaction	(Millions of yen)	
			The amount of the transaction	Amount outstanding
Subsidiary of other subsidiaries and associates	Coca-Cola (Japan) Company, Limited	Income from rebates of sales promotion	116,081	13,423
		Purchase of concentrate	323,542	20,081
An officer of the parent company holds a majority of the voting rights in another company, etc.	MICHINOKU COCA-COLA BOTTLING CO., LTD.	Sale of soft drinks	4,500	337
		Purchase of soft drinks	533	12
		Advances for materials, etc.	4,760	299

- (Note) 1. The transaction amount does not include consumption taxes, but the outstanding amount includes consumption taxes.
2. Transactions with The Coca-Cola Company’s subsidiary, Coca-Cola (Japan) Company, Limited are conducted based on the contract concluded with The Coca-Cola Company and Coca-Cola (Japan) Company, Limited concerning the manufacture, sale of the Coca-Cola etc. and use of the Coca-Cola trademark.
3. Transactions with Michinoku Coca-Cola Bottling Co., Ltd. are determined in the same way as transactions with other parties with no association with our company and under the general trading terms and conditions that take into consideration the market prices, etc.

Compensation for major key management personnel for the prior fiscal year and the current fiscal year are as follows:

	(Millions of yen)	
	Year ended December 31, 2024	Year ended December 31, 2025
Remuneration	604	618
Share-based compensation	300	759
Bonus	256	253
Compensation upon retirement	24	25
Other	—	—
Total	1,183	1,655

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39. Additional information

(Sale of fixed assets)

The Company entered into real estate sale and purchase agreements on December 15 and 25, 2025, and decided to sell fixed assets, as described below.

(1) Reason for the sale

To enhance shareholder value by improving profitability and capital efficiency, the Company has been optimizing its balance sheet. As part of these initiatives, the Company has decided to transfer the following assets to further improve capital efficiency.

(2) Detail of the assets to be transferred

Name of the asset	Address	Gain on Sales
Totsuka Sales Center (North Site)	Hirado-cho, Totsuka-ku, Yokohama	2,967 million yen
Totsuka Sales Center (South Site)	Shimonagaya, Konan-ku, Yokohama	2,795 million yen
	Total	5,763 million yen

Note: The transfer price will not be disclosed at the request of the transferees. The gain on sales represents an approximate amount calculated by deducting the book value and estimated expenses related to the transfer from the transfer price.

(3) Overview of the transferees

Totsuka Sales Center (South Site)

1) Company name	Tokyo Tatemono Co., Ltd.
2) Address	1-4-16 Yaesu, Chuo-ku, Tokyo
3) Representative	Representative Director, President & Chief Executive Officer, Katsuhito Ozawa
4) Main business	Development, leasing and management of office buildings, retail facilities, and others Development, sales, leasing and management of condominiums and detached houses Sale/purchase, brokerage and consulting for real estate; parking lot development and management Leisure business, Logistics facilities development, asset management business, overseas business, and real estate appraisal
5) Capital	92,451 million yen (as of end of Sep 2025)
6) Establishment	October 1896
7) Net Asset	565,557 million yen (as of end of Sep 2025)
8) Total Asset	2,229,914 million yen (as of end of Sep 2025)
9) Major Shareholders and shareholding ratios	The Master Trust Bank of Japan, Ltd. (Trust Account): 17.7% Custody Bank of Japan, Ltd. (Trust Account): 11.3% Japan Securities Finance Co., Ltd.: 2.4% (As of end of Jun 2025)

We refrain from disclosing the detail of the transferee of Totsuka Sales Center (North Site) at the request of the transferee.

Apart from ordinary business relationships, there are no capital, personnel, or related-party relationships between the Company and its consolidated subsidiary, Coca-Cola Bottlers Japan Inc., and the transferees.

(4) Schedule of the transfer

Name of the asset	Contract Date	Delivery Date
Totsuka Sales Center (North Site)	December 25, 2025	March 30, 2026 (scheduled)
Totsuka Sales Center (South Site)	December 15, 2025	March 27, 2026 (scheduled)

Following the delivery of both properties, we plan to continue using them for one year under lease agreements of land to be executed with the transferees.

