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

Corporate Governance Report

Last Updated on October 15, 2024

Coca-Cola Bottlers Japan Holdings Inc.
Representative Director and President: Calin Dragan
Contact: Tomokazu Usagawa, Executive Officer, Head of Legal. (TEL: +81-800-919-0509)
Securities code: 2579
https://en.ccbj-holdings.com/

The status of corporate governance of Coca-Cola Bottlers Japan Holdings Inc. (the "Company") is as described below.

I. *Basic Principles on Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information*

A. Basic Principles

The Company's basic principles on corporate governance are to strive toward enhancing the Company's corporate value and increasing shareholder value over the medium to long term by improving management soundness transparency and efficiency.

The Company has taken the form of a company with an Audit and Supervisory Committee, intending further strengthen the governance system. The Audit and Supervisory Committee, which takes the role of the Company's auditor, has members consisting of more than one (1) Independent Outside Director, and the management supervisory function is further strengthened by the Audit and Supervisory Committee members, who are Outside Directors, having voting rights at Board of Directors meetings and the right to state their opinions concerning the nomination of and compensation, etc. for Directors at General Meetings of Shareholders.

In addition, the Company has adopted an executive officer system to separate decision-making and management supervisory functions from business execution functions. Certain decisions on important business execution are delegated to Directors so that the Board of Directors can deliberate more fully on matters of particular importance. For other matters, the Company is seeking to expedite the decision-making by the Management.

Please refer to the "Corporate Governance Regulations" on the Company website for the Company's corporate governance initiatives.
Corporate Governance Regulations: https://www.ccbj-holdings.com/corporate/governance/

[Reasons for Not Implementing Specific Principles of the Corporate Governance Code] Updated

*The following is stated based on the Corporate Governance Code revised in June 2021.
The definitions for the terms used hereinafter shall be as follows:
Senior Management: Executive Directors
Management: Executive Officers

[Principle 4-10. Use of Optional Approach]
Supplementary Principle 4-10-1. Use of Optional Advisory Committee

The Company believes that the soundness and independence of the Board of Directors are sufficiently ensured, with seven of the nine members being Outside Directors and a majority of Independent Outside Directors. Although no voluntary advisory committee has been established for the consideration and decision on particularly important matters such as nomination and compensation of senior management and Directors, the Audit and Supervisory Committee, which includes several Independent Outside Directors and is composed solely of Outside Directors, deliberates on such matters prior to deliberations by the Board of Directors. The Board of Directors, of which a majority of the members are Independent Outside Directors, makes decisions based on the recommendations of the Audit and Supervisory Committee, which is considered to further strengthen the independence, objectivity and accountability of the function of the Board of Directors.

[Disclosure Based on the Principles of the Corporate Governance Code] Updated

[Principle 1-3. Basic Strategy for Capital Policy]
The Company periodically reviews its capital structure and dividend payout ratio to maximize shareholder returns while maintaining flexibility to pursue growth opportunities. The Company seeks to use retained earnings to fund investment for sustainable growth for our business and further enhancement of corporate value. The Company sets its basic policy regarding dividends, which includes active redistribution of profits while placing the highest priority on paying dividends in a stable manner, by comprehensively reviewing the business performance and level of retained earnings. In addition, The Company has set a payout ratio target of 30% or more for net income attributable to owners of the parent. The Company pays interim and year-end dividends.

[Principle 1-4. Cross-Shareholdings]
(Policy on Cross-Shareholdings)
In principle, the Company has a policy of not owning the so-called crossholding shares.
However, there are cases in which the Company acquires and holds such shares to create business opportunities and maintain and strengthen its relationships with business partners and local communities. The Company shall evaluate and report on the cost of holding major cross-shareholdings and the return on investment thereof in Board Meeting, and work on reducing the cross-shareholdings based on such evaluation.
In addition, with regard to the exercise of voting rights for shares held by the Company, the Company shall scrutinize the details of the proposal and consider whether or not the proposal impairs shareholder value and what impact it may have on the relationship with the Company, etc. before deciding.

In 2023, the Company has reduced 47 stock names held as cross-shareholdings and approximately 5.5 billion yen.

[Principle 1-7. Related Party Transactions]
Decisions on conflict-of-interest transactions and competitive transactions between the Company and its Directors, Management or major shareholders, etc. are subject to the approval of the Board of Directors in accordance with the laws and regulations as well as the “Board of Directors Regulations” stipulated by the Board of Directors. The Company strives to ensure appropriate operation by, for example, not allowing the Director involved in such transactions to participate in the resolution for approval at the Board of Directors. In addition, in the event of any conflict-of-interest transactions or competitive transactions between the Company and its Directors, Management or major shareholders, etc., the material facts thereof are reported at the Board of Directors meeting.

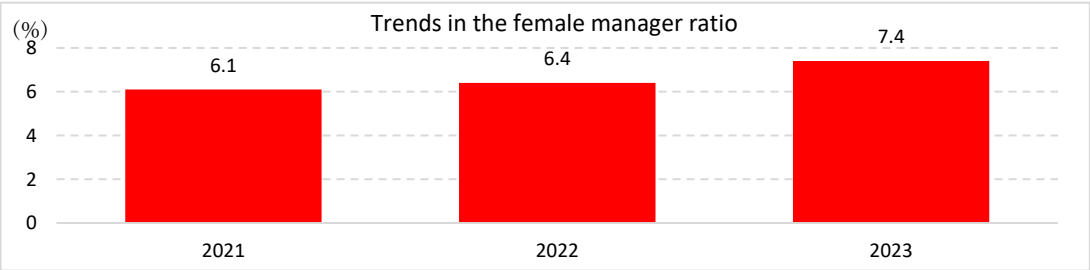
[Principle 2-4. Ensuring Diversity in the Company, including Promotion of Women’s Active Participation]
Supplementary Principle 2-4-1. Principles for Ensuring Diversity, such as in the Promotion of Core Human Resources, and Setting Voluntary and Measurable Goals
(1) Basic Principles
Our mission is to "Deliver happy moments to everyone while creating value." To achieve this mission, we prioritize fostering a fair and enjoyable work environment for all employees.
Our Strength lies in the diversity of our team, which brings together a wide range of ages, races, nationalities, abilities, genders, sexual orientations, gender identities, and work style. This Mixture of perspectives drives innovation and creates new value.
It is essential to maintain a culture that offers equal opportunities for all, enabling personal growth and encouraging individuals to embrace challenges.
We are committed to being a company where diverse personalities collaborate effectively, uniquely engaging with customers and society.
The Company has created a logo and statement for the Group’s diversity, equity, and inclusion (DE&I) initiatives to communicate our intentions and stance on DE&I.

Be COLORFUL!

Let’s continue to create new value together.

In addition, the Company sets medium to long term, measurable goals toward increasing the ratio of women in managerial positions. In addition, in order to foster a corporate culture where every employee can independently build a career where they can shine, the Company proactively promotes initiatives, such as improving the workplace environment and support systems, and discloses the progress thereof in “Integrated Report 2023”.
The Company has decided not to set any goals for recruiting “non-Japanese” or “mid-career employees,” since the Company already proactively employs “non-Japanese” and “mid-career employees” and believes that a diverse range of perspectives and sense of values reflecting different experiences, skills and attributes exist in the Company.

(2) Promotion of Women to Managerial Positions
The Group recognizes that a key issue in increasing the female manager ratio is the development of an environment that fosters female managers and has been working to resolve this issue. In 2021, the Company launched the “Female People Development Forum”, a forum for discussion on the discovery and development of the next generation of female leaders, set target ratios of female managers for each function, and as a follow-up action, launched training programs for each level of division head, section head, and non-managerial positions, thereby enhancing our efforts on the institutional side. Furthermore, starting in 2023, the Company has established the internal “International Women's Week” to coincide with International Women's Day (March 8), and have hosted sessions featuring female managers and speakers from other industries. The Company thereby encourages not only female employees themselves but also the executive leadership teams and employees including division heads to discuss women's careers and work styles, as well as the importance of promoting women to manager positions., Through these efforts, significant progress has been made, including establishing the first female managers in organizations that previously had no female managers. As a result, the Group's female manager ratio is increasing every year.



Please refer to [Inclusion] under [Value Creation Story] (pages 12-13) and [People Strategy under Foundations Supporting the Corporate Value Growth] (pages 56-60) of the "Integrated Report 2023" and 5.[Employees] under (4)[Female Manager Ratio, Percentage of Male Employees Taking Childcare Leave, and Gender Wage Gap Consolidated] (pages 10-11) of the Annual Securities Report on the Company website for its principles, goals and progress on promotion of women to managerial positions.

- Integrated Report 2023: https://en.ccbj-holdings.com/ir/library/annual.php
- Annual Securities Report: https://en.ccbj-holdings.com/ir/library/securities.php

(3) Promotion of Non-Japanese to Managerial Positions

The Company does not set any "numerical goals," etc. for the promotion of non-Japanese to managerial positions since employees with various backgrounds work together without any distinction of nationality, and the Company makes no distinction between "non-Japanese / Japanese" in recruiting employees or promoting employees to managerial positions.

The Company has a Board of Directors consisting of members from six (6) countries, and half the members of the Senior Management and Management which take the role of executing business are non-Japanese.

(4) Promotion of Mid-Career Employees to Managerial Positions

The Company does not set any "numerical goals" for the promotion of "mid-career employees" to managerial positions since mid-career employees constitute at least 30% of the managerial positions in the Company, and the Company believes that a diverse range of perspectives and sense of values reflecting different experiences, skills and attributes already exist in the Company.

(5) Other Matters (Including General Principles on Ensuring Diversity)

Please refer to [Value Creation Story] and [People Strategy under Foundations Supporting the Corporate Value Growth] (pages 56-60) of the "Integrated Report 2023" on the Company website for other matters such as principles for ensuring diversity.

- Integrated Report 2023: https://en.ccbj-holdings.com/ir/library/annual.php

[Principle 2-6. Roles of Corporate Pension Funds as Asset Owners]

The Company's corporate pension fund is managed by way of the Asset Management Committee in charge of examining and planning the pension asset management confirming the appropriateness of such a plan by going through proposals and deliberations with more than one (1) meeting structure, including the Council or the Board of Representatives, and the Corporate Pension Fund of the Company's group (the "**Group**") carrying out such plan or monitoring the entity outsourced with the pension asset management thereof.

In addition, any important matters with regard to the management of the corporate pension fund are resolved by the Board of Representatives, half of whose members are selected from employees who are also the beneficiaries, and any conflict of interest that may arise between the Company and the beneficiaries are appropriately handled under the Corporate Pension Fund Rules.

Furthermore, the Company shall work to enhance its function as an asset owner of corporate pension funds by assigning to the Secretariat appropriately qualified persons who have knowledge and experience related to corporate pensions to serve as dedicated secretariat members for the corporate pension fund, and by continually providing support, etc. to further improve their knowledge.

[Principle 3-1. Full Disclosure]

(1) Company Objectives, Business Strategies and Business Plans

1) Corporate Policy and Corporate Message

The Company has established our mission, vision and values that are summed up by the Company's corporate philosophy "Paint it RED! Let's Repaint our Future.".

Our Mission is what we are in business for

Deliver happy moments to everyone while creating value

Our Vision illustrates what we want to be;

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

Our Values reflect what we keep in mind in our daily activities to realize our Mission and Vision

- Learning
- Agility
- Result-orientation
- Integrity

In 2023, we developed our corporate message, “We bottle happy moments.” to convey our core values and future aspirations in a straightforward manner.

