

Third Quarter 2023 Earnings Presentation

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Coca-Cola Bottlers Japan Holdings Inc.

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Coca-Cola Bottlers Japan Holdings Inc. (CCBJH)

Third Quarter 2023 Earnings Presentation

Q3YTD 2023 Results

Marketing Update

2023 Full-Year Earnings Revision

Today's Highlights

- 🔥 **Business income to return to profit this year, ahead of 2024 target.** With good Q3YTD earnings progress, 2023 full-year business income now expected to grow by 15.9 billion yen YoY and 6.5 billion yen higher than initial forecast.
- 🔥 Business income for Q3YTD grew significantly exceeding initial estimates, driven by profit contributions from top line growth.
- 🔥 Revenue for Q3YTD grew strongly by 8.4%. Efforts of key initiatives materialized and tailwind from the heat wave led to strong volume growth of 4% and improving wholesale revenue per case from price revisions.
- 🔥 Series of price revisions progressing steadily. Benefits materialized as planned through quick implementation, disciplined commercial activities and by minimizing volume impact. Continue to implement initiatives for profitability improvements.

Q3YTD 2023 Results

Q3YTD Results (vs 2022)

Good Q3YTD earnings contributing greatly to achieve profit for the full-year

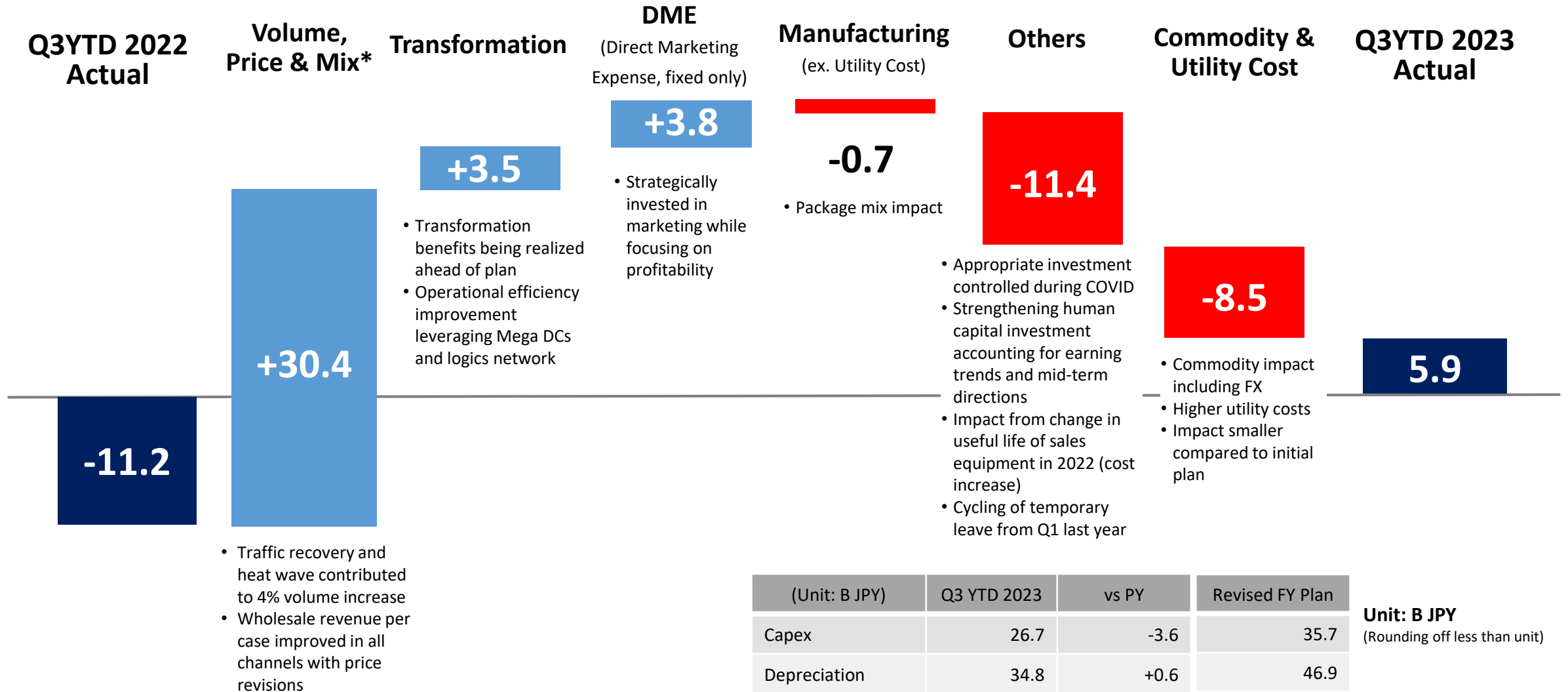
Unit: Million JPY

	Q3YTD 2023 Actual	Q3YTD 2022 Actual	Change	YoY
Revenue	663,825	612,321	+51,504	+8.4%
Sales Volume (Million Cases)	379	366	+13	+4%
NARTD (Non-alcoholic ready to drink) Beverage Volume (Million Cases)	375	361	+14	+4%
COGS	369,229	345,004	+24,225	+7.0%
Gross Profit	294,595	267,317	+27,279	+10.2%
SG&A	287,961	278,322	+9,639	+3.5%
Business Income (Loss)	5,867	(11,196)	+17,063	-
Operating Income (Loss)	6,121	(7,053)	+13,174	-
Net Income (Loss) attributable to owners of parent	3,862	(5,194)	+9,055	-

Note: Sales volume in 2022 is revised retroactively due to changes of counting segmentation and scope in some products.

Q3YTD Drivers of Business Income (vs 2022)

Top-line growth leading to about 30B yen profit growth, greatly contributing to the return to profit for the full-year



Note: Capex not including IFRS16 non-cash items.