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(5) Outlook

The gains from the transfer of these fixed assets are expected to be recorded as "gain on sales of fixed assets" in the fiscal year ending December 2026 (approximately 4.6 billion yen) and in the fiscal year ending December 2027 (approximately 1.2 billion yen), related to the land and the building, respectively. The gains to be recorded in the fiscal year ending December 2026 have been incorporated into the full-year financial forecast for that fiscal year.

40. Subsequent events

Not applicable.

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(2) Other information

Quarterly Information etc. for the current fiscal year

(Millions of yen)

	Three months ended March 31, 2025	Six months ended June 30, 2025	Nine months ended September 30, 2025	Year ended December 31, 2025
Revenue	189,760	417,942	683,523	893,805
Net income (loss) before income taxes	(10,121)	(92,259)	(70,200)	(72,718)
Net income (loss) attributable to owners of the parent	(6,454)	(65,892)	(48,734)	(50,763)
Basic earnings (losses) per share (yen)	(36.67)	(378.02)	(282.35)	(296.51)

	The first quarter	The second quarter	The third quarter	The fourth quarter
Basic earnings (losses) per share for the quarter (yen)	(36.67)	(341.35)	95.67	(14.16)

Note: Review of the accounting information for the three months ended March 31, 2025 and the nine months ended September 30, 2025: None

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2. Financial Statements (Non-consolidated)

(1) Financial statements (non-consolidated)

1) Balance sheet

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	7,388	7,292
Prepaid expenses	53	38
Short-term loan receivable of subsidiaries and affiliates	41,613	13,791
Accrued income receivable	*1 10	*1 45
Other	—	23
Total current assets	49,064	21,189
Fixed assets		
Property, plant, and equipment		
Buildings	9,952	8,946
Structures	638	551
Machinery, equipment, and vehicles	4	3
Land	46,292	44,955
Total property, plant, and equipment	56,886	54,455
Intangible assets		
Leasehold	27	27
Total intangibles asset	27	27
Investments and other asset		
Investment securities of subsidiaries and associates	342,561	342,561
Deferred tax assets	70	66
Other	417	244
Total investments and other assets	343,048	342,872
Total investments and other assets	399,961	397,353
Total assets	449,025	418,543

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(Millions of yen)

	As of December 31, 2024		As of December 31, 2025	
Liabilities				
Current liabilities				
Current portion of bonds payable		—		60,000
Accounts payable	*1	367	*1	539
Accrued expenses		3		5
Deposits	*1	9,255	*1	9,707
Bonus provision		16		18
Provision of directors' bonuses		233		234
Provision for performance-linked incentive compensation		140		168
Income tax payable		994		—
Other		399		541
Total current liabilities		11,408		71,212
Non-current liabilities				
Bonds		110,000		50,000
Allowance for retirement benefit		2		—
Asset retirement obligations		658		579
Performance-linked compensation provision		1,033		1,402
Other		173		196
Total non-current liabilities		111,866		52,178
Total liabilities		123,274		123,390
Net assets				
Shareholders' equity				
Capital share		15,232		15,232
Capital surplus				
Legal capital reserve		108,167		108,167
Other capital surplus		80,276		50,642
Total capital surplus		188,443		158,808
Retained earnings				
Legal reserve		3,317		3,317
Other retained earnings				
Reserve for tax purpose reduction entry		674		665
General reserve		110,388		110,388
Retained earnings brought forward		19,067		18,340
Total other retained earnings		130,128		129,393
Total retained earnings		133,445		132,710
Treasury Share		(11,369)		(11,598)
Total shareholders' equity		325,751		295,152
Total net assets		325,751		295,152
Total liabilities and net assets		449,025		418,543

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2) Statements of income

(Millions of yen)

