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Consolidated Financial Summary for the First Quarter Ended March 31, 2017 (Japanese Standard)



May 1, 2017

Listed company name: Coca-Cola Bottlers Japan Inc.
(formerly Coca-Cola West Company, Limited)

Code number: 2579

Delegate: Title: Representative Director & President

Contact: Title: Leader, Finance Controller Group

Expected date of quarterly report submission: May 12, 2017

FY 2017 1Q supplementary information: Yes

FY 2017 1Q financial presentation: None

Listed stock exchanges: Tokyo and Fukuoka

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Expected date of the dividend payments: —

(Fractions of one million yen are rounded down)

1. Consolidated financial results for the 1st quarter 2017 (from January 1, 2017 to March 31, 2017)

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

(1) Consolidated financial results

	Net revenues		Operating income		Recurring income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
1st quarter 2017	99,141	(1.4)	2,167	(1.9)	1,947	(5.9)	942	(1.2)
1st quarter 2016	100,545	10.3	2,209	—	2,069	—	953	—

Note: Comprehensive income

1Q 2017: 1,101 million yen <— %>

1Q 2016: (333 million yen) <— %>

	Earnings per share	Diluted earnings per share
	yen	yen
1st quarter 2017	8.63	—
1st quarter 2016	8.73	—

(2) Consolidated financial position

	Total assets	Net assets	Net assets (excl. minority interests) to total assets
As of	million yen	million yen	%
1st quarter 2017	368,841	259,623	70.3
Full year 2016	377,468	261,173	69.1

Reference: Net assets (excl. minority interests)

1Q 2017: 259,223 million yen

End of 2016: 260,758 million yen

2. Dividends

(Record date)	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
Year ended	yen	yen	yen	yen	yen
Full year 2016	—	22.00	—	24.00	46.00
Full year 2017	—	—	—	—	—
Full year 2017 (forecast)	—	—	—	—	—

Note: 1. Revisions to the cash dividends forecasts most recently announced: None

2. End of 2Q FY 2016 dividend : an ordinary dividend of 21.00 yen, a commemorative dividend of 1.00 yen

FY 2016 ending dividend : an ordinary dividend of 23.00 yen, a commemorative dividend of 1.00 yen

3. We conducted the business integration with Coca-Cola East Japan Co., Ltd. through a share exchange and an absorption-type company split on April 1, 2017. Year-end dividend forecast for the fiscal year ending December 31, 2017 shall be announced separately upon determination.

3. Forecast of consolidated financial results 2017 (from January 1, 2017 to December 31, 2017)

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

	Net revenues		Operating income		Recurring income		Profit attributable to owners of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	Yen
Full year 2017	—	—	—	—	—	—	—	—	—

Note: 1. Revisions to the forecasts of consolidated financial results most recently announced: None

2. We conducted the business integration with Coca-Cola East Japan Co., Ltd. through a share exchange and an absorption-type company split on April 1, 2017. Full-year consolidated performance forecasts for the fiscal year ending December 31, 2017 shall be announced separately upon determination.

Notes

- (1) Changes in significant subsidiaries during the current period (changes in specified subsidiaries resulting in change in scope of consolidation) : None
- (2) Application of special accounting for preparing the quarterly consolidated financial statement : None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
- 1) Changes in accounting policies due to revisions to accounting standards and other regulations : None
 - 2) Changes other than those in 1) above : Yes
 - 3) Changes in accounting estimates : Yes
 - 4) Restatement of prior period financial statements after error corrections : None
- (4) Number of outstanding shares (common shares)
- 1) Number of outstanding shares at the end of period (including treasury shares):
1Q 2017: 111,125,714 shares FY 2016: 111,125,714 shares
 - 2) Number of treasury shares at the end of period:
1Q 2017: 1,989,678 shares FY 2016: 1,989,069 shares
 - 3) Average number of outstanding shares at end of period (three months):
1Q 2017: 109,136,375 shares 1Q 2016: 109,138,597 shares

Note: the total number of outstanding shares increased by 95,142,879 to 206,268,593 as of April 1, 2017 in connection with the integration with Coca-Cola East Japan Co., Ltd.