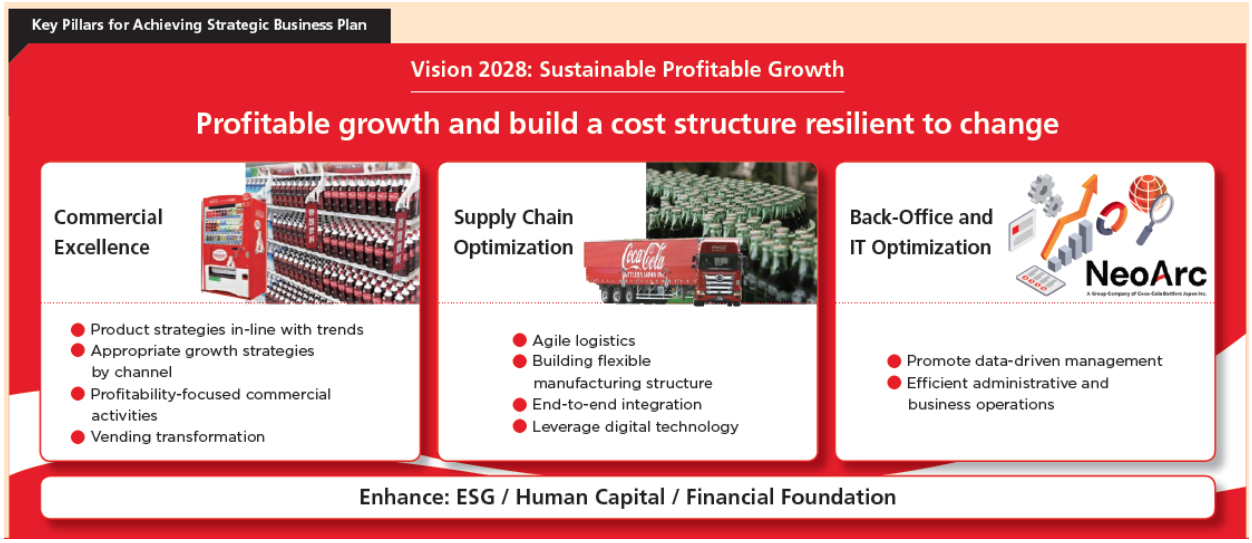
Please refer to the Company website for the Company’s mission, vision and values and Corporate Message.

- The Company objectives of “Mission” “Vision” and “Values”: https://en.ccbj-holdings.com/corporate/mvv/
- CCBJH Group Corporate Message: https://en.ccbj-holdings.com/corporate/mvv/message.php

2) Strategic Business Plan: Vision 2028

In August 2023, we announced a medium-term strategic business plan for 2024 through to 2028. In "Vision 2028," we will achieve profitable growth and build a cost structure that is resilient to change by leveraging the business foundations we have built through transformation efforts to date and the many insights we have gained in a rapidly changing market environment. We aim to achieve our target of a business income margin of 5% or more in 2028 by increasing revenue at an annual rate of 2-3% and reducing costs by a cumulative 25 to 35 billion yen through transformation. Additionally, in terms of shareholder returns, we will focus on stable dividends during this period, while constantly considering measures to increase shareholder value.

In Vision 2028, to achieve profitable growth and a cost structure that is resilient to change, the Company will focus on three areas: commercial excellence, supply chain optimization, and back-office and IT functions optimization. The Company will also work on our ESG strategy, human resources strategy, and financial strategy to strengthen the foundation that supports these goals. Our focus in commercial activities is to achieve sustainable profitable growth. For this, the Company will focus on investing in high value-added products, adopting appropriate growth strategies for each sales channel, implementing flexible pricing strategies that will improve profit margins, and transforming vending channels. The Company will also take further steps to strengthen the supply chain and optimize back office and IT functions by promoting data-driven management. In addition, the Company will also focus on promoting strategies in non-financial areas such as ESG (environmental, social, and governance) and human capital management. By further advancing initiatives and transformations that contribute to value creation, the Company will strengthen the business foundation and continue efforts towards sustainable profit growth, working towards enhancing corporate value.



The business strategies and plans are also described in the Company's earnings announcements and earnings presentations, etc. Please refer to the Company website for materials relating thereto.

- Business strategies and business plans (Strategic Business Plan - Vision 2028):
  https://en.ccbj-holdings.com/ir/library/vision2028.php
  https://en.ccbj-holdings.com/pdf/irinfo/193_3.pdf

(2) Basic Principles on Corporate Governance

The Company's basic principles on corporate governance are as stated in the "A. Basic Principles" section at the beginning of this Report.

(3) Policy and Procedures in Determining Compensation for Senior Management and Directors

With respect to the compensation for the Company's Senior Management and Directors: (i) the compensation levels and composition shall be such that they enable the Company to hire and retain talented personnel varying in nationality and experience, etc.; (ii) the composition ratio of compensation shall be such that they emphasize performance-linked compensation in order to provide sufficient incentives for achieving profitable growth; and (iii) the compensation structure shall be such that they enable the Company to promote the enhancement of corporate value over the medium to long term, and reinforce the alignment of interests with shareholders.

Approval of compensation including the amount of performance-linked compensation for Executive Directors shall be delegated to a Representative Director (Calin Dragan) upon resolution by the Board of Directors, and the amount shall be determined by the Representative Director in accordance with the "Policy for Determining Compensation for Directors, etc." approved by the Board of Directors within the total amount determined by the resolution of the General Meeting of Shareholders after the terms of compensation are deliberated by the Audit and Supervisory Committee, which includes several Independent Outside Directors and is composed solely of Outside Directors in order to enhance the transparency and objectivity of procedures for determining compensation. The reason for the delegation is that the Representative Director is deemed appropriate to determine the performance results of each Director while taking into account the overall performance of the Company. In order for the Representative Director to exercise such authority appropriately, the decision on this has been made after deliberations by the Audit & Supervisory Committee.

Please refer to [Corporate Governance Strategy under Foundations Supporting the Corporate Value Growth] of the "Integrated Report 2023" and "(4) [Details and procedures on the compensation of Directors and Executive Officers]" under "4. Corporate governance" of the Annual Securities Report on the Company website for other matters such as procedures for determining compensation of the Senior Management and Directors.

- Integrated Report 2023: https://en.ccbj-holdings.com/ir/library/annual.php
- Annual Securities Report: https://en.ccbj-holdings.com/ir/library/securities.php

(4) Policies and Procedures for Appointing or Dismissing Senior Management and Nominating Director Candidates

In order to enhance management efficiency and transparency and increase the Company's shareholder value, the Company's Board of Directors sets out its principles on the balance between knowledge, experience and skills, and the diversity and appropriate size of the Board of Directors as a whole, as described below:

The Company's Board of Directors consists of no more than ten (10) Directors (excluding Directors who are Audit and Supervisory Committee members) and no more than seven (7) Directors who are Audit and Supervisory Committee members, which are the limits set as the number of respective members under the Articles of Incorporation.

The Board of Directors, as a whole, ensures an appropriate structure not only with a wide range of knowledge and expertise on corporate management, financial strategies, risk management and legal compliance, but also with diversity in gender, nationality, experience or other orientations. In light of the importance of the function of Outside Directors in corporate governance, the Company shall appoint, for the Directors, Outside Directors who are independent based on the Company's independence standards and qualification, in a number that constitutes at least one-third of the Directors, and which shall include at least one (1) person who has management experience at another company.
In addition, in nominating candidates for Directors who will be Audit and Supervisory Committee members, the Company makes sure that it nominates at least one (1) candidate who has appropriate knowledge of finance and accounting.

In appointing or dismissing Senior Management and nominating Internal Director candidates for the Company, the Company's Board of Directors makes decisions by appropriately evaluating the degree of their contribution and future potential, etc. based on the Company's evaluation system from an independent and objective perspective.

In nominating Outside Director candidates, the Company's Board of Directors nominates those who are deemed likely to make a contribution to enhancing the Company's corporate value from an independent and objective perspective.

As for the current procedures for appointing or dismissing Senior Management and nominating Director candidates, the report of the Audit and Supervisory Committee which consists of only Outside Directors, half of whom are Independent Outside Directors, is respected, and decisions are made by the Board of Directors, the majority of whom are constituted by Independent Outside Directors. Thus, the Company believes that transparency and fairness are ensured.

(5) Explanation of Each Appointment, Dismissal and Nomination When Appointing or Dismissing Senior Management and Nominating Director Candidates in Light of (4) Above

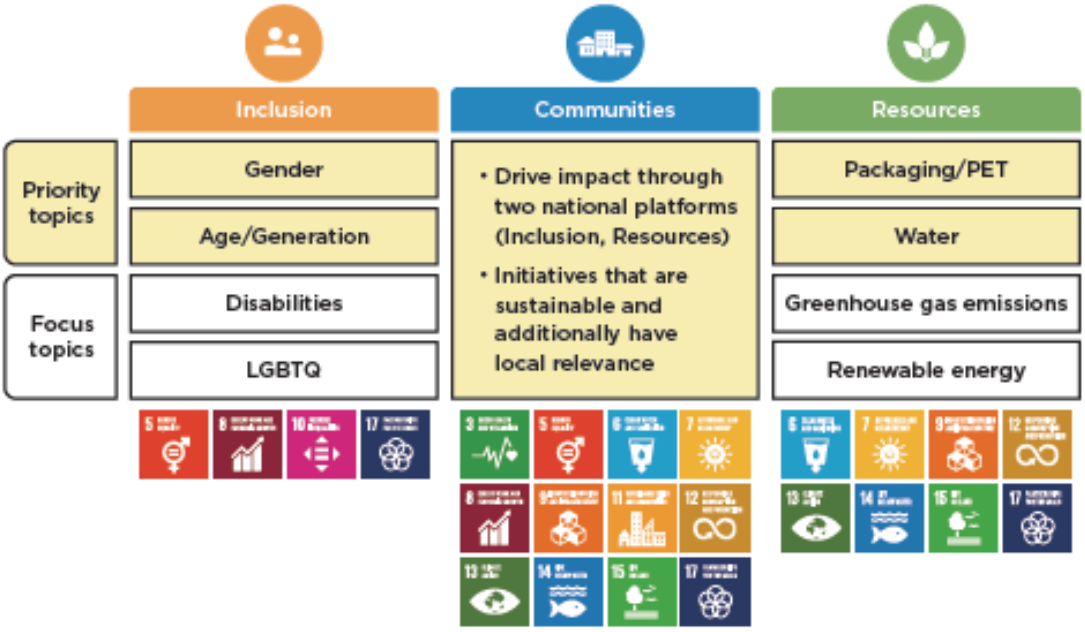
When the Company's Board of Directors appoints or dismisses Senior Management, it shall promptly make such fact public.
In addition, when the Company's Board of Directors appoints Director candidates, it shall state the reason for the appointment of each candidate in the "Notice of the General Meeting of Shareholders for the Fiscal Year Ended December 31, 2023". Please refer to the Company website for the "Notice of the General Meeting of Shareholders for the Fiscal Year Ended December 31, 2023" (pages 15-19).

・Notice of the General Meeting of Shareholders for the Fiscal Year Ended December 31, 2023
: https://en.ccbj-holdings.com/ir/stockholder/meeting.php

Supplementary Principle 3-1-3. Initiatives on Sustainability, etc.

At the CCBJH Group, our mission is to deliver happy moments to everyone while creating value. This mission encapsulates our strong commitment to enriching the daily lives of people through our products and services. Every employee is dedicated to provide value that leads to joyful moments and precious events in people's lives, ultimately contributing to a better future. To achieve this, the Company has made creating shared value (CSV) a cornerstone of management. This means enhancing both economic value through business growth and social value through addressing social issues. This is the basis of our sustainability strategy.
The Company has specified and defined three (3) core elements (platforms): "Inclusion" "Communities" and "Resources" as its "Sustainability Framework," as well as thirteen (13) priority issues (material issues) for the Company to tackle in the immediate future in order to achieve its Sustainable Development Goals (SDGs).