		Year ended December 31, 2024		Year ended December 31, 2025	
Operating revenue	*1	5,773	*1	13,988	
Operating expenses	*1, *2	4,249	*1, *2	4,139	
Operating profit		1,524		9,849	
Non-operating income					
Interest and dividends income	*1	33	*1	70	
Compensation for expropriation		66		—	
Gain on forfeiture of unclaimed dividends		10		10	
Other non-operating income		1		1	
Total non-operating income		110		80	
Non-operating expenses					
Interest expense	*1	284	*1	280	
Commission for purchase of treasury shares		—		54	
Loss on disposal of fixed assets		3		64	
Other expenses		15		12	
Total non-operating expenses		302		410	
Ordinary profit		1,332		9,519	
Extraordinary income					
Gain on sales of fixed assets	*3	2,568	*3	821	
Total extraordinary income		2,568		821	
Extraordinary losses					
Impairment losses	*4	203	*4	475	
Total extraordinary losses		203		475	
Income before income tax		3,697		9,865	
Income taxes		1,409		676	
Income tax adjustments		(91)		4	
Total income taxes		1,318		680	
Net profit		2,379		9,185	

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3) Statements of changes in equity

Year ended December 31, 2024

(Millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus			Retained earnings	
		Legal capital reserve	Other capital surplus	Total capital surplus	Legal reserve	Other retained earnings
Balance as of January 1, 2024	15,232	108,167	153,438	261,604	3,317	136,873
Changes during the year						
Dividend of surplus	—	—	—	—	—	(9,124)
Net income	—	—	—	—	—	2,379
Purchase of treasury shares	—	—	—	—	—	—
Disposal of treasury shares	—	—	(0)	(0)	—	—
Cancellation of treasury shares	—	—	(73,161)	(73,161)	—	—
Net changes in items other than shareholders' equity	—	—	—	—	—	—
Total changes during the year	—	—	(73,162)	(73,162)	—	(6,745)
Balance as of December 31, 2024	15,232	108,167	80,276	188,443	3,317	130,128

	Shareholders' equity			Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	
	Total retained earnings			
Balance as of January 1, 2024	140,190	(80,182)	336,844	336,844
Changes during the year				
Dividend of surplus	(9,124)	—	(9,124)	(9,124)
Net income	2,379	—	2,379	2,379
Purchase of treasury shares	—	(4,568)	(4,568)	(4,568)
Disposal of treasury shares	—	220	220	220
Cancellation of treasury shares	—	73,161	—	—
Net changes in items other than shareholders' equity	—	—	—	—
Total changes during the year	(6,745)	68,813	(11,093)	(11,093)
Balance as of December 31, 2024	133,445	(11,369)	325,751	325,751

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Year ended December 31, 2025

(Millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus			Retained earnings	
		Legal capital reserve	Other capital surplus	Total capital surplus	Legal reserve	Other retained earnings
Balance on January 1, 2025	15,232	108,167	80,276	188,443	3,317	130,128
Changes during the year						
Dividend of surplus	—	—	—	—	—	(9,921)
Net income	—	—	—	—	—	9,185
Purchase of treasury shares	—	—	—	—	—	—
Disposal of treasury shares	—	—	0	0	—	—
Cancellation of treasury shares	—	—	(29,634)	(29,634)	—	—
Net changes in items other than shareholders' equity	—	—	—	—	—	—
Total changes during the year	—	—	(29,634)	(29,634)	—	(735)
Balance as of December 31, 2025	15,232	108,167	50,642	158,808	3,317	129,393

	Shareholders' equity			Total net assets
	Retained earnings	Treasury Shares	Total shareholders' equity	
	Total retained earnings			
Balance on January 1, 2025	133,445	(11,369)	325,751	325,751
Changes during the year				
Dividend of surplus	(9,921)	—	(9,921)	(9,921)
Net income	9,185	—	9,185	9,185
Purchase of treasury shares	—	(30,111)	(30,111)	(30,111)
Disposal of treasury shares	—	248	248	248
Cancellation of treasury shares	—	29,634	—	—
Net changes in items other than shareholders' equity	—	—	—	—
Total changes during the year	(735)	(229)	(30,599)	(30,599)
Balance as of December 31, 2025	132,710	(11,598)	295,152	295,152

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Supplemental Notes of the statement of changes in equity

