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Coca-Cola
BOTTLERS JAPAN HOLDINGS INC.

Paint it RED!
未来を塗りかえろ。

***Second quarter year-to-date 2020
Earnings Presentation
August 13, 2020***

Coca-Cola Bottlers Japan Holdings Inc.

Calin Dragan, President

Bjorn Ulgenes, Vice President & Chief Financial Officer

(Posted to CCBJH website on August 12, 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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CCBJH undertakes no duty to update any statement in light of new information or future events. You should rely on your own independent examination of us before investing in any securities issued by our company.

Coca-Cola Bottlers Japan Holdings Inc. (CCBJH)

Second quarter (Q2) year-to-date 2020 earnings presentation

Overview and situational analysis

Q2 YTD results and year-to-go outlook

Q&A

Overview and Situational Analysis

We are all in this together

Delivering happy moments to everyone, while creating value



Coca-Cola
BOTTTLERS JAPAN INC.

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

Year-to-Date Overview

- ‡ Q2 reflects impact of emergency declaration and decision to postpone Olympics. Q2 volume down 18%, YTD volume down 11%. Lemon-dou alcohol brand ahead of plan.
- ‡ Targeting appropriate balance of value & volume – slight OTC market share decline as we maintain wholesale price hike, focus on core business & pivot from Olympics-heavy 2020 plan. Vending market share growth continued despite COVID-19 drop in market volume
- ‡ Significant cost savings helping to offset current-year topline pressure. More than 10 billion yen in YTD cost savings. YTG cost-saving efforts to continue
- ‡ Accelerated important vending channel operation transformation project by six months; Completed company-wide deployment by the end of Q2
- ‡ Completed brand-new, world-class Hiroshima plant. Expanded supply network on-plan, with seven new lines installed since last year, including four new lines in 2020.
- ‡ Carefully watching peak summer performance to update FY2020 forecast, amid ongoing COVID-19 uncertainty and extended rainy season in July.

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

Impact of COVID-19/Lifestyle changes

Emergency declaration

About

2

months

Traffic

(Shinjuku station vs LY*)

-58.1%

Telework introduction rate

(Tokyo Apr Diff. pre month)

+2.6x

(Introduction rate: 62.7%)

Sales of food service industry

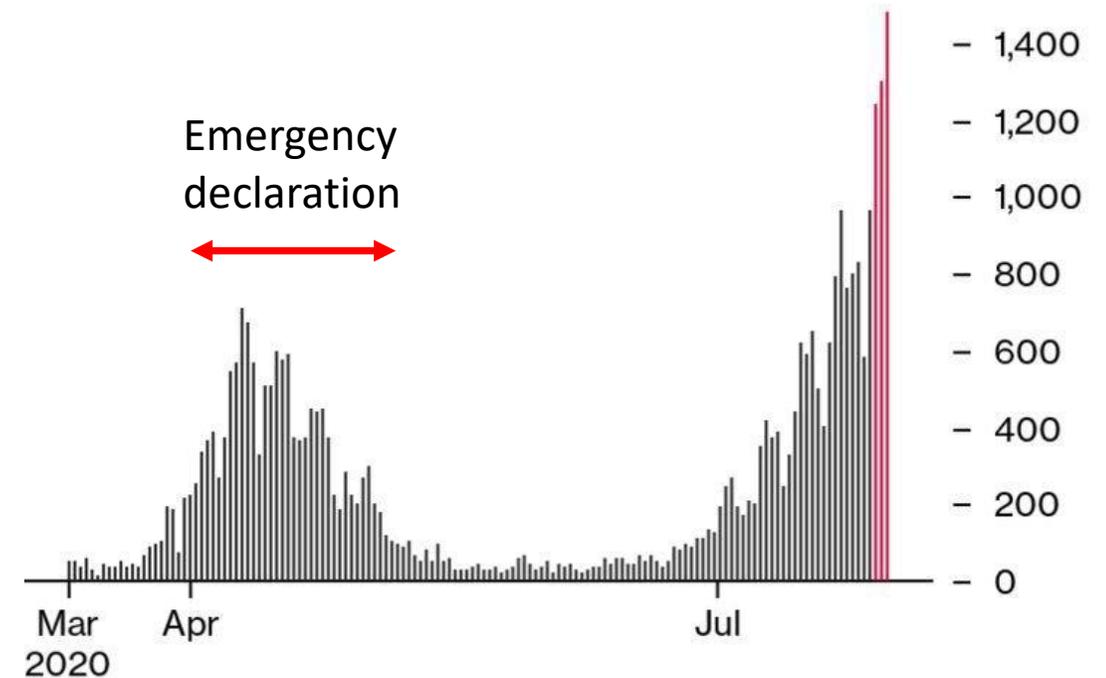
(May vs LY)

-32.2%

Source : NTT Docomo, Tokyo Metropolitan Govt., Japan Food Service Association

*As of May 31th 2020,

Daily new coronavirus infections



Market Environment Update; “with COVID-19”

