

First Quarter 2022 Earnings Presentation

May 13, 2022

Coca-Cola Bottlers Japan Holdings Inc.

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Forward-looking Statements

The plans, performance forecasts, and strategies appearing in this material are based on the assumptions and judgment of the management of Coca-Cola Bottlers Japan Holdings Inc. (CCBJH or Company) in view of data obtained as of the date this material was released. These forecasts may differ materially from actual performance due to risks and uncertain factors such as those listed below.

Risks and uncertain factors are not limited to the items listed below. They are also included in our annual securities report, or “Yuka Shoken Houkokusho”.

- Agreements with The Coca-Cola Company and Coca-Cola (Japan) Company Limited.
- The quality and safety of products
- Market competition
- Natural environment, such as climate, disaster, water resources, etc.
- Legal environment
- Leakage or loss of information
- Change of economic conditions, such as personal consumption, currency exchange rates, prices of raw materials, fair value of assets, etc.
- Business integration, streamlining and optimization of business processes, etc.
- Uncertain factors other than those above

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Coca-Cola Bottlers Japan Holdings Inc. (CCBJH)

First Quarter 2022 earnings presentation

Q1 2022 Results

Marketing Update

Full-year 2022 Outlook

Q&A

Q1 2022 Results

Q1 2022 Overview

- Sales volume increased by 4% with the gradual restart of economic activity leading to traffic recovery. Revenue impacted by negative mix and falling wholesale revenue per case.
- Channel total value share grew. Driven by vending channel value share growth of 36 consecutive months.
- Business income recovery delayed. Impact from intense competition continuing, rising raw material prices, and cycling of one-time cost savings achieved in the previous year.
- Transformation on track, achieving about 3 billion yen of recurring cost savings in Q1.
- Large PET price revision preparation completed. Effective as of May 1 shipment.

