

Full-year 2022 Earnings Presentation

February 10, 2023

Coca-Cola Bottlers Japan Holdings Inc.

Calin Dragan, President

Bjorn Ivar Ulgenes, Vice President & CFO

(Posted to CCBJH website on Feb 9, 2023)



Coca-Cola Bottlers Japan Holdings Inc. (CCBJH)

Full-year 2022 Earnings Presentation

Full-year 2022 Results

Marketing Update

Full-year 2023 Earnings Plan

Full-year 2022 Results

FY2022 Overview

- Sales volume grew by 3%. Growth foundation built to date contributed to capture demand from traffic recovery and heat wave. Strong top-line growth achieved despite the volume declines from price revisions.
- Price revisions for small packages implemented in October. Sequence of price revisions executed in 2022, including the one in May, contributed to significant profitability improvements.
- Total channel value share grew with vending driving the overall growth.
- Generated about 20 billion yen in profit improvements for elements under our control such as volume growth, price revisions, and transformation, while higher commodity prices, yen depreciation, and other factors had a significant impact. Despite greater cost pressure during the period, business income exceeded the previous year's level as planned.
- Transformation made steady progress. Achieving recurring cost savings of 6 billion yen, surpassing initial forecast.

2022 Review

Many learnings and achievements in a challenging environment. Confident in our strategy

Key initiatives to realize future growth steadily producing results

Key Initiatives in 2022	Major Results
✓ Leverage growth foundation built to date to maximize marketing activities	+3% Volume growth +0.5pts Value share growth
✓ New S&OP process allowing for agile response to increased demand	Improved service & operation levels Minimize out of stock
✓ Price revisions (May, October)	Q4 Wholesale revenue per case Rise of +40 yen ~ +100 yen
✓ Accelerated transformation, Building a foundation for low cost operation	Recurring cost savings 6B yen
✓ Optimizing balance sheet	Reduced fixed asset by 10B yen Reduced cross-shareholdings by 2B yen

FY2022 Results (vs 2021)

