Creat future of beverage business

Annual Review 2008

Coca-Cola West

Coca-Cola West Company, Limited

Coca-Cola West Co., Ltd. started on January 1, 2009

Coca-Cola West Holdings Co., Ltd., Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. and Mikasa Coca-Cola Bottling Co., Ltd. merged as of January 1, 2009 aiming at further promotion of efforts to one of the World's Leading Bottlers, and Coca-Cola West Co., Ltd. (CCW) was started.

Contents

Corporate Data

(As of January 1, 2009)

Company Name
COCA-COLA WEST COMPANY, LIMITED

Offices:

HEAD OFFICE
7-9-66 Hakozaki, Higashi-ku, Fukuoka
812-8650, Japan

FUKUOKA OFFICE
Canal City Business Center Building
1-2-25 Sumiyoshi, Hakata-ku, Fukuoka
812-8649, Japan

OSAKA OFFICE
Nissei Dowa Sompo Phonex Tower
4-15-10 Nishitenma, Kita-ku, Osaka
530-0047, Japan

DATE OF ESTABLISHMENT:
December 20, 1960

PAID-IN CAPITAL:
¥15,231 million

EMPLOYEES:
8,197 (Consolidated)

FISCAL YEAR-END:
December

PRIMARY BUSINESS ACTIVITIES:
Manufacturing and sales of Coca-Cola and other soft drinks

FORWARD-LOOKING STATEMENTS

This annual review contains statements regarding the Company's future plans, projected performance and outlook. These forward-looking statements are not historical facts, but represent management's opinions and beliefs based on information available at the time of writing. Readers are cautioned that any number of risks and factors beyond the Company's control could cause actual results to differ materially from those projected by management. These include, but are not limited to, economic trends, intensifying competition in the soft drink industry, market supply and demand, and changes in taxation and other applicable laws and regulations.

Coca-Cola System

JAPAN'S COCA-COLA SYSTEM CONSISTS OF COCA-COLA (JAPAN) CO., LTD., 12 BOTTLING COMPANIES (BOTTLERS) THAT MANUFACTURE AND SELL COCA-COLA PRODUCTS IN THE DIFFERENT REGIONS OF THE COUNTRY AND OTHER COMPANIES.

Coca-Cola (Japan) Co., Ltd. manufactures Coca-Cola and other concentrates and supplies these to Bottlers (12 bottling companies) all over Japan, and Bottlers produce various types of products at each plant under strict quality controls. Finished products are distributed nationwide to 515 sales branches, which function as sales bases for individual Bottlers, and then directly distributed to 1,150,000 stores nationwide by distribution car, which is called "route truck." Additionally, in consideration of consumer convenience, approx. 980,000 vending machines have been installed in a broad range of useful locations. These manufacturing, distribution and sales activities are closely linked to the community — and growing together with community is Coca-Cola's own system.

About What Coca-Cola West Co., Ltd.

Coca-Cola West Company, Limited is the largest bottler in Japan, with an operating area in Western Japan, and also a leading bottler in world.

As the largest bottler in Japan, and a top-ranking one from a global perspective, Coca-Cola West Co., Ltd. is acting as a Strategic Leading Partner with The Coca-Cola Company and Coca-Cola (Japan) Co., Ltd. In this capacity, it is playing a leading role in the transformation of the Coca-Cola System in Japan by engaging in product development, test marketing and other collaborative activities that go beyond the traditional scope of a bottler.

Coca-Cola West Co., Ltd.

Fukuoka/Osaka/Shiga/Nara/Wakayama/Kyoto/Hyogo/Okayama/Tottori/Hiroshima/Shimane/Yamaguchi/Saga/Nagasaki

(Note 1) Minami Kyushu Coca-Cola Bottling Co., Ltd. is an affiliate of Coca-Cola West Co., Ltd. under the equity method.

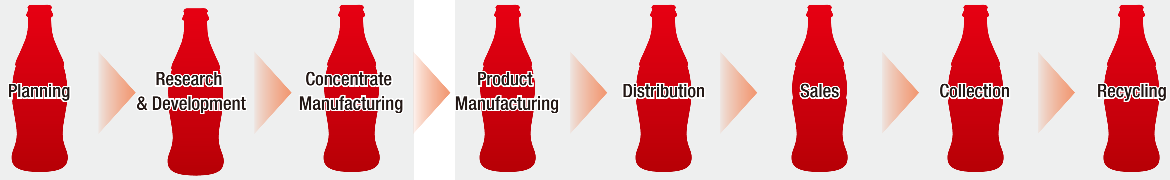
ROLES

Coca-Cola (Japan) Co., Ltd. (CCJC) (Note 2)

Engaged in marketing, planning, and manufacturing of Coca-Cola and other concentrates in Japan.
(Note 2) Coca-Cola (Japan) Co., Ltd. (100% invested by The Coca-Cola Company)

Bottlers (12 bottling companies)

There are 12 bottling companies for each sales territory, and each manufactures and distributes products



Coca-Cola Tokyo Research & Development Co., Ltd (CCTR&D)

R&D for products and packaging

Coca-Cola Customer Marketing Company, Limited (CCCMC)

Responsible for business negotiations with major retailers, such as nationwide convenience stores and supermarket chains, as well as developing proposals for sales promotions and storefront activities.

FV Corporation (FVC)

Sells vending machines to customers over a wide area.

We appreciate your continuing support for Coca-Cola West Co., Ltd. I am pleased to report our operating results for the fiscal year ended December 31, 2008, and provide an overview of our Group policies and business strategies.

Business Overview and Operating Results

In fiscal 2008, the year ended December 31, 2008, the Japanese economy fell into a serious recession–as steep rises in crude oil and grain prices strained corporate earnings and income in the first half, and then in the second half, with the drastic decline of exports, restraint of capital investment and stagnation of personal consumption–under assault from the world-wide scale financial and economic crisis stemming from the financial crisis in the US.

In the Japanese soft drink industry, sales competition among soft drink producers intensified during the past year as personal consumption was depressed, and in this difficult business environment, was even more severely affected by the rapidly rising prices of crude oil and other raw materials.

Against this challenging market backdrop, we took a variety of initiatives as a Group towards achieving the goals of our medium-term management plan "Wing." This plan identifies consumers as the basis for all value, and serves as a blueprint for striving to always offer more value than our competitors so that we can achieve growth over the next several decades.

As a result of these efforts, CCW reported consolidated net revenues of ¥395,556 million, down 3.4% from the previous year. Incomes were affected by unfavorable weather and depressed consumption due to aggravation of the economic circumstances, and operating income fell 34.5% year on year to ¥10,521 million, while recurring income decreased 36.8% to ¥11,048 million. Net income decreased by 98.6% year on year to ¥129 million, as there is the cost of making efforts toward reorganization of the Group in order to bring about the effect of management integration, and also losses on devaluation of investment securities booked due to the decline of market value of the domestic shares held by CCW.

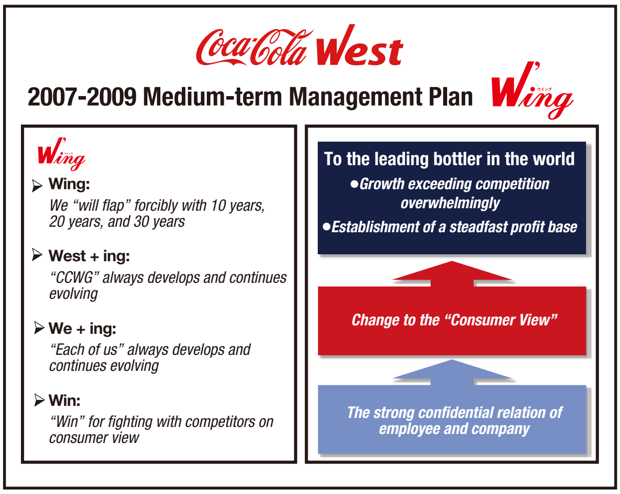
Initiatives in fiscal 2008

First of all, in order to bring about the effect of management integration with Kinki Coca-Cola Bottling Co., Ltd. in July 2006, we integrated functionally similar companies that had formerly been separated by area. As of January 1, 2008, the two companies that had been in charge of manufacturing in our Group were integrated, and Coca-Cola West Products Co., Ltd. was started as a new company. Then, as of April 1, 2008, the companies and divisions that were in charge of maintenance services of the vending machines in our Group were integrated and Coca-Cola West Equipment Services Co., Ltd. was started. Additionally, in order to establish an even more solid management base and promote enhanced operations and sales functions and to reduce indirect costs, Coca-Cola West Holdings, Co., Ltd., Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. and Mikasa Coca-Cola Bottling Co., Ltd. merged and the new company Coca-Cola West Co., Ltd., was started as of January 1, 2009.

In addition, accompanying the transfer to Coca-Cola Bottlers of the manufacturing and logistics business that used to be performed by Coca-Cola National Beverages Co., Ltd., which was established through joint investment by nationwide Coca-Cola Bottlers and Coca-Cola (Japan) Co., Ltd., in the Western Japan area, the Company will be a center of action for the achievement of handling flexibility in changes of supply and demand, and reduction of manufacturing and logistics costs through development of a new supply-demand system.

On the marketing side, we exploited promotional campaigns making use of our advantages as Beijing Olympic Games worldwide partner to bolster our core brands of Coca-Cola, Georgia, Sokenbicha, and Aquarius.

In our CSR promotional activities, from April 2008 we started operations at our old vending machines recycling facility, which we had been preparing toward the creation of a recycling-oriented society. Moreover, we formulated the



Norio Sueyoshi
Representative Director & CEO

Greenhouse Effect Gas Reduction Project for the overall Group as a global warming measure, and promote the activities in a Group-wide effort.

In addition to the activities as mentioned in the above, in order to execute a flexible capital structure policy according to changes in the business environment, and, in the interest of raising capital efficiency, we repurchased 6,165thousand Company shares for ¥14,401million in this fiscal term. We are also working toward reduction of assets by repaying loaned moneys, etc., and, as a result total, assets as of end of fiscal 2008 decreased by ¥37,976 million compared to the previous term-end.

Future Outlook

As we move forward, we expect the business environment to become increasingly tough, as share prices drop, the price of raw materials and crude oil fluctuate violently, and consumer sentiment decline.
Given this situation, we will address the various innovations towards achieving the goals of our medium-term management plan "Wing," which runs for the 2007–2009 period. This consumer-centric plan is designed to provide value that always exceeds that of the competition, based on the principle that all value starts with the consumer. The aim is to maintain growth over the next several decades.
Specifically, we will transform our old sales strategy, which was based on areas, to sales strategy based on channels, and extend marketing activities based on research and analysis of consumer purchasing activities, and meanwhile change from the old nationwide supply-demand management system to a Western Japan area supply-demand management system centered on CCW, which will allow us to respond to changes in the market flexibly, so that we can build a supply chain with high-level competitiveness both in quality and cost. Moreover, we will move forward efficiency improvements of business and quality, with thoroughgoing reductions and slimming of indirect costs.
Furthermore, we will push ahead with our CSR (Corporate Social Responsibility) program (centered on the environment) as we make all efforts possible to earn the trust of all our stakeholders.

COCA-COLA WEST GROUP CORPORATE MISSION

Create future of beverage business

We
- *offer products and services welcomed by consumers*
- *respect each employee's motivation and personal life*
- *respond to shareholders' expectations and trust by sustainable growth*
- *nurture the relationships with society and environment*

Dividends

In our Corporate Mission, we emphasize "respond to shareholders' expectations and trust by sustainable growth." Our basic stance is to continue providing stable dividends to our shareholders and carrying out active return of profits.

As our dividend policy, we place the utmost priority on stable dividends, and carrying this out twice yearly–as interim dividend and year-end dividend–after taking into account comprehensively corporate performance and internal reserves.
Taking into consideration the results from throughout the year and the future management environment, the year-end dividend applicable to 2008 will be ¥22 per share. As a result, the full-year dividend, which includes the interim dividend, comes to ¥43 per share, the same amount as the previous year.

I look forward to your continued support and understanding.

March 2009

N Sueyoshi

Norio Sueyoshi
Representative Director & CEO

TO THE LEADING BOTTLER IN THE WORLD

Special Feature 1

Coca-Cola West

- Reorganization of the Group
- Reform of Sales
- Reform of Supply-Demand Management System

Toward achieving the effect of management integration

IN THE MIDST OF A SEVERE MANAGEMENT ENVIRONMENT, WE ARE WORKING AT VARIOUS ACTIVITIES TO PROVIDE VALUE THAT WILL CONSTANTLY OUTSTRIP THAT OF THE COMPETITION, AND TO MAINTAIN GROWTH OVER THE NEXT SEVERAL DECADES BASED ON THE PRINCIPLE THAT ALL VALUE STARTS WITH THE CUSTOMER.

REORGANIZATION OF THE GROUP

Integration of Manufacturing Companies (January 1, 2008)

- Coca-Cola West Japan Products Co., Ltd.
- Kinki Coca-Cola Products Co., Ltd.

→ **Coca-Cola West Products Co., Ltd.**

Integration of Vending Machine Maintenance Services(April 1, 2008)

- Coca-Cola West Japan Customer Service Co., Ltd.
- Kansai Beverage Service Co., Ltd. Rex Techno business unit
- Mikasa Service Co., Ltd.

→ **Coca-Cola West Equipment Services Co., Ltd.**

Integration of Holdings and sales companies by area (January 1, 2009)

- Coca-Cola West Holdings Co., Ltd.
- Coca-Cola West Japan Co., Ltd.
- Kinki Coca-Cola Bottling Co., Ltd.
- Mikasa Coca-Cola Bottling Co., Ltd.

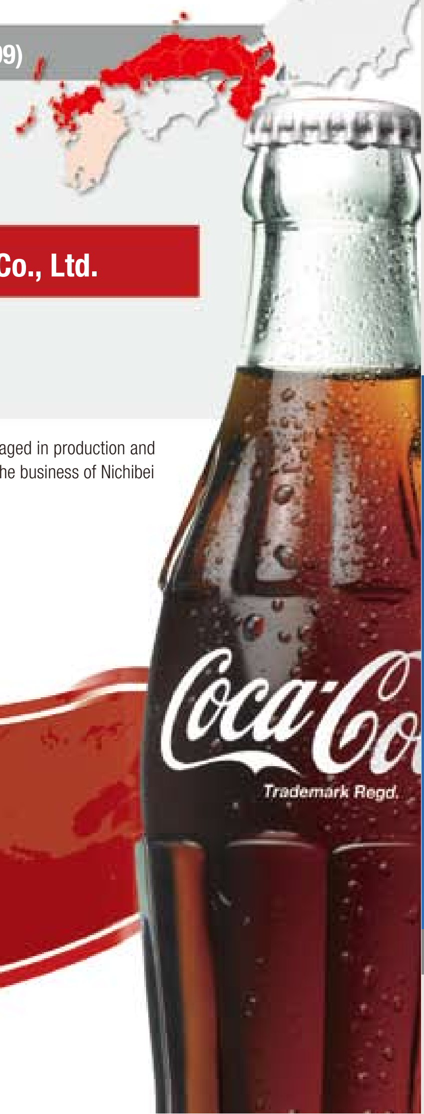
→ **Coca-Cola West Co., Ltd.**

*In order to focus business resources on the soft drink business even further, we sold all the shares of TAKAMASAMUNE Co., Ltd., which is engaged in production and sales of alcoholic beverages, and C&C Co., Ltd,. and Ange de Virge Co., Ltd., which are engaged in restaurant and retail businesses, and closed the business of Nichibei Co., Ltd., which was engaged in the manufacture of processed foods.

