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## Consolidated Financial Summary for the First Quarter Ended March 31, 2024 (IFRS)



May 8, 2024

Listed company name: Coca-Cola Bottlers Japan Holdings Inc.

Listed stock exchanges: Tokyo

Code number: 2579

URL: <https://en.ccbj-holdings.com/>

Delegate: Title: Representative Director & President

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Expected date of quarterly report submission: May 9, 2024

Schedule for dividends payment: –

Preparation of supplementary materials on quarterly financial results: Yes

Holding of quarterly financial results conference: Yes

(Fractions of one million yen are rounded to the nearest million)

### 1. Consolidated financial results for the First quarter of current fiscal year (from January 1, 2024 to March 31, 2024)

#### (1) Consolidated financial results

(Percentages indicate changes over the same period in the previous fiscal year)

	Revenue		Business income		Operating income		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
1 <sup>st</sup> Quarter, 2024	186,528	2.5	(7,847)	–	(3,070)	–	(2,877)	–	(2,897)	–	(1,745)	–
1 <sup>st</sup> Quarter, 2023	182,063	7.8	(9,437)	–	(9,160)	–	(6,454)	–	(6,459)	–	(6,350)	–

	Basic earnings per share	Diluted earnings per share
	yen	yen
1 <sup>st</sup> Quarter, 2024	(16.14)	–
1 <sup>st</sup> Quarter, 2023	(36.02)	–

※ “Business income” is measure of our recurring business performance. “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.

#### (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to parent owners	Ratio of equity attributable to parent owners
	million yen	million yen	million yen	%
Jan. 31, 2024	830,376	464,186	464,005	55.9
Dec. 31, 2023	844,832	470,021	469,847	55.6

### 2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year	Total
	yen	yen	yen	yen	yen
FY ended December, 2023	–	25.00	–	25.00	50.00
FY ending December, 2024	–				
FY ending December 2024 (forecast)		25.00	–	25.00	50.00

Notes: Revisions to the cash dividends forecasts most recently announced: None

### 3. Forecast for consolidated financial results 2024 (From January 1, 2024 to December 31, 2024)

(Percentages indicate changes over the same period in the previous fiscal year)

	Revenue		Business income		Operating income		Income before tax		Net income		Net income for the year attributable to owners of the parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	yen
FY 2024	882,400	1.6	10,000	393.8	11,900	245.8	11,100	244.3	6,900	262.6	6,900	268.8	38.45

Notes: Revisions to the forecasts of consolidated financial results most recently announced: None

※Notes

- (1) Changes in significant subsidiaries during the current period  
(Changes in specified subsidiaries resulting in changes in scope of consolidation): None
- (2) Changes in accounting policies and changes in accounting estimates:
- 1) Changes in accounting policies as required by IFRS: None
  - 2) Changes other than those in 1) above: None
  - 3) Changes in accounting estimates: None
- (3) Number of outstanding shares (common shares)
- 1) The number of outstanding shares (including treasury shares):
    - 1<sup>st</sup> Quarter, March 2024: 206,268,593 shares
    - FY Ended December 2023: 206,268,593 shares
  - 2) The number of treasury shares:
    - 1<sup>st</sup> Quarter, March 2024: 26,725,467 shares
    - FY Ended December 2023: 26,834,199 shares
  - 3) The number of average shares outstanding:
    - 1<sup>st</sup> Quarter, March 2024: 179,515,498 shares
    - 1<sup>st</sup> Quarter, March 2023: 179,339,816 shares

Note: The Company has introduced Executive reward BIP Trust and Stock-granting ESOP Trust in the 2<sup>nd</sup> quarter of the previous fiscal year. The Company shares held by these trusts are included in the number of treasury shares at the end of the period, as well as the number of treasury shares to be deducted from the average number of shares during the period in the previous fiscal year and 1<sup>st</sup> quarter of this fiscal year.

※ The consolidated financial summary is not subject to quarterly review procedures conducted by a certified public accountant or audit firm.