* These Consolidated Financial Results are not subject to quarterly review procedures.

* 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 [Attachment] “1. Qualitative Information on the Financial Summary for this Quarter (3) Information on the Future Outlook, Including Forecast of Consolidated Financial Results” on page 3 for matters relating to performance forecasts.

Table of contents

Page

Attachment

1. Qualitative Information on the Financial Summary for this Quarter	
(1) Details of Consolidated Financial Results.....	2
(2) Details of Consolidated Financial Position.....	3
(3) Information on the Future Outlook, Including Forecast of Consolidated Financial Results.....	3
2. Quarterly Consolidated Financial Statements	
(1) Quarterly Consolidated Balance Sheets.....	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
Quarterly Consolidated Statements of Income.....	6
Quarterly Consolidated Statements of Comprehensive Income.....	7
(3) Notes to Quarterly Consolidated Financial Statements.....	8
(Notes Relating to Assumptions for the Going Concern).....	8
(Notes for Case Where Shareholders' Equity underwent Significant Changes in Value).....	8
(Application of Special Accounting for Preparing the Quarterly Consolidated Financial Statement).....	8
(Changes in Accounting Policies, etc.)	8
(Additional Information).....	8
(Segment Information)	9

1. Qualitative Information on the Financial Summary for this Quarter

(1) Details of Consolidated Financial Results

During the first quarter of the fiscal year under review, the Japanese economy continued to show an overall trend of modest recovery with the job market and income situation continuing to improve and the various strategic measures by the government having a positive impact.

In the soft drink industry, despite the fact that the market saw trends for soft drink companies to continue initiatives focusing on revenue, the stark situation continued as sales competition among beverage companies remained severe.

Both health food and cosmetic industries also remained under tough conditions despite the continued trend of market growth, due to factors such as intense competition owing to new players from other industries entering the market, etc.

In this operating environment, the Company will adopt the following management policies. In the soft drink business we will aim to increase sales generating profits by implementing appropriate price strategies in order further develop the sophistication of our RGM (Revenue Growth Management) initiatives and ensure fine-tuned sales activities corresponding to business conditions and the situations of our customers. In order to build a vending business model that gives us a competitive advantage, we will enhance initiatives for key issues that will lead to improvements in productivity and efficiency, and introduce IT solutions targeted at growing sales. We will also continue to make investments in order to improve job satisfaction for employees and corporate growth.

In the healthcare & skincare business, we aim to win new customers by introducing highly competitive new products and carrying out effective advertising campaigns, and we will aim to promote continued and increased purchases by existing customers through further promotion of CRM (Customer Relationship Management). We will also undertake initiatives to develop new sales channels and new business in order to break into new fields.

The Company plans to create new growth opportunities by continuing collaborative initiatives between the soft drink business and healthcare & skincare business.

Additionally, the Company and Coca-Cola East Japan Co., Ltd. underwent the business integration by means of a share exchange and absorption-type company split effective as of April 1, 2017, with the new, merged company, Coca-Cola Bottlers Japan Inc., launching as of the same date. The integration will combine the experience and know-how that the Company and Coca-Cola East Japan Co., Ltd. have cultivated over the years, and through the creation of new value aims to further grow Coca-Cola's business and contribute to the development of the soft drink industry in Japan.

The business performance status for the first three-month period of this fiscal year is as follows.

< Net Revenues >

Consolidated net revenues of the soft drink business in the first quarter of the fiscal year under review fell 735 million yen to 91,644 million yen (down 0.8%) year on year, owing to factors such as the impact of the fall in sales volumes. Consolidated net revenues of the healthcare & skincare business in the first quarter of the fiscal year under review fell 668 million yen to 7,497 million yen (down 8.2%) year on year, owing to factors such as the impact of the fall in sales volumes. As a result, the total consolidated net revenues for all segments in the first quarter of the fiscal year under review fell 1,403 million yen to 99,141 million yen (down 1.4%) year on year.

