

This document is a summary translation of the Japanese language original version. In the event of any discrepancy, errors and/or omissions, the Japanese language version shall prevail.

Securities code: 2579

March 8, 2021

NOTICE OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

Coca-Cola **BOTTLERS JAPAN HOLDINGS INC.**

To Our Shareholders

Thank you for your ongoing support and understanding of our company. On behalf of Coca-Cola Bottlers Japan, I would like to express our condolences for those who have lost their lives due to the novel coronavirus (COVID-19) and our wish for a full recovery to those suffering from the disease. Also, we would like to express our sincere gratitude and appreciation to the governments and local municipalities, the health institutions and medical staff and other service providers across the country who are making every effort to prevent the spread of the infection and provide treatment.

During this outbreak of COVID-19, the safety and health of our consumers, our customers, our employees and our communities is our number one priority. Our mission is to deliver happy moments to everyone while creating value, even in challenging times. We have been working with comprehensive business continuity actions in place to ensure safe and secure supply of essential goods and services, and we are helping communities in need, together with The Coca-Cola Company, by donating beverages, sanitizers and personal protective equipment.

In 2020, we responded quickly to rapid changes in the business environment with a variety of measures to mitigate the near-term impact, strengthened the resilience and agility of our core beverage business, and established a foundation for longer-term recovery and growth. We recognize that "business as usual is not an option", and have forged ahead with important measures such as accelerating transformation priorities identified in our mid-term strategic business plan, driving significant cost-reduction initiatives with a focus on good stewardship of capital, and promoting people development and new, more flexible working styles.

It is expected that the uncertain business environment will continue, and we believe our strong efforts of 2020 will ensure we have a more resilient and solid foundation from which to recover and grow as market conditions normalize. We have transformed our channel and customer-service models, including in the important vending channel, and are reassessing cost structure across all business functions. We have improved productivity and efficiency in manufacturing and logistics, while investing in customer-oriented initiatives that will lead to expansion of selling space and market-share growth. We continue to invest in human capital and career planning, and we maintain a strict focus on ESG priorities in order to create shared value for stakeholders across our business operations.

We create value by playing our role in society and making every effort toward continued transformation and business growth. This requires execution based on comprehensive and resilient business strategies and solid governance and financial frameworks that deliver sustainable business growth, profit generation and cash flow in order to return value to you, our shareholders.

To all of our shareholders, we ask for your continued understanding and we thank you for your longstanding support for our efforts.

Calin Dragan
Representative Director & President

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Securities code: 2579

March 8, 2021

**NOTICE OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**

Dear Shareholder,

You are hereby notified of the Ordinary General Meeting of Shareholders for the fiscal year ended December 31, 2020 of Coca-Cola Bottlers Japan Holdings Inc. (the “Company”), which will be held as described hereunder.

In light of the ongoing concerns over the spread of the novel coronavirus disease (COVID-19), we ask you to refrain from attending the meeting, and to exercise your voting rights either by writing or via the Internet. Furthermore, to exercise your voting rights in advance either by writing or via the Internet, please review the attached Reference Materials for General Meeting of Shareholders and exercise your voting rights by 5:45 p.m., March 24 (Wednesday), 2021.

Sincerely yours,

Calin Dragan
Representative Director & President

 **BOTTLERS JAPAN HOLDINGS INC.**
9-7-1 Akasaka, Minato-ku, Tokyo

Matters Related to the Exercise of Voting Rights in Writing or via the Internet	
Exercise of voting rights by mail (writing) Please review the attached Reference Materials for General Meeting of Shareholders and indicate your approval or disapproval on the enclosed proxy voting form, and post it without affixing a postage stamp.	Exercise of voting rights via the Internet Please exercise your voting rights by the deadline.
Voting deadline Votes must arrive by 5:45 p.m., March 24 (Wednesday), 2021	Voting deadline 5:45 p.m., March 24 (Wednesday), 2021

If you exercise your voting rights twice, both by writing and via the Internet, the voting via the Internet shall prevail. In case of multiple voting via the Internet or both through personal computer and smartphone, etc., the last voting shall prevail.

MEETING AGENDA

1. Date and Time: 10:00 a.m., March 25 (Thursday), 2021 (Reception starts at 9:00 a.m.)

2. Venue: Ho-Oh-No-Ma (2F), Tokyo Prince Hotel
3-3-1 Shibakoen, Minato-ku, Tokyo, Japan

3. Agenda:

Items to be reported:

1. Business report and consolidated financial statements for the fiscal year ended December 31, 2020 (January 1 to December 31, 2020); and audit reports of consolidated financial statements by Accounting Auditors and the Audit and Supervisory Committee
2. Non-consolidated financial statements for the fiscal year ended December 31, 2020 (January 1 to December 31, 2020)

Items to be proposed:

Proposal No. 1	Appropriation of surplus
Proposal No. 2	Election of five (5) Directors (excluding Directors serving on the Audit and Supervisory Committee)
Proposal No. 3	Election of four (4) Directors serving on the Audit and Supervisory Committee
Proposal No. 4	Revision of amounts of stock-based compensation, etc. for Executive Directors

- If we need to make any revision to the business report, consolidated financial statements, non-consolidated financial statements or Reference Materials for General Meeting of Shareholders, we will notify you through the Company's website (<https://www.ccbj-holdings.com/>).
- In accordance with laws and regulations and the provisions of Article 16 of the Company's Articles of Incorporation, the following matters have been omitted from the attachments to the Notice of the Ordinary General Meeting of Shareholders for the fiscal year ended December 31, 2020 due to their posting on the Company's website.
 - (1) "Main Businesses," "Major Locations, etc.," "Status of Employees," and "Major financial institutions providing loans to the Company" within "Current Status of the Coca-Cola Bottlers Japan Holdings Group" in the Business Report
 - (2) "Accounting Auditor," "The system to ensure business adequacy," and "Basic Policies on the Control of the Joint-stock Company" under "Current status of the Company" in the Business Report
 - (3) Consolidated Statements of Changes in Equity and Notes to Consolidated Financial Statements in Consolidated Financial Statements.
 - (4) Non-consolidated Statement of Changes in Shareholders' Equity and Notes to Non-consolidated Financial Statements in Non-consolidated Financial Statements.

Therefore, the attachments are part of the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the independent auditor when preparing the Independent Auditor's Report. Furthermore, they are part of the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit & Supervisory Committee in preparing the Audit Report.

The Company's Website	https://www.ccbj-holdings.com/
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Reference Materials for General Meeting of Shareholders

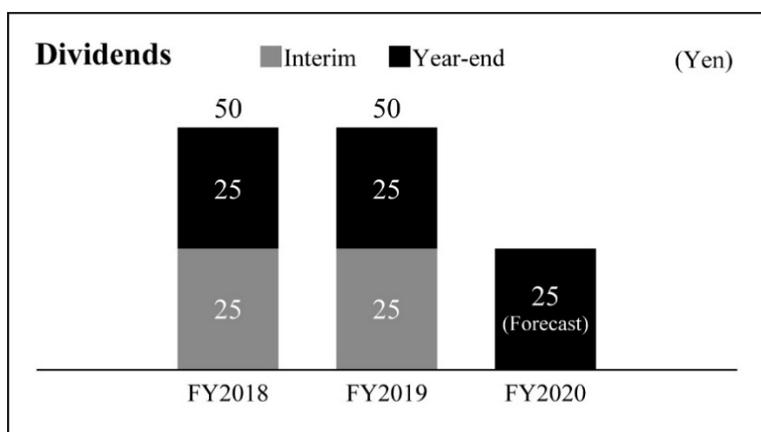
Proposal No. 1: Appropriation of surplus

In order to minimize the impact of events such as the declaration of a state of emergency nationwide due to the spread of COVID-19 and the decision to postpone the Tokyo Olympic and Paralympic games on the Company's business activities, the Company has made efforts including reduction of costs, review of plans for capital investment, and optimization of balance sheets. However, generally taking into account our profit level and actual cash flows for the fiscal year under review, we propose the appropriation of surplus as described below.

① Year-end dividends

①	Type of assets to be distributed	Cash
②	Allotment of assets to be distributed and the total amount	We propose to pay 25 yen per share of the Company's common stock. In this case, the dividends will total 4,483,707,375 yen. Furthermore, although the amount of year-end dividends will be the same as that of the previous fiscal year, annual dividends per share will be 25 yen lower than those of the previous fiscal year because we did not distribute interim dividends for the fiscal year under review.
③	Effective date of the dividends of surplus	We propose March 26, 2021 as the effective date of the dividends of surplus.

Reference



Dividend Policy

Regarding dividends, the Company sets its basic policy to carry out active redistribution of profits while placing the highest priority on paying stable dividends, by comprehensively reviewing the Company's business performance and level of retained earnings. The Company has set a payout ratio target of 30% or more of net profit for the year attributable to owners of the parent and pays interim and year-end dividends of surplus.

* As stated above, the Company plans to pay dividends only once for the fiscal year under review (year-end dividends only).

Proposal No. 2: Election of five (5) Directors (excluding Directors serving on the Audit and Supervisory Committee)

All five (5) Directors (excluding Directors serving on the Audit and Supervisory Committee) will complete their terms at the end of this Ordinary General Meeting of Shareholders.

Therefore, we would like to request the election of five (5) Directors (excluding Directors serving on the Audit and Supervisory Committee).

The candidates for Directors (excluding Directors serving on the Audit and Supervisory Committee) are as follows:

No.	Name	Attributes	Current Position and Responsibility in the Company	
			Position	Responsibility
1	Calin Dragan	Reelection	Representative Director	President
2	Bjorn Ivar Ulgenes	Reelection	Representative Director	Chief Financial Officer (Head of Finance)
3	Hiroshi Yoshioka	Reelection, Outside, Independent	Outside Director	–
4	Hiroko Wada	Reelection, Outside, Independent	Outside Director	–
5	Hirokazu Yamura	Reelection, Outside, Independent	Outside Director	–

Reference: Guidelines and Procedures for the Nomination of Candidates for Directors

- In nominating candidates for internal Directors of the Company, the Company will judge the level of contribution and the future potential of the candidates based on the Company’s evaluation system.
- Furthermore, in nominating candidates for Outside Directors, the Company will nominate persons that it judges they are expected to largely contribute to increasing the Company’s corporate value.
- Moreover, in nominating candidates for Directors serving on the Audit and Supervisory Committee, at least one of the candidates must be a person with suitable knowledge regarding finance and accounting.
- Furthermore, the nomination procedures for candidates for Directors will be decided at a Board of Directors meeting. The Company is a “company with an Audit and Supervisory Committee” with an Audit and Supervisory Committee which is composed entirely of Outside Directors, including multiple Independent Outside Directors, and, with a Board of Directors where multiple constituent members are Independent Outside Directors. We judge that this system ensures fairness and transparency.

Candidate No. 2	Bjorn Ivar Ulgenes		Reelection
 <p>(Date of birth: April 5, 1968, 52 years old)</p>	[Relationship of special interest in the Company]	No. of Company Shares Owned	
	None	865	
	Attendance at Board of Directors meetings		
	10/10 *Attendance rate: 100%		
	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions		
	July	1997 Joined The Coca-Cola Company	
	August	2005 Finance Director, North & West Africa Business Unit, The Coca-Cola Company	
	May	2008 Finance Director & Executive Assistant to the Business Unit President, North & West Africa Business Unit, The Coca-Cola Company	
	June	2009 GM Innovation & EA, North & West Africa Business Unit, The Coca-Cola Company	
	February	2010 Senior Vice President Finance, The Coca-Cola (Japan) Co., Ltd.	
	January	2013 Finance Director, Central, East & West Africa Group, The Coca-Cola Company	
	April	2016 Deputy Finance Director, Europe, Middle East & Africa (EMEA) Group, The Coca-Cola Company	
	October	2018 Senior Executive Officer, Head of Finance, Coca-Cola Bottlers Japan Holdings Inc. Senior Executive Officer, Head of Finance, Coca-Cola Bottlers Japan Inc.	
	November	2018 Representative Director & President, Coca-Cola Bottlers Japan Sales Support Inc.	
	January	2019 Representative Director & President, Coca-Cola Bottlers Japan Business Services Inc.	
	February	2019 Executive Officer, Coca-Cola Bottlers Japan Holdings Inc. Executive Officer, Coca-Cola Bottlers Japan Inc.	
	March	2019 Representative Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent) Vice President, Chief Financial Officer (Head of Finance), Coca-Cola Bottlers Japan Holdings Inc. (incumbent) Representative Director, Coca-Cola Bottlers Japan Inc. (incumbent) Vice President, Chief Financial Officer (Head of Finance), Coca-Cola Bottlers Japan Inc. (incumbent)	
	December	2019 Representative Director & Chairman, Q'SAI CO., LTD.	
[Significant Concurrent Positions]	Representative Director & Vice President, Chief Financial Officer (Head of Finance), Coca-Cola Bottlers Japan Inc.		
	[Reasons for nomination as candidate for Director]		
	The Company requests the election of Bjorn Ivar Ulgenes as a Director because of his considerable experience as the Representative Director, Vice President, Chief Financial Officer (Head of Finance) of the Company and gained at The Coca-Cola Company, his global business knowledge of Coca-Cola business operations, and because of how he has exercised leadership in his present position as a Senior General Manager of Business of the Company and Group, to utilize his ability and experience, etc. in the management of the Group.		