(Note) Breakdown of other retained earnings

Year ended December 31, 2024

	Other retained earnings			
	Advanced depreciation reserve fund (Millions of yen)	General reserve (Millions of yen)	Retained earnings brought forward (Millions of yen)	Total other retained earnings (Millions of yen)
Balance as of January 1	674	110,388	25,811	136,873
Changes during the year				
Dividend of surplus	—	—	(9,124)	(9,124)
Net income	—	—	2,379	2,379
Reversal of reserve funds	(1)	—	1	—
Purchase of treasury share	—	—	—	—
Disposal of treasury share	—	—	—	—
Changes in items other than shareholders' equity, net	—	—	—	—
Total changes during the year	(1)	—	(6,744)	(6,745)
Balance as of December 31	674	110,388	19,067	130,128

Year ended December 31, 2025

	Other retained earnings			
	Advanced depreciation reserve fund (Millions of yen)	General reserve (Millions of yen)	Retained earnings brought forward (Millions of yen)	Total other retained earnings (Millions of yen)
Balance as of January 1	674	110,388	19,067	130,128
Changes during the year				
Dividend of surplus	—	—	(9,921)	(9,921)
Net income	—	—	9,185	9,185
Reversal of reserve funds	(9)	—	9	—
Purchase of treasury share	—	—	—	—
Disposal of treasury share	—	—	—	—
Changes in items other than shareholders' equity, net	—	—	—	—
Total changes during the year	(9)	—	(726)	(735)
Balance as of December 31	665	110,388	18,340	129,393

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【Notes】

(Significant accounting policies)

1. Accounting policy for measuring securities

(1) Bonds held to maturity

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

(2) Investment securities of subsidiaries and associates

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

(3) Other securities

With market value:

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

Without market value:

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

2. Accounting policy for depreciation of assets

(1) Property, plant, and equipment

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

Buildings	2 – 50
	years

(2) Intangible assets

Amortization is calculated by the straight-line method.

3. Accounting policy for provisions

(1) Bonus provision

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

(2) Provision of directors' bonuses

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

(3) Performance-linked compensation provision

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

(4) Allowance for retirement benefit

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

4. Accounting standards for income and expenses

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

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

Accounting for Retirement Benefits

The method of accounting for unrecognized actuarial differences related to retirement benefits differs from the method of accounting for these items in the consolidated financial statements.

(Change in accounting policy)

(Application of the "Accounting Standards for Corporate Taxes, Resident Taxes, and Enterprise Taxes," etc.)

The "Accounting Standards for Corporate Taxes, Resident Taxes, and Enterprise Taxes," etc. (ASBJ Statement No. 27, October 28, 2022) and the "Guidance on Accounting Standards for Tax-Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022) have been applied from the current fiscal year. This has no impact on the financial statements.

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(Accounting standard not yet adopted)

- “Accounting Standard for Leases”
(ASBJ Statement No.34, September 13, 2024, The Accounting Standards Board of Japan)
- “Implementation Guidance on Accounting Standard for Leases”
(ASBJ Guidance No. 33, September 13, 2024, The Accounting Standards Board of Japan)

(1) Outline

As a part of initiatives by the Accounting Standards Board of Japan (ASBJ) to converge JGAAP to international standards, deliberations were conducted on the development of accounting standards for leases that require lessees to recognize assets and liabilities for all leases, taking IFRS into account. As a fundamental policy, the accounting standard for leases, etc. published are based on the single accounting model of IFRS 16. However, instead of fully applying all provisions of IFRS 16, only the key provisions have been incorporated. This approach aims to create a simplified and highly practical standard while ensuring that applying IFRS 16 to individual financial statements would generally require no revision.

As the accounting treatment of lessee, the cost allocation method for the lessee is the same as IFRS 16. No matter the lease is classified as a finance lease or operating lease, all lease transactions are applied to a single lessee accounting model which requires the lessee to recognize depreciation expenses related to right-of-use assets and the amount equivalent to interest related to lease liabilities.

(2) The scheduled application date

From the beginning of the fiscal year ending December 31, 2028.

(3) The impact of the application

The amount of impact from the application of the “Accounting Standard for Leases”, etc. is under evaluation.

(Notes regarding changes in presentation method)

(Income Statement)

In the prior fiscal year, “Gain on forfeiture of unclaimed dividends” (10 million yen in the prior fiscal year), which was included in “Other non-operating income” under “Non-operating income,” has been presented separately from the current fiscal year due to its increased monetary significance.

