



Coca-Cola Bottlers Japan

Q2 & Year-to-Date 2017

Earnings Presentation

August 2, 2017

コカ・コーラ ボトラーズジャパン株式会社

Tamio Yoshimatsu, President

Vikas Tiku, CFO
Head of Transformation

Coca-Cola
BOTTLERS JAPAN INC.

(Posted to CCBJI Website August 1, 2017)

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 Inc. (CCBJI) 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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CCBJI 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

YTD/Q2 2017 earnings presentation

First half business update

Financial results and integration progress

Rest-of-year outlook

Q&A



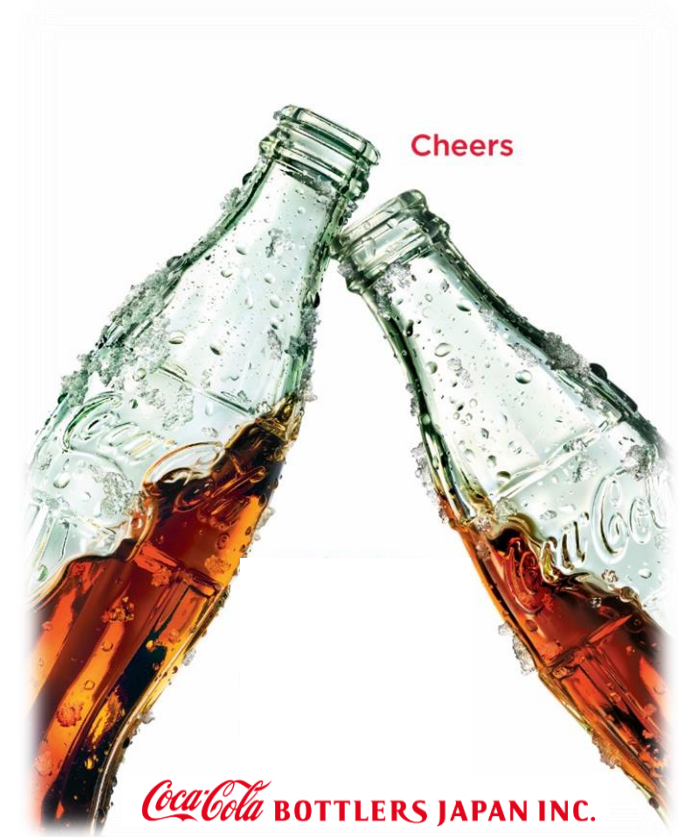


CCBJI

First half business update

CCBJI: A strong heritage & winning capabilities

- ‡ The right combination at the **right time**
- ‡ The **leader in the NARTD market in Japan** with national scale
- ‡ A **growth mindset** to build a strong Coca-Cola system with a shared vision
- ‡ Built on the **strong momentum at CCW and CCEJ**
- ‡ **A model bottler**...now and for the future

