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## Consolidated Financial Summary for the Second Quarter Ended June 30, 2018 (Japanese Standard)



August 10, 2018

Listed company name: Coca-Cola Bottlers Japan Holdings Inc.  
Code number: 2579  
Delegate: Title: Representative Director & President  
Contact: Title: Head of Controllers Senior Group, Finance  
Expected date of quarterly report submission: August 14, 2018  
FY 2018 2Q supplementary information: Yes  
FY 2018 2Q financial presentation: Yes

Listed stock exchanges: Tokyo and Fukuoka  
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Expected date of the dividend payments: September 3, 2018

(Fractions of one million yen are rounded down)

### 1. Consolidated financial results for the 2nd quarter 2018 (from January 1, 2018 to June 30, 2018)

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

#### (1) Consolidated financial results

	Net revenues		Operating income		Ordinary income		Net profit attributable to shareholders of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
2nd quarter 2018	466,686	30.4	15,221	(11.0)	14,696	(12.5)	8,845	(8.7)
2nd quarter 2017	357,837	63.2	17,098	92.5	16,795	94.6	9,692	109.2

Note: Comprehensive income

2Q 2018: 8,027 million yen (30.7 %)

2Q 2017: 11,591 million yen 791.9 %

	Earnings per share	Diluted earnings per share
	yen	yen
2nd quarter 2018	44.91	—
2nd quarter 2017	64.65	—

#### (2) Consolidated financial position

	Total assets	Net assets	Net assets (excl. non-controlling interests) to total assets
	million yen	million yen	%
As of 2nd quarter 2018	850,005	575,057	67.6
Full year 2017	883,918	627,485	70.9

Reference: Net assets (excl. non-controlling interests)

2Q 2018: 574,619 million yen

End of 2017: 627,058 million yen

### 2. Dividends

(Record date) Year ended	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	yen	yen	yen	yen	yen
Full year 2017	—	22.00	—	22.00	44.00
Full year 2018	—	25.00	—	—	—
Full year 2018 (forecast)	—	—	—	25.00	50.00

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

### 3. Forecast of consolidated financial results 2018 (from January 1, 2018 to December 31, 2018)

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

	Net revenues		Operating income		Ordinary income		Net profit attributable to shareholders of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	Yen
Full year 2018	—	—	—	—	—	—	—	—	—

Note: Revisions to the forecasts of consolidated financial results most recently announced: Applicable

We are evaluating the impact of the damage of the flood caused by the extraordinary rain in western Japan in July 2018, however, we are not able to fully estimate the impact at this moment and we have temporarily withdrawn our full-year forecast for 2018. We will announce the full-year forecast once we arrive at a reasonable estimate of the impact.

Notes

- (1) Changes in significant subsidiaries during the current period : None
- (2) Application of special accounting in preparing the quarterly consolidated financial statement : None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- 1) Changes in accounting policies due to revisions to accounting standards : None
  - 2) Changes other than those in 1) above : None
  - 3) Changes in accounting estimates : None
  - 4) Restatement of prior period financial statements : None
- (4) Number of outstanding shares (common shares)
- 1) Number of outstanding shares at the end of period (including treasury stock):  
2Q 2018: 206,268,593 shares      FY 2017: 206,268,593 shares
  - 2) Number of treasury stock at the end of period:  
2Q 2018: 19,095,441 shares      FY 2017: 2,015,532 shares
  - 3) Average number of outstanding shares during the period (six months):  
2Q 2018: 196,932,506 shares      2Q 2017: 149,906,073 shares

\* These Consolidated Financial Results are not subject to quarterly review procedures conducted by 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 to management at the time of announcement. Due to number of inherent uncertainties in the forecast, actual results may differ materially from the forecast. Furthermore, please refer to “1. Qualitative Information on the Financial Summary for this Quarter (3) Information on the Future Outlook, Including 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) Details of Consolidated Financial Results

Coca-Cola Bottlers Japan Holdings Inc. (“CCBJH” or the “Company”) has been diligently executing integration and transformation initiatives with speed, and establishing a foundation for sustainable growth based on our mid-term plan, the “Growth Roadmap for 2020 & Beyond” announced in June 2017. In 2018, we are pivoting from an integration focus to a sustainable growth mindset, creating shareholder value and leveraging the solid foundation we have established over the past year, with initiatives led by the principles of local presence on a national scale, driving innovation and delivering synergy commitments.

