July 26, 2018

Dear all

Coca-Cola Bottlers Japan Inc.

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Showcasing construction of Hakushu Plant automated warehouse
to be completed in 2019, implementing latest technologies for enhanced product storage capacity

Coca-Cola Bottlers Japan (Head office: Minato-ku, Tokyo, Representative Director and President: Tamio Yoshimatsu) announced to construct a new warehouse equipped with the latest technologies at Hakushu Plant located in Hokuto City, Yamanashi Prefecture. In January this year, Coca-Cola East Japan Co. Ltd. and Coca-Cola West Co. Ltd. were merged, and the new company, Coca-Cola Bottlers Japan Inc. was born. This will be the first large-size project which has been driven since May 2016, as well as the first major investments after the integration which is slated to start the building construction work from next month.

In this presentation, Bruce Herbert, Senior Executive Officer, Head of SCM reported Hokuto City the background that lead to construction of the new warehouse. The Hokuto City Mayor Eiko Watanabe also expressed her impressions and comments on water source preservation projects (maintenance of forests and fields, cultivation of water source in the forest etc.) we are moving forward jointly with Hokuto City and Forest Owners’ Association.

As a company making a journey together with communities, we will continue to support various activities.
Comments from Hokuto City Mayor Eiko Watanabe

I would like to express my heartiest congratulations on the occasion of the ground-breaking ceremony today for the construction of a large-size automated warehouse in Hakushu Plant. Hakushu Plant obtains natural water nurtured by the forest with abundant nature, and manufactures natural mineral water products such as "I LOHAS". They not only cooperate each year with "nurture forests and protect water" environmental preservation project the city is undertaking, they also engage in cultivation of water source by maintaining forests jointly with the City and Forest Owners’ Association by rolling out “I LOHAS Water Preservation Project” since 2016.

As the construction of a new automated warehouse in Hakushu Plant is cutting-edge to realize streamlining of logistics operation and transportation by implementing latest technologies, our expectations rise that would invigorate regional economies. I would ask your support in our ongoing efforts to develop local industries coordinating with corporations located in the city.

Comments from Bruce Herbert, Senior Executive Officer, Head of SCM in Coca-Cola Bottlers Japan Inc.

First of all, I would like to express my sympathy and condolences to those who have suffered from the recent heavy rains centered in Western Japan. The first large-size project "Shinsei" began in May 2016, which is aimed at planning and driving a "large-scale supply chain network transformation" with a combination of internal and external resources. It maintains "balanced and continuous improvement" in a newly launched organization to build a supply chain which realizes "high quality, low cost, and stable supply." This is one of the biggest
supply chain transformation projects anywhere in the world of Coca-Cola. In order to fortify the storage capacity of the products, which has been an issue for the plant, we will develop a high-density, high-capacity automated facility with the latest technologies jointly with a manufacturer, to realize streamlining of logistics operation and transportation, and expand the production volume of the plant.

<Reference materials>

【The overview of the new warehouse in Coca-Cola Bottlers Japan Inc. Hakushu Plant】
- Premise area of about 22,000 m²
- Total floor area of about 28,000 m²
- Storage Capacity 24,000 pallets
- Investment amount approx. 3 billion yen.
- Operation Start from Dec 2019 (TBD)

<Conceptional drawing>

<Features of the new warehouse>