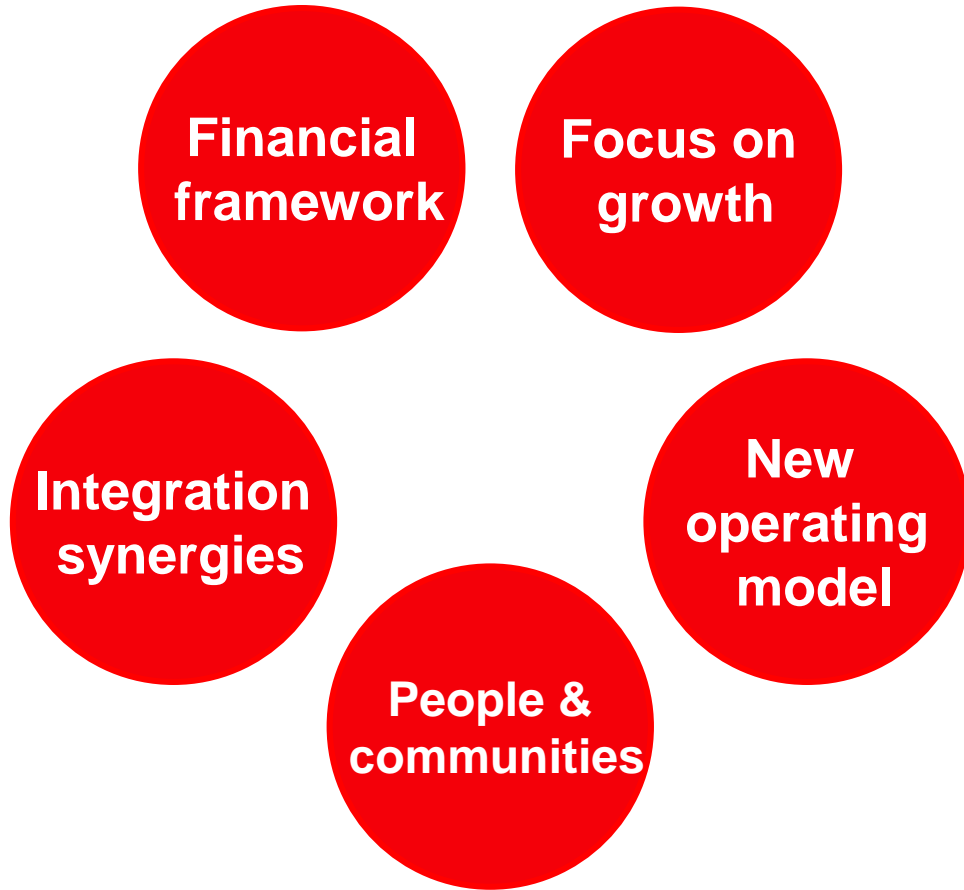


Making steady progress as a new company

- ‡ **Solid start** after creation of CCBJI on April 1
 - ‡ Integration proceeding **smoothly**
 - ‡ Q2 YTD pro-forma operating income **grew 22%** vs. prior year, reported OI **up 93%**
 - ‡ Focus on value; continued profit growth with **improving per-case revenues** while **balancing value & volume share**
- ‡ **Integration on track** to achieve 2017 business plan and 2020 Roadmap milestones
 - ‡ Expect to deliver 4B net **integration synergies** and benefits in 2017
 - ‡ **Completed** organizational integration of Procurement and IT functions by July
 - ‡ Conducted 8 integration **Town Hall** meetings with 1,500 CCBJI leaders across the country
- ‡ **Announced** interim **dividend** of 22 yen per share



Our CCBJI Growth Roadmap for 2020 & Beyond



Integrating with speed based on clear guiding principles

Organize for growth

- Customer and consumer focus, externally-driven
- Lean corporate center in Tokyo with empowered regions
- Strategic growth pillars: revenue growth, vending, innovation

Operate as one enterprise

- Functional management of operations from Day 1 across legal entities
- Integrated direct & indirect procurement functions
- Consolidated bottler IT functions and ERP project into one CCBJI Business Systems organization

System mindset

- Speak as single bottler voice with appropriate decision rights
- More efficient and effective interaction with CCJC
- On track to integrate system support companies by 2018

Lead the industry

- Leverage world-class capabilities drawn from Japanese and global Coca-Cola system
- Aim to lead of industry with focus on sustainable and profitable growth as well as shareholder value

*CCJC: Coca-Cola (Japan) Company ERP: Enterprise Resource Planning



Committed to a growth agenda

Strategic Growth Pillars

Renewed Focus on Revenue Growth



Re-imagine Vending Business



Enrich Innovation Pipeline



Customer Engagement

Best-in-Class Execution

In-depth Local Knowledge



Putting our growth agenda into action

Renewed Focus on Revenue Growth

- Significant in-store execution improvement across all channels
- HORECA acceleration plan delivering results



Re-imagine Vending Business

- Accelerating Coke ON: 180K VMs / 5mln downloads by June
- Improve per machine performance by enhancing OBPPC and area-focus promotions
- End-to-end Vending transformation project started in June



Enrich Innovation Pipeline

- Very good coverage and pricing discipline on FOSHU and FFC products
- Local relevant projects - Omotenashi special edition



