



***First quarter 2020
Earnings Presentation
May 14, 2020***

Coca-Cola Bottlers Japan Holdings Inc.

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(Posted to CCBJH website on May 13, 2020)

Forward-looking statements

The plans, performance forecasts, and strategies appearing in this material are based on the assumptions and judgment of the management of Coca-Cola Bottlers Japan Holdings Inc. (CCBJH or Company) in view of data obtained as of the date this material was released. These forecasts may differ materially from actual performance due to risks and uncertain factors such as those listed below.

Risks and uncertain factors are not limited to the items listed below. They are also included in our annual securities report, or “Yuka Shoken Houkokusho”.

- Agreements with The Coca-Cola Company and Coca-Cola (Japan) Company Limited.
- The quality and safety of products
- Market competition
- Natural environment, such as climate, disaster, water resources, etc.
- Legal environment
- Leakage or loss of information
- Change of economic conditions, such as personal consumption, currency exchange rates, prices of raw materials, fair value of assets, etc.
- Business integration, streamlining and optimization of business processes, etc.
- Uncertain factors other than those above

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Coca-Cola Bottlers Japan Holdings Inc. (CCBJH)

First quarter (Q1) 2020 earnings presentation

Overview and situational analysis

Q1 2020 results and year-to-go outlook

Looking forward to post COVID-19

Q&A

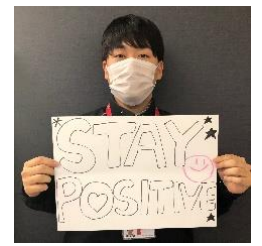
Overview and situational analysis

Together! Coca-Cola Bottlers Japan

CCBJI salutes everyone working to keep us safe and prevent the spread of COVID-19



- 🔥 Employees working every day to ensure stable supply of essential goods and services
- 🔥 Donating beverages to frontline medical workers and to food banks
- 🔥 Rigorous safety and hygiene protocols to ensure the well-being of consumers, customers, employees

