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## Consolidated Financial Summary for the First Quarter Ended March 31, 2022 (IFRS)



May 12, 2022

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 Name: Calin Dragan  
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 Expected date of quarterly report submission: May 13, 2022  
 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)

### 1. Consolidated financial results for the first quarter 2022 (from January 1, 2022 to March 31, 2022)

#### (1) Consolidated financial results

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

	Revenue		Business income (loss)		Operating income (loss)		Net income (loss)		Net income (loss) attributable to owners of the parent		Total comprehensive income (loss)	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
1 <sup>st</sup> Quarter, 2022	168,853	0.3	(12,749)	—	(9,670)	—	(6,564)	—	(6,568)	—	(5,325)	—
1 <sup>st</sup> Quarter, 2021	168,399	(12.8)	(11,596)	—	(15,142)	—	1,306	—	1,316	—	5,013	—

	Earnings (Loss) per share	Diluted earnings per share
	yen	yen
1 <sup>st</sup> Quarter, 2022	(36.62)	—
1 <sup>st</sup> Quarter, 2021	7.34	—

\*“Business Income” is a measure of our recurring business performance that is calculated as costs of goods and selling, general and administrative expenses are deducted from revenue, and other income and expenses which we believe are recurring in nature are added and subtracted accordingly.

#### (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	%
Mar. 31, 2022	865,012	482,515	482,379	55.8
Dec. 31, 2021	867,111	492,451	492,320	56.8

### 2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year	Total
	yen	yen	yen	yen	yen
FY ended December, 2021	—	25.00	—	25.00	50.00
FY ending December, 2022	—				
FY ending December, 2022 (forecast)		25.00	—	25.00	50.00

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

### 3. Forecast for consolidated financial results 2022 (With January 1, 2022 to December 31, 2022)

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

	Revenue		Business income (loss)		Operating income (loss)		Net income (loss)		Net income (loss) attributable to owners of the parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full-year of 2022	819,700	4.3	(14,600)	—	(11,100)	—	(7,900)	—	(7,900)	—	(44.05)

Note: Revisions to the forecasts of consolidated operating results most recently announced: Yes

Notes

- |   |      |
|---|------|
| (1) Changes in significant subsidiaries during the current period:      | 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:                                     | Yes  |

\* For details, please refer to "2. Condensed Consolidated Financial Statements and Notes (4) Notes to Condensed Consolidated Financial Statements (Changes in Accounting Estimates)" on page 11 of the attached materials.

- |  |                    |
|--|--------------------|
| (3) Number of outstanding shares (common shares)                 |                    |
| 1) The number of outstanding shares (including treasury shares): |                    |
| 1 <sup>st</sup> Quarter, March 2022:                             | 206,268,593 shares |
| FY Ended December 2021:  | 206,268,593 shares |
| 2) The number of treasury shares:                                |                    |
| 1 <sup>st</sup> Quarter, March 2022:                             | 26,925,013 shares  |
| FY Ended December 2021:  | 26,924,631 shares  |
| 3) The number of average shares outstanding:                     |                    |
| 1 <sup>st</sup> Quarter, March 2022:                             | 179,343,803 shares |
| 1 <sup>st</sup> Quarter, March 2021:                             | 179,347,655 shares |

※ The consolidated financial summary is 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 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, 2022 (January 1, 2022 to March 31, 2022)

In this first quarter (January 1, 2022 to March 31, 2022), although there were expectations of increased demand with the number of people returning to the streets of Japan recovering, the total domestic nonalcoholic ready-to-drink (NARTD) beverage industry is estimated to have only increased by about 2% compared to the previous year due to restrictions on people's activities by government measures to prevent the spread of COVID. In addition, the business environment remains uncertain and challenging due to factors including changes in consumer purchasing behaviors, continued intense competition against a backdrop of delayed recovery in overall demand, and a sharp rise in raw materials, materials, crude oil and other global commodity prices.