Focusing on profitability

Disciplined approach to balancing profit and market share

Unit: PP

Market Share (vs. PY)	Q2	YTD 2017
Value	-0.8	-0.9
Volume	-0.9	-0.9

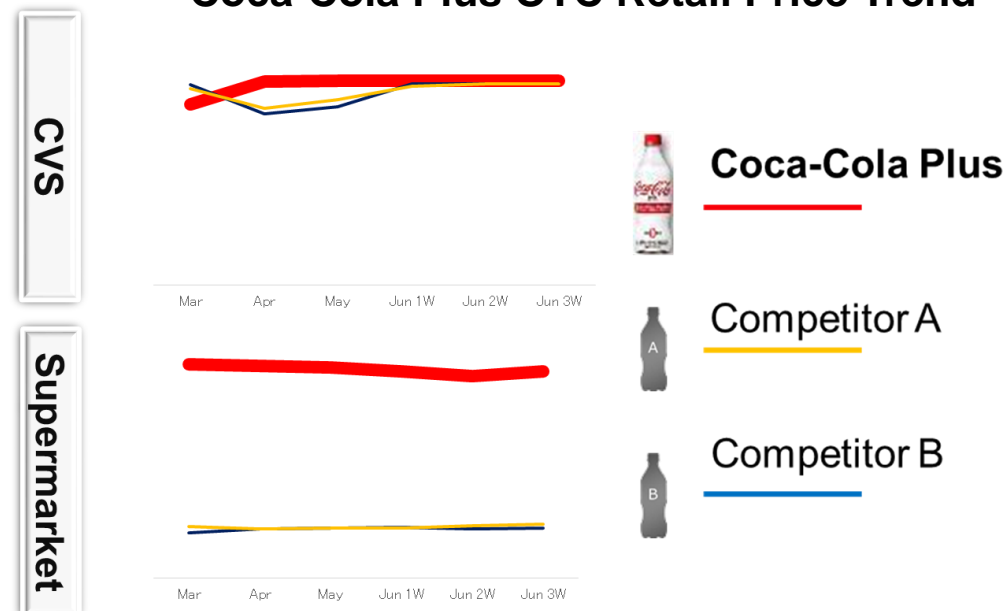
Unit: JPY per bottle

OTC Retail Price (YTD, as of June 2017)	Vs. Market Average	Vs. PY
Large PET	+17.4	+2.0
Small PET	+2.1	+1.8

- **Balanced value & volume share**
- **Revenue-rich product launches, innovating in FOSHU and functional categories**
- **Focus on smaller packages to drive profitable growth**
- **Seeing revenue-per-case improvements across channels**

Source: Intage SRI

Coca-Cola Plus OTC Retail Price Trend

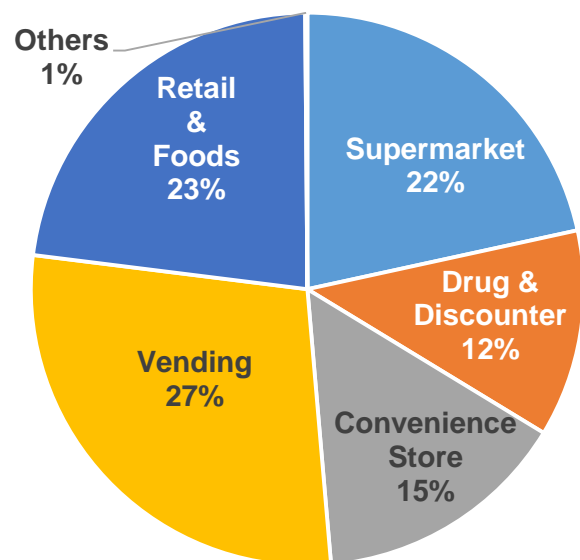


Channel volume performance in Q2 YTD 2017

Maintain pricing discipline and strong market execution

Q2 YTD 2017 pro-forma volume -1%

By Channel



	vs. PY	Volume	Revenue per Case (Yen)
Supermarket (SM)		even	+25
Drug & Discounter (D&D)		+1%	+39
Convenience Store (CVS)		-1%	+13
Vending		-5%	+25
Retail & Foods		+2%	-14

- **Sparkling, non-sugar tea and water contributed to revenue per case improvement in SM and D&D**
- **Sparkling and tea volume growth offset by cycling of water in CVS**
- **Vending per case revenue growth driven by high value-added products**