< Operating Income >

Consolidated operating income of the soft drink business in the first quarter of the fiscal year under review fell 79 million yen to 1,320 million yen (down 5.7%) year on year, due to the impact of an increase in expenses brought about by the change in our depreciation method for fixed assets, despite our efforts to reduce costs, etc. in connection with the decrease in net revenues discussed above. Despite the aforementioned drop in net revenues, consolidated operating income in the healthcare & skincare business in the first quarter of the fiscal year under review increased by 37 million yen to 846 million yen (up 4.6%) year on year thanks to factors such as reductions in sales promotion costs. As a result, the total consolidated operating income for all segments for the first quarter of the fiscal year under review fell 42 million yen to 2,167 million yen (down 1.9%) year on year.

< Recurring Income and Quarterly Profit Attributable to Owners of Parent >

Recurring income in the first quarter of the fiscal year under review decreased by 121 million yen to 1,947 million yen (down 5.9%) year on year, owing mainly to the fall in operating income. Quarterly profit attributable to owners of parent in the first quarter of the fiscal year under review fell 11 million yen to 942 million yen (down 1.2%) year on year.

(2) Details of Consolidated Financial Position

Total assets at the end of the first quarter of the fiscal year under review decreased 8,627 million yen to 368,841 million yen (down 2.3%) compared to the end of the previous consolidated fiscal year, mainly due to a reduction in notes and accounts receivable – trade, as well as cash and deposits.

Liabilities decreased 7,078 million yen to 109,217 million yen (down 6.1%) from the end of the previous consolidated fiscal year. This was chiefly due to a decrease in accrued income taxes and other accounts payable.

Net assets decreased 1,549 million yen to 259,623 million yen (down 0.6%) compared to the end of the previous consolidated fiscal year as a result primarily of dividend payments.

(3) Information on the Future Outlook, Including Forecast of Consolidated Financial Results

The Company conducted the business integration with Coca-Cola East Japan Co., Ltd. through a share exchange and an absorption-type company split on April 1, 2017 with the new company, Coca-Cola Bottlers Japan Inc., launching as of the same date.

Full-year consolidated performance forecasts of Coca-Cola Bottlers Japan Inc. for the fiscal year ending December 31, 2017 are currently being developed and shall be announced promptly upon determination.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	63,849	64,563
Trade notes and accounts receivable	29,649	27,838
Marketable securities	23,112	19,005
Merchandise and finished goods	27,279	26,063
Work in process	652	703
Raw materials and supplies	1,998	3,741
Other	17,333	15,666
Allowance for doubtful accounts	(287)	(243)
Total current assets	163,587	157,337
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	31,162	29,672
Machinery, equipment and vehicles, net	22,688	21,753
Sales equipment, net	39,999	40,825
Land	62,128	62,077
Construction in progress	5	7
Other, net	1,829	1,744
Total property, plant and equipment	157,815	156,080
Intangible assets		
Goodwill	22,668	22,216
Other	4,889	4,456
Total intangible assets	27,557	26,672
Investments and other assets		
Investment securities	20,144	20,169
Retirement benefit assets	123	126
Other	8,760	8,983
Allowance for doubtful accounts	(519)	(529)
Total investments and other assets	28,508	28,750
Total fixed assets	213,881	211,503
Total assets	377,468	368,841

(Millions of yen)

	As of December 31, 2016	As of March 31, 2017
Liabilities		
Current liabilities		
Trade notes and accounts payable	15,990	18,705
Current portion of long-term borrowings	17	17
Accrued income taxes	5,717	843
Other accounts payable	25,042	20,344
Provision for sales and promotion expenses	308	328
Other	8,662	9,077
Total current liabilities	55,739	49,318
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term borrowings	183	179
Net defined benefit liability	3,505	3,443
Liabilities for directors' and corporate auditors' retirement benefits	191	110
Other	6,675	6,165
Total non-current liabilities	60,556	59,898
Total liabilities	116,295	109,217
Equity		
Shareholders' equity		
Capital stock	15,231	15,231
Capital surplus	109,072	109,072
Retained earnings	137,404	135,726
Treasury stock	(4,593)	(4,595)
Total shareholders' equity	257,114	255,435
Accumulated other comprehensive income		
Net unrealized gains(loss) on other marketable securities	4,092	4,091
Deferred gains or losses on hedges	77	52
Foreign currency translation adjustments	(3)	18
Remeasurements of defined benefit plans	(522)	(375)
Total accumulated other comprehensive income	3,643	3,787
Non-controlling interests	414	400
Net assets	261,173	259,623
Total liabilities and equity	377,468	368,841