Q1 2022 Results vs 2021

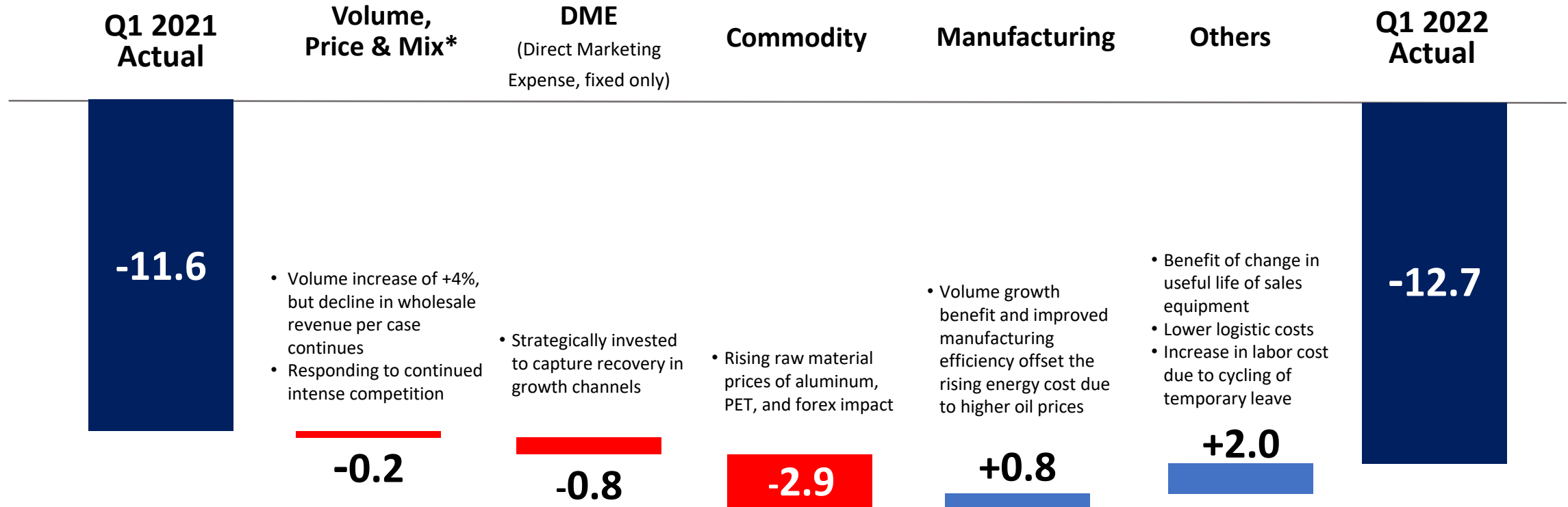
Unit: Million JPY

	Q1 2022 Actual	Q1 2021 Actual	YoY
Revenue	168,853	168,399	+0.3%
Sales Volume (Million Cases)	101	97	+4%
NARTD (Non-alcoholic ready to drink) Beverage Volume (Million Cases)	99	95	+4%
COGS	96,842	94,239	+2.8%
Gross Profit	72,011	74,161	-2.9%
SG&A	84,892	85,426	-0.6%
Business Income (Loss)	(12,749)	(11,596)	-
Operating Income (Loss)	(9,670)	(15,142)	-
Net Income (Loss) attributable to owners of parent	(6,568)	1,316	-

*Net income attributable to owners of parent in 2021 results is a total of continuing operation and discontinued operation results.

Q1 2022 Drivers of Business Income

Volume growth; continued intense competition and rising raw material prices



*Volume, Price & mix represent marginal profit of our commercial activities including variable costs and deduction from revenue in IFRS.

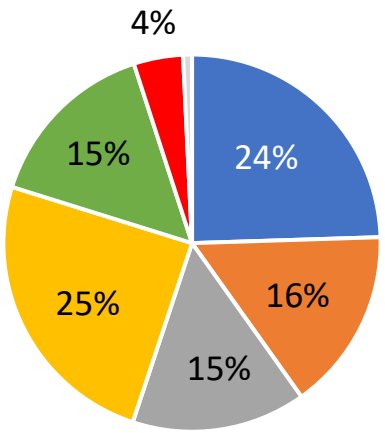
Unit: B JPY
(Rounding off less than unit)

Q1 2022 NARTD Beverage Sales Volume Conditions (vs 2021)

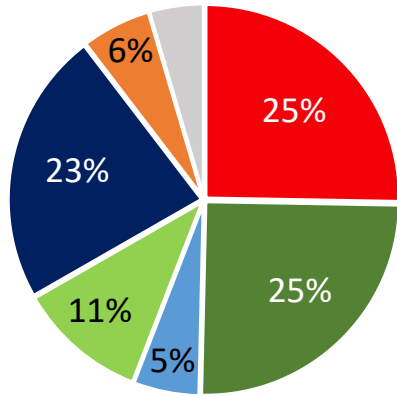
- Volume grew by 4%, but challenging conditions for wholesale revenue per case continues.
- Growth supported by continued at-home demand, Supermarkets and Drug & Discounters as well as Online. Vending grew through traffic recovery and the result of re-strengthened vending machine placement initiatives put in place from 2021.
- Coffee grew in all channels with new products, renewals and new marketing campaigns.

Q1 Sales Volume +4%

Channel	Volume	Wholesale revenue per case (Yen)
Supermarket (SM)	+3%	-22
Drug & Discounter (D&D)	+5%	-30
Convenience Store (CVS)	-5%	-26
Vending (VM)	+3%	-14
Retail & Food (R&F)	+10%	-13
Online	+39%	-89



Category	Volume
Sparkling	Flat
Tea	+4%
Sports	+13%
Water	+8%
Coffee	+4%
Juice	+8%



