

**COCA-COLA WEST AND COCA-COLA EAST JAPAN
ANNOUNCE PROPOSED INTEGRATION**

**COCA-COLA BOTTLERS JAPAN INC.
EXPECTED TO BE ESTABLISHED ON APRIL 1, 2017**

- *Coca-Cola Bottlers Japan Inc. (CCBJI) will operate in Tokyo and 37 prefectures including Osaka, Nagoya and Kyoto, serving 110 million consumers and delivering approximately 86% of the volume sold by the Coca-Cola system in Japan*
- *Mr. Tamio Yoshimatsu, current president of Coca-Cola West (CCW) is expected to be appointed as the Representative Director and president of CCBJI, and Mr. Vikas Tiku, currently The Coca-Cola Company's (TCCC) CFO for Asia Pacific and non-executive Director of CCW, will be nominated as Representative Director, CFO and General Manager of Transformation by Coca-Cola East Japan (CCEJ)*
- *The new bottler will draw on the best of CCW, CCEJ and TCCC, with balanced nominations to the Board of Directors*
- *The registered address of CCBJI following the business integration will be in Fukuoka with headquarters in Tokyo*
- *CCBJI is expected to deliver cost synergies of approximately 20 billion yen within three years of closing*
- *Integration will be achieved through a combination of a share exchange and absorption-type company split. Share exchange ratio is CCW 1: CCEJ 0.75. Each CCEJ share will be exchanged for 0.75 of CCW's common shares*
- *The Coca-Cola Company expressed its support for this business integration*

TOKYO and FUKUOKA, Sept. 30, 2016 -- Coca-Cola West Co., Ltd. (CCW) and Coca-Cola East Japan Co., Ltd. (CCEJ) have been discussing potential integration based on the MOU announced on April 26 in the spirit of equal partnership, and today announced that they have agreed to integrate their businesses to form a new Coca-Cola bottling company. The new company, which will be called Coca-Cola Bottlers Japan Inc. (CCBJI), is expected to be established on April 1, 2017.

CCBJI will operate in Tokyo and 37 prefectures, serving 110 million consumers and delivering approximately 86% of the volume sold by the Coca-Cola system in Japan. The new company is expected to achieve approximately 1 trillion yen in revenue based on the combined 2015 results of both CCW and CCEJ, making it the world's third-largest Coca-Cola bottler in terms of revenue.

Strategically Positioned to Drive Growth, Efficiencies and Effectiveness

The consolidation of Coca-Cola's two leading Japanese bottlers will enhance the Coca-Cola system's competitive position in the Japanese beverage market by enabling it to react more quickly to changes in the market environment and better serve customer, consumer and community needs. CCBJI will continue to proceed on a path of business transformation, through a consistent strategy for market execution across business areas and through processes and systems that promote increased speed and flexibility. The new company will build on the previous efforts of CCW and CCEJ, which have been leading the growth of the Coca-Cola system in Japan.

Tamio Yoshimatsu, President and Representative Director of CCW said, "The new CCBJI brings together the know-how and best practices of CCW and CCEJ, the two largest bottlers in Japan, who have driven bottler consolidation in their own regions to establish a competitive market advantage. We will work closely with Coca-Cola Japan to enhance brand value, grow our value share and further refine our Revenue Growth Management (RGM) strategies and execution, thereby contributing to growth of the industry. We will continue to evolve as a company of excellence, providing top-notch corporate value to all stakeholders."

Calin Dragan, President and Representative Director of CCEJ said, "I am pleased that we have come to this important milestone in our two companies' transformational journeys. I am confident that the foundation created over the last three years at CCEJ in terms of speed, simplicity and positive change will only accelerate under the leadership of Yoshimatsu-san and in partnership with The Coca-Cola Company as we work to accelerate growth in a dynamic and fast-changing market."

As a leader in the industry and a world-class Japanese bottler, CCBJI will contribute to the development of the entire beverage industry in Japan as well as the growth of the Coca-Cola system globally.

CCBJI also will remain focused on conducting its business locally, contributing to society and working to ensure that as CCBJI's business becomes stronger, so do the Japanese communities it serves.

Governance Structure and Leadership

The new company will be governed by an audit and supervisory committee and the Board of Directors will consist of a total of nine directors, including four directors serving on the audit and supervisory committee.

CCBJI will reflect the best from Japanese bottlers as well as the global Coca-Cola system. In line with this principle, CCW, CCEJ and TCCC will have balanced representation on the new company's Board of Directors.

Mr. Tamio Yoshimatsu, currently president of CCW is expected to be appointed as Representative Director and President of CCBJI, and Mr. Vikas Tiku, currently The Coca-Cola Company's CFO for Asia Pacific and non-executive Director of CCW, will be nominated as Representative Director, CFO and General Manager of Transformation by CCEJ. Mr. Tiku is expected to step down from his current position and will lead the integration preparation efforts of the two companies until the closing of the transaction.