(Sustainability Framework)



(Definitions of material issues)

Resources Communities Inclusion

	Material Issues	Definition	Link*
Natural environment	Packaging and recycling (Circular economy)	To achieve the Coca-Cola Company's 2030 Global Vision World Without Waste, we will work on activities such as light-weighting, horizontal recycling, and waste reduction through the three pillars of design, collection, and partnerships. By doing so, we contribute to the promotion of recycling of plastic and other materials in Japan.	Resources
	Mitigation of and adaptation to climate change	To mitigate and adapt to climate change, we aim to reduce our environmental impact through initiatives throughout the value chain, including the reduction of our greenhouse gas emissions.	Resources
	Water stewardship	As a company whose main product ingredient is water, we strive to reduce, reuse, and properly treat water used in manufacturing. We also work with local communities to conserve water resources in a sustainable manner to pass on abundant water resources to future generations.	Resources
	Sustainable conservation of biological resources	We conserve biodiversity and achieve sustainable business by recognizing and reducing the impact on the natural environment and ecosystems whilst making business decisions.	
Communities	Healthy products/services	We contribute to consumer wellness by providing high value-added products and services that contribute to the maintenance and promotion of health and nutrition.	
	Contribution to local community development	Based on collaboration and communication with local communities and other stakeholders, we engage in activities aimed at developing sustainable local communities and solving social issues. Through our business, we contribute to the revitalization of local economies.	Communities
People	Employee development & wellbeing	We believe that employees are important assets in conducting sustainable business. Therefore, in our human resource development system, we work to create a workplace environment that maximizes and develops the potential of each employee. We focus on our employees' safety and their physical and mental well-being by measures such as enhancing their work-life balance.	
	Diversity, equity and inclusion	We foster a culture that respects human rights, diversity, and fairness, and create an environment where each individual can maximize their abilities regardless of gender, age, disability, race, nationality, sexual orientation, gender identity or expression, or other attributes throughout the value chain.	Inclusion
Foundation	Product quality and safety	In order to provide safe, high-quality, fresh, and refreshing products and services to our consumers, we implement strict quality systems and processes in all business processes, from raw material procurement, manufacturing, distribution and transportation, to sales and service. In this way, we guarantee and improve the safety and quality of our products.	
	Resilience to natural disasters	We strive to build a system and structure that is safe and robust enough to minimize the impact on our business in the event of any injury to employees and damage to facilities for manufacturing, logistics, sales operations, and business sites caused by large-scale natural disasters such as earthquakes and typhoons.	
	Corporate governance	We strive to build and maintain a strong corporate governance structure to improve management soundness and maximize corporate and shareholder value. In accordance with the intent of the Corporate Governance Code, we strive to improve the skill sets of our directors and all employees, pursue an optimal organizational design for our company, and further strengthen our governance.	
	Sustainable supply chain	We build a sustainable supply chain through the stable procurement of materials and raw materials, addressing human rights and environmental issues in the supply chain, conducting appropriate transactions and responsible procurement.	
	Responsible commercial practices	We build our relationships with our consumers by ensuring responsible marketing of our full beverage portfolio, including alcohol, ensuring compliance with all commercial activities in line with laws and regulations. We provide our stakeholders with access to useful and sufficient information on the health and nutrition of our products through easy-to-understand communications.	

*This shows the link with the Sustainability Framework developed by the Coca-Cola System for Japan.

In order to resolve the materiality identified by the Company's Group, the Company established the CSV Goals as more specific non-financial targets in an effort to create a sustainable business and society while achieving our Mission. As the Company pursues these measures, the Company continually monitors our progress and applies the Plan-Do-Check-Act (PDCA) cycle across our entire value chain to steadily advance toward our objectives and realizes our sustainability strategy.

Levels of achievement ■■■ 80% or higher ■■□ 50%-79% ■□□ Less than 50%

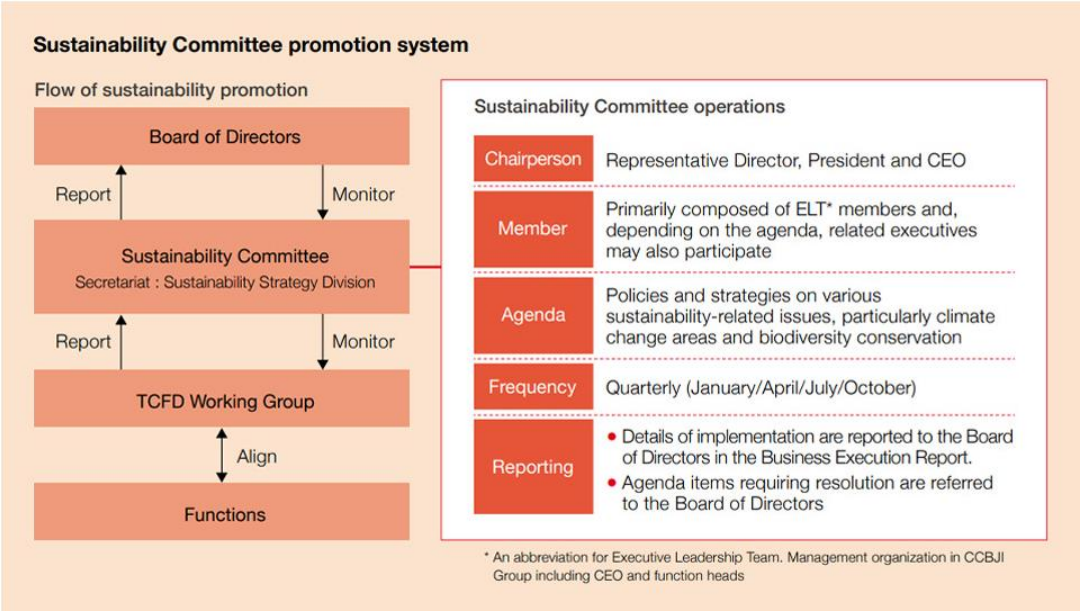
(Note) The baseline year is 2015 and the target year is 2025 unless otherwise stated

	CCBJH Group's materiality	Category	Target numbers	As of the end of 2022	As of the end of 2023	Levels of achievement
Natural environment	Packaging and recycling (circular economy)	Sustainable materials*1 usage by 2030	100%	50%	42%	■□□
		Ratio of products using sustainable materials*1 by 2025 (number of bottles sold)	100%	About 90%	80%+	■■■
		Further lightweight PET packaging by 2030 (compared to 2004)	35%	30%+	30%+	■■■
		Collection percentage compared to sales volume by 2030*2	100%	94.0%	94.4%	■■■
		Extensive partnerships across industry and environmental organizations by 2030		—	—	
	Water stewardship	Replenishment rate, focusing on watersheds near our plants	200%	420%	411%	■■■
		Water usage reduction by 2030	30%	19%	20%	■■□
	Mitigation of and adaptation to climate change	Scope 1 and 2 reduction in greenhouse gas emissions by 2030	50%	20%	19%	■□□
		Scope 3 reduction in greenhouse gas emissions by 2030	30%	25%	25%	■■■
		Net zero in greenhouse gas emissions by 2050		—	—	
		Promotion of renewable energy		—	—	
Communities	Healthy products and services	Low and no calorie options for core brands	100%	100%	100%	■■■
		FOSHU/functional product growth (compared to 2016)	300%	146%	226%	■■□
		Front-of-pack calorie label and straightforward nutritional information	100%	100%	100%	■■■
	Contribution to local community development	Employee volunteers	10%	20.0%	20.0%	■■■
		Participants in community programs	1,000,000	920,000	970,000	■■■
People	Diversity, equity and inclusion	Female managers by 2025	10%	6.6%	7.4%	■■□
		Female managers by 2030	20%			■□□
Foundation	Sustainable supply chain	Adherence to Supplier Guiding Principles across the CCBJH Group value chain	100%	100%	100%	■■■
		Sustainable sourcing	100%	100%	100%	■■■
		Observation of The Coca-Cola Company's Responsible Marketing Policy	100%	100%	100%	■■■

*1 Recycled PET materials from bottle-to-bottle and plant-derived PET materials

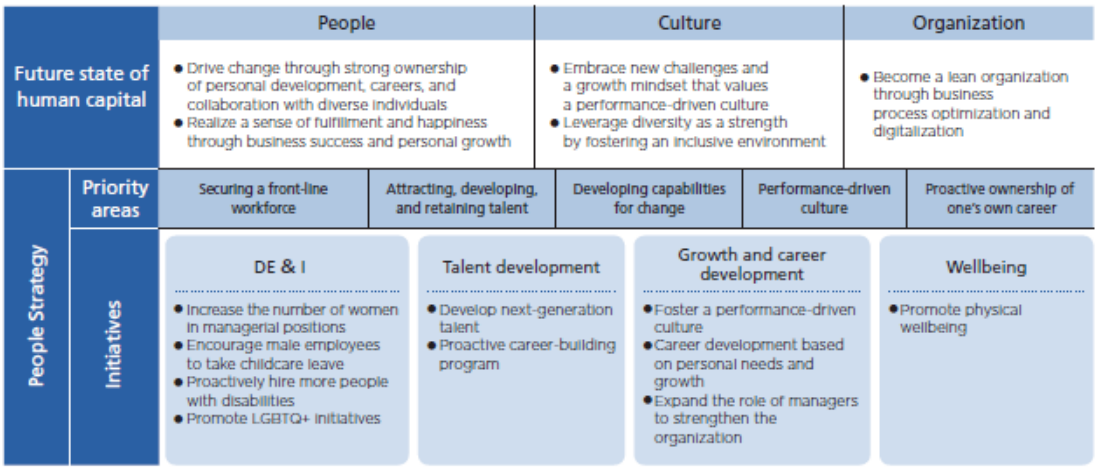
*2 PET bottle collection rate (Source: The Council for PET Bottle Recycling "2023 Annual Report of PET Bottle Recycling")

In 2023, in line with our CSV Goals we established a Sustainability Committee to strengthen the development of policies and strategies related to various issues including climate change and biodiversity. On this committee, the ELT discuss sustainability issues then communicate the decided direction and strategies to ensure all functions carry out sustainable activities efficiently and comprehensively.



The Company shall disclose information through IR-related materials, including [Inclusion] under [Value Creation Story] (pages 12-20) and [Sustainability Strategy under Foundations Supporting the Corporate Value Growth] (pages 56-60) of the "Integrated Report 2023", and the Company website for other details of our sustainability strategy and our initiatives based on it.

In People Strategy, to accomplish the CCBJH Group's mission, it is vital for each employee to feel a sense of fulfillment and happiness. This should be achieved by leveraging their full potential, contributing to the company's success and their own personal growth. The Company incorporated strengthening human capital into the foundation of our strategic business plan, "Vision 2028" as one of our important measures. To accomplish this, we have developed our people strategy and entered an implementation phase in 2024. In addition, our new People Strategy sets forth our vision for human capital and enhances the foundation for sustainable profitable growth. Through this strategy, the Company aim to achieve the goals of "Vison 2028" and improve corporate value. The Company defined our vision of human capital, essential to achieving the goals of "Vision 2028" across the areas of people, culture and organization. To accelerate towards our vision of human capital, the Company has identified challenges we face and formulated the focus areas of the People Strategy. These areas are associated with issues facing our businesses. For initiatives planned in each priority areas, we have defined key performance indicators (KPIs) and targets for them. These targets are incorporated into the targets of executive officers. The Company will thus be united as a whole company to accelerate our initiatives for our goals. In addition to Board of Directors' meetings, the Company allocates approximately one-quarter of the regular meetings of our executive leadership team to discussion of our people agenda. This ensures our executive leadership team's commitment to people strategy.