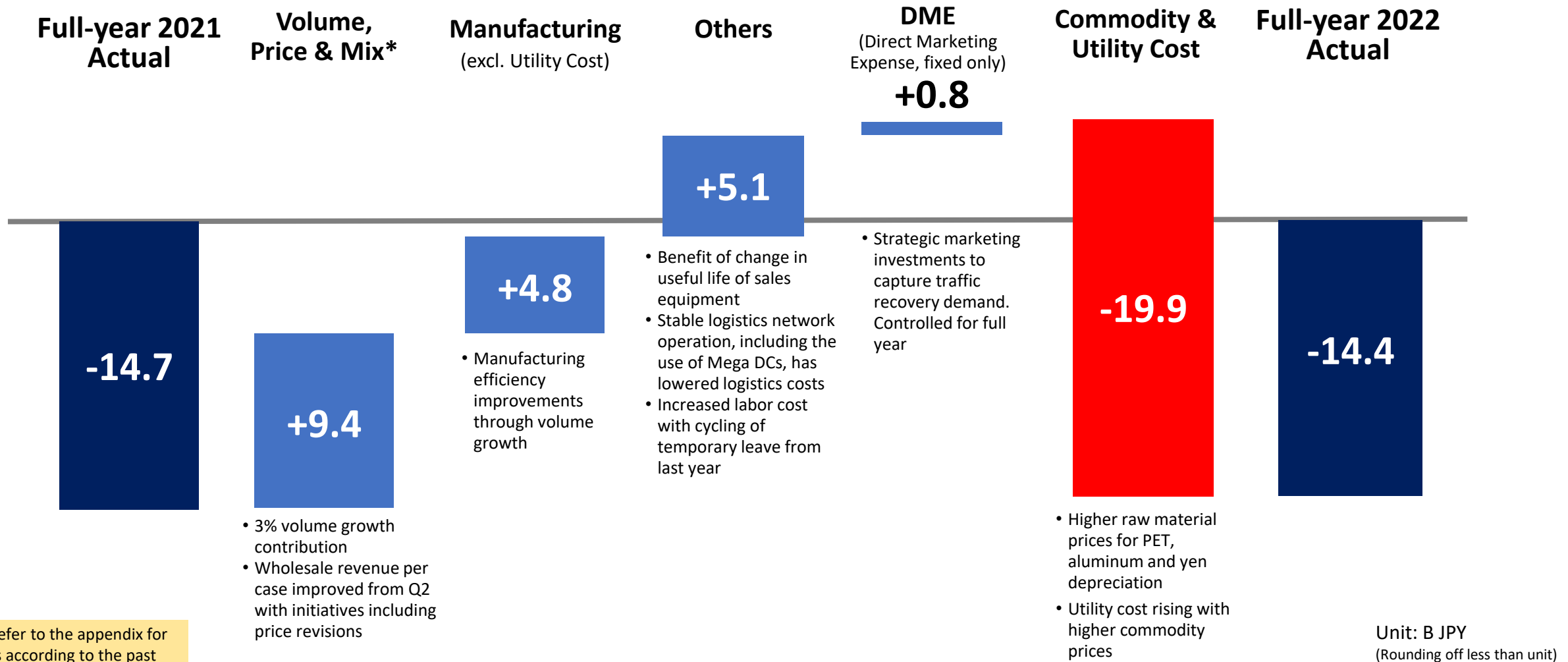
Unit: Million JPY

	2022 Actual	2021 Actual	YoY
Revenue	807,430	785,837	+2.7%
Sales Volume (Million Cases)	480	467	+3%
NARTD (Non-alcoholic ready to drink) Beverage Volume (Million Cases)	474	459	+3%
COGS	455,675	435,332	+4.7%
Gross Profit	351,755	350,505	+0.4%
SG&A	365,295	363,750	+0.4%
Business Income (Loss)	(14,443)	(14,662)	-
Operating Income (Loss)	(11,513)	(20,971)	-
Net Income (Loss) attributable to owners of parent	(8,070)	(2,503)	-

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

FY2022 Drivers of Business Income (vs 2021)

Steady volume growth and improved wholesale revenue per case contributed to profit improvement, despite continued cost pressure



Please refer to the appendix for drivers according to the past classification

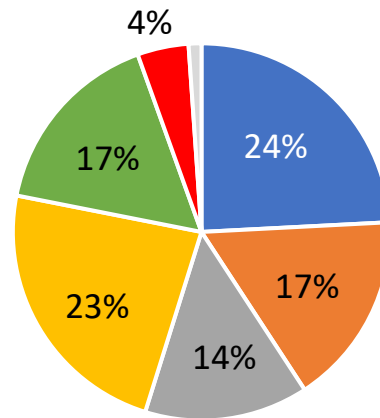
Unit: B JPY
(Rounding off less than unit)

FY2022 NARTD Beverage Sales Volume (vs 2021)

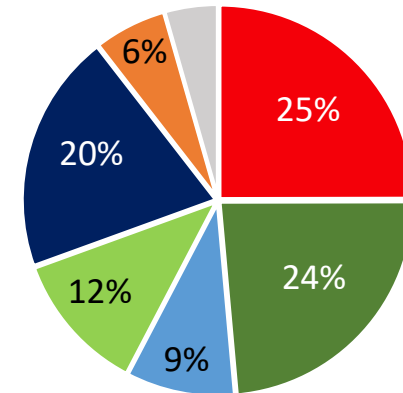
- Total channel volume grew by 3% with traffic recovery and heat wave demand.
- VM grew from initiatives to capture traffic recovery, while volume was affected by the price revisions.
- Online continued to grow with high convenience it offers, R&F increased due to recovery in dining out demand, while SM, D&D, and CVS were impacted by volume declines due to price revisions.
- Wholesale revenue per case improved in all channels in Q4, mainly due to price revisions for small packages.
- By category, Sports and Water grew strongly with the heat wave and resumption of public events.