Building a Foundation for Value Share Growth

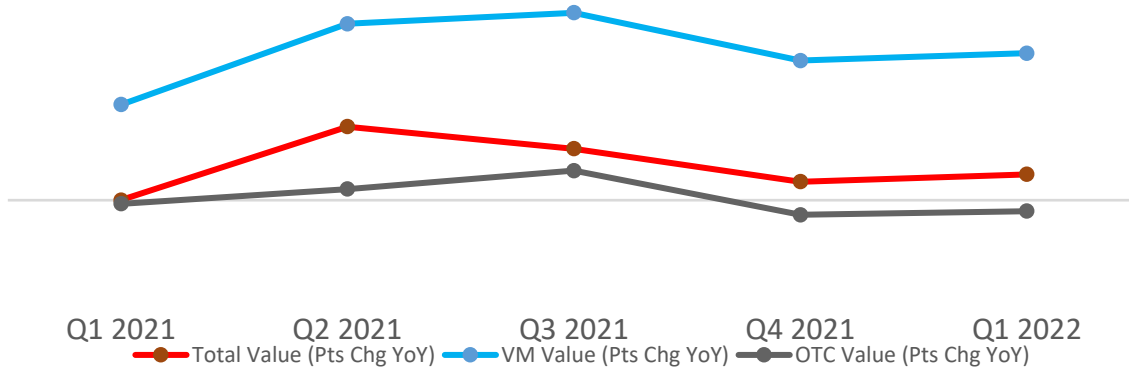
- 🚩 Total value market share grew by +0.7 pts in Q1.
- 🚩 Vending value share growing for 36 consecutive months, OTC remains to be challenged.
- 🚩 Maintain OTC retail price premium vs market average.

Q1 Market Share (Jan. to Mar., vs PY, PP)	Value	Volume
Total (CCBJH Area)	+0.7	-0.1
Vending	+4.0	+3.7
Over the Counter (OTC)	-0.3	-0.8

OTC Retail Price (Jan. to Mar., JPY per bottle)	vs Market Average	vs PY
Small PET	+3.7	-3.8
Large PET	+23.4	-1.1

Data source standards changed from 2021. SPET(351~650ml), LPET(1.251L~)
Source: Intage

Quarterly Value Share (vs. PY, Pts Chg)



Source: Coca-Cola Internal Estimate

Marketing Update

2022 Q1 Initiative Review *Drove core growth for Coke, Georgia, COSTA, Ayataka and Lemon-dou with Year-2 & New Innovations*

Coca-Cola TM

AR Fortune bottle & Coke Zero New Campaign under Global “Real Magic” platform



GEORGIA & COSTA

Grew Coffee market share leveraging GA New campaign with upgrade portfolio & COSTA restage



Ayataka Core & Ayataka Café Matcha Latte

Drove revenue growth & Expanded users through Ayataka spring “Sakura” campaign



Lemon-dou Core & New Innovations

Grew revenue & user base with Core restage & New Innovations



2022 Q2 Initiative Highlights (Apr-May)

Expand users and drinking occasions through Core enhancement & Tapping into white space with New Innovations

Coca-Cola Label-less

Coca-Cola & Coca-Cola Zero
100% r-PET Label-less



UPCYCLED 100%リサイクルPET 緑や赤のボトルは100%リサイクルPETを使用しています。

GEORGIA

Accelerate “Recharge” occasion
under new campaign “The Coffee that makes you glow”



AYATAKA Core & AYATAKA Café Houji-cha Latte

Ayataka Core New Graphics/New campaign & Launch 2nd flavor from “Ayataka Café”



CHILL OUT & REAL GOLD XY

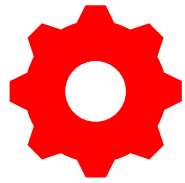
Tap into white space
with “CHILL OUT” & “REAL GOLD XY”



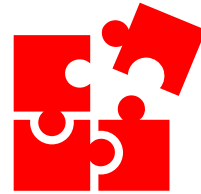
Paint it RED! 未来を塗りかえろ。

2022 Marketing Strategy

Strengthen the core & Grow year-2 and selective innovations with continuously flexible and timely actions