We will carry out these activities with a view toward sustainable growth and keep creating value for diverse stakeholders through our business activities. Please refer to [Inclusion] under [Value Creation Story] (pages 12-20) and [People Strategy under Foundations Supporting the Corporate Value Growth] (pages 56-60) of the "Integrated Report 2023" on Company website.
The Company shall disclose information through IR-related materials, including "Integrated Report 2023", and the Company website for the Company's Sustainability Framework and the Company's initiatives based thereon.

- Integrated Report 2023: https://en.ccbj-holdings.com/ir/library/annual.php
- Inclusion : https://en.ccbji.co.jp/csv/inclusion/
- Sustainability : https://en.ccbji.co.jp/csv/

[Principle 4-1. Roles and Responsibilities of the Board (1)]
Supplementary Principle 4-1-1. Scope of Delegation to the Management
The Company has taken the form of a company with an Audit and Supervisory Committee with the aim of further strengthening the governance system. The Company has adopted an executive officer system to separate decision-making and management supervisory functions from business execution functions. Certain decisions on important business execution are delegated to Directors so that the Board of Directors can deliberate more fully on matters of particular importance. For other matters, the Company is seeking to expedite the decision-making by the Management.

The Company has set out matters to be resolved at the Board of Directors under the "Rules and Regulations on Board of Directors." For the main matters, please refer to Article 17, Paragraph 2 of the Corporate Governance Regulations (Page 7) on the Company website.
- Corporate Governance Regulations: https://en.ccbj-holdings.com/corporate/governance/

Other decisions regarding business execution are delegated to the Directors, whose authority is further transferred to Management and department heads, etc. The details are clearly stated in the Company's internal regulations.

[Principle 4-9. Independence Standards and Qualification for Independent Directors]
Please refer to Article 20, Paragraph 2 of the Corporate Governance Regulations (Page 9) on the Company website for the independence standards and qualification for those who become the Company's Independent Outside Directors.
- Corporate Governance Regulations: https://en.ccbj-holdings.com/corporate/governance/

[Principle 4-11. Preconditions for Board Effectiveness]
Supplementary Principle 4-11-1. Principles on Balance between Knowledge, Experience and Skills, and the Diversity and Appropriate Size of the Board of Directors as a Whole
In order to enhance management efficiency and transparency and increase the Company's shareholder value, the Company's Board of Directors sets out its principles on the balance between knowledge, experience and skills, and the diversity and appropriate size of the Board of Directors as a whole, as described below:

The Company's Board of Directors consists of no more than ten (10) Directors (excluding Directors who are Audit and Supervisory Committee members) and no more than seven (7) Directors who are Audit and Supervisory Committee members, which are the limits set as the number of respective members under the Articles of Incorporation.

The Board of Directors, as a whole, ensures an appropriate structure not only with a wide range of knowledge and expertise on corporate management, financial strategies, risk management and legal compliance but also with diversity in gender, nationality, experience or other orientations. In light of the importance of the function of Outside Directors in corporate governance, the Company shall appoint, for the Directors, Outside Directors who are independent based on the Company's independence standards and qualification, in a number that constitutes at least one-third of the Directors, and which shall include at least one (1) person who has management experience at another company.
In addition, in nominating candidates for Directors who will be Audit and Supervisory Committee members, the Company makes sure that it nominates at least one (1) candidate who has appropriate knowledge of finance and accounting.

When deciding on Internal Director candidates, the Board of Directors shall make decisions from an independent and objective perspective by appropriately evaluating the degree of their contribution and future potential, etc. based on the Company's evaluation system. For nomination of Outside Directors, the Board of Directors shall nominate those who it deems likely to make contributions to enhancing the Company's corporate value from an independent and objective perspective.
As for the procedures for nominating Director candidates, the report of the Audit and Supervisory Committee, including more than one (1) Independent Outside Director, shall be respected, and decisions shall be made by the Board of Directors.

The Company has taken the form of a company with an Audit and Supervisory Committee that has members consisting of more than one (1) Independent Outside Director and a majority of the members of the Board of Directors consisting of Independent Outside Directors. Thus, the Company believes that transparency and fairness are ensured.

The Company has prepared a Skills Matrix in which the above-mentioned knowledge, experience and skills, etc. are listed. The Skills Matrix is described in the "Notice of the General Meeting of Shareholders for the Fiscal Year Ended December 31, 2023" (Pages 20-21) as well as on the Company website. Please refer to the link below.

・Notice of the General Meeting of Shareholders for the Fiscal Year Ended December 31, 2023
: https://en.ccbj-holdings.com/ir/stockholder/meeting.php

Supplementary Principle 4-11-2. State of Directors who Concurrently Serve as Officers at Other Listed Companies
The status of the Company's Directors who concurrently serve as officers at other listed companies is described each year in the "Status of the Company's Officers" under the "Current Status of the Company" section in the Business Report contained in the "Notice of the Ordinary General Meeting of Shareholders for the Fiscal Year Ended December 31, 2023" (Pages 38-39), as well as in the "Brief Personal Profile, Position and Responsibility in the Company" and "Significant Concurrent Positions" and other sections described in the reference materials for the General Meeting of Shareholders (Pages 14-18). Please refer to: https://en.ccbj-holdings.com/ir/stockholder/meeting.php

Supplementary Principle 4-11-3. Outline of Analysis and Evaluation Results on the Effectiveness of the Board of Directors as a Whole
Each year, the Company's Board of Directors conducts an effectiveness evaluation and analysis at the Board of Directors meetings based on self-evaluations by the Directors conducted with advice from outside third-party organizations, regarding the operation, support system and composition, etc. of the Board of Directors.

(1) Methods of evaluating the effectiveness of the Board of Directors
・Once a year, the Company conducts a survey of all directors with the advice of an external third-party organization.
・Conformation of improvement measures for issues identified from the survey results
・Check the status of improvement on the issues from the previous year

(Main Questionnaire Items)
・Composition of Board of Directors
・Management of Board of Directors Meetings
・Discussion of Board of Directors Meetings
・Monitoring function of the Board of Directors
・Support for Directors (including Audit and Supervisory Committee Members)
・Director's own efforts
・Audit and Supervisory Committee

(2) The outline of the results
Based on the Directors' self-evaluations conducted with advice from outside third-party organizations, the Company's Board of Directors, as a whole, has received high marks for its diverse composition and operations that are less formal and allow for free, vigorous, and constructive discussion. In addition, the most recent evaluation confirmed that the Board of Directors has improved over the previous year in terms of the materials provided at Board meetings and the initiatives and disclosures to improve sustainability. The results also far exceeded the average of other companies, and the Company recognizes that it is making progress in steadily improving the effectiveness of the Board of Directors as a whole.
In the future, the Company shall continue to conduct a questionnaire survey on the operation of the Board of Directors immediately after each Board of Directors meeting to reflect the opinions of directors on a case-by-case basis, provide Board of Directors meeting materials in a timely manner, and strive to further the effectiveness of the Board of Directors meetings by enhancing and evolving its deliberations opportunities regarding business environment changes that could affect CCBJH Group's business.
In order to invigorate discussions at the Board of Directors meetings, the Company will continue to provide individual advance explanations to each director, which we have traditionally done, and the Company will promote proactive and continuous efforts in the future to improve the operations in order to further enrich and deepen the discussions at the Board of Directors meetings in response to changes in the business environment at the Board of Directors meetings.

[Principle 4-14. Director Training]
Supplementary Principle 4-14-2. Policy for Training Directors
Please refer to Article 27 of the "Corporate Governance Regulations" (Page 12) on the Company website for the Company's policy for training Directors.
In 2023, the Company conducted intensive deliberations on the direction of specific businesses and initiatives in the major categories of the Group, as well as cybersecurity and sustainability, in an effort to gain in-depth knowledge and foster common understanding among the Board of Directors as a whole.
- Corporate Governance Regulations: https://en.ccbj-holdings.com/corporate/governance/

[Principle 5-1. Policy on Improving the System and Efforts for Promoting Constructive Dialogue with Shareholders]
(Basic Principles)
Through constructive dialogue with the Company's shareholders, the Company shall promote its shareholders' understanding of the Company and contribute to sustainable growth and enhancement of the Company's corporate value over the medium to long term.

(General Manager and Department in Charge)
The department in charge of Corporate Governance shall respond to requests for dialogue (interviews) in cooperation with IR Department and Management in charge of the Legal Department shall be appointed as the person in charge of overseeing the response. In addition, Senior Management in charge of the Legal Department, shall attend the interviews with shareholders as necessary, after confirming the purpose of the dialogue (interview) requested thereby, etc.
(Internal Coordination System for Dialogue (Interview) with Shareholders)
In holding the dialogue (interview) with shareholders, the department in charge of Corporate Governance shall share information with related internal departments and make sure that it responds to the shareholders in a coordinated manner. At the same time, the department in charge of IR shall make efforts to resolve any issues by reporting the opinions received from the shareholders in the dialogue (interview) to the Senior Management and the Directors in a timely and appropriate manner.

(Other Forms of Dialogue Besides Individual Interviews)
The Company shall make efforts to have Senior Management and Directors disseminate information regularly through earnings presentations, etc. The Company shall also make efforts to deliver the image of the earnings presentations in both Japanese and English, live and on-demand via a webcast and to attend investor conferences, etc. held within and outside of Japan.

(Dialogue with stakeholders)
In 2023, as part of our IR activities, we held over 300 meetings with investors, including the analysts and shareholders who make up the capital market. Additionally, we held dialogues with institutional investors as part of our SR activities.
In these dialogues, we exchanged opinions on the overview of our strategic business plan "Vision 2028", sustainability initiatives such as ESG initiatives, governance systems, and other matters to promote mutual understanding. We also received opinions on improvements that investors would like to see and how information should be provided.
Through constructive discussions with investors, we will continue to actively engage in activities that will lead to enhanced corporate value by increasing mutual understanding and trust.