Purposes of Reorganization of the Group

CONTINUED INCREASE OF CORPORATE VALUE

1. Further enhancement of management base
2. Enhancement of operational and sales functions
3. Reduction of indirect costs



REFORM OF SALES

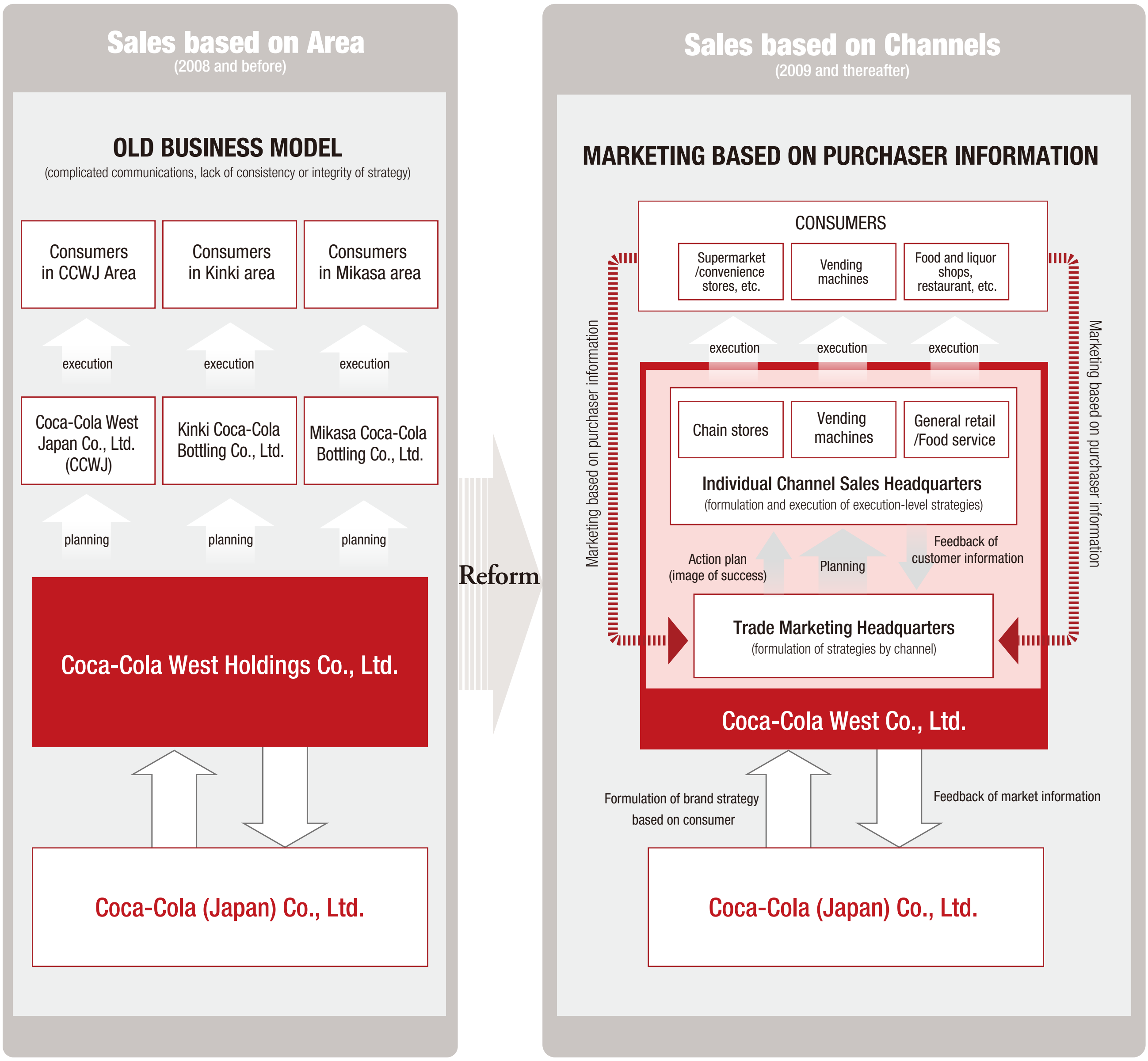
Introduction of trade marketing functions*

Trade Marketing Headquarters and Sales Headquarters for each channel have been set up in order to specialize in formulation of strategies and market execution, and to create a management system that emphasizes operational quality.

Reform of sales from “Area-based” to “Channel-based”

Based on strategies by channel formulated by Trade Marketing Headquarters, each channel Sales Headquarters makes execution-level strategies and executes without fail.

*Trade marketing function means brand marketing expansion at sales sites, that is, to build sales site strategy to lead improvements in the number of product purchases by consumers and of purchase value, making use of knowledge linked to consumers and customers.



REFORM OF SUPPLY-DEMAND MANAGEMENT SYSTEM

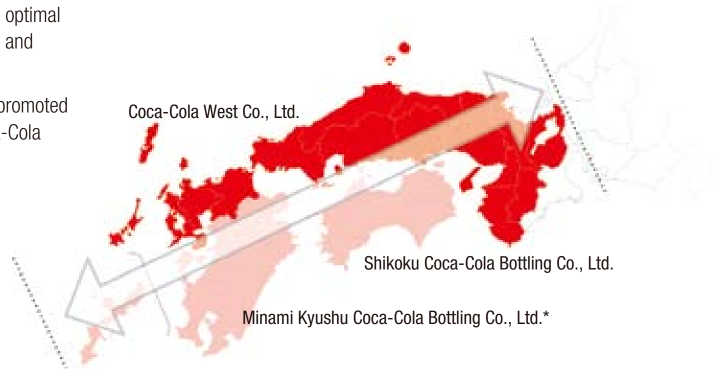
CCW reexamined the unification of its supply-demand management system in the nationwide Coca-Cola System and made aggressive efforts to build a new supply-demand management system for Western Japan, centering on the CCW Group, and started a system to realize provision of swift and high-quality services rooted in the local area from January 2009.

Realization of streamlined system from procurement, manufacturing, logistics, sales and services in line with CCW intentions

New supply-demand management system in Western Japan region

Based on supply-demand management at the managerial judgment of individual Bottler company, a supply-demand management system centering on CCW will be built in the Western Japan region.

- Centering on CCW, which has many manufacturing lines, optimal supply network will be built in Western Japan (production and logistics plan)
- For logistics, efficiency improvements of logistics will be promoted through collective management by CCW subsidiary, Coca-Cola West Logistics Co., Ltd.



Optimal Supply-Demand Management System in Western Japan overall

*Minami Kyushu Coca-Cola Bottling Co., Ltd. is an affiliate of Coca-Cola West Co., Ltd under the equity method.

EXPANSION AND EFFICIENCY IMPROVEMENT EFFORTS

Special Feature 2

KEY ISSUES FOR 2008

1. **Reinforcement of coffee drinks**
2. **Reinforcement of carbonated beverages**
3. **Expansion and efficiency improvements of vending machine business**
4. **Expansion of market share**
5. **Reduction of total assets and improvement of capital efficiency**

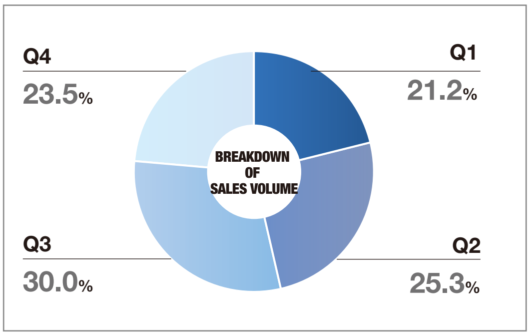
Sales Overview

THE SOFT DRINK MARKET IN 2008 WAS AFFECTED BY UNSEASONABLE WEATHER, PRODUCT SUPPLY SHORTAGES AND DECLINING EXPENDITURES DUE TO WORSENING OF ECONOMIC CIRCUMSTANCES, TERMED THE WORST IN 100 YEARS, AND SALES VOLUME WAS DOWN BY 1% YEAR-ON-YEAR. AT CCW, SALES BY VENDING MACHINE CHANNEL IN PARTICULAR BROADLY DECLINED, WHILE OVERALL SALES VOLUME WAS UP SLIGHTLY FROM THE PREVIOUS YEAR, BY 0.1%.

Sales by Quarter

(Thousands of cases)

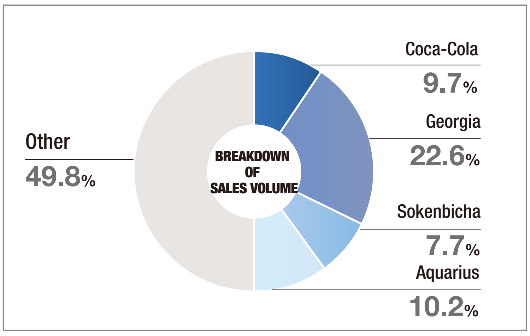
	Sales volume	(Composition ratio)	YoY change	
			volume	percent
Q1	39,487	21.2%	+379	+1.0%
Q2	47,254	25.3%	-174	-0.4%
Q3	55,894	30.0%	+480	+0.9%
Q4	43,867	23.5%	-420	-0.9%
Total	186,502	100.0%	+265	+0.1%



Sales by Brand

(Thousands of cases)

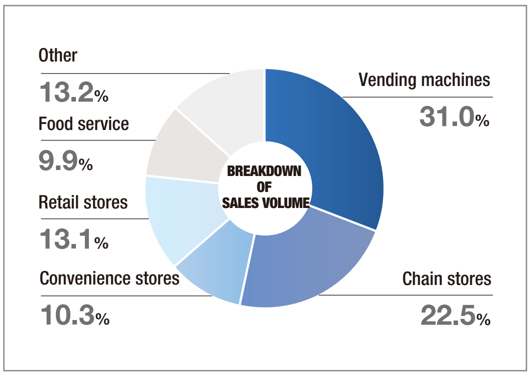
	Sales volume	(Composition ratio)	YoY change	
			volume	percent
Coca-Cola	18,152	9.7%	+1,179	+6.9%
Georgia	42,216	22.6%	-157	-0.4%
Sokenbicha	14,268	7.7%	-1,391	-8.9%
Aquarius	19,103	10.2%	-314	-1.6%
Other	92,763	49.8%	+948	+1.0%
Total	186,502	100.0%	+265	+0.1%



Sales by Channel

(Thousands of cases)

	Sales volume	(Composition ratio)	YoY change	
			volume	percent
Vending machines	57,795	31.0%	-1,207	-2.0%
Chain stores	42,037	22.5%	+2,668	+6.8%
Convenience stores	19,176	10.3%	+575	+3.1%
Retail stores	24,350	13.1%	-1,475	-5.7%
Food service	18,418	9.9%	+47	+0.3%
Other	24,726	13.2%	-344	-1.4%
Total	186,502	100.0%	+265	+0.1%



1 Reinforcement of coffee drinks

Recovery of Georgia Brand and Sales Expansion

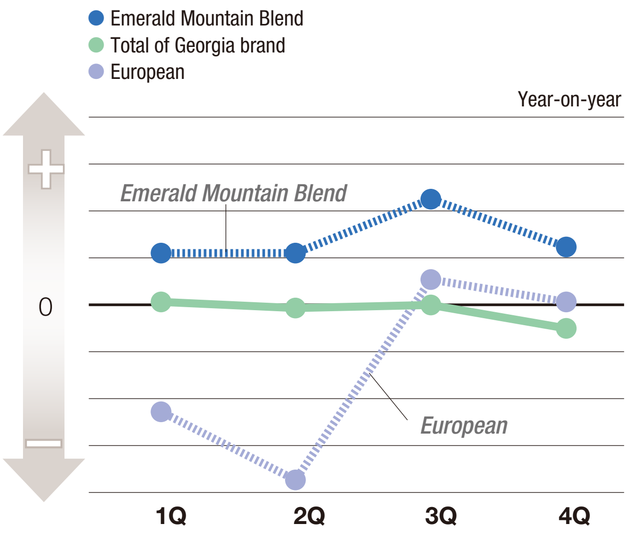
New Campaign "Georgia, Surprisingly Good!"

For Georgia, on February 4, a new campaign for 2008 started, "Georgia, Surprisingly Good!" This phrase emphasizes the excellent product value of the Georgia Brand and also includes the message that there is more "good work" in your life than you think. To strengthen brand value and expand sales volume, the exposure of this campaign was vigorously reinforced at the various sales venues.

Renewal of Core Flavors

Making use of the asset of "Emerald Mountain," which is one of the core flavors of Georgia, in an effort to grow sales volume a new product was added to the growing non-sugar segment on March 31. And, in an effort to grow sales volume in the very-low-sugar segment, the basic flavor of "European" was also renewed on July 7, not merely the packaging but also the taste.

Trends in Georgia Sales Volume



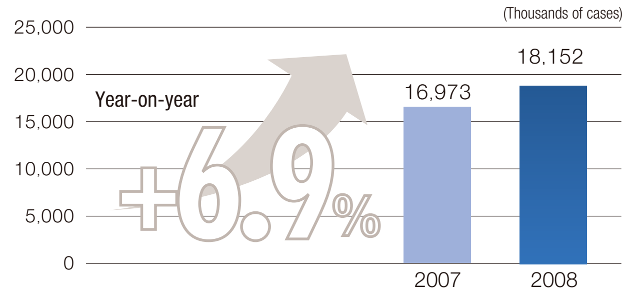
2 Reinforcement of sparking brands

Expansion of sparking brands centering on the excellent condition of the Coca-Cola TM

Execution of Three-color Cola Strategy

Through continuous expansion of the three-color Cola strategy, that is, Coca-Cola, Coca-Cola Zero, Non-calorie Coca-Cola Plus Vitamin, sales volume continued to improve from the previous year.