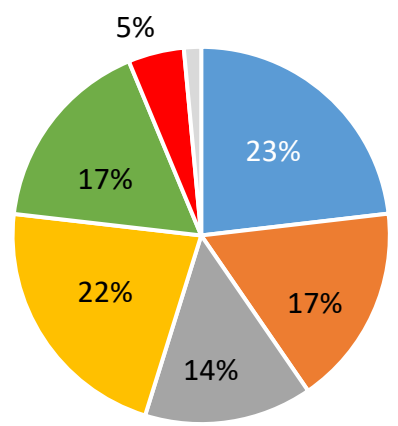
*Volume, Price & mix represent marginal profit of our commercial activities including variable costs and deduction from revenue in IFRS.

Q3YTD NARTD Beverage Sales Volume Trends (vs 2022)

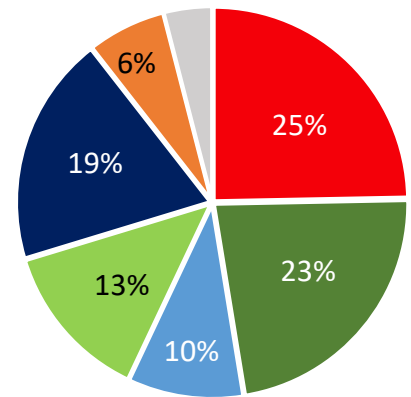
- 4% volume growth by capturing traffic recovery and heat wave demand, despite price revision impacts.
- Wholesale revenue per case improved in all channels from price revision benefits.
- Vending leveraged strong share base and Coke ON. Able to control negative volume impact of price revisions. CVS turned to positive growth during peak demand season with key initiatives delivering results. R&F captured the recovery in dining out.
- Sparkling increased for Coca-Cola. Tea remained challenging since 1H, but trends improving and captured heat wave demand. Water grew strongly with new packaging, coffee increased with rebranded Georgia.

Sales Volume +4%

Channel	Volume	Wholesale revenue per case (Yen)
Supermarket (SM)	-2%	+72
Drug & Discounter (D&D)	+5%	+62
Convenience Store (CVS)	+4%	+69
Vending (VM)	Flat	+175
Retail & Food (R&F)	+11%	+66
Online	+11%	+54



Category	Volume
Sparkling	+4%
Tea	Flat
Sports	-4%
Water	+16%
Coffee	+2%
Juice	+14%



Note: Volume doesn't include alcohol. Wholesale revenue per case doesn't include DFR (deduction from revenue). Some inconsistencies with the volume data provided in past presentations may be expected as a result of standardization of volume and revenue calculation.

Commercial Activities During Peak Demand Season

Top-line improving from successful implementation of key initiatives and tailwind from traffic recovery and the heat wave

Key Initiatives & Benefits

- † Efforts to date to introduce new products and strengthen customer engagement have contributed to expanded sales space.
- † Effective marketing and in-store commercial activities to maximize demand capture and minimize impact on volume from price revisions.
- † Maximized effect of price revisions during peak demand season by implementing quick price revisions and ensuring shipping price are maintained.
- † Stable operation of the S&OP process, revamped in previous year, ensured stable product supply even during heat wave.

