



August 7, 2019

To whom it may concern:

Company Name	Coca-Cola Bottlers Japan Holdings Inc.
Representative Name	Calin Dragan Representative Director and President
Securities Code:	2579
Stock Listings:	Tokyo Stock Exchange, First Section Fukuoka Stock Exchange
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Loss due to impairment of goodwill and revision of Full-Year 2019 Forecast

Coca-Cola Bottlers Japan Holdings Inc. (the Company) announced that it had recorded an impairment loss in the consolidated financial results for the 2nd quarter 2019 and revised its full-year 2019 earnings forecast, which was previously released on May 15, 2019, as follows.

1. Impairment losses of goodwill

The Company announced its new mid-term business plan toward 2024, "THE ROUTE to 2024" today, together with the consolidated financial results for the 2nd quarter 2019. In the plan, the Company is planning to carry out structural transformation and capital investments to improve cost efficiencies and to drive medium and long-term sustainable growth, and these initiatives will have impacts on free cash flow generation in short term.

The Company performed an impairment test on goodwill as required by IFRS, which was recognized upon acquisition of Coca-Cola Bottlers Japan Inc. (former Coca-Cola East Japan Co., Ltd.) when it became a consolidated subsidiary of the Company as a result of the business integration in April 2017, and assessed recoverable amount according to the updated strategic business plan. As a result, the Company has decided to reduce the carrying amount of goodwill to the recoverable amount, and to record 61,859 million JPY of "Impairment loss of Goodwill" which represents the full goodwill balance allocated to beverage business in the consolidated financial results for the 2nd quarter 2019.

2. Revision of full-year forecast

(1) Revision of full-year 2019 (from January 1, 2019 to December 31, 2019) forecast

	Net revenues	Business income	Operating income	Net income	Net income attributable to the owners of parent	Earnings per share
	million yen	million yen	million yen	million yen	million yen	
Forecast as of May 15, 2019 (A)	923,300	15,400	8,800	5,200	5,200	28.91Yen
Revised forecast announced today (B)	923,300	15,400	-53,100	-56,700	-56,700	-315.26Yen
Difference (A-B)	—	—	-61,900	-61,900	-61,900	
Difference (%)	—	—	—	—	—	
(Reference) Full-year 2018 results	927,307	23,276	14,682	10,162	10,117	52.68 Yen

* We have introduced “Business Income” as 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.

(2) Reason for revision

As a result of goodwill impairment loss of 61,859 million JPY in the consolidated financial results for the 2nd quarter 2019 as stated, the Company expects that full-year operating income, net income, and net income attributable to owners of the parent will be lower than the previously announced forecast. The Company’s recurring business performance is trending in-line with the revised forecast announced on May 15, 2019, therefore there are no changes for the revenue and business income forecast at this time.

Although the Company expects net loss attributable to owners of the parent, we maintain full-year dividend forecast unchanged from previously announced guidance (Full-year dividend forecast: 50 JPY/share, with interim dividend of 25 JPY/share and year-end dividend forecast 25 JPY/share).

* Figures in the above forecast are based on information available to management at the time of announcement. Due to inherent uncertainties in the forecast, actual results may differ materially from the forecast.

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