Coca-Cola TM Sales Volume Trends



Coca-Cola Zero

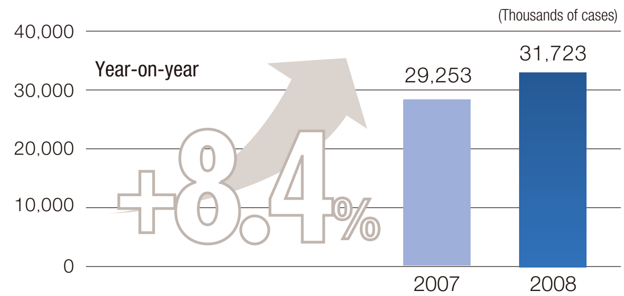
Coca-Cola

Non-calorie Coca-Cola Plus Vitamin

Introduction of "Fanta Furu-Furu Shaker," a New Style of Sparking Brand

Fanta is the No. I flavor in carbonated beverages in Japan, and last year it celebrated its 50th anniversary from release in 1958. From this Fanta brand, a unique product that needs to be "shaken and then drunk" was born, even though usually it is considered that carbonated beverages should not be shaken. With the contribution by the Fanta Furu-Furu Shaker, the sales volume of carbonated beverages grew still further.

Trends in Carbonated Beverage Sales Volume



Orange flavor

Grape flavor

Lemon flavor

❸ Expansion and efficiency improvements of vending machine business

As a worldwide partner of the Beijing Olympic Games, an effort to expand sales volume was made through intensive sales activities that made use of the kind of Olympic promotion that only Coca-Cola can do, along with Georgia promotion. What's more, vending machines with on-board IT were introduced in an effort to reduce sales losses in high season due to selling out or being out of order.

The number of support-type vending machines, which reimburse a part of their sales to fund social contribution projects for the community and activities for events and sports organizations increased by 411, to 1,742 units.


Georgia promotion display


Olympic display

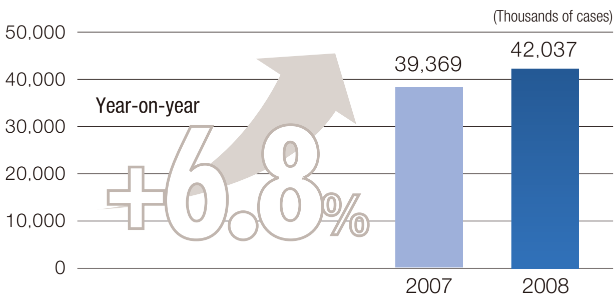

Support-type vending machines

Year-on-year +411 units

❹ Expansion of market share

In the chain store channel, centering on the Osaka area, with its large market, in addition to carbonated beverages such as Coca-Cola and Fanta, the water category, of which the market scale has been expanding, was reinforced additionally, and, as a result of efforts to expand line items through reinforcement of relationships with consumers, we succeeded in growing sales volume and market share.

Trends in Chain Stores Channel Sales

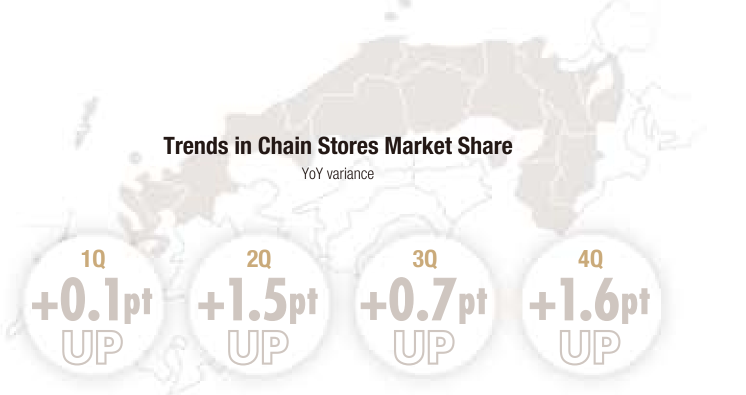



Coca-Cola Zero


Fanta Orange

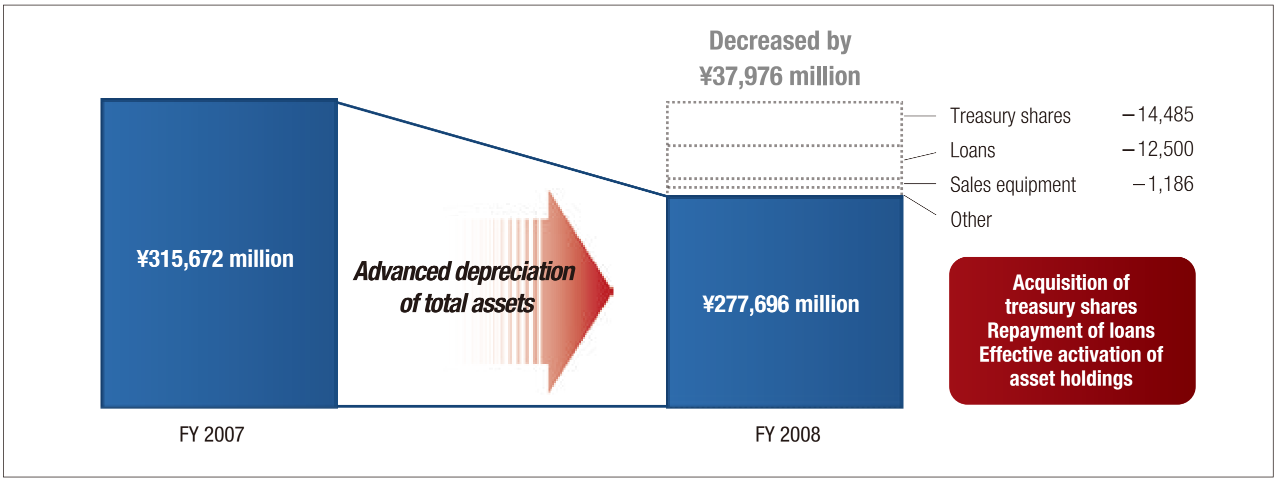

Splite


Minaqua



5 Reduction of total assets and improvement of capital efficiency

In order to execute a flexible capital structure policy according to changes in the business environment and in the interest of raising capital efficiency, we repurchased 6,165 thousand Company shares for ¥14,401million in this fiscal term. We also worked toward advanced depreciation of assets by repaying loaned moneys, etc., and, as a result, total assets as of end of fiscal 2008 decreased by ¥37,976 million compared to the previous term-end, to ¥277,696 million.



[Reference] ACQUISITION OF TREASURY SHARES

① Acquisition of treasury stock up to 1,500,000 shares (4,000 million yen) by resolution of the Board of Directors Meeting of February 7, 2008

Acquisition Period: February 8, 2008 to March 17, 2008
Total number of acquired shares: 1,500,000 shares Total acquisition value: ¥ 3,320,425,000

② Acquisition of treasury stock up to 3,000,000 shares (8,000 million yen) by resolution of the Board of Directors Meeting as of April 24, 2008

Acquisition Period: April 25, 2008 to June 30, 2008
Total number of acquired shares: 1,874,500 shares Total acquisition value: ¥ 4,779,538,000

③ Acquisition of treasury stock up to 2,000,000 shares (5,000 million yen) by resolution of the Board of Directors Meeting as of August 4, 2008

Acquisition Period: August 5, 2008 to September 30, 2008
Total number of acquired shares: 1,491,400 shares Total acquisition value: ¥ 3,666,770,500

④ Acquisition of treasury stock up to 1,300,000 shares (3,250 million yen) by resolution of the Board of Directors Meeting as of October 29, 2008

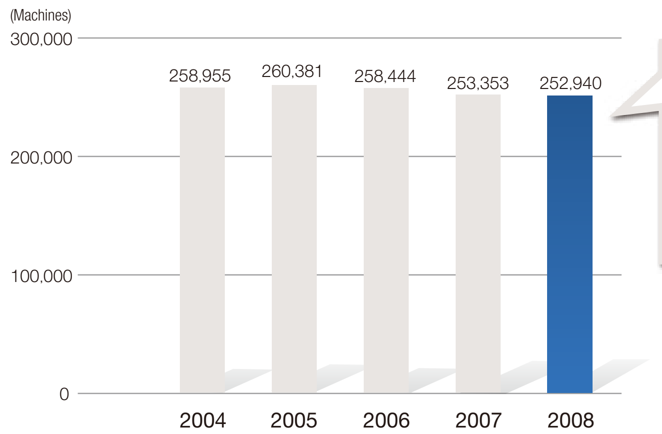
Acquisition Period: October 30, 2008 to December 11, 2008
Total number of acquired shares: 1,300,000 shares Total acquisition value: ¥ 2,634,330,100

As of December 31, 2008

Total issued and outstanding shares: 111,125 thousand shares
Number of treasury shares: 11,148 thousand shares (10%)

Operating Performance

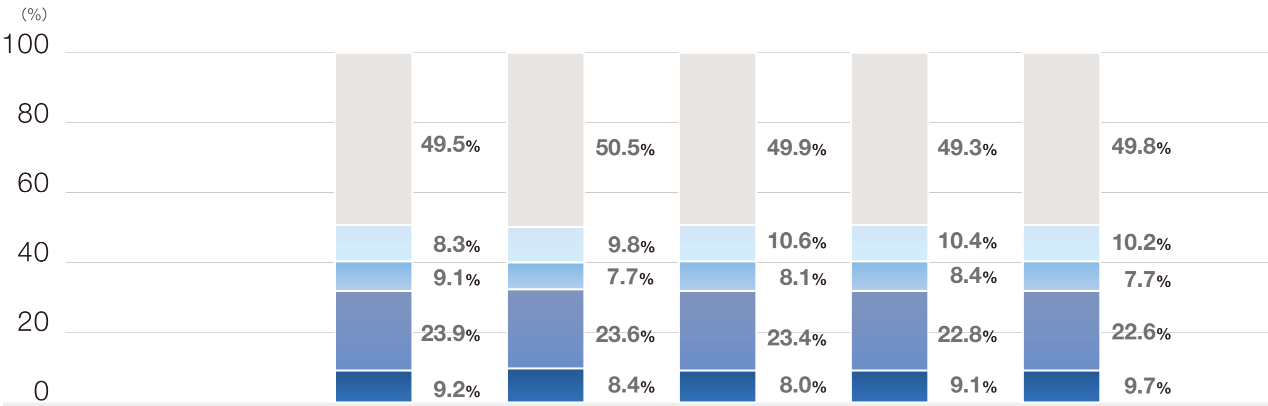
NUMBER OF VENDING MACHINES



The number of machines installed has declined in the past several years, but this is primarily due to the removal of units with low sales as part of the focus on profitability.

(Note) Vending machine numbers above represent the total for Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. and Mikasa Coca-Cola Bottling Co., Ltd.

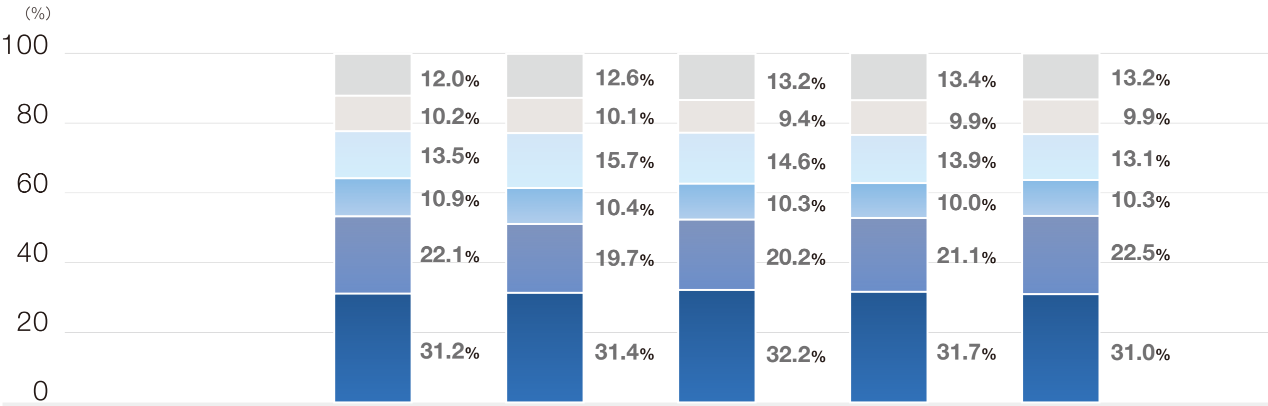
PERCENTAGE OF SALES BY BRAND



(Thousands of cases)	2004	2005	2006	2007	2008	YoY % Change
Coca-Cola	17,096	15,801	14,635	16,973	18,152	(+6.9%)
Georgia	44,433	44,366	42,665	42,373	42,216	(–0.4%)
Sokenbicha	17,018	14,473	14,711	15,659	14,268	(–8.9%)
Aquarius	15,478	18,401	19,298	19,417	19,103	(–1.6%)
Total for CCW's Core Brands	94,025	93,041	91,309	94,422	93,739	(–0.7%)
Other	92,051	94,861	90,898	91,815	92,763	(+1.0%)
Total	186,076	187,902	182,207	186,237	186,502	(+0.1%)

(Notes) Sales figures above represent the total for Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. and Mikasa Coca-Cola Bottling Co., Ltd.
Some corrections have been made to sales volume figures for the previous year, which have been reflected in year-on-year comparisons.

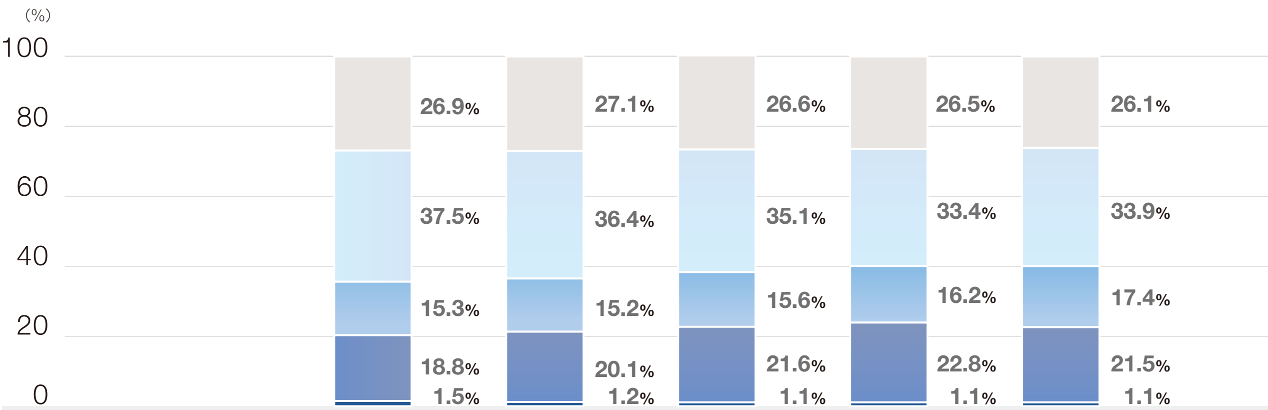
PERCENTAGE OF SALES BY CHANNEL



(Thousands of cases)	2004	2005	2006	2007	2008	YoY % Change
Vending machines	58,055	59,062	58,758	59,002	57,795	(−2.0%)
Chain stores	41,174	37,034	36,756	39,369	42,037	(+6.8%)
Convenience stores	20,352	19,534	18,832	18,601	19,176	(+3.1%)
Retails (food and liquor shops)	25,059	29,534	26,659	25,825	24,350	(−5.7%)
Food service	19,018	18,992	17,131	18,371	18,418	(+0.3%)
Other	22,418	23,746	24,071	25,070	24,726	(−1.4%)
Total	186,076	187,902	182,207	186,237	186,502	(+0.1%)

(Notes) Sales figures above represent the total for Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. and Mikasa Coca-Cola Bottling Co., Ltd.
Some corrections have been made to sales volume figures for the previous year, which have been reflected in year-on-year comparisons.