Q3 (Jul-Sep) YoY



Revenue
+9.9%



Sales Volume
+5%

Wholesale Revenue
per Case
All Channels

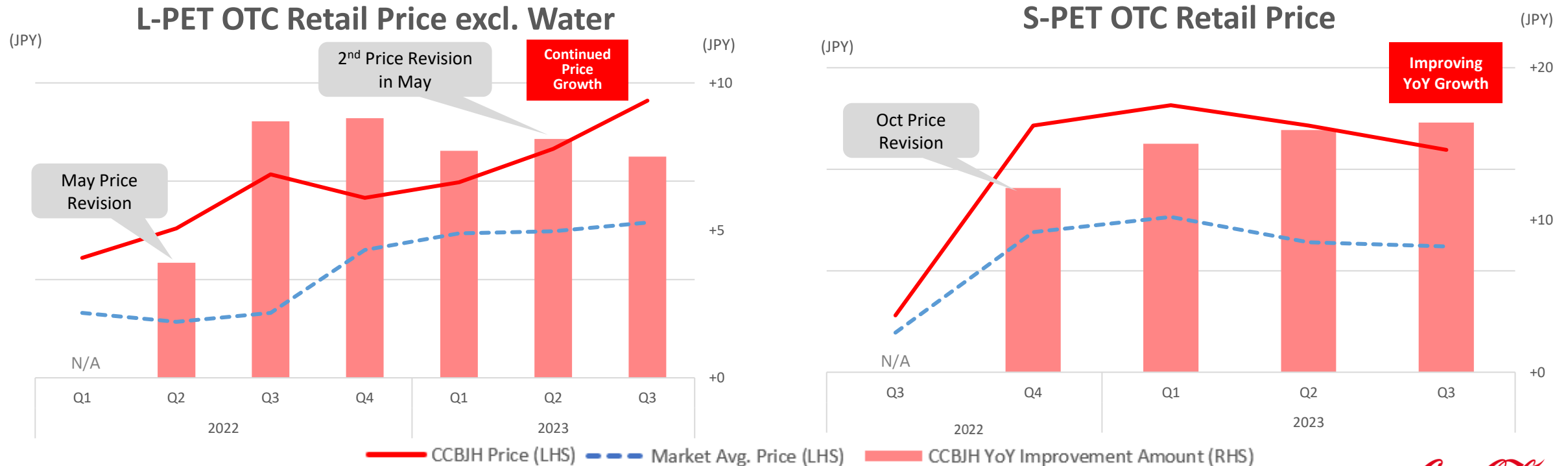


Over +70 yen

Price Revision Update

Continued favorable trends in OTC prices with steady implementation of price revisions and maintained shipping price

- 🔥 Large PET: With second price revisions in May this year, retail prices continue to rise on top of elevated level of last year.
- 🔥 Small PET: Since last October's price revisions, retail prices continue to rise on a YoY basis. Retail price YoY improvement amount accelerating on a quarterly basis.
- 🔥 Can (VM): Reflection of price revisions in May to VMs mostly completed by the end of September.



Source: Intage SRI+ soft drink market Small PET (351~650ml), Large PET products excl. water (1.251L~)
 CCBJH Area Jan 2022 - Sep 2023 / CCBJH: Avg. retail price (bottles) / Market Avg. price: Market avg. retail price (bottles)

ESG Initiatives

Focus on initiatives that create value

Major Initiatives

Customer Collaboration

- Expanded Bottle to Bottle collaboration
 - Joined Honda Mobilityland, MEIDENSHA CORPORATION, in contracts with many other customers
- Omotenashi vending machine with QR payment function installation



Local Government Collaboration

- Sustainable water resource conservation agreement
 - New contract with Tambayama village, Hachioji city
 - Contracted with 21 municipalities in total
- Seiyo Child Rearing Support Vending Machine, Food Bank Komae Support Vending Machine installation
- Bottle to Bottle collaboration
 - Joined Tokai city, Oita, and Hachioji city, contracted with 13 municipalities total



Other Initiatives

- Earned Silver rating in EcoVadis Sustainability Survey
- Resumed factory tours at Zao Plant
 - 5 Plants are underway
- Held "Let's Learn with a Family! Summer School" online



Values



Business Expansion



Reduce Environmental Impact



Community Development

Marketing Update

Q3 2023 Initiative Review

Grew KO NARTD value share (+0.2pts*) with strong campaign & activations in core, new innovations and digital driven new way of experiential marketing