Under these circumstances, we have positioned 2022 as the "year of building a foundation for sustainable growth" and have been working to build a foundation for steady and sustainable growth and to promote further transformation. For commercial activities, we have worked to grow sales volume and sales revenue by introducing new products and responding to diversifying consumer needs. As a part of our profitability focused pricing strategy, we have announced price revisions for large PET and have been negotiating with our customers. In the manufacturing and supply chain fields, despite being affected by rising prices of raw materials, crude oil and other commodities, we have been transforming our supply chain network, which will be the foundation for sustainable growth. In addition, the stable operation of the "Saitama Mega DC" began operations in 2021 and we are preparing for the smooth launch of the "Akashi Mega DC" scheduled to start operations in July, we have been consolidating and closing sales and distribution centers to reduce and optimally allocate product inventories in synchronization with the operation of the Mega DCs. In addition, we have announced the full-year 2022 earnings forecast, which had not been determined as of February 10. Furthermore, considering our current business performance, we are now developing a new mid-term business plan to achieve sustainable growth over the medium to long term in the post-corona environment.

Activities to realize ESG targets based on creating shared value with society includes, the increased use of sustainable materials in PET bottles and expanding label-less products. In addition, we endorse the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) and are a member of the TCFD Consortium. Based on the recommendations, we will analyze the financial impact of climate change-related risks and opportunities, consider measures to address them, and work towards enhanced information disclosure. Our ESG initiatives have received a certain level of recognition, and in March 2022, we were selected as a constituent of the FTSE Blossom Japan Sector Relative Index, an ESG investment index.

Details for the first quarter are as follows. In addition to the business update in this document, please also see our earnings presentation material posted on the Company IR website (<https://en.ccbjholdings.com/ir/library/presentation.php>) to be used in our earnings conference call on Friday, May 13, 2022 at 11:00 AM (JST). Which will include details of the first quarter results and 2022 full year earnings forecast. The earnings presentation and audio will be available live and on demand as an audio webcast in the IR section of the CCBJH website.

## Summary of Consolidated Financial Results

(Millions of yen)

### Year-to-date Q1 (January to March)

In million JPY	2021	2022	Change
Revenue	168,399	<b>168,853</b>	0.3%
Sales volume (million cases)	97	<b>101</b>	4%
Gross Profit	74,161	<b>72,011</b>	(2.9%)
Selling, General & Administrative Expenses	85,426	<b>84,892</b>	(0.6%)
Other income (Recurring)	199	<b>298</b>	49.6%
Other expenses (Recurring)	391	<b>189</b>	(51.8%)
Investment loss on equity method	(139)	<b>22</b>	—
Business Income (Loss)	(11,596)	<b>(12,749)</b>	—
Other income (Non-recurring)	991	<b>5,690</b>	474.4%
Other expenses (Non-recurring)	4,537	<b>2,611</b>	(42.4%)
Operating Income (Loss)	(15,142)	<b>(9,670)</b>	—
Net Income (Loss) Attributable to Owners of Parent	1,316	<b>(6,568)</b>	—

Note: 1. "Business Income (Loss)" is a measure of our underlying or recurring business performance. Business Income (loss) 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. Net Income (Loss) Attributable to Owners of Parent in 2021 first quarter is a total of continuing operation and discontinued operation results.

Consolidated net revenue was 168,853 million yen (0.3% increase of 454 million yen from the same period prior year). Despite the continued impact from COVID, sales volume increased by 4% versus the previous year due to a certain recovery in customer traffic, as well as the launch of new products and channel-specific efforts to capture the diversifying needs of consumers. However, sales revenue remained at a similar level as the prior year due to the impact of changes in consumer purchasing behavior on channel and packaging, and a decline in revenue per case due to intensified competition.

Consolidated business loss was 12,749 million yen (11,596 million loss in prior year period). Despite cost reduction efforts in all areas including transformation efforts, we were impacted by a deteriorating channel and package mix, lower revenue per case, and rising raw materials, materials, crude oil and other commodities prices, as well as the cycling of the one-time cost savings achieved in the same period of the previous fiscal year.