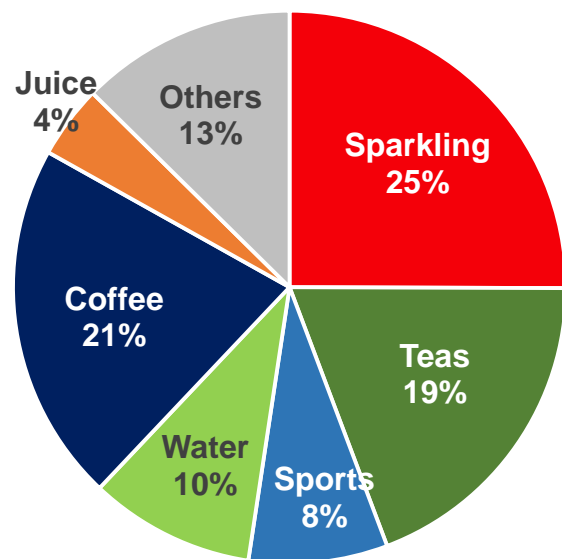
Note: Standardization of volume and revenue calculation is ongoing as a result of the integration. Some inconsistencies with the data provided in past presentations may be expected.

Category volume performance in Q2 YTD 2017

Value-added & functional launches contributed to improved profitability

Q2 YTD 2017 pro-forma volume -1%

By Category



vs. PY	Volume
Sparkling	+6%
Teas	+1%
Sports	-4%
Water	-12%
Coffee	-5%
Juice	+1%

- **Sparkling and teas volume and revenue-per-case improvement driven by Coca-Cola Plus and value-added products**
- **Water volume growth impacted by cycling and reduced large-sized package discounting**
- **Improved revenue-per-case in coffee (Vending & CVS)**

Note: Standardization of volume and revenue calculation is ongoing as a result of the integration. Some inconsistencies with the data provided in past presentations may be expected.