Balancing topline pressure from volume declines and channel mix shifts

	Industry situation YTD <i>Still navigating “with COVID-19”</i>	Guiding principles for market execution	CCBJI quick actions <i>What we can do now</i>
 Supermarket, Drug & Discounter	More stable traffic, with reduced weekly visits. Increased focus on affordability and value.	<ul style="list-style-type: none"> • 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 Coca-Cola global system expertise • Review investment plans 	<div style="display: flex; align-items: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; padding: 5px;">Customer centric plans & support programs</div> <div style="flex-grow: 1; padding: 5px;"> <p>Mitigation initiatives to navigate evolving situation in an agile way</p> <p>People, processes and systems to address high fixed cost base</p> <p>Accelerating transformation initiatives</p> <p>Pivoting to new marketing plans after Olympics delay and consumer demand shift</p> </div> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; padding: 5px;">Cost savings and optimizing capital allocation</div> </div>
 Convenience Store	Major traffic and volume decline in urban outlets continues.		
 Vending	Foot traffic still low, especially indoor locations such as train stations, schools, leisure venues & offices. “Low-touch” consumer interactions.		
 Food Service	Strong decline in sales, with exception of delivery & to go. Uncertainty on return to normal, risk to continuity of operations.		
 Online	Sales spike since COVID outbreak; Increase in demand for case sales and home delivery.		

CCBJH navigating critical year with aggressive cost focus

Solid start pre-coronavirus; Acting with urgency; COVID-19 uncertainty remains

Situational analysis

- Successfully addressing “controllable” cost structure to match new environment
- Olympics delay and negative channel mix impacting market share. Higher share in profitable vending channel increases near-term pressure
- Assessing 2020 plan and strategic outlook given current-year pressure.

More focus on what we can control

- Early recognition of tough 2020 and withdrawal of guidance allows more time to initiate “one-time” savings and balance sheet “cleanup” to partly offset current pressure
- Major programs underway and delivering results. Updating 2H marketing to reflect Olympics delay
- “Business as usual is not an option”

Q2 YTD 2020 results

Q2 YTD 2020 results vs. 2019

*Business Income decline led by beverage volume performance, partially offset by cost savings.
Operating income progressed versus prior year, cycling one-time expenses.*

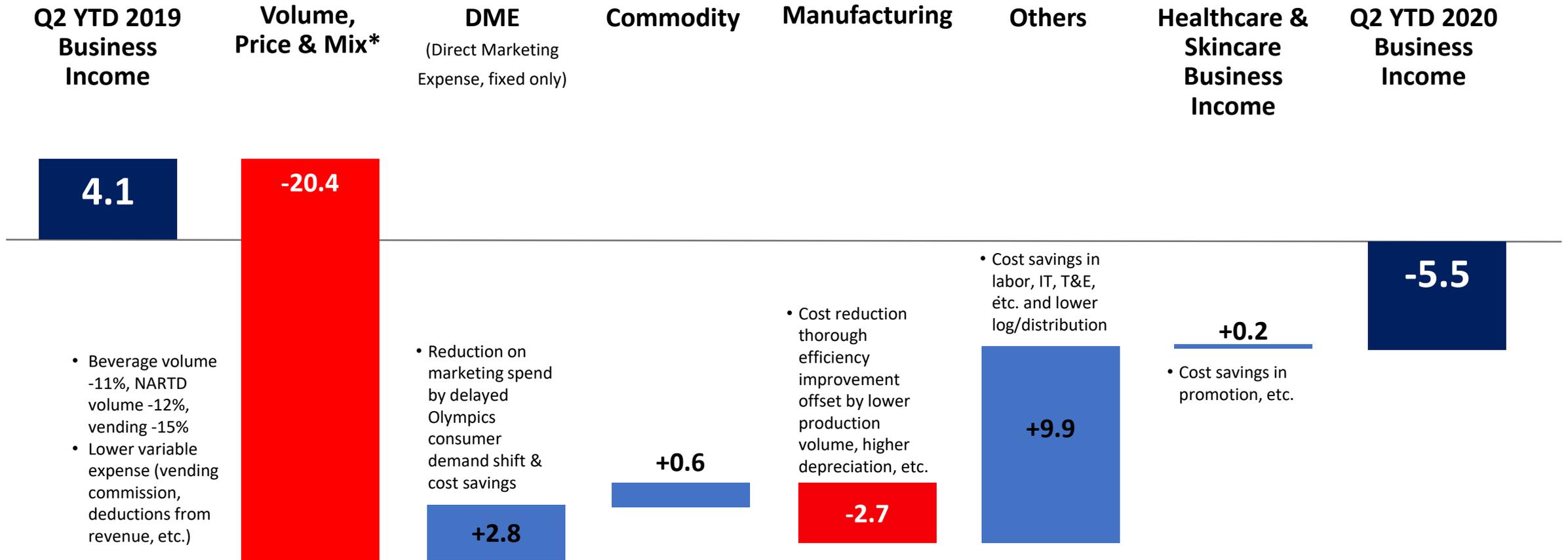
	2020	2019	YoY
Revenue	386,679	433,710	-10.8%
Beverage Business Sales Volume (Million Cases)	212	237	-11%
NARTD Beverage Volume	207	237	-12%
COGS	207,420	223,465	-7.2%
Gross Profit	179,259	210,246	-14.7%
SG&A	183,899	205,202	-10.4%
Business Income (Loss)	(5,539)	4,122	-
Operating Income (Loss)	(13,110)	(65,457)	-
Net income (loss) attributable to owners of parent	(6,452)	(64,565)	-