PIVOT TO CORE
コアへの原点回帰



FEWER, BIGGER INNOVATIONS
選択と集中



STAY@HOME
家庭内需要の獲得



Paint it RED! 未来を塗りかえろ。

Full-year 2022 Earnings Guidance

FY2022 Earnings Guidance

- With continued challenging business environment, multiple factors for profit decrease expected. However, target business income at the same level as previous year through volume growth by capturing traffic recovery, cost savings through transformation and efforts to improve profit base.
- Sales volume in April increased by about 4%, off to a strong start into Q2.

External Environment Assumptions

- Expect gradual recovery in traffic.
- No more State of Emergency.
- Intense competitive environment to continue.
- Increase in procurement costs due to rising raw material prices and Yen depreciation: 11.3 billion yen.

Our Situations / Initiatives

- Volume growth +2% by traffic recovery and market share growth
- Large PET price revision effective from May 1 as planned. Further pricing being seriously considered.
- Recurring cost savings through transformation: 5 billion yen.
- Cycling impact of one-time cost savings achieved previous year: about 18 billion yen cost increase.
- Sales equipment useful life change, decrease depreciation: about 8 billion yen.

FY2022 Guidance

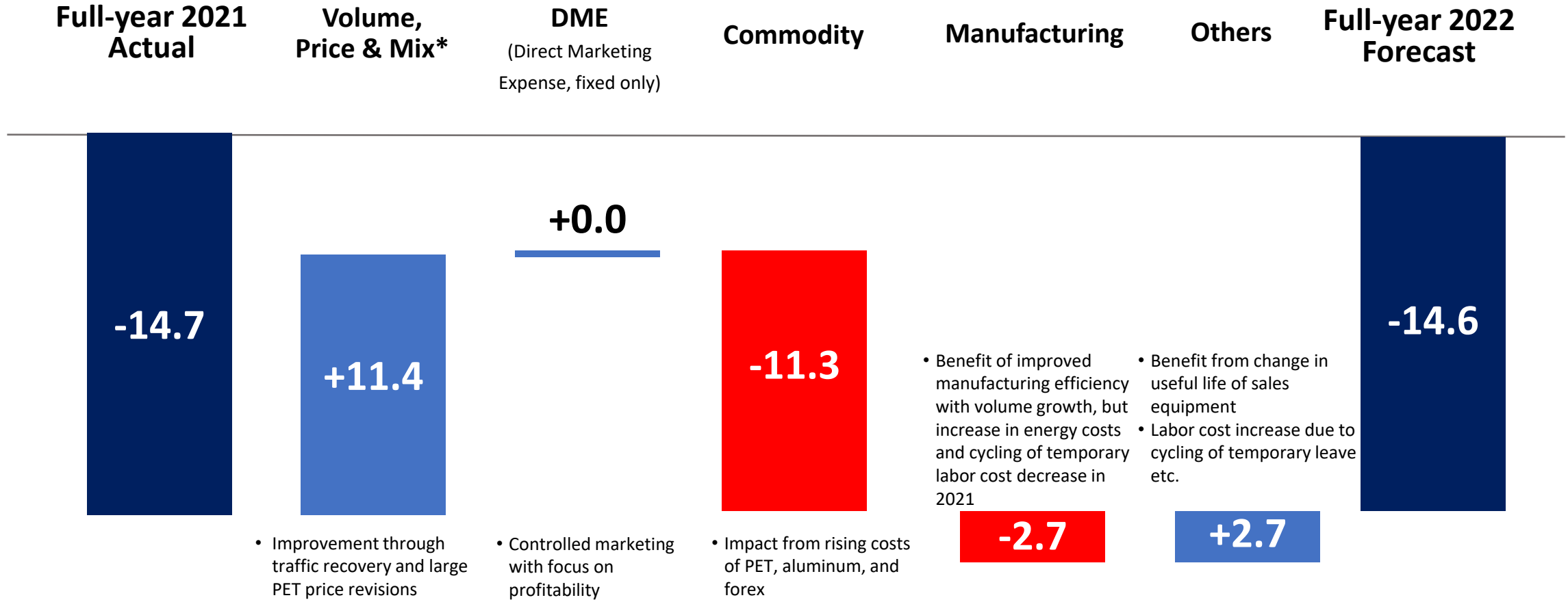
Unit: Million JPY

	2022 Guidance	2021 Actual	YoY
Revenue	819,700	785,837	+4.3%
Sales Volume (Million Cases)	478	468	+2%
NARTD (Non-alcoholic ready to drink) Beverage Volume (Million Cases)	470	460	+2%
COGS	465,100	435,332	+6.8%
Gross Profit	354,600	350,505	+1.2%
SG&A	368,000	363,750	+1.2%
Business Income (Loss)	(14,600)	(14,662)	-
Operating Income (Loss)	(11,100)	(20,971)	-
Net Income (Loss) attributable to owners of parent	(7,900)	(2,503)	-

*Net income attributable to owners of parent in full-year 2021 results is a total of continuing operation and discontinued operation results.

FY2022 Drivers of Business Income

Profit decline due to challenging business environment, but work continues on growing volume and improving profit base



Unit: B JPY
(Rounding off less than unit)

*Volume, Price & mix represent marginal profit of our commercial activities including variable costs and deduction from revenue in IFRS.