For the year-to-date results as of second quarter of the fiscal year ending on December 31, 2018, (January 1, 2018 to June 30, 2018), total nonalcoholic ready-to-drink (NARTD) beverage industry volume performance is expected to be slightly positive, supported by aggressive new product launches by many industry players in a market characterized by increasing competitive intensity. The health food and cosmetics industries continue to grow, driven by demand from health-conscious consumers and inbound tourism, while the competitive environment has been marked by successive product launches by various industry players to meet growing consumer demand.

In July, the Japanese government issued a disaster declaration after extraordinary rain and flooding in Western Japan, which has impacted regional transport and other infrastructure.

CCBJH’s year-to-date results are summarized as follows. In addition to this qualitative information section, please also see the supplemental earnings presentation material posted on our Company IR website (<https://en.ccbjholdings.com/ir/library/presentation.php>), which will be used for the earnings presentation and webcast on Monday, August 13, 2018 at 1:30 p.m. (JST).

#### Highlights

- Year-to-date market share grew in both value and volume terms, with value share growth ahead of volume, and improving share trends since integration. Pro-forma beverage volumes were even versus the prior year, with growth in retail channels offset by negative vending channel performance. Coffee category volumes showed sequential improvement during the second quarter (April to June).
- Year-to-date reported net revenue increased 30% versus prior year due to the April 1, 2017 business integration. Net revenue decreased 2% on a pro-forma basis, primarily driven by channel mix.
- Generated 5 billion yen in net synergies year-to-date primarily from supply chain and procurement.
- Year-to-date reported operating income decreased 11% versus prior year mainly due to increase of goodwill amortization from the creation of CCBJH. Pro-forma operating income decreased 18%, driven by negative channel mix in addition to the goodwill amortization
- Successful launch of first-ever alcoholic beverage in the Coca-Cola system, Lemondo, in the Kyushu region.
- Clear financial framework for value creation: Completed repurchase of 8.28% of total outstanding shares, announced new dividend policy and introduced performance-oriented equity-based compensation program for directors and executive officers.
- Evaluating expected impact on full-year results of July extraordinary rain and flooding in western Japan;
  - Hongo manufacturing plant and adjacent logistics center in Hiroshima Prefecture experienced significant flooding damage and remain inoperative, with related disruptions to local transport as well as impact to our supply chain network expected to continue.

\*Pro-forma: Assuming the business integration of Coca-Cola West Co., Ltd. (CCW) and Coca-Cola East Japan Co., Ltd. (CCEJ) from January 2017.

#### Review of Results

##### Reported Results

##### Year-to-date Q2 (January to June)

In Million JPY

	2017	2018	YoY
Net Revenue	357,837	<b>466,686</b>	+30.4%
Operating Income	17,098	<b>15,221</b>	-11.0%
Net Income Attributable to Owners of Parent	9,692	<b>8,845</b>	-8.7%

\*2017 results are consolidated results of former CCW in the first quarter, and integrated results of CCBJH from April 1, 2017 to December 31, 2017.

Second-quarter year-to-date reported consolidated net revenue was JPY 466,686 million, an increase of 108,849 million yen, or 30% compared to the prior-year period, and consolidated net revenue of the beverage business increased 109,428 million yen to 452,245 million yen (up 32%) year-on-year, primarily due to the business integration of CCW and CCEJ effective April 1, 2017. Consolidated net revenues of the healthcare & skincare business fell by 579 million yen to 14,440 million yen (down 4%) year-on-year, as growth of newly launched products was offset by a reduction in certain promotional activities, such as TV advertising, etc.

Second-quarter year-to-date reported operating income was JPY 15,221 million, a decrease of 1,876 million or 11% year-on-year. Operating income of the beverage business decreased 2,012 million yen, or 13% year-on-year to 13,417 million yen, mainly driven by an increase of goodwill amortization due to the business integration of CCW and CCEJ. Operating income in the healthcare & skincare business was 1,803 million yen, an increase of 135 million yen or 8% year-on-year, as we continued a strong focus on operating efficiency in sales promotion, outsourcing expenses, etc. Year-to-date net income attributable to owners of parent was JPY 8,845 million, a decrease of JPY 847 million, or 9% versus prior year mainly driven by an increase of extraordinary income for sales of shares of subsidiaries and a decrease in extraordinary loss by cycling integration-related expenses in the prior year term.