PERCENTAGE OF SALES BY PACKAGE



(Thousands of cases)	2004	2005	2006	2007	2008	YoY % Change
Bottle	2,881	2,312	2,074	2,073	2,082	(+0.4%)
Small PET bottles (up to 1000ml)①	34,951	37,837	39,445	42,470	40,028	(−5.7%)
Large PET bottles (over 1000 ml)②	28,453	28,517	28,348	30,250	32,508	(+7.5%)
Total PET bottles(①+②)	66,285	68,666	69,867	72,720	72,536	(−0.3%)
Cans (including Bottle-Cans)	69,856	68,466	63,928	62,262	63,211	(+1.5%)
Other	6,028	6,281	6,104	6,318	6,191	(−2.0%)
Syrup, powder, food	43,907	44,489	42,308	42,864	42,482	(−0.9%)
Total	186,076	187,902	182,207	186,237	186,502	(+0.1%)

(Notes) Sales figures above represent the total for Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. and Mikasa Coca-Cola Bottling Co., Ltd.
Some corrections have been made to sales volume figures for the previous year, which have been reflected in year-on-year comparisons.

TOWARD BEING A RELIABLE CORPORATION

CSR Promotional Activities

- Quality Assurance
- What We Can Do to Save an Irreplaceably Valuable Resource
- What We Can Do for Local Communities through Our Business Activities
- Contributions to Local Communities
- Environmental Activities

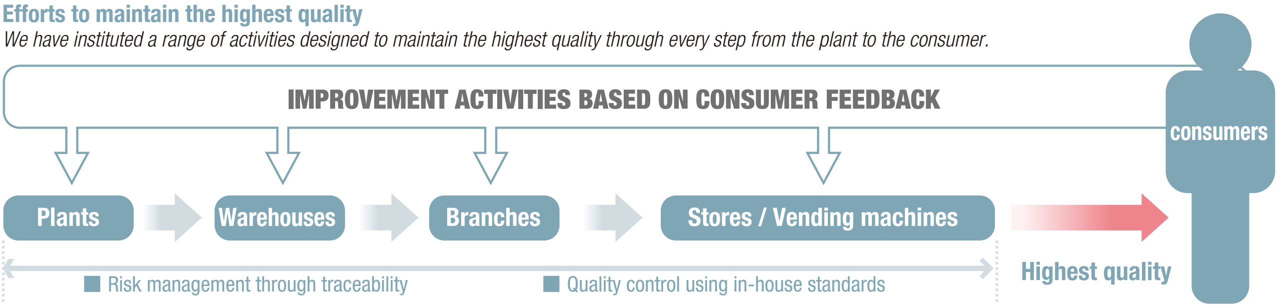
**Coca-Cola West Group is working hard at CSR activities with an aim at becoming a corporation that is trusted by all stakeholders.
We would like to report on our CSR promotional activities in daily operations based on our Corporate Mission.**

Quality Assurance

**THE COCA-COLA WEST GROUP REGARDS QUALITY AS OUR TOP PRIORITY.
WE CONSISTENTLY PROVIDE FRESH PRODUCTS THAT ARE ALWAYS SAFE AND SECURE,
AND WE TAKE THE INITIATIVE TO CONTINUALLY IMPROVE QUALITY TO EARN CONSUMER TRUST.**

Efforts to maintain the highest quality

We have instituted a range of activities designed to maintain the highest quality through every step from the plant to the consumer.

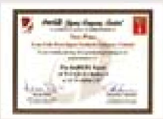


Efforts at our Plants

We acquired ISO9001 certification, the international standard for quality assurance, at an early stage and have been implementing strict quality control in our manufacturing operations.
We have also introduced the world-class Coca-Cola Quality Management System, independently formulated by the Coca-Cola System, and are producing products that customers can enjoy with peace of mind, by incorporating HACCP-based control and taking other necessary measures.

HACCP: A method of food hygiene control developed in the US in the1960s to ensure the safety of food prepared for astronauts

ISO9001 Certificate of Registration



Coca-Cola Quality Management System Certificate of Registration

Quality Standards

In every aspect of our business—at plants, warehouses, logistics facilities, sales stores and vending machines—we not only comply with laws and regulations but also impose our own strict quality standards to ensure that all employees fulfill their responsibility to provide customers with only the highest quality products.

Management System

A management sys tem prepared to handle unexpec tedcontingencies is an impor tant element in remaining as a company that can be trusted. We have strengthened our risk management (crisis management) and traceability (trace management), and have developed a system enabling us to respond promptly to risks that might arise.

Freshness Control

With the aim of "enabling consumers to enjoy fresh products without anxiety," we have made every effort to put in place a freshness control system that reduces the number of inventory days and puts products in the hands of customers as soon as possible. We are arranging deliveries of products to stores in line with the volume sold, while our sales personnel provide appropriate warehouse management of vending machine goods.

Improvement Efforts

We utilize consumer feedback to guide our efforts in delivering produc t s of the highes t qual i ty. We refer to submi t ted comments in our review of day-to-day activities and vigorously pursue improvements to our operations.

We want to deliver safe products.

Coca-Cola West Products Co., Ltd.

Hiroyuki Fukuyone

During production, we pay particular attention to the condition of nozzles in the sterilization and cleansing of PET bottles and for any leakage around liquid product tubes. We will continue these efforts with the firm belief that early detection of problems is the key for delivering safe products to our customers.

What We Can Do to Save an Irreplaceably Valuable Resource

Expanding our efforts to conserve watershed protection forests

As an enterprise that uses the irreplaceably valuable resource of water, the Coca-Cola West Group recognizes that water resource conservation is a key social responsibility. In 2008 we concluded joint management agreements encompassing a total of 17 hectares with local governments in Mihara in Hiroshima Prefecture and Ono in Hyogo Prefecture, in addition to our standing agreements with local governments in Tosu in Saga Prefecture, Houki in Tottori Prefecture, Ujitawara in Kyoto Prefecture and Aisho in Aichi Prefecture. We refer to these forests, which are in six locations covering a total of 62 hectares, as Sawayaka Shizen-no-Mori. We are actively conserving these areas as watershed protection forests through conservation activities and nature schools involving employees and their families as well as other stakeholders.

Agreement for Hiroshima Sawayaka Shizen-no-Mori

Inauguration ceremony for Hyogo Sawayaka Shizen-no-Mori

Tree thinning

Signboard at Hyogo Sawayaka Shizen-no-Mori

I hope efforts of the Coca-Cola West Group build momentum for forest conservation.

Deputy general manager Mihara Agriculture, Forestry and Fisheries Division

Kouichi Ikeda

Although forests offer significant bounties, our changing lifestyles have led to a neglect of the forests, which were once close to us. I hope activities at the Hiroshima Sawayaka Shizen-no-Mori will build momentum in forest conservation.

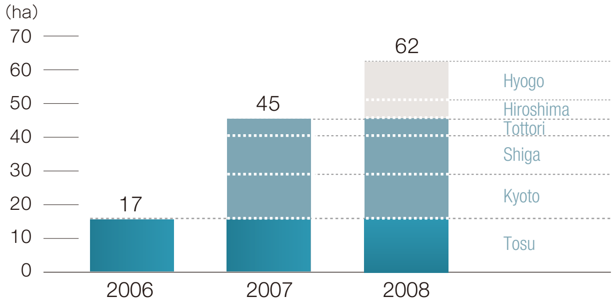
I've come to realize how precious nature really is.

Karatsu Branch, Coca-Cola West Co., Ltd.

Natsuki Ooba

What I realized was the immense challenge of protecting nature. I felt a need to work with others to create what would be too difficult for anyone alone. I intend to actively participate in preserving the environment, publicly and privately, through such efforts as conserving the resources we tend to use carelessly, such as paper.

■ Area of Sawayaka Shizen-no-Mori



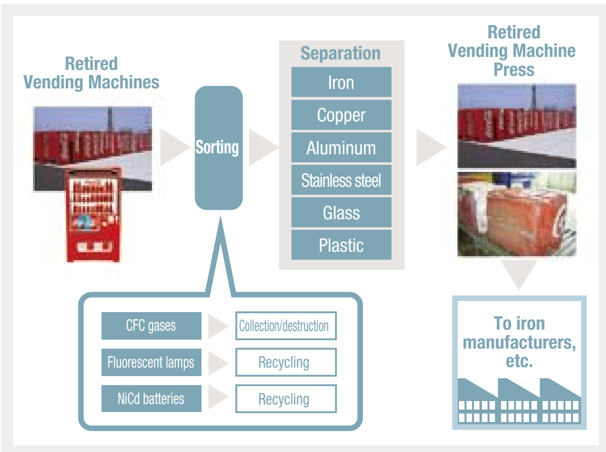
Launched the recycling of retired vending machines

We constructed a specialized facility for the disposal of retired vending machines on the site of the Kitakyushu Eco Town in Hibiki-machi, Wakamatsu-ku, Kitakyushu City, and subsequently launched full-scale operations in April 2008. This Retired Vending Machine Recycling Center enables us to disassemble and process used vending machines on our own, instead of outsourcing this role to a privately operated disposal facility, and to further promote the effective use of resources by sorting and recycling the resulting materials. We are the first beverage manufacturer to begin operating a large-scale, in-house waste disposal facility. We plan to recycle 16,000 machines annually.

■ Number of Retired Vending Machines and Amount of CFC Gas Collecte

	2006	2007	2008
Number of Retired Vending Machines (Units)	31,445	30,915	29,313
Of which, number recycled at our Recycling Center	—	—	8,033
CFC gas collected (kg)	6,698	6,426	6,197
Of which, amount collected at our Recycling Center	—	—	2,238

■ Retired Vending Machine Recycling Process



What We Can Do for Local Communities through Our Business Activities

Installing vending machines to support local communities

The Coca-Cola West Group installs vending machines that support local communities. Our support vending machines, such as "community contribution vending machines" and "disaster-response vending machines," represent one way in which we are assisting local communities and helping to ensure the safety and security of local residents.

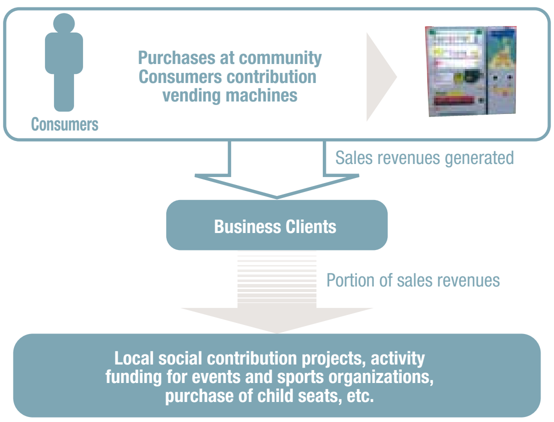
"Community contribution vending machines" for the local community

Under the concept of vending machines as donation boxes, a portion of the sales revenues is returned to the local community to fund social contribution activities and civic events or to provide operating funds for sports organizations as a collaborative effort with customers.

We became the first to introduce these community contribution vending machines in 2001. In 2008, we added 411 more machines, bringing the cumulative total to more than 1,700. Beyond increasing the number of such machines, we have also expanded the purposes for which they can be used, granting them a wider range of roles. For example, in October 2008, 13 community contribution vending machines were installed at Toyota Buhin Fukuoka Kyohan Co., Ltd. A portion of their sales was donated to the local traffic safety association to purchase child seats and to fund safe-driving campaigns.

Community contribution vending machine

■ Scheme to Support Local Activities through Community Contribution Vending Machines

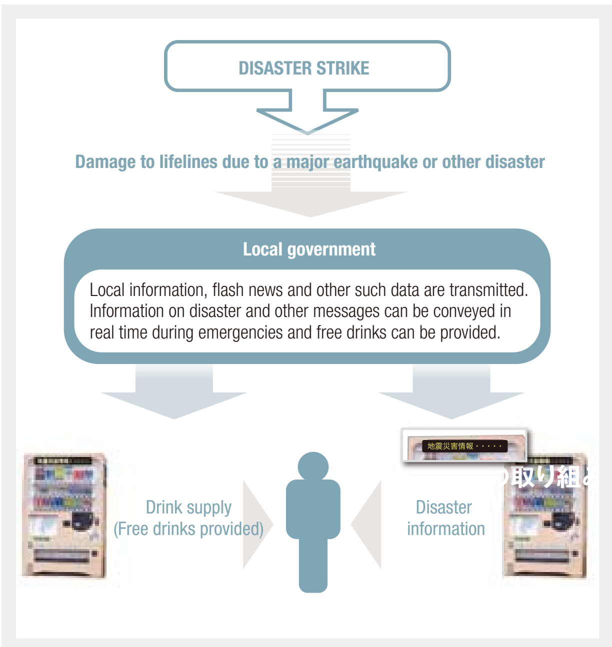


Offering security in times of emergency with "disaster-responsive vending machines"

Disaster-responsive vending machines provide free soft drinks to residents in the event that supply lines are severely disrupted by earthquakes or other disasters and are controlled remotely from local government offices. These machines are also outfitted with digital displays that can provide real-time information on emergency evacuation sites and maps. In 2008, 10 machines were installed, bringing the cumulative total to 147 and further strengthening our contribution to the safety and security of local residents. While we certainly hope that no such disasters happen, we are preparing to offer assistance for those who need it when the event occurred.

Disaster-response vending machine
(Okawa, Fukuoka Pref.)

■ Special characteristics of disaster-response vending machines



We pursue deeply rooted community contributions from all employees.

Deputy Manager, General A airs Group, Toyota Buhin Fukuoka Kyohan Co., Ltd.

Noriaki Mouri

As we were looking for ways in which all our employees could contribute to society as part of our 40th anniversary, Coca-Cola West approached us with the idea of community contribution vending machines. Employees who work at sites with these machines have shown growing enthusiasm for providing assistance in their communities, and so we intend to continue similar efforts deeply rooted in community.

We seek to ensure our vending machines are closely connected with the community.

Vending Promotion Section, Coca-Cola West Co., Ltd.

Shiho Tanaka

We install support vending machines in our aspiration to return part of our sales revenues to the public through funding social contributions and to provide locals with disaster information in an emergency. We and our customers feel we fulfill an important part of our responsibility every day we clearly communicate a sense of security to the public.