2022 Targets

On target to achieve

Market share

Target



Value share growth in vending
Balanced approach in OTC with
sustainable pricing in mind

Depreciation

Target

47 B yen

Revised to account for the change
in useful life of sales equipment

Controlled capex spending and
decrease YoY

Recurring cost savings

Target

5 B yen

Transformation continues to
deliver savings

Annual dividends

Target

50 yen / share

Solid balance sheet allowing
stable dividend payout

Capex

Target

46 B yen

Control capex and monitor
market environment for
expanding investments gradually

*Not including IFRS16 non cash items

Sustainable PET Ratio

Target

50%

About 60% reduction in CO2 per
bottle, switching from virgin PET
bottle to 100% sustainable PET bottle

2022 Commercial Strategic Pillars

Progressing on track towards capturing demand recovery

Expand Portfolio Edge



- High quality innovation to drive growth in volume / revenue / market share and premiumization
- Focus on core to enhance presence for solid base
- Capture consumer / social needs with packaging
- Expansion into white space

Margin Focused Pricing



- Targeted marketing investments focused on growth channels and categories
- Strengthen consumer-oriented marketing investment
- Appropriate level of promotion
- Price revision and continuous monitoring

Growth through Vending Channel



- Revenue recovery by per machine growth and VM placement, supported by high market share base
- Leverage our digital platform "Coke ON" and update functions for improved engagement
- Improve operations further through DX

Customer Management & Execution Excellence



- Strengthen customer relationships with proposal type sales
- Accelerate DX across various areas of analysis, planning, operation and execution
- Transformation continues
- Collaboration with Coca-Cola Japan to leverage Coke System network

Pricing Strategy for Sustainable Growth

- 🍷 Implemented large PET price revision effective as of May 1.
- 🍷 Seriously considering pricing measures for small packages.
Commodity prices continues to pressure profitability, urgency to improve earnings base.
- 🍷 Continue to offer high value added products and innovation to consumers.