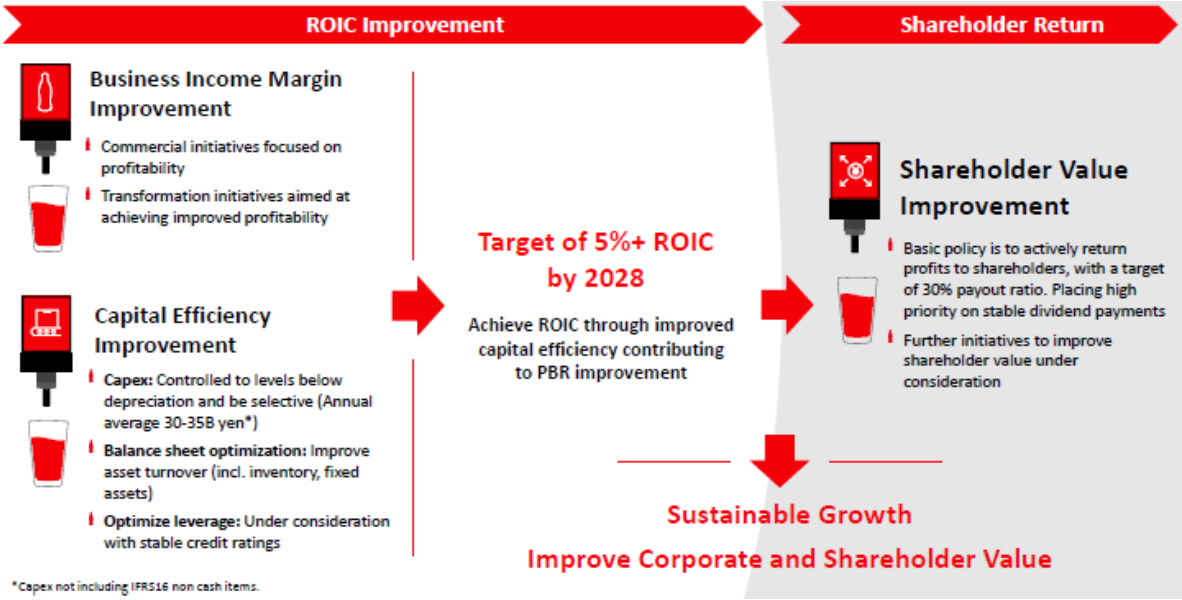
[Main IR activities in 2023]

Category	2023 results	Details
Earnings Presentations	4 times	Quarterly earnings presentations were held by the president and CFO. The presentation content is available via Webcast on the Company's website. (https://en.ccbj-holdings.com/ir/library/presentation.php)
IR meetings with analysts and institutional investors	About 310 times, for approx. 520 people	Meetings and conference calls were held with analysts and institutional investors. Top management took part as needed.
Participation in domestic and overseas conferences	5 times	Four times in Japan, and once overseas. Top management took part as needed.
Other IR briefings	4 times	IR briefings including small meetings and facility tours participated by top management.
Delivery of video message from the President	4 times	Video messages from the President were delivered to investors. The latest message is available from the IR website. (https://en.ccbj-holdings.com/ir/)

(Preventing the Divulgence of Insider Information)
When engaging in dialogue (interviews) with shareholders, the Group shall strive to ensure thorough insider information management in accordance with internal regulations to prevent any divulgence from occurring.

[Actions to achieve cost of capital and stock price conscious management]

In our Strategic Business Plan - Vision 2028 which aims for sustainable profitable growth through 2028, we are focusing on profitability and capital efficiency, and have set annual revenue growth of 2-3%, business income margin of at least 5% or more, and ROIC of at least 5% or more as key indicators. In addition to improving profitability, we also intend to emphasize the efficiency of invested capital. Through appropriate management and investment of capital, we will improve the turnover rate of assets such as inventory and fixed assets, and optimize the capital structure including financial leverage, etc., to achieve ROIC of 5% or more by 2028, which will lead to improvement of P/B ratio, thereby achieving sustainable growth and increasing corporate and shareholder value.



For details, please refer to our Strategic Business Plan - Vision 2028, which is available on our website.

- Business strategies and business plans (Strategic Business Plan - Vision 2028:
  https://en.ccbj-holdings.com/ir/library/vision2028.php
  https://en.ccbj-holdings.com/pdf/irinfo/193_3.pdf

B. Capital Structure

Foreign Shareholding Ratio	20% or more but less than 30%

[Status of Major Shareholders]

Name	Number of Shares Held	Ratio (%)
Coca-Cola (Japan) Company, Limited	27,956,199	15.32
The Master Trust Bank of Japan, Ltd. (Trust Account)	22,647,600	12.41
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	7,745,310	4.24
Custody Bank of Japan, Ltd. (Trust Account)	7,206,100	3.95
Ichimura Foundation for New Technology	5,294,718	2.90
Sensyusya Co., Ltd.	4,088,400	2.24
Coca-Cola Holdings West Japan Inc.	4,074,945	2.23
Goldman Sachs International	4,022,746	2.20
Satsuma Shuzo Co., Ltd.	3,984,900	2.18
Mitsubishi Heavy Industries Machinery Systems, Ltd.	3,912,151	2.14

Controlling Shareholders (Excluding the Parent Company)	―――
Parent Company	N/A

Supplementary Explanation

The status of major shareholders stated above is the status as of June 30, 2024.

C. Corporate Attributes

Listed Exchange and Market Segment	Prime Market of the Tokyo Stock Exchange
Fiscal Year End	December
Type of Industry	Food
Number of Employees (Consolidated) as of the End of Previous Fiscal Year	1000+
(Consolidated) Sales in the Previous Fiscal Year	100 billion yen or more but less than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of Previous Fiscal Year	Less than 10 companies

D. Guidelines on Measures for Protection of Minority Shareholders in Conducting Transactions, Etc. with Controlling Shareholders

―――

E. Other Special Circumstances Which May Have a Material Impact on Corporate Governance

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II. Status of Business Management Organization and Other Corporate Governance Systems Pertaining to Managerial Decision-Making, Execution and Supervision

A. Matters Pertaining to Organizational Structure and Operation, Etc.

Organization Form	Company with Audit and Supervisory Committee

[Directors]

Maximum Number of Directors Under the Articles of Incorporation	17
Term of Directors Under the Articles of Incorporation	1 year
Chair of the Board of Directors	President
Number of Directors	9
Appointment Status of Outside Directors	Appointed
Number of Outside Directors	7
Number of Outside Directors Designated as Independent Officers	5

Relationships with the Company (1)

Name	Attribute	Relationship with the Company (*)										
		a	b	c	d	e	f	g	h	i	j	k
Hiroko Wada	From another company											
Hirokazu Yamura	From another company								○			
Celso Guiotoko	From another company											
Hiroshi Yoshioka	From another company											
Nami Hamada	From another company											
Stacy Apter	From another company					○		○				
Sanket Ray	From another company					○		○				

*** Categories for "Relationship with the Company"**
*** "○" indicates that the person currently falls under or has recently fallen under the relevant category; and**
"Δ" indicates that the person fell under the relevant category in the past.
*** "●" indicates that the person's close relative currently falls under or has recently fallen under the relevant category; and**
"▲" indicates that the person's close relative fell under the relevant category in the past.

a. An executive member of the Company or its subsidiary.
b. An executive member or a non-executive Director of the parent company of the Company.
c. An executive member of a fellow subsidiary company of the Company.
d. A person who has a significant business relationship with the Company or an executive member thereof.
e. A person with whom the Company has a significant business relationship or an executive member thereof.
f. A consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company other than executive compensation.
g. A major shareholder of the Company (if such major shareholder is a legal entity, an executive member of such legal entity).
h. An executive member of a person with whom the Company has a business relationship (which does not fall under items d, e, or f) (the person him/herself only).
i. An executive member of an entity between which the Company's Outside Officers are mutually appointed (the person him/herself only).
j. An executive member of an entity that receives donation from the Company (the person him/herself only).
k. Others.

Relationships with the Company (2)

Name	Audit and Supervisory Committee Member	Independent Officer	Supplementary Explanations Concerning Relevant Categories	Reasons for Appointment
Hiroko Wada	—	○	———	The Company has appointed Hiroko Wada as a Director (Outside Director) with the expectation that she will utilize, for the management of the Company, the considerable management experience and global knowledge she has gained thus far as by serving as an officer at The Procter & Gamble Company and as a Representative Director at Dyson Ltd. and Toys"R"Us-Japan Ltd. As there is no relationship of special interest between Wada and the Company, the Company has deemed that there will be no risk of conflict of interest between her and the general shareholders. Based on these grounds, the Company has designated Wada as an Independent Officer.
Hirokazu Yamura	—	○	Hirokazu Yamura is the Representative Director & President of Michinoku Coca-Cola Bottling Co., Ltd. The Company has a transactional relationship in product trading, etc. with Michinoku Coca-Cola Bottling Co., Ltd. (Sales etc.: 0.5% of the Company's consolidated sales revenue; Purchases etc.: 1.9% of the consolidated sales of Michinoku Coca-Cola Bottling Co., Ltd.)	The Company has appointed Hirokazu Yamura, the Representative Director & President of Michinoku Coca-Cola Bottling Co., Ltd., as a Director (Outside Director) with the expectation that he will utilize, for the management of the Company, the considerable management experience and knowledge he has gained in management and as Representative Director & President at Michinoku Coca-Cola Bottling Co., Ltd. The Company also has a transactional relationship with the group companies of Michinoku Coca-Cola Bottling Co., Ltd. as described in the left column, but the transaction volume is very small. In addition, the trading prices and other terms and conditions applied to these transactions are appropriately set as in the case with the trading prices and other terms and conditions applied to transactions with other business partners. The Company therefore believes that these group companies of Michinoku Coca-Cola Bottling Co., Ltd. do not obstruct the Company's free business activities. Therefore, as there is no risk for the Company to suffer significant impact from Michinoku Coca-Cola Bottling Co., Ltd., the Company has deemed that there will be no risk of conflict of interest between him and the general shareholders. Based on these grounds, the Company has designated Yamura as an Independent Officer.
Celso Guiotoko	○	○	———	The Company requests the election of Celso Guiotoko as a Director (Outside Director) in the expectation that he will utilize, for the management of the Company, the considerable experience and global knowledge he has gained thus far at Nissan Motor Co., Ltd. ("Nissan") as well as Nishimoto Co., Ltd. As there is no relationship of special interest between Guiotoko and the Company, the Company has deemed that there shall be no risk of any conflict of interest between him and the general shareholders. Based on these grounds, the Company has designated Guiotoko as an Independent Officer.

Hiroshi Yoshioka	—	○	———	Hiroshi Yoshioka has considerable experiences and global expertise gained at the Coca-Cola bottling company in Japan and Sony Corporation. Based on his extensive experience as a corporate executive, he is expected to provide advice on all areas including decision making related to important managerial decisions, handling of expected risks and the internal control system, and the Company has appointed Yoshioka as a Director serving on the Audit and Supervisory Committee (Outside Director). As there is no relationship of special interest between Yoshioka and the Company, the Company has deemed that there will be no risk of conflict of interest between him and the general shareholders. Based on these grounds, the Company has designated Yoshioka as an Independent Officer.
Nami Hamada	○	○	———	Nami Hamada has considerable experience in Finance and Accounting gained as a proprietor of her own finance consulting company and considerable experience and global knowledge gained as a corporate executive at Lehman Brothers Japan Inc. and possesses management supervisory experience as a Statutory Auditor at Shimadzu Corporation and MetLife Insurance K.K. 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 of the Company who is an Audit and Supervisory Committee member in all areas, including decision making related to important managerial decisions, handling of expected risks and the internal control system, and the Company has appointed Hamada as a Director serving on the Audit and Supervisory Committee (Outside Director). As there is no relationship of special interest between Hamada and the Company, the Company has deemed that there will be no risk of any conflict of interest between her and the general shareholders. Based on these grounds, the Company has designated Hamada as an Independent Officer.
Stacy Apter	○	—	Stacy Apter is Senior Vice President and Treasurer, Head of Corporate Finance of 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.	Stacy Apter is Senior Vice President and Treasurer, Head of Corporate Finance of The Coca-Cola Company, who has demonstrated strong leadership and support to the Board of Directors, particularly in a variety of fields such as global financial risk oversight and enterprise risk management at The Coca-Cola Company. Based on her extensive experience in the financial and risk management field, she is expected to provide advise as a Director serving on the Audit and Supervisory Committee in all areas including decision-making related to important managerial decisions, handling of expected risks and the internal control system, and the Company has appointed Apter as a Director serving on the Audit and Supervisory Committee (Outside Director).

