



December 15, 2020

To whom it may concern

Company Name	Coca-Cola Bottlers Japan Holdings Inc.
Representative	Calin Dragan, President and Representative Director (Code: 2579, First Section of the Tokyo Stock Exchange)
Contact	Raymond Shelton, Executive Officer, Head of IR & Corporate Communications (Tel. 03-6896-1707)

**Notice of Selling of Shares of Q'sai Co., Ltd. and Gain on The Sale of Shares
as well as Revision of Earnings Forecast**

Coca-Cola Bottlers Japan Holdings Inc. (“CCBJH” or “the Company”) announces that the Company’s Board of Directors today resolved to sell all of the shares of the Company’s consolidated subsidiary, Q'sai Co., Ltd. (Head Office: Fukuoka City, Fukuoka Prefecture; "Q'sai") to Q-Partners Co., Ltd. (the "Acquiring Company"), a company formed for this purchase led by investment funds in which Advantage Partners Inc. provides services ("Advantage Partners"), euglena Co., Ltd., and, Tokyo Century Corporation, and entered into a share transfer agreement with the Acquiring Company as of today.

As a result of executing the share transfer agreement, Q'sai is classified as discontinued operations from the fiscal year ending December 31, 2020 and removed from the scope of consolidation of the Company after the share transfer. Accordingly, we announce a revision of the full-year earnings forecast for the fiscal year ending December 31, 2020 which was announced on October 5, 2020.

1. Reason for selling of the shares

The Company has been driving fundamental business transformation under the guiding principle of our mid-term strategic business plan announced in August 2019 with a primary focus on integrating and transforming our core beverage business to set a solid foundation for sustainable growth and improving the efficiency and effectiveness of our health and skincare business, while evaluating future opportunities for synergies across the two business segments. We have been implementing initiatives to transform our cost structure and corporate culture as well as increasing investments to drive growth, efficiency in operations, people development and ultimately to improve shareholder value. We continue to identify opportunities to accelerate the pace of ongoing transformation efforts and to identify new opportunities amid a rapidly evolving business environment.

Our consolidated subsidiary, Q'sai, has established and grown its business in the health food industry in Japan by pioneering the commercialization of kale juice “Aojiru” in 1982. Q'sai established a comprehensive in-house, end-to-end quality control structure to deliver safe and reliable products to consumers from growing kale on company farms without the use of chemical fertilizer and pesticides to manufacturing and selling kale aojiru to consumers. In 2009, Q'sai expanded into skincare as well and has grown the business by expanding its business domain from “Aojiru” kale juice and health care products which support consumers’ health from inside of the body to skin care products, which support consumers’ health from outside of the body.

CCBJH has completed various initiatives to drive sustainable growth and maximize the corporate value of Q'sai since the acquisition of Q'sai in 2010, including a comprehensive update to the Q'sai brand and launch of various products including a ready-to-drink aojiru beverage under the Minute Maid brand in 2016 and added to the successful Cola-Rich skincare lineup with the new “Skincaledo” brand in 2019. At this time, we have determined that the best way to support the next era of growth for the health and skincare business is to sell Q'sai to a strong local partner like Q-Partners, which is led and established by Advantage Partners, one of the leading investment firms in Japan, with the additional experience and expertise of euglena Co., a respected player in the health food sector and extensive PMI (Post merger integration) experience from Tokyo Century

Corporation. We will strategically leverage the proceeds from this transaction to enhance our corporate value by driving ongoing fundamental transformation and initiatives to ensure a sustainable growth trajectory of our core beverage business as well as initiatives to increase shareholder value.