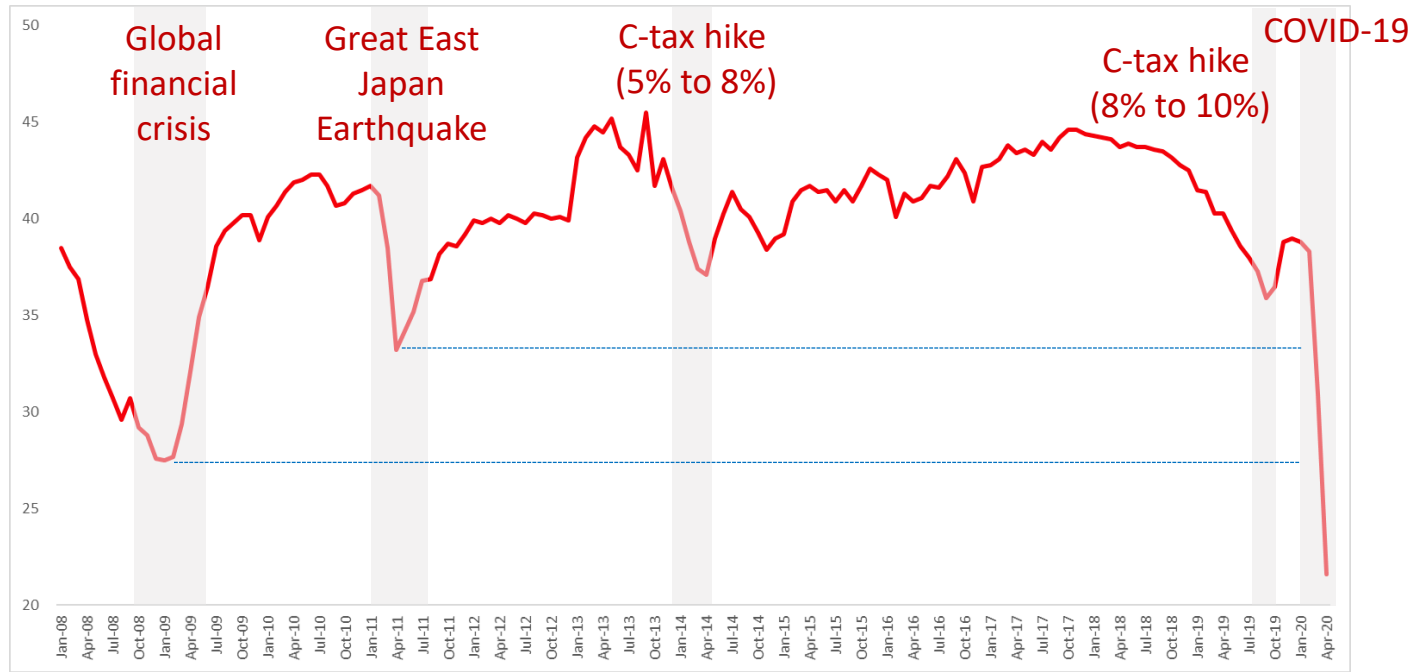


Overview

- 🔥 Solid start to year pre coronavirus. January, February on plan – Transformation work delivering, progress in vending, Lemon-dou alcohol brand continues strong
- 🔥 Overall Q1 results hit in March by COVID-19, with peak impact expected in Q2. Withdrawing full-year 2020 forecast due to current uncertainty for rest-of-year
- 🔥 Doing what's necessary to protect our business, customers and people; Providing stable supply of essential goods and services; Supporting communities through beverage donations to frontline medical workers and food banks
- 🔥 Acting as good stewards of capital. Reviewing CAPEX, dividends, cash savings
- 🔥 Heavier focus on ongoing transformation initiatives and one-time cost savings in tough environment; Preparing for “new normal” after recovery

Macro and industry impact from COVID-19. What is “new normal”?

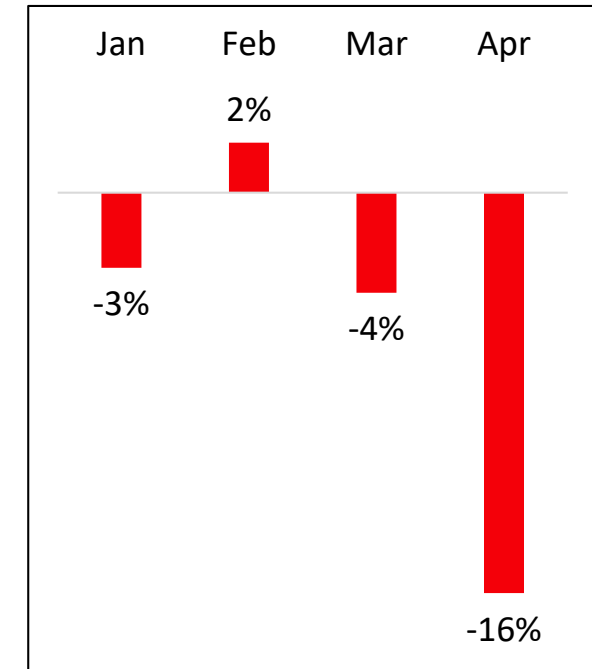
Consumer Confidence Index



April Consumer Confidence Index showed worst-ever single-month drop as well as worst-ever results

Source: Cabinet Office, Consumer Confidence Survey, April 30, Households of two or more persons, seasonally adjusted series

NARTD industry volume YoY



Significant industry volume decline since March

Source: Inryo Business

Initial assessment of COVID-19

Tackling current impact; deeper transformation to prepare for the future

Consumers & Customers

Strong decline in NARTD market since March with rapid shift of consumer behaviors and channel mix

- Comprehensive business continuity actions in place to ensure safe and secure supply of our products as essential goods and services
- Shifting commercial OBPPC (Occasion, Brand, Price, Package, Channel) strategies and production plan to respond to consumption changes
- Providing support programs for customers

OBPPC: An abbreviation of Occasion, Brand, Package, Price, Channel.
A strategy offers people the right brand and product, in the right package, at the right price to suit consumption occasions.