Sales Volume +3%

Channel	Volume	Wholesale revenue per case (Yen)
Supermarket (SM)	-5%	+37
Drug & Discounter (D&D)	+1%	+30
Convenience Store (CVS)	-1%	+1
Vending (VM)	+3%	+37
Retail & Food (R&F)	+18%	-13
Online	+23%	Flat



Category	Volume
Sparkling	+1%
Tea	-1%
Sports	+7%
Water	+8%
Coffee	+2%
Juice	+18%



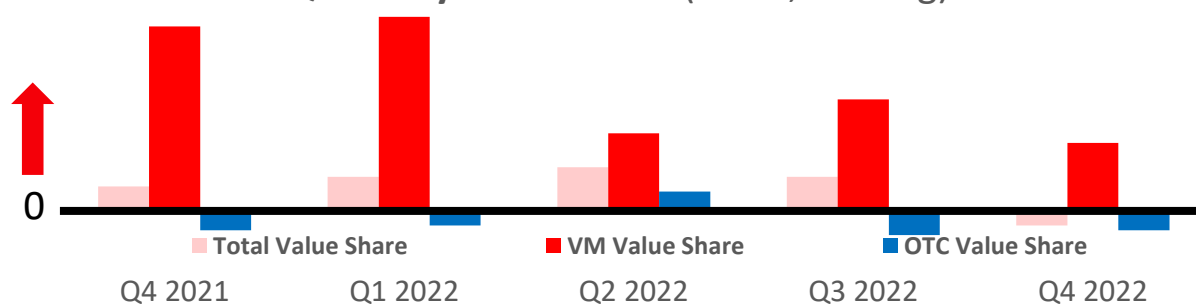
Please refer to appendix for Q4 (Oct-Dec) sales volume.

Building Foundation for Value Share Growth

- Total channel value share grew by 0.5 pts.
- Vending value share grew by 2.3 pts, continuing strong growth.
- OTC channel volume declined following the price revisions, but maintained its value share at almost flat levels.

FY2022 Market Share (Jan. to Dec., vs PY, Pts)	Value	Volume
Total (CCBJH Area)	+0.5	-0.4
Vending	+2.3	+1.7
Over the Counter (OTC)	-0.2	-0.8

Quarterly Value Share (vs. PY, Pts Chg)



Source: Coca-Cola Japan Internal Estimate

FY2022 OTC Retail Price (Jan. to Dec., JPY per bottle)	vs Market Average	vs PY
Small PET	+4.4	Flat
Large PET	+25.0	+3.7

<Reference>

Q4QTD OTC Retail Price (Oct. to Dec., JPY per bottle)	vs Market Average	vs PY
Small PET	+10.5	+12.1
Large PET	+21.0	+5.6

Source: Intage SRI+ soft drink market Small PET (351~650ml), Large PET products (1.251L~)

CCBJH Area Jan-Dec 2022

Market Ave: CCBJH avg. retail price (bottles) / market avg. retail price (bottles)

YoY: CCBJH retail price (bottles) / previous year actuals

ESG Initiatives

Accelerating efforts towards sustainability management

Enhancement of Disclosure

Disclosure based on TCFD

- Disclose information on climate change



Endorsed TNFD and participated in the forum

- Strengthening efforts to conserve biodiversity



Local Communities & Customers

Collaboration with Saitama for human resource development

- Signed agreement with Saitama International Association on collaboration to develop global human resources.



Strengthen collaboration with customers

- Strengthened collaboration with key customers and began considering a wide range of areas beyond beverage products.

Toward World Without Waste

Began “CAN to CAN”^{*} recycling

- Establishment of a horizontal recycling system for used aluminum cans from collection to reprocessing



“Bottle to Bottle” Collaboration

- Concluded with Higashi-kurume, Tokyo; Moriyama, Shiga and Ebina/ Zama, Kanagawa Prefecture

*Collect used aluminum cans and process for recycling as recycled aluminum bottles to be used as beverage containers

Excellence in ESG Initiatives

- Selected as component of Dow Jones Sustainability Indices for DJSI Asia Pacific for the fifth consecutive year



- Received the highest rating of CDP Climate Change “A List” and Water Security A- for 2022



Marketing Update

FY2022 Review

Successfully grew KO NARTD value share (+0.5pts) with robust Coke ON platform
 (43 mil downloads)[※] despite the competitive market situation