Candidate No. 3	Hiroshi Yoshioka		Reelection	Outside	Independent
 (Date of birth: October 26, 1952, 68 years old)	[Relationship of special interest in the Company]	No. of Company Shares Owned			
	None	1,261			
	Attendance at Board of Directors meetings				
	10/10 *Attendance rate: 100%				
[Significant Concurrent Positions]	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions				
No significant concurrent positions to note.	April 1975 Joined Japan Radio Co., Ltd. January 1979 Joined Sony Corporation October 2001 Representative Director and President, Sony Ericsson Mobile Communications Corporation April 2003 CVP, Sony Ericsson Mobile Communications Corporation AB November 2005 Corporate Executive, SVP, Sony Corporation April 2008 Corporate Executive, EVP, Sony Corporation April 2009 Executive Deputy President Officer, Sony Corporation *Has resigned from the office as Executive Deputy President Officer of Sony Corporation as of December 31, 2012. July 2013 Outside Director, Coca-Cola East Japan Co., Ltd. April 2017 Outside Director, Coca-Cola Bottlers Japan Inc. January 2018 Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)				
[Reasons for nomination as candidate for Outside Director]					
The Company requests the election of Hiroshi Yoshioka as a Director (Outside Director) in order for him to utilize, for the management of the Company, the considerable experience and global knowledge he has gained thus far at the Coca-Cola bottling company within Japan and Sony Corporation.					

Candidate No. 4	Hiroko Wada		<input type="checkbox"/> Reelection	<input type="checkbox"/> Outside	<input type="checkbox"/> Independent																								
	[Relationship of special interest in the Company]		No. of Company Shares Owned																										
	None		-																										
	Attendance at Board of Directors meetings																												
	10/10 *Attendance rate: 100%																												
(Date of birth: May 4, 1952, 68 years old)	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions																												
[Significant Concurrent Positions] Representative, Office WaDa Outside Director, Shimadzu Corporation Outside Director (Audit & Supervisory Committee Member), Unicharm Corporation	<table border="0"> <tr> <td style="padding-right: 10px;">April</td> <td>1977</td> <td>Joined Procter & Gamble Sunhome Co., Ltd.</td> </tr> <tr> <td>January</td> <td>1998</td> <td>Vice President, In charge of Corporate New Ventures, Asia, The Procter & Gamble Company (U.S.)</td> </tr> <tr> <td>March</td> <td>2001</td> <td>Representative Director & President, Dyson Ltd.</td> </tr> <tr> <td>April</td> <td>2004</td> <td>Representative Director, President & COO, Toys”R”Us-Japan, Ltd.</td> </tr> <tr> <td>November</td> <td>2004</td> <td>Representative, Office WaDa (incumbent)</td> </tr> <tr> <td>May</td> <td>2009</td> <td>Outside Director, Aderans Holdings Co., Ltd.</td> </tr> <tr> <td>June</td> <td>2016</td> <td>Outside Director, Shimadzu Corporation (incumbent)</td> </tr> <tr> <td>March</td> <td>2019</td> <td>Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent) Outside Director (Audit & Supervisory Committee Member), Unicharm Corporation (incumbent)</td> </tr> </table>					April	1977	Joined Procter & Gamble Sunhome Co., Ltd.	January	1998	Vice President, In charge of Corporate New Ventures, Asia, The Procter & Gamble Company (U.S.)	March	2001	Representative Director & President, Dyson Ltd.	April	2004	Representative Director, President & COO, Toys”R”Us-Japan, Ltd.	November	2004	Representative, Office WaDa (incumbent)	May	2009	Outside Director, Aderans Holdings Co., Ltd.	June	2016	Outside Director, Shimadzu Corporation (incumbent)	March	2019	Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent) Outside Director (Audit & Supervisory Committee Member), Unicharm Corporation (incumbent)
April	1977	Joined Procter & Gamble Sunhome Co., Ltd.																											
January	1998	Vice President, In charge of Corporate New Ventures, Asia, The Procter & Gamble Company (U.S.)																											
March	2001	Representative Director & President, Dyson Ltd.																											
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June	2016	Outside Director, Shimadzu Corporation (incumbent)																											
March	2019	Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent) Outside Director (Audit & Supervisory Committee Member), Unicharm Corporation (incumbent)																											
[Reasons for nomination as candidate for Outside Director] The Company requests the election of Hiroko Wada as a Director (Outside Director) in order for her to utilize, for the management of the Company, the considerable experience and global knowledge she has gained thus far as officer at The Procter & Gamble Company and as Representative Director at Dyson Ltd. and Toys”R”Us-Japan Ltd.																													

Candidate No. 5	Hirokazu Yamura		<input type="checkbox"/> Reelection	<input type="checkbox"/> Outside	<input type="checkbox"/> Independent																		
 (Date of birth: September 28, 1977, 43 years old)	[Relationship of special interest in the Company]	No. of Company Shares Owned																					
	Hirokazu Yamura is Representative Director & President of Michinoku Coca-Cola Bottling Co., Ltd. The Company has business relations in product trading, etc. with Michinoku Coca-Cola Bottling Co., Ltd. (Sales etc. : 0.3% of the Company's net sales; Purchases etc. : 0.5% of the net revenues of Michinoku Coca-Cola Bottling Co., Ltd.)		-																				
	Attendance at Board of Directors meetings																						
8/8 *Attendance rate: 100%																							
Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions																							
[Significant Concurrent Positions]	<table border="0"> <tr> <td style="padding-right: 10px;">October</td> <td>2006</td> <td>Joined Michinoku Coca-Cola Bottling Co., Ltd.</td> </tr> <tr> <td style="padding-right: 10px;">February</td> <td>2009</td> <td>Director, Michinoku Coca-Cola Bottling Co., Ltd.</td> </tr> <tr> <td style="padding-right: 10px;">March</td> <td>2012</td> <td>Managing Director, Michinoku Coca-Cola Bottling Co., Ltd.</td> </tr> <tr> <td style="padding-right: 10px;">March</td> <td>2013</td> <td>Senior Managing Director, Michinoku Coca-Cola Bottling Co., Ltd.</td> </tr> <tr> <td style="padding-right: 10px;">March</td> <td>2014</td> <td>Representative Director & President, Michinoku Coca-Cola Bottling Co., Ltd. (incumbent)</td> </tr> <tr> <td style="padding-right: 10px;">March</td> <td>2020</td> <td>Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)</td> </tr> </table>					October	2006	Joined Michinoku Coca-Cola Bottling Co., Ltd.	February	2009	Director, Michinoku Coca-Cola Bottling Co., Ltd.	March	2012	Managing Director, Michinoku Coca-Cola Bottling Co., Ltd.	March	2013	Senior Managing Director, Michinoku Coca-Cola Bottling Co., Ltd.	March	2014	Representative Director & President, Michinoku Coca-Cola Bottling Co., Ltd. (incumbent)	March	2020	Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)
October	2006	Joined Michinoku Coca-Cola Bottling Co., Ltd.																					
February	2009	Director, Michinoku Coca-Cola Bottling Co., Ltd.																					
March	2012	Managing Director, Michinoku Coca-Cola Bottling Co., Ltd.																					
March	2013	Senior Managing Director, Michinoku Coca-Cola Bottling Co., Ltd.																					
March	2014	Representative Director & President, Michinoku Coca-Cola Bottling Co., Ltd. (incumbent)																					
March	2020	Outside Director, Coca-Cola Bottlers Japan Holdings Inc. (incumbent)																					
[Reasons for nomination as candidate for Outside Director]																							
The Company requests the election of Hirokazu Yamura as a Director (Outside Director) in order for him to utilize, for the management of the Company, the considerable experience and knowledge he has gained in management and as Representative Director & President at Michinoku Coca-Cola Bottling Co., Ltd.																							

Notes:

1. Company names at each time of occurrences are described within the Brief Personal Profile.
2. Currently, the Company has concluded officers' liability insurance agreements with Calin Dragan, Bjorn Ivar Ulgenes, Hiroshi Yoshioka, Hiroko Wada and Hirokazu Yamura as insureds, whose insurance premiums are fully borne by the Company, and if their re-elections are approved, said agreements shall be renewed. The agreement will outline that, in the event of a claim for damages by a shareholder, the Company, an employee or another third party during the insurance period arising from an act done by the insureds in relation to their work as the Company's officers, such compensation for damages and legal expenses, etc. shall be compensated.
3. Currently, the Company has concluded agreements for limitation of liability with Hiroshi Yoshioka, Hiroko Wada and Hirokazu Yamura, and if their re-elections are approved, said agreements shall remain in effect. The agreement will outline that in cases where the Directors (excluding Executive Directors, etc.) have caused damages to the Company due to non-performance of their duties and yet they are bona fide and there is no gross negligence from them in performing their duties, they shall be liable for the damages to the limit of minimum liability set forth in Article 425, Paragraph 1 of the Companies Act.
4. Hiroshi Yoshioka, Hiroko Wada and Hirokazu Yamura are candidates for Outside Director.
 - (1) Hiroshi Yoshioka, Hiroko Wada and Hirokazu Yamura are incumbent Outside Directors of the Company. At the conclusion of this General Meeting of Shareholders, Hiroshi Yoshioka has assumed the office as Outside Director for four (4) years, Hiroko Wada has assumed the office as Outside Director for two (2) years, and Hirokazu Yamura has assumed the office as Outside Director for one (1) year.
 - (2) The Company has submitted a notice to Tokyo Stock Exchange, Inc., on which the Company is listed, that Hiroshi Yoshioka, Hiroko Wada and Hirokazu Yamura are "Independent Directors" in accordance with the rules, etc. of the said securities exchange. If their re-elections are approved, they are scheduled to be Independent Directors continuously.

Proposal No. 3: Election of four (4) Directors serving on the Audit and Supervisory Committee

Irial Finan, Celso Guiotoko and Nami Hamada, Directors serving on the Audit and Supervisory Committee, will complete their terms at the end of this Ordinary General Meeting of Shareholders. In addition, Enrique Rapetti, Director serving on the Audit and Supervisory Committee, will resign from his position at the end of this Ordinary General Meeting of Shareholders.

Therefore, we would like to request the election of four (4) Directors serving on the Audit and Supervisory Committee.

We have obtained the consent of the Audit and Supervisory Committee in connection with this proposal.

The candidates for Directors serving on the Audit and Supervisory Committee are as follows:

No.	Name	Attributes	Current Position in the Company
1	Irial Finan	<u>Reelection</u> , <u>Outside</u>	Outside Director (Audit & Supervisory Committee Member)
2	Celso Guiotoko	<u>Reelection</u> , <u>Outside</u> , <u>Independent</u>	Outside Director (Audit & Supervisory Committee Member)
3	Nami Hamada	<u>Reelection</u> , <u>Outside</u> , <u>Independent</u>	Outside Director (Audit & Supervisory Committee Member)
4	Vamsi Mohan Thati	<u>New election</u> , <u>Outside</u>	-

Reference: Guidelines and Procedures for the Nomination of Candidates for Directors

- In nominating candidates for internal Directors of the Company, the Company will judge the level of contribution and the future potential of the candidates based on the Company's evaluation system.
- Furthermore, in nominating candidates for Outside Directors, the Company will nominate persons that it judges they are expected to largely contribute to increasing the Company's corporate value.
- Moreover, in nominating candidates for Directors serving on the Audit and Supervisory Committee, at least one of the candidates must be a person with suitable knowledge regarding finance and accounting.
- Furthermore, the nomination procedures for candidates for Directors will be decided at a Board of Directors meeting. The Company is a "company with an Audit and Supervisory Committee" with an Audit and Supervisory Committee which is composed entirely of Outside Directors, including multiple Independent Outside Directors, and, with a Board of Directors where multiple constituent members are Independent Outside Directors. We judge that this system ensures fairness and transparency.