People

Workstyle reforms since 2019 helping to protect our people, continue operations & drive transformation

- Smartphones to all employees in 2019 encourage remote working, fast communication, information exchange
- Distributing 200,000 face masks to frontline employees weekly, supporting childcare during school closures
- Work-from-home policies, strict hygiene control, manufacturing best practices helping to minimize the risk of exposure at work and business disruption

Business

Protecting our business while focusing on key transformation initiatives to be ready for the future

- Cutting/reviewing discretionary spending & capex
- Accelerating key transformation initiatives, with more to come
- Ensuring liquidity and access to cash
- Withdrawal of full-year 2020 forecast
- Monitoring global Coca-Cola system network to understand experience of markets in different phases of the crisis

Market environment requires agile and flexible response

Current industry situation



**Supermarket,
Drug & Discounter**

Volume growth. Shift in basket composition & size impacts product mix. Stable traffic, reduced weekly visits. Some industry discounting observed.



Convenience Store

Major traffic and volume decline in urban outlets, while residential areas showing more resilience.



Vending

Decline in traffic and sales especially for indoor locations such as train stations, schools, leisure venues & offices



Food Service

Overall strong decline in sales, with the exception of delivery. Cash flow challenges, uncertainty on return to normal, risk to continuity of operations



Online

Sales spike since the outbreak; Increase in demand for home delivery

CCBJI focus

- **Assess strategic priorities**
- **Leverage new consumer demand trends**
- **Review portfolio and promotional initiatives**
- **Strengthen core SKU coverage**
- **Boost capabilities for growing channels and categories**
- **Leverage global Coca-Cola system expertise and synergies**
- **Review investment plan**

Deeper and faster efforts required to navigate critical year

Solid start pre-coronavirus, current strategy working, but more is needed

Situational analysis

- Crisis hit at beginning of strategic transformation year.
- Still high fixed-cost base; More focus needed to adapt “controllable” cost structure to match new environment
- Value share growth in OTC & vending, but higher share in profitable vending channel increases near-term pressure

Must focus on what's in our control

- Major programs underway and delivering results. Must accelerate output
- Identifying additional transformation opportunities. “Business as usual not an option”
- “One-time” savings in 2020 to overcome immediate pressure

Q1 2020 results and year-to-go outlook

Q1 2020 results vs. 2019

Beverage Business Income decline led by volume and mix pressure in March, higher fixed costs. Operating income progressed versus prior year, cycling one-time expenses.

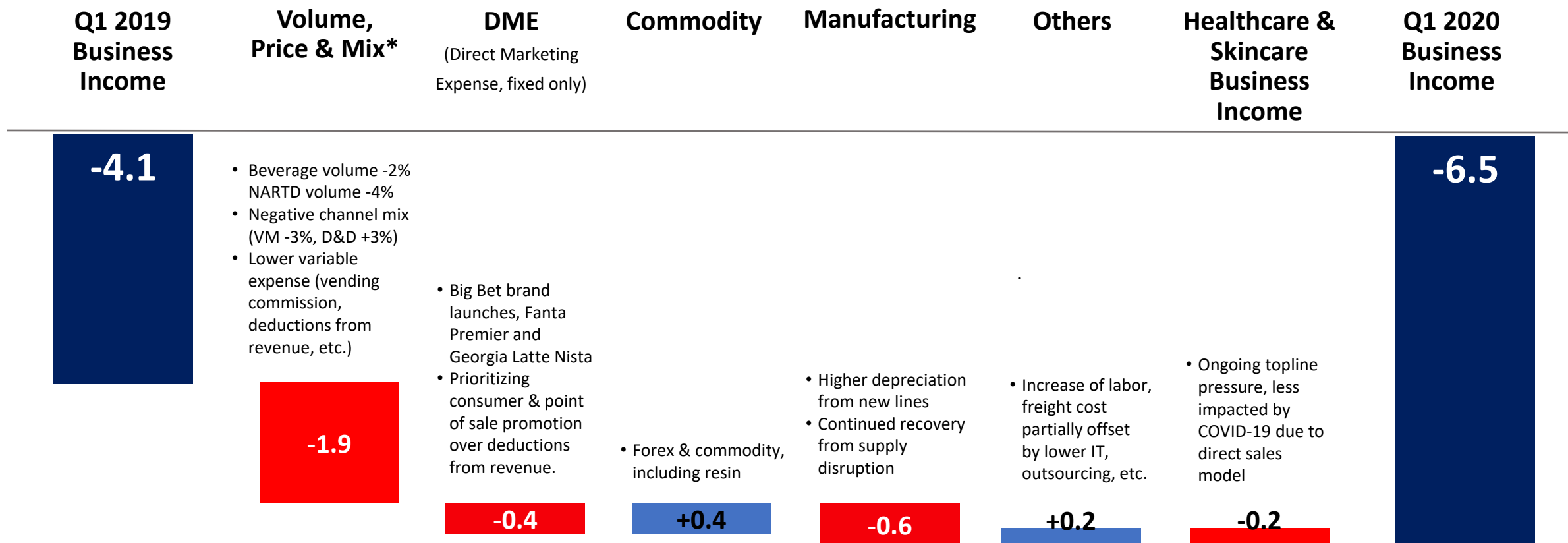
	Q1 2020	Q1 2019	YoY
Revenue	198,715	198,733	0.0%
Beverage Business Sales Volume (Million Cases)	108	110	-2%
NARTD Beverage Volume	106	110	-4%
COGS	105,297	104,131	+1.1%
Gross Profit	93,418	94,602	-1.3%
SG&A	99,645	98,140	+1.5%
Business Income (Loss)	(6,534)	(4,059)	-
Operating Income (Loss)	(7,881)	(12,824)	-
Net income (loss) attributable to owners of parent	(5,690)	(8,002)	-