Beverage Business	2020	2019	YoY	Health Care & Skin Care Business	2020	2019	YoY
Revenue	374,598	421,404	-11.1%	Revenue	12,081	12,306	-1.8%
Business Income (Loss)	(7,368)	2,523	-	Business Income	1,829	1,600	+14.3%

Unit: Million JPY

Q2 YTD 2020 Drivers of Business Income

COVID-19 vending volume decline driving topline pressure; Significant cost-saving efforts



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.

Cost-saving opportunities to balance near-term volume pressure

Year one of strategic plan a unique moment to identify more savings

Volume performance

- ↑ Q2 reflects Japan emergency declaration
- ↑ Volume declines vs. prior year, but signs of improvement in June as emergency restrictions lifted
- ↑ Uncertainty remains for rest-of-year
 - Unusually wet and cool July weather, delay of planned Olympics activity and resurgence of COVID-19 infections negatively impacting current outlook
 - Carefully watching results and putting in place actions to protect our business

NARTD volume YoY

Jan	Feb	Mar	Apr	May	June	Q2	YTD	July
-2%	+2%	-10%	-24%	-27%	-9%	-20%	-12%	Over -15%

Cost savings initiatives

Over 10 billion yen YTD, with more to come

Labor

- Overtime reduction
- Paid temporary leave in Q2 and bonus cut

Marketing

- Refocus on core; Marketing pullback in line global TCCC “call to action”
- Minimize price promotions/discounts

Logistics

- Expansion of private fleet; Return to more normalized supply network

Depreciation

- Optimized new sales equipment placement. Reevaluating current year placements, leveraging refurbished vs. brand-new

Digitalization

- 17,000 smartphones, 14,000 laptops distributed; Enabling a “new normal” flexible workplace

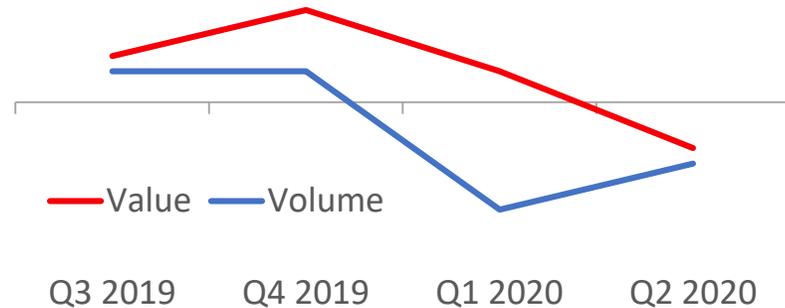
NARTD: Non-alcoholic ready-to-drink

Note: Volume doesn't include alcohol. Revenue per case doesn't include DFR (deduction from revenue). Some inconsistencies with the volume data provided in past presentations may be expected as a result of standardization of volume and revenue calculation.

NARTD market share & retail pricing trends

Balancing value & volume share in OTC, maintain share momentum in vending

OTC Market Share		
Market Share (vs. PY, PP)	Value	Volume
YTD Q2 (Jan. to Jun.)	-0.1	-0.5
Q2 (Apr. to Jun.)	-0.3	-0.4



NARTD OTC Retail Price		
OTC Retail Price (Jan. to Jun. 2020, JPY per bottle)	Vs. Market Average	Vs. PY
Small PET	+3.0	-0.9
Large PET (2L PET)	+23.4	+0.6

📌 Q2 OTC market share impacted by sales mix

- Higher market growth in future-consumption channels & packaging
- CCBJI pivot to core beverages as we adjust away from Olympics-heavy marketing calendar

📌 Still observing benefit from prior-year wholesale price increase one full year after introduction. Staying disciplined on pricing.

