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## Consolidated Financial Summary for the Second Quarter Ended June 30, 2022 (IFRS)



August 10, 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

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Expected date of quarterly report submission: August 12, 2022

Schedule for dividends payment: September 1, 2022

Preparation of supplementary materials on quarterly financial results: Yes

Holding of quarterly financial results conference: Yes

(Fractions of one million yen are rounded off)

### 1. Consolidated financial results for the second quarter 2022 (from January 1, 2022 to June 30, 2022)

#### (1) Consolidated financial results (year-to-date)

(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	%
2 <sup>nd</sup> Quarter, 2022	375,948	1.8	(18,221)	—	(14,431)	—	(9,896)	—	(9,899)	—	(8,177)	—
2 <sup>nd</sup> Quarter, 2021	369,309	(1.4)	(14,799)	—	(18,250)	—	(367)	—	(354)	—	3,136	—

	Earnings (Loss) per share	Diluted earnings per share
	yen	yen
2 <sup>nd</sup> Quarter, 2022	(55.20)	—
2 <sup>nd</sup> Quarter, 2021	(1.98)	—

- \*1. "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. Net income and Net income attributable to owners of parent for second quarter 2021 results is a total of continuing operation and discontinued operation results.

#### (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	%
Jun. 30, 2022	841,250	479,136	479,002	56.9
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	—	25.00			
FY ending December 2022 (forecast)			—	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: None

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 the accounting policies in 1) above:              | None |
| 3) Changes in accounting estimates:                                     | Yes  |

\* For details, please refer to "2. Condensed Consolidated Financial Statements and Notes (5) Notes to Condensed Consolidated Financial Statements (Changes in Accounting Estimates)" on page 14 of the attached materials.

- |  |                    |
|--|--------------------|
| (3) Number of outstanding shares (common shares)                 |                    |
| 1) The number of outstanding shares (including treasury shares): |                    |
| 2nd Quarter, June 2022:  | 206,268,593 shares |
| FY Ended December 2021:  | 206,268,593 shares |
| 2) The number of treasury shares:                                |                    |
| 2nd Quarter, June 2022:  | 26,926,550 shares  |
| FY Ended December 2021:  | 26,924,631 shares  |
| 3) The number of average shares outstanding:                     |                    |
| 2nd Quarter, June 2022:  | 179,343,239 shares |
| 2nd Quarter, June 2021:  | 179,347,011 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) Qualitative Information on the Future Outlook, such as Forecast of Consolidated Financial Results" on page 5 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 second quarter results for the fiscal year ending December 31, 2022 (January 1, 2022, to June 30, 2022).

In this year-to-date second quarter (January 1 to June 30, 2022, hereinafter referred to as "first half"), the domestic total nonalcoholic ready-to-drink (NARTD) beverage industry is estimated to have grown by about 4% compared to the previous year on volume basis. This was due to an increase in demand from the recovery in traffic since the late-March when various government measures to prevent the spread of COVID-19 were eased, with the addition of the effects of the early end to the rainy season and the heat wave in late-June. However, the business environment remains uncertain and challenging due to changes in consumer purchasing behavior, continued severe competition, rising global commodity prices, and the rapid yen depreciation.

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 worked to grow sales volume and sales revenue by launching new products, responding to diversifying consumer needs, and executing effective campaigns to capture the recovery in traffic. In addition, as part of our margin focused pricing strategy, in May we implemented the price revision for large PET. In manufacturing and supply chain fields, while faced with the rising commodity prices, we worked to build a supply chain network that will serve as a foundation for sustainable growth. In July, the Akashi Mega DC, one of the largest automated distribution centers by storage and shipping capacity in Japan, began its operation on a large scale. In addition, we have strengthened coordination between the sales and supply chain areas by revamping the S&OP (Sales and Operations Planning) process and have worked to build a supply chain that can respond agilely to sudden changes in demand.

Activities to realize ESG targets based on creating shared value with society includes our work towards the increased use of sustainable materials in PET bottles and expanding label-less products. In the second quarter, as part of our efforts to achieve the Coca-Cola system's "2030 Packaging Vision," we worked with local governments and partner companies to establish a steady packaging collection and recycling scheme. We are also working on the pilot sales of shrink labels attached PET bottle products made from recycled PET bottle materials through chemical recycling.

Details for the first half earnings are as follows. Please also refer to our earnings presentation material posted on the Company IR website (<https://en.ccbj-holdings.com/ir/library/presentation.php>) to be used in our earnings conference call on Friday, August 12, 2022 at 1:30 PM (JST). Which will include details of the first half results and full year outlook. The earnings presentation audio will be available live and on demand as an audio webcast on our company website.