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

(Millions of yen)

	Three months ended March 31, 2016	Three months ended March 31, 2017
Net revenues	100,545	99,141
Cost of goods sold	48,469	47,179
Gross profit	52,076	51,962
Selling, general and administrative expenses	49,866	49,794
Operating income	2,209	2,167
Non-operating income		
Interest income	14	10
Dividends income	23	18
Share of profit of investees equity-method	14	40
Other	106	135
Total non-operating income	159	204
Non-operating expenses		
Interest expense	118	113
Loss on disposal of property plant and equipment	93	134
Other	88	176
Total non-operating expenses	299	424
Recurring income	2,069	1,947
Extraordinary income		
Gain on sale of property plant and equipment	—	42
Gain on sale of investment securities	—	16
Total extraordinary income	—	59
Extraordinary expenses		
Business integration-related expenses	—	536
Total extraordinary losses	—	536
Income before income taxes and minority interests	2,069	1,470
Income taxes - current	655	663
Income taxes - deferred	439	(150)
Total income taxes	1,094	513
Net profit	975	956
Net profit attributable to non-controlling interests	21	14
Net profit attributable to owners of the company	953	942

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

(Millions of yen)

	Three months ended March 31, 2016	Three months ended March 31, 2017
Profit	975	956
Other comprehensive income		
Net unrealized gains(loss)on marketable securities	(1,274)	(0)
Foreign currency translation adjustments	14	22
Remeasurements of defined benefit plans, net of tax	166	127
Share of other comprehensive income of investees equity-method	(214)	(5)
Total other comprehensive income	(1,308)	144
Comprehensive income	(333)	1,101
Comprehensive income attributable to:		
Owners of the company	(354)	1,086
Non-controlling interests	21	14

(3) 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)
Not applicable.

(Application of Special Accounting for Preparing the Quarterly Consolidated Financial Statement)
Not applicable.

(Changes in Accounting Policies)

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates, and changes in accounting estimates)

(Change in depreciation method and change in service life)

Previously, the Company and some of its consolidated subsidiaries mainly used the declining balance method to calculate depreciation of property, plant and equipment (excluding sales equipment and leased assets), but we have switched to the straight-line method from the first quarter of the fiscal year under review.

The business integration with Coca-Cola East Japan Co., Ltd. carried out as of April 1, 2017 gives us a stronger business platform, and by bringing together the know-how in the areas of sales and manufacturing that both companies have cultivated over the past years it will allow us to create an optimal production structure covering a wide geographical area. Consequently, as we expect to be able to benefit from the long-term, stable use of property, plant and equipment (excluding sales equipment and leased assets), using straight-line depreciation to distribute the expense over its service life will appropriately reflect the pattern of consumption of economic benefits for such property, plant and equipment, so we have therefore decided to change our depreciation method to the straight-line method.

The Company and some of its consolidated subsidiaries also used the opportunity provided by the change in our depreciation method to conduct a utilization study. Previously, we had set the key service life of manufacturing machinery and equipment at 10 years, but as a result of our study we have revised it to 7-20 years – a predicted economic life that more accurately reflects the reality of the situation – and have made changes extending into the future.

We also took the opportunity provided by the change in our depreciation method for property, plant and equipment to devalue the residual value of property, plant and equipment after the elapse of its service life to a nominal value of one yen, from the first quarter of the consolidated fiscal year under review.

Compared to the previous method, the aforementioned changes have resulted in a reduction of operating income of 1,011 million yen and reduction in recurring income and income before income taxes and minority interests of 1,034 million yen for the first quarter of this consolidated fiscal year.