CCBJI First half financial results and integration progress

Q2 YTD 2017 pro-forma results

Unit: B JPY

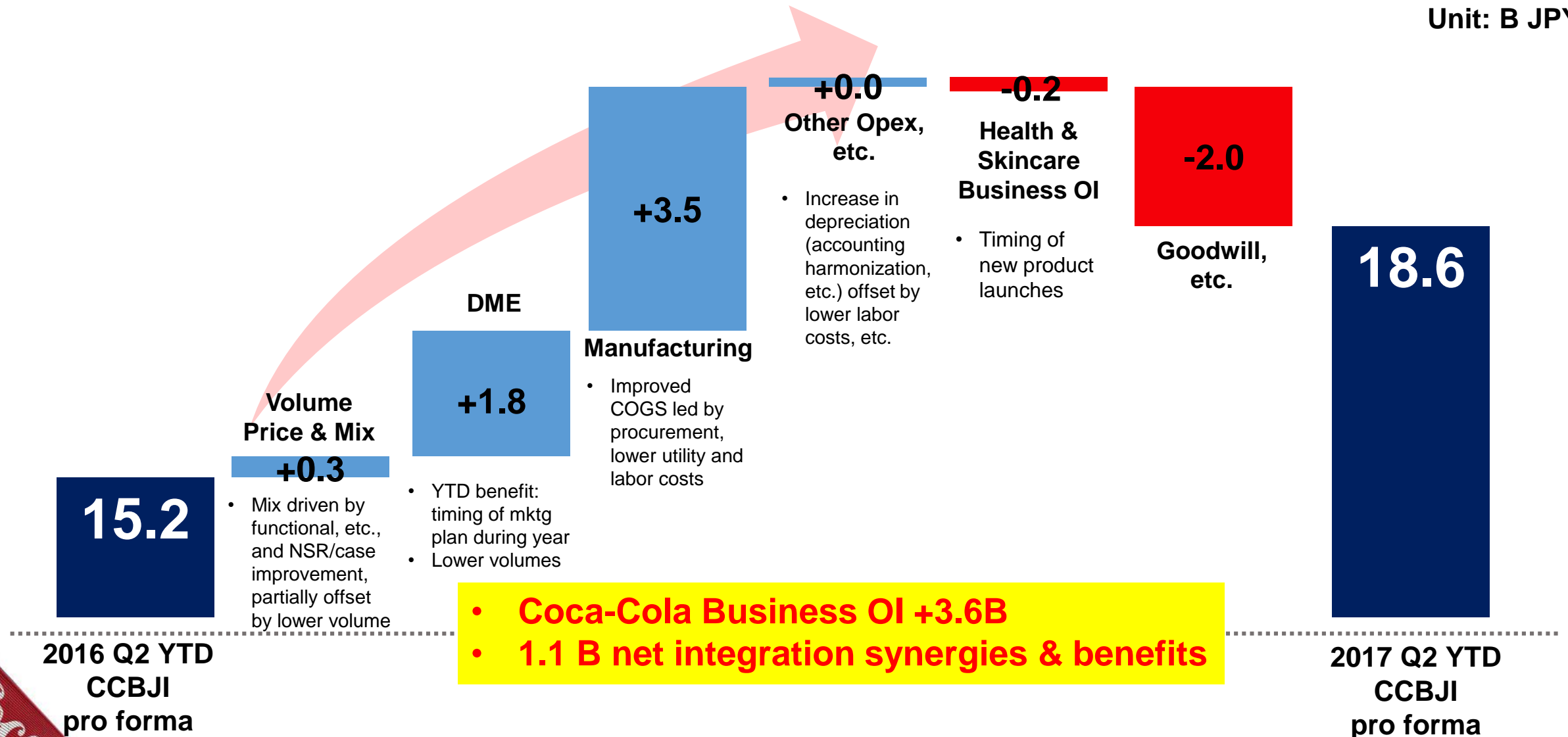
	Q2 YTD 2017 (pro forma)	Q2 YTD 2016 (pro forma)	YoY
Revenue	476.7	484.9	-2%
Coca-Cola business revenue	461.7	468.4	-1%
Operating Income	18.6	15.2	+22%
Coca-Cola business OI	16.9	13.3	+27%
Net Income	10.2	7.8	+31%
EBITDA	41.8	35.6	+17%

Net Income: Net income attributable to owners of parent.



Pro-forma 2017 Q2 YTD results

Unit: B JPY



2017 Q2 YTD results (Reported)

Consolidated CCEJ from Q2. Prior year CCW consolidated

	2017 Q2 YTD	2016 Q2 YTD	YoY
Revenue	357,837	219,306	+63.2%
COGS	172,659	105,821	+63.2%
Gross Profit	185,177	113,485	+63.2%
SG & A	168,079	104,602	+60.7%
Operating Income	17,098	8,883	+92.5%
Income Before Tax	16,357	7,876	+107.7%
Net Income	9,692	4,633	+109.2%
EPS	64.65	42.45	+22.20
Dividend per Share (Interim)	22	*22	0

Unit: Million JPY except EPS and dividend per share

Net Income: Net income attributable to owners of parent

*2016 dividend includes commemorative dividend of 1 Yen.



2017 Q2 YTD results by segment (Reported)

Consolidated CCEJ from Q2. Prior year CCW consolidated

Coca-Cola Business	2017 Q2 YTD	2016 Q2 YTD	YoY
Revenue	342,817	202,844	+69.0%
Operating Income	15,430	6,991	+120.7%



Health Care & Skin Care Business	2017 Q2 YTD	2016 Q2 YTD	YoY
Revenue	15,019	16,462	-8.8%
Operating Income	1,667	1,892	-11.9%



Q'SAI Kale Café Omotesando
(Tokyo pop-up store open from June 30 to July 9)



Unit: Million JPY



Investing to grow & deliver synergy commitments

Pro-forma Q2 YTD CAPEX & depreciation

Unit: B JPY

	Q2 YTD 2017	2017 Plan
Capex	19.6	66.0
Depreciation	21.5	43.0

Cash Flow (pro-forma)	2017 1H	2016 1H
Cash flow from operations	+15.1	+2.5
CAPEX	19.6	21.5
Free cash flow	-7.7	-21.2