📌 Maintaining market share momentum in vending channel despite current-year COVID-19 market decline

- Continued strategic focus on addressing long-term vending issues
 - ✓ Coffee and non-sugar tea leading vending share gains
 - ✓ Right product offerings & price points
 - ✓ Big bet new-product coverage
 - ✓ Channel-exclusive products
 - ✓ Leveraging proprietary Coke ON smartphone app

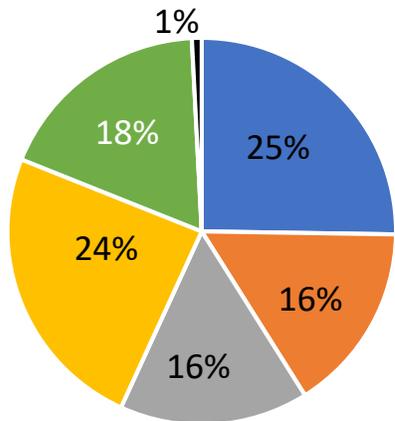
Source: Intage

NARTD: Non-alcoholic ready-to-drink OTC: Over-the-counter channels

2020 Q2 YTD NARTD channel & category volume performance

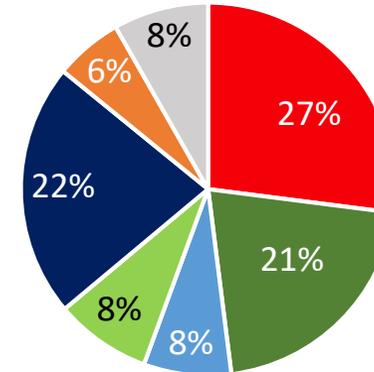
12% volume decline led by retail & food and vending due to COVID-19

By channel



	Vs. PY	Volume	Wholesale revenue per case
Supermarket (SM)		-1%	-11 Yen
Drug & Discounter (D&D)		+7%	-9 Yen
Convenience Store (CVS)		-9%	+7 Yen
Vending (VM)		-15%	-53 Yen
Retail & Food (R&F) Includes Online		-32%	+60 Yen

By category



	Vs. PY	Volume
Sparkling		-9%
Non-sugar tea (NST)		-10%
Sports		-19%
Water		-10%
Coffee		-8%
Juice		-25%

SM Sparkling & water growth offset by decline in sports.

D&D grew across most categories except sports, led by increased shopper traffic, demand for home consumption and pantry loading.

CVS relatively stable in sparkling, decline in water, tea and coffee.

VM decline on lower traffic in train stations, schools, leisure venues, offices.

Online grew double digits across categories, **now 2% of total NARTD**

Revenue per case: Package mix reflects growth in large PET in SM&DD. Also starting to cycle prior-year April large PET wholesale price hike. Positive impact from new product launches in CVS. 100 yen price point in VM.

Sparkling down in R&F and VM despite growth in SM & D&D.

NST decline driven by VM and R&F. Slight decline in green tea partially offset by newly-launched Ayataka Koi Ryokucha.

Sports category decline & weak performance of large PET.

Water decline due to small package iLohas brand in VM & CVS.

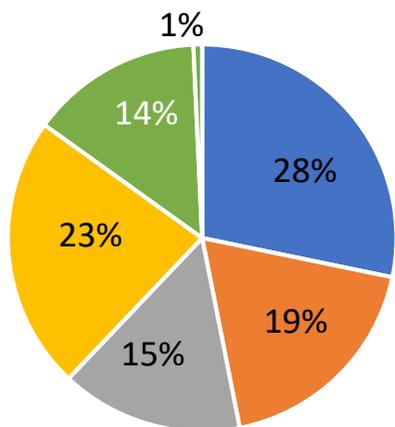
Coffee decline of can & bottle can despite PET package growth in most channels.

Juice declined due to sharp drop in R&F demand in Q2.

NARTD channel/category/package volume performance

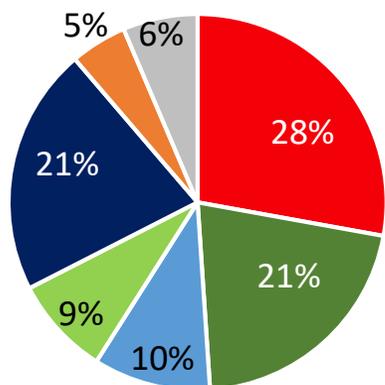
Q2 2020 volume: -20%

By channel



	Vs. PY	Volume	Wholesale revenue per case
Supermarket (SM)		-1%	-62 Yen
Drug & Discounter (D&D)		+10%	-54 Yen
Convenience Store (CVS)		-17%	-10 Yen
Vending (VM)		-26%	-22 Yen
Retail & Food (R&F)		-51%	+158 Yen

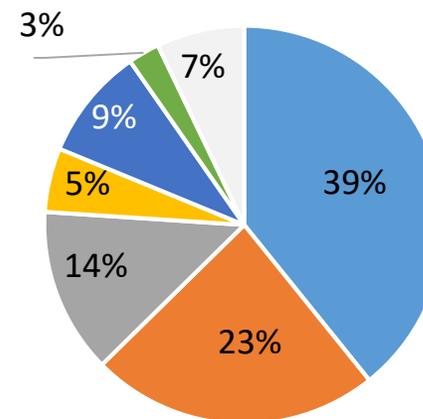
By category



	Vs. PY	Volume
Sparkling		-15%
Non-sugar tea (NST)		-16%
Sports		-20%
Water		-20%
Coffee		-15%
Juice		-41%