Consolidated operating loss was 9,670 million yen (15,142 million loss in prior year period). This is mainly due to gains on sales of fixed assets, an increase in the government subsidies for employment adjustment ("temporary leave"), and a decrease in temporary leave expenses. Other income (non-recurring) for the first quarter includes, gain on sales of fixed assets of 3,680 million yen and 2,011 million yen in government subsidies for employment adjustment. Other expenses (non-recurring) include 2,146 million yen in temporary leave expenses and 431 million yen in special retirement allowances due to the voluntary employee retirement programs.

Net income attributable to owners of parent for the quarter was a loss of 6,568 million yen (1,316 million income in prior year period). This was due to a gain on transfer of shares of subsidiary Q'sai Co., Ltd. in the same period of the previous year, being recorded in discontinued operations.

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

Sales volume grew by 4% in the first quarter. Sales at supermarkets, drugstores and discounters increased by 3% and 5% respectively, driven by the introduction of new products fitted to the sales space and by capturing continued at-home consumption demand. Vending recorded 3% volume growth, with customer traffic recovering, we were able to increase the sales volume per vending machine by strengthening the product line-up including new products, and by implementing campaigns through the "Coke ON" smartphone app, as well as strengthening efforts to install vending machines in prime locations while accounting for cost-effectiveness. The value share of vending continued to grow for 36 consecutive months. CVS volume decreased by 5% despite contributions from new products, due to factors including intense competition continuing as competitors stepped up promotions. In retail food, despite the impact of the government strengthening measures to prevent the spread of COVID in restaurants and other facilities, customer traffic increased compared to the same period last year when it was under a

state of emergency, resulting in a 10% increase in sales volume. Online grew 39%, with growth in all categories, driven by an expanded lineup of label-less products and tie-up promotions with major customers.

By beverage category performance, sparkling was flat due to weakness in large PET bottles, despite contributions from Coca-Cola's fortune bottle campaign, new products from Fanta, and the expansion of the 350ml PET and 700ml PET product lineups sold at supermarkets and other retailers. Sales volume of tea products increased by 4%, mainly due to contributions from Yakan Barly Tea from Hajime and Ayataka Cafe Matcha Latte that are steadily increasing sales since their launch in the previous year. Coffee sales increased 4% due to contributions from COSTA Coffee and Georgia Shots & Break, as well as a new campaign for Georgia with the message "a cup that makes you shine". Sports grew by 13%, with both small and large PET growing due to easing of restrictions on events and other activities. Water sales volume increased 8%, with the increase in large PET capturing demand from at-home consumption and the contribution of Ilohas Shine Muscat, launched in the previous year.

In the alcohol category, sales volume grew by 7% with the contribution from non-alcoholic beverage "Yowanai Lemon-dou," launched in February 2022. In addition, the alcoholic beverage "Lemon-dou" launched the new "Lemon-dou Muto Lemon" and "Lemon-dou Umashio Lemon" at the end of March, as well as the renewal of the packaging of existing products to revitalize the brand.

## (2) Qualitative Information on Consolidated Financial Position

Assets at the end of the quarter were 865,012 million yen, a decrease of 2,099 million yen from the end of the prior year period. This is mainly due to a decrease in Trade and other receivables, and additionally due to an increase in deferred tax assets and inventories.

Liabilities at the end of the quarter were 382,497 million yen, an increase of 7,837 million yen from the end of the prior year period. This is mainly due to the increase in "Trade and other payables" and "Other current liabilities".

Equity at the end of the quarter were 482,515 million yen, a decrease of 9,937 million yen. This mainly reflects 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 2022 (January 1 to December 31, 2022) earnings forecast, which was undecided in light of the impact of the rapid spread of the Omicron strain, and other factors, please refer to the "Announcement of Full-Year 2022 Earnings Forecast" announced today.