PIVOT TO CORE

Coca-Cola TM



Georgia



Ayataka



I LOHAS New Iconic Bottle



FEWER, BIGGER INNOVATIONS

New Innovations

Ayataka Café
Hoji-cha Latte



Real Gold
X&Y



Coke Zero Sugar
the artist
Marshmello's
Limited Edition



Georgia
Zero Series



Nature Y2 Innovations

Ayataka Café
Matcha Latte



Yakan
Barley Tea



CHILL OUT



COSTA Coffee



STAY@HOME

Coca-Cola TM
100% r-PET label-less



Accelerate
label-less products



Affordable
Mini CANS, Mini PETs



Lemon-Dou
Lemon-Dou
Conc. TOKUBETSU
JIKOMI



Lemon-Dou
Yowanai



Lemon-Dou
Yowanai



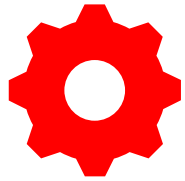
AQ, AY and GA
Half-Carton (12 bottles)



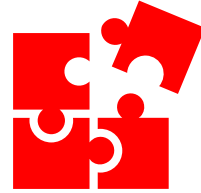
※ CCIC data (as of Dec. 31, 2022)

2023 Marketing Strategy

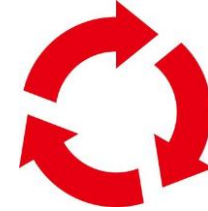
Strengthen the core & continue to focus on scalable innovation with target relevant and effective marketing



**STRENGTHEN
THE CORE**



**FEWER, BIGGER
INNOVATIONS**



**MARKETING
TRANSFORMATION**



**FURTHER ACCELERATE
KO SYSTEM COLLABORATION**

2023 Q1 Initiative Highlights (Jan-Feb)

Expand users base and drinking occasion through Core enhancement & New Innovations transforming the way of marketing

CORE

Coca-Cola TM
Zodiac design



Georgia TM
Asset Tie-up Promotion



Ayataka Core/Café series
Sakura design



Lemon Dou
World Baseball Classic™



INNOVATIONS

Georgia
Clear Blend



Fanta Premier
Melty Peach



Ayataka
Koi-Green tea FFC



©2023 SAMURAI JAPAN, Trademarks, copyrights, names, images and other proprietary materials are used with permission of World Baseball Classic, Inc.

Full-year 2023 Earnings Plan

2023 Strategic Direction

- † In 2022, implemented action plans for a return to growth and improving profitability structure, while navigating significant cost pressures such as commodities.
- † Business decisions made with strong will and thorough market execution have led to results.

Facing further cost pressures in 2023. Additional measures needed.