※ Explanation regarding appropriate use of the forecast, other special instructions

Figures in the above forecast are based on information available at the time of issuance of this report, and the actual results may be changed materially due to a number of inherent uncertainties in the forecast. Furthermore, please refer to “1. Qualitative Information on the Financial Summary for this Quarter (3) Information on the Future Outlook, such as Forecast of Consolidated Financial Results” on page 4 for matters relating to performance forecasts.

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## 1. Qualitative Information on the Financial Summary for this Quarter

### (1) Qualitative Information on Consolidated Financial Results

Coca-Cola Bottlers Japan Holdings Inc. (“CCBJH”, the “Company”, or “we”) announced first quarter results for the fiscal year ending December 31, 2024 (January 1, 2024 to March 31, 2024).

In this first quarter (January 1, 2024 to March 31, 2024), the total domestic nonalcoholic ready-to-drink (NARTD) beverage industry volume is estimated to have grown by about 3% versus the same period of the previous fiscal year. Despite the negative impact on demand from price revisions implemented by beverage companies in the previous fiscal year, demand increased on the back of a continued recovery in traffic. The business environment remained uncertain as rising commodity and utility prices, along with the yen's depreciation impacted business and consumer behavior.

Under these circumstances, as the first year of our strategic business plan “Vision 2028,” we have positioned 2024 as “The year of strong profit build up.” We have been working to implement top-line growth initiatives focused on profit maximization, cost savings through implementing transformation across the entire organization, and further strengthening of our business foundation. In commercial fields, in addition to striving to maintain product prices after the series of price revisions implemented to date, we have worked to launch new products, expand our sales space, and conduct effective marketing activities. Furthermore, we have been negotiating with customers for smooth implementation of the price revisions of some of our products for shipments from May 1 2024. In the manufacturing and logistics fields, we have been promoting the "local production for local consumption model" based on the concept of manufacturing products in plants close to the place of consumption. In addition to expanding manufacturing capacity and building a flexible manufacturing framework, we have worked to improve our logistics network, including the leveraging of Mega-DCs (Distribution Centers) to strengthen our supply chain foundation and reduce costs. In the areas of back-office and IT, we have worked to further promote standardization and automation of business processes. In addition, on January 4 2024, we established NeoArc Inc., a joint venture with Accenture Japan Ltd, to further promote data-driven management.

We are working continuously to realize ESG targets based on creating shared value with society. With regard to water conservation and enhanced PET bottle recycling, we have expanded our efforts to collaborate with customers and government agencies to reduce environmental impact through the formation of a recycling-based society and to expand business opportunities through collaboration. As for external recognition, CDP, an international non-profit organization, selected CCBJH to the "Supplier Engagement Leaderboard," the highest rating in its 2023 Supplier Engagement Rating and have also been selected as an A List rating, the highest rating in both the "Climate Change" and "Water Security" category in the Sustainability Survey. In addition, in February 2024, we were selected as a component of the Morningstar Japan ex-REIT Gender Diversity Tilt Index in recognition of our efforts to promote Diversity, Equity & Inclusion (DE&I).

Details for the fiscal quarter earnings are as follows. Please also refer to our earnings presentation material available on the Company IR website (<https://en.ccbj-holdings.com/ir/library/presentation.php>) to be used in our earnings conference call on Thursday, May 9, 2024 at 1:30 PM (JST). These will include details of the results and outlook. The earnings presentation audio webcast will be available live and on demand through our company website.