<Reference>

### Pro forma Results

#### Year-to-date Q2 (January to June)

In Million JPY	2017	2018	YoY
Net Revenue	476,777	<b>466,686</b>	-2%
Operating Income	18,623	<b>15,221</b>	-18%
Net Income (Loss) Attributable to Owners of Parent	10,284	<b>8,845</b>	-14%
Sales volume of beverage business (Million cases)	247	<b>247</b>	-0%

\* Sales volume of beverage business doesn't include volume of alcoholic beverage

Pro-forma net revenue, assuming the business integration of CCW and CCEJ from January 2017, decreased JPY 10,091 million, or 2% year on year. The beverage business sales volume was even year on year, with OTC value and volume-share improvements continuing. The volume decrease in the profitable vending channel negatively impacted beverage business revenue. Pro-forma operating income decreased 3,401 million yen, or 18%, due to negative channel mix, an increase of SG&A expenses due to goodwill amortization resulting from the business integration in April 2017 as well as higher direct marketing expenses (DME), etc. Second-quarter year-to-date pro-forma net income attributable to owners of parent decreased JPY 1,438 million or 14% year on year.

#### Pro-forma beverage volume performance by channel and category

By channel, the Supermarket channel volume grew 5% versus prior year led by growth in sparkling, non-sugar tea and coffee categories. The Drug & Discounter channel volume grew 7%, driven by growth across all beverage categories. Convenience Store volume grew 1% supported by the growth of sparkling beverages, coffee and non-sugar tea. Sparkling and non-sugar teas grew slightly in the Vending channel, however overall weakness in the vending market as well as negative performance in coffee led to a volume decline of 6% versus prior year, as the successful launch of Georgia Japan Craftsman is not yet widely available in the Vending channel.

By beverage category, sparkling beverages and non-sugar tea showed solid performance across major sales channels, supported by the newly-launched Coca-Cola Peach, Canada Dry The TANSAN sparkling water, Ayataka Chaba no Amami green tea, and others. Volume in these categories grew 5% and 4% respectively versus prior year. The sports category volume decreased 3%, with growth in Drug & Discounter and recovery to flat in Vending. Coffee performance declined 4% year-to-date, however, sequentially improved in Q2 (April to June), with growth in the Convenience Store, Supermarket and Drug & Discounter channels supported by the newly-launched PET bottled coffee Georgia Japan Craftsman and customer-exclusive products, etc. Coffee performance in the Vending channel continued negative as Georgia Japan Craftsman has not yet been fully launched in the channel. Water volume declined 7%, driven by a decline of immediate consumption iLohas brand water mainly in Convenience Stores and the Vending channel due to cycling of new product launches in the prior year as well as intensified competition.

## (2) Details of Consolidated Financial Position

Assets at the end of the quarter were JPY 850,005 million, a decrease of JPY 33,912 million from the end of the previous fiscal year. This is mainly attributable to a decrease of cash and deposits, marketable securities, etc. due to the share repurchase completed in the second quarter, and an increase of merchandise and finished goods, raw material and supplies, etc. to build up inventory in preparation for peak season.

Liabilities at the end of this quarter were JPY 274,948 million, an increase of JPY 18,515 million from the end of the previous fiscal year. This is mainly due to an increase of trade notes and accounts payable as well as short-term loans payable used for operating capital, etc.

Net assets at the end of this quarter were JPY 575,057 million, a decrease of JPY 52,428 million. This is mainly due to an increase of treasury stock due to the share repurchase..

The cash flow conditions for the second-quarter are as follows.

### <Cash Flows from Operations>

Net cash generated from operations was JPY 3,411 million (JPY 8,347 million in previous year term). This results mainly from JPY 15,085 million from net profit before tax, depreciation expenses, increase of account payable-trade, etc. offset by an increase of accounts receivable-trade, inventories, payment of taxes, etc.