Contributions to Local Communities

WE SUPPORT THE HEALTHY DEVELOPMENT OF YOUTH AND ENCOURAGE CLOSER COMMUNICATION WITH TARGET REGIONS IN FOUR MAJOR AREAS OF ACTIVITY: COMMUNITY WELFARE, SPORTS ACTIVITIES, CULTURAL EVENTS AS WELL AS EDUCATIONAL PROGRAMS, AND MAJOR REGIONAL EVENTS.

Donation of Educational Materials to Special Schools

As part of our community welfare efforts, we donate information devices such as personal computers and peripherals as educational equipment to special schools to help children gain self-reliance. In 2008, we donated educational equipments to 20 schools.

Sawayaka Rugby Clinic

Members of the Coca-Cola West Red Sparks rugby club teach rugby basics to high school students as an activity that fosters good health. In 2008, clinics were held in Fukuoka and Hiroshima Prefectures, with a total participation of about 400 students.

Donation of Unicycles to Elementary Schools

As a part of our support of sports activities, we support the healthy development of youth by donating unicycles to public elementary schools. Unicycles form a part of the Ministry of Education, Culture, Sports, Science and Technology curriculum guidelines In 2008, 2,000 unicycles were donated to 200 elementary schools.

Sawayaka Classic Concerts

We invite local residents to attend concerts featuring the finest classical music. Concerts were held in six locations in 2008 and included impressive performances by the Solisti Filarmonici Italiani.

Sawayaka Family Musicals

We invite children and their parents to musical performances as part of our support for cultural events and educational programs. In 2008, we helped them experience the theatrical world of fantasy created by powerful performances in the timeless masterpiece Cinderella, which was staged at five locations.

Ichimura Nature School in Kyushu

As part of our cultural and educational efforts, about 30 boys and girls from fourth grade elementary school to second grade junior high school lived together for roughly nine months and learned about the forces of life through farming and nature activities.

Local Community Contribution Reserve Fund

The company annually allocates 300 million yen from surplus earnings to a Local Community Contribution Reserve Fund to actively encourage contributions to local communities. The money set aside has been used to fund donations of unicycles to elementary schools, the Sawayaka Classic Concerts, as well as other activities.

Environmental Activities

IN ADDITION TO SUPPORTING THE ENVIRONMENTAL EDUCATION ACTIVITIES OF LOCAL COMMUNITIES, WE ALSO TAKE PART IN FORESTATION AND BEAUTIFICATION PROJECTS TO REVITALIZE LOCAL SURROUNDINGS.

School Biotope Creation

This initiative is intended to share the wonder and preciousness of the natural environment. Using their own design drawings, children work with their teachers, parents and local residents to construct a small ecological community (biotope) over half a year. In 2008, 15 schools participated, bringing the total to 64 schools.

School Forestation Support

Under the common slogan, "Let's create an oak tree forest," children become foster parents for oak seedlings, which they sprout and then plant. In 2008, 930 children participated by planting seedlings they had nurtured with hope that the trees would grow with vigor in their natural surroundings and help prevent global warming.

Coca-Cola Ecology School

This event for upper-grade elementary school students is designed to foster a deep sensitivity and awareness of environmental conservation through interaction with the natural environment. In 2008, 170 children participated in a two-day, one-night program, which offered environmental studies that cannot be experienced in a classroom.

Local Community Cleanups

Once every month, the Coca-Cola West Group conducts a cleanup of roads and public spaces near its offices and plants. We also work closely with local governments in their cleanup initiatives. We contribute to local beautification projects to express our gratitude as a company that develops side by side with local communities.

Local Environmental Measures Reserve Fund

The Company allocates 150 million yen each year from surplus earnings to a Local Environmental Measures Reserve Fund to promote environmental conservation. The money has been used to fund activities such as the School Biotope Creation program and the Coca-Cola Ecology School.

Overview of Fiscal 2008 Operating Results

Analysis of Operating Performance

Net Revenues

Consolidated net revenues decreased ¥13,965 million, or 3.4%, year-on-year to ¥395,556 million, due to the impact of various factors, such as the decrease in retail sales via vending machines and increase of wholesaling to supermarkets, etc., and in addition reduction of consolidated subsidiaries as a result of a sale of shares of subsidiaries, although sales volumes increased slightly.

Operating Income

Operating income decreased ¥5,534 million, or 34.5%, year-on-year to ¥10,521 million, affected by cost increases resulting from the spiraling crude oil price and other factors, and reduction of net revenues.

Recurring Income

Recurring income decreased ¥6,444 million, or 36.8%, year-on-year to ¥11,048 million, due to loss incidental to reorganization of Coca-Cola National Beverage Co., Ltd.

Net Income

Net income decreased ¥9,245 million, or 98.6%, year-on-year to ¥129 million, as there was the expense of making efforts toward reorganization of the Group in order to bring about the effect of management integration, and also losses on devaluation of investment securities booked due to the decline of market value of domestic share holdings.

Dividends

Taking into consideration the results from throughout the year and the future management environment, the year-end dividend applicable to 2008 will be ¥22 per share. As a result, the full-year dividend, which includes the interim dividend of ¥21, comes to ¥43 per share, the same amount as the previous year. Consequently, the payment ratio was 74.9% and dividends on net assets was 1.9%.

Operating Results by Segment

● Manufacturing and Marketing of Beverages & Foods

In terms of brand strategy, the segment continuously worked toward strengthening its core brands—Coca-Cola, Georgia, Sokenbicha and Aquarius. Under the Georgia brand, proactive brand strengthening measures were carried out, as the Emerald Mountain Blend was renewed and Emerald Mountain Blend Black and Emerald Mountain Blend Café Au Lait were launched additionally. As for the Aquarius brand, we introduced the no-calories Aquarius Zero, and also made efforts for sales and expansion of market share, including sales promotion measures making use of our advantage of being a worldwide partner of the Beijing Olympic Games. What's more, we introduced a new style of carbonated drink in the Fanta Furu-Furu Shaker, and broadly developed the sales of carbonated beverages.

Furthermore, in order to ensure the continued growth of the Coca-Cola business, in partnership with The Coca-Cola Company and Coca-Cola (Japan) Co., Ltd., we pushed ahead with initiatives such as top-level management meetings and marketing forums and a collaborative project to improve the sales system continuously.

As a result of these efforts, the Manufacturing and Marketing of the Beverages & Foods segment reported a 1.6% decrease in revenues to ¥390,930 million before the elimination of intersegment transactions. Operating income was ¥22,141 million, a decrease of 16.9%.

● Other Businesses

Major business in this segment are insurance agency, leasing, real estate, and restaurant businesses.

In order to focus business resources on the soft drink business even further, we sold all the shares of TAKAMASAMUNE CO., LTD., which is engaged in production and sales of alcoholic beverages, and C&C Co., Ltd,. and Ange de Virge Co., Ltd., which are engaged in restaurant and retail businesses, and closed the business of Nichibei Co., Ltd., which was engaged in the manufacture of processed foods.

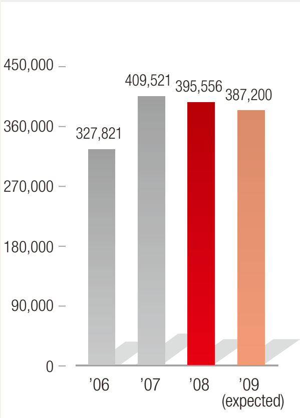
As a result, the segment recorded a decrease in revenue of 61.1% to ¥4,918 million before the elimination of intersegment transactions. Operating income decreased 38.1% to ¥417 million.

Outlook

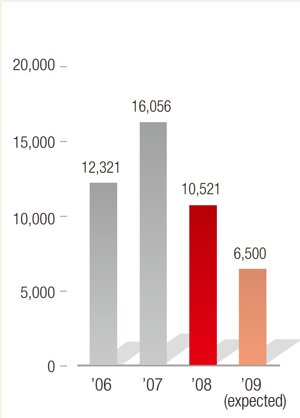
For fiscal 2008, we are expecting consolidated net revenues to decrease 2.1% year-on-year to ￥387,200 million. Operating income is expected to decrease 38.2% to ￥6,500 million. The forecast for recurring income is ￥6,900 million, down 37.5%. Net income is projected at ￥1,900 million.

※ *The above plan is based on performance forecast announced as of May 1, 2009.*

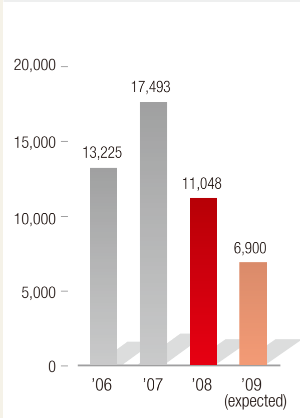
NET REVENUES (millions of yen)



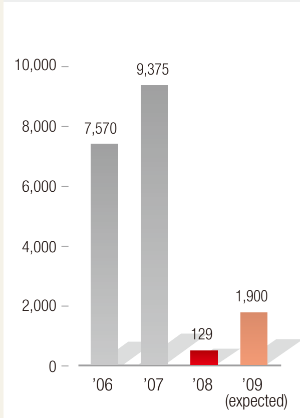
OPERATING INCOME (millions of yen)



RECURRING INCOME (millions of yen)



NET INCOME (millions of yen)



Analysis of Financial Position

The equity ratio of the Coca-Cola West Group as of end of fiscal 2008 is 84.4%, and the entire amount of borrowings was repaid in fiscal 2008; therefore, we believe the soundness of our financial strength will continue to be secure. Compared to the end of the previous fiscal year, total assets decreased by ¥37,976 million, or 12.0% to ¥277,696 million. Primary causes and other factors in the increase or decrease compared to the end of previous fiscal year for each major item in the consolidated balance sheet are as below.

Current assets

Current assets decreased ¥9,146 million, or 10.0% to ¥82,074 million, compared to the end of fiscal 2007. The change was mainly attributable to a decrease of funds which were being employed in short-term investment, due to repayment of borrowings and acquisition of treasury stock.

Fixed assets

Fixed assets decreased ¥28,830 million, or 12.8% to ¥195,622 million, compared to the end of fiscal 2007. Property, plant and equipment decreased ¥6,027 million, or 4.2% year on year, to ¥136,005 million, primary due to a reduction of new capital investment in such things as vending machines and efforts toward effective activation of retained assets. Investments and other assets decreased ¥22,532 million, or 29.0%, to ¥55,166 million, due to a drastic decline of investment securities caused by the decline of the market value of domestic stock holdings.

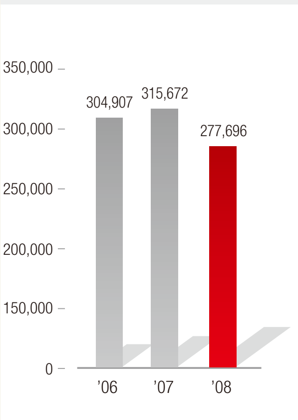
Liabilities

Liabilities decreased ¥18,472 million, or 30.0% year-on-year, to ¥43,174 million. This decrease was primarily attributable to the repayment of the entire amount of borrowings of us and our consolidated subsidiary Kinki CCBC.

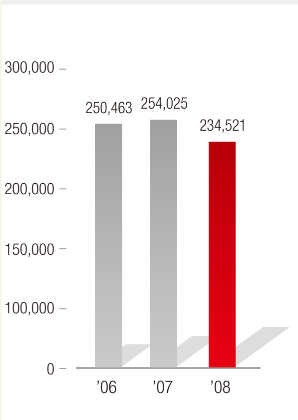
Net assets

Net assets fell ¥19,503 million, or 7.7%, to ¥234,521 million, compared to the end of the previous fiscal year, mainly due to the acquisition of treasury stock, which we carried out with an aim at improving capital efficiency and flexible capital measures in response to changes in the management environment.

TOTAL ASSETS (millions of yen)



NET ASSETS (millions of yen)



Cash Flows

Cash Flows From Operating Activities

Operating activities provided net cash of ¥16,180 million, down ¥16,819 million, or 51.0%, year-on-year.
Factors included a decrease in income before income taxes and minority interests caused by a decline in net revenue, and an increase of advance payment pertaining to purchase of products.

Cash Flows From Investing Activities

Investing activities provided net cash of ¥2,153 million, an increase of ¥25,459 million, year-on-year (in fiscal 2007, investing activities used net cash of ¥23,306 million).
Revenues increased as a result of sale of marketable securities and investment securities holdings, to use as source for repayment of borrowings and acquisition of treasury stock. Moreover, as a result of investment in Minami Kyushu Coca-Cola Bottling in the previous fiscal year, expenditures decreased in this fiscal year.

Cash Flows From Financing Activities

Financing activities used net cash of ¥31,486 million, a decrease of ¥35,072 million, year-on-year (in fiscal 2007, investing activities provided net cash of ¥3,586 million).
The main factor in the change included repayment of the entire amount of borrowings of us and our consolidated subsidiary Kinki CCBC, in our efforts for advanced depreciation of assets and acquisition of treasury stock, aiming at improving capital efficiency and flexibility in capital measures in response to changes in the management environment.
As a result of the above, cash and cash equivalents at end of the year stood at ¥22,412 million, a decrease of ¥13,152 million, or 37.0%, compared to fiscal 2007.

Outlines of Capital Investments

The CCW Group carried out a total of ¥18,032 million in capital investment centering on our primary business type segment, Manufacturing and Marketing of Beverages & Foods, in fiscal 2008.
In the Manufacturing and Marketing of Beverages & Foods business, we provided vending machines and other things to the market to enhance our sales capacity (¥10,359 million). In addition, aiming at standardization of operations and improvement of operational quality, we built an integrated core business system (total amount: ¥472 million).
In other businesses, we carried out capital investments totaling ¥56 million.
Please note that the amount of capital investment includes intangible software assets (including software development in progress), in addition to property, plant and equipment.

Consolidated Balance Sheets

(As of December 31, 2006, 2007 and 2008)

	2006	2007	2008 (Millions of yen)	2008 (Thousands of U.S. dollars)*1
ASSETS				
Current assets:				
Cash and deposits	¥ 16,311	¥ 19,567	¥ 18,592	$ 206,577
Trade notes and accounts receivable	22,280	23,064	21,527	239,188
Marketable securities	10,668	19,407	4,559	50,655
Inventories	11,778	11,721	12,638	140,422
Deferred tax assets	2,200	2,143	2,664	29,600
Other current assets	15,031	15,420	22,208	246,755
Allowance for doubtful accounts	(97)	(103)	(116)	(1,288)
Total current assets	**78,173**	**91,220**	**82,074**	**911,933**
Fixed assets:				
Property, plant and equipment:				
Buildings and structures	35,617	35,192	33,271	369,677
Machinery, equipment and vehicles	20,134	20,181	17,553	195,033
Sales equipment	30,857	27,285	26,099	289,988
Land	57,366	56,709	56,082	623,133
Construction in progress	56	672	1,097	12,188
Other property, plant and equipment	2,211	1,992	1,900	21,111
Total property, plant and equipment	**146,243**	**142,033**	**136,005**	**1,511,166**
Intangible assets	**5,730**	**4,719**	**4,449**	**49,433**
Investments and other assets:				
Investment securities	53,277	55,794	32,136	357,066
Deferred tax assets	4,703	3,596	3,465	38,500
Advanced payments for retirement expenses	10,406	12,732	13,307	147,855
Other assets	6,967	6,147	6,779	75,322
Allowance for doubtful accounts	(594)	(572)	(522)	(5,800)
Total investments and other assets	**74,760**	**77,698**	**55,166**	**612,955**
Total fixed assets	**226,734**	**224,452**	**195,622**	**2,173,577**
Total assets	**¥304,907**	**¥315,672**	**¥277,696**	**$3,085,511**

*1 U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥90.00=US$1.00 (figures less than one unit are rounded).