2023 Year of profit focus: Top priority on improving profitability

**Implement
Price Revisions**

**Commercial Activities
Focused on Profitability
and Investment Efficiencies**

**Transformation:
Cost Savings &
Strengthen Business
Foundation**

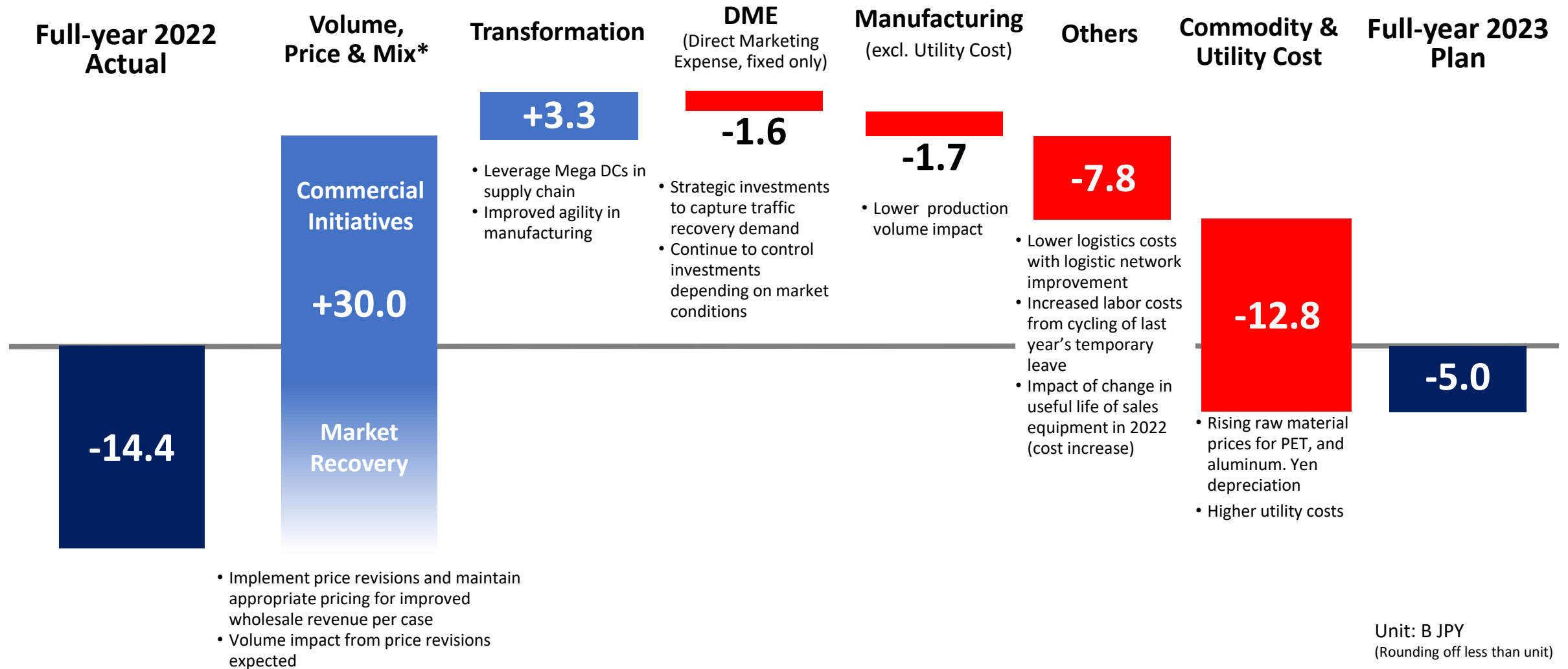
FY2023 Earnings Plan

Unit: Million JPY

	2023 Plan	2022 Actual	YoY
Revenue	847,100	807,430	+4.9%
Sales Volume (Million Cases)	471	480	-2%
NARTD (Non-alcoholic ready to drink) Beverage Volume (Million Cases)	465	474	-2%
COGS	474,600	455,675	+4.2%
Gross Profit	372,500	351,755	+5.9%
SG&A	376,300	365,295	+3.0%
Business Income (Loss)	(5,000)	(14,443)	-
Operating Income (Loss)	(5,300)	(11,513)	-
Net Income (Loss) attributable to owners of parent	(4,300)	(8,070)	-

FY2023 Drivers of Business Income (vs 2022)

Significant profit improvement with profit base improvement centered on price revisions, despite continued challenging cost environment



2023 Commercial Strategy

Steady recovery of sales revenue and building foundation for sustainable profit

Enhancing Portfolio Edge

- Focus on core categories: sparkling, coffee, tea and water. Improve presence in each category
- New product launches with sustainable innovations
- Capture changing consumer needs for different occasions

Growth Through Vending

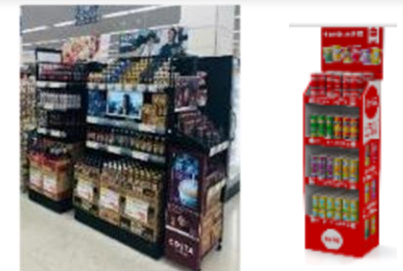
- Maximizing sales per machine by leveraging Coke ON and strengthened product line up
- Increase number of units in operation by installing in high-quality locations
- Further improve operational efficiencies through DX

Profitability focused Pricing Strategy

- Implement price revisions scheduled for May as planned
- Ensuring profitability focused commercial activities, and monitor efficient use of marketing investments

Strong Market Execution

- Cross-functional commercial structure to strengthen customer engagement
- Further advance S&OP process to achieve higher service levels
- Collaboration with Coca-Cola Japan to leverage our strength as Japan's Coca-Cola System



Pricing Strategy to Improve Earnings Foundation

Additional price revisions decided to mitigate cost pressures

- Benefit of the price revisions implemented ahead of the industry in 2022 exceeding expectations.
- Challenging business environment expected for 2023 with continued commodities and forex headwinds of about 13 billion yen.
- Continue to make efforts to mitigate cost pressures through own efforts, but further price revisions are needed for profitability improvements.