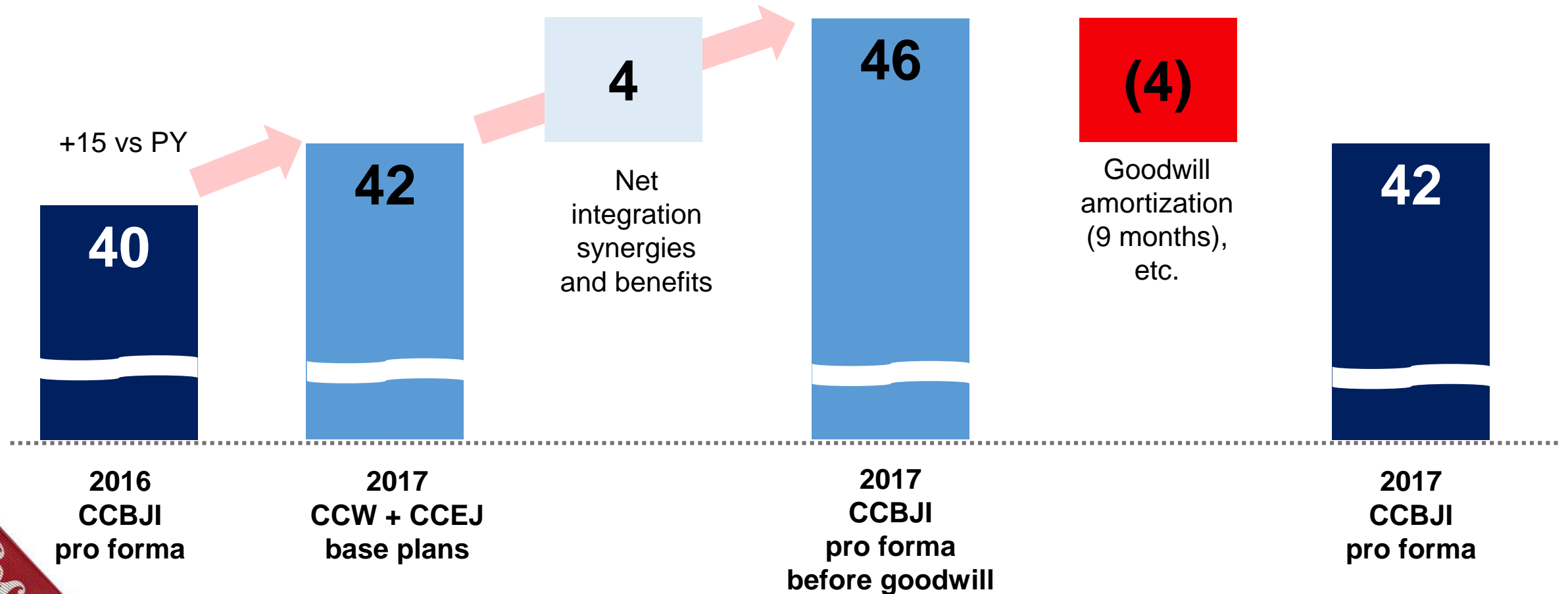
- YTD pro-forma free cash flow improved 13.5B yen vs. PY
- Investing in production capacity & upgrades, CokeOne ERP system deployment, quality vending locations
- Expecting strong full-year EBITDA to drive positive cash flows to sustain investment



Pro-forma 2017 operating income growth plan

No change from June announcement

Unit: B JPY



2017 Business plan (Reported)

No change from June announcement

	2017 Plan	2016 Actual	YoY
Revenue	906,500	460,455	+96.9%
Operating Income	40,100	21,143	+89.7%
Ordinary Income	38,100	20,602	+84.9%
Net Income	21,500	5,245	+309.9%
EPS	122.85	48.05	+74.80
Dividend per Share	44	*46	-2

Coca-Cola Business	2017 Plan	2016 Actual	YoY	Health Care & Skin Care Business	2017 Plan	2016 Actual	YoY
Revenue	872,400	428,394	+103.6%	Revenue	34,100	32,061	+6.4%
Operating Income	36,500	18,369	+98.7%	Operating Income	3,600	2,774	+29.7%

Unit: Million JPY except EPS and dividend per share

Net Income: Net income attributable to owners of parent

2016 actual results are former Coca-Cola West and YoY calculated on former Coca-Cola West results. *2016 dividend includes commemorative dividend of 2 Yen.