	2006	2007	2008 (Millions of yen)	2008 (Thousands of U.S. dollars)*1
LIABILITIES				
Current liabilities:				
Trade notes and accounts payable	¥ 3,828	¥ 5,222	¥ 3,765	$ 41,833
Short-term debt	–	10,500	–	–
Current portion of long-term debt	2,300	2,000	–	–
Accrued income taxes	2,674	3,270	2,769	30,766
Other accounts payable	13,866	13,638	13,977	155,300
Notes payable for equipment	702	87	88	977
Other current liabilities	7,059	7,380	5,164	57,377
Total current liabilities	**30,431**	**42,099**	**25,767**	**286,300**
Long-term liabilities:				
Long-term debt	2,000	–	–	–
Deferred tax liabilities	11,122	9,040	7,446	82,733
Allowance for employees’ retirement benefits	4,770	5,180	5,394	59,933
Liabilities for directors’ and corporate auditors’ retirement benefits	249	65	7	77
Negative goodwill	1,867	1,452	1,037	11,522
Other long-term liabilities	4,002	3,809	3,522	39,133
Total long-term liabilities	**24,012**	**19,548**	**17,407**	**193,411**
Total liabilities	**54,444**	**61,647**	**43,174**	**479,711**
NET ASSETS				
Shareholders’ equity:				
Common stock	15,231	15,231	15,231	169,233
Additional paid-in capital	109,072	109,074	109,073	1,211,922
Retained earnings	135,623	140,432	136,067	1,511,855
Treasury stock (at cost)	(11,229)	(11,271)	(25,756)	(286,177)
Total shareholders’ equity	**248,697**	**253,467**	**234,616**	**2,606,844**
Valuation and translation adjustments:				
Net unrealized gains on other marketable securities	1,604	488	(165)	(1,833)
Gain on deferred hedges	106	4	–	–
Total valuation and translation adjustments	**1,710**	**492**	**(165)**	**(1,833)**
Minority interests	**54**	**64**	**71**	**788**
Total net assets	**250,463**	**254,025**	**234,521**	**2,605,788**
Total liabilities and net assets	**¥304,907**	**¥315,672**	**¥277,696**	**$3,085,511**

*1 U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥90.00=US$1.00 (figures less than one unit are rounded).

Consolidated Statements of Income

(Years ended December 31, 2006, 2007 and 2008)

			(Millions of yen)	(Thousands of U.S. dollars)*1
	2006	2007	**2008**	**2008**
Net revenues	¥327,821	¥409,521	¥395,556	$4,395,066
Cost of goods sold	186,265	234,313	231,624	2,573,600
Gross profit	**141,556**	**175,208**	**163,931**	**1,821,455**
Selling, general and administrative expenses	**129,235**	**159,151**	**153,409**	**1,704,544**
Operating income	**12,321**	**16,056**	**10,521**	**116,900**
Non-operating income	**1,836**	**2,433**	**1,531**	**17,011**
Interest income	399	427	207	2,300
Dividends	248	269	282	3,133
Amortization of negative goodwill	256	414	414	4,600
Equity in earnings of affiliates	–	602	–	–
Property rental income	110	149	122	1,355
Other non-operating income	822	569	504	5,600
Non-operating expenses	**932**	**996**	**1,004**	**11,155**
Interest expenses	38	114	34	377
Equity in loss of affiliates	18	–	215	2,388
Loss on disposal of property, plant and equipment	593	586	408	4,533
Property rental costs	38	56	44	488
Other non-operating expenses	242	238	301	3,344
Recurring income	**13,225**	**17,493**	**11,048**	**122,755**
Extraordinary income	**1,569**	**671**	**732**	**8,133**
Gain on sales of property, plant and equipment	954	277	241	2,677
Gain on sales of investment securities	586	57	262	2,911
Gain on sales of shares of subsidiaries	–	–	196	2,177
Gain on sales of shares of affiliates	–	–	1	11
Proceeds from government assistance grants	28	336	31	344
Extraordinary losses	**1,686**	**3,910**	**9,379**	**104,211**
Loss on sales of property, plant and equipment	95	–	237	2,633
Impairment loss	–	282	–	–
Loss from typhoon damage	48	–	–	–
Loss on disposals of property, plant and equipment	–	–	703	7,811
Compensation for retirement of fixed assets	120	289	140	1,555
Loss on sales of investment securities	60	–	97	1,077
Loss on sales of shares of subsidiaries	–	–	335	3,722
Write-down of investment securities	19	2,252	4,509	50,100
Write-down of golf club memberships	–	57	–	–
Expense related to integration of operational management	1,131	–	–	–
Group restructuring expenses	–	279	1,385	15,388
Expense for earthquake precautions	74	555	–	–
Expense for provision for sales equipment installation	–	–	1,968	21,866
Quality problem countermeasure losses	137	193	–	–
Income before income taxes, minority interests and other adjustments	**13,108**	**14,254**	**2,402**	**26,688**
Income taxes	**3,237**	**5,034**	**3,887**	**43,188**
Income tax deferred	**2,389**	**(167)**	**(1,627)**	**(18,077)**
Minority interests	**(89)**	**12**	**12**	**133**
Net income	**¥ 7,570**	**¥ 9,375**	**¥ 129**	**$ 1,433**

*1 U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥90.00=US$1.00 (figures less than one unit are rounded).

Consolidated Statements of Changes in Shareholders' Equity

(Millions of yen)

Fiscal Year ended December 31, 2007 (from January 1, 2007 to December 31, 2007)	Shareholders' equity					Valuation and translation adjustments				
	Common stock	Capital surplus	Retained earnings	Treasury stock (at cost)	Total shareholders' equity	Net unrealized gains on other marketable securities	Gain (loss) on deferred hedges	Total valuation and translation adjustments	Minority interests	Total net assets
Balance as of December 31, 2006	**¥15,231**	**¥109,072**	**¥135,623**	**(¥ 11,229)**	**¥248,697**	**¥1,604**	**¥106**	**¥1,710**	**¥ 54**	**¥250,463**
Changes during the consolidated fiscal year										
Distribution of dividends	–	–	(4,566)	–	(4,566)	–	–	–	–	(4,566)
Net income	–	–	9,375	–	9,375	–	–	–	–	9,375
Acquisition of treasury stock	–	–	–	(56)	(56)	–	–	–	–	(56)
Cancellation of treasury stock	–	2	–	14	16	–	–	–	–	16
Net changes in items other than shareholders' equity during the fiscal year	–	–	–	–	–	(1,115)	(102)	(1,218)	9	(1,208)
Total changes during the fiscal year	**–**	**2**	**4,809**	**(41)**	**4,769**	**(1,115)**	**(102)**	**(1,218)**	**9**	**3,561**
Balance as of December 31, 2007	**¥15,231**	**¥109,074**	**¥140,432**	**(¥ 11,271)**	**¥253,467**	**¥ 488**	**¥ 4**	**¥ 492**	**¥ 64**	**¥254,025**

(Millions of yen)

Fiscal Year ended December 31, 2008 (from January 1, 2008 to December 31, 2008)	Shareholders' equity					Valuation and translation adjustments				
	Common stock	Capital surplus	Retained earnings	Treasury stock (at cost)	Total shareholders' equity	Net unrealized gains on other marketable securities	Gain (loss) on deferred hedges	Total valuation and translation adjustments	Minority interests	Total net assets
Balance as of December 31, 2007	**¥15,231**	**¥109,074**	**¥140,432**	**(¥ 11,271)**	**¥253,467**	**¥ 488**	**¥4**	**¥ 492**	**¥ 64**	**¥254,025**
Changes during the consolidated fiscal year										
Distribution of dividends	–	–	(4,494)	–	(4,494)	–	–	–	–	(4,494)
Net income	–	–	129	–	129	–	–	–	–	129
Acquisition of treasury stock	–	–	–	(14,510)	(14,510)	–	–	–	–	(14,510)
Cancellation of treasury stock	–	(0)	–	25	24	–	–	–	–	24
Net changes in items other than shareholders' equity during the fiscal year	–	–	–	–	–	(654)	(4)	(658)	6	(652)
Total changes during the fiscal year	**–**	**(0)**	**(4,365)**	**(14,485)**	**(18,851)**	**(654)**	**(4)**	**(658)**	**6**	**(19,503)**
Balance as of December 31, 2008	**¥15,231**	**¥109,073**	**¥136,067**	**(¥ 25,756)**	**¥234,616**	**(¥ 165)**	**–**	**(¥ 165)**	**¥ 71**	**¥234,521**

(Thousands of U.S. dollars)*1

Fiscal Year ended December 31, 2008 (from January 1, 2008 to December 31, 2008)	Shareholders' equity					Valuation and translation adjustments				
	Common stock	Capital surplus	Retained earnings	Treasury stock (at cost)	Total shareholders' equity	Net unrealized gains on other marketable securities	Gain (loss) on deferred hedges	Total valuation and translation adjustments	Minority interests	Total net assets
Balance as of December 31, 2007	**$ 169,233**	**$ 1,211,933**	**$ 1,560,355**	**($125,233)**	**$ 2,816,300**	**$ 5,422**	**$ 44**	**$ 5,466**	**$ 711**	**$ 2,822,500**
Changes during the consolidated fiscal year										
Distribution of dividends	–	–	(49,933)	–	(49,933)	–	–	–	–	(49,933)
Net income	–	–	1,433	–	1,433	–	–	–	–	1,433
Acquisition of treasury stock	–	–	–	(161,222)	(161,222)	–	–	–	–	(161,222)
Cancellation of treasury stock	–	(0)	–	277	266	–	–	–	–	266
Net changes in items other than shareholders' equity during the fiscal year	–	–	–	–	–	(7,266)	(44)	(7,311)	66	(7,244)
Total changes during the fiscal year	**–**	**(0)**	**(48,500)**	**(160,944)**	**(209,455)**	**(7,266)**	**(44)**	**(7,311)**	**66**	**(216,700)**
Balance as of December 31, 2008	**$ 169,233**	**$ 1,211,922**	**$ 1,511,855**	**($ 286,177)**	**$ 2,606,844**	**($ 1,833)**	**–**	**($ 1,833)**	**$ 788**	**$ 2,605,788**

*1 U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥90.00=US$1.00 (figures less than one unit are rounded).

Consolidated Statements of Cash Flows

(Years ended December 31, 2006, 2007 and 2008)

			(Millions of yen)	(Thousands of U.S. dollars)*1
	2006	2007	**2008**	**2008**
Cash flows from operating activities:				
Income before income taxes, minority interests and other adjustments	13,108	14,254	2,402	26,688
Depreciation and amortization	19,571	22,533	21,741	241,566
Impairment gains	—	282	—	—
Amortization of negative goodwill	(256)	(414)	(414)	(4,600)
Decrease in liabilities for directors' and corporate auditors' retirement benefits	(115)	(181)	(54)	(600)
Increase in liabilities for retirement benefits	104	410	271	3,011
Increase in advanced payments for retirement expenses	(3,660)	(2,326)	(575)	(6,388)
Interest and dividend income	(647)	(696)	(489)	(5,433)
Interest expense	38	114	34	377
Equity in earnings (losses) of affiliates	18	(602)	215	2,388
Loss on sales of marketable and investment securities	(577)	(52)	(175)	(1,944)
Loss on sales of shares of subsidiaries	—	—	139	1,544
Loss on sales of shares of affiliates	—	—	(1)	(11)
Write-down of marketable and investment securities	19	2,252	4,509	50,100
Loss on sales of fixed assets	(850)	(265)	2	22
Loss on disposals of fixed assets	448	564	820	9,111
Increase (decrease) in accounts receivable	827	(828)	494	5,488
Decrease (increase) in inventories	193	56	(1,543)	(17,144)
Increase (decrease) in other assets	(1,711)	1,196	(4,549)	(50,544)
Increase (decrease) in accounts payable	(3,027)	1,407	(932)	(10,355)
Decrease (increase) in other liabilities	949	(553)	390	4,333
Payment of directors' bonuses	(46)	—	—	—
Other, net	(234)	145	286	3,177
Subtotal	24,153	37,297	22,572	250,800
Interest and dividends received	638	738	543	6,033
Interest paid	(37)	(115)	(34)	(377)
Income taxes paid	(2,949)	(4,920)	(6,900)	(76,666)
Net cash provided by operating activities	**21,806**	**33,000**	**16,180**	**179,777**
Cash flows from investing activities:				
Acquisition of marketable and investment securities	(2,876)	(53)	(1,390)	(15,444)
Proceeds from sales of marketable and investment securities	8,420	6,239	22,661	251,788
Acquisition of fixed assets	(23,327)	(20,238)	(19,920)	(221,333)
Proceeds from sales of fixed assets	3,392	1,947	1,435	15,944
Acquisition of shares of subsidiaries	(652)	—	(808)	(8,977)
Proceeds from sales of shares of subsidiaries with change in scope of consolidation	—	—	872	9,688
Acquisition of shares of affiliates	—	(11,016)	—	—
Proceeds from sales of shares of affiliates	—	—	2	22
Proceeds from collection of loans to affiliates	63	—	—	—
Long-term loans	—	(202)	(704)	(7,822)
Proceeds from collection of long-term loans	—	17	12	133
Increase in time deposits	(20)	(40)	(20)	(222)
Proceeds from refund of time deposits	30	38	40	444
Other, net	14	2	(27)	(300)
Net cash used in investing activities	**(14,956)**	**(23,306)**	**2,153**	**23,922**
Cash flows from financing activities:				
Increase (decrease) in short-term borrowings	(3,410)	10,495	(10,500)	(116,666)
Repayment of long-term debt	(2,223)	(2,300)	(2,000)	(22,222)
Payments for acquisition of treasury stock	(73)	(56)	(14,510)	(161,222)
Proceeds from sales of treasury stock	345	16	24	266
Dividends paid	(3,867)	(4,566)	(4,494)	(49,933)
Dividends paid to minority interests	(15)	(2)	(5)	(55)
Net cash used in (provided by) financing activities	**(9,244)**	**3,586**	**(31,486)**	**(349,844)**
Net increase (decrease) in cash and cash equivalents	**(2,394)**	**13,280**	**(13,152)**	**(146,133)**
Cash and cash equivalents, beginning of year	**20,238**	**22,284**	**35,564**	**395,155**
Increase in cash and cash equivalents due to change in scope of consolidation	**4,440**	—	—	—
Cash and cash equivalents at end of year	**22,284**	**35,564**	**22,412**	**249,022**

*1 U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥90.00=US$1.00 (figures less than one unit are rounded).