2. Overview of the subsidiary (Q'sai) to be sold

(1) Name	Q'sai Co., Ltd.		
(2) Address	1-7-16, Kusagae, Chuo-ku, Fukuoka-shi, Fukuoka		
(3) Job Title/Name of Representative	Satoshi Kambe, President and Representative Director		
(4) Description of Businesses	Manufacture and sale of healthcare products, skincare products, etc.		
(5) Paid-in Capital	350 million yen		
(6) Date of Incorporation	September 8, 2006		
(7) Major shareholders and percentage of shares owns	Coca-Cola Bottlers Japan Holdings Inc. owns 100% of the shares		
(8) Relationship with the Company and the subsidiary	Capital relationship	The Company owns 100% of the subsidiary.	
	Human relationship	One of the Company's directors serves concurrently as the chairman of the board of directors of Q'sai	
	Business relationship	The Company has a business relationship with Q'sai, including the purchase of products and raw materials, and borrowing and lending of funds.	
(9) Consolidated operating results and consolidated financial position of the company for the past 3 years (Japanese GAAP, million yen)			
Fiscal year ending	December 31, 2017	December 31, 2018	December 31, 2019
Consolidated net assets	24,137	22,140	22,397
Consolidated total assets	29,033	27,040	26,498
Consolidated net sales	29,738	27,540	24,968
Consolidated operating income	3,574	4,167	2,783
Consolidated ordinary income	3,457	4,141	2,694
Net income attributable to the owners of parent	2,046	3,100	1,300
(Reference) EBITDA	5,186	5,705	4,339

3. Outline of the buyer

(1) Name	Q-Partners Co., Ltd.	
(2) Address	17F, Toranomom Towers Office, 4-1-28, Toranomom, Minato-ku, Tokyo	
(3) Job Title/Name of Representative	Toshiya Tsukahara, Representative Director	
(4) Business objectives	Management consulting, acquisition, holding, managing and trading of securities, etc.	
(5) Paid-in Capital	250,000 yen	
(6) Date of Incorporation	October 21, 2020	
(7) Relationship with the Company and acquiring company	Capital relationship	Not applicable.
	Human relationship	Not applicable.
	Business relationship	Not applicable.
	Applicability on related parties	Not applicable.

4. Number of shares to be sold, selling price and status of shares held before and after the transaction

(1) Shares owned by the Company prior to the transaction	302,755 shares (Number of voting rights: 302,755) (Voting rights the Company owns: 100%)
(2) Number of the shares to be sold	302,755 shares (Number of voting rights: 302,755)
(3) Selling price	Selling price of Q'sai shall be determined upon deducting consolidated net debt from enterprise value of 42 billion yen
(4) Shares owned by the Company after the transaction	0 shares (Number of Voting Rights: 0) (Voting rights the Company owns: 0%)

5. Schedule

(1) Date of resolution of the Board of Directors	December 15, 2020 (Today)
(2) Date of contract	December 15, 2020 (Today)
(3) Date of execution of the share transfer	January 29, 2021 (Planned)

6. Future Outlook

In the event of the share transfer, the Company expects to generate approximately 12 billion yen gain (before tax) as profit on the sale of shares in the first quarter of the fiscal year ending December 31, 2021. The forecast for the fiscal year ending December 2021, including the results of this transaction will be announced at the time of the announcement of our full-year results for the fiscal year ending December 2020, scheduled for mid-February 2021.

7. Revisions and reasons for the full-year forecast for the fiscal year ending December 2020

By executing the share transfer agreement, the Company's Healthcare & Skincare Business shall be classified as discontinued operations in the fiscal year ending December 31, 2020 and separately presented from continuing operations in the Company's consolidated financial statements. As a result, revenue, Business Income, operating income, and net income for the fiscal year ended December 31, 2020 will be presented for the continuing operations of the beverage business. Accordingly, the full-year earnings forecast for the fiscal year ending December 31, 2020 announced on October 5, 2020 has been revised as follows. Net income attributable to owners of the parent and basic earnings per share are presented in amounts that include the profits and losses of discontinued operations, and therefore there are no revisions to the forecasts.

Revisions to the forecast for the fiscal year ending December 2020 (January 1, 2020-December 31, 2020)

	Revenue	Business Income (Loss)	Operating income (loss)	Net income (loss)	Net income (loss) attributable to the owners of the parent	Earnings (Loss) per share
	Million yen	Million yen	Million yen	Million yen	Million yen	
Previously announced forecast (A)	819,700	0	(9,700)	(7,000)	(7,000)	(39.03 yen)
Revised forecast announced today (B)	794,500	(3,600)	(13,300)	(9,400)	(7,000)	(39.03 yen)
Difference (B-A)	-25,200	-3,600	-3,600	-2,400	-	
Difference (%)	-3.1%	-	-	-	-	
(Reference) Full-year 2019 results	914,783	15,042	(55,389)	(57,895)	(57,952)	(322.22 yen)

*We have introduced "Business Income" as a measure of our underlying or recurring business performance. Business Income deducts cost of goods and SG&A from revenue, and includes other income and expenses which we believe are recurring in nature.

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