Beverage Business	Q1 2020	Q1 2019	YoY	Health Care & Skin Care Business	Q1 2020	Q1 2019	YoY
Revenue	193,029	192,767	+0.1%	Revenue	5,687	5,966	-4.7%
Business Income (Loss)	(7,081)	(4,774)	-	Business Income	547	714	-23.4%

Unit: Million JPY

Q1 2020 Drivers of Business Income

January to February in line with plan; Initial volume, mix pressure in March due to COVID-19



Unit: B JPY

(Rounding off less than unit)

*Volume, Price & mix represent marginal profit of our commercial activities including variable costs and deduction from revenue in IFRS.

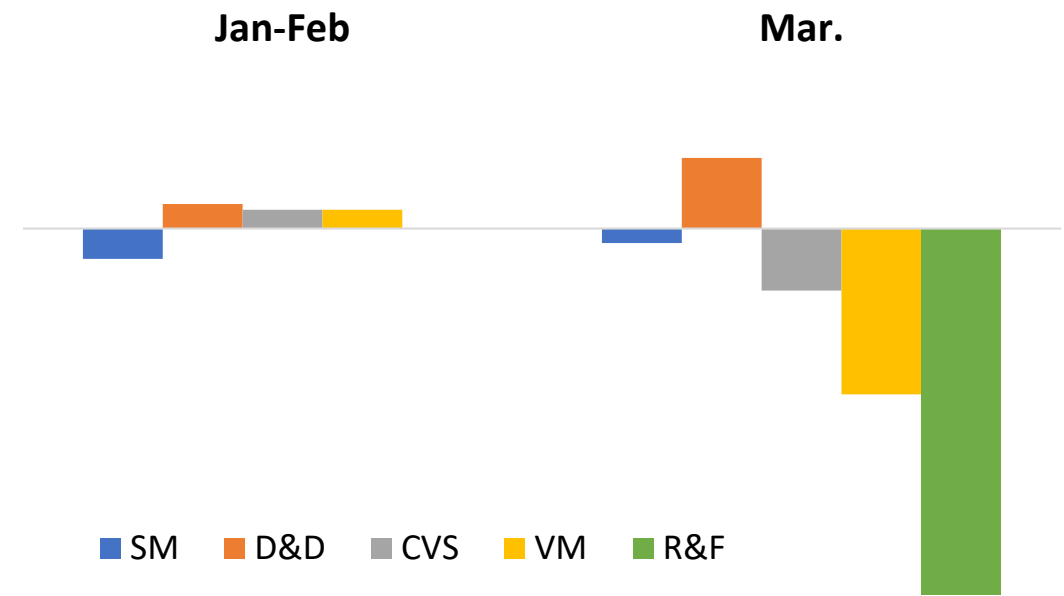
First-quarter beverage volume performance (excluding alcohol)

Q1 volume decline due to March drop in retail, food and vending channels

- Jan-Feb in-line with plan
- Sharp March volume decline in retail, food, vending, as people refrained to go out, more working from home, etc.
- Growth of home consumption and more pantry-loading drive drug & discount (D&D) channel
- More volume pressure in April with nationwide emergency declaration
- Active scenario planning underway, but extent of impact and outlook unclear