Sanket Ray	○	—	Sanket Ray is the President of the India and Southwest Asia Unit of 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.	Sanket Ray is President of the India and Southwest Asia Unit of The Coca-Cola Company, who has demonstrated strong leadership in mainly commercial at The Coca-Cola Company and has considerable management experience 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 advice as a Director serving on the Audit and Supervisory Committee member on all areas, including decision-making related to important managerial decisions, handling of expected risks and the internal control system, and the Company has appointed Ray as a Director serving on the Audit and Supervisory Committee (Outside Director).

[Audit and Supervisory Committee]

Committee Member Composition and Attribution of Chair

	All Members of the Committee	Full-Time Members	Internal Directors	Outside Directors	Chair
Audit and Supervisory Committee	4	0	0	4	Outside Director

Whether there are Directors and Employees to Assist with the Duties of the Audit and Supervisory Committee	Yes

Matters Regarding Independence of Said Directors and Employees from Executive Directors

The Company shall assign assistant employees who assist the Audit and Supervisory Committee. Said assistant employees shall assist the duties of the Audit and Supervisory Committee under instruction from the Audit and Supervisory Committee, and shall not be subject to instruction from Directors (excluding Directors who are Audit and Supervisory Committee members).

Status of Coordination Among Audit and Supervisory Committee, Accounting Auditors and Internal Audit Department

The Company has established an Internal Audit Office as an internal audit department to ensure compliance with the laws and regulations, appropriate activities and operations, protection of assets and reliability of financial activities of the Company.

The Directors who are Audit and Supervisory Committee members audit the execution of duties by Directors and Management in accordance with relevant laws and regulations, the Articles of Incorporation and the audit standards of the Company's Audit and Supervisory Committee, through periodic meetings with Representative Directors and report on the results of audits conducted by the Internal Audit Office, etc.

The annual audit policy and plans of the Internal Audit Office are discussed beforehand with the Audit and Supervisory Committee, which receives reports from time to time on the results of audits conducted by the Internal Audit Office.

In addition, the Audit and Supervisory Committee and the Internal Audit Office receive explanations on the audit plan from the accounting auditors at the beginning of the fiscal year and request explanations and reports from time to time regarding the status of the audit during the fiscal year and the results of the fiscal year-end audit, etc.

[Optional Committees] Updated

Optional Committees Equivalent to Nominating Committee or Compensation Committee	N/A

Supplementary Explanation

The Company believes that the soundness and independence of the Board of Directors are sufficiently ensured, with seven of the nine members being outside directors and a majority of Independent Outside Directors. Although no voluntary advisory committee has been established for the consideration and decision on particularly important matters such as nomination and compensation of senior management and Directors, the Audit and Supervisory Committee, which includes several Independent Outside Directors and is composed solely of Outside Directors, deliberates on such matters prior to deliberations by the Board of Directors. The Board of Directors, of which a majority at least one-third of the members are Independent Outside Directors, makes decisions based on the recommendations of the Audit and Supervisory Committee, which is considered to further strengthen the independence, objectivity and accountability of the function of the Board of Directors.

[Independent Officers] Updated

Number of Independent Officers	5

Other Matters Regarding Independent Officers

The Company has established the followings regarding the policies of the appointment of Independent Outside Directors, criteria for determining their independence, and the roles and responsibilities expected of independent outside directors.

(1) In light of expected roles and responsibilities to contribute to sustainable growth and the increase of mid- to long-term corporate value, the Company shall appoint one-third or more Independent Directors who are fully equipped with such qualities, and among those Independent Directors, 1 or more are required to have management experience at other companies.

(2) The Company determines Outside Directors (including candidates) are fully independent from the Company when all the following requirements are deemed not applicable as a result of survey done under the scope reasonably feasible.
1) Executive Officer of our company or the Company's affiliates at present and for the past 10 years
2) The Company's major business partner or (and) its Executive Officer at present and for the past year (that constitutes more than 2% of their consolidated revenue in the recent fiscal year)
3) The Company's major customer or (and) its Executive Officer at present and for the past year (that constitutes more than 2% of the company's consolidated revenue in the recent fiscal year)
4) Consultants, C.P.A. or attorneys who receive more than 10 million yen a year at present and for the past year besides the Company's executive compensations from the company
5) Entity or its Executive Officer that receives the Company's donations of more than 10 million yen a year at present and for the past year
6) Relative within the second degree of relationship to those applicable to 1-5 above

(3) The Company expect Independent Directors to assume the following roles and responsibilities.
1) Provide opinions and advices on management policies and management improvements based on own knowledge and insights from the standpoint of promoting the company's sustainable growth and increasing mid- to long-term corporate value.
2) Conduct management oversight through important decision-making in Board Meeting including appointment of Director candidates, appointment and dismissal of corporate officers in the group.
3) Oversee conflict of interest among company, the management and major shareholders.
4) Incorporate opinions of stakeholders including minority shareholders to the Board appropriately from independent standpoint from the management and major shareholders.

(4) When a request is made from and Independent Director to provide a place to share information and understanding from independent and objective standpoint apart from Board Meeting in order to actively contribute to discussions in Board Meeting, the Company shall respond quickly.

(5) When a request is made from and Independent Director to set up a system to contact and coordinate with Executive Directors apart from Board Meeting, the Company shall respond quickly.

[Incentives] Updated

Implementation Status of Initiatives on Providing Incentives to Directors	Introduction of performance-linked compensation system

Supplementary Explanation

Compensation consists of bonuses and long-term incentives (stock-based compensation plans (Performance Share Unit (PSU) Plan and Restricted Stock Unit (RSU) Plan) based on basic compensation and performance.

For the details of performance-linked compensation system, please refer to "(4) [Details and procedures on compensation of Directors and Executive Officers]" under "4. Corporate governance" of the Annual Securities Report (pages 58-60) and "Corporate Governance Strategy under Foundations Supporting the Corporate Value Growth" of the "Integrated Report 2023" (pages 70-71) on the Company website.
Annual Securities Report: https://en.ccbj-holdings.com/ir/library/securities.php
Integrated Report 2023: https://en.ccbj-holdings.com/ir/library/annual.php

Persons Eligible for Stock Options	

Supplementary Explanation

———

[Directors' Compensation] Updated

State of Disclosure (of each Directors' Compensation)	Partly, individually disclosed

Supplementary Explanation

(1) Total amount of compensation, etc. to persons for which total amount of compensation, etc. is 100 million yen or more is as follows.

Name	Executive category	Company category	Total amount by type of compensation, etc. (million yen)				Total compensation (millions of yen)
			Basic compensation Note:1	Retirement payments	Annual bonus	Long-term incentives Note 2	
Calin Dragan	Representative Director	Filing company	263	15	190	212	680
Bjorn Ivar Ulgenes	Representative Director	Filing company	183	8	81	80	352

(Note) 1. Basic compensation includes an amount equivalent to fringe benefits (compensation for difference in tax rates between other countries and Japan, housing allowances, etc.), etc.
2. Long-term incentives include PSU, RSU and Special RSU.

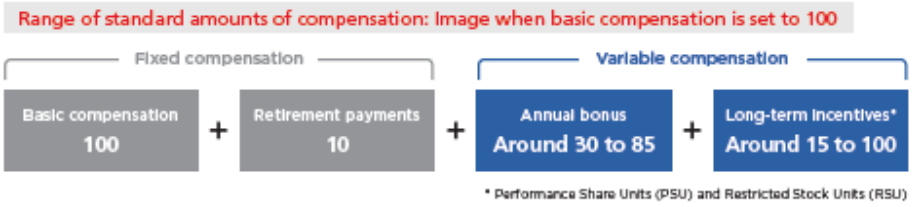
(2) Payment rate, etc. of incentive compensation

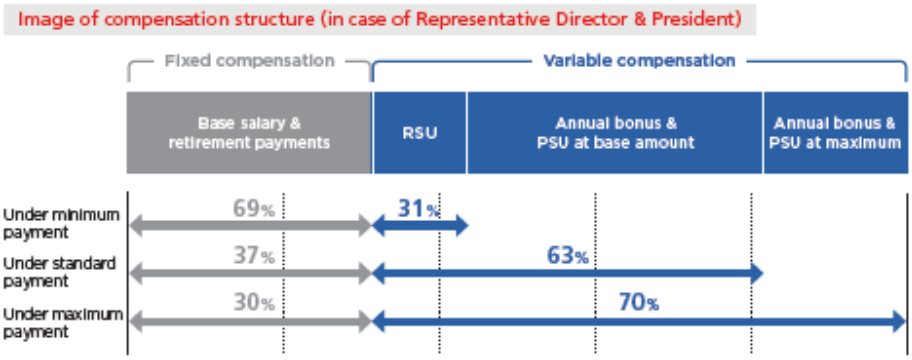
1) In alignment with the strategic business plan and the goal of achieving it, business income, sales volume and net sales are set as proper performance metrics of Annual Bonus to measure company performance of the Company in the previous years. Performance is calculated based on predetermined targets and actual achievement, weighted average achievement for FY2023. The achievement level of the company's business performance for the period under review was 132%. Sales volume grew and both sales and income increased due to the success of sales activities to seize opportunities for increased demand against the backdrop of a recovery in the workforce, revitalization of economic activities, and the extremely hot summer, etc. The effects of cost reduction efforts were realized ahead of schedule, and the impact of soaring raw material, material, and energy prices, etc. was suppressed. The individual performance evaluation-based payout rate for Executive Directors was 120%. Based on the company performance, individual performance evaluation and the status of payment of bonuses to employees, the Audit and Supervisory Committee discussed and reviewed the final payout rate (rate of actual annual incentive paid against target payout) for FY2023. As a result, it determined that 136% is reasonable.

2) The PSUs for FY2021 were evaluated for the three-year period from 2021 to 2023. The consolidated ROE and consolidated sales revenue growth rate were selected as performance evaluation indicators, and performance was evaluated based on the degree of achievement of these targets, and the performance achievement, which is the weighted average of the degree of achievement of each indicator target for the relevant period, was 29.1%. The vesting rate of PSU granted against target value fluctuates between 0 - 150% depending on achievement levels of performance targets. Based on the abovementioned result, the payout rate of the PSU (rate of PSU's granted against target) is 0%. The vesting rate of PSU granted in 2022 and 2023 are calculated based on ROE for the final fiscal year of the relevant performance period and the annual average sales growth rate for the relevant performance period. Therefore, we are making a reasonable estimate based on our earnings forecast at this time.

* Reference : Compensation system for executive directors and executive officers

Compensation for executive directors and executive officers consists of fixed compensation and variable compensation that varies with factors such as corporate performance, to reflect responsibilities and contribution to corporate performance. The standard amount of compensation is set according to the scale of responsibilities. The greater the responsibilities, the higher the percentage of variable compensation.





For the details of each Director's compensation, please refer to "(4) [Details and procedures on compensation of Directors and Executive Officers]" under "4. Corporate governance" of the Annual Securities Report (pages 62-63) and "Corporate Governance Strategy under Foundations Supporting the Corporate Value Growth" of the "Integrated Report 2023" (page 71) on the Company website.
Annual Securities Report: https://en.ccbj-holdings.com/ir/library/securities.php
Integrated Report 2023: https://en.ccbj-holdings.com/ir/library/annual.php

Whether there is a Policy for Determining the Amount of Compensation or Its Calculation Method	Yes

Disclosure regarding the Policy for Determining the Amount of Compensation or the Calculation Method thereof

For the details and procedures, etc. concerning compensation for Directors, please refer to [Principle 3-1] "(3) Policy and Procedures in Determining Compensation for Senior Management and Directors" under [Disclosure Based on the Principles of the Corporate Governance Code] herein, "(4) [Details and procedures on compensation of Directors and Executive Officers]" under "4. Corporate governance" of the Annual Securities Report (Pages 58-63), and "Corporate Governance Strategy under Foundations Supporting the Corporate Value Growth" of the "Integrated Report 2023" (pages 70-71) on the Company website.
Annual Securities Report: https://en.ccbj-holdings.com/ir/library/securities.php
Integrated Report 2023: https://en.ccbj-holdings.com/ir/library/annual.php

[Support System for Outside Directors]

Support shall be provided to Outside Directors by the members from Corporate Governance Department and Executive Business Management Department, and support shall be provided to Outside Directors who are Audit and Supervisory Committee members by the Secretariat of the Audit and Supervisory Committee (assistant employees).