Implemented L-PET Price Revision

- ✓ Large PET (1.5L, 2L) *with some exceptions such as water
- ✓ Shipping price revision rate: Approx. +5 to 8%
- ✓ Channels: Supermarkets, Drug & Discounters, Online

Further Pricing Considered

- ✓ Packages: Mainly Small PET
- ✓ Channels: All channels
- ✓ Timeline: Second half 2022

Growth Through Vending Channels

Efforts strengthened to capture demand with traffic recovery

Initiatives for Growth

- ↑ Focus on core
- ↑ Pricing balanced with business environment and profitability
- ↑ DX to enhance product line-up
- ↑ Increase new vending location with ROI focus



Leveraging Coke ON

- ↑ Enhance customer engagement with Coke ON
- ↑ Strengthen promotion through Coke ON
- ↑ Increase attractive new services for consumers



Further Operation Optimization

- ↑ Stable operation of the new business model
- ↑ Increase on-line vending machines
- ↑ Use of IT tools and DX
- ↑ Enhance collaboration with supply chain (Mega DC)
- ↑ Improve efficiency & capabilities

- ✓ Increase revenue per machine. Leverage new products and vending specific products, and implement location-specific product assortment
- ✓ Increase of more than **10,000** machines

- ✓ Increased number of Coke ON machines
 - ✓ Increase the number of active users
- Captured new and returning consumers. Achieving **historical high** Coke ON Pay users

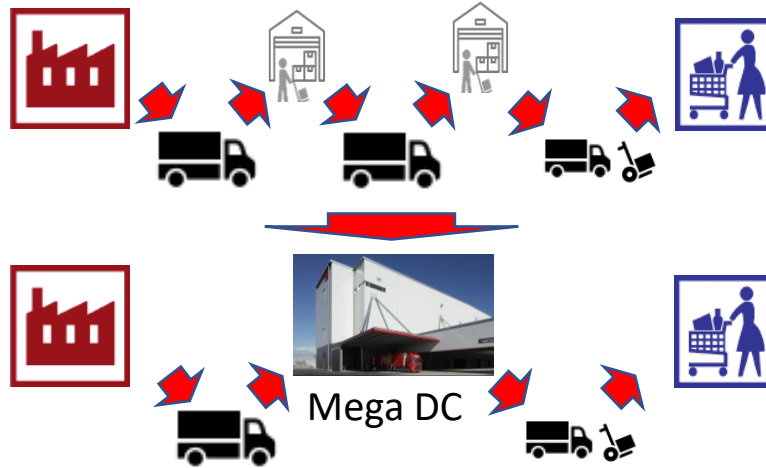
- ✓ **Maximize the time of activity** in the market by route sales with the recovery of traffic
- ✓ Increase the number of on-line vending machines

Supply Chain Initiatives

Optimization of Supply Chain Network Leveraging Mega DCs



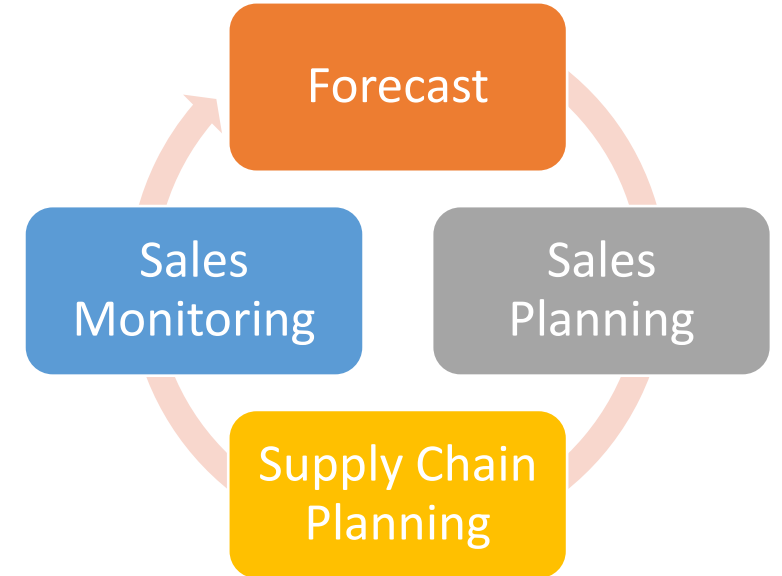
Efforts to Reduce Number of Touches



❗ Akashi Mega DC is scheduled to start operation in July as planned.