### <Cash Flows from Investment Activities>

Net cash used for investment activities was JPY 21,437 million (JPY 16,915 million in previous year term), due to purchases of fixed assets to drive growth and synergy capture, etc.

### <Cash Flows from Financing Activities>

Net cash used for financing activities was JPY 46,591 million (JPY 5,198 million in previous year term), due to the share buy-back, increase of short-term loan for operating capital, payment of year-end dividends, etc.

As a result of these activities, cash and cash equivalents at the end of the second-quarter was JPY 54,124 million, a decrease of JPY 46,658 million versus prior year term.

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

At present, we have suspended operations at the Hongo manufacturing plant and the adjacent logistics center of our subsidiary, Coca-Cola Bottlers Japan Inc., located in Mihara City, Hiroshima Prefecture, which experienced substantial flooding due to the extraordinary rains in July. In addition, some other facilities and sales centers, as well as cold drink equipment and vehicles were damaged in the flooding. We are currently evaluating the impact of the damage, however we are not able to reasonably estimate the impact at this moment. The book value of damaged assets and inventories is approximately 9 billion yen.

As a result, we have temporarily withdrawn our full-year forecast for 2018. We will announce updated guidance when flood damage estimates are clear and the impact of initiatives for alternate product supply and transport, including extra pressure due to the record hot summer, are known.

The revised forecast of consolidated financial results 2018 (from January 1, 2018 to December 31, 2018)

	Net revenues	Operating income	Ordinary income	Net profit attributable to shareholders of parent	Earnings per share
	million yen	million yen	million yen	million yen	
Previous forecast (A)	1,007,300	49,700	47,900	28,800	149.66 yen
Revised forecast (B)	—	—	—	—	—
Difference (B-A)	—	—	—	—	—
Difference (%)	—	—	—	—	—
(Reference) Financial Result for fiscal 2017	872,623	40,579	39,859	25,244	144.26 yen

## 2. Quarterly Consolidated Financial Statements and Main Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2017	As of June 30, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	101,858	54,240
Trade notes and accounts receivable	69,266	81,945
Marketable securities	17,000	—
Merchandise and finished goods	54,357	67,049
Work in process	267	591
Raw materials and supplies	7,323	11,051
Other	36,277	44,519
Allowance for doubtful accounts	(376)	(412)
Total current assets	285,974	258,984
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	73,145	71,772
Machinery, equipment and vehicles, net	67,382	63,957
Sales equipment, net	111,800	113,872
Land	151,375	152,136
Construction in progress	591	623
Other, net	5,897	5,425
Total property, plant and equipment	410,192	407,788
Intangible assets		
Goodwill	76,557	74,296
Franchise intangible	50,098	48,796
Other	14,437	13,680
Total intangible assets	141,092	136,773
Investments and other assets		
Investment securities	31,792	30,925
Retirement benefit assets	257	280
Other	15,567	16,250
Allowance for doubtful accounts	(958)	(997)
Total investments and other assets	46,659	46,458
Total fixed assets	597,944	591,021
<b>Total assets</b>	<b>883,918</b>	<b>850,005</b>

(Millions of yen)

	As of December 31, 2017	As of June 30, 2018
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	40,496	56,872
Short-term loans payable	–	15,000
Current portion of long-term borrowings	1,817	1,694
Accrued income taxes	8,356	4,839
Other accounts payable	55,410	55,968
Provision for sales and promotion expenses	427	467
Provision for bonuses	2,521	151
Provision for directors' bonuses	134	57
Other	17,193	12,594
Total current liabilities	126,357	147,645
Non-current liabilities		
Bonds payable	66,000	66,000
Long-term loans payable	12,031	11,246
Net defined benefit liability	20,358	19,060
Provision for performance-linked incentive	–	77
Liabilities for directors' retirement benefits	30	20
Provision for environmental measures	90	90
Other	31,563	30,806
Total non-current liabilities	130,075	127,303
Total liabilities	256,432	274,948
<b>Equity</b>		
Shareholders' equity		
Capital stock	15,231	15,231
Capital surplus	450,568	450,561
Retained earnings	155,535	159,886
Treasury stock	(4,692)	(60,634)
Total shareholders' equity	616,642	565,045
Accumulated other comprehensive income		
Net unrealized gains (or losses) on other marketable securities	6,886	6,255
Deferred gains (or losses) on hedges	590	236
Foreign currency translation adjustments	12	11
Accumulated adjustments for defined benefit plans	2,926	3,069
Total accumulated other comprehensive income	10,416	9,573
Non-controlling interests	426	437
Net assets	627,485	575,057
Total liabilities and equity	883,918	850,005