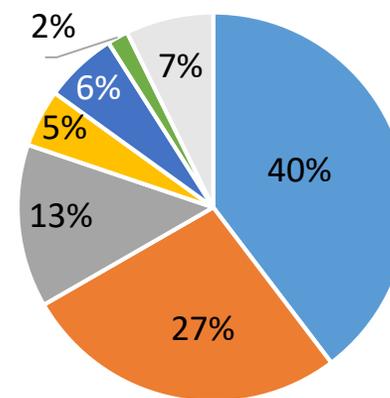
By package

Q2 YTD 2020



	vs PY	Volume
S-PET		-10%
L-PET		+3%
Can		-17%
Bottle Can		-8%
Syrup		-39%
Powder		-27%

Q2 2020



	vs PY	Volume
S-PET		-20%
L-PET		+13%
Can		-22%
Bottle Can		-13%
Syrup		-63%
Powder		-52%

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

Priority on good stewardship of capital

Maintaining solid financial position & liquidity

Balance sheet & cash flow

- ▶ Maintain solid financial position: 50.4% equity ratio as of end of Q2
- ▶ YTD cash and cash equivalents grew by 5 B yen; Higher inventory, fixed assets, offset by 50 B yen short-term loan in April
- ▶ Positive cash flow from operations in the first half
- ▶ Looking for opportunities to clean up the balance sheet and bring in additional cash
- ▶ Announced plan to reinstate 25 yen per share year-end dividend

CAPEX & Depreciation

- ▶ Focus on strategic investments with additional capex reduction plan in place.
- ▶ Full-year capex expected to be ~75 B yen, a reduction of 21 B yen vs. initial plan
- ▶ Full-year depreciation expected to be ~60 B yen, ~2 B yen lower than plan

Q2 YTD actual	(Billion JPY)
CAPEX	38.5
Depreciation	29.4

Year-to-Go Outlook

Year-to-go outlook

- ‡ **Plan to update full-year 2020 forecast once we have clear visibility on Q3 results**
 - ‡ **Carefully watching peak summer performance particularly on evolving changes in the market trends amid ongoing COVID-19 uncertainties**
 - ‡ **Leading the way in cost savings in a tough COVID-19 situation to offset some of the topline pressure this year**
 - ‡ **Expect some continued market share impact in Q3 as it takes time to course correct and implement updated brand and marketing plans after Olympics delay**
 - ‡ **Updated year-end dividend forecast to 25 yen per share due to more stable cash flow outlook after cost-savings, CAPEX revisions and balance sheet cleanup**

Update from the Coca-Cola (Japan) Company

Campaign to cheer the athletes

Marketing activities amid COVID-19

Campaign to cheer the athletes by drinking Coca-Cola products “Your cheer will become hope for athletes”

- Donation program for Japan National Team -
(Starting on June 15, data as of August 9, 8 weeks after start)

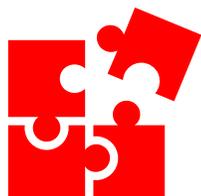


of participants:
About 630K



Amount of donations:
About 14M JPY

Marketing activities amid COVID-19



**FEWER, BIGGER
INNOVATION**

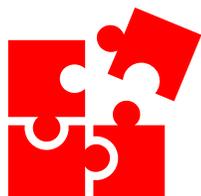


PIVOT TO CORE

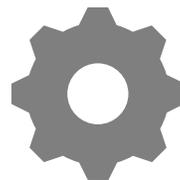


STAY@HOME

Marketing activities amid COVID-19



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INNOVATION**



PIVOT TO CORE



STAY@HOME

Big bet new products and activities



Fanta Premier Grape

Best selling Fanta flavor in past 10 years



Georgia Latte Nista

Successfully acquiring new consumers in young age and women

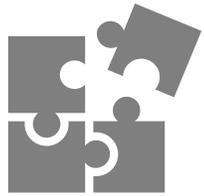


Georgia Japan Craftsman

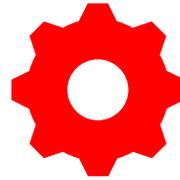
Growing PET coffee market share
Gaining buzz on SNS