Please refer to “2. Quarterly Consolidated Financial Statements and Main Notes (3) Notes to Quarterly Consolidated Financial Statements (Segment Information)” for the impact on segment information.

(Additional Information)

(Application of Implementation Guidance on Recoverability of Deferred Tax Assets)

“Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26 dated March 28, 2016) is applied from the first quarter of the consolidated fiscal year under review.

(Segment Information)

First three-month period of previous fiscal year (January 1, 2016 – March 31, 2016)

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

(Millions of yen)

	Soft drink business	Healthcare & skincare business	Total
Net revenues			
Net revenues-outside customers	92,380	8,165	100,545
Net revenues and transfer-inter-segment	—	—	—
Total	92,380	8,165	100,545
Segment profit	1,400	809	2,209

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

First three-month period of this fiscal year under review (January 1, 2017 – March 31, 2017)

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

(Millions of yen)

	Soft drink business	Healthcare & skincare business	Total
Net revenues			
Net revenues-outside customers	91,644	7,497	99,141
Net revenues and transfer-inter-segment	—	—	—
Total	91,644	7,497	99,141
Segment profit	1,320	846	2,167

(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 segment

(Change in depreciation method and change in service life)

As discussed in "2. Quarterly Consolidated Financial Statements and Main Notes (3) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies, etc.)," from the first quarter of the consolidated fiscal year under review the depreciation method for property, plant and equipment (excluding sales equipment and leased assets) was changed to the straight-line method. The key service life of machinery and equipment has been revised to 7-20 years, and changes have been applied into the future. Furthermore, from the first quarter of the consolidated fiscal year under review the residual value of property, plant and equipment after the elapse of its service life has been devaluated to a nominal value of one yen.

As a result of these changes, compared to the previous method, segment revenue for the first quarter of this fiscal year has reduced by 976 million yen in the soft drink business and 34 million yen in the healthcare & skincare business.

Supplemental Information

Consolidated Results for the First Quarter 2017

1. Situation of Consolidated Profit and Loss	...	1
2. Profits Change Factor (vs. last year)	...	1
3. Consolidated Balance Sheet and Change Factor	...	2
4. Sales Information	...	4
5. Investment, Depreciation	...	5
6. Number of Vending Machines, Market Share	...	5
7. Home Market Share	...	5
<Reference>		
Operating Income Change Factor (vs. last year)	...	6



Coca-Cola Bottlers Japan Inc.
(formerly Coca-Cola West Company, Limited)

May 1, 2017

1. Situation of Consolidated Profit and Loss

(January 1, 2017 to March 31, 2017)

(million yen, %)

	1Q 2017 actual	1Q 2016 actual	vs. last year		1Q 2017 plan	vs. plan	
			change	% change		change	% change
Net revenues	99,141	100,545	(1,403)	(1.4)	99,200	(58)	(0.1)
Operating income	2,167	2,209	(42)	(1.9)	2,300	(132)	(5.8)
Recurring income	1,947	2,069	(121)	(5.9)	2,100	(152)	(7.2)
Profit attributable to owners of parent	942	953	(11)	(1.2)	800	142	17.8

* The above plan is the estimate based on the consolidated scope of former Coca-Cola West Co., Ltd. accounted as of February 6, 2017.

2. Profits Change Factor (vs. last year)

(January 1, 2017 to March 31, 2017)

(million yen)