Volume	Jan	Feb	Mar	Q1	Apr
YoY	-2%	+2%	-10%	-4%	Over -20%

Volume YoY by channel

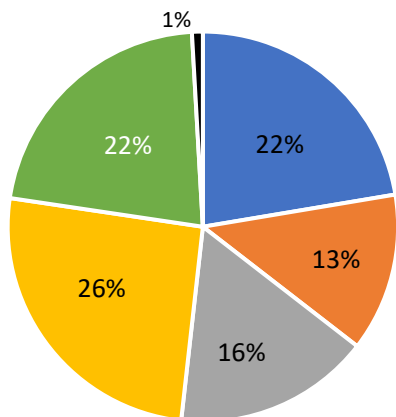


Q1 2020 NARTD channel & category volume performance

4% volume decline led by retail & food and vending impact from COVID-19.

Wholesale revenue per case growth maintained since April 2019 wholesale price increase.

By channel

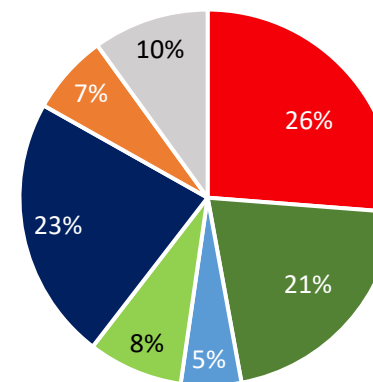


	Vs. PY	Volume	Wholesale revenue per case
Supermarket (SM)		-2%	+51 Yen
Drug & Discounter (D&D)		+3%	+50 Yen
Convenience Store (CVS)		-1%	+22 Yen
Vending (VM)		-3%	-81 Yen
Retail & Food (R&F)		-10%	+9 Yen

Sharp volume decline in March in **CVS**, **VM** and **R&F**. **VM** sales volume in March impacted by decrease in train stations, schools, leisure venues and offices. Coffee in VM was positive supported by Georgia Japan Craftsman. VM revenue per case down due to value offerings to drive transaction growth and bottle can coffee decline. **CVS** impacted by decline of coffee, sports and water. **D&D** growing, led by increased demand for home consumption and pantry loading. Revenue per case growth in **SM** and **D&D** driven by wholesale price hike in April 2019. Rapid growth in **online** channel, now 2% of total NARTD volume.

NARTD: Non-alcoholic ready-to-drink Online channel included in R&F

By category



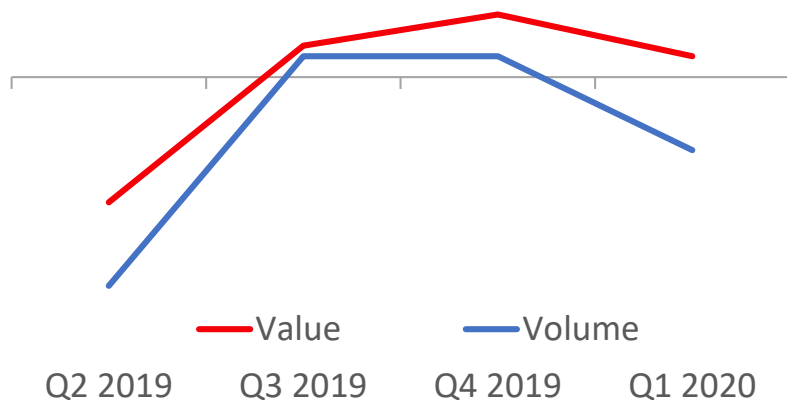
	Vs. PY	Volume
Sparkling		-3%
Non-sugar tea (NST)		-3%
Sports		-17%
Water		+2%
Coffee		-2%
Juice		-8%

Sparkling down due to sharp fall in R&F and VM channels in March. **NST** decline driven by VM and R&F channels. Green tea volume was even, led by newly launched Ayataka Koi Ryokucha. **Coffee** declined as growth in VM channel supported by Georgia Japan Craftsman and newly launched Latte Nista was offset by decline in can & bottle can. **Sports** impacted by overall category decline and weak performance in large PET. **Water** growth led by immediate consumption iLohas brand plain water in SM and D&D channels.