## 2. Condensed Consolidated Financial Statements and Notes

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

	As of December 31, 2021	(Millions of yen) As of March 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	110,497	111,210
Trade and other receivables	105,320	90,400
Inventories	67,583	71,488
Other financial assets	1,320	2,790
Other current assets	16,275	17,846
Total current assets	<u>300,995</u>	<u>293,734</u>
Non-current assets:		
Property, plant and Equipment	434,994	434,663
Right-of-use assets	25,144	26,800
Intangible assets	66,219	66,192
Investments accounted for using the equity method	281	304
Other financial assets	19,511	19,482
Deferred tax assets	13,960	18,117
Other non-current assets	6,006	5,719
Total non-current assets	<u>566,116</u>	<u>571,277</u>
Total assets	<u><u>867,111</u></u>	<u><u>865,012</u></u>

	As of December 31, 2021	(Millions of yen) As of March 31, 2022
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other payables	103,260	106,042
Bonds and debts	30,990	30,995
Lease liabilities	4,050	5,547
Income taxes payable	1,139	1,249
Provisions	9	9
Other current liabilities	16,085	19,036
Total current liabilities	<u>155,535</u>	<u>162,878</u>
Non-current liabilities:		
Bonds and debts	156,622	156,142
Lease liabilities	22,462	22,991
Net defined benefit liabilities	17,605	18,093
Provisions	2,137	2,143
Deferred tax liabilities	17,379	17,310
Other non-current liabilities	2,920	2,940
Total non-current liabilities	<u>219,125</u>	<u>219,618</u>
Total liabilities	<u>374,660</u>	<u>382,497</u>
Equity:		
Capital stock	15,232	15,232
Capital surplus	450,832	450,958
Retained earnings	109,273	98,224
Treasury shares	(85,661)	(85,662)
Accumulated other comprehensive income (loss)	2,644	3,627
Equity attributable to owners of parent	<u>492,320</u>	<u>482,379</u>
Non-controlling interests	131	136
Total equity	<u>492,451</u>	<u>482,515</u>
Total liabilities and equity	<u><u>867,111</u></u>	<u><u>865,012</u></u>



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

First Three-month period of a fiscal year

	Three months ended March 31, 2021	(Millions of yen) Three months ended March 31, 2022
Continuing operations		
Revenue	168,399	168,853
Cost of sales	94,239	96,842
Gross profit	74,161	72,011
Selling and general administrative expenses	85,426	84,892
Other income	1,190	5,988
Other expenses	4,928	2,800
Investment income (loss) on equity method	(139)	22
Operating income (loss)	(15,142)	(9,670)
Financial revenue	68	20
Finance costs	340	381
Income (Loss) for the period before income taxes	(15,414)	(10,031)
Loss tax expense	(4,216)	(3,467)
Net income (loss) for the period from continuing operations	(11,199)	(6,564)
Discontinued operations		
Net income (loss) for the period from discontinuing operations	12,505	—
Net income (loss) for the period	1,306	(6,564)
Net income (loss) for the period attributable to		
Owners of parent		
Profit (loss) from continuing operations attributable to owners of parent	(11,189)	(6,568)
Profit from discontinued operations attributable to owners of parent	12,505	—
Non-controlling interests	(10)	5
Earnings (Loss) per share (yen)		
Continuing operations	(62.39)	(36.62)
Discontinued operations	69.72	—
Earnings (Loss) per share	7.34	(36.62)

(Condensed Consolidated Statements of Comprehensive Income)

First Three-month period of a fiscal year

	Three months ended March 31, 2021	(Millions of yen) Three months ended March 31, 2022
Net income (loss) for the period	1,306	(6,564)
Other comprehensive income (loss):		
Items that will not be reclassified subsequently to income or loss:		
Share of other comprehensive income of investments accounted for using equity method	(12)	—
Net change in financial assets measured at fair value through other comprehensive Income (loss)	2,016	76
Subtotal	2,005	76
Items that may be reclassified subsequently to income (loss):		
Cash flow hedges	1,703	1,162
Subtotal	1,703	1,162
Total other comprehensive income (loss) for the period	3,707	1,239
Total comprehensive income (loss) for the period	5,013	(5,325)
Comprehensive income (loss) attributable to:		
Owners of parent	5,023	(5,330)
Non-controlling interests	(10)	5