(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
(Quarterly Consolidated Statements of Income)  
(First six-month period of this fiscal year)

(Millions of yen)

	Six months ended June 30, 2017	Six months ended June 30, 2018
Net revenues	357,837	466,686
Cost of goods sold	172,659	225,809
Gross profit	185,177	240,876
Selling, general and administrative expenses	168,079	225,654
Operating income	17,098	15,221
Non-operating income		
Interest income	13	2
Dividends income	270	283
Share of profit of investees equity-method	10	—
Rent income	140	202
Gain on sales of valuable wastes	155	254
Other	155	232
Total non-operating income	744	975
Non-operating expenses		
Interest expense	257	273
Investment loss on equity method	—	34
Loss on disposal of property plant and equipment	302	982
Other	486	210
Total non-operating expenses	1,046	1,500
Ordinary income	16,795	14,696
Extraordinary income		
Gain on sale of property plant and equipment	63	—
Gain on sale of investment securities	16	0
Gain on sales of shares of subsidiaries	—	388
Gain on step acquisitions	192	—
Total extraordinary income	273	388
Extraordinary losses		
Business integration-related expenses	711	—
Total extraordinary losses	711	—
Income before income taxes and non-controlling interests	16,357	15,085
Income taxes - current	4,110	4,961
Income taxes - deferred	2,568	1,253
Total income taxes	6,679	6,215
Net profit	9,677	8,869
Net profit attributable to non-controlling interests	(14)	24
Net profit attributable to shareholders of parent	9,692	8,845

(Quarterly Consolidated Statements of Comprehensive Income)  
(First six-month period of a fiscal year)

(Millions of yen)

	Six months ended June 30, 2017	Six months ended June 30, 2018
Net profit	9,677	8,869
Other comprehensive income		
Net unrealized gains (or losses) on other marketable securities	1,242	(631)
Deferred gains or losses on hedges	1	(353)
Foreign currency translation adjustments	22	(0)
Remeasurements of defined benefits	650	148
Share of other comprehensive income of investees equity-method	(3)	(6)
Total other comprehensive income	1,913	(842)
Comprehensive income	11,591	8,027
Comprehensive income attributable to shareholders of the parent	11,605	8,002
Non-controlling interests	(14)	24

## (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended June 30, 2017	Six months ended June 30, 2018
<b>Cash flows from operating activities</b>		
Profit before income taxes	16,357	15,085
Depreciation	15,725	22,158
Amortization of goodwill	1,637	2,260
Increase (decrease) in provision for directors' bonuses	46	(76)
Increase (decrease) in provision for directors' retirement benefits	(36)	0
Increase (decrease) in net defined benefit liability	(61)	(1,034)
Decrease (increase) in net defined benefit asset	(7)	(22)
Interest and dividends income	(283)	(285)
Interest expense	257	273
Share of (profit) loss of entities of equity-method investees	(10)	34
Loss (gain) on sales of short-term and long-term investment securities	(16)	(0)
Loss (gain) on sales of non-current assets	(72)	(85)
Loss on retirement of non-current assets	162	787
Gain on step acquisitions	(192)	—
Decrease (increase) in notes and accounts receivable-trade	(8,799)	(12,730)
Decrease (increase) in inventories	(9,913)	(16,820)
Decrease (increase) in other assets	(5,189)	(11,207)
Increase (decrease) in notes and accounts payable-trade	10,907	16,412
Increase (decrease) in other liabilities	(7,493)	(2,258)
Other	138	(196)
Subtotal	13,155	12,293
Interest and dividends received	283	286
Interest expenses paid	(278)	(275)
Income taxes paid	(6,034)	(9,163)
Income taxes refund	1,220	270
Net cash provided by operating activities	8,347	3,411
<b>Cash flows from investing activities</b>		
Purchase of short-term and long-term investment securities	(100)	(29)
Proceeds from sales and redemption of short-term and long-term investment securities	177	50
Purchase of non-current assets	(17,324)	(22,087)
Proceeds from sales of non-current assets	395	213
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	406
Payments of long-term loans	(79)	—
Collection of long-term loans receivable	20	20
Payments into time deposits	(100)	(101)
Proceeds from withdrawal of time deposits	100	101
Other	(4)	(11)
Net cash used in investing activities	(16,915)	(21,437)