- ❗ Reduced number of touches in the supply chain to reduce costs.
- ❗ Consolidation of sales / distribution centers continues with 5 locations closed this year.

Supply Chain and Commercial Collaboration



❗ Improved agility to better meet demand volatility to minimize lost sales opportunity.

ESG Initiatives

Steady progress in creating shared value



Excellence in ESG initiatives

- Selected as a constituent of the FTSE Blossom Japan Sector Relative Index
- The Index is designed to relatively reflect the performance of companies that demonstrate superior Environmental, Social and Governance (ESG) practices in each sector



**FTSE Blossom
Japan Sector
Relative Index**



Climate Change Initiatives

- Endorsed the TCFD and joined the TCFD Consortium
- In line with TCFD's recommendations, we will analyze the financial impact of climate change-related risks and opportunities, and consider measures to address them, strive to disclose more substantial information



Workplace Environment

- Certified as a "2022 Health & Productivity Management Outstanding Organization (White 500)"
- Continue our efforts to prioritize employee health management in our business operations



Sustainability Initiatives

- Joined the United Nations Global Compact and signed CEO Water Mandate
- Continue to make efforts in solving social issues through business activities to realize sustainable society



Summary

- ❗ Despite continued transformation over the past several years to build a solid foundation for sustainable growth, earnings performance remains challenging due to the COVID-19 impact.
- ❗ 2022 business environment expected to remain difficult. We will work to capture demand recovery, mitigate factors impacting earnings and continue transformation. Volume growth continued in April, giving us confidence that we have the foundation to capture demand recovery.
- ❗ In this dynamically changing business environment, we focused on *protecting* our business. We will now need to *grow* the business, adapt to the new normal and leverage our strong foundations. Developing mid-term business plan.

Foundation Built Through Transformation Enabling Future Growth

Developing mid-term business plans



Q & A

Appendix

Change in Useful Life of Sales Equipment

As consumer spending pattern has been impacted by COVID-19, we have decided to further strengthen margin and ROI focused commercial strategy. As part of such strategic direction, utilize our sales equipment on a longer-term basis and more efficiently than in the past.

<Summary of Change>

- Target Asset: Vending machines, coolers, dispensers, others
- Useful Life: Mainly changed from 9 years to 11 years
- Depreciation Method: No change from straight-line method
- Impact to Earnings: Depreciation cost to decrease by about 8 billion yen for the full year (2.3 billion yen reflected in Q1)

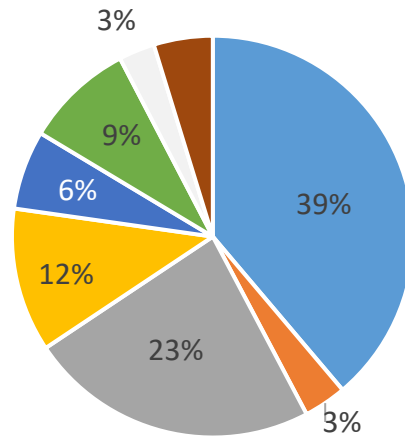
► Our Initiatives for Efficient Use of Sales Equipment

- ✓ Implement strategic sales equipment investment
- ✓ Improve reuse and extend years of use by strengthening the framework for periodic maintenance and servicing
- ✓ Improved sales equipment performance through collaboration with suppliers



Q1 2022 NARTD Package Volume (vs 2021)

Package	Volume
S-PET	+1%
M-PET	+65%
L-PET	+2%
Can	-5%
Bottle Can	+8%
Syrup	+10%
Powder	+17%



S-PET: PET under 650ml/L-PET: PET above 1.5L

THANK YOU

Investor Relations

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