Can, Large PET, Pouch Products Price Revisions from May 1, 2023 Shipments

Revision
Rate

+3%~22%
(Mfr. Suggested Retail Price)

Channel

All



**Further Price Revisions
Seriously Considered**

Supply Chain for Sustainable Growth

- Expanding production capacity for high value-added products driving growth. Aseptic line equipped with cutting-edge manufacturing technology to be introduced in Kanto area (Ebina plant).
- Stable operation of Mega DCs, the foundation for supply chain optimization.
- Further advancing S&OP process to achieve stable supply of products with lower costs.

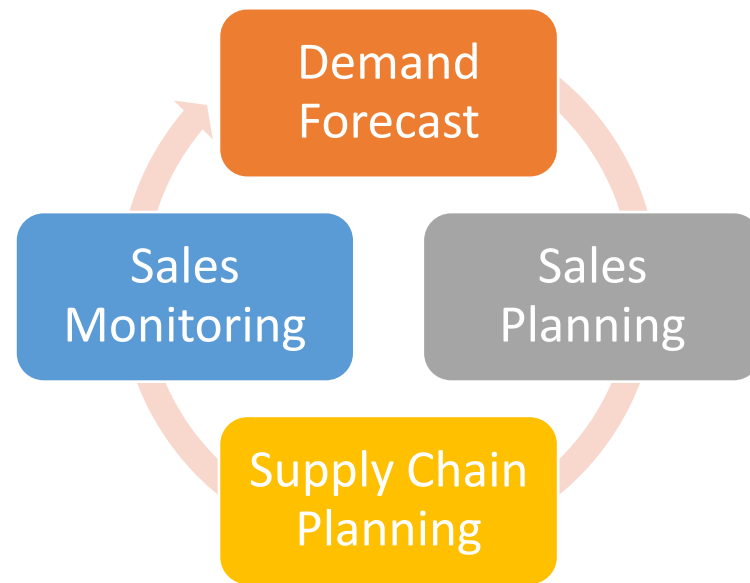
New Capacity for High Value-added Products



Stable Operation of Mega DCs



Advancing S&OP



Good Stewardship of Capital

Capex & Depreciation

- ✓ Selectively invest in items that will lead to sustainable growth
- ✓ New aseptic line in Ebina plant to start production in Q2 2023
- ✓ Vending machine investments will be made while monitoring operating environment

JPY	2023 Plan	2022 Act
Capex*	37.0B	38.9B
Depreciation	47.2B	45.8B

*Not including IFRS16 non cash items

Optimize Balance Sheet

- ✓ Building a strong balance sheet that will support the beverage business growth. Sell down non-core assets
- ✓ Continue to reduce cross-shareholdings in accordance with the Corporate Governance Code
- ✓ Reduction of fixed assets such as real estate by consolidating locations to continue

Shareholder Return

- ✓ Maintain stable dividends. 25 yen for the interim and 25 yen for 2023 year-end (plan)
- ✓ Ongoing consideration of measures to increase shareholder value

Per share	2023 Plan	2022 Act
Interim	25 yen	25 yen
Year-end	25 yen	25 yen

Summary

Confident that learnings and results achieved to date will lead to mid- to long-term growth