B. Matters related to Functions such as Business Execution, Auditing/Supervision, Nomination and Compensation Determination, etc. (Outline of the Current Corporate Governance System)

- Management Auditing/Supervisory Function

  The Company has taken the form of a company with an Audit and Supervisory Committee with the aim of further strengthening the governance system. The Audit and Supervisory Committee, which takes the role as the Company's auditor, consists of only Outside Directors (Audit and Supervisory Committee members), including more than one (1) Independent Outside Director, and the management supervisory function is strengthened by the Audit and Supervisory Committee members, who are Outside Directors, having voting rights at the Board of Directors meetings and the right to state their opinions concerning the nomination of and compensation, etc. for Directors at the General Meetings of Shareholders.

- Nomination and Compensation Determination Functions

  Matters related to the nomination procedures for Director candidates and compensation for Directors (excluding Directors who are Audit and Supervisory Committee members) shall be deliberated by the Audit and Supervisory Committee, consisting of only Outside Directors, in order to enhance the transparency and objectivity of the procedures for nomination and determination of compensation, and the nomination of candidates shall be submitted to the General Meeting of Shareholders through a resolution of the Board of Directors, and the compensation for each member of Senior Management, including performance-linked compensation, shall be determined by the Representative Director and President based on delegation by a resolution of the Board of Directors, within the total amount determined by a resolution of the General Meeting of Shareholders and in accordance with the Decision Policy for Director Compensation, etc. Compensation for Management shall also be determined through deliberation by the Audit and Supervisory Committee.

- Outline of the Terms of Limited Liability Agreement and Directors' and Officers' Liability Insurance Policy

  The Company has entered into a limited liability agreement with the Directors (excluding Executive Directors, etc.), and has also obtained a Directors' and Officers' liability insurance policy from an insurance company under which the Directors (including those who are Audit and Supervisory Committee members) and the Group's Management are the insureds. For an outline of the terms of such agreement and policy, please refer to the "Status of the Company's Officers" section under the "Current Status of the Company" section in the Business Report contained in the "Notice of the Ordinary General Meeting of Shareholders for the Fiscal Year Ended December 31, 2023" (pages 39-40).
  Notice of the General Meeting of Shareholders for the Fiscal Year Ended December 31, 2023
  : https://en.ccbj-holdings.com/ir/stockholder/meeting.php

C. Reasons for Adopting the Current Corporate Governance System

The Company has taken the form of a company with an Audit and Supervisory Committee to further strengthening the governance system. The Audit and Supervisory Committee, which takes the role of the Company's auditor, consists of only Outside Directors (Audit and Supervisory Committee members), including more than one (1) Independent Outside Director and the management supervisory function is strengthened by the Audit and Supervisory Committee members, who are Outside Directors, having voting rights at the Board of Directors meetings and the right to state their opinions concerning the nomination of and compensation, etc. for Directors at the General Meetings of Shareholders.

The Company has adopted an executive officer system to separate decision-making and management supervisory functions from business execution functions. Certain decisions on important business execution are delegated to Directors so that the Board of Directors can deliberate more fully on matters of particular importance. For other matters, the Company is seeking to expedite the decision-making by the Management. The Company has adopted such a system based on the belief that the efficiency and transparency of management can be enhanced thereby.

a. Board of Directors
The Board of Directors of the Company consists of nine (9) Directors, including more than one (1) Independent Outside Directors. Ordinary Board of Directors meetings are held once every three (3) months, in principle, with extraordinary meetings held whenever necessary. At the Board of Directors meetings, matters stipulated under the laws and regulations and the Articles of Incorporation, as well as matters related to important business such as the basic policy on management shall be resolved, and reports shall be made by Directors concerning business execution. Certain decisions on important business execution are delegated to Directors so that the Board of Directors can deliberate more fully on matters of particular importance. For other matters, the Company is seeking to expedite the decision-making by the Management.

(1) Purpose and Authority:

(a) Decision-making on matters stipulated under the laws and regulations and the Articles of Incorporation, as well as matters related to important business such as the basic policy on business management; and

(b) Receiving reports from Directors concerning business execution.

(2) Chairperson:

- Calin Dragan, Representative Director and President

(3) Members:

- Calin Dragan, Bjorn Ivar Ulgenes, Hiroko Wada (Outside Director), Hirokazu Yamura (Outside Director), Celso Guiotoko (Outside Director), Hiroshi Yoshioka (Outside Director), Nami Hamada (Outside Director), Stacy Apter (Outside Director), and Sanket Ray (Outside Director)

b. Audit and Supervisory Committee

The Audit and Supervisory Committee of the Company consists of only four (4) Outside Directors, including more than one (1) independent outside director. Audit and Supervisory Committee meetings are held once every three (3) months in principle, with extraordinary meetings held whenever necessary. The Audit and Supervisory Committee audits the status of business execution by the Directors, Management and employees in accordance with relevant laws and regulations, the Articles of Incorporation and the Audit Standards of the Audit and Supervisory Committee through participation in the Board of Directors meetings and by referring to the results of audits by the department in charge of internal audits and the accounting auditors.

In addition, the Audit and Supervisory Committee members exchange opinions with the Representative Directors on a regular basis regarding such audits, and it is therefore considered that the Audit and Supervisory Committee conducts sufficient supervision of the management of the Company and fully serves its supervisory function.

(1) Purpose and Authority

(a) Auditing of the execution of duties by Directors and preparation of audit reports

(b) Determination of proposals regarding the appointment, dismissal and non-reappointment of accounting auditors;

(c) Determination of the Audit and Supervisory Committee's opinion regarding the appointment and dismissal or resignation of Directors (excluding Directors who are Audit and Supervisory Committee members), as well as compensation, etc. for Directors; and

(d) Determination of other matters provided for in other laws and regulations and the Articles of Incorporation, etc.

(2) Chairperson:

- Hiroshi Yoshioka (Outside Director)

(3) Members:

- Hitoshi Yoshioka (Outside Director), Nami Hamada (Outside Director), Stacy Apter (Outside Director) and Sanket Ray (Outside Director)

*For more details, please refer to the attached "Corporate Governance System."

III. Implementation Status of Initiatives regarding Shareholders and Other Stakeholders

A. Status of Efforts toward Revitalizing the General Meeting of Shareholders and Facilitating the Exercise of Voting Rights

	Supplementary Explanations
Early Dispatch of Notices of the General Meetings of Shareholders	Notices are dispatched twenty-two (22) days prior to the date on which the general meetings of shareholders are held.
Scheduling of the General Meeting of Shareholders to Avoid Concentration	The Ordinary General Meeting of Shareholders for FY 2023 (March 26, 2024) was held in the morning two (2) business days prior to the day on which meetings of many other companies were concentrated.
Exercise of Voting Rights via Electromagnetic Means	Voting rights may be exercised via the Internet using personal computers and smartphones, etc.
Participation in the Electronic Voting Platform and Other Efforts Toward Improving the Environment for Institutional Investors to Exercise their Voting Rights	Nominee shareholders, such as management trust banks, may use the electronic voting platform operated by ICJ, Inc., a company established by the Tokyo Stock Exchange, Inc.
Provision of the Notices of the General Meetings of Shareholders (Summary) in English	In order to contribute to revitalizing the General Meeting of Shareholders and facilitating the exercise of voting rights, English versions thereof are also prepared, and the Notices of the General Meetings of Shareholders are available on the Company website.
Other	In order to receive a wide range of questions from shareholders, we accept advance questions. At the General Meetings of Shareholders, we answer questions that are of great interest to shareholders.

B. Status of IR-Related Activities

	Supplementary Explanations	Whether Explanations are Given by the Representatives Themselves
Regular Explanatory Meetings for Analysts and Institutional Investors	Explanatory meetings are held in concurrence with the quarterly settlements for the first, second and third quarters and the year-end settlement, wherein representatives of the Company participate and give explanations.	Yes
Availability of IR Materials on the Company Website	In addition to the Earnings Releases and Securities Reports, materials for the earnings presentations and explanatory meetings for individual investors, etc. are available on the Company website. English versions of the Earnings Releases, Securities Reports and materials for the earnings presentations are also made available on the Company website. Moreover, a dedicated website for individual investors has been launched, where IR news is delivered via email to those who are interested.	
Establishment (Appointment) of a Department (Person) in charge of IR	The IR Department has been established, which functions as the department in charge of IR.	
Other	Messages to Shareholders and “Integrated Report 2023” are also prepared and made available on the Company website.	

C. Status of Efforts Related to Respect of Stakeholders' Positions

	Supplementary Explanations
Environmental Conservation and CSR Activities, etc.	The Group aims to resolve social issues and simultaneously develop the Group by incorporating the principle of CSV (Creating Shared Value) and advancing its existing CSR initiatives, and thereby contributing to local communities and environmental conservation and making efforts to reduce the use of energy and resources.
Development of Policies for Provision of Information to Stakeholders	The Group aims to be a company which is properly understood and trusted by all of its stakeholders, by disclosing information in a timely and appropriate manner. Therefore, the Group shall disclose information under the policy described below in order to ensure healthy and transparent communication and information disclosure in the course of its corporate activities. 1. Basic Principles of Information Disclosure The Group aims to be a company which is trusted by society, by disclosing information in an accurate, easy-to-understand, timely and appropriate manner on the basis of transparency, fairness and continuity so that stakeholders within and outside Japan, including shareholders and investors, can properly understand the Group. Information shall be disclosed in accordance with various regulations, including the Companies Act, the Financial Instruments and Exchange Act, and other laws and regulations within and outside Japan, as well as the Rules on Timely Disclosure of Corporate Information stipulated in the "Securities Listing Regulations" of stock exchanges. Information not subject to the Timely Disclosure Rules, etc., including non-financial information, shall also be disclosed proactively if it is deemed useful for promoting investment decisions and understanding of the Group. 2. Methods of Information Disclosure Information subject to the Timely Disclosure Rules shall be made available on the Company website promptly after the disclosure thereof on the Timely Disclosure Network (TDnet) provided by the Tokyo Stock Exchange in accordance with the said rules. Arrangements shall also be made to widely transmit information not subject to the Timely Disclosure Rules to stakeholders such as by making materials available on the Company website and distributing webcasts, if it is deemed useful for promoting investment decisions and understanding of the Group. 3. Handling of Earnings Forecasts and Future Information Any earnings forecasts, strategies and goals disclosed by the Group, which are not facts about the past, are based on the assumptions and decisions made by the Group's Management based on information available as at the date of preparation thereof. Therefore, these may differ materially from the actual performance, etc. due to various risks and uncertainties. Please refer to the securities reports, etc. for details of these risks and uncertainties. 4. Handling of Insider Information (Designation of Quiet Period) In order to prevent the divulgence of financial information and ensure fairness, the period from the day following the closing date until the announcement of financial results shall be designated as the "quiet period," during which the Group shall refrain from responding to questions or making comments on the financial results and earnings forecast; provided, however, that even during the quiet period, the Group shall respond to questions, etc. regarding information which is already disclosed or made public. If any fact subject to the Timely Disclosure Rules occurs during the quiet period, or if significant deviations are expected from the earnings forecast announced in advance, the information shall be disclosed as necessary under the Timely Disclosure Rules.