## Summary of Business Performance

(Millions of yen except sales volume)

### The First quarter (January 1 to March 31)

	2023	2024	Change (%)
Revenue	182,063	<b>186,528</b>	2.5
Sales volume (million cases)	103	<b>104</b>	0
Gross profit	78,741	<b>81,441</b>	3.4
Selling, General & Administrative Expenses	88,002	<b>89,288</b>	1.5
Other income (Recurring)	186	<b>287</b>	54.1
Other expenses (Recurring)	369	<b>302</b>	(18.0)
Investment income on equity method	8	<b>16</b>	111.2
Business loss	(9,437)	<b>(7,847)</b>	—
Other income (Non-recurring)	1,123	<b>5,412</b>	382.1
Other expenses (Non-recurring)	846	<b>635</b>	(25.0)
Operating loss	(9,160)	<b>(3,070)</b>	—
Net loss attributable to owners of parent	(6,459)	<b>(2,897)</b>	—

- Notes
1. “Business loss” is measure of our recurring business performance. “Business loss” 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.
  2. Sales volume in 2023 is revised retroactively due to changes of counting segmentation and scope in some products.

Consolidated revenue was 186,528 million yen (an increase of 4,465 million yen or 2.5% from the same period in the previous year). Despite the negative impact on volume from the price revisions implemented in the previous fiscal year and from the inclement weather in March, sales volume was flat from the same period of the previous year. This was the result of efforts to introduce new products, expand sales space, and implement effective marketing activities to capture demand with increased traffic. In addition, the series of price revisions resulted in an improved wholesale revenue per case, leading to higher revenues compared to the same period of the previous year.

Consolidated business loss improved by 1,590 million yen (loss reduced) and was a loss of 7,847 million yen (9,437 million yen loss in prior year period). In addition to the profit contribution from top-line growth, cost savings in the supply chain and back-office areas through transformation and controlling increased cost from higher commodity, utility prices and the weaker yen to a level below the previous year contributed to improved profitability.

Consolidated operating loss improved by 6,090 million yen (loss reduced) and was a loss of 3,070 million yen (9,160 million yen loss in previous year period). The primary reason is the business loss improving versus the same period of the previous year (loss reduced) and the gains from sales and disposals of property, plant, and equipment that increased other income (non-recurring). Other income (non-recurring) is 5,412 million yen in gain on sales and disposals of property, plant, and equipment, which was realized in the process of optimizing the balance sheet. Other expenses (non-recurring) include 367 million yen in business structure improvement expenses related to the implementation of fundamental transformation.

Net loss attributable to owners of the parent improved by 3,563 million yen (loss reduced). With operating loss improving from the same period of the previous year, it was a loss of 2,897 million yen (6,459 million yen loss in previous year period).

### **Sales volume trends (% change from same period of previous year)**

Sales volume in the first quarter was flat versus the same period of the previous year. Despite the negative impact on demand from price revisions implemented in October of 2023 for large PET bottle products and from the inclement weather in March, the continued traffic recovery and effective commercial initiatives contributed. In addition, wholesale revenue per case continued to improve with the series of price revisions.

By channel, sales volume declined 11% in supermarkets, despite efforts to acquire sales space focusing on core products and executing campaigns, large PET bottle products were impacted by the price revisions implemented in the previous fiscal year and from the inclement weather in March. Sales volume at drugstores and discounters was also impacted by the price revisions and dropped by 6%. Vending sales volume grew by 1%, supported by the market share base built to date and by digital leverage such as campaigns implemented through the Coke ON smartphone app and QR payments to capture demand, despite the impact from inclement weather in March. In CVS, although the competitive environment remained severe, efforts aimed at expanding shelf space and marketing initiatives leveraging digital technology led to a sales volume increase of 8%. In retail & food service, sales volume increased by 7% with the traffic returning to restaurants and entertainment facilities. In online, volume grew by 23% despite the intensifying competitive environment, strengthened product lineup tailored to the channel characteristics and promotions implemented together with online customers contributed.

By beverage category performance, sparkling sales volume was flat versus the same period of the previous year, while volume grew for Coca-Cola at restaurants and online, sales volume for large PET bottle products declined due to price revisions. Sales volume of tea products increased by 2% driven by growth from Kocho Kaden and Ayataka. Coffee sales volume was flat versus the same period of the previous year, supported by the renewal of core products for Georgia and Costa Coffee, and medium PET bottle products targeted to capture at home demand contributed, despite volume being impacted from the price revisions implemented to can products in May of 2023. In sports, sales volume decreased by 2% despite the volume growth in small and medium PET bottle products, large PET bottle product volume declined due to price revision impact. Water sales volume also dropped by 6% due to large PET bottle product volume declining from the price revision impact. Juice sales volume increased by 11% with the recovery at restaurants and vending as well as contributions from the new product Minute Maid Qoo White Grapes.