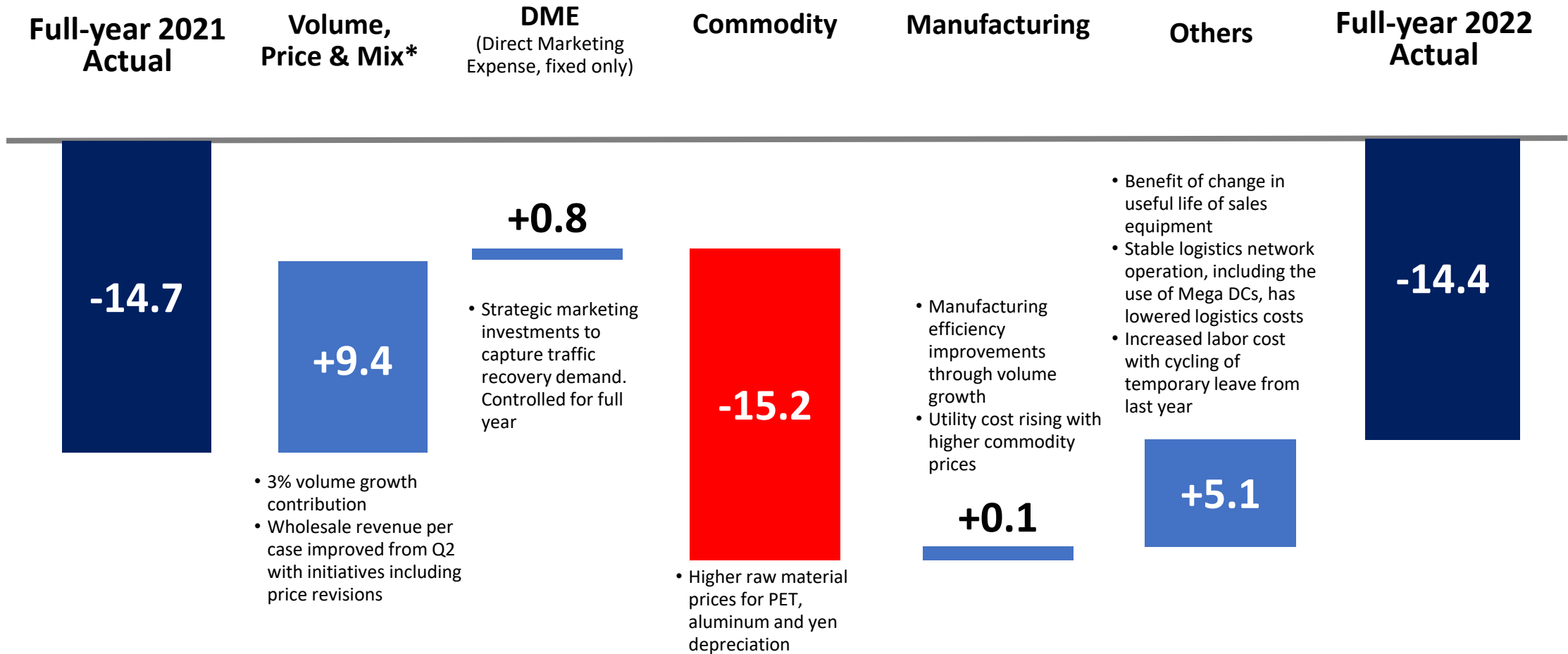


Move forward to achieve profitable future growth by focusing on profitability and achieving 2023 earnings targets

Appendix

<Past Classification>

FY2022 Drivers of Business Income (vs 2021)



Unit: B JPY
(Rounding off less than unit)

*Change in marginal profit from commercial activities. Including variable costs and deduction from revenue in IFRS.

FY2022 Results (vs Plan)

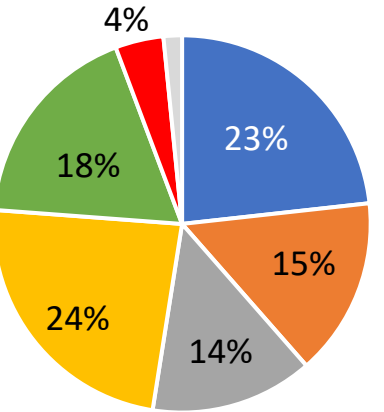
Unit: Million JPY

	2022 Actual	2022 Plan	YoY
Revenue	807,430	819,700	-1.5%
Sales Volume (Million Cases)	480	478	+0%
NARTD (Non-alcoholic ready to drink) Beverage Volume (Million Cases)	474	470	+1%
COGS	455,675	465,100	-2.0%
Gross Profit	351,755	354,600	-0.8%
SG&A	365,295	368,000	-0.7%
Business Income (Loss)	(14,443)	(14,600)	-
Operating Income (Loss)	(11,513)	(11,100)	-
Net Income (Loss) attributable to owners of parent	(8,070)	(7,900)	-