		1Q 2017 actual	1Q 2016 actual	change	Main factors for increase/decrease
	Soft drink business	91,644	92,380	(735)	
	Healthcare and skincare business	7,497	8,165	(668)	
	Net revenues	99,141	100,545	(1,403)	
	Cost of goods sold	47,179	48,469	(1,289)	
	Gross profit	51,962	52,076	(114)	Impact from the soft drink business 659 Impact from the healthcare and skincare business (773)
	SG&A	49,794	49,866	(71)	Decrease of sales promotion & ad expenses (330) Decrease in personnel cost (148) Decrease of sales commission (133) Increase of depreciation cost 1,161 Increase of transportation expenses 157 Impact from the healthcare and skincare business (810)
	Soft drink business	1,320	1,400	(79)	
	Healthcare and skincare business	846	809	37	
	Operating income	2,167	2,209	(42)	
	Non-operating income	204	159	45	
	Non-operating expenses	424	299	124	
	Recurring income	1,947	2,069	(121)	
	Extraordinary income	59	—	59	
	Extraordinary losses	536	—	536	Integration related expenses 536
	Profit before income taxes	1,470	2,069	(599)	
	Total income taxes	513	1,094	(581)	
	Profit	956	975	(18)	
	Profit attributable to non-controlling interests	14	21	(6)	
	Profit attributable to owners of parent	942	953	(11)	

3. Consolidated Balance Sheet and Change Factor

(million yen)

	March.31 2017	Dec. 31 2016	change	Main factors for increase/decrease
Current assets	157,337	163,587	(6,249)	
Cash and deposits	64,563	63,849	714	
Trade notes and accounts receivable	27,838	29,649	(1,810)	
Marketable securities	19,005	23,112	(4,107)	Decrease by redemption of marketable securities
Merchandise and finished goods	26,063	27,279	(1,216)	Decrease of inventory
Work in process	703	652	51	
Raw materials and supplies	3,741	1,998	1,742	
Other	15,666	17,333	(1,667)	
Allowance for doubtful accounts	(243)	(287)	43	
Fixed assets	211,503	213,881	(2,377)	
Property, plant and equipment	156,080	157,815	(1,734)	
Buildings and structures, net	29,672	31,162	(1,490)	Change in depreciation method, etc.
Machinery, equipment and vehicles, net	21,753	22,688	(934)	Change in depreciation method, etc.
Sales equipment, net	40,825	39,999	826	
Land	62,077	62,128	(51)	
Construction in progress	7	5	1	
Other, net	1,744	1,829	(85)	
Intangible assets	26,672	27,557	(884)	
Goodwill	22,216	22,668	(452)	
Other	4,456	4,889	(432)	
Investments and other assets	28,750	28,508	241	
Investment securities	20,169	20,144	24	
Retirement benefit assets	126	123	3	
Other	8,983	8,760	222	
Allowance for doubtful accounts	(529)	(519)	(9)	
Total assets	368,841	377,468	(8,627)	

(million yen)

	March. 31 2017	Dec. 31 2016	change	Main factors for increase/decrease
Current liabilities	49,318	55,739	(6,420)	
Trade notes and accounts payable	18,705	15,990	2,715	
Current portion of long-term borrowings	17	17	—	
Accrued income taxes	843	5,717	(4,873)	
Other accounts payable	20,344	25,042	(4,697)	
Provision for sales and promotion expenses	328	308	20	
Other	9,077	8,662	415	
Non-current liabilities	59,898	60,556	(657)	
Bonds payable	50,000	50,000	—	
Long-term borrowings	179	183	(4)	
Net defined benefit liability	3,443	3,505	(62)	
Liabilities for directors' and corporate	110	191	(81)	
Other	6,165	6,675	(509)	
Total liabilities	109,217	116,295	(7,078)	
Shareholders' equity	255,435	257,114	(1,679)	
Capital stock	15,231	15,231	—	
Capital surplus	109,072	109,072	—	
Retained earnings	135,726	137,404	(1,677)	Decrease by dividend payments
Treasury stock	(4,595)	(4,593)	(2)	
Accumulated other comprehensive income	3,787	3,643	144	
Net unrealized gains(loss) on other marketable securities	4,091	4,092	(0)	
Deferred gains or losses on hedges	52	77	(25)	
Foreign currency translation adjustments	18	(3)	22	
Remeasurements of defined benefit plans	(375)	(522)	147	
Non-controlling interests	400	414	(14)	
Total net assets	259,623	261,173	(1,549)	
Total liabilities and equity	368,841	377,468	(8,627)	

4. Sales Information

(January 1, 2017 to March 31, 2017)