IV. Matters Related to Internal Control System, etc.

A. Basic Principles and Development Status of the Internal Control System

The Company resolved at the Board of Directors meeting held on July 1, 2006, to develop a system (the "Internal Control System") to ensure that the business of the Company and Group companies are properly conducted. The system was partially revised at the Board of Directors meeting held on March 26, 2019.

For the outline, please refer to the "Notice of the General Meeting of Shareholders for the Fiscal Year Ended December 31, 2023" (pages52-55) on the Company website.
- Notice of the General Meeting of Shareholders for the Fiscal Year Ended December 31, 2023: https://en.ccbj-holdings.com/ir/stockholder/meeting.php

*For more details, please refer to the attached "Corporate Governance System" and "Outline of Timely Disclosure System."

B. Basic Principle toward Elimination of Anti-Social Forces and Status of Developing the System therefor

The Company has definitized its stance of not having any relationship with anti-social forces and organizations which threaten the order and safety of civil society, assuming a firm attitude toward such anti-social forces and organizations, and is making efforts to eliminate anti-social forces by familiarizing all employees within the Group of the company's stance and maintaining close contact with the police and lawyers, etc.

V. Others

A. Whether Anti-Takeover Measures are Introduced

Whether Anti-Takeover Measures are Introduced	N/A

Supplementary Explanations

1. Please refer to the "Notice of the General Meeting of Shareholders for the Fiscal Year Ended December 31, 2023" (pages 56-58) on the Company website for the details of the "Basic Policies on the Control of the Joint-stock Company," an outline of the initiatives to realize the basic policies and the decisions of the Company's Board of Directors regarding specific measures and the reasons therefor.
   - Notice of the General Meeting of Shareholders for the Fiscal Year Ended December 31, 2023
     : https://en.ccbj-holdings.com/ir/stockholder/meeting.php

B. Other Matters Related to the Corporate Governance System, etc.

Outline of Timely Disclosure System

1. Company's Stance/Policy Regarding Timely Disclosure and Familiarization/Awareness-Raising thereof

As an entity engaging in the corporate activities of Coca-Cola Bottlers Japan Holdings Group, the Company has stipulated the following objectives and is making efforts to familiarize the Group's employees with such provisions and raise employee awareness of the same through training, etc.:
- To provide information in a timely and appropriate manner and promote proactive communication;
- To manage corporate information in an appropriate manner in order to prevent divulgence/leakage of information;
- To constantly pursue transparent corporate management;
- To not engage in any act or alleged act of insider trading; and
- To take preventive measures by identifying risks, and promptly handling risks upon occurrence in order to avoid damage or decline in corporate value.

2. System for Executing Timely Disclosure

The Group has appointed an information manager who is the chief manager in charge of the management and release of corporate information in accordance with the internal regulations on the management and publication of corporate information.

A list of corporate information subject to timely disclosure is provided within such rules. In the event that any doubt arises as to whether a certain matter falls under corporate information subject to timely disclosure, the information manager shall decide upon the same through consultations with relevant parties.

Among the corporate information subject to timely disclosure, matters which have been decided upon shall be deemed to have occurred at the time the decision was made, while any other matters shall be deemed to have occurred when such matter occurred.

Corporate information subject to timely disclosure shall be released under the instructions of the information manager through procedures stipulated under the laws and regulations, etc. without delay after going through internal procedures such as the resolution of the Board of Directors.

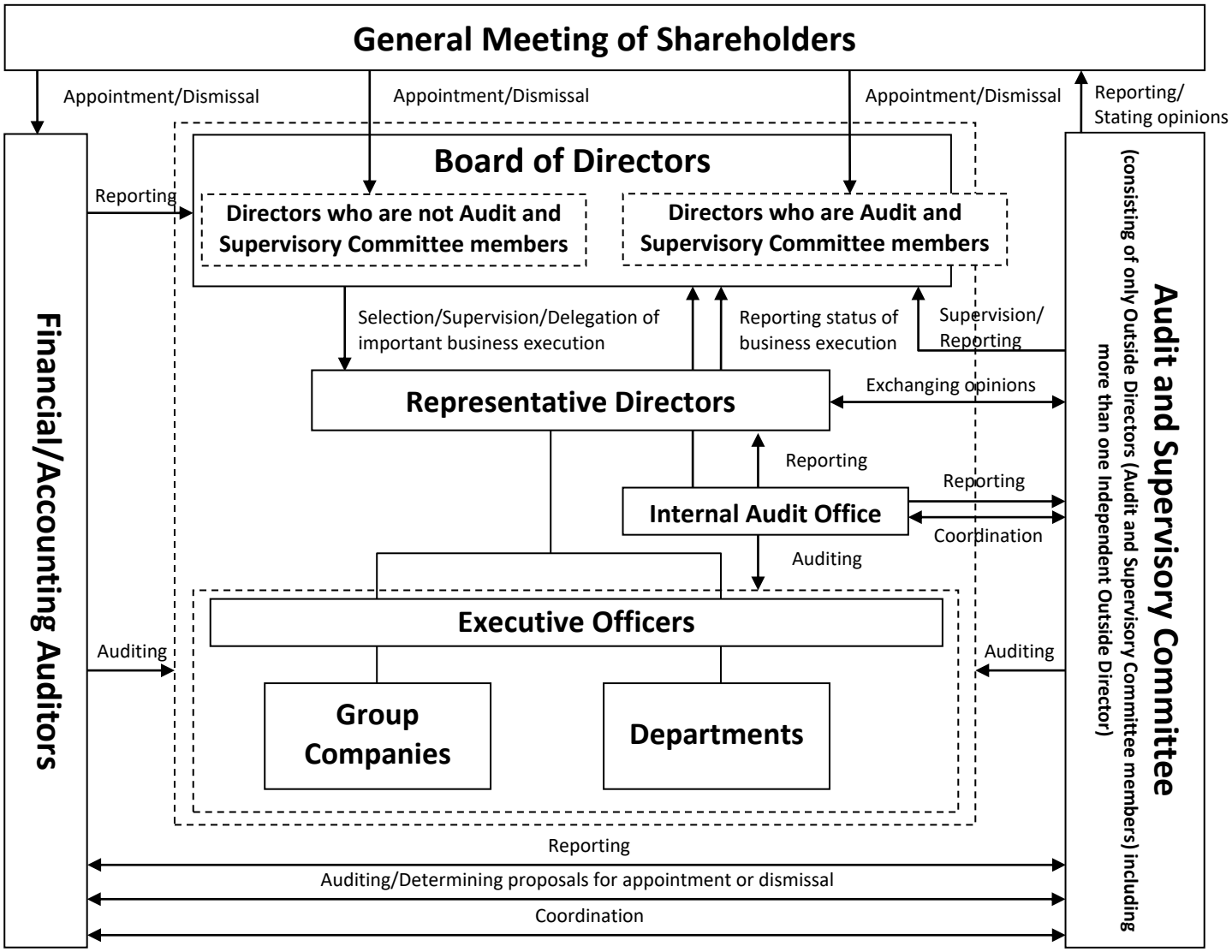
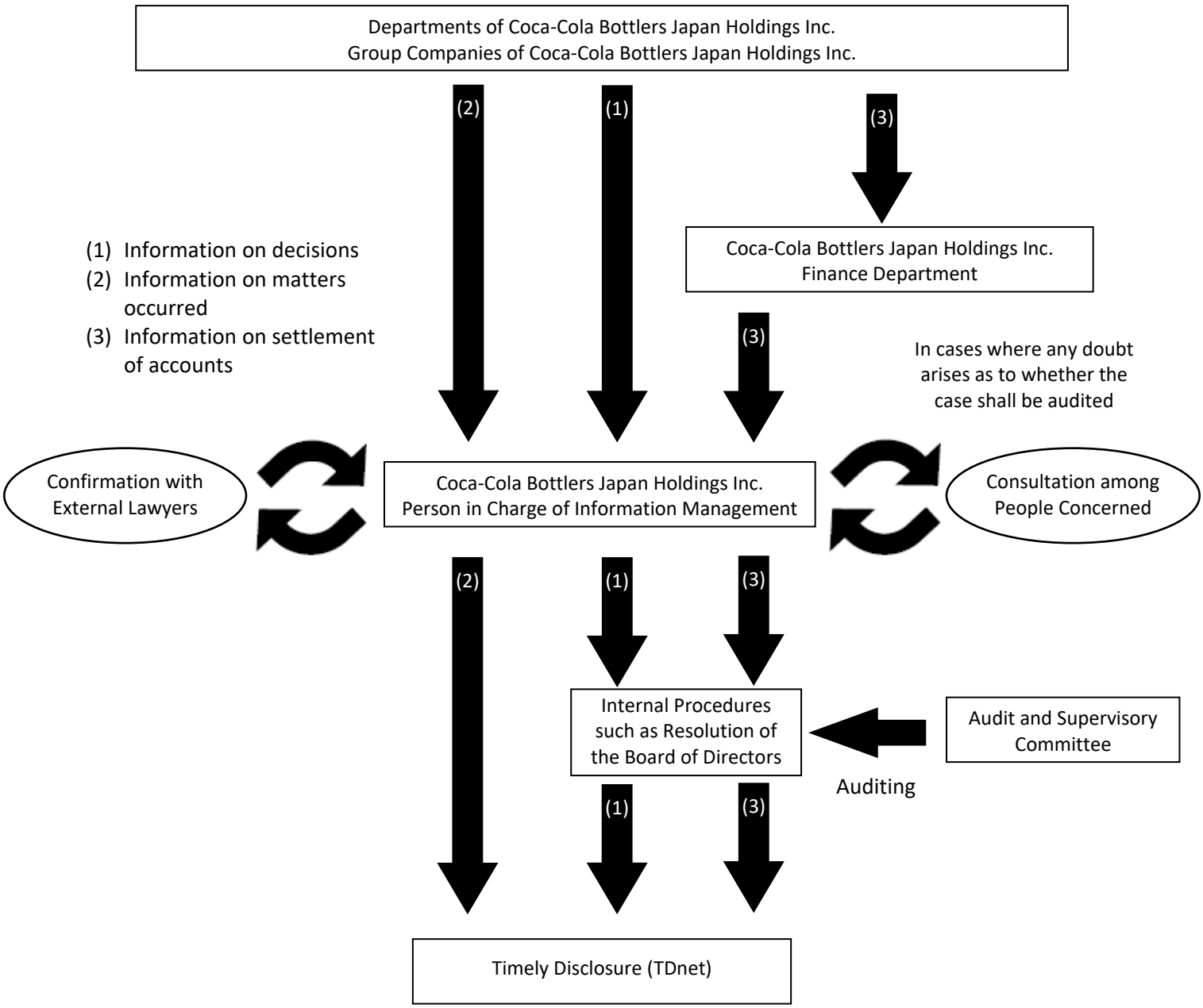
The management and release of corporate information shall be reviewed by external lawyers, accounting auditors, managing underwriters and securities agencies, etc. as necessary.

3. Monitoring of Timely Disclosure System

The Audit and Supervisory Committee audits the timely disclosure system in accordance with the Audit Standards of the Audit and Supervisory Committee which stipulates that the Audit and Supervisory Committee shall monitor and verify the establishment and operation of the timely disclosure system for Directors, and shall conduct verification, etc. of the details of the information subject to timely disclosure.

*For more details, please refer to the attached “Outline of Timely Disclosure System.”

Corporate Governance System



Outline of Timely Disclosure System