As a result, in the statement of income for the prior fiscal year, the 11 million yen previously presented as “Other non-operating income” under “Non-operating income” has been reclassified as “Gain on forfeiture of unclaimed dividends” of 10 million yen and “Other non-operating income” of 1 million yen.

In addition, in the prior fiscal year, “Loss on disposal of fixed assets,” which was included in “Other expenses” under “Non-operating expenses,” has been presented separately from the current fiscal year due to its increased monetary significance.

As a result, in the statement of income for the prior fiscal year, the 18 million yen previously presented as “Other expenses” under “Non-operating expenses” has been reclassified as “Loss on disposal of fixed assets” of 3 million yen and “Other expenses” of 15 million yen.

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(Additional Information)

(The Executive reward BIP Trust)

The Company has introduced the board incentive plan “the Executive reward BIP Trust” for the Company's executive directors.

(1) The outline of transaction

The System is a stock-based compensation plan under which the Company's shares are acquired by a trust established by the Company with funds contributed by the Company, and the Company's shares are delivered to the executive directors.

(2) Our shares remaining in the trust

The book value of the treasury shares held by the Executive reward BIP Trust at the end of the prior fiscal year was 1,870 million yen for 1,261 thousand shares.

The book value at the end of the current fiscal year was 1,748 million yen for 1,179 thousand shares.

(Stock-granting ESOP Trust)

The Company has introduced a performance-linked remuneration “Stock-granting ESOP Trust” for executive officers of the Company, employees recognized by the Company, and executive officers and employees of group subsidiaries determined by the Company.

(1) The outline of transaction

The System is a stock-based compensation plan under which a trust established by the Company acquires the Company's shares with funds contributed by the Company, and the Company's executive officers, employees recognized by the Company, and executive officers and employees of the Company's group subsidiaries determined by the Company are granted the Company's shares.

(2) Our shares remaining in the trust

The book value of the treasury shares held by the Stock-granting ESOP Trust at the end of the prior fiscal year was 2,434 million yen for 1,641 thousand shares.

The book value at the end of the current fiscal year was 2,308 million yen and 1,556 thousand shares.

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(Notes to Balance Sheet)

*1 Amounts related to subsidiaries and associates included in them for the prior fiscal year and the current fiscal year are as follows:

	As of December 31, 2024		As of December 31, 2025	
Short-term monetary receivables	10	million yen	45	million yen
Short-term monetary payables	9,312		9,815	

*2 Contract for overdraft

The Company has entered into overdraft contracts with six banks to efficiently secure working capital. The unused outstanding of the overdraft contracts as of the end of the prior fiscal year and the current fiscal year are as follows:

	As of December 31, 2024		As of December 31, 2025	
Maximum overdraft amount	255,000	million yen	255,000	million yen
Used outstanding of loans	—		—	
Net amount	255,000		255,000	

(Notes to Statement of Income)

*1 Transactions with affiliated companies for the prior fiscal year and the current fiscal year are as follows:

	Year ended December 31, 2024		Year ended December 31, 2025	
Sales revenue and operating revenue	5,773	million yen	13,988	million yen
Sales expense	213		—	
Transactions excluding operating transactions	33		90	

*2 Major items and amounts of selling, general and administrative expenses and operating expenses for the prior fiscal year and the current fiscal year are as follows:

	Year ended December 31, 2024		Year ended December 31, 2025	
Depreciation.	1,007	million yen	953	million yen
Taxes and dues	818		739	
Rents expenses	493		349	
Insurance expenses	517		7	
Consignment expenses of business activities	154		200	
Directors’ remuneration	619		640	
Provision for directors' bonus provision	233		234	
Provision for performance-linked compensation provision	360		540	
Advertising expenses	8		8	
Retirement benefit expenses	2		5	
Bonuses and provision for bonuses provision	19		50	

*3 The breakdown of gain on sales of non-current assets is as follows:

	Year ended December 31, 2024		Year ended December 31, 2025	
Buildings	20	million yen	68	million yen
Structures	2		0	
Land	2,545		753	