NARTD market share

Maintaining positive value share momentum in Q1 as overall market contracts

OTC Market Share		
Market Share (vs. PY, PP)	Value	Volume
Q1	+0.2	-0.7



- 🚫 Q1 value share growth ahead of volume; Exercising restraint in discounts, deductions from revenue. Momentum continued in April
- 🚫 Value share growth in sparkling & coffee, supported by launches of Fanta Premiere Grape, Georgia Latte Nista coffee
- 🚫 Also growing vending value & volume share, with continued progress in high-focus channel
- 🚫 Observing positive retail pricing in large PET influenced by wholesale price hike in April 2019

NARTD: Non-alcoholic ready-to-drink

OTC: Over-the-counter channels

Source: Intage

Year-to-go outlook

- *Full-year 2020 forecast withdrawn*
- *Expecting strong impact in Q2 and higher uncertainty for rest of the year*
- *Evaluating impact for both 2020 plan & strategic business plan toward 2024*

Current situation

- **Significant contraction of beverage sales volume since March, accelerating in April**
 - April NARTD volume down more than 20%
 - SM, D&D and online channels growing, but not enough to offset decline in VM and Food channels
- **Tokyo 2020 Olympic and Paralympic Games postponed until 2021**
- **Emergency declaration extended until May end**

What we are doing now

- **Accelerating transformation initiatives**
- **Cutting CAPEX, DME, OPEX for one-time savings**
- **Implemented temporary leave program in Q2**
- **Redirecting sales initiatives responding to consumer behavior shift**
- **Revising production plan, reducing work shifts and inventories in line with volume trends**

Protecting our business while continuing to transform

Fast, agile reaction; Enabled by ongoing capability & transformation work

1

Countermeasures – High speed tactical response

Quickly deployed multiple programs to enhance activation at point of sale

Vending

Direct Sales
to Workplaces



Coke ON

Coke ON
additional
promotion

OTC



Expansion of case sales

...including additional
sales at service stations



Accelerate launch
of 950ml PET in
convenience store
channel

Protecting our business while continuing to transform

Accelerating transformation initiatives to leverage good initial progress

2

Business Model – Accelerating Transformation

From Pilot to National in record time

Vending

Kinki area vending model

Expanding to all regions by end of June 2020

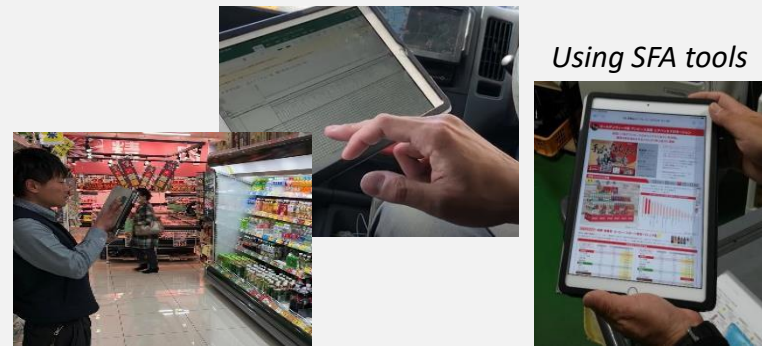


OTC

Sales Force Transformation

Expanding Tokyo pilot

New sales process utilizing sales force automation (SFA) tools



Using SFA tools

Priority on good stewardship of capital

Maintaining solid financial position, liquidity, access to cash

Fundamentals in place

- 🔥 **Maintain strong financial position**
 - 52.6% equity ratio March 2020
- 🔥 **Ensure sufficient liquidity**
 - Utilizing debt capacity
Secured 50 billion yen short-term borrowing in April 2020

Additional initiatives

- 🔥 **Redirecting capital allocation priorities**
 - Evaluating cash priorities; Capex plan update, 10 to 15B decline vs. plan; revised dividend outlook
 - Temporary suspension of vending machine purchases amid consumer traffic slowdown
 - Continue strategic investments in capacity; Hiroshima, Zao lines to meet aseptic growth