Candidate No. 1	Irial Finan		<input type="checkbox"/> Reelection	<input type="checkbox"/> Outside
	[Relationship of special interest in the Company]	No. of Company Shares Owned		
	None	-		
	Attendance at Board of Directors meetings	Attendance at Audit and Supervisory Committee meetings		
	10/10 *Attendance rate: 100%	6/6 *Attendance rate: 100%		
(Date of birth: June 14, 1957, 63 years old)	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions			
[Significant Concurrent Positions]	<p>October 1984 Finance Director, Coca-Cola Bottlers Ireland Ltd</p> <p>January 1991 Managing Director, Coca-Cola Bottlers Ulster Ltd</p> <p>June 1995 Managing Director, Coca-Cola Molino Beverages & Joint Managing Director, Hellenic Bottling Company</p> <p>March 2001 CEO, Coca-Cola HBC SA</p> <p>August 2004 EVP, The Coca-Cola Company (President, Bottling Investments)</p> <p>February 2012 Director, Smurfit Kappa Group Plc (incumbent)</p> <p>March 2012 Outside Director, Coca-Cola Central Japan Company, Limited.</p> <p>July 2013 Outside Director, Coca-Cola East Japan Co., Ltd.</p> <p>April 2016 Director, Coca-Cola European Partners Plc (incumbent)</p> <p>April 2017 Outside Director (Audit & Supervisory Committee Member), Coca-Cola Bottlers Japan Inc.</p> <p>January 2018 Outside Director (Audit & Supervisory Committee Member), Coca-Cola Bottlers Japan Holdings Inc. (incumbent)</p> <p>February 2019 Director, Fortune Brands Home & Security, Inc. (incumbent)</p>			
[Reasons for nomination as candidate for Outside Director]				
<p>Irial Finan has considerable experience and global expertise having acted as a corporate executive engaged in Coca-Cola business over many years acting as an outside director of Coca-Cola bottling company within Japan, management of The Coca-Cola Company and global bottlers and a representative of the Bottling Investments Group engaging in oversight of Coca-Cola bottlers worldwide, and possesses audit experiences as a Director serving on the Audit and Supervisory Committee and the Chairperson of such Audit and Supervisory Committee at our Company. Based on his extensive experience as a global corporate executive and his expertise in the field of finance, he is expected to provide advice as a Director serving on the Audit and Supervisory Committee on all areas including decision making related to important managerial decisions, handling of expected risks and the internal control system, and the Company hereby requests the election of Finan as a Director serving on the Audit and Supervisory Committee (Outside Director).</p>				

Candidate No. 2	Celso Guiotoko		<input type="checkbox"/> Reelection	<input type="checkbox"/> Outside	<input type="checkbox"/> Independent
	[Relationship of special interest in the Company]		No. of Company Shares Owned		
	None		-		
	Attendance at Board of Directors meetings		Attendance at Audit and Supervisory Committee meetings		
	10/10 <small>*Attendance rate: 100%</small>		6/6 <small>*Attendance rate: 100%</small>		
(Date of birth: January 3, 1959, 62 years old)	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions				
	December 1983 Joined Banco Bradesco SA January 1985 Senior Manager, Arthur Andersen (Accenture) March 1996 System Director, Toshiba America Electronic Components, Inc. December 1997 Solution Service Vice President, i2 Technologies Japan, Inc. May 2004 Vice President & CIO (Chief Information Officer), Nissan Motor Co., Ltd. April 2006 Corporate Vice President & CIO, Nissan Motor Co., Ltd. April 2014 Senior Corporate Vice President & CIO, Nissan Motor Co., Ltd. June 2017 Statutory Auditor, Nissan Motor Co., Ltd. <small>*Guiotoko has resigned from the office as Statutory Auditor of Nissan Motor Co., Ltd. as of May 11, 2018.</small>				
[Significant Concurrent Positions] Director and Global Chief Digital Officer, Nishimoto Co., Ltd.	March 2019 Outside Director (Audit & Supervisory Committee Member), Coca-Cola Bottlers Japan Holdings Inc. (incumbent) Executive Officer and Global Chief Digital Officer, Nishimoto Co., Ltd. March 2020 Director and Global Chief Digital Officer, Nishimoto Co., Ltd. (incumbent)				
[Reasons for nomination as candidate for Outside Director]					
Celso Guiotoko has considerable experiences and global expertise gained at Nissan Motor Co., Ltd. (“Nissan”) as well as Nishimoto Co., Ltd. and possesses audit experience as Statutory Auditor at Nissan. Based on his extensive experience as a corporate executive and an auditor and his expertise in the field of information technology, he is expected to provide advice as a Director serving on the Audit and Supervisory Committee on all areas including decision making related to important managerial decisions, handling of expected risks and the internal control system, and the Company hereby requests the election of Guiotoko as a Director serving on the Audit and Supervisory Committee (Outside Director).					

Candidate No. 3	Nami Hamada		<input type="checkbox"/> Reelection	<input type="checkbox"/> Outside	<input type="checkbox"/> Independent
 <p>(Date of birth: August 3, 1964, 56 years old)</p>	[Relationship of special interest in the Company]	No. of Company Shares Owned			
	None	-			
	Attendance at Board of Directors meetings	Attendance at Audit and Supervisory Committee meetings			
	10/10 *Attendance rate: 100%	6/6 *Attendance rate: 100%			
[Significant Concurrent Positions]	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions				
Founder, Managing Director, Mile High Capital Inc. Outside Director (Audit Committee Member), MetLife Insurance K.K.	<p>July 1992 Joined Lehman Brothers Holdings Inc. October 1996 Vice President, Lehman Brothers Japan Inc. June 1999 Senior Vice President, Lehman Brothers Japan Inc. May 2004 Representative Director, HDH Advisors Japan Limited. December 2006 Principal, HDH Capital Management Pte Ltd. (Former Company Name: HDH Advisors) March 2009 Founder, Managing Director, Mile High Capital Inc. (incumbent) August 2017 Director, Ecoplexus Japan K.K. February 2019 Chief Operating Officer, Vesper Group Japan K.K. March 2019 Outside Director (Audit & Supervisory Committee Member), Coca-Cola Bottlers Japan Holdings Inc. (incumbent) May 2020 Outside Director (Audit Committee Member), MetLife Insurance K.K. (incumbent)</p>				
[Reasons for nomination as candidate for Outside Director]					
<p>Nami Hamada has considerable experiences on Finance and Accounting gained as a proprietor of her own finance consulting company and considerable experiences and global expertise gained as a corporate executive at Lehman Brothers Japan Inc. Based on her extensive experience as a corporate executive and her expertise in the field of finance, she is expected to provide advice as a Director serving on the Audit and Supervisory Committee on all areas including decision making related to important managerial decisions, handling of expected risks and the internal control system, and the Company hereby requests the election of Hamada as a Director serving on the Audit and Supervisory Committee (Outside Director).</p>					

Candidate No. 4	Vamsi Mohan Thati		New election	Outside
 (Date of birth: April 28, 1971, 49 years old)	[Relationship of special interest in the Company]	No. of Company Shares Owned		
	Vamsi Mohan Thati is President of the Greater China and Mongolia Operating Unit at The Coca-Cola Company. The Company has entered into contracts for manufacturing and sales of Coca-Cola and other products and use of trademarks, etc. with The Coca-Cola Company.	-		
	Attendance at Board of Directors meetings	Attendance at Audit and Supervisory Committee meetings		
	-	-		
	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions			
[Significant Concurrent Positions]	June 1994 Joined ASIAN PAINTS (INDIA) LTD. September 1998 Joined The Coca-Cola Company Bottling Investments Group April 2009 General Manager, The Coca-Cola Company Bottling Investments Group May 2012 Indochina CEO, The Coca-Cola Company Bottling Investments Group June 2016 Southeast Asia Region Director, The Coca-Cola Company Bottling Investments Group May 2017 India and Southwest Asia Region Director, The Coca-Cola Company Bottling Investments Group January 2018 President, South Pacific Business Unit, The Coca-Cola Company November 2020 President, Greater China and Mongolia Operating Unit, The Coca-Cola Company (incumbent)			
[Reasons for nomination as candidate for Outside Director] Vamsi Mohan Thati is President of the Greater China and Mongolia Operating Unit at The Coca-Cola Company, who has demonstrated strong leadership in a variety of fields such as operations, market execution, and general management at The Coca-Cola Company Bottling Investments Group and has considerable management experiences as a manager at business units in the Asia region. Based on his extensive experience as a global corporate executive, he is expected to provide advises as a Director serving on the Audit and Supervisory Committee on all areas including decision making related to important managerial decisions, handling of expected risks and the internal control system, and the Company hereby requests the election of Thati as a Director serving on the Audit and Supervisory Committee (Outside Director).				

Notes:

1. Company names at each time of occurrences are described within the Brief Personal Profile.
2. Currently, the Company has concluded officers' liability insurance agreements with Irial Finan, Celso Guiotoko and Nami Hamada as insureds, whose insurance premiums are fully borne by the Company, and if their re-elections are approved, said agreements shall be renewed. In addition, if the election of Vamsi Mohan Thati is approved, the Company plans to conclude the said agreement with him as an insured. The agreement will outline that, in the event of a claim for damages by a shareholder, the Company, an employee or another third party during the insurance period arising from an act done by the insureds in relation to their work as the Company's officers, such compensation for damages and legal expenses, etc. shall be compensated.
3. Currently, the Company has concluded agreements for limitation of liability with Irial Finan, Celso Guiotoko and Nami Hamada, and if their re-elections are approved, said agreements shall remain in effect. In addition, if the election of Vamsi Mohan Thati is approved, the Company plans to conclude the said agreement with him. The agreement will outline that in cases where the Directors (excluding Executive Directors, etc.) have caused damages to the Company due to non-performance of their duties and yet they are bona fide and there is no gross negligence from them in performing their duties, they shall be liable for the damages to the limit of minimum liability set forth in Article 425, Paragraph 1 of the Companies Act.
4. Irial Finan, Celso Guiotoko, Nami Hamada and Vamsi Mohan Thati are candidates for Outside Director.
 - (1) Following indications relating to non-conformities in the final vehicle inspections process made on September 18, 2017 by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) during an on-site inspection of the Nissan Shatai Co., Ltd.'s Shonan Plant, Nissan Motor Co., Ltd., where Celso Guiotoko served as Statutory Auditor until May 11, 2018, provided a report to the MLIT on November 17, 2017 on "A Detailed Fact-Finding Investigation on the Past Operating Conditions of the Non-Conforming Final Vehicle Inspections and an Evaluation of Recurrence Prevention Policy." Thereafter, after receiving operational improvement orders from the MLIT on March 26, 2018, on July 9, 2018, Nissan Motor Co., Ltd. publicly disclosed the fact that it had discovered non-conformities including deviations in the testing environment and the rewriting of measured values in some of the emission gas and fuel consumption measurement tests performed during the final vehicle inspections. Furthermore, on December 10, 2018, Nissan Motor Co., Ltd. and its two former directors were indicted for violations of the Financial Instruments and Exchange Act (a crime of submitting a false securities report) regarding the executive compensation listed in Nissan Motor Co., Ltd.'s securities report. Celso Guiotoko was not aware of these problems until these facts came to light, but was providing regular suggestions from the standpoint of legal compliance at the Board of Directors meetings, etc. He has fulfilled his responsibilities such as by directing the thorough investigation of the said facts and the prevention of recurrence.
 - (2) Irial Finan, Celso Guiotoko and Nami Hamada are incumbent Outside Directors of the Company. At the conclusion of this General Meeting of Shareholders, Irial Finan has assumed the office as Outside Director for four (4) years, and Celso Guiotoko and Nami Hamada have assumed the offices as Outside Directors for two (2) years.
 - (3) The Company has submitted a notice to Tokyo Stock Exchange, Inc., on which the Company is listed, that Celso Guiotoko and Nami Hamada are "Independent Directors" in accordance with the rules, etc. of the said securities exchange. If their re-elections are approved, they are scheduled to be Independent Directors continuously.

Proposal No. 4: Revision of amounts of stock-based compensation, etc. for Executive Directors

With regard to the compensation, etc. for the Company's Directors (excluding Directors serving on the Audit and Supervisory Committee), the issue of stock-based compensation consisting of monetary compensation receivables and cash (the performance share unit system, hereinafter called "PSU," and the restricted stock unit system, hereinafter called "RSU") to Executive Directors (excluding Directors serving on the Audit and Supervisory Committee and Outside Directors) was approved in an annual amount not exceeding in total the value of 200,000 shares multiplied by the market value of the monetary compensation receivables and cash at the time of issue, by shareholders on the 2019 Annual General Meeting of Shareholders held on March 26, 2020.

The amount of compensation etc. for the Company's Directors (excluding Directors serving on the Audit and Supervisory Committee) is significantly skewed towards variable pay and has strong dependency on performance of the Company. For the basic policy and the outline of compensation, please refer to "Reference" at the end of this document. It is vital for the Company to maintain the current mechanism for varying compensation based on performance in order to motivate improved business performance in the future, while also strengthening mechanisms to recruit and retain talented human resources who will be able to lead further business growth, even in an adverse business environment. By increasing the proportion of RSU in compensation for Executive Directors, it is important for the Company to align interests with shareholders, creating incentives to improve mid-to-long-term corporate value, and strengthening retention.

In order to fulfill this objective, we propose to revise the total amount of monetary compensation receivables and cash to be issued to Executive Directors as compensation to an amount within the total of 600,000 shares per year (equivalent to approximately 0.3% of the total number of shares currently issued by the Company) multiplied by the market value of the monetary compensation receivables and cash at the time of issue. The above compensation amount represents an upper limit, applicable only when the highest level of performance is achieved. This amount of compensation will not necessarily be paid every year. In the event of poor business performance, variable compensation will be significantly reduced.

In addition, we propose to revise the timing of the provision of benefits under the RSU to the time of each Director's retirement from each three consecutive fiscal year period, Applicable Term, ends to further strengthen retention of talented human resources and to continue to contribute to the Company performance. In the case that this agenda item is approved, an outline of Stock-based Compensation is provided below as "Note." We propose to apply this revision to the RSU resolved by the 2019 Annual General Meeting of Shareholders as described in this agenda item.

The payment of the compensation subject to the above revisions is expected to be decided by comprehensively taking into account matters such as degree of contribution by the Executive Directors to the Company, etc., and the Company believes that such method of determination is reasonable based on the compensation structure defined for Executive Directors' and Executive Officers' compensation system. Separate to this amount, no change has been made to the

compensation limit approved by resolution of the 2019 Annual General Meeting of Shareholders held on March 26, 2020, of an annual amount not exceeding 850 million yen in total for Directors (excluding Directors serving on the Audit and Supervisory Committee).

There will be five Directors (two of whom are Executive Directors) other than the Directors serving on the Audit and Supervisory Committee in the case that Proposal No. 2 is approved.