(3) Condensed Consolidated Statements of Changes in Equity

Three months ended March 31, 2021

(Millions of yen)

	Equity attributable to owners of the parent company						Total	Non-controlling interests	Total
	Capital stock	Capital surplus	Retained earnings	Treasury Shares	Accumulated other comprehensive income (loss)	Accumulated other comprehensive income of disposal groups classified as for sale			
Balance as of January 1, 2021	15,232	450,605	120,473	(85,654)	1,095	(107)	501,643	450	502,093
Comprehensive Income (loss) for the period									
Net income (loss) for the period	—	—	1,316	—	—	—	1,316	(10)	1,306
Other comprehensive income (loss)	—	—	—	—	3,707	—	3,707	—	3,707
Total comprehensive income (loss) for the period	—	—	1,316	—	3,707	—	5,023	(10)	5,013
Transactions with owners.									
Dividends of surplus	—	—	(4,484)	—	—	—	(4,484)	—	(4,484)
Purchase of treasury stock	—	—	—	(3)	—	—	(3)	—	(3)
Transactions of share-based payment	—	94	—	—	—	—	94	—	94
Reclassification from accumulated other comprehensive income (loss) to retained earnings	—	—	18	—	(18)	—	—	—	—
Reclassification from accumulated other comprehensive income (loss) to non-financial assets	—	—	—	—	(42)	—	(42)	—	(42)
Changes from loss of control	—	—	(107)	—	—	107	—	(297)	(297)
Total transactions with owners.	—	94	(4,573)	(3)	(60)	107	(4,434)	(297)	(4,731)
Balance as of March 31, 2021	15,232	450,699	117,216	(85,657)	4,742	—	502,232	143	502,375

Three months ended March 31, 2022

(Millions of yen)

	Equity attributable to owners of the parent company						Non-controlling interests	
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income (loss)	Total	Total	
Balance as of January 1, 2022	15,232	450,832	109,273	(85,661)	2,644	492,320	131	492,451
Comprehensive income (loss) for the period								
Net income (loss) for the period	—	—	(6,568)	—	—	(6,568)	5	(6,564)
Other comprehensive income (loss)	—	—	—	—	1,239	1,239	—	1,239
Total comprehensive income (loss) for the period	—	—	(6,568)	—	1,239	(5,330)	5	(5,325)
Transactions with owners								
Dividends of surplus	—	—	(4,484)	—	—	(4,484)	—	(4,484)
Purchase of treasury stock	—	—	—	(1)	—	(1)	—	(1)
Transactions of share-based payment	—	125	—	—	—	125	—	125
Reclassification from accumulated other comprehensive income (loss) to retained earnings	—	—	3	—	(3)	—	—	—
Reclassification from accumulated other comprehensive income (loss) to non-financial assets	—	—	—	—	(252)	(252)	—	(252)
Total transactions with owners	—	125	(4,480)	(1)	(256)	(4,611)	—	(4,611)
Balance as of March 31, 2022	15,232	450,958	98,224	(85,662)	3,627	482,379	136	482,515

(4) Notes to Condensed Consolidated Financial Statements

(Notes Relating to Going Concern Assumption)

Not applicable.

(Changes in Accounting Estimates)

(The Change in useful life of Property, Plant and Equipment)

The group depreciated its sales equipment mainly over the useful life with 9 years. However, as consumer spending pattern has been impacted by pandemic, we have decided to further strengthen the margin & ROI-focus commercial strategy from 2022 and determined the policy to utilize our sales equipment on a longer-term basis and more efficiently than in the past. Also, these are to be reflected into our new mid-term business plan which is under development. As a result, the main useful life of sales equipment has been revised to 11 years and it will be applied prospectively from this first quarter.

As a result of this change, operating loss and loss before tax for the first quarter decreased by 2,331 million yen, respectively, compared with those based on the previous useful life.

(Segment Information)

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