## Summary of Consolidated Financial Results

(Millions of yen, excluding sales volume)

### First half (January 1 to June 30)

	2021	2022	Change (%)
Revenue	369,309	<b>375,948</b>	1.8
Sales volume (million cases)	217	<b>224</b>	4
Gross Profit	163,269	<b>163,138</b>	(0.1)
Selling, General & Administrative Expenses	177,295	<b>181,275</b>	2.2
Other income (Recurring)	415	<b>521</b>	25.4
Other expenses (Recurring)	1,055	<b>666</b>	(36.9)
Investment income (loss) on equity method	(133)	<b>61</b>	—
Business Income (Loss)	(14,799)	<b>(18,221)</b>	—
Other income (Non-recurring)	4,601	<b>6,658</b>	44.7
Other expenses (Non-recurring)	8,053	<b>2,868</b>	(64.4)
Operating Income (Loss)	(18,250)	<b>(14,431)</b>	—
Net Income (Loss) Attributable to Owners of the Parent	(354)	<b>(9,899)</b>	—

(Millions of yen, excluding sales volume)

### (For reference) Q2 (April 1 to June 30)

	2021	2022	Change (%)
Revenue	200,909	<b>207,095</b>	3.1
Sales volume (million cases)	120	<b>124</b>	3
Gross Profit	89,108	<b>91,127</b>	2.3
Selling, General & Administrative Expenses	91,869	<b>96,383</b>	4.9
Other income (Recurring)	216	<b>223</b>	3.2
Other expenses (Recurring)	664	<b>478</b>	(28.1)
Investment income on equity method	6	<b>39</b>	507.4
Business Income (Loss)	(3,202)	<b>(5,472)</b>	—
Other income (Non-recurring)	3,611	<b>968</b>	(73.2)
Other expenses (Non-recurring)	3,516	<b>257</b>	(92.7)
Operating Income (Loss)	(3,107)	<b>(4,761)</b>	—
Net Income (Loss) Attributable to Owners of the Parent	(1,670)	<b>(3,331)</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 is a total of continuing operation and discontinued operation results.

Consolidated net revenue was 375,948 million yen (1.8% increase of 6,640 million yen from the same period prior year). Sales volume increased by 4% versus the previous year, despite the immediate negative impact on sales volume following the price revision for large PET, the positive effects of the new product launches, channel specific initiatives to meet diversifying consumer needs, the recovery in traffic with the easing of COVID-19 restrictions and the heat wave all contributed. Revenue growth was driven by volume increase in the immediate consumption channels which carries a higher wholesale revenue per case, and the wholesale revenue per case that is on an improving trend through the large PET price revisions in the over the counter (OTC) channels and efforts to improve retail prices in the vending channel.

Consolidated business loss was 18,221 million yen (14,799 million yen loss in prior year period). Volume growth, package mix improvement, wholesale revenue per case growth contributing to profits during the second quarter, and cost reductions through transformation and other measures were achieved. However, the impact of rising commodity prices, yen depreciation, and the cycling of one-time cost savings implemented last year had a negative earnings impact.

Consolidated operating loss was 14,431 million yen (18,250 million yen loss in prior year period). Although business loss increased versus the previous year, operating loss decreased versus the previous year due to gain on sales of fixed assets and a decrease in government subsidies for employment adjustment ("temporary leave") related expenses. Other income (non-recurring) for the first half includes, gain on sales of fixed assets of 3,727 million yen and 2,931 million yen in government subsidies for employment adjustment. Other expenses (non-recurring) includes 2,166 million yen in temporary leave expenses and 479 million yen in special retirement allowances related to the voluntary employee retirement programs.

Net income attributable to owners of the parent for the first half was a loss of 9,899 million yen (354 million yen loss 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)**

First half sales volume increased by 4%. The second quarter increased by 3%, despite the impact of decreased volume from the large PET price revision in May, demand increased with the recovery in consumer traffic, early end to the rainy season and the heat wave. By channel, supermarkets, drugstores, and discounters volume grew by 3% and declined by 1%, respectively, for the first half. This was due to growth of small PET in the second quarter by effective promotions that captured the traffic recovery opportunity, but the price revision of large PET and the intensified competition had an impact. In vending, volume increased by 3% driven by the recovery in traffic and favorable weather, as well as the contribution of a strengthened product lineup including the introduction of new products and campaigns implemented through the "Coke ON" smartphone app contributed. In addition, wholesale revenue per case grew with executing appropriate pricing strategies. CVS was affected by the continued severe competitive environment with promotions by competitors. However, with the contribution of new products and through campaigns to capture the returning traffic demand through stronger collaboration with customers, volume grew and increased by 8% in the second quarter and by 2% in the first half. In retail and food channels, sales volume grew by 20% with the lifting of measures to prevent the spread of COVID, resulting in a recovery of the number of people going to restaurants. The Online channel grew by 35%, driven by growth in all categories, the introduction of new online-only "Coca-Cola" and "Coca-Cola Zero Sugar" label-less bottles, and tie-up promotions with major online customers.