Note

Outline of Stock-based Compensation in the case that this agenda item is approved (the main points of the revision are underlined)

Outline of the PSU

(1) Outline of the PSU

The PSU is a performance-linked stock-based compensation system under which Executive Directors covered by the PSU (hereinafter called “Participants”) shall be provided an amount of the Company’s common shares and cash based on the degree to which the Company has achieved the quantitative performance targets, etc. predetermined by the Company’s Board of Directors Meeting for each three consecutive fiscal year period (hereinafter called the “Applicable Term”), as compensation for each Applicable Term. The initial Applicable Term shall be from the fiscal year ending December 31, 2021 to the fiscal year ending December 31, 2023, and the Applicable Term for the years after the one ending December 31, 2021 onwards shall also be three consecutive years.

Because the provision of the Company’s common shares and cash is based on the degree to which the Company has achieved the quantitative performance targets, etc., whether or not the Company’s common shares and cash will be provided, and the number of shares and the amount of money if such provision is to be made, are not determined at the time when the PSU is introduced.

(2) Structure of the PSU

The specific structure of the PSU is as follows.

- (a) The Participants eligible under the PSU shall be Executive Directors.
- (b) The basic amount in accordance with the responsibilities, etc. of each Participant, as well as the quantitative targets (based on ROE, net sales, etc.), payment coefficient and formulas necessary to calculate the specific number of common shares of the Company and the amount of cash to be provided to each Participant, will be decided within three months of the commencement of the Applicable Term, at the Company’s Board of Directors Meeting.
- (c) Once the Applicable Term ends, the number of common shares and cash to be provided to each Participant will be determined in accordance with predetermined ratios based on factors including the degree to which the Company has achieved quantitative performance targets during the Applicable Term.

- (d) The Company will provide monetary compensation receivables, the amounts of which are determined in accordance with the number of common shares to be provided to each Participant as determined in the above (c), for each Participant for the purpose of contributing them in kind, and such Participant will receive the allotted common shares by contributing all the concerned monetary compensation receivables in kind. The paid-in amount for such common shares shall be based on the closing price of the Company's common shares on the Tokyo Stock Exchange, Inc. on the business day before the date of the resolution of the Company's Board of Directors Meeting on the issuance or disposal of shares (if transaction is not completed on the same day, the closing price of the most recent trading day before that).
- (e) To secure the funds the Participants need for paying tax obligations in connection with the allotment of the Company's common shares in the above (d), in addition to the monetary compensation receivables determined in accordance with the above (d), the Company will pay the amount of cash decided in accordance with the above (c).
- (3) Calculation methods to determine the number of the Company's common shares and cash amount to be provided to each Participant
- The Company will calculate the number of the Company's common shares and cash amount to be provided to each Participant using the following formula.
- (a) Number of the Company's common shares provided to each Participant

$$\text{(Basic amount (*1) } \div \text{ stock price at the time of grant (*2))} \times \text{payment coefficient (*3)} \times 50\%$$
Fractions less than 100 shares resulting from the calculation will be rounded up to 100 shares.
- (b) Cash paid to each Participant

$$\{(\text{Basic amount (*1) } \div \text{ stock price at the time of grant (*2)}) \times \text{payment coefficient (*3)} - \text{No. of the Company's common shares to be provided}\} \times \text{Stock price at the time of issue (*4)}$$
Fractions less than 1 yen resulting from the calculation will be rounded up to 1 yen.
- *1 The basic amount for each Participant is decided at the Company's Board of Directors Meeting based on the responsibilities, etc. of each Participant.
- *2 The stock price at the time of grant is the average of closing stock prices of the Company's common shares in Tokyo Stock Exchange, Inc. over the 1 month period preceding the AGM, counting from the day before the AGM.
- *3 The payment coefficient takes a value between 0% and 150%, and is calculated based on the degree to which the Company has achieved ROE, net sales and other targets during the Applicable Term, in accordance with a method determined by the Company's Board of Directors Meeting.
- *4 The stock price at the time of issue shall be the closing price of the Company's common shares on the Tokyo Stock Exchange, Inc. on the business day before the date of the resolution of the Company's Board of Directors Meeting on issuance and disposal of the shares provided under the PSU (if transaction is not completed on the same day, the closing price of the most recent trading day before that).

The total combined amount of monetary compensation receivables in (2) (d) and cash in (2) (e) in the outline of the PSU, together with monetary compensation receivables in (2) (c) and cash in (2) (d) in the outline of the RSU, shall be limited to a maximum of 600,000 shares of the Company's common shares per year multiplied by the stock price at the time of issue. However, if the total number of shares issued by the Company increases/decreases after the date of resolution of this agenda item due to reverse share split, share split, allocation of shares without contribution etc., the total amount of the monetary compensation receivables and cash to be provided to the Participants and the number of the Company's common shares provided to the Participants will be reasonably adjusted according to the percentage of such increase or decrease.

(4) Conditions for providing the Company's common shares to the Participants

Under the PSU, the Company's common shares and cash will be provided to the Participants if the following conditions are met after the Applicable Term ends.

- (a) Continuously served as a Director or Executive Officer of the Company or any of its subsidiaries throughout the Applicable Term
- (b) No illegal acts, as defined by the Company's Board of Directors Meeting, were conducted
- (c) Other conditions that are determined by the Company's Board of Directors Meeting as necessary to achieve the objectives of the PSU are met

The Company's common shares will be provided to the Participants through the issuance of shares or the disposal of treasury stock. The Participants who will receive these common shares and the subscription requirements for such issuance of the shares or disposal of treasury stock will be decided by the Company's Board of Directors Meeting after the Applicable Term.

(5) Treatment in the case of resignation

Should a Participant lose his/her position as a Director or Executive Officer of the Company or any of its subsidiaries during the Applicable Term only due to a certain reason which has been determined by the Company's Board of Directors Meeting in advance, such Participants will be provided with the Company's common shares and cash prorated based on a reasonable method prescribed by the Company's Board of Directors Meeting for each Participant's term of office during the Applicable Term up to such resignation.

Outline of the RSU

(1) Outline of the RSU

The RSU is a stock-based compensation system under which Executive Directors covered by the RSU (hereinafter called "Participants"), provided that their employment has been continuous throughout the period prescribed by the Company's Board of Directors Meeting (hereinafter called the "Applicable Term"), shall be provided an amount of the Company's common shares and cash which has been predetermined by the Company's Board of Directors Meeting at the time of their retirement, as compensation for each Applicable Term. The initial Applicable Term shall be from the fiscal year ending December 31, 2021 to the fiscal year

ending December 31, 2023, and the Applicable Term for the years after the one ending December 31, 2021 onwards shall also be three consecutive years.

(2) Structure of the RSU

The specific structure of the RSU is as follows.

- (a) The basic amount in accordance with factors including the responsibilities of each Participant, as well as the number of share units to be provided to each Participant, will be decided at the Company's Board of Directors Meeting, and the number of share units granted to each Participant, within three months of the commencement of the Applicable Term.
- (b) On the retirement of a Participant, the number of common shares and cash to be provided to the Participant will be determined at the Company's Board of Directors Meeting based on the accumulated number of share units that have been granted to the Participant.
- (c) The Company will provide monetary compensation receivables, the amounts of which are determined in accordance with the number of common shares to be provided to each Participant as determined in the above (b), for each Participant for the purpose of contributing them in kind, and such Participant will receive the allotted common shares by contributing all the concerned monetary compensation receivables in kind. The paid-in amount for such common shares shall be based on the closing price of the Company's common shares on the Tokyo Stock Exchange, Inc. on the business day before the date of the resolution of the Company's Board of Directors Meeting on the issuance or disposal of shares (if transaction is not completed on the same day, the closing price of the most recent trading day before that).
- (d) To secure the funds the Participants need for paying tax obligations in connection with the allotment of the Company's common shares in the above (c), in addition to the monetary compensation receivables determined in accordance with the above (c), the Company will pay the amount of cash decided in accordance with the above (b).

(3) Calculation methods to determine the number of the Company's common shares and cash amount to be provided to each Participant

The Company will calculate the number of the Company's common shares and cash amount to be provided to each Participant using the following formula.

- (a) Number of the Company's common shares provided to each Participant
 $(\text{Basic amount (*1)} \div \text{stock price at the time of grant (*2)}) \times 50\%$
Fractions less than 100 shares resulting from the calculation will be rounded up to 100 shares.
- (b) Cash paid to each Participant
 $\{(\text{Basic amount (*1)} \div \text{stock price at the time of grant (*2)}) - \text{No. of the Company's common shares calculated in the above (a)}\} \times \text{Stock price at the time of issue (*3)}$
Fractions less than 1 yen resulting from the calculation will be rounded up to 1 yen.
*1 The basic amount for each Participant is decided at the Company's Board of Directors Meeting in accordance with the responsibilities of each Participant.

- *2 The stock price at the time of grant is the average of closing stock prices of the Company's common shares in Tokyo Stock Exchange, Inc. over the 1 month period preceding the AGM, counting from the day before the AGM.
- *3 The stock prices at the time of issue shall be the closing price of the Company's common shares on the Tokyo Stock Exchange, Inc. on the business day before the date of the resolution of the Company's Board of Directors Meeting on issuance and disposal of the shares provided under the RSU (if transaction is not completed on the same day, the closing price of the most recent trading day before that).

The total combined amount of monetary compensation receivables in (2) (d) and cash in (2) (e) in the outline of the PSU, together with monetary compensation receivables in (2) (c) and cash in (2) (d) in the outline of the RSU, shall be limited to a maximum of 600,000 shares of the Company's common shares per year multiplied by the stock price at the time of issue. However, if the total number of shares issued by the Company increases/decreases after the date of resolution of this agenda item due to reverse share split, share split, allocation of shares without contribution etc., the total amount of the monetary compensation receivables and cash to be provided to the Participants and the number of the Company's common shares provided to the Participants will be reasonably adjusted according to the percentage of such increase or decrease.

(4) Conditions for providing the Company's common shares to the Participants

Under the RSU, the Company's common shares and cash will be provided to the Participants on retirement if the following conditions are met.

- (a) Continuously served as a Director or Executive Officer of the Company or any of its subsidiaries throughout the Applicable Term
- (b) No illegal acts, as defined by the Company's Board of Directors Meeting, were conducted
- (c) Other conditions that are determined by the Company's Board of Directors Meeting as necessary to achieve the objectives of the RSU are met

The Company's common shares will be provided to the Participants through the issuance of shares or the disposal of treasury stock. The Participants who will receive these common shares and the subscription requirements for such issuance of the shares or disposal of treasury stock will be decided by the Company's Board of Directors Meeting.

(5) Treatment in the case of resignation

Should a Participant lose his/her position as a Director or Executive Officer of the Company or any of its subsidiaries during the Applicable Term only due to a certain reason which has been determined by the Company's Board of Directors Meeting in advance, such Participants will be provided with the Company's common shares and cash prorated based on a reasonable method prescribed by the Company's Board of Directors Meeting for each Participant's term of office during the Applicable Term up to such resignation.

END

<Reference>

The Company is planning to revise the stock-based compensation system for the Executive Officers of the Company and its subsidiaries as described in this agenda item, on the condition that the agenda item will be approved.

Outline of the compensation system to be introduced for the Executive Directors and Executive Officers in the case that this agenda item is approved

- Basic policy on compensation
 - ✓ Compensation level and structure that enable hiring and retaining high-quality talents from the perspective of diverse nationalities and experiences.
 - ✓ Compensation composition ratio emphasizing performance-linked compensation, resulting in providing sufficient incentives for profitable growth.
 - ✓ Introduce the system to further improve mid- to long-term corporate value, and reinforce alignment of interests with the shareholders.

● Compensation structure

Fixed compensation	Base salary	<ul style="list-style-type: none"> ● Monthly payment of an amount determined based on responsibilities. 	<p>The portion of the compensation shown on the left provided to Directors will not exceed the following amount.</p> <p>Compensation limit for Directors (excluding Directors serving on the Audit and Supervisory Committee): 850 million yen per year (approved by resolution no. 5 of 2019 Annual General Meeting of Shareholders) *In case where the Audit and Supervisory Committee has deliberated and deemed it necessary, payments within 850 million yen may be made for fringe benefits such as housing allowances, etc.</p>
	Retirement payments	<ul style="list-style-type: none"> ● 10% of annual base salary is retained, and the accumulated amount is calculated and paid upon their retirement. ● This payment may be reduced or withheld altogether if the recipient has caused significant damage to the CCBJH Group or been subject to disciplinary action. It may also be specially increased where the recipient has given particularly distinguished contribution. Any reduction, withholding, or special increase will be decided at the Board of Directors Meeting, based on deliberation by the Audit and Supervisory Committee. 	
Variable compensation	Annual bonus	<ul style="list-style-type: none"> ● Provided as an incentive for achieving performance targets for each fiscal year. ● The target amount is set in the range of 30% to 85% of base salary, depending on their responsibilities. ● The amount of payment varies in the range of 0% to 150% of the target amount depending on the achievement of performance targets in each fiscal year (companywide performance and individual evaluations). ● To provide motivation to achieve profitable growth, business income, sales volume, and net sales have been adopted as measures for evaluating companywide performance, based on the Company's policy regarding the determination of compensation, etc. for Executive Directors and Executive Officers, etc. 	
	Long-term incentives	<ul style="list-style-type: none"> ● Two types of stock-based compensation systems, (1) PSU and (2) RSU, are adopted as long-term incentives. ● The basic amount of all long-term incentives (PSU + RSU) is set in the range of 15% to 100% of base salary based on the responsibilities. 50% of this basic amount is set as the basic PSU amount, and 50% is set as the basic RSU amount. ● With regard to (2) RSU, additional grants for the purpose of retention, etc. may be made in addition to the above-mentioned basic RSU amount and in case for Directors, up to the compensation limit detailed on the right if deemed necessary by the Audit and Supervisory Committee. 	<p>The portion of the compensation shown on the left provided to Directors will not exceed the following amount.</p> <p>Compensation limit for Directors (excluding Directors serving on the Audit and Supervisory Committee): Maximum amount of 600,000 shares per year multiplied by the market value at the time of issue</p>

Variable compensation	(1) PSU (Performance Share Units)	<ul style="list-style-type: none"> ● Provided as an incentive for achieving mid to long term performance targets. ● The number of shares to be issued shall be determined within the range of 0% to 150% of the basic PSU amount depending on the achievement of performance targets (only considering companywide performance) over the three years after the share units have been granted (half of the shares to be issued shall be paid in cash for the purpose of allocating funds for the payment of tax obligations). ● To provide motivation to enhance corporate value over the mid to long term, consolidated ROE and consolidated sales growth rate have been adopted as measures for evaluating performance, based on the Company's policy regarding the determination of compensation for Executive Directors and Executive Officers, etc. 	
	(2) RSU (Restricted Stock Units)	<ul style="list-style-type: none"> ● Provided for the purpose of aligning interests with shareholders, creating incentives to increase corporate value, and strengthening retention of talented people. ● A predetermined number of shares are issued at retirement (half of the shares to be issued shall be paid in cash for the purpose of allocating funds for the payment of tax obligations). 	