Q1 Actual results	(Billion JPY)
CAPEX	16.4
Depreciation	14.7

Update from The Coca-Cola (Japan) Company

Our system response to the COVID-19 situation

Flexibility in marketing plans for 2020

Portfolio communication

Its times like these when Coca-Cola can do something

Donation to Healthcare Workers

Product Donation



Alcohol Sanitizers



Refresh yourself at home Program



Social Distancing



“Staying apart is the best way to stay united”

Coca-Cola

離れることで、繋がる絆。

#大切な人のお家で過ごそう

#IStayAtHomeFor

Flexibility in Marketing Plans

Focus on At Home occasions



Strengthening eCommerce

Build Portfolio



Strengthen Subscription and Loyalty Program



Big Bet New Products



Coca-Cola Portfolio Communication

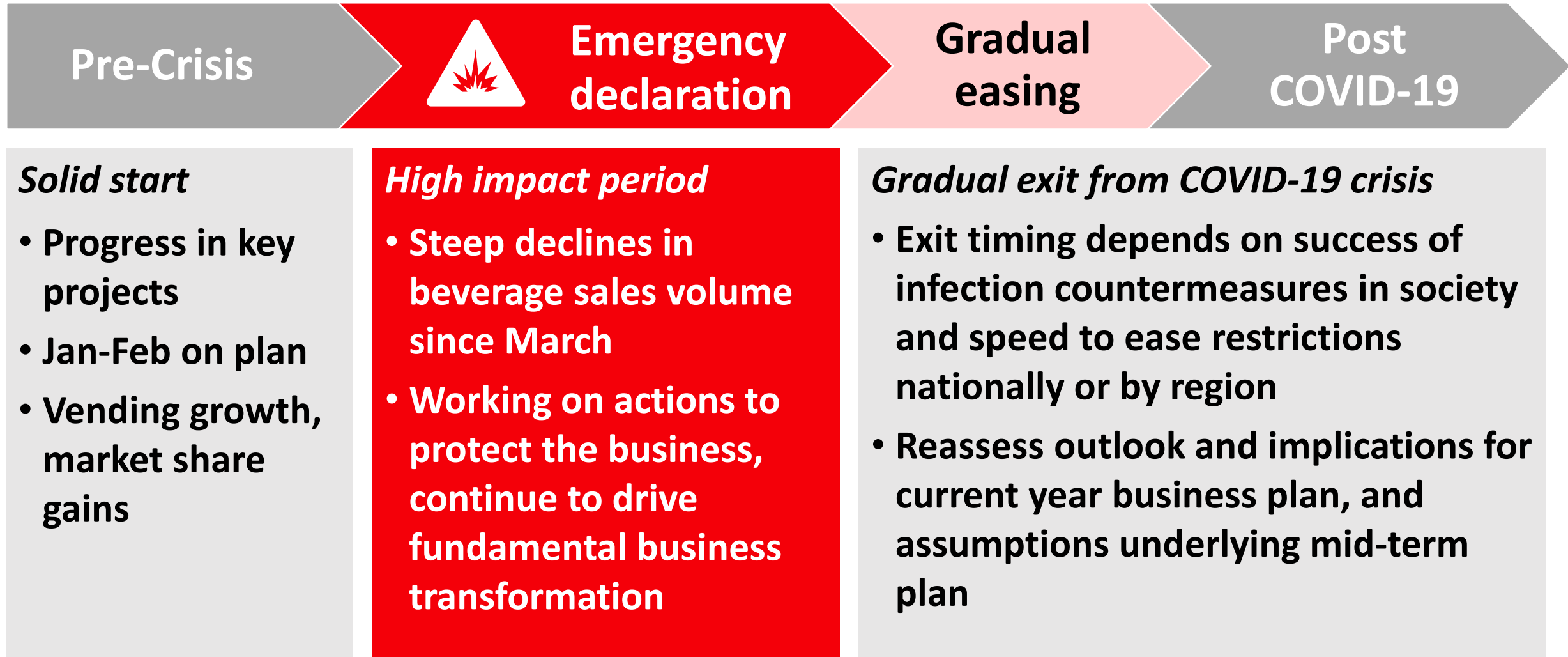
“Hope will bring us together”



**Looking forward
to post COVID-19**

Peak impact expected in Q2, with uncertainty toward recovery

Preparing for gradual exit while focusing on immediate actions



Wrap up

- 🍷 Good start to year through February
- 🍷 Protecting our business while accelerating transformation;
Heavy pressure in Q2, uncertainty in rest of year
- 🍷 Reviewing 2020 plan. Expect to emerge from COVID-19 stronger and more agile
- 🍷 Update 2020 earnings & dividend outlook during third quarter
- 🍷 “Business as usual is not an option”. Now, more than ever, key strategic transformation initiatives are critical

We are all in this together

Delivering happy moments to everyone, while creating value





Paint it RED!