* CCJC Internal Estimate (CCBJI Area)

CORE

Ayataka Meal
Fall Campaign



Georgia TM
Fall Campaign



I LOHAS
Fall Campaign



INNOVATIONS

FANTA
Hito-Natsu no
Amanatsu



COSTA Coffee
Hazelnuts Latte



Georgia
THE Zero



MARKETING EXPERIENCE

Coke STUDIO Package Promotion
with Live events



Q4 2023 Initiative Highlights

Expand user base and drinking occasions through core enhancement & new innovations with transforming the way of marketing

CORE

Coke Winter Campaign



Ayataka Meal Winter Campaign Incl. HOT Products



AQUARIUS Winter Campaign



INNOVATIONS

I LOHAS Ichigo (Strawberry)

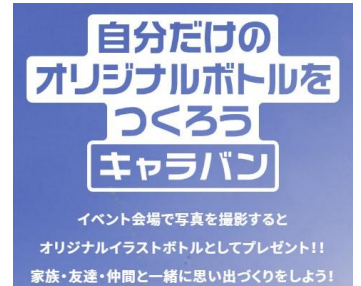


FANTA Premier Honey Lemon



MARKETING EXPERIENCE

"Let's Make Your Own Bottle" caravan under Georgia TM New Campaign



2023 Full-Year Earning Revision

2023 Full-Year Earnings Revised Up: Return to Profit

Business income profitability to be achieved ahead of 2024 target in Strategic Business Plan

2023 Year of Profit Focus: Top Priority on Improving Profitability

Key Points	
Q3YTD	<p><u>Stronger than expected earnings increase with strong profit from top-line growth</u></p> <ul style="list-style-type: none">• 4% volume growth exceeding expectations. Driven by key initiatives successfully capturing traffic recovery and heat wave demand.• Price revisions on plan. Wholesale revenue per case improvement contributed to top line and profitability improvement.• Cost savings from transformation achieved ahead of plan, progress exceeding full-year target as of Q3.
Q4 (Oct-Dec)	<p><u>Underlying business fundamentals are strong, but impacted from investments for sustainable growth</u></p> <ul style="list-style-type: none">• Growth investments at appropriate levels, which was restrained considering the business environment.• Impact of commodities and utility prices suppressed compared to initial expectations.• Cycling price revision benefits for small packages implemented last October.• Implement price revisions from this October for accelerating further profitability improvements.