* Regarding fringe benefits, to support the execution of assignments outside the home country, housing allowances, etc. are provided in accordance with the Internal Regulations for CCBJH Group Expatriate, approved at the Company's Board of Directors Meeting through deliberations by the Audit and Supervisory Committee.

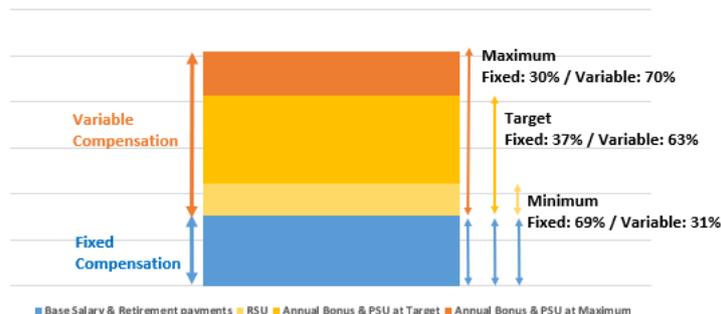
● Process for determining compensation

Compensation for the Company's Executive Directors shall be deliberated by the Audit and Supervisory Committee, which consists exclusively of Outside Directors, in order to enhance the transparency and objectivity of the compensation determination procedure, and be decided by the resolution of the Company's Board of Directors Meeting within the total amount determined by the resolution of the General Meeting of Shareholders. Compensation for Executive Officers shall also be determined through deliberations by the Audit and Supervisory Committee.

● Compensation level

Compensation is decided according to the responsibilities by utilizing data from compensation surveys performed by external research organizations and taking into account the level of compensation provided at companies such as domestic and overseas companies of similar scale in similar industries with the intent to provide a level of compensation that enables recruitment and retention of talented people who are highly diverse in terms of nationality, experience, etc.

Image of compensation structure (in case of Representative Director & President)



Guidelines and procedures for determining compensation for Directors serving on the Audit and Supervisory Committee and Outside Directors not serving on the Audit and Supervisory Committee

Compensation for Directors serving on the Audit and Supervisory Committee and Outside Directors not serving on the Audit and Supervisory Committee consists of only base salary, taking into account their roles in managerial supervision and audit. Compensation levels are set according to the responsibilities of the Director by utilizing data from compensation surveys performed by external research organizations and taking into account the level of compensation provided at domestic companies of similar scale.

Compensation for Directors serving on the Audit and Supervisory Committee will be determined through discussion among the Directors serving on the Audit and Supervisory Committee within the total amount decided by the resolution of the General Meeting of Shareholders. Compensation for Outside Directors not serving on the Audit and Supervisory Committee will be discussed by the Audit and Supervisory Committee and determined by the resolution of the Company’s Board of Directors Meeting within the total amount decided by the resolution of the General Meeting of Shareholders.

END

(Attachment)

Business Report (From January 1 to December 31, 2020)

1. Current Status of the Coca-Cola Bottlers Japan Group

(1) Business Progress and Results

Coca-Cola Bottlers Japan Holdings Inc. (“CCBJH” or the “Company”, or “we”) announced full-year results for the fiscal year ending on December 31, 2020 (January 1, 2020 to December 31, 2020).

In this fiscal year, total nonalcoholic ready-to-drink (NARTD) beverage industry volume performance is expected to continue to decline versus the prior-year, reflecting weaker consumer traffic and demand driven by the COVID-19 outbreak as well as unseasonably rainy and cool weather in July.

We continue to drive fundamental business transformation under the guiding principle of our mid-term strategic business plan announced in August 2019 that “business as usual is not an option”. We are focusing on our core beverage business and implementing initiatives to fundamentally transform our business, including transformation in the important vending channel and back-office routines to drive cost efficiencies, increasing production and supply capacity, and promoting new and more flexible working styles. In the short term, we are focusing on various urgent cost mitigation initiatives to deal with the rapidly evolving situation triggered by the COVID-19 outbreak, as we continue to address our cost structure and high fixed-cost base of the beverage business. We are also finding opportunities during this turbulent period to accelerate the pace of ongoing transformation projects and to identify incremental growth and efficiency improvement opportunities. This will ensure that we are well-prepared for the evolution of the business environment in the longer term.

The Company has also been evaluating future opportunities for growth and operating synergies for the health and skincare business. We determined that the best way to support the next era of growth for this business is to sell Q’sai to Q-Partners Co., Ltd., a company formed for this purchase led by investment funds in which Advantage Partners Inc. provides services, euglena Co., Ltd., and, Tokyo Century Corporation. The Company entered into a share transfer agreement with Q-Partners Co., Ltd. as of December 15, 2020 and sold all of the shares of the Company’s consolidated subsidiary,

Q'sai Co., Ltd. as of February 1, 2021 for a profit of 12.5 billion yen and cash inflow of 45 billion yen. As a result of executing the share-transfer agreement, Q'sai is classified as discontinued operations for the fiscal year ending December 31, 2020. Accordingly, the relevant section of prior-year financial statements and notes have been reclassified.

Our full-year results were impacted by weak beverage business sales volumes due to the COVID-19 situation while we addressed urgent mitigation efforts by driving fundamental business transformation and other cost-savings initiatives to partially offset the current-year revenue decline. In spite of approximately 100 billion yen decline in consolidated revenue for the year, we were able to deliver slightly positive Business Income through significant fixed-cost savings, making costs more variable through process improvements, investments in IT systems and organizational restructuring.

<Highlights>

- Business Income exceeded plan driven by acceleration of fundamental transformation and incremental cost savings
- Vending channel value share continues to improve, with 21 consecutive months of positive momentum.
- Continue to drive fundamental business transformation guided by our mid-term strategic plan amid the current COVID-19 challenges and postponement of the Tokyo 2020 Olympic and Paralympic Games; Transformation in vending and OTC sales routes ahead of plan, reduction of fixed costs to increase flexibility; 35 billion yen in cost savings
- Recovery and expansion of supply capacity completed as planned, with seven new manufacturing lines including the new Hiroshima plant. Saitama “mega distribution center”, which will help optimize the logistics network in the Tokyo metropolitan area, started operations in February 2021
- Alcohol business continues to perform well with expanded product lineup introduced in the fourth quarter
- Divested healthcare and skincare business as of February 1, 2021. Cash inflow of 45 billion yen. Proceeds expected to be used for investment to drive transformation and growth as well as initiatives to improve shareholder value
- No 2021 full-year earnings guidance provided, given renewed market uncertainty and reductions in consumer traffic after declaration of 2nd state of emergency in Japan and lack of clarity on a timeline for vaccinations and expected market recovery

<Reference>

“Business Income” is a measure of our recurring business performance that is calculated as cost of goods and selling, general and administrative expenses are deducted from revenue, and other income and expenses are added and subtracted accordingly. The correspondence between Business Income and Operating Income(Loss) is as follows. In the fiscal year ending 31 December 2020, the Healthcare and Skincare business has been classified as a discontinued operation as a result of the decision to sell all shares in Q’sai held by the Company. As a result, revenue, business Income and operating loss for the previous financial year have been reclassified to the amounts for continuing operations excluding discontinued operations.

		FY2019	FY2020
Revenue	(MM yen)	890,009	791,956
Sales volume of beverage business	(Million case)	505	458
Gross profit	(MM yen)	421,224	362,916
Selling and general administrative expenses	(MM yen)	407,510	359,645
Other income (recurring)	(MM yen)	1,052	772
Other expenses (recurring)	(MM yen)	3,362	3,628
Share of income (loss) of entities accounted for using equity method	(MM yen)	43	(245)
Business income	(MM yen)	11,447	169
Impairment losses of goodwill		61,859	—
Other income (non-recurring)	(MM yen)	3,045	7,714
Other expenses (non-recurring)	(MM yen)	11,537	19,606
Operating income(loss)	(MM yen)	(58,904)	(11,722)

Net revenue of continuing operation (beverage business) for full-year 2020 declined 98,053 million yen, or 11.0 % to 791,956 million yen, reflecting declining volume trends since March, driven by the ongoing impact of COVID-19 and unseasonably rainy and cool weather in the summer, especially in the month of July.

Business income from continuing operations declined by 11,278 million yen or 98.5 %, to 169 million yen. This reflects a gross profit decline driven in large part by negative channel mix due to volume declines in the vending and convenience store channels,

partially offset by significant efforts to drive cost reductions across labor, promotional activities and back-office expenses.

Consolidated operating loss from continuing operations improved from the prior year to a loss of 11,722 million yen (58,904 million yen loss in the prior year) mainly by cycling a 61,859 million yen impairment loss on Goodwill in the prior-year second quarter. As a reference, other income (non-recurring) includes 2,520 million yen of government subsidies which partially offset temporary paid leave expenses in 2020 due to the COVID-19 pandemic. Other expenses (non-recurring) in 2019 results include 9,184 million yen of special retirement allowances and others due to the introduction of a voluntary employee retirement program. Other expenses (non-recurring) in 2020 include 3,923 million yen of temporary paid leave expenses, 4,546 million yen of transformation-related expenses and special retirement allowances of 7,969 million yen.

Net loss attributable to owners of parent for the full-year, a total of continuing operations and discontinued operations, was 4,715 million yen (57,952 million yen loss in the prior year) led by improvement of the operating loss.

Beverage volume performance

Full-year volume declined 9% due to a sharp decline starting in March triggered by less consumer traffic and reduced operating hours in restaurants and other businesses as a result of countermeasures to prevent the spread of COVID-19. This impact was partially offset by the contribution of the ready-to-drink alcohol brand, Lemon-dou launched nationwide in October 2019. Fourth-quarter volume declined 6% versus prior year period, reflecting a gradually recovering trend from the second quarter to the end of the year.

Full-year nonalcoholic ready-to-drink (NARTD) beverage volume declined 11%, and fourth-quarter volume declined 6%. Volume declines were led by the on-premise (retail & food), vending and convenience store channels as a result of people refraining from going out and limited operations of restaurants and eating outlets. We continued to gain share in the vending channel, but as sales volumes declined sharply in train stations, schools, leisure venues and offices, full-year vending channel volume declined 13%, which has a strong impact on overall net-sales mix. Retail & food channel sales volume declined 28% driven primarily by a sharp decline in food channel volume impacted by closure and shortened operating hours of eating and drinking outlets. This decline was

partially offset by continued strong growth in the online channel. Full-year convenience store channel volume declined 11%, reflecting lower consumer traffic as well as a revised marketing and product launch calendar due to the postponement of the Tokyo 2020 Olympic Games. Drug & Discounter (D&D) channel volume has grown since February, and volume grew 8% for the full year, led by increased shopper traffic, demand for home consumption and bulk purchasing. Supermarket volume increased 1% supported by value share and volume growth in the fourth quarter.

In terms of beverage category performance, sparkling beverages declined 9%, offsetting growth from renewed Coca-Cola Zero and the newly-launched Fanta Premiere series. Non-sugar tea (NST) volume decreased 9%. Coffee volume declined 7%, as growth in PET bottled coffee brands, including Georgia Japan Craftsman and the new Georgia Latte Nista, was offset by a decline in can and bottle can products. The sports drink category volume declined 12% as a result of a decline in the overall category, with weaker performance in large PET packaging. Water volume declined 3%, as immediate consumption small-package volume declines offset emerging growth in large PET packages in supermarket and Drug and Discounter channels.

The ready-to-drink alcohol brand, Lemon-dou continues to perform well since expanding nationwide in October 2019 and sold 7.87 million cases in 2020, including newly added SKU “Kamisori Lemon” in December 2020.

(2) Status of Capital Investment

Total capital investment undertaken during this consolidated fiscal year amounted to 65.5 billion yen, which was mainly undertaken for the following elements, all of which were related to the beverage business:

- a. Acquisition of vending machines, coolers and other sales equipment
- b. Acquisition of equipment for improvement of manufacturing efficiency and correspondence of new products

(3) Financing

In order to ensure sufficient liquidity and access to cash as a backstop during this period of high uncertainty, the Group accessed 50 billion yen in short-term borrowing from the bank.