*4 Impairment losses

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

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

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

Year ended December 31, 2024

Region	Use	Number of locations	Type	Impairment loss (million yen)
Kinki	Idle asset	2	Buildings	0
			Constructions	0
			Land	63
Chugoku	Idle asset	2	Buildings	14
			Constructions	1
			Land	112
Kyushu	Idle asset	1	Land	14

Year ended December 31, 2025

Region	Use	Number of locations	Type	Impairment loss (million yen)
Chugoku	Idle asset	1	Buildings	3
			Constructions	0
			Land	42
Kyushu	Idle asset	4	Buildings	5
			Constructions	1
			Land	425

(Securities)

The market values of shares of subsidiaries and affiliates (the amount on the balance sheets for the previous and current fiscal years is 342,561 million yen for shares of subsidiaries) are not stated because shares of subsidiaries and affiliates do not have market prices.

(Tax effect accounting)

1. The breakdown of major causes of deferred tax assets and deferred tax liabilities

	As of December 31, 2024	As of December 31, 2025
Deferred tax assets		
Excess of depreciation	1,650 million yen	1,685 million yen
Impairment losses	234	378
Other	891	983
Subtotal deferred tax assets	2,774	3,045
Valuation allowance	(726)	(1,019)
Total deferred tax assets	2,048	2,026
Deferred tax liabilities		
Advanced depreciation reserve fund	(902)	(925)
Difference on revaluation of land	(1,036)	(1,010)
Other	(40)	(25)
Total deferred tax liabilities	(1,978)	(1,960)
Deferred tax assets (liabilities), net	70	66

2. Differences between the statutory tax rate and the applicable tax rate after tax effect

	As of December 31, 2024	As of December 31, 2025
Statutory tax rate	30.6 %	30.6 %
Adjustments:		
Permanent differences such as such as dividends received	—	(28.0)

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Permanent differences such as entertainment expense	3.3	2.9
Valuation allowance	1.8	1.5
Other	(0.1)	(0.1)
Applicable tax rate after tax effect	<u>35.6</u>	<u>6.9</u>

(Revenue Recognition)

Information that provides a basis for understanding revenues from contracts with customers is described in “Significant accounting policies, 4. Accounting standard for income and expense.”

(Significant subsequent events after the reporting period)

Not applicable.

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4) Annexed detailed schedules

【Statement of Property, Plant and Equipment and Intangible Assets】

Category	Asset type	Balance at the beginning of the year	Increase during the year	Decrease during the year	Depreciation during the year	Balance at the end of the year	Accumulated depreciation at the end of the year
					Millions of yen		Millions of yen
Property, plant and equipment	Buildings	—	—	—	884	62,812	53,867
	Structures	—	—	—	69	10,644	10,093
	Tools, instruments, and fixtures	—	—	—	2	35	32
	Land	—	—	—	—	44,955	—
	Total	—	—	—	955	118,446	63,992
Intangible assets	Leasehold right	—	—	—	—	27	—
	Total	—	—	—	—	27	—

- (Note)
1. Since both the increase and decrease are less than 5% of the total amount of property, plant and equipment, the beginning balance, the "Increase during the year," and "Decrease during the year " are omitted.
 2. Since both the increase and decrease are less than 5% of the total amount of intangible assets, the beginning balance, the "Increase during the year," and "Decrease during the year " are omitted.
 3. The balance at the end of the fiscal year is stated based on the acquisition price.

【Statement of Allowance】

Category	Balance at the beginning of the year	Increase during the year	Decrease during the year	Balance at the end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Allowance for bonuses	16	18	16	18
Allowance for officers’ bonuses	233	234	233	234
Allowance for performance-linked pay	1,173	540	143	1,570

(2) Components of major assets and liabilities

This information is omitted because the consolidated financial statements are prepared.

(3) Other information

Not applicable.