In the alcohol category, despite the renewal of Lemon-dou and initiatives to strengthen sales for the non-alcoholic beverages such as Yowanai Lemon-dou, sales volume was impacted by the competitive environment and declined by 9%.

### **(2) Qualitative Information on Consolidated Financial Position**

Assets at the end of the quarter were 830,376 million yen, a decrease of 14,456 million yen from the end of the previous fiscal year. This is mainly due to a decrease in “Cash and cash equivalents”, and “Property, plant, and equipment.”

Liabilities at the end of the quarter were 366,190 million yen, a decrease of 8,621 million yen from the end of the previous fiscal year. This is mainly due to the decrease in “Income taxes payables.”

Equity at the end of the quarter was 464,186 million yen, a decrease of 5,835 million yen. This mainly due to a decrease in “Retained earnings” as a result of dividend payments.

### **(3) Qualitative Information on the Future Outlook, such as Forecast of Consolidated Financial Results**

As for the full-year 2024 (January 1 to December 31, 2024) earnings forecast, it is unchanged from the forecast announced on February 14th, 2024.

## 2. Condensed Quarterly Consolidated Financial Statements and Notes

### (1) Condensed Quarterly Consolidated Statement of Financial Position

	Previous fiscal year As of December 31, 2023	(Millions of yen) The First quarter As of March 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	113,660	104,408
Trade and other receivables	120,069	113,206
Inventories	71,651	75,926
Other financial assets	88	637
Other current assets	8,288	10,177
Total current assets	313,756	304,353
Non-current assets:		
Property, plant, and equipment	401,687	390,778
Right-of-use assets	23,894	28,282
Intangible assets	63,819	63,609
Investments accounted for using the equity method	310	326
Other financial assets	11,898	12,350
Deferred tax assets	25,222	25,780
Other non-current assets	4,245	4,899
Total non-current assets	531,077	526,023
Total assets	844,832	830,376

	Previous fiscal year As of December 31, 2023	(Millions of yen) The First quarter As of March 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other payables	116,612	114,946
Bonds and debts	40,979	40,986
Lease liabilities	5,267	6,138
Other financial liabilities	1,111	949
Income taxes payables	4,176	665
Other current liabilities	29,297	21,071
Total current liabilities	197,443	184,756
Non-current liabilities:		
Bonds and debts	114,802	114,314
Lease liabilities	20,349	23,501
Other non-current financial liabilities	15	6
Net defined benefit liabilities	19,856	20,548
Provisions	1,781	1,757
Deferred tax liabilities	16,757	16,649
Other non-current liabilities	3,809	4,659
Total non-current liabilities	177,369	181,434
Total liabilities	374,812	366,190
Equity:		
Capital stock	15,232	15,232
Capital surplus	451,389	451,367
Retained earnings	88,365	81,270
Treasury shares	(85,362)	(85,015)
Accumulated other comprehensive income	223	1,151
Equity attributable to owners of parent	469,847	464,005
Non-controlling interests	174	181
Total equity	470,021	464,186
Total liabilities and equity	844,832	830,376



(2) Condensed Quarterly Consolidated Statements of Income and Comprehensive Income  
(Condensed Quarterly Consolidated Statements of Income)

	The First quarter of previous fiscal year (Three months ended March 31, 2023)	(Millions of yen) The First quarter of current fiscal year (Three months ended March 31, 2024)
Revenue	182,063	186,528
Cost of sales	103,322	105,087
Gross profit	78,741	81,441
Selling and general administrative expenses	88,002	89,288
Other income	1,309	5,698
Other expenses	1,214	937
Investment income on equity method	8	16
Operating loss	(9,160)	(3,070)
Financial revenue	170	131
Financial expenses	162	403
Loss for the period before income taxes	(9,151)	(3,342)
Income tax benefit	(2,697)	(466)
Net loss for the period	(6,454)	(2,877)
Net loss for the period attributable to		
Owners of parent	(6,459)	(2,897)
Non-controlling interests	5	20
Basic loss per share (yen)	(36.02)	(16.14)