Trends in Principal Consolidated Financial Data

	2004	2005	2006	2007	**2008**
Net revenues (Millions of yen)	253,248	245,874	327,821	409,521	395,556
Growth in revenues (%)	5.2	(2.9)	33.3	24.9	(3.4)
Operating income (Millions of yen)	16,860	11,830	12,321	16,056	10,521
Operating income/Net revenues (%)	6.7	4.8	3.8	3.9	2.7
Recurring income (Millions of yen)	17,065	12,256	13,225	17,493	11,048
Recurring income margin (%)	6.7	5.0	4.0	4.3	2.8
Income before income taxes, minority interests and other adjustments (Millions of yen)	14,659	12,201	13,108	14,254	2,402
Operating income/Income before income taxes, minority interests and other adjustments (%)	5.8	5.0	4.0	3.5	0.6
Net income (Millions of yen)	8,564	7,305	7,570	9,375	129
Return on sales (%)	3.4	3.0	2.3	2.3	0.0
Net income per share (yen)	108.80	93.42	82.22	88.29	1.25
Diluted net income per share (yen)	108.62	93.27	—	—	—
Return on equity (ROE) (%)	5.2	4.3	3.6	3.7	0.1
Return on assets (ROA) (%)	8.3	5.9	5.1	5.6	3.7
Total assets (Millions of yen)	207,216	208,711	304,907	315,672	277,696
Net assets (Millions of yen)	167,036	173,608	250,463	254,025	234,521
Equity ratio (%)*1	80.6	83.2	82.1	80.5	84.4
Net assets per share*2 (yen)	2,149.99	2,228.79	2,358.05	2,391.83	2,345.03
Price book-value ratio (PBR)*3 (times)	1.2	1.2	1.2	1.0	0.8
Price earnings ratio (PER)*4 (times)	24.2	29.5	33.5	28.0	1,549.5
Cash flows from operating activities (Millions of yen)	21,502	16,607	21,806	33,000	16,180
Cash flows from investing activities (Millions of yen)	(14,592)	(15,256)	(14,956)	(23,306)	2,153
Cash flows from financing activities (Millions of yen)	(6,991)	(2,901)	(9,244)	3,586	(31,486)
Cash and cash equivalents at end of year (Millions of yen)	21,788	20,238	22,284	35,564	22,412
Payout ratio (consolidated) (%)	36.8	42.8	51.1	48.7	3,440.0
Dividend per share (yen)	40.00	40.00	42.00	43.00	43.00
Year-end share price (yen)	2,630	2,755	2,755	2,475	1,945
Capital expenditures (Millions of yen)	15,611	16,199	22,020	19,951	18,032
Depreciation and amortization (Millions of yen)	14,927	13,860	19,571	22,533	21,741

1 Until fiscal 2005, Shareholders' equity ratio=Shareholders' equity ÷ Total assets; from fiscal 2006, Equity ratio = Total equity ÷ Total assets

*2 Until fiscal 2005, Shareholders' equity per share = Shareholders' equity ÷ The number of shares outstanding at the end of the period; from fiscal 2006, Net assets per share = Net assets ÷ The number of shares outstanding at the end of the period

*3 Until fiscal 2005, Price book-value ratio (PBR) = Market value at the end of the period ÷ Shareholders' equity per share; from fiscal 2006, Price book-value ratio (PBR) = Market value at the end of the period ÷ Net assets per share

*4 Price earnings ratio (PER) = Market value at the end of the period ÷ Net income per share

Business results and other aspects of the Company's operations mentioned in this annual review are subject to a variety of risks. Those risks deemed most likely to have a significant impact on potential investment decisions are found below. The Coca-Cola West Group (CCWG) is fully aware of the possibility of these risks and thus works to avoid them or deal effectively with them should they arise.
Statements herein regarding future events or assumptions reflect the judgment of CCWG as of the filing date of Annual Security Report.

(1) Business agreements with The Coca-Cola Company of the United States and Coca-Cola (Japan) Co., Ltd.

CCW conducts business activities based on a bottler agreement with The Coca-Cola Company and Coca-Cola (Japan) Co., Ltd.

(2) Quality assurance

Beverages are the core product of CCWG. The Group makes every effort to raise employee awareness regarding quality and implements programs aimed at preventing incidents concerning quality in order to offer its customers (consumers) high-quality and reliable beverages.
Nevertheless, in the event of an incident related to product quality, the Company's brand image could be tarnished, irrespective of whether or not CCWG was actually at fault. An incident of this nature could adversely affect the operating results of CCWG.

(3) The soft drink industry

1) Market competitiveness

Sales of beverages, CCWG's core products, are readily influenced by changes in customer (consumer) preference.
In a beverage market of this kind, CCWG strives to continuously offer appealing products and services. Nevertheless, failure to amply forecast market changes could potentially affect the operating results of CCWG.

2) Impact of weather-related factors

Weather conditions tend to have an effect on the sales of beverages, CCWG's core products. Cool summers or warm winters, for example, often have a significant impact on customer (consumer) demand. Although CCWG makes every effort to minimize the influence of weather-related factors on sales, the Group offers no guarantee that it can completely eliminate the effect of such factors.

(4) Impact of economic conditions

1) Trends in personal consumption

Sales of beverages, CCWG's core products, are closely linked to trends in personal consumption. A sudden decline in personal consumption due to worsened economic conditions, however, could adversely affect the operating results of CCWG.

2) Fluctuations in asset value

Fluctuations in the value of land, marketable securities and other assets owned by CCWG could potentially impact the Group's operating results and financial position. Marketable securities with a fair value, for example, are subject to changes in fair market value in capital markets because that is how they are valued.

(5) Public regulations

CCWG's Manufacturing and Marketing of Beverages & Foods segment is subject to a number of regulations in Japan, including the Act Against Unjustifiable Premiums and Misleading Representations (Premiums and Representations Act) and the Food Sanitation Law. The Group fully complies with these and all other regulations in its commitment to providing safe and reliable products.
Accordingly, tougher regulations, for example, might incur new compliance costs, which could potentially affect the operating results of CCWG.

(6) Management of personal information

CCWG holds large volumes of personal information. In handling this information, the Group works on a unified basis to formulate and adhere to related guidelines and implement ongoing training and educational activities.
However, an external leak of personal information could lead to a deterioration of trust in CCWG and potentially impact the operating results of CCWG.

(7) Impact of disasters

CCWG has a system in place to minimize the effects of power outages, as well as other scenarios for which assumptions must be made, on its business operations. Typhoons, earthquakes and other natural disasters, however, could trigger conditions that exceed these assumptions. Conditions of this magnitude could potentially impact the operating results and financial position of CCWG.

CCW's fundamental stance on corporate governance is to maximize "shareholders value" by improving management efficiency and transparency.

(1) Corporate Governance System

1) Status of Related Internal Bodies

● Corporate Auditor System or Company With Committees System

CCW adopted the Corporate Auditor system in accordance with its decision to separate decision-making and management oversight from business execution through a restructuring of the Board of Directors and the adoption of the corporate executive officer system in March 1999. In April 2007, the corporate executive officer system was extended across the Group in the interests of increasing the efficiency of Group management and speeding up decision-making.

Furthermore, in March 2006, in order to clarify the roles and responsibilities of directors in each fiscal year and to establish a management structure capable of rapid responses to changes in business conditions, the Group shortened the term of office of directors from two years to one year.

● Number of Directors

The Company's articles of incorporation stipulate that there shall be a maximum of 15 directors.

● Requirements for Electing Directors

The Company's articles of incorporation stipulate that election of directors shall be by a majority of votes, where shareholders holding at least one-third of the voting rights of shareholders that can exercise voting rights are in attendance. Resolution for election of directors shall not be made by cumulative voting.

● Outside Directors and Corporate Auditors

At present, two of CCW's ten directors and three of its five corporate auditors are from outside the Group.

The Company has concluded with one outside director and three outside corporate auditors agreements limiting liability in case of neglect of duty, based on the provisions of Article 427, Paragraph 1 of the Company Law. Under these agreements, liability is limited to the minimum amount permissible under the law.

● Acquisition of Treasury Stocks

The Company's articles of incorporation stipulate that the Company may, by a resolution of the Board of Directors and without seeking shareholder approval, buy back its own shares on the market, pursuant to the provisions of Article 165, Paragraph 2 of the Company Law. The Board of Directors has been authorized to repurchase Company shares with the aim of allowing them to execute a flexible capital structure policy according to changes in the business environment and in the interest of raising capital efficiency.

● Determination of Interim Dividends

The Company's articles of incorporation stipulate that the Company may, by a resolution of the Board of Directors and without seeking shareholder approval, determine interim dividends, as prescribed by Article 454, Paragraph 5 of the Company Law. The Board of Directors has been authorized to determine interim dividends so that profits can be returned to shareholders when considered appropriate.

● Special Resolutions of the General Meeting of Shareholders

The Company's articles of incorporation stipulate that special resolutions of a general meeting of shareholders, provided for in Article 309, Paragraph 2 of the Company Law, shall be adopted by an affirmative vote of at least two-thirds of votes, where shareholders holding not less than one-third of the voting rights of shareholders that can exercise voting rights are in attendance.

This is to ensure the smooth running of general meetings of shareholders by enabling a quorum to pass special resolutions.

● Overview of Committees

In July 2006, the Company established the Management Advisory Committee as an internal body of the Board of Directors. This committee allows appropriate advice to be given by experts with the goals of improving the efficiency and transparency of management and increasing shareholder value. The committee is responsible for advising on matters concerning candidates for director and corporate auditor positions and directors' and corporate auditors' remuneration as well as important strategic and other matters related to the general management of the Group.

● Support for Outside Appointments

Outside directors are supported by the General Affairs Department, while outside corporate auditors are supported by the Audit Office.

● Business Execution and Management Oversight

Outside appointments comprise more than half the members of the Board of Corporate Auditors. This gives CCW the capacity to sufficiently monitor the performance of duties by directors and also allows it to draw on independent third-party advice from external experts appointed as outside directors. Directors and corporate auditors also fully monitor how corporate officers execute business operations. This includes participating in meetings of the executive committee, which is made up of corporate officers, as well as other key company meetings. When questions arise during the course of business execution, CCW consults attorneys, CPAs and other specialists for advice on determining the best way to proceed.

2) Risk Management System

CCW has established the Coca-Cola West Group Risk Management Committee. The objective of this body is to minimize damage in the event of a crisis by preventing confusion within the Group and ensuring a rapid and appropriate response. The Group believes that compliance with all applicable laws and regulations, and the spirit in which they are written, is fundamental to its business activities, as is the proper observance of social norms and customary business practices. This belief is enshrined in a code of conduct created to encourage a compliance mindset among all Group corporate officers and employees.

3) Audit System

● Participating Personnel and Organizations

CCW aims to comply with corporate rules and regulations, carry out appropriate corporate activities and operational management, and protect its assets. To help it achieve these goals, CCW has established an Audit Office within the Internal Audit Department. The office has 13 members and reports directly to the CEO.

Corporate auditors attend meetings of the Board of Directors, executive committee and other important Company meetings. They also meet a representative director on a regular basis and examine the results of audits performed by the Audit Office. Using these and other methods, corporate auditors monitor the executive actions of directors and executive officers in accordance with relevant laws and regulations, the Company's own articles of incorporation and internal auditing standards.

The Audit Office carries out prior discussions with corporate auditors concerning its auditing policy and plans for each fiscal year. Corporate auditors also receive reports about the results of audits of the Audit Office as needed. In addition, at the start of the fiscal year, the Company's independent auditor provides the corporate auditors with an explanation of its audit plans, and as needed, supplies information and reports to the auditors during and at the end of the audit process.

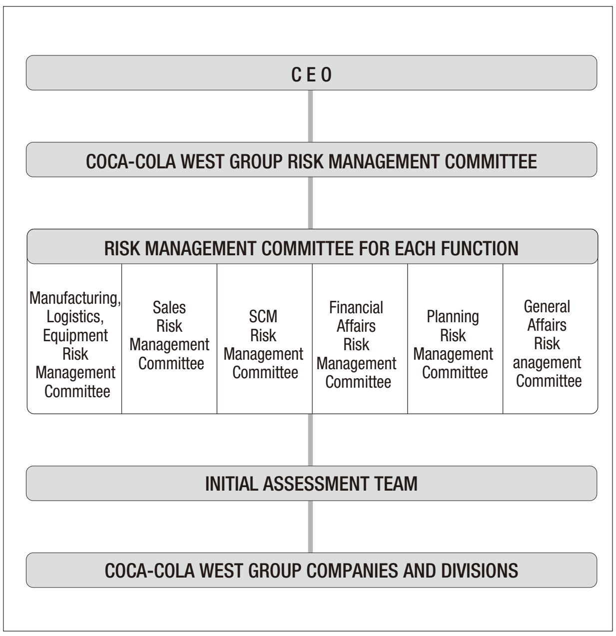
● Independent Auditor and Related Personnel

CCW has appointed KPMG AZSA & Co. as its independent auditor. The names of the firm's certified public accountants (engagement and management partners) that audit the Company's financial statements are listed as follows.

Name	Auditing Experience
Tetsuzo Hamashima	4 years
Masafumi Tanabe	2 years
Junichi Adachi	1 year

The auditing team has twenty-seven additional members including four CPAs and one assistant CPA.

COCA-COLA WEST GROUP CRISIS HANDLING SYSTEM



4) Director and Corporate Auditor Remuneration

Remuneration paid to directors and corporate auditors for the year under review was as follows.

Position	Individuals	Total Remuneration
Directors (Outside Directors) (Notes 1, 2 and 5)	10 (3)	¥153 million (¥14 million)
Corporate Auditors (Outside Corporate Auditors) (Note 3 and 5)	6 (5)	¥53 million (¥28 million)
Total (Outside Appointments)	16 (8)	¥207 million (¥42 million)

(Notes)
1. In addition to the above, the 4 directors of the Company who are not outside directors, received ¥73 million in remuneration from subsidiaries where they serve concurrently as directors or corporate auditors.
2. Maximum monthly remuneration for directors was set at ¥25 million by a resolution of the general meeting of shareholders on March 22, 1991.
3. Maximum monthly remuneration for corporate auditors was set at ¥7 million by a resolution of the general meeting of shareholders on March 25, 1994.
4. By a resolution of the general meeting of shareholders on March 24, 2009, there was a change in the maximum remuneration for directors, which was set at ¥500 million yearly (of the amount, maximum remuneration for outside directors was set at ¥50 million yearly), and in the maximum remuneration for corporate auditors, which was set at ¥100 million yearly.
5. Abovementioned amount includes the amount of remuneration for the two directors (one is outside director) who retired from office as of conclusion of the general meeting of shareholders on March 25, 2008, and for one outside corporate auditor who was deceased on January 2, 2008.
6. The retirement benefits system for directors and corporate auditors was abolished by a resolution of the general meeting of shareholders on March 24, 2006. In accordance with the resolution, it was resolved to make terminal payments of retirement benefits of ¥117 million to the 10 incumbent directors (of the amount, ¥4 million to 6 outside directors), and of ¥19 million to 5 incumbent corporate auditors (of the amount, ¥6 million to 3 outside corporate auditors) respectively, for the time they served in their positions through to the close of that general meeting of shareholders. Said payments were to be made after retirement. Accordingly, ¥1million was paid to one outside directors, and ¥4 million was paid to one outside corporate auditor, respectively, who retired from office in this fiscal year. Note that the amount of retirement benefits was not included in the abovementioned amount of remuneration.