VI. Overview of operational procedures for shares

Accounting period	From January 1 to December 31										
Ordinary General Meeting of Shareholders	March										
Record date	December 31										
Record date of dividend	June 30 December 31										
Number of shares constituting one unit	100 shares										
Purchase and sales of shares less than one unit	(Special Account)										
Handling place	Sumitomo Mitsui Trust Bank, Limited Share Transfer Agency business Planning Department 4-5-33 Kitahama, Chuo-ku, Osaka-shi										
Administrator of Shareholders’ Register	(Special Account) Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo										
Forward office	_____										
Purchase or purchase increase fee	Calculate the amount of fee per unit based on the following formula and make this amount proportional to the number of odd-lot shares purchased or purchased. (Calculation formula) Amount of total purchased price or price per purchase multiplied by one unit share number <table style="margin-left: 40px;"> <tr> <td>Amount less than 1 million yen</td> <td style="text-align: right;">1.150%</td> </tr> <tr> <td>Amount in excess of 1 million yen and 5 million yen or less</td> <td style="text-align: right;">0.900%</td> </tr> <tr> <td>Amount of 5 million yen or more and 10 million yen or less</td> <td style="text-align: right;">0.700%</td> </tr> <tr> <td>Amount more than 10 million yen and 30 million yen or less</td> <td style="text-align: right;">0.575%</td> </tr> <tr> <td>Amount more than 30 million yen and 50 million yen or less</td> <td style="text-align: right;">0.375%</td> </tr> </table> (If fractional numbers less than the circle are generated, truncation) However, if the calculated amount per unit is less than 2,500 yen, it shall be 2,500 yen.	Amount less than 1 million yen	1.150%	Amount in excess of 1 million yen and 5 million yen or less	0.900%	Amount of 5 million yen or more and 10 million yen or less	0.700%	Amount more than 10 million yen and 30 million yen or less	0.575%	Amount more than 30 million yen and 50 million yen or less	0.375%
Amount less than 1 million yen	1.150%										
Amount in excess of 1 million yen and 5 million yen or less	0.900%										
Amount of 5 million yen or more and 10 million yen or less	0.700%										
Amount more than 10 million yen and 30 million yen or less	0.575%										
Amount more than 30 million yen and 50 million yen or less	0.375%										
New ticket delivery fee	Free										
Publication notices publication method	Electronic public notice on the Company’s website (https://www.ccbj-holdings.com/). However, if it is not possible to make public notices by electronic public notice due to an accident or other unavoidable circumstances, public notices shall be listed in Nihon Keizai Shimbun.										
Benefits to shareholders	Not applicable.										

- (Note) Rights for shares of less than one unit
 Pursuant to the Company’s articles of incorporation, shareholders holding shares of less than one unit of shares have no rights other than those listed below:
- Rights listed in Article 189, Paragraph 2 of the Companies Act
 - The right to make demands pursuant to Article 166, Paragraph 1 of the Companies Act
 - The right to receive allotment of shares for subscription or share acquisition rights for subscription according to the number of shares held by the shareholder
 - The right to demand cash-out of shares of less than one unit of shares

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VII. Reference information about the Company

1. Information about the parent company of the company

The Company has no parent company, etc. stipulated in Article 24-7, Paragraph 1 of the Financial Instruments and Exchange Act.

2. Other reference information

The following documents have been submitted between the start date of this fiscal year and the date of submission of the securities report.

(1) Securities report and its attached documents and confirmation

Business year (67th term) (January 1, 2024, to December 31, 2024) Submitted to Kanto Finance Bureau on March 27, 2025

(2) Internal control report

Submitted to Kanto Finance Bureau March 27, 2025

(3) Semi-annual report and confirmation letter

(First half of the 68th term) (January 1, 2025, to June 30, 2025) Submitted to Kanto Finance Bureau Chief on August 4, 2025

(4) Extraordinary Report

This is an Extraordinary Report based on Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc. (Results of Exercise of Voting Rights at the General Meeting of Shareholders).

Filed with the Director-General of the Kanto Local Finance Bureau on March 31, 2025

(5) Shelf Registration Statement

Filed with the Director-General of the Kanto Local Finance Bureau on June 4, 2025

(6) Share Buyback Report

Filed with the Director-General of the Kanto Local Finance Bureau on April 2, 2025, May 2, 2025, June 3, 2025, July 2, 2025, August 4, 2025, September 2, 2025, October 2, 2025, November 5, 2025, December 2, 2025, January 6, 2026, February 3, 2026, March 3, 2026.

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Part II. Information about guarantors for the company

Not applicable.