By beverage category performance, sparkling sales volume was flat, despite contributions from new products such as "Fanta Premier Lemon" and "Coca-Cola Zero Sugar Lemon", volume declined due to price revisions for large PET packages. Sales volume of tea products increased by 3%, while large PET declined due to the price revisions, contributions from "Yakan no Mugicha from Hajime" and "Ayataka Cafe Matcha Latte" which continues to enjoy steady sales growth since their launch in the previous year, as well as "Ayataka Cafe Hojicha Latte", the new second product in the Ayataka Cafe series. Coffee sales volume increased by 3%, supported by strengthening of the COSTA Coffee lineup, with the new "COSTA Almond Latte", and new products such as "Georgia Black". Sports grew by 9%, both small and large PETs grew with restrictions being lifted on events and other activities, also benefitting from the heat wave. Water sales volume increased by 7% due to an increase in large PET capturing at-home consumption demand, increase in small PET in vending through traffic recovery and the heat wave, and contributions from "Irohas Shine Muscat" which was launched last year. In addition, new products "Real Gold X" and "Real Gold Y" were introduced for the growing energy drink market.

In the alcohol category, sales volume decreased by 21%. Despite the contributions from new products and renewals for the Lemon-dou brand, the cycling impact of new products launches in the previous year and of the at home-drinking demand that grew with the COVID-19 had an impact. Rollout of the non-alcoholic beverage "Yowanai Lemon-dou", launched in February is progressing well.

## (2) Qualitative Information on Consolidated Financial Position

Assets at the end of the quarter were 841,250 million yen, a decrease of 25,861 million yen from the end of the prior year period. This is mainly due to a decrease in “Cash and cash equivalents” upon the redemption of bonds, alongside an increase in “Inventories” ahead of the peak season.

Liabilities at the end of the quarter were 362,114 million yen, a decrease of 12,545 million yen from the end of the prior year period. This is mainly due to a decrease in “Bonds and debts” under current liabilities upon the redemption of bonds, alongside an increase in “Trade and other payables”.

Equity at the end of the quarter was 479,136 million yen, a decrease of 13,316 million yen. This is mainly due to a decrease in “Retained earnings” as a result of dividend payments.

The cash flow conditions for the first half of the current year are as follows:

### <Cash Flows from Operating Activities>

Net cash generated from operating activities was 1,686 million yen (10,606 million net cash generated from operations in the previous year period). This results mainly from the 15,121 million yen net loss before tax, “Depreciation and amortization”, Increase in “Trade and other payables”, etc., along with “Increase in inventories” etc.

### <Cash Flows from Investing Activities>

Net cash used for investing activities was 11,250 million yen (21,119 million yen outflow in the previous year period). This results mainly from “Acquisitions of property, plant and equipment and intangible assets” etc., as a result of strategic investments that will serve as a foundation for growth, alongside “Proceeds from sales of property, plant and equipment and intangible assets” as part of the Company's efforts to optimize its balance sheet.

### <Cash Flows from Financing Activities>

Net cash used for financing activities was 38,222 million yen (58,563 million yen net cash used for financing activities in the previous year period), driven by “Payments for bond redemption”, “Dividends paid” and “Repayments of lease liabilities”.

As a result of these activities, cash and cash equivalents at the end of the fiscal year were 62,711 million yen, a decrease of 47,786 million yen from the end of the prior fiscal year period.

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

As Forecast of Consolidated Financial Results, the Company has no change with the full-year forecast at the fiscal year ending December 31, 2022, which was announced on May 12, 2022.