NARTD Channel / Category / Package Sales Volume

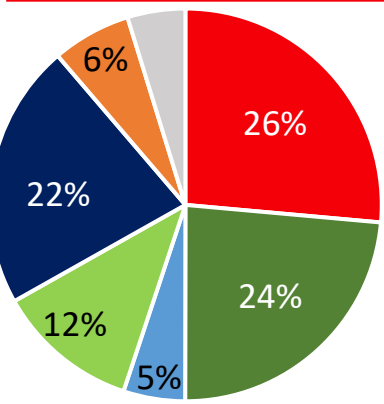
Q4QTD (Oct to Dec) Sales Volume -3%

By Channel



Channel	Volume	Wholesale revenue per case (Yen)
Supermarket (SM)	-7%	+70
Drug & Discounter (D&D)	-3%	+66
Convenience Store (CVS)	-7%	+72
Vending (VM)	-2%	+106
Retail & Food (R&F)	+1%	+43
Online	-4%	+79

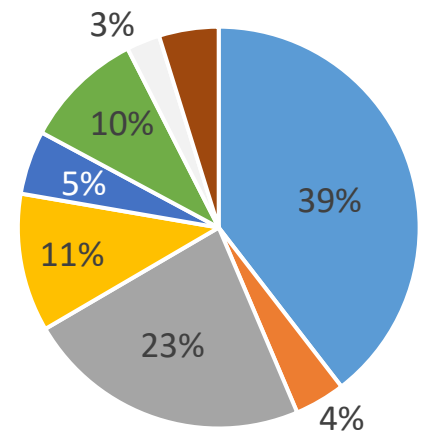
By Category



Category	Volume
Sparkling	-1%
Tea	-10%
Sports	-11%
Water	+2%
Coffee	-2%
Juice	+11%

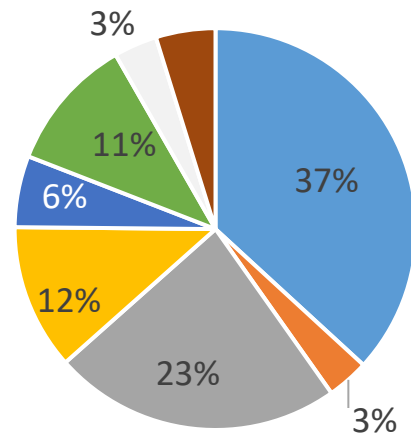
By Package

Full-year (Jan to Dec)



Package	Volume
S-PET	+2%
M-PET	+24%
L-PET	-7%
Can	-1%
Bottle Can	+9%
Syrup	+22%
Powder	+21%

Q4QTD (Oct to Dec)



Package	Volume
S-PET	-9%
M-PET	Flat
L-PET	-5%
Can	+2%
Bottle Can	+7%
Syrup	+4%
Powder	+14%

S-PET : Below 650ml/L-PET : Above 1.5L

Staying True to Our Mission, Vision, Values



Mission

*Deliver happy moments
to everyone while creating value*

Vision

- *We are the preferred partner for our customers*
- *We win in the market through sustainable growth*
- *We lead a learning culture with commitment to grow*
- *We are the best place to work with pride for Coca-Cola*

Values

- *Learning*
- *Agility*
- *Result-orientation*
- *Integrity*

THANK YOU

Investor Relations

Coca-Cola Bottlers Japan Holdings Inc.

ir@ccbji.co.jp

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

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

The information in this presentation is provided for informational purposes and should not be construed as a solicitation of an investment in our securities.

CCBJH undertakes no duty to update any statement in light of new information or future events. You should rely on your own independent examination of us before investing in any securities issued by our company.