(4) Trend of Assets and Earnings

Item	FY2017		FY2018	FY2019	FY2020
	JGAAP	IFRS	IFRS	IFRS	IFRS
Net sales (MM yen)	872,623	837,069	927,307	890,009	791,956
Business income (MM yen)	—	40,177	23,276	11,447	169
Operating income(loss) (MM yen)	40,579	37,594	14,682	(58,904)	(11,722)
Recurring income (MM yen)	39,859	—	—	—	—
Income attributable to owners of the parent (loss) (MM yen)	25,244	21,967	10,117	(57,952)	(4,715)
Earnings(loss) per share (yen)	144.26	125.53	52.68	(322.22)	(26.29)
Total assets (MM yen)	883,918	929,304	877,472	952,444	939,603
Equity attributable to parent owners (MM yen)	627,485	654,611	580,448	505,999	501,643
Equity attributable to parent owners per share (yen)	3,070.01	3,204.90	3,163.63	2,821.27	2,797.03

Notes:

1. Starting in fiscal year 2018, the company has prepared consolidated financial statements based on the “International Financial Reporting Standards (IFRS)” instead of the “Japanese GAAP (JGAAP)” in the past.
2. The name of each item is presented based on the terminology according to IFRS. In the terminology according to JGAAP, “net sales,” “Income(loss) attributable to owners of the parent,” “earnings(loss) per share,” “total assets,” “equity attributable to parent owners,” and “equity attributable to parent owners per share” are presented as “net sales,” “income attributable to owners of the parent,” “net income(loss) per share,” “total assets,” “net assets,” and “net assets per share” respectively.
3. Earnings(loss) per share is calculated based on the average number of shares issued during the year while equity attributable to parent owners per share are calculated based on the total number of shares issued as of the end of the fiscal year (excluding treasury shares).
4. The figures for fiscal year 2017 are inclusive of the fluctuations caused by the share exchange with Coca-Cola East Japan Co., Ltd., which was carried out as of April 1, 2017.
5. In the year ended December 31, 2020, the healthcare and skincare business has been classified as a discontinued operation as a result of the decision in December 2020 to sell all shares in Q’sai held by the Company. As a result, revenue, business income and operating income (loss) for the previous financial year have been reclassified to the amounts for continuing operations excluding discontinued operations.

(5) Issues to be addressed

In 2021, we expect uncertainty to continue in the overall Japan NARTD beverage market. Although cycling of the COVID-19 impact from 2020 can be expected, the Japanese government declared a renewed state of emergency in January 2021 due to the rapidly increasing COVID-19 infection rate, and this situation is expected to continue at least into March, with little visibility into a timeline for vaccination and a broader return to normal in the market.

Under these circumstances, and reflecting the guiding principle of our mid-term strategic business plan announced in August 2019 that “business as usual is not an option”, we are keeping a strict focus on managing what is in our control, and we will continue to drive fundamental business change to recover and grow by transforming our cost structure, including organization restructuring and digitalization, focusing on an appropriate balance of marketing “big bets” and innovation, and increasing front-facing investments for growth in space-to-sell and market share.

In the commercial area, while the impact of COVID-19 is expected to continue, we will work closely with Coca-Cola (Japan) Company, Ltd. to achieve steady profit growth in the era of “New Normal” by staying relevant to evolving consumer purchase trends and channel mix and by “growing where the growth is”. Regarding strategic initiatives for growth categories, we launched a new product named “Lemon-dou Kamisori Lemon” to further expand our presence in ready-to-drink alcohol beverages at the end of 2020. In addition, we continue to expand sales of the “Fanta Premier” series that contains fruit puree and features a rich, adult-oriented sparkling taste, as well as high value-added functional products like “Karada Odayakacha W”, and the premium “Georgia Latte Nista” coffee series, along with extensive deployment of “COSTA Coffee”, the largest coffee brand in Europe. Regarding our important vending channel, we aim to deliver sustainable growth by selectively increasing vending machine placements with a ROI (Return On Investment) focus on high-potential locations, and gearing up the digital strategy by utilizing high-performing tools, such as our smartphone app “Coke ON”. In addition, together with The Coca-Cola Company, a worldwide Olympic partner, we will leverage the excitement of the Tokyo Olympic and Paralympic Games which were postponed to 2021, and implement comprehensive marketing campaigns to activate the market, based on multiple scenarios to align with the actual event operations.

Regarding our efforts to strengthen manufacturing capabilities and optimize our logistics and distribution network, which are key elements of our growth plan, we will fully leverage our expanded manufacturing capacity to optimize manufacturing efficiency and inventory levels and introduce new products and new packages, including

those in the new alcohol category, as well as enhancing our logistics and distribution infrastructure. As a part of our logistics network optimization efforts, that we call the “Shinsei Project”, we continue to build a high-quality and low-cost supply chain network that ensures stable supply, centered on our newest high-capacity automated warehouse facility and “Mega Distribution Center” in Saitama, which started operations in February 2021. Going forward, we will work on optimizing the number of sales centers and other inventory locations that will operate in sync with the Saitama Mega DC.

Finally, we will continue to streamline and transform our operations through the standardization of business processes and promotion of digital transformation to build a resilient cost structure that can respond to the changes in the business environment with agility, and improve the balance sheet from the standpoint of appropriate capital management. Furthermore, we are actively strengthening people development initiatives in accordance to our company “Mission, Vision and Values”, and pushing forward ESG-related initiatives through the implementation of our CSV (creating shared value) Goals, which include the ambitious “2030 Packaging Vision” for the Coca-Cola system in Japan in order to contribute to the global Coca-Cola system’s goal to realize a World Without Waste.

We will continue to execute the above initiatives, but there are many uncertainties related to the impact of the ongoing COVID-19 pandemic, including the new declaration of a state of emergency in Japan, the expected timing of a reduction in infection rates and a potential vaccination, and the impact on the market. Therefore, it is not possible to estimate and announce our full-year 2021 earnings forecast at this time. We will provide an update when we are able to estimate the impact to our outlook. In the meantime, our focus will be on delivering improvements in the following areas:

- Value share growth
- New recurring cost savings from ongoing transformation initiatives and additional cost focus to offset weaker topline
- Restraint in new capital investments in 2021 during ongoing COVID-19 uncertainty
- Reinstatement of full-year dividend outlook of 50 yen per share
- Good stewardship of capital, including ongoing balance sheet optimization due to focus on core beverage business segment, sales of under-utilized assets and cross shareholdings and prudent investment focus grounded in ROI

(6) Status of Significant Subsidiaries (As of December 31, 2020)

Names	Paid-in Capital	Percentage of Voting Rights	Main Businesses
	Unit: MM yen	Unit: %	
Coca-Cola Bottlers Japan Inc.	100	100.0	Manufacture and sales of beverage and food products
FV Japan Co., Ltd.	100	100.0	Sales of beverage and food products
Coca-Cola Bottlers Japan Vending Inc.	80	100.0	Operation of vending machines
Coca-Cola Bottlers Japan Business Services Inc.	80	100.0	Outsourcing of office work related to sales of beverage and food products
Q'SAI CO., LTD.	350	100.0	Manufacture and sales of health food, and cosmetics and their related products

Notes:

1. The percentage of voting rights includes the portion of indirect holdings via subsidiaries
2. The status of the Specified Wholly Owned Subsidiary of the Company is as follows as of December 31, 2020:

Name of Specified Wholly Owned Subsidiary	Coca-Cola Bottlers Japan Inc.
Address of Specified Wholly Owned Subsidiary	9-7-1, Akasaka, Minato-ku, Tokyo
Book value of shares of Specified Wholly Owned Subsidiary of the Company or Wholly Owned Subsidiary thereof	342,561 million yen
Total assets of the Company	587,306 million yen

2. Current Status of the Company

(1) Status of Shares (As of December 31, 2020)

- a. Total number of authorized shares: 500,000 thousand
- b. Total number of issued shares (excluding 26,920 thousand treasury shares): 179,348 thousand
- c. Number of shareholders: 62,701
- d. Major shareholders (top 10)

Names of shareholders	Number of shares held	Ratio of shareholding
	(Unit: thousand)	(Unit: %)
Coca-Cola (Japan) Co., Ltd.	27,956	15.59
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,450	5.83
Custody Bank of Japan, Ltd. (Trust Account)	5,571	3.11
Ichimura Foundation for New Technology	5,295	2.95
Satsuma Shuzo Co., Ltd.	4,699	2.62
STATE STREET BANK AND TRUST COMPANY 505225	4,241	2.36
Senshusha Co., Ltd.	4,088	2.28
Coca-Cola Holdings West Japan Inc.	4,075	2.27
Mitsubishi Heavy Industries Machinery Systems, Ltd.	3,912	2.18
MCA Holdings Co., Ltd.	3,408	1.90

Note: The treasury shares (26,920 thousand shares) are excluded from the list above and from the calculation of ratio of shareholding.

(2) Status of the Company's Officers

a. Status of Directors (As of December 31, 2020)

Position	Name	Areas of responsibility and important concurrent positions
Representative Director	Calin Dragan	President Representative Director & President, Coca-Cola Bottlers Japan Inc.
Representative Director	Bjorn Ivar Ulgenes	Vice President and Chief Financial Officer (Head of Finance) Representative Director of Coca-Cola Bottlers Japan Inc. Vice President and Chief Financial Officer (Head of Finance) Representative Director & Chairman of Q'SAI Co., Ltd.
Director	Hiroshi Yoshioka	
Director	Hiroko Wada	Representative, Office WaDa Outside Director, Shimadzu Corporation Outside Director (Audit & Supervisory Committee Member), Unicharm Corporation
Director	Hirokazu Yamura	Representative Director & President, MICHINOKU COCA-COLA BOTTLING CO., LTD.
Director (Audit & Supervisory Committee Member)	Irial Finan	Director, Coca-Cola European Partners Plc Director, Smurfit Kappa Group Plc Director, Fortune Brands Home & Security, Inc.
Director (Audit & Supervisory Committee Member)	Celso Guiotoko	Director and Global Chief Digital Officer, Nishimoto Co., Ltd.
Director (Audit & Supervisory Committee Member)	Nami Hamada	Founder, Managing Director, Mile High Capital Inc. Director, Ecoplexus Japan K.K. Outside director (Audit committee member), MetLife Insurance K.K.
Director (Audit & Supervisory Committee Member)	Enrique Rapetti	THE COCA-COLA COMPANY LATIN AMERICA GROUP CFO

Notes:

- Transfers of Directors during the fiscal year under review were as follows:
 - Tamio Yoshimatsu have retired from the post of Directors effective from the conclusion of the fiscal year 2019 Ordinary General Meeting of Shareholders held on March 26, 2020.
 - Jennifer Mann has resigned from the post of Director (Audit & Supervisory Committee Member) effective from the conclusion of the fiscal year 2019 Ordinary General Meeting of Shareholders held on March 26, 2020.
 - Hirokazu Yamura was newly elected and assumed office as Directors at the fiscal year 2019 Ordinary General Meeting of Shareholders held on March 26, 2020.
 - Enrique Rapetti was newly elected and assumed office as Directors (Audit & Supervisory Committee Members) at the fiscal year 2019 Ordinary General Meeting of Shareholders held on March 26, 2020.
- Directors Hiroshi Yoshioka, Hiroko Wada, and Hirokazu Yamura and Directors (Audit & Supervisory Committee Members) Irial Finan, Celso Guiotoko Nami Hamada, and Enrique Rapetti are Outside Directors.
- Directors Hiroshi Yoshioka, Hiroko Wada, and Hirokazu Yamura and Directors (Audit & Supervisory Committee Members) Celso Guiotoko and Nami Hamada have been notified to the Tokyo Stock Exchange on which the Company is listed, as "Independent Officers" as defined in the rules of the Tokyo Stock Exchange.
- Director (Audit & Supervisory Committee Member) Nami Hamada has accumulated a wealth of experience in finance and accounting by running her own financial consulting company, and is therefore highly knowledgeable about finance and accounting. In addition, Mr. Enrique Rapetti, Director (Audit & Supervisory Board Member),

has extensive experience in finance and accounting, including as CFO of THE COCA-COLA COMPANY (LATIN AMERICA GROUP), and therefore has considerable knowledge of finance and accounting.

5. Thanks to the organizational audits carried out through an internal control system under the lead of the Audit & Supervisory Committee, the Company does not need to appoint full-timers, and has therefore not appointed any full-time members to the Audit & Supervisory Committee.

b. Outline of Limited Liability Agreements

In its Articles of Incorporation, the Company has established provisions concerning limited liability agreements with Directors (excluding those who are not Executive Directors, etc.) in order to ensure that Directors (excluding those who are not Executive Directors, etc.) can demonstrate the roles expected of them and the Company can invite and select competent persons as Directors (including, not limited to, Outside Directors).