<Sales volume by brand>

		(thousand cases, %)		
		1Q 2017 actual	1Q 2016 actual	% change
Core 8	Coca-Cola	3,701	3,361	10.1
	Coca-Cola Zero	1,495	1,533	(2.5)
	Fanta	1,836	1,667	10.2
	Georgia	12,629	12,751	(1.0)
	Sokenbicha	1,960	2,041	(3.9)
	Aquarius	2,699	2,848	(5.2)
	Ayataka	4,282	4,084	4.8
	I LOHAS	3,138	3,323	(5.6)
Other	17,801	18,882	(5.7)	
Total	49,543	50,490	(1.9)	

Notes: Sales performances of Shikoku areas are incorporated to each category from 2017 and adjusted retroactively with 2016 sales performances.

<Sales volume by channel>

		(thousand cases, %)		
		1Q 2017 actual	1Q 2016 actual	% change
Vending	*1	16,330	16,838	(3.0)
Supermarket, etc.	*2	14,097	14,294	(1.4)
CVS	*3	7,185	7,220	(0.5)
Retail	*4	2,319	2,387	(2.8)
Food service	*5	6,178	5,832	5.9
Other		3,435	3,918	(12.3)
Total		49,543	50,490	(1.9)

Notes: Sales performances of Shikoku areas are incorporated to each category from 2017 and adjusted retroactively with 2016 sales performances.

*1 Vending : Retail sales business to distribute products through vending machine to consumers

*2 Supermarket, etc. : Wholesale business for supermarket, drug store, discount store, etc.

*3 CVS : Wholesale business for convenience store chains

*4 Retail : Wholesale business for grocery stores, liquor shops and other over-the-counter outlets

*5 Food service : Wholesale business in the food-service market such as fast food restaurants, 'family restaurants', etc.

<Sales volume by package>

		(thousand cases, %)		
		1Q 2017 actual	1Q 2016 actual	% change
P E T	Small-sized (less than 850ml)	14,828	14,472	2.5
	Medium-sized (less than 1,500ml)	526	397	32.4
	Large-sized (1,500ml or more)	8,453	9,147	(7.6)
	Subtotal	23,807	24,017	(0.9)
Can		13,464	13,726	(1.9)
Other		3,014	3,198	(5.8)
Syrup, powder		9,259	9,549	(3.0)
Total		49,543	50,490	(1.9)

Notes: Sales performances of Shikoku areas are incorporated to each category from 2017 and adjusted retroactively with 2016 sales performances.

5. Investment, Depreciation

(January 1, 2017 to March 31, 2017)

(million yen)

		1Q 2017 actual	1Q 2016 actual
Investment	Building & Structure	163	44
	Machinery & Equipment	400	191
	Sales equipment	2,360	3,736
	Other	264	499
	Total	3,189	4,471
Depreciation		5,241	4,060

6. Number of Vending Machines, Market Share

(1) Number of vending machines

(thousand units)

	March.31 2017	Dec. 31 2016	change
Can vending machine	321	327	(7)
Cup vending machine	20	21	(1)
Total	341	348	(7)

Note: Figures are the combined total of Coca-Cola West Co., Ltd. and its affiliated company Nishinihon Beverage Co., Ltd., and Shikoku Coca-cola bottling Co.,Ltd. and its affiliated company Shikoku Canteen Co., Ltd.

(2) Market share of vending machines

(%)

	2017	2016
Out market share	—	31.0

(Source : McNET Inc., May to June)

7. Home Market Share

(January 1, 2017 to March 31, 2017)

(%)

	1Q 2017 actual	1Q 2016 actual
Total	21.9	23.4
Supermarkets	21.8	23.6
CVS	22.2	23.8
Retail stores	18.0	17.9
Drug stores	21.2	22.9
Discount stores	23.1	23.6

Note: Sales performances of Shikoku areas are incorporated to each category from 2017 and adjusted retroactively with 2016 market share.

(Source : Intage Inc.)

<Reference> Operating Income Change Factor (vs. last year)

(January 1, 2017 to March 31, 2017)

(Unit: 000 MM JPY)