Achieve profitability ahead of plan and further strengthen the foundation

2023 Full-Year Revised Plan

In addition to business income, net income also expected to return to profit

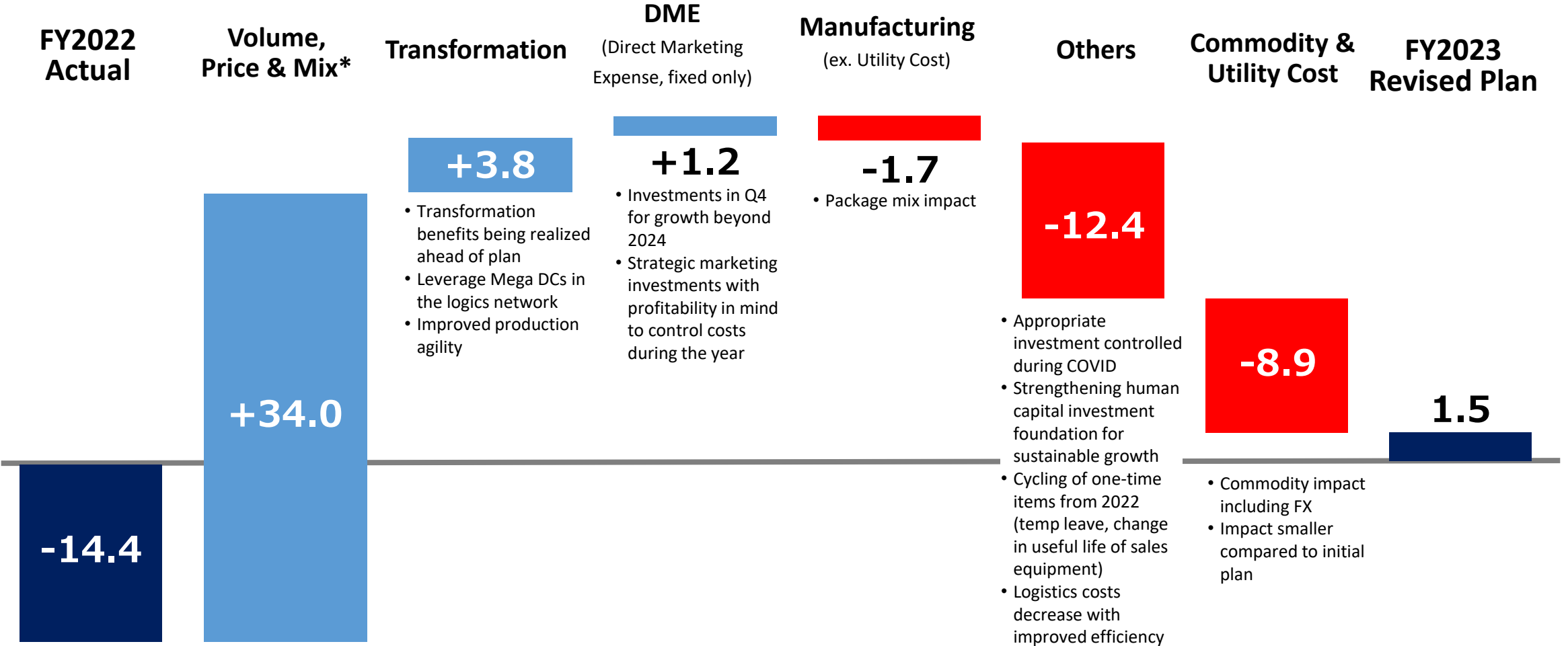
Unit: Million JPY

	FY2023 Revised Plan	Change YoY	YoY	Change vs Original Plan	Vs Original Plan
Revenue	869,900	+62,470	+7.7%	+22,800	+2.7%
Sales Volume (Million Cases)	492	+13	+3%	+21	+4%
NARTD (Non-alcoholic ready to drink) Beverage Volume (Million Cases)	486	+13	+3%	+21	+4%
COGS	485,300	+29,625	+6.5%	+10,700	+2.3%
Gross Profit	384,600	+32,845	+9.3%	+12,100	+3.2%
SG&A	381,900	+16,605	+4.5%	+5,600	+1.5%
Business Income	1,500	+15,943	-	+6,500	-
Operating Income	3,200	+14,713	-	+8,500	-
Net Income attributable to owners of parent	1,500	+9,570	-	+5,800	-

Note: Sales volume in 2022 is revised retroactively due to changes of counting segmentation and scope in some products.

FY2023 Drivers of Revised Business Income (vs 2022)

Top-line driven profit offset cost pressure, contributing to the return to profit



- Target volume growth of 3%, higher than initial plan
- Expect improvement in wholesale revenue per case from price revisions and maintaining of shipping prices

+3.8

- Transformation benefits being realized ahead of plan
- Leverage Mega DCs in the logics network
- Improved production agility

+1.2

- Investments in Q4 for growth beyond 2024
- Strategic marketing investments with profitability in mind to control costs during the year

-1.7

- Package mix impact

-12.4

- Appropriate investment controlled during COVID
- Strengthening human capital investment foundation for sustainable growth
- Cycling of one-time items from 2022 (temp leave, change in useful life of sales equipment)
- Logistics costs decrease with improved efficiency

-8.9

- Commodity impact including FX
- Impact smaller compared to initial plan

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.



Summary

Expect the full-year to return to profit ahead of plan

- ‡ Growth foundation built to date and focus on profitability this year have contributed to strong growth in revenue and profits by capturing demand from traffic recovery and heat wave.
- ‡ Price revisions, the most important initiatives, are delivering results as planned. Reaffirmed that price revisions can be important for profitability improvement.
- ‡ We will consider all options more extensively than before, aiming to implementing further price revisions within 2024.
- ‡ Promote initiatives for sustainable growth without easing pace to make good start in 2024, the first year of the strategic business plan.



THANK YOU

Investor Relations

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Happy moments
from the bottle.
We bottle happy moments.

Coca-Cola
BOTTTLERS JAPAN HOLDINGS INC.