The Company has entered into limited liability agreements with Directors Hiroshi Yoshioka, Hiroko Wada, Hirokazu Yamura, Irial Finan, Celso Guiotoko, Nami Hamada and Enrique Rapetti to limit their liability for damages in the event that he/she fails to perform his/her duties stipulated in Article 427, Paragraph 1 of the Companies Act. The limit of liability in the Agreement shall be equal to the minimum liability limit stipulated by laws and ordinances.

c. Outline of the Directors' and officers' Liability Insurance Policy

In order to ensure that directors (including those who are members of the Audit and Supervisory Committee) and the Group's executive officers can demonstrate the roles expected of them and the Company can select competent persons to serve as directors and executive officers, the Company has entered into a directors' and officers' liability insurance contract with an insurance company and the Company bears the entire premium. The policy covers the nine members of the Board of Directors, namely Calin Dragan (Representative Director) Bjorn Ivar Ulgenes, Hiroshi Yoshioka, Hiroko Wada, Hirokazu Yamura, Irial Finan, Celso Guiotoko, Nami Hamada and Enrique Rapetti and, as well as the executive officers of the Group, as insured, in the event of claims for damages by shareholders, the Company, employees or other third parties arising from acts in the course of their duties as directors and officers of the Company during the term of the policy.

d. Total Amount of Remuneration to Directors for this Fiscal Year

Positions	Number of persons remunerated	Types of remuneration				Total remuneration	Remarks
		Basic remuneration	Bonuses	Long-term incentives	Other		
Directors (of which Outside Directors)	6 (3)	405 million yen (39 million yen)	– (–)	132 million yen (–)	81 million yen (–)	618 million yen (39 million yen)	(Note)1,2,3,4,5,6
Directors (Audit & Supervisory Committee Members) (of which Outside Directors)	5 (5)	70 million yen (70 million yen)	– (–)	– (–)	– (–)	70 million yen (70 million yen)	(Note)1,2,3,4
Total (of which Outside Officers)	11 (8)	475 million yen (109 million yen)	– (–)	132 million yen (–)	81 million yen (–)	688 million yen (109 million yen)	

Notes:

- In accordance with the resolution passed at the 62nd Ordinary General Meeting of Shareholders held on March 26, 2020, the upper limit of compensation for Directors (five in number at the time of the resolution, excluding Directors serving on the Audit and Supervisory Committee) shall be 850 million yen per year (of which 50 million yen per year for Outside Directors (two in number at the time of the resolution)); in accordance with the resolution passed at the 58th Ordinary General Meeting of Shareholders held on March 23, 2016, the upper limit of compensation for Directors serving on the Audit and Supervisory Committee (five at the time of the resolution) shall be 100 million yen per year.
- Separately, in accordance with the resolution taken at the 62th Annual General Meeting of Shareholders held on March 26, 2020, for the Company's Directors (excluding Directors serving on the Audit and Supervisory Committee), the upper limit of stock-based compensation consisting of monetary compensation receivables and cash (the performance share unit system, hereinafter called "PSU," and the restricted stock unit system, hereinafter called "RSU") to Executive Directors shall be annual amount not exceeding in total the value of 200,000 shares multiplied by the market value of the monetary compensation receivables and cash at the time of issue
- Above table includes compensation paid to one Director (excluding Directors serving on the Audit and Supervisory Committee) and one Director (serving on the Audit and Supervisory Committee, of which one Outside Director), who are resigned at the conclusion of the 62th Annual General Meeting of Shareholders held on March 26, 2020.
- Basic compensation includes retirement payments, and an amount equivalent to fringe benefits, etc. (housing allowance, etc.).
- Long-term incentives include PSU, RSU and Special RSU.
- Other is leadership award.

d. Matters relating to Outside Officers

- (a) Positions held concurrently as Directors with executive authority over operations, etc. at other corporations, etc. and Outside Officers, etc. at other corporations, etc. (As of December 31, 2020)

Position	Name	Important concurrent positions
Outside Director	Hiroshi Yoshioka	
Outside Director	Hiroko Wada	Representative, Office WaDa Outside Director, Shimadzu Corporation Outside Director (Audit & Supervisory Committee Member), Unicharm Corporation
Outside Director	Hirokazu Yamura	Representative Director & President, MICHINOKU COCA-COLA BOTTLING CO., LTD.
Outside Director (Audit & Supervisory Committee Member)	Irial Finan	Director, Coca-Cola European Partners Plc Director, Smurfit Kappa Group Plc Director, Fortune Brands Home & Security, Inc.
Outside Director (Audit & Supervisory Committee Member)	Celso Guiotoko	Director and Global Chief Digital Officer, Nishimoto Co., Ltd.
Outside Director (Audit & Supervisory Committee Member)	Nami Hamada	Founder, Managing Director, Mile High Capital Inc. Director, Ecoplexus Japan K.K. Outside director (Audit committee member), MetLife Insurance K.K.
Outside Director (Audit & Supervisory Committee Member)	Enrique Rapetti	THE COCA-COLA COMPANY LATIN AMERICA GROUP CFO

Note: The Company's relationships with other corporations where the Company's Outside Officers serve concurrently as Directors with executive authority over operations, etc. are as follows:

- (1) There is no business relationship to be disclosed between the Company and Office WaDa.
- (2) There is no business relationship to be disclosed between the Company and Shimadzu Corporation.
- (3) There is no business relationship to be disclosed between the Company and Unicharm Corporation.
- (4) The Company and MICHINOKU COCA-COLA BOTTLING CO., LTD. have a trading relationship (sales, 0.2% of consolidated sales revenue of the Company; purchases, 0.5% of consolidated sales revenue of MICHINOKU COCA-COLA BOTTLING CO., LTD.
- (5) There is no business relationship to be disclosed between the Company and Coca-Cola European Partners Plc.
- (6) There is no business relationship to be disclosed between the Company and Smurfit Kappa Group Plc.
- (7) There is no business relationship to be disclosed between the Company and Fortune Brands Home & Security, Inc.
- (8) There is no business relationship to be disclosed between the Company and Nishimoto Co., Ltd.
- (9) There is no business relationship to be disclosed between the Company and Mile High Capital Inc.
- (10) There is no business relationship to be disclosed between the Company and Ecoplexus Japan K.K.
- (11) There is no business relationship to be disclosed between the Company and MetLife Insurance K.K.
- (12) THE COCA-COLA COMPANY is an "Other Related Company" of the Company, and the Company has entered into agreements with it concerning the manufacture and sale of Coca-Cola and other products and the use of its trademarks.

(b) Main activities during the fiscal year under review

Position	Name	Main activities
Outside Director	Hiroshi Yoshioka	He attended all the 10 Board of Directors' meetings held during the fiscal year under review and provided advice as appropriate based on his extensive experience and insights primarily in corporate management.
Outside Director	Hiroko Wada	She attended all the 10 Board of Directors' meetings held during the fiscal year under review and provided advice as appropriate based on her extensive experience and insights primarily in corporate management.
Outside Director	Hirokazu Yamura	He attended all the 8 Board of Directors' meetings held during the fiscal year under review after he assumed Director of the Company and provided advice as appropriate based on her extensive experience and insights primarily in corporate management.
Outside Director (Audit & Supervisory Committee Member)	Irial Finan	He attended all the 10 Board of Directors' meetings and 6 Audit & Supervisory Committee's meetings held during the fiscal year under review and provided advice as appropriate based on his extensive experience and insights primarily in corporate management.
Outside Director (Audit & Supervisory Committee Member)	Celso Guiotoko	He attended all the 10 Board of Directors' meetings and 6 Audit & Supervisory Committee's meetings held during the fiscal year under review and provided advice as appropriate based on his extensive experience and insights primarily in corporate management.
Outside Director (Audit & Supervisory Committee Member)	Nami Hamada	She attended all the 10 Board of Directors' meetings and 6 Audit & Supervisory Committee's meetings held during the fiscal year under review and provided advice as appropriate based on his extensive experience and insights primarily in corporate management and financial accounting.
Outside Director (Audit & Supervisory Committee Member)	Enrique Rapetti	He attended all the 8 Board of Directors' meetings and 5 Audit & Supervisory Committee's meetings held during the fiscal year under review after he assumed Director (Audit & Supervisory Committee Member) of the Company and provided advice as appropriate based on his extensive experience and insights primarily in corporate management and financial accounting.

(Note: Amounts, number of shares and ratios in the business report are rounded off to the nearest unit.)

Consolidated Statement of Financial Position
As of December 31, 2020

	Millions of yen
Assets	
Current assets:	
Cash and cash equivalents	114,778
Trade and other receivables	96,009
Inventories	68,180
Other financial assets	702
Other current assets	17,195
Subtotal	296,865
Assets of disposal groups classified as held for sale	48,138
Total current assets	345,003
Non-current assets:	
Property, plant and equipment	460,502
Right-of-use assets	29,810
Intangible assets	66,193
Investments accounted for using the equity method	287
Other financial assets	25,640
Deferred tax assets	4,986
Other non-current assets	7,183
Total non-current assets	594,601
Total assets	939,603

Note: Amounts less than one million yen are rounded.

Consolidated Statement of Financial Position
As of December 31, 2020

	Millions of yen
Liabilities and equity	
Liabilities	
Current liabilities:	
Trade and other payables	102,480
Bonds and debts	51,072
Lease liabilities	5,547
Other financial liabilities	408
Income taxes payable	3,238
Provisions	9
Other current liabilities	15,923
Subtotal	178,676
Liabilities directly associated with disposal groups classified as held for sale	7,193
Total current liabilities	185,869
Non-current liabilities:	
Bonds and debts	187,514
Lease liabilities	25,858
Other financial liabilities	605
Net defined benefit liabilities	14,876
Provisions	2,119
Deferred tax liabilities	17,296
Other non-current liabilities	3,375
Total non-current liabilities	251,641
Total liabilities	437,510
Equity	
Capital stock	15,232
Capital surplus	450,605
Retained earnings	120,473
Treasury shares	(85,654)
Accumulated other comprehensive income	1,095
Accumulated other comprehensive income of disposal groups classified as for sale	(107)
Equity attributable to owners of the parent (total)	501,643
Non-controlling interests	450
Total equity	502,093
Total liabilities and equity	939,603

Note: Amounts less than one million yen are rounded.

Consolidated Statement of Income
For the fiscal year ended December 31, 2020

	Millions of yen
Continuing operations	
Net sales	791,956
Cost of sales	429,040
Gross profit	362,916
Selling and general administrative expenses	359,645
Other income	8,486
Other expenses	23,235
Share of income (loss) of entities accounted for using equity method	(245)
Operating income(loss)	(11,722)
Financial revenue	767
Finance costs	1,110
Income(loss) for the year before income tax	(12,065)
Income tax expense	(4,918)
Net income(loss) for the year from continuing operations	(7,148)
Discontinued operations	
Net income(loss) for the year from discontinuing operations	2,418
Net income (loss) for the year	(4,729)
Net income(loss) for the year attributable to:	
Owners of the parent	
Loss from continuing operations attributable to owners of parent	(7,130)
Profit from discontinuing operations attributable to owners of parent	2,415
Non-controlling interests	(14)

Note: Amounts less than one million yen are rounded.

Non-consolidated Balance Sheet
As of December 31, 2020

	Millions of yen
Assets	
Current assets:	
Cash and deposits	7,603
Prepaid expenses	45
Receivables and payables of subsidiaries and affiliates	132,194
Accrued income	112
Other current assets	1,640
Total current assets	141,595
Fixed assets:	
Property, plant and equipment:	
Buildings	14,887
Structures	1,080
Tools, instruments and fixtures	18
Land	50,141
Total property, plant and equipment	66,126
Intangible assets:	
Leasehold right	27
Software	2
Total intangible assets	29
Investments and other assets:	
Investment securities	378,471
Deferred tax assets	540
Other assets	544
Total investments and other assets	379,556
Total fixed assets	445,710
Total assets	587,306

Note: Amounts less than one million yen are rounded.

Non-consolidated Balance Sheet
As of December 31, 2020

	Millions of yen
Liabilities	
Current liabilities:	
Short-term borrowing	50,000
Other accounts payable	434
Accrued expenses	5
Money entrusted	12,660
Other current liabilities	624
Total current liabilities	63,723
Long-term liabilities:	
Bonds payable	180,000
Assets retirement obligation	1,025
Provision for performance-linked compensation	94
Other long-term liabilities	71
Total long-term liabilities	181,191
Total liabilities	244,914
Net assets	
Shareholders' equity:	
Common stock	15,232
Additional paid-in capital	
Capital reserve	108,167
Other additional paid-in capital	158,783
Total additional paid-in capital	266,950
Retained earnings:	
Legal reserve	3,317
Other retained earnings:	
Reserve for advanced depreciation	677
General reserve	110,388
Retained earnings to be carried forward	31,482
Total other retained earnings	142,547
Total retained earnings	145,864
Treasury stock (at cost)	(85,654)
Total shareholders' equity	342,391
Total net assets	342,391
Total liabilities and net assets	587,306

Note: Amounts less than one million yen are rounded.

Non-consolidated Statement of Income
For the fiscal year ended December 31, 2020

	Millions of yen
Net revenues	19,202
Operating expenses	4,372
Operating income	14,831
Non-operating income:	
Interest and dividend received	84
Other non-operating income	12
Total non-operating income	96
Non-operating expenses:	
Interest expenses	548
Other expenses	33
Total non-operating expenses	581
Recurring income	14,345
Extraordinary profit:	
Gain on sale of fixed assets	2,959
Total extraordinary profit	2,959
Extraordinary losses:	
Impairment loss	58
Fixed asset procurement loss	507
Loss on retirement of fixed assets	237
Total extraordinary losses	802
Income before income taxes	16,502
Income taxes	1,055
Income taxes deferred	(295)
Income	15,742

Note: Amounts less than one million yen are rounded.