未来を塗りかえろ。

Mission
Deliver happy moments
to everyone while creating value

Vision

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

Values

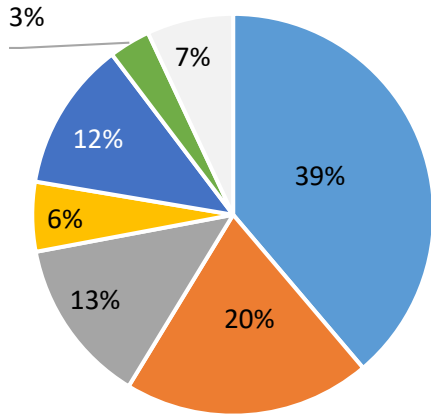
- Learning
- Agility
- Result-orientation
- Integrity

Q & A

Appendix

Q1 2020 NARTD package volume performance & retail price trend

By package



	vs PY	Volume
S-PET		+3%
L-PET		-7%
Can		-11%
Bottle Can		-3%
Syrup		-12%
Powder		-2%

S-PET: PET under 600ml/L-PET: PET above 1.5L

NARTD OTC Retail Price

OTC Retail Price (Jan. to Mar. 2020, JPY per bottle)	Vs. Market Average	Vs. PY
Small PET	+3.4	-1.2
Large PET (2L PET)	+24.1	+6.0

NARTD: Non-alcoholic ready-to-drink

Source: Intage

OTC: Over-the-counter channels

We are part of the global Coca-Cola system

An enduring and effective partnership

The Coca-Cola Company **Coca-Cola (Japan) Company**

- Brands
- Innovation
- Global perspective
- Consumer focus
- Superior insight

Coca-Cola

BOTTLERS JAPAN INC.

- Customer focus
- Local expertise
- Best-in-class execution
- Finished goods production
- Logistics and distribution
- Cost optimization

Glossary of key terms

Business Income	A measure of our underlying or recurring business performance after the adoption of IFRS. Business Income deducts cost of goods and SG&A from revenue, and includes other income and expenses which we believe are recurring in nature.
DME	Abbreviation of Direct Marketing Expenses . Sales promotion-related expenses, including advertisement, rebates, sales commissions, etc.
FC	Abbreviation of Future Consumption . Purchase or sell beverage for future consumption in home, etc. It also means the products / SKUs for FC (for example, single packages 1L or more and multi-pack of IC packages) and channels that consumers purchase the beverages for FC. (for example, supermarket, drug & discounter channels, etc.).
HORECA	Abbreviation of Hotel, Restaurants and Cafeteria . Generally means sales channels of these kinds.
IC	Abbreviation of Immediate Consumption . Purchase or sell beverage for consuming it immediately. It also means the products / SKUs for IC (for example, single packages less than 1L as well as fountain) and channels that consumers purchase the beverages for IC (for example, vending machines, convenience store channel, etc.).
PTC	Abbreviation of Price, Terms and Conditions , an internal guideline for setting appropriate transaction conditions with customers, frequently used in conjunction with RGM.
RGM	Abbreviation of Revenue Growth Management , an overall strategy and process to achieve profitable revenue growth.
RTM	Abbreviation of Route-to-Market . A framework, a process, a philosophy, a proven approach for driving profitable growth.

Channel definitions



Vending	Retail sales to consumers through vending machine
Supermarket	Wholesale to supermarket chains customers
Drugstore & Discounter	Wholesale to drugstore and discounter chains customers
Convenience Store	Wholesale to convenience store chains customers
Retail & Food	Wholesale to grocery store, liquor store, eating & drinking establishments (HORECA), online sales channels customers, etc.
Others	Wholesale to customers other than above

THANK YOU

Investor Relations

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