Appendix

Q3 (Jul to Sep) Results (vs 2022)

Unit: Million JPY

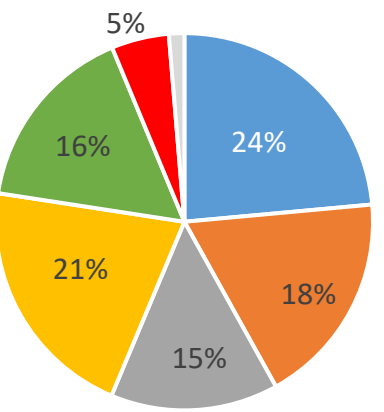
	Q3 2023 Actual	Q3 2022 Actual	Change	YoY
Revenue	259,715	236,373	+23,343	+9.9%
Sales Volume (Million Cases)	149	142	+7	+5%
NARTD (Non-alcoholic ready to drink) Beverage Volume (Million Cases)	148	141	+7	+5%
COGS	141,917	132,194	+9,723	+7.4%
Gross Profit	117,799	104,179	+13,620	+13.1%
SG&A	104,748	97,047	+7,701	+7.9%
Business Income	12,630	7,025	+5,605	+79.8%
Operating Income	12,650	7,379	+5,272	+71.4%
Net Income attributable to owners of parent	7,808	4,705	+3,103	+65.9%

Note: Sales volume in 2022 is revised retroactively due to changes of counting segmentation and scope in some products.

NARTD Channel / Category / Package Sales Volume

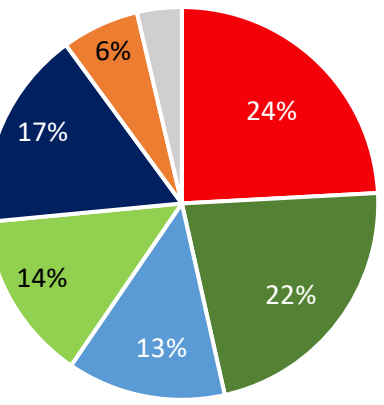
Q3QTD (Jul to Sep) Sales Volume +5%

By Channel



Channel	Volume	Wholesale revenue per case (Yen)
Supermarket (SM)	Flat	+85
Drug & Discounter (D&D)	+6%	+73
Convenience Store (CVS)	+13%	+77
Vending (VM)	Flat	+199
Retail & Food (R&F)	+8%	+76
Online	+12%	+72

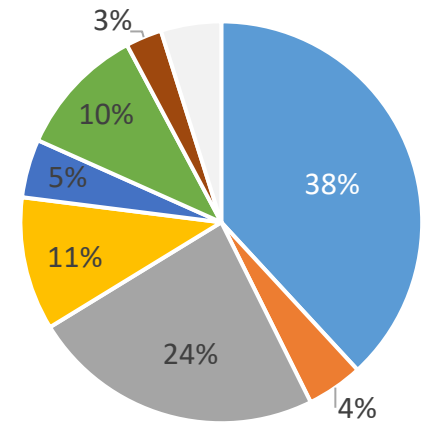
By Category



Category	Volume
Sparkling	+5%
Tea	+4%
Sports	-2%
Water	+16%
Coffee	+1%
Juice	+12%

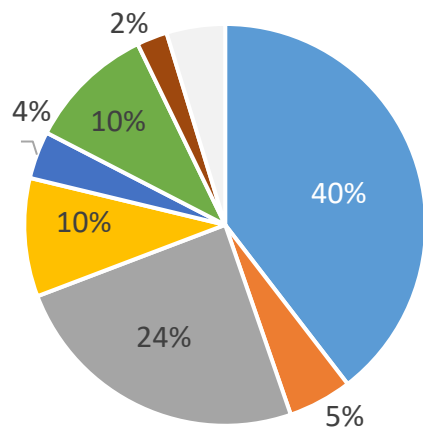
By Package

Q3YTD (Jan to Sep)



Package	Volume
S-PET	-2%
M-PET	+9%
L-PET	+7%
Can	+1%
Bottle Can	-2%
Syrup	+17%
Powder	+23%

Q3QTD (Jul to Sep)



Package	Volume
S-PET	+1%
M-PET	+12%
L-PET	+9%
Can	-3%
Bottle Can	-2%
Syrup	+13%
Powder	+20%

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

Note: Volume doesn't include alcohol.



ハッピーなひとときを、
ボトルから。

We bottle happy moments.

Coca-Cola Bottlers Japan Holdings is committed to providing quality in every bottle, delivering great new tastes and happy moments while creating value for every occasion. We are committed to conserving limited resources and achieving a sustainable cycle of production.

With diverse talents working together to accomplish transformation, we believe that we can create an overflowing of happiness that will enrichen lives.

We continue to drive forward every day with pride in our work and mission to support people, communities, and the natural environment.



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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