5) Audit Fees

The Company paid ¥82 million in fees to the independent auditor KPMG AZSA & Co. for services relevant to the year under review. Of that amount, ¥79 million was for services pursuant to Article 2-1 of the Certified Public Accountant Law.

(2) Conflicts of Interest

The Company's two outside directors are the representative of a company that has a business relationship with CCW. One of the two outside director is a representative of a business partner that the Company treats as an equity-method affiliate for accounting purposes.

One of the Company's three outside corporate auditors is a representative of a partner financial institution. The remaining outside corporate auditors have no conflicts of interest with the Company.

Board of Directors

MANAGEMENT (As of March 24, 2009)

Directors

Representative Director
Norio Sueyoshi
President & CEO

Representative Director
Tamio Yoshimatsu
Executive Vice President & Chief Marketing Officer

Representative Director
Hijiri Morita
Executive Vice President & Chief Planning Officer

Director
Nobuo Shibata
Executive Vice President & Chief General Affairs Officer

Director
Shigeki Ota
Executive Corporate Officer Chief Financial Officer

Director
Hiroyoshi Miyaki
Executive Corporate Officer General Manager of Chain Store Sales Dept.

Director
Jiro Wakasa
Executive Corporate Officer Chief SCM Officer

Director
Masamitsu Sakurai
Representative Director & Chairman, Ricoh Company, Ltd.

Director
Michael Coombs
Representative Director & Vice President, Coca-Cola (Japan) Company, Limited

Director
Koukichi Hombou
Representative Director & Chairman, Minami Kyushu Coca-Cola Bottling Co., Ltd.

Auditors

Executive Corporate Auditor	Tadatsugu Harada	*Standing*
Corporate Auditor	Tadamasa Amitsuka	*Standing*
Corporate Auditor	Zenji Miura	*Director & Executive Corporate Officer, Ricoh Company, Ltd.*
Corporate Auditor	Katsumi Sasaki	*Representative Director & Vice President, The Nishi-Nippon City Bank, Ltd.*
Corporate Auditor	Yukiko Kyokane	*Attorney, Representative of Kyokane Law Office*

Management Advisory Committee

Chairman	Masamitsu Sakurai	*Representative Director & Chairman, Ricoh Company, Ltd.*
Member	Masahiko Uotani	*Director & Chairman, Coca-Cola (Japan) Company, Limited*
Member	Shingo Matsuo	*Representative Director & Chairman, Kyushu Electric Power Co., Inc.*
Member	Kazuhiko Enomoto	*Representative Director & Chairman, Fukuoka Jisho Co., Ltd. Representative Director & Chairman, Royal Holdings Co., Ltd.*
Member	Toshiaki Hanawa	*Representative Director & President, Mitsubishi Heavy Industries Food & Packaging Machinery Co., Ltd.*
Member	Susumu Ishihara	*Representative Director & President, Kyushu Railway Company*
Member	Takashi Matsuzaki	*Attorney, Tokunaga, Matsuzaki & Saito Law Office*
Member	Eiji Muto	*Director & Chairman, NTT Data Institute of Management Consulting,Inc.*
Member	Kunio Ito	*Professor, Hitotsubashi University*
Member	Michael Coombs	*Representative Director & Vice President, Coca-Cola (Japan) Company, Limited*

Stock Information

(As of December 31, 2008)

Stock code: 2579
Authorized shares: 270,000,000
Outstanding shares: 111,125,714
Number of shareholders: 21,886
Number of shares per trading unit: 100 shares
Stock exchange listings:
Tokyo Stock Exchange (First Section)
Osaka Securities Exchange (First Section)
Fukuoka Stock Exchange

Major shareholders:

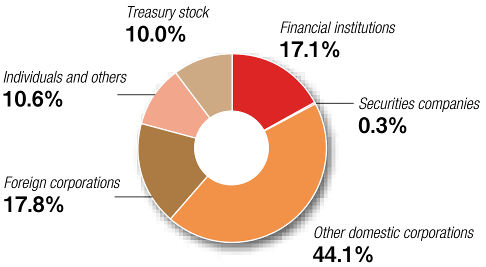
Shareholders	Number of shares held (Thousands)	Percentage of voting shares (%)
Ricoh Company, Ltd.	16,792	16.9
Kirin Holdings Company, Limited	11,626	11.7
The New Technology Development Foundation	5,294	5.3
Coca-Cola Holdings West Japan, Inc.	4,074	4.1
Mitsubishi Heavy Industries Food & Packaging Machinery Co., Ltd.	3,912	3.9
Japan Trustee Services Bank, Ltd. (Trust account)	3,703	3.7
The Nishi-Nippon City Bank, Ltd.	3,703	3.7
Japan Trustee Services Bank, Ltd. (Trust account 4G)	2,957	3.0
Japan Master Trust Bank, Ltd. (Trust account)	2,871	2.9
BBH493025 Black Rock Global Allocation	1,623	1.6

Note: The Company owns 11,148 thousand shares of treasury stock. This shareholding is not shown in the table and has not been included in the calculation of voting rights (percentage of voting shares).

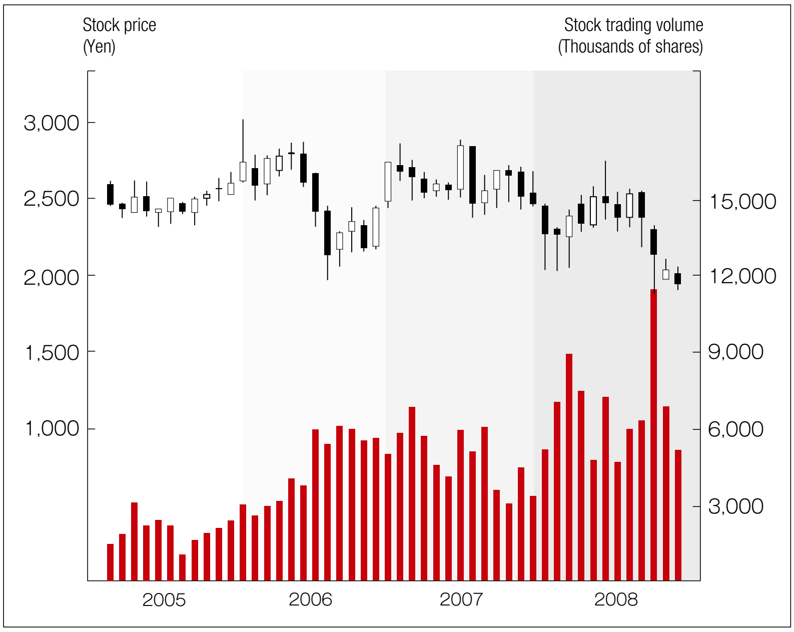
Number of shares held and percentage of shares held by shareholder category:

	Number of shareholders	Number of shares (Thousands)
Financial institutions	64	19,001
Securities companies	33	310
Other domestic corporations	469	49,012
Foreign corporations	258	19,826
Individuals and others	21,061	11,826
Treasury stock	1	11,148
TOTAL	**21,886**	**111,125**

Composition of shareholders



Stock price and trends in stock trading volume



Credit Rating Information

	2004	2005	2006	2007	**2008**
Japan Credit Rating Agency, Ltd. Long-term credit rating	AA-	AA-	AA-	AA-	**AA-**
Rating and Investment Information, Inc. Long-term credit rating	A+	A+	A+	A+	**A+**

Preferential Treatment System for Shareholders

(As of December 31, 2008)

CCW CHANGED THE PREFERENTIAL TREATMENT SYSTEM FOR SHAREHOLDERS TO A POINTS SYSTEM.

CCW has implemented a preferential treatment system for shareholders in appreciation for day-by-day support from our shareholders and also for the purpose of deepening understanding about us, and to enhance this preferential treatment system and increase its appeal, we have recently changed the specifics of the system as below.
We request your continued support and patronage.

Shareholders targeted by this system

Shareholders who own one unit (100 shares) or more of shares who are recorded on the shareholders' register of CCW as of June 30 and December 31 each year are the targets of this preferential treatment system. (as in the past)

Details of preferential treatment system for shareholders

BEFORE CHANGE	AFTER CHANGE
Based on the number of shares the shareholder owns, Coca-Cola Gift Certificates are presented (twice yearly). One Coca-Cola Gift Certificate can be exchanged for four Coca-Cola products (500 ml PET bottle products (except for some products)).	*Based on the number of shares the shareholder owns, Coca-Cola Gift Points will be presented (twice yearly). Shareholders can exchange points (1 point = ¥60 equivalent) for items such as the Coca-Cola product assortment set, or make a donation to social contribution activities, and other items, from the website or product catalog.*

NUMBER OF SHARES SHAREHOLDERS OWN	BEFORE CHANGE	AFTER CHANGE
100 to 499 shares	*3 Coca-Cola Gift Certificates*	*30 Coca-Cola Gift Points*
500 to 999 shares	*4 Coca-Cola Gift Certificates*	*40 Coca-Cola Gift Points*
1,000 to 4,999 shares	*6 Coca-Cola Gift Certificates*	*60 Coca-Cola Gift Points*
Above 5,000 shares	*12 Coca-Cola Gift Certificates*	*120 Coca-Cola Gift Points*

Shareholder preferential treatment gift products (examples)

Coca-Cola Product Assortment Set

one dozen Coca-Cola set
one dozen Coca-Cola Zero set
one dozen Coca-Cola Plus set
Coca-Cola assortment
Fanta Furu-Furu Shaker assortment, etc.

Coca-Cola West GOODS

Bath towel
with Coca-Cola West logo

Donation to
social contribution activities

Donation to Ichimura
Nature School in Kyushu

Period for presentation

Guidebook on Preferential Treatment for Shareholders including descriptions of Coca-Cola Gift Points will be sent to those shareholders who fall under this treatment in around September of the relevant year for preferential treatment for shareholders based on the record date of June 30, and around April of the following year for preferential treatment for shareholders based on the record date of December 31.

Going forward into the future

1960

December

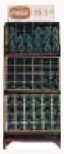
Nichibei Inryo Co., Ltd. established at 1-5 Nagahama-cho, Fukuoka City for manufacture and sale of soft drinks. Capitalized at 50 million yen.

Bottler Agreement Execution Ceremony

1962

June

Agreement is concluded with The Coca-Cola Company and the Coca-Cola (Japan) Co., Ltd. with regard to the manufacture and sale of Coca-Cola and Fanta, and the rights to bottle and sell Coca-Cola and Fanta in Fukuoka, Saga, and Nagasaki Prefectures is acquired.



1962

July

Sales start.

1963

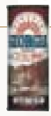
March

Corporate name changes to Nichibei Coca-Cola Bottling Co., Ltd.

1973

July

Corporate name changes to Kitakyushu Coca-Cola Bottling Co., Ltd.



Georgia is released in 1975

Aquarius is released in 1983

Released Soken-bicha in 1992

1994

June

Listing on the Fukuoka Stock Exchange

1996

November

Listing on the second section of Tokyo Stock Exchange

1998

June

Listing on the first section of the Tokyo Stock Exchange

Qoo released in 1999 in Japan

1999

July

Consolidation with Sanyo Coca-Cola Bottling Co., Ltd. and corporate name changes to Coca-Cola West Japan Co., Ltd. Listing on the first section of Osaka Securities Exchange and Hiroshima Stock Exchange

2001

April

Mikasa Coca-Cola Bottling Co., Ltd. stock is acquired.

2002

April

Merges with both Sanyo Coca-Cola Sales Co., Ltd. and Kitakyushu Coca-Cola Sales Co., Ltd.

2002

July

Four subsidiaries running vending business are integrated to establish Nishinihon Beverage Co., Ltd.

Two subsidiaries running distribution businesses are integrated to establish Logicom Japan Co., Ltd. (now Coca-Cola West Logistics Co., Ltd.)

CFC-free vending machine

2006

July

Joint holding company Coca-Cola West Holdings Co., Ltd. is established with Kinki Coca-Cola Bottling and management of the two companies is integrated.

2007

January

Three subsidiaries running logistics businesses are integrated to establish Coca-Cola West Logistics Co., Ltd.

2007

April

Investment in Minami Kyushu Coca-Cola Bottling Co., Ltd., which is made into an affiliate under equity method.

2008

January

Two subsidiaries running manufacturing businesses are integrated to establish Coca-Cola West Products Co., Ltd.

2008

April

The subsidiary running related to vending machine businesses is integrated to establish Coca-Cola West Equipment Services Co., Ltd.

2009

January

Coca-Cola West Co., Ltd. is established.

Main Products

SPARKING BEVERAGES

Coca-Cola
Coca-Cola Zero
Coca-Cola Plus
Sprite
Canada Dry Ginger Ale
Fanta Orange
Fanta Grape
Fanta Furu-Furu Shaker
Fanta Furu-Furu Charge
Schweppes Tonic Water

COFFEE DRINKS

Georgia Emerald Mountain Blend
Georgia Emerald Mountain Blend Black
Georgia Emerald Mountain Blend Cafe Au Lait
Georgia European
Georgia Vintage Label
Georgia Cafe Au Lait
Georgia Original
Georgia Tasty
Georgia Ultra Low Sugar
Georgia Max Coffee

TEA DRINKS

Sokenbicha
Sokenbicha Gokoku
Hajime Saori
Hajime Chaka
Kocha-kaden Royal Milk Tea
Ayataka Jyosencha
Karada Meguricha
Fan
Love Body

SPORTS DRINKS

Aquarius
Aquarius Vitamin Guard
Aquarius Vitamin Guard (for warmed consumption only)
Aquarius Zero
Aquarius Powder
Aquarius Sports Jelly

FRUIT DRINKS

Qoo Tottemo Orange
Qoo Tottemo Apple
Purun-purun Qoo
Minutes Maid
Mone Honey Yuzu

ENERGY DRINKS

Real Gold

WATER

Aquatherapy Minaqua
Mori-no-mizu-dayori Daisen Sanroku

OTHER

CocoTeen Zeitaku Sozai Cocoa
CocoTeen Euro Premium Ice Cocoa
Bistrone Corn Potage

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