Independent Auditor's Report

February 16, 2021

The Board of Directors
Coca-Cola Bottlers Japan Holdings, Inc.

Ernst & Young ShinNihon LLC
Tokyo Office
Tokuya Takizawa (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Takahiro Saga (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Miyuki Nakamura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Keita Tsujimoto (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of Coca-Cola Bottlers Japan Holdings, Inc. as at December 31, 2020 and for the year from January 1, 2020 to December 31, 2020 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of Coca-Cola Bottlers Japan Holdings, Inc. and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in “Auditor’s Responsibility for the Audit of the Consolidated Financial Statements.” We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor.

We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Emphasis of matter

Without qualifying our report, we draw Significant subsequent events. The Company announced that the Company’s Board of Directors resolved to sell all of the shares of the Company’s consolidated subsidiary, Q’sai to Acquiring Company, a company formed for this purchase led by investment funds in which Advantage Partners Inc. provides services, euglena Co., Ltd., and, Tokyo Century Corporation on December 15, 2020, and entered into a share transfer agreement with the Acquiring Company and sold on 1 February 2021.

Responsibilities of Management and the Audit & Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting which allows companies to prepare consolidated financial statements with the omission of some disclosure items required under Designated International Financial Reporting Standards.

The Audit & Supervisory Committee is responsible for monitoring the execution of Directors’ duties related to designing and operating the financial reporting process.

Auditor’s Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting which allows companies to prepare consolidated financial statements with the omission of some disclosure items required under Designated International Financial Reporting Standards, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to the Audit & Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit & Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Independent Auditor's Report

February 16, 2021

The Board of Directors
Coca-Cola Bottlers Japan Holdings, Inc.

Ernst & Young ShinNihon LLC
Tokyo Office
Tokuya Takizawa (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Takahiro Saga (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Miyuki Nakamura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Keita Tsujimoto (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the financial statements, comprising the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules of Coca-Cola Bottlers Japan Holdings, Inc. as at December 31, 2020 and for the year from January 1, 2020 to December 31, 2020 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of Coca-Cola Bottlers Japan Holdings, Inc. for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in “Auditor’s Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules.” We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Emphasis of matter

Without qualifying our report, we draw Significant subsequent events. The Company announced that the Company’s Board of Directors resolved to sell all of the shares of the Company’s consolidated subsidiary, Q'sai to Acquiring Company, a company formed for this purchase led by investment funds in which Advantage Partners Inc. provides services, euglena Co., Ltd., and, Tokyo Century Corporation on December 15, 2020, and entered into a share transfer agreement with the Acquiring Company and sold on 1 February 2021.

Responsibilities of Management and the Audit & Supervisory Committee for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Committee is responsible for monitoring the execution of Directors’ duties related to designing and operating the financial reporting process.

Auditor’s Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.
- To express an opinion on the financial statements and the accompanying supplementary schedules, obtain sufficient and appropriate audit evidence relating to the financial information on components, which is included in the financial statements and the accompanying supplementary schedules. The auditor is responsible for giving instructions on, monitoring, and performing audits relating to the financial information on components. The auditor is solely responsible for audit opinions.

The auditor reports to the Audit & Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit & Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Audit Report

We, as the Audit & Supervisory Committee (“A&S Committee”) conducted audits relating to the execution of duties by directors during FY 2020 business year from January 1, 2020 to December 31, 2020, and hereby report the method of audits and results as follows.

1. Method of audits and the details

A&S Committee received regular reports from directors and employees on the content of resolutions of the board of directors regarding matters prescribed in Paragraph 1 (i) (b) and (c) of Article 399-13 of the Companies Act and the status of building and operation of the internal control system which had been developed based on the board resolutions, requested further explanations as needed, explained its opinions and conducted audits as below:

- ① A&S Committee members participated in important meetings in accordance with the audit policy specified by the Committee in cooperation with the company’s internal control department. A&S Committee received reports relating to the execution of duties by directors from directors and employees, requested further explanations as needed, and examined the process and details of decision-making at important meetings, etc. as well as the status of business and assets.
A&S Committee also received reports on the status of subsidiaries’ business as needed by communicating and exchanging information with directors, auditors, etc. of the subsidiaries.
- ② A&S Committee examined the basic policies (specified according to Article 118 (iii)(a) of the Companies Act) and the special efforts (specified according to Article 118 (iii)(b) of the Companies Act) described in the business reports in light of the status of deliberations at the board of directors and other meetings.
- ③ A&S Committee members conducted audits to ensure that accounting auditors kept independence and conducted appropriate accounting audits, while receiving reports on the execution of duties by them and requesting further explanations as needed. In addition, A&S Committee received notification by accounting auditors that they were developing a “structure to secure appropriate execution of duties by directors” in accordance with the “quality control standards relating to audits”, etc., and requested further explanations as needed.

Based on the above outlined method, we examined the business reports and their detailed statements, the financial statements and their detailed statements, as well as the consolidated financial statements relating to the business year in question.

2. Audit Results

(1) Result of Audit of Business Reports, etc.

- ① We acknowledge that the business reports and detailed statements correctly indicate the company's situation in accordance with laws and regulations and the Articles of Incorporation.
- ② We do not acknowledge any improper acts relating to the directors' execution of duties or any significant facts that violate laws and regulations or the Articles of Incorporation
- ③ We acknowledge that the details of resolutions of the board of directors relating to the internal control system are appropriate. Furthermore, we do not acknowledge that there are any matters to indicate regarding the details stated in business reports relating to such internal control systems and the execution of duties by the directors. We also received reports from directors and ERNST & YOUNG SHIN NIHON LLC that they acknowledged the internal control relating to financial reporting was valid as of preparation of this Audit Report.
- ④ We do not acknowledge that there are any matters to indicate regarding the basic policies relating to control of the company described in the business reports. We acknowledge that the special effort described in the business reports (specified according to Article 118 (iii) (b) of the Companies Act) is consistent with the basic policies, does not harm the common interests of shareholders of the company, and is not intended to maintain the position of officers of the company.

(2) Results of Audit of Financial Statements and Detailed Statements

We acknowledge that the method and results of the audit by ERNST & YOUNG SHIN NIHON LLC are appropriate.

(3) Results of Audit of Consolidated Financial Statements

We acknowledge that the method and results of the audit by ERNST & YOUNG SHIN NIHON LLC are appropriate.

February 17, 2021

Audit & Supervisory Committee, Coca-Cola Bottlers Japan Holdings Inc.

Audit & Supervisory Committee Member	Irial Finan
Audit & Supervisory Committee Member	Celso Guiotoko
Audit & Supervisory Committee Member	Nami Hamada
Audit & Supervisory Committee Member	Enrique Rapetti

(Note) Audit & Supervisory Committee Member Irial Finan, Audit & Supervisory Committee Member Celso Guiotoko, Audit & Supervisory Committee Member Nami Hamada and Audit & Supervisory Committee Member Enrique Rapetti are External Auditors provided for in Article 2-15 and Article 331-6 of the Companies Act.

TOPICS

Status of Sales Activities

Product Showcase

Fanta Premier Orange

Fanta Premier Orange uses juice from whole oranges to achieve distinctive, refreshing sweetness, retaining the texture of small and big orange pulp.

We deliver a genuine and luxurious taste, without compromising the beverage's bubbly spark.

This is the fourth new release in the Fanta Premier Series.



Lemon-dou Kamisori Lemon

A new lemon sour with a razor-sharp edge from our dedicated lemon sour brand “Lemon-dou.”

With 9% alcohol and 9% lemon juice, the dry flavor of “Lemon-dou Kamisori Lemon” is perfectly suited to enjoying a crisp drink with meals.

Lemon-dou has a lineup of five drinks to choose from, to match your mood and meals each day.



Karada Odayakacha W

The birth of a new tea product as a Food with Functional Claims, with the W (double) benefits on “memory” and “blood pressure” for the first time in Japan.

A green tea, pleasantly bitter and refreshing: a healthy habit that’s easy to continue

In the same “W” series as “Karada Sukoyakacha W,” a designated health food effective against fat and sugar, “Karada Odayakacha W” responds to the concerns and needs of our customers.



* Please see <https://c.cocacola.co.jp/odayakacha/> for registration and other details on this product. (Japanese only)

Initiatives for Each Sales Channel

Online Channel

In 2020, we launched labelless versions of four products for online sales: “I LOHAS,” “Ayataka,” “Sokenbicha,” “Canada Dry THE TANSAN STRONG.” The introduction of labelless products is good for the environment, and dispenses with the trouble of separating the labels from bottles when recycling. It will allow us to respond to growing domestic consumption due to changing lifestyles.



TOPICS

Towards Stronger Supply Systems

The New Hiroshima Plant Commences Operation

The Hiroshima Plant began operation in June 2020, a new plant to take the place of the Hongo Plant, which suspended operations due to flooding in the wake of the torrential rains in western Japan in July 2018. With automated production lines and the introduction of the latest IoT technologies, the Hiroshima Plant is designed for more efficient production and process control. It also features two aseptic lines (production lines enabling bottling in sterile conditions) that can manufacture small or large PET bottle beverages, and has approximately 1.5 times the production capacity of the Hongo Plant. The Hiroshima Plant will play a core role in supplying the Chugoku and Shikoku areas in the future.

We have also constructed a plant tour zone inside the Hiroshima Plant. The plant tour zone provides a variety of new content that enables visitors not only to “observe,” but to actually “experience” manufacturing.



Exterior of the Hiroshima Plant



Production line at the Hiroshima Plant



Bottle Theater in the plant tour zone

*Plant tours are presently suspended in order to prevent the spread of COVID-19. Please see our website for details on reopening status, dates, times, etc.

Production of “Lemon-dou” Commences at Our Kyoto Plant

Our dedicated lemon sour brand “Lemon-dou” has become a favorite beverage for many, with shipments of approximately 7.9 million cases in 2020.

In October 2020, we installed new production equipment for manufacturing alcoholic products at our Kyoto Plant, in order to meet rising consumer demand.



Production of “Lemon-dou” at the Kyoto Plant

The Saitama Mega DC Automated Distribution Center Commences Operation

We are currently engaged in Project Shinsei, aimed at greater efficiency and optimization of our distribution network. As part of this endeavor, the Saitama Mega DC automated distribution center, which had been under construction within the grounds of the Saitama Plant since April 2019, has now been completed and has commenced operation in February 2021.

The Saitama Mega DC has a storage capacity of 60,000 pallets, and a product shipping capacity of 8.5 million cases per year. Through automation of storage racks and an automated picking system, the facility enables a reduction of around one half in the required storage space, and achieves time and manpower savings in shipping operations. It is designed to provide high-quality, low-cost, stable supply, as our core distribution base in the Tokyo metropolitan area.



Automated picking system

TOPICS

ESG Initiatives

CSV (Creating Shared Value) Goals

Together with The Coca-Cola (Japan) Co., Ltd., we have established a Sustainability Framework stipulating three platforms - inclusion, communities, and resources – that are anticipated to remain a priority over the next ten years, and nine priority issues (material issues) for us to tackle in the immediate future. In order to resolve these issues, we have established and are actively addressing several unique, non-financial targets: our CSV Goals.

Products	100%	Zero/low-calorie options for core brands
	300%	FOSHU/functional product growth
	100%	Front-of-pack calorie label and straightforward nutritional information
	100%	Observation of The Coca-Cola Company Responsible Marketing Policy
Water	200%	Water source replenishment. Focus on watersheds near our plants
	30%	Water usage reduction by 2030
Climate change	25%	Reduction in greenhouse gas emissions by 2030
		Promotion of renewable energy
World Without Waste	Design	● 50% Content of recycled PET in PET bottles by 2022
		● 90% Content of recycled PET in PET bottles by 2030
		● 100% Sustainable PET without fossil fuel use by 2030
		● 100% Adoption of recyclable packaging by 2025
		● 35% Further lightweight PET packaging by 2030 (compared to 2004)
	Collect	● 100% Collection percentage compared to sales volume by 2030
Partner	● Extensive partnerships across industry and environmental organizations by 2030	
Procurement	100%	Sustainable sourcing
Human rights	100%	Adherence to Supplier Guiding Principles across the CCBJH Group value chain
Diversity and inclusion	20%	Female managers by 2030
Society	10%	Employee volunteers
	1 million	Participants in community programs

Baseline year is 2015 and target year is 2025 unless otherwise stated.

Introduction of Products Using Recycled PET Bottles

Under the Coca-Cola system’s “2030 Packaging Vision,” we aim to use sustainable materials such as recycled PET resin in all our PET bottle products by 2025.

In March 2020, we launched the I LOHAS Natural Mineral Water 100% recycled PET bottle.

These bottles realize a ratio of 100% recycled PET, up from 30% in previous products, thanks to technological innovation allowing greater transparency in recycled bottles, and the cooperation of our partner companies in achieving mass production.

We are also engaged in other initiatives, including a joint project launched in July 2020 with Far Eastern New Century Corporation, one of the world’s largest manufacturers of PET resin and polyester fibers based in Taiwan, on commercialization of PET bottles made from recycled PET

raw material through chemical recycling,* rolling out some products using this PET bottle in November 2020.



* After collected used PET bottles have been sorted, crushed, and washed to remove foreign materials, they are broken down into a raw material or an intermediate raw material of PET resin by depolymerization, and then the raw material is refined and polymerized into new PET resin.