Marketing activities amid COVID-19



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INNOVATION



PIVOT TO CORE

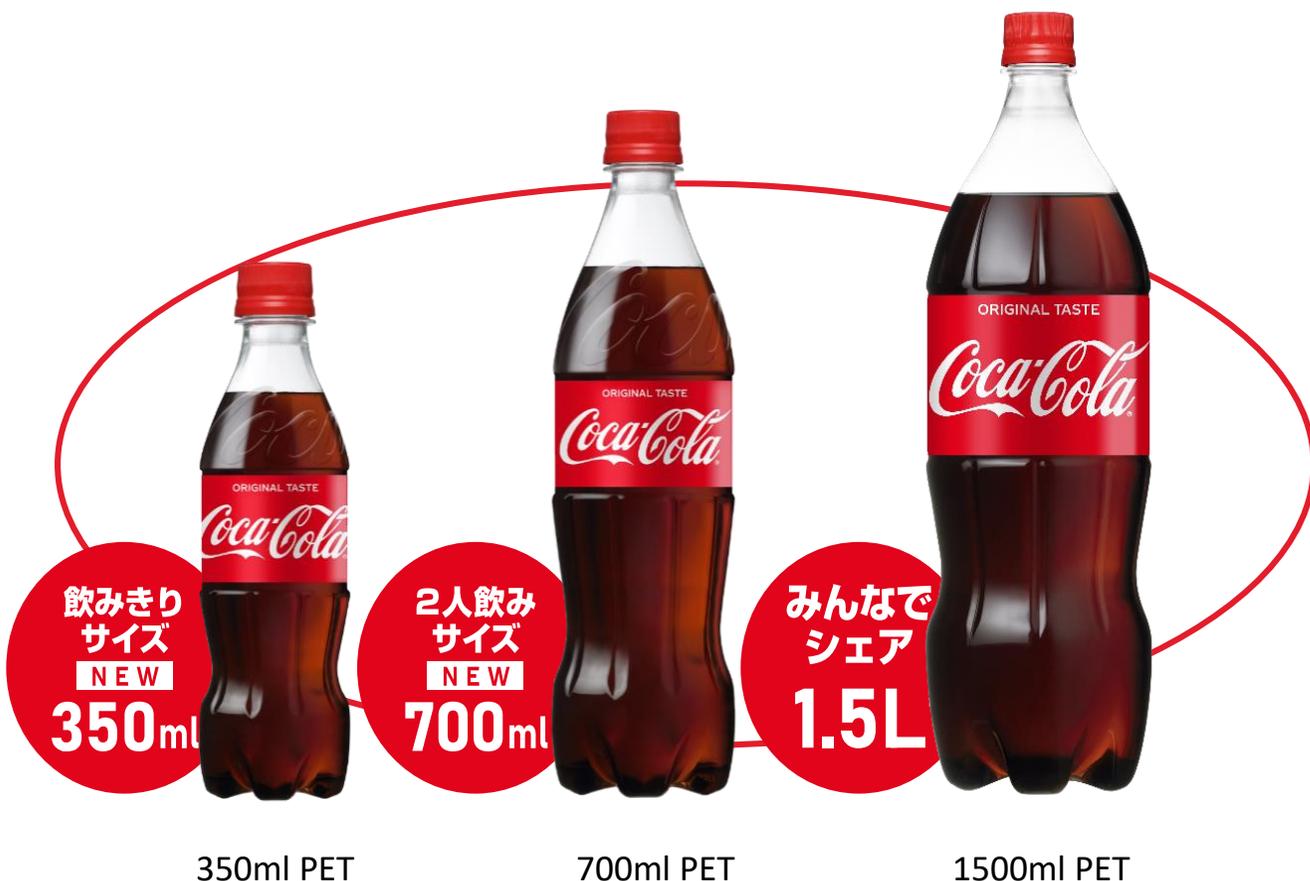


STAY@HOME

Trade mark Coca-Cola: Launch new packages to meet consumer needs



PIVOT TO CORE
コアへの原点回帰



Paint it RED! 未来を塗りかえろ。

Coca-Cola BOTTLEERS JAPAN HOLDINGS INC.

Fully renewed Coca-Cola Zero



PIVOT TO CORE
コアへの原点回帰

Background

Desire to refresh
while spending a lot of time
at home

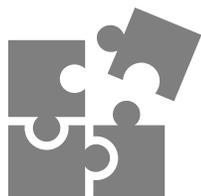
Demand for zero sugar
with rise in health
consciousness



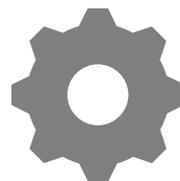
Aug. 31



Marketing activities amid COVID-19



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PIVOT TO CORE



STAY@HOME

Launch “labelless” focusing on e-commerce channels



STAY@ HOME
家庭内需要の獲得



Ayataka green tea “Rich dining experience” campaign



Background

“Drink with meals”
moments account
for **21%** of RTD
green tea market

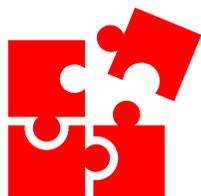
**Spend more time at
home**

Aug. 17



Data: Survey conducted by Coca-Cola (Japan) Company

Marketing activities amid COVID-19



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INNOVATION**



PIVOT TO CORE



STAY@HOME

Wrap up

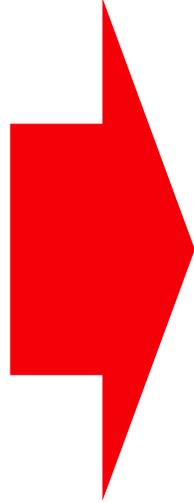
Delivering results thorough accelerated transformation while mitigating immediate impact