Accelerating the pace of integration



June 2017

- 8 Town Halls to 1,500 CCBJI leaders across Japan, covering company vision, strategy & new operating model

July 2017

- CCBJI HQ offices opened
- Integrated IT, Procurement and Commercial planning functions

Sep 2017

- Integrate strategy & planning for all functions to create 2018 plan as one company
- New Head of Business Systems in place
- Regional structure finalized for Commercial & Supply Chain

Q1 2018

- Optimize legal entity structure
- Integrate system companies
- Start operation under new regional structure for Commercial and Supply Chain

2018 end

- Integration complete
 - Optimize org structure & business processes
 - Integrate HR system
 - ERP deployment and expansion underway
 - Integrated Shared Services org operational





CCBJI Rest-of-year outlook

Solid integrated marketing plans for summer

Support driving profitable IC package growth

Cross Brand

Coca-Cola Tokyo 2020
Let's start campaign



Weekly Jump 50 year
anniversary tie-up
summer promotion



Vending and Coke ON

Coke ON 500PET double stamp for summer



New launches



Fanta
core flavor
renewal &
new design



Coca-Cola
Fireworks and
regional limited
design slim bottles

I Lohas FFC
Plain
Sparkling

Seasonal / Rhythm of Nation

KSW promotion



Delivering Coca-Cola ice bottle



AQ Summer/Heat stroke MD



Weekly Jump lucky cap
35 K VMs



Georgia
The Premium
New Flavor
(Special Edition)



CCBJI: Key takeaways for the second quarter

The heart of the decision to form CCBJI

Bringing together a proven leadership team committed to growth, partnering with our customers and communities, and driving shareholder value

A compelling business combination at the right time with clear opportunities and plans for profitable growth



- Delivering 22% pro-forma YTD operating income growth YoY
- Improving profitability in most channels

Working with appropriate speed to make sure we realize our potential

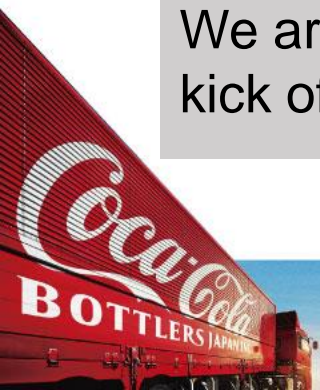


- Functional operation from Day One
- Integrating with speed; completed integration of procurement and IT function

We are making good early progress as we kick off toward 2020 and beyond



- Delivering net 1.1 billion yen integration synergies and benefits YTD
- Well on track for achieving 2017 plans



We are a *Total Beverage Company*



“Beverages for Life”