(Millions of yen)

	Six months ended June 30, 2017	Six months ended June 30, 2018
Cash flows of financing activities		
Net increase (decrease) in short-term loans payable	(2,000)	15,000
Proceeds from long-term loan	18	—
Repayments of long-term loans payable	(304)	(908)
Purchase of treasury shares	(71)	(55,942)
Proceeds from sales of treasury shares	16	1
Cash dividends paid	(2,619)	(4,493)
Dividends paid to non-controlling interests	(29)	(20)
Other	(208)	(226)
Cash flows of financing activities	(5,198)	(46,591)
Effect of exchange rate change on cash and cash equivalents	22	(0)
Net increase (decrease) in cash and cash equivalents	(13,743)	(64,617)
Cash and cash equivalents at beginning of period	86,727	118,741
Increase in cash and cash equivalents from newly consolidated subsidiary	26,798	—
Cash and cash equivalents at end of period	99,782	54,124

(4) Notes to Quarterly Consolidated Financial Statements  
(Notes Relating to Assumptions for the Going Concern)

Not applicable.

(Notes for Case Where Shareholders' Equity underwent Significant Changes in Value)

The Company repurchased its own shares by means of a tender offer in accordance with the Board of Directors resolution as of February 21, 2018. As a result, treasury stock increased by 55,921 million yen during the six-month period ended June 30, 2018, and amounted to 60,634 million yen as of June 30.

(Application of Special Accounting for Preparing the Quarterly Consolidated Financial Statement)

Not applicable.

(Changes in the Presentation)

(Quarterly Consolidated Statements of Cash Flows)

While the gross amounts were presented for "proceeds from short-term loan" and "repayments of short-term loans payable" under "cash flows of financing activities" until the first half of the previous fiscal year, since they are short-term and quickly revolving items, their net amounts are presented as "net increase (decrease) in short-term loans payable" for the first half of this consolidated fiscal year. To reflect this change in presentation methods, the company has reclassified its consolidated financial statements for the first half of the previous fiscal year.

As a result, 8,000 million yen presented as "proceeds from short-term loan" and (10,000) million yen as "repayments of short-term loans payable" under "cash flows of financing activities" in the consolidated statement of cash flows for the first half of the previous fiscal year is reclassified as (2,000) million yen of "net increase (decrease) in short-term loans payable."

(Segment Information)

First six-month period of the previous fiscal year (January 1, 2017 – June 30, 2017)

1. Information on net revenues and profits or losses by reported segment

(Millions of yen)

	Beverage business	Healthcare & skincare business	Total
Net revenues			
Net revenues-outside customers	342,817	15,019	357,837
Net revenues and transfer-inter-segment	—	—	—
Total	342,817	15,019	357,837
Segment profit	15,430	1,667	17,098

(Note) Net revenues and Segment profit are equivalent to Net revenues and Operating income in Quarterly Consolidated Statements of Income, respectively.

First six-month period of this fiscal year (January 1, 2018 – June 30, 2018)

1. Information on net revenues and profits or losses by reported segment

(Millions of yen)

	Beverage business	Healthcare & skincare business	Total
Net revenues			
Net revenues-outside customers	452,245	14,440	466,686
Net revenues and transfer-inter-segment	—	—	—
Total	452,245	14,440	466,686
Segment profit	13,417	1,803	15,221

(Note) Net revenues and Segment profit are equivalent to Net revenues and Operating income in Quarterly Consolidated Statements of Income, respectively.

2. Matters relating to changes in the Company's reported segments

(Change of segment name)

From the first quarter consolidated accounting period, the segment name of "Soft drink business" has been changed to "Beverage business" in order to more properly display the business contents.

There is no effect on segment information due to segment name change.