Situation we are facing

- Volume contraction
- Consumer behavior shift
- Unfavorable channel & package mix

Our initiatives

- Accelerated transformation
- Re-plan marketing calendar
- Cost savings



Focusing on what's in our control

Completed cost structure transformation faster than plan

- ✓ Rapid deployment of transformation, 2x faster than planned deployment of new operation model in vending & sales force transformation in OTC channel
- ✓ Completion of supply network expansion
- ✓ Digitalization enables us to accelerate the transformation in a challenging environment (17K smartphones, 14K laptops)
- ✓ Delivering over 10B cost savings in YTD

First step of business transformation work completed amid COVID-19

Nationwide vending & OTC transformation rollout completed by end of June, faster than plan

Completed expansion from Pilot to nationwide in record time

Vending

Operation model transformation



- Reduction in vending routes to service
- Reduction in average daily overtime
- More efficient service as measured by drop size and out-of-stocks
- Gaining market share

OTC

Sales Force Transformation

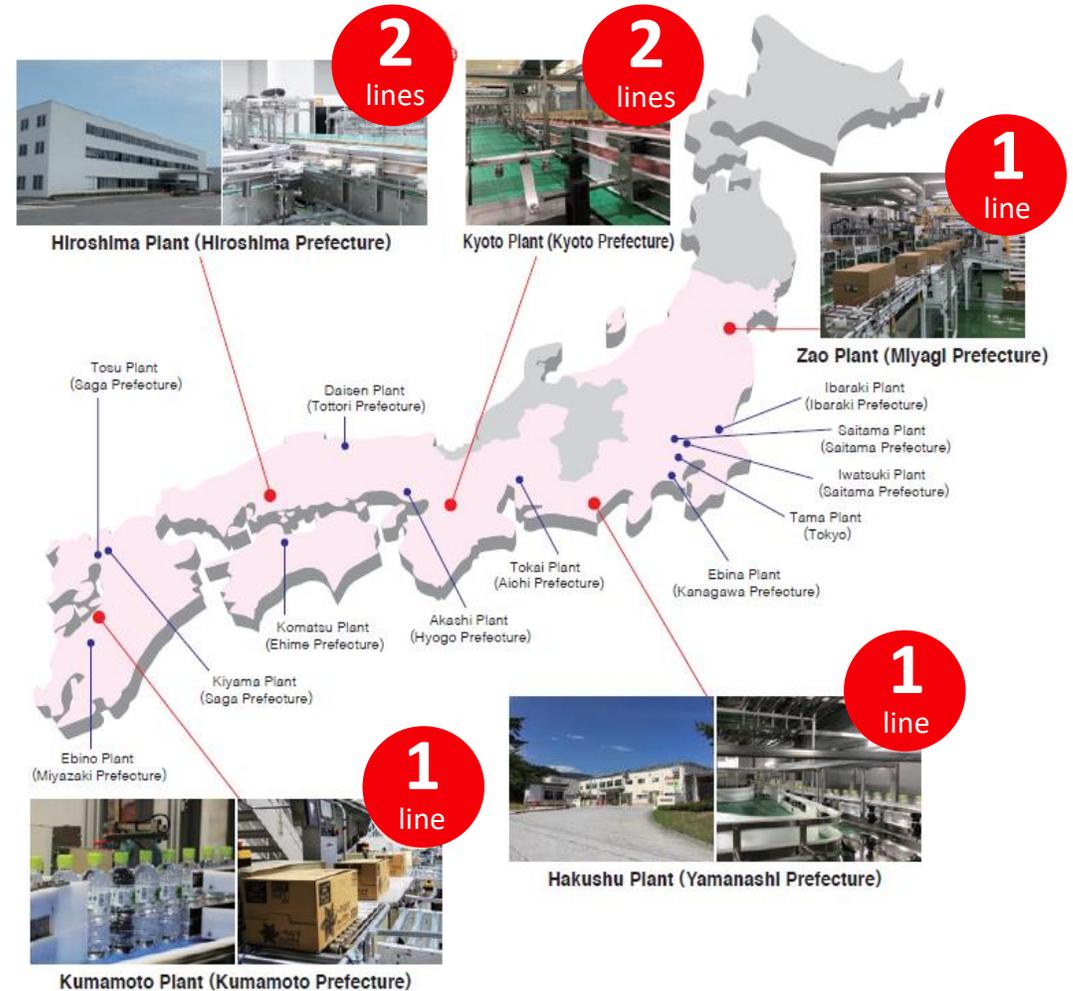


New sales routines improve efficiency by digitalization, standardized & optimized business process and updated organizational structure

Historic expansion of manufacturing & product supply capacity

Efficient & high-spec production technology to help flexibly respond to market demand

- Seven new manufacturing lines now up and running since last year, as planned
- Flexible aseptic manufacturing capacity
- Completed brand-new world-class Hiroshima plant two years after flooding
- Automated warehouses in Kumamoto, Hakushu, Hongo sites now operational
- Shinsei logistic optimization project; Saitama Mega Distribution Center (DC) construction progress on-plan