Both are uniquely suited for their new roles.

Mr. Yoshimatsu has been President and Representative Director of CCW since 2010 and is one of the most experienced Coca-Cola bottlers in the world with more than 45 years of leadership experience. He has participated in multiple successful consolidations of the Coca-Cola bottling system in Japan and has deep experience in leading a significant public Japanese company.

Mr. Tiku's more than 25 years of experience in the global consumer goods industry spanning Asia, Australia, Africa and the United States, as well as his successful six-year term as Executive Vice President and CFO of Coca-Cola (Japan) Company Ltd. (CCJC), make him uniquely qualified for this new important role.

Deliver Cost Synergies of 20 billion Yen within Three Years of Closing

CCBJI is expected to generate synergies by leveraging the strength of the two entities' commercial operations, together with greater cost competitiveness in supply chain, and from integrating and evolving its systems, processes and human resource allocation. These synergies are expected to result in annual run-rate pre-tax savings of approximately 20 billion JPY within three years of closing.

An integration Steering Committee, led by the presidents of CCW, CCEJ and CCJC will be established to lead the integration effort, make strategic decisions regarding CCBJI's business plan, optimal group structure, and the timing and realization of integration synergies.

Overview of the Business Integration

CCW and CCEJ will conclude a share exchange, with CCW as the sole parent company and CCEJ as the wholly-owned subsidiary. CCEJ common shareholders will receive 0.75 CCW common shares. CCBJI will be owned 53.3% by current CCW shareholders and 46.7% by current CCEJ shareholders.

CCW will execute an absorption-type company split that transfers the rights and obligations of all of CCW's businesses other than its group management/administration operations and the management of its assets to a new wholly-owned subsidiary (hereinafter "New CCW"), in order for CCW to shift to a holding company structure in relation to the business integration. This holding company will change its name to Coca-Cola Bottlers Japan Inc. and continue trading under the stock ticker of the previous CCW (2579.T) on both the Tokyo and Fukuoka Stock Exchanges. New CCW and CCEJ will be subsidiaries of CCBJI.

The registered address of CCBJI following the business integration will be in Fukuoka with headquarters in Tokyo.

Support from Coca-Cola Japan (Company) Ltd.

Coca-Cola Japan (Company) Ltd. supports the proposed integration of CCEJ and CCW. In a separate statement issued today, CCJC noted that the consolidation will allow the Coca-Cola system to be even better positioned to better serve customers and consumers, and realize future growth opportunities in Japan.

As the franchisor for the Coca-Cola brands in Japan, The Coca-Cola Company has supported the CCW and CCEJ leadership teams in the business integration discussions and fully supports the definitive agreement announced today.

Regulatory Requirements

The Boards of Directors of CCEJ and CCW have approved the transaction. The proposed business combination including the Board of Directors and its members is subject to approval by the shareholders of both companies, following regulatory filings with the Japan Fair Trade Commission and the U.S. Securities and Exchange Commission.

About Coca-Cola West and Coca-Cola East Japan

Coca-Cola West

CCW was established in 1960 as Nichibeï Inryo Co., Ltd. (later changed to Kita Kyushu Co., LTD) as a Coca-Cola bottler based mainly in the northern Kyushu area and went on to integrate with three bottlers beginning in 1999 to form current CCW in 2009. Then CCW integrated Minami-Kyushu Coca-Cola Bottling Co., Ltd. in 2013 and Shikoku Coca-Cola Bottling Co., Ltd. in 2015. It currently serves 22 prefectures across the regions of Kinki, Chugoku, Shikoku, and Kyushu, representing a population of approximately 45 million. CCW's sales volumes represent approximately 35% of total Coca-Cola branded products sold in Japan.

Coca-Cola East Japan

CCEJ was established in July 2013, through a business integration of four Coca-Cola bottlers in the Kanto and Tokai regions, including the former Tokyo Coca-Cola Bottling Company, the first Coca-Cola bottler in Japan, founded in 1956. In April 2015, Sendai Coca-Cola Bottling Co., Ltd. became a wholly-owned subsidiary of CCEJ, expanding its sales territories to the South Tohoku, Kanto, and Tokai regions, including Tokyo and 15 prefectures, and representing a population of approximately 66 million. CCEJ's sales volumes represent approximately 51% of total Coca-Cola branded products sold in Japan.

Joint Press Conference Details

CCW, CCEJ and Coca-Cola (Japan) Company will host a joint press conference with the media and investor community to discuss this announcement on September 30, 2016 at 5 PM, Japan time. The conference audio will be available both live and on demand at (<http://www.cmstream.com/u/ccej/>) or both company's websites at ([CCW website](#)) and/or ([CCEJ IR News](#)).

The Japan Coca-Cola System Continues to Evolve

Together with the customer, consumer, competitive landscape