**Offering 50+ brands, 600+ SKUs
for all life's stages and for each day of your life**





Q & A

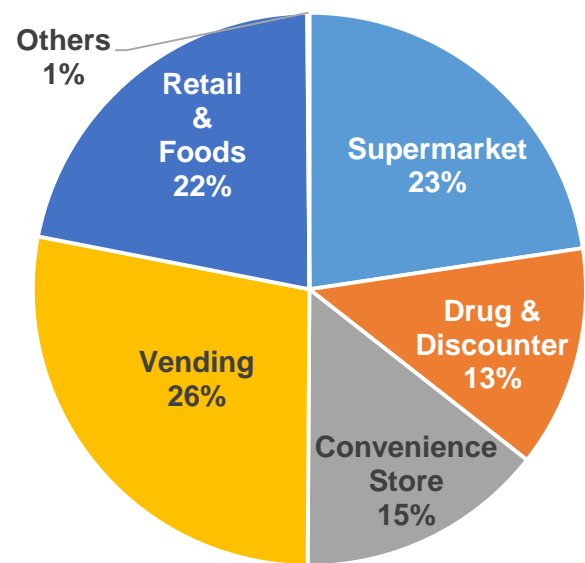


Appendix

Q2 2017 pro-forma volume performance

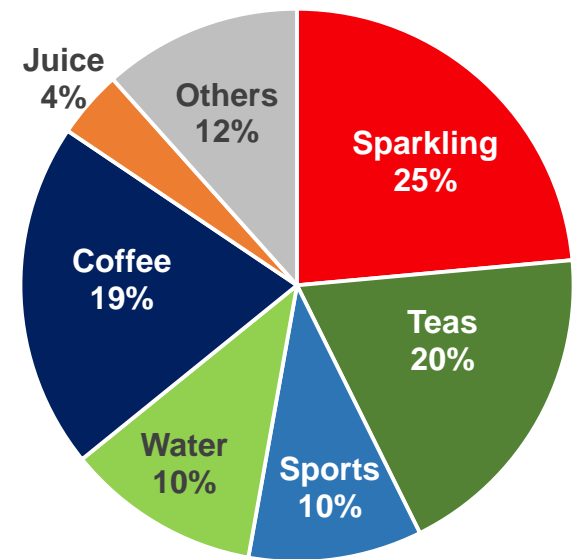
Q2 2017 pro-forma volume -1%

By Channel



vs PY	Volume	Revenue per Case
Supermarket	even	+11
Drug & Discounter	even	+31
Convenience Store	-1%	+15
Vending	-5%	+21
Retail & Foods	+1%	-9

By Category



vs PY	Volume
Sparkling	+6%
Teas	+2%
Sports	-2%
Water	-11%
Coffee	-7%
Juice	+1%

Note: Standardization of volume and revenue calculation is ongoing as a result of the integration. Some inconsistencies with the data provided in past presentations may be expected.



2017 Q2 results (Reported)

Consolidated CCEJ from Q2. Prior year CCW consolidated

	2017 Q2	2016 Q2	YoY
Revenue	258,695	118,761	+ 117.8%
COGS	125,479	57,352	+ 118.8%
Gross Profit	133,215	61,409	+ 116.9%
SG & A	118,284	54,735	+ 116.1%
Operating Income	14,930	6,673	+ 123.7%
Income Before Tax	14,886	5,806	+ 156.4%
Net Income	8,750	3,680	+ 137.8%

Unit: Million JPY

Net Income: Net income attributable to owners of parent

2016 actual results are former Coca-Cola West and YoY calculated on former Coca-Cola West results.



CCBJI at a glance

- 🍷 The world's **third largest** Coca-Cola bottler by revenue
- 🍷 Total Beverage Company, **offering 50+ brands, 600+ SKUs**
- 🍷 Represents **~90% of total sales volume** for the Coca-Cola system in Japan

Number of Employees

About
25,000



*Including temp staff

Sales Area

Tokyo, Osaka, Kyoto
and **35** prefectures



Annual Revenue

About
1 trillion yen



*Aggregation of CCW and CCEJ 2016 results

Sales Centers

351 centers



*As of January 2017, including distribution centers

Manufacturing Plants

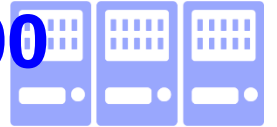
17 plants



Number of Vending Machines

740,000

*As of end of 2016



Number of Consumers

50 million households
112 million consumers



Annual Sales Volume

More than **500** million cases



*Actual 2016

Customer Outlets

320,000 outlets

*As of end of 2016



Number of Fleets

16,300 vehicles

*As of end of July 2016



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

DME	Abbreviation of Direct Marketing Expenses . Sales promotion-related expenses, including advertisement, rebates, sales, 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.).
OBPPC	Abbreviation of Occasion, Brand, Package, Price, Channel . A segmentation strategy tailored to consumption opportunities to drive revenue growth in five areas: occasion, brand, package, price and channel.
Pro forma	Assuming integration from January 2017 and estimate 2016 results same standard.
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 grow revenue and profit
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



Coca-Cola BOTTLEERS JAPAN INC.

コカ・コーラ ボトラーズジャパン株式会社

INVESTOR RELATIONS

ir@ccbji.co.jp +81-3-5575-3797

<https://en.ccbji.co.jp/ir/>

facebook: <https://www.facebook.com/ccbji/>