Continuing to invest in our people



Inclusion



Communities



Resources

Inclusion

🔥 Kicked off Coca-Cola University Japan

- Offer comprehensive programs to nurture next generation of leaders, including women in leadership, English language, professional skills
- Providing future leaders work experience at other global bottlers



🔥 Actively implementing new workstyle for “new normal”, grounded in Company’s new Mission, Vision, Values

- Continue encouraging employees to work remotely, enabled by digitalization— 17,000 smartphones and 14,000 laptops distributed
- “Super flextime”, eliminated mandatory core working hours
- Providing assist clothing to help reduce physical load for vending fillers, jointly developed with Fukuoka University and Mizuno Corporation



🔥 Selected by MSCI Japan Empowering Women Index (WIN)

2020 CONSTITUENT MSCI日本株
女性活躍指数 (WIN)

Making progress in sustainable packaging

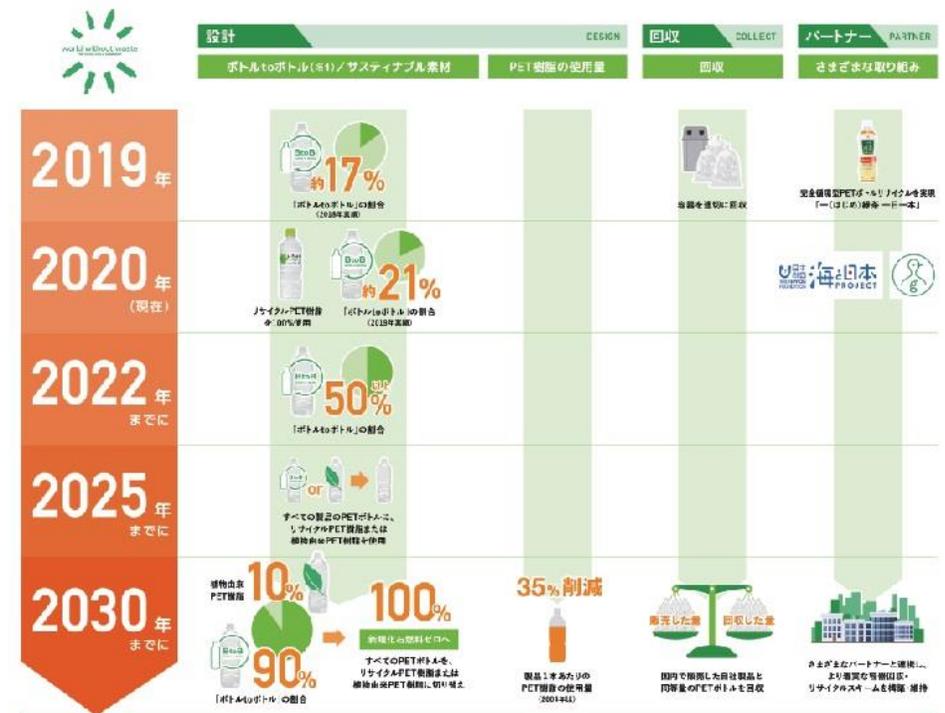
Joint project to produce chemically-recycled PET bottles



Resources

Helps support achievement of **World Without Waste** bottle-to-bottle recycling

- CCBJI to carry out pilot sales of product using chemically recycled PET raw materials within this year
- Far Eastern New Century Company developed “TopGreen® ChemCycle”, a new chemical recycling process to convert used PET into the main component of PET resin



※1 使用済みのPETボトルを回収し、PETボトルとして再生すること。

Supporting prevention of COVID-19

Provide support to essential workers and people in need

Community

CCBJH activities

Donated ~80K cases of beverages

- Medical institutions, local governments, food banks, sanitation workers, schools, etc. in conjunction with Coca-Cola system-wide Refresh Japan program



Anti virus/bacteria wrapping on vending machines



Pilot selling of face masks in vending machines



Coca-Cola system activities

"Refresh Japan" program

The Coca-Cola Foundation

The Coca-Cola Foundation, The Coca-Cola Company's international philanthropic arm, donated \$1.5 million to the Tokyo Metropolitan Community Foundation & The Big Issue Japan Foundation

Coca-Cola (Japan) Company

Donated alcohol sanitizers manufactured at its Moriyama plant and face shields made from recycled PET bottles to medical institutions



Wrap up

- ‡ Q2 reflects impact of government emergency declaration and restrictions, but uncertainties remain amid resurgence of COVID-19
- ‡ Q3 is our peak season and most important quarter in the year; Carefully watching performance and implementing mitigating actions as necessary
- ‡ Through rapid cost savings & mitigating actions, making our best efforts to offset some of the current year topline pressure. Plan to announce full-year earnings forecast once we have clear visibility on Q3 results
- ‡ We remain committed to fundamentally transforming ourselves to sustain and recover our business

Q & A

Appendix

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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