## 2. Condensed Consolidated Financial Statements and Notes

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

	As of December 31, 2021	(Millions of yen) As of June 30, 2022
Assets		
Current assets:		
Cash and cash equivalents	110,497	62,711
Trade and other receivables	105,320	106,231
Inventories	67,583	86,692
Other financial assets	1,320	2,494
Other current assets	16,275	17,244
Total current assets	<u>300,995</u>	<u>275,372</u>
Non-current assets:		
Property, plant and Equipment	434,994	431,553
Right-of-use assets	25,144	23,399
Intangible assets	66,219	65,666
Investments accounted for using the equity method	281	337
Other financial assets	19,511	19,631
Deferred tax assets	13,960	19,355
Other non-current assets	6,006	5,937
Total non-current assets	<u>566,116</u>	<u>565,878</u>
Total assets	<u><u>867,111</u></u>	<u><u>841,250</u></u>



	As of December 31, 2021	(Millions of yen) As of June 30, 2022
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other payables	103,260	120,831
Bonds and debts	30,990	1,000
Lease liabilities	4,050	5,182
Other financial liabilities	—	593
Income taxes payable	1,139	645
Provisions	9	9
Other current liabilities	16,085	16,621
Total current liabilities	<u>155,535</u>	<u>144,881</u>
Non-current liabilities:		
Bonds and debts	156,622	156,162
Lease liabilities	22,462	19,804
Net defined benefit liabilities	17,605	18,828
Provisions	2,137	2,147
Deferred tax liabilities	17,379	17,305
Other non-current liabilities	2,920	2,988
Total non-current liabilities	<u>219,125</u>	<u>217,233</u>
Total liabilities	<u>374,660</u>	<u>362,114</u>
Equity:		
Capital stock	15,232	15,232
Capital surplus	450,832	451,082
Retained earnings	109,273	94,885
Treasury shares	(85,661)	(85,664)
Accumulated other comprehensive income (loss)	2,644	3,467
Equity attributable to owners of parent	<u>492,320</u>	<u>479,002</u>
Non-controlling interests	131	134
Total equity	<u>492,451</u>	<u>479,136</u>
Total liabilities and equity	<u><u>867,111</u></u>	<u><u>841,250</u></u>

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

The Six-months ended June 30, 2022

	Six months ended June 30, 2021	(Millions of yen) Six months ended June 30, 2022
Continuing operations		
Revenue	369,309	375,948
Cost of sales	206,040	212,810
Gross profit	163,269	163,138
Selling and general administrative expenses	177,295	181,275
Other income	5,017	7,179
Other expenses	9,108	3,535
Investment income (loss) on equity method	(133)	61
Operating income (loss)	(18,250)	(14,431)
Financial revenue	272	162
Finance costs	497	852
Income (Loss) for the period before income taxes	(18,475)	(15,121)
Income tax expense	(5,603)	(5,225)
Net income (loss) for the period from continuing operations	(12,872)	(9,896)
Discontinued operations		
Net income for the period from discontinuing operations	12,505	—
Net income (loss) for the period	(367)	(9,896)
Net income (loss) for the period attributable to		
Owners of parent		
Profit (Loss) from continuing operations attributable to owners of parent	(12,859)	(9,899)
Profit from discontinued operations attributable to owners of parent	12,505	—
Non-controlling interests	(13)	3
Earnings (Loss) per share (yen)		
Continuing operations	(71.70)	(55.20)
Discontinued operations	69.72	—
Earnings (Loss) per share	(1.98)	(55.20)

(Condensed Consolidated Statements of Comprehensive Income)

The Six-months ended June 30, 2022

	Six months ended June 30, 2021	(Millions of yen) Six months ended June 30, 2022
Net income (loss) for the period	(367)	(9,896)
Other comprehensive income (loss):		
Items that will not be reclassified subsequently to income or loss:		
Share of other comprehensive income (loss) of investments accounted for using equity method	(12)	—
Net change in financial assets measured at fair value through other comprehensive income	1,428	221
Subtotal	1,416	221
Items that may be reclassified subsequently to income (loss):		
Cash flow hedges	2,087	1,498
Subtotal	2,087	1,498
Total other comprehensive income for the period	3,503	1,719
Total comprehensive income (loss) for the period	3,136	(8,177)
Comprehensive income (loss) attributable to:		
Owners of parent	3,149	(8,180)
Non-controlling interests	(13)	3

(3) Condensed Consolidated Statements of Changes in Equity

The Six months ended June 30, 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	—	—	(354)	—	—	—	(354)	(13)	(367)
Other comprehensive income	—	—	—	—	3,503	—	3,503	—	3,503
Total comprehensive income (loss) for the period	—	—	(354)	—	3,503	—	3,149	(13)	3,136
Transactions with owners.									
Dividends of surplus	—	—	(4,484)	—	—	—	(4,484)	—	(4,484)
Purchase of treasury stock	—	—	—	(4)	—	—	(4)	—	(4)
Disposal of treasury stock	—	(0)	—	0	—	—	0	—	0
Transactions of share-based payment	—	188	—	—	—	—	188	—	188
Reclassification from accumulated other comprehensive income (loss) to retained earnings	—	—	17	—	(17)	—	—	—	—
Reclassification from accumulated other comprehensive income (loss) to non-financial assets	—	—	—	—	(616)	—	(616)	—	(616)
Changes from loss of control	—	—	(107)	—	—	107	—	(297)	(297)
Total transactions with owners.	—	188	(4,574)	(4)	(634)	107	(4,917)	(297)	(5,214)
Balance as of June 30, 2021	15,232	450,793	115,545	(85,659)	3,964	—	499,875	140	500,015