(Condensed Quarterly Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	The First quarter of previous fiscal year (Three months ended March 31, 2023)	The First quarter of current fiscal year (Three months ended March 31, 2024)
Net loss for the period	(6,454)	(2,877)
Other comprehensive income:		
Items that will not be reclassified subsequently to income or loss:		
Net changes in financial assets measured at fair value through other comprehensive income	36	827
Subtotal	36	827
Items that may be reclassified subsequently to income:		
Cash flow hedges	68	305
Subtotal	68	305
Total other comprehensive income for the period	104	1,132
Total comprehensive income for the period	(6,350)	(1,745)
Comprehensive income attributable to:		
Owners of parent	(6,355)	(1,765)
Non-controlling interests	5	20

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

The consolidated First quarter of previous fiscal year (Nine months ended March 31, 2023)

(Millions of yen)

	Equity attributable to owners of the parent					Total	Non-controlling interests	Total
	Capital share	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income			
Balance as of January 1, 2023	15,232	451,264	94,209	(85,667)	1,177	476,216	142	476,358
Comprehensive income for the period								
Net income (loss) for the period	—	—	(6,459)	—	—	(6,459)	5	(6,454)
Other comprehensive income	—	—	—	—	104	104	—	104
Total comprehensive income for the period	—	—	(6,459)	—	104	(6,355)	5	(6,350)
Transactions with owners								
Dividends of surplus	—	—	(4,484)	—	—	(4,484)	—	(4,484)
Purchase of treasury shares	—	—	—	(1)	—	(1)	—	(1)
Transactions of share-based payment	—	121	—	—	—	121	—	121
Reclassification from accumulated other comprehensive income to retained earnings	—	—	(1)	—	1	—	—	—
Reclassification from accumulated other comprehensive loss to non-financial assets	—	—	—	—	(260)	(260)	—	(260)
Total transactions with owners	—	121	(4,484)	(1)	(259)	(4,623)	—	(4,623)
Balance as of March 31, 2023	15,232	451,386	83,266	(85,668)	1,022	465,238	147	465,385

The consolidated First quarter of current fiscal year (Nine months ended March 31, 2024)

(Millions of yen)

	Equity attributable to owners of the parent					Total	Non-controlling interests	Total
	Capital share	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income			
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(loss) for the period	—	—	(2,897)	—	—	(2,897)	20	(2,877)
Other comprehensive income	—	—	—	—	1,132	1,132	—	1,132
Total comprehensive income for the period	—	—	(2,897)	—	1,132	(1,765)	20	(1,745)
Transactions with owners								
Dividends of surplus	—	—	(4,486)	—	—	(4,486)	(17)	(4,503)
Purchase of treasury shares	—	—	—	(2)	—	(2)	—	(2)
Disposal of treasury shares	—	(126)	—	349	—	223	—	223
Transactions of share-based payment	—	105	—	—	—	105	—	105
Reclassification from accumulated other comprehensive income to retained earnings	—	—	288	—	(288)	—	—	—
Reclassification from accumulated other comprehensive income to non-financial assets	—	—	—	—	84	84	—	84
Other change	—	—	—	—	—	—	4	4
Total transactions with owners	—	(22)	(4,198)	347	(204)	(4,076)	(13)	(4,090)
Balance as of March 31, 2024	15,232	451,367	81,270	(85,015)	1,151	464,005	181	464,186

(4) Notes to Condensed Consolidated Financial Statements

(Notes Relating to Going Concern Assumption)

Not applicable.

(Segment Information)

As the Group operates a single segment of the beverage business, the reportable segment explanation is omitted.

(Subsequent events)

Not applicable.