The Six months ended June 30, 2022

(Millions of yen)

	Equity attributable to owners of the parent company						Non-controlling interests	Total
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income (loss)	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	—	—	(9,899)	—	—	(9,899)	3	(9,896)
Other comprehensive income (loss)	—	—	—	—	1,719	1,719	—	1,719
Total comprehensive income (loss) for the period	—	—	(9,899)	—	1,719	(8,180)	3	(8,177)
Transactions with owners								
Dividends of surplus	—	—	(4,484)	—	—	(4,484)	—	(4,484)
Purchase of treasury stock	—	—	—	(3)	—	(3)	—	(3)
Disposal of treasury stock	—	(0)	—	0	—	0	—	0
Transactions of share-based payment	—	250	—	—	—	250	—	250
Reclassification from accumulated other comprehensive income (loss) to retained earnings	—	—	(5)	—	5	—	—	—
Reclassification from accumulated other comprehensive income (loss) to non-financial assets	—	—	—	—	(902)	(902)	—	(902)
Total transactions with owners	—	250	(4,489)	(3)	(897)	(5,138)	—	(5,138)
Balance as of June 30, 2022	15,232	451,082	94,885	(85,664)	3,467	479,002	134	479,136

(4) Condensed Consolidated Statements of Cash Flows

	Six months ended June 30, 2021	Six months ended June 30, 2022
<b>Cash flows from operating activities</b>		
Income (Loss) for the period before income tax benefit from continuing operations	(18,475)	(15,121)
Income for the period before income tax benefit from discontinued operations	12,841	—
Adjustments for:		
Depreciation and amortization	28,892	22,774
Gain on sales of subsidiaries' stock	(12,841)	—
Gain on sales of stocks of subsidiaries and affiliates	(708)	—
Change in allowance for doubtful accounts (decrease)	680	(244)
Interest and dividends income	(165)	(151)
Interest expenses	473	426
Share of (income) loss of entities accounted for using equity method	133	(61)
Gain on sale of property, plant and equipment	(21)	(3,742)
Loss on disposal and sale of property, plant and equipment	687	465
(Increase) decrease in trade and other receivables	(1,201)	(814)
(Increase) decrease in inventories	(9,318)	(19,091)
(Increase) decrease in other assets	(871)	(2,807)
(Decrease) Increase in trade and other payables	18,334	15,929
(Decrease) Increase in net defined benefit liabilities	1,257	1,223
(Decrease) Increase in other liabilities	(3,811)	1,270
Other	107	1,075
Subtotal	15,992	1,128
Interest received	1	0
Dividends received	163	151
Interest paid	(456)	(374)
Income taxes paid	(8,047)	(3,407)
Income taxes refund	2,952	4,187
Net cash generated from operating activities	10,606	1,686
<b>Cash flows from investing activities</b>		
Acquisitions of property, plant and equipment and intangible assets	(25,698)	(16,206)
Proceeds from sales of property, plant and equipment and intangible assets	272	4,948
Proceeds from collection of loans receivable resulting from sales of stock in subsidiaries	7,400	—
Purchases of other financial assets	(26)	(13)
Proceeds from sale of other financial assets	4,473	17
Proceeds from sale of stock of subsidiaries	34,490	—
Other	208	4
Net cash (used in) generated from investing activities	21,119	(11,250)

(Millions of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Cash flows from financing activities		
(Decrease) Increase in short-term loans payable	(50,000)	(38)
Repayments of long-term loans payable	(550)	(565)
Payments for bond redemption	—	(30,000)
Dividends paid	(4,484)	(4,484)
Proceeds from disposal of treasury stock	0	0
Purchases of treasury stock	(4)	(3)
Repayments of lease liabilities	(3,525)	(3,132)
Net cash used in financing activities	(58,563)	(38,222)
Net change in cash and cash equivalents	(26,838)	(47,786)
Cash and cash equivalents at the beginning of the year	126,378	110,497
Cash and cash equivalents at the end of the period	99,540	62,711

(5) 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 a useful life period of 9 years. However, as consumer spending patterns have been impacted by the 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 was applied prospectively from this first quarter.

As a result of this change, operating loss and loss before tax for the first half decreased by 4,450 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.